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| Report to: | Cabinet Council | Date of Meeting: | 22 June 2023 13 July 2023 |
| Subject: | Financial Management 20223/24 to 2025/26 and Framework for Change 2020 - Revenue and Capital Budget Update 2023/24 – June Update - 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 capital and revenue estimates for approval in the Council's Capital Programme and revenue budget and an update on revised allocations of grant from central government and the Liverpool City Region Combined Authority.

Recommendation(s):

Cabinet is recommended to:

- 1) Recommend to Council the approval of a supplementary capital estimate of £3.000m for Disabled Facilities Grants core programme in 2023/24 funded by the Better Care Fund.
- 2) Note the revised funding allocations for Schools Condition Grant and Devolved Formula Capital 2023/24.
- 3) Recommend to Council the approval of a supplementary capital estimate of £1.350 for the scheme at St Teresa's funded by High Needs Capital Grant.
- 4) Recommend to Council the approval of a supplementary capital estimate of £1.583m for inclusion in the capital programme for the sporting betterment of local schools funded by capital receipts.
- 5) Note the distribution of the Capital Receipt to the proposed list of schools as shown in paragraph 4.7 following the approval by Council of the supplementary capital estimate detailed above.
- 6) Recommend to Council the approval of a supplementary capital estimate of £2.941m for inclusion in the capital programme for the A59 Key Route Network grant from the City Region Combined Authority.
- 7) Approve a supplementary capital estimate of £0.400m for Key Route Network – Maintenance grant from the City Region Combined Authority.
- 8) Approve a supplementary estimate of £0.340m for Active Travel Tranche 4, comprising £0.326m capital and £0.014 revenue grant from the City Region

Combined Authority.

- 9) Recommend to Council the approval of a supplementary capital estimate of £1.500m for inclusion in the capital programme for the Crosby Town Centre scheme funded by grant from the City Region Combined Authority.
- 10) Recommend to Council the approval of a supplementary capital estimate of £3.42m for inclusion in the capital programme for the A59 Northway Pedestrian/ Cycle Improvements scheme funded by grant from the City Region Combined Authority, developer's contributions, and Council resources.
- 11) Recommend to Council the approval of a supplementary capital estimate of £3.300m for inclusion in the capital programme for the Carriageway Resurfacing Programme funded by grant from the City Region Combined Authority.

Council is recommended to:

- 1) Approve a supplementary capital estimate of £3.000m for Disabled Facilities Grants core programme in 2023/24 funded by the Better Care Fund.
- 2) Approve a supplementary capital estimate of £1.350m for the scheme at St Teresa's funded by High Needs Capital Grant.
- 3) Approve a supplementary capital estimate of £1.583m for inclusion in the capital programme for the sporting betterment of local schools funded by capital receipts.
- 4) Approve a supplementary capital estimate of £0.240m for the enabling works at Crown Buildings funded by capital receipts.
- 5) Approve a supplementary capital estimate of £2.941m for inclusion in the capital programme for the A59 Key Route Network grant from the City Region Combined Authority.
- 6) Approve a supplementary capital estimate of £1.500m for inclusion in the capital programme for the Crosby Town Centre scheme funded by grant from the City Region Combined Authority.
- 7) Approve a supplementary capital estimate of £3.42m for inclusion in the capital programme for the A59 Northway Pedestrian/ Cycle Improvements scheme funded by grant from the City Region Combined Authority, developer's contributions, and Council resources.
- 8) Approve a supplementary capital estimate of £3.300m for inclusion in the capital programme for the Carriageway Resurfacing Programme funded by grant from the City Region Combined Authority.

Reasons for the Recommendation(s):

To approve updates to the capital programme and revenue budget so that they can be applied to schemes in the delivery of the Council's overall financial 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

None

(B) Capital Costs

The estimated cost of Disabled Facilities Grants in 2023/24 is £3.000m funded by grant allocated to the Council from the Better Care Fund.

The scheme at St Teresa's is estimated to cost £1.350m funded by the High Needs Provision Capital Allocation grant 2023/24 from the Department of Education.

The cost of sporting betterments funded by the capital receipt from the sale of St Wilfrid's school site is £1.483m.

Enabling works at Crown Buildings will cost £0.240m funded by capital receipts.

The Crosby Town Centre scheme is estimated to cost £1.500m funded by grant from the City Region Combined Authority.

The A59 Northway Pedestrian/ Cycle Improvements scheme is estimated to cost £3.420m funded by £2.850m of grant from the City Region Combined Authority, £0.470m developer's contributions, and £0.100m of capital receipts.

The Carriageway Resurfacing Programme is estimated to cost £3.300m funded by grant from the City Region Combined Authority.

Implications of the Proposals:

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| Resource Implications (Financial, IT, Staffing and Assets): None – the schemes outlined in this report will be funded from external grants and existing resources. | |
| Legal Implications: None | |
| Equality Implications: There are no equality implications. | |
| Impact on Children and Young People: Yes The allocations of funding outlined in this report relating to Education Excellence will have a positive impact on Children and Young People through the provision of additional capacity / facilities at schools throughout the Borough. | |
| Climate Emergency Implications: The recommendations within this report will | |
| Have a positive impact | No |
| Have a neutral impact | Yes |
| Have a negative impact | No |
| The Author has undertaken the Climate Emergency training for report authors | No |

The allocations of 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.

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.

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

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.7262/23.) and the Chief Legal and Democratic Officer (LD.5462/23.) 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. Better Care Fund – Disabled Facilities Grants

- 1.1. Expenditure on Disabled Facilities Grants has been increasing steadily since 2021/22 and will continue to do so with development of the Adult Social Care online Portal, development of extended warranties and revised means testing for applicants. The Council's core programme for Disabled Facilities Grants in 2023/24 will therefore be £3m, an increase on the target of £2m set in 2022/23's capital programme and £1.4m set in the 2021/22 programme. This will be fully funded from the block allocation of the Better Care Fund – Disabled Facilities Grant.
- 1.2. Cabinet is therefore requested to recommend to Council the approval of a supplementary capital estimate for the core DFG programme of £3m in 2023/24.
- 1.3. Cabinet Member for Adult Social Care has delegated authority to approve budgets up to a value of £1m for the Wider Social Care Programme and Community Equipment Stores funded from the Better Care Fund – Disabled Facilities Grant (DFG). The list of schemes for the wider programme for 2022/23 has been fully developed and will be presented to Cabinet Member for approval.

2. Schools Funding

- 2.1. Council on 3 March 2023 approved indicative grant allocations for capital grants to be applied to the Education Excellence capital programme 2023/24. Following publication of the provisional capital allocations for 2023/24 by the Department of Education in late March, a reduced amount funding will be received as set out in the table below.

| Capital Grant | Block Allocation | |
|---|-----------------------------------|-------------------------------|
| | Provisional Estimate 2023/24 £ | Revised Estimate 2023/24 £ |
| Education Excellence | | |
| Devolved Formula Capital (direct school allocation) | 363,104 | 338,520 |
| Schools Condition Allocation | 2,426,403 | 2,207,934 |

- 2.2. Cabinet is asked to note the revised estimates shown above. Authority has been delegated to Cabinet Member – Education to assign funding to individual capital schemes for the schools' block allocation reported above. The list of schemes for 2022/23 will be fully developed and will be presented to Cabinet Member for approval.

3. High Needs Programme – St Teresa's School

- 3.1. Cabinet Member – Education has previously agreed to the use of over £3.9m out of the £4.9m 2-year High Needs capital funding provided by the Government to support ongoing Special Educational Needs (SEN) demand pressures. The funding has been prioritised and used to make alterations to existing school accommodation and provide additional capacity in Sefton through the creation of

new in-house Specialist SEN places at Sefton establishments as part of the 2022-2024 High Needs capital programme.

- 3.2. A scheme within the High Needs capital programme to convert St Teresa's School to support a new KS1/KS2 Newfield Special School provision has been agreed previously for £0.5m. However, following full investigation of the buildings works, including electrical and mechanical and heating plant, to bring the building up to required specifications, it is now anticipated that the cost has increased to £1.35m which is above the Cabinet Member's delegated authority. Cabinet is therefore requested to recommend to Council the approval of a supplementary capital estimate of £1.35m for the scheme at St Teresa's funded by the High Needs Provision Capital Allocation grant.

4. Distribution of Capital Monies from St Wilfrid's

- 4.1. The Council received Section 77 approval in June 2020 from the Department for Education to complete the disposal of the former St Wilfrid's site. The capital receipt received from the disposal was ring fenced for expenditure on sporting betterment to schools local to the St Wilfrid's site.
- 4.2. The disposal of the land to Bellway Homes was delayed until 2021 to afford the release of a restrictive land covenant. This generated a capital receipt of £1,775,769, which following a deduction of £192,554 to release the covenant, meant the sum of £1,583,215 was available to local schools.
- 4.3. As per DfE guidance those Primary schools within a ½ mile radius of the St Wilfrid's site and Secondary schools with a mile radius were contacted in November 2019 and February 2020 to established that they didn't require access to the site.
- 4.4. In July 2021 schools were informed of the current situation and made aware that following the commencement of the new academic year they would be asked to detail their proposed indoor projects / outdoor facility requirements.
- 4.5. In February 2022 a report was submitted to Cabinet Member – Education, which identified the deficit of playing field area, the estimated cost of both indoor/outdoor projects and the proposed proportion of the allocation for nine schools.
- 4.6. Since that report, several factors have changed, one school has converted to an Academy and individual school requirements have altered and estimated costs have increased. As a result of this, Head Teachers were contacted in February /March 2023 to discuss their current requirements and asked to seek indicative costs.
- 4.7. The following table provides details of the proposed changes in sporting facilities at each local school and the proposed support being allocated from the capital receipts received from the Council owned land at the former St Wilfrid's School site:

| School | Scheme | Proposed Contribution 2023 £ |
|--|---|---|
| English Martyrs Catholic Primary | Junior Playground - physical development scheme / Infant Playground - resurfacing | 100,000 |
| St. Philip's CE Primary | Install MUGA, additional Junior & Infant equipment | 136,850 |
| Lander Road Primary | Provision of changing facility, development of MUGA | 150,890 |
| St. Elizabeth's Catholic Primary | Sand & seal floor, groundworks to yard, installation of Astro turf, installation of new hard standing | 112,731 |
| St. Robert Bellarmine Catholic Primary | Resurface/drainage to playground | 90,000 |
| King's Leadership Academy | Installation of Astro turf facility | 281,083 |
| Litherland High School | Upgrade existing facilities, repurpose the hardstanding play space into sporting provision | 400,000 |
| Salesian Academy of St. John Bosco | Installation of full size 3G football facility | 191,650 |
| Rowan Park | Upgrade outside equipment, including sensory play | 20,000 |
| | Total | 1,483,204 |

- 4.8. A further report will be provided in the autumn term for the Cabinet Member to approve following consultations with individual schools regarding the use of the remaining £0.100m still available to support improvements to, or the creation of, new sporting facilities in local schools.

5. Crown Buildings and the Enterprise Arcade Project

- 5.1. The Enterprise Arcade is part of the Southport Town Investment Plan and has been identified as one of the projects to be delivered using part of the Towns Deal funding, with £1.500m being earmarked for this project. Refurbishment costs of £1.315m were estimated at the outline business case stage along with fees and other projects costs in the region of £0.185m.
- 5.2. Enabling works that fall outside of the Town Deal funded contract have now been identified in the region of £0.240m. The enabling works are required to maintain the envelope of the building and the associated realignment of shared services and ICT infrastructure with the adjacent Atkinson building. An update on the project was reported to Cabinet on 25 May 2023 and a recommendation was made to Council to approve a supplementary capital estimate for the enabling works at Crown Buildings of £0.240m funded by capital receipts.

6. Highways Programme

- 6.1. Council on 3 March 2023 approved an indicative grant allocation for the City Region Sustainable Transport Settlement (CRSTS) to be included in the Highways capital programme 2023/24. Following this approval, the City Region Combined Authority have since confirmed further allocations of capital and revenue grant as outlined in the table below.

| Grant Allocation | 2023/24 £ | 2024/25 £ | 2025/26 £ | Projects to be funded |
|-----------------------------------|--------------|--------------|--------------|---|
| A59 Key Route Network | 1,139,500 | 1,479,500 | 322,000 | A59 Northway, pedestrian/cycle improvements |
| Key Route Network – Maintenance | 400,000 | - | - | Allocation for resurfacing the Key Route Network |
| Active Travel Tranche 4 (capital) | 326,186 | - | - | Development of future projects within Southport, along the A565, Formby Bypass and in Crosby. |
| Active Travel Tranche 4 (revenue) | 13,814 | - | - | (as above) |

- 6.2. Cabinet is requested to approve supplementary estimates for the Key Route Network – Maintenance and Active Travel allocations and recommend to Council the approval of a supplementary capital estimate for the A59 Key Route Network allocation for inclusion in the capital programme.
- 6.3. Cabinet Member – Locality Services has delegated authority to approve schemes up to a value of £1m funded from the block allocations of grant approved by Cabinet and Council. A full list of Highways schemes for 2023/24 will be developed and presented to Cabinet Member for approval. The following schemes are above Cabinet Member’s delegated limit and are presented for approval by Council following recommendation from Cabinet:

Crosby Town Centre

- 6.4. A £1.50m project will be completed funded through the 2023/24 CRSTS settlement for the introduction of new signal-controlled junction at Coronation Road/ Islington together with improved pedestrian crossing facilities and associated Public Realm improvements.

A59 Northway Pedestrian/ Cycle Improvements

- 6.5. A £3.42m project funded through £1.20m of Key Route Network funding, £0.25m DfT Signals Fund, £1.40m Active Travel Funds, £0.47m of Developer Contributions (to be claimed pending completion of the design phase) and £0.10m of Council resources (capital receipts), to deliver a new signal-controlled junction at the A59/Kenyons Lane with full pedestrian/cycle facilities, along with 2.6km of unidirectional cycle lanes alongside the A59 between Dodds Lane and the borough boundary.

Carriageway Resurfacing Programme

- 6.6. The programme of carriageway resurfacing across the borough in 2023/24 will be £3.3m funded by the 2023/24 CRSTS settlement.