



POLICY AND RESOURCES COMMITTEE

Wednesday, 1 September 2021

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

REPORT SUMMARY

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

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

RECOMMENDATION/S

The Policy and Resources Committee recommends to Council:

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

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

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

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

2.0 OTHER OPTIONS CONSIDERED

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

3.0 BACKGROUND INFORMATION

3.1 Capital Programme 2021/22 Position by Directorate

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

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

NB: items of significant scheme variation are included below.

Capital Programme 2021/22 Position by Committee

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

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

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

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

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

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

3.2 Scheme Updates

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

3.2.2 Adult Social Care & Health

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

3.2.3 Children, Families & Education

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

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

3.2.4 Neighbourhoods

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

3.2.5 Regeneration & Place

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

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

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

3.2.6 Resources

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

3.3 Reprofiling of expenditure

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

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

3.4 Grant Funded Schemes

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

3.4.2 Transforming Care - Therapeutic Short Breaks- £0.866 million

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

3.4.3 High needs Provision Capital - £1.047 million

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

3.4.4 School Condition Allocation - £3.721 million

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

3.4.5 Combined Authority Transport Plan - £1.150 million

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

3.4.6 Highways Maintenance - £3.504 million

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

3.4.7 Key Route Network 2021/22 - £0.537 million

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

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

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

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

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

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

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

3.5 Recommendations to Full Council: Approval for Funding

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

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

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

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

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

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

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

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

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

3.5.3 Street Lighting Infrastructure (£1.500m)

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

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

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

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

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

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

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

3.6 Other Scheme Matters

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

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

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

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

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

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

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

3.7 MHCLG Capitalisation Directive

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

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

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

3.8 Virements

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

3.9 Capital Funding Requirements

Table 3: Financing the Capital Programme 2021/22

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

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

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

Capital Receipts

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

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

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

4.0 FINANCIAL IMPLICATIONS

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

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

Table 4: Additional financing costs to fund new bids

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

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

5.0 LEGAL IMPLICATIONS

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

5.2 Members must bear in mind their fiduciary duty to the council taxpayers of Wirral. Members must have adequate evidence on which to base their decisions on the level of quality at which services should be provided.

5.3 Where a service is provided pursuant to a statutory duty, it would not be lawful to fail to discharge it properly or abandon it, and where there is discretion as to how it is to be discharged, that discretion should be exercised reasonably.

5.4 The report sets out the relevant considerations for Members to consider during their deliberations and Members are reminded of the need to ignore irrelevant considerations. Members have a duty to seek to ensure that the Council acts

lawfully. Members must not come to a decision which no reasonable authority could come to; balancing the nature, quality and level of services which they consider should be provided, against the costs of providing such services.

- 5.5 There is a particular requirement to take into consideration the Council's fiduciary duty and the public sector equality duty in coming to its decision.
- 5.6 The public sector equality duty is that a public authority must, in the exercise of its functions, have due regard to the need to: (1) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; (2) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and (3) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 5.7 Any decision made in the exercise of any function is potentially open to challenge if the duty has been disregarded. The duty applies both to Full Council when setting the budget and to Committees when considering particular decisions.
- 5.8 Once a budget is in place, Council has delegated responsibility to the Policy and Services Committees to implement it. The Committees may not act contrary to the Budget without consent of Council other than in accordance with the Procedure Rules set out at Part 4(3) of the Constitution.
- 5.9 It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered, and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

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

7.0 RELEVANT RISKS

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

Risk.

8.0 ENGAGEMENT/CONSULTATION

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

9.0 EQUALITY IMPLICATIONS

9.1 There are no equality implications directly from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

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

REPORT AUTHOR: Gary Mitchell
Senior Finance Business Partner
telephone: (0151) 666 3418
email: garymitchell@wirral.gov.uk

APPENDICES

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

BACKGROUND PAPERS

Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the UK 2020/21.

Local Government Act 2003 and subsequent amendments.

Local Government (Capital Finance and Accounting) Regulations 2008.

Accounts and Audit (England) Regulations 2015.

SUBJECT HISTORY

Meeting	Date
Budget Council – 2021/26 Capital Programme	1st March 2021
Budget Council - 2021/22 Capital Financing Strategy	1st March 2021
P&R Committee - 2020/21 Capital Outturn Report	30th June 2021

Appendix 1

Movement Between Originally Approved Capital Budget and Forecast Position

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

Appendix 2

Summary of Significant Programme Variations in Quarter 1

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

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

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

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

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

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

Appendix 3

Proposed Virements

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

Appendix 4

Revised Capital Programme at Quarter 1 2021/22

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

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

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

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

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

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

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

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