

Report to:	Cabinet	Date of Meeting:	Thursday 28 July 2022
Subject:	Financial Management 2022/23 to 2024/25 and Framework for Change 2020 - Revenue and Capital Budget Update 2022/23 – July 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 position relating to the 2022/23 revenue budget.
- 2 The current forecast on Council Tax and Business Rates collection for 2022/23.
- 3 The monitoring position of the Council's capital programme to the end of June 2023:
 - 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 position relating to the 2022/23 revenue budget.
- 2) Recognise the financial risks associated with the delivery of the 2022/23 revenue budget and acknowledge that the forecast outturn position will continue to be reviewed, and remedial actions put in place, to ensure a balanced forecast outturn position and financial sustainability can be achieved. The remedial actions required to address this financial forecast will be reported to Cabinet in September 2022.
- 3) Approve the creation of the post 'Assistant Director - Help and Protection' within Children's Services with the post being funded via the deletion of vacant posts to the value required. Appointment to this post will follow the Council's normal

- process for jobs of this grade.
- 4) Agree that due to the potential changes to the treatment of high needs balances / deficits that the financial position be reported as part of each monthly budget monitoring report during the year.
 - 5) Approve the reporting cycle for the Council's Wholly Owned Companies.

Capital Programme

- 6) Note the spending profiles across financial years for the approved capital programme (paragraph 7.1).
- 7) Note the latest capital expenditure position as at 30 June 2022 of £5.198m (paragraph 7.4); the latest full year forecast is £42.426m (paragraph 7.6).
- 8) 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 7.9).
- 9) Recommend to Council to approve a supplementary capital estimate of £0.700m for Phase 1 of the Strand Repurposing project funded from the Economic Recovery Earmarked Reserve.
- 10) Recommend to Council to approve a supplementary capital estimate of £0.171m for the completion of the Crosby Lakeside Adventure Centre improvements, funded from the Economic Recovery Earmarked Reserve.

Council is recommended to:

- 11) Approve a supplementary capital estimate of £0.700m for Phase 1 of the Strand Repurposing project funded from the Economic Recovery Earmarked Reserve.
- 12) Approve a supplementary capital estimate of £0.171m for the completion of the Crosby Lakeside Adventure Centre improvements, funded from the Economic Recovery Earmarked Reserve.

Reasons for the Recommendation(s):

To ensure Cabinet are informed of the current position in relation to the 2022/23 revenue budget.

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 2022/23 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 2022/23 an overspend position of £2.197m is currently forecast and that mitigating actions will be required to ensure the Council returns to a balanced forecast outturn position. Having conducted this initial review for the year, work will commence over the next period and the remedial plan will be presented to the next meeting of Cabinet in September 2022.

(B) Capital Costs

The Council's capital budget in 2022/23 is £42.426m. As at the end of June 2022 expenditure of £5.198m has been incurred and a full year outturn of £42.426m is currently forecast.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):

Currently an overspend position of £2.197m is forecast for 2022/23. Therefore, remedial actions will be needed to ensure the Council returns to a balanced forecast outturn position. However, it should be noted that significant pressure and risk remains, particularly relating to Children's Social Care and energy costs. If these budgets experience further demand and inflationary pressure during the remainder of the year further corresponding savings will need to be identified.

Legal Implications:

None

Equality Implications:

There are no equality implications.

Climate Emergency Implications:

The recommendations within this report will

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

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.

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 & Customer Services is the author of the report (FD 6877/22)

The Chief Legal and Democratic Officer has been consulted and has no comments on the report (LD 5077/22).

(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

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

Appendices:

The following appendix is attached to this report:

APPENDIX A – Capital Programme 2022/23 to 2024/25

Background Papers:

There are no background papers available for inspection.

1. Introduction

- 1.1 On 3 March 2022, Members approved the Budget for the financial year 2022/23. This budget was developed throughout the preceding nine months and took account of all known issues. Within that report, and as with previous years, the inherent financial risk within the budget, especially with respect to Children's Services, was identified. This was further reflected within the reserves' strategy for the Council.
- 1.2 A report to June's Cabinet and Council on 14th July, provided an update for Members of the financial position with the Council for events that have materialised in the last few months including the increased cost of providing Children's Services and the increase in energy costs affecting the Council from global price increases. A remedial action plan was presented in the report and approved by Council.
- 1.3 This report is the first of the Council's monthly budget monitoring reports and updates the revenue forecast outturn position for all services, including the pressures previously identified in the June report.
- 1.4 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.
- 1.5 The capital section of the report informs Members of the latest estimate of capital expenditure for 2022/23 and forecast expenditure for 2023/24 and 2024/25. The capital budget to date is presented in paragraph 6.1. Paragraphs 6.2 to 6.8 review progress of the capital programme. Finally, paragraphs 6.9 to 6.11 confirm that there are adequate levels of resources available to finance the capital programme.

2. Revenue Budget 2022/23 – Forecast Outturn Position as at the end of June 2022

- 2.1 Members are provided with updates of the Council's forecast financial revenue position each month during the financial year from July.
- 2.2 The report to Cabinet in June 2022 highlighted the significant financial pressures being faced by the Council relating to Children's Social Care and energy costs. A remedial action plan was approved to meet these estimated costs during 2022/23. These are included in the forecast outturn position below.
- 2.3 As at the end of June 2022, the forecast outturn shows a net overspend of **£2.197m**. As with all organisations at this time, the Council is operating in a very challenging financial environment. However, it is vital that the Council achieves a balanced forecast outturn position to ensure its financial sustainability. The remedial action plan to meet the Children's Social Care and energy pressures has meant there is little flexibility left for the use of existing reserves and balances. As a result, these new pressures, and any further increase in Children's Social Care or energy pressures, will need to be met from within the existing Council budget.

2.4 It is acknowledged that this is the first full budget monitoring report of the year so forecasts will include a number of assumptions on anticipated expenditure and income for the remainder of the year. A full review of budgets and assumptions will therefore be undertaken to refine the forecasts for the next report to Cabinet in September. In addition, the report will outline remedial actions to be implemented to ensure a balanced forecast outturn position, potentially including the adoption of financial principles used in previous years.

2.5 The table below highlights the variations across services that make up the £2.197m forecast overspend:

	Budget	Forecast Outturn	Variance
	£m	£m	£m
Services			
Strategic Management	4.024	4.033	0.009
Adult Social Care	102.055	102.055	0.000
Children's Social Care	52.151	60.506	8.355
Communities	17.591	18.134	0.543
Corporate Resources	5.407	5.229	-0.178
Economic Growth & Housing	6.583	6.660	0.077
Education Excellence	11.296	12.216	0.920
Health & Wellbeing	19.349	19.349	0.000
Highways & Public Protection	11.364	11.245	-0.119
Operational In-House Services	14.867	15.657	0.790
Energy Costs	0.000	4.300	4.300
Total Service Net Expenditure	244.687	259.384	14.697
Council Wide Budgets	0.180	0.180	0.000
Levies	35.222	35.222	0.000
General Government Grants	(72.356)	(72.356)	0.000
Remedial Action Plan	0.000	-12.500	-12.500
Total Net Expenditure	207.733	209.930	
<u>Forecast Year-End Deficit</u>			<u>2.197</u>

2.6 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 2022/23. However, there are a number of significant assumptions and uncertainties, partly as a result of COVID-19, that could impact on this position before the year-end. This budget has historically underspent each

financial year therefore, although the most accurate position will be reported in September this will be the subject of change through the year, however due to the issues facing the Council it is important that any potential flexibility or otherwise is raised early in the financial year.

- **Children’s Social Care** – The current forecast shows a potential overspend of £8.355m, a slight increase in the figure of £8.2m reported to Cabinet in June shown below:

	£m	£m
Children’s Social Care:		
- Agency Staffing	2.3	
- Managed Teams	1.7	
- Staffing	0.8	
- Accommodation	2.8	
- Social Work Academy	0.6	
		8.2

As has been regularly reported over the last three years, the cost of accommodation 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.

Members will be aware that the Council has commenced the delivery of its improvement plan in respect of Children’s Services. As part of that plan, it is essential that there is sufficient management capacity and grip within the service to support improvement. As a result, it is proposed that an additional Assistant Director post be approved - ‘Assistant Director - Help and Protection’. This will be the subject of job evaluation with an indicative Hay 3 grade. This post will be the subject of external recruitment, will follow the Council’s agreed processes for a post of this level and will be funded by the deletion of vacant posts within the existing structure to the value required to fund the post - the Director of Children’s Services will identify these posts in advance of the recruitment commencing. As a result of the creation of this post the current Assistant Director - Social Care will be re-titled Assistant Director - Cared for Children. This will be a title change only for the current postholder. Four of the existing eight service managers who currently report to this post will report to the new Assistant Director - Help and Protection.

- **Communities** - The current forecast shows a potential overspend of £0.543m. This mainly relates to increases in premises and supplies and services costs at sports and leisure facilities, including some essential maintenance costs. This forecast will be reviewed and mitigation measures identified to reduce this balance, which will be updated for the September report
- **Education Excellence** – The current forecast shows a potential overspend of £0.920m relating to Home to School Transport. There has been an increase in the number of children being transported, especially relating to out of borough placements. In addition, there has been an increase in the cost of providing the transport.

- **Operational In-House Services** The current forecast shows a potential overspend of £0.790m. This relates to a number of areas across the Service, including forecast shortfalls in income on Burials and Cremations, Catering, Green Sefton activities (mainly golf courses) and vehicle maintenance.
- **Energy Costs** – As reported in June, the global increase in energy prices is having a significant impact on the Council's energy and fuel costs. This is currently estimated at £4.300m and is being closely monitored as more information becomes available from the Council's framework providers on the fees being paid.

2.7 As stated, a remedial plan will be developed for the next month's Cabinet report- this will reflect the financial position and forecast as at end of July 2022 and will be reported at the start of September. In addition to reviewing options to support this position, those services who are forecast to overspend will review every budget held with a view to developing in year and, where required, permanent savings to balance their own position and every other service will seek to refine their forecasts and spending plans with a view to delivering in year savings.

Caring Business Charter implementation

2.8 The Caring Business Charter aims to improve connectivity between care experienced young people and local businesses and employers across Sefton, increasing access to employment, training, apprenticeship, coaching and mentoring opportunities. More than 20 local employers have signed up to the Charter at the time of its launch. Council funding in the amount of £92,000 is proposed, funded from the Economic Recovery Earmarked Reserve, to provide capacity for growth in the number of signatories to the Charter, for support for both young people and employers in progressing the opportunities identified, and for monitoring and measuring progress and outcomes from the Charter. This has been approved by the Section 151 Officer in line with the Council's Financial Procedure Rules.

3. Council Tax Income – Update

2.9 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 £150.008m for 2022/23 (including Parish Precepts), which represents 84% of the net Council Tax income of £178.590m.

2.10 The forecast outturn for the Council at the end of June 2022 is a surplus of -£1.625m. This variation is primarily due to: -

- The surplus on the fund at the end of 2021/22 being higher than estimated (-£0.517m).
- Gross Council Tax Charges in 2022/23 being higher than estimated (-£0.144m).

- Exemptions and Discounts (including a forecasting adjustment) being lower than estimated (-£0.964m).

2.11 Due to Collection Fund regulations, the Council Tax surplus will not be transferred to the General Fund in 2022/23 but will be carried forward to be recovered in future years.

2.12 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.

4. **Business Rates Income – Update**

4.1 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 £56.664m for 2022/23, which represents 99% of the net Business Rates income of £57.236m. Business Rates income has historically been very volatile making it difficult to forecast accurately.

4.2 The forecast outturn for the Council at the end of June 2022 is a surplus of -£6.867m on Business Rates income. This is due to:

- The deficit on the fund at the end of 2022/23 being lower than estimated (-£0.091m).
- Increase in the gross charge on rateable properties (-£1.295m).
- A number of reliefs announced for 2022/23 were assumed in the NNDR1 return with the loss of income as a result of these reliefs covered by Section 31 grant payments. It is now forecast that the value of these reliefs will be less than anticipated (-£5.481m).

4.3 When taking into account the lower Section 31 grants due on the additional reliefs, a net surplus of £1.420m is forecast.

4.4 Due to Collection Fund regulations, a Business Rates deficit will not be transferred to the General Fund in 2022/23 but will be carried forward to be recovered in future years.

4.5 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.

5. **Dunes Splashworld – Compensation Payment**

5.1 The Council has recently settled a claim against the original developer relating to a range of issues stemming from latent defects at the Splashworld facility. The payment will be utilised in the first instance to fund the current capital scheme that was previously approved to remediate the latent defects at the facility, as well as

any associated legal costs that were incurred in settling the litigation. Any residual amount will be utilised to offset some of the income losses currently being incurred whilst the facility is closed for the repairs to take place.

6. High Needs Budget

- 6.1 Within this Cabinet agenda there is a separate agenda item with regard to the High Needs budget and the changes that are proposed, details of sufficiency planning, the Council's engagement on the Delivering Better Value Programme and the current high needs deficit and the risk around future central government decision making in respect of this deficit.
- 6.2 In addition, also included on this Cabinet agenda is the Outturn Report for 2021/22 and this provides granular detail on the performance of this budget in that year and again stresses the risk that could be presented. In light of these factors, the SEND green paper, the commencement of the Delivering Better Value Programme and the potential changes to accounting treatment of these high needs deficits that exist in a substantial number of councils in England, it is proposed that a monthly financial forecast be presented to Cabinet each month that reflects financial performance against budget and remedial planning - this will be considered alongside the wider quarterly performance report that will be presented to Cabinet and Council.

7. Council Wholly Owned Companies - in year reporting

- 7.1 The Council now has three Wholly Owned Companies, Sefton New Directions, Sefton Hospitality Operations Limited and Sandway Homes Limited. The now established reporting cycle for these companies is that a Business Plan for each is presented to Cabinet, as shareholder, each autumn. This reflects the operational and financial plans for each company for the year ahead. These will be presented to Cabinet in autumn 2022 and will inform activity for 2023/24. A key aspect of these reports is that through the in-year monitoring if there are any material variations these will be reported to Cabinet at the earliest opportunity. As each company completes its year end arrangements a report will be provided to Overview and Scrutiny committee.

8. Capital Programme 2022/23 – 2024/25

Capital Budget

- 8.1 The Capital Budget and profile of expenditure for the three years 2022/23 to 2024/25 is as follows:

2022/23	£42.426m
2023/24	£13.840m
2024/25	£5.930m

- 8.2 The following updates have been made to the capital programme budget since the initial budget report to Cabinet in February.

- **Adult Social Care** – £0.455m for a new Digitising Social Care Grant has been added to the budget following approval by Cabinet in March.
- **Communities** - £0.021m was added for a new project for Crosby Village Decorative lights funded from Section 106 contributions and approved under delegated authority.
- **Economic Growth & Housing** – the following additions to the programme were approved by Council in April and May:
 - £0.065m for a Social Care Allocations Housing scheme funded by prudential borrowing
 - £1.250m for the Enterprise Arcade project funded by the Southport Town Deal
 - £2.750m for the Transformations De Southport project funded by the Southport Town Deal
 - £0.206m for the Southport Pier Decking project funded by prudential borrowing
- **Education Excellence** – £0.017m was added for a new project for a PMLD Classroom at Rowan Park approved under delegated authority.

8.3 In addition to the above capital budgets the following capital grant allocations have been approved by Cabinet and Council for inclusion in the Capital Programme 2022/23 and 2023/24:

Capital Grant	2022/23 £	2023/24 £
Adult Social Care		
Disable Facilities Grant	4,823,370	-
Education Excellence		
Schools Condition Allocation	2,426,403	-
High Needs Provision Capital Allocation	2,062,067	2,908,641
Basic Needs Funding	-	878,823
Highways and Public Protection		
City Region Sustainable Transport Settlement	6,210,000	-
Key Route Network	400,000	400,000
Transforming Cities Fund - Urban Traffic Control	596,495	397,663
Traffic Signal Maintenance	250,000	-
TOTAL	16,768,335	4,585,127

8.4 Authority has been delegated to Cabinet Member to assign funding to individual capital schemes for Adult Social Care, Highways and the Schools block allocations reported above. The list of schemes for 2022/23 is being fully developed and will be presented to the individual Cabinet Members for approval. A full list of the approved capital schemes will be presented in future reports to Cabinet.

Budget Monitoring Position to June 2022

- 8.5 The current position of expenditure against the budget profile to the end of June 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 Jun-22	Actual Expenditure to Jun-22	Variance to Jun-22
	£m	£m	£m
Adult Social Care	0.711	0.711	-
Children's Social Care	0.042	0.042	-
Communities	0.158	0.158	-
Corporate Resources	0.243	0.243	-
Economic Growth & Housing	1.609	1.609	-
Education Excellence	0.454	0.454	-
Highways & Public Protection	1.586	1.586	-
Operational In-House Services	0.396	0.396	-
Total Programme	5.198	5.198	-

Capital Programme Forecast Outturn 2022/23

- 8.6 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 2022/23	Forecast Out-turn	Variance to Budget	Full Year Budget 2023/24	Full Year Budget 2024/25
	£m	£m	£m	£m	£m
Adult Social Care	5.069	5.069	-	1.624	0.860
Children's Social Care	0.075	0.075	-	-	-
Communities	1.907	1.907	-	0.290	-
Corporate Resources	6.145	6.145	-	0.819	-
Economic Growth & Housing	10.412	10.412	-	1.211	0.075
Education Excellence	4.698	4.698	-	3.018	0.007
Highways & Public Protection	9.165	9.165	-	4.934	3.663
Locality Services	4.955	4.955	-	1.944	1.326
Total Programme	42.426	42.426		13.840	5.930

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

- 8.7 The current 2022/23 budgeted spend is £42.426m with a budgeted spend to June of £5.198m. The full year budget includes exceptional items such as £2.033m for

vehicle replacement, £4.439m for Green Homes and Sustainable Warmth schemes, £9.454m for Growth and Strategic Investment projects, previously approved amounts for essential repairs and maintenance (£1.183m) and a significant scheme to upgrade to LED Street Lighting (£3.887m).

- 8.8 Typically, on an annual basis the capital programme spends in the region of £25m. Given this typical annual level of spend it is likely that reprofiling of spend into 2023/24 will occur as the year progresses.

Programme Funding

- 8.9 The table below shows how the capital programme will be funding in 2022/23:

Source	£m
Grants	30.522
Prudential Borrowing	7.670
Capital Receipts	2.191
Contributions (incl. Section 106)	2.043
Total Programme Funding	42.426

- 8.10 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.
- 8.11 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.

Strand

- 8.12 The Strand Repurposing Programme is designed to drive the economic, social and physical regeneration of Bootle Town Centre and to catalyse wider regeneration of the whole of Bootle. The programme is planned to be delivered in Phases to enable the Strand to continue to operate throughout the works to refurbish and repurpose the centre.
- 8.13 The first Phase is to finalise the Canalside development, which started last year with funding from the CA and from the Council, as well as bringing more diverse uses to some areas of underused space. It is also to progress the collaborative work that has been started with Health partners in South Sefton, via the Integrated Care Partnership Board, to progress the more detailed designs for an Integrated Health and Social Care Hub to be located in the Re-purposed Strand, which will significantly improve health and wellbeing outcomes for local people and address health inequalities.
- 8.14 The first Phase is critical to start to drive up footfall and economic growth in the town centre and in this way to lift land and property values, which aims to de-risk the remaining Re-purposing programme for private sector investment.
- 8.15 While delivery strategy for the projects is finalised, and while feedback is awaited on the Levelling Up Funding bid submitted in July 2022, funding is proposed for

allocation to ensure continued progression of design and planning work, aiming for a scheduled start of construction in mid-2023.

- 8.16 Council funding in the amount of £680,000 is proposed from the Economic Recovery fund to enable the Council to progress with this work without delay. Cabinet is therefore asked to recommend that Council to approve a supplementary capital estimate of £680,000 for the capital works required, funded from the Economic Recovery Earmarked Reserve.

Crosby Lakeside Adventure Centre

- 8.17 The Crosby Lakeside Adventure Centre (CLAC) hospitality refurbishment project is transforming the hospitality facilities at the CLAC to make them fit for purpose for this key coastal gateway and to make the hospitality operations financially sustainable into the future, which they have not been previously.
- 8.18 The project has been wholly funded by The Combined Authority (CA) but was disrupted in November 2021 by the failure of the contractor, causing many months delay and requiring re-procurement of works. The CA agreed to provide further funding to cover the estimated additional costs arising because of the contractor failure, especially construction inflation in terms of labour and materials.
- 8.19 The main hospitality facilities are close to completion, but the Bunkbarn element (a new residential unit for schools and community use) has seen further cost increases primarily as a result of construction inflation. These costs exceed the additional funding provided by the CA. Council funding in the amount of £171,000 is proposed from the Economic Recovery Fund to cover this budget shortfall and ensure delivery and completion of the project.
- 8.20 Cabinet is therefore asked to recommend that Council to approve a supplementary capital estimate of £171,000 for the capital works required, funded from the Economic Recovery Earmarked Reserve.

APPENDIX A – Capital Programme 2022/22 to 2024/25

Capital Project	Budget		
	2022/23 £	2023/24 £	2024/25 £
Adult Social Care			
New Directions Programme Development	247,854	-	-
Digitising Social Care	455,000	-	-
Sefton Carers Centre	30,000	-	-
Core DFG Programme	132,351	-	-
Wider Social Care Programme	3,992,156	1,623,750	860,000
Community Equipment Stores	211,540	-	-
Children's Social Care			
Support for Fostering Placements	74,956	-	-
Communities			
Dunes Splashworld – Essential Repairs	463,133	101,874	-
Litherland Sports Park – 3G Pitch & Lighting	6,320	-	-
Orrell Mount Sports Hub	1,198,667	-	-
Libraries - Centres of Excellence	90,000	188,019	-
Section 106 Funded Projects	148,535	-	-
Corporate Resources			
Council Wide Essential Maintenance	1,051,028	818,833	-
STCC Essential Maintenance	54,650	-	-
Victoria Baths Essential Works	76,960	-	-
Bootle & Southport Town Hall Retrofit Energy Saving	29,950	-	-
Green Homes Grant Sustainable Warmth Schemes	4,438,882	-	-
ICT Transformation	493,281	-	-
Economic Growth & Housing			
Strategic Acquisitions - Bootle	17,620	-	-
Cambridge Road Centre Development	53,930	-	-
Crosby Lakeside Development	1,544,913	-	-
Town Centre Commission Bootle Canal Side	240,263	-	-
Southport Market Redevelopment	47,335	-	-
Strategic Acquisitions - Ainsdale	90,600	836,423	-
Marine Lake Events Centre	3,175,637	-	-
Enterprise Arcade	1,494,000	-	-
Transformations De Southport	2,750,000	-	-
Strand Business Plan	40,000	375,000	75,000
Housing Investment	33,960	-	-
Brownfield Fund for Housing Development	537,790	-	-
Social Housing Allocations Scheme	65,000	-	-
Southport Pier	321,822	-	-
Education Excellence			
Schools Programme	3,978,168	3,017,760	7,055
Planned Maintenance	197,617	-	-
Special Educational Needs & Disabilities	522,143	-	-

	2022/23 £	2023/24 £	2024/25 £
Highways and Public Protection			
Transport Schemes	5,277,913	1,328,620	-
LED Street Lighting Upgrade	3,886,920	3,605,580	3,662,630
Operational In-House Services			
Burials & Cremation Service – Vehicles & Equipment	47,713	-	-
Coastal Erosion and Flood Risk Management	1,504,248	1,656,926	1,306,000
Parks Schemes	110,426	154,700	-
Tree Planting Programme	134,505	19,769	19,769
Golf Driving Range Developments	290,268	-	-
Ainsdale Coastal Gateway	327,712	-	-
Crosby Marine Lake Improvements – Phase 1	30,339	-	-
Green Sefton – Plant & Machinery	131,152	-	-
Vehicle Replacement Programme	2,033,329	113,000	-
Wheeled Bins	345,000	-	-
TOTAL PROGRAMME	42,425,586	13,840,254	5,930,454