

POLICY AND RESOURCES COMMITTEE**Wednesday, 14 June 2023**

REPORT TITLE:	2022/23 BUDGET MONITORING FOR QUARTER FOUR (THE PERIOD TO 31 MARCH), 2022/23 OUTTURN
REPORT OF:	DIRECTOR OF FINANCE

REPORT SUMMARY

This report provides a summary of the year-end revenue position for the 2022/23 financial year as at the end of March 2023. 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 year-end revenue outturn for 2022/23, represents an adverse variance against directorate revenue budgets of £11.970m, which is a small £0.392m improvement on the quarter 3 forecast.

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

RECOMMENDATION/S

The Policy and Resources committee is recommended to:

1. Note the draft, unaudited 2022/23 outturn adverse variance of £11.970m;
2. Note the draft unaudited 2022/23 funding adverse variance of £1.078m;
3. Recommend to Council to agree the transfer to and use of earmarked reserves, as detailed in Appendix 3; and
4. Note the progress on delivery of the 2022/23 savings programme.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

- 1.1 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 the Council.
- 1.2 This report presents timely information on the full year financial position for 2022/23, prior to final audit engagement.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The Policy & Resources Committee has previously determined the budget monitoring process and this report details the agreed course of action.
- 2.2 In striving to manage budgets, available options have been evaluated to maintain a balance between service delivery and a balanced budget.

3.0 BACKGROUND INFORMATION

- 3.1 At the meeting on 28 February 2022, the Council agreed a net revenue budget for 2022/2023 of £330.6m to be met by government grants, council tax, business rates and flexible use of capital receipts. The Quarter 1 monitoring report, presented on 7 September 2022 to Policy & Resources Committee, highlighted growing in-year pressures of £5.3m, which had risen to £11m by Quarter 2 and £12.4m by Quarter 3. Several potential mitigations were identified that could be used to present a balanced budget at the end of the year. This report sets out the updated revenue financial position at the end of the year.

Economic Context

- 3.2 The economic backdrop has changed considerably since the Council set its 2022/23 budget back on 28 February 22, with significant emerging pressures, beyond Council control, placing large, unforeseen strains on budgets.
- 3.3 Quarter 4 continued to be characterised by high energy and commodity prices, high inflation and the associated impact on consumers' cost of living. Annual headline CPI registered 10.1% in March with RPI at 13.5%. Both rates exceeded expectations of a decline in inflation rates.
- 3.4 During the quarter, the Bank of England increased the official Bank Rate to 4.25%; an uplift of 0.5% in February and then another 0.25% in March. The Bank's Committee noted that continued evidence of more persistent pressures will require further tightening in monetary policy.

Quarter 4 Revenue Outturn Position

- 3.5 At the end of 2022/23, there is an adverse position of £11.970m on the Council's directorate net revenue budget, of £330.58m. Table 1 provides a summary of the outturn revenue position, with mitigations (detailed in Table 3) to achieve a balanced budget position at the end of the year.

TABLE 1 2022/23 REVENUE BUDGET & OUTTURN

	Budget		Outturn		Variance		Adverse/ Favourable
					(+ Fav / - Adv)		
	£000	£000	£000	%			
Adult Care & Health	114,962	114,617	345	0%	Favourable		
Chief Executive Office	1,786	1,859	-73	-4%	Adverse		
Children, Families & Education	79,234	82,705	-3,471	-4%	Adverse		
Law & Governance	5,821	6,009	-188	-3%	Adverse		
Neighbourhoods Services	46,189	55,656	-9,467	-20%	Adverse		
Regeneration and Place	37,775	37,681	94	0%	Favourable		
Resources	44,813	44,023	790	2%	Favourable		
Total Directorate Surplus / (Deficit)	330,580	342,550	-11,970	-4%	Adverse		
Budget Funding	-330,580	-329,502	-1,078	0%	Adverse		
Total Council Surplus / (Deficit)	0	13,048	-13,048		Adverse		
Total Mitigation	0	-13,048	13,048		Favourable		
Approved contribution from earmarked reserves to General Fund Balances		-2,500	2,500		Favourable		
Total Surplus (Transfer to General Fund)	0	-2,500	2,500		Favourable		

- 3.6 Table 2 highlights key reasons for the directorate variances.

TABLE 2: Summary of Directorate Variances

	£000
Inflationary Impact	-7.30
Children's social care	-3.40
COVID 19 recovery	-1.80
Delayed implementation of agreed savings	-1.50
Other mitigating variances	2.03
TOTAL	-11.97

- 3.7 There was an unexpected adverse £1.078m variation against the funding that supports the revenue budget, which relates to an adjustment of Business Rates Section 31 grants. This was caused by the Valuation Office Agency reducing the Rateable Value of a number of large retail businesses during the year, which affected the relief they were eligible for and in turn the compensatory S31 grants due to the Council. This was an unusual variance, but this will be monitored closely during the course of 2023/24.
- 3.8 It was imperative that the Council reported a supported balanced position at the end of the year. At the end of the financial year, several mitigations have been identified and are set out to demonstrate that a balanced budget can be presented. The table below identifies where these mitigations have been found. Noting that where there is an ongoing deficit into future years, the medium-term financial plan (MTFP) has been updated to reflect the recurrent pressure.

TABLE 3: 2022/23 MITIGATION

Mitigation	£000
Use of Earmarked Reserves	10,048
Use of Contingency Fund	3,000
TOTAL	13,048

- 3.9 For further details on individual directorate positions please see Appendix 1.

Progress on delivery of the 2022/23 savings programme.

3.10 In terms of savings, £15.9m of the £18.2m savings targets were delivered in year, representing 87% of the total savings target. A further 4% of savings were delivered through alternative means (mitigation) with 9% of savings delayed and unachieved within the year. The table below summarises the progress by Directorate:

TABLE 4: SUMMARY OF DELIVERY OF 2022/23 SAVINGS

Directorate	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year
Adult Care & Health	3.890	3.890	0.000	0.000
Chief Executive Office	0.110	0.060	0.050	0.000
Children, Families & Education	3.150	2.800	0.050	0.300
Law & Governance	0.659	0.659	0.000	0.000
Neighbourhoods Services	5.251	3.484	0.519	1.248
Regeneration and Place	1.838	1.715	0.123	0.000
Resources	3.338	3.338	0.000	0.000
TOTAL	18.236	15.946	0.742	1.548

3.11 Full details on the progress on specific savings can be found in Appendix 2.

Reserves and Balances

Earmarked Reserves

- 3.12 On 1 April 2022, earmarked reserves totalled £104.9m. Following the year-end audit this figure was revised down to £97.2m, with some reserves reclassified as creditors (further details can be found in Appendix 3). Of the total earmarked reserves, nearly half were spent in 2022/23, on the activities for which they were established. Some of the reserves are committed over a longer period and have been set aside now to support the Council's financial sustainability and have little or limited impact on future years budgets.

TABLE 5: SUMMARY OF EARMARKED RESERVES

Directorate	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Adult Care & Health	7,721	-846	454	7,329
Children, Families & Education	5,150	-1,489	0	3,661
Law & Governance	355	-85	0	270
Neighbourhoods Services	1,652	-1,351	0	301
Regeneration and Place	7,580	-911	9,504	16,173
Resources	17,712	-5,078	818	13,452
Other Corporate	57,016	-34,041	7,670	30,645
Total	97,186	-43,801	18,446	71,831
General Fund Balances	10,680	0	2,500	13,180

- 3.13 The £18.4m contributions to reserves in 2022/23 includes the establishment of the following new reserves:
- **Wirral Growth Company Profit:** This new reserve holds £8.5m of accrued profits from Wirral Growth Company LLP for the period to 31 March 2023.
 - **Covid Additional Relief Fund:** The £4.3m Covid Additional Relief Fund was provided by the Department for Levelling Up, Housing and Communities to enable Local Authorities to apply relief to Business Rates bills of those businesses who met locally defined criteria but had not benefitted from any of the previous Covid support funding for businesses. The relief was applied to business rates bills during 2022/23 but this money is held in reserve to offset the timing difference of impact of the resulting Collection Fund deficit on the General Fund impact in 2023/24.
 - **Treasury Management Equalisation:** This £0.4m reserves has been created to offset potentially higher interest costs in the future, and to mitigate fluctuations in investment values in some of the Treasury investment portfolio.

- 3.14 Appendix 3 provides a full list of all earmarked reserves.

4.0 FINANCIAL IMPLICATIONS

- 4.1 This is the Quarter 4 budget monitoring report that provides information on the revenue outturn for the Council for 2022/23. 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 is 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 2022/23 was dependent on a stable financial position. The delivery of the budget was subject to ongoing variables both positive and adverse which gave a level of challenge in achieving this outcome.
- 7.2 In any budget year, there is a risk that operation will not be constrained within relevant budget limits. Under specific circumstances the Section 151 Officer may issue a Section 114 notice but that position has not been reached at the present time. The issuing of a Section 114 notice bans all new spending with the exception of protecting vulnerable people and statutory services and pre-existing commitments.

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 2022/23 budget monitoring process and the 2022/23 budget setting process. This report will also be shared and reviewed by the Independent Panel.

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 This report has no direct environmental implications; however due regard is given as appropriate in respect of procurement and expenditure decision-making processes that contribute to the outturn position.

11.0 COMMUNITY WEALTH IMPLICATIONS

- 11.1 In year activity will have incorporated community wealth implications. Consideration would have taken 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

APPENDIX 1 – Directorate Summary Financial Positions
 APPENDIX 2 – Delivery of the 2022/23 Saving Programme
 APPENDIX 3 – Earmarked Reserves

BACKGROUND PAPERS

Policy & Resources Committee Report 5 Oct 22: 2023-24 Budget Update
 Bank of England – Monetary Policy Report
 CIPFA’s Financial Management Code
 Guidance on flexible use of capital receipts

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Policy and Resources Committee	15 February 2023
Policy and Resources Committee	9 November 2022
Policy and Resources Committee	7 September 2022
Policy and Resources Committee	13 July 2022
Council	28 February 2022
Policy and Resources Committee	15 February 2022
Policy and Resources Committee	17 January 2022
Policy and Resources Committee	1 December 2021
Policy and Resources Committee	30 November 2021

APPENDIX 1 - Directorate Summaries

1 Adult Care and Health

- 1.1 As at the end of March 2023 (Quarter 4), the outturn position for Adult Care and Public Health is a favourable variance of £0.345m against a budget of £114.962m. This position includes the full achievement of the £3.89m savings target.

TABLE 1 2022/23 Adult Care and Public Health – Service Budget & Outturn

	Budget	Outturn	Variance		Adverse/ Favourable
	£000	£000	(+ Fav / - Adv) £000	%	
Adult Social Care Central Functions	8,211	6,982	1,229	15%	Favourable
Older People Services - WCFT	52,444	55,053	-2,609	-5%	Adverse
Mental Health & Disability Services - CWP	52,010	50,313	1,697	3%	Favourable
Other Care Commissions	93	-563	656	705%	Favourable
Delivery Services	1,947	2,662	-715	-37%	Adverse
Public Health	-262	-262	0	0%	Favourable
Wirral Intelligence Service	519	432	87	17%	Favourable
Directorate Surplus / (Deficit)	114,962	114,617	345	0%	Favourable

- 1.2 **Central Functions:** A favourable variance of £1.229m is reported for 2022/23. The staffing budgets are reported here with slippage against a small number of vacancies and delays in recruitment. This is an improved position from quarter 3 following the recruitment freeze. Movement from the Better Care Fund reserve and the underspend against the 2022/23 BCF schemes is also reflected here.
- 1.3 **Older People Services:** An adverse variance of £2.609m is reported for 2022/23. The variance reflects the pressure within community care of discharging clients from hospital into short term residential settings.
- 1.4 At the start of the financial year activity data shows Older People client numbers of 5,566 receiving some form of support. This figure has grown throughout the financial year to the current level of 6,211 – this is an increase of 11.6% over the last 12 months. While some of this increase is within lower cost care packages, for example Assistive Technology, the figure includes an increase of 5% against residential and nursing placements. Demographic growth of 2% was built into the budget at the start of the financial year.
- 1.5 The cost of these placements has also increased with providers requiring additional top up payments to support inflationary pressures and commissioning of additional hours to support high need from clients discharged from hospital. Top ups funded by DASS have increased by 10% since the start of the financial year and the cost of

additional hours supporting residential and nursing placements has increased by 55% during the financial year. This has added a pressure of £1.2m to the outturn.

- 1.6 Funding for winter discharge has supported some of these costs alongside funding new schemes to support growth in the domiciliary care market. The longer term impact of these projects is not yet known, but shortage of capacity within the domiciliary care market continues to create a budgetary pressure within the service.
- 1.7 Overall the costs against residential and nursing care has increased by 13% from the forecast at the start of the financial year. This has been partly offset by a favourable movement in the expected cost of domiciliary care.
- 1.8 Total savings of £1.981m have been validated against the target of £1.945m which is £0.036m over target.
- 1.9 **Mental Health & Disability Services:** A favourable variance of £1.697m is reported for 2022/23. Savings made in 2021/22 have had a cumulative impact on 2022/23 and the outturn has benefited from a review of the recording of joint funding arrangements within the system. The outturn for joint funding contributions against complex care cases has improved by 22% from the forecast at the start of the financial year. While there has been a negative impact within Older People services there is still an overall improvement of 8%. The budget will be realigned accordingly for the new financial year.
- 1.10 The outturn reflects full achievement of the £1.945m savings target attributed to complex care services for the current financial year.
- 1.11 **Other Care Commissions:** A favourable variance of £0.656m is reported for 2022/23. This area contains services accessed across all client groups, for example the Early Intervention and Prevention services.
- 1.12 **Delivery Services:** An adverse variance of £0.715m is reported for 2022/23. This is a new service area set up since quarter 2 to report the delivery of in-house provisions, currently the recently transferred day services from Wirral Evolutions. The adverse position reflects the full year impact of the revised pay award, the cost of which would be incurred irrespective of the transfer back in-house.
- 1.13 **Public Health:** A balanced position (following contribution to reserves) is reported for 2022/23. The Public Health Grant for 2022-2023 is £30.99m an increase of £0.857m from the 2021/22 allocation of £30.142m.
- 1.14 **Wirral Intelligence Team:** A favourable variance of £0.087m is reported for 2022/23 against part year vacancy within the team.

Budget Virements

- 1.15 There have been no budget virements requiring committee approval in quarter 4.

2. Chief Executive Office

- 2.1 As at the end of March 2023 (Quarter 4), the outturn position for Chief Executive Office is an adverse variance of £0.073m against a budget of £1.786m. This is due to increased costs from the pay award, over and above the original 3% built into the 2022/23 budget and which will be mitigated corporately.

TABLE 2: 2022/23 Chief Executive Office – Service Budget & Outturn

	Budget	Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Chief Executive Office	160	118	42	26%	Favourable
Comms & Marketing	963	1,076	-113	-12%	Adverse
PAs/Exec. Support	663	665	-2	0%	Adverse
Directorate Surplus / (Deficit)	1,786	1,859	-73	-4%	Adverse

- 2.2 **Chief Executive Office:** A favourable variance of £0.042m is reported for 2022/23. This relates to employees costs due to realignment of the savings associated with this Directorate in the final quarter.
- 2.3 **Comms & Marketing:** An adverse variance of £0.113m is reported for 2022/23. The advertising and publicity budget has been reduced to contribute towards the overall savings for this Directorate. Advertising income was impacted by COVID-19 last financial year, and inflationary pressures have impacted income generation in this area during the year as local businesses who typically used this service limited expenditure to essential items as costs rose. £0.050m of the £0.110m was unachievable in 2022/23. This was mitigated corporately through utilising the remaining COVID-19 funding for employees within Comms and Marketing as they were seconded to fixed term posts relating to the COVID-19 response.

Budget Virements

- 2.4 There have been no budget virement in quarter 4.

3. Children, Families and Education

- 3.1 As at the end of March 2023 (Quarter 4), the outturn position Children, Families and Education is an adverse variance of £3.471m against a budget of £79.234m.
- 3.2 Over the year, there was a trend of increasing numbers of children in care, after a period of reducing numbers, particularly in young people placed in high-cost residential settings and more recently into independent fostering. This has now stabilised and number are being to reduce again.
- 3.3 Previously reported costs of £1.1m from the pay award, over and above the original 3% built into the 2022/23 budget and SEND Assisted Travel contract, demand and inflation pressures have also affected led to significant adverse variances. Some mitigations have been taken to reduce the full impact of these adverse variances. The reduction in national insurance contributions from November 2022 , along with additional grant and income for the Early Help Service and use of specific reserves. The outturn position reflects delivery of most of the 2022/23 saving proposals.

TABLE 3: 2022/23 Children, Families & Education-Service Budget & Outturn

	Budget		Outturn		Variance		Adverse/ Favourable
					(+ Fav / - Adv)		
	£000	£000	£000	£000	%		
Children and Families	50,141	54,178	-4,037	-8%	Adverse		
Early Help and Prevention	11,196	10,065	1,131	10%	Favourable		
Modernisation and Support	4,675	4,129	546	12%	Favourable		
Schools - Core	13,222	14,333	-1,111	-8%	Adverse		
Directorate Surplus / (Deficit)	79,234	82,705	-3,471	-4%	Adverse		

- 3.4 **Children and Families:** The Service Area outturn is an adverse variance of £4.037m. Since the budgets were agreed at the start of the year, an increase in children in care rate with a post-covid impact on demand and inflationary price uplifts have placed significant pressures on the service. Increases in Residential Care and more recently independent fostering combined with the impact of the higher pay award adding further costs to the adverse position. The underlying pressures of the service that relate to cost of living /inflation, have been included in the Medium Term Financial Plan (MTFP and the 2023/24 budget.

The expenditure for this service includes £27.952m on care costs. Overall, performance data indicates that the Children Looked After (CLA) rate having been stable in previous years and declined over the last year increased during the year. This has now reduced in the last few months. An increase in care numbers was anticipated to occur in 2023/24 due to post covid impact, it now appears that this along with cost of living is impacting the service earlier resulting in the increase in CLA rate and pressures in costs.

TABLE 4: Number of Children in Care

Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
821	819	814	795	786	770	789	804	766

- 3.5 **Early Help & Prevention:** A favourable variance of £1.131m is reported for 2022/23. The favourable variance is mainly due to staff vacancies and appointments at the lower range of the salary scale. In addition, the Family Matters service achieved the budgeted grant income and claimed the extra from the full activity grant. This was being invested and contributed to social care activities during the course of the year leading to an underspend in Early Help to mitigate the overspend in Childrens and Families. Further grant income in Contextual Safeguarding and Youth Offending Service has also contributed to the overall service.
- 3.6 **Modernisation and Support:** A favourable variance of £0.546m is reported for 2022/23. The favourable variance is mainly due to staff vacancies and appointments at the lower range of the salary scale. Commissioned services were reviewed during the year to release further efficiencies.
- 3.7 **Schools – core:** An adverse variance of £1.111m against a budget of £13.222m is reported for 2022/23. There is an adverse variance mainly in relation to the Children’s Assisted Travel (£1.429m), which is due to the pressure from the contract renewal effective from September 2022 and the pressure from the demand increase. The contracts have not been uplifted for the past 4 years, and together with the current inflation rate and the fuel price increase, the new contracts are significantly higher than anticipated. This adverse variance is partly offset by the favourable variances of Teacher Retirement Costs (£0.185m) and European Funded SEND Inclusion Programme (£0.185m).

Budget Virements

- 3.8 There have been no budget virements requiring committee approval in quarter 4.

TABLE 5: 2022/23 Children, Families and Education–Dedicated Schools Grant (DSG)

	Budget	Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
DSG Expenditure:					
Schools Block	119,142	118,519	623	1%	Favourable
Schools Block De-delegated	1,820	1,745	75	4%	Favourable
Central School Services Block	2,120	2,124	-4	0%	Adverse
High Needs	52,379	55,520	-3,141	-6%	Adverse
Early Years	20,184	20,983	-799	-4%	Adverse
Total Gross Surplus / (Deficit)	195,645	198,891	-3,246	-2%	Adverse
DSG Income:					
	-	-			
	195,355	195,818	463	0%	Adverse
Movement in DSG Reserve	-290	-3,073	2,783	-960%	
Total Net Surplus / (Deficit)	0	0	0	0%	

- 3.9 An adverse variance position for 2022/23 is resulting from the High Needs block with an adverse position of £3.141m. The adverse variance is mainly due to an increase in demand and complexity. Demand on this budget is expected to grow in line with the requests for Education.
- 3.10 **Schools Block:** A favourable variance of £0.623m is due to the academy conversion of three primary schools in the last quarter in 2022/23. The DSG grant income is reduced to balance off this variance.
- 3.11 **Early Years:** An adverse variance of £0.799m is reported for 2022/23 due to the actual activity hours being higher than budget expectation. The DSG Grant income budget for the Early Years is increased as the funding will be adjusted to match the actual activities.
- 3.12 **DSG income:** A favourable variance of £0.463m is reported for 2022/23 due to the grant adjustments in the Schools and Early Years blocks as above.
- 3.13 The 2021/22 financial year closed with a DSG reserve cumulative deficit position of £1.690m. The 22/23 budget include an anticipated in-year deficit balance of £0.290m to be added to the reserve balance, however, the outturn position is overspend of £3.073m thus delivering a cumulative £4.763m deficit position at the end of 2022/23 This is mainly due to the pressure from High Needs block. It was announced in December 2022 that the statutory override that separated DSG deficits from the authority's wider finances was extended further 3 years and due to expire at the end of 2025/26.

3.14 In 2023-24, the Council is participating in the Delivering Better Value (DBV) in SEND (Special Educational Need and Disabilities) programme which is the DfE's support package to help local authorities maintain effective SEND services while functioning sustainably. The aim of the DBV programme is to improve delivery of SEND services for children and young people and to ensure that this is done so within budget.

4 Law & Governance

4.1 As at the end of March 2023 (Quarter 4), the outturn position for Law and Governance is a small adverse variance of £0.188m against a budget of £5.821m

TABLE 6: 2022/23 Law & Governance – Service Budget & Outturn

	Budget	Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Law & Governance (Corporate)	320	294	26	8%	Favourable
Legal Services	3,214	3,295	-81	-3%	Adverse
Democratic & Member Services	1,435	1,399	36	3%	Favourable
Coroner Services	730	802	-72	-10%	Adverse
Electoral Services	440	539	-99	-23%	Adverse
Registrar Services	-186	-188	2	-1%	Favourable
Licensing	-132	-132	0	0%	Favourable
Directorate Surplus / (Deficit)	5,821	6,009	-188	-3%	Adverse

4.2 **Electoral Services:** An adverse variance of £0.099m is reported for 2022/23. There is a shortfall of £0.030m from a grant that is no longer received. Two By-Elections have occurred this year which have cost £0.032m and a small budget shortfall due to the pay increase. The balance is made up of multiple variances across the service caused by the pressure of increased costs.

Budget Virements

4.3 There have been no budget virements requiring committee approval in quarter 4.

5 Neighbourhood Services

5.1 As at the end of March 2023 (Quarter 4), the outturn position for the Neighbourhoods Directorate is £9.467m adverse against a budget of £46.189m. The reasons for this are detailed in the table below.

TABLE 7: Summary of Neighbourhood Services variances

	£000
Customer Behaviour Changes	
Parking income shortfall due to hybrid working	590
Mitigated through COVID-19 Reserves	-572
Leisure income shortfall due to reduction in numbers	1,293
Sub-Total	1,311
Macro-Economic Conditions	
Nationally agreed Pay Award	1,055
Additional unforeseen energy costs due to inflation - £657K relates to Street Lighting	1,249
Waste Contract Inflation increases	1,013
Mitigation due to a reduction in contribution to reserves relating to the Waste Levy	-600
Highways Maintenance Increases (Cost of materials and supply chain costs)	900
Repairs and Maintenance - Leisure	265
Tennis Centre Costs not covered by income	178
Additional employee costs - Leisure	384
Sub-Total	4,444
Delays in implementation	
Parking relating to new sites delayed subject to agreement of parking strategy	500
Holding costs relating to C A T of Woodchurch	202
Holding costs relating to C A T of Libraries	372
Sub-Total	1,074
Other	
Floral Pavilion income shortfall due to coastal works and increased cost pressures	2,054
Mitigated in part through one-off Leisure budget to aid recovery	-500
Highways Winter Gritting pressures	380
Highways Developer Income Shortfalls	448
Other smaller adverse variances	256
Sub-Total	2,638
TOTAL	9,467

5.2. Income remains less than it was in 2019/20 due a reduction in footfall and direct debit numbers. There was some improvement from Quarter 2 onwards due to new pricing structures, and slight increases in footfall now that areas are fully operational. However, income for the year was around 75% of 2019/20 levels.

5.3 The 2022/23 budget incorporates £5.26m of savings. Work commenced to achieve these savings following agreement at Budget Council in February. As at Quarter 4, the Directorate has achieved £4.00m of these savings. Savings relating to Community Asset Transfer (CAT) of Woodchurch (£0.202m) and Community Asset Transfer of Libraries (£0.380m) were not achieved this year due to holding costs

whilst the process took place. In addition to this savings relating to Floral Pavilion (£0.350m) were not achieved due to shortfalls in income generation.

- 5.4 As part of the 2022/23 budget savings, some library assets, two golf courses and Woodchurch Leisure Centre were recommended by Members to be available for CAT as an amendment to the budget. Members agreed that some libraries would remain open until 1 November 2022 to enable a potential CAT. On 25 October 2022, Tourism, Communities, Culture and Leisure Committee agreed to commence negotiations to transfer the assets of Pensby Library to Pioneer People and Prenton Library to St Stephen’s Church. It was also agreed that further negotiations would commence with the other groups until 9 December 2022, with recommendations relating to these being reported at a future Committee. On 9 March 2023 it was agreed to commence negotiations to transfer the assets of Wallasey Village Library and Irby Library. Negotiations relating to the other sites will be reported at a future Committee in 2023/24.
- 5.5 There were some holding costs and decommissioning costs following closure of the libraries on 1 November 22 that have also not been budgeted. These were to be £0.093m are reflected within Regeneration Directorate as they have responsibility for running the assets from November 2022. The total additional costs relating to CAT have been covered from the £3m contingency for non-achieved savings.

TABLE 8: 2022/23 Neighbourhoods – Service Budget & Outturn

	Budget	Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Cross Cutting funding & Neighbourhoods Management Team	-5,959	-5,950	-9	0%	Adverse
Community Safety and Transport	3,363	4,028	-665	-20%	Adverse
Highways and Infrastructure	5,269	7,863	-2,594	-49%	Adverse
Leisure, Libraries and Customer Engagement	7,611	12,844	-5,233	-69%	Adverse
Parks and Environment	35,905	36,871	-966	-3%	Adverse
Directorate Surplus / (Deficit)	46,189	55,656	-9,467	-20%	Adverse

- 5.6 **Community Safety and Transport:** An adverse variance of £0.665m is reported for 2022/23. £0.223m relates to the adjustment for the national public sector pay award. £0.360m mainly relates to adverse variances within Transport due to increased demand and tender price increases. The remaining adverse variance relates to income shortfalls. During the first part of the year, some team members were engaged in activities associated with the longer-term response to the pandemic in addition to their usual monitoring and response team duties. This resulted in additional pressures within the Community Patrol team which were funded from

carried forward planned COVID-19 tranche funding. In addition, some of the teams were engaged in functions associated with the Community Safety Partnership and were being funded from the reserve for these activities. This is temporary funding utilised in 2022/23 only, which will mitigated lead in pressures associated with the savings.

- 5.7 **Highways and Infrastructure:** An adverse variance of £2.594m is reported for 2022/23. This is made up of the following variances:
- £0.179m adverse variance relates to the adjustment for the pay award.
 - £0.590m adverse variance relates to a shortfall in car parking income as ticket sales remain low due to an increase in hybrid working and changes in customer behaviour.
 - £0.5m adverse variance relates to Car Parking charges at the proposed new sites which has not yet been implemented. This is pending a further report being brought to Members for proposed charges in new locations which will be informed by the strategic parking strategy but based upon the need to efficiently manage parking and traffic within the borough and recover the costs of the service.
 - £0.380m adverse variance relates to winter gritting due to increases in cost of service provision. A pressure statement has already been submitted to address this.
 - £0.448m adverse variance relates to a shortfall in income from developers. There has been a reduction in developers commencing new sites in 2022/23 due to the global economic situation.
 - £0.657m adverse variance relates to an increase in street lighting energy costs due to a rise in prices nationally.
 - £0.900m relates to Highways Maintenance cost increases. This is partially mitigated through capitalising up to £0.354m of costs.
- 5.8 Several remedial actions have temporarily mitigated the position this year:
- £0.160m due to additional income in relation to fees from utility companies for temporary traffic order road closures and capitalisation of costs relating to schemes.
 - £-0.328m due to opportunities for capitalisation of salaries within the Design Team and Highways & Infrastructure.
 - £0.572m of the carried forward Covid tranche funding has been utilised to mitigate the car parking shortfall this year. As this is one-off funding, plans are in development to fully mitigate any recurrent shortfall in 23/24 and will be brought forward in that year.
- 5.9 **Leisure, Libraries and Customer Engagement:** An adverse variance of £5.233m is reported for 2022/23. This is made up of the following adverse variances.
- £0.267m relates to the adjustment for the proposed pay award. This has resulted in a Council wide financial impact, and as Leisure, Libraries and Customer Engagement has the largest workforce, this area has been impacted the most.
 - £1.293m within Sports and Recreation relating to income pressures as it has still to see full recovery of membership and casual user numbers, which reduced as a consequence of the pandemic.

- £1.554m within Theatre, Hospitality and Catering services, this mainly relates to income pressures due to recovery from the pandemic and cost of living pressures. However £0.150m is due to income pressures at the Sail Loft which relate to coastal works. The actual adverse variance within this area is £2.054m, however £0.5m of additional pressure was allocated to Neighbourhoods as a one off budget adjustment in 2022/23. This has been used to mitigate the position in part this year.
- £0.635m relates to energy pressures due to inflationary increases.
- £0.202m of this relates to ongoing holding costs for Woodchurch Leisure Centre
- £0.380m relates to ongoing holding costs for Libraries whilst the Community Asset Transfer process is finalised.
- £0.178m relates to costs for the Tennis Centre whilst the site was refurbished
- £0.256m relates to additional maintenance costs
- £0.386m relates to additional employee costs
- £0.082m relates to other smaller adverse variances within the remaining areas,

5.10 Overall footfall is approximately 75% of 2019/20 levels which has adversely impacted income generation. This level of reduced recovery rate is consistent with national averages. At the start of the year, it was expected that income would not fully recover to pre pandemic levels and as such a £0.5m income contingency budget was set aside. This has been used to mitigate the overall position within Floral Pavilion.

5.11 The service has faced pressures associated with energy price increases and a rise in general costs due to increasing inflation. In a response to mitigate and improve footfall, the following initiatives were implemented in 2022/23:

- The reviewed all expenditure with a view to reducing or stopping non-urgent expenditure to mitigate the risk of further lost income. Costs relating to supplies and premises have been reviewed and areas where efficiencies can be achieved have been identified. To seek to compensate for these challenges, the service is looking to further maximise income generation and the identification of new opportunities as follows:
- Memberships & Income – A drive on usage and memberships including bespoke offers at appropriate sites such as the new Europa Gym, and the introduction of offers for targeted groups.
- Golf – Two council eighteen-hole golf courses are currently not in use (Hoylake and Brackenwood) and two leisure courses are also not in use at Kings Parade (Foot golf and Chip and Put). Together with price and membership remodelling, this has seen the anticipated transition of players to our two remaining sites at Arrowe Park (predominantly) and the Warrens – successfully reducing costs while increasing income.
- Introduction of activities aimed at children and young people such as holiday camps and pool-based inflatables at selected sites to improve income generation. This increased income generation at Guinea Gap during Quarter 2 and 3, which has significantly contributed to the improved position.
- A new marketing campaign was launched in the final month of Quarter 2 to promote the service and the new “Active Wirral” brand, which demonstrates attractive rates and benefits compared to competitor offers.

- Additional income has been generated which is aligned to corporate outcomes to improve health and wellbeing, this includes funding from NHS / Social Care / third sector partner organisations.
- Work is still underway to introduce pool covers at pool sites to improve energy conservation.
- Working with national sporting governing bodies such as the Football Association and Lawn Tennis Association to identify and introduce delivery models that generate income and reduce cost for example the new 3G pitch builds / new operating model for tennis at Wirral Tennis & Sports Centre, and the introduction of wider offers for children and young people through soft play and interactive activity. Capital work is currently underway at Wirral Tennis & Sports Centre. However, the impact of this on income generation will not be reflected until next financial year when the work is finalised.

- 5.12 Floral Pavilion is reporting an adverse position of £1.551m after the mitigation of £0.5m. £0.149m relates to the Sail Loft, as income has been impacted by coastal works and cost of living pressures and the remainder relates to projected income shortfalls within the Theatre. This is due non achievement of some savings and income targets within this area. There were no further issues with the other catering sites in 2022/23. The Directorate has taken action to mitigate the costs through reducing staffing expenditure and reviewing expenditure against non-essential items to ensure the budget can still be balanced.
- 5.13 **Parks & Environment:** An adverse variance of £0.966m is reported for 2022/23. £0.381m relates to the nationally agreed pay award.
- 5.14 Waste and Environment is reporting an adverse variance of £0.409m. £0.965m is due to overall increases in the borough wide waste collection and disposal costs, which is linked to rises in inflation and the Consumer Price Index (CPI) rate and £0.048m is due to the cost of leaf fall. The adverse variances are mitigated in part through other favourable variances within Waste and Environment and a reduction in contribution to reserves relating to the Waste Levy of £0.600m.
- 5.15 Parks and Tree Management is reporting an adverse variance of £0.479m. £0.356m of this relates to Tree Management due to increased demand and clean-up operations following Storm Arwen which has cost the Council an additional £0.250m. The remaining adverse variance relates to Parks. This is due to inflationary increases and changes to specifications following a review of the contract. This is mitigated in part through utilising the remaining reserve relating to this area. The adverse variance has reduced from Quarter 2 due to a review of planned preventative maintenance and non-essential expenditure. The service will aim to mitigate the remaining adverse variance within Parks through maximising income generating opportunities within Cemeteries within the final Quarter and through favourable variances relating to Regulatory Services.
- 5.16 Regulatory Services is reporting a favourable variance of £0.317m. This is due to employees, as the service has faced challenges in recruiting and retaining staff due to current market demand. To address this the service has appointed apprentices in Quarter 2 who will be trained in these roles and fill the skills gaps. Some employee costs are funded through COVID-19 grants as they completed work on the outgoing COVID-19 response which has resulted in a favourable variance in 2022/23.

Budget Virements

5.17 There have been no budget virements requiring committee approval in quarter 4.

6. Regeneration & Place

6.1 As at the end of March 2023 (Quarter 4), the year-end position for Regeneration & Place is a favourable position of £0.094m on a budget of £37.775m. This compares to a £0.013m favourable position as at Quarter 3.

TABLE 9: 2022/23 Regeneration and Place – Service Budget & Outturn

	Budget	Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Regeneration	24,614	25,371	-757	-3%	Adverse
Housing	6,540	5,757	783	12%	Favourable
Asset Management & Investment	5,033	5,031	2	0%	Favourable
Planning	1,074	1,008	66	6%	Favourable
Special Projects	114	114	0	0%	
Local Plan	400	400	0	0%	
Directorate Surplus / (Deficit)	37,775	37,681	94	0%	Favourable

6.2 **Regeneration:** An adverse variance of £0.757m is reported for 2022/23. This includes capitalisation of staff who are supporting the delivery of assets of £1.0m, with £0.3m delivered within Housing capitalisation (for a total £1.3m delivered against a savings target of 1.4m). Use of agency in delivering the regeneration programme has increased costs by £0.6m (which has been significantly reduced for 23-24). This is partially offset by £0.1m favourable position on the Levy budget (which has formed a part of the 23-24 savings).

6.3 **Housing:** A favourable variance of £0.783m is reported for 2022/23. This includes grant awards being allocated which have been able to offset pressures and temporarily fund some council services. As per 6.2, capitalisation of housing staff also delivered £0.3m.

6.4 **Asset Management & Investment:** A favourable variance of £0.02m is reported for 2022/23. Income pressures of over £0.7m exist across the rental accommodation within Birkenhead, with income being at 50% of budgeted income targets, principally at Europa House (£0.3m) and Birkenhead Market (£0.3m). These are partially offset with reduced spend on unoccupied buildings, with reduced maintenance and running costs (£0.5m). Holding costs for assets awaiting Community Asset Transfer (£0.1m) recently transferred from Neighbourhoods have been offset by one-off backdated rate relief (£0.2m) on some listed building assets and the write-back of a no longer needed provision (£0.08m) relating to a now settled penalty fee.

Budget Virements

6.5 There have been one budget virements since Quarter 3, of £0.087m from Resources relating to the transfer of the Concierge Service to Assets.

7. Resources

7.1 As at the end of March 2023 (Quarter 4), the outturn position for Resources is a favourable variance of £0.790m against a budget of £44.813m.

TABLE 10: 2022/23 Resources– Service Budget & Outturn

	Budget	Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Finance & Investment	23,133	22,063	1,070	5%	Favourable
HR & OD and Payroll	3,788	3,114	674	18%	Favourable
Digital & Improvement	7,466	9,739	-2,273	-30%	Adverse
Revenues & Benefits	2,215	2,374	-159	-7%	Adverse
Audit, Risk & Business Continuity	537	545	-8	-1%	Adverse
Strategic Change	7,674	6,188	1,486	19%	Favourable
Directorate Surplus / (Deficit)	44,813	44,023	790	2%	Favourable

- 7.2 **Finance & Investment:** A favourable variance of £1.070m is reported for 2022/23. There was an underspend on net Treasury activities of £0.126 million, which is attributable to lower debt management costs and an increase in investment returns. Reserves were used to offset some of the pressures from the Expected Credit Losses (ECL) and the resilience budget was released to contribute towards the overall council position.
- 7.3 **HR & OD:** A favourable variance of £0.674m is reported for 2022/23. This is due to a temporary non-recruitment of posts in adherence of the vacancy freeze and in anticipation of recurrent staffing savings in 2023/24.
- 7.4 **Digital & Improvement:** An adverse variance of £2.273m is reported for 2022/23. . This is an ongoing pressure resulting from loss of income from schools choosing to procure IT services with external suppliers. Printing Services are consistently unable to achieve their income target as the volume of printing reduces due to continued use of digital solutions. Both areas are subject to an ongoing review which will result in options for the services coming forward in 2023/24.
- 7.5 **Revenues & Benefits:** An adverse outturn variance of £0.159m is reported. There is a shortfall in Housing Benefit subsidy received from central government in respect of local housing allowance. This is countrywide phenomenon and not a Wirral specific issue. This relates to Supported Accommodation and is partially mitigated through Housing Benefits Overpayments.
- 7.6 **Strategic Change:** A favourable outturn variance of £1.486m is reported for 2022/23. This is due to the pause and reset of the Strategic Change Portfolio to ensure focus on priority areas that only achieve beneficial outcomes from 2023/24.

Budget Virements

7.7 There have been no budget virements requiring committee approval in quarter 4.

Appendix 2 - Delivery of the 2022/23 saving programme.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Adults Care & Health					
Adult Care & Health demand mitigations	£3.890m	£3.890m	£0.000m	£0.000m	Adult Care and Health have worked closely with both NHS Wirral Community Health and Care Foundation Trust (WCHFT) and Cheshire and Wirral NHS Partnership Trust (CWP) to achieve savings targets set each year. Regular meetings occurred throughout the year to discuss their approach and progress. All savings achieved have been validated and are reflected within the outturn.
Total Adult Care & Health	£3.890m	£3.890m	£0.000m	£0.000m	

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Chief Executive Office					
Service Redesign	£0.110m	£0.060m	£0.050m	£0.000m	Savings have been identified through deletion of vacant post and reduction marketing budget. Mitigation to be achieved as some employees have been seconded to work on the COVID-19 response and funded through Contain Outbreak Management Fund (COMF).
Total Chief Exec Office	£0.110m	£0.060m	£0.050m	£0.000m	

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Children Families & Education					
Reduction of Historic Teacher's Pensions Costs	£0.200m	£0.200m	£0.000m	£0.000m	Saving is fully achieved. This historic commitment reduces year on year as the cohort ages budget has been reduced accordingly.
Alternative Accommodation Provision for Children Looked After	£1.000m	£0.900m	£0.000m	£0.100m	Two projects were previously forecast to come on-stream towards the end of the financial year are now expected to be completed in the new financial year. Reserve funding has been utilised to mitigate the delay.
Utilisation of demand reserve for COVID pressures	£0.467m	£0.467m	£0.000m	£0.000m	Saving is fully achieved. Reserve has been drawdown and utilised.
Children's Services Redesign and posts deletion/closure	£0.294m	£0.294m	£0.000m	£0.000m	Saving is achieved.Redesign has been completed and posts deleted.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Reduction in adoption orders	£0.050m	£0.000m	£0.050m	£0.000m	Approved saving has been delayed but will be achieved 2023-24. The savings was to be found by a reduction in Wirral's Adoption in Merseyside (AIM) budget allocation due to falling numbers of adoption placements, as a historic backlog has been cleared. Whilst some of this has come through in 2022/23, the full impact is expected to occur in 23/24. An update from in-year monitoring is that an underspend is reported for the Service Level Agreement (unrelated to placements). This will mitigate / offset the impact of the budgetary saving not being implemented as originally planned. The savings are expected to be delivered by underspend in AIM during the year and Wirral's contribution to AIM budget being reduced in 23/24.
Reduction in Looked After Children (LAC) numbers	£0.564m	£0.564m	£0.000m	£0.000m	Saving is achieved. Headline rate of LAC has fallen.
Review of Youth Offending Service (YOS)	£0.025m	£0.025m	£0.000m	£0.000m	Saving is fully achieved. Service has been redesigned and saving achieved.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/ unachieved in year	Comment
Special Educational Needs (SEND) Transport Review	£0.150m	£0.050m	£0.000m	£0.100m	Working with families and young people is continuing to reconfigure services.
Increase funding for placements from CCG and SEND	£0.200m	£0.100m	£0.000m	£0.100m	There are ongoing discussions for funding from Integrated Care Boards (ICBs) and health partners. Wirral has been successful in bidding for capital funding for valuing care residential which is included in the accommodation strategy savings. We expect Health contribution towards the funding of the unit. A more detailed focus on individual placements is also increasing funding where appropriate. Funding is now actively explored on all new placements. With joint funding 50% contribution agreed for a recent high cost placement.
Redesign of Youth Offer	£0.200m	£0.200m	£0.000m	£0.000m	Saving is fully achieved. Youth redesign is implemented.
Total Children Families & Education	£3.150m	£2.800m	£0.050m	£0.300m	

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Law and Governance					
Capitalisation of salaries	£0.200m	£0.200m	£0.000m	£0.000m	Saving is fully achieved.
Removal of individual ward member budgets	£0.184m	£0.184m	£0.000m	£0.000m	Saving is fully achieved.
Reduction in the Number of Committees	£0.150m	£0.150m	£0.000m	£0.000m	Saving is fully achieved.
Whole Council Elections	£0.125m	£0.125m	£0.000m	£0.000m	Saving is fully achieved. Budget has been removed with a contribution to reserve each year to smooth the effective of the four yearly elections and any by-elections.
Total Law & Governance	£0.659m	£0.659m	£0.000m	£0.000m	

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Neighbourhood Services					
Highways Operational Services - Income Exploration	£0.030m	£0.000m	£0.030m	£0.000m	This saving was not achieved due to income shortfalls within Highways arising from increases in supply chain costs. This saving was mitigated through identification of additional costs that could be capitalised.
Closure of Europa Fun/Leisure Pool & Enhanced Gym Offer	£0.266m	£0.266m	£0.000m	£0.000m	Fun Pool has remained closed since March 2020, therefore this saving is expected to be fully achieved. A new staffing structure was put in place last financial year to reflect the reduced costs associated with running a gym in place of the fun pool.
Catering Pod at Leasowe Leisure Centre for Football Traffic	£0.021m	£0.015m	£0.000m	£0.006m	Catering pod has been purchased and located at Leasowe. Trading commenced mid September to coincide with the football season when income generation opportunities are greatest. Since commencing trading, £0.015m of income has been achieved in 2022/23. However this was only implemented mid year and income should be fully achieved in line with the saving in future years.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Fleet efficiencies in Transport - going green	£0.020m	£0.000m	£0.020m	£0.000m	This saving will be achieved through a review and replacement of some fleet vehicles with newer models which are more efficient. There is a risk associated with this saving due to increased inflation impacting fuel bills. Mitigation was achieved through opportunities that have arisen since April 2022 in relation to a review of the transport fleet and income generation.
Capitalisation of Highways salaries	£0.015m	£0.015m	£0.000m	£0.000m	Saving achieved. Full year costs of £0.015m have been identified which relate to employees currently working on capital projects.
Highways maintenance Contracts	£0.025m	£0.025m	£0.000m	£0.000m	Savings have been achieved. Maintenance spend has been reduced this year as expenditure was only incurred for essential works.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Street Lighting Service Savings	£0.050m	£0.050m	£0.000m	£0.000m	Saving achieved.
Car park maintenance 1 year budget reduction	£0.050m	£0.050m	£0.000m	£0.000m	Saving achieved.
Eco and Forest School Income	£0.020m	£0.000m	£0.020m	£0.000m	Income generation plans were finalised during 2022/23. To date no income has been achieved but it is expected that this will be achieved from 2023/24 onwards. Mitigation has been achieved through a current vacancy within the Forest Schools service area of Parks.
Tree management Team Commercial Offer	£0.025m	£0.000m	£0.025m	£0.000m	Due to the unforeseen departure of the Tree Manager, delays have been encountered to progress the saving meaning the service had to put temporary cover in to complete this project. £5K of income has been generated this year. It is expected that the full saving will be achieved from 2023/24 onwards. Mitigation will be achieved through a vacant Tree Manager post whilst work continues to generate the income associated with this saving.
Rent of Café - Royden	£0.010m	£0.010m	£0.000m	£0.000m	The site has been operational from August 2022 and this saving has been fully achieved in 2022/23.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/ unachieved in year	Comment
Income increase on allotments	£0.050m	£0.050m	£0.000m	£0.000m	Saving is fully achieved.
Increase in charges for Waste and Environmental services.	£0.462m	£0.462m	£0.000m	£0.000m	Saving is fully achieved.
Removal of Vacancies in Environmental and Waste team	£0.100m	£0.100m	£0.000m	£0.000m	Saving is fully achieved.
Suspension of Climate Emergency Initiatives	£0.125m	£0.125m	£0.000m	£0.000m	Saving is fully achieved.
Remodelling of Street Cleansing: Plus special events	£0.214m	£0.214m	£0.000m	£0.000m	Saving is fully achieved.
Review of overtime budget in Parks	£0.015m	£0.015m	£0.000m	£0.000m	Saving is fully achieved.
Reduce grass cutting from 10 to 8 cuts	£0.100m	£0.100m	£0.000m	£0.000m	Saving is fully achieved.
Cease community firework displays	£0.030m	£0.030m	£0.000m	£0.000m	Saving is fully achieved.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/ unachieved in year	Comment
Income Strategy - Cemeteries and crematorium service	£0.053m	£0.053m	£0.000m	£0.000m	Saving is fully achieved.
Fund ASB Post from PCC grant	£0.050m	£0.050m	£0.000m	£0.000m	Saving is fully achieved.
Review Engagement Officer secondment	£0.035m	£0.035m	£0.000m	£0.000m	Saving is fully achieved.
Introduce Overnight Camper Van Parking Charge in New Brighton	£0.035m	£0.001m	£0.000m	£0.034m	The option went live on 8th July. An Experimental Traffic Regulation Order (ETRO) allows for comments to be received during the first 6 months and amendments to be made if required. Income to date is £600, no penalties have been issued to campervans parking in contravention as compliance has been achieved.
Deletion of Vacant Posts	£0.302m	£0.302m	£0.000m	£0.000m	Saving is fully achieved.
Reduction in budget for office related expenditure	£0.023m	£0.023m	£0.000m	£0.000m	Saving is fully achieved.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/ unachieved in year	Comment
Review of Leisure service	£0.178m	£0.130m	£0.048m	£0.000m	This has been fully achieved from EVR/VS requests within the service.
Increase catering across all Leisure Sites	£0.060m	£0.000m	£0.000m	£0.060m	This saving has not been achieved this year, as catering income across leisure has only achieved £35K against an existing income target of £104K.
Outdoor Water Sports Offer at West Kirby Marine Lake	£0.015m	£0.000m	£0.000m	£0.015m	This saving has not been achieved this year, as income generated by West Kirby Marine Lake is only £0.162m against a target of £0.266m

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Temporary Closure and Remodelling of Bidston Tennis Centre	£0.114m	£0.000m	£0.000m	£0.114m	The tennis centre closed for refurbishment works from April 2022. However ongoing costs were incurred through premises costs, some of these have been recovered through charges to the LTA & Elections for occupying the site. Additional costs of £0.178m will need to be recovered through the contingency fund
Review of Golf Offer	£0.328m	£0.328m	£0.000m	£0.000m	Prices have been increased from April 2022 and sites linked to this saving have closed. Savings have been achieved through deleting posts relating to employees who have now left the Authority and through additional income from the revised price offer. Approximately £0.100m additional income has been achieved due to retention rates with customers transferring to Arrowe Park and Warrens.
Exercise referral programme	£0.100m	£0.013m	£0.000m	£0.087m	Only £0.013m of additional exercise on referral income has been achieved this year. This shortfall is due to the discontinuation of grants announced in Q1 of 2022/23

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Floral pavilion - plans to reduce subsidy	£0.350m	£0.000m	£0.000m	£0.350m	<p>This saving has not been achieved this year due to shortfalls in income generation because of cost of living pressures & delays in implementing new business models. There is a legacy saving of £0.5m within the Floral pavilion budget that was left in its accounts following the unsuccessful attempt to outsource the venue in 2018/19. The Theatre has continuously struggled to mitigate the effect of this saving being left in the budget. Income wise, the Theatre had a record breaking pantomime year and is continuing with a third party options appraisal to identify opportunities to redevelop the non-profitable areas of the site, in particular the conferencing centre as part of the New Brighton Masterplan.</p>
Transport efficiencies	£0.070m	£0.040m	£0.030m	£0.000m	<p>Savings to date have been achieved through mitigation as employees associated with this saving are still in post.</p>

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Reduction in Community Patrol Service	£0.150m	£0.100m	£0.050m	£0.000m	Savings were delayed due to lead in pressures due to employees working notice periods. This saving will be fully achieved this year through mitigation and funding from Reserves.
Cessation of Constituency Team and Remodelling of Section	£0.346m	£0.300m	£0.046m	£0.000m	The restructure of this area is now complete and employees have moved to new roles from Q2 onwards. Due to these delays, mitigation is being achieved through the Community Safety Grant
Review of Neighbourhoods Service Directorate	£0.360m	£0.110m	£0.250m	£0.000m	Savings were delayed due to lead in pressures due to employees working notice periods. This saving will be fully achieved this year through mitigation.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Permanent Closure and Demolition of Woodchurch Leisure Centre	£0.402m	£0.200m	£0.000m	£0.202m	Only £0.200m of this saving was achieved this year, leaving a shortfall of £0.202m. The adverse variance against Woodchurch for 2022/23 is £0.202m, which is in line with what was projected. This was due to holding costs whilst the CAT process was completed and was projected at the beginning of the year. The shortfall is mitigated from contingency this year.
Reprovision of the Library Service	£0.652m	£0.272m	£0.000m	£0.380m	Only £0.272m of this saving was expected to be achieved from Nov-Mar whilst the CAT process was completed. The remaining £0.380m of this relates to costs from April to October whilst the libraries were still operational. The actual adverse variance against Libraries for the year was £0.372m, which will be mitigated from Contingency this year.
Total Neighbourhood Services	£5.251m	£3.484m	£0.519m	£1.248m	

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/ unachieved in year	Comment
Regeneration & Place					
Cease support for Community Alarms	£0.200m	£0.200m	£0.000m	£0.000m	Saving is fully achieved.
Reconfiguration of Commissioned Homelessness accommodation	£0.115m	£0.115m	£0.000m	£0.000m	Saving is fully achieved.
The Closure Public Conveniences	£0.050m	£0.050m	£0.000m	£0.000m	Saving is fully achieved.
Corporate buildings - holding costs	£0.050m	£0.050m	£0.000m	£0.000m	Saving is fully achieved.
Capitalisation of Regeneration Staff Salaries	£1.423m	£1.300m	£0.123m	£0.000m	91% of saving achieved. Remaining saving mitigated through vacancies and within overall funding package for Regeneration (which includes use of reserves)
Total Regeneration & Place	£1.838m	£1.715m	£0.123m	£0.000m	

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Resources					
To reduce heating in occupied council buildings by 2 degrees	£0.113m	£0.113m	£0.000m	£0.000m	Saving is fully achieved.
One Stop Shop establishment review	£0.099m	£0.099m	£0.000m	£0.000m	Saving is fully achieved.
Review of Treasury activity	£0.500m	£0.500m	£0.000m	£0.000m	Saving is fully achieved.
Revenues & Benefits Review and Restructure	£0.750m	£0.750m	£0.000m	£0.000m	Saving is fully achieved.
Strategic Change revenue budget reduction	£0.650m	£0.650m	£0.000m	£0.000m	Saving is fully achieved.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/ unachieved in year	Comment
Restructure of Commercial Income Team	£0.230m	£0.230m	£0.000m	£0.000m	Saving is fully achieved.
Review of Finance Team Structure	£0.050m	£0.050m	£0.000m	£0.000m	Saving is fully achieved.
Cease Business Rates Contribution	£0.696m	£0.696m	£0.000m	£0.000m	Saving is fully achieved.
Modernisation of Information & Communications Technology Service	£0.050m	£0.050m	£0.000m	£0.000m	Saving is fully achieved.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/ unachieved in year	Comment
Review of Business Support Unit	£0.020m	£0.020m	£0.000m	£0.000m	Saving is fully achieved.
Review of Internal Audit - Efficiencies and Income	£0.080m	£0.080m	£0.000m	£0.000m	Saving is fully achieved.
Reduction in Learning & Development Budget	£0.100m	£0.100m	£0.000m	£0.000m	Saving is fully achieved.
Total Resources	£3.338m	£3.338m	£0.000m	£0.000m	

Appendix 3 - Earmarked Reserves 2022/23

Adult Care and Public Health

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Adult Social Care – Safeguarding	106	-98	38	46
Public Health Ringfenced Grant	6,594		318	6,912
Champs Innovation Fund	352	-283	0	69
Champs Covid-19 Contact Tracing Hub	433	-229	0	204
Better Care Fund	236	-236	0	0
Implementation of Charging Reform	0	0	98	98
Total	7,721	-846	454	7,329

Children, Families and Education

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Intensive Family Intervention Project	505	-100	0	405
School Improvement -	1,094	-237	0	857
Schools Causing Concern	500	0	0	500
SEND OFSTED Inspection Improvement Action Plan	1,051	-171	0	880
Children’s Centre – Outdoor Play	92	0	0	92
Help for Young People	36	-10	0	26
Looked After Children Education Services	211	-100	0	111
Local Safeguarding Children’s Board	23	0	0	23
SEND - High Needs	248	-138	0	110
YOS - Remand & Mobile Youth Centre	157	-36	0	121
Early Help & Play Development	123	-6	0	117
DRIVE Safelives & Domestic Abuse Hub	50	0	0	50
Children’s Transformation	32	-32	0	0
Children IT data system	127	0	0	127
Mersey & Cheshire ICS Pilot	20	0	0	20
Care Leaver Accommodation Development	358	-155	0	203
Wirral Apprentice Programme	53	-34	0	19
Looked after Children Placement Reserve	470	-470	0	0
Total	5,150	-1,489	0	3,661

Law and Governance

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Licensing Reserve	60	-60	0	0
Taxi, Marriage & Scrap Metal Licences	145	-25	0	120
Electoral Reserve	150	0	0	150
Total	355	-85	0	270

Neighbourhoods

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Community Safety Initiatives	195	-152	0	43
Health & Safety Flood Prevention	455	-455	0	0
Parks Tree Maintenance	187	-187	0	0
Environmental Health	300	-260	0	40
Climate Emergency	100	-100	0	0
Les Mills Classes	89	-35	0	54
Litter Enforcement - development of initiatives	49	-49	0	0
Weed Spraying : Mitigate against additional costs	41	-41	0	0
Birkenhead Park World Heritage Site Lottery Bid	40	-40	0	0
Coastal Protection	35	0	0	35
Sports Development Reserve	22	0	0	22
Environmental Health F.S.A. Backlog	28	-28	0	0
Trading Standards	25	0	0	25
Hilbre Island - Legacy	21	0	0	21
Health & Safety Armed Forces Welfare Pathway	14	0	0	14
BikeSafe	10	-2	0	8
Repairs & Maintenance upgrades on Public Conveniences	8	0	0	8
LAMPS to Concerto system replacement	2	-2	0	0
Library Donations	1	0	0	1
Storeton Quarry	30	0	0	30
Total	1,652	-1,351	0	301

Regeneration and Place

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Selective Licensing	1,354	-34	113	1,433
Wirral Ways to Work	496	0	129	625
Regeneration and Inward Investment	1,423	-38	0	1,385
Urban Development Corporation Bid	410	-333	0	77
Building Control Fee Earning	468	-61	13	420
HMO Licence Fees	164	0	0	164
Major Infrastructure Project Development	183	-121	0	62
Property Repairs rental income	276	0	0	276
DCLG Empty Shops Grant	41	0	0	41
ERDF 4.2 Match Funding	18	0	0	18
Europa Centre Dilapidations	83	-83	0	0
A/M GMT – Community Fund CAT	76	-76	0	0
Licence Survey Work	56	-56	0	0
Emergency Maintenance and Work in Default	206	68	0	274
Heritage Fund	12	-12	0	0
Resettlement Programme Grant	992	0	794	1,786
Supporting People Programme	141	-141	0	0
Homelessness	180	-14	0	166
Domestic Abuse Bill Grant	602	0	0	602
Economic Growth	342	0	0	342
Birkenhead Future High Street funding	57	-10	0	47
Wirral Growth Company Profit	0	0	8455	8,455
Total	7,580	-911	9,504	16,173

Resources

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Commercial Management	205	0	0	205
Discretionary Housing Payments	185	0	280	465
HR/OD Talent Management	50	0	0	50
HR Reserve – Schools	41	0	0	41
Transformation Challenge Award	4	-4	0	0
Asset Consolidation Staff Relocation Contingency	111	-30	0	81
ICT Records Management	288	-29	0	259
Business Rates Equalisation Reserve (100%) rates retention pilot)	7,000	0	0	7,000
Enterprise Zone Contingency Fund	29	0	0	29
Financial Resilience Reserve	887	-787	0	100
Financial Instrument Equalisation Reserve	2,123	-2,065	0	58
Year 2 of EVR/VS Termination Payments	1,883	-323	0	1,560
Social Care Fund	3,340	-1,840	0	1,500
Digital Transformation	1,566	0	0	1,566
Treasury Management Equalisation	0	0	360	360
Community Asset Transfer Support Fund	0	0	178	178
Total	17,712	-5,078	818	13,452

Other Corporate

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Covid-19	14,062	-13,724	0	338
Insurance Fund	9,772	-2,450	1,680	9,002
NNDR3 S31 grants	11,794	-11,794	0	0
Enterprise Zone Investment	610	-345	74	339
Local Council Tax Support Grant	3,943	-1,517	0	2,426
Local Income Tax Guarantee	272	-272	0	0
Freeport Zone Investment	0	0	3	3
Covid Additional Relief Fund	0	0	4,334	4,334
Schools Capital	256	0	430	686
Schools Balances	16,307	-3,939	1,149	13,517
Total	57,016	-34,041	7,670	30,645
GRAND TOTAL (excluding DSG)	97,186	-43,801	18,446	71,831

Notes on Reserves adjustments:

1. Champs Innovation Fund: Opening balance previously reported as £3,163k. Following audit of accounts, opening balance revised to £352k with remainder reclassified as a creditor.
2. Champs Covid-19 Contact Tracing Hub: Opening balance previously reported as £3,894k. Following audit of accounts, opening balance revised to £433k, with remainder reclassified as a creditor.
3. Project ADDER (Addiction, Diversion, Disruption, Enforcement, Recovery): Opening balance previously reported as £872k. Following audit of accounts, opening balance revised to £0; reclassified as a creditor.
4. Community Safety Initiatives: Opening balance previously reported as £801k. Following audit of accounts, opening balance revised to £195k, with remainder reclassified as a creditor.

Notes on New Reserves:

1. **Wirral Growth Company Profit:** This reserve holds £8.455m of accrued profits from Wirral Growth Company LLP for the period to 31/03/23.
2. **Covid Additional Relief Fund:** The Covid Additional Relief Fund was provided by the Department for Levelling Up, Housing and Communities to enable Local Authorities to apply relief to Business Rates bills of those businesses who met locally defined criteria but had not benefitted from any of the previous Covid support funding for businesses. The relief was applied to business rates bills during 2022/23 but this money is held in reserve to offset the timing difference of impact of the resulting Collection Fund deficit on the General Fund impact in 2023/24.
3. **Treasury Management Equalisation:** This has been created to offset potentially higher interest costs in the future, and to mitigate fluctuations in investment values in some of the Treasury investment portfolio.
4. **Community Asset Transfer Support Fund:** £0.178m has been transferred to reserve to support community organisations to ensure they can be sustainable during the first year of taking over former Council assets, and to fund holding costs of assets to be transferred in 2023/24.
5. **Schools Capital:** £0.430m of ringfenced schools' money is held in reserve on behalf of two schools to disaggregate from school revenue balances money they have earmarked to fund capital expenditure on a new roof and a classroom expenditure.