



POLICY AND RESOURCES COMMITTEE

Wednesday, 8 November 2023

REPORT TITLE:	2023-24 CAPITAL MONITORING QUARTER 2
REPORT OF:	DIRECTOR OF FINANCE

REPORT SUMMARY

This report provides an update on the progress of the Capital Programme 2023/24 at the end of September 2023. It recommends that Committee agree the revised 2023/24 Capital Programme of £100 million which takes account of re-profiling, virements, additional funding requirements and grant variations identified since the Capital Programme was formally agreed on 27th February 2023 and revised via the Capital Outturn 2022-23 report.

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 the approval of:

- 1 the revised Capital Programme of £100 million for 2023/24, including the virements of budget referred to in Appendix C of this report.
- 2 additional funding for the schemes referred to in section 3.7 in this report.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

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

2.0 OTHER OPTIONS CONSIDERED

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

3.0 BACKGROUND INFORMATION

3.1 Capital Programme 2023/24 Position by Directorate

Table 1: Wirral Council 2023/24 Forecast Position

Programme	Budget	Forecast	Variance £m	Variance %
	1 April 23 £m	Q2 £m		
Adult Care & Health	3.884	1.729	-2.155	-55%
Children, Families & Education	16.929	9.310	-7.619	-45%
Neighbourhoods	29.143	24.422	-4.721	-16%
Regeneration & Place	116.681	59.142	-57.539	-49%
Resources	11.421	5.703	-5.718	-50%
Total	178.058	100.306	-77.752	-44%

Capital Programme 2023/24 Position by Committee

Table 2: Wirral Council 2023/24 Forecast Position

Programme	Budget 1	Q2	Variance £m	Variance %
	April 23 £m	Forecast £m		
Adult Social Care & Health	3.884	1.729	-2.155	-55%
Children, Young People & Education	16.929	9.310	-7.619	-45%
Economy, Regeneration & Housing	102.351	53.863	-48.488	-47%
Environment, Climate Emergency & Transport	31.008	23.283	-7.725	-25%
Policy & Resources	16.541	7.413	-9.128	-55%
Tourism, Communities, Culture & Leisure	7.345	4.708	-2.637	-36%
Total	178.058	100.306	-77.752	-44%

- 3.1.1 Tables 1 and 2 provide an update on the 2023/24 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 2023 and subsequently revised via the Q1 Capital Monitoring Report. These include variations to spend forecasts and inclusion of additional grant funding and external contributions. There is one new capital funding request and a repurposing of previously approved budget, see 3.7 of this report. Within Quarter 2 there has been a net increase of £13 million of budget forecast as required in 2023/24. Appendix A of this report provides further analysis of the movement of the forecast programme across directorates during the year to date.
- 3.1.2 As noted above, the main movements in this year's programme so far are in respect of deferrals of budget into future years along with the inclusion of new funding and schemes into the programme.
- 3.1.3 It is anticipated that further reductions and/or deferrals of budget will be made in future quarters. Such deferrals reduce the borrowing costs incurred during 2023/24 and also delays the resultant Minimum Revenue Provision (MRP) charges into future years.
- 3.1.4 Given the budgetary pressures that the Council faces, a review of the programme continues to try and identify schemes that may no longer be financially viable, essential, or deliverable.

3.2 Reprofile of expenditure

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

3.3 Scheme Updates

- 3.3.1 Schemes are subject to an ongoing review to ensure that a deliverable programme is in place, that they are compatible with the Wirral Plan 2021/2026 priorities and to try and identify any savings. Current progress on the more significant schemes is provided in Appendix B of this report.

3.3.2 Scheme costs are constantly monitored by project officers. Due to record high inflationary pressures within the economy, financial monitoring of schemes is of utmost importance to identify any potential budgetary issues that may arise such as an increase in the cost of building materials. Any such pressures that are identified will be reported that may jeopardise the delivery of a scheme. It will then be determined as to whether the scheme must apply for additional funding to complete the project, or whether the scheme becomes no longer viable from a financial perspective. Similarly, should a contractor become insolvent in the current financial climate, a decision will need to be taken regarding the future of the scheme.

3.4 Grant Funded Schemes

A new additional award of grant has been received during Quarter 2 relating to the Capital Programme.

The Section 151 Officer has the power to accept grant funding subject to reporting to the relevant committee.

3.4.1 Better Care Fund (Disabled Facilities Grant) - £0.412m

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

3.4.2 Local Authority Housing Fund - £1.930m (grant) and £2.295m match funding

This allocation award from Government is to assist with homelessness pressures arising from the Afghan Resettlement Programme and wider Borough homelessness needs. It is to be used to provide sustainable a mix of both permanent and temporary housing (20 properties). The target date for delivery of the scheme is 29 March 2024.

Tranche 1 funding of £0.579m has been received with Tranche 2, amounting to £1.351m, being paid during October-December 2023 once the Council has demonstrated that at least 60% of tranche 1 has been committed.

There is a requirement for match funding of £2.295m which will be funded from a number of both eligible ring fenced and general funding programmes already in the Councils possession:

Better Care Fund £332,500

Section 106 monies £817,498

Resettlement Programme Funding £1,123,750

Recycled Capital Grant Fund £21,252

3.4.3 Wirral Growth Company – Contribution towards CCTV (Office Fit Out) - £0.018m

Muse's contribution towards CCTV cameras in the Birkenhead Commercial District.

3.4.4 Wirral Growth Company – Contribution towards Conway Street projects - £1.170m

Contribution towards the Conway Street Programme. This forms part of the co-funding for the delivery of the project.

3.4.5 Wirral Growth Company – Contribution towards BCD floor boxes - £0.121m

Contribution towards ‘floor boxes’ in the Council’s new office building in Birkenhead Commercial District. These are sockets which allow electrical equipment e.g., computers to be powered.

3.4.6 Department for Transport Funding Highways Maintenance and Improvements - £0.765m

Additional grant to spend exclusively on improvements to and maintenance of roads. The funding may be used to repair potholes and maintain and otherwise improve any road for which Wirral Council holds maintenance responsibilities.

3.4.7 Liverpool City Region Combined Authority – LED Traffic Signals - £0.655m

Grant funding of £654,918 to be received in 2023/24 from the Liverpool City Region Combined Authority to enable the upgrading of Wirral Council’s traffic signals to LED, and the replacement of corroded traffic signal poles at sites receiving the LED upgrade.

3.4.8 Liverpool City Region Combined Authority – Active Travel Tranche 3 - £1.625m

Additional grant funding of £1,625,000 to be received from the Liverpool City Region Combined Authority to support the delivery of the Conway Street/Europa Boulevard Scheme

3.5 Virements

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

3.6 Capital Funding Requirements

Table 3 Financing the Capital Programme 2023/24

Source of Financing	Programme	Programme	Variance
	1 April 2023	30 Sept 2023	
	£m	£m	£m
Borrowing	59.811	45.054	-14.757
Grants/Contributions	115.365	51.016	-64.349
Capital Receipts	2.685	1.790	-0.895
Revenue/Reserves	0.197	2.446	2.249
Total	178.058	100.306	-77.752

3.6.1 Any re-profiling that reduces borrowing will produce one-off revenue savings. A permanent saving only occurs if schemes cease, otherwise the full budget will be required in 2024/25 when the re-profiled expenditure is incurred.

3.7 Recommendations to Full Council: Approval for Funding

3.7.1 Below are summaries of the Capital bids seeking approval for funding via this report. Further detail is provided in Appendix D to this report. The proposed extra funding is from a variety of sources, new borrowing required from the Council, revenue contributions and the repurposing of previously agreed Council borrowing.

3.7.2 Birkenhead Town Centre Sub Station £4.500m

The development of a Primary Substation within Birkenhead Town Centre is essential to future proof the delivery of all future Town Centre Regeneration projects. The substation design and options study for its location and route were commissioned through Wirral Growth Company (WGC) as part of Birkenhead Commercial District (BCD) Phase 1.

3.8 Other Scheme Matters

3.8.1 Essential H&S Infrastructure Improvements at Wirral Country Park £0.206m

For noting, within the Capital Programme £0.206m of the 'Health & Safety – Condition Surveys' budget (£4.125m) has been repurposed to a new scheme within the Capital Programme named 'Essential H&S Infrastructure Improvements at Wirral Country Park'.

The improvements are required to secure the Visitor Centre and wider park's ability to provide a safe location. The centre is important in supporting key corporate priorities including biodiversity new gain, supporting SSSI locations and public education on climate change impacts.

3.8.2 Brownfield Land Release Fund - £2.325m.

The One Public Estate (OPE) has partnered with the Department for Levelling UP, Housing and Communities to deliver the Brownfield Land Release Fund (BLRF) and the Land Release Fund (LRF), a programme which enables Councils to bring forward surplus land for new homes and Wirral Council has been awarded £2.325m.

4.0 FINANCIAL IMPLICATIONS

4.1 This is the Quarter 2 Budget Monitoring Report, to the end of September 2023 that provides information on the forecast outturn and progress against the Capital Programme. The Council has systems for reporting and forecasting budgets in place and alongside formal quarterly reporting to Committee. The financial position is regularly reviewed at each Directorate Management Team and corporately at the Investment & Change Board (ICB).

4.2 The Capital Programme is funded via a number of sources including Council borrowing, capital receipts, grants and revenue contributions. Where the Authority

finances capital expenditure by borrowing, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP). If the Capital Programme is delivered as forecast in this report, the Authority will consequently require borrowing of £45.1 million this year to finance the capital schemes covered by this report. This forecast level of borrowing has increased from the forecast £39.9 million in the Q1 Capital Monitoring Report. This debt would be repaid via charges to the revenue budget over the lives of the assets created or enhanced. The revenue impact of the additional £45.1 million of borrowing required to fund all forecast works in 2023/24 is as follows:

Table 4: MRP Charges to Revenue Relating to 2023/24 Debt Funded Capital

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Additional revenue cost	1.049	1.103	1.159	1.219

Notes

- MRP repayments from revenue only start the year after the capital expenditure has taken place i.e., for spend incurred in 2023/24, the first MRP repayments will be charged in the 2024/25 revenue accounts.
- The additional revenue costs in Table 4 are not cumulative, rather an annual comparison to the current MRP charges to be incurred.

4.3 It is estimated that these costs will peak in 2073/74 at £1.594 million reflecting the fact that the principal repayment associated with debt (the Minimum Revenue Provision) increases over the expected life of the asset funded from borrowing. This repayment profile is due to the Council adopting the “Annuity Method” of repayment which was agreed by Council (on 19 December 2016). The “Annuity Method” produces a profile of principal repayments which starts low and increases each year reflecting the time value of money i.e., £1 in year 1 will have more purchasing power than to £1 in year 10.

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

4.5 The full revised Capital Programme can be found in Appendix 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) is supported by the Change Advisory Board (CAB), which will provide enhanced Capital Programme review.
- 7.2 The possible failure to deliver the Revenue Budget is being mitigated by:
- (1) Senior Leadership / Directorate Teams regularly reviewing the financial position.
 - (2) Availability of General Fund Balances.
 - (3) Where possible, reprofiling of 2023/24 projected Capital expenditure
- 7.3 In terms of individual scheme specific risks, these are identified as part of the original business case application and any potential risks to deliverability should be flagged as part of the ongoing scheme review process.
- 7.4 Within the reviews undertaken by the CAB, schemes which encounter difficulties or additional delivery risk will be subject to additional scrutiny and were necessary

escalation to ICB.

8.0 ENGAGEMENT/CONSULTATION

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

9.0 EQUALITY IMPLICATIONS

9.1 There is a particular requirement to take into consideration the Council's fiduciary duty and the public sector equality duty in coming to its decision.

9.2 Any decision made in the exercise of any function is potentially open to challenge if the duty has been disregarded. The duty applies both to Full Council when setting the budget and to Committees when considering particular decisions.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 Capital bids are welcomed that support the Council's Environment and Climate Emergency Action Plan that was compiled following the declaration of a Climate Emergency by the Council in July 2019. Within the existing capital programme there are projects that positively contribute to environmental issues. The environmental and climate implications, both positive and negative, are reported for each scheme separately to the relevant policy and service committee.

10.2 The programme also includes projects that focus on environmental initiatives such as energy efficient buildings, sustainable and green travel infrastructure, energy efficient street lighting, urban tree planting and flood alleviation works.

11.0 COMMUNITY WEALTH IMPLICATIONS

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

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APPENDICES

- Appendix A Movement Between Opening Budget and Q2 Forecast Position
- Appendix B Scheme Updates
- Appendix C Virements Within Quarter 2
- Appendix D Capital Bids Seeking Approval for Funding

Appendix E Revised Capital Programme 2023/24

Appendix F Prudential Indicators 2023/24

BACKGROUND PAPERS

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

Local Government Act 2003 and subsequent amendments.

Local Government (Capital Finance and Accounting) Regulations 2008.

Accounts and Audit (England) Regulations 2015.

TERMS OF REFERENCE

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

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

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

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

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

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

(1) Capital programme

(2) Capital Financing Strategy

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Council – 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

Council – 2022/23 Capital Outturn Report	10 July 2023
Council – 2023/28 Capital Programme	27 February 2023
Council – 2023/28 Capital Financing Strategy	27 February 2023
Council – 2023/24 Capital Monitoring Q1	09 October 2023

Appendix A

Movement Between Opening Budget at 1 April 2023 and Q2 Forecast Position

Programme	Budget 1 April 23 £m	Additional Grant £m	Funding Adjustments (inc Virements) £m	New Bids £m	Scheme Reduction £m	Reprofiling to Future Yrs £m	Forecast Q2 £m
Adult Care & Health	3.884	-	-	-	-0.060	-2.095	1.729
Children, Families & Education	16.929	-	-	0.392	-	-8.011	9.310
Corporate Schemes	-	-	-	-	-	-	-
Neighbourhoods	29.143	4.420	-1.000	0.075	-	-8.216	24.422
Regeneration & Place	116.681	10.986	-0.027	21.755	-0.001	-90.252	59.142
Resources	11.421	-	-	-	-4.130	-1.588	5.703
Total	178.058	15.406	-1.027	22.222	-4.191	-110.162	100.306

Appendix B

Capital Programme – Scheme Updates

B1 Adult Social Care & Health

- **Extra Care Housing** - Adult Social Care Commissioning Leads are working closely with strategic housing colleagues on new site opportunities which are either at planning or pre-planning stage. There are several sites under current consideration across Wirral.
- **Telecare & Telehealth Ecosystem** –Initial work completed to identify precursor events - falls and other emergencies attended by Responders. Identification of pre-cursors to medical events is delayed due to inaccessibility of health data. Telecare Proof of Concept 2 is now underway. New Department for Health and Social Care monies became available in October 2022, focussing on the introduction of digital care systems for social care provider services.

B2 Children, Families & Education

- **School Condition Allocation (SCA)** – to be used to keep school buildings safe and in good working order by addressing poor building condition, building compliance, energy efficiency, and health and safety issues. The allocation includes £2.4m roofing works at various schools and £0.50m for boiler installation works.
- **Special Educational Needs and Disabilities (SEND) / High Needs Provision Capital** – To deliver additional classroom provision for SEND pupils across several Special schools. The planned schemes cover Leasowe Early Years Centre, The Observatory School and Pensby/Elleray Park School

B3 Neighbourhoods

- **Highway Maintenance** – Planning for major schemes commenced in January 2023. Works on these schemes commenced in July 2023 and are currently ongoing. These will be completed before the end of the financial year. The major schemes will be completed this financial year, but preparation works are currently underway with schemes that will commence in 2024/25.
- **Combined Authority Transport Plan (CATP)** – This is currently underway to meet the priorities identified by the Road Safety Working Group. This includes the implementation of borough wide 20 mph speed limits. Phase 1 of this is almost complete and Phase 2 is being presented to the Environment Climate Emergency and Transport Committee for approval in December 2023 with plans to commence this later in the financial year.

- **West Kirby Flood Alleviation** – The final works to the flood gates were completed in July and August 2023. The scheme was completed on 18th August and fully open to the public. The Back to the Prom event took place on 2nd September and welcomed thousands of people to the promenade and Old Baths site area. Delivery of the flood risk benefits has now been achieved and reported through to the Environment Agency.

B4 Regeneration & Place

- **Town Deal Fund Birkenhead** – This £25m fund is to enable access to capital grants to support the regeneration of Birkenhead. It encompasses a number of projects to be delivered both internally and by external organisations. A Treasury compliant 'Green Book' business case has been prepared and approved for each of the projects. Grants will be paid out to the organisations delivering the external projects via Grant Funding Agreements. All projects will be delivered by March 2026. Robust monitoring and evaluation arrangements are in place.
- **Aids, Adaptations and Disabled Facility Grant (DFG)** – This is a ring-fenced grant received for the provision of aids and adaptations which is operated on a rolling basis where works can be committed in one year and expenditure incurred the next or across financial years. A further in-year allocation has been awarded to Wirral increasing the budget for 2023/24 by a further £412,184. This will help eligible older and disabled people to live as independently and safely as possible in their homes and where local housing authorities are encouraged to use this additional funding in an agile and responsive way to supplement the core delivery of DFG to further help people to live independently and assist in wider Better Care Fund outcomes.
- **Future High Streets Fund Birkenhead (FHSF)** – This is a capital grant from Department for Levelling Up, Housing and Communities (DLUHC) and includes funding to support the regeneration of Birkenhead Town Centre - Market, Europa Housing and Connectivity (Grange Road/Charing Cross/Conway Street/Bus Station area improvements). Procurement/award of contract for delivery partners for the connectivity projects and demolition of House of Fraser is currently being finalised. The FHSF grant budget is currently profiled to 2023/24, however on 13 September 2023 P&R Committee approved an invitation from DLUHC for the Council to participate in a Pathfinder Simplification Pilot which streamlines Future High Streets Fund, Town Deal and the Council's Levelling Up Round 1 allocation into a single programme with a revised spend deadline of 31st March 2026 within a single Investment Plan that is currently being developed.
- **Birkenhead Waterfront Programme** - The £19.6m Levelling Up Fund Round 1 allocation is a capital grant administered by the Department for Levelling Up, Housing and Communities. The funding is intended to support the transformation of the Woodside Waterfront area as a key visitor destination. Projects included a renewed landing stage at Woodside Ferry Terminal, a new International Battle of the Atlantic attraction at Woodside, and a number of public realm and highways enhancements designed to drive footfall between Hamilton Square and the Waterfront. The funding is subject to an

additional 10 per cent local contribution, which is being met by the Liverpool City Region Combined Authority and council borrowing. Projects are progressing at pace, with all projects expected to start on site in 2024 and complete by March 2026.

B5 Resources

- Enterprise Resource Planning (ERP) – Phase 1 (Core Financials and Procurement) was delivered in April 23 with Enterprise Performance Management (EPM) going live on 12/06/23. Phase 2: - Supplier Qualification Management (SQM), Sourcing and P-Cards (expenses) are delivered, Projects and Supplier Portal have been partially delivered and being rolled out throughout October and November. There is high confidence on delivery of Phase 2 and within budget.
- IT Client Refreshment, Laptops, Desktops & Tablets - The initial batch of new devices has been purchased. Work is on-going with the delivery partner to plan the deployment and implementation of new technologies.

Appendix C

Virements within Quarter 2

Scheme	Proposed Virement £'m	Proposed Reallocation	Reason
Combined Authority Transport Plan (CATP)	0.040	SUD- Leasowe to Seacombe Corridor	Contribution for the zebra crossing in relation to the Beaufort Road scheme.
Tower Road National Productivity Investment Fund (NPIF)	0.100	SUD- Leasowe to Seacombe Corridor	To continue works on the Beaufort Road scheme.
Health & Safety Condition Survey	0.100	New Ferry Rangers Community Clubhouse	The project has taken longer than originally anticipated to complete and there have been some unforeseen costs related to e.g. elements of the original building that needed replacing (entire roof) and the 3g pitch installation. These various complicating factors have led to an increase in overall project costs. The virement is needed to complete the project before transfer to a local charity. The newly refurbished asset will effectively be run as a community centre in a location that sorely needs hyper-local delivery of services.
Wallasey Embankment Toe Reinforcement	0.370	West Kirby Flood alleviation	The Wallasey Embankment Toe Reinforcement scheme was completed in August 2022 with retention in the region of £30k remaining to be paid. Wallasey Embankment was funded by Flood and Coastal Risk Management Grant. The business case approved funding up to £1,358k which included a contingency of £218k. The contingency was not required so the maximum grant that could be claimed against the scheme was £1,140k. The scheme was delivered under budget and accounting for the retention still to be paid, a surplus budget of £370k remains. Wallasey Embankment, like West Kirby Flood Alleviation was funded by Flood and Coastal Risk Management Grant. The Environment Agency, as grant provider, have approved use of the surplus grant for West Kirby Flood Alleviation. Use of the surplus grant for West Kirby Flood Alleviation accords with the conditions of the grant identified in the Environment Agency's "memorandum relating to capital grants for other risk management authorities in England (2020)".
Better Care Fund (Disabled Facilities Grant)	0.433	Telecare & Telehealth Ecosystem	Budgets merged to support the rollout of the telecare programme which meets the disabled facilities grant criteria for the provision of equipment to maintain people in their own home.

Appendix D

Capital Bids Seeking Approval for Funding

D1 Birkenhead Town Centre Sub-Station £4.500m

The development of a Primary Substation within Birkenhead Town Centre is essential to future proof the delivery of all future Town Centre Regeneration projects. The substation design and options study for its location and route were commissioned through Wirral Growth Company (WGC) as part of Birkenhead Commercial District (BCD) Phase 1 and the original costs considered in 2021 were £3.1m. This figure forms part of the overall development cost of BCD Phase1. The contract to deliver the Primary substation now needs to be procured and WGC have completed a review of route and updated cost options. Since 2021 costs have increased significantly due to inflationary pressure on materials and labour as set out in the table below.

	Total Project Cost	Phase 1 Fixed Contribution	Additional Council Contribution
Route 2	£7,633,787.31	£3,113,000.00	£4,520,787.31
Route 3	£7,457,408.67	£3,113,000.00	£4,344,408.67
Route 4	£8,197,048.54	£3,113,000.00	£5,084,048.54

Route 3 has been identified as the preferred and most cost-effective option but due to cost price inflation will require an additional contribution from Wirral of £4.2m in addition to the £3.1m ring fenced BCD Phase 1 contribution.

It is assumed at this point the sub-station will be funded from borrowing but officers will continue to explore other options for government/grant support.

Appendix E

Revised Capital Programme at Quarter 2 2023/24

Scheme	2023/24			2024/25	2025/26	2026/27	2027/28
	Budget 1 Apr 23 £000	Q2 Forecast £000	Variance £000	Budget £000	Budget £000	Budget £000	Budget £000
Adult Care and Health							
Better Care Fund (Disabled Facilities Grant)	433	-	-433	-	-	-	-
Citizen and Provider Portal/Integrated I.T.	63	63	-	-	-	-	-
Extra Care Housing	1645	-	-1645	2276	-	-	-
Liquidlogic - Early Intervention & Prevention	214	214	-	-	-	-	-
Telecare & Telehealth Ecosystem	1529	1452	-77	834	-	-	-
Total Adult Care and Health	3884	1729	-2155	3110	-	-	-
Children, Families & Education							
Basic Needs	1028	100	-928	828	427	-	-
Children's System Development	760	807	47	445	-	-	-
School Condition Allocation (SCA)	9198	5000	-4198	6698	2500	2500	2500
Family support	157	137	-20	20	-	-	-
High Needs Provision Capital	4392	2000	-2392	2392	-	-	-
PFI	52	52	-	-	-	-	-
School Remodelling/Classrooms (School Place Planning)	1	1	-	-	-	-	-
Special Educational Needs & Disabilities	478	350	-128	128	-	-	-
Transforming Care - Therapeutic Short Breaks	863	863	-	-	-	-	-
Total Children, Families & Education	16,929	9,310	-7,619	10,511	2,927	2,500	2,500

Scheme	2023/24			2024/25	2025/26	2026/27	2027/28
	Budget 1 Apr 23 £000	Q2 Forecast £000	Variance £000	Budget £000	Budget £000	Budget £000	Budget £000
Neighbourhoods							
Air Quality Control DEFRA	120	80	-40	40	-	-	-
Allotment Sites Expansion	72	48	-24	24	-	-	-
Arts Council Capital LIF	21	14	-7	7	-	-	-
Ashton Park Lake	144	96	-48	48	-	-	-
Birkenhead Park World Heritage Project Team	85	57	-28	28	-	-	-
Bridges excluding Dock Bridge	894	287	-607	607	-	-	-
Catering Units	160	107	-53	53	-	-	-
Cemetery Extension & Improvements (Frankby)	142	95	-47	47	-	-	-
Churchyard Boundary & Landican Cememetry Structural	56	37	-19	19	-	-	-
Climate Emergency Budget	52	35	-17	17	-	-	-
Coastal Defence - Meols Feasibility Study	100	67	-33	33	-	-	-
Combined Authority Transport Plan (CATP)	3,712	2,435	-1,277	3,397	1,910	1,910	
Coronation Park Sustainable Drainage	222	148	-74	74	-	-	-
Defibrillators	13	9	-4	4	-	-	-
Department for Transport Funding Highways Maintenance	-	765	765		-	-	-
Dock Bridges replacement	210	140	-70	70	-	-	-
Environmental Improvements	-	75	75	75	75	75	
Essential H&S Access Improvements at Wirral Country Park	1	1	-	-	-	-	-
Essential Infrastructure Improvements at Wirral Country Park	-	206	-	-	-	-	-
Fitness Equipment	4	2	-2	2	-	-	-
Flaybrick Cemetery Pathway	200	200	0	0	-	-	-
Food Waste	-	-	-	3,200	-	-	-

Scheme	2023/24			2024/25	2025/26	2026/27	2027/28
	Budget 1 Apr 23 £000	Q2 Forecast £000	Variance £000	Budget £000	Budget £000	Budget £000	Budget £000
Neighbourhoods (continued)							
Future Golf - Project 1.1	188	125	-63	250	-	-	-
Grange Cemetery	45	45	0	0	-	-	-
Highway Maintenance	7,213	4,642	-2,571	2,884	563	563	-
Key Route Network (LGF3) -Operate Key Roads / Routes	166	111	-55	55	-	-	-
Key Route Network CRSTS	1,757	1,171	-586	586	-	-	-
Levelling Up Parks Fund-Woodchurch	38	25	-13	13	-	-	-
Library Radio Frequency Identification Kiosks	80	80	-	-	-	-	-
Lyndale Ave Parking & Safety Measures	124	-	-124	124	-	-	-
Moreton Sandbrook Drainage	203	135	-68	68	-	-	-
New Brighton Gym Equipment	3	2	-1	1	-	-	-
New Ferry Rangers Community Clubhouse	843	662	-181	281	-	-	-
Parks Machinery	2,136	2,090	-46	545	-	-	-
Parks Vehicles	580	580	0	449	42	-	-
Parks Workshop & various machinery	135	135	0	0	-	-	-
Play Area Improvements	177	118	-59	59	-	-	-
Plymyard Cemetery Roadways	75	50	-25	25	-	-	-
Plymyard Playing Field	134	89	-45	45	-	-	-
Quick Win Levy	15	10	-5	5	-	-	-
Removal of remaining analogue CCTV circuits	4	-	-4	4	-	-	-

Scheme	2023/24			2024/25	2025/26	2026/27	2027/28
	Budget 1 Apr 23 £000	Q2 Forecast £000	Variance £000	Budget £000	Budget £000	Budget £000	Budget £000
Neighbourhoods (continued)							
Solar Campus 3G	30	-	-30	30	-	-	-
Street Lighting Column - Replacement or Upgrade	483	322	-161	161	-	-	-
Street Lighting -Illuminated Lighting and Signage	27	18	-9	9	-	-	-
Studio refurbishment Les Mills classes	15	10	-5	5	-	-	-
Surface Water Management Scheme	57	38	-19	19	-	-	-
Tower Road National Productivity Investment Fund (NPIF)	157	5	-152	52	-	-	-
Traffic Signal LED Upgrade	1,166	1,432	266	389	-	-	-
Tree Strategy	64	43	-21	21	-	-	-
Urban Tree Challenge Fund	147	98	-49	49	-	-	-
Wallasey Embankment Toe Reinforcement	618	-	-618	248	-	-	-
West Kirby Flood alleviation	2,505	4,959	2,454	-	-	-	-
Williamson Art Gallery Catalogue	56	37	-19	19	-	-	-
Williamson Art Gallery Ventilation	288	192	-96	96	-	-	-
Wirral Tennis Centre - 3G Pitch	1,065	710	-355	355	-	-	-
Wirral Tennis Centre - Facility Upgrade	515	343	-172	172	-	-	-
Wirral Way Widening	70	70	-	-	-	-	-
Woodchurch Sports Pavillion	1,756	1,171	-585	585	-	-	-
Total Neighbourhoods	29,143	24,422	-4,721	15,349	2,590	2,548	-

Scheme	2023/24			2024/25	2025/26	2026/27	2027/28
	Budget 1 Apr 23 £000	Q2 Forecast £000	Variance £000	Budget £000	Budget £000	Budget £000	Budget £000
Regeneration & Place							
Active Travel Tranche 2	1,517	740	-777	777	-	-	-
Aids, Adaptations and Disabled Facility Grants	2,521	5,242	2,721	2,415	-	-	-
Arrowe Country Park - New Machine Shed & Wash Bay	109	13	-96	96	-	-	-
Arrowe Country Park Depot: Re-Surfacing, Material Bays	27	18	-9	9	-	-	-
Bebington Oval Facility Upgrade	527	151	-376	376	-	-	-
Birkenhead Market Construction	13,300	1,500	-11,800	25,750	-	-	-
Birkenhead Regeneration Delivery Fund	3,034	1,034	-2,000	2,000	-	-	-
Birkenhead Regeneration Framework	315	210	-105	105	-	-	-
Birkenhead Town Centre Masterplanning & Housing Delivery	290	193	-97	97	-	-	-
Birkenhead Town Centre Sub-Station	-	4,500	4,500	-	-	-	-
Birkenhead Waterfront Programme	21,000	1,030	-19,970	19,970	-	-	-
Business Investment Fund	585	50	-535	535	-	-	-
Capitalisation of Regen Salaries	971	971	0	984	-	-	-
Changing Places Toilets	137	91	-46	46	-	-	-
Clearance	191	127	-64	258	-	-	-
Community Asset Transfer	500	0	-500	500	-	-	-
Concerto Asset Management System	25	17	-8	8	-	-	-
Connecting Wirral Waters: Detailed Design	42	42	-	-	-	-	-
Consolidated Library Works Fund	279	186	-93	93	-	-	-
Demolitions	1,346	367	-979	979	-	-	-
Depot Welfare Improvements	45	30	-15	15	-	-	-

Scheme	2023/24			2024/25	2025/26	2026/27	2027/28
	Budget	Q2	Variance	Budget	Budget	Budget	Budget
	1 Apr 23	Forecast					
Regeneration & Place (continued)							
Empty Property Grant Scheme	315	210	-105	415	-	-	-
Emslie Morgan (Solar Campus)	447	298	-149	149	-	-	-
Energy efficient buildings	370	247	-123	493	-	-	-
Future High Streets Fund New Ferry	3,112	1,000	-2,112	2,112	-	-	-
Floral Pavilion	100	67	-33	33	-	-	-
Future High Streets - Birkenhead	12,403	9,125	-3,278	4,903	1,170		
Health & Safety - Condition Surveys	1,715	837	-878	3,072	-	-	-
Heswall Day Centre (part only)	50	33	-17	17	-	-	-
Hind Street Programme	0	1,499	1,499	42,056	-	-	-
Housing Infrastructure Fund (Enabling Infrastructure)	1	-	-1	-	-	-	-
Hoylake Golf works depot demolish and replace	1	-	-1	1	-	-	-
Landican Chapels	40	27	-13	13	-	-	-
Leisure Capital Improvement Programme	470	-	-470	470	-	-	-
Lever Sports Pavilion	-	-	-	80	-	-	-
Liscard Town Centre Delivery	10	7	-3	3	-	-	-
Local Authority Housing Fund 2	-	4,225	4,225	-	-	-	-
Major Infrastructure Development & Strategic Transport	210	210	-	-	-	-	-
Maritime Knowledge Hub	12,351	100	-12,251	12,251	10,650	-	-
Moreton Youth Club & Library	993	662	-331	331	-	-	-
New Brighton Masterplan for Marine Promenade	45	30	-15	15	-	-	-

Scheme	2023/24			2024/25	2025/26	2026/27	2027/28
	Budget	Q2	Variance	Budget	Budget	Budget	Budget
	1 Apr 23	Forecast					
Regeneration & Place (continued)							
New Ferry Regeneration Strategic Acquisitions	1,342	500	-842	842	-	-	-
Office Quarter Building Fit-Out	5,248	9,387	4,139	-	-	-	-
Parks and Countryside DDA	421	281	-140	140	-	-	-
Pool Covers	252	168	-84	84	-	-	-
Property Pooled Plus I.T System	20	13	-7	7	-	-	-
Soft Play Areas Leisure Centres	410	273	-137	137	-	-	-
Strategic Acquisition Fund	2,992	10,500	7,508	2,992	-	-	-
Strategic Acquisitions - Capital Enhancements	-	333	333	667	500	500	500
SUD - Leasowe to Seacombe Corridor	3,016	140	-2,876	3,016	-	-	-
TAG Bus Case-A41 Corridor North	192	75	-117	117	-	-	-
TAG Bus Case-Wirral Waters outline	39	26	-13	13	-	-	-
Town Centre scheme - New Ferry	5	3	-2	2	-	-	-
Town Deal Fund - Birkenhead	15,189	2,000	-13,189	8,909	11,455	-	-
Town Fund B'head	53	35	-18	18	-	-	-
UK Shared Prosperity Fund (UKSPF)	176	117	-59	445	-	-	-
Vale Park Toilets	100	67	-33	33	-	-	-
West Kirby Concourse/Guinea Gap Reception upgrade	351	34	-317	317	-	-	-
West Kirby Marine Lake/Sailing Centre – accommodation	93	62	-31	31	-	-	-
West Kirby Masterplan	58	39	-19	19	-	-	-

Scheme	2023/24			2024/25	2025/26	2026/27	2027/28
	Budget 1 Apr 23 £000	Q2 Forecast £000	Variance £000	Budget £000	Budget £000	Budget £000	Budget £000
Regeneration & Place (continued)							
Wirral Waters Investment Fund	7,000	-	-7,000	-	7,000	-	-
Woodchurch Capital Asset Transfer	330	-	-330	330	-	-	-
Total Regeneration & Place	116,681	57,517	-59,164	139,546	30,775	500	500
Resources							
Creative & Digital Team - specialist software and hardware	9	6	-3	3	-	-	-
Customer Experience Improvements Project	738	738	-	-	-	-	-
Digital Foundations Programme	1,302	1,302	-	-	-	-	-
Enterprise Resource Planning (ERP) System	6,130	1,500	-4,630	500	-	-	-
Legal Case Management System	8	8	-	-	-	-	-
Local Digital Cyber Fund	163	109	-54	54	-	-	-
Replacement of IT Service Management System	173	173	-	-	-	-	-
Upgrade of WIFI Network	97	-	-97	97	-	-	-
Worksmart I.T.	116	77	-39	39	-	-	-
IT Client Refreshment, Laptops, Desktops & Tablets	2,685	1,790	-895	1,790	-	-	-
Total Resources	11,421	5,703	-5,718	2,483	-	-	-
Total Capital Programme	178,058	98,681	- 79,377	170,999	36,292	5,548	3,000

Appendix F

Prudential Indicators 2023/24

(a) Adoption of the CIPFA Treasury Management Code

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

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

(b) Capital Expenditure

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

The first Prudential Indicator is the estimate of capital expenditure that the Council will incur in this financial year and the following two years, table F1 below shows the estimates for 2023/24 onwards when the Quarter 1 Capital Monitoring Report 2023/24 was approved (Council meeting 9 October 2023):

Table F1: Prudential Indicator: Quarter 1 Estimate of Capital Expenditure

	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	Total
	£000	£000	£000	£000	£000
Capital Expenditure	62,103	86,951	173,199	35,122	357,375
Total	62,103	86,951	173,199	35,122	357,375

Table F2 shows how these figures have evolved, with the programme amendments detailed within this report.

Table F2: Prudential Indicator: Quarter 2 Estimate of Capital Expenditure

	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	Total
	£000	£000	£000	£000	£000
Capital Expenditure	62,103	98,681	170,999	36,292	368,075
Total	62,103	98,681	170,999	36,292	368,075

Capital expenditure has or will be funded as follows:

Table F3: Prudential Indicator: Financing of Capital Expenditure

Capital Financing	2022/23 Actual £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Capital receipts	2,930	1,790	8,690	-
Grants and Contributions	39,978	49,182	125,299	16,731
Revenue and Reserves	592	2,655	7,095	1,170
Borrowing	18,603	45,054	29,915	18,391
Total Funding	62,103	98,681	170,999	36,292

(c) Capital Financing Requirement (CFR)

Estimates of the Authority's cumulative maximum external borrowing requirement for 2023/24 to 2025/26 as per the Quarter 1 Capital Monitoring Report 2023/24, are shown in the table below:

Table F4: Capital Financing Requirement Estimates – Q1 Capital Monitoring 2023/24

Capital Financing Requirement	31/03/2023 Actual £m	31/03/2024 Estimate £m	31/03/2025 Estimate £m	31/03/2026 Estimate £m
General Fund	376.5	400.7	417.6	418.8

Table F5 shows how these figures have evolved, with the programme amendments detailed within this report.

Table F5: Capital Financing Requirement Revised Estimates

Capital Financing Requirement	31/03/2023 Actual £m	31/03/2024 Estimate £m	31/03/2025 Estimate £m	31/03/2026 Estimate £m
General Fund	376.5	406.9	420.0	422.6

(d) Gross Debt and the Capital Financing Requirement:

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

Table F6: Gross Debt and the Revised Capital Financing Requirement Estimates

Debt	31/03/2024 Estimate £m	31/03/2025 Estimate £m	31/03/2026 Estimate £m
Borrowing	305.7	372.8	376.8
PFI liabilities	28.0	24.8	21.3
Total Debt	333.7	397.6	398.1
Borrowing in excess of CFR?	No	No	No

(e) Authorised Limit and Operational Boundary for External Debt

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

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

There were no breaches to the Authorised Limit and the Operational Boundary, as set in the Capital Financing Strategy report (Council meeting 27 February 2023) during Quarter 2.

Table F7: Authorised Limit and Operational Boundary for External Debt

	Operational Boundary (Approved) 2023/24 £m	Authorised Limit (Approved) 2023/24 £m	External Debt 30/09/2023 £m
Borrowing	448.0	458.0	256.1
Other Long-term Liabilities	51.0	56.0	29.6
Total	499.0	514.0	285.7

(f) Ratio of financing costs to net revenue stream

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

Table F8 Ratio of financing costs to net revenue stream

Ratio of Finance Costs to Net Revenue Stream	2023/24	2024/25	2025/26
	Estimate	Estimate	Estimate
	%	%	%
Ratio	7.0%	7.7%	8.0%