

Report to:	Cabinet Council	Date of Meeting:	20 June 2024 11 July 2024
Subject:	Financial Management 2024/25 to 2027/28 - Revenue and Capital Budget Update 2024/25 - Additional Estimates		
Report of:	Executive Director of Corporate Resources and Customer Services	Wards Affected:	All Wards
Portfolio:	Cabinet Member - Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	No
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) Approve a supplementary capital estimate of £0.859m for the Better Care Fund – Disabled Facilities Grant additional allocation funded by DLUHC.
- 2) Recommend to Council the approval of a supplementary capital estimate of £3.500m for Disabled Facilities Grants core programme in 2024/25 funded by the Better Care Fund.
- 3) Approve supplementary capital estimates of £0.003m for Devolved Formula Capital and £0.034m Schools Condition Allocation funded by grant from the Department for Education.
- 4) Recommend to Council the approval of a supplementary capital estimate of £4.040m for Special Educational Needs & Disabilities funded by the High Needs Provision Capital Allocation from the Department for Education.
- 5) Approve a supplementary capital estimate of £0.500m for the Green Light Fund funded by grant from the Department for Transport
- 6) Approve a supplementary capital estimate of £0.449m for the Network North Roads Resurfacing Fund funded by grant from the Liverpool City Region Combined Authority.
- 7) Approve a supplementary capital estimate of £0.065m for the Traffic Signal Obsolescence Grant funded by the Liverpool City Region Combined Authority.
- 8) Recommend to Council the approval of a supplementary capital estimate of £0.450m for the ICT Equipment Refresh project funded by prudential borrowing.

- 9) Recommend to Council the approval of a supplementary revenue estimate of £1.237m for the UKSPF Ways to Work grant funding from the Liverpool City Region Combined Authority.
- 10) Recommend to Council the approval of a supplementary capital estimate of £5.273m for the Southport Public Realm project funded by external grants and contributions and Council resources.
- 11) Recommend to Council the approval of a supplementary capital estimate of £5.799m for the A59 Northway Pedestrian/ Cycle Improvements project funded by external grants and contributions and Council resources.
- 12) Recommend to Council the approval of a supplementary capital estimate of £3.300m for the Carriageway Resurfacing Programme funded by grant from the Liverpool City Region Combined Authority.
- 13) Note that the proposal was a Key Decision but had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Leader of the Council and the Chair of the Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) had been consulted under Rule 27 of the Access to Information Procedure Rules of the Constitution, to the decision being made by Cabinet and Council as a matter of urgency on the basis that it was impracticable to defer the decision until the commencement of the next Forward Plan because of the requirement to set supplementary budget estimates as part of the ongoing delivery of Council's financial strategy for 2024/25.

Council is recommended to:

- 1) Approve a supplementary capital estimate of £3.500m for Disabled Facilities Grants core programme in 2024/25 funded by the Better Care Fund.
- 2) Approve a supplementary capital estimate of £4.040m for Special Educational Needs & Disabilities funded by the High Needs Provision Capital Allocation from DfE.
- 3) Approve a supplementary capital estimate of £0.450m for the ICT Equipment Refresh project funded by prudential borrowing.
- 4) Approve a supplementary revenue estimate of £1.237m for the UKSPF Ways to Work grant funding from the Liverpool City Region Combined Authority.
- 5) Approve a supplementary capital estimate of £5.273m for the Southport Public Realm project funded by external grants and contributions and Council resources.
- 6) Approve a supplementary capital estimate of £5.799m for the A59 Northway Pedestrian/ Cycle Improvements project funded by external grants and contributions and Council resources.
- 7) Approve a supplementary capital estimate of £3.300m for the Carriageway Resurfacing Programme funded by grant from the Liverpool 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

The estimate annual cost of prudential borrowing for the ICT Equipment Refresh will be £0.100m per annum which will be met from within the Medium-Term Financial Plan.

(B) Capital Costs

The estimated cost of Disabled Facilities Grants in 2024/25 is £3.500m funded by grant allocated to the Council from the Better Care Fund.

The Southport Public Realm project is estimated to cost £5.273m funded through 2024/25 CRSTS settlement (£2.507m), Southport Town Deal LUF grant (£2.500m) and £0.265m of Council funding (capital receipts).

The A59 Northway Pedestrian/ Cycle Improvements project is estimated to cost £5.799m funded through £2.858m Key route Network funding, £0.244m DfT signals fund, £1.000m CRSTS settlement, £1.127m Active Travel Funds, £0.470m of Developer Contributions and £0.100m of Council funding (capital receipts).

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

The ICT Equipment Refresh is estimated to cost £0.450m funded by prudential borrowing to be repaid over five years.

Implications of the Proposals:

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

The Council will acquire new ICT assets to the value of £0.450m funded by additional borrowing costs of £0.100m per annum which will be met from within the Medium-Term Financial Plan.

Legal Implications:

None

Equality Implications:

There are no equality implications.

Impact on Children and Young People: No**Climate Emergency Implications:**

The recommendations within this report will

Have a positive impact	N
Have a neutral impact	Y
Have a negative impact	N
The Author has undertaken the Climate Emergency training for report authors	N

The allocations of 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.

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
Drivers of change and reform: see comment above
Facilitate sustainable economic prosperity: see comment above
Greater income for social investment: see comment above
Cleaner Greener: 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 7677/24) and the Chief Legal and Democratic Officer (LD 5778/24) 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. Council on 29 February 2024 approved indicative grant allocations for capital grants to be applied to the capital programme 2024/25 including £4.823m for Adult Social Care. Following publication of the final Better Care Fund – Disabled Facilities Grant (DFG) allocation for 2024/25 by DLUHC in May, an uplifted amount of funding has been allocated to Sefton of £5,261,093. Additionally, the 2023/24 allocation of grant was uplifted by £420,887 and is available to spend in 2024/25. The total amount of additional funding available is therefore £858,610 compared to the initial estimate approved in February.
- 1.2. Cabinet is requested to approve a supplementary estimate of £858,610 for the additional DFG block grant allocation in 2024/25.
- 1.3. Expenditure on Disabled Facilities Grants for home adaptations has been increasing steadily since 2021/22 and will continue to do so with the delivery of the Council’s vision to support more people to remain independent in their own homes for longer, this includes things like the 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 was £3m, an increase on the target of £2m set in 2022/23’s capital programme and £1.4m set in the 2021/22 programme. The proposed target for 2024/25 will be £3.5m fully funded from the Better Care Fund – Disabled Facilities Grant.
- 1.4. Cabinet is therefore requested to recommend to Council the approval of a supplementary capital estimate for the core DFG programme of £3.500m in 2024/25.
- 1.5. Cabinet Member for Adult Social Care and Health 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. The list of schemes for the wider programme for 2024/25 will be fully developed and presented to Cabinet Member for approval.

2. Schools Funding

- 2.1. Council on 29 February 2024 approved indicative grant allocations for capital grants to be applied to the Education Excellence capital programme 2024/25. Following publication of the final capital allocations for 2024/25 by the Department of Education in May, an increased amount of funding will be received as set out in the table below.

Capital Grant	Block Allocation	
	Provisional Estimate 2024/25	Revised Estimate 2024/25
Education Excellence	£	£
Devolved Formula Capital (direct school allocation)	338,520	341,144
Schools Condition Allocation	2,207,934	2,241,878
Special Educational Needs & Disabilities	700,000	4,740,380

- 2.2. Cabinet is recommended to approve the increases to Devolved Formula Capital and Schools Condition Allocation shown above and recommend to Council the approval of a revised estimate for Special Educational Needs & Disabilities.
- 2.3. Authority has been delegated to Cabinet Member – Children, Schools and Families to assign funding to individual capital schemes for the schools block allocations reported above up to £1m in value. The list of schemes for 2024/25 will be fully developed and presented to Cabinet Member for approval.

3. Highways Programme

- 3.1. Council on 29 February 2024 approved an indicative grant allocation for the City Region Sustainable Transport Settlement (CRSTS) to be included in the Highways capital programme 2024/25. Following this approval, the Department for Transport and the City Region Combined Authority have since confirmed further allocations of capital grant as outlined in the table below.

Grant Allocation	2024/25 £
Green Light Fund	500,000
Network North Roads Resurfacing Fund	449,302
Traffic Signal Obsolescence	65,018

- 3.2. Cabinet is requested to approve supplementary estimates for the Green Light Fund, Network North Fund and Traffic Signal Obsolescence Grant.
- 3.3. Cabinet Member – Housing and Highways 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 2024/25 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:

Southport Public Realm

- 3.4. Southport Public Realm is a £5.273m project funded through the 2024/25 CRSTS settlement (£2.507m), Southport Town Deal LUF (£2.5m) and £0.265m of Council Growth funding to undertake Phase 1 of the Southport public realm works around Market Street, King Street, and Eastbank Street for Public Realm/ Accessibility improvements in support of the Les Transformations De Southport project in support of the Town Deal.

A59 Northway Pedestrian/ Cycle Improvements

- 3.5. £5.799m has been allocated to a project funded through £2.858m Key route Network funding, £0.244m DfT Signals Fund, £1.000m CRSTS settlement, £1.127m Active Travel Funds, £0.470m of Developer Contributions and £0.100m of Council Growth funding, 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, new crossing points at Robbins Island as part of programme of accessibility improvements along the A59 Northway corridor.

Carriageway Resurfacing Programme

- 3.6. £3.300m has been allocated in 2024/25 to the programme of carriageway resurfacing across the borough funded by the CRSTS settlement.

4. ICT Equipment Refresh

- 4.1. The Council has a number of ICT assets (predominately laptops) that are now over five years old and approaching the end of their useful life. In order to meet the minimum specification as set by Microsoft for Windows 11, Windows 10 is end of life in October 2025 and therefore the Council has to replace these older devices in advance of this deadline.
- 4.2. The equipment refresh programme is estimated to cost £450,000 and will be funded from prudential borrowing, the cost of which has been included in the Council's Medium Term Financial Plan.

5. UKSPF Ways to Work Grant Funding

- 5.1. Sefton@work, the Council's job brokerage service has been in receipt of European Social Funding for the Ways to Work employment support project since 2016. This scheme was a joint programme delivered via all 6 of the Liverpool City Region (LCR) Councils, with the LCR Combined Authority being the Lead Body and in Sefton helped more than 5,500 residents.
- 5.2. ESF funds have now ceased but the Ways to Work delivery model for employment support continues to be the LCR's key investment in addressing employment inequality and forms an integral part of the wider Plan for Prosperity, with commitment being given to find alternative means of continuation funding after the end of ESF.
- 5.3. The Government's Fund to replace European Social Fund is the United Kingdom Shared Prosperity Fund (UKSPF), and the Ways to Work scheme has been earmarked in the LCR UKSPF investment plan to receive an allocation of UKSPF for the year 2024/25. This will allow the service to continue the Ways to Work offer for Sefton residents who are economically inactive until March 2025.
- 5.4. The UKSPF offer encompasses two funding streams of the LCR investment plan which are E33 which will support the residents who are deemed economically inactive to seek and retain work and L2 which supports those people facing redundancy or seeking to access work through a large-scale recruitment. The allocation of UKSPF Funding for E33 is £824,389.00 and the allocation for L2 is £412,194.50, giving a total grant figure of **£1,236,583.50**.
- 5.5. Sefton@work has a proven track record of efficient management of a wide range of external funding and measures have been put in place to ensure that all claims and performance management information required to satisfy the requirement of this SIF grant offer can be met. The staff resources are in place to deliver this service, and policies and protocols have been designed in

conjunction with the LCR-CA to ensure risks are managed appropriately and service delivery is conducted to the highest standards. Client facing staff are all trained and qualified to appropriate levels and compliance staff have significant expertise in successfully managing audit requirements from the internal, sub-regional and European levels. The service continues to hold the national MATRIX standard which assures the quality of information, advice and guidance to nationally recognised standards and has also maintained the national Customer Service Excellence award.