

**Financial Management 2024/25 to 2027/28 - Revenue and Capital Budget Update  
2024/25 – October Update**

Date of meeting:	22 <sup>nd</sup> October 2024
Report to:	Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services)
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 **Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services)** of:

- 1) The current position relating to the 2024/25 revenue budget.
- 2) The progress made on transformation within Sefton New Directions.
- 3) The current forecast on Council Tax and Business Rates collection for 2024/25.
- 4) The monitoring position of the Council’s capital programme to the end of August 2024:
  - 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):**

**Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services)** is recommended to: -

**Revenue Outturn**

- 1) Note the current position relating to the 2024/25 revenue budget.

- 2) Note the actions being taken to refine forecasts and identify mitigating efficiencies to ensure each service achieves a balanced position.
- 3) Note the financial risks associated with the delivery of the 2024/25 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.

### **Sefton New Directions**

- 4) Note the progress made on transformation within Sefton New Directions, that a detailed report will be provided to it as shareholder at the November meeting outlining how a sustainable budget will be set for 2025/26 and how this will enable financial sustainability in the long term.

### **Capital Programme**

- 5) Note the spending profiles across financial years for the approved capital programme (paragraph 8.1).
- 6) Note the latest capital expenditure position as at 31 August 2024 of £19.011m (paragraph 8.08); the latest full year forecast is £88.566m (paragraph 8.7).
- 7) Note that capital resources will be managed by the Executive Director Corporate Service and Commercial to ensure the capital programme remains fully funded and that capital funding arrangements secure the maximum financial benefit to the Council (paragraphs 8.10-8.12).

## **1. The Rationale and Evidence for the Recommendations**

To ensure Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) are informed of the current position in relation to the 2024/25 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 2024/25 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.

## 1. Introduction

- 1.1 On 29 February 2024, Members approved the Budget for the financial year 2024/25. 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 Adult Social Care, Children's Services and Education Excellence (Home to School Transport), 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 second of the Council's monthly budget monitoring reports for 2024/25 and provides an early 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 2024/25 and forecast expenditure for 2025/26 and 2026/27. The capital budget to date is presented in paragraph 8.1. Paragraphs 8.2 to 8.9 review progress of the capital programme, including additional capital schemes. Finally, paragraphs 8.10 to 8.12 confirm that there are adequate levels of resources available to finance the capital programme.

## 2. Revenue Budget 2024/25 – Forecast Outturn Position as at the end of August 2024

- 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 is the first step that will lead to that.
- 2.2 As at the end of August 2024, the forecast outturn shows a net overspend on services of £5.089m, which relates to potential additional pressures within Adult Social Care, Children's Social Care and Education Excellence (Home to School Transport). 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.
- 2.3 The table below highlights the variations across services that make up the £5.089m forecast overspend:

	Budget	Forecast Outturn	Variance	Variance to July Forecast

	£m	£m	£m	£m
<b><u>Services</u></b>				
Strategic Management	3.996	3.996	0.000	0.000
Adult Social Care	121.738	122.046	0.308	-1.692
Children's Social Care	81.226	86.226	5.000	1.500
Communities	11.387	11.387	0.000	0.000
Corporate Resources	10.466	10.466	0.000	0.000
Economic Growth & Housing	6.882	6.882	0.000	0.000
Education Excellence	17.931	18.931	1.000	1.000
Health & Wellbeing	19.870	19.784	-0.086	-0.033
Highways & Public Protection	10.886	10.886	0.000	0.000
Operational In-House Services	17.614	17.614	0.000	0.000
Property and Building Services	-0.528	-0.528	0.000	0.000
<b>Total Service Net Expenditure</b>	<b>301.468</b>	<b>307.690</b>	<b>6.222</b>	<b>0.775</b>
Council Wide Budgets	15.462	14.329	-1.133	0.170
Levies	37.290	37.290	0.000	0.000
General Government Grants	-95.740	-95.740	0.000	0.000
<b>Total Net Expenditure</b>	<b>258.480</b>	<b>263.569</b>		
<b><u>Forecast Year-End Deficit</u></b>			<b><u>5.089</u></b>	<b><u>0.945</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 would overspend by £2.000m during 2024/25. The forecast for this month has now been reduced to an overspend of £0.308m to reflect an assumption that there will be full achievement of savings proposed by the Service for the year (see below). 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 £4.8m, in order to meet the savings approved as part of the approved 2024/25 budget plus additional savings to meet the additional budgetary pressures arising from the increases in provider fees approved at Cabinet meetings in May 2024. The achievement of these savings will be carefully monitored throughout the year. As at the end of August, £1.6m of the £4.8m of savings have been delivered. The current position reflects the delivery of these savings in full during this year which the Service has confirmed.

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. As would be expected with a budget of this size and volatility, this remains a key risk during the current year, with the added uncertainty of whether additional winter pressures or other grant funding would be received in year. Work will continue to be undertaken throughout the year to understand the pressures arising and refine forecasts. As an adverse forecast outturn position is currently forecast work will be undertaken to explore options to ensure that any potential overspend is mitigated.

- **Children's Social Care** – Initial forecasts assumed that the Children's Social Care budget would overspend by £3.500m during 2024/25. The current forecast for the service shows a potential overspend of £5.000m (see below). However, there are a number of significant

assumptions and uncertainties that could impact on this position before the year-end. Further work continues to be 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 2024/25 approved budget included an additional £3m to reflect the number of packages at the time as well as resource for inflationary pressures.

The current forecast for staffing is an overspend of £1.400m. A report to Cabinet in May 2024 approved a new staffing structure within the Service, with the cost of the new structure being £2.450m more than the existing staffing budget. Cabinet approved the virement of £2.450m, to fund the increased cost of the new structure, from the Residential Care budget to the staffing budget based on the forecast reduction in packages across the year provided by the Service based on the improvement work that they are undertaking and the performance information that they produced. However, as the new structure is recruited to with permanent staff, significant numbers of existing high-cost agency placements have continued to be required, resulting in a significant overspend being forecast.

Certain areas of accommodation and support packages are now forecast to overspend by £3.600m, an increase of £1.5m since the July forecast. The report to Cabinet in May 2024 outlined that budget realignment would be undertaken to ensure budgets reflected the packages in place at the start of 2024/25 as well as the anticipated reduction in Residential Care packages across the year. This was possible because of continuing improvements in practice which have resulted in more children being placed in more appropriate settings at a lower cost. However, the Service had seen 14 additional children having to be placed in a residential setting at a cost of £0.090m per week (£4.5m for a full year). In addition, the costs of packages for Children with Disabilities had increased, although specialist work continues to be undertaken to ensure health are making the appropriate contributions to the cost of care. These were the two main areas driving the initial forecast overspend.

It was previously assumed that the increase in Residential Care packages would be short-term. However, further work has been undertaken to assess each case and the assumptions made which has identified that some placements will continue for longer than originally assumed. In addition, some further placements, and increases in package costs, have resulted in further spending pressure. There has also been an increase in the number of packages for Children with Disabilities.

Further work has also been undertaken to assess each individual case across the different care settings. This has identified some mitigating reductions in certain settings, including Family Support Packages and Secure Accommodation. This forensic analysis will continue each month to ensure forecasts for each individual case are as robust as possible.

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 it is considered that the increase in Residential Care packages is short-term in 2024/25 and so it is estimated that the future years impact is modest at this stage. Together with Adult Social Care and Home to School Transport this is clearly the biggest risk to the Council's budget and a comprehensive review of all residential and other placements, and all agency staff, will continue to be undertaken in order to inform a revised forecast that will be reported as at end of September 2024.

- **Education Excellence** - The current forecast shows a potential net overspend of £1.000m, which relates to Home to School Transport. Members will recall that in this budget, and in previous years' budgets, substantial funding was added to the Home to School Transport budget. However, this budget has come under further pressure due to the significant increase in the number of EHCPs being completed which result in travel support, including more expensive travel relating to out of borough placements.
- **Other Service Areas** – Most other service areas are currently showing a balanced position. However, based on the initial monitoring undertaken some services are forecasting minor overspends. Given these are early forecasts of the financial year, work will continue to refine forecasts as more information on expenditure and income becomes available. Services will need to ensure that additional cost control measures are in place between now and the end of the year, and mitigating savings are made to offset any forecast overspend, to ensure each service delivers a balanced position.
- **Corporate Budgets** – The Council continues to achieve positive investment returns on its cash balances. It is forecast that this will achieve additional income of £0.233m in 2024/25. However, due to the impact on cash balances of the High Needs deficit, the Council has had to take out additional borrowing earlier than previously planned for. This has reduced the forecast surplus by £0.170m since the July y position was reported.

### 3. **Revenue Budget Summary 2024/25**

- 3.1 An overspend of £5.089m is currently forecast. However, as mentioned in section 2, this is a forecast based on a number of uncertainties and assumptions, particularly around Adult Social Care, Children's Social Care, and Education Excellence (Home to School Transport), which all 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. As also mentioned in section 2, within Children's Social Care a comprehensive forensic review of all residential and other placements and all agency staff will continue to be undertaken in order to inform a revised forecast that will be reported as at end of September 2024.
- 3.2 As mentioned, the Council must achieve an overall balanced position to ensure its financial sustainability. Given the overall forecast overspend, following completion of the September 2024 monitoring position, a remedial action plan to meet the residual balance will be produced and will be presented for Members' approval.

#### Other Proposed Remedial Actions

- 3.3 Given there is still a forecast overspend of **£5.089m**, 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 2024/25**

- 3.4 An overspend of **£5.089m** 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 measures taken in 2023/24 to ensure a balanced outturn position, there is no flexibility left for the use of existing Earmarked 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. A remedial action plan to meet the residual balance will be produced and will be presented for Members' approval.

#### 4. **Sefton New Directions**

- 4.1 Members will recall that at the meeting of Cabinet on 4 January 2024, a report was presented and approved that set out the transformation and development that would take place within Sefton New Directions to continue the evolution of the Company and ensure its financial sustainability moving forward. This reflected the changes in the care sector, the Council's objectives and the wider economy, all of which were naturally having an impact on the Company.
- 4.2 Cabinet as Shareholder of the Company will receive a detailed update on this, together with a proposed budget for 2025/26, at its meeting in November 2024, alongside the other wholly owned companies that the Council has. This is now an embedded part of the governance process with any financial implications feeding into next years' budget process.
- 4.3 In advance of that report, officers continue to meet with the Company to assess progress. At this stage the Company has an inherent budget shortfall of £1.135m for the year and this would see balances reduce to £1m at the end of the current financial year. Therefore, tracking the transformation and business changes is critical. From these discussions, the following financial improvement has been identified and will be delivered for 2025/26:
- £0.220m in respect of business efficiencies, including reducing agency costs
  - £0.134m in respect of James Dixon Court from full cost recovery through the charging model
  - £0.200m in respect of Chase Heys from increased health income and a reduction in cost of delivery, e.g., reduction in agency costs
  - £0.180m in respect of reablement
- 4.4 These proposals amount to £0.734m, with further work being undertaken across all aspects of the business, such as with regard to the realignment of budgets to reflect utilisation and in some areas a review of demand linked to the previously agreed transformation programme.
- 4.5 At this stage, with further work to be undertaken, the inherent deficit would reduce to circa £0.400m which would be a positive move forward in setting a balanced budget for 2025/26 and also ensuring financial sustainability but there is more work to do. The Cabinet report in November will see a detailed progress update being provided against each transformation proposal previously approved together with further work undertaken and will similarly detail each area where progress has not been made as approved, together with a proposed budget for 2025/26.
- 4.6 The Council remains committed to the Company and supporting it through its transformation and development programme and will ensure it remains financially sustainable in doing so.

#### 5. **Council Tax Income – Update**

- 5.1 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 £169.759m for 2024/25 (including Parish Precepts), which represents 84% of the net Council Tax income of £202.200m.
- 5.2 The forecast outturn for the Council at the end of August 2024 is a surplus of £0.154m. This variation is primarily due to: -

- The surplus on the fund at the end of 2023/24 being higher than estimated (-£0.312m).
- Gross Council Tax Charges in 2024/25 being higher than estimated (-£0.778m).
- Exemptions and Discounts (including a forecasting adjustment) being higher than estimated (+£0.936m).

5.3 Due to Collection Fund regulations, the Council Tax surplus will not be transferred to the General Fund in 2024/25 but will be carried forward to be recovered in future years.

5.4 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 2024/25.

## 6. **Business Rates Income – Update**

6.1 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 £65.692m for 2024/25, which represents 99% of the net Business Rates income of £66.356m. Business Rates income has historically been very volatile making it difficult to forecast accurately.

6.2 The forecast outturn for the Council at the end of August 2024 is a deficit of +£1.158m on Business Rates income. This is due to:

- The surplus on the fund at the end of 2024/25 being lower than estimated (+£2.620m).
- Increase in the gross charge on rateable properties (-£1.687m).
- A number of reliefs announced for 2024/25 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 more than anticipated (+£0.521m).
- Adjustments relating to prior years (-£0.296m)

6.3 When taking into account the change in Section 31 grants due on the additional reliefs, a net deficit of £0.960m is forecast.

6.4 Due to Collection Fund regulations, a Business Rates deficit will not be transferred to the General Fund in 2024/25 but will be carried forward to be recovered in future years.

6.5 A forecast surplus of £11.119m was declared in January 2024. Sefton's share of this is £11.008m. This is the amount that will be distributed from the Collection Fund in 2024/25. Any additional surplus or deficit will be distributed in 2025/26 and future years.

## 7. **High Needs Budget**

7.1 Cabinet and Council have agreed to receive regular 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.

7.2 A separate report on the High Needs funding position of the Council was presented to Cabinet in July 2025.



## 8. Capital Programme 2024/25 – 2026/27

### Capital Budget

8.1 The Capital Budget and profile of expenditure for the three years 2024/25 to 2026/27 is as follows:

<b>2024/25</b>	<b>£88.644m</b>
<b>2025/26</b>	<b>£61.385m</b>
<b>2026/27</b>	<b>£33.476m</b>

8.2 The following updates have also been made to the capital programme budget since the previous budget report to Cabinet in September:

- **Corporate Resources**
  - £0.498m has been added to the 2024/25 budget for ICT Service Developments funded by prudential borrowing following approval by Council in September
  - £0.148m has been added to the 2024/25 budget for the Committee Meeting Microphone and Live Streaming System project funded by prudential borrowing following approval by Council in September.
- **Economic Growth and Housing** - £0.040m has been added to the 2024/25 budget for the Red Rose Park Works scheme funded by capital receipts following approval by Council in September.
- **Education Excellence**
  - Council in February approved the use of the 2024/25 Schools Condition Allocation (SCA) block grant of £2.242m for new capital schemes. The list of schools projects has now been finalised and approved by Cabinet Member for Children, Schools and Families and is listed below. Due to the timescales required for delivery, the majority of new schemes have been profiled to 2025/26.

<b>Location</b>	<b>Scope of work</b>	<b>Budget</b>
Planned Maintenance	General Planned Maintenance	£300,878
Birkdale CP	Phase 3 Pitched roof repairs	£100,000
Birkdale CP	Refurbish existing toilets	£40,000
Birkdale CP	Small power rewire & lighting upgrade	£90,000
Christ Church CP	Replace remaining roof	£30,000
Crosby High	Resurface carpark and install additional drains	£50,000
Farnborough Road Juniors	Roof replacement	£155,000
Farnborough Road Infants	Repointing brickwork	£10,000
Green Park Primary	Resurface play areas/paths	£20,000
Hatton Hill	Roof	£46,000
Hudson CP	Corridor roof & high-level windows	£130,000
Hudson CP	Concrete repairs/brickwork	£70,000
Larkfield / Presfield	Improvements to carpark and access	£130,000

	road	
Marshside CP	Small playground to rear & canopy	£50,000
Marshside CP	Remaining flat roof phase 3	£50,000
Marshside CP	Staff toilets refurb	£30,000
Marshside CP	Refurbish existing children's toilets	£50,000
Merefield	Replace flat roof / remove old AC units (phase 2)	£140,000
Netherton Moss CP	Roof to toilets	£55,000
Netherton Moss CP	Drainage upgrade	£15,000
Northway Primary	New flooring to classrooms	£10,000
Northway Primary	Replace roof to boiler room	£30,000
Norwood Primary	Resurface playground and install additional drainage	£140,000
Redgate CP	Security	£15,000
St Philips	Rewire and lighting upgrade & fire alarm phase 1	£90,000
Summerhill CP	Expansion and improvement work	£250,000
Waterloo CP	Roof / fire doors	£145,000
	<b>Total Programme</b>	<b>£2,241,878</b>

- £0.900m has also been added to the budget for new Special Educational Needs and Disabilities capital projects at Beford Primary (£0.450m in 2025/26) and Freshfield Primary (£0.350m in 2024/25 and £0.100m in 2025/26) funded from the High Needs Provision Capital Allocation (HNPCA) grant from DfE and approved by Cabinet Member under delegated authority.
- **Operational In-House Services**
  - £0.347m has been added to the 2024/25 budget for the Northern Forest Grow Back Greener Programme funded by grant from The Merseyforest Partnership and approved by Cabinet in September.
  - £0.300m has been rephased from 2024/25 to 2025/26 for the Crosby Flood and Coastal Scheme pending confirmation of the scope of works over the winter period.
  - £0.086m has been rephased from 2024/25 to 2025/26 for the Hesketh Park Legacy Project due to time required to assess the scope of conservatory works.

8.3 The following block capital grant allocations were approved by Council following recommendation by Cabinet for inclusion in the Capital Programme 2024/25:

<b><u>Capital Grant</u></b>	<b>2024/25 £</b>
<b>Adult Social Care</b>	
Disable Facilities Grant	5,261,093
<b>Education Excellence</b>	
Schools Condition Allocation	2,241,878
High Needs Provision Capital Allocation	4,740,380
<b>Highways and Public Protection</b>	
City Region Sustainable Transport Settlement	10,766,000

8.4 Authority has been delegated to Cabinet Members to assign funding to individual capital schemes up to a value of £1m for Adult Social Care, Highways and the Schools block

allocations listed above. A £3.5m budget for Disabled Facilities Grants and £6.8m for schemes funded by the City Region Sustainable Transport Settlement have already been approved by Council in July and added to the programme. A further £2.2m of SCA and £1.4m of HNPCA capital schemes have been approved by Cabinet Member for Children, Schools and Families under delegated authority and allocated to the programme.

- 8.5 The list of schemes to utilise the remaining grant for 2024/25 is being fully developed and will be presented to the individual Cabinet Members for approval. A full list of the approved capital schemes will be presented in future reports to Cabinet.

### **Budget Monitoring Position to August 2024**

- 8.6 The current position of expenditure against the budget profile to the end of August 2024 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.

	<b>Budget to August</b>	<b>Actual Expenditure to August</b>	<b>Variance to August</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b><u>Services</u></b>			
Adult Social Care	1.788	1.788	-
Children's Social Care	0.172	0.172	-
Communities	0.210	0.204	-0.006
Corporate Resources	0.118	0.139	0.021
Economic Growth & Housing	2.863	3.636	0.773
Education Excellence	1.449	1.447	-0.002
Highways & Public Protection	4.305	4.305	-
Operational In-House Services	2.292	2.405	0.113
Property and Building Services	4.940	4.914	-0.025
<b><u>Total Programme</u></b>	<b>18.137</b>	<b>19.011</b>	<b>0.874</b>

### **Capital Programme Forecast Outturn 2024/25**

- 8.7 The current forecast of expenditure against the budget profile to the end of 2024/25 and the profile of budgets for future years is shown in the table below:

	<b>Budget 2024/25</b>	<b>Forecast Outturn</b>	<b>Variance</b>	<b>Budget 2025/26</b>	<b>Budget 2026/27</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b><u>Services</u></b>					
Adult Social Care	7.593	7.703	0.110	1.850	-
Children's Social Care	2.298	2.298	-	-	-
Communities	1.767	1.764	-0.003	0.101	-
Corporate Resources	1.596	1.596	-	0.090	-
Economic Growth & Housing	19.470	19.397	-0.073	45.876	27.947
Education Excellence	13.661	13.550	-0.112	2.608	-
Highways & Public Protection	24.566	24.566	-	5.955	1.616
Operational In-House	9.892	9.892	-	2.406	1.525

Services					
Property and Building Services	7.799	7.799	-	2.500	2.387
<b>Total Programme</b>	<b>88.644</b>	<b>88.566</b>	<b>-0.079</b>	<b>61.385</b>	<b>33.476</b>

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

8.8 The current 2024/25 budgeted spend is £88.644m with a budgeted spend to August of £18.137m. The full year budget includes exceptional items such as £13.611m for Growth and Strategic Investment projects, £3.377m for new Council Housing schemes, £9.773m for major Highways projects, a £2.707m project for Southport Pier Decking, a one-off budget for a major property acquisition (£4.775m), new funding for refuse recycling and collection (£2.644m), a scheme to upgrade to LED Street Lighting (£3.809m), and £2.000m for Children's Social Care Transformation.

8.9 It should be noted that based on evidence from previous years, it is likely that further reprofiling of spend into 2025/26 will occur as the year progresses, as £89m of capital expenditure would be a significant programme delivered in year- it is therefore essential that all projects are reviewed in a robust manner in order that informed decision making in respect of financial management and member decision making can be undertaken.

### **Programme Funding**

8.10 The table below shows how the capital programme will be funding in 2024/25:

<b><u>Source</u></b>	<b>£m</b>
Grants and Other Contributions	61.270
Prudential Borrowing	18.618
Capital Receipts	8.543
Revenue Contributions	0.213
<b><u>Total Programme Funding</u></b>	<b>88.644</b>

8.11 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.

8.12 The Executive Director of Corporate Services and Commercial will continue to manage the financing of the programme to ensure the final capital funding arrangements secure the maximum financial benefit to the Council.

## **2. Financial Implications**

All financial implications are reflected within the report.

## **3. Legal Implications**

None

## **4. Corporate Risk Implications**

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

## **5 Staffing HR Implications**

None

## 6 Conclusion

Based on current forecasts, the Council is again faced with a challenging financial environment during 2024/25 as a result of pressures within Adult Social Care, Children's Social Care and Education Excellence (Home to School Transport).

A revenue overspend of £5.089m is currently forecast. Within Children's Social Care a comprehensive review of all residential and other placements and all agency staff continues to be undertaken in order to inform a revised forecast that will be reported as at end of September 2024. Following completion of the September 2024 monitoring position, a remedial action plan to meet the residual balance will be produced and will be presented for Members' approval.

### Alternative Options Considered and Rejected

None

<b>Equality Implications:</b> There are no equality implications.
<b>Impact on Children and Young People:</b> None
<b>Climate Emergency Implications:</b> The recommendations within this report will have a <b>Neutral</b> impact.  The allocations of capital funding outlined in section 8 may be spent on projects that will have a high climate change impact as they could relate to new build, rebuild, refurbishment, retrofit and demolition proposals. Environmental consideration will be taken into account when specific projects are designed and tendered – which will help to mitigate negative impacts.

### 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 (FD7788/24).

The Chief Legal and Democratic Officer (LD5888/24) 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 – Capital Programme 2024/25 to 2026/27

**Background Papers:**

None