

Report to:	Cabinet	Date of Meeting:	Thursday 10 March 2022
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 - March 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 **Cabinet** 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 January 2022:
 - 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):

Cabinet 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) Recognise 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.
- 4) Note that a grant offer from the Rural Payments Agency for Countryside Stewardship Higher Tier funding has now been formally accepted and a fully

funded revenue estimate of £0.483m and a fully funded capital estimate of £0.012m have been approved in accordance with the Council's Financial Procedure Rules.

Capital Programme

- 5) Note the spending profiles across financial years for the approved capital programme (paragraph 7.1).
- 6) Note the latest capital expenditure position as at 31 January 2022 of £22.093m (paragraph 6.4); the latest full year forecast is £41.761m (paragraph 7.6).
- 7) Note explanations of variances to project budgets (paragraph 7.7).
- 8) Approve a supplementary capital estimate for £0.455m as detailed in paragraph 7.11.
- 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 7.14).

Reasons for the Recommendation(s):

To ensure Cabinet 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 £2.153m 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 £41.806m. As at the end of January 2022 expenditure of £22.093m has been incurred and a full year outturn of £41.761m is currently forecast.

Implications of the Proposals:

<p>Resource Implications (Financial, IT, Staffing and Assets): It is currently expected that an underspend position of £2.153m 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 Operational In-House 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: There are no equality implications.</p>								
<p>Climate Emergency Implications: 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 6 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 6729/22)

The Chief Legal and Democratic Officer has been consulted and has no comments on the report (LD 4729/22).

(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 – Capital Programme 2021/22 to 2023/24

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.
- 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 7.2 to 7.8 review progress of the capital programme. Finally, paragraphs 7.12 to 7.14 confirm 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 *	-5.500
Framework for Change 2020 – Council of 2023 Savings	-0.890
School Closure Reserve	-0.500
Use of 2021/22 Emergency Funding	-0.943
	-7.833
Net Impact on 2021/22 Budget	0.000

* Note that Cabinet on 4 November 2021 approved the use of additional Emergency Funding from 2020/21 instead of utilising the Council's General Balances (£1.000m from the 2020/21 underspend) and implementing a vacancy target across the Council that would require posts to be held vacant (£0.500m)

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 national restrictions, others are expected to remain impacted.

2.4 The government announced that the compensation scheme in place in 2020/21 to provide support for a proportion of losses would be extended until the end of June 2021. Therefore, an element of losses will be funded through the compensation scheme. The Council's claim for April to June was £0.769m to partially compensate for losses in the period of £1.187m (excluding certain losses which couldn't be included in the claim).

2.5 It is currently forecast that the loss of income in the year may be in the region of £3.400m. After the claim for compensation in the first quarter of the year, the net loss is forecast to be **£2.600m** during 2021/22. This is an increase on the £1.5m assumed in the Budget Report. This forecast will be reviewed during the remainder of the year as there is more experience of the impact on reopened facilities. Any balance of losses not funded by the scheme will need to be covered from the emergency funding or the Contain Outbreak Management Fund received by the Council in 2021/22. It is currently assumed that income levels may return to normal from 2022/23 with the exception of Leisure Income, however, this will continue to be assessed based on the experience once all restrictions are eased. Any ongoing implications will need to be built into future budget planning and potentially funded on a temporary basis if the impact isn't considered permanent.

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 **£8.567m**. 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 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 £2.714m is forecast (excluding the surplus from 2020/2021).

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 the implications of COVID19 won't be allowed under amended regulations. Therefore, it is forecast that the income now at risk is only **£1.600m**.

Summary

- 2.13 It should be noted that the figures included above will be subject to change and will continue to be reviewed on a monthly basis.

3. Revenue Budget 2021/22 – Forecast Outturn Position as at the end of January 2022

- 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 Operational In-House 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. This 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
Operational In-House Services – Security Force	0.350
	9.780

- 3.4 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 January 2022, the forecast outturn shows a net underspend of **£2.153m**. The table below highlights the variations:

	Budget	Forecast Outturn	Variance	Variance to December Position
	£m	£m	£m	£m
<u>Services</u>				
Strategic Management	4.000	4.028	0.028	0.000
Adult Social Care	97.851	95.523	-2.328	-0.674
Children's Social Care	47.232	49.764	2.532	1.089
Communities	16.982	15.610	-1.372	-0.330
Corporate Resources	4.462	4.143	-0.319	-0.215
Economic Growth & Housing	6.449	6.238	-0.211	-0.128
Education Excellence	10.925	11.046	0.121	0.184
Health & Wellbeing	18.710	18.017	-0.693	-0.075
Highways & Public Protection	11.134	10.996	-0.138	0.051
Locality Services	13.711	13.778	0.067	-0.109
Total Service Net Expenditure	231.456	229.143	-2.313	-0.207
Budget Pressure Fund	1.000	1.000	0.000	0.000

Council Wide Budgets	-13.401	-13.241	0.160	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	188.612		
Forecast Year-End Deficit			-2.153	-0.207

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 achieve a surplus 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, only those savings achieved to date have been included in the forecast outturn position at this time.

- **Children’s Social Care** – The current forecast shows a potential overspend of £4.346m. However, it is estimated that £1.814m of the 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. The net overspend is therefore £2.532m. This is as a result of some recent high-cost cases and highlights the pressures that the budget can experience, together with the higher than budgeted for costs of agency members of staff that are required as a result of increased demand and a lack of permanent staff who are available in the labour market.

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.

At the Cabinet meeting in September a report highlighted the need for additional temporary and permanent staffing resources within the service. The report forecasted that additional costs of potentially £2.008m could be incurred in 2021/22, with £1.500m of these costs being funded from the reserve approved at July’s Cabinet meeting. Any additional costs, relating to some of the temporary posts, would be funded from residual cost of change and new burdens funding received in 2020/21. As these posts are fully funded from one-off resources, they aren’t included in the forecast outturn position.

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 January 2022 is a surplus of -£3.279m. 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 (-£1.275m).
 - Exemptions and Discounts (including a forecasting adjustment) being lower than estimated (-£1.583m).
- 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 surplus of £2.022m was declared on the 15 January 2022 of which Sefton's share is £1.699m (84.1%). This is the amount that will be recovered from the Collection Fund in 2022/23. Any additional surplus or deficit will be distributed in 2023/24 and future years.

5. **Business Rates Income – Update**

- 5.1 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.
- 5.2 The forecast outturn for the Council at the end of January 2022 is a deficit of £20.855m 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 (+£0.705m).

- 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 (+£20.240m).
- A decrease in the Appeals Provision (-£3.557m)

5.3 When taking into account the additional Section 31 grants due on the additional reliefs, a net surplus of £0.080m is forecast.

5.4 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.

5.5 A forecast deficit of £18.702m was declared in January 2022. Sefton's share of this is £18.515m. This is the amount that will be distributed from the Collection Fund in 2022/23. Any additional surplus or deficit will be distributed in 2023/24 and future years.

6. Grant Funding - Countryside Stewardship Higher Tier

6.1 Sefton Council owns and is responsible for large portions of the Sefton Coast Site of Special Scientific Interest (SSSI). This area includes large areas of threatened habitats and many rare species. Some of the nature conservation designations that apply to the Sefton Coast provide the very highest levels of legal protection for nature conservation, nationally and internationally, and so place legislative obligations upon landowners.

6.2 Countryside Stewardship Higher Tier is a five-year programme, which will financially support the delivery of environmental land management in Sefton. Green Sefton manages the protected sites within the Sefton Coast SSSI, for which the Council is responsible. The previous programme of funding support through the Higher-Level Stewardship scheme (HLS) expired at the end of March 2021.

6.3 Following the end of the previous HLS agreement, and in partnership with Natural England, officers from Green Sefton prepared and submitted a bid for Countryside Stewardship Higher Tier to the Rural Payments Agency in August 2021. The Council were informed in late January 2022 that the bid had been successful, with grant funding of £0.495m being made available for a five-year period. Over 97.5% of the funding is revenue related.

6.4 This grant offer has now been formally accepted and a fully funded revenue estimate of £0.483m and a fully funded capital estimate of £0.012m have been approved in accordance with the Council's Financial Procedure Rules.

7. 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	£41.806m
2022/23	£28.658m
2023/24	£8.793m

7.2 A number of significant updates have been made to the capital programme budget since the previous report to Cabinet in February and these are listed below. Individual schemes are kept under review as the year progresses and it is not uncommon for spending to be reprofiled into future years as capacity to deliver and other external factors such as contractor performance and the availability of materials impacts the rate of delivery.

- **Adult Social Care**
 - £0.098m has been phased to 2022/23 for fire alarm and emergency lighting schemes.
 - £0.241m has been phased from 2022/23 to 2021/22 following the second round of Care Home Improvement Grant applications. Most grant payments are expected to be made before the end of March 2022.
 - Purchase of new Technology Enabled Care equipment will now take place in early 2022/23. £0.130m has therefore been phased from 2021/22 to 2022/23.
- **Corporate Resources** – £0.097m has been phased from 2021/22 to 2022/23 for the delivery of the Green Homes Grant Scheme.
- **Education Excellence** – The following schemes have been rephased for delivery 2022/23: £0.050m of General Planned Maintenance, £0.081m for a rewire at Grange Primary and £0.067m for a roof refurbishment at Hatton Hill Primary.
- **Highways and Public Protection** - £0.192m has been phased from future years to 2021/22. The forecast delivery in the current financial year has increased to align with the contractor's recently improved resources and materials availability.
- **Operational In-House Services** - £1.600m has been removed from the capital programme in 2022/23 due to the withdrawal of the single stream glass collection project agreed in 2019. The project is no longer considered viable due to recent changes to The Environment Act 2021, the requirements of which will be further considered and any implications for the capital programme budget will be reported on future updates to Cabinet.

7.3 Authority has been delegated within the Financial Procedure Rules to Cabinet Member in conjunction with Head of Service to assign funding to individual schemes within the Capital Programme from the block allocations approved by Council. A broader review of the individual 2021/22 Highways and Adult Social Care budgets is also currently underway, and it is anticipated that a revised position

will be reported to Cabinet Members for approval and presented on future budget updates to Cabinet.

Budget Monitoring Position to January 2022

- 7.4 The current position of expenditure against the budget profile to the end of January 2022 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 Jan-22	Actual Expenditure to Jan-22	Variance to Jan-22
	£m	£m	£m
Adult Social Care	2.775	2.896	0.121
Children's Social Care	0.025	0.025	-
Communities	0.939	0.842	-0.097
Corporate Resources	0.775	0.791	0.016
Economic Growth & Housing	3.185	2.742	-0.443
Education Excellence	3.317	3.312	-0.005
Highways & Public Protection	4.896	4.899	0.003
Operational In-House Services	6.557	6.586	0.029
Total Programme	22.469	22.093	-0.376

- 7.5 An underspend of £0.443m has occurred in the Economic Growth & Housing budget compared to the profile to the end of January. This is largely due to a project delay from the Crosby Lakeside Redevelopment. As a result of the failure of the main contractor to progress the redevelopment works regularly and diligently their employment was terminated in November 2021. Retendering of the contract has been undertaken with a new main contractor due to start on site in February. A new spend profile is expected to include works slipping into Q1 2022/23 and a change control has been submitted to the Combined Authority extend the longstop date to July 2022. A revised completion and cost schedule will therefore be reported as soon as possible.

Capital Programme Forecast Outturn 2021/22

- 7.6 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	4.133	4.123	-0.011	4.412	1.624
Children's Social Care	0.100	0.100	-	-	-

Communities	1.368	1.367	-0.001	1.776	0.090
Corporate Resources	3.033	3.033	-	3.454	-
Economic Growth & Housing	8.125	8.135	0.010	4.449	0.135
Education Excellence	4.335	4.306	-0.029	5.168	2.147
Highways & Public Protection	13.157	13.157	-	3.742	3.606
Operational In-House Services	7.555	7.540	-0.015	5.656	1.191
Total Programme	41.806	41.761	-0.046	28.658	8.793

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

7.7 The current 2021/22 budgeted spend is £41.806m with a budgeted spend to January of £22.496m. The full year budget includes exceptional items such as £5.543m for vehicle replacement, £0.943m for Green Homes Local Delivery, £1.050m Brownfield Fund for Housing Development, £7.053m for Growth and Strategic Investment projects, previously approved amounts for essential repairs and maintenance (£1.681m), a scheme to upgrade to LED Street Lighting (£1.740m), and a leisure scheme for improvements to an existing football pitch (£0.250m).

7.8 Typically, on an annual basis the capital programme spends in the region of £25m. As mentioned in paragraph 6.2 (above) it is likely that reprofiling of spend into 2022/23 will therefore occur as the year progresses.

Digitising Social Care

7.9 It has been requested of the local authority to receive funding on behalf of Health sector partners in respect of the Digitising Social Care programme. Capital Grant Funding of £0.455m will be transferred from the Department of Health and Social Care to the Local Authority under Section 31 of the Local government Act 2003 and the Local Authority will transfer the funding to the CCG prior to 31st March 2022. A Memorandum of Understanding has been drawn up by Cheshire and Merseyside Integrated Care System and is in the process of being signed.

7.10 The Programme's immediate ambition is to create an ICS investment fund to support and build the evidence base for care tech and digital social care records that will have an impact on care outcomes. The funding secured by the Programme is to support achievement of credible progress towards reducing demand on the NHS by introducing caretech and improving productivity in social care by reducing the administration of care records and plans in care providers.

7.11 Cabinet is therefore requested to approve a supplementary capital estimate of £0.455m for inclusion in the 2021/22 capital programme.

Programme Funding

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

Source	£m
Grants	29.348
Contributions (incl. Section 106)	0.639
Capital Receipts	3.139

Prudential Borrowing	8.680
Total Programme Funding	41.806

- 7.13 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.
- 7.14 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	-	97,854	-
Core DFG Programme	1,353,422	120,144	-
Wider Social Care Programme	2,780,002	4,194,445	1,623,750
Children's Social Care			
Support for Fostering Placements	100,000	-	-
Communities			
Dunes Splashworld – Essential Repairs	1,014,700	292,704	81,470
Litherland Sports Park – 3G Pitch & Lighting	250,000	-	-
Orrell Mount Sports Hub	14,557	1,203,886	-
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	30,000	-	-
Corporate Resources			
Council Wide Essential Maintenance	559,330	1,749,000	-
STCC Essential Maintenance	37,680	50,000	-
Victoria Baths Essential Works	58,974	80,000	-
Bootle & Southport Town Hall Retrofit Energy Saving	788,087	-	-
Green Homes Grant Local Delivery Scheme	943,000	957,000	-
Public Sector Reform	645,857	618,480	-
Economic Growth & Housing			
Strategic Acquisitions - Bootle	434,473	-	-
The Strand Business Plan	70,000	590,000	135,000
Cambridge Road Centre Development	722,952	72171	-
Crosby Lakeside Development	2,791,997	-	-
Town Centre Commission Bootle Canal Side	290,000	-	-
Southport Market Redevelopment	813,938	20,039	-
Marine Lake Events Centre	1,624,106	2,470,894	-
Enterprise Arcade	6,000	244,000	-
Strategic Acquisitions - Ainsdale	299,500	891,859	-
Housing Investment	15,188	36,180	-
Brownfield Fund for Housing Development	1,050,000	-	-
Southport Pier Project	6,769	124,117	-

	2021/22 £	2022/23 £	2023/24 £
Education Excellence			
Healthy Pupils Fund	1,486	-	-
Schools Programme	2,992,250	4,491,747	2,146,957
Planned Maintenance	380,982	237,043	-
Special Educational Needs & Disabilities	960,662	439,230	-
Highways and Public Protection			
Accessibility	1,088,000	-	-
Completing Schemes/Retentions	40,000	-	-
Healthy Lifestyles	1,100,000	-	-
Road Safety	120,000	-	-
A565 Route Management and Parking	1,825,000	-	-
A59 Route Management Strategy	190,000	-	-
Strategic Planning	983,292	-	-
Traffic Management and Parking	60,000	-	-
Active Travel	1,093,314	-	-
Highway Maintenance	3,909,928	-	-
Bridges & Structures	300,000	-	-
Drainage	150,000	-	-
Street Lighting	2,040,000	3,742,035	3,605,580
UTC Maintenance	60,000	-	-
Major Transport Schemes	197,000	-	-
Operational In-House Services			
Burials & Cremation Insourcing - Vehicles & Equip	90,663	-	-
Formby Strategic Flood Risk Management Prog.	-	43,851	-
Merseyside Groundwater Study	11,508	20,000	-
Regional Coastal Monitoring Prog. 2016-2021	391,654	-	-
Regional Coastal Monitoring Prog. 2022-2026	552,068	1,016,932	1,058,000
The Pool & Nile Watercourses	49,410	74,711	-
Crosby Flood & Coastal Scheme	69,219	751,261	-
Hall Road & Alt Training Bank - Rock Armour	-	45,775	-
Ainsdale & Birkdale Land Drainage Scheme	25,973	-	-
Surface Water Management Plan	43,026	56,419	-
Surface Water Modelling & Mapping	13,601	-	-
Small Watercourse Works	5,000	2,638	-
Water Level Monitoring Pilot	18,000	-	-
Parks Schemes	50,259	264,535	-
Tree Planting Programme	83,543	146,552	19,769
Golf Driving Range Developments	398,822	280,280	-
Ainsdale Coastal Gateway	31,050	320,488	-
Crosby Marine Lake Improvements – Phase 1	155,000	-	-

	2021/22 £	2022/23 £	2023/24 £
Litter Bin Infrastructure	22,358	-	-
Green Sefton – Plant & Machinery	-	131,152	-
Vehicle Replacement Programme	5,543,468	1,736,762	113,000
Wheeled Bins	-	765,000	-
TOTAL PROGRAMME	41,806,300	28,658,485	8,792,526