

POLICY AND RESOURCES COMMITTEE**Wednesday, 19 February 2025**

REPORT TITLE:	2024-25 CAPITAL MONITORING QUARTER 3
REPORT OF:	DIRECTOR OF FINANCE

REPORT SUMMARY

This report provides an update on the progress of the Capital Programme 2024/25 at the end of December 2024 (Quarter 3). It requests that Committee recommends to Council the revised 2024/25 Capital Programme of £93.953m 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 £93.953m for 2024/25, including the virements of budget referred to in Appendix 3 of this report;
- 2 Additional funding for the scheme referred to in section 3.7 in this report; and
- 3 The amendment to the Council's Minimum Revenue Provision policy as set out in 3.9.2 of this report.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

- 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 1 Apr 24 £m	Budget 31 Dec 24 £m	Variance £m	Actuals 31 Dec 24 £m
Adult Care & Health	4.404	0.767	-3.637	0.458
Children, Families & Education	18.886	11.442	-7.444	4.987
Finance	4.329	25.579	21.250	1.505
Neighbourhoods	25.757	14.486	-11.271	11.554
Regeneration & Place	79.637	41.679	-37.958	23.060
Total	133.013	93.953	-39.060	41.563

Capital Programme 2024/25 Position by Committee

Table 2: Wirral Council 2024/25 Forecast Position

Programme	Budget 1 Apr 24 £m	Budget 31 Dec 24 £m	Variance £m	Actuals 31 Dec 24 £m
Adult Social Care & Health	4.404	0.767	-3.637	0.458
Children, Young People & Education	18.886	11.442	-7.444	4.987
Economy, Regeneration & Housing	68.815	38.453	-30.362	21.404
Environment, Climate Emergency & Transport	27.332	14.770	-12.562	11.475
Policy & Resources	10.251	27.730	17.479	2.838
Tourism, Communities, Culture & Leisure	3.325	0.791	-2.534	0.403
Total	133.013	93.953	-39.060	41.563

- 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 to date 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 the last quarter of this year. 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. Any delay in outputs will be monitored by project managers and practical implications reported to the appropriate committee.

3.2 Reprofiting 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. At the end of Quarter 3, 51% (72 out of 140) of active schemes/programmes had budget reprofiling adjustments.
- 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 3 relating to the Capital Programme:

3.4.1 School Based Nursery Capital Grant – Department for Education

The School Based Nursery Capital Grant is a one-time grant available for eligible state-funded primary-phase schools. Schools can bid for up to £0.150m of funding to use for capital expenditure to:

- convert spare space within school buildings into a new nursery
- expand an existing nursery

The grant cannot be used for any of the following:

- to upgrade existing nursery provision without adding new childcare places
- for new builds on spare land
- for extension projects which do not also include the use of existing spare space in the school building

This is the first stage in a long-term commitment to expand school-based nurseries across England. This grant is similar to the Connect the Classroom Grant where the school independently bids for the grant, but it is paid directly to the Council to be passported over. The grant funding will be added to the programme within Quarter 4, once final expenditure and associated grant claims are ascertained.

3.4.2 Aids, Adaptations and Disabled Facility Grants – Better Care Fund, Department for Levelling Up Housing & Communities (MHCLG): £0.709m

Additional Grant has been received as part of the Aids, Adaptations and Disabled Facilities Grant Funding for 2024/25. This is an increase of £0.709m.

3.4.3 Aids, Adaptations and Disabled Facility Grants – Better Care Fund (MHCLG): £0.761m

The confirmed allocation for the Aids, Adaptations and Disabled Facilities Grant Funding for 2025/26 is £5.861m an increase of £0.761m on the estimate made in Q2.

3.4.4 Active Travel 4 Grant – MHCLG - £0.624m

The Active Travel Fund supports local authorities with grant funding for the development and/or construction of inclusive walking, wheeling and cycling schemes.

3.4.5 Transforming Care Grant Uplift - £0.320m

On the 25th of September 2024 NHS England approved an uplift of £0.320m in the grant for the project known as Lyndhurst. This takes the total grant awarded to £1.170m. This is to cover the increased works costs of the project. The increase in grant will be paid on achievement of the next milestone which is Practical Completion.

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

Source of Financing	Budget 1 Apr 24 £m	Budget 31 Dec 24 £m	Variance £m
Borrowing	35.214	33.715	-1.499
Grants/Contributions	93.233	53.235	-39.998
Capital Receipts	4.301	5.181	0.880
Revenue/ Reserves	0.265	1.822	1.557
Total	133.013	93.953	-39.060

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 bids seeking approval in Quarter 3 for funding via this report. Further detail is provided in Appendix 4 to this report.

3.7.2 Arrowe Brook Park Section 106 – Funding Required £0.064m

Due to the very close proximity of Arrowe Park to the housing development the money would be spent on improvements in Arrowe Country Park.

The project includes installing an activity trail and providing better access and links into the park from the entrance opposite the housing estate on Arrowe Brook Road. The works will help to improve access for all into the park and to provide improved play value and play opportunities.

This project will be funded via the Section 106 Developer Contribution.

3.7.3 Firewall – Funding Required - £0.370m

There is an imminent requirement to upgrade Wirral Council's firewall.

The replacement work is essential to avoid the following risks and continue to protect Council services & data:

- Increased susceptibility to security vulnerabilities;
- Performance and reliability issues;
- Increased maintenance cost; and
- Compliance risk.

3.8 Future Planning

3.8.1 It is reasonable to suggest that capital activity will continue beyond the schemes and funding that are formally approved as part of this programme. There will continue to be a need for investment to replace elements or enhance the Council's asset base, for example as equipment becomes obsolete or technological advancements that can be benefitted from. A longer-term view of potential future requirements is key to effective resource and management planning.

3.8.2 With this in mind, Appendix 6 of this report gives an indication of what future requirements may be asked of the Capital Programme. Within the estimation are grant awards that are yet to receive formal award confirmation. Once this confirmation is received, they will form part of the fully approved programme, with movements reported to Members via the quarterly monitoring reports.

3.9 Other Scheme Matters

3.9.1 Birkenhead Market – Abortive costs

The abortive costs relating to the previous Market, circa £1.5m, as previously agreed at Policy & Resources Committee will be funded by the Wirral Growth Company Reserve. This means the original funding from the Future High Street Fund (now a part of the Pathfinder Grant) will be added back to the Regeneration Capital Programme.

3.9.2 Minimum Revenue Provision (MRP) Policy

It is proposed to amend the Council's MRP policy to allow that should the Council enter into a lease agreement where the lease term is shorter than the useful life of the asset being leased, the Council may instead charge MRP over the useful economic life of the asset.

3.9.3 Hind Street Development – Capital Receipts

The Director of Finance has agreed that the Council will 'ring-fence' any payments received for Hind Street under the Master Development Agreement (MDA) in a new "Landowner Viability Account". Any payments received by the Council shall be allocated to the notional Landowner Viability Account (rather than being freely available for the Council). The sums allocated into the Landowner Viability Account

can be "recycled" into the Development to assist the Council and Developer (as partes to the MDA) in carrying out the Hind Street Development and applied where appropriate to cross subsidise development of a plot which would not be viable without such cross subsidy or to cross subsidise enhanced infrastructure, public realm works, etc. for a plot or the site as a whole.

3.9.4 Capitalisation Directive

The Council has faced a severe financial challenge throughout the year (2024/25) to achieve a balanced budget. The majority of the overspend is a consequence of increased demand and costs for social care services. All possible measures to curtail spending and generate substantial cost savings have been applied. However, the current forecast shows that the Council will not be in a position to provide a balanced budget by financial year-end. Consequently, the Section 151 officer has submitted an application for £20m of Exceptional Financial Support (EFS) to the Ministry of Housing, Communities & Local Government (MHCLG).

The outcome of the application is still awaited, however, if approved, it would allow the Council to charge up to £20m of additional revenue costs to capital.

4.0 FINANCIAL IMPLICATIONS

- 4.1 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 Change Advisory Board (CAB).
- 4.2 The Capital Programme is funded via a number of sources including Council borrowing, capital receipts, grants and revenue contributions. Where the Council 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 Council will consequently require borrowing of £33.715m 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 £33.715m 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 £m	2026/27 £m	2027/28 £m	2028/29 £m
Additional Revenue Cost	1.201	1.261	1.324	1.390

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.

2. 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 2044/45 at £1.710m 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 additional resource requirements arising directly from this report as the Capital Programme is managed internally from within existing directorate structures.

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 CAB will provide enhanced Capital Programme review. The most recent CAB meeting took place in January.

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 the Senior Leadership Team.

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, BIODIVERSITY AND CLIMATE CHANGE 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.

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APPENDICES

- Appendix 1 Movement Between Opening Budget and Q3 Forecast Position
- Appendix 2 Scheme Updates
- Appendix 3 Virements Within Quarter 3
- Appendix 4 Capital Bids Seeking Approval for Funding Within Quarter 3
- Appendix 5 Revised Capital Programme 2024/25
- Appendix 6 Future Activity
- Appendix 7 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)

Council Meeting	Date
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
Council – 2023/24 Capital Outturn Report	17 July 2024
Council – 2024/29 Capital Programme	26 February 2024
Council – 2024/29 Capital Financing Strategy	26 February 2024
Council – 2024/25 Capital Monitoring Q1	17 July 2024
Council – 2024/25 Capital Monitoring Q2	2 December 2024
Council – 2024/25 Capital Monitoring Q3	3 March 2025

Appendix 1

Movement Between Opening Budget on 1 April 2024 and Q3 Forecast Position

Programme	Budget 1 April 24 £m	Additional Grant £m	Funding Adjustments (Inc Virements) £m	New Bids £m	Scheme Reduction £m	Reprofiling to Future Years £m	Forecast Q3 £m
Adult Care & Health	4.404	-	-0.500	-	-	-3.137	0.767
Children, Families & Education	18.886	1.650	-1.501	-	-	-7.593	11.442
Finance	4.329	-	20.00	1.250	-	-	25.579
Neighbourhoods	25.757	0.610	0.300	0.064	-	-12.245	14.486
Regeneration & Place	79.637	5.319	-1.295	7.966	-	-49.948	41.679
Total	133.013	7.579	17.004	9.280	-	-72.923	93.953

Appendix 2

Capital Programme – Scheme Updates

2.1 Adult Social Care & Health

- **Extra Care Housing** - Spinnaker House opened in October 2024.

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 a few sites under current consideration across Wirral with one Pasture Road 80 units (Alpha) 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.

- **Telecare & Telehealth Ecosystem** - The key milestone of this project was to complete the analogue to digital transition of Telecare by December 2024. Due to supply chain issues there has been a delay. However, there is no additional risk, as the analogue telephone switch has been delayed by Government and the industry until 2027.

The analogue to digital switch is in final stages, with 82 (out of 5380) users remaining on analogue equipment. The short delay is a result of disruption in the availability of digital equipment from the supplier. This risk was foreseen and is the prime reason why completion of the project was scheduled a year ahead of the "analogue switch-off." The transition to digital Telecare creates the opportunity to develop innovative and personalised solutions to keep people safe in their own homes and communities, while monitoring any deterioration in their condition and responding earlier to any concerns. Progress to date:

- 5,380 homes connected to Telecare
- 5,298 equipped with digital products
- 99% of customers now connected to digital Telecare
- 376 homes equipped with activities of daily living sensors (ADL), supporting early intervention and prevention
- Completion of digital transition due by Q4 2025
- £0.800m spend in 2023/24; £1.061m slipped into 24/25 as project progresses
- £0.500m passed to Housing to replenish DFG funding

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 £2.952m roofing works at various schools, £0.804m for boiler installation works and £0.500m Fire Risk Assessments. Major schemes in 24/25 include Raeburn Primary and Devonshire Park Primary.

- **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** – The initial 2024/25 capital budget for delivery of highway maintenance, received through the CRSTS Grant, was set at £7.000m. At quarter 3 we have delivered the entire £7.000m programme. As a result, we are now aiming to deliver an additional £2.000m of previously carried forward capital funding to achieve an overall highway maintenance investment of £9.000m this financial year.
- **Combined Authority Transport Plan (CATP) 2024/25** - Phases 3 and 4 of the Council's 20mph programme was approved by the ECET Committee in December 2024. Detailed designs and works package are currently being prepared with the start of delivery on-site around end of February 2025 (Q4) with full completion of the 20mph programme between May and June 2025 (Q1-2025). The nature of the schemes contained within the 24/25 programme requires consultation/engagement with residents and businesses which extends the delivery timeline. It is anticipated that 60% of the CATP budget allocation will be spent within 2024/25. However, please note this capital grant funding that is allocated for a 5-year period ending in 2026/27.
- **Local Safety Schemes / Active Travel / Traffic Signal Improvements** – Within the 2024/25 programme a significant proportion of the schemes are still within the detailed design and delivery stage and are now progressing to consultation/engagement with Ward Members, residents, and other stakeholders. In addition, some of the schemes are ready to be issued to the Contractor to programme in the works for completion within 2024/25.
- **Environmental Improvements** - This capital scheme is for environmental improvements. This funding is to support all members' priorities around environmental improvements, including modest enhancements to the public realm, standards of cleanliness and green spaces, investment in gully-cleaning machinery, and any other suitable investment in accordance with the Council's priorities and policies. Whilst work is well underway to maximise the spend and outcomes, it is likely that some spend will take place early in the next financial year, in particular procurement for the purchase of specialist fleet has commenced, however the spend is unlikely to hit the 2024/25 accounts.
- **Bridges excluding Dock Bridge** - A significant portion of this programme has required specialist external support due to lack of skilled internal resources. An additional capital funded resource has been put forward for consideration, and if approved recruitment will follow in February. A number of the planned schemes have been delayed till the next financial year due to network access issues because of major utility works. Any 2024/25 underspend will be addressed early 2025/26.

2.4 Regeneration & Place

The Capital Programmes outline a series of regeneration projects for Birkenhead and surrounding areas on the Wirral. The projects aim to revitalize the town centre,

improve the waterfront, and enhance the local economy by creating new jobs, housing, and public spaces. The projects are categorized by location into key Programmes and include plans for new homes, commercial developments, improved infrastructure, and community facilities, illustrating the comprehensive approach to revitalizing the Wirral region.

- **Birkenhead Town Centre:** This Programme aims to revitalize Birkenhead's town centre with a development plan encompassing the retail core and infrastructure enhancements connecting to the broader Birkenhead Town Centre Programme.
- **Birkenhead Waterfront:** This Programme focuses on improving the waterfront area from Argyle Street/Conway Street roundabout to Woodside Ferry Terminal. It will create more inviting spaces with enhanced landscaping, pedestrian and cycling paths, and better connectivity to the Birkenhead retail area.
- **Central Birkenhead:** The Central Birkenhead Programme includes a collection of council and third-party initiatives, funded by various sources like Town Deal and CRSTS. Key Projects include Future Yard, Start-Yard, and improvements to Conway Street/Europa Boulevard, and Charing Cross/Grange Road.
- **Dock Branch Neighbourhood:** Centred around a new park and active travel route connecting Tower Rd/Rendell Street to Argyle Street, this Programme will transform the neighbourhood with green space emphasizing nature and play. The development prioritizes community involvement and aligns with Birkenhead 2040 principles.
- **Hind Street:** This Programme will create 1,600 new, eco-friendly homes in the next decade, aiming to reshape the housing market by offering high-quality living options near the town centre. The initial phases will deliver 633 homes, with a planning application under review.
- **Liscard Town Centre:** Aiming to transform the Liscard Town Centre, this programme focuses on improving public spaces and roads, creating new high-quality housing, and enhancing existing community facilities.
- **New Ferry:** This Programme will create new homes, offered through affordable rent, and Rent to Buy schemes. Additionally, it includes environmental improvements, traffic calming measures, public realm upgrades, and a redesigned public car park to create a more pedestrian-friendly experience.
- **Northside:** This Programme seeks to attract new businesses and create jobs by developing new accommodations on vacant and underdeveloped sites in Northside, while preserving the area's employment focus. Expected outcomes include a new Finsa facility, a council Highways depot, and new employment units.
- **Seacombe River Corridor:** Based on the Seacombe Masterplan, this regeneration programme includes the Eureka Science centre, developments on the Town Hall Annexes and regeneration plans across Seacombe.
- **Strategic Transport:** This programme, encompassing projects in development and delivery stages, prioritizes sustainable and active travel in line with the Local Plan. It

focuses on addressing the climate emergency by transitioning to fossil fuel-free local travel by 2030.

- **Wirral Waters:** This Programme has two main focuses. First, Northbank aims to create a new neighbourhood with over 1,000 homes, green spaces, retail, and leisure facilities. This includes completing the Millers Quay and East Float housing developments and implementing an interim public transport solution.
- **Standalone Projects:** This includes projects that are Wirral wide or will apply across the whole Capital Programme, such as the Business Investment fund and capitalisation of revenue costs.
- **Asset Capital Programme:** The assets Capital Programme has been reprofiled as both the asset strategy and the Corporate Landlord Model continue to develop, with funding now slipped into future years.

Appendix 3

Virements within Quarter 3

Directorate	Scheme	Proposed Virement £m	Proposed Relocation	Reasons
Regeneration & Place	Demolitions	1.766	Seacombe River Corridor	The Brownfield grant is to be used to enable works as part of the regeneration programme Seacombe River Corridor.
Regeneration & Place	Emslie Morgan (Solar Campus)	0.300	Demolitions	Costs for approved demolitions have increased since original estimates were provided.
Regeneration & Place	Arrowe Country Park - New Machine Shed & Wash Bay	0.075	Arrowe Country Park Depot: Re-Surfacing, Material Bays & Electronic Entrance Barrier	Budgets merged to enable barrier works to be undertaken.
Regeneration & Place	Parks and Countryside DDA	0.051	Changing Places Toilets	Costs have exceeded the £0.050m grant awarded for each of the three sites.
Regeneration & Place	Health & Safety - Condition Surveys	0.220	Demolitions	This will support anticipated demolition works.
Adults, Health and Strategic Commissioning	Telecare	0.500	Aids, Adaptations and Disabled Facilities	Review of Telecare budget allowed £0.500m disabled facilities grant to be returned to the Aids, Adaptations and Disabled Facilities budget reducing the requirement for additional council borrowing.

Appendix 4

Capital Bid Seeking Approval for Funding

4.1 Arrowe Brook Park Section 106 – Funding Required £0.064m

Arrowe Brook Park housing estate has been built in close proximity to Arrowe Park. Discussions with the developer resulted in agreement that an offsite public open space contribution would be payable. Due to the very close proximity of Arrowe Park to the housing development the money would be spent on improvements in Arrowe Country Park.

The project includes installing an activity trail and providing better access and links into the park from the entrance opposite the housing estate on Arrowe Brook Road. This includes surfacing works to improve access and prevent flooding and some footpath and signage works. The activity trail and footpath improvements will be located towards the housing estate end of the park and any remaining money will go towards the upgrade of the play area further into the park.

The works will help to improve access for all into the park and to provide improved play value and play opportunities.

This project will be funded via the Section 106 Developer Contribution.

4.2 Firewall – Funding Required - £0.370m

There is an imminent requirement to upgrade Wirral Council's firewall. This is due to go end of life in January 2026, but it is fundamental piece of our infrastructure, and a replacement will be complex. The work will take approximately 9 months, including rule appraisal, rule migration, and transition to live service. This is such a crucial and complex infrastructure that deciding not to upgrade, or waiting too long to perform the procedure, would introduce unnecessary risk to the Council.

The replacement work is essential to avoid the following risks and continue to protect Council services & data:

- Increased susceptibility to security vulnerabilities
- Performance and reliability issues
- Increased maintenance cost
- Compliance risk

Scheme	2024/25			Actuals Q3 £000	2025/26	2026/27	2027/28	2028/29
	Budget 1 Apr 24 £000	Forecast Q3 £000	Variance £000		Budget £000	Budget £000	Budget £000	Budget £000
Finance								
Capitalisation Directive (MHCLG)	0	20,000	20,000	0	0	0	0	0
Creative & Digital Team - Specialist Software and Hardware	7	7	0	0	0	0	0	0
Customer Experience Improvements Project	255	255	0	181	0	0	0	0
Digital Foundations Programme	1	0	-1	0	0	0	0	0
ERP	401	401	0	349	0	0	0	0
Firewall Replacement	0	370	370	0	0	0	0	0
Transformational Capitalisation	2,000	2,880	880	0	0	0	0	0
Upgrade of WIFI Network	73	0	-73	0	0	0	0	0
IT Client Refreshment, Laptops, Desktops & Tablets	1,592	1,666	74	976	0	0	0	0
Total Finance	4,329	25,579	21,250	1,505	0	0	0	0
Neighbourhoods								
Air Quality Control DEFRA	35	35	0	34	0	0	0	0
Allotment & Cemetery Standpipes	313	0	-313	0	313	0	0	0
Allotment Sites Expansion	50	0	-50	0	50	0	0	0
Allotment Sites Expansion - Top Up	148	0	-148	0	148	0	0	0
Arrowe Brook Park– Bellway	0	64	64	0	0	0	0	0
Arrowe Country Park - Main Driveway Resurfacing & Fencing Work	60	56	-4	0	4	0	0	0
Arts Council Capital LIF	21	15	-6	0	6	0	0	0
Beechwood Play Area	0	100	100	37	50	0	0	0
Bidston Court - Path Improvements	350	10	-340	0	340	0	0	0
Birkenhead Park World Heritage Project Team	85	20	-65	1	16	49	0	0

Scheme	2024/25			Actuals Q3 £000	2025/26	2026/27	2027/28	2028/29
	Budget 1 Apr 24 £000	Forecast Q3 £000	Variance £000		Budget £000	Budget £000	Budget £000	Budget £000
Bridges excluding Dock Bridge	1,479	123	-1,356	43	516	1,075	0	0
Catering Units	160	0	-160	0	160	0	0	0
Cemetery Extension & Improvements (Frankby)	140	47	-93	0	93	0	0	0
Churchyard Boundary & Landican Cemetery Structural	56	56	0	56	0	0	0	0
Climate Emergency Budget	23	2	-21	1	21	0	0	0
Coastal Defence - Meols Feasibility Study	100	0	-100	0	100	0	0	0
Combined Authority Transport Plan (CATP)	4,596	1,298	-3,298	721	1,308	5,810	0	0
Coronation Park Sustainable Drainage	222	15	-207	0	207	0	0	0
Defibrillators	12	12	0	0	0	0	0	0
DEFRA -Food Waste Collection Service	0	0	0	0	0	2,377	0	0
DfT Funding Highways Maintenance and Improvements	1,312	767	-545	767	545	0	0	0
Dock Bridges replacement	210	0	-210	0	210	0	0	0
England Coastal Path	0	55	55	0	300	0	0	0
Environmental Improvements	1,150	250	-900	250	475	575	0	0
Essential H&S Infrastructure Improvements @ Wirral Country Park	193	193	0	139	0	0	0	0
Fitness Equipment	4	3	-1	3	1	0	0	0
Flaybrick Cemetery Pathway	200	0	-200	0	200	0	0	0
Food Waste	0	0	0	0	0	3,200	0	0
Football Goals	97	97	0	97	0	0	0	0
Future Golf - Project 1.1	317	31	-286	31	286	0	0	0
Grange Cemetery	45	45	0	0	0	0	0	0
Guinea Gap Swimming Pool Support Fund	0	105	105	83	0	0	0	0

Scheme	2024/25			Actuals Q3 £000	2025/26	2026/27	2027/28	2028/29
	Budget 1 Apr 24 £000	Forecast Q3 £000	Variance £000		Budget £000	Budget £000	Budget £000	Budget £000
Health & Safety Equipment for Transport Workshop	21	21	0	24	0	0	0	0
Highway Maintenance	8,088	7,131	-957	5,989	6,670	5,763	0	0
Key Route Network (LGF3) - Operate Key Roads / Routes Efficiently	166	0	-166	0	166	0	0	0
Key Route Network CRSTS	454	454	0	557	0	0	0	0
Kingsmead School - Playing Field S106	397	97	-300	24	300	0	0	0
Landican Cemetery Extension of Burial Area & Modernisation of Chapel Complex	120	25	-95	0	200	200	885	0
Levelling Up Parks Fund-Woodchurch	12	8	-4	0	4	0	0	0
Moreton Sandbrook Drainage	203	15	-188	0	188	0	0	0
New Brighton Gym Equipment	3	3	0	2	0	0	0	0
New Ferry Rangers Community Clubhouse	37	37	0	76	0	0	0	0
Parks Machinery	1,305	1,305	0	1,285	0	0	0	0
Parks Vehicles	902	944	42	492	0	0	0	0
Parks Workshop & various machinery	133	93	-40	0	40	0	0	0
Play Area Improvements	103	180	77	119	223	0	0	0
Plymyard Cemetery Roadways	8	6	-2	0	2	0	0	0
Plymyard Playing Field	116	81	-35	69	35	0	0	0
PSDS Decarbonisation Phase 1	958	55	-903	0	1,000	903	0	0
Quick Win Levy	45	20	-25	0	25	0	0	0
Removal of remaining analogue CCTV circuits	1	1	0	0	0	0	0	0
Solar Campus 3G	1	0	-1	0	1	0	0	0
Street Lighting -Column Replacement & Signage	9	9	0	25	0	0	0	0
Studio refurbishment Les Mills classes	15	0	-15	0	15	0	0	0

Scheme	2024/25			Actuals Q3 £000	2025/26	2026/27	2027/28	2028/29
	Budget 1 Apr 24 £000	Forecast Q3 £000	Variance £000		Budget £000	Budget £000	Budget £000	Budget £000
Surface Water Management Scheme	57	25	-32	0	32	0	0	0
Tower Road National Productivity Investment Fund (NPIF) - ease congestion / upgrade national or local networks	48	16	-32	0	32	0	0	0
Traffic Signal LED Upgrade	463	448	-15	448	15	0	0	0
Tree Strategy	0	0	0	6	0	0	0	0
Urban Tree Challenge Fund	69	48	-21	4	21	0	0	0
Wallasey Embankment Toe Reinforcement	227	0	-227	0	227	0	0	0
West Kirby Flood alleviation	9	0	-9	68	9	0	0	0
Williamson Art Gallery Catalogue	56	0	-56	0	56	0	0	0
Williamson Art Gallery Ventilation	288	0	-288	0	288	0	0	0
Wirral Tennis Centre - 3G Pitch	10	10	0	39	0	0	0	0
Wirral Tennis Centre - Facility Upgrade	0	0	0	5	0	0	0	0
Wirral Way Widening	29	29	0	13	0	0	0	0
Woodchurch Sports Pavillion	26	26	0	46	0	0	0	0
Total Neighbourhoods	25,757	14,486	-11,271	11,554	14,898	19,952	885	0
Regeneration & Place								
Active Travel Tranche 2	1,363	0	-1,363	0	0	0	0	0
Aids, Adaptations and Disabled Facility Grants	5,627	7,999	2,372	4,203	5,861	0	0	0
Arrowe Country Park - New Machine Shed & Wash Bay	75	0	-75	0	0	0	0	0
Arrowe Country Park Depot: Re-Surfacing, Material Bays & Electronic Entrance Barrier	27	0	-27	0	102	0	0	0
Bebington Oval Facility Upgrade	527	57	-470	19	470	0	0	0
Birkenhead Market Construction	3,913	0	-3,913	0	0	0	0	0

Scheme	2024/25			Actuals Q3 £000	2025/26	2026/27	2027/28	2028/29
	Budget 1 Apr 24 £000	Forecast Q3 £000	Variance £000		Budget £000	Budget £000	Budget £000	Budget £000
Birkenhead Regeneration Delivery Fund	1,363	0	-1,363	0	0	0	0	0
Birkenhead Regeneration Framework	210	12	-198	11	174	0	0	0
Birkenhead Town Centre Masterplanning & Housing Delivery	80	0	-80	0	0	0	0	0
Birkenhead Town Centre Sub-Station	2,250	0	-2,250	0	0	0	0	0
Birkenhead Town Centre	0	531	531	391	15,604	4,500	0	0
Birkenhead Waterfront Programme	8,897	8,336	-561	4,066	20,741	1,511	0	0
Business Investment Fund	585	0	-585	0	585	0	0	0
Capitalisation of Regen Salaries	741	1,108	367	0	1,145	1,100	0	0
Central Birkenhead Programme	0	11,778	11,778	8,806	8,055	1,628	0	0
Changing Places Toilets	41	92	51	100	0	0	0	0
Clearance	183	0	-183	0	0	0	0	0
Community Asset Transfer	500	85	-415	82	415	0	0	0
Concerto Asset Management System	25	0	-25	0	25	0	0	0
Connecting Wirral Waters: Detailed Design	26	0	-26	0	0	0	0	0
Consolidated Library Works Fund	213	0	-213	0	213	0	0	0
Demolitions	3,510	1,098	-2,412	516	1,166	0	0	0
Depot Welfare Improvements	13	13	0	0	0	0	0	0
Dock Branch Park Programme	0	371	371	434	580	0	0	0
Empty Property Grant Scheme	308	308	0	183	0	0	0	0
Emslie Morgan (Solar Campus)	737	437	-300	290	0	0	0	0
Future High Streets Fund New Ferry	1,902	0	-1,902	0	0	0	0	0
Floral Pavilion	28	28	0	8	0	0	0	0
Future High Streets - Birkenhead	13,250	0	-13,250	0	0	0	0	0
Hamilton Park enabling works-Birkenhead Regen Delivery	0	30	30	9	126	0	0	0
Health & Safety - Condition Surveys	742	222	-520	174	1,000	700	700	772

Scheme	2024/25			Actuals Q3 £000	2025/26	2026/27	2027/28	2028/29
	Budget 1 Apr 24 £000	Forecast Q3 £000	Variance £000		Budget £000	Budget £000	Budget £000	Budget £000
Heswall Day Centre (part only)	50	50	0	67	0	0	0	0
Hind Street Programme	5,413	337	-5,076	266	882	0	0	0
Leisure Capital Improvement Programme	316	166	-150	104	150	0	0	0
Levelling Up Fund 3 - Liscard	635	0	-635	0	0	0	0	0
Lever Sports Pavilion	80	80	0	70	0	0	0	0
Liscard Town Centre	0	413	413	89	1,774	5,000	5,000	0
Liscard Town Centre Delivery	13	0	-13	0	0	0	0	0
Local Authority Housing Fund 2	4,308	4,308	0	2,203	0	0	0	0
Major Infrastructure Development & Strategic Transport Forward Planning - Traffic Management	53	0	-53	0	0	0	0	0
Moreton Youth Club & Library	993	100	-893	5	893	0	0	0
New Brighton Regeneration Delivery	0	7	7	7	0	0	0	0
New Brighton Masterplan for Marine Promenade	7	0	-7	0	0	0	0	0
New Ferry Projects	0	1,400	1,400	723	4,315	5,000	0	0
New Ferry Regeneration Strategic Acquisitions	916	0	-916	0	0	0	0	0
Office Quarter Building Fit-Out	3,248	0	-3,248	0	0	0	0	0
Parks and Countryside DDA	351	0	-351	0	0	0	0	0
Pool Covers	34	34	0	1	0	0	0	0
Property Pooled Plus I.T System	6	6	0	0	3	3	0	0
Regeneration Delivery Resources	0	150	150	0	1,650	500	0	0
Seacombe River Corridor Programme	0	43	43	5	3,777	0	0	0
Strategic Acquisition Fund	812	812	0	0	0	0	0	0
Strategic Acquisitions - Capital Enhancements	526	526	0	0	500	500	500	0

Scheme	2024/25			Actuals Q3 £000	2025/26	2026/27	2027/28	2028/29
	Budget 1 Apr 24 £000	Forecast Q3 £000	Variance £000		Budget £000	Budget £000	Budget £000	Budget £000
Strategic Transport (excl. Birkenhead 2040 Programme)	0	74	74	29	2,105	0	0	0
SUD - Leasowe to Seacombe Corridor	108	0	-108	0	0	0	0	0
TAG Bus Case-A41 Corridor North	112	0	-112	0	0	0	0	0
TAG Bus Case-Wirral Waters outline	1	0	-1	0	0	0	0	0
The Hythe	5,255	0	-5,255	0	0	0	0	0
Town Centre scheme - New Ferry	5	0	-5	0	0	0	0	0
Town Deal Fund - Birkenhead	8,288	0	-8,288	0	0	0	0	0
Town Fund Birkenhead	53	0	-53	0	0	0	0	0
UK Shared Prosperity Fund (UKSPF)	472	472	0	164	0	0	0	0
Vale Park Toilets	1	1	0	0	0	0	0	0
West Kirby Concourse/Guinea Gap Reception upgrade / improve	351	101	-250	0	250	0	0	0
West Kirby Marine Lake/Sailing Centre – accommodation	73	73	0	21	0	0	0	0
West Kirby Masterplan	21	21	0	13	0	0	0	0
Wirral Waters	0	0	0	0	6,255	6,000	0	0
Total Regeneration & Place	79,637	41,679	-37,958	23,060	78,816	26,442	6,200	772
Total Capital Programme	133,013	93,953	-39,060	41,563	101,902	49,394	7,776	772

Appendix 6

Future Planning

6.1 A Summary of the known, confirmed Capital Programme is shown in the table below:

Table 1: Confirmed Capital Programme at Quarter 3 2024/25

Programme	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Adult Care & Health	0.767	1.446	1.000	0.691	-
Children, Families & Education	11.442	6.742	2.000	-	-
Finance	25.579	-	-	-	-
Neighbourhoods	14.486	14.898	19.952	0.885	-
Regeneration & Place	41.679	78.816	26.442	6.200	0.772
Total	93.953	101.902	49.394	7.776	0.772

6.2 In previous capital reports, the £52m grant funding associated with the Hind Street development has been included to provide a fuller picture of future capital activity. The Council still awaits formal grant approval documentation regarding this funding therefore it is now included within the 'Future Planning' view of the programme. Once the appropriate confirmation documentation has been received, the grant funding will become part of the approved Capital Programme, via the appropriate quarterly monitoring update to Members, when funds will then become available for utilisation.

6.3 Factoring in this grant funding for Hind Street, along with a forecast for continued grant allocation of £2.5m for School Condition Allocation and £5.1m for Aids & Adaptations, the forecast Capital Programme is shown in the table below:

Table 2: Forecast Capital Programme at Quarter 3 2024/25

Programme	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Adult Care & Health	0.767	1.446	1.000	0.691	-
Children, Families & Education	11.442	9.242	4.500	2.500	2.500
Finance	25.579	-	-	-	-
Neighbourhoods	14.486	14.898	19.952	0.885	-
Regeneration & Place	44.379	95.876	63.902	11.300	5.872
Total	96.653	121.462	89.354	15.376	8.372

6.4 This new presentation of the possible future Capital Programme will be further adopted from the 2025-32 Capital Programme, when departments will be asked to estimate future capital requirements, subject to full capital approval process.

Appendix 7

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 Quarter 2 estimates for 2024/25 onwards:

Table 1: Prudential Indicator: Quarter 2 Estimates of Capital Expenditure

	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	Total
	£000	£000	£000	£000	£000
Capital Expenditure	78,316	100,219	148,058	42,785	369,378
Total	78,316	100,219	148,058	42,785	369,378

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

	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	Total
	£000	£000	£000	£000	£000
Capital Expenditure	78,316	93,953	101,902	49,394	323,565
Total	78,316	93,953	101,902	49,394	323,565

Note that unconfirmed grant amounts have now been reclassified to future/pipeline activity per Appendix 6 to this report.

Capital expenditure has or will be funded as follows:

Table 3: Prudential Indicator: Financing of Capital Expenditure

Capital Financing	2023/24 Actual £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	Total £000
Capital receipts	5,400	5,181	722	-	11,303
Grants and Contributions	38,354	53,235	79,594	26,790	197,973
Revenue and Reserves	293	1,822	35	-	2,150
Borrowing	34,269	33,715	21,551	22,604	112,139
Total Funding	78,316	93,953	101,902	49,394	323,565

(c) Capital Financing Requirement (CFR)

Estimates of the Authority's cumulative maximum external borrowing requirement for 2023/24 to 2026/27 as per the Q2 Capital Monitoring 2024/25, are shown in the table below:

Table 4: Capital Financing Requirement Estimates – Q2 Capital Monitoring 2024/25

Capital Financing Requirement	31/03/2024 Actual £m	31/03/2025 Estimate £m	31/03/2026 Estimate £m	31/03/2027 Estimate £m
General Fund	393.989	404.825	416.998	409.445

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

Table 5: Capital Financing Requirement Revised Estimates

Capital Financing Requirement	31/03/2024 Actual £m	31/03/2025 Estimate £m	31/03/2026 Estimate £m	31/03/2027 Estimate £m
General Fund	393.989	412.330	416.786	426.356

(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

Debt	31/03/2025 Estimate £m	31/03/2026 Estimate £m	31/03/2027 Estimate £m
Borrowing	355.506	359.081	377.080
PFI liabilities	24.727	21.296	17.581
Total Debt	380.233	380.377	394.661
Borrowing in excess of CFR?	NO	NO	NO

(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 in Quarter 3, 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

	Operational Boundary (Approved) 2024/25 £m	Authorised Limit (Approved) 2024/25 £m	External Debt 31/12/2024 £m
Borrowing	430.000	440.000	336.500
Other Long-term Liabilities	48.000	53.000	26.400
Total	478.000	493.000	362.900

(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.

Ratio of Finance Costs to Net Revenue Stream	2024/25 Estimate %	2025/26 Estimate %	2026/27 Estimate %
Ratio	7.867%	8.206%	7.901%