

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	Thursday 1 February 2024
<b>Subject:</b>	Financial Management 2023/24 to 2026/27 - Revenue and Capital Budget Update 2023/24 – February Update		
<b>Report of:</b>	Executive Director of Corporate Resources and Customer Services	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Cabinet Member - Regulatory, Compliance and Corporate Services		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	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 December 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.

### 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) Approve the Remedial Action Plan actions to offset the budget pressures being faced in 2023/24.
- 4) 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

- 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 December 2023 of £24.364m (paragraph 7.3); the latest full year forecast is £50.476m (paragraph 7.4).
- 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 7.7-7.9).

### **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 £0.973m 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 £50.650m. As at the end of December 2023 expenditure of £24.364m has been incurred and a full year outturn of £50.476m is currently forecast.

### **Implications of the Proposals:**

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

Currently an overspend position of £0.973m 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 7 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

**Commission, broker and provide core services:**

See comment above

**Place – leadership and influencer:**

See comment above

<b><u>Drivers of change and reform:</u></b> See comment above
<b><u>Facilitate sustainable economic prosperity:</u></b> See comment above
<b><u>Greater income for social investment:</u></b> See comment above
<b><u>Cleaner Greener:</u></b> 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 7515/24)

The Chief Legal and Democratic Officer has been consulted and has no comments on the report (LD 5615/24).

### **(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 seventh 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 7.12 review progress of the capital programme, including additional capital schemes. Finally, paragraphs 7.13 to 7.15 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 December 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 December 2023, the forecast outturn shows a net overspend on services of **£9.329m**, 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 a previous report in November. These totalled £4.795m so the net overspend position is £4.534m. This report proposes further actions, with a value of £3.561m, to reduce this overspend further (see paragraphs 3.3 – 3.7). The net overspend following these actions being approved will be £0.973m.

2.3 The table below highlights the variations across services that make up the £4.534m forecast overspend, including approved mitigating actions:

	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Variance</b>	<b>Variance to November</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b><u>Services</u></b>				
Strategic Management	3.939	4.054	0.115	0.015
Adult Social Care	111.271	113.764	2.493	1.493
Children's Social Care	81.581	87.733	6.152	1.119
Communities	12.068	11.933	-0.135	0.000
Corporate Resources	7.623	7.413	-0.210	0.000
Economic Growth & Housing	6.672	6.672	0.000	0.000
Education Excellence	15.517	17.038	1.521	0.092
Health & Wellbeing	19.645	18.853	-0.792	-0.009
Highways & Public Protection	10.973	10.854	-0.119	-0.017
Operational In-House Services	17.603	17.669	0.066	0.077
Energy Costs	4.200	4.200	0.000	0.000
Additional Pay Award Cost	0.000	1.400	1.400	-0.100
<b>Total Service Net Expenditure</b>	<b>291.092</b>	<b>301.583</b>	<b>10.491</b>	<b>2.516</b>
Mitigating Actions approved in November	0.000	-4.795	-4.795	0.000
Council Wide Budgets	11.918	10.756	-1.162	-0.166
Levies	36.193	36.193	0.000	0.000
General Government Grants	(84.086)	(84.086)	0.000	0.000
<b>Total Net Expenditure</b>	<b>255.117</b>	<b>259.651</b>		
<b><u>Forecast Year-End Deficit</u></b>			<b><u>4.534</u></b>	<b><u>2.350</u></b>

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

- **Adult Social Care** – Initial 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, a number of upward pressures within the Service have continued and have resulted in the forecast overspend position increasing by a further £1.5m, despite a number of mitigating actions being identified. Further work will continue to be undertaken to understand the pressures and refine forecasts. Work will also continue to explore options to ensure that any potential overspend is reduced. 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 £6.152m. However, there are a number of significant assumptions and uncertainties that could impact on this position before the year-end. Last month's report indicated that a number of upward pressures within the Service had materialised and could result in the forecast overspend position increasing by a further £0.7m. The actual forecast overspend has increased by £1.1m since last month. Further work is being undertaken to understand the pressures and refine forecasts.

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 £1.184m. This will require robust monitoring through the year. There was a clear set of assumptions originally driving the 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. As these assumptions have changed the forecasts have been revised with additional pressure being experienced. At present the forecasts reflect the current 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 £4.299m, 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 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 2022/23 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 £0.415m, 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 £1.521m, 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.



- **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 £1.400m 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 **£4.534m** is currently forecast. However, as mentioned in section 2, this is a forecast based on a number of uncertainties and assumptions, particularly around Adult and Children’s Social Care which remain volatile. 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.

#### **Remedial Action Plan**

- 3.3 Given the scale of the remaining current forecast deficit it is proposed to utilise one-off resources to meet a balanced forecast outturn position to ensure its financial sustainability. The sources of these resources are:

#### **Review of Earmarked Reserves**

- 3.4 Officers have undertaken a further review of Earmarked Reserves to determine if any are no longer required for their original purpose and can be released to support the in-year pressures. The exercise has identified a number of smaller reserves totalling **£0.500m** can now be released. In line with the FPR’s these have been approved by the S151 Officer.

#### **Balance Sheet Review**

- 3.5 Officers have conducted a thorough review of all other items held on the Council’s Balance Sheet and have identified that **£0.750m** of balances that no longer need to be retained and can be released to support the in-year budget pressure.

#### **Sales, Fees and Charges Income**

- 3.6 The 2023/24 Budget Report described how there was a significant impact on income from sales, fees and charges for a range of services during the pandemic. Whilst some income streams had fully recovered, others were expected to remain impacted, particularly for car parking and at leisure centres, and that this could result in a loss of income of up to £1.000m during 2023/24. Resources were included in the budget to cover this loss. Whilst car parking income has remained impacted, income at leisure centres is forecast to be in line with the budget.

Therefore, **£0.550m** of the resources set aside can now be utilised to support budget pressures.

#### Business Rates Revaluation Adjustment

- 3.7 As part of the Provisional Local Government Finance Settlement for 2024/25, it was identified that additional resources would be available to the Council in 2024/25 to compensate for the impact from the latest Business Rates Revaluation process. This adjustment is also backdated to 2023/24 and will result in the Council receiving **£1.761m** of additional funding in 2023/24.

#### Proposed Remedial Actions

- 3.8 After the mitigating actions approved by Cabinet in November 2023, and the new mitigating actions identified above, there is still a forecast overspend of **£0.973m**. It is proposed to continue with the adoption of financial principles used in previous years, to enable a balanced forecast outturn position to ensure the Council's financial sustainability. This will include cost control in relation to recruitment, non-essential expenditure and no further growth items / additionality.

#### Summary 2022/23

- 3.9 An overspend of **£0.973m** is currently forecast. 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.
- 3.10 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 December 2023 is a surplus of £0.122m. 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 (-£0.517m).

- Exemptions and Discounts (including a forecasting adjustment) being higher than estimated (+£0.709m).

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.

4.5 A forecast surplus of £1.548m was declared on the 16 January 2024 of which Sefton's share is £1.299m (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 2025/26 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 December 2023 is a surplus of -£10.842m 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 (+£0.278m).
- 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 (-£0.474m).
- Adjustments relating to prior years (-£0.730m)

5.3 When taking into account the lower Section 31 grants due on the additional reliefs, a net surplus of £9.662m 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 2023, providing detail on the current monitoring position relating to the High Needs budget. A further report will be presented to a future meeting of Cabinet.

## 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:

<b>2023/24</b>	<b>£50.650m</b>
<b>2024/25</b>	<b>£62.764m</b>
<b>2025/26</b>	<b>£53.733m</b>

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

- **Childrens Social Care** – £0.070m has been phased to 2024/25 for delivery of a new vehicle for Springbrook Children's Home.
- **Communities** – £0.045m has been added to the budget for Bootle Leisure Centre Roof Replacement project funded by Council resources and approved under delegated authority.
- **Corporate Resources:**
  - £0.371m has been phased to 2024/25 for Corporate Essential Maintenance to align with Phase 2 of the programme (see paragraph 3 below).
  - £0.148m has been added to the programme for ICT Service Developments funded by prudential borrowing following approval by Council in January.
- **Economic Growth & Housing:**
  - £20m has been added to the budget for the Stand Repurposing Programme Phase 1 A-C funded by external grant from DLUHC following approval by Council in January. A previous allocation of £0.633m funded by prudential borrowing has been removed from the budget following confirmation of the new grant funding.
  - £2.223m has been added to the budget for the acquisition of new council housing at Buckley Hill Lane, Netherton to be funded through affordable housing capital receipts, historic right to buy sharing agreement receipts

and Homes England grant funding following approval by Council in January.

- **Education Excellence:**

- £1.256m has been phased to 2024/25 for Sporting Betterments for Schools. This is a ringfenced budget allocation and will be released following further applications from schools for funding.
- £0.534m has been added to the programme for Childcare Expansion Capital Grant externally funded by the Department for Education following approval by Cabinet in December.
- A scheme for internal alterations at Litherland Moss school (£0.450m) has been deprioritised and resources allocated to other priority High Needs Capital Schemes at Formby High, Holy Family High and Waterloo Primary following approval by Cabinet Member for Education under delegated authority.
- The following schemes (£0.380m) have been rephased for delivery in 2024/25:
  - Christchurch Primary - Playground resurface
  - Christchurch Primary - Windows & doors
  - Daleacre - Renew floors/ceiling
  - Daleacre - Roof to kitchen and hall
  - Farnborough Rd Infants - Install canopy
  - Farnborough Rd Infants - Replace corridor roof
  - Farnborough Rd Infants - Repoint brickwork
  - Farnborough Rd Infants - Windows install actuators
  - Hatton Hill - Brickwork re-pointing
  - Hudson Primary - Resurface footpaths & driveways
  - Larkfield Primary - Repointing brickwork
  - Larkfield Primary - Upgrade staff toilets
  - Norwood Primary - Repairs to drainage system

- **Highways and Public Protection** – Following a review of the Highways programme, several schemes have been reprofiled to 2024/25 due to prioritisation of other schemes and extended development time:

- Accessibility £0.390m
- A565 Northern Key Corridor Improvements £0.097m
- A59 Route Management £0.696m
- Healthy Lifestyles £0.206m
- Millers Bridge £0.100m
- Strategic Planning £0.500m
- Urban Traffic Control £0.440m.

### **Budget Monitoring Position to December 2023**

7.3 The current position of expenditure against the budget profile to the end of December 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 December	Actual Expenditure to December	Variance to December
	£m	£m	£m
<b><u>Services</u></b>			
Adult Social Care	3.984	3.626	-0.358
Children's Social Care	0.284	0.380	0.096
Communities	0.516	0.469	-0.047
Corporate Resources	1.777	1.714	-0.063
Economic Growth & Housing	5.542	5.367	-0.175
Education Excellence	3.348	3.350	0.002
Highways & Public Protection	8.996	8.733	-0.263
Operational In-House Services	1.061	0.724	-0.337
<b><u>Total Programme</u></b>	<b>25.508</b>	<b>24.364</b>	<b>-1.144</b>

### **Capital Programme Forecast Outturn 2023/24**

7.4 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
<b><u>Services</u></b>					
Adult Social Care	7.505	7.423	-0.082	2.675	1.850
Children's Social Care	0.532	0.620	0.088	0.170	-
Communities	2.053	1.972	-0.082	0.405	-
Corporate Resources	2.226	2.153	-0.073	0.541	-
Economic Growth & Housing	10.680	10.791	0.111	31.065	50.568
Education Excellence	7.147	6.994	-0.153	10.395	-
Highways & Public Protection	17.756	17.759	0.003	11.881	0.322
Operational In-House Services	2.751	2.764	0.013	5.631	0.993
<b><u>Total Programme</u></b>	<b>50.650</b>	<b>50.476</b>	<b>-0.174</b>	<b>62.764</b>	<b>53.733</b>

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

7.5 The current 2023/24 budgeted spend is £50.650m with a budgeted spend to December of £25.508m. The full year budget includes exceptional items such as £8.584m 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, a £1.000m project for Southport Pier Decking, and a scheme to upgrade to LED Street Lighting (£3.606m).

7.6 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.

**Programme Funding**

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

<b><u>Source</u></b>	<b>£m</b>
Grants	39.746
Prudential Borrowing	5.462
Capital Receipts	3.150
Contributions (including Section 106)	2.292
<b><u>Total Programme Funding</u></b>	<b>50.650</b>

7.8 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.

7.9 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**

<b><u>Capital Scheme</u></b>	<b>Budget</b>		
	<b>2023/24</b> <b>£</b>	<b>2024/25</b> <b>£</b>	<b>2025/26</b> <b>£</b>
<b>Adult Social Care</b>			
Disable Facilities Grants – Core Grants (DFGs)	3,000,000	-	-
Occupational Therapy Support for DFGs	663,774	-	-
ICT Development & Transformation	927,573	307,067	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	-	-
<b>Children’s Social Care</b>			
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	-
<b>Communities</b>			
Atkinson Arts Centre – Infrastructure & Windows	24,553	170,993	-
Leisure Centres – Essential Works	338,516	103,000	-
Libraries Projects	309,623	131,017	-
Neighbourhoods Projects	80,886	-	-
Local Authority Housing Fund	1,300,000	-	-
<b>Corporate Resources</b>			
Council Wide Essential Maintenance	1,392,189	393,595	-
Sustainable Warmth Schemes	760,092	-	-
ICT Development & Transformation	73,812	147,549	-
<b>Economic Growth &amp; Housing</b>			
Cambridge Road Centre Redevelopment	227,070	-	-
Crosby Lakeside Redevelopment	673,935	33,219	-
Strategic Acquisitions – Ainsdale	350,000	526,303	-
Marine Lake Events Centre	4,863,327	16,770,090	43,205,556
The Strand – Maintenance and Improvements	150,000	-	-
Enterprise Arcade	521,691	1,105,078	-



	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	6,666,667	6,666,667
Housing Investment	-	33,960	-
Social Housing Allocations Scheme	13,590	-	-
Brownfield Fund for Housing Development	1,082,336	-	-
Council Housing at Buckley Hill Lane	-	2,222,783	-
Southport Pier	1,000,000	2,148,267	-
Town Centre Vacant Sites	-	58,764	-
<b>Education Excellence</b>			
Early Years	-	534,202	-
General Planned Maintenance	365,605	30,249	-
Schools Programme	2,956,810	7,478,925	-
Sporting Betterment of Schools	326,850	1,256,365	-
Special Educational Needs & Disabilities	3,497,430	1,095,276	-
<b>Highways and Public Protection</b>			
Accessibility	278,143	390,000	-
Healthy Lifestyles	180,896	206,367	-
Road Safety	157,638	-	-
A565 Route Management and Parking	1,079,216	35,458	-
A565 Northern Key Corridor Improvements	2,738	97,262	
A59 Route Management Strategy	369,463	2,795,963	322,000
Strategic Planning	3,441,090	1,450,000	-
Traffic Management and Parking	67,000	-	-
Highway Maintenance	6,329,191	-	-
Bridges and Structures	375,000	2,000,000	-
Drainage	443,181	-	-
Street Lighting Maintenance	326,823	-	-
LED Street Lighting Upgrade	3,605,580	3,662,630	-
Urban Traffic Control	1,073,249	440,000	-
Completing Schemes and Retentions	26,510	13,490	-
Transport Growth Programme	-	789,813	-
<b>Operational In-House Services</b>			
Coastal Erosion and Flood Risk Management	1,283,649	1,983,688	898,000
Countryside Stewardship	9,919	1,740	-
Crosby Marine Lake Improvements	10,803	-	-
Parks Schemes	295,484	961,053	-
Tree Planting Programme	222,565	190,764	94,879
Golf Driving Range Developments	-	282,477	-
Ainsdale Coastal Gateway	438,186	427,989	-
Green Sefton – Vehicles, Plant & Machinery	18,335	131,152	-
Refuse Collection & Recycling	-	345,000	-
Vehicle Replacement Programme	472,166	1,307,328	-
<b><u>Total Programme</u></b>	<b>50,649,795</b>	<b>62,763,881</b>	<b>53,732,873</b>