

Report to:	Cabinet	Date of Meeting:	21 June 2018
Subject:	Revenue & Capital Budget Plan 2018/19 to 2019/20 – Capital Outturn 2017/18	Wards Affected:	(All Wards);
Report of:	Head of Corporate Resources		
Is this a Key Decision?	No	Is it included in the Forward Plan?	Yes
Exempt/Confidential	No		

Purpose/Summary

To inform Cabinet of the capital outturn position in relation to the 2017/18 financial year and of further additions to the 2018/19 capital programme.

Recommendation(s)

Cabinet is recommended to: -

1. Note the capital outturn position for 2017/18; and
2. Approve further additions to the 2018/19 Capital Programme.

Council is recommended to: -

1. Approve the inclusion of additional schemes into the 2018/19 Capital Programme, as set out in the report.

How does the decision contribute to the Council's Core Purpose?

	<u>Core Purpose</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Protect the most vulnerable		√	
2	Facilitate confident and resilient communities		√	
3	Commission, broker and provide core services		√	
4	Place-leadership and influencer		√	
5	Drivers of change and reform		√	
6	Facilitate sustainable economic prosperity		√	
7	Generate income for social reinvestment		√	
8	Cleaner, Greener		√	

Reasons for the Recommendation:

The production of a 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. Member approval is required for addition of new schemes in the Capital Programme.

What will it cost and how will it be financed?

(A) Revenue Costs

All revenue implications are detailed within the report

(B) Capital Costs

All capital implications are detailed within the report

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal	None	
Human Resources	None	
Equality		
1. No Equality Implication		<input type="text"/>
2. Equality Implications identified and mitigated		<input type="text"/>
3. Equality Implication identified and risk remains		<input type="text"/>

Impact on Service Delivery:

None.

What consultations have taken place on the proposals and when?

The Head of Corporate Resources is the author of the report (FD5180/18)

Head of Regulation and Compliance has been consulted and any comments have been incorporated into the report. (LD 4404/18)

Are there any other options available for consideration?

There are no other options available.

Implementation Date for the Decision

Immediately following call-in.

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Background Papers:

None

1. Introduction

- 1.1 The report details the capital outturn position for 2017/18 and includes a request to include additional schemes into the 2018/19 Capital Programme.

2. Capital Outturn

- 2.1 The following section of the report provides details of the Council's capital spending in 2017/18 and key schemes and outputs that have been delivered.
- 2.2 The approved capital budget for 2017/18 was £28.708m against which total capital expenditure of £17.528m has been incurred at the year end. This has resulted in an under spend of £11.18m against the full year budget with an overall delivery rate of 61.1%. This resource will be carried forward into 2018/19 to complete the identified schemes. A service by service breakdown is shown in the following table:-

Service	Full Year Budget 2017/18	Actual Expenditure 2017/18	Actual Expenditure as a % of Budget 2017/18	Full Year Actual Variance 2017/18
	£m	£m	%	£m
Health & Wellbeing	1.271	0.759	59.7%	0.512
Communities	2.434	0.658	27.0%	1.776
Schools and Families	5.410	3.175	58.7%	2.235
Regulation and Compliance	0.015	0.006	40.0%	0.009
Regeneration and Housing	1.287	0.970	75.4%	0.317
Older People	2.866	1.388	48.4%	1.478
Locality Services - Provision	2.471	0.558	22.6%	1.913
Locality Services – Commissioned	8.309	6.487	78.1%	1.822
Inward Investment & Employment	1.947	1.462	75.1%	0.485
Corporate Resources	0.498	0.402	80.7%	0.096
Disabled Facilities Grant	2.200	1.663	75.6%	0.537
Total Capital Programme	28.708	17.528	61.1%	11.180

In addition to this core programme additional capital expenditure totalling £36.486m was incurred by the Council in supporting the Framework for Change programme (including expenditure to support the delivery of savings and the Council's strategic investment) and additional capitalisation of Highways and ICT expenditure. Total capital expenditure in 2017/18, including the above projects was therefore £54.014m.

Financing of 2017/18 Capital Expenditure:

2.3 Capital expenditure in 2017/18 was funded as follows:

	Expenditure
	£m
Government Grant	12.959
Borrowing	37.187
Section 106	0.622
Contributions	0.145
Revenue Contribution	0.532
Capital Receipt	2.569
TOTAL	54.014

Key Schemes in 2017/18

2.4 As a result of the 2017/18 capital programme the following key schemes have been advanced and / or delivered.

Project	Impact	Expenditure 2017/18 £'m
Transport – Carriageway Maintenance 2017/18	Ongoing preservation / maintenance of the Highway network.	2.571
Disabled Facilities Grants 2017/18	267 disabled facilities in peoples' homes were completed and 283 new grants were approved	1.663
Liverpool City Region Projects – M58 & A565	Ongoing projects - M58 junction 1 improvements and A565 North Liverpool Key Corridor improvements (i.e. dualling single carriageway and improve walking / cycling facilities).	1.635
Norwood Primary School Remodelling	Ongoing remodelling of school in order to increase pupil capacity.	1.604
Southport Pier Refurbishment	Ongoing grant funded refurbishment and upgrade of Southport Pier.	1.462
Transport – Integrated Transport 2017/18	Improvements to the transport network e.g. travel awareness, cycling and health, local safety schemes, traffic management schemes.	1.375
Housing HMRI Investment	Ongoing HMRI investment – 2017/18 expenditure mainly Klondyke schemes.	0.926
Dunningsbridge Road Training Centre	Capital investment as part of the reorganisation of Adult Day Care Facilities. Scheme now in retention period.	0.598

Adult Social Care -Purchase of James Dixon Court	Capital investment from the Better Care Fund to bring this facility into Council control.	0.351
Bootle / Dunes Leisure Centres Changing Rooms	Grant funded scheme to upgrade the changing facilities at these leisure centres. Will be complete early 2018/19.	0.331
Dunes Leisure Centre – All Weather Pitches	Invest to Save Scheme – New pitches in order to generate additional income. Will be complete early 2018/19.	0.276
Thornton Crematorium	Capital investment in order to upgrade facilities. Scheme in retention period.	0.272
Total		13.064

Further additions to the Capital Programme 2018/19

2.5 At Budget Council in March 2018, Members approved the Capital Programme for 2018/19. Since that point, a number of additions to this programme have been identified and are detailed below for inclusion.

Scheme	Value (£'m)	Funding Source	Description	Approval Sought by
Atkinson Studio Stage	£0.030	To be funded from 2017/18 c/f – see below	Remedial work to stage.	Council
Additional pothole funding 2017/18 and 2018/19	£0.468	Department for Transport	Additional funding to help repair winter damage to road surfaces	Council
Buckley Hill playing fields car park	£0.081	To be funded from 2017/18 c/f – see below	To extend the car park at Buckley Hill playing fields	Council
Reallocation of Corporate Maintenance	£0.135	Reallocation of funding from schemes deferred / no longer required	Reallocate funds to Southport Town Hall Boiler replacement, Atkinson Transformer room improvements, Southport Theatre netting, and Bootle Town Hall cold water system alterations	Council

Crosby Coastal Defences	£1.000	To be sourced from the Sea Wall Reserve. Total scheme cost estimated at £15m-£20m over the period to 2022. Future Council scheme contribution to be in the region of £4m which will need to be built into the Council's future Capital Investment Strategy.	To replace coastal defences at the north end of Crosby Coastal Park	Council
Strand Capital requirements	£3.115	Prudential borrowing funded by income from the Strand	General works to improve the customer experience	Council
Key Route Network	£0.782	Balance of unallocated resources in capital pot	To provide 10% contribution to Liverpool City Region transport schemes	Council
Additional Disabled Facilities Grant 2017/18	£0.339	Ministry of Housing, Communities and Local Government	To fund relevant capital schemes	Council
Revision of budgeted BCF 2018/19 allocation to actual	£0.539	Ministry of Housing, Communities and Local Government	To fund relevant capital schemes	Council
Special Educational Needs and Disabilities (SEND) additional allocation	£0.039	DfE	To support extra places or improve existing facilities	Council

As part of the review of the 2017/18 Capital Programme, £0.578m of funds has been released from schemes no longer required. Of this, £0.111m will be used to fund the Atkinson Studio Stage and Buckley Hill Car Park extension noted above.

The table below shows the total value of the 2018/19 Capital Programme and how it is to be financed. The balance includes the Capital Programme approvals by Council in March 2018, the roll forward of balances in paragraph 2.2, and the inclusion of new capital schemes in paragraph 2.5.

Source	Value £m
Grant	31.795
S106	1.752
Contribution	1.000
Borrowing	5.578
TOTAL	40.125

3 **Conclusion**

- 3.1 With regard to Capital Programme expenditure, £17.528m has been incurred in the 2017/18 financial year; which represents an overall delivery rate of 61.1%. Additional capital expenditure of £36.486m was approved and incurred as part of the Framework for Change programme. Total capital expenditure at year end was £54.014m.
- 3.2 Cabinet is requested to approve the further additions to the 2018/19 Capital Programme as detailed in section 2.5.