



ECONOMY REGENERATION & DEVELOPMENT COMMITTEE

Wednesday, 29 September 2021

REPORT TITLE:	QUARTER 1 MONITOR REPORT
REPORT OF:	DIRECTOR OF REGENERATION AND PLACE

REPORT SUMMARY

This report provides a summary of the projected year-end revenue and capital position for Economy, Regeneration & Development Committee as at the end of Quarter 1 (June 2021) of the 2021/22 financial year. The report provides Members with an overview of budget performance to enable the Committee to take ownership of their specific budgets and provide robust challenge and scrutiny to Officers on the performance of those budgets.

The Committee is accountable for ensuring that the committee budgets remain within the relevant envelope and will take collective responsibility via the Policy and Resources Committee to ensure that the whole Council budget remains in balance at all times, by agreeing mitigating actions to bring the budget back in line, should a deficit be forecast.

RECOMMENDATIONS

The Economic, Regeneration and Development Committee is requested to :

1. Note the projected year-end revenue forecast variance of £0.02m favourable position as reported at quarter 1 (Apr-Jun) of 2021-22.
2. Note progress on the achievement of approved savings and the projected year-end forecast position at quarter 1 (Apr-Jun) of 2021-22.
3. Note the reserves allocated to the Committee for future one-off commitments
4. Note the projected year-end capital forecast expenditure position of £17.5m as reported at quarter 1 (Apr-Jun) of 2021-22.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 Regular monitoring and reporting of revenue and capital budgets, reserves, savings achievements and Medium-Term Financial Strategy (MTFS) position enables decisions to be taken faster, which may produce revenue benefits and will improve financial control of Wirral Council.

2.0 OTHER OPTIONS CONSIDERED

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

3.0 BACKGROUND INFORMATION

Revenue Forecast Position

- 3.1 This section provides a summary of the projected year-end revenue position as at the end of Quarter 1, Month 3 (June 2021) of 2021/22 financial year.
- 3.2 As at the end of June 2021, the forecast year-end position for Economy, Regeneration & Development Committee is a favourable variance of £0.02m against a budget of £3.610m.

TABLE 1: 2021/22 Regeneration and Place – Service Budget & Forecast

Objective	Budget	Forecast	Variance		Adv/Fav
	£000	£000	(+ Fav, - Adv) £000	%	
Regeneration	1,573	1,474	99	6%	Favourable
Planning and Building Control	857	929	-72	-6%	Adverse
Special Projects	108	115	-7	-3%	Adverse
Local Plan	400	400	0	0%	
Directorate Surplus / (Deficit)	2,938	2,918	20	1%	Favourable
Support / Admin Building Overhead	672	672	0	0%	
Total Surplus / (Deficit)	3,610	3,590	20	1%	

- 3.3 **Regeneration:** A favourable variance of £0.099m is reported for 2021-22. Whilst the new staffing structure that will help deliver the major regeneration projects is being

recruited to, temporary interim staff are helping to ensure grant funding bids are achieved and that projects continue to be delivered.

3.4 Planning and Building Control:

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

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

3.6 Local Plan: A break-even position is reported for 2021-22, with the planned utilisation of available reserves of £0.729m in support of developing the local plan.

TABLE 2: 2021/22 Regeneration and Place – Subjective Budget & Forecast

Subjective	Budget £000	Forecast £000	Variance (+ Fav, - Adv)		Adv/Fav
			£000	%	
Income	-4,347	-4,368	21	0%	Favourable
Expenditure					
Employee	4,637	4,561	76	2%	Favourable
Non Pay	2,648	2,725	-77	-2%	Adverse
Cost of Care					
Total Expenditure	7,285	7,286	-1	0%	Adverse
Directorate Surplus / (Deficit)	2,938	2,918	20	1%	Favourable
Support / Admin Building Overhead	672	672	0	0%	
Total Surplus / (Deficit)	3,610	3,590	20	1%	Favourable

3.7 Income: A Favourable variance of £0.021m is reported for 2021-22, relating to various income budgets.

3.8 Employees: A Favourable variance of £0.076m is reported for 2021-22 relating to the new staffing structure being recruited to in Regeneration, per paragraph 3.3

3.9 Non Pay: An Adverse variance of £0.077m is reported for 2021-22, relating in the main to MEAS work in Planning, per paragraph 3.4.

Budget Saving Achievement Progress

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

TABLE 3: 2021/22 Regeneration and Place – Budget Savings

Saving Title	Agreed Value	Forecast Value	RAG Rating	Comments
Pre-application Fee Increase and PPAs	£0.02m	£0.02m	Green	On target to be achieved.
Budget Allocation for DDA	£0.2m	£0.2m	Green	On target to be achieved.
Sales, Fees and Charges Compensation - Planning	£0.05m	£0.05m	Green	On target to be achieved.
Wirral Growth Company Joint Venture income	£1.38m	£1.38m	Amber	On target to be achieved, including income from capital receipts
Total	£1.65M	£1.65M		

Earmarked Reserves

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

TABLE 4: 2021/22 Regeneration and Place – Earmarked Reserves

Reserves	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Wirral Ways to Work	273			273
Regeneration and Inward Investment	563			563
Urban Development Corporation Bid	420			420
Building Control Fee Earning	354			354
Major Infrastructure Project Development	183			183
DCLG Empty Shops Grant	41			41
ERDF 4.2 Match Funding	19			19
A/M GMT – Community Fund CAT	76			76
Licence Survey Work	56			56
TOTAL	1,985	0	0	1,985

2021/22 COMMITTEE CAPITAL BUDGET

TABLE 5: 2021/22 – Economy, Regeneration and Development Committee Capital Budget & Forecast

Scheme	2021/22		
	Budget £000	Forecast Outturn £000	Variance £000
Economy, Regeneration and Development			
Birkenhead Market Development	50	0	-50
Birkenhead Regeneration Delivery Fund	2,599	2,599	0
Birkenhead Regeneration Framework	667	667	0
Business Investment Fund	955	955	0
Eureka	100	100	0
Future High Streets - Birkenhead	12,022	3,318	-8,704
Hind Street Movement Strategy Project 21-22	0	123	123
Housing Infrastructure Fund (Enabling Infrastructure)	21	21	0
Housing Infrastructure Fund Marginal Viability (Northbank)	3,788	3,748	-40
Maritime Knowledge hub	0	1,700	1,700
New Ferry Regeneration Strategic Acquisitions	718	280	-438
Office Quarter Building Fit-Out	196	196	0
Strategic Acquisition Fund	4,834	1,200	-3,634
Town Centre scheme - Liscard	296	296	0
Town Centre scheme - New Ferry	177	177	0
Town Fund Birkenhead	115	115	0
Wirral Waters Investment Fund	4,100	2,005	-2,095
Total Economy, Regeneration and Development	30,638	17,500	-13,138

- 3.12 Table 5 summarises the forecast expenditure against Capital Budgets, which shows a variance of £13.138m.
- 3.13 Future High Street Fund Grant of £12 million received in advance from MHCLG in 20/21 as part of the Birkenhead Future High Street programme. Funds were paid as a Section 31 grant and in advance of signing a grant funding agreement. Currently negotiating a project adjustment and revised spend profile with Government. The forecast for 21/22 is dependent on a number of solutions being agreed, which includes the temporary Birkenhead Market site, with the £8.704m being slipped in to future years capital programme.
- 3.14 The Maritime Knowledge Hub is a catalytic project that will support wider development within Wirral Waters. It will create a world class centre of excellence for maritime business growth and sector development. It was approved at P&R Committee on 17/3/21 following recommendation from this committee on 4/3/21. £1.7m has been earmarked for potential spend in Q4 subject to grant approval and

Peel meeting certain scheme conditions regarding levels of pre-lets. The remaining spend is allocated in future years.

- 3.15 Strategic Acquisition Fund is available to support acquisitions that may be required to ensure the regeneration strategy can successfully be delivered. Any unspent funding will be slipped into the next financial year.

4 FINANCIAL IMPLICATIONS

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

5 LEGAL IMPLICATIONS

- 5.1 Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.
- 5.2 The provisions of section 25, Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. This is in addition to the personal duty on the Chief Finance (Section 151) Officer to make a report, 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 (including sums borrowed) available to it to meet that expenditure.
- 5.3 It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources.

6 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

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

7 RELEVANT RISKS

- 7.1 The possible failure to deliver the Revenue Budget is being mitigated by:
1. Senior Leadership / Directorate Teams regularly reviewing the financial position.

2. Availability of General Fund Balances.
3. Review of existing services and service provision.

8 ENGAGEMENT/CONSULTATION

- 8.1 The priorities in the Council Plan 2025 were informed by stakeholder engagement carried out in 2019.

9 EQUALITY IMPLICATIONS

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

10 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 The Wirral Plan 2025 includes a set of goals and objectives to create a sustainable environment which urgently tackles the environment emergency. These are based on developing and delivering plans that improve the environment for Wirral residents. The performance report will include information on key areas where environment and climate related outcomes are delivered.
- 10.2 No direct implications. The content and/or recommendations contained within this report are expected to have no impact on emissions of Greenhouse Gases.

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APPENDICES

None

BACKGROUND PAPERS

- 2021/22 BUDGET MONITORING
- P&R Budget Monitoring 2021/22 Quarter 1

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Economic Regeneration & Development Committee	27 October 2020
Economic Regeneration & Development Committee	26 January 2021
Economic Regeneration & Development Committee	4 March 2021
Economic Regeneration & Development Committee	8 June 2021

Economic Regeneration & Development Committee

26 July 2021