

## **POLICY AND RESOURCES COMMITTEE**

**Wednesday, 7 September 2022**

<b>REPORT TITLE:</b>	<b>2022/23 BUDGET MONITORING FOR QUARTER ONE (1 APR – 30 JUN)</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF RESOURCES</b>

### **REPORT SUMMARY**

This report sets out the financial monitoring information for the Council as at quarter 1 (1 Apr – 30 Jun) of 2022/23. The report provides Members with an overview of budget performance, including progress on the delivery of the 2022/23 saving programme and a summary of reserves and balances, to enable the Committee to take ownership of the budgets and provide robust challenge and scrutiny to Officers on the performance of those budgets.

Managing a budget, especially in the context of largely uncontrollable, macro-economic pressures, emerging at an unprecedented pace, requires difficult decisions to ensure that a balanced position can be presented. Regular Member engagement, which this report forms part of, is considered essential in delivering effective governance and financial oversight. Directorates and Service Committees will be expected to mitigate such emerging pressures from existing budgets.

At the end of Quarter 1, there is a forecast balanced position on the Council's net revenue budget, of £330.6m. This position is based on activity to date, projected trends in income and expenditure and potential mitigation to offset areas of adverse variance.

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

The report contributes to the Wirral Plan 2021-2026 in supporting the organisation in meeting all Council priorities.

### **RECOMMENDATION/S**

The Policy and Resources committee is recommended to:

1. Note the balanced forecast revenue position presented at Quarter 1.
2. Note the progress on delivery of the 2022/23 savings programme at Quarter 1.
3. Note the forecast level of reserves and balances at Quarter 1.

## **SUPPORTING INFORMATION**

### **1.0 REASONS FOR RECOMMENDATIONS**

- 1.1 It is vitally important that the Council has robust processes in place to manage and monitor the in-year financial position, to ensure it delivers a balanced position at the end of the year
- 1.2 Regular monitoring and reporting of the revenue budgets and savings achievements enables decisions to be taken in a timely manner, which may produce revenue benefits and will improve financial control of Wirral Council.
- 1.3 This report presents timely information on the Quarter 1 financial position for 2022/23.

### **2.0 OTHER OPTIONS CONSIDERED**

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

### **3.0 BACKGROUND INFORMATION**

- 3.1 At the meeting on 28 February 2021, the Council agreed a net revenue budget for 2022/2023 of £330.6m to be met by government grants, council tax, business rates and flexible use of capital receipts. This report sets out the revenue financial position at Quarter 1.
- 3.2 It is vitally important that the Council has robust processes in place to manage and monitor the in-year financial position, to ensure it is reporting a balanced position to the end of the year.

#### **Economic Context**

- 3.4 The economic backdrop has changed considerably since the Council set its 2022/23 budget back on 28 Feb 22, with significant emerging pressures, beyond Council control, placing large, unforeseen strains on budgets. Quarter 1 was characterised by higher oil, gas and commodity prices, fears of rising and persistent inflation and its damaging impact on consumers' cost of living, little indication of an imminent end to Russia-Ukraine hostilities and supply chain bottlenecks exacerbated by war in Ukraine and lockdowns in China.
- 3.5 Across the local government sector, this rising and persistent inflation has been identified as a key risk in maintaining a balanced budget position. May data showed CPI edging higher to 9.1% while the core CPI rate, which removes energy, fuel and food was 5.9%. RPI rose to 11.7%. The Bank of England's latest projection sees inflation climbing to 13%, largely influenced by the continuing rise in energy prices.

- 3.6 The 2022/23 pay award is still to be agreed. In setting this year's budget, an assumed 3% increase was built into calculations, estimated to cost £4.3m. In July, the National Employers for Local Government Services made a pay offer to Unions which, if accepted, would cost approximately £7.7m to implement; £3.4m more than budgeted expectations. At present, mitigation to cover this potential increased cost has not been identified but it is likely to require urgent action to address. Further details will be provided in Quarter 2 once more information is known.
- 3.7 Energy costs of the Council are also significantly impacted by these inflationary pressures. A pressure of £2.7m was built into the Council's energy budgets in 2022/23, increasing energy budgets to around £6m. However, despite this increase, current forecasts predict that costs still may exceed this budget by nearly £1m and there is ongoing uncertainty over prices for the year ahead.
- 3.8 Further pressures are also expected on the Council's income generating services. As consumers' disposable incomes are squeezed and a further energy cap increase expected in October, consumer confidence is at levels last seen during the 2008/09 financial crisis. This will undoubtedly have an impact on the Council's ability to generate income in areas such as Car Parking and Leisure Services where large adverse variances are already being forecast in quarter 1.
- 3.9 These emerging and unforeseen budget pressures will be closely monitored during 2022/23 and the forecast impact reported, alongside the proposed mitigations that can be identified to maintain a balanced budget. Table 2 below sets out the urgent remedial action which has already been put in place to mitigate these unexpected pressures. Directorates and Service Committees will be expected to look for mitigation to counter macro-economic pressures.

### Quarter 1 Forecast Revenue Outturn Position

3.10 Despite these challenges, at the end of Quarter 1, there is a forecast balanced position on the Council's net revenue budget of £330.6m. Table 1 below provides a summary of the quarter 1 revenue position.

**TABLE 1: 2022/23 REVENUE BUDGET & OUTTURN**

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Adult Care & Health	115,107	115,287	-180	0%	Adverse
Chief Executive Office	1,786	1,836	-50	-3%	Adverse
Children, Families & Education	79,234	78,729	505	1%	Favourable
Law & Governance	5,821	5,784	37	1%	Favourable
Neighbourhoods Services	46,189	51,176	-4,987	-11%	Adverse
Regeneration and Place	37,435	37,435	0	0%	Favourable
Resources	45,008	45,652	-644	-1%	Adverse
<b>Total Surplus / (Deficit)</b>	<b>330,580</b>	<b>335,899</b>	<b>-5,319</b>	<b>-2%</b>	<b>Adverse</b>
<b>Potential Mitigation</b>	<b>0</b>	<b>-5,319</b>	<b>5,319</b>		
<b>Revised Total Surplus / (Deficit)</b>	<b>330,580</b>	<b>330,580</b>	<b>0</b>	<b>0%</b>	

3.11 The corporate headlines are:

- Adverse variance on utility costs across the Council of £1m,
- Shortfall in Leisure income, due to reduced footfall, forecast to be £2m,
- Car Parking income forecast to be £1m down on budgeted expectations,
- Additional inflationary contract costs of £1m for waste collection.
- Potential remedial actions of £5.3m identified to help offset these unexpected pressures. (See Table 2 below).

3.12 It is imperative that the Council reports at least a supported balanced position at the end of the year. Directorates have and will continue to incorporate mitigations into their plans. At this early stage of the financial year, several potential mitigations have been identified and are presented to demonstrate that a balanced budget can be presented at the end of the year. The table below identifies where these will be found and whether there is an ongoing deficit into future years. Where this is the case, the MTFP will be updated to reflect the recurrent pressure.

**TABLE 2: 2022/23 POTENTIAL MITIGATION**

<b>Directorate</b>	<b>Description of Mitigation</b>	<b>Estimated value £000</b>	<b>Future impact</b>
Adult Care & Health	Use of Social Care Reserve.	180	No potential future impact, will be permanently mitigated from future service reviews
Chief Executive Office	Planned utilisation of Covid tranche funding.	50	No future impact as functions will be prioritised accordingly
Neighbourhoods Service	Planned use of Covid tranche funding for reduced income levels.	3,471	Reduced income post-covid is an emerging issue requiring an urgent fundamental review of income streams during 2022/23. Pending this review, a pressure may be built into 2023/24 budget.
Corporate	Allocation of specific reserves to mitigate pressures.	768	Any future recurrent impact will be built into the 2023/24 budget as pressures during Q2
Corporate	Potential partial use of £3m contingency fund for non-achievement of savings	580	No recurrent impact as will be used to fund the delays as a result of CAT agreements which will be fully completed before 2023/24
Corporate	Potential use of the remaining £3m contingency fund.	270	Income pressures to be reviewed during 2022/23 and if not recovered, will be included as a pressure in 2023/24 budget
<b>TOTAL</b>		<b>5,319</b>	

3.13 For further details on individual directorate positions please see **Appendix 1**.

3.14 For information, the 2022/23 budget assumptions included the planned use of £3.58m of capital receipts to support the revenue budget. In accordance with the Capital Receipts flexibilities introduced by the Government, capital receipts generated between 1 April 2016 and 31 March 2025 can be used to support transformation of services that results in efficiencies.

3.15 The Council intends to use the capital receipts flexibility to fund or part fund the Service Change Programme. This programme includes the current Service Reviews in Leisure, Libraries and Revenues and Benefits and the planned Service Reviews within Adults, Children's and Digital Transformation aimed at identifying savings from 2023/24 onwards.

**Progress on delivery of the 2022/23 savings programme.**

3.16 In terms of savings, £16.52m of the £18.24m savings targets are either delivered or on track to be delivered. Representing 90% of the total savings target with a further 6% or £1.132m anticipated to be delivered. The table below summarises this progress by Directorate:

**TABLE 2: SUMMARY OF PROGRESS ON DELIVERY OF 2022/23 SAVINGS**

Directorate	Approved Saving	Green	Amber	Red	Mitigation	Actual Savings Delivered to Date
Adult Care & Health	£3.890m	£3.890m	£0.000m	£0.000m	£0.000m	£0.196m
Chief Executive Office	£0.110m	£0.060m	£0.050m	£0.000m	£0.050m	£0.060m
Children, Families & Education	£3.150m	£3.100m	£0.050m	£0.000m	£0.050m	£1.392m
Law & Governance	£0.659m	£0.659m	£0.000m	£0.000m	£0.000m	£0.434m
Neighbourhoods Services	£5.251m	£3.727m	£0.944m	£0.580m	£0.944m	£1.069m
Regeneration and Place	£1.838m	£1.750m	£0.088m	£0.000m	£0.088m	£0.125m
Resources	£3.338m	£3.338m	£0.000m	£0.000m	£0.000m	£2.707m
<b>TOTAL</b>	<b>£18.236m</b>	<b>£16.524m</b>	<b>£1.132m</b>	<b>£0.580m</b>	<b>£1.132m</b>	<b>£5.983m</b>

3.17 For savings rated as Amber, an equal amount of temporary in-year mitigation has been identified to cover any shortfalls which may occur. For saving rated as red, a bid will need to be made from the £3m contingency fund set up for non-achieved savings at the end of the year.

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

## Reserves and Balances

### Earmarked Reserves

- 3.19 Earmarked reserves represent money that has been set aside for a clearly defined purpose, and which is available to meet future expenditure in that area. Earmarked reserves are set aside for a number of reasons, including:
- To hold funding for specific projects, often including income received from third parties.
  - To hold monies on behalf of Schools, Public Health or other public sector partnerships. These reserves can only be spent on the services they are assigned for.
  - To 'equalise' expenditure that is subject to annual fluctuation
  - To temporarily smooth payments due under specific contracts
  - To address specific mismatches between funding and expenditure
  - To cover both insurance excesses and self-insurance in a bid to smooth out and reduce ongoing expenditure.
- 3.20 Reserves are a vital part of prudential financial management in local authorities, including their ongoing ability of local authorities to meet the balanced budget requirement. Reserves are reviewed and updated as part of the annual budget preparation and as part of the closure of accounts process to ensure that they continue to be required and are adequate in size. Reserves are not to be used to balance the budget or fund recurrent expenditure.
- 3.21 On 1 April 22, earmarked reserves totalled £104.936m. Of the total earmarked reserves, nearly half will be spent in 2022/23 on the activities for which they were established. There will be cases however where some of the reserves will be committed over a longer period and have been set aside now to support the Council's financial sustainability and have little or limited impact on future years budgets.

**TABLE 3: SUMMARY OF EARMARKED RESERVES**

Directorate	Opening Balance £000	Forecast Use of Reserve £000	Forecast Contribution to Reserve £000	Closing Balance £000
Adult Care & Health	14,865	-5,634	0	9,231
Children, Families & Education	5,150	-1,733	0	3,417
Law & Governance	355	-20	72	407
Neighbourhoods Services	2,258	-1,577	600	1,281
Regeneration and Place	7,580	-1,358	344	6,566
Resources	17,712	-1,966	4	15,750
Other Corporate	57,016	-30,359	33	26,690
<b>Total</b>	<b>104,936</b>	<b>-42,647</b>	<b>1,053</b>	<b>63,342</b>

- 3.22 **Appendix 3** provides the full list of all earmarked reserves.

### **General Fund Balances**

- 3.23 The purpose of a general fund balance (general reserve) is to minimise the possible financial impacts to the Authority from:
- Emergencies
  - In-year emerging financial issues
  - Reacting to investment opportunities
- 3.24 The Finance Procedure Rules set the parameters for the use of general reserves. The in-year use of general reserves requires Council approval and must not be used for any level of recurring spending unless that spending will be included in revenue budgets in the following financial year or a suitable payback period is agreed in advance. In all cases the use of reserves should be approved by the Section 151 Officer.
- 3.25 Following a review of the risk assessed minimum level requirement, general reserves remained at £10.68m on 31 March 2022. As part of the 22/23 budget, general fund reserves increased to £13.2m and it is anticipated that the Council will hold general reserves at a minimum of £17.41m by 2027. This is based on achieving a general fund balance of 5% of net revenue budget by 2027 and will be completed as part of the financial recovery plan.
- 3.26 In 2021, as part of the external audit, the auditors qualified the Value For Money (VFM) opinion due to what is seen as an insufficiency of reserves, and this approach seeks to remedy this.

### **Medium Term Financial Plan**

- 3.27 A Medium-Term Financial Plan (MTFP) outlining forecast savings and pressures up to 2025/26 was presented to Committee in February 2022. Directorates have been working on early proposals for budget workshops and these will contribute to a revised MTFP.
- 3.28 The Council's Medium Term Financial Strategy (MTFS) was approved by Budget Council on the 2 March 2022. The MTFS is underpinned by several key financial planning assumptions relating to funding and spending pressures. These assumptions are reviewed regularly particularly during times of economic uncertainty when they may be subject to significant volatility.
- 3.29 The inflationary pressures the Council is currently experiencing is a national issue and officers are working closely with the City Region to sense check any change to the financial planning assumptions.
- 3.30 Future reports to this Committee will set out how this budget gap will be addressed, including budget savings options to set a 5-year balanced budget.

## **4.0 FINANCIAL IMPLICATIONS**

- 4.1 This is the Quarter 1 budget monitoring report that provides information on the forecast outturn for the Council for 2022/23. The Council has robust methods for reporting and forecasting budgets in place and alongside formal Quarterly reporting to Policy & Resources Committee, the financial position is routinely reported at



Directorate Management Team meetings and corporately at the Strategic Leadership Team (SLT). In the event of any early warning highlighting pressures and potential overspends, the SLT take collective responsibility to identify solutions to resolve these to ensure a balanced budget can be reported at the end of the year.

## **5.0 LEGAL IMPLICATIONS**

- 5.1 The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility of the Council. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.
- 5.2 The provisions of section 25, Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.
- 5.3 It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.

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

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

## **7.0 RELEVANT RISKS**

- 7.1 The Council's ability to maintain a balanced budget for 2022/23 is dependent on a static financial position. This is an impossible scenario due to estimated figures being provided in the calculation for the 2022/23 budget, albeit the best estimates that were available at the time, plus any amount of internal and external factors that could impact on the budget position in year. Examples of which are the significant emerging inflationary and cost of living pressures, new legislation, increased demand, loss of income, increased funding, decreased funding, inability to recruit to posts, ongoing impact of the pandemic etc.

- 7.2 A robust monitoring and management process for the 2022/23 budget is in place. If at any time during the year an adverse position is forecast, remedial action must be agreed and implemented immediately to ensure the budget can be brought back to balanced position.
- 7.3 The risk of this not being able to be achieved could mean that the Council does not have enough funding to offset its expenditure commitments for the year and therefore not be able report a balanced budget at the end of the year. This could result in the Section 151 Officer issuing a Section 114 notice.
- 7.4 A key risk to the Council's financial plans is that funding and demand assumptions in particular can change as more information becomes available. Significant inflation and cost of living pressures have already impacted the quarter 1 forecast position. and the impact of these pressures will be reviewed and considered in the MTFP as part of routine financial management.
- 7.5 Under the system of retained Business Rates, Authorities benefit from a share of any increased revenues but are liable for at least a share of any falls in income (subject to safety net triggers) and any non-collection. This includes reductions arising from appeals relating to past years which partially fall on the Authority. These risks are mitigated through a combination of the operation of the Collection Fund, General Fund Balances and a Business Rates Equalisation Reserve.

## **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 Consultation has been carried out with the Senior Leadership Team (SLT) in arriving at the governance process for the 2022/23 budget monitoring process and the 2022/23 budget setting process. This report will also be shared and reviewed by the Independent Panel.
- 8.2 Since the budget was agreed at Full Council on 28 February, some proposals may have been the subject of further consultation with Members, Customer and Residents. The details of these are included within the individual business cases or are the subject of separate reports to the Committee.

## **9.0 EQUALITY IMPLICATIONS**

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

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

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

## **11.0 COMMUNITY WEALTH IMPLICATIONS**

11.1 In year activity will have incorporated community wealth implications. Consideration would have taken account of related matters across headings such as the following:

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

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## **APPENDICES**

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

## **BACKGROUND PAPERS**

Bank of England – Monetary Policy Report – August 2022  
DLUHC External Assurance Reports  
CIPFA’s Financial Management Code  
Guidance on flexible use of capital receipts

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Policy and Resources Committee</b>	<b>13 July 2022</b>
<b>Council</b>	<b>28 February 2022</b>
<b>Policy and Resources Committee</b>	<b>15 February 2022</b>
<b>Policy and Resources Committee</b>	<b>17 January 2022</b>
<b>Policy and Resources Committee</b>	<b>1 December 2021</b>
<b>Policy and Resources Committee</b>	<b>30 November 2021</b>

## APPENDIX 1 - Directorate Summaries

### 1 Adult Care and Health

- 1.1 As at the end of June 22 (Quarter 1), the financial forecast year end position for Adult Care and Public Health is an adverse variance of £0.180m against a budget of £115.107m. This will be mitigated by the use of the Social Care Grant reserve set aside from 2021/22.
- 1.2 The current forecast assumes full achievement of the £3.89m savings target.
- 1.3 Government funding for hospital discharge has now ceased. During 2021/22 this £1.6m funding supported the pressure on community care which is now reflected within the forecast for 2022/23

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

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Adult Social Care Central Functions	8,980	8,668	312	3%	Favourable
Older People Services - WCFT	51,708	53,291	-1,583	-3%	Adverse
Mental Health & Disability Services - CWP	54,069	52,948	1,121	2%	Favourable
Other Care Commissions	93	123	-30	-32%	Adverse
Public Health	-262	-262	0	0%	
Wirral Intelligence Service	519	519	0	0%	
<b>Directorate Surplus / (Deficit)</b>	<b>115,107</b>	<b>115,287</b>	<b>-180</b>	<b>0%</b>	Adverse

- 1.4 **Central Functions:** A favourable variance of £0.312m is reported at quarter 1. This variance is as a result of a small number of vacancies, delays in recruitment. This position will continue to be monitored throughout the year.
- 1.5 **Older People Services:** An adverse variance of £1.583m is reported at quarter 1. During the financial year 2021/22 funding of £1.6m was received from Wirral CCG to support the hospital discharge programme. The funding supported the cost of a care package for 4 weeks following discharge from hospital. This allowed a quicker discharge into community based settings to support bed capacity within the hospitals. This funding ended 31 March 2022, however it was agreed to extend the current discharge programme for a further 3 months to 30 June 2022 funded through Wirral CCG and the BCF. While there continues to be pressure within Older Peoples services due to hospital discharge, mitigations are in place supporting the domiciliary care market to increase capacity and reduce the need for more costly residential placements. The forecast assumes full achievement of the £1.945m savings target attributed to Older People services.

- 1.6 **Mental Health & Disability Services:** A favourable variance of £1.120m is reported at quarter 1. Savings made in 2021/22 are having a cumulative impact on the forecast for 2022/23. The forecast assumes full achievement of the £1.945m savings target attributed to complex care services.
- 1.7 **Other Care Commissions:** An adverse variance of £0.030m is reported at quarter 1. This is due to minor variances to budget.
- 1.8 **Public Health:** A balanced position (following contribution from reserves) is reported at quarter 1. Public Health is a ringfenced grant with an annual value £30.99m.
- 1.9 The Public Health Grant for 2022-2023 is £30.99m an increase of £0.857m from the 2021/22 allocation of £30.142m. Approximately £23m of the grant is assigned to commissioning services delivering Wirral residents services in the following areas:
- The 0-19 Healthy Child Programme
  - Drug and Alcohol prevention and Treatment
  - Sexual Health services
  - Community Connectors
  - Information and Advice support
  - Smoking Cessation
  - Infection Control
  - NHS Healthcheck programme
- 1.10 A further £6.7m of the grant funds internal Council services which meet the following priorities:
- Economic regeneration and a strong local economy
  - A healthy standard of living for all
  - Support for children, young people, and families
  - Action to address differences in health outcomes and prevention
  - Facilitating residents and partners working together
- 1.11 £0.390m funds directly delivered services within the Council such as Drug and Alcohol support for Young People and the Response service.
- 1.12 Finally running costs for the service equates to approximately £2m.
- 1.13 In addition to the Public Health Grant, Wirral has been awarded £1.72m in supplemental funding for substance misuse and recovery, inpatient placement support and inpatient detox.
- 1.14 An assessment of the pressures associated with the cost of living on current Public Health contracts is being undertaken. Once completed the recommendations will go to Committee for approval which will further diminish Public Health reserves recurrently.
- 1.15 **Wirral Intelligence Team:** A balanced position is reported at quarter 1.

**TABLE 2 2022/23 Adult Care & Public Health – Subjective Budget & Forecast Outturn**

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Income	-87,149	-86,595	-554	1%	Adverse
<b>Expenditure</b>					
Employee	7,838	7,494	344	4%	Favourable
Non Pay	59,672	59,811	-139	0%	Adverse
Cost of Care	134,746	134,577	169	0%	Favourable
<b>Total Expenditure</b>	<b>202,256</b>	<b>201,882</b>	<b>374</b>	<b>0%</b>	<b>Favourable</b>
<b>Directorate Surplus / (Deficit)</b>	<b>115,107</b>	<b>115,287</b>	<b>-180</b>	<b>0%</b>	<b>Adverse</b>

**Budget Virements**

1.16 There have been no budget virement in quarter 1

## 2. Chief Executive Office

- 2.1 As at the end of June 2022 (Quarter 1), the forecast outturn position for Chief Executive Office is an adverse variance of £0.050m against a budget of £1.786m.

**TABLE 3: 2022/23 Chief Executive Office – Service Budget & Forecast Outturn**

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Chief Executive Office	160	210	-50	-31%	Adverse
Comms & Marketing	963	963	0	0%	Favourable
PAs/Exec. Support	663	663	0	0%	Favourable
<b>Directorate Surplus / (Deficit)</b>	<b>1,786</b>	<b>1,836</b>	<b>-50</b>	<b>-3%</b>	<b>Adverse</b>

- 2.3 **Chief Executive Office:** An adverse variance of £0.050m is forecast for 2022/23. There are risks relating to part of the saving associated with the Directorate which equate to £0.05m. This will be mitigated corporately through utilising remaining COVID-19 funding for employees within Comms and Marketing who continue to work on the COVID-19 response.
- 2.4 **Comms & Marketing:** A balanced position is reported for Quarter 1. The advertising and publicity budget has been reduced to contribute towards the overall savings for this Directorate. Advertising income was impacted by COVID-19 last financial year, and although the current year position is forecast as balanced there is a risk that the cost of living pressures will impact income generation in this area during the year as local businesses who typically use this service limit expenditure to essential items as costs rise.
- 2.5 **PAs/ Exec. Support:** A balanced position is reported for Quarter 1. One vacant post has been deleted to contribute towards the overall savings for this Directorate.



**TABLE 4: 2022/23 Chief Executive Office – Subjective Budget & Forecast Outturn**

	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Variance</b>		<b>Adverse/ Favourable</b>
			<b>(+ Fav / - Adv)</b>		
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	
Income	-321	-321	0	0%	Favourable
<b>Expenditure</b>					
Employee	1,953	2,003	-50	-3%	Adverse
Non Pay	154	154	0	0%	Favourable
Cost of Care	0	0	0	0%	Favourable
<b>Total Expenditure</b>	<b>2,107</b>	<b>2,157</b>	<b>-50</b>	<b>-2%</b>	<b>Adverse</b>
<b>Directorate Surplus / (Deficit)</b>	<b>1,786</b>	<b>1,836</b>	<b>-50</b>	<b>-3%</b>	<b>Adverse</b>

**Budget Virements**

2.6 There have been no budget virement in quarter 1

### 3. Children, Families and Education

- 3.1 As at the end of June 2022 (Quarter 1), the forecast outturn position Children, Families and Education is a favourable variance of £0.505m against a budget of £79.489m.
- 3.2 The service is expecting to maximise income/grant receipts and is forecasting receipts of £22.796m compared to budget of £19.882m, resulting in a favourable variance of £2.914m. Exceeding the income target is enabling investment in services whilst managing service cost pressures and demand arising during the year. This explains the adverse variances in employees £0.721m and non-pay £1.819m and have contributed to the reported position. The outturn position reflects delivery of most of the 2022/23 saving proposals.

**TABLE 5: 2022/23 Children, Families & Education-Service Budget & Forecast Outturn**

	Budget £000	Forecast Outturn £000	Variance (+ Fav / - Adv)		Adverse/ Favourable
			£000	%	
Children and Families	50,141	50,141	0	0%	
Early Help and Prevention	11,196	10,901	295	3%	Favourable
Modernisation and Support	4,930	4,692	238	5%	Favourable
Schools - Core	13,222	13,250	-28	0%	Adverse
<b>Directorate Surplus / (Deficit)</b>	<b>79,489</b>	<b>78,984</b>	<b>505</b>	<b>1%</b>	<b>Favourable</b>

- 3.3 **Children and Families:** The service is currently forecasting a balanced position but there exist underlying pressures that have arisen after the budgets were agreed and are being managed within the service. With reserves being used to contain cost of living increases in the fostering service and high-end residential placement. As some of underlying the pressures relate to cost of living /inflation, they have been included in the MTFP exercise for 2023/24.

The expenditure for this service includes £23.572m on care costs. Overall, performance data indicates that the Children Looked After (CLA) rate having been stable for a few years is now declining. This is as expected and is already included in the savings for the service. Whilst the overall number of children in care is reducing, the nature of CLA costs especially the mix across the range of placement settings can vary and future demand requirements could lead to further increase in costs. A young person in a residential placement could cost 20 times more than fostering. The latest update in the first quarter indicates that the more expensive residential placements have declined with in-house fostering increasing. This has enabled the service to remain within budget. This service also includes expenditure to support unaccompanied asylum seekers with grant income covering the associated costs.

**TABLE 6: Number of Children in Care**

Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22
825	823	825	821	819	814	795	786	770

- 3.4 **Early Help & Prevention:** A favourable forecast variance of £0.295m is reported for 2022/23. The Family Matters service aims to fully achieve the budgeted grant income and invest this in preventative services and are also expected to claim the full activity grant which is surplus income. This will be invested and contribute to social care activities during the course of the year. Further grant income in Contextual Safeguarding and Youth Offending Service and staff vacancies and grade point variations across the area Early Help also contribute to the favourable variance.
- 3.5 **Modernisation and Support:** A favourable variance of £0.238m is reported for 2022/23. The favourable variance is mainly due to staff being appointed to lower range of salary scale. Commissioned services are being reviewed to release efficiencies.
- 3.6 **Schools – core:** An adverse variance of £0.028m against a budget of £13.222m is reported for 2022/23. The adverse variance is due to:
- The Schools core service budget includes SEN Assessments which is forecast to be overspent by £0.108m; Educational Psychologists forecast overspend of £0.056m due to the increase assessment expenditure to address the EHCP backlog; Careers Education Information and Guidance is forecast to underspend by £0.130m which is due to ESF Positive Inclusion project where match funding for the year does not require full budget allocation; Teacher Retirement costs is forecast to underspend by £0.112m. This activity reflects on-going and one-off contractual payments relating to enhanced pension payments for ex-schools staff. The number of recipients is expected to reduce over time and a related reduction for 2022/23 has already been applied to the budget, and further reduction of budget is suggested for 2023/24.
  - Private Financing Initiative (PFI) - £0.061m adverse variance related to the non-operational site (former Kingsway High School). Although an additional pressure budget is allocated to the area and there are monthly refunds from the PFI supplier for the 'mothballing', there is a small gap due to contractual inflationary increases. Re-purposing of the school for other educational use is currently planned and it is expected to be operational by September 2022, however, not up to the full available pupil number capacity of the former school within this financial year
  - Schools Traded services is reporting an adverse variance of £0.044m due to the lack of income to cover the additional system costs' commitment. There is a small staffing variance from the Minority Ethnic Achievement Service

**TABLE 7: 2022/23 Children, Families & Education - Subjective Budget & Forecast Outturn**

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Income	-19,882	-22,796	2,914	-15%	Favourable
<b>Expenditure:</b>					
Employee	42,886	43,607	-721	-2%	Adverse
Non Pay	32,781	34,599	-	-6%	Adverse
Cost of Care	23,704	23,574	130	0%	Favourable
<b>Total Expenditure</b>	<b>99,371</b>	<b>101,780</b>	<b>-</b>	<b>-2%</b>	Adverse
<b>Directorate Surplus / (Deficit)</b>	<b>79,489</b>	<b>78,984</b>	<b>505</b>	<b>1%</b>	Favourable

### Budget Virements

3.7 There have been no budget virements requiring committee approval in quarter 1.

**TABLE 8: 2022/23 Children, Families and Education–Dedicated Schools Grant (DSG)**

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
<b>DSG Expenditure:</b>					
Schools Block	119,142	119,142	0	0%	Favourable
Schools Block De-delegated	1,820	1,820	0	0%	Favourable
Central School Services Block	2,120	2,120	0	0%	Favourable
High Needs	52,379	52,546	-167	0%	Adverse
Early Years	20,184	20,184	0	0%	Favourable
<b>Total Gross Surplus / (Deficit)</b>	<b>195,645</b>	<b>195,812</b>	<b>-167</b>	<b>0%</b>	<b>Adverse</b>
<b>DSG Income:</b>	-	-	-	-	
	195,355	-195,355	0	0%	Adverse
<b>Movement in DSG Reserve</b>					
	-290	-457	167	58%	
<b>Total Net Surplus / (Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	

- 3.8 A balanced position is forecasted for 2022/23 except High Needs block which shows an adverse forecast position of £0.167m. The adverse forecast variance is due to the planned changes in Special School and Base places from the new academic year to create additional capacity for children with Emotional & Mental Health (SEMH) needs and associated conditions, such as Autistic Spectrum Disorder (ASD).
- 3.9 **DSG income:** Dedicated Schools Grant amount has been adjusted to reflect the academy recoupment as the budget is directly passported to academies from Department of Education.
- 3.10 At the end of 2021/22, the DSG deficit was £1.690m, and it is forecasted to be £2.147m at the end of 2022/23 due to the pressure from High Needs block. It should be noted, there is a risk that the deficit may have to be included in the Council's overall reserves as the statutory override that separated DSG deficits from the authority's wider finances is due to expire at the end of 2022/23.

## 4 Law & Governance

- 4.1 As at the end of June 2022 (Quarter 1), the forecast outturn position for Law and Governance is a small favourable variance of £0.037m against a budget of £5.821m.
- 4.2 The Law and Governance Directorate is reporting minor variances across its services at Quarter 1

**TABLE 9: 2022/23 Law & Governance – Service Budget & Forecast Outturn**

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Law & Governance (Corporate)	319	319	0	0%	
Legal Services	3,214	3,168	46	1%	Favourable
Democratic & Member Services	1,436	1,386	50	3%	Favourable
Coroner Services	730	757	-27	-4%	Adverse
Electoral Services	440	469	-29	-7%	Adverse
Registrar Services	-186	-201	15	-8%	Favourable
Licensing	-132	-114	-18	14%	Adverse
<b>Directorate Surplus / (Deficit)</b>	<b>5,821</b>	<b>5,784</b>	<b>37</b>	<b>1%</b>	<b>Favourable</b>

- 4.3 **Law & Governance:** A breakeven position is forecast for 2022/23.
- 4.4 **Legal Services:** A small favourable variance of £0.046m is forecast 2022/23.
- 4.5 **Democratic & Member Services:** A small favourable variance of £0.050m is forecast for 2022/23.
- 4.6 **Coroner Services:** A small adverse variance of £0.027m is forecast for 2022/23.
- 4.7 **Electoral Services:** A small adverse variance of £0.029m is forecast for 2022/23.
- 4.8 **Registrars Services:** A small favourable variance of £0.015m is forecast for 2022/23.
- 4.9 **Licensing:** A small adverse variance of £0.018m is forecast for 2022/23.

**TABLE 10: 2022/23 Law & Governance – Subjective Budget & Forecast Outturn**

	Budget £000	Forecast Outturn £000	Variance (+ Fav / - Adv)		Adverse/ Favourable
			£000	%	
Income	-1,978	-1,945	-33	2%	Adverse
<b>Expenditure</b>					
Employee	4,172	4,430	-258	-6%	Adverse
Non Pay	3,627	3,299	328	9%	Favourable
<b>Total Expenditure</b>	<b>7,799</b>	<b>7,729</b>	<b>70</b>	<b>1%</b>	<b>Favourable</b>
<b>Directorate Surplus / (Deficit)</b>	<b>5,821</b>	<b>5,784</b>	<b>37</b>	<b>1%</b>	<b>Favourable</b>

**Budget Virements**

4.10 There have been no budget virements requiring committee approval in quarter 1.

## 5 Neighbourhood Services

- 5.1 As at the end of June 2022 (Quarter 1), the forecast outturn position for the Neighbourhoods Directorate is £4.987m adverse against a budget of £46.189m.
- 5.2 The Directorate continues to recover from the impact of COVID-19 and all services that were operating in a limited capacity in 2021/22 have now reopened. However, income generation has not yet returned to pre pandemic levels in Quarter 1 due to footfall and usage in some areas being less than it was in 2019/20. In addition, the ongoing cost of living pressures have adversely impacted income generation and energy costs.
- 5.3 The 2022/23 Directorate budget consists of £5.26m relating to savings. Work commenced to achieve these savings following agreement at Budget Council in February. However, there are risks and pressures associated with some of these areas as income generation could be impacted by the cost of living pressures. There will also be additional ongoing pressures within some areas until the Community Asset Transfer (CAT) process is finalised.

**TABLE 11: 2022/23 Neighbourhoods – Service Budget & Forecast Outturn**

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
	£000	£000	(+ Fav / - Adv) £000	%	
Neighbourhoods Management Team	-6,359	-6,359	0	0%	
Community Safety and Transport	3,327	3,327	0	0%	
Highways and Infrastructure	5,211	6,346	-1,135	-22%	Adverse
Leisure, Libraries and Customer Engagement	7,904	10,752	-2,848	-36%	Adverse
Parks and Environment	36,106	37,110	-1,004	-3%	Adverse
<b>Directorate Surplus / (Deficit)</b>	<b>46,189</b>	<b>51,176</b>	<b>-4,987</b>	<b>-11%</b>	<b>Adverse</b>

- 5.4 **Neighbourhood Management Team:** A balanced position is forecast for 2022/23. This area comprises Neighbourhoods management costs.
- 5.5 **Community Safety and Transport** A balanced position is forecast for 2022/23. The team continue to be engaged in activities associated with the longer-term response to the pandemic, which include additional pressures within the Community Patrol team and as result are being funded from the carried forward planned COMF funding. In addition, some of the team are engaged in functions associated with the Community Safety Partnership and are being funded from the reserve for these activities. As this is temporary funding utilised in 2022/23 only, the ongoing impact of this is £0.096m which relates to lead in pressures associated with the savings within



this area. The service will be restructured before the start of 2023/24 to ensure there are no recurrent liabilities going into the new year.

- 5.6 **Highways and Infrastructure:** An adverse variance of £1.135m is forecast for 2022/23. This is made up of the following adverse variances:
- £0.571m relates to a shortfall in car parking income as ticket sales are approximately 75% of pre pandemic levels due to an increase in hybrid working and changes in customer behaviour.
  - £0.5m shortfall relates to Car Parking charges at new sites which has not yet been implemented, pending the strategic parking review.
  - Street Lighting adverse variance of £0.064m due to increases in energy costs. However, if the Authority had not invested in LED street lighting, then it is estimated energy bills would have been approximately 60% higher.
- 5.7 To mitigate this variance, several remedial actions have been identified and are being actioned. These are included in the Table 2, section 3.10 of the report above and in summary are:
- £0.572m use of the carried forward Covid tranche funding planned for the expected continuing reduction in car parking income due to lower than pre-pandemic levels of footfall. As this is one-off funding, plans are in development to fully mitigate any recurrent shortfall in 2023/24 and will be brought forward in that year.
  - There are mitigations of £0.05m relating to employee buy back of annual leave, with opportunities for further mitigation if employees choose to buy back a proportion of their leave in year.
- 5.8 **Leisure, Libraries and Customer Engagement:** An adverse variance of £2.848m is reported for 2022/23.
- 5.9 Sports and Recreation is forecasting a shortfall of £2.268m as it has still to see full recovery of membership and casual user numbers reduced as a consequence of the pandemic. Overall footfall is approximately 75% of 2019/20 levels which has adversely impacted income generation. This level of reduced recovery rate is consistent with national averages however the closure of two operational Leisure sites at Woodchurch and Wirral Tennis and Sports Centre, and two eighteen-hole golf courses will have had an effect on overall user numbers, as will the closure of the Europa Leisure Pool. Challenges around reopening of some facilities within selected sites, coupled with recruitment and retention of staff have also been a factor. This position reflects the worst-case scenario assuming no further recovery in membership and casual usage levels in 2022/23. It was expected at the start of the year that income would not fully recover to pre pandemic levels and as such a £0.5m income contingency budget was set aside. Until the year continues, it will not be fully known what the level of recovery will be as it is anticipated that footfall will increase as the year goes on, as it did in 2021/22. However, it is expected that the full £0.5m will be required in-year. If it appears that recovery will not be back to pre-pandemic levels going into 2023/24 then the value of the Leisure expenditure will have to be decreased to ensure there is not a recurrent pressure going forward. This will be considered as part of the 2023/24 budget proposals.

5.10 There is also a risk that the ongoing cost of living pressures will impact income generation and achievement of savings where service users choose not to renew or subscribe to leisure memberships in order to save money or spend on more important essentials. Furthermore, the service faces pressures associated with energy price increases and a rise in general costs due to increasing inflation. The service will review all expenditure with a view to reducing or stopping non-urgent expenditure to mitigate the risk of further lost income. To seek to compensate for these challenges, the service is looking to maximise income generation and the identification of new opportunities as follows:

- Memberships & Income – A drive on usage and memberships including bespoke offers at appropriate sites such as the new Europa Gym, and the introduction of offers for targeted groups such as new corporate rates of membership for social care workers.
- Golf – the successful closure of two eighteen-hole golf courses together with price and membership remodelling has seen the anticipated transition of players to our two remaining sites at Arroe Park (predominantly) and the Warrens – successfully reducing cost while increasing income.
- Introduction of activities aimed at children and young people such as summer holiday camps and pool based inflatables at selected sites to improve income generation
- Strong marketing and promotion of the service and of the new “Active Wirral” brand and additional leisure offers to demonstrate attractive rates and benefits compared to competitor offers.
- Seeking out new income pathways aligned to corporate outcomes to improve health and wellbeing such as funding from Health, Social Care and third sector partner organisations
- Introduction of pool covers at pool passed sites to improve energy conservation
- Working with national sporting governing bodies such as the Football Association and Lawn Tennis Association to identify and introduce delivery models that generate income and reduce cost for example the new 3G pitch builds / new operating model for tennis at Wirral Tennis & Sports Centre, and the introduction of wider offers for children and young people through soft play and interactive activity.

5.11 As part of the 2022/23 budget savings, some assets were recommended by Members to be available for Community Asset Transfer (CAT) as an amendment to the budget. Within leisure, it was agreed that demolition of Woodchurch Leisure centre will not be progressed whilst a process is undergone to consider the feasibility of any expressions of interest submitted to the Council from community groups. As a result of this, although the centre remains closed, there are asset holding costs associated with the centre for which no mitigation was put forward at the time of the amendment. The consequence of this is that £0.2m costs will be incurred that were not factored into the budget. The Directorate is looking at ways that this can be mitigated but with other significant pressure risks resulting from increasing inflation and the cost of living pressures, it may be unlikely that these costs can be mitigated. If this is the case, a bid will need to be made from the £3m contingency for non-achieved savings at the end of the year.

- 5.12 Floral Pavilion is currently forecast as balanced at Quarter 1. However, there are risks associated with some savings within this area due to the ongoing cost of living pressures. This could negatively impact income generation within the area. As a result, the Directorate is taking urgent action as to how this risk can be mitigated to ensure that if it materialises, costs will be reduced to ensure the budget can still be balanced.
- 5.13 As part of the 2022/23 budget savings, some library assets were recommended by Members to be available for CAT as an amendment to the budget. Members agreed that some libraries would remain open until November to enable a potential CAT. As a result of this savings will only be achievable from November, resulting in £0.380m of the total saving not being achieved in-year. In addition, there may be some decommissioning costs following closure of the libraries on 1 November that has also not been budgeted. As with the leisure CAT, the Directorate is looking at ways that this can be mitigated but with other significant pressure risks resulting from increasing inflation and the cost of living pressures, it may be unlikely that these costs can be mitigated. If this is the case, a bid will need to be made from the £3m contingency for non-achieved savings at the end of the year.
- 5.14 **Parks & Environment:** An adverse variance of £1.004m is forecast for 2022/23. £0.965m is due to overall increases in the waste contract, which is linked to rises in inflation and the Consumer Price Index (CPI) rate. Negotiations are taking place with the contractor to determine whether any reductions can be sought, but as the impact of national economic situation does not seem to be dissipating, a wholesale review of council priorities will need to take place to minimise the impact on the budget.
- 5.15 In addition, there is a shortfall in income relating to enforcement for fines associated with litter and dog fouling. The service is seeking to mitigate this through continuing negotiations with the contractors.
- 5.16 Parks and Tree Management is forecasting an adverse variance of £0.161m. This is due to inflationary increases and contract costs. This is mitigated in part through utilising the remaining reserve relating to this area. The service will aim to mitigate the remaining adverse variance through maximising income generating opportunities and reviewing expenditure on planned preventative maintenance and through favourable variances relating to Regulatory Services.
- 5.17 Regulatory Services is reporting a favourable variance of £0.122m. This is due to employees, as the service has faced challenges in recruiting and retaining staff due to current market demand. Some employee costs are funded through COVID-19 grants as they continue to complete work on the outgoing COVID-19 response. This funding will end during this year and will not present any recurrent pressures into 2023/24.

**TABLE 12: 2022/23 Neighbourhoods – Subjective Budget & Forecast Outturn**

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Income	-38,537	-37,143	-1,394	4%	Adverse
<b>Expenditure:</b>					
Employee	31,342	31,694	-352	-1%	Adverse
Non Pay	53,384	56,625	-3,241	-6%	Adverse
<b>Total Expenditure</b>	<b>84,726</b>	<b>88,319</b>	<b>-3,593</b>	<b>-4%</b>	Adverse
<b>Directorate Surplus / (Deficit)</b>	<b>46,189</b>	<b>51,176</b>	<b>-4,987</b>	<b>-11%</b>	Adverse

**Budget Virements**

5.18 There have been no budget virements requiring committee approval in quarter 1.

## 6 Regeneration & Place

6.1 As at the end of June 2022 (Quarter 1), the year-end position for Regeneration & Place is on budget of £37.435m

**TABLE 13: 2022/23 Regeneration and Place – Service Budget & Forecast Outturn**

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
			£000	£000	
Regeneration	24,614	24,491	123	0%	Favourable
Housing	6,540	6,528	12	0%	Favourable
Asset Management & Investment	4,693	4,735	-42	-1%	Adverse
Planning	1,074	1,170	-96	-9%	Adverse
Special Projects	114	111	3	3%	Favourable
Local Plan	400	400	0	0%	
<b>Directorate Surplus / (Deficit)</b>	<b>37,435</b>	<b>37,435</b>	<b>0</b>	<b>0%</b>	

6.2 **Regeneration:** A favourable variance of £0.123m is forecast for 2022/23. Whilst the new staffing structure that will help deliver the major regeneration projects is being recruited to, temporary interim staff are helping to ensure grant funding bids are achieved and that projects continue to be delivered. This includes capitalisation of staff who are supporting the delivery of assets of 1.3m (against a savings target of 1.4m) and the planned use of the Regeneration reserve (665k) to help fund the cost of regeneration in year. Work on the Regeneration Financial Strategy is underway which will include the potential funding required and planned resolutions to deliver the regeneration programme over the long term to ensure this does not present a recurrent pressure on the budget .

6.3 **Housing:** A break-even position is reported for 2022/23.

6.4 **Asset Management & Investment:** An adverse variance of £0.042m is forecast for 2022/23. Income pressures of over £0.7m exist across the rental accommodation within Birkenhead, with forecast income being at 50% of budgeted income targets, principally at Europa House (£0.4m), Birkenhead Market (£0.3m). These are partially offset with reduced spend on unoccupied buildings, with reduced maintenance costs (£0.3m) and a reduction in running costs (£0.3m), although this remains volatile as some buildings become operational increasing these costs and any newly vacated buildings transferring into Assets require holding costs.

6.5 **Planning:** An adverse variance of £0.096m is forecast for 2022/23, principally due to the rising costs of the MEAS (Merseyside Environmental Advisory Service ) contract. This is being managed and mitigated by other areas of underspend within the Directorate.

6.6 **Special Projects:** A break-even position is reported for 2022/23.

6.7 **Local Plan:** A break-even position is reported for 2022/23, with the planned utilisation of available reserves of £366k in support of developing the local plan.

**TABLE 14: 2022/23 Regeneration and Place – Subjective Budget & Forecast Outturn**

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Income	-13,554	-11,639	-1,915	14%	Adverse
<b>Expenditure:</b>					
Employee	13,582	13,752	-170	-1%	Adverse
Non Pay	37,407	35,322	2,085	6%	Favourable
<b>Total Expenditure</b>	<b>50,989</b>	<b>49,074</b>	<b>1,915</b>	<b>4%</b>	Favourable
<b>Directorate Surplus / (Deficit)</b>	<b>37,435</b>	<b>37,435</b>	<b>0</b>	<b>0%</b>	

#### **Budget Virements**

6.8 There have been no budget virements requiring committee approval in quarter 1.

## 7. Resources

7.1 As at the end of June 2022 (Quarter 1), the forecast year end position for Resources is an adverse variance of £0.644m against a budget of £45.008m.

**TABLE 15: 2022/23 Resources– Service Budget & Forecast Outturn**

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
	£000	£000	(+ Fav / - Adv)		
			£000	%	
Finance & Investment	23,147	23,200	-53	0%	Adverse
HR & OD and Payroll	3,788	3,793	-5	0%	Adverse
Digital & Improvement	7,565	8,148	-583	-8%	Adverse
Revenues & Benefits	2,297	2,300	-3	0%	Adverse
Audit, Risk & Business Continuity	537	537	0	0%	
Strategic Change	7,674	7,674	0	0%	
<b>Directorate Surplus / (Deficit)</b>	<b>45,008</b>	<b>45,652</b>	<b>-644</b>	<b>-1%</b>	<b>Adverse</b>

7.2 **Finance & Investment:** An adverse forecast variance of £0.053m is reported for 2022/23.

7.3 **HR & OD:** minor adverse forecast variance of £0.005m is reported for 2022/23.

7.4 **Digital & Improvement:** An adverse forecast variance of £0.583m is reported for 2022/23. This is due to a number of contracts with schools that they have not renewed, resulting in a loss of income. Printing Services continue to lose revenue as the Council moves towards more Digital ways of working. A programme of work has commenced to review the schools traded service and the printing service, both of which are not financially sustainable. This will be reported to the Committee in 2022/23 with options to remove the deficit and mitigate any future years' pressure.

7.5 As part of the Strategic Change Programme, a service review of Digital and Improvement has commenced which will determine whether the service is as lean as it can be by undertaking a zero based budget exercise and an assessment of the current establishment. All ICT expenditure has been centralised in 22/23 and the evaluation of this may create savings from economies of scale. The digital transformation reserve will also provide invest to save opportunities.

7.6 **Revenues & Benefits:** A small adverse forecast variance of £0.003m in the operational budget is reported for 2022/23. There is a £3m annual shortfall in receipts of subsidy received from central government in respect of housing benefit payments. This is countrywide phenomenon and not a Wirral specific issue. This mainly relates to the following areas: Supported and Specified Accommodation, Homelessness accommodation provision and Housing Benefits Overpayments. This can be mitigated significantly against this shortfall with collections of Housing

Benefits overpayments and investigations are ongoing in examining further mitigations from other connected income sources from within the council.

- 7.7 **Audit, Risk and Business Continuity:** A breakeven forecast position is reported for 2022/23.
- 7.8 **Strategic Change:** A breakeven forecast position is reported for 2022/23.



**TABLE 16: 2022/23 Resources – Subjective Budget & Forecast Outturn**

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Income	-97,494	-95,715	-1,779	2%	Adverse
<b>Expenditure</b>					
Employee	27,119	27,174	-55	0%	Adverse
Non Pay	115,383	114,193	1,190	1%	Favourable
<b>Total Expenditure</b>	<b>142,502</b>	<b>141,367</b>	<b>1,135</b>	<b>1%</b>	<b>Favourable</b>
<b>Directorate Surplus / (Deficit)</b>	<b>45,008</b>	<b>45,652</b>	<b>-644</b>	<b>-1%</b>	<b>Adverse</b>

**Budget Virements**

7.9 There have been no budget virements requiring committee approval in quarter 1.

## Appendix 2 - Progress on the delivery of the 2022/23 saving programme

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
<b>Adults Care &amp; Health</b>							
Adult Care & Health demand mitigations	£3.890m	£3.890m	£0.000m	£0.000m	£0.000m	On target to be achieved. Adult Care and Health work closely with both NHS Wirral Community Health and Care Foundation Trust (WCHFT) and Cheshire and Wirral NHS Partnership Trust (CWP) to achieve the savings target set each year. The Trusts have been informed of the 2022/23 target and regular meetings are set up to discuss their approach and progress throughout the year. They are currently progressing well and a further £0.4m of savings has been identified by the Trusts but is yet to be validated.	£0.196m
<b>Total Adult Care &amp; Health</b>	<b>£3.890m</b>	<b>£3.890m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£0.000m</b>		<b>£0.196m</b>

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
<b>Chief Executive Office</b>							
Service Redesign	£0.110m	£0.060m	£0.050m	£0.000m	£0.050m	Savings have been identified through deletion of vacant post and reduction marketing budget. Mitigation to be achieved as some employees have been seconded to work on the COVID-19 response and funded through Contain Outbreak Management Fund (COMF). Savings achieved to date relate to a reduction in the marketing budget and removal of one vacant post	£0.060m
<b>Total Chief Exec Office</b>	<b>£0.110m</b>	<b>£0.060m</b>	<b>£0.050m</b>	<b>£0.000m</b>	<b>£0.050m</b>		<b>£0.060m</b>

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
<b>Children Families &amp; Education</b>							
Reduction of Historic Teacher's Pensions Costs	£0.200m	£0.200m	£0.000m	£0.000m	£0.000m	Saving is fully achieved. This historic commitment reduces year on year as the cohort ages, budget has been reduced accordingly.	£0.200m
Alternative Accommodation Provision for Children Looked After	£1.000m	£1.000m	£0.000m	£0.000m	£0.000m	Has some risks as is dependent on delivery of new accommodation and identifying / matching young people to places. A reserve was established at the end of 2021/22 of £470k to mitigate any potential non-achievement and will be used in 22/23. New accommodation are currently forecast to come on-stream as planned.	£0.100m
Utilisation of demand reserve for COVID pressures	£0.467m	£0.467m	£0.000m	£0.000m	£0.000m	Saving is fully achieved. Reserve has been drawdown and utilised.	£0.467m
Children's Services Redesign and posts deletion/closure	£0.294m	£0.294m	£0.000m	£0.000m	£0.000m	On target to be achieved. Redesign has been completed and posts deleted.	£0.290m

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
Reduction in adoption orders	£0.050m	£0.000m	£0.050m	£0.000m	£0.050m	Approved saving has been delayed but will be achieved 2023/24. The saving was to be found by a reduction in Wirral's Adoption in Merseyside (AIM) budget allocation due to falling numbers of adoption placements, as a historic backlog has been cleared. Whilst some of this has come through in 2022/23, the full impact is expected to occur in 2023/24. An update from in-year monitoring is that an underspend is being forecast for the Service Level Agreement (unrelated to placements). This will mitigate / offset the impact of the budgetary saving not being implemented as originally planned. The savings are expected to be delivered by underspend in AIM during the year and Wirral's contribution to AIM budget being reduced in 2023/24.	£0.000m
Reduction in Looked After Children (LAC) numbers	£0.564m	£0.564m	£0.000m	£0.000m	£0.000m	On target to be achieved. Headline rate of LAC has been falling. The number of leaving care remain as expected and should deliver the savings	£0.100m
Review of Youth Offending Service (YOS)	£0.025m	£0.025m	£0.000m	£0.000m	£0.000m	Saving is fully achieved. Service has been redesigned and saving achieved.	£0.025m

<b>Saving Proposal</b>	<b>Approved Saving</b>	<b>Green</b>	<b>Amber</b>	<b>Red</b>	<b>Mitigation</b>	<b>Comment</b>	<b>Actual Savings Delivered to Date</b>
Special Educational Needs (SEND) Transport Review	£0.150m	£0.150m	£0.000m	£0.000m	£0.000m	On target to be achieved by meeting the needs of young people in a more flexible manner. Working with families and young people to reconfigure services.	£0.010m
Increase funding for placements from CCG and SEND	£0.200m	£0.200m	£0.000m	£0.000m	£0.000m	On target to be achieved. There are ongoing discussions for funding from health partners. Wirral has been successful in bidding for capital funding for valuing care residential which is included in the accommodation strategy savings. We expect Health contribution towards the funding of the unit. A more detailed focus on individual placements is also increasing funding where appropriate. With joint funding 50% contribution agreed for a recent high cost placement.	£0.000m
Redesign of Youth Offer	£0.200m	£0.200m	£0.000m	£0.000m	£0.000m	Saving is fully achieved. Youth redesign is implemented and saving delivered.	£0.200m
<b>Total Children Families &amp; Education</b>	<b>£3.150m</b>	<b>£3.100m</b>	<b>£0.050m</b>	<b>£0.000m</b>	<b>£0.050m</b>		<b>£1.392m</b>

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
<b>Law and Governance</b>							
Capitalisation of salaries	£0.200m	£0.200m	£0.000m	£0.000m	£0.000m	Ongoing monitoring of eligible costs for capitalisation indicates that from time recording, the saving will be fully met by capitalising salaries against projects.	£0.000m
Removal of individual ward member budgets	£0.184m	£0.184m	£0.000m	£0.000m	£0.000m	Saving is fully achieved by reducing the individual ward member budgets. Reported as fully achieved, as straight reduction in the budget.	£0.184m
Reduction in the Number of Committees	£0.150m	£0.150m	£0.000m	£0.000m	£0.000m	Saving is fully achieved as straight reduction in the budget and posts have been removed.	£0.125m
Whole Council Elections	£0.125m	£0.125m	£0.000m	£0.000m	£0.000m	Saving is fully achieved. Budget has been removed with a contribution to reserve each year to smooth the effective of the four yearly elections and any by-elections.	£0.125m
<b>Total Law &amp; Governance</b>	<b>£0.659m</b>	<b>£0.659m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£0.000m</b>		<b>£0.434m</b>

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
<b>Neighbourhood Services</b>							
Highways Operational Services - Income Exploration	£0.030m	£0.030m	£0.000m	£0.000m	£0.000m	On target to be achieved. No actual savings achieved to date, as due to income trends it will not be clear how much of this saving has been delivered until the end of the financial year and will be monitored monthly	£0.000m
Closure of Europa Fun/Leisure Pool & Enhanced Gym Offer	£0.266m	£0.266m	£0.000m	£0.000m	£0.000m	Fun Pool has remained closed since March 2020, therefore this saving is expected to be fully achieved. A new staffing structure was put in place last financial year to reflect the reduced costs associated with running a gym in place of the fun pool.	£0.020m
Catering Pod at Leasowe Leisure Centre for Football Traffic	£0.021m	£0.021m	£0.000m	£0.000m	£0.000m	Catering pod has been purchased and located at Leasowe. It will be ready to start trading in time for the summer trade and football season when income generation opportunities will be greatest.	£0.000m



Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
Fleet efficiencies in Transport - going green	£0.020m	£0.000m	£0.020m	£0.000m	£0.020m	This saving will be achieved through appointing an independent expert to advise on fuel economy, vehicle choice and mileage reduction strategies. There is a risk associated with this saving due to the cost of living increases which have impacted fuel bills. Mitigation to be achieved through opportunities that have arisen since April 2022 in relation to a review of the transport fleet and sale of vehicles which are no longer required.	£0.000m
Capitalisation of Highways salaries	£0.015m	£0.015m	£0.000m	£0.000m	£0.000m	On target to be achieved. No actual savings achieved to date. Approximately £0.225m of costs have been identified to date relating to employees currently working on capital projects.	£0.005m

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
Highways maintenance Contracts	£0.025m	£0.000m	£0.025m	£0.000m	£0.025m	This saving is flagged as "At Risk" as contract renegotiation is still being finalised and could be negatively impacted by inflation increases that were not foreseen when the saving was agreed. Mitigation to be achieved through opportunities that have arisen since April 2022. This includes part year vacant posts and a review of employee timesheets to establish whether some costs can be allocated to specific capital schemes. No actual savings achieved to date, as contracts will not be agreed until later in the year.	£0.000m
Street Lighting Service Savings	£0.050m	£0.050m	£0.00m	£0.000m	£0.000m	On target to be achieved. No actual savings achieved to date as this expenditure usually occurs in the winter months and relates to street light inspectors employed to check lights to ensure they are working correctly	£0.000m
Car park maintenance 1 year budget reduction	£0.050m	£0.050m	£0.000m	£0.000m	£0.000m	On target to be achieved but noting the ongoing risk of potential maintenance works if a Health and Safety issue is identified in year that was not foreseen at the time the savings was approved. Maintenance spend will be reduced this year as expenditure will only be incurred for essential works.	£0.000m

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
Eco and Forest School Income	£0.020m	£0.000m	£0.020m	£0.000m	£0.020m	Saving is classified as "At Risk" as opportunities for income generation are still being finalised. Mitigation will be achieved through a current vacancy within the Forest Schools service whilst work continues to generate the income associated with this saving.	£0.000m
Tree management Team Commercial Offer	£0.025m	£0.000m	£0.025m	£0.000m	£0.025m	Saving is classified as "At Risk" as due to the unforeseen departure of the Tree Manager, delays have been encountered to progress the saving meaning the service had to put temporary cover in to complete this project. Mitigation will be achieved through a vacant Tree Manager post whilst work continues to generate the income associated with this saving. Work is commencing in July to explore options for income generation within this area	£0.000m

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
Rent of Café - Royden	£0.010m	£0.010m	£0.000m	£0.000m	£0.000m	This saving will not be achieved as rental income as this was not deemed viable given the recent review of the condition of the café. Refurbishment of the café is currently underway and will open from August as an in-house offer and is expected to generate the savings target of £0.010m this year.	£0.000m
Income increase on allotments	£0.050m	£0.050m	£0.000m	£0.000m	£0.000m	On target to be achieved. This saving is based on a price increase from £74 to £120 for a full plot and from £40 to £60 for a half plot. Customers have been notified of price changes. No actual savings achieved to date, as renewals are not due until October and no significant drop in non-renewals are expected	£0.000m

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
Increase in charges for Waste and Environmental services.	£0.462m	£0.462m	£0.000m	£0.000m	£0.000m	Garden waste prices have been increased from 01/04/22. Garden Waste subscriptions are ahead of profile as at the end of May and are expected to achieve at least 40,000 subscribers by the end of July. No actual savings achieved to date, as residents are in the process of re subscribing to the garden waste service during the summer months.	£0.000m
Removal of Vacancies in Environmental and Waste team	£0.100m	£0.100m	£0.000m	£0.000m	£0.000m	Saving is fully achieved as straight reduction in the budget for vacant posts which have been deleted	£0.100m
Suspension of Climate Emergency Initiatives	£0.125m	£0.125m	£0.000m	£0.000m	£0.000m	Saving is fully achieved as straight reduction in the budget. The team will use capital funding to meet additional requirements during the year	£0.125m
Remodelling of Street Cleansing: Plus special events	£0.214m	£0.214m	£0.000m	£0.000m	£0.000m	Saving is fully achieved as this relates to a removal of the permanent presence service and renegotiation of the contract with Biffa	£0.214m

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
Review of overtime budget in Parks	£0.015m	£0.015m	£0.000m	£0.000m	£0.000m	Saving is fully achieved as straight reduction in the budget to reflect reduced requirements	£0.015m
Reduce grass cutting from 10 to 8 cuts	£0.100m	£0.100m	£0.000m	£0.000m	£0.000m	Saving is fully achieved as fewer seasonal staff have been recruited in line with the budget available	£0.100m
Cease community firework displays	£0.030m	£0.030m	£0.000m	£0.000m	£0.000m	Saving is fully achieved as straight reduction in the budget. Firework displays will not take place this year	£0.030m
Income Strategy - Cemeteries and crematorium service	£0.053m	£0.053m	£0.000m	£0.000m	£0.000m	On target to be achieved. The saving is based upon price increases benchmarked against other Local Authorities and the price changes came into effect from April 2022. No actual savings achieved to date, as due to income trends it will not be clear how much of this saving has been delivered until the end of the financial year. Income projections are currently on track and are being monitored monthly	£0.000m

<b>Saving Proposal</b>	<b>Approved Saving</b>	<b>Green</b>	<b>Amber</b>	<b>Red</b>	<b>Mitigation</b>	<b>Comment</b>	<b>Actual Savings Delivered to Date</b>
Fund ASB Post from PCC grant	£0.050m	£0.050m	£0.000m	£0.000m	£0.000m	Saving is fully achieved as funding has been changed from revenue budget to PCC grant funding.	£0.050m
Review Engagement Officer secondment	£0.035m	£0.035m	£0.000m	£0.000m	£0.000m	Saving is fully achieved. Post is now vacant and has been deleted.	£0.035m
Introduce Overnight Camper Van Parking Charge in New Brighton	£0.035m	£0.035m	£0.000m	£0.000m	£0.000m	Saving is expected to be fully achieved and scheme will be ready to commence from end of July. No actual savings achieved to date, as this scheme will be in place from the end of July 2022 which will enable income to be collected during the summer.	£0.000m
Deletion of Vacant Posts	£0.302m	£0.302m	£0.000m	£0.000m	£0.000m	Saving is fully achieved as straight reduction in the budget for vacant posts which have been deleted	£0.302m
Reduction in budget for office related expenditure	£0.023m	£0.023m	£0.000m	£0.000m	£0.000m	Saving is fully achieved as straight reduction in the budget to reflect reduced requirements	£0.023m

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
Review of Leisure service	£0.178m	£0.130m	£0.048m	£0.000m	£0.048m	A new management structure has been designed but is delayed until later in Quarter 2 due to consultation and notice periods. Mitigation to be achieved through part year vacant posts and a review repairs and maintenance to ensure only essential work relating to Leisure Centres is carried out. No actual saving achieved to date as proposal for new management structure is still in initial stages	£0.000m



Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
Increase catering across all Leisure Sites	£0.060m	£0.040m	£0.020m	£0.000m	£0.020m	Introduction of new rotas which are more efficient will reduce spending and an increase income generation at the remaining sites. There is a risk that the continuing cost of living increases will impact income. Mitigation to be achieved through part year vacant posts and a review repairs and maintenance to ensure only essential work relating to Leisure Centres is carried out.	£0.000m

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
Outdoor Water Sports Offer at West Kirby Marine Lake	£0.015m	£0.000m	£0.015m	£0.000m	£0.015m	Visitors, footfall and income at the site may have been negatively impacted by cost of living and may put the saving at risk. No actual savings achieved to date, it will not be clear how much of this saving has been delivered until after the summer period.	£0.000m

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
Temporary Closure and Remodelling of Bidston Tennis Centre	£0.114m	£0.114m	£0.000m	£0.000m	£0.000m	On target to be achieved. No actual savings achieved to date as some employees are still working their notice periods/awaiting redeployment in Q1 and there are ongoing costs associated with the site in relation to the building and security. On 16/06/22 Tourism, Communities, Culture and Leisure Committee agreed that the Authority would work in partnership with the Lawn Tennis Association to run this site and options relating to cost and income contributions are being finalised which will mean this saving is fully achieved.	£0.000m

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
Review of Golf Offer	£0.328m	£0.153m	£0.175m	£0.000m	£0.175m	Prices have been increased from April 2022 and sites linked to this saving have closed. There are some lead in pressures associated with this saving as some employees work notice periods and await redeployment. The consultation responses were presented to the TCCL Committee in June, and closure of sites were formally agreed resulting in notice for staff being issued. Mitigation to be achieved through part year vacant posts and a review repairs and maintenance to ensure only essential work relating to golf courses is carried out. No actual savings reported as achieved to date, as the majority of income will be realised over the summer. As at Q1 approximately £0.082m additional income has been achieved due to retention rates with customers transferring to Arrowe Park and Warrens.	£0.000m

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
Exercise referral programme	£0.100m	£0.080m	£0.020m	£0.000m	£0.020m	The service is working with health partners to achieve this saving. However, agreement could not be reached until after 1st July. It was announced in April 2022 that the Weight Management grant had been discontinued which was not foreseen when the budget was set. There is a risk this could impact income generation associated with this saving. Mitigation will be achieved through new grant applications as opportunities arise throughout the year.	£0.000m

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
Floral pavilion - plans to reduce subsidy	£0.350m	£0.150m	£0.200m	£0.000m	£0.200m	Income generating opportunities could be impacted by increases in the cost of living which was unforeseen at the time the saving was approved and may cause delays in fully implementing this proposal. Mitigation to be achieved through part year vacant posts and a review repairs and maintenance to ensure only essential work relating to the Theatre is carried out. No actual savings achieved to date, as most of the income associated with this service relates to the annual pantomime and does not materialise until Quarter 3.	£0.000m
Transport efficiencies	£0.070m	£0.040m	£0.030m	£0.000m	£0.030m	It was expected that savings would not be achieved in Quarter 1, due to consultation periods and the requirement for employees to work notice periods. Mitigation to be achieved through a review of the transport fleet and sale of vehicles which are no longer required. This will create one off income generation opportunities to assist in mitigating the saving this year. No actual savings achieved to date as employees associated with this saving are still in post	£0.000m

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
Reduction in Community Patrol Service	£0.150m	£0.100m	£0.050m	£0.000m	£0.050m	It was expected that savings would not be achieved in Quarter 1, due to consultation periods and the requirement for employees to work notice periods. Mitigation to be achieved through one off use of remaining COVID-19 funding for staff who continued to work on COVID-19 activities during Q1 Agreement as to what is available from remaining COMF (Contain Outbreak Management Fund) grant is still being finalised and will be reported at Q2.	£0.000m
Cessation of Constituency Team and Remodelling of Section	£0.346m	£0.300m	£0.046m	£0.000m	£0.046m	It was expected that savings would not be achieved in from Quarter 1, due to consultation periods and the requirement for employees to work notice periods. Mitigation to be achieved through one off use of Community Safety Partnership Reserve. No actual savings achieved to date, as staff were working notice periods in the first 2 months whilst the restructure was put in place. Employees have commenced in new posts from Jun-22, so actual savings delivered will be reported from Jun-22 onwards	£0.000m

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
Review of Neighbourhoods Service Directorate	£0.360m	£0.110m	£0.250m	£0.000m	£0.250m	Delay in commencing whilst EVR/VS requests are considered in line with the new requirements for the service and links with other service reviews and consultations. Mitigation to be achieved through part year vacant posts and through employee buy back of annual leave. No actual savings achieved to date, until outcome of EVR/VS requests are considered and employees finish working notice periods	£0.000m
Permanent Closure and Demolition of Woodchurch Leisure Centre	£0.402m	£0.202m	£0.000m	£0.200m	£0.000m	As full Council agreed to keep the centre open until September to explore the opportunities for Community Asset Transfer, holding costs are being incurred that were not forecast, resulting in the full saving now being unachievable. If alternative savings cannot be found in year, a bid will be made to the contingency budget for non-achievement of savings at the end of the year No actual savings recorded to date until outcome of CAT is known, and some employees are still working their notice periods/awaiting redeployment during Q1.	£0.050m



Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
Reprovision of the Library Service	£0.652m	£0.272m	£0.000m	£0.380m	£0.000m	Due to the agreement by Council to delay the closure of the libraries in scope until 1 November due to CAT opportunities, it was agreed that if mitigating savings could not be found in-year as a result of the delay, then a bid would be made to access monies from the £3m contingency pot to offset costs at the end of the year. Actual savings will not be achieved until 1 November when the libraries will be closed.	£0.000m
<b>Total Neighbourhood Services</b>	<b>£5.251m</b>	<b>£3.727m</b>	<b>£0.944m</b>	<b>£0.580m</b>	<b>£0.944m</b>		<b>£1.069m</b>

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
<b>Regeneration &amp; Place</b>							
Cease support for Community Alarms	£0.200m	£0.200m	£0.000m	£0.000m	£0.000m	On target to be achieved. Contracts due to end in-year so will deliver saving from Q2 onwards. Full saving will be achieved as lead time to deliver was built into saving	£0.000m
Reconfiguration of Commissioned Homelessness accommodation	£0.115m	£0.115m	£0.000m	£0.000m	£0.000m	On target to be achieved. Contracts changes due in-year so will deliver saving from Q2 onwards. Full saving will be achieved as lead time to deliver was built into saving	£0.000m
The Closure Public Conveniences	£0.050m	£0.050m	£0.000m	£0.000m	£0.000m	On target to be achieved. Actual saving achieved to date is from a vacant post, with remaining savings to be delivered over rest of year	£0.025m
Corporate buildings - holding costs	£0.050m	£0.050m	£0.000m	£0.000m	£0.000m	On target to be achieved. No actual savings achieved to date but forecasts will be made at the end of Q1. Full savings will not be known until year end when all building costs are in but buildings remain closed so there is no reason the saving will not be achieved	£0.000m

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
Capitalisation of Regeneration Staff Salaries	£1.423m	£1.335m	£0.088m	£0.000m	£0.088m	Continued review with expectations of the saving being achieved at 94%. Potential for additional project management funding to be available from new grants during the year which will mitigate the shortfall. Vacancy management will also support mitigation with the imminent departure of the Director. Timesheets being produced and a line by line review is being undertaken to ensure compliance with capitalisation guidance.	£0.100m
<b>Total Regeneration &amp; Place</b>	<b>£1.838m</b>	<b>£1.750m</b>	<b>£0.088m</b>	<b>£0.000m</b>	<b>£0.088m</b>		<b>£0.125m</b>

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
<b>Resources</b>							
To reduce heating in occupied council buildings by 2 degrees	£0.113m	£0.113m	£0.000m	£0.000m	£0.000m	On target to be achieved. Progress on saving will be updated in Q3 and Q4 once we head into the winter months and more data is available on energy usage. However, rising energy prices may negate some of the saving if costs escalate over and above the estimated pressure included	£0.000m
One Stop Shop establishment review	£0.099m	£0.099m	£0.000m	£0.000m	£0.000m	Saving achieved. Service review completed and budget for vacancies removed.	£0.099m
Review of Treasury activity	£0.500m	£0.500m	£0.000m	£0.000m	£0.000m	Work is continuing on renegotiating a number of LOBO loans to reduce borrowing costs. Meetings have been held with advisers on progressing a number of investments which will generate higher returns. Market conditions will have to be considered in any decisions made. This saving will be reassessed once more is known in Q2 and Q3	£0.000m

Saving Proposal	Approved Saving	Green	Amber	Red	Mitigation	Comment	Actual Savings Delivered to Date
Revenues & Benefits Review and Restructure	£0.750m	£0.750m	£0.000m	£0.000m	£0.000m	Saving will be achieved. Additional demands have been placed on the service from Central Government for example Emergency Support Fund / Council Tax Fuel Rebate which require additional support staff and attract New Burdens Funding.	£0.750m
Strategic Change revenue budget reduction	£0.650m	£0.650m	£0.000m	£0.000m	£0.000m	This is saving is predicated on the achievement of the 2022/23 disposal of assets target. The current disposal list indicates that the target will be met but is dependent on Member approval for disposals. If after Q2 there is a risk that the disposals target will not be met, Strategic Change activity will be reduced to ensure the saving can still be made. Reported as fully achieved, as a straight reduction in the budget has already been made.	£0.650m
Restructure of Commercial Income Team	£0.230m	£0.230m	£0.000m	£0.000m	£0.000m	Savings achieved. Service review completed in 2021/22 surplus budget removed.	£0.230m

<b>Saving Proposal</b>	<b>Approved Saving</b>	<b>Green</b>	<b>Amber</b>	<b>Red</b>	<b>Mitigation</b>	<b>Comment</b>	<b>Actual Savings Delivered to Date</b>
Review of Finance Team Structure	£0.050m	£0.050m	£0.000m	£0.000m	£0.000m	Saving is fully achieved by removing a post and associated budget.	£0.050m
Cease Business Rates Contribution	£0.696m	£0.696m	£0.000m	£0.000m	£0.000m	Budget has been removed in 2022/23 and the saving is fully achieved.	£0.696m
Modernisation of Information & Communications Technology Service	£0.050m	£0.050m	£0.000m	£0.000m	£0.000m	Saving is fully achieved as straight reduction in the budget to reflect reduced requirements	£0.050m
Review of Business Support Unit	£0.020m	£0.020m	£0.000m	£0.000m	£0.000m	Saving achieved as the review is complete and budget and post removed.	£0.020m

<b>Saving Proposal</b>	<b>Approved Saving</b>	<b>Green</b>	<b>Amber</b>	<b>Red</b>	<b>Mitigation</b>	<b>Comment</b>	<b>Actual Savings Delivered to Date</b>
Review of Internal Audit - Efficiencies and Income	£0.080m	£0.080m	£0.000m	£0.000m	£0.000m	£62k of savings have already be realised with staffing movements and sales of audit services. The service is confident that the full saving will be realised.	£0.062m
Reduction in Learning & Development Budget	£0.100m	£0.100m	£0.000m	£0.000m	£0.000m	Saving is fully achieved by removal of budget and reducing spend. Reported as fully achieved as straight reduction in the budget.	£0.100m
<b>Total Resources</b>	<b>£3.338m</b>	<b>£3.338m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£0.000m</b>		<b>£2.707m</b>

### Appendix 3 - Earmarked Reserves 2022/23

#### Adult Care and Public Health

Reserve	Opening Balance £000	Forecast Use of Reserve £000	Forecast Contribution to Reserve £000	Closing Balance £000
Adult Social Care – Safeguarding	106	-106	0	0
Public Health Ringfenced Grant	6,594	-526		6,068
Champs Innovation Fund	3,163	0	0	3,163
Champs Covid-19 Contact Tracing Hub	3,894	-3,894	0	0
Project ADDER (Addiction, Diversion, Disruption, Enforcement, Recovery)	872	-872	0	0
Better Care Fund	236	-236	0	0
<b>Total</b>	<b>14,865</b>	<b>-5,634</b>	<b>0</b>	<b>9,231</b>

#### Children, Families and Education

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Intensive Family Intervention Project	505	-60	0	445
School Improvement -	1,094	-322	0	772
Schools Causing Concern	500	0	0	500
SEND OFSTED Inspection Improvement Action Plan	1,051	-423	0	628
Children’s Centre – Outdoor Play	92	0	0	92
Help for Young People	36	0	0	36
Looked After Children Education Services	211	-23	0	188
Local Safeguarding Children’s Board	23	0	0	23
SEND - High Needs	248	0	0	248
YOS - Remand & Mobile Youth Centre	157	-157	0	0
Early Help & Play Development	123	-123	0	0
DRIVE Safelives & Domestic Abuse Hub	50	-50	0	0
Children’s Transformation	32	-32	0	0
Children IT data system	127	0	0	127
Mersey & Cheshire ICS Pilot	20	-20	0	0
Care Leaver Accommodation Development	358	0	0	358
Wirral Apprentice Programme	53	-53	0	0
Looked after Children Placement Reserve	470	-470	0	0
<b>Total</b>	<b>5,150</b>	<b>-1,733</b>	<b>0</b>	<b>3,417</b>



## Law and Governance

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Licensing Reserve	60	0	0	60
Taxi, Marriage & Scrap Metal Licences	145	-20	41	166
Electoral Reserve	150	0	31	181
<b>Total</b>	<b>355</b>	<b>-20</b>	<b>72</b>	<b>407</b>

## Neighbourhoods

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Community Safety Initiatives	801	-400	0	401
Health & Safety Flood Prevention	455	-455	0	0
Parks Tree Maintenance	187	-187	0	0
Environmental Health	300	-170	0	130
Climate Emergency	100	-100	0	0
Les Mills Classes	89	-42	0	47
Litter Enforcement - development of initiatives	49	-49	0	0
Weed Spraying : Mitigate against additional costs	41	-41	0	0
Birkenhead Park World Heritage Site Lottery Bid	40	-40	0	0
Coastal Protection	35	-35	0	0
Sports Development Reserve	22	0	0	22
Environmental Health F.S.A. Backlog	28	-28	0	0
Trading Standards	25	0	0	25
Hilbre Island - Legacy	21	0	0	21
Health & Safety Armed Forces Welfare Pathway	14	0	0	14
BikeSafe	10	0	0	10
Repairs & Maintenance upgrades on Public Conveniences	8	0	0	8
LAMPS to Concerto system replacement	2	0	0	2
Library Donations	1	0	0	1
Storeton Quarry	30	-30	0	0
Waste Levy	0	0	600	600
<b>Total</b>	<b>2,258</b>	<b>-1,577</b>	<b>600</b>	<b>1,281</b>

## Regeneration and Place

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Selective Licensing	1,354	-119	112	1,347
Wirral Ways to Work	496	0	0	496
Regeneration and Inward Investment	1,423	-665	0	758
Urban Development Corporation Bid	410	-127	0	283
Building Control Fee Earning	468	0	137	605
HMO Licence Fees	164	0	80	244
Major Infrastructure Project Development	183	0	0	183
Property Repairs rental income	276	-22	0	254
DCLG Empty Shops Grant	41	0	0	41
ERDF 4.2 Match Funding	18	0	0	18
Europa Centre Dilapidations	83	0	0	83
A/M GMT – Community Fund CAT	76	0	0	76
Licence Survey Work	56	0	0	56
Emergency Maintenance and Work in Default	206	0	0	206
Heritage Fund	12	0	15	27
Resettlement Programme Grant	992	-252	0	740
Supporting People Programme	141	0	0	141
Homelessness	180	-71	0	109
Domestic Abuse Bill Grant	602	0	0	602
Economic Growth	342	-100	0	242
Birkenhead Future High Street funding	57	-2	0	55
<b>Total</b>	<b>7,580</b>	<b>-1,358</b>	<b>344</b>	<b>6,566</b>

## Resources

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Commercial Management	205	0	0	205
Discretionary Housing Payments	185	-95	0	90
HR/OD Talent Management	50	0	4	54
HR Reserve – Schools	41	-41	0	0
Transformation Challenge Award	4	-4	0	0
Asset Consolidation Staff Relocation Contingency	111	0	0	111
ICT Records Management	288	0	0	288
Business Rates Equalisation Reserve (100%) rates retention pilot)	7,000	0	0	7,000
Enterprise Zone Contingency Fund	29	0	0	29
Financial Resilience Reserve	887	-366	0	521
Financial Instrument Equalisation Reserve	2,123	-6	0	2,117
Year 2 of EVR/VS Termination Payments	1,883	-1,274	0	609
Social Care Fund	3,340	-180	0	3,160
Digital Transformation	1,566	0	0	1,566
<b>Total</b>	<b>17,712</b>	<b>-1,966</b>	<b>4</b>	<b>15,750</b>

## Other Corporate

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Covid-19	14,062	-14,062	0	0
Insurance Fund	9,772	-2,500	0	7,272
NNDR3 S31 grants	11,794	-11,794	0	0
Enterprise Zone Investment	610	0	33	643
Local Council Tax Support Grant	3,943	-1,731	0	2,212
Local Income Tax Guarantee	272	-272	0	0
Schools Capital	256	0	0	256
Schools Balances	16,307	0	0	16,307
<b>Total</b>	<b>57,016</b>	<b>-30,359</b>	<b>33</b>	<b>26,690</b>

<b>GRAND TOTAL (excluding DSG)</b>	<b>104,936</b>	<b>-42,647</b>	<b>1,053</b>	<b>63,342</b>
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