

Report to:	Cabinet	Date of Meeting:	29 July 2021
Subject:	Financial and Corporate Performance 2020/2021		
Report of:	Executive Director of Corporate Resources and Customer Services	Wards Affected:	(All Wards);
Portfolio:	Leader of the Council		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

To inform Cabinet of the revenue and capital outturn position in relation to the 2020/21 financial year. In doing so the report will outline any key variations and where appropriate any impact on future years' financial performance. In addition, it provides details of the Council Corporate Performance for 2020/21.

Recommendation(s):

Cabinet is recommended to: -

Revenue Outturn

1. Note the General Fund net surplus of £4.234m for 2020/21 that will increase the Council's General Balances by £2.734m more than was budgeted for;
2. Note the increase in Schools' balances of £4.853m for 2020/21 and the net reduction of non-schools centrally retained DSG balances of £2.230m;
3. Note the changes to Earmarked Reserves in 2020/21;
4. Approve the creation of the five Earmarked Reserves detailed in paragraph 6.4(g) from various underspends that have occurred during 2020/21;

Capital Outturn

5. Note the total capital outturn of £23.728m for the financial year 2020/21.
6. To note the successful delivery of a number of schemes as set out in section 11 that have supported the delivery of the Council's core purpose.

Corporate Performance

7. Note the Council's Corporate Performance Report for 2020/21.

Reasons for the Recommendation(s):

The production of a revenue and capital outturn report is a key feature of effective financial management and will allow Members to make informed decisions that will support service delivery and medium-term financial sustainability.

Alternative Options Considered and Rejected: (including any Risk Implications)

N/A

What will it cost and how will it be financed?

(A) Revenue Costs

All financial implications are reflected within the report

(B) Capital Costs

All financial implications are reflected within the report

Implications of the Proposals:

The following implications of this proposal have been considered and where there are specific implications, these are set out as follows:

Resource Implications (Financial, IT, Staffing and Assets): None
Legal Implications: None
Equality Implications: None

Contribution to the Council's Core Purpose:

Effective Financial Management and the development and delivery of sustainable annual budgets support each theme of the Councils Core Purpose.

<u>Protect the most vulnerable:</u> See comment above

<u>Facilitate confident and resilient communities:</u> See comment above
<u>Commission, broker and provide core services:</u> See comment above
<u>Place – leadership and influencer:</u> See comment above
<u>Drivers of change and reform:</u> See comment above
<u>Facilitate sustainable economic prosperity:</u> See comment above
<u>Greater income for social investment:</u> See comment above
<u>Cleaner Greener:</u> See comment above

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services is the author of the report (FD 6467/21)

The Chief Legal and Democratic Officer has been consulted and any comments have been incorporated into the report (LD 4668/21).

(B) External Consultations

N/A

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

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Appendices:

The following appendix is attached to this report:

APPENDIX A – Corporate Performance Report 2020/21

Background Papers:

There are no background papers available for inspection.

1. Introduction

- 1.1 The report details the revenue outturn position for the financial year 2020/21 and provides details of the major variations within that position for the General Fund and Schools' Delegated Budgets. The report also provides details of the Capital Outturn position for 2020/21.
- 1.2 In addition, the report includes the Council's Corporate Performance Report for 2020/21 (Appendix A).

Revenue Outturn 2020/21

2 Overall Position 2020/21

2.1 The Council has completed the closure of the Authority's Accounts for 2020/21. In previous years (apart from 2019/20), by the end of May, the Council would have submitted the Statement of Accounts to our external auditors, Ernst & Young, for audit. However, partially due to the impact of the COVID-19 pandemic, the Government worked with CIPFA, the LGA and external auditors to revise the regulations for publishing, auditing and approving the Statement of Accounts in 2020/21 and 2021/22. The new timeframe for the overall closure of accounts process is as follows:

- Draft Statement of Accounts issued – 31 July 2021
- External Audit Review – Planned completion September 2021
- Audit and Governance Committee receive Final Accounts - late September 2021
- Final audited Statement of Accounts published – 30 September 2021

2.2 The outturn figures for 2020/21 are explained in more detail in section 3 but can be summarised as follows:

<u>Net Revenue Expenditure</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
<u>Services</u>			
Strategic Management	3.136	2.932	-0.204
Adult Social Care	94.800	91.811	-2.989
Children's Social Care	34.977	39.754	4.777
Communities	18.359	18.699	0.340
Corporate Resources	8.501	7.688	-0.813
Economic Growth & Housing	5.659	5.347	-0.312
Education Excellence	9.783	9.777	-0.006
Health and Wellbeing	18.498	17.924	-0.574
Highways & Public Protection	10.553	10.196	-0.357
Locality Services	12.240	12.424	0.184
Other Services	3.023	3.029	0.006
<u>Total Service Net Expenditure</u>	219.529	219.581	0.052

Budget Pressures Fund	1.000	-	-1.000
In Year Savings	5.411	-	-5.411
Corporate Items	8.940	13.033	4.093
Levies	34.701	34.701	-
Parish Precepts	1.179	1.179	-
Total Net Expenditure	270.760	268.494	-2.266
Financed by:			
Council Tax Payers	-137.856	-137.856	-
Business Rates Top-Up	-21.249	-21.249	-
Retained Business Rates	-66.779	-66.779	-
General Government Grants	-46.376	-46.844	-0.468
Total Financing	-272.260	-272.728	-0.468
Amount Added to General Balances	-1.500	-4.234	-2.734

3 General Fund Revenue Outturn 2020/21 – Variation Analysis

- 3.1 As shown in section 2, the outturn for 2020/21 shows that there was a transfer to General Balances of £4.234m which was an underspend of £2.734m compared to the increase in General Balances of £1.500m that was budgeted for.
- 3.2 During the early part of 2020/21 it was identified that the Council was facing significant financial pressure in a number of demand led services areas, particularly Children’s Social Care. 3.4 Given the uncertainty around COVID-19, it was vital that the Council ensured the 2020/21 budget did not overspend. Therefore, a remedial plan was developed. This focussed on vacancy management with external recruitment being prioritised in Children’s Services, Family and Well Being Centres/Early Help and SEND, stopping all non-essential expenditure within the Council, with the exceptions of Children’s Social Care (due to the budget issues in that service) and Public Health (due to the current pandemic) and as per the Budget Report of February 2020, bringing through savings from the Framework for Change programme.
- 3.3 As a result of the remedial plan, savings of £5.411m were identified to offset the pressures. This has contributed to the favourable outturn position in 2020/21.
- 3.4 As would be expected, during the financial year, there has been a number of significant variations in individual services. The major variances are highlighted in the following paragraphs: -
- 3.4.1 **Adult Social Care** - Adult Social Care underspent in 2020/21 by £2.989m. Reports to Cabinet during the year highlighted that there were a number of significant assumptions and uncertainties relating to COVID-19 that would impact on the outturn position at the year-end. Detailed work was undertaken on the level of expenditure relating to hospital discharges due to COVID-19 which will be funded by the CCGs from the allocations of funding they have received for this

purpose from the Government, and how much will need to be funded by the Council. Similarly, detailed work was undertaken to evaluate the financial impact of the pandemic on the service's residential and day care services budgets. The impact of these two areas have resulted in the underspend for 2020/21. The monthly budget monitoring reports later in 2020/21 made reference to these issues and an underspend of £1.500m was included in the forecast pending finalisation of the issues.

3.4.2 Children's Social Care - Children's Social Care overspent in 2020/21 by £4.777m. This level of overspend was forecast consistently through the year and relates to the significant overspend on Placements and Packages. This budget is demand led, and as such, is particularly volatile, depending on the increasing numbers of children becoming looked after and where they are placed (the number of looked after children increased from 578 at the start of the year to 617 by the end of the year).

3.4.3 Corporate Resources – The surplus of £0.813m for Corporate Resources primarily relates to savings made against staffing budgets which is due to posts being held vacant in order to contribute to the overall budget pressures faced by the Council. In addition, the surplus includes savings of £0.337m due to elections being postponed in May 2020.

3.4.4 Health & Wellbeing – A net surplus of £0.574m was brought about primarily due to savings on contracts procured during the year, particularly on substance misuse and sexual health services.~~de-ed~~

3.4.5 Budget Pressures Fund / In Year Savings: As mentioned in paragraph 3.2, the Council implemented a remedial plan to ensure the Council's in-year budget didn't overspend. This included the delivery of the in-year saving proposals described above.

3.4.6 Corporate Items: There are various corporate items that have had an impact on the Council's outturn position, with a net impact of £4.093m. The most significant are described below:

- The report relating to the Strand Shopping Centre presented to Cabinet on 4 February 2021 outlined that the potential outturn deficit for 2020/21, as a consequence of the impacts of the COVID-19 pandemic, was expected to be between £2.650m and £3.180m. The deficit has now been finalised and the impact on the outturn position is an overspend of **£2.696m**;
- It is estimated that the costs in 2021/22 of recruiting additional staff to support Children's Social Care will be in the region of £1.500m. Due to the favourable outturn position in 2020/21, Cabinet is asked to approve the creation of a reserve for **£1.500m** to fund these costs (see paragraph 6.4g). This transfer has been assumed in the forecast outturn position;
- Reduction in Housing Benefit Subsidy re. overpayments - **£0.296m** deficit
- Balance of pay award provision not required - **£0.202m** surplus.

3.5 As a result of the variations detailed within this report the overall Council-wide underspend recorded for the year of £2.734m represents the outcome of stringent financial management through the year as the Council continues to meet the

financial pressure from demand led services, the extreme challenges of national government policy as well as the impact of COVID19. The outturn position excludes the impact of COVID19 with additional expenditure and loss of income being met by utilising various additional funding sources provided by the Government.

- 3.6 As was detailed within the Budget report presented to Council in March 2021, in addition to the continued need to respond to the decade long austerity programme and the impact of COVID19, the Council continues to face unprecedented financial pressure particularly within Children's Social Care, Children with Disabilities, Home to School Transport and Locality Services. This position is not unique to Sefton; however, the challenge is significant and will require very careful financial management throughout 2021/22 and beyond.
- 3.7 The Council acknowledged these risks in its budget report and significant additional resources were built into 2021/22 budget in recognition of these additional demands. The first budget monitoring report of 2021/22, relating to the first quarter of the year, is presented separately on today's agenda and provides an initial assessment of the Council's financial position.
- 3.8 In addition to the financial pressures being experienced by the Council, there is considerable uncertainty around the future funding of local government and the impact this will have on Sefton. As detailed in the budget report, the Government has committed to the biggest review of local government finance in a generation with a Fair Funding Review, Adult Social Care Green Paper on future funding and the reform and full roll out of the business rates retention scheme. The Council continues to contribute to consultations and lobby on each of these areas, to help develop what is hoped will be a genuine long-term plan to deliver financial sustainability to local government in general, and Sefton in particular. However, due to the implications of responding to the COVID-19 pandemic, the implementation of any changes may be delayed beyond 2021/22 bringing more uncertainty in the Council's funding position.

4 Schools' Delegated Budgets Outturn 2020/21

- 4.1 The level of schools' balances as at the end of 2020/21 is £15.676m (£10.823m 2019/20). This overall sum consists of direct school balances of £15.194m (£10.553m 2019/20); Schools Supply Funding Pool surplus of £0.112m (£0.108m deficit in 2019/20) and the Schools Rates Pooled Account surplus of £0.370m (£0.378m 2019/20). The total balances represent 12.7% of schools' 2020/21 delegated budgets. Overall, schools' direct balances increased by £4.641m; Similarly, the Schools Supply Pool balances increased by £0.220m and the Rates Pool Account reduced by £0.008m.
- 4.2 Analysis of the Schools Balances shows that 64 schools saw an increase in their balances totalling £5.151m; whilst 20 schools experienced a fall in balances of £0.510m giving a net increase in the year of £4.641m. Of the 20 schools with falling balances, there were 16 Primary schools and 2 Local Authority Maintained Secondary schools with a fall in balances of £0.243m and £0.092m respectively. In addition, there were 2 Special/AP schools with reducing balances of £0.175m.

- 4.3 At the start of 2020/21, there were 7 schools in a deficit position including 3 Maintained Primary Schools and 4 Maintained Secondary Schools with net deficit balances of £0.169m and £1.854m respectively. These 7 schools were all operating under a licensed deficit in 2020/21.
- 4.4 By the end of 2020/21, based on the outturn position, 6 Schools were in a deficit position, including 3 Maintained Primary schools, and 2 Maintained Secondary Schools, and 1 Pupil Referral Unit with net deficit balances of £0.098m; £1.297m and £0.073m respectively.
- 4.5 In 2021/22, all 6 schools have applied to the Executive Director of Corporate Resources and Customer Services, for permission to operate under licenced deficit conditions, having submitted their plans to the Local Authority for reducing their spending to try and get back into balance.
- 4.6 In respect of Maintained Special Schools all 5 schools saw an increase in their balances of (£0.874m), whilst the 2 PRUs saw a fall in balances (£0.175m).
- 4.7 High Needs budgets were overspent by £2.8m in 2020/21 (£4.5m in 2019/209), and efforts started from September 2019 and have been ongoing since, to identify rising demands and pressures across High Needs, in an effort to bring costs down. In particular, an examination around expensive out of Borough day placements is being conducted, and a review of in-house sufficiency of places to meet the needs of these children. In addition, the Local Authority is currently consulting all stakeholders within the High Needs / SEN sector over possible changes to funding SEN support costs in mainstream schools, where there has been a noticeable increase in funding awarded for top-ups over recent years.
- 4.8 Notional SEN budgets, derived from the Schools Formula, were given to schools in 2020/21 for closer monitoring of their spending on pupils with Special Needs. Other areas under review include Early Years and Post 16 funding for High Needs children/Young people. Progress continues to be made with the High Needs review, and changes may start to be implemented from later this year 2021 to bring about a change in future spending in line with budgets following a period of consultation. In the 2021/22 High Needs funding settlement, Sefton received an extra £2.8m, which should help alleviate the spending position during the year. In addition, funding awards for 2021/22 have been agreed in advance, for certain transition years only and ongoing awards of funding have been agreed for some pupils and for those with an EHCP, in a bid to reduce costs. No new funding awards will be made, except for exceptional cases, and spending will be monitored closely during the year.
- 4.9 Early Years underspent during the year, due mainly to the fluctuation in 3-4-Year-old take up of the free entitlement across the year, compared against the headcount census numbers taken in January 2020, when the Early Years funding was determined for 2020/21. 2020/21 has been a difficult year for Early Years providers during the COVID19 pandemic and sustainability has been an issue with many. However, no closures have occurred as a result apart from 1 Nursery which may have closed anyway due to its financial position. During the year the new Early Years Development Group of Schools Forum has been meeting regularly to examine the use of Early Years funding towards training facility and other issues, including sustainability issues following the Covid19 outbreak and lockdown. Plans

were in place to support settings during this difficult period, to ensure sufficiency of childcare through the year. Early Years balances ended the year with a surplus balance of £1.113m in 2020/21 and there are plans to utilise some of these balances in support of providers and in offering training support going forward. Some balances may be required to support a funding clawback later in 2021 related to the big reduction in headcount numbers in January 2021 due to the lockdown announced in early January 2021.

4.10 The Council holds Centrally Retained DSG reserves, separate to its Maintained Schools' balances. These are in respect of Schools' Central Support services; Early Years (non-schools) provision and High Needs (non-schools) provision. The net opening balance of these reserves, as at 1 April 2020, was a deficit of £4.385m. During 2020/21, this deficit has grown considerably, mostly due to the significant overspending of High Needs. This has taken the reserves into a net deficit position of £6.615m (see below).

<u>Centrally Retained DSG Balances</u>	<u>1 April 2020</u> £m	<u>Reallocation</u> £m	<u>Movement 2020/21</u> £m	<u>31 March 2021</u> £m
Schools Block	-0.544	0.000	0.023	-0.521
Early Years Block	-0.505	0.000	-0.608	-1.113
High Needs Block	5.434	0.000	2.815	8.249
	4.385	0.000	2.230	6.615

4.11 Local Authorities may carry forward a deficit on their DSG Centrally retained balances, without any obligations on behalf of Local Authorities to support a deficit position out of core Council balances.

4.12 However, the ESFA have determined that they have retained the right to request Local Authorities to provide more information about their DSG deficits, and to set out their plans for long term recovery. They have offered to work more closely and in cooperation with Local Authorities, to support them in trying to reduce spending, particularly across High Needs, where most Authorities have been struggling to manage. The first priority however will be for the Authority to have plans to balance their in-year spending. They will also still be required to provide evidence, at the DfE's request, that overspending issues have been reported regularly to Schools Forum; and that measures are in place to arrest the situation, at least, over a 3-year planned period. It has been acknowledged that the full recovery of accumulated deficits however, may not be possible, even over many years, and it is not certain at this stage, whether the DfE may consider, on a case by case basis, some extra funding, to write down some, or all, of their accumulated deficits in this respect.

4.13 It is hoped that with the review of High Needs underway, and the actions being taken as explained above, together with a further reasonable settlement for High Needs funding in 2022/23, the deficit position may reduce. Officers will be ready to respond to the DfE when asked to do so, in explanation of the actions being taken to date and ongoing.

5 Council Balances

5.1 The change in the level of Council and School Balances as at 31 March 2021 are set out in the tables below:

<u>Non-School General Fund Balances</u>	£m	£m
Actual Non-School General Fund Balances at 31 March 2020		-6.984
Less underspend in comparison to the 2020/21 Base Estimate:		
- Assumed Increase in Balances 2020/21	-1.500	
- Underspend in 2020/21	-2.734	
Actual Increase in Balances in 2020/21		-4.234
Actual Non-School General Fund Balances at 31 March 2021		-11.218

<u>Schools' Balances</u>	£m
Schools' balances as at 1 April 2020	-10.823
Overspend on Schools' Delegated Budgets	-4.853
Schools' balances at 31 March 2021	-15.676

6 Earmarked Reserves

6.1 Unlike General Fund balances, Earmarked Reserves are held for a specific purpose. These purposes may be determined by the Council to coincide with its policy objectives, dictated by statute (e.g. Schools Earmarked Reserves) or relate to revenue grants and contributions that haven't been fully applied by the end of the financial year.

6.2 Once approved, expenditure incurred in accordance with the reserve's purpose is funded by applying the reserve, without any need for further approval. If the reserve is no longer required for the originally intended purpose it is released back into the General Fund.

6.3 An analysis of the Council's Earmarked Reserves, and the movement during 2020/21 is shown in the table below:

	Movements in 2020/21	1 April 2020 £000s	Transfers in £000s	Transfers Out £000s	31 March 2021 £000s
(a)	Environmental Warranty	-9,000	0	0	-9,000
(b)	Insurance Fund	-1,371	0	410	-961
(c)	Transforming Sefton	-5,466	-639	2,603	-3,502
(d)	Redundancy Reserve	-2,000	0	674	-1,326
(e)	Capital Priorities Fund	-42	0	42	0
(f)	Community Transition Fund	-659	0	178	-481
(g)	Contamination Clearance	-1,500	0	62	-1,438

(h)	Rating Appeals / Reduction in NDR Income Reserve	0	-38,784	0	-38,784
(i)	Secondary School Deficit Reserve	0	-750	0	-750
(j)	Regeneration Schemes Reserve	-193	0	193	0
(k)	Revenue Grants and Contributions Unapplied	-14,616	-35,241	1,944	-47,913
(l)	Schools' Earmarked Reserves	4,385	-608	2,838	6,615
(m)	Other Earmarked Reserves	-5,426	-6,418	627	-11,217
		-35,888	-82,440	9,571	-108,757

6.4 The main changes in Earmarked Reserves are as follows:

- a) **Transforming Sefton** – £2.603m has been utilised to fund previously approved expenditure, primarily involving the Cost of Change budget relating to the Framework for Change programmes of 2017 and 2020.
- b) **Redundancy Reserve** – In February 2021 Cabinet were informed of the transfer of £0.500m from the Redundancy Reserve to the Transforming Sefton Reserve in order to fund the Cost of Change budget. This transfer was approved by the Section 151 officer in consultation with the Chief Executive in line with the Council's Financial Procedure Rules.
- c) **Rating Appeals / Reduction in Business Rates Income Reserve** – In response to COVID19, the Government introduced an expanded Business Rates retail relief scheme in 2020/2021. This resulted in a significant deficit on the Collection Fund which will be recovered in 2021/22. However, the Council received S31 grants to offset the reliefs granted which were received in 2020/21. These have therefore been reserved so they can be used to offset the deficit in 2021/22.
- d) **Secondary School Deficit Reserve** – Budget Council in February 2020 approved the creation of a reserve to fund the potential deficits of Secondary Schools should they transfer to academy status. A contribution of £0.750m was included in the 2020/21 budget.
- e) **Revenue Grants and Contributions Unapplied** – There has been a large increase due to the receipt during 2020/21 of various tranches of funding to support the Council's response to the COVID-19 pandemic. These include funding for Local Restrictions Support Grants, emergency funding and the Contain Outbreak Management Fund. These have been reserved to fund costs and loss of income that will be incurred in 2021/22.
- f) **Schools' Earmarked Reserves** – See Section 4 for an explanation of the movements in these reserves.
- g) **Other Earmarked Reserves** – The creation of a number of new reserves is proposed as detailed below:

Children's Social Care (£1.500m) – It is proposed that additional one -off resources be set aside to support increased staffing levels in the service in 2021/22. **Cabinet is asked to approve the creation of this reserve from the overall underspend position of the Council in 2020/21.**

Adult Social Care (£2.054m) – It is proposed to carry forward Adult Social Care underspends from 2020/21 to offset potential additional backdated costs relating to joint funded care. The utilisation of the reserve will be in accordance with Financial Procedure Rules and any amounts not required will be credited back to the revenue

budget in 2021/22. **Cabinet is asked to approve the creation of this reserve from the Adult Social Care underspend position in 2020/21.**

Economic Recovery (£1.500m) – It is proposed to carry forward an underspend on the emergency funding received by the Council in 2020/21 to fund additional support for economic recovery following the pandemic. This will fund an in-house team with additional resource and expertise for a period of two years. **Cabinet is asked to approve the creation of this reserve from the emergency funding underspend position in 2020/21.**

Commissioning (£0.250m) – It is proposed to carry forward an underspend on the emergency funding received by the Council in 2020/21 to fund additional capacity for improvements in Adult Social Care and Children’s Social Care market management following the pandemic. This will fund additional staffing for a period of two years. **Cabinet is asked to approve the creation of this reserve from the emergency funding underspend position in 2020/21.**

Agile Working (£0.300m) – It is proposed to carry forward part of the underspend on the pay award provision in 2020/21 to fund the additional costs associated with future ways of working following the pandemic. **Cabinet is asked to approve the creation of this reserve from the pay award provision underspend position in 2020/21.**

7 Revenue Outturn 2020/21 - Conclusion

- 7.1 In February 2020, the Council set a one-year budget. Through the application of stringent financial management throughout the year, the Council continued to meet the financial pressure from demand led services and was still able to underspend by £2.734m. In addition, it was able to withstand the financial pressures that arose from COVID19 by utilising the resources provided by the Government to support the Council’s response.
- 7.2 Whilst the position reported is largely favourable, in addition to meeting the funding shortfall that has arisen primarily due to central Government’s austerity programme, the Council is still facing significant financial pressure from some of its main demand led budgets, Children’s Social Care, Children with Disabilities, Home to School Transport and Locality Services. The experience in Sefton is currently similar to most local authorities across the country and as a result will require careful financial management in the forthcoming year in order that these pressures are aligned with the delivery of the overall savings target that the Council has to meet. This approach and pressure were identified within the Budget report of March 2021 and significant additional resources were included in the budget for 2021/22.
- 7.3 The Council’s accounts will be completed by the end of July 2021. They will then be subject to review by the external auditor, Ernst & Young, and following final completion of the audit, the Accounts will be presented to the Audit & Governance Committee in September 2021 for consideration, together with the ISA 260 report that will reflect their findings and conclusions.

Capital Outturn 2020/21

8 Overall Position for 2020/21

8.1 The approved capital budget for 2020/21 was £27.932m against which capital expenditure of £23.728m has been incurred at the year end. This has resulted in a year end variance of £4.204m. A service by service breakdown is shown in the following table:

Service Area	Budget 2020/21	Actual Expenditure 2020/21	Variance to Budget
	£m	£m	£m
Adult Social Care	2.923	2.330	-0.593
Communities	0.339	0.252	-0.087
Corporate Resources	1.171	1.213	0.042
Economic Growth & Housing	4.648	2.869	-1.779
Education Excellence	3.619	3.584	-0.035
Highways & Public Protection	12.825	11.839	-0.986
Locality Services	2.407	1.641	-0.766
Total Programme	27.932	23.728	-4.204

8.2 In addition to the core programme, capital expenditure totalling £2.475m was incurred by the Council. This included Schools Devolved Formula Capital which is provided directly to and managed by schools and capitalisation of Highways expenditure. Total capital expenditure in 2020/21, including this was £26.203m.

9 Programme Funding

9.1 The table below shows how the capital programme has been funded in 2020/21:

Source	£m
Grants	18.453
Prudential Borrowing	6.117
Section 106	0.288
Capital Receipts	1.164
Contributions	0.181
Total Programme Funding	26.203

10 Key Explanations of Full Year Outturn Variance 2020/21

10.1 Adult Social Care

The variation of £0.593m was mainly attributed to the timing of issuing capital grants for Care Home Improvements. A number of applications were received in the year, but due to the time required to carry out the proper scrutiny and assessment

of the applications through a formal panel, the actual payment of the grant money did not take place until early 2021/22 financial year.

10.2 Economic Growth & Housing

10.2.1 Strategic Acquisitions – Bootle (-£0.275)

The majority of acquisitions have been completed to schedule. The underspend is in part due to demolition tender being less than estimated and two lease surrenders did not complete by 31st March which was within the programme deadline. Additional work has been identified to pick up the demolition contract underspend, however tender returns did not come in until the end March limiting expenditure in 2020/21 financial year. A change control has been requested from the LCR Combined Authority to extend funding into 2021/22 financial year.

10.2.2 Cambridge Road Development (-£0.276m)

Programme slippage has occurred due to a combination of a slight delayed start to contract commencement, clarifications requested from contractor, changes from the client and additional unanticipated work outside of contract to the basement area requiring instruction from the contract manager. A change control has been submitted to LCR Combined Authority for a time extension to project.

10.2.3 Crosby Lakeside Development (-£0.701m)

Procurement of the contractor took much longer than anticipated which led to a delay in signing the construction contract. The actual programme and spend profile for the project were only confirmed once the contractor was appointed. This has led to a significant underspend in the project. A change control document has been submitted to the LCR Combined Authority to move the underspent grant funding into 2021/22.

10.2.4 Southport Market (-£0.334m)

The variance on project is due to a small delay in the programme of works due to the lead in time for steel. Also, the dates of the valuation certificates have caused a slight variance with regards to spend. It is still anticipated that project will be complete in the first half of 2021/22.

10.2.5 Strategic Acquisitions – Ainsdale (-£0.191m)

Covid and the lockdown restrictions that were implemented prevented earlier inspections of the properties, in order to value and progress negotiations with leaseholders and complete transactions in 2020/21.

10.3 Highways and Public Protection

10.3.1 Kirkby to Maghull Cycle Route (-£0.225m)

Start of construction was delayed due to land ownership issues which meant the scheme was not completed by the end of 2020/21. Delays in the completion of

conveyancing for land purchase has meant the financial transactions have been deferred to 2021/22.

10.3.2 A565 Corridor Improvements (-£0.276m)

Delays in the commencement of the works until January 2021 have meant that the project was not completed by the end of 2020/21.

10.3.3 Bootle and Southport Town Centre Cycle Lanes (-£0.398m)

Emergency Active Travel schemes were delivered for less than the budget estimate, owing to the cancellation of part of the original proposals in Bootle following consultation with Merseytravel and the lack of availability of the originally intended materials. The remaining funding is being used to undertake a review of the schemes, upgrade the routes following delivery of the original materials, together with any remedial measures identified.

10.4 Locality Services Provision

The underspend of £0.766m relates to the purchase of several refuse vehicles. Delays were experienced in inspections and approvals at DVSA testing stations meaning that the supplier delivered the vehicles later than scheduled. Purchases were therefore completed in early 2021/22.

11 Programme Delivery 2020/21

11.1 As would be expected with a capital programme of this size, the investment that has been incurred during the year has led to both the development and improvement of the council's infrastructure and supported the delivery of key outcomes as set out in the Framework for Change programme. The key areas of delivery are as follows:

11.2 Adult Social Care

11.2.1 Disabled Facilities Grants Core Programme (£0.923m)

During 2020/21 there were 125 adaptations certified as complete on behalf of clients including items such as stair lifts, vertical lifts, bathroom adaptations, extensions and hoists.

11.2.2 Integrated Community Equipment (£0.238m)

Loan equipment has been purchased to issue to Sefton residents with medical needs or a disability to enable them to remain safe and independent in their own homes. The equipment provided includes walking aids, bathing aids, toileting aids and patient handling equipment to enable carers to assist and care for residents in a safe manner. All equipment is issued on a loan basis and ownership is retained by the Equipment Service. When no longer needed by service users it is collected, decontaminated in accordance with strict infection control procedures and recycled for future issue to others.

11.2.3 Single to Double Handed Care Equipment (£0.246m)

The equipment purchased, predominantly for patient handling, is specifically designed to enable a reduction in the number of carers required to care for an individual. The service provides gantry hoists, specialist slings and a variety of patient handling pieces taking advantage of new product development and techniques, with the ultimate aim of reducing a care package for the individual whether that care be provided by family or formal carers. The benefits of the equipment provide a more dignified care process for the recipient. All equipment is issued on a loan basis and when no longer needed by the service user, collected and recycled for further use.

11.2.4 ICT Development and Transformation (£0.236m)

The development of the functionality of the Controcc system for both Adult and Children's Social Care, to make payments and improve management information has continued. Both Adults and Children's systems are now implemented and planning for upgrade and system enhancements has commenced as part of 2021/22 activity.

11.2.5 Community Equipment Stores (£0.093m)

Upgrades to the storage facilities continued during 2020/21 to allow the stores to operate with greater efficiency. Two new vans were also purchased as part of the ongoing programme of vehicle replacement.

11.3 Economic Growth and Housing

11.3.1 Strategic Acquisitions – Bootle (£1.113m)

The assembly and acquisition of a key canal side site as part of first phase of Bootle town centre transformation has been completed including demolition and making good the site. This project is an integral element of town centre diversification and place making and a key element to enable the delivery of the wider strategy for repurposing and reimagining Bootle Strand Shopping Centre.

11.3.2 Cambridge Road Project (£0.529m)

By the end of March 2021 approximately 50% of the project had been completed. All window refurbishment work had been done, all redundant cabling removed and works started on mechanical and electrical installation, and the roof and other outstanding survey works were complete. The project will also deliver significant social value output, in particular:

- Employment and Skills: 2 Cunard Construction Training Programmes were delivered in partnership with Sefton@Work, which offered up to 20 local residents the opportunity to gain CITB qualifications, and 9 individuals took advantage of the programme.
- A new design of the Community pantry and Bistro has been drawn up ready for delivery

- Direct support for the Community Pantry is ongoing, through donating dedicated staff time as volunteer hours, and directly distributing goods, toys, hampers etc.

11.3.3 Crosby Lakeside Redevelopment (£0.299m)

The progress achieved by end of March 2021 was: appointment of construction contractor, development of RIBA stage 4 works, site set-up and strip out works started on site.

11.3.4 Southport Market Redevelopment (£0.566m)

A comprehensive refurbishment and refit of the traditional market hall into a new food and drink offer has been completed with a flexible events space capable of holding events and temporary markets. Reopening is scheduled for July 2021.

This redevelopment will allow for the diversification of the town centre and is a key opportunity to change the town centre offer to attract new visitors, generate footfall and help draw people into new areas as part of a market quarter.

11.4 Education Excellence

11.4.1 Schools Programme (£2.918m)

The main programme delivery achievements were as follows:

- Linacre Primary School – a number of repairs and alterations were completed;
- Completion of remodelling at Great Crosby Primary School;
- Completion of improvements to school access at Hatton Hill Primary School;
- Phased completion of electrical wiring systems at Netherton Moss and Woodlands Primary school;
- Replacement and improvement of heating systems at Farnborough Road infants, Freshfield primary, The Grange and Hudson Primary School;
- Various essential repairs and refurbishments across several sites including improvements to building fabric, toilets, flooring, window replacement, roof surfaces, boundary walls, playground surfaces and security fencing;
- Various inspections relating to statutory compliance activities in school buildings.

11.4.2 Special Educational Needs and Disabilities (SEND) (£0.641m)

The following has been accomplished in support of SEND provision:

- Crosby High School – Internal alteration works to improve accessibility and circulation;
- Rowan park school – Provision of classroom, hygiene facilities, physiotherapy office and store;
- Freshfield Primary – ASD provision;
- Various alterations and repairs to building fabric, fire precautions, security and toilets at several SEND facilities.

11.5 Highways and Public Protection

- **Major Transport Schemes (£0.968m)** - Completion of major highway scheme to construct new slip roads at junction one of the M58.
- **Kirby to Maghull (£0.545m)** - Phase 2 of the cycle route scheme linking Kirby to Maghull was commenced in 2020/21 and completed in June 2021 to create a new 1.7km cycle path.
- **A565 Corridor Improvements – Great Georges Road (£0.424m)** - The latest phase of improvements to the A565 in Crosby commenced along Great Georges Road in December 2020 and were completed in June 2021.
- **Southport East West Links (£1.521m)** - 1km of new cycle route and 5.9km of widened cycle path were completed as part of the Southport East West links project.
- **A59 Maghull Route Management (£0.920m)** - Completion of the A59 Dover Road junction improvement (commenced in 2019) was completed, along with a new signalised junction at Damfield Lane as part of the A59 Route management improvements.
- **Strategic Planning (£0.246m)** - The outline business cases for the Maritime Corridor and Southport Eastern Access projects have been completed and the projects have been allocated resources by the Combined Authority to develop Full Business Cases.
- **Structures and Bridges (£0.158m)** - Phase 1 of the Hightown Footbridge maintenance scheme was completed. Phase 2 to be completed in 2021/22.
- **Street Lighting (£0.292m)** - The maintenance programme has replaced 296 street lighting columns, 85 illuminated sign poles, 135 bollards, 792 street lighting lanterns and 124 sign lighting units.
- **Carriageway Maintenance (£3.035m)** - Work has been completed on 82,080m² of carriageway resurfacing.
- **Winter Service Facility (£2.632m)** - purchase of the facility was completed in September 2020.

11.6 Locality Services

11.6.1 Plant and Machinery (£0.213m)

A number of items of essential plant and machinery were purchased to assist with maintenance operations, grass cutting and backup works.

11.6.2 North West Strategic Regional Coastal Monitoring Programme (£0.481m)

The Northwest Strategic Regional Coastal Monitoring Programme collects coastal process data on behalf of the north west maritime authorities. The programme is 100% grant funded by the Environment Agency and is hosted by Sefton Council. The previous funding package (2015-2021) is coming to an end and a new one will be added to the capital programme for the period (2021-2027).

Expenditure from the outgoing programme has included:

- the purchase of a new mobile laser scanning system to survey a variety of coastal types and structures across the north west,
- installation of autonomous radar system to monitoring beaches and waves at locations in Crosby and Fylde.
- costs for topographic (level surveys) and hydrodynamic surveys (waves and currents).

11.6.3 Surface Water Management Plan (£0.035m)

A consultant has been employed to update surface water flood risk models with latest data and identify hotspots to be taken forward for option analysis. The additional assessments have been completed and this has led to the Norburn Crescent through to the Redgate Estate being taken forward for option assessment, this is currently underway. The other areas have not identified sufficient surface water flood risk to warrant taking forward for individual option analysis. Maghull risks are being reviewed by a multiagency officer group for coordination with other opportunities in the Maghull area.

11.6.4 Bootle Golf Driving Range Development (£0.021m)

Work has started on the construction of the new 10 bay Bootle Golf Driving range in March 2021 which includes improvements to the onsite toilets and drainage work on site. Work is expected to be completed by the end of Summer 2021.

11.6.5 Vehicle Replacement Programme (£0.631m)

The following replacement vehicles were purchased during the year:

- Two refuse collection vehicles
- A 7.5t caged tipper required for street cleansing
- Four 4x4 pickups for use by Sefton's coastal rangers
- Four vans for use by the Green Sefton service
- One van for Sefton Arc.

12 Capital Outturn 2020/21 - Conclusion

12.1 The capital programme continues to be a key element of the Councils' approach to meeting its core purpose. During the year expenditure has directly contributed to the delivery of key service priorities and services to residents and communities. The Executive Director Corporate Resources and Customer Services will continue to

manage the financing of the capital programme to ensure that capital funding arrangements secure the maximum financial benefit to the Council in future years.

13 Corporate Performance 2020/21

13.1 The Council has recognised that in considering its financial performance it should also provide details at year end of performance across a range of its services in order that it can demonstrate how outcomes that will drive the delivery of the core purpose relate to the budget.

13.3 As a result, the Council's Corporate Performance Report for 2020/21 is attached as Appendix A and provides:-

- An introduction and contextual statement from the Cabinet Member for Regulatory, Compliance and Corporate Services, the Leader of the Council and the Chief Executive;
- A detailed narrative on how the delivery of each element of the Council's core purpose has progressed during the year; and,
- A comprehensive suite of performance measures for key Council activities for 2020/21 and how these compare to 2019/20.

13.4 It is acknowledged that when reporting various Council activities on a year on year basis that there will be a degree of subjectivity within some areas, that a lot of Council activity is driven via demand from residents and businesses for which it has no direct control and the external economic environment also impacts upon core activity. In addition, as would be expected, the impact of the COVID19 pandemic has had an impact on most, if not all, areas of the Council. That said, those areas that are reported provide a clear view of the range of Council activity that is undertaken in supporting residents, communities and business across the Borough and how they support the core purpose.

13.5 This report is the second Corporate Performance Report produced by the Council and will continue to be reported annually at year end.