



POLICY AND RESOURCES COMMITTEE

Wednesday, 10 November 2021

REPORT TITLE:	CAPITAL MONITORING QUARTER 2 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 September 2021. It recommends that Committee agree the revised 2021/22 Capital Programme of £77.6 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 the revised Capital Programme of £77.6 million for 2021/22, including the addition of the new grant funding referred to in section 3.4 in this report.
- 2 the approval of the virements referred to in Appendix 3 in this 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	Forecast		Variance £m	Variance %
	Q1 £m	Q2 £m		
Adult Care & Health	3.494	3.494	0.000	0%
Children, Families & Education	5.504	5.705	0.201	4%
Corporate Schemes	12.071	12.071	0.000	0%
Neighbourhoods	23.584	23.710	0.126	1%
Regeneration & Place	32.696	30.243	-2.453	-8%
Resources	2.368	2.353	-0.015	-1%
Total	79.717	77.576	-2.141	-3%

NB: items of significant scheme variation from Quarter 1 are included below.

Capital Programme 2021/22 Position by Committee

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

Programme	Forecast		Variance £m	Variance %
	Q1 £m	Q2 £m		
Adult Social Care & Health	3.621	3.494	-0.127	-4%
Children, Young People & Education	5.534	5.735	0.201	4%
Economy, Regeneration & Development	17.564	17.519	-0.045	0%
Environment, Climate Emergency & Transport	23.840	24.295	0.455	2%
Housing	7.976	6.926	-1.050	-13%
Policy & Resources	15.706	15.982	0.276	2%
Tourism, Communities, Culture & Leisure	5.476	3.625	-1.851	-34%
Total	79.717	77.576	-2.141	-3%

- 3.1.1 Table 1 provides an update on the 2021/22 capital Programme. A number of variations have arisen since the re-profiled programme was agreed at the end of June 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 £59.282 million from the originally approved budget in March 2021. During Quarter 2, £4.911 million was reprofiled. 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 an extra care development in Saughall Massie which opened in July 2021. It contains 78 self-contained 1 and 2 bedroom apartments to rent to people aged 55 and over. The Housing 21 Upton scheme is not expected to begin on site until planning permission is granted.
- **Telecare & Telehealth Ecosystem** – The scheme is progressing with over £0.415 million of costs being financed by the NHS that would have previously been incurred by the Council. Discussions are ongoing to substitute Council borrowing with grant funding from the Disabled Facilities Grant. Further cost reduction is expected as negotiations with suppliers result in better value purchasing, along with continued investment from NHS.

3.2.3 Children, Families & Education

- **School Condition Allocation (SCA)** – This programme of works is expected to accelerate as two building surveying staff have recently been appointed to work on both SCA and wider corporate projects, enabling more works to be undertaken this financial year. There are currently two vacancies within the department, one architect and one quantity surveyor, it is hoped these will be filled in this financial year, both posts will again work on School Condition Allocation schemes and wider corporate projects. Funding to support condition works, including:

- £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 factors including the availability of contractors and problems with the building supply chain, therefore school Capital projects have been on hold/subject to delay, with budget deferred into 2022/23. Scheme costs may increase as a consequence of supply chain issues and budgets will be monitored and aligned accordingly.
- **Transforming Care - Therapeutic Short Breaks**– An open market search is ongoing for a suitable property. National Health Service England have been updated regarding the stage of the project. It is hoped that a firm acceptance of offer will be in place by the end of the year. Estimated refurbishment costs of £0.266 million have been reprofiled into 2022/23.
- **Special Educational Needs and Disabilities** – The investment in the provision of places for pupils 2021/22. Works scheduled include those at Pensby Park Resource Centre to provide 60 SEN places and the Home Education Service relocation. Budget that had been reprofiled into 2022/23 has consequently been reinstated into this financial year. The need for additional classroom requirements by Foxfield are currently being assessed as pupil numbers increase.

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. Further funding of £1.5 million was built into the Capital programme in Quarter 1 to complete the scheme. It is anticipated that this allocation will be fully spent by January 2022, as works are in the final stage of the LED programme.
- **Highway Maintenance** – The 'Hot Road Asphalt' (HRA), Key Route Network (KRN) and Surface Dressing elements of this scheme have now been completed. The Micro-asphalting schemes are to be finished by the end of December 2021, with this budget being forecast to be fully utilised in 2021/22.
- **Combined Authority Transport Plan (CATP)** – This grant has been used historically to support the delivery of small-scale works in local areas' transport plans and capital maintenance on the local highway network. Following the relocation of staff during the Council's COVID response, the scheme has been impacted and met with delivery delays . Consultants have been commissioned to

deliver certain schemes but this in itself has been a lengthy process as procurement processes need to be adhered to.

- **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. Planning Committee is scheduled for November 2021. The conditions set by Natural England (if approved) only allow for the majority of the construction works to take place between April and October to minimise noise and disturbance within the Dee Estuary, hence the profiling of budget in 2022/23.
- **New Ferry Rangers Community Clubhouse** – scheme to fund essential health and safety works to the building. This will allow further works to be undertaken to turn a run- down youth club into a state-of-the-art community clubhouse.

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 forecast remaining for 2021/22. An allocation of the Disabled Facility Grant has been separated out and now reports in the 'Adult Social Care & Health' directorate.
- **Housing Infrastructure Fund Marginal Viability (Northbank)** - Delivery of these works, which are being undertaken by Peel Land and Property, will enable the delivery of 1106 residential units at Wirral Waters including the Urban Splash/Peel development, the Belong Care Village, and the Wirral Waters One (Legacy) project. Work has progressed to remediate, service and provide infrastructure on the land at Northbank. The works are well advanced and scheduled to be complete this financial year.
- **Future High Streets (Birkenhead)** – Grant of £12.000 million received in advance from the former Ministry of Housing, Communities & Local Government (MHCLG) in 20/21 as part of the Birkenhead Future High Street programme. Funds were paid as a 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.
- **Birkenhead Regeneration Delivery Fund** - Funding allocated to enable the delivery of the 'Brownfield First' development strategy in support of The Local Plan. Further work is underway to allocate the total budget against individual projects, this work will be completed for an update to be included in the Quarter 4 Report.
- **Wirral Waters Investment Fund (WWIF)**– Current approvals for WWIF grant total £5.850m
 - Marine, Energy & Automotive (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. The main contract is now complete with some additional works estimated to be completed in January 2022, subject to material availability.
- **Maritime Knowledge Hub-** A new scheme added into the programme in Quarter 1. The budget for the scheme is £23.0 million Scheme, funded £2.2m from the Wirral Waters Investment Fund, £8.85m Liverpool City Region Combined Authority’s ‘Strategic Investment Fund’ (Awaiting formal award in Quarter 3 2021/22) and £11.95m from the Council. £1.7m is forecast for potential spend in Quarter 4 of this financial year. subject to grant approval and Peel meeting certain scheme conditions regarding levels of pre-lets. The remaining budget will be split 50:50 over 2022/23 and 2023/24 to cover the build costs.

3.2.6 Resources

- **Enterprise Resource Planning (ERP)** - The project has moved from advisory to the build phase. All work streams are rated green which includes Data Migration, Integration, Finance, Procurement, Planning/Budgeting, Projects and Reporting. The next phase is for pilot system build and to specify the data management requirements. Overall, the project remains on track for the system to go live from 1 Apr 2022. Budget has been profiled into 2022/23 to cover ‘Smartbusiness’ costs and contingency.
- **Customer Experience Improvements Project** - The ‘Customer Access Solution’ (CAS) is a project to replace the council’s end of life CRM system with a modern customer engagement platform that will modernise service delivery and improve the customer experience. The project is currently in the delivery phase and rated ‘green’ for budget, schedule and risk. There is a migration plan in place and the next tranche of services to be delivered are waste related processes such as Graffiti, Fly tipping etc. Overall, the project remains on track for June 2022.

3.3 Reprofiting of expenditure

3.3.1 Since the approval of the revised Capital Programme as at Quarter 1, 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.

3.3.3 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.

- 3.3.4 Those schemes that have encountered significant delays as a result of 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.
- 3.3.5 All the Leisure Centre related capital projects, have been reprofiled into the financial year 2022/23, pending approval of the Sport and Physical Activity Strategy and associated Action Plans. The Sport and Physical Activity Strategy is to be considered by Members on 17th November 2021, at the Tourism, Communities, Culture and Leisure Committee.

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 **Coastal Defence – Meols Feasibility Study - £0.100 million**
Allocated to Wirral Council by the Environment Agency as a flood and coastal risk management capital grant. The award is to undertake a feasibility study for future coastal defence works at Meols (also looking at feasibility of highway drainage improvements at Hoylake).
- 3.4.3 **Future High Street Fund – New Ferry - £3.214 million**
Issued to the Council by the Department for Levelling Up, Housing and Communities (formerly the MHCLG) capital grant funding of £3,213,523 for the investment required to deliver the Future High Street Fund - New Ferry. This includes the redevelopment of Woodhead Street car park and explosion sites, partial de-pedestrianisation of Bebington Road and opening up of School Lane. Budget profiled to meet expected expenditure in 2021/22 and 2022/23.

3.5 Capitalisation Directive

The Council applied to Central Government 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 Department 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 and an external assurance review, the outcome of which is still awaited.

The maximum value of £10.68 million will be included within the programme for 2021/22. It is anticipated that this value may not be fully required and once a firm value is ascertained the capital programme will be reduced accordingly.

3.6 Virements

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

3.7 Capital Funding Requirements

Table 3: Financing the Capital Programme 2021/22

Source of Financing	Programme 30 Jun 2021 £m	Programme 30 Sep 2021 £m	Variance £m
Borrowing	46.442	45.725	-0.717
Grants/Contributions	32.510	31.086	-1.424
Capital Receipts	0.744	0.744	0.000
Revenue/Reserves	0.021	0.021	0.000
Total	79.717	77.576	-2.141

3.7.1 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.

Revised PWLB Guidance

3.7.2 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. The Council's current capital programme does not contain schemes that are primarily focussed on a commercial return. This revised guidance does not impact any of this Authority's current schemes.

3.7.3 HM Treasury published further guidance on PWLB borrowing in August 2021 providing additional detail and clarifications predominantly around the definition of an 'investment asset primarily for yield'. The principal aspects of the new guidance are:

- Capital expenditure incurred or committed to before 26th November 2020 is allowable even for an 'investment asset primarily for yield'.
- Capital plans should be submitted by local authorities via an online Government return. These open for the new financial year on 1st March and remain open all year. Returns must be updated if there is a change of more than 10%.
- An asset held primarily to generate yield that serves no direct policy purpose should not be categorised as service delivery.

- Further detail on how local authorities purchasing investment assets primarily for yield can access the PWLB for the purposes of refinancing existing loans or externalising internal borrowing.
- Additional detail on the sanctions which can be imposed for inappropriate use of the PWLB loan. These can include a request to cancel projects, restrictions to accessing the PLWB and requests for information on further plans.

3.7.4 The aim of these clarifications is to prescribe a proportionate and equitable way of preventing local authorities from using PWLB loans to buy commercial assets primarily for yield, without impeding their ability to pursue service delivery, housing, and regeneration under the prudential regime as they currently do.

Capital Receipts

3.7.5 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.

3.7.6 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.

3.7.7 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 2 budget monitoring report, to the end of September 2021 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 Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP). If the capital programme is delivered as forecast in this report, the Authority will consequently increase its capital debt by £45.7 million. This debt is repaid via charges to the revenue budget over the lives of the assets created or enhanced. The revenue impact of the additional £45.7 million of borrowing required to fund all forecast works in 2021/22 is as follows:

Table 4: MRP Charges to Revenue Relating to 2021/22 Debt Funded Capital

	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m
Additional revenue cost	1.662	1.692	1.723	1.753

Note – MRP repayments from revenue only start the year after the capital expenditure has taken place i.e., for spend incurred in 2021/22, the first MRP repayments will be charged in the 2022/23 revenue accounts.

- 4.3 It is estimated that these costs will peak in 2028/29 at £1.849 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. Any reprofiling or ‘slippage’ of debt funded capital spend will delay the associated MRP being charged to the revenue budget.

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. The Capital & Assets Group has been disbanded; however, the Investment & Change Board receive a monthly report on the Capital programme and associated issues for review.
- 7.2 The possible failure to deliver the Revenue Budget is being mitigated by:
- (i) Senior Leadership / Directorate Teams regularly reviewing the financial position.
 - (ii) Availability of General Fund Balances.
 - (iii) Where possible, reprofiling of 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 with the aim of a draft being available in Quarter 3 of 2021/22.

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. The environmental and climate implications, both positive and negative, are reported for each scheme separately to the relevant policy an service committee

11.0 COMMUNITY WEALTH IMPLICATIONS

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

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

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APPENDICES

- Appendix 1 Movement Between Q1 Forecast and Q2 Forecast Position
- Appendix 2 Summary of Significant Programme Variations in Quarter 2
- Appendix 3 Proposed Virements
- Appendix 4 Revised Capital Programme 2021/22

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BACKGROUND PAPERS

Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the UK 2020/21.
Local Government Act 2003 and subsequent amendments.
Local Government (Capital Finance and Accounting) Regulations 2008.
Accounts and Audit (England) Regulations 2015.

SUBJECT HISTORY

Council Meeting	Date
Budget Council – 2021/26 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
P&R Committee – 2021/22 Capital Monitoring Q1	1st September 2021

Appendix 1

Movement Between Q1 Forecast and Q2 Forecast Position

Programme	Forecast Q1 £m	Additional Grant £m	Funding Adjustments £m	New Bids £m	Scheme Reduction £m	Reprofiling to Future Yrs £m	Forecast Q2 £m
Adult Care & Health	3.494	-	4.270	-	-0.500	-3.770	3.494
Children, Families & Education	5.504	-	-	-	-	0.201	5.705
Corporate Schemes	12.071	-	-	-	-	-	12.071
Neighbourhoods	23.584	0.136	0.530	-	-	0.460	24.580
Regeneration & Place	32.696	3.234	-4.800	-	-0.100	-1.787	29.373
Resources	2.368	-	-	-	-	-0.015	2.353
Total	79.717	3.370	0.000	0.000	-0.600	-4.911	77.576

Appendix 2

Summary of Significant Programme Variations in Quarter 2

Area	Scheme	Forecast	Forecast	Variance	Comment
		Q1 £m	Q2 £m	from Q1 £m	
Children, Families & Education	Transforming Care - Therapeutic Short Breaks	0.866	0.600	-0.266	Purchase of a property for respite & short breaks, funded by an NHS England grant of £866k. An open market search is ongoing to purchase a property by the end of the year. The estimated refurbishment of £266k has been reprofiled into 22/23.
	Special Educational Needs and Disabilities	0.033	0.500	0.467	Investment in the provision of school places for pupils. Foxfield school require an additional three rooms on top of the three already estimated for this year. Funds of £ 467k brought forward from 22/23 to support the additional rooms.
Neighbourhoods	Tower Road National Productivity Investment Fund (NPIF)	0.134	0.534	0.400	Scheme to develop green infrastructure and public realm improvements in the Tower Road area of Birkenhead. An amount of £400k has been allocated from the Wirral Water Investment Fund as approved by Cabinet on 30 September 2019.
	Urban Tree Challenge Fund	0.525	0.319	-0.206	The Department for Environment, Food and Rural Affairs' (DEFRA) Urban Tree Challenge Fund with the strategic objective of increasing green infrastructure in support of climate change and broader environmental objectives. Expected spend for 21/22 is £319k with the remaining £206k deferred into 22/23.

Area	Scheme	Forecast	Forecast	Variance	Comment
		Q1 £m	Q2 £m	from Q1 £m	
Regeneration & Place	Aids, Adaptations and Disabled Facility Grants	6.856	6.386	-0.470	Reallocation of grant to Adults area and reprofiling of expenditure into 22/23.
	Land Clearance Schemes	390.000	10.000	-380.000	Funds to cover historical costs of property purchase compensation and it is difficult to predict when this will be claimed as it is outside of the Authority's control, however this is not expected in 21/22.
	Sustainable Urban Development (SUD) - Leasowe to Seacombe Corridor	0.529	0.150	-0.379	Scheme completion is anticipated for Summer '22. The 'SUD Leasowe to Seacombe Corridor' and 'Green Travel Corridors SUD' are the same scheme therefore both elements of the budget have been consolidated under 'SUD Leasowe to Seacombe Corridor' and budget profiled to meet expected costs in 21/22 and 22/23.
	Green Travel Corridors Sustainable Urban Development	0.612	0.000	-0.612	The 'SUD Leasowe to Seacombe Corridor' and 'Green Travel Corridors SUD' are the same scheme therefore both elements of the budget have been consolidated under 'SUD Leasowe to Seacombe Corridor'.
	Major Infrastructure Development & Strategic Transport Forward Planning	0.462	0.200	-0.262	Funding to support future business case development of major schemes. Budget reprofiled to meet expected spend in 21/22 and 22/23.

Area	Scheme	Forecast Q1 £m	Forecast Q2 £m	Variance from Q1 £m	Comment
Regeneration & Place	Future High Streest Fund - New Ferry 21/22	0.000	0.529	0.529	Department for Levelling Up, Housing and Communities (formerly the MHCLG) capital grant funding of £3,213,523 for the investment required to deliver the Future High Stree Fund - New Ferry. This includes the redevelopment of Woodhead Street Car Park and explosion sites, partial de-pedestrianisation of Bebington Road and opening up of School Lane. Budget profiled to meet expected expenditure in 21/22 and 22/23.
	Transport Advisory Group Business Case- A41 Corridor North	0.265	0.050	-0.215	Scheme is supporting the progression of the Left Bank programme. Budget reprofiled into 22/23 to match expected progress and spend.
	Wirral Waters Investment Fund	2.005	1.605	-0.400	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. £400k has been allocated to the Civilised St/Tower Rd NPIF scheme previously approved by Cabinet.

Appendix 3

Proposed Virements

Directorate	Scheme	Proposed Virement £'m	Proposed Reallocation	Reason
Neighbourhoods	New Cycle Infrastructure	1.000	Active Travel	Funding was originally identified to support development of Liveable Neighbourhood Pilot but subject to Committee approval this work is now being funded by Sustrans. Reprofiled for 21/22 and 22/23 to support the delivery of other active travel schemes including enhancing ATF2 Leasowe Rd scheme.
Neighbourhoods	Wirral Waters Investment Fund	0.400	Tower Road National Productivity Investment Fund (NPIF)	Funding of £400k from the WWIF to support the improvements to public realm in Tower Road, Birkenhead was approved by Cabinet on 30 September 2019.
Regeneration & Place	Central Park Compound	0.180	Depot Welfare Improvements	Budgets consolidated to allow any minor changes to the specification of work at the three sites to be variable whilst remaining within the overall maximum spend of £280,000.
Regeneration & Place	Leasowe Castle Depot	0.025	Depot Welfare Improvements	
Regeneration & Place	Plymyard Cemetery Welfare & Storage	0.075	Depot Welfare Improvements	
Regeneration & Place	Strategic Acquisition Fund	0.130	New Ferry Rangers Community Clubhouse	A further £130,000 for this project to meet the increase in materials costs and to provide a contingency for the project

Appendix 4

Revised Capital Programme at Quarter 2 2021/22

Scheme	2021/22			2022/23	2023/24	2024/25
	Q1 Forecast £000	Q2 Forecast £000	Variance £000	Budget £000	Budget £000	Budget £000
Adult Care and Health						
Better Care Fund (Disabled Facilities Grant)	0	0	0	4,270	0	0
Citizen and Provider Portal/Integrated I.T.	112	112	0	0	0	0
Community Intermediate Care	0	0	0	0	0	0
Extra Care Housing	2,874	2,874	0	2,467	0	0
Liquidlogic - Early Intervention & Prevention	125	125	0	125	0	0
Telecare & Telehealth Ecosystem	383	383	0	1,200	1,492	0
Total Adult Care and Health	3,494	3,494	0	8,062	1,492	0
Children, Families & Education						
Basic Needs	600	600	0	688	0	0
Children's System Development	423	423	0	403	0	0
School Condition Allocation (SCA)	2,564	2,564	0	7,520	2,500	2,500
Family support	0	0	0	157	0	0
Healthy Pupils Capital Fund	18	18	0	0	0	0
High Needs Provision Capital	500	500	0	547	0	0
PFI	0	0	0	85	0	0
School remodelling and additional classrooms (School Place Planning)	500	500	0	437	0	0
Special Educational Needs and Disabilities	33	500	467	329	0	0
Transforming Care - Therapeutic Short Breaks	866	600	-266	266	0	0
Total Children, Families & Education	5,504	5,705	201	10,432	2,500	2,500

Scheme	2021/22			2022/23	2023/24	2024/25
	Q1	Q2	Variance	Budget	Budget	Budget
	Forecast	Forecast				
Corporate Schemes						
Capitalisation of Salaries	647	647	0	0	0	0
MHCLG Capitalisation Directive	10,680	10,680	0	0	0	0
Transformational Capitalisation	744	744	0	0	0	0
Total Corporate Schemes	12,071	12,071	0	0	0	0
Neighbourhoods						
Aids to Navigation	40	40	0	0	0	0
Allotment Sites Expansion	127	127	0	0	0	0
Arrowe Park Sports Village Redevelopment Feasibility Study	25	25	0	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	95	95	0	0	0	0
Cemetery Extension & Improvements (Frankby)	171	171	0	0	0	0
Coastal Defence - Meols Feasibility Study	0	100	100	0	0	0
Combined Authority Transport Plan (CATP)	1,659	1,659	0	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	0	-4	4	0	0
Food Waste	0	0	0	0	3,200	0
Future Golf - Project 1.1	460	460	0	0	0	0
Highway Maintenance	4,277	4,313	36	0	0	0

Scheme	2021/22			2022/23	2023/24	2024/25
	Q1	Q2	Variance	Budget	Budget	Budget
	Forecast	Forecast				
Neighbourhoods (Continued)						
Highways Asset Management System	133	133	0	0	0	0
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	537	537	0	0	0	0
Lyndale Ave Parking & Safety Measures	150	150	0	0	0	0
Mersey PK & 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	0	0	0	0	0	0
New Ferry Rangers Community Clubhouse	922	1,052	130	0	0	0
North Wirral Coastal Park	0	0	0	0	0	0
Parks Machinery	552	552	0	2,083	0	0
Parks Vehicles	250	250	0	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	0	-147	147	0	0
Quick Win Levy	45	45	0	0	0	0
Removal of remaining analogue CCTV circuits	233	233	0	0	0	0
Solar Campus 3G	375	375	0	0	0	0
Sustainable Transport Enhancement Package	625	625	0	0	0	0

Scheme	2021/22			2022/23	2023/24	2024/25
	Q1 Forecast £000	Q2 Forecast £000	Variance £000	Budget £000	Budget £000	Budget £000
Neighbourhoods (Continued)						
Street Lighting Column - Replacement or Upgrade	5,203	5,203	0	0	0	0
Street Lighting -Illuminated Lighting and Signage	364	182	-182	182	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)	134	534	400	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	318	-207	207	0	0
West Kirby Flood alleviation	1,800	1,800	0	3,339	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	23,584	23,710	126	7,840	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	1,000	0	0
Aids, Adaptations and Disabled Facility Grants	6,856	6,386	-470	1,500	0	0

Scheme	2021/22			2022/23	2023/24	2024/25
	Q1	Q2	Variance	Budget	Budget	Budget
	Forecast	Forecast				
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 & Electronic Er	40	40	0	0	0	0
Bebington Oval Facility Upgrade	0	0	0	701	0	0
Birkenhead Market Development	0	0	0	0	0	0
Birkenhead Park Depot Resurfacing	30	30	0	0	0	0
Birkenhead Park Event Infrastructure	0	0	0	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	30	30	0	1,170	0	0
Central Park Compound	0	0	0	0	0	0
Clearance of Land Schemes	390	10	-380	380	0	0
Community Bank	185	185	0	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	100	100	0	190	0	0
Depot Welfare Improvements	0	200	200	80	0	0
Eastham Library	0	0	0	0	0	0
Empty Property Grant Scheme	310	210	-100	310	310	310
Energy efficient buildings	450	450	0	450	0	0
Eureka	100	100	0	0	0	0
Floral Pavilion	0	0	0	175	0	0
Future High Street Fund New Ferry 21-22	0	529	529	2,685	0	0

Scheme	2021/22			2022/23	2023/24	2024/25
	Q1	Q2	Variance	Budget	Budget	Budget
	Forecast £000	Forecast £000	£000	£000	£000	£000
Regeneration & Place (Continued)						
Future High Streets - Birkenhead	3,318	3,318	0	7,133	14,130	0
Health & Safety - Condition Surveys	1,000	1,000	0	2,806	2,500	2,500
Heswall Day Centre	127	127	0	0	0	0
Hind Street Movement Strategy Project 21-22	123	123	0	0	0	0
Home Improvements	350	250	-100	100	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	50	-54	54	0	0
Landican Chapels	119	119	0	0	0	0
Leasowe Castle Depot	25	0	-25	0	0	0
Leasowe Leisure Centre/Evolutions	0	0	0	1,720	0	0
Legislative Compliance	44	44	0	0	0	0
Leisure Health & Safety Compliance	0	0	0	842	0	0
Lever Sports Pavilion	0	0	0	80	0	0
Major Infrastructure Development & Strategic Transport Forward Plannin	462	200	-262	262	0	0
Maritime Knowledge hub	1,700	1,700	0	10,650	10,650	0
Moreton Youth Club & Library	500	500	0	500	0	0
New Ferry Regeneration Strategic Acquisitions	280	280	0	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 (Equalities Act)	25	25	0	430	0	0
Plymyard Cemetery Welfare & Storage	75	0	-75	0	0	0

Scheme	2021/22			2022/23	2023/24	2024/25
	Q1	Q2	Variance	Budget	Budget	Budget
	Forecast	Forecast				
	£000	£000	£000	£000	£000	£000
Regeneration & Place (Continued)						
Pool Covers	72	72	0	0	0	0
Property Pooled Plus I.T System	70	70	0	0	0	0
Seacombe Library	0	0	0	0	0	0
Soft Play Areas Leisure Centres	0	0	0	410	0	0
Strategic Acquisition Fund	1,200	1,070	-130	1,834	1,800	0
Sustainable Urban Development - Leasowe to Seacombe Corridor	529	150	-379	991	0	0
Transport Advisory Group Business Case-A41 Corridor North	265	50	-215	215	0	0
Transport Advisory Group Business Case-Wirral Waters outline	131	131	0	0	0	0
Town Centre scheme - Liscard	296	316	20	0	0	0
Town Centre scheme - New Ferry	177	177	0	0	0	0
Town Fund Birkehead	115	115	0	0	0	0
Wallasey Central Library	0	0	0	0	0	0
Wallasey Village Library	0	0	0	0	0	0
Washdown Facilities	97	97	0	0	0	0
West Kirby Concourse/Guinea Gap Reception upgrade / improve	0	0	0	351	0	0
West Kirby Marine Lake/Sailing Centre – accommodation	229	229	0	0	0	0
Wirral Tennis Centre - Facility Upgrade	0	0	0	766	0	0
Wirral Waters Investment Fund	2,005	1,605	-400	1,645	5,205	4,500
Total Regeneration & Place	32,696	30,243	-2,453	42,624	43,566	7,310

Scheme	2021/22			2022/23	2023/24	2024/25
	Q1 Forecast £000	Q2 Forecast £000	Variance £000	Budget £000	Budget £000	Budget £000
Resources						
Access Wirral	51	51	0	0	0	0
Creative & Digital Team - specialist software and hardware	15	0	-15	15	0	0
Customer Experience Improvements Project	561	561	0	856	0	0
Digital Corporate Storage - upgrade & refresh technologies	66	66	0	0	0	0
Enterprise Resource Planning	1,418	1,418	0	3,235	0	0
HR e-Recruitment Solution	21	21	0	0	0	0
Legal Case Management System	60	60	0	0	0	0
Windows 10 Rollout	0	0	0	0	0	0
Worksmart I.T.	176	176	0	0	0	0
Total Resources	2,368	2,353	-15	4,106	0	0
Total Capital Budget	79,717	77,576	-2,141	73,064	50,792	9,810