



POLICY AND RESOURCES COMMITTEE

Wednesday, 14 June 2023

REPORT TITLE:	CAPITAL OUTTURN REPORT 2022-23
REPORT OF:	DIRECTOR OF FINANCE

REPORT SUMMARY

This report details the Capital Outturn for 2022/23 and the resources used to fund the Programme. It recommends that this Committee agree the revised 2023/24 Capital Programme which takes account of re-profiling, virements, additional funding requirements and grant variations identified since the Capital Programme was formally agreed on 28th February 2022.

The report supports the delivery of the Wirral Plan 2021 - 26 as the Capital Programme contributes towards projects that support all five Wirral Plan priorities.

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

RECOMMENDATIONS

The Policy and Resources Committee is requested to recommend to Council that:

- 1 the revised Capital Programme of £178.1 million for 2023/24, including the virements of budget referred to in Appendix D of this report be approved,
- 2 note the financing of the Programme for 2022/23 and
- 3 note the additional year-end re-profiling of £38.2m from 2022/23 to 2023/24.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

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

2.0 OTHER OPTIONS CONSIDERED

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

3.0 BACKGROUND INFORMATION

Monitoring 2022/23

- 3.1 The Capital Programme 2022/23 was considered by Policy and Resources Committee on 15 February 2022 and approved by Council on 28 February 2022. The Programme contributes towards projects that support all five Wirral Plan 2021-26 priorities. Government grant announcements and scheme affordability. It was highlighted that the Council's revenue budget position limited the scope for unsupported capital expenditure.
- 3.2 Policy and Resources Committee received regular updates in respect of capital monitoring throughout the year. The last monitoring report, for Quarter 3, was considered by Policy and Resources Committee on 27 February 2023. Since then, work has been on-going in order to conclude the accounts for the financial year.
- 3.3 During the year the Programme was regularly reviewed which resulted in schemes being deferred to 2023/24 along with the supporting funding. This resulted in reduced Treasury Management costs through a reduced need to borrow in 2022/23.

Capital Outturn

- 3.4 The capital expenditure for the year was £60.9m compared to the Revised Programme of £86.3m which was reported in February 2023 (Quarter 3). This is summarised in Table 1.
- 3.5 The outturn also includes the Formula Capital schemes delegated to schools.
- 3.6 As a result of the £17.437m borrowed to finance the capital programme in 2022/23, the General Fund will be charged with its first repayment via the Minimum Revenue Provision (MRP) in 2023/24 of £0.609m. This will bring the total MRP charge for 2023/24 to £6.423m for borrowing associated with delivering the Capital Programme.
- 3.7 **Capital Programme 2022/23 Position by Directorate**

Table 1: Capital Outturn 2022/23 – Position by Directorate

Programme	Q3			
	Forecast £m	Actual £m	Variance £m	Variance %
Adult Care & Health	1.248	0.649	-0.599	-48%
Children, Families & Education	7.402	7.021	-0.381	-5%
Corporate Schemes	3.780	2.930	-0.850	-22%
Neighbourhoods	27.685	23.842	-3.843	-14%
Regeneration & Place	40.643	22.762	-17.881	-44%
Resources	5.544	3.733	-1.811	-33%
Total	86.302	60.937	-25.365	-29%

Capital Programme 2022/23 Position by Committee

Table 2: Capital Outturn 2022/23 – Position by Committee

Programme	Forecast			
	Q3 £m	Actual £m	Variance £m	Variance %
Adult Social Care & Health	1.248	0.649	-0.599	-48%
Children, Young People & Education	7.402	7.021	-0.381	-5%
Economy, Regeneration & Housing	30.390	17.473	-12.917	-43%
Environment, Climate				
Emergency & Transport	31.810	26.518	-5.292	-17%
Policy & Resources	11.356	7.241	-4.115	-36%
Tourism, Communities, Culture & Leisure	4.096	2.035	-2.061	-50%
Total	86.302	60.937	-25.365	-29%

3.8 Tables 1 and 2 show the 2022/23 outturn position on the Capital Programme analysed on a Directorate and then Committee basis. A number of variations have arisen since the original programme was agreed at the end of February 2022 and subsequently revised in quarterly reporting. These include the re-profiling of expenditure into and out of the 2022/23 financial year, inclusion of additional grant funded schemes and variations to spend forecasts. Appendix A of this report categorises the movement in the programme through to 2022/23 outturn.

3.9 As noted above, the main movements in this year's programme are with regard to the deferral of funding into future years (£123.6 million). Such deferrals reduced the borrowing costs incurred during 2022/23 and also delayed the resultant Minimum Revenue Provision (MRP) charges into future years. Schemes that have seen significant budget deferral activity specifically within Quarter 4 are detailed within Appendix B of this report.

Scheme Updates

- 3.10 Schemes are subject to an ongoing review to ensure that a deliverable programme is in place, that they are compatible with the Wirral Plan 2021/2026 priorities and to try and identify any savings. Current progress on the more significant schemes is provided in Appendix C of this report.
- 3.11 Scheme costs are constantly monitored by project officers. Due to record high inflationary pressures within the economy, financial monitoring of schemes is of upmost importance to identify any potential budgetary issues that may arise such as an increase in the cost of building materials. Any such pressures that are identified will be reported that may jeopardise the delivery of a scheme. It will then be determined as to whether the scheme must apply for additional funding to complete the project, or whether the scheme becomes no longer viable from a financial perspective. Similarly, should a contractor become insolvent in the current financial climate, a decision will need to be taken regarding the future of the scheme.

Grant Funded Schemes

- 3.12 Since the Capital Programme was last reported, the following grants have been awarded to either enable the following schemes to take place, or to further the funding available for existing schemes within the programme. There is no request for new Council funding to be considered as part of these schemes. In the event of any notable grant awards being achieved in the future, the relevant schemes will be introduced into the Capital Programme via the regular monitoring reports.
- **Future High Streets Fund (FHSF) - Birkenhead– £2.225m**
A further award to the Conway Street Project, to expand the scope of the project from that currently supported via the FHSF monies.
 - **Birkenhead Regeneration Delivery Fund– £1.517m**
Liverpool City Region Combined Authority grant for the purchase of land from Network Rail. The objective of the project is to reduce the severance between the town centre and a major housing site at Hind Street through the removal of two flyovers, with related works including preferred highway alignment and a green travel corridor linking Hind Street to Wirral Waters.
 - **Air Quality Control – £0.120m**
Funding from The Department for Environment, Food and Rural Affairs to develop and/or implement measures that deliver air quality benefits in the near future (one to two years).
 - **Arts Council Capital Libraries Investment Fund - £0.125m**
Funds to enable libraries to develop more flexible library spaces and which aim to:
 - Increase and improve digital access within communities
 - Connect libraries to their communities
 - Increase potential for transformation

- Increase library use
 - Increase sustainability of libraries.
- **Sustainable Urban Development Leasowe to Seacombe Corridor – £1.447m and £1.452m**
European Regional Development Fund award to create cycle links between the planned investment in Wirral Waters and Seacombe Ferry Terminal to the north and Woodside Ferry Terminal to the south.
 - **West Kirby Flood Alleviation - £4.440m**
Additional Environment Agency Grant. Due to a range of factors, construction progress and the cost has been affected and as a result of the necessary contract variations to accommodate this, the target cost of the contract has increased.

3.13 Virements

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

3.14 Capital Financing

Table 3 Financing the Capital Programme 2022/23

Source of Financing	Programme 31 Dec 2022 £m	Actual 31 Mar 2023 £m	Variance £m
Borrowing	32.149	17.437	-14.712
Grants/Contributions	50.028	39.978	-10.050
Capital Receipts	3.580	2.930	-0.650
Revenue/Reserves	0.545	0.592	0.047
Total	86.302	60.937	-25.365

- 3.15 The re-profiling referred to earlier has seen the schemes and associated funding deferred until 2023/24. A permanent saving only occurs if schemes cease, otherwise the full budget will be required in 2023/24 when the re-profiled expenditure is incurred.

Capital Receipts

- 3.16 The Capital Receipts Reserve contains the proceeds of fixed assets sales that are available to meet the future capital investment. Table 4 shows the movements in the Capital Receipts Reserve during 2022/23. Receipts for the year totalled £6.951m (including receipts relating to debt repayments and earmarked receipts) with a balance of £2.979m available at 31 March 2023.

- 3.17 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. This flexibility was utilised within 2022/23 as shown below.

Table 4: Capital Receipts Reserve

	£'000
Balance as at 1 April 2022	6,182
Total Receipts Received	6,951
Receipts Applied to Debt Repayment	-4,469
Receipts Used for Capital Financing	-2,930
Other Movements	-2,755
Balance as at 31 March 2023	2,979

- 3.18 The Capital Receipts Reserve contains the proceeds of fixed asset sales that are available to meet future capital investment. Not all receipts can be applied to fund any Transformational activity however, as some may be ringfenced to apply for example to educational schemes.

Compliance with Prudential Indicators

- 3.19 The Authority confirms that it has complied with its Prudential Indicators for 2022/23, which were originally approved on 28 February 2022 as part of the Capital Strategy 2022/23 and revised on 27 February 2023 as part of the Capital Strategy 2023/24. Details can be found in Appendix F.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The capital expenditure for the year 2022/23 amounted to £60.937m. This was funded from borrowing of £17.437m, Capital Grants of £39.978m, Capital Receipts of £2.930m and other revenue/reserve contributions of £0.592m.
- 4.2 As a result of the £17.427m borrowed to finance the Capital Programme in 2022/23, the General Fund will be charged with its first repayment via the Minimum Revenue Provision (MRP) in 2023/24 of £0.609m. This will bring the total MRP charge for 2023/24 to £6.423m for borrowing associated with delivering the Capital Programme.
- 4.3 The re-profiling of schemes from 2022/23 to 2023/23 has seen the funding similarly re-profiled. This includes the planned borrowing which has been deferred and has contributed towards the cost reductions in Treasury Management activities within the revenue budget. A permanent saving only occurs if schemes cease, otherwise the full budget will be required in 2023/24 when the re-profiled expenditure is incurred.
- 4.4 Chief Officers involved in procurement activity must comply with the Council's Contract Procedure Rules, Financial Regulations, and the Council's Employees Code of Conduct. They must also have due regard to any guidance provided by Corporate Procurement.

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

5.0 LEGAL IMPLICATIONS

- 5.1 The Council must set the budget (of which the Capital Programme is part of) in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility of the Council. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.
- 5.2 Members must bear in mind their fiduciary duty to the Council Taxpayers of Wirral. Members must have adequate evidence on which to base their decisions on the level of quality at which services should be provided.
- 5.3 Where a service is provided pursuant to a statutory duty, it would not be lawful to fail to discharge it properly or abandon it, and where there is discretion as to how it is to be discharged, that discretion should be exercised reasonably.
- 5.4 The report sets out the relevant considerations for Members to consider during their deliberations and Members are reminded of the need to ignore irrelevant considerations. Members have a duty to seek to ensure that the Council acts lawfully. Members must not come to a decision which no reasonable authority could come to; balancing the nature, quality, and level of services which they consider should be provided, against the costs of providing such services.
- 5.5 Once a budget is in place, Council has delegated responsibility to the Policy and Services Committees to implement it. The Committees may not act contrary to the Budget without consent of Council other than in accordance with the Procedure Rules set out at Part 4(3) of the Constitution.
- 5.6 It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered, and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

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

7.0 RELEVANT RISKS

7.1 The possibility of failure to deliver the Capital Programme will be mitigated by regular programme review by a senior group of officers, charged with improving performance. The Investment and Change Board (ICB) has established the Capital

Programme Board (CPB), which will provide enhanced Capital Programme review. The most recent CPB meeting took place in March.

- 7.2 The possible failure to deliver the Capital Budget is being mitigated by:
- (1) Senior Leadership / Directorate Teams regularly reviewing the financial position.
 - (2) Availability of General Fund Balances.
 - (3) Where possible, reprofiling of projected Capital expenditure
- 7.3 In terms of individual scheme specific risks, these are identified as part of the original business case application and any potential risks to deliverability should be flagged as part of the ongoing scheme review process.
- 7.4 Within the reviews undertaken by the CPB, schemes which encounter difficulties or additional delivery risk will be subject to additional scrutiny and were necessary escalation to ICB.

8.0 ENGAGEMENT/CONSULTATION

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

9.0 EQUALITY IMPLICATIONS

- 9.1 There are no direct equality implications from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

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

11.0 COMMUNITY WEALTH IMPLICATIONS

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

REPORT AUTHOR: Gary Mitchell
Senior Finance Business Partner
telephone: (0151) 666 3418
email: garymitchell@wirral.gov.uk

APPENDICES

Appendix A Movement Between Q3 Forecast and Outturn Position
Appendix B Significant Variations – Additional Reprofitting at March 2023
Appendix C Scheme Updates
Appendix D Virements Within Quarter 4
Appendix E Revised Capital Programme 2023/24
Appendix F Prudential Indicators 2022/23

BACKGROUND PAPERS

Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the UK 2021/22.
Local Government Act 2003 and subsequent amendments.
Local Government (Capital Finance and Accounting) Regulations 2008.
Accounts and Audit (England) Regulations 2015.

TERMS OF REFERENCE

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

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

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

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

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

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

- (1) Capital Programme
- (2) Capital Financing Strategy

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet – 2019/20 Capital Outturn Report	27 July 2020
Council – 2020/21 Capital Monitoring Q1	19 October 2020

Council – 2020/21 Capital Monitoring Q2	7 December 2020
Budget Council – 2020/21 Capital Monitoring Q3	1 March 2021
Council - 2020/21 Capital Outturn Report	6 September 2021
Budget Council – 2021/26 Capital Programme	1 March 2021
Budget Council - 2021/22 Capital Financing Strategy	1 March 2021
Council – 2021/22 Capital Monitoring Q1	18 October 2021
Council – 2021/22 Capital Monitoring Q2	6 December 2021
Council – 2021/22 Capital Monitoring Q3	28 February 2022
Council – 2021/22 Capital Outturn Report	11 July 2022
Council – 2022/27 Capital Programme	28 February 2022
Council – 2022/27 Capital Financing Strategy	28 February 2022
Council – 2022/23 Capital Monitoring Q1	10 October 2022
Council – 2022/23 Capital Monitoring Q2	5 December 2022
Council – 2022/23 Capital Monitoring Q3	27 February 2023

Appendix A

Movement Between Q3 Forecast and Outturn Position

Programme	Forecast Q3 £m	Additional Grant £m	Funding Adjustments (inc Virements) £m	New Bids £m	Scheme Reduction £m	Reprofiling to Future Yrs £m	Actual Spend 31 Mar 23 £m
Adult Care & Health	1.248	-	0.111	-	-	-0.710	0.649
Children, Families & Education	7.402	-	0.991	-	-	-1.372	7.021
Corporate Schemes	3.780	-	-0.200	-	-0.650	-	2.930
Neighbourhoods	27.685	4.661	0.325	-	-	-8.829	23.842
Regeneration & Place	40.643	5.189	2.420	-	-	-25.490	22.762
Resources	5.544	-	-0.052	-	-	-1.759	3.733
Total	86.302	9.850	3.595	0.000	-0.650	-38.160	60.937

Appendix B

Significant Variations in Quarter 4

Table B1 - Schemes with Significant Budget Deferral Adjustments in Quarter 4

Directorate	Scheme	Q4 Budget Deferral £'000
Adult Care and Health	Better Care Fund (Disabled Facilities Grant)	433
Children, Families & Education	High Needs Provision Capital	382
	Transforming Care - Therapeutic Short Breaks	863
Neighbourhoods	Highway Maintenance	2,350
	Traffic Signal LED Upgrade	511
	West Kirby Flood alleviation	2,505
Regeneration & Place	Active Travel Tranche 2	1,517
	Birkenhead Regeneration Delivery Fund	9,010
	Community Asset Transfer	500
	Emslie Morgan (Solar Campus)	447
	Future High Streets Fund - New Ferry	427
	Future High Streets - Birkenhead	2,824
	Moreton Youth Club & Library	493
	New Ferry Regeneration Strategic Acquisitions	1,224
	Office Quarter Building Fit-Out	635
	Soft Play Areas Leisure Centres	410
	Sustainable Urban Development - Leasowe to Seacombe Corridor	3,016
	Town Deal Fund - Birkenhead	2,698
	Wirral Tennis Centre - Facility Upgrade	515
Resources	Digital Foundations Programme	402
	Enterprise Resource Planning	630
Various	Total of Other Deferrals Across Programme	6,368
	Total Budget Deferral in Q4	38,160

Table B2 - Summary of Significant Programme Variations in Quarter 4

Directorate	Scheme	Q4 Budget Deferral £'000	Department Comments
Adult Care and Health	Better Care Fund (Disabled Facilities Grant)	433	The Better Care Fund (DFG) element is underspent as result of a proposed project not starting. As the project lead has left Wirral Council it is suggested that this DFG funding is rolled into a wider Technology Enabled Care (TEC) project that is planned from Q2 2023. This TEC is focussed on driving efficiencies within Supported Living. It meets the DFG criteria as it enables people to stay in their own homes for longer, with greater levels of choice and independence. Additional grant monies of c.£74k are also due to be paid to Wirral from the Department of Health & Social Care, again focussing solely on technology to support independent living.
Children, Families & Education	High Needs Provision Capital	382	Good progress is anticipated in the next 12-18 months with regards to these works. The mobile classroom at Ganney Meadow and work on Foxfield are two particular schemes that have required their budget allocations to be reprofiled into 2023/24.
	Transforming Care - Therapeutic Short Breaks	863	Agreed a purchase on a property in Wallasey, which is delayed due to probate issues.

Directorate	Scheme	Q4 Budget Deferral £'000	Department Comments
Neighbourhoods	Highway Maintenance	2,350	End of year budget carry over was mainly due to the fact a good portion of the funding was not available until very late in the year, so the works programmed had been based on a assumption, which was under the actual amount received. Planning for major schemes starts in January of each year, with works orders issued by June any money received after that date is difficult to fit in, given contractor resource and permit notice lead in and the weather (time of year) is a major factor.
	Traffic Signal LED Upgrade	511	Consultation has delayed delivery of schemes due to objections received and modifications required to designs. There has been a need to report unresolved objections through committee and officer decision reports.
	West Kirby Flood alleviation	2,505	The anticipated completion date is July 2023 due to a number of unforeseen factors, including global increases in the cost of construction materials, significant variations in ground conditions along the promenade, design changes and the temporary relocation of the RNLI lifeboat station.
Regeneration & Place	Active Travel Tranche 2	1,517	Programme slipped due to delay in feedback from Active Travel England/Department for Transport with regard to programme reprofile required due to cost increases and following feedback from public consultation and committee resolution.
	Birkenhead Regeneration Delivery Fund	9,010	This wide ranging funding incorporates a variety of projects all of which are at different stages of completion and/or awaiting commencement of works.

Directorate Regeneration & Place	Scheme	Q4 Budget Deferral £'000	Department Comments
	Community Asset Transfer	500	Due to the extended consultation that is required as part of the Community Asset Transfer process. Once achieved, the transfer can progress.
	Emslie Morgan (Solar Campus)	447	Challenges with resources to get this project to tender stage. Now about to go to tender so progress can now be made on scheme within 23/24.
	Future High Streets Fund - New Ferry	427	The programme has been reprofiled to allow for the redesign and changes to the original scheme. Highway improvement works were also paused to coordinate this with housing development works that will be starting in 23/24. Designs for two further sites are being finalised ready for submission to the planning authority in the summer. Work on the scheme will progress across 23/24 and 24/25
	Future High Streets - Birkenhead	2,824	Wirral Growth Company are working through RIBA 3 design stage for Birkenhead Market and this should conclude in May 23. Slippage aspect is owing to costs for the demolition of House of Fraser which was rescheduled for 23/24. The tender for the demolition contractor closes in May 23 and it is anticipated this work will commence in summer 23.
	Moreton Youth Club & Library	493	Slippage linked to progress of the wider development. The scheme is a small part of a wider regeneration scheme which is still going through planning process.

Directorate	Scheme	Q4 Budget Deferral £'000	Department Comments
Regeneration & Place	Town Deal Fund - Birkenhead	2,698	Grant funding agreements on some schemes have not been entered in to as quickly as anticipated (12 months ago) as projects required further development. This has meant an adjustment to the forecast. However, the projects are still all on track to deliver within the government timeframe (deadline March 26).
	Wirral Tennis Centre - Facility Upgrade	515	This is a very sizeable scheme and works now on site and due to complete in 2023/24 - delays are due to resources and construction supply chain issues.
	Wirral Tennis Centre - Facility Upgrade	515	This is a very sizeable scheme and works now on site and due to complete in 2023/24 - delays are due to resources and construction supply chain issues.
Resources	Digital Foundations Programme	402	Resource commitments to other projects resulted in the timescales needing to be extended and subsequent milestone payments slipping into 23/24
	Enterprise Resource Planning	630	Slippage is due to the fact that the business case included Oracle HCM which the Council decided not to adopt. We are looking to see if we are able to use the budget to fund a Zellis upgrade.

Appendix C

Capital Programme – Directorate Schemes with Highest Spend in 2022/23

C1 Adult Social Care & Health

- **Telecare & Telehealth Ecosystem (£0.631m)** –The Telecare and Telehealth Ecosystem element of the funding has been spent on equipment designed to enable people to remain safely in their own homes. The equipment “packages” typically consist of a series of sensors that work together to establish the routines and habits of the resident and report changes that provide an early indication of illness or deterioration of a long-term condition. Alarm buttons are also supplied in the event of an emergency. The equipment links to a base unit that collects the information and relays it to an alarm receiving centre. Currently over 2200 homes are equipped with this new digital equipment, with another 2300 homes to be converted to digital systems by Q1 2025. The slight variance is a result of judicious use of funding and negotiating with suppliers to obtain the best prices.

C2 Children, Families & Education

- **School Condition Allocation (SCA) (£4.860m)** – £2.4m of spend on Kingsway Academy adaptations/ Claremount move phase 1 and Castleway & Leasowe Early Years schemes. £0.83m of spend on roof replacements for various schools. Still experiencing effects of the historic backlog in jobs and increased financial costs due to inflation rises and construction supply chain issues.
- **High Needs Provision Capital (£1.117m)**– To deliver additional classroom provision for Special Educational Needs (SEN) pupils across several Special schools. Current programme includes number of high cost construction projects including 0.712m spend on Hayfield mobile classroom for SEN provision.

C3 Neighbourhoods

- **Combined Authority Transport Plan (CATP) (£0.904m)**- The spend in year relates to delivery of schemes which meet the priorities of the Road Safety Working Group including implementation of the borough wide 20mph speed limit project and other key projects relating to local safety, traffic signal, pedestrian access and public rights of way improvements.
- **Highway Maintenance (£4.588m)** – Funding was only fully disbursed in late November, resulting in not all of the allocation being spent within 2022/23. Works within year included Hot Rolled Asphalt, Surface dressing, Micro-asphalt Footway schemes and Drainage works.

- **Key Route Network City Region Sustainable Transport Settlement (£1.144m)** – Works funded via Liverpool City Region Combined Authority include resurfacing, plane and inlay surfacing works at various locations across Wirral. Within the scheme is an allocation for ‘Low Carbon Birkenhead,’ surface treatment works at various locations across Wirral delivering a safer transport network with less accidents and fatalities. Funding was not confirmed until mid-way through 2022/23 therefore an underspend was expected and accepted by the funding body.
- **Wallasey Embankment Toe Reinforcement (£0.740m)** - This scheme comprised the importation and placing of approximately 9,000 tonnes of light rock armour along approximately 1.1km of the toe of the Wallasey Embankment, to prevent undermining of the existing coastal defence structure. The scheme was carried out between the months of July and August 2022 and was completed on time and within budget.
- **West Kirby Flood Alleviation (£13.010m)** – Piling work, construction of the flood wall and promenade construction were the main costs in the 22-23 financial year, with adverse ground conditions causing the need for more steel reinforcement to concrete slabs. All of the precast concrete units are now in place with the majority of the promenade resurfaced. Foundation work is currently underway for the floodgates with installation to follow.

C4 Regeneration & Place

- **Aids, Adaptations and Disabled Facility Grant (£5.863m)** – This is a ring fenced grant received for the provision of aids and adaptations which is operated on a rolling basis where works can be committed in one year and expenditure incurred the next or across financial years.
- **Birkenhead Regeneration Delivery Fund (£3.697m)** – the scheme incorporates a variety of projects all of which are at different stages of completion and or awaiting commencement of works. Funding allocated to enable the delivery of the 'Brownfield First' development strategy in support of The Local Plan. Spend has commenced against individual programmes which are as follows:
 - Hamilton Park Enabling Works
 - Town Centre – Wirral Growth Company
 - Dock Branch Park
 - Waterfront
 - Hind Street
- **Strategic Acquisition Fund (£2.043m)** - Spend includes the purchase of Hind Street and associated works. This scheme is closely linked to the progressing of regeneration initiatives with use intended to fund potential acquisitions.

- **Sustainable Urban Development - Leasowe to Seacombe Corridor (£1.700m)** - The spend is for the delivery of Work Package 6 active travel schemes and included a land purchase from network rail to facilitate the delivery of Phase 4.
- **Town Deal Fund Birkenhead (£1.720m)** – This £25m fund is to enable access to capital grants to support the regeneration of Birkenhead. It encompasses a number of projects to be delivered both internally and by external organisations. A Treasury compliant ‘Green Book’ business case has been prepared and approved for each of the projects. Grants will be paid out to the organisations delivering the external projects via Grant Funding Agreements. All projects funded by this Grant are on track to be delivered by March 2026. Robust monitoring and evaluation arrangements are in place.

C5 Resources

- **Customer Experience Improvements Project (£0.566m)** – The project remains on track to deliver corporate CRM solution. The expenditure to date related to salary recharges for the project team and is as forecasted.
- **Digital Foundations Programme (0.608m)** - 2022-23 spend is for the milestones that have been delivered as part of the Microsoft engagement which is modernising our IT Service and improving our Cyber Security
- **Enterprise Resource Planning (ERP) (£2.034m)** – The in year spend is milestone payments to Insight Direct UK Ltd and NAMOS Solutions Ltd for the ERP implementation. It also contains capitalised salary costs and Oracle Licenses.

Appendix D

Virements within Quarter 4

Directorate	Scheme	Proposed Virement £'m	Proposed Reallocation	Reason
Regeneration and Place	Bebington Oval Facility Upgrade	0.155	Wirral Tennis Centre 3G Pitch	In the period since the 3G Pitch was approved inflationary price increases, within the construction sector, have resulted in a significant increase to the overall project cost.
Neighbourhoods	Highway Maintenance	0.190	Bridges excluding Dock Bridge	Adjustment to the recording of a grant. The original allocated by the Liverpool City Region was to 'Bridges excluding Dock Bridge'.
Neighbourhoods	Combined Authority Transport Plan	0.016	STEP	Required to cover final year end spend.
Neighbourhoods	Wirral Way Widening	0.014	Essential H&S works at Wirral Country Park	Additional spend incurred due to an increase in material costs between receipt of quotes and completion of work.
Neighbourhoods	Highway Maintenance	0.025	Highways Asset Management System	The project has expanded, due the increase in work and performance reporting required to meet the requirements of the grant funding agreement, city region sustainable transport settlement which if not met, could mean withdrawn of current funding or reduced funding in subsequent years. It was therefore necessary to accelerate and expand the asset management system roll out, so that the necessary IT infrastructure is in place to meet this essential performance reporting.
Regeneration and Place	Health & Safety Condition Surveys	0.002	Beechwood Recreation Centre (809.50) Girtrell Court Demolition (25.00) Leasowe 3G Pitches (1.000)	Required to cover final legacy spend. All schemes are now completed.
Regeneration and Place	Strategic Acquisition Fund	1.421	New Ferry Regeneration Acquisition Fund	This virement is needed to support the acquisition and demolition of properties to complete the site assembly work to provide a residential redevelopment opportunity.

Directorate	Scheme	Proposed Virement £'m	Proposed Reallocation	Reason
Regeneration and Place	Legal Case Management System	0.052	Capitalisation of Legal Salaries	The Legal Case Management system is near completion with approx. £5k spend left for 23/24. The 'Capitalisation of Salaries' exceeded the approved budget of £200k at year-end. The virement is to cover the overspend.
Regeneration and Place	Health & Safety Condition Surveys	0.004	65 The Village	65 The Village has been subject to long discussions with a group who manage an adjacent building, the Capital Allocation was made in order to enable an Asset Transfer. The works revealed that significantly more Capital would be required prior to occupation and a successful transfer circa: £170k. The overspend was due to additional structural, damp issues within the first phase of work, the virement will not cause any financial issues going forward. Whilst working with the Community Group on developing their Business Plan this has not been forthcoming, in the next couple of months we would look at potential disposal.

Appendix E

Revised Capital Programme 2023/24

	Revised 23/24 Programme £'000	Borrowing £'000	Capital Receipts £'000	Grants £'000	Other £'000	Total Funding £'000
2023-24 PROGRAMME						
Adult Care and Health						
Better Care Fund (Disabled Facilities Grant)	433			433		433
Citizen and Provider Portal/Integrated I.T.	63	52		11		63
Extra Care Housing	1,645			1,645		1,645
Liquidlogic - Early Intervention & Prevention	214	214				214
Telecare & Telehealth Ecosystem	1,529			1,529		1,529
Total Adult Care and Health	3,884	266	-	3,618	-	3,884
Children, Families & Education						
Basic Needs	1,028			1,028		1,028
Children's System Development	760	760				760
Family support	157	157				157
High Needs Provision Capital	4,392			4,392		4,392
PFI	52	52				52
School Condition/Modernisation	9,198			9,198		9,198
School Place Planning	1			1		1
Special Educational Needs and Disabilities	478			478		478
Transforming Care - Therapeutic Short Breaks	863			863		863
Total Children, Families & Education	16,929	969	-	15,960	-	16,929

2023-24 PROGRAMME	Revised 23/24 Programme £'000	Borrowing £'000	Capital Receipts £'000	Grants £'000	Other £'000	Total Funding £'000
Neighbourhoods						
Air Quality Control DEFRA	120			120		120
Allotment Sites Expansion	72	72				72
Arts Council Capital LIF	21			21		21
Ashton Park Lake	144	144				144
Birkenhead Park World Heritage Project Team	85	85				85
Bridges excluding Dock Bridge	894	328		566		894
Catering Units	160	160				160
Cemetery Extension & Improvements (Frankby)	142	142				142
Churchyard Boundary & Landican Cemetery Structural	56	56				56
Climate Emergency Budget	52	52				52
Coastal Defence - Meols Feasibility Study	100			100		100
Combined Authority Transport Plan	3,712	198		3,514		3,712
Coronation Park Sustainable Drainage	222	40		182		222
Defibrillators	13	13				13
Dock Bridges replacement	210	210				210
Essential H&S Access Improvements - Wirral Country Park	1	1				1
Fitness Equipment	4	4				4
Flaybrick Cemetery Pathway	200	200				200
Future Golf - Project 1.1	188	-				-
Grange Cemetery	45	188				188
Highway Maintenance	7,213	45				45
Key Route Network (LGF3) - Operate Key Roads/Routes Efficiently	166	344		6,869		7,213
Key Route Network CRSTS	1,757	36		130		166
Levelling Up Parks Fund-Woodchurch	38			1,757		1,757
Library Radio Frequency Identification Kiosks	80			38		38

	Revised 23/24 Programme £'000	Borrowing £'000	Capital Receipts £'000	Grants £'000	Other £'000	Total Funding £'000
2023-24 PROGRAMME						
Neighbourhoods (Continued)						
Lyndale Ave Parking & Safety Measures	124	124				124
Moreton Sandbrook Drainage	203	203				203
New Brighton Gym Equipment	3	3				3
New Ferry Rangers Community Clubhouse	843	792		51		843
Parks Machinery	2136	2136				2,136
Parks Vehicles	580	580				580
Parks Workshop & various machinery	135	135				135
Play Area Improvements	177	177				177
Plymyard Cemetery Roadways	75	75				75
Plymyard Playing Field	134				134	134
Quick Win Levy	15			15		15
Removal of remaining analogue CCTV circuits-21-22	4	4				4
Solar Campus 3G	30	30				30
Street Lighting Column - Replacement or Upgrade	483	483				483
Street Lighting -Illuminated Lighting and Signage	27	27				27
Studio refurbishment Les Mills classes	15	15				15
Surface Water Management Scheme	57			57		57
Tower Road National Productivity Investment Fund (NPIF)	157	157				157
Traffic Signal LED Upgrade	1166			1166		1,166
Tree Strategy	64	64				64
Urban Tree Challenge Fund	147	147				147

	Revised 23/24 Programme £'000	Borrowing £'000	Capital Receipts £'000	Grants £'000	Other £'000	Total Funding £'000
2023-24 PROGRAMME						
Neighbourhoods (Continued)						
Wallasey Embankment Toe Reinforcement	618			618		618
West Kirby Flood alleviation	2,505	2,505				2,505
Williamson Art Gallery Catalogue	56	56				56
Williamson Art Gallery Ventilation 21-22	288	288				288
Wirral Tennis Centre - 3G Pitch	1,065	305		760		1,065
Wirral Way Widening	70	70				70
Woodchurch Sports Pavillion	1,756	756		1,000		1,756
Total Neighbourhoods	28,628	11,537	-	16,964	127	28,628
Regeneration & Place						
Active Travel Tranche 2	1,517			1,517		1,517
Aids, Adaptations and Disabled Facility Grants	2,521			2,521		2,521
Arrowe Country Park - New Machine Shed & Wash Bay	109	109				109
Arrowe Country Park Depot: Re-Surfacing, Material Bays & Barrier	27	27				27
Bebington Oval Facility Upgrade	527	527				527
Birkenhead Market Construction	13,300			13,300		13,300
Birkenhead Regeneration Delivery Fund	24,034	3,071		20,963		24,034
Birkenhead Regeneration Framework	315	315				315
Birkenhead Town Centre Masterplanning & Housing Delivery	290	290				290
Business Investment Fund	585	585				585

2023-24 PROGRAMME	Revised 23/24 Programme	Borrowing £'000	Capital Receipts £'000	Grants £'000	Other £'000	Total Funding £'000
Regeneration (Continued)						
Capitalisation of Regen Salaries	971	971				971
Changing Places Toilets	137	30		107		137
Clearance	191			191		191
Community Asset Transfer	500	500				500
Concerto Asset Management System	25	25				25
Connecting Wirral Waters: Detailed Design	42	42				42
Consolidated Library Works Fund	279	279				279
Demolitions	1,346	1,346				1,346
Depot Welfare Improvements	45	45				45
Empty Property Grant Scheme	315	315				315
Emslie Morgan (Solar Campus)	447	447				447
Energy efficient buildings	370	370				370
FHSF New Ferry 21-22	3,112			3,112		3,112
Floral Pavilion	100	100				100
Future High Streets - Birkenhead	12,403			12,403		12,403
Health & Safety - Condition Surveys	1,715	1,715				1,715
Heswall Day Centre (part only)	50	50				50
Housing Infrastructure Fund (Enabling Infrastructure)	1	1				1
Hoylake Golf works depot demolish and replace	1	1				1
Landican Chapels	40	40				40
Leisure Capital Improvement Programme	470	470				470
Lever Sports Pavilion	-	-				-
Liscard Town Centre Delivery	10	10				10
Major Infrastructure Development & Strategic Transport	210	210				210

	Revised 23/24 Programme £'000	Borrowing £'000	Capital Receipts £'000	Grants £'000	Other £'000	Total Funding £'000
2023-24 PROGRAMME						
Regeneration (Continued)						
Maritime Knowledge hub	12,351	7,926		4,425		12,351
Moreton Youth Club & Library	993	993				993
New Brighton Masterplan for Marine Promenade	45	45				45
New Ferry Regeneration Strategic Acquisitions	1,342	1,342				1,342
Office Quarter Building Fit-Out	5,248	5,178			70	5,248
Parks and Countryside DDA	421	421				421
Pool Covers	252	252				252
Property Pooled Plus I.T System	20	20				20
Soft Play Areas Leisure Centres	410	410				410
Strategic Acquisition Fund	2,992	1,192		1,800		2,992
SUD - Leasowe to Seacombe Corridor	3,016	225		2,791		3,016
TAG Bus Case-A41 Corridor North	192			192		192
TAG Bus Case-Wirral Waters outline	39			39		39
Town Centre scheme - New Ferry	5			5		5
Town Deal Fund - Birkenhead	15,189	124		15,065		15,189
Town Fund B'head	53			53		53
UK Shared Prosperity Fund (UKSPF)	176			176		176
Vale Park Toilets	100	100				100
West Kirby Concourse/Guinea Gap Reception upgrade	351	351				351
West Kirby Marine Lake/Sailing Centre – accommodation	93	93				93
West Kirby Masterplan	58	58				58

	Revised 23/24 Programme £'000	Borrowing £'000	Capital Receipts £'000	Grants £'000	Other £'000	Total Funding £'000
2023-24 PROGRAMME						
Regeneration (Continued)						
Wirral Tennis Centre - Facility Upgrade	515	515				515
Wirral Waters Investment Fund	7,000	7,000				7,000
Woodchurch Capital Asset Transfer	330	330				330
Total Regeneration & Place	117,196	38,466	-	78,660	70	117,196
Resources						
Creative & Digital Team - specialist software and hardware	9	9				9
Customer Experience Improvements Project	738	738				738
Digital Foundations Programme	1,302	1,302				1,302
ERP	6,130	6,130				6,130
Legal Case Management System	8	8				8
Local Digital Cyber Fund	163			163		163
Replacement of ITSM	173	173				173
Upgrade of WIFI Network	97	97				97
Worksmart I.T.	116	116				116
IT Client Refreshment, Laptops, Desktops & Tablets	2,685		2,685			2,685
Total Resources	11,421	8,573	2,685	163		11,421
Total Programme	178,058	59,811	2,685	115,365	197	178,058

Appendix F

Prudential Indicators 2022/23

(a) Adoption of the CIPFA Treasury Management Code

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

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

(b) Capital Expenditure

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

	31/03/2023 Actual £'000	31/03/2024 Estimate £'000	31/03/2025 Estimate £'000
Expenditure	60,937	178,058	45,512

Capital expenditure has or will be funded as follows:

Capital Financing	31/03/2023 Actual £'000	31/03/2024 Estimate £'000	31/03/2025 Estimate £'000
Capital receipts	2,930	2,685	7,795
Grants and Contributions	39,978	115,365	15,166
Revenue and Reserves	592	204	7,050
Borrowing	17,437	59,804	15,501
Total Funding	60,937	178,058	45,512

(c) Capital Financing Requirement (CFR)

Estimates of the Authority's cumulative maximum external borrowing requirement for 2022/23 to 2024/25 are shown in the table below:

Capital Financing Requirement	31/03/2023 Actual £m	31/03/2024 Estimate £m	31/03/2025 Estimate £m
General Fund	375.3	420.5	419.0

(d) Gross Debt and the Capital Financing Requirement:

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

Debt	31/03/2023	31/03/2024	31/03/2025
	Actual	Estimate	Estimate
	£m	£m	£m
Borrowing	284.7	312.4	321.6
PFI liabilities	31.2	28.0	24.8
Total Debt	315.9	340.4	346.4
Borrowing in excess of CFR?	No	No	No

Total debt is expected to remain below the CFR during this period.

(e) Authorised Limit and Operational Boundary for External Debt

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

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

There were no breaches to the Authorised Limit and the Operational Boundary, as set in the Capital Financing Strategy report (Council meeting 28 February 2022) during 2022/23.

	Operational Boundary (Approved) 31/03/2023	Authorised Limit (Approved) 31/03/2023	Actual External Debt 31/03/2023
	£m	£m	£m
Borrowing	469.0	479.0	284.7
Other Long-term Liabilities	52.0	57.0	31.2
Total	521.0	536.0	315.9

(f) Ratio of financing costs to net revenue stream

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget

required to meet financing costs. The ratio is based on costs net of investment income.

Ratio of Finance Costs to Net Revenue Stream	2022/23	2023/24	2024/25
	Actual	Estimate	Estimate
	%	%	%
Ratio	5.590	6.98	7.16