

POLICY AND RESOURCES COMMITTEE

Tuesday, 15 February 2022

REPORT TITLE:	2021-22 BUDGET MONITORING FOR QUARTER THREE (1 OCT – 31 DEC)
REPORT OF:	DIRECTOR OF RESOURCES

REPORT SUMMARY

This report sets out the financial monitoring information for the Council as at quarter 3 (Oct-Dec) of 2021-22. The report provides Members with an overview of budget performance to enable the Committee to take ownership of the budgets and provide robust challenge and scrutiny to Officers on the performance of those budgets.

The Committee is aware that the Department for Levelling Up, Housing and Communities (DLUHC) have provided a conditional offer of Exceptional Financial Support (capitalisation directive) for 2021/22 of up to £10.7m. One of the conditions of that offer is that the Council will need to provide evidence from the assurance review of the authority's financial position and its ability to meet any or all the identified budget gap without any additional borrowing. An Independent Panel has been appointed to monitor the progress of the implementation of the recommendations of the review.

Therefore, it is vitally important that the Council has robust processes in place to manage and monitor the in-year financial position, to ensure it delivers a balanced position at the end of the year. During the year a number of improvements have been made to address this:

- Six weekly performance meetings with Chief Executive and Director of Resources to scrutinise and challenge individual Directors as to their financial performance
- Reporting to Operational Performance Group
- Much improved compliance with procurement processes to ensure value for money
- Robust challenge at the Recruitment Panel on requests to recruit to permanent and temporary posts

The projected year-end revenue outturn, recorded as part of Quarter 3 financial monitoring activity, represents a favourable variance against revenue budget of £1.345m. This improved forecast since quarter 2 includes an historic repayment from The Ministry of Justice (MoJ) for Magistrates Court Fees. As any favourable variance must contribute to the reduction in the value of the Exceptional Financial Support for 2021/22, the forecast year end position is a balanced budget.

This budget position includes the utilisation of the Government's Exceptional Financial Support (EFS) but it is not anticipated that the full amount will be required, following a review of new funding received and a reduction in pressures estimated in March.

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

RECOMMENDATION/S

The Policy and Resources committee is recommended to:

1. Note the favourable forecast position, prior to the proposed adjustment to the exceptional financial support, presented at Quarter 3
2. Note the forecast reduction in the requirement to utilise the Government's Exceptional Financial Support (EFS)
3. Note the impact of funding and expenditure as a direct consequence of Covid-19, including the additional funding sources which have been identified.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 It is vitally important that the Council has robust processes in place to manage and monitor the in-year financial position, to ensure it delivers a forecast balanced position at the end of the year
- 1.2 Regular monitoring and reporting of the revenue budgets and savings achievements enables decisions to be taken in a timely manner, which may produce revenue benefits and will improve financial control of Wirral Council.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The Committee can decide to establish their own process for monitoring the 2021/22 in-year budget. This would need to be agreed at the next Policy and Resources Committee which reduces the time available to implement mitigating actions, where an adverse 2021/22 forecast maybe found.

3.0 BACKGROUND INFORMATION

- 3.1 It is vitally important that the Council has robust processes in place to manage and monitor the in-year financial position, to ensure it is reporting a forecast balanced position to the end of the year.
 - 3.1.1 To enable committees to manage and monitor budgets effectively in year, a suite of detailed information will be provided on a quarterly basis:
 - Full revenue budget monitoring report for the preceding quarter
 - Full list of budget savings proposals and the progress for their achievement
 - Full list of reserves for future one-off commitments
 - Full capital budget monitoring report for the preceding quarter (this information is contained within a separate 'Capital Monitoring report' elsewhere on the Committee Agenda).
 - 3.1.2 The projected year-end revenue outturn, recorded as part of Quarter 3 financial monitoring activity, represents a favourable variance against revenue budget of £1.345m.

TABLE 1 2021/22 REVENUE BUDGET & FORECAST

	Budget £000	Forecast Outturn £000	Variance (+ Fav / - Adv)		Adverse/ Favourable
			£000	%	
Adult Care & Health	113,582	113,106	476	0%	Favourable
Chief Executive Office	1,941	1,964	-23	-1%	Adverse
Children, Families & Education	86,679	85,789	890	1%	Favourable
Law & Governance	3,803	3,936	-133	-3%	Adverse
Neighbourhoods Services	53,920	54,396	-476	-1%	Adverse
Regeneration and Place	34,057	34,007	50	0%	Favourable
Resources	35,368	34,807	561	2%	Favourable
Total Surplus / (Deficit)	329,350	328,005	1,345	0%	Favourable
Value to offset EFS			-1,345		
Year-end forecast			0	0%	
For Information:					
Included as part of budget funding:					
Exceptional Financial Support	-10,700	-6,355	-4,345	41%	

- 3.1.3 The reduction in COVID pressures, previously reported at Quarter 2, remains the same. The value of exceptional financial support at Quarter 2 was reduced by £3m due to additional grant funding being received after submission of the Council's EFS request. The EFS requirement forecast was then further reduced as a result of favourable year end forecasts across the Council.
- 3.1.4 The movement in EFS from Quarter 2 to Quarter 3 reflects an additional improved year end forecast as a result of a more robust budget monitoring and compliance process, additional income received and vacancies being held in advance of recurrent savings proposed for 22/23. This has resulted in an additional £849k being made available to further reduce the value of EFS to £6,355m. Members will be aware that the EFS is still an offer from DLUHC and has not yet been confirmed.
- 3.1.5 It is imperative that the Council can report at least a supported balanced position at the end of the year and where possible, further reduce the value of the exceptional financial support offered by DLUHC. Work will continue to do this in the last quarter of the year.
- 3.1.6 Details of in year savings and progress to date are listed under each individual Directorate area below.

Directorate Summaries

3.2 Adult Care and Health

- 3.2.1 As at the end of December 2021 (Quarter 3), the financial forecast year end position for Adult Care and Public Health is a favourable variance of £0.476m against a budget of £113.582m.
- 3.2.2 This forecast anticipates continued uptake by providers of the Real Living Wage fee rates agreed at Committee on 7th June 2021 and full achievement of the £4.5m saving target against community care. Provision is also identified for anticipated winter pressures.
- 3.2.3 Government funding for hospital discharge has also now been extended until March 2022. For the period April to November 2021 funds of £1.2m have been received and are reflected in the forecast figures.

TABLE 2 2021/22 Adult Care and Public Health – Service Budget & Forecast

	Budget £000	Forecast Outturn £000	Variance (+ Fav / - Adv)		Adverse/ Favourable
			£000	%	
Adult Social Care Central Functions	5,601	5,270	331	6%	Favourable
Older People Services - WCFT	51,693	51,042	651	1%	Favourable
Mental Health & Disability Services - CWP	52,626	53,081	-455	-1%	Adverse
Other Care Commissions	-104	8	-112	108%	Adverse
Public Health	-262	-262	0	0%	
Wirral Intelligence Service	480	419	61	13%	Favourable
Directorate Surplus / (Deficit)	110,034	109,558	476	0%	Favourable
Support / Admin Building Overhead	3,548	3,548	0	0%	
Total Surplus / (Deficit)	113,582	113,106	476	0%	Favourable

- 3.2.4 **Central Functions:** A favourable variance of £0.331m is reported at quarter 3. This variance is as a result of a number of vacancies and delays in recruitment. This position will continue to be monitored throughout the year.
- 3.2.5 **Older People Services:** A favourable variance of £0.651m is reported at quarter 3. The forecast assumes full achievement of the £2m savings target attributed to Older People services. The variance will reflect some slippage against providers who have yet to sign up to the Real Living Wage approved rates and will therefore be paid at the standard rate.

- 3.2.6 **Mental Health & Disability Services:** An adverse variance of £0.455m is reported at quarter 3. This is in part due to a shortfall against anticipated client income and the introduction of some high-cost packages since Q2. The forecast continues to assume the full achievement of the original £2.5m savings target attributed to complex care services.
- 3.2.7 **Other Care Commissions:** An adverse variance of £0.112m is reported at quarter 3 due to a number of minor variances from budget.
- 3.2.8 **Public Health:** A balanced position is reported at quarter 3. Public Health is a ringfenced grant with an annual value £30.1m and projected to be fully utilised. £6.7m of this funding supports public health activities delivered by the Council, representing a significant funding stream.
- 3.2.9 **Wirral Intelligence Team:** A favourable variance of £0.061m is reported at quarter 3. The minor forecast surplus within this Service Area is relates to employee budgets.

TABLE 3 2021/22 Adult Care and Public Health – Subjective Budget & Forecast

	Budget	Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Income	-87,302	-87,941	639	-1%	Favourable
Expenditure					
Employee	6,579	6,186	393	6%	Favourable
Non Pay	58,582	59,033	-451	-1%	Adverse
Cost of Care	132,175	132,280	-105	0%	Adverse
Total Expenditure	197,336	197,499	-163	0%	Adverse
Directorate Surplus / (Deficit)	110,034	109,558	476	0%	Favourable
Support / Admin Building Overhead	3,548	3,548	0	0%	
Total Surplus / (Deficit)	113,582	113,106	476	0%	Favourable

Budget Virements

- 3.2.10 There have been no budget variations requiring committee approval in this Directorate in Quarter 3. For information, there have been several intra-directorate budget virements which have occurred since the Q2 report, aimed at better reflecting the Better Care Fund scheme costs in 2021/22. These movement have not impacted on the overall Directorate budget, nor on the forecast outturn.

Budget Saving Achievement Progress

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

TABLE 4: 2021/22 Adult Care and Public Health – Budget Savings

Saving Title	Agreed Value	Forecast Value	RAG Rating	Comments
Demand Mitigations	£3.8m	£3.8m	Green	On target to be achieved
Change Initiatives	£0.2m	£0.2m	Green	Work commenced with Partners for Change who are supporting this initiative
Wirral Evolutions review of day services for people with Learning Disability	£0.5m	£0.5m	Amber (Green after mitigations applied)	Wirral Evolutions are currently subject to a value review. A further report will be presented to Adult Social Care and Public Health Committee in March 2022
TOTAL	£4.5m	£4.5m		

3.2.12 **Demand Mitigations:** As part of the Community Health and Care Efficiency Improvement Programme the Wirral Community Health and Care NHS Foundation Trust (WCHC) and Cheshire & Wirral Partnership Trust (CWP) have been tasked with delivering savings from their delegated responsibilities budget. The Trusts undertake a programme of targeted work each year to deliver savings against the care budget allocation. Activity includes focussed review work to ensure that people receive the right level of support, supporting people to access services that are proportionate to their needs, and working with commissioners on a range of activity to ensure best value and to achieve the best outcomes for people who need care and support.

3.2.13 **Change Initiatives:** Adult Social Care and Health are working with Partners for Change to explore a new way of working with people who ask for care and support or who already use care and support services. This is a cultural change programme, working with staff and with people who use services in "innovation sites", responding to their needs with a different conversation. Rather than resorting to a traditional range of services to meet needs, staff will have a different conversation with people to identify what really matters to them and how they can find solutions to their needs, with support and with a different approach.

3.2.14 **Wirral Evolutions:** Wirral Evolutions are progressing with a service review, including their staffing arrangements, in order to manage their operating service costs within the agreed service payment and to reduce their costs by £0.5m.

Earmarked Reserves

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

TABLE 5: 2021/22 Adult Care and Public Health – Earmarked Reserves

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Adult Social Care – Safeguarding	181	-181	0	0
Public Health Ringfenced Grant	3,682	0	2,124	5,806
Champs Innovation Fund	2,419	0	589	3,008
Champs Covid-19 Contact Tracing Hub	1,962	0	72	2,034
Total	8,244	-181	2,785	10,848

3.2.16 The Safeguarding reserve within Adult Social Care has a balance of £0.181m. The funding for the combined Board has now ceased. If required, the residual funds will be used to support the Merseyside Safeguarding Adults Board business unit transition period and any residual SARs (Safeguarding Adults Reviews).

3.2.17 The Public Health Ringfenced grant reserve has a balance of £3.7m. Current spending plans against this year's grant allocation of £30.1m will result in a transfer to reserve of £2.1m to meet future year contractual commitments.

3.3 Chief Executive Office

3.3.1 As at the end of December 2021 (Quarter 3), the forecast year end position for Chief Executive Office is a minor adverse variance of £0.023m against a budget of £1.941m.

3.3.2 The effects of the Covid-19 pandemic impacted the ability of Wirral to generate marketing income. The loss relating to Quarter 1 has been mitigated in part with income from the Sales, Fees and Charges Income Loss Compensation Scheme. Focus has been on recovery from Quarter 2 onwards and services is exploring further income generating opportunities.

TABLE 6: 2021/22 Chief Executive Office – Service Budget & Forecast

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
	£000	£000	(+ Fav / - Adv)		
			£000	%	
Chief Executive Office	258	263	-5	-2%	Adverse
Comms & Marketing	897	923	-26	-3%	Adverse
PAs/Exec. Support	629	621	8	1%	Favourable
Directorate Surplus / (Deficit)	1,784	1,807	-23	-1%	Adverse
Support/Admin Building Overhead	157	157	0	0%	
Total Surplus/ (Deficit)	1,941	1,964	-23	-1%	Adverse

3.3.3 **Chief Executive Office:** A minor favourable variance of £0.005m is reported for 2021/22.

3.3.4 **Comms & Marketing:** A minor adverse variance of £0.026m is reported for 2021/22. Marketing income in relation to advertising has not yet returned to pre Covid-19 levels and there is an anticipated shortfall for this financial year which will be offset in part with a reduction in costs in providing the service in line with demand. Quarter 1 losses have been mitigated through income available from the Government's Sales, Fees and Charges loss compensation scheme. The remaining income shortfalls have been mitigated through the use of the commercial management reserve.

3.3.5 **PAs/ Exec. Support:** A minor adverse variance of £0.008m is reported for 2021/22.

TABLE 7: 2021/22 Chief Executive Office – Subjective Budget & Forecast

	Budget	Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Income	-321	-321	0	0%	
Expenditure					
Employee	1,948	2,040	-92	-5%	Adverse
Non Pay	157	88	69	44%	Favourable
Cost of Care	0	0	0	0%	Favourable
Total Expenditure	2,105	2,128	-23	-1%	Adverse
Directorate Surplus / (Deficit)	1,784	1,807	-23	-1%	Adverse
Support / Admin Building Overhead	157	157	0	0%	
Total Surplus / (Deficit)	1,941	1,964	-23	-1%	Adverse

Budget Virements

3.3.6 There have been no budget variations requiring committee approval in this Directorate in Quarter 3.

Budget Saving Achievement Progress

3.3.7 There are no identified budget savings within the Chief Executive Office Directorate.

Earmarked Reserves

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

3.3.9 There are no reserves in the Chief Executive Office directorate.

3.4 Children, Families and Education

3.4.1 As at the end of December 2021 (Quarter 3), the forecast year end position for Children, Families and Education shows a favourable variance of £0.890m on a £86.679m budget.

3.4.2 The service continues to manage demand with financial pressures being mitigated by in-year cost savings and use of specific related reserves. In-year employee cost savings across the service and efficient use of grant funding have contributed to the reported position. The forecast position reflects delivery of most of the 2021/22 saving proposals.

TABLE 8: 2021/22 Children, Families and Education – Service Budget & Forecast

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Children and Families	50,569	50,707	-138	0%	Adverse
Early Help and Prevention	10,949	10,054	895	8%	Favourable
Modernisation and Support	5,055	4,788	267	5%	Favourable
Schools - Core	12,668	12,802	-134	-1%	Adverse
Directorate Surplus / (Deficit)	79,241	78,351	890	1%	Favourable
Support / Admin Building Overhead	7,438	7,438	0	0%	
Total Surplus / (Deficit)	86,679	85,789	890	1%	Favourable

3.4.3 **Children and Families:** An adverse forecast variance of £0.138m is reported for 2021/22. External funding of £0.338m has been secured by officers to support the delivery of specific initiatives that are expected to deliver both financial and service delivery benefits in future years and contribute to managing service pressures.

The budget for this service includes £24.779m of care costs. Care costs reflect the demand led elements of the service which are expected to be managed within the 2021/22 budget. An increase in the number of children in residential settings has led to a slight increase in the forecast since Quarter 2. Overall, performance data indicates that the CLA rate has been stable in recent months and has now started to fall slightly. This is as expected and feeds into forward planning for the next year (see tables below). However, it should be noted that the nature of CLA costs can be unpredictable and future demand requirements could lead to further budgetary pressures. This service also includes expenditure to support unaccompanied asylum seekers with grant income forecast to cover the associated costs.

	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21
Number of Children in Care	824	822	825	823	825	821	819	814	795

	19/20	20/21	Jun-21	Sep-21	Dec-21	National (19/20)	North West (19/20)	Statistical Neighbourhoods (19/20)
Children Looked After rate per 10,000 population	120	121.6	121.3	120.6	117.8	67	97	101

3.4.4 **Early Help & Prevention:** A favourable forecast variance of £0.895m is reported for 2021/22. The favourable variance is mainly due to efficient use of grant funding and staff vacancies arising during the year, as well as the youth offer review being implemented later than planned. The circumstances that drive these variations are subject to change and the staff costs savings are non-recurring.

3.4.5 **Modernisation and Support:** A favourable forecast variance of £0.267m is reported for 2021/22. The favourable variance is mainly due to staff vacancies that have arisen during the year. The circumstances that drive these variations are subject to change and the staff costs savings are non-recurring.

3.4.6 **Schools – core:** An adverse forecast variance of £0.134m is reported for 2021/22. The adverse variance is due to:

- Schools PFI £0.520m adverse forecast variance which is due to the on-going annual costs that are being incurred in relation to the non-operational status of the Kingsway School building. Use of the site for educational purposes is currently in development with a view to it being operational by September 2022. Schools Traded services is also reporting an adverse variance of £0.020m
- The adverse forecast variances have been partially mitigated by £0.273m of savings against Teachers historic pensions costs where the actual reduction in on-going commitments is greater than expected. Further general cost savings across the service of £0.133m have resulted in a total operational adverse variance of £0.134m.

TABLE 9: 2021/22 Children, Families and Education – Subjective Budget & Forecast

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Income	-19,299	-23,618	4,319	-22%	Favourable
Expenditure:					
Employee	40,564	39,281	1,283	3%	Favourable
Non Pay	33,197	36,853	-3,656	-11%	Adverse
Cost of Care	24,779	25,835	-1,056	0%	Adverse
Total Expenditure	98,540	101,969	-3,429	-3%	Adverse
Directorate Surplus / (Deficit)	79,241	78,351	890	1%	Favourable
Support/Admin Building Overhead	7,438	7,438	0	0%	
Total Surplus/ (Deficit)	86,679	85,789	890	1%	Favourable

Budget Virements

3.4.7 There have been no budget variations requiring committee approval in this Directorate in Quarter 3.

TABLE 10: 2021/22 Children, Families and Education–Dedicated Schools Grant (DSG)

	Budget	Outturn	Variance		Adverse/ Favourable
			(+ Fav, - Adv)		
	£000	£000	£000	%	
DSG Expenditure:					
Schools Block	117,102	117,102	0	0%	
Schools Block De-delegated	1,560	1,540	20	1%	Favourable
Central School Services Block	2,153	2,098	55	3%	Favourable
High Needs	43,874	46,180	-2,306	-5%	Adverse
Early Years	21,644	22,295	-651	-3%	Adverse
Total Gross Surplus / (Deficit)	186,333	189,215	-2,882	-2%	Adverse
DSG Income:	-189,016	-188,896	-120	0%	Adverse
Movement in DSG Reserve	2,683	-319	3,002	112%	
Total Net Surplus / (Deficit)	0	0	0	0%	

- 3.4.8 **Schools Block:** A balanced position is forecast for 2021/22. Schools Block expenditure is in line with budget as year-end variances against schools' DSG allocations are offset with the schools' ring-fenced balances.
- 3.4.9 **Schools Block De-delegated:** A favourable forecast variance of £0.020m is reported mainly due to vacancies. De-delegated funds are a deduction from a school's budget share and are held centrally to fund relevant services.
- 3.4.10 **Central Schools Costs:** A favourable forecast variance of £0.055m is reported mainly due to vacancies. Central Schools Costs relate to central functions carried out on behalf of maintained schools and academies e.g., School Admissions.
- 3.4.11 **High Needs Block:** An adverse forecast variance of £2.306m is reported for 2021/22. The adverse variance is mainly due to an increase in demand and complexity. In particular, SEN additional resources are expected to overspend by £1.480m in line with the increase in requests for EHCP.
- 3.4.12 **Early Years:** An adverse forecast variance of £0.651m is reported for 2021/22. The adverse variance is due to an increase in high needs support from the Inclusive Practice fund (£0.463m) and additional expenditure to help providers to make reasonable adjustments in their settings for children with disabilities (£0.188m). The £0.188m overspend for children with disabilities have been offset by use of unspent Disability Access Funding from prior years and which has been set-aside in the DSG reserve for this purpose.
- 3.4.13 **DSG income:** An adverse forecast variance of £0.120m is reported for 2021/22. The adverse variance relates mainly to a change in funding to reflect updated pupil information.
- 3.4.14 **DSG reserve:** The 2021-22 budget includes a planned surplus of £2.683m in the High Needs Block that is to be carried forward into the reserve at the end of the financial year. Due to the forecast adverse variance of £3.002m, a use of reserve of £0.319m will be required. The DSG reserve balance reflects a deficit position of £1.679m and this is forecast to increase to £1.998 by the end of 2021/22.

Budget Saving Achievement Progress

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

TABLE 11: 2021/22 Children, Families and Education – Budget Savings

Savings Title	Agreed value	Forecast value	RAG Rating	Comments
Semi-independent living	£0.500m	£0.500m	Green	On target to be achieved
Pause Programme	£0.567m	£0.567m	Amber, (Green with mitigations applied)	The benefits of the pause programme are not expected to be fully realised in 2021/22. These have been offset by additional grant income, staff vacancies and pay scale variations.
Modernisation & Social Care efficiencies	£0.102m	£0.102m	Green	On target to be achieved
Childrens containing demand pressure mitigation	£1.000m	£1.000m	Green	On target to be achieved
Explore reduction in Youth Provision	£0.100m	£0.100m	Green	On target to be achieved
YOS	£0.025m	£0.025m	Green	On target to be achieved
Total Savings	£2.294m	£2.294m		

3.4.16 £2.294m of savings have been identified for the budget to break-even in 2021/22. The forecast position at Quarter 2 assumes that £2.294m savings will be achieved. The vast majority of the savings (£2.067m) relate to projects reducing the demand impact on the Social Care system. £0.127m relates to departmental efficiencies. A further £0.100m is to achieve sponsorship within the Youth Service.

Earmarked Reserves

3.4.17 Earmarked reserves are amounts set aside for specific purposes or projects.

TABLE 12: 2021/22 Children, Families and Education – Reserves

Service	Opening Balance 2021-22 £000	Movement in reserves			Closing Balance £000
		Reserves Increase £000	Reserves Call Out £000	Total Movement £000	
Children, Families & Education	-2,347	0	46	46	-2,301
Schools – DSG	1,679	0	319	319	1,998
Total	668	0	365	365	303

3.4.18 Children, Families and Education reserves reflect funds that have been set aside for specific projects and activities. Calls on these reserves for 2021/22 of £0.046m have been identified in relation to a project reducing violence (£0.035m) and (£0.012m) SEND Improvement / action plan following the recent OFSTED inspection.

3.4.19 Schools DSG reserve reflects a deficit balance which is mainly due to the cumulative effect of cost pressures from previous years. It is expected that balance will now increase by £.0319m and increasing the overall deficit to £1.998m.

3.5 Law & Governance

3.5.1 As at the end of December 2021 (Quarter 3), the forecast year end position for Law and Governance is an adverse variance of £0.133m against a budget of £3.803m

3.5.2 The Law and Governance Directorate continues to experience difficulties in recruiting to posts in Legal Services and the cost of external legal services. The impact is reduced overall by vacancies in Democratic Services and a Grant received towards the shared costs of the Elections held earlier this year.

TABLE 13: 2021/22 Law & Governance – Service Budget & Forecast

	Budget	Forecast	Variance		Adverse/ Favourable
		Outturn			
	£000	£000	(+ Fav / - Adv) £000	%	
Law & Governance (Corporate)	403	438	-35	-9%	Adverse
Legal Services	2,685	3,001	-316	-12%	Adverse
Democratic & Member Services	3,316	3,154	162	5%	Favourable
Coroner Services	680	734	-54	-8%	Adverse
Electoral Services	569	438	131	23%	Favourable
Registrar Services	-128	-159	31	-24%	Favourable
Licensing	-81	-29	-52	64%	Adverse
Directorate Surplus / (Deficit)	7,444	7,577	-133	-2%	Adverse
Support/Admin Building Overhead	-3,641	-3,641	0	0%	
Total Surplus/ (Deficit)	3,803	3,936	-133	-3%	Adverse

3.5.3 **Law & Governance:** A small favourable variance of £0.035m is reported for 2021/22.

3.5.4 **Legal Services:** An adverse forecast variance of £0.316m is reported for 2021/22. There are still a number of posts to fill permanently that are being partially covered by locum staff which increases the staffing costs and costs of external legal services. Also, HM Courts & Tribunal Service invoices have been received in December covering Safeguarding cases covering past years (2019/20, 2020/21 & 2021/22).

3.5.5 **Democratic & Member Services:** A favourable forecast variance of £0.162m is reported for 2021/22. The service is currently carrying vacancies due to difficulties in recruitment.

3.5.6 **Coroner Services:** An adverse forecast variance of £0.054m is forecast for 2021/22. In consultation with the coroner, we have been advised to expect a similar level of charges this year as to 2020/21 where there was an overspend of £0.054m.

3.5.7 **Electoral Services:** A favourable forecast variance of £0.131m is reported for 2021/22. The favourable variance is due to the grant contribution reducing costs of the shared elections earlier this year.

3.5.8 **Registrars Services:** A small favourable forecast variance of £0.031m is reported for 2021/22.

3.5.9 **Licensing:** A small adverse forecast variance of £0.052m is reported for 2021/22.

TABLE 14: 2021/22 Law & Governance – Subjective Budget & Forecast

	Budget	Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Income	-2,069	-2,332	263	-13%	Favourable
Expenditure					
Employee	4,254	4,572	-318	-7%	Adverse
Non Pay	5,259	5,337	-78	-1%	Adverse
Total Expenditure	9,513	9,909	-396	-4%	Adverse
Directorate Surplus / (Deficit)	7,444	7,577	-133	-2%	Adverse
Support / Admin Building Overhead	-3,641	-3,641	0	0%	
Total Surplus / (Deficit)	3,803	3,936	-133	-3%	Adverse

Budget Virements

3.5.10 There have been no budget variations requiring committee approval in this Directorate in Quarter 3. For information, there has been a £2.214m budget virement from Law & Governance to the Resources Directorate to better align budgets to the Council's operational structure. This is an administrative budget change as part of the preparation for implementation of the ERP solution with no impact on service delivery or policy.

Budget Saving Achievement Progress

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

TABLE 15: 2021/22 Law and Governance – Budget Savings

Saving Title	Agreed Value	Forecast Value	RAG Rating	Comments
Suspension of Individual Ward budgets	£0.184m	£0.184m	Green	Fully achieved
Total	£0.184m	£0.184m		

3.5.12 The savings have been fully achieved.

Earmarked Reserves

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

TABLE 16: 2021/22 Law and Governance – Earmarked Reserves

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Licensing Reserve	60	0	0	60
Taxi, Marriage & Scrap Metal Licences	103	0	0	103
Constituency Fund Carry forward	15	15	0	0
Total	178	15	0	163

3.5.14 The reserves for Licencing, Taxi, Marriage & Scrap Metal Licences hold prepayments of licences to be brought down into the revenue for the year that they relate to. The Constituency Fund Carry forward reserve is for committed spend from the previous financial year that had not yet been incurred.

3.6 Neighbourhood Services

- 3.6.1 As at the end of December 21 (Quarter 3), the forecast year end position for Neighbourhoods is an adverse variance of £0.476m against a budget of £53.920m. The Directorate is currently on target to deliver 2021/22 savings, with the inclusion of mitigating items.
- 3.6.2 Included in the Directorate position is the mitigation available from the Sales, Fees and Charges income loss compensation scheme. This was available until the end of Quarter 1 and the service has claimed 75p in the pound for eligible planned income. The compensation claim is £2.075m.
- 3.6.3 The focus for the Directorate has been on recovery in 2021/22 with the gradual reintroduction of services. However, income generating opportunities have not yet returned to pre-pandemic levels due to phased and partial reopening of some services during the year. Although most sites have now reopened some Leisure and Library sites are still being utilised for COVID-19 purposes which restricts income generating opportunities.
- 3.6.4 As case rates within the Borough remained high, localised decisions were taken in Quarters 1 and 2 based on Public Health advice, which means some restrictions remained in place after the government road map date of 19th July. Although most services are now open at full capacity there are risks associated with this and this decision could have an adverse effect on projected income targets. This is being kept under review throughout the year and the Directorate will aim to mitigate these if necessary.

TABLE 17: 2021/22 Neighbourhoods – Service Budget & Forecast

	Budget	Forecast	Variance		Adverse/ Favourable
		Outturn			
	£000	£000	£000	%	
Director of Neighbourhoods	-6,412	-6,412	0	0%	
Community Safety and Transport	3,703	3,703	0	0%	
Highways and Infrastructure	5,069	5,952	-883	-17%	Adverse
Leisure, Libraries and Customer Engagement	12,774	12,782	-8	0%	Adverse
Parks and Environment	35,309	34,894	415	1%	Favourable
Directorate Surplus / (Deficit)	50,443	50,919	-476	-1%	Adverse
Support/Admin Building Overhead	3,477	3,477	0	0%	
Total Surplus/ (Deficit)	53,920	54,396	-476	-1%	Adverse

- 3.6.5 **Director of Neighbourhoods:** A balanced position is reported for 2021-22. This area comprises Neighbourhoods management costs, Public Health Recharges and savings associated with the overall Directorate.
- 3.6.6 **Community Safety and Transport:** A balanced position is reported for 2021-22. Government funding is being utilised to fund employees currently working on the COVID-19 response which has resulted in a balanced position. Any increase in demands within Community Patrol and SEND Transport directly relating to COVID-19 are expected to be mitigated through funding secured to meet the projected costs associated with this.
- 3.6.7 **Highways and Infrastructure:** An adverse forecast variance of £0.883m is reported for 2021-22. Charging for car parking has now resumed, however as footfall is expected to be at 75% of the pre-pandemic levels this has adversely impacted income. Some income is available from the sales, fees and charges income loss compensation scheme for Quarter 1. The 2021/22 saving associated with Car Parking will not be fully achieved this year due to delays in implementation. The full year impact of the saving equates to £1.0m and consists of £0.5m relating to standardisation of fees and £0.5m relating to charges at new sites. In August 2021 the Decision Review Committee agreed to implement the savings on new sites and to report back to the Transport, Climate Emergency and Environment Committee with the outcome of the consultation on Traffic Regulation Orders.
- 3.6.8 The standardisation has been implemented from September, however as this has been delayed by five months this results in a forecast pressure of £0.2m. The remaining saving relating to charges at new sites will take longer to implement as it will be necessary to carry out capital works. Therefore, this element of the saving is unlikely to be realised before the end of the year. This will result in an additional forecast pressure of £0.5m. Overall pressures from car parking in 2021/22 equate to £0.7m, although it is expected that the saving will be fully achieved in 2022/23. Mitigations are in place to bring the projected adverse variance to £0.405m and the area will be monitored during the remainder of the year to identify further mitigation.
- 3.6.9 Additional adverse variances relate to Highways Management of £0.052m. This is due to increases in demand for maintenance and remedial work. Improvements have been made against the Quarter 2 forecast of £0.442m by exploring other sources of funding and capitalisation opportunities to mitigate increased costs.
- 3.6.10 The remaining part of the adverse variance is due to under recovery of income within the Design Team which equates to £0.096m as the service is not fully resourced. Income generating opportunities within this area are being explored to mitigate this. Street Lighting is projecting an adverse variance of £0.288m due to an increase in energy bills from October 2021. The Authority has invested in replacement LED lighting and if this had not taken place energy bills would have been 60% higher and the adverse variance would have been £1.08m. Winter gritting is also projecting an adverse variance of £0.225m due to an increase in fuel, salt and inspector's overtime. These adverse variances are mitigated in part by favourable variances within the remainder of Highways and Infrastructure of £0.183m due to the part year impact of service restructures.

- 3.6.11 **Leisure, Libraries and Customer Engagement:** A small adverse variance of £0.008m is reported for 2021/22. This area covers Leisure Centres, Golf Courses, Libraries, One Stop Shops, Museums, Theatre, Catering & Hospitality Services. This includes the income available from the Sales, Fees and Charges income loss compensation scheme. It is currently projected that there will be no adverse variances due to income losses in this area after accounting for compensation from the sales, fees and charges income loss compensation scheme. The compensation figure for this area is expected to be £1.5m.
- 3.6.12 In 2021/22 the focus has been on recovery with the aim of gradually bringing income back to pre-pandemic levels. It has been recognised that recovery will take time and will be largely dependent on national guidance and local COVID-19 conditions as to when restrictions will be lifted. Therefore, a total of £4.078m was temporarily removed from the income targets within this area to enable the service to carry out work to regain customers and explore additional income generation opportunities. This figure was based on information available at the time and assumptions were made as to when footfall would start to increase. However, at the time it was not clear how long restrictions would remain in place and there was uncertainty around the impact this would have on footfall. Income projections have improved since Quarter 2 now that many sites are running at full capacity, and it is expected the temporary income budget reduction and income from the sales, fees and charges income loss compensation scheme will be sufficient to achieve a balanced position.
- 3.6.13 Sports and Recreation is currently predicting a balanced position net of the income loss compensation. This is based on income received in the first 6 months of the year. Assumptions have been made as to how much income can be recovered throughout the year with income levels expected to increase steadily each Quarter. Most services have now fully reopened, although sites did not return to full capacity immediately after government restrictions were lifted. Many customers have sought alternative arrangements during the past 18 months meaning overall demand for the service has reduced. Direct debits have now been reinstated and are currently at 10,000 (typically these would be between 13,000-14,000)..
- 3.6.14 These figures assume that there will be no further restrictions imposed on the service throughout 2021/22. The service is attempting to mitigate the loss by improving income through marketing campaigns, a reduction in expenditure and by exploring further cost efficiencies through the Leisure Review. Sports and Recreation figures will be kept under review in Quarter 4.
- 3.6.15 Floral Pavilion is currently projecting an adverse variance of £0.327m. This is due projected income losses in the first 9 months, which have been partially mitigated through a reduction in payments to Suppliers. This service has returned to business as usual from October following the extension of local conditions. This has severely limited any income generating opportunities in this area in the first half of the year. The figures are based on income gradually recovering in Quarter 4 and assume that the service can operate at full capacity for the remainder of the year. The service is attempting to mitigate these losses through maximising income from the facilities it is currently able to operate. The site is currently being used for committee meetings which impacts normal operations and may compromise income. The catering services located at the Theatre and Sail Loft have been generating sufficient income

to cover their costs since restrictions were lifted, enabling them to operate at full capacity.

- 3.6.16 Small income losses are expected within the Libraries and Museums services. Sixteen of the twenty-four library sites have now reopened and are offering many of their pre-pandemic services. This will help to improve income generation, whilst the losses are expected to be mitigated through savings against supplies and premises costs. Museums are still operating at restricted capacity due to outstanding requirements to install a new ventilation system at the Williamson Art Gallery and Museum. This work will be funded through committed COVID monies and is expected to be completed in Autumn 2022. A restructure has been completed within the Museum service.
- 3.6.17 **Parks & Environment:** A favourable forecast variance of £0.415m is reported for 2021-22. Income streams relating to Garden Waste Subscriptions and Parks Income were impacted by COVID-19 in 2020/21. Garden Waste has not been impacted in 2021/22 as charges for the service have returned to pre pandemic levels. The service has achieved 42,000 subscribers this year which is the largest since the scheme commenced. The direct debit system was implemented in 2020/21 and this has assisted in retaining existing subscribers. Overall Waste and Street Cleansing is predicting a favourable variance of £0.275m. This is due to the waste contract inflation being less than what was anticipated (£0.08m) and due to a reduction in overall expected costs to this service this year, as some costs were covered in the previous financial year (£0.2m).
- 3.6.18 As at Quarter 3 income from Parks is expected to be impacted by COVID-19 which has resulted in an adverse variance of £0.019m. Services relating to pitch hire have resumed, however income in relation to events has been affected which has resulted in a shortfall. This is mitigated in part by income from the sales, fees and charges income loss compensation scheme. However, this depends on there being no further restrictions later in the year. This will be reviewed during the year, and losses will be mitigated through favourable variances and a reduction in expenditure within other areas of Waste and Environment.
- 3.6.19 Regulatory Services is predicting a favourable variance of £0.166m. This is due to employees, as the service has faced challenges in recruiting and retaining staff due to current market demand because of COVID-19. There are plans to address this in the future.

TABLE 18: 2021/22 Neighbourhoods – Subjective Budget & Forecast

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Income	-33,680	-35,017	1,337	-4%	Favourable
Expenditure:					
Employee	32,113	31,345	768	2%	Favourable
Non Pay	52,010	54,591	-2,581	-5%	Adverse
Total Expenditure	84,123	85,936	-1,813	-2%	Adverse
Directorate Surplus / (Deficit)	50,443	50,919	-476	-1%	Adverse
Support/Admin Building Overhead	3,477	3,477	0	0%	
Total Surplus/ (Deficit)	53,920	54,396	-476	-1%	Adverse

Budget Virements

3.6.20 There have been no budget variations requiring committee approval in this Directorate in Quarter 3.

Budget Saving Achievement Progress

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

TABLE 19: 2021/22 Neighbourhoods Directorate – Budget Savings

Saving Title	Agreed Value	Forecast Value	RAG Rating	Comments
LED savings	£0.400m	£0.400m	Green	The 21/22 saving originated from the business case for LED replacement in 2018/19 and was the anticipated achievable saving at the time.
Additional and increased car parking charges	£1.00m	£1.00m	Red (Amber with mitigations)	The options paper to determine how the saving was to be made was presented to June Committee and this was subsequently called in.

				<p>This has resulted in a part year delay, although the saving will be fully achieved in 2022/23. Mitigations have been sought for this year. £0.3m of this saving has been achieved through flat rate fee introduction from September. The remainder will be mitigated as follows:</p> <p>£0.185m income from the Sales, Fees and Charges income loss compensation scheme.</p> <p>£0.110m from footfall being greater than originally anticipated.</p> <p>£0.405m is available due to waste costs being less than anticipated.</p>
Targeted and Discretionary Environmental Enforcement	£0.150m	£0.150m	Amber (Green with mitigations)	<p>This will not be fully achieved in 2021/22 due to delays in commencement. The projected shortfall of £0.075m will be mitigated this year from reserve.</p>
Royden Park Commercial Development	£0.080m	£0.080m	Amber (Green with mitigations)	<p>This will not be fully achieved in 21/22 due to delays in commencement and will be reviewed as part of the Arrowe Park Sports Village. The projected shortfall of £0.080m will be mitigated this year from reserve.</p>
Reduction in grass cutting and maintenance of verges	£0.250m	£0.250m	Green	<p>The options paper to determine how the saving will be made was presented to June Committee, resulting in a part year delay. Any shortfall this year will be mitigated from in year savings resulting from additional EVRs</p>
Amenity space maintenance cessation	£0.100m	£0.100m	Amber (Green with mitigations)	<p>This will be fully achieved in 2022/23 but there is a reported shortfall in</p>

				2021/22 due to some employees leaving the authority after 01/04/21. The shortfall this year will be mitigated through one off in year favourable variances, which have arisen whilst the Parks restructure was implemented.
Review of the Neighbourhood Services Directorate	£0.350m	£0.350m	Green	On target to be achieved
Contract efficiency savings with BIFFA	£0.075m	£0.075m	Green	On target to be achieved
Ongoing Covid-19 temporary Library Closure	£0.100m	£0.100m	Green	On target to be achieved
Ongoing Covid-19 temporary Leisure Centre Closure	£0.100m	£0.100m	Green	On target to be achieved
Temporary closure of Europa Fun pool due to Covid-19 restrictions	£0.250m	£0.250m	Green	On target to be achieved
Review of Museums Service	£0.090m	£0.090m	Green	On target to be achieved
Pause re-opening of Woodchurch Leisure Centre	£0.322m	£0.322m	Green	On target to be achieved
Income from West Kirby catering offer	£0.035m	£0.035m	Green	On target to be achieved
Total	£3.302m	£3.302m		

3.6.22 Most savings are on track to be achieved as at Quarter 3. Car Parking is rated Amber due to delays in implementing the charges. Current projections are based on flat rate charges being implemented from September following the outcome of the Decision Review Committee. Introduction of charges at new sites will be delayed until 2022/23 as it will take time to purchase and install the ticket machines. The shortfall against this saving will be mitigated in 2021/22 through one off favourable variances across Neighbourhoods.

Earmarked Reserves

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

TABLE 20: 2021/22 Neighbourhoods– Earmarked Reserves

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Community Safety Initiatives	-555			-555
Health & Safety Flood Prevention	-455			-455
Parks Tree Maintenance	-374	374		0
Environmental Health	-300			-300
Anti-Social Behaviour	-112	56		-56
Climate Emergency	-100	100		0
Les Mills Classes	-100	10		-90
Litter Enforcement - development of initiatives	-49	49		0
Weed Spraying : Mitigate against additional costs	-41	41		0
Birkenhead Park World Heritage Site Lottery Bid	-40	40		0
Coastal Protection	-35	35		0
Sports Development Reserve	-30			-30
Environmental Health F.S.A. Backlog	-28			-28
Trading Standards	-25			-25
Hilbre Island - Legacy	-21	21		0
Health & Safety Armed Forces Welfare Pathway	-14			-14
BikeSafe	-10			-10
Repairs & Maintenance upgrades on Public Conveniences	-8			-8
LAMPS to Concerto system replacement	-2	2		0
Library Donations	-1			-1
Total	-2,300	728	0	-1,572

3.6.24 At Quarter 3 reserves in Parks and Environment are expected to be fully utilised in 2021/22. This relates to funding for Tree Maintenance works that are projected in addition to the revenue budget available. Reserves are also projected to be utilised in relation to Climate Emergency, Litter Enforcement, Coastal Protection and Birkenhead Park World Heritage Site.

3.7 Regeneration & Place

3.7.1 As at the end of December 2021 (Quarter 3), the forecast year-end position for Regeneration & Place is a favourable variance of £0.051m against a budget of £34.057m

TABLE 21: 2021/22 Regeneration and Place – Service Budget & Forecast

	Budget £000	Forecast Outturn £000	Variance (+ Fav / - Adv)		Adverse/ Favourable
			£000	%	
Regeneration	24,205	24,130	75	1%	Favourable
Housing	6,701	6,643	59	1%	Favourable
Asset Management & Investment	-683	-698	15	-1%	Favourable
Planning	977	1,075	-98	4%	Favourable
Special Projects	108	108	0	0%	
Local Plan	400	400	0	0%	
Directorate Surplus / (Deficit)	31,708	31,658	51	1%	Favourable
Support / Admin Building Overhead	2,349	2,349	0	0%	
Total Surplus / (Deficit)	34,057	34,007	51	1%	Favourable

3.7.2 **Regeneration:** A favourable variance of £0.075m is reported for 2021-22. Whilst the new staffing structure that will help deliver the major regeneration projects is being recruited to, temporary interim staff are helping to ensure grant funding bids are achieved and that projects continue to be delivered, which includes capitalisation of staff against projects they are helping in delivering.

3.7.3 **Housing:** A favourable variance of £0.059m is reported for 2021-22, with staffing costs being able to be offset by specific grant funding which has been made available for a temporary period.

3.7.4 **Asset Management & Investment:** A favourable variance of £0.015m is reported for 2021-22. This position is only possible if the £0.240m saving for the Birkenhead Market can be mitigated through plans to capitalise costs.

3.7.5 **Planning:** An adverse variance of £98k is reported for 2021-22. The Public Inquiry relating to Thornton Manor have impacted on this. Planning fee income forecast for the year will have a £85k adverse variance. Major planning applications have been impacted by the ongoing pandemic and whilst minor/ householder applications have increased significantly this has only partially offset the income due to the low value of each of these planning applications.

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

3.7.7 **Local Plan:** A break-even position is reported for 2021-22, with the planned utilisation of available reserves of £729k in support of developing the local plan.

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

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Income	-18,263	-19,666	1,403	-8%	Favourable
Expenditure:					
Employee	12,890	12,832	58	0%	Favourable
Non Pay	37,081	38,492	-1,411	-4%	Adverse
Total Expenditure	49,971	51,324	-1,353	-3%	Adverse
Directorate Surplus / (Deficit)	31,708	31,658	51	0%	Favourable
Support/Admin Building Overhead	2,349	2,349	0	0%	
Total Surplus/ (Deficit)	34,057	34,007	51	0%	Favourable

Budget Virements

3.7.8 There have been no budget variations requiring committee approval in this Directorate in Quarter 3.

Budget Saving Achievement Progress

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

TABLE 23: 2021/22 Regeneration and Place – Budget Savings

Saving Title	Agreed Value	Forecast Value	RAG Rating	Comments
Culture and Visitor Economy	£0.620m	£0.620m	Amber (Green with Mitigation)	Staff consultations underway, with mitigation measures identified to deliver savings target.
Birkenhead Market Restructure	£0.240m	£0.240m	Amber (Green with Mitigation)	On target to be achieved but not all via a restructure – some will be achieved via capitalising costs.
Community Alarms	£0.200m	£0.200m	Amber (Green with Mitigation)	Savings shortfall will be mitigated across Regeneration & Place via capitalisation of allowable costs.
Pre-application Fee Increase and PPAs	£0.020m	£0.020m	Green	On target to be achieved
Budget Allocation for DDA	£0.200m	£0.200m	Green	On target to be achieved
Sales, Fees and Charges Compensation – Planning	£0.050m	£0.050m	Green	On target to be achieved
Wirral Growth Company Joint Venture income	£1.380m	£1.380m	Amber (Green with mitigation)	Any savings shortfall will be mitigated across Regeneration & Place via capitalisation of allowable costs.
Total	£2.710m	£2.710m		

Earmarked Reserves

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

TABLE 24: 2021/22 Regeneration and Place – Earmarked Reserves

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Selective Licensing	538	0	0	538
Wirral Ways to Work	273			273
Regeneration and Inward Investment	763			763
Urban Development Corporation Bid	220			220
Building Control Fee Earning	354	52		302
HMO Licence Fees	131			131
Major Infrastructure Project Development	183			183
Challenge Fund Properties	22			22
DCLG Empty Shops Grant	41			41
Culture and Visitor Economy	24	24		0
ERDF 4.2 Match Funding	18			18
Discover Wirral Marketing Campaigns	13	13		0
DDA - Disabled Access	83			83
Europa Centre Dilapidations	83			83
A/M GMT – Community Fund CAT	76			76
Licence Survey Work	56			56
Emergency Maintenance and Work in Default	71			71
Asset Consolidation	45			45
Heritage Fund	7			7
Total	3,001	89	0	2,912

3.7.11 The local plan reserve of £0.729m that is being used this financial year is from the Financial Resilience Reserve held within the Resources directorate.

3.7.12 Building Control are utilising £0.052m of their earmarked reserves, mainly to cover new IT equipment, training and administrative support.

3.7.13 The remaining £0.037m use of reserve relates to funding temporary staff to support mobilising the culture and heritage strategy recently approved.

3.8 Resources

3.8.1 As at the end of December 2021 (Quarter 3), the forecast year end position for Resources is a favourable variance of £0.562m against a budget of £35.369m. Revenues & Benefits have received confirmation from the Ministry of Justice (MoJ) that a repayment will be owed to the authority following a review of court fees. The summons income is recovering well and being monitored. Digital & Improvement have successfully worked to reduce their overspend and will continue to do so in the last quarter with a view to improving their position at year end.

TABLE 25: 2021/22 Resources– Service Budget & Forecast

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Finance & Investment	23,882	23,851	31	0%	Favourable
HR & OD and Payroll	3,315	3,146	169	5%	Favourable
Digital & Improvement	5,686	6,116	-430	-8%	Adverse
Revenues & Benefits	3,443	2,677	766	22%	Favourable
Audit, Risk & Business Continuity	584	558	26	4%	Favourable
Strategic Change	4,753	4,753	0	0%	
Corporate Pressures	3,680	3,680	0	0%	
Directorate Surplus / (Deficit)	45,343	44,781	562	1%	Favourable
Support / Admin Building Overhead	-9,974	-9,974	0	0%	
Total Surplus / (Deficit)	35,369	34,807	562	2%	Favourable

3.8.2 **Finance & Investment:** A small favourable variance of £0.031m is reported for 2021/22.

3.8.3 **HR & OD:** A favourable forecast variance of £0.169m is reported for 2021/22. The favourable variance for this Area has been driven from a cumulation of minor underspends and under-utilisation of the training budget due to government restrictions during the pandemic.

3.8.4 **Digital & Improvement:** An adverse forecast variance of £0.430m is reported for 2021/22. This is an improved position from Q2 with further staff being capitalised as part of ongoing projects but still some income targets are not being achieved. This is due to a number of contracts with schools which have not been renewed, resulting in a loss of income. Work to turn this around continues, including exploring how the LCR Connect network can be used to provide connectivity into schools. Printing Services continue to lose revenue as the Council moves towards more Digital ways of working. Work will continue throughout Q4 with the aim of further improving the adverse position.

- 3.8.5 **Revenues & Benefits:** A favourable forecast variance of £0.766m is reported for 2021-22. The Ministry of Justice (MoJ) have confirmed that a repayment of Magistrates Court Fees during the periods April 2014 to July 2018 is due to the Authority in a letter from Local Authority Civil Enforcement Forum (LACEF). During a review conducted by the MoJ it was identified that the court fees were inadvertently set above the cost of the service. The income from Court Summons is recovering and is being closely monitored. Service remodelling is resulting in the service holding post vacancies pending restructure which is showing as a favourable variance within Employees. Further COVID funding has been received to enable employees redeployed to other duties to continue.
- 3.8.6 **Audit, Risk and Business Continuity:** A minor favourable forecast variance of £0.026m is reported for 2021/22.
- 3.8.7 **Strategic Change:** A balanced forecast is reported for 2021/22.
- 3.8.8 **Corporate Pressures:** Included within the budget for this year were estimated pressures for potential increased demand within homelessness and social care as a result of Covid-19 activity which will be released as and when pressures arise, or as for the Homelessness pressure has been released to reduce the capitalisation value, agreed at Quarter 2.

TABLE 26: 2021/22 Resources – Subjective Budget & Forecast

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Income	-96,901	-95,770	-1,131	1%	Adverse
Expenditure					
Employee	26,166	24,350	1,816	7%	Favourable
Non Pay	116,078	116,201	-123	0%	Adverse
Total Expenditure	142,244	140,551	1,693	1%	Favourable
Directorate Surplus / (Deficit)	45,343	44,781	562	1%	Favourable
Support / Admin Building Overhead	-9,974	-9,974	0	0%	
Total Surplus / (Deficit)	35,369	34,807	562	2%	Favourable

Budget Virements

3.8.9 There have been no budget variations requiring committee approval in this Directorate in Quarter 3. For information, there has been a £2.214m budget virement from Law & Governance to the Resources Directorate to better align budgets to the Council's operational structure. This is an administrative budget change as part of the preparation for implementation of the ERP solution with no impact on service delivery or policy.

Budget Saving Achievement Progress

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

TABLE 27: 2021/22 Resources – Budget Savings

Saving Title	Agreed Value	Forecast Value	RAG Rating	Comments
Business Change Service Reduction	£0.670m	£0.670m	Green	On target to be achieved
Review of Traded Services	£0.270m	£0.270m	Green	On target to be achieved
Alternative funding for PFI	£0.250m	£0.250m	Green	On target to be achieved. The DFE has agreed to provide funding for the PFI.
Bad debt write-off reduction	£1.000m	£1.000m	Green	On target to be achieved
New staffing structure in IT Services	£0.620m	£0.620m	Amber (Green after mitigations)	The saving will be achieved but not fully by the original means. The Digital Strategy requires posts to be kept in the service for 12 months. The saving will be achieved by charging some staff to the capital programme and other projects.
Business Support Unit Staffing Reduction	£0.240m	£0.240m	Green	The saving will be achieved but not necessarily with a full reduction of staff but with a reduction of posts, some of which are vacant.
Wide Area Network savings	£0.240m	£0.240m	Green	On target to be achieved

Restructure of Revenues & Benefits	£0.150m	£0.150m	Green	Achieved 21/22
Centralised Print Process	£0.160m	£0.073m	Amber	The removal of Multi-Functional Device printers is ongoing in consultation with the services. Delays have ensued due to the changes in process needed to remove the printers. This saving will continue into 22/23.
Workforce remodelling	£0.390m	£0.390m	Green	On target to be achieved
Continuation of agile working	£0.500m	£0.500m	Green	On target to be achieved
Apprenticeships First Strategy	£0.150m	£0.150m	Green	On target to be achieved
One Stop Shop Service Reduction	£0.100m	£0.100m	Green	On target to be achieved
Continue Temporary Building Closures	£0.750m	£0.750m	Green	On target to be achieved
Zero Based Budgeting	£0.170m	£0.170m	Amber (Green after mitigations)	A ZBB exercise has been undertaken for Adult, Care and Health which has not generated any savings in 21/22. The full process of ZBB for all other Directorates will continue throughout 22/23 as part of the service review process.
Contract Management & Commissioning	£0.350m	£0.350m	Green	On target to be achieved
Local Welfare Assistance Temporary Saving	£0.200m	£0.200m	Green	Achieved 21/22
Use of Brexit Reserve	£0.100m	£0.100m	Green	On target to be achieved
Additional Capital Receipts	£0.390m	£0.390m	Green	On target to be achieved
Total	£6.700m	£6.700m		

3.8.11 The majority of the savings within Resources are on target to be met as noted above. The saving for the continued temporary building closures is a reduced saving due to capacity and the requirement for one building to reopen for the Home Education Service.

Earmarked Reserves

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

TABLE 28: 2021/22 Resources – Earmarked Reserves

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Commercial Management	225	-192	0	33
Discretionary Housing Payments	185	0	0	185
HR/OD Talent Management	50	0	0	50
HR Reserve – Schools	41	0	0	41
Transformation Challenge Award	4	0	0	4
Asset Consolidation Staff Relocation Contingency	110	0	0	110
ICT Records Management	288	0	0	288
Business Rates Equalisation Reserve (100%) rates retention pilot)	4,664	0	0	4,664
Enterprise Zone Investment	482	0	0	482
Enterprise Zone Contingency Fund	29	0	0	29
Financial Resilience Reserve	2,599	-2,224	0	375
Financial Instrument Equalisation Reserve	2,126	0	0	2,126
Year 2 of EVR/VS Termination Payments	1,000	-1,000	0	0
Total	11,803	-3,416	0	8,387

3.9 General Fund Balances

- 3.9.1 The purpose of a general fund balance (general reserve) is to minimise the possible financial impacts to the Authority from:
- Emergencies
 - In-year emerging financial issues
 - Reacting to investment opportunities
- 3.9.2 The Finance Procedure Rules set the parameters for the use of general reserves. The in-year use of general reserves requires Council approval and must not be used for any level of recurring spending unless that spending will be included in revenue budgets in the following financial year or a suitable payback period is agreed in advance. In all cases the use of reserves should be approved by the Section 151 Officer.
- 3.9.3 The 2021/22 Budget anticipated that the Council would hold general reserves of £10.68m (3.2% of net revenue budget).
- 3.9.4 Following a review of the risk assessed minimum level requirement, general reserves will remain at £10.68m at 31st March 2022. It is anticipated that the Council will hold general reserves at a minimum between of £10.68m and £17.41m by 2027. This is based on achieving a general fund balance of between 3.2% and 5% of net revenue budget by 2027 and will be completed as part of the financial recovery plan.
- 3.9.5 In 2021, as part of the external audit, the auditors qualified the Value For Money (VFM) opinion due to what is seen as an insufficiency of reserves, and this approach seeks to remedy this.

3.10 Covid Funding

3.10.1 Covid funding received, or expected to be received, as at Quarter 3 of 2021-22 totals £53.482m of which £32.114m is fully passported, £13.759m is partially passported, £5.194m is for use by the Council and £2.415m is for the Sales, Fees & Charges compensation claim.

TABLE 29: 2021/22 Covid Grant Funding Apr 21 to Sep 21

COVID-19 FUNDING – FY21-22 YTD	£
FULLY PASSPORTED FUNDING:	
Restart Grant	14,064,813
Hospitality & Leisure/Additional Restrictions/Trading On Scheme	5,249,373
Additional Restrictions Grant – BEIS *	0
Section 31 Grants - Business Rates Relief	12,800,232
TOTAL FUNDING - FULLY PASSPORTED	32,114,418
PARTIALLY PASSPORTED FUNDING:	
ASC Infection Control Fund	5,414,742
Rapid Testing in Care Homes	1,796,261
Workforce Recruitment & Retention Fund	1,219,000
COVID Local Support Grant	1,440,726
Household Support Fund	3,049,345
Test & Trace Support £500 Payment Scheme	839,104
TOTAL FUNDING - PARTIALLY PASSPORTED	13,759,178
FUNDING FOR COUNCIL USE:	
Re-Opening High Streets Safely Fund/Welcome Back Fund	629,631
Contain Outbreak Management Fund	2,582,258
Local Authority Practical Support for those Self-isolating	603,883
Clinically Extremely Vulnerable (CEV) grant	382,851
Local Elections Funding – May 2021	85,292
New Burdens (LADGF)	416,520
Community Testing – LCR funded	(841,185)
Community Testing – DHSC funded	1,334,540
TOTAL FUNDING - COUNCIL USE	5,193,790
Sales, Fees and Charges Compensation Scheme	2,415,170
TOTAL COVID FUNDING – FY21-22 YTD	53,482,556

**Indicative Additional Restrictions Grant BEIS £1,612,133 removed from Grant Summary due to funding allocated and paid directly from Liverpool City Region CA.*

TABLE 30 2021/22: Covid Grant Funding Changes Q2 to Q3 2021/22

Increase or Decrease in Funding	£
FULLY PASSPORTED FUNDING:	
Additional Restrictions Grant – Trading On Scheme	1,686,688
TOTAL FULLY PASSPORTED FUNDING INCREASE	1,686,688
PARTIALLY PASSPORTED FUNDING:	
COVID Local Support Grant Extended	1,152,581
Household Support Fund	3,049,345
ASC Infection Control Fund	2,851,833
Workforce Recruitment & Retention Fund	1,219,000
Test & Trace Support £500 Payment Scheme	234,716
PARTIALLY PASSPORTED FUNDING INCREASE:	8,507,475
FUNDING FOR COUNCIL USE:	
Re-Opening High Streets Safely Fund/Welcome Back Fund	554,129
Local Authority Practical Support for those Self-isolating	52,198
New Burdens Business Grants	125,720
Community Testing – DHSC funded	406,370
FUNDING FOR COUNCIL USE INCREASE:	1,138,417
TOTAL COVID FUNDING INCREASE SINCE QUARTER 2 2021	11,332,580

3.10.2 Fully Passported Funding - Increase £1.687m

Additional Restrictions Grant – Trading On Scheme: £1.687m

Additional funding provided by the Liverpool City Region CA to support the Hospitality & Leisure industry within the region due to restrictions.

3.10.3 Partially Passported Funding - Increase £8.507m

Infection Control Fund: £2.852m

Further allocation provided to continue the ongoing work from the previous rounds of funding.

Workforce Recruitment & Retention Fund: £1.219m

New grant to support the adult social care sector to recruit and retain staff.

Test and Trace £500 Payment Support Scheme: £0.235m

Further allocation provided to continue to support people self-isolating.

COVID Local Support Grant: £1.152m

Further allocation provided for extending the scheme in supporting local individuals and families.

Household Support Fund: £3.049m

New grant following on from the COVID Local Support Grant to support local individuals and families over the winter months.

3.10.4 Funding for Council use – Increase £1.138m

Community Testing – DHSC: £0.406m

Funding for the current financial year is provided directly from the DHSC rather than the LCR in the previous year and is reclaimed based on monthly actuals.

LA Practical Support for those Self-Isolating: £0.052m

Additional funding to LAs to continue to provide practical support for those who are Self-Isolating due to COVID-19.

New Burdens Business Grants: £0.126m

Additional funding to LAs to continue to administer and support COVID-19 business grants.

Re-Opening High Streets Safely Fund/Welcome Back Fund: £0.554m

The combined maximum funding for each grant is £286,292 for RHSSF and £386,291 for WBF and claims are now ongoing as COVID restrictions ease and life slowly returns to the high street sector.

3.11 Exceptional Financial Support (EFS)

- 3.11.1 In March, the Ministry for Housing, Communities and Local Government (MHCLG) (now the Department for Levelling Up, Housing and Communities (DLUHC) made an offer of £10.7m to the Council for exceptional financial support, sometimes called a capitalisation direction or capitalisation directive. This means that MHCLG approved the Council, in principle, to borrow £10.7m of funds to help ensure a balanced budget could be agreed by Full Council on 1 March. Borrowing to fund revenue (day to day) expenditure is not normally allowed under law, but on this occasion, a special case was put to HM Treasury and approved.
- 3.11.2 The Council had not been able to identify sufficient savings to balance the budget, due to additional financial pressures present as a result the outcome of Covid-19. Such pressures include Adults and Children's Social Care increases, SEN transport increases and Homelessness increases. Ordinarily, a Council would use its reserves and balances to help balance its budget in times of crisis and would not have to apply for exceptional financial support, however the Council does not have the level of reserves and balances to be able to do this.
- 3.11.3 The offer of exceptional finance support from MHCLG came with conditions which included an external assurance review that would review the authority's financial position and its ability to meet any or all of the identified budget gap without any additional borrowing. This review has been completed and we are awaiting the report from DLUHC on the outcome.
- 3.11.4 This means that proposals could be recommended as part of the review to be implemented in year. If the Council fails to comply with the recommendations, the exceptional financial support may not be provided and a balanced budget could not be forecast to the end of the year.
- 3.11.5 Included within the budget for this year were estimated pressures for potential increased demand within homelessness and social care as a result of Covid-19 activity. These estimated pressures have now been reassessed to review the appropriateness of the estimation and now provide an opportunity to reduce the requirement to access the full £10.7m of Exceptional Financial Support (EFS).
- 3.11.6 A corporate pressure of £1.000m held for Homelessness was earmarked to reduce the requirement to access EFS at quarter 2, as the service has received almost the equivalent value in grants that were not known about at the time of setting the budget and applying for the EFS.
- 3.11.7 A further £2.000m from the Contain Outbreak Management Fund (COMF) was identified for use as since the budget was set and the EFS was applied for, significant additional funding has been received for COMF. This funding is eligible to be used to offset Covid pressures that were originally contributing to the position that required a request for EFS. These covid pressures included a grants programme for social sector venues enabling them to safely remobilise, resources to support strategic recovery and additional staffing required to support the Covid response.
- 3.11.8 The favourable variance of £1.345m forecast within this Quarter 3 report will also be required to be used to offset the need to access EFS.

3.11.9 Using these monies will reduce the Council's requirement to access Exceptional Financial Support by £4.345m, from £10.700m down to £6.355m.

3.11.10 When the budget was set the value of these pressures could only be estimated as the longer-term impact of Covid-19 could not be known. It was expected at this time, that the value of these pressures would inevitably change as the year progressed and more accurate data became available. This will continue to be monitored during the year and reported to the Committee on a quarterly basis.

3.12 Medium Term Financial Plan

A Medium-Term Financial Plan outlining forecast savings and pressures up to 2025/26 was presented to Committee in June 2021. This is currently being reviewed and updated and will be included within the budget report to the committee in February.

4.0 FINANCIAL IMPLICATIONS

4.1 This is the Quarter 3 budget monitoring report that provides information on the forecast outturn for the Council for 2021/22. The Council has robust methods for reporting and forecasting budgets in place and alongside formal Quarterly reporting to Policy & Resources Committee, the financial position is routinely reported at Directorate Management Team meetings and corporately at the Strategic Leadership Team (SLT). In the event of any early warning highlighting pressures and potential overspends, the SLT take collective responsibility to identify solutions to resolve these to ensure a balanced budget can be reported at the end of the year.

5.0 LEGAL IMPLICATIONS

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

5.2 The provisions of section 25, Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.

5.3 It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 At this time, there are no additional resource implications as these have already been identified for the proposals agreed and submitted. However, where the budget is unbalanced and further proposals are required, then there will be resource implications, and these will be addressed within the relevant business cases presented to the Committee.

7.0 RELEVANT RISKS

- 7.1 The Council's ability to maintain a balanced budget for 2021/22 is dependent on a static financial position. This is an impossible scenario due to estimated figures being provided in the calculation for the 2021/22 budget, albeit the best estimates that were available at the time, plus any amount of internal and external factors that could impact on the budget position in year. Examples of which are new legislation, increased demand, loss of income, increased funding, decreased funding, inability to recruit to posts, ongoing impact of the pandemic etc
- 7.2 A robust monitoring and management process for the 2021/22 budget is in place. If at any time during the year an adverse position is forecast, remedial action must be agreed and implemented immediately to ensure the budget can be brought back to balanced position.
- 7.3 The risk of this not being able to be achieved could mean that the Council does not have enough funding to offset its expenditure commitments for the year and therefore not be able report a balanced budget at the end of the year. This could result in the Section 151 Officer issuing a Section 114 notice.
- 7.4 The budget agreed by full Council on 1 March 2021 for 2021/22 was underpinned by an offer of a maximum of £10.7m exceptional financial support provided by MHCLG. This offer was conditional and is described in paragraph 3.11.1. If the Council does not accept recommendations made from the external assurance review, this may put the offer of the exceptional financial support at risk. If the Council is not able to report a balanced budget without some or all of the exceptional financial support, this may also result in the Section 151 Officer issuing a Section 114 notice in year.
- 7.5 A key risk to the Council's financial plans is that funding and demand assumptions in particular can change as more information becomes available. As such, the MTFP is regularly reviewed and updated as part of routine financial management.
- 7.6 One of the recommendations of the External Assurance Review was to appoint an independent assurance panel as an advisory body with the necessary expertise to provide external scrutiny and support to the Council and assurance to DLUHC that progress is being made in achieving the required improvements. With support from the Local Government Association, the Council has now established this Panel which met for the first time in January and will continue to meet on a regular basis to ensure that the Council responds positively to the recommendations and achieves the required outcomes.
- 7.7 Whilst balancing this year and future year budgets requires some difficult decisions to be made, it provides an opportunity to stabilise and re-balance the Council's

finances. This will enable the Council to be in a position to better afford to invest in modernising and improving its service offer for the future.

- 7.8 Under the system of retained Business Rates, Authorities benefit from a share of any increased revenues but are liable for at least a share of any falls in income (subject to safety net triggers) and any non-collection. This includes reductions arising from appeals relating to past years which partially fall on the Authority. These risks are mitigated through a combination of the operation of the Collection Fund, General Fund Balances and a Business Rates Equalisation Reserve.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 Consultation has been carried out with the Senior Leadership Team (SLT) in arriving at the governance process for the 2021/22 budget monitoring process and the 2022/23 budget setting process.
- 8.2 Since the budget was agreed at Full Council on 1 March, some proposals may have been the subject of further consultation with Members, Customer and Residents. The details of these are included within the individual business cases or are the subject of separate reports to the Committee

9.0 EQUALITY IMPLICATIONS

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.
- 9.2 At this time, there are no further equality implications as these have already been identified for the proposals agreed and submitted. However, where the budget is unbalanced and further proposals are required, then there may be equality implications associated with these, and these will be addressed within the relevant business cases presented to the Committee.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 At this time, there are no additional environmental and climate implications as these have already been identified for the proposals agreed and submitted. However, where the budget is unbalanced and further proposals are required, then there may be environment and climate implications associated with these that will be addressed within the relevant business cases presented to the Committee.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 This report has no direct community wealth implications however the budget proposals under consideration should take account of related matters across headings such as the following:

- **Progressive Procurement and Social Value**
How we commission and procure goods and services. Encouraging contractors to deliver more benefits for the local area, such as good jobs, apprenticeship, training & skills opportunities, real living wage, minimising their environmental impact, and greater wellbeing.
- **More local & community ownership of the economy**
Supporting more cooperatives and community businesses.
Enabling greater opportunities for local businesses.
Building on the experience of partnership working with voluntary, community and faith groups during the pandemic to further develop this sector.
- **Decent and Fair Employment**
Paying all employees a fair and reasonable wage.
- **Making wealth work for local places**

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APPENDICES

BACKGROUND PAPERS

MHCLG Exceptional Financial Support Offer Letter

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Policy and Resources Committee	17 March 2021
Full Council	1 March 2021
Policy and Resources Committee	9 June 2021