



## **POLICY AND RESOURCES COMMITTEE**

**Wednesday, 17 July 2024**

<b>REPORT TITLE:</b>	<b>CAPITAL MONITORING QUARTER 1 2024/25</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF FINANCE</b>

### **REPORT SUMMARY**

This report provides an update on the progress of the Capital Programme 2024/25 at the end of June 2024. It recommends that Committee agree the revised 2024/25 Capital Programme of £100.996 million which takes account of re-profiling, virements, additional funding requirements and grant variations identified since the Capital Programme was formally agreed on 26th February 2024.

The report supports the delivery of the Council Plan: Wirral Working Together 2023-27 specifically in terms of the Efficient, Effective and Accessible Council theme. The Capital Programme also contributes towards projects that support all five Council Plan delivery themes.

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

### **RECOMMENDATIONS**

The Policy and Resources Committee is requested to recommend to Council the approval of:

- 1 the revised Capital Programme of £100.996 million for 2024/25, including the virements of budget referred to in Appendix 3 of this report.
- 2 additional funding for Capitalisation of Regeneration Salaries, to be funded by new borrowing, as referred to in section 3.7 in this report.

## SUPPORTING INFORMATION

### 1.0 REASON/S FOR RECOMMENDATION/S

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

### 2.0 OTHER OPTIONS CONSIDERED

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

### 3.0 BACKGROUND INFORMATION

#### 3.1 Capital Programme 2024/25 Position by Directorate

**Table 1: Wirral Council 2024/25 Forecast Position**

Programme	Budget	Forecast	Variance £m	Variance %
	1 April 24 £m	Q1 £m		
Adult Care & Health	4.404	4.404	0.000	0%
Children, Families & Education	18.886	18.886	0.000	0%
Neighbourhoods	25.757	18.484	-7.273	-28%
Regeneration & Place	79.637	54.893	-24.744	-31%
Finance	4.329	4.329	0.000	0%
<b>Total</b>	<b>133.013</b>	<b>100.996</b>	<b>-32.017</b>	<b>-24%</b>

#### Capital Programme 2024/25 Position by Committee

**Table 2: Wirral Council 2024/25 Forecast Position**

Programme	Budget	Q1	Variance £m	Variance %
	1 April 24 £m	Forecast £m		
Adult Social Care & Health	4.404	4.404	0.000	0%
Children, Young People & Education	18.886	18.886	0.000	0%
Economy, Regeneration & Housing	68.815	45.341	-23.474	-34%
Environment, Climate Emergency & Transport	27.332	20.091	-7.241	-26%
Policy & Resources	10.251	10.251	0.000	0%
Tourism, Communities, Culture & Leisure	3.325	2.023	-1.302	-39%
<b>Total</b>	<b>133.013</b>	<b>100.996</b>	<b>-32.017</b>	<b>-24%</b>

- 3.1.1 Tables 1 and 2 provide an update on the 2024/25 Capital Programme analysed on a Directorate and then Committee basis. A number of variations have arisen since the original Programme was agreed at the end of February 2024. These include the re-profiling of expenditure into and out of financial years, inclusion of additional grant funded schemes and variations to spend forecasts. Appendix 1 of this report provides further analysis of the movement of the forecast programme across directorates during the year to date.
- 3.1.2 As noted above, the main movements in this year's Programme so far are in respect of deferrals of budget into future years along with the inclusion of new funding and schemes into the Programme.
- 3.1.3 It is anticipated that further reductions and/or deferrals of budget will be made in future quarters. Such deferrals reduce the borrowing costs incurred during the year (2024/25) and also delays the resultant Minimum Revenue Provision (MRP) charges into future years.
- 3.1.4 Given the budgetary pressures that the Council faces, a review of the Programme continues to try and identify schemes that may no longer be financially viable, essential, or deliverable.

## **3.2 Reprofiling of expenditure**

- 3.2.1 Regular meetings are held with officers who are responsible for capital projects contained within the Programme. During these meetings assessments are made regarding the deliverability of the schemes and their budgetary requirement for the year. These assessments are reflected in the forecast outturn provided through the quarterly update reports to Members. Should it be assessed that a scheme will continue into the next financial year, or beyond, budget is reprofiled as deemed appropriate at that time.
- 3.2.2 A scheme should not be paused or deferred into a future year if this action were to lead to avoidable detrimental effects on the Council. The project lead officers determine if a scheme is appropriate for deferral and manage any risks or negative impacts associated with this decision. Schemes that are part or fully funded from grant require additional consideration before deferral, so as not to compromise the conditions of the grant agreements, which may jeopardise the scheme funding.
- 3.2.3 A review of the profiling of expenditure within the Capital Programme is continuing and is likely to lead to a further reduction in anticipated spend for the year.

## **3.3 Scheme Updates**

- 3.3.1 Schemes are subject to an ongoing review to ensure that a deliverable programme is in place, that they are compatible with the Council Plan: Wirral Working Together 2023-27 priorities and to try and identify any savings. Current progress on the more significant schemes is provided in Appendix 2 of this report.
- 3.3.2 Scheme costs are constantly monitored by project officers. Due to high inflationary pressures within the economy, financial monitoring of schemes is of utmost importance to identify any potential budgetary issues that may arise such as an

increase in the cost of building materials. Any such pressures that are identified will be reported that may jeopardise the delivery of a scheme. It will then be determined as to whether the scheme must apply for additional funding to complete the project, or whether the scheme becomes no longer viable from a financial perspective. Similarly, should a contractor become insolvent in the current financial climate, a decision will need to be taken regarding the future of the scheme.

### **3.4 Grant Funded Schemes**

New additional awards of grant have been received during Quarter 1 relating to the Capital Programme:

#### **3.4.1 Aids, Adaptations and Disabled Facility Grants- £5.152m**

Capital funding from the Department for Levelling Up, Housing and Communities for the provision of home adaptations to help older and disabled people to live as independently and safely as possible in their homes.

#### **3.4.2 Levelling Up Fund Liscard - £10.788m**

The Council has secured £10.78m funding for Liscard Town Centre via the Department for Levelling Up, Housing and Communities' Levelling Up Fund 3. The Council has approved £1.386m via its Capital Programme as match funding to support delivery.

The funding is intended to deliver public realm improvements focused on Liscard Way and its surrounds; reconfiguration of key gateway junctions to improve traffic flows and enable cycling and pedestrian travel; unlocking high quality residential development at the Seaview Road Car Park by addressing its viability gap; and enhancing communities' facilities in the Town Centre.

#### **3.4.3 Food Waste Department of housing, Levelling up and Communities (DHLUC) - £2.377m**

This funding is for the capital cost of bins and vehicles to assist in the delivery of weekly food waste collections. This has been added to the programme in 2025/26.

#### **3.4.4 England Coastal Path - £0.355m**

A new grant has been received from Natural England to fund the establishment of the 18-mile Wirral section of the King Charles III England Coast Path.

### **3.5 Virements**

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

### **3.6 Capital Funding Requirements**

**Table 3 Financing the Capital Programme 2024/25**

<b>Source of Financing</b>	<b>Programme 1 April 2024 £m</b>	<b>Programme 30 June 2024 £m</b>	<b>Variance £m</b>
Borrowing	35.214	29.499	-5.715
Grants/Contributions	93.233	66.966	-26.267
Capital Receipts	4.301	4.301	0.000
Revenue/Reserves	0.265	0.230	-0.035
<b>Total</b>	<b>133.013</b>	<b>100.996</b>	<b>-32.017</b>

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

### **3.7 Recommendations to Full Council: Approval for Funding**

3.7.1 Below is a summary of the Capital bid seeking approval for funding via this report. Further detail is provided in Appendix 4 to this report. The proposed extra funding is new borrowing required from the Council.

#### **3.7.2 Capitalisation of Regeneration Salaries - £2.559m over two years**

This capitalisation of staff costs involves critical work to support the delivery of the Regeneration Programme, which includes secured capital funding that requires a staff structure to ensure that the capital funding is spent as detailed in the Grant Offer letters.

There is the likelihood that further external capital funding will be secured which will require resource and capacity to deliver. Capitalisation of salaries will be undertaken where it is allowable under the conditions of the funding received or within the capital regulations.

### **3.8 Other Scheme Matters**

3.8.1 There are currently two sites within Birkenhead town centre being investigated regarding their viability as residential development:

- **Europa Residential** - As part of the approved Future High Street Fund and Investment Plan, Europa Residential is expected to deliver c189 residential units on council owned land to support the acceleration of housing delivery and a diversification of the town centre.
- **St Werburgh's** - Following the demolition of the former House of Fraser building and the recent council decision to relocate the Market Hall to Princess Pavement, an alternative proposal is being brought forward. It is proposed to develop residential space comprising of one bed and two bed apartments over 137,000

sq. ft. Additionally, there will be circa 14,000 sq. ft. designated for retail / leisure / health activities on the ground floor.

Soft market testing and initial RIBA stage 1 feasibility activity is expected to be undertaken shortly, which will provide visibility on the viability gap and suitable funding identified to complete the schemes. Full governance procedures will be undertaken by the Regeneration directorate and the appropriate committees.

#### 4.0 FINANCIAL IMPLICATIONS

4.1 This is the Quarter 1 Budget Monitoring Report, to the end of June 2024 that provides information on the forecast outturn and progress against the Capital Programme. The Council has systems for reporting and forecasting budgets in place and alongside formal quarterly reporting to Committee. The financial position is regularly reviewed at each Directorate Management Team and corporately at the Investment & Change Board (ICB).

4.2 The Capital Programme is funded via a number of sources including Council borrowing, capital receipts, grants and revenue contributions. Where the Authority finances capital expenditure by borrowing, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP). If the Capital Programme is delivered as forecast in this report, the Authority will consequently require borrowing of £29.499 million this year to finance the capital schemes covered by this report in 2024/25. This debt will be repaid via charges to the revenue budget over the lives of the assets created or enhanced. The revenue impact of the additional £29.499 million of borrowing required to fund all forecast works in 2024/25 is as follows:

**Table 4: MRP Charges to Revenue Relating to 2024/25 Debt Funded Capital**

	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m
Additional revenue cost	0.772	0.811	0.852	0.896

#### Notes

- MRP repayments from revenue only start the year after the capital expenditure has taken place i.e., for spend incurred in 2024/25, the first MRP repayments will be charged in the 2025/26 revenue accounts.
- The additional revenue costs in Table 4 are not cumulative, rather an annual comparison to the current MRP charges to be incurred.

4.3 It is estimated that these costs will peak in 2074/75 at £0.995 million reflecting the fact that the principal repayment associated with debt (the Minimum Revenue Provision) increases over the expected life of the asset funded from borrowing. This repayment profile is due to the Council adopting the “Annuity Method” of repayment which was agreed by Council (on 19 December 2016). The “Annuity Method” produces a profile of principal repayments which starts low and increases each year

reflecting the time value of money i.e., £1 in year 1 will have more purchasing power than £1 in year 10.

4.4 Any reprofiling or 'slippage' of debt funded capital spend will delay the associated MRP being charged to the revenue budget. Future years MRP is included within the rolling Medium Term Financial Plan (MTFP).

4.5 The full revised Capital Programme can be found in Appendix 5 to this report.

## **5.0 LEGAL IMPLICATIONS**

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

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

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

5.4 The report sets out the relevant considerations for Members to consider during their deliberations and Members are reminded of the need to ignore irrelevant considerations. Members have a duty to seek to ensure that the Council acts lawfully. Members must not come to a decision which no reasonable authority could come to; balancing the nature, quality, and level of services which they consider should be provided, against the costs of providing such services.

5.5 Once a budget is in place, Council has delegated responsibility to the Policy and Services Committees to implement it. The Committees may not act contrary to the Budget without consent of Council other than in accordance with the Procedure Rules set out at Part 4(3) of the Constitution.

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

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

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

## **7.0 RELEVANT RISKS**

- 7.1 The possibility of failure to deliver the Capital Programme will be mitigated by regular programme review by a senior group of officers, charged with improving performance. The Investment and Change Board (ICB) is supported by the Change Advisory Board (CAB), which will provide enhanced Capital Programme review. The most recent CAB meeting took place in June.
- 7.2 The possible failure to deliver the Revenue Budget is being mitigated by:
- (1) Senior Leadership / Directorate Teams regularly reviewing the financial position.
  - (2) Availability of General Fund Balances.
  - (3) Where possible, reprofiling of projected Capital expenditure
- 7.3 In terms of individual scheme specific risks, these are identified as part of the original business case application and any potential risks to deliverability should be flagged as part of the ongoing scheme review process.
- 7.4 Within the reviews undertaken by the CAB, schemes which encounter difficulties or additional delivery risk will be subject to additional scrutiny and where necessary escalation to ICB.

## **8.0 ENGAGEMENT/CONSULTATION**

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

## **9.0 EQUALITY IMPLICATIONS**

- 9.1 There is a particular requirement to take into consideration the Council's fiduciary duty and the public sector equality duty in coming to its decision.
- 9.2 Any decision made in the exercise of any function is potentially open to challenge if the duty has been disregarded. The duty applies both to Full Council when setting the budget and to Committees when considering particular decisions.

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

- 10.1 Capital bids are welcomed that support the Council's Climate Emergency Plan that was compiled following the declaration of a Climate Emergency by the Council in May 2019. Within the existing Capital Programme there are projects that positively contribute to environmental issues. The environmental and climate implications, both positive and negative, are reported for each scheme separately to the relevant Policy and Service Committee.
- 10.2 The Programme also includes projects that focus on environmental initiatives such as energy efficient buildings, sustainable and green travel infrastructure, energy efficient street lighting, urban tree planting and flood alleviation works.



## **11.0 COMMUNITY WEALTH IMPLICATIONS**

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

**REPORT AUTHOR: Karen Page**  
**Senior Finance Business Partner**  
telephone: (0151) 666 3418  
email: karenpagel@wirral.gov.uk

### **APPENDICES**

Appendix 1 Movement Between Opening Budget and Q1 Forecast Position  
Appendix 2 Scheme Updates  
Appendix 3 Virements Within Quarter 1  
Appendix 4 Capital Bids Seeking Approval for Funding  
Appendix 5 Revised Capital Programme 2024/25  
Appendix 6 Prudential Indicators 2024/25

### **BACKGROUND PAPERS**

Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the UK 2021/22.

Local Government Act 2003 and subsequent amendments.

Local Government (Capital Finance and Accounting) Regulations 2008.

Accounts and Audit (England) Regulations 2015.

### **TERMS OF REFERENCE**

This report is being considered by the Policy and Resources Committee in accordance with 1.2(a)(i) of the Policy and Resources Committee Terms of Reference:

formulate, co-ordinate and implement corporate policies and strategies and the medium-term financial plan (budget), which includes responsibility for any decision:

(i) that relates to such matters to the extent that they are not reserved to full Council.

Policy and Resources Committee is recommended to refer the decision to Council in accordance with 2(a)(i)(1) of the Functions Reserved to Council:

The Council reserves to itself the following functions (in accordance with the rules and procedures contained in this Constitution):

(i) The Budget – The approval or adoption of a plan or strategy for the control of the local authority's borrowing, investments, or capital expenditure or for determining the authority's minimum revenue provision, which includes the overarching annual: -

(1) Capital programme

## (2) Capital Financing Strategy

### **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Council - 2020/21 Capital Outturn Report	6 September 2021
Budget Council – 2021/26 Capital Programme	1 March 2021
Budget Council - 2021/22 Capital Financing Strategy	1 March 2021
Council – 2021/22 Capital Monitoring Q1	18 October 2021
Council – 2021/22 Capital Monitoring Q2	6 December 2021
Council – 2021/22 Capital Monitoring Q3	28 February 2022
Council – 2021/22 Capital Outturn Report	11 July 2022
Council – 2022/27 Capital Programme	28 February 2022
Council – 2022/27 Capital Financing Strategy	28 February 2022
Council – 2022/23 Capital Monitoring Q1	10 October 2022
Council – 2022/23 Capital Monitoring Q2	5 December 2022
Council – 2022/23 Capital Monitoring Q3	27 February 2023
Council – 2022/23 Capital Outturn Report	10 July 2023
Council – 2023/28 Capital Programme	27 February 2023
Council – 2023/28 Capital Financing Strategy	27 February 2023
Council – 2023/24 Capital Monitoring Q1	9 October 2023
Council – 2023/24 Capital Monitoring Q2	4 December 2023
Council – 2023/24 Capital Monitoring Q3	26 February 2024

## Appendix 1

### Movement Between Opening Budget on 1 April 2024 and Q1 Forecast Position

<b>Programme</b>	<b>Budget 1 April 24 £m</b>	<b>Additional Grant £m</b>	<b>Funding Adjustments (inc Virements) £m</b>	<b>New Bids £m</b>	<b>Scheme Reduction £m</b>	<b>Reprofiling to Future Yrs £m</b>	<b>Forecast Q1 £m</b>
Adult Care & Health	4.404	-	-	-	-	-	4.404
Children, Families & Education	18.886	-	-	-	-	-	18.886
Neighbourhoods	25.757	0.355	0.300	-	-	-7.928	18.484
Regeneration & Place	79.637	3.986	-0.288	0.909	-	-29.351	54.893
Finance	4.329	-	-	-	-	-	4.329
<b>Total</b>	<b>133.013</b>	<b>4.341</b>	<b>0.012</b>	<b>0.909</b>	<b>0.000</b>	<b>-37.279</b>	<b>100.996</b>

## Appendix 2

### Capital Programme – Scheme Updates

#### 2.1 Adult Social Care & Health

- **Extra Care Housing** - Adult Social Care Commissioning Leads are working closely with strategic housing colleagues on new site opportunities which are either at planning or pre-planning stage. There are several sites under current consideration across the Wirral but are not yet confirmed for progression. Some areas have multiple sites for consideration, and Officers are mindful to develop where there is an evidenced need or gap in provision, and not over develop.

Sycamore place opened in February 2024 and Spinnaker House is due to open in September 2024.

- **Telecare & Telehealth Ecosystem** – This capital project is replacing analogue Telecare equipment with new digital Telecare equipment, ready for the switching-off of analogue telephone lines in 2025.

4,926 homes are connected to Telecare and 5,142 people are being supported in their own homes. 86% of customers are now connected to digital Telecare. 376 homes are equipped with activities of daily living sensors (ADL) supporting early intervention and prevention.

Completion of digital transition is due by Q4 2024.

#### 2.2 Children, Families & Education

- **School Condition Allocation (SCA)** – to be used to keep school buildings safe and in good working order by addressing poor building condition, building compliance, energy efficiency, and health and safety issues. The allocation includes £1.5m roofing works at various schools, £0.64m for boiler installation works and £0.5m Fire Risk Assessments. Major schemes in 24/25 include Raeburn Primary and Ridgeway CLC.
- **Special Educational Needs and Disabilities (SEND) / High Needs Provision Capital** – To deliver additional classroom provision for SEND pupils across several Special schools. The planned schemes cover Joseph Paxton, Foxfield School and Stanley School.

## 2.3 Neighbourhoods

- **Highway Maintenance** – This year we have an ambitious programme, as we look to significantly increase the number of schemes we undertake. This will see an increase in carriageway surface treatments and footway schemes. It will be a challenge and to that end, we commenced our carriageway surfacing schemes in late April and are now already 30% through that programme. Footway schemes have also commenced with around 10% complete. Most of Q1 has been spent on preparation works for surface dressing which we are 70% complete. Detailed preparations are also in place for the main works programmes to commence in Q2. Drainage capital improvements have also taken place, with new and repaired infrastructure on three main problem locations. Concrete rehabilitation works have also been on going, making this a productive first quarter, which usual spend is in preparation design, rather than real spend.
- **Combined Authority Transport Plan (CATP) 2024/25** – Phase 2 of the 20mph speed limit programme was completed during Q1 of the CATP, utilising funding slipped from 2023/24. Consultation/engagement for Phases 3 and 4 of the 20mph programme was approved by the ECET Committee in March 2024 as it formed part of the CATP programme for 2024/25. Consultation for Phases 3 and 4 will commence shortly with the intention to report the outcome to ECET Committee in Q3.

A number of local safety schemes, safer routes to school, school streets, active travel schemes, pedestrian and traffic signal improvements are proposed within the CATP programme with a small number of schemes that slipped from the 2023/24 programme. Good progress is being made with the design and delivery stage with a few schemes and it is expected that we should see some delivery and spend from the programme within Q2. In addition, orders have been placed within Q1 for traffic signals equipment as part of the traffic signal improvements/upgrades. Resources have been fairly lean within the Service and external resources have been commissioned to work on a number of schemes to help deliver them more efficiently and spend the budget in-year and avoid any further slippage.

## 2.4 Regeneration & Place

- **Town Deal Fund Birkenhead** - This £25m fund is to enable access to capital grants to support the regeneration of Birkenhead. It encompasses a number of projects to be delivered both internally and by external organisations. A Treasury compliant 'Green Book' business case has been prepared and approved for each of the projects. Grants have been paid out to the organisations delivering the external projects via Grant Funding Agreements. All projects will be delivered by March 2026. Robust monitoring and evaluation arrangements are in place. The Town Deal Fund is now part of the Simplification Pathfinder Pilot. This pilot streamlines the delivery of three growth funds overseen by it, namely Town Deal, Future High Streets Fund (FHSF) and the Council's Levelling Up Round 1 (LUF1).
- **Aids, Adaptations and Disabled Facility Grant (DFG)** - This is a ring-fenced grant received for the provision of aids and adaptations which is operated on a rolling basis where works can be committed in one year and expenditure incurred the next or across financial years. The allocation for 24/25 is £5.152 million. This will help eligible older and disabled people to live as independently and safely as possible in their homes and where local housing authorities are encouraged to use this additional funding in an agile and responsive way to supplement the core delivery of DFG to further help people to live independently and assist in wider Better Care Fund outcomes. Committed (approved grant) applications with a value of £1.731 million have been rolled over from 2023/24 which will be completed in 2024/25 financial year.
- **Future High Streets Fund Birkenhead (FHSF)** – This is a capital grant from Department for Levelling Up, Housing and Communities (DLUHC) and includes funding to support the regeneration of Birkenhead Town Centre (Market, Europa Housing and Connectivity (Grange Road/Charing Cross/Conway Street/Bus Station area improvements). Procurement/award of contract for a delivery partner for the connectivity projects has been finalised and demolition of House of Fraser has now commenced. A paper was presented to ER & H Committee in March 2024 and a decision to approve relocating the existing market to a vacant unit within Princes Pavement (formerly Argos) was granted. The FHSF grant budget was profiled to 2023/24, however on 13 September 2023 P&R Committee approved an invitation from DLUHC for the Council to participate in a Pathfinder Simplification Pilot which streamlines Future High Streets Fund, Town Deal and the Council's Levelling Up Round 1 allocation into a single programme with a revised spend deadline of 31st March 2026. On 4 October Policy and Resources Committee delegated the Director of Regeneration and Place, in consultation with Group Leaders, to develop and submit the Pathfinder Investment Plan to DLUCH for approval. An Officer Decision Notice was published on 27 October 2023 providing details of the submitted Investment Plan (IP) and a decision from DLUCH was reached in late December 2023 approving this IP. We are still awaiting the signed MoU from DLUHC which is expected imminently. There are also plans to onboard Levelling Up Fund Round 3

for Liscard to the Pilot in which approval for this process was given at P&R Committee in March 2024. The Future High Streets Fund Birkenhead (FHSF) is now part of the Simplification Pathfinder Pilot. This pilot streamlines the delivery of three growth funds overseen by it, namely Town Deal, Future High Streets Fund (FHSF) and the Council's Levelling Up Round 1 (LUF1).

- **Birkenhead Waterfront Programme** - The £19.6m Levelling Up Fund Round 1 allocation is a capital grant administered by the Department for Levelling Up, Housing and Communities. The funding is intended to support the transformation of the Woodside Waterfront area as a key visitor destination. Projects included a renewed landing stage at Woodside Ferry Terminal, a new International Battle of the Atlantic attraction at Woodside, and a number of public realm and highways enhancements designed to drive footfall between Hamilton Square and the Waterfront. The funding is subject to an additional 10 per cent local contribution, which is being met by the Liverpool City Region Combined Authority and council borrowing. John Sisk and Sons Ltd (Sisk) have been appointed and are currently progressing RIBA 3 and 4 design. Sisk are targeting commencement of construction works in the current financial year (following closure of RIBA 4 design) and are still working to complete the main works packages by March 2026.

## 2.5 Finance

- **Enterprise Resource Planning (ERP)** – A successful Implementation completed at the end of May for EPM to manage Capital Projects.
- **IT Client Refreshment, Laptops, Desktops & Tablets** – As of 13th May 2024 some 650 Windows 11 Microsoft Surface Go 2 laptop devices have been successfully deployed to Council employees. The IT refresh project prioritised replacing Windows 10 Surface Pro devices for those employees relocating to Mallory from the Cheshire Lines Building, facilitating a standardised desk layout within the new office build at 2 Alice Ker Square.

Replacement Windows 11 Surface Go 2 laptop devices are now being deployed across the remainder of the Children's Services department throughout May. Our Committee Services team, Elected Members, SLT and their PA's replacement laptops are planned for delivery during June, with further targeted enabling services back-office support teams then being scheduled for replacement laptops in July. During the summer months further project work will commence to codesign appropriate Windows 11 solutions for both our Neighbourhoods and Regeneration departments public-facing teams, enabling the remainder of the Windows 11 new device deployments to complete by autumn 2024. The initial batch of new devices has been purchased and have been deployed together with the new Windows 11 solution to pilot users.

## Appendix 3

### Virements within Quarter 1

<b>Directorate</b>	<b>Scheme</b>	<b>Proposed Virement £'m</b>	<b>Proposed Reallocation</b>	<b>Reason</b>
Resources	Digital Foundations Programme	0.001	IT Client Refreshment, Laptops, Desktops & Tablets	Consolidation of IT budgets.
Resources	Upgrade of WIFI Network	0.073	IT Client Refreshment, Laptops, Desktops & Tablets	Consolidation of IT budgets.
Regeneration & Place	Parks and Countryside DDA	0.300	Play Area Improvements	An agreement has been reached between Regeneration & Place and Neighbourhoods to vire £300k of Capital Funding from the Parks & Countryside DDA project to Play Area Improvements to fund wheelchair swings in play areas.



## **Appendix 4**

### **Capital Bid Seeking Approval for Funding**

#### **4.1 Capitalisation of Regeneration Salaries - £2.559m over two years**

This capitalisation of staff costs involves critical work to support the delivery of the Regeneration Programme, which includes secured capital funding that requires a staff structure to ensure that the capital funding is spent as detailed in the Grant Offer letters.

There is the likelihood that further external capital funding will be secured which will require resource and capacity to deliver. Capitalisation of salaries will be undertaken where it is allowable under the conditions of the funding received or within the capital regulations.

## Appendix 5

### Revised Capital Programme at Quarter 1 2024/25

<b>Scheme</b>	<b>Budget 1 Apr 24 £000</b>	<b>2024/25 Q1 Forecast £000</b>	<b>Variance £000</b>	<b>2025/26 Budget £000</b>	<b>2026/27 Budget £000</b>	<b>2027/28 Budget £000</b>	<b>2028/29 Budget £000</b>
<b>Adult Care and Health</b>							
Citizen and Provider Portal/Integrated I.T.	53	53	-	-	-	-	-
Extra Care Housing	2,276	2,276	-	-	-	-	-
Liquidlogic - Early Intervention & Prevention	214	214	-	-	-	-	-
Telecare & Telehealth Ecosystem	1,861	1,861	-	-	-	-	-
<b>Total Adult Care and Health</b>	<b>4,404</b>	<b>4,404</b>	-	-	-	-	-
<b>Children, Families &amp; Education</b>							
Basic Needs	727	727	-	427	-	-	-
Childcare Capital Expansion Fund	604	604	-	-	-	-	-
Children's System Development	703	703	-	-	-	-	-
Condition/modernisation (SCA)	7,011	7,011	-	2,500	2,500	2,500	2,500
Family Hub Transformation Fund	85	85	-	-	-	-	-
Family support	157	157	-	-	-	-	-

<b>Scheme</b>	<b>Budget 1 Apr 24 £000</b>	<b>2024/25 Q1 Forecast £000</b>	<b>Variance £000</b>	<b>2025/26 Budget £000</b>	<b>2026/27 Budget £000</b>	<b>2027/28 Budget £000</b>	<b>2028/29 Budget £000</b>
<b>Children, Families &amp; Education cont.</b>							
High Needs Provision Capital	8,561	8,561	-	-	-	-	-
School Works - Department for Education Ringfenced Receipts	721	721	-	722	-	-	-
Transforming Care - Therapeutic Short Breaks	317	317	-	-	-	-	-
<b>Total Children, Families &amp; Education</b>	<b>18,886</b>	<b>18,886</b>	<b>-</b>	<b>3,649</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>
<b>Finance</b>							
Creative & Digital Team - specialist software and hardware	7	7	-	-	-	-	-
Customer Experience Improvements Project	255	255	-	-	-	-	-
Digital Foundations Programme	1	-	-1	-	-	-	-
ERP	401	401	-	-	-	-	-
Transformational Capitalisation	2,000	2,000	-	-	-	-	-
Upgrade of WIFI Network	73	-	- 73	-	-	-	-
IT Client Refreshment, Laptops, Desktops & Tablets	1,592	1,666	74	-	-	-	-
<b>Total Finance</b>	<b>4,329</b>	<b>4,329</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Scheme	Budget	2024/25	Variance	2025/26	2026/27	2027/28	2028/29
	1 Apr 24 £000	Q1 Forecast £000		£000	Budget £000	Budget £000	Budget £000
<b>Neighbourhoods</b>							
Air Quality Control DEFRA	35	24	-11	11	-	-	-
Allotment & Cemetery Standpipes	313	219	-94	94	-	-	-
Allotment Sites Expansion	50	35	-15	15	-	-	-
Allotment Sites Expansion - Top Up	148	104	-44	44	-	-	-
Arrowe Country Park - Main Driveway Resurfacing & Fencing Work	60	42	-18	18	-	-	-
Arts Council Capital LIF	21	15	-6	6	-	-	-
Bidston Court - Path Improvements	350	245	-105	105	-	-	-
Birkenhead Park World Heritage Project Team	85	59	-26	26	-	-	-
Bridges excluding Dock Bridge	1,479	1,035	-444	604	75	-	-
Catering Units	160	112	-48	48	-	-	-
Cemetery Extension & Improvements (Frankby)	140	98	-42	42	-	-	-
Churchyard Boundary & Landican Cemetery Structural	56	39	-17	17	-	-	-
			-7		-	-	-

Scheme	Budget	2024/25	Variance	2025/26	2026/27	2027/28	2028/29
	1 Apr 24 £000	Q1 Forecast £000		£000	Budget £000	Budget £000	Budget £000
Climate Emergency Budget	23	16		7			
<b>Neighbourhoods cont.</b>							
Coastal Defence - Meols Feasibility Study	100	70	-30	30	-	-	-
Combined Authority Transport Plan (CATP)	4,596	3,217	-1,379	3,289	1,910	-	-
Coronation Park Sustainable Drainage	222	155	-67	67	-	-	-
Defibrillators	12	8	-4	4	-	-	-
DEFRA -Food Waste Collection Service	-	-	-	2,377	-	-	-
DfT Funding Highways Maintenance and Improvements	1,312	918	-394	394	-	-	-
Dock Bridges replacement	210	147	-63	63	-	-	-
England Coastal Path	-	248	248	107	-	-	-
Environmental Improvements	1,150	805	-345	420	75	-	-
Essential H&S Infrastructure Improvements @ Wirral Country Park	193	135	-58	58	-	-	-
Fitness Equipment	4	3	-1	1	-	-	-
Flaybrick Cemetery Pathway	200	140	-60	60	-	-	-
	-	-	-	-	3,200	-	-

Scheme	Budget	2024/25	Variance	2025/26	2026/27	2027/28	2028/29
	1 Apr 24 £000	Q1 Forecast £000		£000	Budget £000	Budget £000	Budget £000
Food Waste		-					
<b>Neighbourhoods cont.</b>							
Football Goals	97	68	-29	29	-	-	-
Future Golf - Project 1.1	317	222	-95	95	-	-	-
Grange Cemetery	45	31	-14	14	-	-	-
Health & Safety Equipment for Transport Workshop	21	15	-6	6	-	-	-
Highway Maintenance	8,088	5,662	-2,426	8,139	5,763	-	-
Key Route Network (LGF3) - Operate Key Roads / Routes Efficiently	166	116	-50	50	-	-	-
Key Route Network CRSTS	454	318	-136	136	-	-	-
Kingsmead School - Playing Field S106	397	278	-119	119	-	-	-
Landican Cemetery Extension of Burial Area & Modernisation of Chapel Complex	-	-	-	-	550	-	-
Landican Cemetery Extension of Burial Area & Modernisation of Chapel Complex	120	84	-36	676	-	-	-
Levelling Up Parks Fund-Woodchurch	12	8	-4	4	-	-	-
Moreton Sandbrook Drainage	203	142	-61	61	-	-	-
			-1		-	-	-

Scheme	Budget	2024/25	Variance	2025/26	2026/27	2027/28	2028/29
	1 Apr 24 £000	Q1 Forecast £000		£000	Budget £000	Budget £000	Budget £000
New Brighton Gym Equipment <b>Neighbourhoods cont.</b>	3	2		1			
New Ferry Rangers Community Clubhouse	37	26	-11	11	-	-	-
Parks Machinery	1,305	913	-392	392	-	-	-
Parks Vehicles	902	631	-271	313	-	-	-
Parks Workshop & various machinery	133	93	-40	40	-	-	-
Play Area Improvements	103	282	179	121	-	-	-
Plymyard Cemetery Roadways	8	6	-2	2	-	-	-
Plymyard Playing Field	116	81	-35	35	-	-	-
PSDS Decarbonisation Phase 1	958	671	-287	1,287	-	-	-
Quick Win Levy	45	31	-14	14	-	-	-
Removal of remaining analogue CCTV circuits	1	1	-	-	-	-	-
Solar Campus 3G	1	1	-	-	-	-	-
Street Lighting -Column Replacement & Signage	9	6	-3	3	-	-	-
Studio refurbishment Les Mills classes	15	10	-5	5	-	-	-
			-17		-	-	-





<b>Scheme</b>	<b>Budget 1 Apr 24 £000</b>	<b>2024/25 Q1 Forecast £000</b>	<b>Variance £000</b>	<b>2025/26 Budget £000</b>	<b>2026/27 Budget £000</b>	<b>2027/28 Budget £000</b>	<b>2028/29 Budget £000</b>
<b>Regeneration &amp; Place</b>							
Active Travel Tranche 2	1,363	1,363	-	-	-	-	-
Aids, Adaptations and Disabled Facility Grants	5,627	6,079	452	4,700	4,700	4,700	4,700
Arrowe Country Park - New Machine Shed & Wash Bay	75	75	-	-	-	-	-
Arrowe Country Park Depot: Re-Surfacing, Material Bays & Electronic Entrance Barrier	27	27	-	-	-	-	-
Bebington Oval Facility Upgrade	527	157	- 370	370	-	-	-
Birkenhead Market Construction	3,913	1,913	-2,000	10,800	-	-	-
Birkenhead Regeneration Delivery Fund	1,363	1,363	-	-	-	-	-
Birkenhead Regeneration Framework	210	210	-	-	-	-	-
Birkenhead Town Centre Masterplanning & Housing Delivery	80	80	-	-	-	-	-
Birkenhead Town Centre Sub-Station	2,250	1,250	-1,000	3,250	-	-	-
Birkenhead Waterfront Programme	8,897	3,897	-5,000	16,970	-	-	-
Business Investment Fund	585	585	-	-	-	-	-
Capitalisation of Regen Salaries	741	1,650	909	1,650	-	-	-

<b>Scheme</b>	<b>Budget 1 Apr 24 £000</b>	<b>2024/25 Q1 Forecast £000</b>	<b>Variance £000</b>	<b>2025/26 Budget £000</b>	<b>2026/27 Budget £000</b>	<b>2027/28 Budget £000</b>	<b>2028/29 Budget £000</b>
<b>Regeneration &amp; Place cont.</b>							
Changing Places Toilets	41	41	-	-	-	-	-
Clearance	183	183	-	195	-	-	-
Community Asset Transfer	500	500	-	-	-	-	-
Concerto Asset Management System	25	25	-	-	-	-	-
Connecting Wirral Waters: Detailed Design	26	26	-	-	-	-	-
Consolidated Library Works Fund	213	213	-	-	-	-	-
Demolitions	3,510	3,510	-	-	-	-	-
Depot Welfare Improvements	13	13	-	-	-	-	-
Empty Property Grant Scheme	308	308	-	-	-	-	-
Emslie Morgan (Solar Campus)	737	737	-	-	-	-	-
Future High Streets Fund - New Ferry	1,902	1,000	- 902	2,014	-	-	-
Floral Pavilion	28	28	-	-	-	-	-
Future High Streets - Birkenhead	13,250	3,250	-10,000	11,170	-	-	-
Health & Safety - Condition Surveys	742	742	-	700	700	700	772

<b>Scheme</b>	<b>Budget 1 Apr 24 £000</b>	<b>2024/25 Q1 Forecast £000</b>	<b>Variance £000</b>	<b>2025/26 Budget £000</b>	<b>2026/27 Budget £000</b>	<b>2027/28 Budget £000</b>	<b>2028/29 Budget £000</b>
<b>Regeneration &amp; Place cont.</b>							
Heswall Day Centre (part only)	50	50	-	-	-	-	-
Hind Street Programme	5,413	1,169	- 4,244	22,772	18,528	-	-
Leisure Capital Improvement Programme	316	316	-	-	-	-	-
Levelling Up Fund 3 - Liscard	635	3,934	3,299	8,240	-	-	-
Lever Sports Pavilion	80	80	-	-	-	-	-
Liscard Town Centre Delivery	13	13	-	-	-	-	-
Local Authority Housing Fund 2	4,308	4,308	-	-	-	-	-
Major Infrastructure Development & Strategic Transport Forward Planning - Traffic Management	53	53	-	-	-	-	-
Moreton Youth Club & Library	993	393	-600	600	-	-	-
New Brighton Masterplan for Marine Promenade	7	7	-	-	-	-	-
New Ferry Regeneration Strategic Acquisitions	916	916	-	-	-	-	-
Office Quarter Building Fit-Out	3,248	2,248	-1,000	1,000	-	-	-
Parks and Countryside DDA	351	51	-300	-	-	-	-
Pool Covers			-	-	-	-	-

Scheme	Budget	2024/25	Variance	2025/26	2026/27	2027/28	2028/29
	1 Apr 24 £000	Q1 Forecast £000		Budget £000	Budget £000	Budget £000	Budget £000
<b>Regeneration &amp; Place cont.</b>	34	34					
Property Pooled Plus I.T System	6	6	-	3	3	-	-
Strategic Acquisition Fund	812	812	-	-	-	-	-
Strategic Acquisitions - Capital Enhancements	526	526	-	500	500	500	-
SUD - Leasowe to Seacombe Corridor	108	108	-	-	-	-	-
TAG Bus Case-A41 Corridor North	112	112	-	-	-	-	-
TAG Bus Case-Wirral Waters outline	1	1	-	-	-	-	-
The Hythe	5,255	5,255	-	-	-	-	-
Town Centre scheme - New Ferry	5	5	-	-	-	-	-
Town Deal Fund - Birkenhead	8,288	4,300	-3,988	15,455	-	-	-
Town Fund Birkenhead	53	53	-	-	-	-	-
UK Shared Prosperity Fund (UKSPF)	472	472	-	-	-	-	-
Vale Park Toilets	1	1	-	-	-	-	-
West Kirby Concourse/Guinea Gap Reception upgrade / improve	351	351	-	-	-	-	-

<b>Scheme</b>	<b>Budget 1 Apr 24 £000</b>	<b>2024/25 Q1 Forecast £000</b>	<b>Variance £000</b>	<b>2025/26 Budget £000</b>	<b>2026/27 Budget £000</b>	<b>2027/28 Budget £000</b>	<b>2028/29 Budget £000</b>
<b>Regeneration &amp; Place cont.</b>							
West Kirby Marine Lake/Sailing Centre – accommodation	73	73	-	-	-	-	-
West Kirby Masterplan	21	21	-	-	-	-	-
Wirral Waters Investment Fund	-	-	-	7,000	-	-	-
<b>Total Regeneration &amp; Place</b>	<b>79,637</b>	<b>54,893</b>	<b>-24,744</b>	<b>107,389</b>	<b>24,431</b>	<b>5,900</b>	<b>5,472</b>
<b>TOTAL PROGRAMME</b>	<b>133,013</b>	<b>100,996</b>	<b>-32,017</b>	<b>130,883</b>	<b>38,504</b>	<b>8,400</b>	<b>7,972</b>

## Appendix 6

### Prudential Indicators 2024/25

#### (a) Adoption of the CIPFA Treasury Management Code

This indicator demonstrates that the Authority adopted the principles of best practice.

The Council has previously approved the adoption of the CIPFA Treasury Management Code 2021 Edition.

#### (b) Capital Expenditure

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and in particular, to consider the impact on Council Tax.

The first Prudential Indicator is the estimate of capital expenditure that the Council will incur in this financial year and the following two years, table 1 below shows the original estimates for 2023/24 onwards when the Capital Financing Strategy 2024/25 was approved (Council meeting 26 February 2024):

**Table 1: Prudential Indicator: Original Estimates of Capital Expenditure**

	<b>2023/24 Forecast</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>Total</b>
	£000	£000	£000	£000	£000
Capital Expenditure	97,103	92,628	78,013	34,221	<b>301,965</b>
<b>Total</b>	<b>97,103</b>	<b>92,628</b>	<b>78,013</b>	<b>34,221</b>	<b>301,965</b>

Table 2 shows how these figures have evolved, with the programme amendments detailed within this report.

**Table 2: Prudential Indicator: Revised Estimates of Capital Expenditure**

	<b>2023/24 Actual</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>Total</b>
	£000	£000	£000	£000	£000
Capital Expenditure	78,316	100,996	130,883	38,504	<b>348,699</b>
<b>Total</b>	<b>78,316</b>	<b>100,996</b>	<b>130,883</b>	<b>38,504</b>	<b>348,699</b>

Capital expenditure has or will be funded as follows:

**Table 3: Prudential Indicator: Financing of Capital Expenditure**

<b>Capital Financing</b>	<b>2023/24 Actual £'000</b>	<b>2024/25 Estimate £'000</b>	<b>2025/26 Estimate £'000</b>	<b>2026/27 Estimate £'000</b>
Capital receipts	5,400	4,301	722	-
Grants and Contributions	38,354	66,966	106,094	33,476
Revenue and Reserves	293	230	1,205	-
Borrowing	34,269	29,499	22,862	5,028
<b>Total Funding</b>	<b>78,316</b>	<b>100,996</b>	<b>130,883</b>	<b>38,504</b>

**(c) Capital Financing Requirement (CFR)**

Estimates of the Authority's cumulative maximum external borrowing requirement for 2023/24 to 2026/27 as per the Capital Strategy 2024/25, are shown in the table below:

**Table 4: Capital Financing Requirement Estimates – Capital Strategy 2024/25**

<b>Capital Financing Requirement</b>	<b>31/03/2024 Forecast £m</b>	<b>31/03/2025 Estimate £m</b>	<b>31/03/2026 Estimate £m</b>	<b>31/03/2027 Estimate £m</b>
General Fund	400.262	409.715	407.728	401.263

Table 5 shows how these figures have evolved, with the programme amendments detailed within this report.

**Table 5: Capital Financing Requirement Revised Estimates**

<b>Capital Financing Requirement</b>	<b>31/03/2024 Actual £m</b>	<b>31/03/2025 Estimate £m</b>	<b>31/03/2026 Estimate £m</b>	<b>31/03/2027 Estimate £m</b>
General Fund	393.989	407.923	414.068	406.445

**(d) Gross Debt and the Capital Financing Requirement:**

In order to ensure that over the medium-term debt will only be for a capital purpose, the Authority should ensure that debt does not, except in the short term, exceed the total of Capital Financing Requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

**Table 6: Gross Debt and the Revised Capital Financing Requirement Estimates**

<b>Debt</b>	<b>31/03/2025 Estimate £m</b>	<b>31/03/2026 Estimate £m</b>	<b>31/03/2027 Estimate £m</b>
Borrowing	328.629	334.629	335.408
PFI liabilities	24.727	21.296	17.581
<b>Total Debt</b>	<b>353.356</b>	<b>355.925</b>	<b>352.989</b>
<b>Borrowing in excess of CFR?</b>	<b>No</b>	<b>No</b>	<b>No</b>

**(e) Authorised Limit and Operational Boundary for External Debt**

The Operational Boundary for External Debt is based on the Authority's estimate of most likely, i.e., prudent, but not worst-case scenario for external debt. It links directly to the Authority's estimates of capital expenditure, the capital financing requirement and cash flow requirements and is a key management tool for in-year monitoring. Other long-term liabilities relate to the Private Finance Initiative that are not borrowing but form part of the Authority's debt.

The Authorised Limit for External Debt is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

There were no breaches to the Authorised Limit and the Operational Boundary, as set in the Capital Financing Strategy report (Council meeting 26 February 2024) during Quarter 1.

**Table 7: Authorised Limit and Operational Boundary for External Debt**

	<b>Operational Boundary (Approved) 2024/25 £m</b>	<b>Authorised Limit (Approved) 2024/25 £m</b>	<b>External Debt 30/06/2024 £m</b>
Borrowing	430.000	440.000	297.796
Other Long-term Liabilities	48.000	53.000	27.971
<b>Total</b>	<b>478.000</b>	<b>493.000</b>	<b>325.767</b>

**(f) Ratio of financing costs to net revenue stream**

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The ratio is based on costs net of investment income.

**Table 8 Ratio of financing costs to net revenue stream.**

<b>Ratio of Finance Costs to Net Revenue Stream</b>	<b>2024/25 Estimate %</b>	<b>2025/26 Estimate %</b>	<b>2026/27 Estimate %</b>
Ratio	7.080%	7.292%	6.968%