



## **POLICY AND RESOURCES COMMITTEE**

**Wednesday, 8 June 2022**

<b>REPORT TITLE:</b>	<b>CAPITAL PROGRAMME - VIREMENTS</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF RESOURCES (S151 OFFICER)</b>

### **REPORT SUMMARY**

Budget Council on 28<sup>th</sup> February 2022 agreed that funding would be identified within the 2022/23 Capital Programme to provide capital resource for community asset transfer of up to £500,000 in respect of library facilities and Climate Emergency Budget support of up to £125,000.

This report recommends that monies are vired from the property related Health and Safety Condition Surveys Budget.

The Wirral Plan 2021-2026 sets out the Councils vision to secure the best possible future for our residents, defined by the community prosperity we create and supported by our excellent people and services. This proposal directly supports the following key themes within that plan:

- **Sustainable Environment:** Working towards a clean-energy, sustainable borough that leads the way in its response to the climate emergency and is environmentally friendly.
- **Safe and Pleasant Communities:** Working for safe and pleasant communities where our residents feel safe, and are proud to live and raise their families.
- **Active and Healthy Lives:** Working to provide happy, active and healthy lives for all, with the right care, at the right time to enable residents to live longer and healthier lives.

This is a key decision as the value exceeds £0.5 million.

This matter affects all wards within the Borough.

### **RECOMMENDATION/S**

The Policy and Resources Committee is recommended to agree a virement of capital funding of £625,000 from the Health and Safety Condition Survey programme. This will fund eligible capital works in relation to community asset transfer of up to £500,000 and to fund eligible capital works in relation to the climate emergency budget of up to £125,000.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION**

- 1.1 To enable resources to be available for capital schemes in accordance with the decisions made by Budget Council on 28<sup>th</sup> February 2022.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 The option of not viring monies could be considered but would be against the decision of Budget Council. Alternative options to vire from different capital schemes were considered but the condition survey heading is deemed the most appropriate source.

### **3.0 BACKGROUND INFORMATION**

- 3.1 Budget Council met on 28th February 2022 and agreed the Council's revenue and capital budget for 2022/23. The agreed budget included the following:
- an allocation from within the 2022/23 capital programme be identified, where necessary, to enable expressions of interest in community asset transfer of the libraries that may be closed to be supported in assisting the production and implementation of business cases at a cost of £500k.
  - That an allocation of £125,000 from within the 2022/23 capital programme be identified to enable the total Climate Emergency Budget to remain at £250,000 from revenue and capital for 2022/23. This is in recognition of the increasing concern over the continuing pattern of severe weather and just recently, the worst storms we have seen in decades. We have an obligation to ensure our assets can be fit for purpose and remain in good order so that when such events occur again, we can continue to operate vital council services for residents, with no or minimal disruption.
- 3.2 The Health & Safety Condition Survey capital budget was established in 2020/21 and was a multi-year budget which totalled £9.5 million. The budget was created as demand was identified for a programme of essential Health & Safety works relating to Council assets relating to the outcome of a series of condition surveys being undertaken. This also linked to the asset review which would help to form the programme of works and determine use of buildings ahead of the Birkenhead Commercial District becoming operational.
- 3.3 The Health and Safety Condition Survey Budget contains £2.8m in 2022/23 with a further £2.5m earmarked against 2023/24 and 2024/25. The programme and values were based upon pre-pandemic assumptions. A full programme of works is yet to be finalised and will be dependent on future surveys and decisions regarding building use. The impact of Covid-19 and hybrid working will lead to a reduction in building need and therefore the level of works required will be reduced. The Birkenhead Commercial District will also impact on building use. Therefore the full budget is unlikely to be required in 2022/23. This budget is property related and is the most

suitable place to provide the funds for virement against the above property related schemes.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 As this is a virement there will be no increase in the size of the overall capital programme. Capital expenditure funded from borrowing incurs a cost to the revenue budget through repayment of loan interest and Minimum Revenue Provision (de-facto Principal). Minimum Revenue Provision is spread and charged over the life of the capital asset i.e. short life assets e.g. equipment tend have higher in year charges but for a shorter period when compared to longer life assets such as buildings. As the virement is to and from property based schemes there is likely to be negligible impact on revenue from this virement.
- 4.2 Capital expenditure must comply with capital accounting regulations that apply to Local Government. Therefore use must comply with requirements for asset creation or enhancement. These funds cannot be used for revenue purposes including maintenance

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 The use of capital must comply with the relevant accounting regulations and guidance that applies to local government. This report has been written in compliance with the Council's constitution and rules relating to virements.

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

- 6.1 The virement proposal provides funding to support Community Asset Transfer and deal with building related climate issues. There is no direct impact on staffing and ICT arising from this report.

#### **7.0 RELEVANT RISKS**

- 7.1 The virement of funds in itself does not involve risk unless the Health and Safety Condition Survey budget is left underfunded to deliver its requirements. The risks will relate to the use of vired funds not achieving the desired aims of the funding provided in respect of community asset transfers and climate change works.

#### **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 The virement proposals are in response to the agreed budget which included consultation. The large virement involves providing possible funding for communities to take control and run Council assets. This is subject to engagement and consultation with business cases invited.

#### **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 There are no direct equality implications arising from this report

### 10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 The capital allocation demonstrates the Councils commitment to supporting the actions contained within the Climate Emergency Action Plan, which forms part of the Councils response to the climate emergency. The virement of monies includes £125,000 to support the climate emergency budget. These monies will be deployed to assist combat environmental and climate challenges.

### 11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 The provision of funding to support Community Asset transfers will enhance community wealth building. The control and running of assets in the community will enable local service delivery and support communities.

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### APPENDICES

None

### BACKGROUND PAPERS

Budget Papers Policy and Resources and Council February 2022  
Council Constitution

### SUBJECT HISTORY (last 3 years)

<b>Council Meeting</b>	<b>Date</b>
Budget Council	28 <sup>th</sup> February 2022
Policy and Resources Committee	15 <sup>th</sup> February 2022