

Financial and Corporate Performance 2023/2024

Date of meeting:	25 th July 2024
Report to:	Cabinet
Report of:	Executive Director – Corporate Services and Commercial
Portfolio:	Corporate Services
Wards affected:	All
Included in Forward Plan:	Yes
Is this a key decision:	Yes
Exempt/confidential report:	No

Summary:

To inform Cabinet of the revenue and capital outturn position in relation to the 2023/24 financial year. In doing so the report will outline any key variations and where appropriate any impact on future years' financial performance. In addition, it provides details of the Council Corporate Performance for 2023/24 and current corporate risks.

Recommendation(s):

Cabinet is recommended to: -

Revenue Outturn

- 1) Note the General Fund net surplus of £4.309m for 2023/24 that will increase the Council's General Balances by £0.114m less than was budgeted for.
- 2) Note the increase in Schools' balances of £2.381m for 2023/24 and the net reduction of non-schools centrally retained DSG balances of £19.489m.
- 3) Note the overall deficit on the High Needs Budget of £37.996m.
- 4) Note the changes to Earmarked Reserves in 2023/24.

Capital Programme

- 5) Note the total capital outturn of £40.937m for the financial year 2023/24.

- 6) Note the successful delivery of a number of schemes as set out in section 10 that have supported the delivery of the Council's core purpose.

Corporate Performance

- 7) Consider the Council's Corporate Performance Report for 2023/24 and the latest Corporate Risk Register alongside the financial outturn for the year.

1. The Rationale and Evidence for the Recommendations

The production of a revenue and capital outturn report is a key feature of effective financial management and will allow Members to make informed decisions that will support service delivery and medium-term financial sustainability.

This report should be read in conjunction with the Treasury Management Outturn report for 2023/24 also on this agenda.

Main Body of the Report

1. Introduction

- 1.1 The report details the revenue outturn position for the financial year 2023/24 and provides details of the major variations within that position for the General Fund and Schools' Delegated Budgets including the High Needs Budget. The report also provides details of the Capital Outturn position for 2023/24.
- 1.2 In addition, the report includes the Council's Corporate Performance Report for 2023/24 (Appendix A) together with the latest Corporate Risk Register (Appendix B).

General Fund Revenue Outturn 2023/24

2 Overall Position 2023/24

- 2.1 The outturn figures for 2023/24 are explained in more detail in section 3 but can be summarised as follows:

	Budget	Outturn	Variance
	£m	£m	£m
<u>Services</u>			
Strategic Management	3.939	4.080	0.141
Adult Social Care	111.316	114.221	2.905

Children's Social Care	81.581	89.558	7.977
Communities	12.008	11.142	-0.866
Corporate Resources	7.623	7.116	-0.507
Economic Growth & Housing	6.647	6.394	-0.253
Education Excellence	15.765	17.477	1.712
Health & Wellbeing	19.645	18.520	-1.125
Highways & Public Protection	10.973	10.811	-0.162
Operational In-House Services	17.470	17.512	0.042
Energy Costs	4.200	3.357	-0.843
Additional Pay Award Cost	0.000	1.394	1.394
Total Service Net Expenditure	291.167	301.582	10.415
Mitigating Actions approved in November 2023	0.000	-4.795	-4.795
Mitigating Actions approved in February 2024	0.000	-3.561	-3.561
Council Wide Budgets	11.843	9.966	-1.877
Levies	36.193	36.193	0.000
General Government Grants	-84.086	-84.154	-0.068
Total Net Expenditure	255.117	255.231	
<u>Forecast Year-End Deficit</u>			<u>0.114</u>

General Fund Revenue Outturn 2023/24 – Variation Analysis

- 2.2 From the above table it can be seen that the Council in 2023/24 was overspent on net service expenditure by £10.4m. It is important to note that this was due to the issues that were reported through the year in respect of Children's Social Care, who were £8.0m overspent, Adult Social Care, who were £2.9m overspent, and Education Excellence, who were £1.7m overspent, mainly due to the Home to School Transport function. Most other services were underspent or reporting close to balanced positions. In addition, Remedial Actions Plans approved by Cabinet in November 2023 (£4.795m) and February 2024 (£3.561m), plus savings across Corporate budgets meant the overall overspend was reduced to only £0.114m. As a result, as shown in section 4, the outturn for 2023/24 shows that there was a transfer to General Balances of £4.309m which was £0.114m less when compared to the increase in General Balances of £4.423m that was budgeted for.
- 2.3 As would be expected, during the financial year, there has been a number of significant variations in individual services. The major variances are highlighted in the following paragraphs: -
- 2.3.1 **Adult Social Care** - Children's Social Care overspent in 2023/24 by £2.905m, a position that was reported to Cabinet during the second half of the year.

Initial forecasts assumed that the Adult Social Care budget will break-even during 2023/24. However, it was reported that there are a number of significant assumptions and uncertainties that could impact on that position before the year-end. The service was also committed to a number of efficiencies and savings that amounted to £5.7m, in order to meet the savings approved as part of the 2023/24 budget plus additional savings that were required 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 was carefully monitored throughout the year and the full level of savings were ultimately delivered.

Like all councils, the Service experienced growth pressure with demand for services and sought to meet the cost of this within the resources available, including taking account of the additional funding from Central Government that was made available to councils to meet increases in demand and financial pressure including those that maybe experienced during winter and in respect of discharges. Although all options to ensure that any potential overspend was reduced were explored and implemented, given the pressures faced an residual overspend of £2.905m occurred.

2.3.2 Children's Social Care - Children's Social Care overspent in 2023/24 by £7.977m, a position that was reported to Cabinet throughout the year.

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 final position on staffing was an overspend of £2.2m. There was a clear set of assumptions originally driving forecasts in terms of when expensive project / court teams would leave the Council as new staff are onboarded from the International Social Worker cohort and the academy. As these assumptions changed the forecasts were revised during the year with additional pressure being experienced. This is also a key aspect of budget setting and medium-term financial planning.

Certain areas of accommodation and support packages overspent by £5.2m, 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 continued throughout the year. However, numbers and costs of Children with Disabilities has increased, although specialist work was undertaken to ensure health were making the appropriate contributions to the cost of care.

2.3.3 Communities – The surplus of £0.866m primarily relates to reduced net expenditure on sports facilities, partly due to the reopening of Splashworld (including a refund of Business Rates for when the facility was closed) and increased surpluses at Crosby Baths and on the Aquatics service.

2.3.4 Corporate Resources – The net surplus of £0.507m for Corporate Resources primarily relates to savings made against staffing budgets which is due to posts being held vacant, and other mitigating savings being found, in order to contribute to the overall budget pressures faced by the Council.

There was a significant pressure during the year 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 amounted to £0.624m, which was offset by the underspends across the Service. Without this pressure, the Service would have underspent by £1.131m due to significant cost control that continued across all service areas during the year.

2.3.5 Education Excellence – The net overspend of £1.712m was mainly due to a significant increase in the costs of Home to School Transport. Members will recall that in the budget substantial funding was added to the Home to School Transport budget. However, there was a continuing significant increase in the number of children being transported, especially relating to out of borough placements, due to the increase in the number of EHCPs being completed. In addition, there was additional provision of SEND staff due to the increase in EHCP assessments.

2.3.6 Health & Wellbeing – A net surplus of £1.125m arose primarily due to savings on contracts procured during the year, including on substance misuse and health prevention services. In addition, there were also vacancy savings in the service, as well as additional grant funding made available to offset existing costs in the year.

2.3.7 Energy Costs - As previously reported, the global increase in energy prices had a significant impact on the Council's energy and fuel costs, increasing costs by £3.357m above the core budget. However, the Council had set aside one-off resources of £4.200m to fund these costs so there was an underspend of £0.843m in the year.

2.3.8 Additional Pay Award Cost - The approved Base Budget included a provision for the 2023/24 pay award of around 4.5%. This was line with most other local authorities who had budgeted for similar amounts. The final award from the National Employers for local government services body was for a fixed increase of £1,925, with a minimum of 3.5% (similar to the increase in 2022/23). For Sefton, this equated to an increase in the pay bill of about 6.0% or an additional £1.394m above the amount included in the 2023/24 budget.

2.3.9 Remedial Action Plans – Due to the overall pressures faced during the year, particularly from the increased costs the pay award, Adult Social Care, Children's Social Care, and Education Excellence, Cabinet approved Remedial Action Plans to partially fund these pressures. In November 2023 they approved one-off savings of £4.795m and in February 2024 approved further one-off savings of £3.561m.

- 2.3.10 **Corporate Items:** There are various corporate items that have had an impact on the Council's outturn position, with a net impact an underspend of £1.877m. This is mainly due to the increase in interest rates across the year, which meant the Council was able to achieve increased returns on its cash investments. This resulted in a net underspend of £1.476m in the Council's Treasury Management budget.
- 2.4 As a result of the variations detailed within this report an overall a Council-wide small overspend outturn position has been recorded for the year which represents the outcome of stringent financial management through the year as the Council continues to meet the unprecedented financial pressure from demand led services, energy costs, pay and price inflation and the extreme challenges of national government policy.
- 2.5 As was detailed within the Budget report presented to Council in February 2024, the Council continues to face unprecedented financial pressure particularly within Adult Social Care, Children's Social Care and Education Excellence (Home to School Transport). This position is not unique to Sefton; however, the challenge is significant and will require very careful financial management throughout 2024/25 and beyond. The Council acknowledged these risks in its budget report and significant additional resources were built into 2024/25 budget in recognition of these additional demands.

3 Schools' Delegated Budgets Outturn 2023/24

- 3.1 The level of schools' balances as at the end of 2023/24 stand at a cumulative surplus of £20.375m (£17.994m 2022/23). This overall sum consists of direct school balances of £20.130m (£17.732m 2022/23); Schools Supply Funding Pool surplus of £0.091m (£0.051m surplus in 2022/23) and the Schools Rates Pooled Account surplus of £0.154m (£0.210m 2022/23). These total balances represent 12.2% of schools' 2023/24 delegated budgets.
- 3.2 High Needs budgets were overspent by £19.330m in 2023/24 (£6.172m in 2022/23). This has resulted in the overall High Needs accumulated deficit now standing at £37.996m. Cost pressures have continued across High Needs provision with increasing demand for Special School places driven by growing numbers of children being assessed for an Education Health and Care Plan (EHCP). During 2023/24 an extra 600 children have been assessed as requiring an EHCP across the Borough (a 21% increase). In addition, numbers of places commissioned out of Borough, have also continued to increase, due, in part, to a shortage of in-house places. Initial spending forecasts were well exceeded in terms of overspending in the year. In addition, there has been a significant take-up of dedicated 'Group' funding over the year by many of the mainstream schools, to gradually start to replace the need for many individual 1:1 s in the classroom, and to focus on specialised group classroom teaching methods and support for SEN children. This is considered considerably cheaper to fund and is seen to be quite beneficial by the schools.

3.3 During the year, the Council continued to engage in the Government's Delivering Better Value (DBV) Programme for those local authorities with significant High Needs deficits. Along with 55 other local authorities, Sefton were selected to be part of Tier 2 of the DBV programme. This programme set about obtaining and analysing Sefton's High Needs spending to help their statistical experts to forecast trends and to hopefully identify some potential areas of spending mitigation over the next 5 to 8 years. Their own initial forecasting suggests, that, without any mitigations over the next 5 to 8 years, the Council would have a significantly increased accumulative net deficit on its High Needs spending. This is clearly unsustainable but is something also being forecast in many other local authorities under the DBV Programme. Of great concern is the fact that from the end of 2025/26, the Government's statutory override mechanism for DSG deficits to be ringfenced comes to an end, and should it not be extended, local authorities may be required to fund any deficit from its General Fund. Sefton is actively seeking clarity from the Government on how deficits are to be funded once the statutory override finishes as it will be one of a number of local authorities for whom it would impact on financial sustainability. This issue has been covered in great detail in both the Budget Report for 2024/25 and the Robustness Report of the S151 Officer on the same agenda. The significance of this issue cannot and is not being underestimated and as stated engagement with staff in Treasury, MHCLG and DfE is to take place. As a result, the regular reports will be produced for Cabinet and Council by the Assistant Director of Children's Services (Education) are critical to inform members of developments, demand, mitigating work that will reduce or contain cost, the Delivering Better Value Programme and national and sector discussions. Due to the significance this issue is also included on the Council's Corporate Risk Register.

A separate report on the High Needs funding position of the Council is included on this agenda.

3.4 The Council holds Centrally Retained DSG reserves, separate to its Maintained Schools' balances. These are shown below:

<u>Centrally Retained DSG Balances</u>	<u>1 April 2023</u>	<u>Movement 2023/2024</u>	<u>31 March 2024</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Schools Block	-0.963	0.024	-0.938
Early Years Block	-0.644	-0.292	-0.937
High Needs Block	18.666	19.330	37.996
	17.059	19.062	36.121

3.5 The DfE permit Local Authorities to carry forward a deficit on their DSG Centrally Retained balances, without any obligations on behalf of Local Authorities to support a deficit position out of non-school Council balances. As a result of the statutory requirements introduced for 2020/21, this balance is now held on the Balance Sheet as an Unusable Reserve, the Dedicated Schools Grant Adjustment Account.

4 Council Balances

4.1 The change in the level of Council and School Balances as at 31 March 2024 are set out in the tables below:

<u>Non-School General Fund Balances</u>		<u>£m</u>
Actual Non-School General Fund Balances at 31 March 2023		-11.991
Plus Budgeted Contribution to Balances	-4.423	
Less overspend in comparison to the 2023/2024 Base Estimate:	0.114	
Actual increase in General Balances		-4.309
Actual Non-School General Fund Balances at 31 March 2024		-16.300

<u>Schools' Balances</u>		<u>£m</u>
Schools' balances as at 1 April 2023		-17.994
Underspend on Schools' Delegated Budgets		-2.381
Schools' balances at 31 March 2024		-20.375

5 Earmarked Reserves

5.1 Unlike General Fund balances, Earmarked Reserves are held for a specific purpose. These purposes may be determined by the Council to coincide with its policy objectives, dictated by statute (e.g., Schools Earmarked Reserves) or relate to revenue grants and contributions that haven't been fully applied by the end of the financial year.

5.2 Once approved, expenditure incurred in accordance with the reserve's purpose is funded by applying the reserve, without any need for further approval. If the reserve is no longer required for the originally intended purpose it is released back into the General Fund.

5.3 An analysis of the Council's Earmarked Reserves, and the movement during 2023/24 is shown in the table below:

Movements in 2023/2024	<u>1 April</u> <u>2023</u> £000s	<u>Transfers</u> <u>in</u> £000s	<u>Transfers</u> <u>Out</u> £000s	<u>31 March</u> <u>2024</u> £000s
Environmental Warranty	-9,000	0	1,952	-7,048
Insurance Fund	-1,633	0	1,633	0
Transforming Sefton	-1,861	0	1,830	-31
Redundancy Reserve	-946	0	946	0
Community Transition Fund	-327	0	131	-196
Contamination Clearance	-1,379	0	0	-1,379
Secondary School Deficit Reserve	-1,513	0	636	-877

Council Tax - spreading of 2020/2021 Deficit Reserve	-499	0	499	0
Regeneration Scheme Reserve	-2,500	0	378	-2,122
Revenue Grants and Contributions Unapplied	-22,476	-3,144	10,030	-15,590
Other Earmarked Reserves	-9,656	-1,068	5,288	-5,436
Total	-51,790	-4,212	23,322	-32,680

5.4 The main changes in Earmarked Reserves are as follows:

- a) **Environmental Warranty Reserve** – In 2023/24 the level of Business Rates reliefs granted was less than estimated. This meant that the level of S31 Grants received in the year to compensate for the cost of providing these reliefs was also less than estimated. However, an equivalent surplus was therefore generated due to more Business Rates being due in the year. Due to Collection Fund regulations, this surplus can only be credited to the General Fund in the following year. Therefore, the shortfall in S31 Grants in 2023/24 has temporarily been funded from the Environmental Warranty Reserve, with the budget approved by Council for 2024/25 including an amount to replenish the Reserve, funded by the Business Rates surplus generated in 2023/24.
- b) **Insurance Fund Reserve** – The Council maintains an Insurance Fund, which is split between a Provision (to meet known liabilities) and an Earmarked Reserve (to meet future claims) based on an assessment by insurance brokers each year. As known liabilities have increased, the balance previously included as an Earmarked Reserve has been transferred to the Provision.
- c) **Transforming Sefton Reserve** – In November 2023, Cabinet approved the utilisation of £1.000m of the Reserve as part of a number of mitigating actions to meet budget pressures in the year. In addition, the Reserve was utilised to fund expenditure in line with previous Cabinet / Council decisions, including initial funding for International Social Workers (£0.500m) and Cost of Change schemes.
- d) **Revenue Grants and Contributions Unapplied** – A number of specific grants and contributions were utilised during 2023/24 to fund relevant expenditure, including for the Home for Ukraine and Syrian Refugee schemes (£2.854m), Adult Social Care grants, including residual COVID19 funding (£2.758m), Other Residual Covid19 Funding (£1.043m) and the Energy Bill Support Scheme (£0.890m).
- e) **Other Earmarked Reserves** – In addition to funding expenditure in line with previous Cabinet and Council decisions, a number of other Earmarked Reserves were utilised as part of the remedial action plans agreed during the year to support the budget (£1.083m).

6 Council Wholly Owned Companies

6.1 The Council has three wholly owned companies, namely, Sefton New Directions, Sandway Homes Limited and Sefton Hospitality Operations Limited. During the year Cabinet have received comprehensive Business Plan updates on each of these companies. Outturn reports for each of the three companies, detailing progress against business plan both in terms of service delivery / meeting of objectives and financial performance, will be presented to overview and scrutiny committee in early autumn.

7 Revenue Outturn 2023/24 - Conclusion

- 7.1 On 2nd March 2023, the Council set a one-year budget for 2023/24. Through the application of stringent financial management throughout the year, the Council continued to meet the financial pressures from demand led services, especially Children's Social Care, as well as the increased costs of energy and pay and price inflation.
- 7.2 Whilst the position reported is largely favourable, the Council is still facing significant financial pressure from some of its main demand led budgets, in particular Children's Social Care. The experience in Sefton is currently similar to many local authorities across the country and as a result will require careful financial management in the forthcoming year in order that these pressures are aligned with the delivery of the overall savings target that the Council has to meet. This approach and pressure were identified within the Budget report of March 2023 and significant additional resources were included in the budget for 2024/25.
- 7.3 The Council's draft accounts were published at the end of May 2024. They are currently being reviewed by the Council's external auditor, Grant Thornton, and following final completion of the audit, the Accounts will be presented to the Audit & Governance Committee for consideration in late September 2024, together with the ISA 260 report that will reflect their findings and conclusions.

Capital Outturn 2023/24

8 Overall Position for 2023/24

- 8.1 The approved capital budget for 2023/24 was £47.171m against which capital expenditure of £38.355m has been incurred at the year end. This has resulted in a year end variance of £8.816m. A service-by-service breakdown is shown in the following table:

Service Area	Budget 2023/24	Actual Expenditure 2023/24	Variance to Budget
	£m	£m	£m
Adult Social Care	7.320	6.086	-1.234
Children's Social Care	0.548	0.420	-0.128
Communities	2.054	0.593	-1.461
Corporate Resources	2.226	1.979	-0.247
Economic Growth & Housing	9.922	7.244	-2.678
Education Excellence	6.122	5.037	-1.085
Highways & Public Protection	16.408	14.996	-1.412
Operational In-House Services	2.572	2.001	-0.571
Total Programme	47.171	38.355	-8.816

- 8.2 In addition to the core programme, capital expenditure totalling £2.582m was incurred by the Council. This included Schools Devolved Formula Capital which is

provided directly to and managed by schools and capitalisation of Highways expenditure. Total capital expenditure in 2023/24, including this was £40.937m.

9 Programme Funding

9.1 The table below shows how the capital programme has been funded in 2023/24:

Source	£m
Grants and Other Contributions	30.660
Prudential Borrowing	6.005
Contributions	2.426
Revenue Contribution	1.847
Total Programme Funding	40.937

10 Programme Delivery 2023/24

10.1 As would be expected with a capital programme of this size, the investment that has been incurred during the year has led to both the development and improvement of the Council's infrastructure and supported the delivery of key outcomes as set out in the Framework for Change programme. The key areas of delivery are as follows:

10.2 Adult Social Care

10.2.1 Disabled Facilities Grants Core Programme (£2.996m)

For 2023/2024, there were 358 Disabled facilities grant adaptations certified as complete. These adaptations include works such as stairlifts, bathroom adaptations, vertical lifts, ceiling track hoists, property extensions and others. The number has increased when compared to last year due the continued increase in referrals for adaptation received from the Occupational Therapist Team as a result of their increased staff resource and the Home Improvements team now being fully staffed.

10.2.2 Integrated Community Equipment (£0.864m including Children's spend)

Loan equipment has been purchased to issue to Sefton residents with medical needs or a disability to enable them to remain safe and independent in their own homes. The equipment provided includes walking aids, bathing aids, toileting aids and patient handling equipment to enable carers to assist and care for residents in a safe manner. All equipment is issued on a loan basis and ownership is retained by the Council. When no longer needed by service users it is collected, decontaminated in accordance with strict infection control procedures and recycled for future issue to others.

10.2.3 Single to Double Handed Care Equipment (£0.119m)

The equipment purchased, predominantly for patient handling, is specifically designed to enable a reduction in the number of carers required to care for an

individual. The service provides gantry hoists, specialist slings and a variety of patient handling pieces taking advantage of new product development and techniques, with the ultimate aim of reducing a care package for the individual whether that care be provided by family or formal carers. The benefits of the equipment provide a more dignified care process for the recipient. All equipment is issued on a loan basis and when no longer needed by the service user, collected and recycled for further use.

10.2.4 ICT Development and Transformation (£0.451m including Children's spend)

The Council's Liquidlogic and ContrOCC systems were migrated to cloud hosting and upgraded to the latest version; Controcc Insights Reporting tool has been installed, with staff awaiting training.

10.2.5 Care Home Improvement Grants (£0.413m)

Positive outcomes have been achieved over the three rounds of the Grants Programme and a further 28 care home providers have been successful in being awarded grants in round four of the Programme. This means that a total of 98 care providers have received Capital Care Home Improvement Grants to date. Following round four of this Grants Programme, it has been proposed that a new Capital Grants Programme is implemented focussing on Remote monitoring and falls prevention/reductions in Shared Care Settings to include Supported Living providers as well as Care Homes.

10.3 Communities

10.3.1 Bootle Leisure Centre Roof (£0.211m)

The project to replace the sports hall roof and reinstall the photovoltaic panels has now been completed.

10.3.2 Libraries (£0.215m)

The capital programme for Sefton's libraries in 2023/24 has delivered the following improvements:

- New shelving and carpeting at Crosby Library
- Promotional equipment and digital media for the long-term promotion of the Libraries Service
- Four soundproof meeting pods and virtual meeting equipment at Southport and Crosby Libraries
- A soundproof pod and new ICT equipment for Netherton Library.

10.4 Corporate Resources

10.4.1 Corporate Maintenance (£1.254m)

The following projects were delivered during the year:

- Southport Town Hall / Cambridge Arcade Roof / Canopy – Phase one of a two phase programme including part renewal of the side roof to the Town Hall and renewal of the canopy above Cambridge Arcade.
- Toad Hall – Storm damage repairs were made to the roof and associated structure.
- Health and Safety works were completed to Bootle Leisure centre, Springbrook Home, and Bootle Town Hall canopy roof.

10.4.2 Sustainable Warmth Scheme (£0.687m)

85 properties received funded works that were eligible due to having a poor energy efficiency rating and a low household income. The funded works included external wall insulation, cavity wall insulation, loft insulation, under floor insulation, photovoltaic panels, double glazing, and upgrades to heating controls. The aim of the scheme was to improve the energy efficiency rating from a D, E, F or G to a C or above. The works will help reduce household utility bills and also lower carbon emissions.

10.5 Economic Growth and Housing

10.5.1 Crosby Lakeside Redevelopment (£0.798m)

The Bunkbarn at Crosby Lakeside was completed in October 2023 and handed over to the Council's operational team. Snagging works were also completed and the retention payment made to the contractor for the Lake House works.

10.5.2 Salt & Tar (£0.837m)

Works to Salt and Tar were completed and the music and events venue is fully operational with toilets, containers for food and beverage stands, a VIP platform and decking, planters, bike racks, lighting, and towpath works all complete.

10.5.3 Marine Lake Events Centre (£2.994m)

Work continued on the Marine Lake Events Centre project with the conclusion of RIBA Stage 4 design work, Operator Gateway approvals, PCSA contract works, significant utility and drainage diversions undertaken and completed, and the installation of a Bird Raft during 2023/24.

10.5.4 Enterprise Arcade (£0.360m)

The project works undertaken during 2023/24 included completion of RIBA Stage 3 Design work, ICT relocation and commencement of the envelope and main refurbishment works contract.

10.5.5 The Strand Repurposing Programme (£1.250m)

The signing of the Levelling Up Fund Memorandum of Understanding was completed as well as the RIBA stage 2 report and business plan. RIBA stage 3 work also commenced during the year. A professional team has been appointed, a development manager, bird contractor, and negotiations on PCSA for a demolition

contractor have begun, as well as further design work to inform main contract work and tender, and vacant possessions have been completed.

10.5.6 Strategic Acquisitions – Ainsdale (£0.252m)

Acquisitions of two further properties took place during the year and market testing of the site was also undertaken.

10.5.7 Southport Pier (£0.355m)

Extensive investigative and exploratory works were undertaken and completed that required 4 large areas of the Pier to be inspected, the results from these works will inform the final project. Design and structural design works continued to ensure completion for the main contractor.

10.6 Education Excellence

10.6.1 Schools Programme (£2.511m)

Completions on schemes funded by the Schools Condition Allocation can be summarised as follows: upgrading / repairs and renewal of flooring, windows / doors and roofs, along with remodelling classrooms and toilet facilities, and improving accessibility to sites, playground / car park and drainage improvements covering 18 projects at schools, replacing outdated electrical systems, fire alarms and boiler replacements covering 9 projects at schools. The full list of schemes is provided below.

- Birkdale Primary – Replace fire alarm.
- Christchurch Primary – Infants roof.
- Christchurch Primary – Playgrounds.
- Freshfield Primary – Rewiring.
- Grange – Boiler replacement.
- Grange – Rewiring.
- Hudson Primary – Replacement windows.
- Hudson Primary – Heating ducts provision.
- Hudson Primary – Reroofing.
- Kings Meadow – Rewiring.
- Larkfield Primary – Refurbishment of toilets.
- Linaker Primary – Replace boilers.
- Lydiate Primary – Rewiring.
- Marshside Primary – Playground and car park surfaces.
- Marshside Primary – Rewire.
- Melling Primary – New Pupil Places.
- Melling Primary – Refurbish toilets.
- Meols Cop – Car park surfaces.
- Merefield – Playground resurfacing.
- Netherton Moss – Roof refurbishment.
- Netherton Moss – Toilet refurbishment.
- Northway Primary – Entrance lobby.
- St. Philip's Primary – Reroofing.

- Valewood Primary – Rewire.
- Valewood Primary – Playground resurfacing.
- Waterloo Primary – Wet pour surfacing and equipment.
- Waterloo Primary – Upgrade nursery areas.

10.6.2 Special Educational Needs and Disabilities (SEND) (£2.526m)

Completions on schemes funded by High Needs funding can be summarised as follows: upgrading and remodelling classrooms, toilet and changing facilities, accessibility works to entrances and footpaths over 13 projects at Schools (listed below).

- Crosby High – New footpath.
- Holy Family High School – Internal Alterations
- Lydiate Primary – Re-commission first floor classrooms.
- Marshside Primary – Convert IT classroom to ASD.
- Norwood Primary – Hygiene room and specialist equipment.
- Rowan High 6th Form – 3 classrooms.
- Rowan Park School – Expansion.
- St Nicholas Primary – SEND room.
- Thomas Gray Primary – Create new nurture base.
- Thomas Gray Primary – Internal alterations.
- Waterloo Primary – Alterations to upstairs toilets.
- Waterloo Primary – Basic skills classroom KS2.
- Waterloo Primary – Reception room redesign.

10.7 Highways and Public Protection

10.7.1 The Highways projects delivered within 2023/24 from the £14.996m spend included:

- Development of two major scheme business cases (Southport Eastern access and Maritime corridor).
- Development of Southport Public Realm works in support of the Town Deal & Southport investment Strategy.
- Completion of Formby bypass active travel improvements
- Completion of Phase 1 of Crosby Town Centre Access Improvements
- Replacement of 3 Variable Message signs.
- 278 Lighting Columns replaced (through CRSTS)
- Carriageway Patching (6,000m²)
- Footway Reconstruction (1,850m²)
- Carriageway Resurfacing (120,600m²)

10.7.2 LED Street Lighting Upgrade

The LED unit and column supply has been maintained. Over 8,500 LED units have been installed between 1st April 2023 and 31st March 2024, with over 1,300 new columns installed over the same period. Presently the contractors focus is on

replacement of illuminated traffic bollards, illuminated traffic signs and the and decommissioning of traffic signage that no longer require illumination.

Energy savings for 2023-24 were 5,494,486.2Kwh with a saving of £1.004m with Carbon savings of 1,223.6. Total Project savings to 31st March 2024 are 9,198.163.87Kwh with a Carbon savings of 2,014.42.

10.8 Operational In-House Services

10.8.1 Coastal Monitoring Programme (£0.889m)

The Northwest Coastal Monitoring Programme has continued with its standard beach monitoring programme but has collected new vertical aerial photography for the northern half of the coast (the southern part has been delayed until Summer 2024 due to weather conditions in 2023), undertaken ground truth habitat surveys to support future analysis of the aerial photography and produced new coastal process analysis reports for all coastal authorities. The project has also created a new coastal scientist post to improve the interpretation and dissemination of coastal knowledge.

10.8.2 Parks and Recreational Facility Improvements (£0.216m)

23 play areas were improved over 2023/24. Improvements include landscaping and ground works; purchase and installation of park equipment such as multi-play units; fencing; and painting.

10.8.3 Urban Tree Challenge Fund (£0.130m)

The Urban Tree Challenge Fund (UTCF) is part of the Government's £6 million Nature for Climate Fund. The UTCF is a competitive fund; applications are subject to scoring. 253 trees were planted using this fund during 2023/24.

10.8.4 Vehicle Replacement Programme (£0.120m)

The Council's Vehicle Replacement Programme continued in 2023/24 including the purchase of 9 new vehicles with further expenditure planned for 2024/25.

11 Explanations of Full Year Outturn Key Variances 2023/24

11.1 Adult Social Care

11.1.1. Short Term Assessment Unit (-£0.448m)

There were delays to the construction phase start date due to matters beyond the Council's control, including issues with the contractor discharging some planning conditions and the adoption of a highway. Construction is now underway, and the contractor has provided a new programme for delivery.

11.1.2. ICT Development and Transformation (-£0.331m)

Controcc Brokerage development has been delayed due to prioritisation of other modules being developed. It is planned that this will be progressed in 2024/25.

The development of Liquid Logic and OCC Systems relates to regular upgrades of the software. The work was delayed due to the fact that other system development work was prioritised. Upgrade work has now commenced, with User Acceptance Testing complete, and the upgrade to the Live system scheduled in July 2024.

11.2 Communities

11.2.1 Local Authority Housing Fund (-£1.297m)

The Department for Levelling Up, Communities and Housing (DLUCH) confirmed in February 2024 that Sefton's allocation of £1.3m from the Local Authority Housing Fund (LAHF) was secured and were aware that delivery of the programme would run into 2024/25. The main purpose of the programme is to acquire 12 homes as additional housing stock to provide accommodation to refugees. The Council established a Partnership Agreement with two Registered Housing Providers to complete these acquisitions. Finding available suitable homes, within the budget envelope, in the current housing market has proven challenging. However, three properties have now completed with a further three close to exchanging contracts. The Council and partners remain committed to delivering the final six homes under the scheme, plus the temporary accommodation element, thus fully utilising the grant.

11.3 Corporate Resources

11.3.1 Corporate Essential Maintenance (-£0.130m)

Cost increases in a range of projects resulted in limited funds being available for major repairs to Bootle Town Hall roof. The funding will be carried forward and added to new resources made available for this project in the 2024/25 financial year.

11.4 Economic Growth & Housing

11.4.1 Crosby Lakeside (£0.124m)

An overspend against the overall project budget has been experienced due to previously reported issues with a former contractor earlier in the project.

11.4.2 The Strand Repurposing Programme (£0.570m)

The budget profile is being redefined to reflect the new programme more accurately for delivery and to accommodate early enabling works and vacant possessions payments. The project is still on target to stay with the agreed budget envelope.

11.4.3 Marine Lake Events Centre (-£1.869m)

The Pre-Construction Services Agreement (PCSA) works concluded in December 2023. Demolition and main works packages were procured separately, resulting in re-profiled expenditure into 2024/25.

11.4.4 Enterprise Arcade (-£0.161m)

Protracted contract negotiations resulted in later than anticipated start on site date. The refurbishment contract has now commenced in January 2024.

11.4.5 Les Transformations de Southport (-£0.304m)

The underspend was the result of late contractor appointment in 2023 which impacted on programme delivery. Work is now underway on design and cost confirmation with commencement planned after summer season 2024.

11.4.6 The Strand Maintenance and Improvement (-£0.120m)

Works to install new car park fencing have now been rephased to 2024/25.

11.4.7 Southport Pier (-£0.645m)

The project has not spent as originally anticipated due to the original Pier project scope changing from the replacement of decking boards to a more comprehensive refurbish/rebuild meaning the main works have yet to commence until the further funding is secured.

11.5 Education Excellence

11.5.1 The existing school's capital programme is made up of over 133 individual schemes at various stages of the delivery programme. Delays in delivering key schemes results from contractors' availability, staff resource limitations and site restrictions all of which will have a direct impact on the delivery timescales. Schemes may also have been impacted by delays resulting from material availability and final accounts settlement. It is also important to note that some of the identified resources (underspend) has been set aside for future years schemes, along with savings made due to academisation. Only one capital scheme experienced a major variation from planned budget in 2023/24:

11.5.2 Newfield (St. Theresa's) Conversion to Special School (-£0.338m)

The project was delayed due to conditions with the structure and ventilation of the building that were previously unforeseen. This required design changes and the appointment of a specialist subcontractor which caused postponements with the works.

11.6 Highways and Public Protection

11.6.1 Delays to the progress of schemes are encountered as detailed design and consultation is undertaken, and approvals sought and land acquisition undertaken. Consequently, some schemes are not able to be progressed within the timescales

originally proposed. Constraints due to sourcing materials and contractors have also contributed to an underspend on the 2023/24 Highways Capital Programme.

11.6.2 Priority was given to projects where spend was required to be completed/ committed in 2023/24, particularly Local Growth Fund projects and those funded through the City Region Sustainable Transport Settlement (CRSTS) programme. Due to delays and programming constraints a number of schemes have been unable to be completed within 2023/24 and this has resulted in a re-phasing of committed projects, some of which has already been reported throughout the year to Cabinet as part of regular budget updates. A summary of the key allocations carried forward is provided below.

Transport Block	
Local Transport Block/ CRSTS Carried forward due to delays to projects, owing to changes required following consultation, conflicting roadworks and to complete ongoing construction projects including land payments.	£703,441
Crosby Town Centre Carried forward to complete Phase 2 of the Crosby Town Centre accessibility/ Public Realm improvements	£707,481
Birkdale Village Accessibility Improvements Carried Forward to undertake improvements to Birkdale, delayed, to allow Statutory undertakers improvements to be undertaken.	£399,627
A59 Corridor Improvements Carried forward with approval of the Combined Authority and DfT to complete Active Travel Improvements on the Formby Bypass. Project originally scheduled to commence in late 2023, will now be constructed in 2024/25	£2,090,875

Maintenance Block	
Carriageway Maintenance Block Carried forward to complete 2023/24 Carriageway resurfacing programme	£530,533
KRN Resurfacing – Carried forward to complete 2023/24 Carriageway resurfacing programme	£26,201
Drainage Carried forward to complete 2023/24 Drainage Improvement programme owing to difficulties procuring contractor.	£28,672
Highway Structures – Carried forward owing to schemes being completed under budget	£60,143

Highway Structures – Millars Bridge Additional Funding Carried received directly from DfT. Carried forward whilst investigatory works are undertaken by Network Rail.	£2,000,000
UTC LED Signal Head replacement – Project delayed following consultation with Combined Authority, owing to difficulties procuring contractor, works commenced in 2023/24 and will be completed in 2024/25	£673,968

11.7 Operational In-House Services

11.7.1 *Vehicle Replacement Programme (-£0.352m)*

Following the previous 5-year capital renewal programme, departmental leads re-evaluated fleet requirements within their services. It was agreed that a number of renewals could be deferred given such factors as mileage, condition of vehicle and usage. There was also an industry delay on delivery and manufacturing which in turn added to the lack of vehicle available on the market to purchase. This led to a small number of services choosing to lease short term and defer purchase to be included as part of the next 5-year programme when the market had stabilised.

12 Capital Outturn 2023/24 - Conclusion

12.1 The capital programme continues to be a key element of the councils' approach to meeting its core purpose. During the year expenditure has directly contributed to the delivery of key service priorities and services to residents and communities. The Executive Director of Corporate Services and Commercial will continue to manage the financing of the capital programme to ensure that capital funding arrangements secure the maximum financial benefit to the Council in future years.

13 Corporate Performance 2023/24

14.1 The Council has recognised that in considering its financial performance it should also provide details at year end of performance across a range of its services in order that it can demonstrate how outcomes that will drive the delivery of the core purpose relate to the budget.

14.3 As a result, the Council's Corporate Performance Report for 2023/24 is attached as Appendix A (together with the latest Corporate Risk Register - Appendix B) and provides: -

- A detailed narrative on how the delivery of each element of the Council's core purpose has progressed during the year; and,
- A comprehensive suite of performance measures for key Council activities for 2023/24.

- 14.4 It is acknowledged that when reporting various Council activities on a year-on-year basis that there will be a degree of subjectivity within some areas, that a lot of Council activity is driven via demand from residents and businesses for which it has no direct control, and the external economic environment also impacts upon core activity. Those areas that are reported provide a clear view of the range of Council activity that is undertaken in supporting residents, communities and business across the Borough and how they support the core purpose.
- 14.5 Over this year the Council has strengthened performance reporting with regular quarterly reporting to Cabinet. Officers will continue to build upon this, and it is to be noted that this year considerable progress has been made to strengthen performance reporting with the development of the Data Warehouse and implementation of Power BI (Business Intelligence).

2. Financial Implications

All financial implications are reflected within the report.

3. Legal Implications

None

4. Corporate Risk Implications

This report highlights the financial performance of the Council in 2023/24, which supports its Financial Sustainability in 2024/25 and future years.

5 Staffing HR Implications

None

6 Conclusion

As reported to Cabinet throughout the year, the Council has again faced a challenging financial environment during 2023/24. Yet despite this, the Council's revenue outturn position was only slightly worse than originally budgeted for.

Alternative Options Considered and Rejected

None

Equality Implications:
There are no equality implications.
Impact on Children and Young People:
None

Climate Emergency Implications:

The recommendations within this report will have a **Neutral** impact.

The allocations of capital funding outlined in sections 8 to 12 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.

What consultations have taken place on the proposals and when?**(A) Internal Consultations**

The Executive Director of Corporate Services and Commercial is the author of this report (FD.7720/24).

The Chief Legal and Democratic Officer (LD.5820/24) has been consulted and any comments have been incorporated into the report.

(B) External Consultations

None

Implementation Date for the Decision:

Following the expiry of the “call-in” period for the Cabinet decision.

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Appendices:

The following appendices are attached to this report:

APPENDIX A – Corporate Performance Report 2023/24

APPENDIX B – Corporate Risk Register – June 2024

Background Papers:

None