

**CABINET****17 February 2020****QUARTER 3 2019/20 CAPITAL FINANCIAL MONITORING**

**Councillor Janette Williamson, Portfolio Holder for Finance and Resources said:**

“We continue to face unprecedented reductions in our funding and, after a decade of austerity, increasing demand for Council services.

Our Capital forecast for the end of this year is a spend of £61m. This represents the value of investment the council is making in vital council services to support our most vulnerable residents, investing in school buildings, supporting the replacement of infrastructure and street lighting and regenerating the borough to encourage new investment.

Capital spend is vital for the council to maintain and develop our assets to a good standard to ensure that we do not need to spend as much revenue funding on maintenance and can capitalise on generating income from better use of our assets”

**REPORT SUMMARY**

This report provides an update on the progress of the Capital Programme 2019/20 at the end of December 2019. It recommends that Cabinet agree the 2019/20 Capital Programme of £61.047 million which takes account of re-profiling, additional funding requirements and grant variations identified since September.

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

**RECOMMENDATION/S**

- 1 The Cabinet recommends to Council the approval of additional funding for the schemes referred to in paragraph 3.3.
- 2 The Cabinet recommends to Council the approval of the revised Capital Programme of £61.047 million for 2019-20.

## SUPPORTING INFORMATION

### 1.0 REASON/S FOR RECOMMENDATION/S

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

### 2.0 OTHER OPTIONS CONSIDERED

- 2.1 No other options have been considered.

### 3.0 BACKGROUND INFORMATION

#### 3.1 Capital Programme 2019/20 Position by Directorate

**Table 1: Wirral Council 2019/20 Full Year Capital Budget and Forecast Position**

<b>Programme</b>	<b>Budget £m</b>	<b>Forecast £m</b>	<b>Variance £m</b>	<b>Variance %</b>
Adult Care & Health	6.747	2.417	4.330	64%
Business Management	12.915	11.076	1.839	14%
Transformational Capitalisation	-	12.359	-12.359	-
Children's Services	6.255	5.847	0.408	7%
Delivery Services	36.454	23.179	13.275	36%
Economic Housing Growth	27.712	6.169	21.543	78%
<b>Total</b>	<b>90.083</b>	<b>61.047</b>	<b>29.036</b>	<b>32%</b>

NB: detail of significant scheme variation in is Appendix 1

- 3.1.1 Table 1 provides an update on the 2019/20 capital Programme. A number of significant variations have arisen since the programme was agreed in March 2019. These include the inclusion of additional grant funded schemes, variations to spend forecasts and the re-profiling of expenditure into and out of the 2019/20 financial year. Further detail is provided below.

#### 3.1.2 Adult Care and Health

- **Alcohol Treatment** (£0.406m increase): Part of an overall grant of £6 million allocated to 23 authorities. The aim is to assist local authorities to prioritise alcohol treatment, invest in equipment and facilities and ensure that treatment expertise is enhanced to better meet the needs of people with alcohol problems.
- **Community Intermediate Care** (£0.500m decrease): The allocation of the original council funding is now under review due to possible alternative funding. This allocation is deferred to 2020/21.
- **Extra Care Housing** (£2.110m decrease): Two Extra Care developments which have been awarded Council grant are on currently on site. Barncroft is scheduled for completion in January 2020 and will provide 21 units of Extra Care and the Woodpecker Close site is scheduled for completion in September 2020, providing 78 units. No other

developments are planned for this year.

- **Learning Disability Extra Care Housing** (£3.0m decrease): Demand is less than expected due to the private sector finding alternative funding sources to back their developments such as through the supported living regime.

### 3.1.3 **Business Management**

- **Digital Corporate Storage:** (£0.46m decrease): A reassessment of the budget requirement indicates that costs will be less than anticipated with some of these savings utilised to fund the additional schemes referred to above in the Windows 10 project.
- **Key Route Network:** (£0.9m increase) Funding brought forward from 2018/19 (£0.3m increase). Additional costs will be incurred in respect of cabling on the A41. Transfer from the savings on the street lighting budget (£0.6m increase).
- **Sustainable Transport:** Funding brought forward from 2018/19 (£0.47m increase)
- **Transport Advisory Group Feasibility Studies:** (£1.18m increase) Additional grant funding was approved by the Combined Authority on 26th July 2019. The A41 North Corridor scheme (£0.65m increase) and the Wirral Waters scheme (£0.53m increase).
- **Tower Road National Productivity Investment Fund** (£0.51m decrease): Design and procurement of the scheme have taken longer than originally anticipated. Contractor has yet to be appointed.
- **Windows 10:** (£0.96m increase) The programme to provide all staff with the latest Operating System (Windows 10) and additional software to enable agile working is continuing. Three additional areas of work have been identified: Computer Aided Design and Geographical Information Systems; school's installations; the additional demand for docked type monitors. The net additional requirement for this year (£0.35m) can be funded from savings anticipated in the Digital Corporate Storage scheme.
- **Enterprise Resource Planning:** (£4.10m decrease) Soft market testing has been undertaken and suppliers have profiled their cloud-based offer. We are now approaching the procurement phase but the significant costs will only start to be incurred in the following financial year.
- **Treasury and Hamilton Data Centre** (£0.50m decrease) I.T have rescinded this scheme due the life of the Treasury building being extended for a longer period of time. A future bid may be required if/when the longer-term future of the Treasury building is decided.
- **Worksmart I.T.** (£0.38m decrease) The residual budget for this project has now been reallocated to fund additional works required as part of the Windows 10 project.

### 3.1.4 Children's Services

- **School Condition Allocation** (£1.090m decrease): Reprofiled of budget into 2020/21. Planned works to accommodate pupil requirements, school's availability and design. There have been planning delays with these schemes. Tenders submitted and awarded to preferred contractor.

### 3.1.5 Delivery

- **Aids, adaptations and DFGs** (£3.33m decrease): Substantial additional grant funding was included in the original budget. In May the Council received a further £4.3m. A realistic level of grant allocation is estimated to be £2.5m based on applications and resources available. The balance of funding has been re-profiled into 2020/21.
- **LED street lighting/column replacement** (£5.48m decrease): Contract awarded in September, works commencing October. Majority of expenditure will be incurred December onwards with funding reprofiled into future years.
- **Transport for Growth** (£0.90m increase): Adjustment to Integrated Transport grant allocation £1.1m and balance of funding brought forward from 2018/19. Reprofiled of £1.2m due to lack of resources to progress planning & design of schemes along with the statutory consultation processes that must be adhered to.
- **West Kirby flood defence** (£2.60m decrease): The expected tender period is December and January with appointment in February. Start on site will not be until the end of the financial year so apart from the ongoing consulting costs and some preliminary site work there will not be any significant capital outlay.
- **Leasowe Leisure Centre/Evolutions:** (£1.00m decrease): Various design options are still being considered in order to provide the most economical and effective solution. The scheme itself is unlikely to start until the new financial year.

### 3.1.6 Economic and Housing Growth

- **Business Investment Fund:** (decrease £0.27m) 8 bids have been received for financial assistance from the fund with the latest estimate for likely approval from this year's allocation being £1.036 million.
- **Housing Infrastructure Fund Marginal Viability (Northbank):** (£2.00m decrease) Part of Homes England grant of £6m for infrastructure, land remediation, public realm works and utilities provision at Northbank, Wirral Waters. Estimated grant drawdown this year is £1m with the balance reprofiled into 2020/21.
- **Investment in properties:** (£8.60m decrease) Costs with respect to the acquisition of specific properties relating to regeneration have been included in the current year projections with other schemes anticipated to commence in 2020-21.
- **New Ferry Regeneration Strategic Acquisitions:** (£0.99m decrease) 25 properties have been identified for acquisition with 4 completed to date. Not all those identified will be completed this year. Any unused funding will be carried forward for use in 2020/21.

- **Wirral Waters Investment Fund:** (£5.62m decrease) The Marine Energy Automotive Park project does not yet have planning permission and therefore, it is anticipated that it will commence in the last quarter of this financial year at the earliest. Anticipated spend £0.375m.
- **Community Bank:** (£4.25m decrease) A due diligence exercise will review the case to establish a North West Regional Community Bank covering Cumbria, Lancashire and Merseyside. Depending on the outcome the majority of the Council's contribution will not be required this financial year.

## 3.2 Capital Funding Requirements

**Table 2: Financing the Capital Programme 2019/20**

<b>Source of Financing</b>	<b>Original Programme £m</b>	<b>Revised Programme £m</b>
Borrowing	53.443	28.166
Grants / Loans	30.640	20.147
Capital Receipts	0.000	12.359
Business Rates	6.000	0.375
<b>Total</b>	<b>90.083</b>	<b>61.047</b>

- 3.2.1 Any re-profiling that reduces borrowing will produce one-off revenue savings. A permanent saving only occurs if schemes cease, otherwise the full budget will be required in 2020/21 when the re-profiled expenditure is incurred.
- 3.2.2 The Public Works Loans Board (PWLB) has announced a 1% increase in the rate of borrowing. The current capital programme includes a funding requirement of £28 million from borrowing, the full year impact of this would increase financing costs by £280,000 per annum if new PWLB was chosen as the funding source. There would be an increased cost of financing for future capital schemes financed by PWLB borrowing. These costs would impact upon the revenue budget but would mainly be incurred from 2020/21. The PWLB change has had limited impact so far, as the Council's Treasury Management strategy utilises cheaper short term non-PWLB sources of finance to fund the Capital Programme.

### Capital Receipts

- 3.2.3 In accordance with the Capital Receipts flexibilities introduced by the Government capital receipts generated between 1 April 2016 and 31 March 2022 can be used to support expenditure that is 'Transformational' in nature.
- 3.2.4 Within the Capital Programme for 2019/20 is the scope for use of up to £12.4 million of capital receipts to fund expenditure that meets the conditions of the flexible receipts allowance. At the start of the financial year £7.0 million of expenditure was included within the revenue budget but was to be capitalised at the end of the financial year. As the year has progressed the level of capital receipts achievable has been reassessed, with the revised forecast that up to £12.4 million can now be potentially capitalised. For completeness this report is now incorporating the amounts to be transferred from revenue to capital at year end. The costs are being managed through revenue monitoring as this is more appropriate for operational reasons but will be reported as capital at year end.

3.2.5 Application of receipts to fund such expenditure is predicated on the realisation of the receipts within this financial year. Key sales that are still in process are that of Marine Point (£3.95 million) and Rock Ferry high School (£2.10 million). If the anticipated receipts do not come to fruition, this will cause a subsequent pressure in the revenue budget as the costs will need to remain within the revenue budget for funding, rather than via capital receipts.

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

#### **3.3.1 Capitalisation in order to achieve revenue savings (£0.500m)**

A full organisational review is in place to identify items which are capital items, but have been funded in the revenue accounts, so that these can be capitalised, which is within the capital guidance. The associated annual borrowing costs will be accommodated with the revenue Treasury Management budget. This allocation is to fund the purchase of special equipment for Adult Social Care to support clients with complex needs, currently funded from the revenue budget. All purchases are supported by clear clinical justifications and special equipment is recycled, maintained and reused as required prior to the procurement of new equipment.

#### **3.3.2 Urban Tree Challenge (£0.300m from Council)**

The Council has submitted a successful bid for £600,000 to access Department for Environment, Food & Rural Affairs (DEFRA) 'Urban Tree Challenge Fund' with the strategic objective of increasing green infrastructure in support of climate change and broader environmental objectives. Funding is conditional on us providing 50% match funding, in this case £300,000 with the remaining £300,000 from DEFRA.

#### **3.3.3 Frankby Cemetery – Preparation of burial sections (£0.200m)**

Existing burial provision within Frankby Cemetery is limited and current estimates are that the cemetery will be full within the next 6 months. Measures have already been put in place to ensure graves are only being sold for current burials to guarantee an adequate number of graves remain for this period. Works will include the installation of concrete foundations and surfacing works to enable graves to be created, together with signage and landscaping works. This will provide new graves to continue to be sold, burials can proceed and revenue targets can be achieved.

#### **3.3.4 Fly-tipping Covert Surveillance Equipment (£0.042m)**

The Environmental Enforcement Team carry out covert CCTV surveillance at fly tip hotspots in an attempt to catch and prosecute those who fly tip. Success has been limited, primarily due to the existing cumbersome outdated CCTV units which are unreliable, difficult to deploy, hide and maintain on site.

The purchase of five sets of equipment will provide the opportunity to deploy at multiple sites simultaneously to track fly-tipping. Units can be linked to an officer's phone, PC or tablet to view recording. There will be no requirement to visit site. No data is stored on the unit, instead using cloud-based data storage. The proposed new equipment can be speedily deployed, taking approximately 30 minutes to install on site. Video evidence of

fly-tipping is vital in seeking successful prosecution of offenders.

### **3.3.5 Telecare Ecosystem (£3.000m)**

Telecare in Wirral consists primarily of falls alert devices and door sensors linked to analogue telephone lines, due to be switched off in 2023. A smaller number of people have epilepsy or enuresis sensors, while some homes are equipped with gas, flood and smoke detectors. These home-based devices link the resident to a call centre. The system is entirely reactive and relies on the person remaining in their own property as the devices have an extremely short range. The direct replacement costs of this equipment with its digital equivalent is estimated to be £1.3m including monitoring costs of £408,000 per year. This would seem to be the minimum investment required in the future to provide a similar level of service to now.

However recent developments in digital technology provide the ability to detect patterns of behaviour, learn them and alert care services in the event of changes that may indicate that the person is need of support. Other devices can alert care services to acute incidents such as a fall or a seizure. New technologies are emerging that act as virtual assistants to aid people in their daily living tasks, for example taking medication, self-care, eating and drinking and providing interfaces that enable them to access services and community activities.

The scheme above 'Telecare Ecosystem' is deferred until the full potential cost savings can be quantified to the satisfaction of the Assistant Director of Finance & Investment. Once this has been completed the scheme may commence.

This deferred scheme is included in the programme and the respective financing costs have been calculated and included in the Treasury Management budgets.

### **3.3.6 Essential welfare and machinery storage Plymyard cemetery (£0.075m)**

There is a requirement that all electrical component fittings and supply are compatible with statutory requirements and meet current electrical regulation provisions within the health and safety act.

The present structure is a shipping/transport container construction which is structurally failing and there is significant risk of injury to staff or members of the public. Under the requirements of the Workplace (Health, Safety and Welfare) Regulations 1992 where anyone is employed, we must 'so far as is reasonably practicable', provide adequate and appropriate welfare facilities for them while they are at work.

Funding is required to install a fit for purpose single storey building incorporating vehicle storage, welfare facilities, separate changing, washing and drying facilities, communal and administrative, modern utility services.

### **3.3.7 Machinery/Equipment Wash Down Compliance Facilities (£0.160m)**

The parks and countryside operations are predominantly based around sophisticated, expensive and high processed engineered pieces of equipment. Part of sustaining the machinery and their full operation is that it is maintained regularly, kept clean and any environmental impact is minimised. There are some significant measures that must be in place, measures that comply with the appropriate legislation and regulations. During the processes of cleaning down this equipment/machinery all waste material should be removed and captured in an eco-friendly process so not to contaminate the natural

environment.

This bid meets the requirement to comply with the following regulations:

- The Environmental Permitting (England and Wales Regulations.
- Ground Water Regulations (Northern Ireland)2009
- The Water environment (Controlled Activities) Amended regulations 2013.
- Health and Safety Act.
- Management of Health and Safety Act.

This bid is for funding to Install eco-friendly wash down facilities that comply with appropriate regulations

### **3.3.8 Customer Experience Improvements ('One Front Door') (£1.674m)**

In line with the vision and objectives as laid out in the Wirral Plan, the Council has put in place a comprehensive Digital Programme to drive improvements in the 'customer experience' and to realise savings and efficiencies from across the organisation. There is now a corporate requirement for 'One Front Door' into council services for our customers. This is something the current infrastructure cannot support.

Wirral Council operates many disparate systems many of which are now obsolete and no longer considered fit for purpose. These systems cannot deliver the vision we have for excellent customer focussed services or deliver the necessary levels of efficiency and productivity we require. This situation developed over a number of years and has resulted in an overly complex and expensive infrastructure.

The request is for Capital expenditure to develop a dedicated project team to fully realise the benefits of the Firmstep platform and transform the Customer Experience so as to free up capacity within teams to focus on those who need it the most.

### **3.3.9 Future of Golf – Project 1.1 (£0.485m)**

An Environment Overview and Scrutiny Committee considered a scrutiny report from Members following their visits to the four municipal golf courses in Wirral, along with a subsequent workshop at its meeting on 24 September 2019 and made several recommendations to the Cabinet Member.

This project is the first stage of a longer-term programme of works. Immediate works include key health and safety issues such as:

- making buildings safe
- statutory requirement for water filtration
- statutory requirement for welfare facilities at each course

### **3.3.10 New Ferry Community Centre (£0.650m)**

The project is centred around the improvement of an existing Council owned asset in New Ferry. The asset needs modernisation and is currently only open for nine hours a week to a small, age restrictive section of the community. The refurbished centre will become a wider community asset. New Ferry Charitable Incorporated Organisation (CIO) will be granted a long lease to operate it which will enable benefits from wider community



involvement to be realised. The project fits the Council's wider aspiration for providing regeneration and support to the local community in New Ferry.

### **3.3.11 Business Financial Assistance Grant (£0.383m)**

An application for a capital grant from a local organisation was assessed and agreed by Cabinet on 23 December 2019 under its General Power of Competence. The grant is to fund physical improvements to a recreation centre, allowing enhanced services and programmes to local residents, the local community and vulnerable adults and children.

### **3.3.12 The People's Pool (£0.080m)**

People's Pool is a community-based organisation with an objective to build a new lido in Wirral. Several bodies have been approached for funding and Wirral Council has been asked to contribute £80,000 towards £200,000 of feasibility studies, with further funding also coming from the Liverpool City Region Combined Authority. If the project is feasible People's Pool will be seeking to raise finance from several external grant making bodies. The project is owned by The People's Pool (ourlido.com) and will be fully operated and funded by them with no subsidy from the Council once open.

The lido is intended to be a hub for the community with a sustainable business model to support this including a food and drink offer, community, training, retail and social enterprises. The wish-list for the pool itself is that it will be open all year and heated using environmentally sustainable energy.

A separate report will be presented by Cabinet on the details of the project in March.

### **3.3.13 Human Resources e-Recruitment Solution (£0.021m)**

Human Resources cannot afford to wait until the Enterprise Resource Planning system is delivered and the current e-recruitment system is no longer developed by the current provider. The system is therefore supported in-house by the HR systems team. The module is now not fit-for-purpose on several levels.

The scope of this piece of work is to implement the Jobs Go Public (JGP) solution. This is a full end to end recruitment solution.

### **3.3.14 Rock Ferry Children's Centre (£0.045m)**

Changes to the status of the centre and the facilities within have resulted in the centre requiring urgent works in order to be able to adequately meet the needs of the Rock Ferry community. The scheme of works will ensure that the building is compliant with health & Safety legislation and in adherence to the Disability Discrimination Act.

## **3.4 Grant Funded Schemes**

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

3.4.2 **Town Centre Schemes – Liscard and New Ferry:** £0.72 million funding from the Liverpool City Region Combined Authority with a small contribution from an existing development reserve. This funding will deliver a Movement and Access Study to identify a phased, costed programme implementation strategy to address the transport challenges faced by the town centre. With New Ferry, the grant will support New Ferry Community Land Trust to acquire and refurbish a vacant building(s) for community use. Work may start before the end of the 2019/20 financial year.

3.4.3 **Northbank West Cycle Scheme:** This will fund a shared cycleway /footway along Dock Road from Duke Street to the Grain Warehouses. Funded by £0.55 million European Structural Investment Fund (ESIF) and £0.10 million from the Wirral Waters Investment Fund. There is no additional Council contribution requested. The funding needs to be spent by December 2020.

3.4.4 **Green Travel Corridors Sustainable Urban Development:** Funding package of £0.61 million being provided by European Regional Development Fund with the possibility of a further allocation, subject to business case approval, from the Liverpool City Region Transforming Cities Fund. The Scheme will undertake appropriate land acquisition, consultation, procurement and appointment of a contractor to deliver a 3.7km strategic cycle route from Leasowe to Seacombe Ferry as part of Phase 1 of the Local Cycling and Walking Infrastructure Plan - the Sustainable Urban Development Green Travel Corridors.

#### 4.0 FINANCIAL IMPLICATIONS

4.1 This is the Quarter 3 budget monitoring report that provides information on the forecast outturn and progress against the capital Programme. The Council has systems for reporting and forecasting budgets in place and alongside formal Quarterly reporting to Cabinet, the financial position is reported monthly at each Directorate Management Team and corporately at the Strategic Leadership Team (SLT). In the event of any early warning highlighting pressures and potential overspends, the SLT take collective responsibility to identify solutions to resolve these to ensure a balanced budget can be reported at the end of the year.

4.2 The revenue impact of the additional borrowing required to fund all the new bids, including those that it is proposed to defer, is:

**Table 6: Additional financing costs to fund new bids**

	2019/20	2020/21	2021/22	2022/23
	£000	£000	£000	£000
Additional revenue cost	75	341	346	350

4.3 It is estimated that these costs will peak in 2026/27 at £0.370 million reflecting the fact that the principal repayment associated with debt (the Minimum Revenue Provision) increases over the expected life of the asset funded from borrowing.

#### 5.0 LEGAL IMPLICATIONS

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

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

6.1 There are no implications arising directly from this report.

## **7.0 RELEVANT RISKS**

- 7.1 The possible failure to deliver the Revenue Budget is being mitigated by:
- (i) Senior Leadership / Directorate Teams regularly reviewing the financial position.
  - (ii) Availability of General Fund Balances.
  - (iii) Acceleration of 2020/21 projected Capital expenditure
- 7.2 The possibility of failure to deliver the Capital Programme will be mitigated by the monthly review by a senior group of officers, charged with improving performance.

## **8.0 ENGAGEMENT/CONSULTATION**

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

## **9.0 EQUALITY IMPLICATIONS**

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

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

10.1 Capital bids are welcomed that support the Council's Climate Emergency Plan that was compiled following the declaration of a Climate Emergency by the Council in May 2019. Within the existing capital programme there are projects that positively contribute to environmental issues. Amongst the requests for new funding contained within this report there are further examples of environmentally friendly schemes

- Urban Tree Challenge
- Fly-tipping Covert Surveillance Equipment
- Machinery/Equipment Wash Down Compliance Facilities

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## **APPENDICES**

Appendix 1 - 2019/20 Significant variations to the 2019/20 Capital programme

## **BACKGROUND PAPERS**

### **SUBJECT HISTORY**

<b>Council Meeting</b>	<b>Date</b>
<b>Budget Council – 2019/20 Capital Programme</b>	<b>4<sup>th</sup> March 2019</b>
<b>Council Meeting – Q1 Capital Monitoring</b>	<b>2<sup>nd</sup> September 2019</b>
<b>Council Meeting – Q2 Capital Monitoring</b>	<b>9<sup>th</sup> December 2019</b>

## Appendix 1 – 2019/20 Significant variations to the 2019/20 Capital programme

	Original Budget 2019/20	Forecast Outturn 2019/20	Variance	Commentary
	£000	£000	£000	
<b>Adult Care and Health</b>				
Alcohol Treatment Capital Fund	0	406	406	Part of an overall grant of £6 million allocated to 23 authorities. The aim is to assist local authorities to prioritise alcohol treatment, invest in equipment and facilities and ensure that treatment expertise is enhanced to better meet the needs of people with alcohol problems.
Community Intermediate Care	500	0	-500	The allocation of the original council funding is now under review due to possible alternative funding. This allocation is deferred to 2020/21
Extra Care Housing	2,560	450	-2,110	Two Extra Care developments which have been awarded Council grant are on currently on site. Barncroft is scheduled for completion in January 2020 and will provide 21 units of Extra Care and the Woodpecker Close site is scheduled for completion in September 2020, providing 78 units. No other developments are planned for this year.
Learning Disability Extra care housing	3,000	0	-3,000	Demand is less than expected due to the private sector finding alternative funding sources to back their developments such as through the supported living regime.

	<b>Original Budget 2019/20</b>	<b>Forecast Outturn 2019/20</b>	<b>Variance</b>	<b>Commentary</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	
<b>Business Management</b>				
Digital Corporate Storage - upgrade & refresh technologies	1,225	761	-464	A reassessment of the budget requirement indicates that costs will be less than anticipated with some of these savings utilised to fund the additional schemes referred to in the Windows 10 project.
Key Route Network	2,964	3,878	914	Funding brought forward from 2018/19 (£0.3m). Additional costs will be incurred in respect of cabling on the A41 which can be funded from savings on the street lighting contract.
Sustainable Transport Enhancement Programme (STEP)	393	863	470	The variance is accounted for by funding brought forward from 2018/19.
Transport Advisory Group Feasibility Studies A41 Corridor and Wirral Waters	0	1,189	1,189	Additional grant funding was approved by the Combined Authority on 26th July 2019. The A41 North Corridor scheme (£0.651m) and the Wirral Waters scheme (£0.538m).
Tower Road National Productivity Investment Fund	2,700	2,188	-512	Design and procurement of the scheme have taken longer than originally anticipated. Contractor has yet to be appointed.
Windows 10 Rollout	250	708	958	Three additional areas of work have become apparent: Computer Aided Design and Geographical Information Systems replacement; delivering the schools installations has required additional staffing resources; additional demand for the new docked type monitors. The additional requirement can be funded from savings anticipated in the digital Corporate Storage scheme and Worksmart I.T projects.

	<b>Original Budget 2019/20</b>	<b>Forecast Outturn 2019/20</b>	<b>Variance</b>	<b>Commentary</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	
Enterprise Resource Planning (ERP)	4,340	240	-4,100	Soft market testing has been undertaken and following this, suppliers have profiled their cloud-based offer to provide greater benefits to our business. The scheme is now approaching the procurement phase but the significant costs will only start to be incurred in the following financial year.
Treasury and Hamilton Data Centre	500	0	-500	I.T have rescinded this scheme due the life of the Treasury building being extended for a longer period of time A future bid may be required if/when the longer-term future of the Treasury building is decided.
Worksmart I.T	358	0	-358	The residual budget for this project has now been reallocated to fund additional works required as part of the Windows 10 project.

<b>Children's Services</b>				
School Condition Allocation	3,443	2,353	-1,090	Reprofiling of budget into 2020/21. Planned works to accommodate pupil requirements, school's availability and design. There have been planning delays with these schemes. Tenders submitted and awarded to preferred contractor

	<b>Original Budget 2019/20</b>	<b>Forecast Outturn 2019/20</b>	<b>Variance</b>	<b>Commentary</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	
<b>Delivery Services</b>				
Aids to navigation	800	80	-720	Contract awarded in June. Estimated costs of design work in 2019/20 are £80,000. The remainder reprofiled as work cannot be undertaken during the bird breeding season coupled with the fact that there is a short weather window during which work can be undertaken. Work will commence in April 2020.
Aids, Adaptations and Disabled Facility Grants	5,834	2,500	-3,334	Substantial additional grant funding was included in the original budget. In May the Council received a further £4.3m. A realistic level of grant allocation is estimated to be £2.5m based on applications and resources available. The balance of funding has been re-profiled into 2020/21.
Arrowe Country Park – New Machine Shed & Wash Bay	200	0	-200	Delay with design due to clients' expectation being higher than the funding available. Awaiting planning approval. The revised scheme is currently out to tender.
Bridges	551	816	265	Funding brought forward from 2018/19, primarily the balance of funding for Lingham Lane.
Eastham Youth Hub	0	220	220	Work has been ongoing for a number of years on a scheme to relocate Eastham Youth Club to a new facility co-located with Anselmians' Rugby Club. The £0.422m funding was approved by Council on 14 <sup>th</sup> October 2019 with £0.222m being reprofiled to be spent in 2020/21.



	<b>Original Budget 2019/20</b>	<b>Forecast Outturn 2019/20</b>	<b>Variance</b>	<b>Commentary</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	
LED street lighting/ column - Replacement	7,102	1,624	-5,478	Contract awarded in September, works commencing October. Majority of expenditure will be incurred December onwards with funding reprofiled into future years.
Transport for Growth	557	1,459	902	Adjustment to Integrated Transport grant allocation £1.1m and balance of funding brought forward from 2018/19. Reprofiling of £1.2m due to lack of resources to progress planning & design of schemes along with the statutory consultation processes that must be adhered to.
West Kirby Concourse/Guinea Gap Reception upgrade / improve	360	10	-350	Project delayed due to client re-examining requirements and specification required. Feasibility and design aspects now in progress. Budget allocation moved into 2020/21
West Kirby Flood alleviation	2,854	258	-2,596	The expected tender period is December and January with appointment in February. Start on site will not be until the end of the financial year so apart from the ongoing consulting costs and some preliminary site work there will not be any significant capital outlay.
West Kirby Marine Lake/Sailing Centre – accommodation	0	694	694	This scheme will require additional funding and a new capital bid is expected to cover this. A separate report will be sent to Cabinet that details the issues with this project.
Leasowe Leisure Centre/Evolutions	1,000	0	-1,000	Various design options are still being considered in order to provide the most economical and effective solution. The scheme itself is unlikely to start until the new financial year.

Parks & Countryside Discrimination Disability Act	480	30	-450	Delay with design due to client's requirements being higher than funding available. Awaiting planning approval. Scheme currently in feasibility stage.
Parks Machinery and Vehicles	1,875	0	-1,875	The budget represents the first-year estimate of a 3-year rolling programme to update parks machinery and vehicles. Given the scale of the overall investment required (£3.9m) the programme has been deferred for further consideration.

<b>Economic and Housing Growth</b>				
Business Investment Fund	1,306	1,036	-270	8 bids have been received for financial assistance from this fund with the latest estimate for likely approval from this year's allocation being £1.036 million.
Housing Infrastructure Fund Marginal Viability (Northbank)	3,000	1,000	-2,000	Part of Homes England grant of £6m for infrastructure, land remediation, public realm works and utilities provision at Northbank, Wirral Waters. Estimated grant drawdown this year is £1m with the balance reprofiled into 2020/21.
Investment in Properties	10,106	1,500	-8,606	Closely linked to the progressing Wirral Growth Company it is intended to fund potential acquisitions. Costs in respect of Milton Pavement have been included in the current year projections with other schemes anticipated to commence in 2020/21.
New Ferry Regeneration Strategic Acquisitions	1,300	310	-990	The funding has been secured for the acquisition and demolition of 25 properties in New Ferry Town Centre with the aim of assembling viable redevelopment sites to assist in regeneration.  Acquisitions are currently being negotiated by agreement only and six have been agreed to date.

				The Council is in the process of seeking compulsory purchase powers which will speed up expenditure should these be granted.
	<b>Original Budget 2019/20</b>	<b>Forecast Outturn 2019/20</b>	<b>Variance</b>	<b>Commentary</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	
Wirral Waters Investment Fund	6,000	375	-5,625	The Marine Energy Automotive Park project (£1.5m) does not yet have planning permission and therefore, it is anticipated that it will commence in the last quarter of this financial year at the earliest. The Green/Civilised Streets project was reported to Cabinet On 30 <sup>th</sup> September, seeking £400,000 of financial support for infrastructure improvement at Tower Road, Birkenhead. Funding will be required in 2020/21.
Community Bank	5,000	750	-4,250	A due diligence exercise will review the case to establish a North West Regional Community Bank covering Cumbria, Lancashire and Merseyside. Depending on the outcome the majority of the Council's contribution will not be required this financial year.