



Policy and Resources Committee

Date:	Wednesday, 13 July 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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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 - 4)**

To approve the accuracy of the minutes of the meeting held on 27 June 2022.

5. PUBLIC AND MEMBER QUESTIONS

5.1 Public Questions

Notice of question to be given in writing or by email by 12 noon, 8 July 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:

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

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

5.3 Questions by Members

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

SECTION A - KEY AND OTHER DECISIONS

6. TREASURY MANAGEMENT ANNUAL REPORT 2021-22 (Pages 5 - 22)

SECTION B - BUDGET AND PERFORMANCE MANAGEMENT

- 7. 2022/23 BUDGET MONITORING AND 2023/24 BUDGET SETTING PROCESS (Pages 23 - 48)**

SECTION C - WORK PROGRAMME / OVERVIEW AND SCRUTINY

- 8. WORK PROGRAMME 2022/23 (Pages 49 - 58)**

SECTION D - REFERRALS FROM COMMITTEES / COUNCIL

- 9. EXEMPT INFORMATION - EXCLUSION OF THE PRESS AND PUBLIC**

The following items contain exempt information.

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

- 10. SALE OF EGERTON HOUSE AND PACIFIC ROAD, BIRKENHEAD (Pages 59 - 76)**

Policy & Resources Committee Terms of Reference

The Terms of Reference for the Policy and Resources Committee can be found at the end of this agenda.

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POLICY AND RESOURCES COMMITTEE

Monday, 27 June 2022

Present: Councillor J Williamson (Chair)

Councillors	T Anderson	P Stuart
	P Gilchrist	H Cameron
	P Cleary	L Rennie
	E Grey	J Bird
	T Jones	M Booth
	Y Nolan	K Hodson
	J Robinson	J Johnson

In attendance: Councillors C Davies

14 WELCOME AND INTRODUCTION

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

15 APOLOGIES

No apologies for absence were received.

16 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

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

No declarations were made.

17 MINUTES

Resolved – That, subject to the inclusion of Councillor Kathy Hodson in the attendance list, the minutes of the meeting held on 8 June 2022 be approved and adopted as a correct record.

18 PUBLIC QUESTIONS

The Chair informed the Committee that no public questions had been received.

19 STATEMENTS AND PETITIONS

The Chair informed the Committee that no requests to make a statement or petitions had been submitted.

20 **QUESTIONS BY MEMBERS**

The Chair reported that Councillor Phil Gilchrist had submitted a question to be asked of the Chair. The question was in relation to the £150 Council Tax rebate asking what steps were in place to assure residents who were still awaiting payment that they would receive it as soon as possible and what advice was available for those who were digitally excluded.

In response, the Chair outline that there had been a delay in payments due to a government requirement to verify bank details using account names prior to payment, which was not used when collecting payments, resulting in thousands of cases requiring intervention. The outstanding 38,000 cases were being written to as a reminder and a procedure had been established to enable staff to assist residents in completing the application process if necessary. It was further reported that the Director of Resources would issue a full progress briefing to all members later in the week.

21 **WIRRAL PLAN UPDATE**

The Director of Neighbourhood Services introduced the report of the Chief Executive which provided an update on the Wirral Plan 2021-26 which was approved by Council on 6 September 2021. The Plan was adopted part way through the year reflecting the Council's re-set from the emergency management arrangements in response to the pandemic back to resumption of normal business delivery during 2021/22.

The report provided a high-level summary of delivery progress made for the months since the plan was approved and also provided a refresh of the proposed plan priorities for 2022/23. It was reported that the Wirral Plan was a key document of the Council's policy framework, setting out the vision and priorities for Wirral as a place. The Plan had been aligned with the Council's Improvement Plan which sets out the vision and priorities for organisational change and improvement that would ensure the Council was in the best shape to lead Wirral partners in achieving the Wirral Plan vision.

The Committee discussed the different elements of the Wirral Plan Update in detail, including the ongoing monitoring of performance of the Plan and the broader incorporation of the wider environmental goals into the Plan.

Following various comments to the Director of Neighbourhood Services on the Plan, it was moved by Councillor Liz Grey, seconded by Councillor Tony Jones, that the Policy and Resources Committee –

- (1) Note the progress made against the Wirral Plan deliverables as set out in Appendix 2 and request that all future progress of deliverables be presented using the framework in the amended delivery plan agreed at Council (Min. 25, Council, 6th September 2021). This framework is informed by the agreement between the chairs of Economy, Regeneration and Development (now Economy, Regeneration and Housing) Committee and Environment, Climate Emergency and Transport Committee (Min. 27, P&R, 30th June 2021).
- (2) Endorse the refreshed Wirral Plan 2022/23 priorities, as set out in Appendix 3, and recommend their approval by Council in July.
- (3) Request that officers work with the Council's political leadership and committee chairs during 2022/23 to develop a new four year plan for adoption following the elections in May 2023.

A discussion ensued on the timeliness of the development of a new four-year plan in advance of the whole Council elections in May 2023.

Further clarity was sought on Minute 25 of Council on 6 September 2021 at which point the Head of Legal Services read out the resolution.

The motion was then put and agreed (9:6). It was therefore –

Resolved – That

- (1) the progress made against the Wirral Plan deliverables as set out in Appendix 2 be noted and request that all future progress of deliverables be presented using the framework in the amended delivery plan agreed at Council (Min. 25, Council, 6th September 2021). This framework is informed by the agreement between the chairs of Economy, Regeneration and Development (now Economy, Regeneration and Housing) Committee and Environment, Climate Emergency and Transport Committee (Min. 27, P&R, 30th June 2021).**
- (2) the refreshed Wirral Plan 2022/23 priorities be endorsed, as set out in Appendix 3, and their approval be recommended for approval by Council in July.**
- (3) that officers be requested to work with the Council's political leadership and committee chairs during 2022/23 to develop a new four year plan for adoption following the elections in May 2023.**

The Head of the Corporate Office introduced the report of the Chief Executive which presented the Council's Improvement Plan, which had been developed in response to the External Assurance Review commissioned by the Department for Levelling Up, Housing and Communities (DLUHC). The External Assurance Review was undertaken as a condition of the Council's request for exceptional financial support from the government in 2020/21 and 2021/22.

The development of an Improvement Plan and its effective implementation was a condition of the government granting this support for 2021/22. The Improvement Plan also responded to the report and recommendations arising from the Local Government Association (LGA) Corporate Peer Challenge in March 2022, which was included as Appendix 2 to the report.

Officers responded to a number of queries in relation to the Improvement Plan, including the need for a detailed delivery plan for the Regeneration programme and assurances that the Improvement Plan delivery was on track.

A further discussion ensued on the delivery of the Enterprise Resource Planning system and members sought a further update on the estimated delivery of that project.

Resolved – That the Improvement Plan be endorsed and recommended to Council for approval.



POLICY AND RESOURCES COMMITTEE

Wednesday, 13 July 2022

REPORT TITLE:	TREASURY MANAGEMENT ANNUAL REPORT 2021-22
REPORT OF:	DIRECTOR OF RESOURCES (S151 OFFICER)

REPORT SUMMARY

The Authority's treasury management activity is underpinned by the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management ("the Code"), which requires the Authority to approve treasury management semi-annual and annual reports.

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

There was an underspend on net Treasury activities of £0.1 million, which is attributable to lower debt management costs. This underspend was incorporated into the Revenue Outturn report.

The level of Capital Financing debt held on the balance sheet, including the Merseyside Residuary Body debt managed by the Council on behalf of the constituent authorities, was £160 million at 31 March 2022. This is a reduction of £6 million since 1 April 2021 and reflects policies to minimise and delay borrowing costs which adversely impact upon the revenue budget. At 31 March 2022, the Council also held £58 million of temporary loans from other Local Authorities, compared to £85 million at 31 March 2021.

The Council has complied with the Treasury Management Indicators as set out in the agreed Treasury Management Strategy for 2021/22.

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

RECOMMENDATION

The Policy and Resources Committee is requested to recommend to Council that the Treasury Management Annual Report for 2021/22 be agreed.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 Wirral has adopted the CIPFA Code of Practice on Treasury Management (“the Code”), which includes regular update reports to Members of treasury activity. This report is the annual review for 2021/22

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The Council has previously determined what Treasury Management strategy we should use, and this report is detailing the outcomes of that which is a legal requirement.

3.0 BACKGROUND INFORMATION

- 3.1 Treasury management is defined by CIPFA as: “The management of the local authority investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- 3.2 The Council approves the Treasury Management Strategy at the start of each financial year. This identifies how it is proposed to finance capital expenditure, borrow and invest in the light of capital spending requirements, the interest rate forecasts and the expected economic conditions. During the year Members receive a mid-year report on treasury management activities and at the end of each financial year an Annual Report.
- 3.3 Treasury Management activities must be considered within the economic context and environment in which they are undertaken. Appendix A provides an overview of economic developments throughout 2021/22.

BORROWING AND DEBT MANAGEMENT

- 3.4 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The value of the CFR increases whenever you fund capital expenditure via borrowing. The CFR is reduced when the Council makes annual repayments against this debt, known as the Minimum Revenue Provision (MRP). The CFR balance as at 31 March 2022 was £373.9 million.
- 3.5 Whilst the debt requirement to fund historic capital spend was £374 million at the year-end, the actual level of external debt was below this at £252 million. The gap between the need to borrow and the actual debt level was bridged by the use of investment balances. Appendix B, table B1 shows the movement of debt between 1 April 2021 and 31 March 2022.
- 3.6 Included within the short term capital debt of £114 million is a loan with the PWLB for £6.5 million, which was arranged to match the 2020/21 cost of the capitalisation directive granted to the Council by DLUHC. This loan was arranged once the 2020/21 Statement of Accounts had been audited by Grant Thornton.

- 3.7 At 31 March 2022 the total external debt on the Councils balance sheet included £17.9 million for the Merseyside Residuary Body debt, which is repayable by other external organisations, which is administered by the Authority (£25.1 million at 31 March 2021).
- 3.8 During 2021/22 the Council secured a further interest free loan from SALIX in respect of energy efficient street lighting schemes. This loan was for £1.7 million and matures in 2026/27.
- 3.9 The average rate of interest paid on long term borrowings as at 31 March 2022 was 5.58% (5.83% at 31 March 2021) and the average term is 28 years, (28 years at 31 March 2021). It should be noted that the average rate calculation excludes the benefit received from the policy of using internal borrowing to delay borrowing for capital financing purposes. This incurs a £nil borrowing cost at the expense of foregone investment income and if included would reduce the average rate.
- 3.10 Temporary, short, dated loans, predominantly from other local authorities remain affordable and attractive for periods of low cash flow.
- 3.11 Lender Option Borrower Option (LOBO) loans: A LOBO loan is called when the lender exercises its rights to amend the interest rate on the loan at which point the borrower can accept the revised terms or reject them and repay the loan at no additional cost. The Authority continues to hold LOBO loans at a value of £95 million which is down from £101 million at 31 March 2021. No banks exercised their option during the year.

Other Long-Term Liabilities

- 3.12 Other Long-Term Liabilities relates to the schools Private Finance Initiative (PFI) scheme. Under the International Financial Reporting Standards (IFRS) these items are now shown on the Balance Sheet as a Financial Liability and therefore need to be considered within any Treasury Management decision making process.
- 3.13 As at 31 March 2021 the PFI liability was valued at £34.4 million to be repaid by 2031.
- 3.14 Appendix B describes the debt management approach taken in 2021/22 and also provides additional debt details in tables B1 and B2.

INVESTMENT ACTIVITY

- 3.15 Both the CIPFA and the DLUHC's Investment Guidance require the Authority to invest prudently and have regard to the security and liquidity of investments before seeking the optimum yield. These investments arise from a number of sources including General Fund Balances, Reserves and Provisions, grants received in advance of expenditure, money borrowed in advance of capital expenditure, Schools' Balances and daily cashflow / working capital.
- 3.16 CIPFA published a revised Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes on 20th December 2021. These define treasury management investments as investments that arise from the organisation's

cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.

- 3.17 At 31 March 2021 the Council held investments of £48 million, this decreased to £40 million in June 2021 before climbing to a higher level of £51 million at the end of September then reducing to December 2021 (£34 million). During the final quarter of the financial year the Council received further money from Central government in relation to the Council Tax Rebate grant, hence the increase in investment levels to £67 million at the year end.
- 3.18 Appendix C, table C1 details investments held as at 31 March 2022.
- 3.19 The following table shows the credit composition of the Council's investment portfolio as at 31 March 2022:

Table 4: Investment Portfolio – Credit Components

Credit Rating	Proportion of Portfolio %
AAA	81
Unrated	19
Total	100

Note: 'Unrated' components relate to corporate investments that despite the absence of a formal rating, are either deemed credit worthy due to analysis of their performance over a variety of credit metrics or backed by suitable financial guarantees.

- 3.20 Investments with Banks and Building Societies were primarily call accounts. The maximum duration of any new investment was constantly reviewed in line with the prevailing credit outlook during the year as well as market conditions.
- 3.21 For diversification purposes the Treasury Management team invest in a variety of counterparties and financial instruments to help mitigate counterparty and liquidity risks. A summary of the instruments invested in follows:

Table 5: Investment Portfolio – Financial Instruments

Investment Instrument	Proportion of Portfolio %
Money Market Fund	70
Externally Managed Fund	26
Green Energy Bond	2
Edsential Credit Facility	2
Total	100

- 3.22 As stated in the Revenue Monitoring reports the budgeted investment income for the year estimated at £1.2 million was unlikely to be achieved. The final income for the year was £0.25 million (£0.23 million in 2020/21) with the reduction attributable to these key factors:
- a) Low interest rates offered for investments
 - b) The economic environment
 - c) The continuing policy of relying on internal borrowing to temporarily fund and thereby delay borrowing for the capital programme, which reduces balances available to put into investments but generates savings in interest incurred.
- 3.23 The return on investments, along with our policy of internally borrowing, reflects prevailing market conditions and the objective of optimising returns commensurate with the principles of security and liquidity.
- 3.24 Appendix D notes accounting developments regarding Treasury Management that occurred during 2020/21.

COMPLIANCE WITH TREASURY INDICATORS

- 3.25 The Authority confirms that it has complied with its Treasury Management Indicators for 2021/22, which were approved by Council on March 2021 as part of the Treasury Management Strategy Statement. Details can be found in Appendix E.
- 3.26 In compliance with the requirements of the CIPFA Code of Practice this report provides Members with a summary report of the treasury management activity during 2021/22. None of the indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

4.0 FINANCIAL IMPLICATIONS

- 4.1 In the financial year 2021/22 there was an underspend on net Treasury activities of £0.1 million, which is attributable to lower debt management costs.
- 4.2 Interest rates set by the Bank of England remained low for much of the 12-month reporting period, however increases were evident in the latter part. Opportunities for investments have been curtailed whilst the rate of increase for yields has slowed, however work is being conducted with advisors to try and enhance the rate of return on the investment portfolio. With regards to reducing the interest costs associated with the Council's loans, work is taking place to renegotiate borrowing terms with lenders but is behind schedule due to other demands on financial institutions and other involved parties.
- 4.3 Capital financing debt has reduced to £160 million, per the balance sheet as at 31 March 2022, a decrease of £6 million since 1 April 2021, despite additional capital expenditure commitments.
- 4.4 Investment income has also helped to generate resources for service delivery.

5.0 LEGAL IMPLICATIONS

- 5.1 The Local Government Act 2003, section 15(1), requires a local authority "...to have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify...".
- 5.2 The guidance on investments in the main part of this document is issued under section 15(1) of the 2003 Act and authorities are therefore required to have regard to it.
- 5.3 Two codes of practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) contain investment guidance which complements Ministry for Housing, Communities and Local Government (now Department for Levelling Up, Housing and Communities) guidance. These publications are:
- Treasury Management in the Public Services: Code of Practice and CrossSectoral Guidance Notes
 - The Prudential Code for Capital Finance in Local Authorities
- 5.4 Local authorities are required to have regard to the current editions of the CIPFA codes by regulations 2 and 24 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146]

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 There are none arising directly from this report.

7.0 RELEVANT RISKS

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

Risk	Mitigation
Fluctuations in interest rate levels	That the borrowing and investment profiles are balanced both in terms of maturity (utilising short- and long-term instruments) and also in terms of the nature of the interest rate of the portfolio (fixed rate and variable interest rate products)
Exposure to inflation	That wherever possible investments are entered into at inflation equalling levels of interest. This depends entirely on the nature and purpose of the proposed investment.
Legal and Regulatory Risk	That appropriate legal advice is sought on new opportunities to ensure adherence to relevant legislation and regulation.

Credit and Counterparty Risk (Security of investments).	That any potential counterparty is subjected to suitable due diligence to ascertain appropriateness for investment and investment criteria
Council issues S114 notice	Should the Council encounter difficulties in obtaining borrowing following a S114 notice, the Authority has access to borrow from the PWLB as a lender of last resort. Any such borrowing would be subject to higher rates of interest.

8.0 ENGAGEMENT/CONSULTATION

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

9.0 EQUALITY IMPLICATIONS

- 9.1 There are no equality implications directly from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 As part of future investment strategy, consideration will be given to potential opportunities to invest in environmentally focussed instruments or organisations. 'Ethical, Social and Governance' (ESG) investment criteria will be considered and, where viable in adherence to the policies laid out in this strategy, will only be entered into following satisfactory assessment of the instrument and/or organisation. An example of such investment is the holding in the Public Sector Social Impact Fund.

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. As mentioned within 10.1 of this report, 'ESG' criteria will be considered in investment decision. The Public Sector Social Impact Fund "offers local authorities an opportunity to improve Public Sector cash flows and quality of life for their constituents. Cash flow is improved by pooling capital and knowledge while creating and investing in long lasting social impact UK projects."
- 11.2 Also contained within Treasury Management are the Council considerations in respect to borrowing. This borrowing requirement would occur as a result of financing the ongoing capital programme. Schemes contained within the Capital programme include several regeneration projects that look to improve the economic outlook for the borough, including job creation, training facilities and enhanced

transport links. The Community Wealth Building implications are reported for each scheme separately to the relevant policy and service committee.

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APPENDICES

Appendix A Economic Background
Appendix B Debt Management
Appendix C Investment Management
Appendix D Treasury Management – Accounting Developments
Appendix E Treasury Indicators 2021/22

BACKGROUND PAPERS

CIPFA Code of Practice on Treasury Management

SUBJECT HISTORY

Council Meeting	Date
Treasury Management Strategy Statement 2019-20	Cabinet – 18 Feb 2019
Treasury Management Annual Report 2018-19	Cabinet – 22 July 2019
Treasury Management Mid-Year Report 2019-20	Cabinet – 25 Nov 2019
Treasury Management Strategy Statement 2020-21	Cabinet – 17 Feb 2020
Treasury Management Annual Report 2019-20	Cabinet – 27 July 2020
Treasury Management Mid-Year Report 2020-21	P&R – 3 Nov 2020
Treasury Management Strategy Statement 2021-22	P&R - 17 Feb 2021
Treasury Management Annual Report 2020-21	P&R - 28 July 2021
Treasury Management Mid-Year Report 2021-22	P&R - 10 Nov 2021

APPENDIX A

ECONOMIC BACKGROUND

Growth & Inflation

- 1 The continuing economic recovery from coronavirus pandemic, together with the war in Ukraine, higher inflation, and higher interest rates were significant issues over the 2021/22 financial year.
- 2 The Bank of England (BOE) base rate was 0.1% at the beginning of the reporting period. April and May saw the economy gathering momentum as pandemic restrictions were eased. Despite the improving outlook, market expectations were that the Bank of England would delay rate rises until 2022. However, rising, persistent inflation changed that.
- 3 The Consumer Prices Index (CPI) was 0.7% in March 2021 but thereafter began to steadily increase. Initially driven by energy price effects and by inflation in sectors such as retail and hospitality which were re-opening after the pandemic lockdowns, inflation then was believed to be temporary. Thereafter price rises slowly became more widespread, as a combination of rising global costs and strong demand was exacerbated by supply shortages and transport dislocations. The surge in wholesale gas and electricity prices led to elevated inflation expectations. CPI for February 2022 registered 6.2% year on year, up from 5.5% in the previous month and the highest reading in the National Statistic series.
- 4 The labour market began to tighten and demand for workers grew strongly as employers found it increasingly difficult to find workers to fill vacant jobs. The most recent labour market data for the three months to January 2022 showed the unemployment rate at 3.9% while the employment rate rose to 75.6%. Headline 3-month average annual growth rate for wages were 4.8% for total pay and 3.8% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 0.1% while regular pay fell by 1.0%.
- 5 Activity in consumer-facing sectors improved substantially as did sectors such as oil and mining with the reopening of oil rigs but materials shortages and the reduction in the real spending power of households and businesses dampened some of the growth momentum. Gross domestic product (GDP) grew by an upwardly revised 1.3% in the fourth calendar quarter of 2021 according to the final estimate (initial estimate 1.0%) and took UK GDP to just 0.1% below where it was before the pandemic.

Monetary Policy

- 6 Having increased Bank Rate from 0.10% to 0.25% in December, the Bank of England hiked it further to 0.50% in February and 0.75% in March. At the meeting in February, the Monetary Policy Committee (MPC) voted unanimously to start reducing the stock of its asset purchase scheme by ceasing to reinvest the proceeds from maturing bonds as well as starting a programme of selling its corporate bonds to thereby reduce the rise in the money supply and help counter inflationary growth.

- 7 In its March interest rate announcement, the MPC noted that the invasion of Ukraine had caused further large increases in energy and other commodity prices, with the expectation that the conflict will worsen supply chain disruptions around the world and push CPI inflation to around 8% later in 2022. The Committee also noted that consumer confidence had fallen due to the squeeze in real household incomes.

Market Reaction

- 8 The conflict in Ukraine added further volatility to the already uncertain inflation and interest rate outlook over the period. The Dow Jones started to decline in January but remained above its pre-pandemic level by the end of the period while the FTSE 250 and FTSE 100 also fell and ended the quarter below their pre-March 2020 levels.
- 9 Bond yields were similarly volatile as the tension between higher inflation and flight to quality from the war pushed and pulled yields, but with a general upward trend from higher interest rates dominating as yields generally climbed.

APPENDIX B

DEBT MANAGEMENT

Table B1 – Level of External Debt

	Balance at 01/04/21 £000	New Borrowing £000	Matured Debt £000	Balance at 31/03/22 £000
CFR	362,649			373,933
Outstanding Debt				
Short Term Capital Debt	16,194	11,394	-16,194	11,394
Long Term Capital Debt	149,434	1,671	-2,837	148,268
Total Capital Debt	168,530	13,065	-19,031	159,662
Temporary Cashflow Loans	85,004	108,521	-136,000	57,525
Other Long Term Liabilities	36,868		-2,465	34,403
Total External Debt	348,689	121,586	-157,496	251,590

- 1 The following table shows the capital financing loans repaid during the year.

Table B2 – Loan Maturities in 2021/22

Loans maturing in 2021/22	Principal £'m	Fixed/ Variable	Rate %	Loan start date	Terms
PWLB	0.25	Fixed	2.30	November 2011	E I P
PWLB	0.25	Fixed	2.16	February 2019	E I P
FMS Wertmanagement	7.00	Fixed	6.65	November 2000	Maturity
FMS Wertmanagement	6.00	Fixed	5.29	June 2001	Maturity
SALIX	0.55	Fixed	0.00	Various	E I P
Total Maturing Borrowing	14.05				

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

- 2 With external borrowing reducing, the annual cost of financing this debt has also fallen year on year, generating savings. These cost reductions, coupled with the deferral of further borrowing costs through internal borrowing provided substantial one-off savings.

- 3 The Authority's strategy will continue to be to minimise and delay external borrowing where possible, through the utilisation of investment balances, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.
- 4 Affordability and the "cost of carry" remained important influences on the borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would have to be invested in the money markets at rates of interest significantly lower than the cost of borrowing. As short-term interest rates have remained lower than long-term rates, it was more cost effective in the short-term to use internal resources instead.
- 5 The benefits of internal borrowing were monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose, the treasury management advisers, assist the Authority with this 'cost of carry' and breakeven analysis.
- 6 The chief objective when borrowing is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the long-term plans change, being a secondary objective.
- 7 In keeping with these objectives, the borrowing strategy continued to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. The Authority's borrowing decisions are not predicated on any one outcome for interest rates and a balanced portfolio of short- and long-term borrowing was maintained.
- 8 As a consequence of the decision to borrow internally, the Authority's level of external long-term borrowing has reduced significantly over recent years. Utilisation of the short-term borrowing market has aided the policy of internal borrowing, whilst enabling the Council to have enough liquidity at a lower cost compared to the longer-term loan market.

PUBLIC WORKS LOAN BOARD (PWLB) Borrowing Update

- 9 In August 2021 HM Treasury significantly revised guidance for the PWLB lending facility with more detail and 12 examples of permitted and prohibited use of PWLB loans. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing. Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management.
- 10 Competitive market alternatives may be available for authorities with or without access to the PWLB. However, the financial strength of the individual authority and borrowing purpose will be scrutinised by commercial lenders.

APPENDIX C

INVESTMENT MANAGEMENT

Table C1 – Level of Investment 2021/22

Investment Counterparty	Credit Rating	Balance 31/03/21 £000	Investments Made £000	Maturities £000	Balance 31/03/22 £000
UK Banks	AA-	0	23,161	-23,161	0
	A+	941	25,073	-26,014	0
	A	5,000	2,414	-7,414	0
Money Market Funds	AAA	23,917	448,491	-425,453	46,955
Corporate Loans	Unrated	975	775	-250	1,500
Green Energy Bond	Unrated	0	1,500	0	1,500
Externally Managed Funds	AAA	7,000	0	0	7,000
	Unrated	10,000	0	0	10,000
Total		47,833	501,414	-482,292	66,955

Note 1: Unrated Corporate investments are cash flow facilities backed by suitable financial guarantees.

- 1 Security of capital remained the main investment objective. This was maintained by following the counterparty policy set out in the Treasury Management Strategy Statement for 2021/22 which defined “high credit quality” organisations as those having a long-term credit rating of A- or higher. For entities without published credit ratings, investments may be made where external advice indicates the entity to be of sound credit quality.
- 2 Counterparty credit quality was assessed and monitored with reference to credit ratings (the Authority’s minimum long-term counterparty rating for 2021/22 was A- across rating agencies Fitch, S&P and Moody’s); credit default swap prices, financial statements, information on potential government support and reports in the quality financial press.
3. The Authority also has investments in externally managed cash plus funds, a strategic bond fund and a pooled property fund, which allow the Authority to diversify into asset classes other than cash with the need to own and manage the underlying investments. The funds which are operated on a variable net asset value (VNAV) basis offer diversification of investment risk, coupled with the services of a professional fund manager; they also offer enhanced returns over the longer term but are more volatile in the short-term. The Authority’s pooled fund investments are in the respective fund’s ‘distributing’ share class which pay out the income generated.

- 4 In light of Russia's invasion of Ukraine, Arlingclose contacted the fund managers of our Money Market Funds, cash plus and strategic funds and confirmed no direct exposure to Russian or Belarusian assets had been identified. Indirect exposures were immaterial. It should be noted that any assets held by banks and financial institutions (e.g., from loans to companies with links to those countries) within MMFs and other pooled funds cannot be identified easily or with any certainty as that level of granular detail is unlikely to be available to the fund managers or Arlingclose in the short-term, if at all.
- 5 Any unrealised capital movements will not have an impact on the General Fund as the Authority has either, depending on the fund, elected to present changes in the funds' fair values in other comprehensive income (FVOCI) or is using the alternative fair value through profit and loss (FVPL) accounting and must defer the funds' fair value gains or losses to the Pooled Investment Fund Adjustment Account until 2023/24.
- 6 Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives is regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three to five-year period total returns will exceed cash interest rates. Their performance and suitability in meeting the Authority's investment objectives are monitored regularly and discussed with Arlingclose.
- 7 Ultra-low short-dated cash rates, which were a feature since March 2020 when Bank Rate was cut to 0.1%, prevailed for much of the 12-month reporting period which resulted in the return on sterling low volatility net asset value (LVNAV) Money Market Funds being close to zero even after some managers have temporarily waived or lowered their fees. However, higher returns on cash instruments followed the increases in Bank Rate in December, February and March. At 31st March, the 1-day return on the Authority's MMFs ranged between 0.44% - 0.58%. Dividend and income distribution was dependent on company earnings in a very challenging and uncertain trading environment as well as enforced cuts or deferral required by regulatory authorities. The level of investment income does not reflect the savings of an estimated 2.0% on delayed borrowing for amounts internally borrowed. Reduced debt management costs more than compensated for the reduction in investment income as overall Treasury Management activities resulted in a slight underspend for the year.

Credit Rating Developments

- 8 Credit Default Swaps (CDS) can be used as a measure of the financial markets view of the financial health of a banking institution, the higher the CDS the higher the uncertainty level. CDS spreads were flat over most of period and are broadly in line with their pre-pandemic levels. In September spreads rose by a few basis points due to concerns around Chinese property developer Evergrande defaulting but then fell back.
- 9 Fitch and Moody's revised upward the outlook on a number of UK banks and building societies on the Authority's counterparty to 'stable', recognising their

improved capital positions compared to 2020 and better economic growth prospects in the UK.

- 10 The successful vaccine rollout programme was credit positive for the financial services sector in general and the improved economic outlook meant some institutions were able to reduce provisions for bad loans. However, in 2022, the uncertainty engendered by Russia's invasion of Ukraine pushed CDS prices modestly higher over the first calendar quarter, but only to levels slightly above their 2021 averages, illustrating the general resilience of the banking sector.
- 11 Having completed its full review of its credit advice on unsecured deposits, in September Arlingclose extended the maximum duration limit for UK bank entities on its recommended lending list from 35 days to 100 days; a similar extension was advised in December for the non-UK banks on this list. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.

Environmental, Social & Governance (ESG) Issues

- 12 Over 250 UK local authorities, including Wirral, have declared a climate emergency to tackle the drivers and impact of climate change, adapting now for sustainability in future years. Whilst there are no universally agreed metrics to assess these issues, the Council has included within its Treasury Management Strategy 2022/23 an appendix noting future ESG considerations.

Non-Treasury Investments

- 13 The definition of investments in CIPFA's revised 2021 Treasury Management Code has been widened to include financial assets as well as non-financial assets held partially or wholly for financial returns such as investment property. These, along with other investments made for non-treasury management purposes such as loans supporting service outcomes and investments in subsidiaries, must be discussed in the Capital Strategy or Investment Strategy. Additional risks of such investments are to be set out clearly and the impact on financial sustainability is to be identified and reported.

APPENDIX D

TREASURY MANAGEMENT – ACCOUNTING DEVELOPMENTS

- 1 **Revised CIPFA Codes:** CIPFA published its revised Prudential Code for Capital Finance and Treasury Management Code on 20th December 2021. The key changes in the two codes are around permitted reasons to borrow, knowledge and skills, and the management of non-treasury investments.
- 2 The principles of the Prudential Code took immediate effect although local authorities could defer introducing the revised reporting requirements until the 2023/24 financial year.
- 3 To comply with the Prudential Code, authorities must not borrow to invest primarily for financial return. This Code also states that it is not prudent for local authorities to make investment or spending decision that will increase the CFR unless directly and primarily related to the functions of the authority. Existing commercial investments are not required to be sold; however, authorities with existing commercial investments who expect to need to borrow should review the options for exiting these investments.
- 4 Borrowing is permitted for cashflow management, interest rate risk management, to refinance current borrowing and to adjust levels of internal borrowing. Borrowing to refinance capital expenditure primarily related to the delivery of a local authority's function but where a financial return is also expected is allowed, provided that financial return is not the primary reason for the expenditure. The changes align the CIPFA Prudential Code with the PWLB lending rules.
- 5 Unlike the Prudential Code, there is no mention of the date of initial application in the Treasury Management (TM) Code. The TM Code now includes extensive additional requirements for service and commercial investments, far beyond those in the 2017 version. The Authority will follow the same process as the Prudential Code, i.e., delaying changes in reporting requirements to the 2023/24 financial year.
- 6 **IFRS 16 - Lease accounting standard:** The implementation of the new IFRS 16 Leases accounting standard was due to come into force for local authorities from 1st April 2022. Following a consultation CIPFA/LASAAC announced an optional two year delay to the implementation of this standard a decision which was confirmed by the Financial Reporting Advisory Board in early April 2022. Authorities can now choose to adopt the new standard on 1st April 2022, 1st April 2023 or 1st April 2024.

APPENDIX E

TREASURY MANAGEMENT INDICATORS

Background

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

Treasury Management Indicators

1. Security

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

Credit risk indicator	Target	31.3.22 Actual	Complied?
Portfolio average credit rating	A-	AA	Yes

2. Liquidity

The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount it can borrow each quarter without giving prior notice. As shown in the table below, the Council was able to draw upon £58m of short notice temporary loans over the last three months.

Liquidity risk indicator	Target	31.3.22 Actual	Complied?
Total sum borrowed in past 3 months without prior notice	£15m	£58m	Yes

3. Maturity Structure of Borrowing

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

Maturity Structure of Borrowing	Lower Limit 2021/22	Upper Limit 2021/22	Actual 31.03.22	Complied?
	%	%	%	
Under 12 Months	0	90	72	YES
12 Months and within 24 months	0	75	3	YES
24 Months and within 5 years	0	75	4	YES
5 years and within 10 years	0	75	0	YES
10 years and over	0	100	21	YES

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

4. Principal Sums Invested for Periods Longer Than a Year

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

	2021/22	2022/23	2023/24
Limit on principal invested beyond year end	£50m	£30m	£30m
Actual principal invested beyond year end	£12m	£12m	£12m
Complied?	Yes	Yes	Yes



POLICY AND RESOURCES COMMITTEE

Wednesday, 13th July 2022

REPORT TITLE:	2022-23 BUDGET MONITORING AND 2023-24 BUDGET SETTING PROCESSES UPDATE FOR SERVICES RELEVANT TO THIS COMMITTEE
REPORT OF:	DIRECTOR OF RESOURCES

REPORT SUMMARY

This report provides an update to the '2022-23 Budget Monitoring and 2023-24 Budget Setting Processes' report approved by Policy and Resources Committee 16 March 2022, in the Committee's capacity as the Policy and Service Committee for the functions of:

- Chief Executive Office
- Law and Governance Directorate
- Resources Directorate

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

The report contributes to the Wirral Plan 2021-2026 in supporting the organisation in meeting all Council priorities.

RECOMMENDATIONS

The Policy and Resources Committee is recommended to:

1. Note the anticipated timetable for reporting quarterly financial information.
2. Note the budget position specific to this Committee, detailed in Appendix C.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

- 1.1 The 2022-23 Council budget was agreed at Full Council on 28 February 2022. This budget was made up of savings proposals, pressures/growth items and funding that were based on actual known figures or best estimates available at the time. At any point during the year, these estimated figures could change and need to be monitored closely to ensure, if adverse, mitigating actions can be taken immediately to ensure a balanced budget can be reported to the end of the year.
- 1.2 The Council has a legal responsibility to set an annual balanced budget, which sets out how financial resources are to be allocated and utilised. In order to successfully do so, engagement with members, staff and residents is undertaken. The recommendations in this report inform that approach. In addition, the proposed budget setting process and timeline is detailed in this report, which will facilitate a robust approach in order to meet organisational requirements.
- 1.3 Failure to set a lawful budget in time may lead to a loss of revenue, significant additional administrative costs, as well as reputational damage. Failure to set a legal budget may lead to intervention from the Secretary of State under section 15 the Local Government Act 1999.
- 1.4 Managing and setting a budget will require difficult decisions to ensure that a balanced position can be presented. Regular Member engagement, which this report forms part of, is considered essential in delivering effective governance and financial oversight.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The proposals set out in this report are presented to allow for efficient and effective budget monitoring activity that can be conducted in a timely manner. Similarly, the approach to budget setting is considered to allow the maximum time for presentation, scrutiny and consultation on budget proposals, within an agreed framework. As such, it is considered that to meet the business needs and address the challenges that the Council faces that no alternative options are viable or appropriate at this time.
- 2.2 Not engaging with the Committee at this time, on the matters set out, was an option that was available, however it is considered that involvement of Committees as soon as practical after the agreement of the 2022-23 budget will best assist in delivering the benefits detailed in paragraph 2.1, whilst minimising the risk of an unbalanced budget being presented.
- 2.3 In the event of the Section 151 Officer determining that a balanced financial position could not be presented, the Section 151 Officer would be required to issue a section 114 notice and report this to all Members of Full Council. The outcome of which could result in intervention by the Government.

3.0 BACKGROUND INFORMATION

2022-23 Budget Monitoring Process

- 3.1 On 16 March 2022 this Committee approved the process for in-year monitoring of the 2022/23 budget. As a reminder, Appendix A details a flow chart of the process for monitoring the 2022-23 budget.
- 3.2 Also, as stated in the 16 March 22 report, Appendix D now provides details of the budget position specific to this Committee, detailed by function, to facilitate an understanding of income and expenditure monitoring against activity.
- 3.3 To enable the Committees to manage and monitor budgets effectively in-year, a suite of detailed information will be provided on a quarterly basis. This information will be made available at the earliest committee meeting, following the quarter end and completion of the internal governance process, detailed in paragraph 3.4. The anticipated timetable for reporting quarterly financial information to committee is:
- Quarter 1 (1 Apr – 30 Jun): September 22
 - Quarter 2 (1 Jul – 30 Sep): November 22
 - Quarter 3 (1 Oct – 31 Dec): February 23
 - Quarter 4 (1 Jan – 31 Mar): June 23
- 3.5 The Policy and Resources Finance Sub-Committee will facilitate regular space to review the budget position, in between scheduled Policy & Resources Committee meetings during the stages of the financial year.

2023-24 Budget Setting Process

- 3.7 The process for setting the budget for 2023-24 will commence immediately, building on the MTFP that was approved by Full Council on 28 February, as recommended by Policy and Resources Committee.
- 3.8 Budget workshops for this Committee to review the proposals relating to the Resources Directorate, Law and Governance Directorate and The Corporate Office are currently scheduled for 6th July, 21st July and 15th September. In order to close the budget gap, it will be necessary to consider a number of approaches, which will include:
- reviewing budget pressures with the aim of reducing them
 - reviewing income streams to ensure that maximum benefits are being obtained
 - reviewing opportunities for budget efficiencies and savings.
- 3.9 As part of the budget workshops, this Committee will be accountable for identifying, developing and agreeing reductions in pressures and deliverable savings proposals for its relevant services, to contribute to closing the 2023-24 budget gap and to ensure a whole Council draft balanced budget can be considered by the Committee in September 2022. See Appendix B for a flow chart of the process for the 2023-24 budget and timeline.

4.0 FINANCIAL IMPLICATIONS

- 4.1 This report sets out the 2022-23 budget monitoring process and the 2023-24 budget setting process for the services relevant to the committee as a Policy and Service Committee, and has no direct financial implications. The outcome of each process will, if not adhered to or a suitable alternative process agreed, have significant financial implications however as the proposals set out control environments and a timeline of activity deemed necessary as part of sound financial management regime.
- 4.2 If either the 2022-23 budget or 2023-24 budget cannot be balanced, this may result in a Section 114 report being issued by the Section 151 Officer - once issued there are immediate constraints on spending whereby no new expenditure is permitted, with the exception of that funding statutory services, including safeguarding vulnerable people, however existing commitments and contracts can continue to be honoured.
- 4.3 The Council delivers both statutory and non-statutory services at present – the requirement to eliminate subsidies provided to non-statutory services is considered to be a key requirement in delivering value for money and ensuring that finite resources are targeted on beneficial outcomes.

5.0 LEGAL IMPLICATIONS

- 5.1 The Policy and Resources Committee, in consultation with the respective Policy and Service Committees, has been charged by Council to formulate a draft Medium Term Financial Plan (MTFP) and budget to recommend to the Council.
- 5.2 The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility of the Council. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.
- 5.3 Section 30(6) of the Local Government Finance Act 1992 provides that the Council has to set its budget before 11th March in the financial year preceding the one in respect of which the budget is set.
- 5.4 The provisions of section 25, Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.

- 5.5 Consultation must take place in accordance with the Council's duties under section 65 of the Local Government Finance Act 1992. The consultation process, including the Council's consideration of the responses, is required to comply with the following overarching obligations (unless detailed statutory rules supplant these):
- (a) Consultation must be at a time when proposals are at a formative stage.
 - (b) The proposer must give sufficient reasons for its proposals to allow consultees to understand them and respond to them properly.
 - (c) Consulters must give sufficient time for responses to be made and considered.
 - (d) Responses must be conscientiously taken into account in finalising the decision. This is the same whether or not a public body was required to consult or chooses to do so. This is because all of those rules are aspects of an overriding requirement for 'fairness'. The process must be substantively fair and have the appearance of fairness. The setting of the budget and council tax by Members involves their consideration of choices.
- 5.6 When considering options, Members must bear in mind their fiduciary duty to the council taxpayers of Wirral. Members must have adequate evidence on which to base their decisions on the level of quality at which services should be provided.
- 5.7 Where a service is provided pursuant to a statutory duty, it would not be lawful to fail to discharge it properly or abandon it, and where there is discretion as to how it is to be discharged, that discretion should be exercised reasonably.
- 5.8 The report sets out the relevant considerations for Members to consider during their deliberations and Members are reminded of the need to ignore irrelevant considerations. Members have a duty to seek to ensure that the Council acts lawfully. Members must not come to a decision which no reasonable authority could come to; balancing the nature, quality and level of services which they consider should be provided, against the costs of providing such services.
- 5.9 There is a particular requirement to take into consideration the Council's fiduciary duty and the public sector equality duty in coming to its decision.
- 5.10 The public sector equality duty is that a public authority must, in the exercise of its functions, have due regard to the need to: (1) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; (2) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and (3) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 5.11 Any decision made in the exercise of any function is potentially open to challenge if the duty has been disregarded. The duty applies both to Full Council when setting the budget and to the Policy and Services Committees when considering decisions.

- 5.12 Once a budget is in place, Council has delegated responsibility to the Policy and Services Committees to implement it. The Committees **may not within, normal business operating conditions**, act contrary to the Budget without consent of Council other than in accordance with the Procedure Rules set out at Part 4(3) of the Constitution.
- 5.13 It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that agreed savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 At this time, there are no additional resource implications. There may be resource requirements of any action resulting in remedial or mitigating tasks if an adverse forecast is reported with regards the 2022-23 budget in year, however these will be reported at the appropriate time.

7.0 RELEVANT RISKS

- 7.1 The Council's ability to maintain a balanced budget is dependent on a proactive approach due to estimated figures being provided in the calculation for the budget, albeit the best estimates available at the time, plus any amount of internal and external factors that could impact on the budget position in year. Examples of which are new legislation, increased demand, loss of income, increased funding, decreased funding, inability to recruit to posts, ongoing impact of the pandemic, etc.
- 7.2 A robust monitoring and management process for the budget is in place. If at any time during the year an adverse position is forecast, remedial action must be agreed and implemented immediately to ensure the budget can be brought back to balanced position.
- 7.3 The risk of this not being able to be achieved could mean that the Council does not have enough funding to offset its expenditure commitments for the year and therefore not be able report a balanced budget at the end of the year. This could result in the Section 151 Officer issuing a Section 114 notice.
- 7.4 A key risk to the Council's financial plans is that funding and demand assumptions in particular can change as more information becomes available. As such, the MTFP is regularly reviewed and updated as part of routine financial management.
- 7.5 Under the system of retained Business Rates, Authorities benefit from a share of any increased revenues but are liable for at least a share of any falls in income (subject to safety net triggers) and any non-collection. This includes reductions arising from appeals relating to past years which partially fall on the Authority. These risks are mitigated through a combination of the operation of the Collection Fund, General Fund Balances and a Business Rates Equalisation Reserve.

- 7.6 A balanced MTFP is fundamental in demonstrating robust and secure financial management. Delivering a balanced position requires continual review and revision of plans to allow alternative financial proposals to be developed and embedded in plans as situations change. A delay in agreeing these may put the timetable for setting the 2023-24 budget at risk and may result in a balanced budget not being identified in time for the deadline of 11 March 2023.
- 7.7 Assumptions have been made in the current budget outlook for income and funding from business rates and council tax and social care grants as the main sources of funding. If there is an adverse change to these assumptions as a result of government announcements, additional savings proposals or reduced expenditure would need to be identified as soon as possible to ensure a balanced five-year MTFP can be achieved. Committees will be kept updated with any announcements regarding the local government finance settlement through the year.
- 7.8 Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 Consultation has been carried out with the Senior Leadership Team in arriving at the governance process for the 2022-23 budget monitoring process and the 2023-24 budget setting process.
- 8.2 The report makes note of consultation that will follow the formulation of budget proposals which will take the form of engagement with local residents and businesses in respect of the budget setting process.

9.0 EQUALITY IMPLICATIONS

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

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 At this time, there are no additional environmental and climate implications as these have already been identified for the proposals agreed and submitted. However, where the budget is unbalanced and further proposals are required, then there may be environment and climate implications associated with these that will be addressed within the relevant business cases presented to the Committee. There are no direct environmental and climate implications of this report on process. However, where the budget is unbalanced and further proposals are required, then there may be environment and climate implications associated with these that will be addressed within the relevant Committee. In addition, it is recognised that some of the developing proposals for 2023-24 budget and beyond could have environmental and climate implications. Any implications will be considered, and any negative impacts will be mitigated where possible.

11.0 COMMUNITY WEALTH IMPLICATIONS

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

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APPENDICES

Appendix A Flow chart of the process for monitoring the 2022/23 budget
Appendix B Flow chart of the process for the 2023/24 budget and timeline
Appendix C Committee Budget Book details

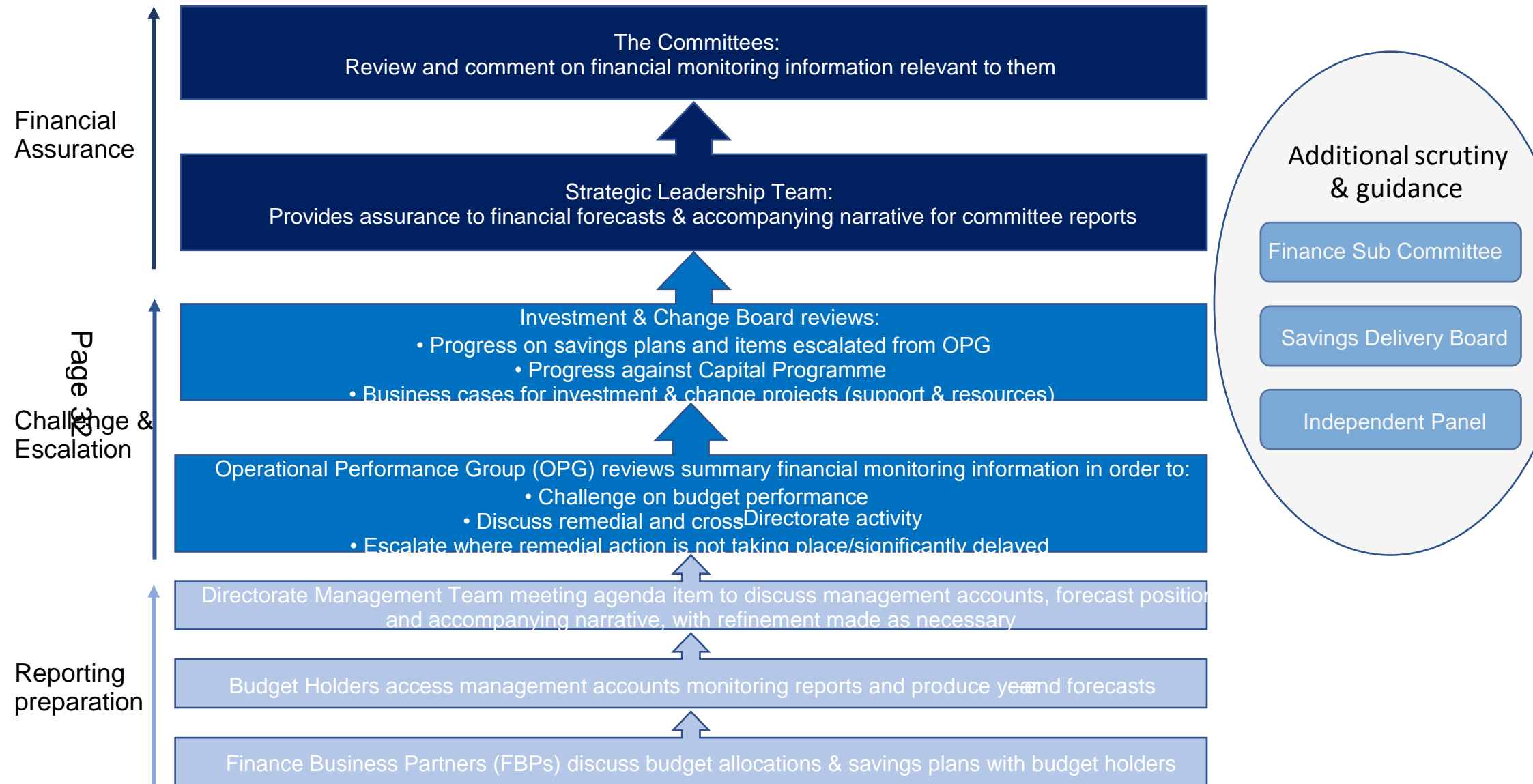
BACKGROUND PAPERS

Pressure and Growth Proposals
Savings and Income Proposals
DLUHC External Assurance Reports
CIPFA's Financial Management Code

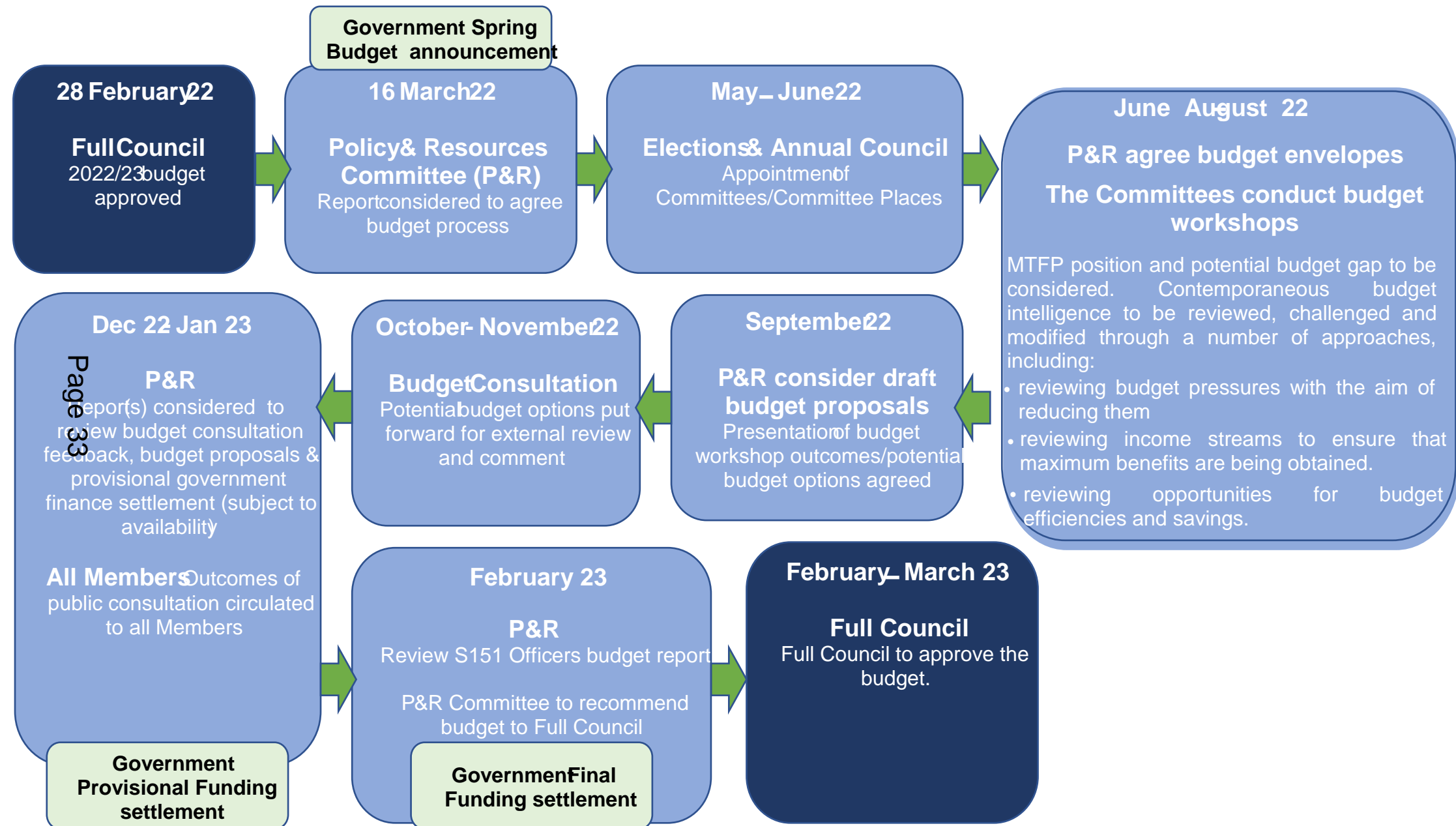
SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Policy and Resources Committee	16 March 2022
Full Council	28 February 2022
Policy and Resources Committee	15 February 2022
Children, Young People & Education Committee	31 January 2022
Housing Committee	27 January 2022
Economy Regeneration & Development Committee	26 January 2022
Adult Social Care and Public Health Committee	25 January 2022
Environment, Climate Emergency and Transport Committee	20 January 2022
Tourism, Communities, Culture & Leisure Committee	18 January 2022
Policy and Resources Committee	17 January 2022
Policy and Resources Committee	1 December 2021
Policy and Resources Committee	30 November 2021
Policy and Resources Committee	25 October 2021
Policy and Resources Committee	09 June 2021
	17 March 2021

Appendix A Flow chart of the process for monitoring the 2022-23 budget



Appendix B Flow chart of the process for the 2023/24 budget and timeline



Appendix C Committee Budget Details

Policy and Resources Committee 2022-23 Budget Book

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B. Service area summary narratives	Pg. 12
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D. 2022-23 Approved Savings	Pg. 23
E. Capital Budgets	Pg. 24
F. Reserves	Pg. 25

A. INTRODUCTION AND 2022-23 BUDGET SUMMARY

The Policy and Resources Committee oversees and is responsible for a full range of services within the Chief Executive Office, Law and Governance and Resources Directorates.

The tables below breakdown and explain the financial resources available to the Committee in 2022-23

B. SERVICE AREA SUMMARY NARRATIVES

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

Table 1 below, highlights how the revenue budgets are allocated across the various Service Areas of the Policy and Resources Committee.

Appendix C Committee Budget Details

TABLE 1 2022/23 Policy & Resources Committee Budget

Service Area	BUDGET £000
Chief Executive Office	
Chief Executive Officer	159
Communications and marketing	963
PA's/Executive Support	663
Law & Governance	
Law & Governance Corporate	397
Legal Services	3,136
Democratic & Member Services	1,436
Coroners Services	730
Electoral Services	439
Registrars Service	-186
Licensing	-131
Resources	
Finance & Investment	23,098
HR & OD and Payroll	3,788
Digital & Improvement	7,492
Revenues & Benefits	2,268
Audit, Risk & Business Continuity	529
Strategic Change	7,804
Housing Benefit	29
Total Committee Budget	52,615

Chief Executive Office

Purpose and Vision

To support organisational effectiveness and governance and to provide assurance to the Chief Executive and Elected Members that Wirral Council is a high-functioning, well-managed, strategic organisation.

This Service includes:

- Chief Executive Office
- Strategy, Policy and Partnerships
- Communications and Marketing
- PAs/Executive Support

Appendix C Committee Budget Details

Law & Governance

Law & Governance Corporate

- Management of the Law & Governance Directorate
- Included here are 4 employees – Director of Law & Governance, Head of Democratic Member Services, Head of Legal Services and a Lawyer.

Legal Services

Legal Services sits within Governance and assurance and consists of:

- The Property and Planning team
- The Adult/Children Safeguarding team
- The Litigation and Governance team
- The Contract and Commercial team
- The Technical Support team

Property & Planning

The Property and Planning team provides a comprehensive legal service to the Council which encompasses legal advice, fit for purpose legal documentation and legal representation in courts and tribunals in the following areas of work:

- Property;
- Planning;
- Highways;
- Contracts;
- Procurement;
- Advice to Committees

Safeguarding

The Safeguarding and Litigation team provide a comprehensive legal service to the Council in the following areas and forges close working relationships with its clients to deliver the required outcomes:

- Adult Social Services
- Children's Services
- Education
- Advice to Committees

Litigation & Governance

The litigation and Governance team provides a comprehensive legal service to the Council in the following areas and forges close working relationships with its clients to deliver the required outcomes:

- Litigation
- Antisocial behaviour
- Information governance
- Employment
- Advice to Committees
- Housing
- Governance
- Licensing

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- Prosecutions
- Trading standards
- Environmental health

Contract & Commercial

The Contract and Commercial team provide a comprehensive legal service to the Council which encompasses legal advice, fit for purpose legal documentation and legal representation in courts and tribunals in the following areas of work:

- Contract
- Procurement
- Commercial
- Company
- Advice to Committees

Technical Support

The Technical Support team presently consists of a Practice & Business Manager and 4 paralegals.

The team provides support for the legal teams

Democratic and Member Services / Electoral / Registrars / Coroners

Democratic and Member Services is made up of a number of Teams including:-

- Committee Services, including Scrutiny
- Mayoralty and Civic
- Member Support
- Elections
- Registrars
- Management of the Coroners Contract (a shared Service with Liverpool City Council)

The Service:

- provides high-quality support to Wirral Councillors and Directorate colleagues, ensuring that all statutory requirements are met and that meetings and decision making complies with the requirements of the Council's Constitution and Local Government law
- delivers on a number of statutory functions including Elections, Registrars and the Coroners Service
- Organises and Co-ordinates Civic Events and Mayoral Engagements
- Co-ordinates New Member Induction and Members Learning and Development

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Licensing Service

The Licensing Service is responsible for determining and issuing licences and permits to individuals, businesses, and other organisations in accordance with legislative requirements and ensuring compliance with the conditions of licences.

Categories of licences and permits issued include:

- Premises Licences (pubs, clubs, restaurants),
- Gambling Premises (casinos, betting shops),
- Scrap Metal Dealers,
- Street Trading,
- House to House collections,
- Marriage and Civil Partnership Premises,
- Sex Establishments,
- Street Collections,
- Private Hire and Hackney Carriages (drivers, vehicles and operators),
- Small society lotteries

Resources

Finance and Investment is responsible for:

Management Accounts and Finance Support

The unit is responsible for:

- providing dedicated, professional finance support aligned to the organisation's structure
- providing management accountant related services, including the provision of financial information, to budget holders
- reviewing, scrutinising and challenging financial information, concepts and proposals,
- supporting decision-making at organisation-wide and service area levels
- setting the standard for financial performance management through budgetary control and ensuring proper alignment of resources with directorate needs
- supporting the delivery and monitoring of the MTFP, whilst delivering appropriate challenge as a critical friend through effective business partnering

Strategy, Policy and Financial Accounts

The unit is responsible for:

- reviewing and implementing financial policy in the local government arena
- delivering ensuing technical financial advice to the organisation and its Chief Officers
- managing the organisation's finance system
- fulfilling statutory obligations through the production of annual financial accounts and

Appendix C Committee Budget Details

- developing the financial strategy of the organisation through the production of the MTFS

Major Projects and Corporate Activity

The unit provides accountancy and technical support, assistance and monitoring in relation to the organisation's:

- major projects
- capital expenditure programme
- insurance activities
- treasury services including bad debts (Non-Pay Budget £18.5m)
- VAT position

Procurement

The unit is responsible for:

- procurement and purchasing support
- contract performance and social value monitoring
- agency staff recruitment monitoring and control

Accounts Payable

The unit provides the Council's payments function to external individuals, creditors and suppliers.

- accountancy and related financial aspects of the Council's operations, including financial accounts, management accounts, capital accounts, technical financial advisory services along with VAT, treasury and insurance services
- category management and procurement support services
- accounts payable services

Revenues and Benefits

This includes the;

- Billing and collection of Council Tax
Billing and collection of Business Rates and the billing and collection of all debt owed to the council.
- Processing and payments of claims for Housing Benefit.
- This Division is responsible for both the Personal Finance Unit and the Client Finance Unit.
- It covers the Income Team and the Revenues and Benefits Call Centre.
- Finally, it carries out anti-fraud detection and prevention for all these teams.

Strategic Change

The Strategic Change function delivers the following services:

- Business Change and Programme Management
Leading Wirral's transformation journey through the Change Programme
- Organisational Design

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Defining and implementing the Target Operating Model

- Programme Management Office

Providing decision enabling Corporate PMO

- Strategic Recovery

Leading the Recovery and Renewal of the organisation and Borough from Covid-19

- Digital Infrastructure & Connectivity (Place)

Leading the development of digital connectivity and regional digital infrastructure programmes ensuring agreed outputs and outcomes are delivered

Digital and Improvement

The Information Communication Technology (ICT) and Business Support Unit (BSU) Department provides a platform upon which Council Services can operate. It's main functions are:

- To provide a secure and resilient IT platform for all Council services.
- Management of IT Systems used across the Council.
- Management of the Council's Archives and Information Records, together with governance of the Council's information and ongoing compliance with all required information accreditations.
- Management of all Freedom of Information (FOIs), Environmental Information Requests (EIRs), and Subject Access Requests (SARs)
- Responsible for leading on the delivery of digital transformation for Council services.
- Delivery of a number of Traded Services that provide IT services into schools across the borough, including Print Services that also provides print services for the Council
- Management of the Council's distribution function providing the Council's postal service.
- Management of all complaints that are received by the Council.

Audit and Risk – Internal Audit

Audit and Risk is an independent, objective assurance and consulting function designed to add value and improve the organisations operations across all areas of activity, ultimately supporting overall delivery of the Wirral Plan.

The purpose of Internal Audit is to provide the Council through the Audit and Risk Management Committee, and the Section 151 Officer with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving the Council's agreed objectives as detailed in the Wirral Plan. This ensures that statutory requirements are fulfilled and forms an essential part of the framework of assurance that the Council receives and informs the Annual Governance Statement.

Internal Audit achieves this through the delivery of an Internal Audit Plan that incorporates:

- A process of evaluation and testing to help ensure proper, economic, efficient and effective use of resources;

Appendix C Committee Budget Details

- Independent consultancy helping managers improve risk management, governance within areas they have responsibility for;
- Assisting the Council in achieving its key priorities by promoting a secure, robust, efficient and effective internal control and governance environment enabling corporate focus to be maintained in these key areas.

Internal Audit must ensure that it complies with all of the requirements of the Public Sector Internal Audit Standards, demonstrating that its service delivery is fully compliant with best professional practice and delivering a competent and effective service.

Other important work undertaken by the team includes the development and delivery of Risk Management and Business Continuity solutions to the organisation ensuring that corporate policies and procedures are developed and implemented and that effective frameworks are in operation for the delivery of effective solutions for these areas.

HR and OD

Provide professional advice and guidance to the Council on all matters relating to Human resources management, health and safety, organisational development and change, as well as associated transactional operations and payroll services to council employees including schools.

- H R – Schools - Lead on policy development and provide advice and guidance via SLA arrangements to Head teachers and Board of governors regarding all HR matters including resourcing, pay and reward and employee relations cases.
- Health & Safety - Lead on policy development and provide advice and guidance regarding all Health and Safety matters including wellbeing, to the Council and to schools who purchase the service via SLA arrangements
- Human Resources – Lead on policy development and provide advice and guidance to senior leaders, managers and employees regarding all HR matters including resourcing, pay and reward and employee relations cases.
- Payroll – Provide payroll and associated transactional services to the Council, schools and associate arms-length organisations.
- Organisational Development – Lead the Council's organisational development strategies including talent management, workforce planning, training and employee engagement.

Housing Benefit

The Department for Work and Pensions (DWP) is responsible for meeting the cost of Housing Benefit expenditure incurred by Local Authorities. This is currently around £85m but will decrease year on year due to the roll out of Universal Credit.

These payments are referred to as a 'subsidy' and are, in the main paid at a rate of 100% in respect of correctly awarded benefits, however certain categories of housing benefit attract lower rates of subsidy and the additional cost of these schemes is met by the council (e.g. Temporary accommodation, specified / support accommodation). It is imperative that administering authorities achieve a high-level accuracy and compliance to minimise any losses to subsidy. Local Welfare

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Assistance (LWA), Emergency Support Fund (ESF) and Household Support Fund (HSF) are also administered in the division.

Note: Merseyside Pension Fund MPF

Wirral Council is the administering authority of the Merseyside Pension Fund under the Local Government Pension Scheme Regulations 2013 and is the Scheme Manager as defined by Section 4 of the Public Service pension Act 2013. In its capacity as Scheme Manager the council is authorised to manage the Pension Fund's assets and liabilities and carry out any other specified activities associated with the operation of the Scheme. The authority is not authorised to give investment advice.

Due to this status the Fund is not required to be regulated by the Financial Conduct Authority (FCA) in order to operate its business. It is regulated by the Ministry of Housing, Communities and Local Government (MHCLG).

As an administering authority, Wirral Council is required to act as if the Fund were set up under trust with the authority itself as the sole trustee, although the assets are not trust assets in the legal sense. Wirral Council as a host is able to charge the Fund for certain functions. The budget of the Fund is held separately and is not part of the Council Budget.

Merseyside Pension Fund is a part of the statutory Local Government Pensions Scheme. The Fund is a contributory, defined benefit pension scheme administered by Wirral Council to provide pensions and other benefits for pensionable employees of the Merseyside local authorities and a range of other scheduled and admitted bodies. Scheduled bodies are local authorities and similar bodies whose staff is automatically entitled to be members of the Fund. Admitted bodies are organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation.

Some Key Facts about Merseyside Pension Fund are:

- 5th largest LGPS fund
- Assets of £10.8bn
- 144,000+ members
- 200+ employing bodies
- Annual pensioner payroll £368m

Appendix C Committee Budget Details

C. 2022-23 SUBJECTIVE AND OBJECTIVE BUDGETS

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

TABLE 2 2022/23 Policy & Resources Subjective Budget

Subjective	Budget £000
Income	-99,921
Expenditure:	
Employee	32,984
Non-Pay	119,552
Total Expenditure	152,536
Total Committee Budget	52,615

Appendix C Committee Budget Details

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

TABLE 3: 2021-22 Policy & Resources Committee – Service budgets

	Income (£000)	Employee (£000)	Non-Pay (£000)	Total Committee Budget (£000)
Chief Executive Office	-321	1,952	154	1,785
Chief Executive Office	0	149	10	159
Communications and marketing	-321	1,140	144	963
PA's / Executive Support	0	663	0	663
Law & Governance	-1,978	4,172	3,627	5,821
Law & Governance Corporate	-30	420	7	397
Legal Services	-249	1,730	1,655	3,136
Democratic & Member Services	-383	855	964	1,436
Coroners Services	0	0	730	730
Electoral Services	-35	252	222	439
Registrars Service	-615	421	8	-186
Licensing	-666	494	41	-131
Resources	-12,553	26,860	30,673	44,980
Finance & Investment				
Management Accounts & Finance Support / Strategy, Policy and Final Accounts	-637	3,389	2,428	5,180
Major Projects & Corporate Activity	-3,387	1,828	18,509	16,950
Procurement & Accounts Payable	0	834	134	968
HR & OD and Payroll	-1,964	5,359	393	3,788
Digital & Improvement	-2,160	5,666	3,986	7,492
Revenues & Benefits	-4,405	6,294	380	2,268
Audit, Risk & Business Continuity	0	526	4	529
Strategic Change	0	2,965	4,839	7,804
Sub Total	-14,852	32,984	34,454	52,586
Housing Benefit	-85,069	0	85,098	29
Total Committee Budget	-99,921	32,984	119,552	52,615

Appendix C Committee Budget Details

D. Approved Savings

Savings Proposals	2022/23 (£000)
Law & Governance	
Capitalisation of Salaries	200
Removal of individual ward member budgets	184
Reduction in the Number of Committees	125
Whole Council Elections	125
	634
Resources	
To reduce heating in occupied council buildings by 2 degrees	113
One Stop Shop establishment review	99
Review of Treasury activity	500
Revenues & Benefits Review and Restructure	600
Strategic Change revenue budget reduction	650
Restructure of Commercial Income Team	230
Review of Finance Team Structure	50
Cease Business Rates Contribution	696
Modernisation of Information & Communications Technology Service	50
Review of Business Support Unit	20
Review of Internal Audit - Efficiencies and Income	62
Reduction in Learning & Development Budget	100
	3,170
Total Committee Savings	3,804

Appendix C Committee Budget Details

E. CAPITAL BUDGETS

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

TABLE 4: 2022-23 Policy and Resources Committee – Capital Budget

	22/23 Budget (£000)	23/24 Budget (£000)	24/25 Budget (£000)	25/26 Budget (£000)
Corporate				
Capitalisation of Legal Salaries	200	200	-	-
Transformational Capitalisation	5,704	-	5,704	-
	5,904	200	5,704	-
Resources				
Creative & Digital Team - specialist software and hardware	15	15	-	-
Customer Experience Improvements project	1,304	1,304	-	-
Digital Corporate Storage - upgrade & refresh technologies	1	1	-	-
Enterprise Resource Planning	5,664	5,664	-	-
Legal Case Management System	60	60	-	-
Local Digital Cyber Fund	175	-	-	-
Replacement of IT Service Management System	392	392	-	-
Upgrade of WIFI Network	202	202	-	-
	7,813	7,638	-	-
	13,717	7,838	5,704	-

Appendix C Committee Budget Details

F. RESERVES

TABLE 5: 2022-23 Policy and Resources Committee – Reserves

Reserves Relating to the Policy and Resources Committee	£000
Law & Governance	
Licensing reserve	60
Taxi, marriage + scrap metal licences	145
Electoral Reserve	150
Sub Total	355
Resources	
Commercial Management	205
Discretionary Housing Payments	185
HR/OD Talent Management	50
HR Reserve – Schools	41
Transformation Challenge Award	4
Asset Consolidation Staff Relocation Contingency	110
ICT Records Management	288
Business Rates Equalisation Reserve (100%) rates retention pilot)	7,000
Enterprise Zone Contingency Fund	29
Financial Resilience Reserve	887
Financial Instrument Equalisation Reserve	2,123
Year 2 of EVR/VS Termination Payments	1,883
Social Care Fund	3,340
Digital Transformation	1,566
Sub Total	17,711
Committee Total	18,066

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POLICY AND RESOURCES COMMITTEE

Wednesday, 13 July 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 recommended 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 **£500,000**;
 - (iii) on any virement between Budget funds (capital) or any amendment to the Capital Programme requested by a Committee or officer in excess of **£500,000**;
 - (iv) regarding land and property including major acquisition and disposals, which includes reserved decision making concerning any purchase, sale or transfer of a value in excess of, or likely to exceed, **£500,000**;
 - (v) regarding companies or limited liability partnerships including acquisition and disposals; and
 - (vi) which is deemed significant in terms of impact on the Council's revenue or capital (to be determined by the Head of Paid Service and/or Section 151 Officer in consultation with the Leader);
- (c) without limiting the generality of responsibility for cross-cutting policies (at (a) above), lead on behalf of the Council:
- (i) in matters concerning relationships with HM Government, the Liverpool City Region Combined Authority and other major public and non-public bodies;
- (d) appoint Council representatives as required;
- (e) nominate councillors and other persons to outside bodies; and
- (f) undertake responsibility for developing and monitoring the enabling corporate services, including, finance and investment, project support and risk management, strategic procurement and commercial strategies, ICT, property and asset management, human resources and organisational development, law and governance, communications and public affairs, emergency planning and business continuity.

4.0 FINANCIAL IMPLICATIONS

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

5.0 LEGAL IMPLICATIONS

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

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

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

7.0 RELEVANT RISKS

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

8.0 ENGAGEMENT/CONSULTATION

- 8.1** Not applicable

9.0 EQUALITY IMPLICATIONS

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

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

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

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

11.0 COMMUNITY WEALTH BUILDING

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

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

APPENDICES

Appendix 1: Policy and Resources Committee Work Plan

BACKGROUND PAPERS

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

Subject History (last three years)

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
Policy and Resources Committee	8 June 2022

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POLICY AND RESOURCES COMMITTEE

WORK PROGRAMME 2022/23

KEY DECISIONS TO BE TAKEN AUGUST – NOVEMBER 2022

Item	Brief Description	Approximate timescale	Lead Departmental Officer
One Wirral Change Programme	This report provides an overview of the Council's emerging change programme.	Between August and November	Director of Resources
Discretionary Rate Relief Policy	Proposed changes to Discretionary Rate Relief Policy (Section 47 LGFA 1988) to reflect changes made by Central Government to existing provisions and guidance.	Between August and November	Director of Resources
Enterprise Resource Planning (ERP) – SmartBusiness	To approve the full business case for delivery of phase 2 of the project (Human Resources & Payroll).	Between August and November	Director of Resources
Wirral Local Plan 2021 to 2037: Publication of Submission Draft Plan (Regulation 19) and Submission to Secretary of State for Examination (Regulation 22)			Director of Regeneration and Place

STANDING FORWARD PLAN ITEMS (AS REQUIRED)

Item	Brief Description	Approximate timescale	Lead Departmental Officer
Liverpool City Region Enabling Powers and Associated Issues	Various matters which may require the consent of this Authority as one of the constituent	As required	Director of Law and Governance

	authorities of the Liverpool City Region Combined Authority		
Strategic Asset Acquisitions	Approval to acquire key assets as part of the Council's growth strategy	As required	Director of Regeneration and Place
Property and Land Disposals		As required	Director of Regeneration and Place
Loan / Loan Facility Application	To agree a business loan application relating to a local business	As required	Director of Resources
Treasury Management	To report and agree any significant new investments and or loan arrangements including refinancing	As required	Director of Resources
Capital Programme Amendments 2022/23	To agree changes including new schemes, funding and any major variations relating to the Capital Programme.	As required	Director of Resources
Financial Support Packages	Proposed financial support packages in response to additional government support funding and additional Wirral fuel support fund.	As required	Director of Resources

ADDITIONAL AGENDA ITEMS – WAITING TO BE SCHEDULED

Item	Brief Description	Approximate timescale	Lead Departmental Officer
Capital Ward Funding		November 2022	Shaer Halewood

STANDING ITEMS AND MONITORING REPORTS

Item	Reporting Frequency	Lead Departmental Officer
-------------	----------------------------	----------------------------------

Performance Monitoring	TBC	Carly Brown
Financial Monitoring	Quarterly	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				
Briefing Notes				
Wirral Growth Company Accounts		June 2022	Director of Resources	

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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MINUTE EXTRACT

ECONOMY REGENERATION AND HOUSING COMMITTEE

13 JUNE, 2022

17 SALE OF EGERTON HOUSE AND PACIFIC ROAD, BIRKENHEAD

The Economy, Regeneration and Housing Committee considered the report of the Director of Regeneration and Place in its entirety and agreed the recommendations as below,

Resolved- That the recommendations as detailed in the report be agreed.

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Policy and Resources Committee – Terms of Reference

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

The Committee is charged by full Council to:-

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

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