

Report to:	Council	Date of Meeting:	Thursday 16 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 - Additional Capital Estimates		
Report of:	Executive Director of Corporate Resources and Customer Services	Wards Affected:	All Wards
Portfolio:	Cabinet Member - Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

This report sets out supplementary estimates for approval in the Council's Capital Programme following recommendations for approval by Cabinet.

Recommendation(s):

Council is recommended to approve:

- 1) A revised Highway Maintenance block allocation of £3.100m.
- 2) A supplementary capital estimate of £1.875m for the development of Southport Town Deal projects.
- 3) A supplementary capital estimate of up to £2.500m for the pre-development phase of the Marine Lake Events Centre, subject to a bid to the Liverpool City Region Combined Authority to fund the works being successful.

Reasons for the Recommendation(s):

To approve updates to the 2021/22 Capital Programme and associated funding resources so that they can be applied to the schemes in the delivery of the Council's overall financial strategy.

Alternative Options Considered and Rejected:

N/A

What will it cost and how will it be financed?

(A) Revenue Costs

None

(B) Capital Costs

It is anticipated that the revised Highway Maintenance block allocation will be fully utilised, and the capital cost of schemes will therefore be £3.100m funded by grant from the Liverpool City Region Combined Authority.

The Council could spend up to £4.375m on project pre-development activities in relation to the Southport Town Deal funded by £1.875m grant from the Government and £2.500m grant from the Liverpool City Region Combined Authority.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets): None								
Legal Implications: None								
Equality Implications: None								
Climate Emergency Implications: The recommendations within this report will <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> The allocations of capital funding outlined in this report 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.	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.

Protect the most vulnerable: See comment above
Facilitate confident and resilient communities: See comment above
Commission, broker and provide core services: See comment above

Place – leadership and influencer: See comment above
Drivers of change and reform: See comment above
Facilitate sustainable economic prosperity: See comment above
Greater income for social investment: See comment above
Cleaner Greener 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 (FD.6512/21) and the Chief Legal and Democratic Officer (LD.4713/21) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

N/A

Implementation Date for the Decision

Immediately following the Council meeting.

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Appendices:

There are no appendices to this report

Background Papers:

There are no background papers available for inspection.

1. Highway Maintenance Allocation

- 1.1. The initial 2021/22 Transportation Capital Programme allocations were approved by Council on 4 March 2021 as part of the Capital Strategy 2021/22 to 2025/26.
- 1.2. These transport allocations included an estimated figure of £1.800m for Highway Maintenance, £0.900m for Key Route Network (KRN) maintenance and £0.175m of Pot Hole Funding based upon previous years allocations. Subsequently, based upon a revised funding allocation approved by the Combined Authority (at its meeting of 20 March 2021), an agreement was reached to add the Pot Hole Funding into the general maintenance allocation and decrease the proportion of funding for the Key Route Network. The approved allocations are £3.100m for Highway Maintenance and an additional £0.471m for the KRN.
- 1.3. The KRN maintenance allocation was approved by July Cabinet and a recommendation was made to Council to approve the revised Highways Maintenance allocation. Approval is therefore sought for the 2021/22 Local Transport Plan Capital Programme updated allocation for Highway Maintenance based on the proposed funding of £3.100m.
- 1.4. Authority has been delegated within the Financial Procedure Rules to Cabinet Member to assign funding to individual schemes within the Highways Capital Programme. A list of schemes for 2021/22 is being fully developed and will be presented to Cabinet Member for approval.

2. Southport Town Deal

- 2.1. 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.
- 2.2. 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 pre-development activities in order to submit the required Town Deal information to Government by March 2022.
- 2.3. Council is asked that Supplementary Capital Estimates be approved for £1.875m and up to £2.500m for the work outlined above.