

Report to:	Cabinet	Date of Meeting:	Thursday 7 December 2023
Subject:	Financial Management 2023/24 to 2026/27 - Revenue and Capital Budget Update 2023/24 – December Update		
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:

To inform **Cabinet** of:

- 1) The current position relating to the 2023/24 revenue budget.
- 2) The current forecast on Council Tax and Business Rates collection for 2023/24.
- 3) The monitoring position of the Council's capital programme to the end of September 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 2023/24 revenue budget.
- 2) Note the actions being taken to refine forecasts and identify mitigating efficiencies to ensure each service achieves a balanced position.
- 3) Recognise the financial risks associated with the delivery of the 2023/24 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.

Capital Programme

- 4) Note the spending profiles across financial years for the approved capital programme (paragraph 7.1).

- 5) Note the latest capital expenditure position as at 31 October 2023 of £18.642m (paragraph 7.6); the latest full year forecast is £55.731m (paragraph 7.7).
- 6) Recommend to Council the approval of a supplementary capital estimate for £0.148m for ICT Service Developments funded by prudential borrowing.
- 7) 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 (paragraphs 7.11-7.13).

Reasons for the Recommendation(s):

To ensure Cabinet are informed of the current position in relation to the 2023/24 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 2023/24 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 2023/24 following the implementation of the recommendations contained in this report that an overspend position of £2.413m is currently forecast and that further work is being undertaken to refine forecasts and identify mitigating efficiencies to ensure each service achieves a balanced position. Further mitigating actions are proposed in this report to ensure the Council returns to a balanced forecast outturn position-if these actions are not available within the approved budget, existing reserves and balances may need to be used.

(B) Capital Costs

The Council's capital budget in 2023/24 is £55.818m. As at the end of October 2023 expenditure of £18.642m has been incurred and a full year outturn of £55.731m is currently forecast.

Implications of the Proposals:

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

Currently an overspend position of £2.413m is currently forecast for 2023/24, pending further work to refine forecasts and identify mitigating efficiencies. Further mitigating actions are proposed in this report to ensure the Council returns to a balanced forecast outturn position. However, it should be noted that significant pressure and risk remains in a number of areas, particularly relating to Children’s Social Care. If budgets experience further demand and inflationary pressure during the remainder of the year further corresponding savings or financial contributions will need to be identified and approved by members.

Legal Implications:

None

Equality Implications:

There are no equality implications.

Impact on Children and Young People: Yes

The report highlights the current financial position relating to services provided for Children and Young People.

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	Yes

The allocations of capital funding outlined in section 8 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.

Protect the most vulnerable:

See comment above

Facilitate confident and resilient communities:

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 7438/23)

The Chief Legal and Democratic Officer has been consulted and has no comments on the report (LD 5538/23).

(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 2023/24 to 2025/26

Background Papers:

There are no background papers available for inspection.

1. Introduction

- 1.1 On 2 March 2023, Members approved the Budget for the financial year 2023/24. 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, as reported in the Robustness Report also presented to Budget Council.
- 1.2 This report is the fifth of the Council's monthly budget monitoring reports and updates the revenue forecast outturn position for all services, including the pressures that have materialised since the budget was set.
- 1.3 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.
- 1.4 The capital section of the report informs Members of the latest estimate of capital expenditure for 2023/24 and forecast expenditure for 2024/25 and 2025/26. The capital budget to date is presented in paragraph 7.1. Paragraphs 7.2 to 7.10 review progress of the capital programme, including additional capital schemes. Finally, paragraphs 7.11 to 7.13 confirm that there are adequate levels of resources available to finance the capital programme.

2. Revenue Budget 2023/24 – Forecast Outturn Position as at the end of October 2023

- 2.1 Members are provided with updates of the Council's forecast financial revenue position each month during the financial year from July. As would be expected as the forecast develop through the year, they become more robust and can inform decision making. The council adopted this approach by developing its in year remedial budget actions on the back of the mid-year review position and this report builds on that.
- 2.2 As at the end of October 2023, the forecast outturn shows a net overspend on services of **£7.208m**, the majority of which relates to potential additional pressure within Children's Social Care, Adult Social Care and Education Excellence as well as the impact of the local government pay award. It should be noted that the majority of services are reporting a balanced position or are implementing local remedial actions to return a balanced position at this stage. 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. Actions to meet some of the forecast overspend were approved as part of the previous report in November. These totalled £4.795m so the net overspend position is £2.413m.
- 2.3 The table below highlights the variations across services that make up the £2.413m forecast overspend, including approved mitigating actions:

	Budget	Forecast Outturn	Variance	Variance to September
	£m	£m	£m	£m
<u>Services</u>				
Strategic Management	3.936	4.035	0.099	0.006
Adult Social Care	110.394	111.394	1.000	0.000
Children's Social Care	80.150	85.183	5.033	0.000
Communities	11.494	11.359	-0.135	0.000
Corporate Resources	6.196	5.986	-0.210	0.000
Economic Growth & Housing	6.410	6.410	0.000	0.000
Education Excellence	15.303	16.807	1.504	0.096
Health & Wellbeing	19.620	18.837	-0.783	-0.135
Highways & Public Protection	10.679	10.632	-0.047	0.000
Operational In-House Services	16.182	16.261	0.079	-0.041
Energy Costs	4.200	4.200	0.000	0.000
Additional Pay Award Provision	4.333	5.833	1.500	0.000
Total Service Net Expenditure	288.897	296.937	8.040	-0.074
Mitigating Actions approved in November	0.000	-4.795	-4.795	0.000
Council Wide Budgets	14.113	13.281	-0.832	-0.048
Levies	36.193	36.193	0.000	0.000
General Government Grants	(84.086)	(84.086)	0.000	0.000
Total Net Expenditure	255.117	257.530		
<u>Forecast Year-End Deficit</u>			<u>2.413</u>	<u>-0.122</u>

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

- **Adult Social Care** – The previous forecasts assumed that the Adult Social Care budget will break-even during 2023/24. However, there are a number of significant assumptions and uncertainties that could impact on this position before the year-end. The service has also committed to a number of efficiencies and savings that amount to £5.7m, in order to meet the savings approved as part of the approved 2023/24 budget plus additional savings to meet the additional budgetary pressures arising from the increases in provider fees approved at Cabinet meetings in June 2023. The achievement of these savings will be carefully monitored throughout the year. At this time over £5m of the £5.7m of savings have been delivered.

Like all councils, the Service is experiencing growth pressure with demand for services and are seeking to meet the cost of this within the resources available,

including taking account of the additional funding from Central Government that is being made available to councils to meet increases in demand and financial pressure including those that maybe experienced during winter and in respect of discharges. Given the pressures being faced a forecast overspend of £1.000m was reported last month. However, the Service will continue to explore options to ensure that a balanced position is achieved. As would be expected with a budget of this size and volatility, this remains a key risk during the current year.

- **Children's Social Care** – The current forecast for the service shows a potential overspend of £5.033m. However, there are a number of significant assumptions and uncertainties that could impact on this position before the year-end.

Members will be aware that the 2023/24 approved budget included an additional £21m of investment in the service based on the requirement for additional staffing (including temporary funding for additional agency costs whilst more permanent staff are recruited to, including International Social Workers and from staff coming through the social work academy) as well as additional resources to reflect the number of packages at the time, some potential growth as well as resource for inflationary pressures.

The current forecast for staffing is an overspend of £0.660m. This will require robust monitoring through the year. There are a clear set of assumptions driving this forecast in terms of when expensive project/court teams will leave the Council as new staff are onboarded from the International Social Worker cohort and the academy. If these assumptions change then the forecast will be revised with additional pressure being experienced. At present the forecasts reflect that position but this is continually being reviewed and is the key risk area for the Council, therefore if this position previously reported to members changes then this will need to come back for further decision. This is also a key aspect of budget setting and medium-term financial planning.

Certain areas of accommodation and support packages are forecast to overspend by £3.472m, partly due to additional packages in the late part of 2022/23 and early part of 2023/24. As mentioned in reports last year, packages initially have been at a higher cost than previously seen. However, recently improvements in practice have resulted in more children being placed in more appropriate settings at a lower cost. This is expected to continue throughout the year. Work is currently being undertaken to review forecasts for all types of care settings based on a number of children being in higher cost settings for shorter periods, which is expected to significantly impact on the forecast. In addition, where numbers and costs of Children with Disabilities has increased, specialist work is being undertaken to ensure health are making the appropriate contributions to the cost of care.

This is the key aspect of this financial forecast- the service is stabilising and as this takes place the review of placements will also be undertaken. At present the assumption is that all support, unless known otherwise, will continue for the whole of the financial year and for a number of placements this will not be the case. Senior managers are reviewing these, and the forecast will be updated accordingly.

Members will recall that in the budget reports it was advised that a tolerance of 5% on the budget could be expected based on advice from the DfE commissioner-based on the service budget that would amount to £4m. This current forecast is

slightly higher than that at present before the outcome of the additional reviews is to be built in.

In considering this forecast, work will also be undertaken to determine if any of this pressure is temporary or permanent in nature and needs reflecting in future budget setting processes. At present as a lot of this pressure arose from 22/23 and the start of the financial year it is estimated that the future years impact is modest at this stage, but this will be the subject of further review as the budget setting process continues.

- **Corporate Resources** – The service had previously forecast a balanced position. However, in light of the overall budget position, the Service reviewed budgets further to identify areas where savings could be made. The forecast was therefore revised last month to an underspend of £0.210m. Based on the latest information, functions within the service are therefore forecasting an underspend of £0.834m. However, there is pressure within the ICT budget from inflation on contracts that is in excess of the provision made and a loss of income from School SLAs as a result of a change in the contractual arrangement enforced by the provider for which the Council has no control. These two pressures amount to £0.624m, which is offset by the underspends across the Service. As stated, all services are underspent, and significant cost control will continue to be required between now and the year end to deliver the current forecast position.
- **Economic Growth and Housing** – The service is showing a balanced position. However, based on the latest information, functions within the service are forecasting an overspend of £0.490m, although the service are currently examining forecasts. Additional cost control will be required between now and the year end to deliver that balanced position and this position will be updated in future reports.
- **Education Excellence** – The current forecast shows a potential net overspend of £1.504m, this relates to the provision of additional SEND staff and Home to School Transport. The service is reviewing all forecasts to identify areas that will offset costs of the additional SEND staff. Members will recall that in the budget substantial funding was added to the Home to School Transport budget, but this budget has come under further pressure due to the increase in the number of EHCPs being completed and the resulting pressure in the Service.
- **Operational In-House Services** The current forecast shows a potential overspend of £0.079m which is a further improvement on the previous month. This relates to a number of areas across the Service, but mainly in Catering and the security service. The service is reviewing all forecasts to identify areas that may be able to offset these additional pressures, including from recharging additional costs being incurred, and this position will be updated at mid-year review.
- **Additional Pay Award Provision** – The approved Base Budget included a provision for the 2023/234 pay award of around 4.5%. This was line with most other local authorities who had budgeted for similar amounts. The offer from the National Employers for local government services body is for a fixed increase of £1,925, with a minimum of 3.5% (similar to the increase in 2022/23). For Sefton, this equates to an increase in the pay bill of about 6.0% or an additional £1.500m

above the amount included in the 2023/24 budget. It should be noted that this offer has now been accepted by trade unions.

3. **Revenue Budget Summary 2023/24**

- 3.1 An overspend of **£2.413m** is currently forecast. However, as mentioned in section 2, this is a forecast based on a number of uncertainties and assumptions. Additional work will continue to be undertaken across service areas to refine the forecasts and identify mitigating efficiencies to ensure each service achieves a balanced budget position. In Children's Social Care forecasts will be refined to take into account the improvements in practice that have seen children being placed in more appropriate settings, as well as the anticipated reduction in the number of Looked After Children, however the key risk is the staffing budget with the timing of transition between project/court teams and new permanent staff that will support a skilled and stable workforce the key variable that could impact the budget.
- 3.2 As mentioned, the Council must achieve an overall balanced position to ensure its financial sustainability. As an overall forecast overspend remains a remedial action plan to meet the residual balance has been produced and is presented below for members' approval.

Proposed Remedial Actions

- 3.3 After the mitigating actions approved by Cabinet in November 2023 there is still a forecast overspend of **£2.413m**. It is proposed to undertake a number of remedial actions, including the adoption of financial principles used in previous years, to enable a balanced forecast outturn position to ensure its financial sustainability. This will include cost control in relation to recruitment, non-essential expenditure and no further growth items / additionality.

Summary 2022/23

- 3.4 An overspend of **£2.413m** is currently forecast. The proposed actions in this report will be fully evaluated and their financial impact will be reported to Cabinet– at this stage it is anticipated that the actions proposed will meet a proportion of the current forecast overspend, with a balance estimated at up to £1.5m remaining to be funded. However, this represents the current position that has been forecast to the year end- in the event that further pressure is experienced, further remedial action will be required. As a result of using the options above, there is no flexibility left for the use of existing reserves or general balances- as a result this pressure, and any further pressure, will need to be met from within the existing Council budget and delivery monitored carefully and reported to Cabinet.
- 3.5 Should there still be a residual overspend at year end, this will need to be funded by general balances and as part of the budget process for 2024/25 the Council will need increase these back to the previous level taking into account the risks faced by the Council and the assessment of their adequacy as described in the S151 Officer's Robustness report. As stated, further work will be carried out on the remedial plan and a detailed position will be reported in the next cycle.

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 £160.236m for 2023/24 (including Parish Precepts), which represents 84% of the net Council Tax income of £191.139m.
- 4.2 The forecast outturn for the Council at the end of October 2023 is a surplus of £0.102m. This variation is primarily due to: -
- The surplus on the fund at the end of 2022/23 being higher than estimated (-£0.314m).
 - Gross Council Tax Charges in 2023/24 being higher than estimated (-£0.404m).
 - Exemptions and Discounts (including a forecasting adjustment) being higher than estimated (+£0.616m).
- 4.3 Due to Collection Fund regulations, the Council Tax surplus will not be transferred to the General Fund in 2023/24 but will be carried forward to be recovered in future years.
- 4.4 A forecast surplus of £2.045m was declared on the 17 January 2023 of which Sefton's share is £1.716m (83.9%). This is the amount that will be recovered from the Collection Fund in 2023/24. Any additional surplus or deficit will be distributed in 2024/25 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 £62.388m for 2023/24, which represents 99% of the net Business Rates income of £63.018m. 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 October 2023 is a surplus of -£11.119m on Business Rates income. This is due to:
- The surplus on the fund at the end of 2023/24 being higher than estimated (-£9.916m).
 - Reduction in the gross charge on rateable properties (+£0.088m).
 - A number of reliefs announced for 2023/24 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 (-£0.880m).
 - Adjustments relating to prior years (-£0.411m)

- 5.3 When taking into account the lower Section 31 grants due on the additional reliefs, a net surplus of £10.097m is forecast.
- 5.4 Due to Collection Fund regulations, a Business Rates deficit will not be transferred to the General Fund in 2023/24 but will be carried forward to be recovered in future years.
- 5.5 A forecast surplus of £12.836m was declared in January 2023. Sefton's share of this is £12.708m. This is the amount that will be distributed from the Collection Fund in 2023/24. Any additional surplus or deficit will be distributed in 2024/25 and future years.

6. **High Needs Budget**

- 6.1 Cabinet and Council have agreed to receive quarterly reports from the Executive Director of Children's Social Care and Education and the Assistant Director of Children's Services (Education) 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 The latest report was presented to Cabinet in July, providing detail on the current monitoring position relating to the High Needs budget. The next report will be presented to Cabinet in January.

7. **Capital Programme 2023/24 – 2025/26**

Capital Budget

- 7.1 The Capital Budget and profile of expenditure for the three years 2023/24 to 2025/26 is as follows:

2023/24	£55.818m
2024/25	£47.174m
2025/26	£47.141m

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

- **Adult Social Care:**

- £0.210m has been phased from 2024/25 to 2023/24 to implement the rollout of the Digitising Social Care Programme.
- £0.262m has been phased from 2023/24 to 2024/25 for ICT Development and Transformation.

- **Economic Growth & Housing:**

- £1.121m has been phased to 2024/25 and 2025/26 for Les Transformations de Southport project. Design work has taken longer to progress from preliminary to detailed design stage in 2023. The Traffic

Regulation Order process has been advertised and no objections received, and work is ongoing to finalise the construction programme, appoint the contractor and begin construction in Quarter 1 2024.

- £2.041m has been phased to 2024/25 for Southport Pier Project. It was envisaged the Pier decking replacement project would cost circa £3m, however in December 2022 the Pier was closed to the public on advice of independent structural engineers. Detailed inspections then took place with final surveys being issued to the Council in September 2023 confirming the Pier must remain closed while identifying further works to the wooden substructure and steelwork. Therefore, the deck replacement in isolation has been terminated with the Council now undertaking the necessary pre commencement works to ensure a robust cost certainty is reached on the required larger scope. This includes a full delivery team along with extensive exploratory and investigative works.

- **Education Excellence**

- £0.109m has been phased to 2024/25 for Linacre Primary outdoor play canopy and main hall improvements
- £0.186m has been phased to 2024/25 for St Teresas conversion to special school for Key Stage 1 and 2
- £0.050m has been added to Waterloo Primary relocate toilets and extend ASD base project following approval under delegated authority

- **Operational In-House Services:**

- £0.280m has been added to the programme for Treescapes funding following approval by Cabinet in November
- £0.218m has been added to the programme for the Urban Tree Challenge Fund following approval under delegated authority
- £0.101m has been phased to 2024/25 for Green Sefton plant and machinery purchases
- £1.689m has been phased to 2024/25 for the Vehicle Replacement Programme
- £0.428m has been phased from 2024/25 to 2023/24 to commence work on the refurbishment of Ainsdale Beach Toilets including four Changing Places Facilities.

Capital Funding for Childcare Expansion

7.3 In the Spring Budget 2023, the Government announced a transformative set of childcare reforms aimed at increasing labour market participation. This included the largest ever investment in childcare including expansions of early years entitlements and wraparound childcare.

7.4 A further announcement was made in October as the government rolls out the next stage of delivery of its childcare plan, including £100m capital funding for local authorities to support the delivery of the expansion of the 30-hours early years entitlement for working families and of wraparound provision in maintained primary schools.

7.5 Planning is underway in Sefton to, in the first instance, increase the finance support with the increase in entitlements. In the longer term, resources will be put in place

to support childminders and start up nurseries. Detailed guidance on the capital funding allocations along with terms and conditions for the funding have yet to be published by the Department for Education. Once this has been received, a capital scheme will be drawn up and presented for approval for inclusion in the capital programme.

Budget Monitoring Position to October 2023

- 7.6 The current position of expenditure against the budget profile to the end of October 2023 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. The budget to date in the table below reflects the profiles of each individual scheme.

	Budget to October	Actual Expenditure to October	Variance to September
	£m	£m	£m
<u>Services</u>			
Adult Social Care	3.008	2.779	-0.229
Children's Social Care	0.151	0.178	0.028
Communities	0.391	0.387	-0.004
Corporate Resources	1.350	1.329	-0.021
Economic Growth & Housing	4.249	4.127	-0.122
Education Excellence	2.656	2.745	0.090
Highways & Public Protection	7.089	6.694	-0.395
Operational In-House Services	0.395	0.403	0.008
<u>Total Programme</u>	19.288	18.642	-0.646

Capital Programme Forecast Outturn 2023/24

- 7.7 The current forecast of expenditure against the budget profile to the end of 2023/24 and the profile of budgets for future years is shown in the table below:

	Budget 2023/24	Forecast Outturn	Variance	Budget 2024/25	Budget 2025/26
	£m	£m	£m	£m	£m
<u>Services</u>					
Adult Social Care	7.520	7.487	-0.032	2.660	1.850
Children's Social Care	0.602	0.726	0.124	0.100	-
Communities	2.008	2.049	0.040	0.285	-
Corporate Resources	2.597	2.597	-	0.023	-
Economic Growth & Housing	11.311	11.230	-0.081	21.809	43.977
Education Excellence	9.108	8.952	-0.156	7.899	-
Highways & Public Protection	20.234	20.242	0.008	8.453	0.322
Operational In-House Services	2.438	2.448	0.010	5.944	0.993
<u>Total Programme</u>	55.818	55.731	-0.088	47.174	47.141

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

- 7.8 The current 2023/24 budgeted spend is £55.818m with a budgeted spend to October of £19.288m. The full year budget includes exceptional items such as £9.215m for Growth and Strategic Investment projects, £1.082m for the Brownfield Housing Development fund, £0.760m for Sustainable Warmth Schemes, £1.300m for the Local Authority Housing Fund, £1.583m for Sporting Betterments at Schools, a £1.000m project for Southport Pier Decking, and a scheme to upgrade to LED Street Lighting (£3.606m).
- 7.9 Typically, on an annual basis the capital programme spends in the region of £25-30m. Given this typical annual level of spend, and although in 2023/24 there are a number of exceptional items as described above, it is likely that reprofiling of spend into 2024/25 will occur as the year progresses.

ICT Service Developments

- 7.10 A report has been presented to Cabinet regarding proposals for ICT Service Developments, further details of which can be found on the agenda for this meeting. The capital cost of the proposed scheme will be £147,549 funded by prudential borrowing. Cabinet is therefore recommended to recommend to Council a supplementary capital estimate for inclusion in the capital programme.

Programme Funding

- 7.11 The table below shows how the capital programme will be funding in 2023/24:

<u>Source</u>	£m
Grants	43.660
Prudential Borrowing	5.072
Capital Receipts	4.834
Contributions (including Section 106)	2.252
<u>Total Programme Funding</u>	55.818

- 7.12 The programme is reviewed on an ongoing basis to confirm the capital resources required to finance capital expenditure are in place, the future years programme is fully funded, and the level of prudential borrowing remains affordable.
- 7.13 The Executive Director of 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 2023/24 to 2025/26

<u>Capital Scheme</u>	Budget		
	2023/24 £	2024/25 £	2025/26 £
Adult Social Care			
Disable Facilities Grants – Core Grants (DFGs)	3,000,000	-	-
Occupational Therapy Support for DFGs	663,774	-	-
ICT Development & Transformation	942,573	292,067	2,708
ICT Connectivity in Care Homes and Support Living	65,000	35,000	-
Fall Prevention Schemes	45,000	-	-
Care Home Improvements	475,449	200,000	-
Changing Places	51,327	-	-
Integrated Health and Wellbeing on the High Street	-	400,000	-
Short Term Assessment Unit	506,846	1,213,154	1,847,000
New Directions Programme	200,038	201,000	-
Technology Enabled Care	329,449	124,184	-
Community Equipment Provision	400,000	-	-
Double to Single Handed Care Equipment Provision	150,000	-	-
Community Equipment – Specialist Projects	232,435	-	-
Community Equipment Stores Improvements	65,000	-	-
Programme Support	122,922	-	-
Digitising Social Care	260,000	195,000	-
Community Based Falls Equipment	10,200	-	-
Children’s Social Care			
Support for Fostering Placements	99,370	100,000	-
Community Equipment Provision	270,000	-	-
ICT Development & Transformation	133,545	-	-
Springbrook Refurbishment	28,923	-	-
Springbrook Vehicle	70,000	-	-
Communities			
Atkinson Arts Centre Infrastructure	24,553	51,000	-
Leisure Centres – Essential Works	293,748	103,000	-
Libraries Projects	309,623	131,017	-
Neighbourhoods Projects	80,886	-	-
Local Authority Housing Fund	1,300,000	-	-
Corporate Resources			
Council Wide Essential Maintenance	1,762,785	23,000	-
Sustainable Warmth Schemes	760,092	-	-
ICT Transformation	73,812	-	-
Economic Growth & Housing			
Cambridge Road Centre Redevelopment	227,069	-	-
Crosby Lakeside Redevelopment	673,935	33,219	-
Strategic Acquisitions – Ainsdale	310,000	566,303	-
Marine Lake Events Centre	4,863,327	16,770,090	43,205,556
The Strand – Maintenance and Improvements	110,000	305,000	75,000
Enterprise Arcade	1,233,208	393,561	-

	2023/24 £	2024/25 £	2025/26 £
Transformations de Southport	303,937	1,500,000	696,063
Bootle Canal Side Business Plan	813,867	-	-
The Strand – Repurposing Programme	680,000	-	-
Housing Investment	-	33,960	-
Social Housing Allocations Scheme	13,590	-	-
Brownfield Fund for Housing Development	1,082,336	-	-
Southport Pier	1,000,000	2,148,267	-
Town Centre Vacant Sites	-	58,764	-
Education Excellence			
General Planned Maintenance	365,605	30,249	-
Schools Programme	3,303,863	7,131,872	-
Sporting Betterment of Schools	1,583,215	-	-
Special Educational Needs & Disabilities	3,855,526	737,180	-
Highways and Public Protection			
Accessibility	668,143	-	-
Healthy Lifestyles	387,263	-	-
Road Safety	157,638	-	-
A565 Route Management and Parking	1,114,674	-	-
A59 Route Management Strategy	1,065,000	2,100,426	322,000
Strategic Planning	4,041,090	-	-
Traffic Management and Parking	67,000	-	-
Highway Maintenance	6,329,191	-	-
Bridges and Structures	475,000	1,900,000	-
Drainage	443,181	-	-
Street Lighting Maintenance	326,823	-	-
LED Street Lighting Upgrade	3,605,580	3,662,630	-
Urban Traffic Control	1,513,249	-	-
Completing Schemes and Retentions	40,000	-	-
Transport Growth Programme	-	789,813	-
Operational In-House Services			
Coastal Erosion and Flood Risk Management	1,342,664	1,924,673	898,000
Countryside Stewardship	11,659	-	-
Crosby Marine Lake Improvements	10,803	-	-
Parks Schemes	301,430	955,107	-
Tree Planting Programme	192,565	220,764	94,879
Golf Driving Range Developments	2,197	280,280	-
Ainsdale Coastal Gateway	438,186	427,989	-
Green Sefton – Vehicles, Plant & Machinery	48,335	101,152	-
Refuse Collection & Recycling	-	345,000	-
Vehicle Replacement Programme	90,000	1,689,494	-
<u>Total Programme</u>	55,818,499	47,174,215	47,141,206