

Report to:	Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services)	Date of Meeting:	14 September 2021
Subject:	Financial Management 2021/22 to 2024/25 and Framework for Change 2020 - Revenue and Capital Budget Update 2021/22 including the Financial Impact of COVID-19 on the 2021/22 Budget - September Update		
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 **Overview and Scrutiny** of:

1. The current financial implications of COVID-19 on the 2021/22 Budget;
2. The current position relating to the 2021/22 revenue budget;
3. The current forecast on Council Tax and Business Rates collection for 2021/22;
4. The monitoring position of the Council's capital programme to the end of July 2021:
 - The forecast expenditure to year end;
 - Variations against the approved budgets and an explanation of those variations for consideration by Members;
 - Updates to spending profiles and proposed amendments to capital budgets necessary to ensure the efficient delivery of capital projects are also presented for approval.

Recommendation(s):

Overview and Scrutiny is recommended to:

Revenue Budget

- 1) Note the current financial implications of COVID-19 on the 2021/22 Budget together with the key issues that will influence the final position;
- 2) Note the current position relating to the 2021/22 revenue budget;
- 3) Note the financial risks associated with the delivery of the 2021/22 revenue budget and acknowledge that the forecast outturn position will continue to be

reviewed to ensure a balanced forecast outturn position and financial sustainability can be achieved;

Capital Programme

- 4) Note the spending profiles across financial years for the approved capital programme (paragraph 7.1);
- 5) Note the recommendation by Cabinet to Council that they approve a supplementary capital estimate of £1.875m for the development of Southport Town Deal projects (paragraph 7.10);
- 6) Note the recommendation by Cabinet to Council that they approve a supplementary capital estimate of up to £2.500m for the pre-development phase of the Marine Lake Events Centre, subject to the bid to the Liverpool City Region Combined Authority to fund the works being successful (paragraph 7.10);
- 7) Note the latest capital expenditure position as at 31 July 2021 of £9.316m (paragraph 7.3); the latest full year forecast is £45.475m (paragraph 7.4).
- 8) Note explanations of variances to project budgets (paragraph 7.7); and,
- 9) Note that capital resources will be managed by the Executive Director Corporate Resources and Customer Services to ensure the capital programme remains fully funded and that capital funding arrangements secure the maximum financial benefit to the Council (paragraph 7.13).

Reasons for the Recommendation(s):

To ensure Overview and Scrutiny are informed of the current position in relation to the 2021/22 revenue budget, including COVID19 pressures and additional funding being made available to the Council.

To provide an updated forecast of the outturn position with regard to the collection of Council Tax and Business Rates.

To keep members informed of the progress of the Capital Programme against the profiled budget for 2021/22 and agreed allocations for future years.

To progress any changes that are required in order to maintain a relevant and accurate budget profile necessary for effective monitoring of the Capital Programme.

To approve any updates to funding resources so that they can be applied to capital schemes in the delivery of the Council's overall capital strategy.

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

N/A

What will it cost and how will it be financed?

(A) Revenue Costs

The report indicates that for 2021/22 an underspend position of £0.583m is currently forecast but that mitigating actions may be required if the position subsequently moves to a deficit position.

(B) Capital Costs

The Council's capital budget in 2021/22 is £46.142m. As at the end of July 2021 expenditure of £9.316m has been incurred and a full year outturn of £45.475m is currently forecast.

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:

<p>Resource Implications (Financial, IT, Staffing and Assets): It is currently expected that an underspend position of £0.583m will be achieved for 2021/22. However, it should be noted that significant pressure and risk remains in four key business areas, namely Children's Social Care, Children with Disabilities, Education Excellence and Locality Services. If these budgets experience further demand pressure during the remainder of the year corresponding savings may need to be identified. If this cannot take place there may be a call on the Council's General Balances.</p>								
<p>Legal Implications: None</p>								
<p>Equality Implications: None</p>								
<p>Climate Emergency Implications:</p> <p>The recommendations within this report will</p> <table border="1"><tr><td>Have a positive impact</td><td>N</td></tr><tr><td>Have a neutral impact</td><td>Y</td></tr><tr><td>Have a negative impact</td><td>N</td></tr><tr><td>The Author has undertaken the Climate Emergency training for report authors</td><td>N</td></tr></table> <p>The allocations of capital funding outlined in section 7 may be spent on projects that will have a high climate change impact as they could relate to new build, rebuild, refurbishment, retrofit and demolition proposals. Environmental consideration will be taken into account when specific projects are designed and tendered – which will help to mitigate negative impacts.</p>	Have a positive impact	N	Have a neutral impact	Y	Have a negative impact	N	The Author has undertaken the Climate Emergency training for report authors	N
Have a positive impact	N							
Have a neutral impact	Y							
Have a negative impact	N							
The Author has undertaken the Climate Emergency training for report authors	N							

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.

<p><u>Protect the most vulnerable:</u> See comment above</p>
<p><u>Facilitate confident and resilient communities:</u> See comment above</p>

<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 & Customer Services is the author of the report (FD 6490/21)

The Chief Legal and Democratic Officer has been consulted and has no comments on the report (LD 4691/21).

(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

Contact Officer:	Paul Reilly
Telephone Number:	Tel: 0151 934 4106
Email Address:	paul.reilly@sefton.gov.uk

Appendices:

There are no appendices to this report.

Background Papers:

There are no background papers available for inspection.

1. Introduction

- 1.1 In March 2021, Council approved the budget for 2021/22. This report provides an update on the forecast revenue outturn position for 2021/22, including the significant impact of COVID-19 on the Council's 2021/22 budget, and reflects the position at the end of the first quarter of the financial year.
- 1.2 The report also outlines the current position regarding key income streams for the Authority, namely Council Tax and Business Rates. Variations against expected receipts in these two areas will also affect the Council's financial position in future years.
- 1.3 The capital section of the report informs Members of the latest estimate of capital expenditure for 2021/22 and forecast expenditure for 2022/23 and 2023/24. The capital budget to date is presented in paragraph 7.1. Paragraphs 7.13 and 7.4 review progress of the capital programme. Finally, paragraph 7.10 confirms that there are adequate levels of resources available to finance the capital programme.

2. Impact of COVID 19 on 2021/22 Budget

- 2.1 As part of the Council Budget Report presented to the Budget Council meeting in March, Members received details of the full range of financial issues that were being faced by the Council in 2021/22 arising from the pandemic, and how this cost would be funded. A summary is shown below:

	2021/22
	£'m
Sales, Fees and Charges Income	
Estimated Net Losses	1,500
Use of 2021/22 Emergency Funding	-1,500
	0.000
Collection Fund deficit in 2020/21 arising from COVID-19	
Net losses after government compensation scheme	5,812
Collection Fund Surplus from 2019/20	-1,072
	4,740
Collection Fund deficit re. 2021/22	
Reduction in Council Tax Base	3,564
Council Tax Support Grant	-3,471
Business Rates forecast losses	3,000
	3,093
Temporary Mitigating Measures to Offset Council Tax / Business Rates Losses	
Use of 2020/21 Emergency Funding	-4,000
Framework for Change 2020 – Council of 2023 Savings	-0,890
Forecast Underspend in 2020/21	-1,000
Vacancy Management	-0,500
School Closure Reserve	-0,500
Use of 2021/22 Emergency Funding	-0,943

	-7.833
Net Impact on 2021/22 Budget	0.000

2.2 An update on the pressures is provided below:

Sales, Fees and Charges Income

2.3 There was a significant impact on income from sales, fees and charges for a range of services during 2020/21. Whilst some income streams temporarily recovered when lockdown was eased and would expect to do so again once we come out of the national lockdown, others are expected to remain impacted whilst measures are still in place for social distancing, etc.

2.4 The government has announced that the compensation scheme in place in 2020/21 to provide support for a proportion of losses will be extended until the end of June 2021. Therefore, an element of losses will be funded through the compensation scheme. The Council is currently finalising the claim for April to June.

2.5 It is currently forecast that this could result in a net loss of income of **£1.500m** during 2021/22, which is unchanged from the figure assumed in the Budget Report. This forecast will be reviewed as there is more experience of the impact on reopened facilities, especially now all restrictions were eased from 19 June 2021. Any balance of losses not funded by the scheme will need to be covered from the emergency funding received by the Council in 2021/22. It is currently assumed that income levels will return to normal from 2022/23, however, this will continue to be assessed based on the experience once all restrictions are eased.

Collection Fund deficit in 2020/21 arising from COVID-19

2.6 The Council, in line with all other local authorities, is experiencing significant reductions in income from both Council Tax and Business Rates. This relates to increases in households eligible to claim under the Council Tax Reduction Scheme and some increases in Business Rates appeals as well as reductions in collection rates.

2.7 The government announced financial support would be provided to offset 75% of irrecoverable losses. However, Council Tax losses relating to non-collection aren't eligible for compensation under the scheme, neither are adjustments relating to previous years. The Budget Report estimated that net losses not covered by the scheme would therefore be up to £5.812m and would need to be funded. The final deficit position for both Council Tax and Business Rates, along with the amount of financial support that has been claimed from the government, have now been finalised and has resulted in a net loss of **£6.858m**. However, it is anticipated that some of these losses will be reversed in 2021/22 so the net impact will be within the £5.812m previously estimated.

Council Tax Base

2.8 The Council Tax Base is set by Council in January each year. It reflects changes in the number of properties and the value of exemptions and discounts. In recent years the Council Tax Base has increased steadily due to housing growth. However, due to the impact of COVID-19 on the number of CTRS claimants, the reduced collection

rate and the slowdown in housing growth, there has been a significant reduction in the Base for 2021/22. This reduced the Council Tax Requirement by **£3.564m**.

- 2.9 The government has announced additional funding to support the loss of income due to increased numbers of CTRS claimants. Sefton's allocation is **£3.471m** and will be used to offset the majority of reduced funding due to the decrease in the Council Tax Base.
- 2.10 Currently, the number of CTRS claimants hasn't increased as forecast (this is mainly due to the government's "furlough" scheme being extended which may have delayed any increase) and collection rates are slightly ahead of expectations. If these factors continue then a surplus may be generated, although due to regulations this would only be credited to the Council in 2022/23. Section 4 highlights that currently a surplus of £1.369m is forecast.

Business Rates

- 2.11 Business Rates collection rates reduced in 2020/21 due to COVID-19 and are expected to remain lower than normal in 2021/22. In addition, at the time of the Budget Report there were significant numbers of appeals in 2020/21 due to restrictions being in place. It was estimated that based on the 2020/21 position that £3.000m of the Council's income will be at risk as businesses no longer exist or cannot afford to pay business rates.
- 2.12 However, central government have announced that appeals relating to COVID19 won't be allowed under amended regulations. Therefore, it is forecast that the income now at risk is only **£1.600m**.

Cost of responding to the pandemic

- 2.13 The Council has received £8.063m of emergency funding to assist with covering the financial pressures it will face in 2021/22 due to the pandemic. The budget assumes that £2.443m of this will be required to fund the potential losses described above. This leaves £5.620m to fund any further financial pressures.
- 2.14 Due to the ongoing impact of COVID-19 it is anticipated that the remaining emergency funding will be fully utilised in directly supporting the Council's response to the pandemic and any further loss of income that is anticipated between now and the end of the year. Cabinet in June 2021 agreed that the further use of this funding be delegated to the Leader of the Council following advice from the Chief Executive and the Council's s151 officer.

Summary

- 2.15 It should be noted that the figures included above are still an early indication of the position in 2021/22 and will continue to be reviewed on a monthly basis. A full review of the position, and the use of emergency funding received in 2020/21 and 2021/22, is currently being conducted and will be reported to Cabinet in October.

3. **Revenue Budget 2021/22 – Forecast Outturn Position as at the end of July 2021**

3.1 Members are provided with updates of the Council's forecast financial revenue position each month during the financial year from July.

3.2 In 2020/21, as in previous years, significant pressures were identified in several service areas at an early stage of the year, particularly Children's Social Care, Communities (Children with Disabilities) Education Excellence (Home to School Transport) and Locality Services. These pressures, and the unprecedented financial challenges faced by the Council in relation to COVID-19, meant the Council had to implement a remedial action plan was adopted to ensure a balanced budget position would be achieved. In addition, a number of financial principles that had been implemented in previous years were also adopted.

3.3 In response to these pressures, Budget Council approved that additional resources be added to the 2021/22 budget for these services, with the amounts shown below:

<u>Service</u>	<u>Budget Pressure</u>
	£m
Children's Social Care – Placements & Packages	7.280
Communities – Children with Disabilities / PSR2	1.050
Education Excellence – Home to School Transport	1.100
Locality Services – Security Force	0.350
	9.780

3.4 Initial indications are that the additional resources will be sufficient to ensure that there will be no significant impact on the Council's overall budget in 2021/22. However, as these are demand led services this will need to be carefully monitored during the year, with the biggest risk being the cost of Children's Social Care – Placements and Packages. Any pressures arising will need to be managed as it is still vital that the Council is able to achieve a balanced forecast outturn position for its normal activities, ignoring the impact of COVID-19 pressures. Therefore, the approval of mitigating actions, and the adoption of financial principles used in previous years, may need to be implemented at some point during the remainder of the year.

3.5 As at the end of July, the forecast outturn shows an underspend of £0.583m. The table below highlights the variations:

	Budget	Forecast Outturn	Variance	Variance to June Position
	£m	£m	£m	£m
<u>Services</u>				
Strategic Management	3.136	3.098	-0.038	-0.003
Adult Social Care	97.000	97.000	0.000	0.000

Children's Social Care	42.323	42.323	0.000	0.000
Communities	19.873	19.594	-0.279	-0.083
Corporate Resources	9.102	9.039	-0.063	-0.063
Economic Growth & Housing	5.942	5.882	-0.060	-0.075
Education Excellence	11.135	11.092	-0.043	-0.006
Health & Wellbeing	18.703	18.618	-0.085	-0.085
Highways & Public Protection	11.103	11.103	0.000	0.000
Locality Services	12.951	12.817	-0.134	-0.075
Total Service Net Expenditure	231.268	230.565	-0.703	-0.423
Budget Pressure Fund	1.000	1.000	0.000	0.000
Council Wide Budgets	-13.213	-13.093	0.120	0.000
Levies	34.568	34.568	0.000	0.000
General Government Grants	(62.858)	(62.858)	0.000	0.000
Total Net Expenditure	190.765	190.182		
Forecast Year-End Deficit			-0.583	-0.423

3.6 The key areas relating to the outturn position are as follows:

- **Adult Social Care** – The current forecast assumes that the Adult Social Care budget will break-even during 2021/22. However, there are a number of significant assumptions and uncertainties as a result of COVID-19 that could impact on this position before the year-end.

As part of the Demand Management Programme, savings of £3.300m were identified and delivered during 2020/21. Work on the Programme is continuing, and further savings are being identified that will have a part-year impact in 2021/22 and will therefore impact on the forecast outturn position. The current forecast of these savings in 2021/22 is £1.416m. Due to the significant assumptions and uncertainties within the forecast outturn position, these savings have not been included in the forecast outturn at this time.

- **Children's Social Care** – The current forecast shows a potential overspend of £1.124m. However, it is estimated that this level of overspend is attributable to the impact of COVID-19. Therefore, as reported to Cabinet in July, these temporary costs will be met by the Contain Outbreak Management Fund.

Elsewhere on today's agenda is a report highlighting the need for additional temporary and permanent staffing resources within the service. The report forecasts that additional costs of £2.008m will be incurred in 2021/22, with £1.500m of these costs being funded from the reserve approved at July's Cabinet meeting. The remaining costs, relating to some of the temporary posts, are expected to be funded from residual cost of change and new burdens funding received in 2020/21.

The impact of this means that the Children's Social Care budget is forecast to break-even during 2021/22.

However, as has been regularly reported over the last three years, the cost of Placements and Packages is the largest risk to the Council's budget position. The Council is currently working on developing a range of options to address the inherent demand and costs of Looked After Children whilst supporting the most vulnerable residents, but this budget remains under pressure and purely from a financial point of view this is likely to continue during this year and into the next financial year.

4. Council Tax Income – Update

4.1 Council Tax income is shared between the billing authority (Sefton Council) and the three major precepting authorities (the Fire and Rescue Authority, the Police and Crime Commissioner and the Combined Authority – Mayoral Precept) pro-rata to their demand on the Collection Fund. The Council's Budget included a Council Tax Requirement of £143.037m for 2021/22 (including Parish Precepts), which represents 84.1% of the net Council Tax income of £170.167m.

4.2 The forecast outturn for the Council at the end of July 2021 is a surplus of -£1.369m. However, it should be noted that the Council Tax Base for 2021/22 was reduced to reflect lower collection rates and increased Council Tax Reduction Scheme claimants. Therefore, this surplus is forecast in the context of a reduction in Council Tax income of £3.564m (see paragraph 2.7). This variation is primarily due to: -

- The deficit on the fund at the end of 2020/21 being lower than estimated (-£0.421m);
- Gross Council Tax Charges in 2021/22 being higher than estimated (-£0.662m);
- Exemptions and Discounts (including a forecasting adjustment) being higher than estimated (-£0.286m).

4.3 Due to Collection Fund regulations, the Council Tax surplus will not be transferred to the General Fund in 2021/22 but will be carried forward to be recovered in future years.

4.4 A forecast deficit of £5.179m was declared on the 21 January 2021 of which Sefton's share is £4.355m (84.1%). This is the amount that will be recovered from the Collection Fund in 2021/22, 2022/23 and 2023/24. Any additional surplus or deficit will be distributed in 2022/23 and future years.

5. Business Rates Income – Update

6.1 Since 1 April 2017, Business Rates income has been shared between the Council (99%) and the Fire and Rescue Authority (1%). The Council's Budget included retained Business Rates income of £67.919m for 2021/22, which represents 99% of the net Business Rates income of £68.606m. Business Rates income has historically been very volatile making it difficult to forecast accurately.

6.2 The forecast outturn for the Council at the end of July 2021 is a deficit of £24.297m on Business Rates income. This is due to:

- The deficit on the fund at the end of 2021/22 being higher than estimated (+£3.467m);
- Decrease in the gross charge on rateable properties (+£0.397m);
- A number of additional reliefs were announced after January 2021 to support businesses during the COVID-19 pandemic. These include expanded retail discount, pub relief, newspaper relief, and private nursery relief. The loss of income as a result of these reliefs will be covered by Section 31 grant payments. Due to the timing of these announcements the impact of these reliefs could not be incorporated into the budget figures reported in the NNDR1 return (+£20.433m).

6.3 When taking into account the additional Section 31 grants due on the additional reliefs, a net deficit of £3.851m is forecast.

6.4 Due to Collection Fund regulations, a Business Rates deficit will not be transferred to the General Fund in 2021/22 but will be carried forward to be recovered in future years.

6.5 A forecast deficit of £39.206m was declared in January 2021. Sefton's share of this is £38.814m. This is the amount that will be distributed from the Collection Fund in 2021/22, 2022/23 and 2023/24. Any additional surplus or deficit will be distributed in future years.

6. **Capital Programme 2021/22 – 2023/24**

Capital Budget

7.1 The Capital Budget and profile of expenditure for the three years 2021/22 to 2023/24 is as follows:

2021/22	£46.142m
2022/23	£18.279m
2023/24	£7.411m

7.2 The following updates have been made to the capital programme budget since the previous report to Cabinet in July:

- £1.128m has been added for a new externally funded scheme for a sports hub at Orrell Mount following approval by Council in July.
- £0.795m had been added for The Strand Business Plan following approval by Council in July.
- £0.834m has been added to the 2021/22 budget for the next phase of the Regional Coastal Monitoring Programme following approval by Council in July. £4.865m has been added to future years' budgets with allocations to be confirmed by the Environment Agency in each year.
- £0.195m has been added to the outgoing Regional Coastal Monitoring Programme following approval by Cabinet in July.
- Revised allocations have been added to the Highways budget for the Key Route Network (£0.471m) and Pipeline Development Fund (£0.368m) following approval by Cabinet in July.

- £2.457m has been phased from 2021/22 to future years for the LED Street Lighting Upgrade project due to delays in appointing the project team.

Budget Monitoring Position to July 2021

- 7.3 The current position of expenditure against the budget profile to the end of July 2021 is shown in the table below. It should be noted that budgets are profiled dependent upon the timing of when works are to be carried out and the anticipated spend over the financial year. For example, Education Excellence will typically carry out most of its capital works during key school's holiday periods such as the summer recess, whilst Highways and Public Protection will complete most of its programmed works during quarters two and four of the financial year. The budget to date in the table below reflects the profiles of each individual scheme.

Service Area	Budget to Jul-21	Actual Expenditure to Jul-21	Variance to Jul-21
	£m	£m	£m
Adult Social Care	1.139	1.160	0.021
Communities	0.020	-	-0.020
Corporate Resources	0.011	0.042	0.031
Economic Growth & Housing	1.807	1.598	-0.209
Education Excellence	1.051	1.114	0.063
Highways & Public Protection	1.563	1.562	-0.001
Operational In-House Services	3.741	3.840	0.099
Total Programme	9.332	9.316	-0.016

Capital Programme Forecast Outturn 2021/22

- 7.4 The current forecast of expenditure against the budget profile to the end of 2021/22 and the profile of budgets for future years is shown in the table below:

Service Area	Full Year Budget 2021/22	Forecast Out-turn	Variance to Budget	Full Year Budget 2022/23	Full Year Budget 2023/24
	£m	£m	£m	£m	£m
Adult Social Care	4.647	4.058	-0.589	3.039	0.764
Children's Social Care	0.100	0.100	-	-	-
Communities	2.865	2.877	0.012	0.279	-
Corporate Resources	5.383	5.383	-	0.404	-
Economic Growth & Housing	7.121	7.121	-	1.063	0.040
Education Excellence	5.160	5.072	-0.088	4.628	1.831
Highways & Public Protection	11.213	11.213	-	3.742	3.605
Operational In-House Services	9.653	9.651	-0.002	5.124	1.171
Total Programme	46.142	45.475	-0.667	18.279	7.411

A full list of the capital programme by capital scheme is at **appendix A**.

- 7.5 The current 2021/22 budgeted spend is £46.142m with a budgeted spend to July of £9.332m. The full year budget includes exceptional items such as £6.4m for vehicle replacement, £1.9m for Green Homes Local Delivery, previously approved amounts for essential repairs and maintenance (£3.924m), a scheme to upgrade to LED Street Lighting (£0.815m), and leisure schemes for a new sports hub and improvements to an existing football pitch (£1.378m).
- 7.6 Typically, on an annual basis the capital programme spends in the region of £20m. Given this typical annual level of spend it is likely that reprofiling of spend into 2022/23 will occur as the year progresses.
- 7.7 An underspend of £0.589m is forecast on Adult Social Care. This is largely due to a lower estimate for Disabled Facilities Grants for 2021/22. A target of £1.474m has been set for the year based on improved performance over the previous year's target (£0.975m) when adaptations could not be progressed or were delayed due to Covid-19. Current delivery however, is being impacted by vacancies in the Home Improvements and Occupational Therapy teams. It is anticipated that spend may increase once recruitment has been completed and revised estimates will be reported on future budget updates.

Southport Town Deal

- 7.8 In the Government's budget statement, published on 3 March 2021 it was confirmed that Southport was offered a Town Deal up to the value of £37.5 million. Subsequently on the 1 April Cabinet agreed to the non-binding heads of terms outlining the proposed spend and projects. Following this Cabinet further approved to progress with Option 5 for the new Marine Lake Events Centre (MLEC) that is the anchor project of The Southport Town Deal.
- 7.9 The Council have recently been informed that it can draw down 5% of the £37.5 million in advance of March next year to assist in the preparation of business case development. The £1.875m will be used to develop the Town Deal projects consisting of the MLEC, Enterprise Arcade and Les Transformations de Southport (public realm). Further to this the Council have been invited by the Liverpool City Region Combined Authority to submit a pre development bid up to £2.5m for the MLEC as also approved by Cabinet on 29 July 2021 . This will mean the Council could spend up to £4.375m on predevelopment activities in order to submit the required Town Deal information to Government by March 2022.
- 7.10 Cabinet is asked to recommend to Council that Supplementary Capital Estimates be approved for £1.875m and up to £2.500m for the work outlined above.

Programme Funding

7.11 The table below shows how the capital programme will be funding in 2021/22:

Source	£m
Grants	29.852
Contributions (incl. Section 106)	1.065
Capital Receipts	5.688
Prudential Borrowing	9.537
Total Programme Funding	46.142

7.12 The programme is reviewed on an ongoing basis to confirm the capital resources required to finance capital expenditure are in place, the future years programme is fully funded, and the level of prudential borrowing remains affordable.

7.13 The Executive Director Corporate Resources and Customer Services will continue to manage the financing of the programme to ensure the final capital funding arrangements secure the maximum financial benefit to the Council.

APPENDIX A – Capital Programme 2021/22 to 2023/24

Capital Project	Budget		
	2021/22 £	2022/23 £	2023/24 £
Adult Social Care			
Care Homes - Fire Alarms & Emergency Lighting	98,310	-	-
Core DFG Programme	1,473,566	572,370	-
Wider Social Care Programme	3,075,089	2,466,532	763,750
Children's Social Care			
Support for Fostering Placements	100,000	-	-
Communities			
Dunes Splashworld – Essential Repairs	1,388,874	-	-
Litherland Sports Park – 3G Pitch & Lighting	250,000	-	-
Orrell Mount Sports Hub	1,128,047	-	-
Libraries - Centres of Excellence	20,000	279,301	-
S106 - Netherton & Orrell – Abbeyfield Park	11,942	-	-
S106 - Linacre - Strand Living Wall	10,665	-	-
S106 - Sudell – Moorhey Shops Parking Scheme	16,625	-	-
S106 - Ford – Stanton Avenue One Way System	9,000	-	-
S106 - Litherland – Play Equip Orrell Mount Pavilion	30,000	-	-
Corporate Resources			
Council Wide Essential Maintenance	2,308,330	-	-
STCC Essential Maintenance	87,680	-	-
Victoria Baths Essential Works	138,974	-	-
Bootle & Southport Town Hall Retrofit Energy Saving	788,087	-	-
Green Homes Grant Local Delivery Scheme	1,900,000	-	-
Public Sector Reform	160,000	404,337	-
Economic Growth & Housing			
Strategic Acquisitions - Bootle	434,473	-	-
The Strand Business Plan – Mtce and Improvement	640,000	115,000	40,000
Cambridge Road Centre Development	795,123	-	-
Crosby Lakeside Development	2,791,997	-	-
Town Centre Commission Bootle	150,000	-	-
Southport Market Redevelopment	813,938	20,039	-
Strategic Acquisitions - Ainsdale	299,500	891,859	-
Housing Investment	15,188	36,180	-
Brownfield Fund for Housing Development	1,050,000	-	-
Southport Pier Project	130,886	-	-
Education Excellence			
Healthy Pupils Fund	1,486	-	-
Schools Programme	3,813,856	2,756,034	1,830,682
Planned Maintenance	482,364	859,043	-
Special Educational Needs & Disabilities	862,518	1,012,374	-
Highways and Public Protection			
Transport Schemes	10,398,001	-	-
LED Street Lighting Upgrade	815,000	3,742,035	3,605,580

	2021/22	2022/23	2023/24
Operational In-House Services			
Burials & Cremation Insourcing - Vehicles & Equip	90,663	-	-
Formby Strategic Flood Risk Management Prog	-	43,851	-
Merseyside Groundwater Study	31,508	-	-
Regional Coastal Monitoring Programme 2016-2021	391,654	-	-
Regional Coastal Monitoring Programme 2022-2026	834,000	735,000	1,058,000
The Pool & Nile Watercourses	124,121	-	-
Crosby Flood & Coastal Scheme	34,641	785,839	-
Hall Road & Alt Training Bank - Rock Armour	-	45,775	-
Ainsdale & Birkdale Land Drainage Scheme	25,973	-	-
Surface Water Management Plan	18,000	81,445	-
Surface Water Modelling & Mapping	13,601	-	-
Small Watercourse Works	7,638	-	-
Water Level Monitoring Pilot	13,000	5,000	-
Parks Schemes	139,687	154,700	-
Hesketh Park Conservatory	20,407	-	-
Tree Planting Programme	68,747	126,783	-
Golf Driving Range Developments	398,822	280,280	-
Ainsdale Coastal Gateway	351,538	-	-
Crosby Marine Lake Improvements – Phase 1	155,000	-	-
Litter Bin Infrastructure	22,358	-	-
Green Sefton – Plant & Machinery	131,152	-	-
Vehicle Replacement Programme	6,359,737	1,635,493	113,000
Wheeled Bins	420,000	1,230,000	-
TOTAL PROGRAMME	46,141,766	18,279,270	7,411,012