

Report to:	Cabinet Council	Date of Meeting:	25 July 2019 19 September 2019
Subject:	Revenue and Capital Budget Update 2019/20		
Report of:	Head of Corporate Resources	Wards Affected:	(All Wards);
Portfolio:	Cabinet Member - Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

To inform **Cabinet** of: -

1. The current forecast revenue outturn position for the Council for 2019/20;
2. The current forecast on Council Tax and Business Rates collection for 2019/20; and,
3. The monitoring position of the Council's capital programme to the end of June 2019, 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 are also presented for approval.

The inform **Council** of further additions to the 2019/20 Capital Programme.

Recommendation(s):

Cabinet is recommended to: -

Revenue Budget

- (1) Note the current forecast revenue outturn position for 2019/20 and the current position relating to delivery of savings included in the 2019/20 revenue budget;
- (2) Note that potential mitigating actions may be required should there still be a forecast deficit following the mid-year review;

Capital Programme

- (3) Note updates to spending profiles across financial years (paragraph 5.1.1).
- (4) Note the latest capital expenditure position as at 30th June 2019 to date of £1.7m (paragraph 5.2.2); the latest full year forecast is £26.6m (paragraph 5.3.1).
- (5) Note explanations of variances to project budgets (paragraph 5.3.2).
- (6) Approve the additional and revised Transport allocations shown in paragraphs

5.4.1 to 5.4.4.

- (7) Approve the additional Better Care Fund (BCF) grant allocation (section 5.6)
- (8) Note the revised Schools capital budgets as described (section 5.7).
- (9) Approve the additional SEND allocations (section 5.8).
- (10) Note the additional Homes England grant (section 5.9).
- (11) Note the Burials and Cremation capital programme plans (paragraph 5.10).
- (12) Note that capital resources will be managed by the Head of Corporate Resources to ensure the capital programme remains fully funded and that capital funding arrangements secure the maximum financial benefit to the Council.

Council is recommended to: -

- (1) Approve the additional and revised Transport allocations shown in paragraphs 5.4.1 to 5.4.4.
- (2) Approve the additional Better Care Fund (BCF) grant allocation (section 5.6)
- (3) Approve the additional SEND allocations (section 5.8).

Reasons for the Recommendation(s):

To ensure Cabinet are informed of the forecast outturn position for the 2019/2020 revenue budget as at the end of June 2019, including delivery of agreed savings, and 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 2019/20 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.

In March 2017 Council approved a three-year budget plan to March 2020. The final year of this plan was revised in February 2019 as part of the process of setting the 2019/20 budget. The Council is in the final year of the budget plan and remains confident its strategic approach to budget planning alongside good financial management and extensive community engagement means that the plan continues to develop on solid foundations; it remains flexible and will secure the future sustainability to 2020 and beyond. However, in year demand for social care services is currently resulting in the costs for these services significantly exceeding the budget. If further budget pressures are identified between now and the end of the year additional remedial action will be required to bring the overall budget into balance.

Alternative Options Considered and Rejected: (including any Risk Implications)

N/A

What will it cost and how will it be financed?

(A) Revenue Costs

The report indicates that for 2019/20 there is currently a forecast deficit of £3.238m. Officers will look to identify mitigating actions and continue to review all budget forecasts, including current vacancies and non-essential expenditure, with a view to meeting this shortfall.

(B) Capital Costs

The Council's capital budget in 2019/20 is £25.943m. As at the end of June 2019, expenditure of £1.700m has been incurred and a full year outturn of £26.626m is currently forecast.

Implications of the Proposals:

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

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

There is currently a budget shortfall of £3.238m forecast for 2019/20. Officers will look to identify mitigating actions and continue to review all budget forecasts, including current vacancies and non-essential expenditure, with a view to meeting this shortfall. However, it should be noted that significant pressure and risk remains in four key business areas, namely Adults and Children's Social Care, Education Excellence and Locality Services. These budgets may experience further demand pressure between now and the end of the year and further mitigations and remedial actions will be required in such an eventuality.

Legal Implications:

None

Equality Implications:

None

Contribution to the Council's Core Purpose:

Effective Financial Management and the development and delivery of sustainable annual budgets support each theme of the Councils Core Purpose.

Protect the most vulnerable:

See comment above

Facilitate confident and resilient communities:

See comment above

Commission, broker and provide core services:

See comment above

<u>Place – leadership and influencer:</u> See comment above
<u>Drivers of change and reform:</u> See comment above
<u>Facilitate sustainable economic prosperity:</u> See comment above
<u>Greater income for social investment:</u> See comment above
<u>Cleaner Greener:</u> See comment above

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources is the author of the report (FD 5712/19)

The Chief Legal and Democratic Officer has been consulted and has no comments on the report (LD 4836/19).

(B) External Consultations

N/A

Implementation Date for the Decision

Following the expiry of the “call-in” period for Minutes of the Cabinet Meeting

Contact Officer:	Paul Reilly
Telephone Number:	Tel: 0151 934 4106
Email Address:	paul.reilly@sefton.gov.uk

Appendices:

APPENDIX A – Capital Programme 2019/20 to 2021/22

Background Papers:

There are no background papers available for inspection.

1. Introduction

- 1.1 In March 2017, Council approved a three-year budget plan to March 2020. The final year of this plan was revised in February 2019 as part of the process of the Council setting the 2019/20 budget. This report updates the forecast revenue outturn position for 2019/20, including the delivery of savings included in the 2019/20 budget.
- 1.2 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.
- 1.3 The capital section of the report informs members of the latest estimate of capital expenditure for 2019/20 and updates forecast expenditure for 2020/21, 2021/22 and future years. Proposed increases to the capital budget are presented in section 5.1. Sections 5.2 and 5.3 review progress of the capital programme. Finally, section 5.12 confirms that there are adequate levels of resources available to finance the capital programme.

2. Summary of the Forecast Outturn Position as at the end of June 2019

- 1.0 Members will be provided with updates of the Council's forecast financial position each month during this financial year. Significant pressures have been identified in several service areas, particularly Children's Social Care, Locality Services and Home to School Transport. The latest forecast of service expenditure indicates an overspend of £3.238m. The table below highlights the variations:

	Budget	Forecast Outturn	Variance
	£m	£m	£m
Services			
Strategic Management	3.245	3.245	0.000
Strategic Support Unit	2.866	2.866	0.000
Adult Social Care	96.822	96.822	0.000
Children's Social Care	27.956	34.137	6.181
Communities	19.535	19.535	0.000
Corporate Resources	4.656	4.524	-0.132
Economic Growth & Housing	6.099	6.232	0.133
Education Excellence	8.068	10.292	2.224
Health & Wellbeing	18.060	18.015	-0.045
Highways & Public Protection	11.192	11.426	0.234
Locality Services	13.134	14.198	1.064
Total Service Net Expenditure	211.633	221.292	9.659

Provision relating to 2018/19 Service Pressures	7.800	0.000	-7.800
Budget Pressure Fund	1.000	1.000	0.000
Public Sector Reform Savings not allocated to services	(0.950)	0.000	0.950 (see para 2.3)
Council Wide Budgets	6.479	6.908	0.429
Levies	34.156	34.156	0.000
General Government Grants	(40.979)	(40.979)	0.000
Total Net Expenditure	219.139	222.377	
Forecast Year-End Deficit			3.238

1.1 The key forecast variations in the outturn position are as follows: -

- **Children's Social Care (£6.181m overspend)** – The Placement and Packages budget overspent by £5.612m in 2019/20. The forecast overspend in 2019/20 is £5.912m due to the increase in Looked After Children since the end of 2018/19, from 525 to 539, and the full year impact of new cases from 2018/19. In addition, the legal costs budget is forecast to overspend by £0.299m due to the number of Looked After Children cases.

The cost of Placements and Packages is the largest risk to the Council's budget position and it is expected that the position will change. The Council is looking at developing a range of options to address the inherent demand and costs of Looked After Children whilst supporting our most vulnerable residents.

- **Corporate Resources (£0.132m underspend)** - Increase in the cost of electoral services following the fall out of a national grant (£0.277m) offset by vacancy savings across the service.
- **Economic Growth and Housing (£0.133m overspend)** – There are a number of variations across the service including an overspend at Southport Market due to lower than budgeted for occupancy rates.
- **Education Excellence (£2.224m overspend)** - Home to School transport external provision has a projected overspend of £2.116m. This budget overspent by £1.817m in 2018/19 but is forecast to overspend by a further £0.299m due to the full year effect of the increased costs of new external transport contracts issued in September 2018.
- **Highways and Public Protection (£0.234m overspend)** – There is a shortfall on car parking income (£0.124m) due to poorer weather in the first quarter compared to 2018/19. In addition, the approved staffing saving will not be implemented in time to achieve the full year saving (£0.087m shortfall). The approved saving from negotiating extensions to highways maintenance contracts has not realised the amount anticipated (£0.399m shortfall). This has been mitigated by re-aligning highways maintenance budgets for 2019/20.

- **Locality Services (£1.064m overspend)** – The service pressures experienced in 2018/19 have continued into 2019/20.
 - Burials & Cremations (£0.322m overspend) - competition from a Crematorium in a neighbouring authority continues with a significant impact on income levels;
 - Cleansing (£0.276m overspend) – The impact of collections at additional properties and street cleaning work (including weed removal) has continued;
 - Security Service (£0.302m overspend) – The forecast deficit is a reflection of an under recovery of income to support the cost base. The forecast deficit has improved since 2018/19 (from £0.486m overspend) due to additional internal works being undertaken by the service.
 - Catering / Green Sefton / Vehicle Maintenance (£0.157m overspend) – These services all had savings approved for increases in commercial activity. It is currently forecast that anticipated additional income will not be fully achieved in 2019/20.
- **Public Sector Reform Savings not allocated to services (£0.950m overspend)** – see paragraph 2.3 below.
- **Council Wide Budgets (£0.429m)** – the increase in pay budgets due to pay awards and pension increases, after allowing for fees and charges increases for traded services, is £0.394m greater than the provision built into the 2019/20 budget.

Savings Delivery

- 1.2 The 2019/20 Budget included £9.803m of savings from Public Sector Reform (PSR) projects. Current forecasts are that £8.853m of savings will be deliverable in the year (90%). An analysis of the overall savings for 2019/20 are shown in the summary below:

	Total Saving 2019/20	Forecast - Achieved In 2019/20	Forecast – Not Achieved 2019/20
	£m	£m	£m
PSR1 - Acute Wrap Around	0.230	0.000	0.230
PSR2 – Locality Teams	4.408	4.408	0.000
PSR4 - All Age Pathway	0.089	0.089	0.000
PSR6 - Commercialisation	0.405	0.405	0.000
PSR8 – Asset Maximisation	0.512	0.512	0.000
PSR9 – ICT & Digital Inclusion	3.439	3.439	0.000
PSR10 - Commissioning	0.720	0.000	0.720
Total PSR Projects	9.803	8.853	0.950

- 1.3 The shortfall on the achievement of savings shown in the table is included in the forecast outturn position shown in paragraph 2.1.

- 1.4 In addition, service budget options of £2.269m were approved for 2019/20. These have been built into service budgets and any shortfall in achievement of these savings is included in the forecast outturn position for each service.

Allocation of the Provision relating to 2018/19 Service Pressures (£7.800m)

- 1.5 Budget Council in February 2019 approved the inclusion of £7.800m into the 2019/20 revenue budget in recognition of the budget pressures being experienced across a number of services. Council gave delegated authority to the Chief Executive and the Head of Corporate Resources, in conjunction with the Leader of the Council, to allocate this resource.
- 1.6 In light of the forecast outturn position shown in the table in paragraph 2.1, it is proposed to allocate the additional resources as follows:

<u>Service</u>	<u>Budget Pressure</u>	<u>Allocation</u>
		<u>£m</u>
Children's Social Care	Placements & Packages	5.400
Education Excellence	Home to School Transport	1.800
Locality Services	Burials & Cremations	0.320
Locality Services	Cleansing	0.280
		7.800

Measures to close the residual gap in 2019/20

- 1.7 The forecast budget deficit as at June 2019 is **£3.238m**. This reflects the risks that were inherent in the Council's financial position, particularly around demand for Children's Social Care and other demand led services. Major Services Reviews have commenced for Adult Social Care, Children's Social Care, Education Excellence and Locality Services with a view to reduce this budget pressure where possible.
- 1.8 This is the Council's first outturn forecast of 2019/20 and as such is based on a less comprehensive amount of information. Work will continue to refine the forecast as well as to undertake a mid-year review across all service areas. Services that are forecasting a deficit will be required to produce an action plan to include mitigating actions to eliminate the deficit within the service.
- 1.9 The next Budget Monitoring Report (to be presented to Cabinet on 5 September 2019) will provide an updated position following this work. Should a forecast deficit remain then mitigating actions will be presented, including not filling vacant posts, a freeze on all but essential expenditure and any other appropriate measure to ensure a balanced forecast outturn position can be achieved.
- 1.10 It should be noted that the budget for 2019/20 includes a Budget Pressures Fund of £1.000m. Council gave delegated authority to the Chief Executive and the Head of Corporate Resources, in conjunction with the Leader of the Council, to allocate this Fund. At present this resource has not been allocated, but this will be considered further once the Council's overall position becomes clearer.

2 Council Tax Income – Update

- 3.1 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 £133.099m for 2019/20 (including Parish Precepts), which represents 84.1% of the net Council Tax income of £158.306m.
- 3.2 The forecast outturn for the Council at the end of June 2019 is a deficit of -£0.229m. This variation is primarily due to: -
- The surplus on the fund at the end of 2018/19 being lower than estimated by 0.151m;
 - Gross Council Tax Charges in 2019/20 being higher than estimated at -£0.340m;
 - Exemptions and Discounts (including a forecasting adjustment) being higher than estimated at +£0.418m.
- 3.3 Due to Collection Fund regulations, the Council Tax surplus will not be transferred to the General Fund in 2019/20 but will be carried forward to be distributed in future years.
- 3.4 A forecast surplus of £1.160m was declared on the 15th January 2019 of which Sefton's share is £0.996m (85.8%). This is the amount that will be distributed from the Collection Fund in 2019/20. Any additional surplus or deficit will be distributed in 2020/21.

4 Business Rates Income – Update

- 4.1 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 £64.739m for 2019/20, which represents 99% of the net Business Rates income of £65.393m. Business Rates income has historically been very volatile making it difficult to forecast accurately.
- 4.2 The forecast outturn for the Council at the end of June 2019 is a surplus of -£0.962m on Business Rates income. This is due to:
- The surplus on the fund at the end of 2018/19 being higher than estimated - £0.092m;
 - Increase in the gross charge on rateable properties (-£0.437m)
 - Other reliefs (including a forecasting adjustment) being lower than estimated in 2019/20 at -£0.433m.
- 4.3 Due to Collection Fund regulations, the Business Rates surplus will not be transferred to the General Fund in 2019/20 but will be carried forward to be distributed in future years. However, £0.462m of the surplus forecast in paragraph

4.2 will be required to offset the shortfall in Section 31 grants due to certain reliefs being lower than estimated in 2019/20.

- 4.4 A forecast surplus of £1.768m was declared in January 2019. Sefton's share of this is -£1.750m which is made up of an amount brought forward from 2017/18 (-£2.169m) and the impact of variations in 2018/19 (+£0.419m). This is the amount that will be distributed from the Collection Fund in 2019/20 and any additional surplus or deficit will be distributed in 2020/21.

5 Capital Programme 2019/20 – 2021/22 & Future Years

5.1 Capital Budget

- 5.1.1 The revised Capital Budget and profile of expenditure for the three years 2019/20 to 2021/22 is:

2019/20	£25.943m
2020/21	£10.862m
2021/22	£0.730m

- 5.1.2 The three-year Capital Budget has been revised since the final outturn for 2018/19 to take account of updates, adjustments and clarification regarding the expected timing of project delivery as a result of a thorough capital programme review.
- 5.1.3 Other amendments to the capital budget have been made due to the confirmation of additional grant allocations to Highways and Public Protection (paragraphs 5.4.1 to 5.4.4), and Adult Social Care (paragraph 5.6.1).

5.2 Budget Monitoring Position to June 2019

- 5.2.1 The current position of expenditure against the budget profile to the end of June 2019 is shown in the table below. It should be noted that budgets are profiled over the financial year which skews expenditure to the final three quarters of the financial year.
- 5.2.2 As would be expected Education Excellence carries out most of its capital works during key school holiday periods such as the summer recess, whilst Highways and Public Protection completes most of its programmed works during quarters 2 and 3. The Adult Social Care expenditure excluding core Disabled Facilities Grant (DFG) expenditure is also mainly profiled to quarters 3 and 4 (see section 5.6).

Service Area	Budget to Jun-19	Actual Expenditure to Jun-19	Variance to Jun-19
	£000	£000	£000
Adult Social Care	782	748	-34
Communities	0	1	1
Corporate Resources	80	79	-1
Economic Growth & Housing	12	12	0
Education Excellence	229	302	73

Health & Wellbeing	63	57	-6
Highways & Public Protection	486	316	-169
Locality Services	146	184	38
Total Programme	1,798	1,700	-98

5.2.3 Analysis of significant spend variations over (+) / under (-) budget profile:

Education Excellence

Scheme	Variation	Reason	Action Plan
Lydiate Primary General Refurbishment	£17,622	Initial work on these school's schemes has been completed ahead of schedule.	The remaining works will be complete as planned over the summer holidays with no additional funding required.
Linacre Primary Classroom Refurbishment	£15,363		
Hatton Hill Primary New Access Corridor	£18,198		

Highways & Public Protection

Scheme	Variation	Reason	Action Plan
A59 Maghull Route Management (Dover Road)	£56,528	Statutory undertaker's payments have been made upfront for the project to progress.	No further action required as remaining scheme spend is forecast to be within budget.
Resurfacing Programme	£152,664	Completion of work relating to previous year's programme.	No further action required as 2019/20 scheme is forecast to be completed within budget.
Maintenance	-£211,639	Outstanding balances from previous year.	Contractors will be chased up to clear outstanding balances.
M58 Junction 1 Improvements	-£135,497	Processing delays in payment of June invoices.	Processing of payments will be brought up to date in July.

Locality Services

Scheme	Variation	Reason	Action Plan
CERMS	£61,646	Outstanding payments from previous year paid in quarter 1.	No further action required as remaining scheme budget is on target.
Tree Planting	-£23,916	Delay in receiving invoices from contractor.	Contractor will be chased up and payment to be processed in July.

5.2.4 The progress of action plans will be reported on in next month's report.

5.3 Capital Programme Forecast Outturn 2019/20

5.3.1 The current forecast of expenditure against the budget profile to the end of 2019/20 and the profile of budgets for future years is shown in the table below:

Service Area	Full Year Budget 2019/20	Forecast Out-turn	Variance to Budget	Full Year Budget 2020/21	Full Year Budget 2021/22
	£000	£000	£000	£000	£000
Adult Social Care	4,762	4,761	-2	0	0
Communities	92	92	0	314	0
Corporate Resources	1,291	1,291	0	100	0
Economic Growth & Housing	307	307	0	157	0
Education Excellence	3,431	3,433	2	8,647	191
Health & Wellbeing	88	82	-6	0	0
Highways & Public Protection	13,244	13,932	689	178	0
Locality Services	2,729	2,729	0	1,465	539
Total Programme	25,943	26,626	683	10,862	730

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

5.3.2 Analysis of significant spend variations over budget profile in 2019/20:

Highways & Public Protection

Scheme	Variation	Reason	Action Plan
M58 Junction 1 Improvements	£688,540	Delays to the project due to longer than anticipated time to secure the land. Contractual payments had to be made to the contractor in the interim. Additional redesign costs have also been incurred. The total forecast overspend is £780k over 2019/20 and 2020/21.	Additional funding will be requested from the CA project management office. If this is unsuccessful, the transport programme will be reviewed to identify resources that can be redirected to the M58 scheme (see section 6, below).

5.4 Highways & Public Protection - Transport Allocations

5.4.1 There are three new grant allocations secured via the Combined Authority (CA) that are presented for approval to be included in the capital programme for 2019/20 and future years. The allocations are as follows:

5.4.2 Major Scheme Development Fund

An indicative allocation of £0.275m has been allocated by the CA and will be included in the Integrated Transport Programme for 2019/20. This allocation is subject to final approval by the CA.

5.4.3 Pot Hole Funding

The Department for Transport allocation for Sefton in 2019/20 is £0.166m. This funding will be allocated to the ongoing Highways Maintenance scheme.

5.4.4 Sustainable Urban Development Fund (SUD)

£1.723m has been secured from the European Regional Development Fund over 2019/20 and 2020/21 for improvements to cycle routes in Southport and Crosby. It is proposed that an indicative amount of £0.825m will be allocated to improvements to the Transpennine Trail alongside the Coastal Road in Southport during 2019/20 with the remaining balance of £0.898m phased to schemes in 2020/21. This expenditure profile is subject to Ministry of Housing, Communities and Local Government (MHCLG) approval.

5.4.5 The revised transport allocations for 2019/20 and 2020/21, including new allocations and those previously approved, are shown in the table below:

Transport Capital Allocations	2019/20 £000	2020/21 £000
LTP Highways Management	2,298	2,298
LTP Integrated Transport	990	990
LTP Key Route Network (revised)	405	405
Pot Hole Fund*	166	-
CA Local Growth Fund	2,188	-
Sustainable Urban Development Fund *	825	898
Merseyside Local Growth Fund STEP	912	1,135
Major Scheme Development Fund*	275	-
M58 Junction 1 Scheme	4,678	-
North Liverpool Key Corridor	-	178
Key Route Network Improvements	200	-
Major scheme contributions	(182)	-
2018/19 carry forward to completed existing schemes	341	-
Total Programme Funding	13,096	5,904

** new allocations to be approved*

5.4.6 A complete breakdown of the transport capital programme for 2019/20 is shown at **Appendix A**.

5.4.7 Cabinet is requested to note the transport programme and to recommend to Council to approve the revised and additional transport allocations for 2019/20 and 2020/21 as shown above. It should be noted that the Highways and Public Protection capital programme has been built using these allocations.

5.5 M58 Junction 1 Improvements

- 5.5.1 As noted in paragraph 5.3.2, the major scheme for improvements at M58 Junction 1 is forecast to overspend in 2019/20 by £0.690m due to increased costs as a result of delays to the project.
- 5.5.2 The total forecast expenditure over the revised timescales of the project (due to complete in 2020/21) has increased by £0.780m when compared to the initial valuation. The Strategic Transport Planning and Investment team will explore how the Council may secure additional support from the CA.
- 5.5.3 Should no further support be forthcoming however, then any additional expenditure not funded by the CA capital grant must be met by Council resources. The transport programme for 2019/20 and futures years will be reviewed to identify resources that can be redirected to the project.
- 5.5.4 Members will be kept up to date on the progress of the M58 scheme and any changes to the integrated transport programme through regular capital monitoring reports.

5.6 Adult Social Care allocations and programme

- 5.6.1 An additional Better Care Fund allocation for 2018/19 was awarded in February 2019 of £0.439 and Cabinet is requested to recommend Council to approve this for inclusion within the capital programme.
- 5.6.2 A programme of expenditure of £4.761m in 2019/20 has now been formulated. This is detailed in **Appendix A**. The 2019/20 spend excluding core DFG has been profiled to quarters 3 and 4 in anticipation of the setup of an Adult Social Care project board that will manage the delivery of the schemes. Delivery of the programmed spend this year is heavily dependent upon this board being fully operational in quarter 2.
- 5.6.3 It should be noted that the ASC capital programme has been built using the additional allocation for 2018/19 of £0.439m and that a programme of expenditure for 2020/21 will be formulated once the funding available is confirmed.

5.7 Schools Budgets

- 5.7.1 Revised School Condition Allowance Grant
The allocation for Sefton in 2019/20 is now £1.518m, a reduction of £0.196m on the original allocation of £1.714m and is due to 3 schools moving to academy status in 2018/19.
- 5.7.2 School Balances Brought Forward
The balance of funding brought forward from 2018/19 financial year was £2.934m. A thorough review of the school's programme has been completed and £1.400m has been identified to be reallocated to existing school's schemes and the essential maintenance budget.

5.7.3 There are 3 major schemes for which funding has been reallocated to from the above balances:

- Hudson Primary School Heating Ducts Provision – the initial approved allocation was £0.300m but the full cost is now £0.909m therefore £0.609m has been reallocated from the maintenance budget.
- Netherton Moss Rewire – initial approved allocations were £0.400m for rewiring and £0.050m for the kitchen which will all now be used for the rewire project. The full cost of the scheme is now £0.526m therefore an additional £0.076m has been reallocated from the maintenance budget.
- Redgate Primary School Rewire - initial allocations were £0.262m for lighting and £0.050m for the kitchen which will all now be used for the rewire project. The full cost of the project is now £423k therefore an additional £0.111m has been reallocated from the maintenance budget.

5.7.4 In addition to these schemes, £0.301m has been identified as match funding for SEND schemes (see section 5.8, below).

5.7.5 The remaining balance of grant funding for 2019/20 is £1.500m, and for 2020/21 it is £0.800m. This will be applied to essential maintenance schemes.

5.8 Special Educational Needs and Disabilities (SEND) Capital Allocations

5.8.1 Sefton has made a successful bid to the Department for Education in order to draw down SEND capital grant funding in 2019/20 of £0.849m.

5.8.2 The aim within Sefton, is for children and young people with SEND to be able to attend a school within their own community. They should be supported to attend a local mainstream school or access a place in high quality specialist provision without having to travel long distances.

5.8.3 Four new capital schemes to improve the condition and accessibility of school buildings have therefore been proposed as part of the bid:

- Redgate Primary – Specialist Resourced Provision £0.06m
- Rowan park School – Expanded Provision £0.35m
- IMPACT Pupil Referral Unit – Refurbishment £0.70m
- Crosby High School – Improved Accessibility £0.04m

5.8.4 The Department for Education is currently reviewing these schemes and will release the funds to Sefton in the coming months once they are satisfied that the plans have met the funding requirements.

5.8.5 Sefton's match funding for the bid is £0.301m to be allocated from the balance of existing school's allocations as identified in paragraph 5.7.4.

5.8.6 Cabinet is requested to recommend to Council the inclusion of the SEND capital schemes within the capital programme.

5.9 Corporate Resources

5.9.1 Cabinet is requested to note the inclusion within the capital programme of a grant from Homes England of £0.623m. Acceptance of this grant and a fully funded supplementary capital estimate was approved by Cabinet on 23 May 2019. This is to be used to develop the infrastructure works at the St John Stones site prior to its transfer to Sandway Homes Limited.

5.10 Insourcing of Burials and Cremation Grounds Maintenance

5.10.1 On 20 June 2019 Cabinet agreed the insourcing of the burials and cremation grounds maintenance service commencing April 2020.

5.10.2 Capital investment is required to facilitate the provision of this service in-house and approval was given for £200k to be committed to new vehicles, machinery and equipment to be funded from prudential borrowing. Cabinet are requested to note the inclusion of this scheme in the 2020/21 budget.

5.11 Outputs

5.11.1 The budgeted spend to June 2019 is low given profiles of the budgets as discussed in paragraphs 5.2.1 and 5.2.2 hence there are no key outputs to report at this time.

5.12 Programme Funding

5.12.1 The table below shows a how the capital programme will be funding in 2019/20:

Grants	23.496
Contributions (incl. Section 106)	0.798
Capital Receipts	0.196
Prudential Borrowing	1.454
Total Programme Funding	25.943

5.12.2 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 subject to the issue raised in paragraph 5.5.2.

5.12.3 The Head of Corporate Resources will continue to manage the financing of the programme to ensure the final capital funding arrangements secure the maximum financial benefit to the Council.

APPENDIX A – Capital Programme 2019/20 to 2021/22

Capital Project	Budget		
	2019/20 £	2020/21 £	2021/22 £
ADULT SOCIAL CARE			
Adult Social Care IT Infrastructure	44,020	-	-
Dunningsbridge Road Training Centre	11,257	-	-
Primary Care Integration	39,500	-	-
Core DFG Programme	2,200,000	-	-
Wider Social Care Programme	2,467,000	-	-
COMMUNITIES			
Atkinson Studio Stage	11,929	-	-
Formby Library Improvements	-	6,620	-
Crosby Library	80,000	265,237	-
Bootle Library Boiler	-	42,372	-
CORPORATE RESOURCES			
Magdalen House Alterations	144,979	-	-
Meadows Community Base	6,328	-	-
Aintree Community Base	7,783	-	-
NAC Community Base	21,010	-	-
Southport Town Hall Community Base	31,850	-	-
Family Wellbeing Centres - Spokes	122,816	100,000	-
Fire Door Statutory Compliance	87,921	-	-
Southport Town Hall Boiler and Controls	13,477	-	-
Talbot Street Family Centre Boiler	1,409	-	-
Bootle Town Hall Cold Water System Alterations	10,215	-	-
ATG Dilapidation Budget	219,718	-	-
St John Stone - Infrastructure Works	623,210	-	-
ECONOMIC GROWTH & HOUSING			
Marian Square, Netherton CCTV	-	40,405	-
REECH Project	37,162	-	-
Southport Commerce Park - 3Rd Phase Development	13,173	-	-
HMRI	4,400	87,380	-
Southport Pier Project	252,528	29,675	-
EDUCATION EXCELLENCE			
Schools Programme	2,506,019	3,597,553	190,982
Healthy Pupils Fund	178,000	-	-
General Planned Maintenance	598,203	4,000,000	-
Special Educational Needs and Disabilities	148,500	1,050,000	-

	2019/20 £	2020/21 £	2021/22 £
HEALTH & WELLBEING			
Dunes All Weather Pitches - Invest to Save	13,083	-	-
Crosby Lakeside Adventure Centre Water sports	75,157	-	-
HIGHWAYS & PUBLIC PROTECTION			
Road Safety	120,000	-	-
Traffic Management and Parking	2,417,500	-	-
Accessibility	265,000	-	-
Healthy Lifestyles	1,590,000	-	-
A565 Route Management Strategy	710,000	-	-
Strategic Planning	523,990	-	-
Completing Schemes/Retentions	32,250	-	-
Highway Maintenance	2,039,446	-	-
Street Lighting	300,000	-	-
Bridges Programme	243,110	-	-
UTC Maintenance	100,000	-	-
Drainage	225,000	-	-
M58 Junction 1 Improvements	4,677,589	-	-
North Liverpool Key Corridor Improvements	-	177,836	-
LOCALITY SERVICES			
Thornton GOR Improvements	3,692	-	-
Burials & Cremation Grounds Maintenance Insourcing	-	200,000	-
Formby Strategic Flood Risk Management Programme	-	44,141	-
Merseyside Groundwater Study	20,000	11,508	-
Four Acres Multi Agency Flood Options	3,352	-	-
CERMS	658,892	410,274	-
Natural Flood Risk Management	10,000	-	-
The Pool & Nile Watercourses	58,602	-	-
Crosby Flood & Coastal Scheme	358,947	306,190	500,000
Seaforth & Litherland Strategic Flood Risk	-	30,000	-
Hall Road & Alt Training Bank - Rock Armour	50,000	-	-
Ainsdale & Birkdale Land Drainage Scheme	30,000	-	-
Surface Water Management Plan	170,000	-	-
Parks Schemes	180,318	424,099	-
Tree Planting Programme	54,300	39,174	38,600
Vehicle Replacement Programme	1,130,614	-	-
TOTAL PROGRAMME	25,943,249	10,862,464	729,582