

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	7 November 2019
<b>Subject:</b>	Revenue and Capital Budget Update 2019/20		
<b>Report of:</b>	Head of Corporate Resources	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Cabinet Member - Regulatory, Compliance and Corporate Services		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	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 September 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.

### 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 the mitigating measures being used to ensure a balanced forecast outturn position, excluding a forecast deficit on Housing Benefits which will be considered at the end of the financial year if it materialises;
- 3) Approve a Supplementary Revenue Estimate of £0.530m funded from earmarked reserves to support the development of an Outline Business Case for a Sefton Clean Air Zone;

#### Capital Programme

- 4) Note updates to spending profiles across financial years (paragraph 5.1.1);
- 5) Note the new schemes added to the Capital Programme under delegated authority for 2019/20 (paragraph 5.1.3);
- 6) Note the latest capital expenditure position as at 30 September 2019 to date of £7.397m (paragraph 5.2.2) with the latest full year forecast being £26.107m (paragraph 5.3.1);
- 7) Note explanations of variances to project budgets (paragraph 5.3.2);

- 8) Note the capital programme outputs to the end of September (section 5.4); and,
- 9) 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 (section 5.6).

**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 September 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 £2.959m. Mitigating measures have been identified in order to meet this deficit (excluding a forecast overspend on Housing Benefits which will be considered at outturn if this materialises) and are detailed within the report.

**(B) Capital Costs**

The Council's capital budget in 2019/20 is £25.430m. As at the end of September 2019, expenditure of £7.397m has been incurred and a full year outturn of £26.107m 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:

<b>Resource Implications (Financial, IT, Staffing and Assets):</b> There is currently a budget shortfall of £2.959m forecast for 2019/20 and as previously reported, mitigating actions have been identified in order to address this (with the exception of a forecast overspend on Housing Benefits which will be considered at outturn if the position doesn't improve). 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.
<b>Legal Implications:</b> None
<b>Equality Implications:</b> 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.

<b><u>Protect the most vulnerable:</u></b> See comment above
<b><u>Facilitate confident and resilient communities:</u></b> See comment above
<b><u>Commission, broker and provide core services:</u></b> See comment above
<b><u>Place – leadership and influencer:</u></b> See comment above
<b><u>Drivers of change and reform:</u></b> See comment above
<b><u>Facilitate sustainable economic prosperity:</u></b> See comment above
<b><u>Greater income for social investment:</u></b> See comment above
<b><u>Cleaner Greener:</u></b> 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 5829/19)

The Chief Legal and Democratic Officer has been consulted and has no comments on the report (LD 4063/19).

**(B) External Consultations**

N/A

**Implementation Date for the Decision**

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

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**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. The capital budget to date is presented in section 5.1. Sections 5.2 and 5.3, and section 5.6 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 September 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 £2.959m. The table below highlights the variations:

	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Variance</b>	<b>Previously Reported Position</b>	<b>Movement since last month</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Services</b>					
Strategic Management	3.187	3.144	-0.043	-0.057	0.014
Strategic Support Unit	2.709	2.709	0.000	-0.003	0.003
Adult Social Care	96.765	96.765	0.000	0.000	0.000
Children's Social Care	33.356	34.654	1.298	1.298	0.000
Communities	19.518	19.657	0.139	0.000	0.139
Corporate Resources	4.858	4,758	-0.100	-0.099	-0.001
Economic Growth & Housing	6.041	6.005	-0.036	-0.046	0.010
Education Excellence	9.859	10.041	0.182	0.259	-0.077
Health & Wellbeing	18.060	17.960	-0.100	-0.070	-0.030
Highways & Public Protection	11.133	11.133	0.000	0.000	0.000
Locality Services	13.809	13.809	0.000	0.000	0.000
<b>Total Service Net Expenditure</b>	<b>219.295</b>	<b>220.635</b>	<b>1.340</b>	<b>1.282</b>	<b>0.058</b>

Provision relating to 2018/19 Service Pressures	0.000	0.000	0.000	0.000	0.000
Budget Pressure Fund	1.000	1.000	0.000	0.000	0.000
Public Sector Reform Savings not allocated to services ( <b>see para 2.3</b> )	(0.950)	0.000	0.950	0.950	0.000
Council Wide Budgets	6.617	7.286	0.669	0.431	0.238
Levies	34.156	34.156	0.000	0.000	0.000
General Government Grants	(40.979)	(40.979)	0.000	0.000	0.000
<b>Total Net Expenditure</b>	<b>219.139</b>	<b>222.098</b>			
<b>Forecast Year-End Deficit</b>			<b>2.959</b>	<b>2.663</b>	<b>0.296</b>

1.1 The key forecast variations in the outturn position, including any significant variations from the August position, are as follows: -

- **Children's Social Care (£1.298m net overspend)** – The Placement and Packages budget overspent by £5.612m in 2018/19. The equivalent forecast overspend in 2019/20 is currently £6.398m due to the increase in Looked After Children since the end of 2018/19, from 525 to 544, and the full year impact of new cases from 2018/19. However, an allocation of £4.900m from the *Provision relating to 2018/19 Service Pressures* has reduced the forecast overspend to £1.498m. This is an increase of £0.307m compared to July due to six new placements occurring in the month, which along with the payment of some backdated invoices, increases the forecast outturn by approximately £0.400m. However, some invoices are due to be raised to the CCG's to reduce this.

There are net underspends across other areas of the service totalling £0.252m.

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.

- **Education Excellence (£0.182m overspend)** - Home to School transport external provision has a projected overspend of £2.061m. This budget overspent by £1.817m in 2018/19 but is forecast to overspend by a further £0.244m due to the full year effect of the increased costs of new external transport contracts, this position has reduced by £0.081m since the August position. However, an allocation of £1.800m from the *Provision relating to 2018/19 Service Pressures* has reduced the forecast overspend to £0.261m. In addition, there are net underspends across other areas of the service totalling £0.079m.
- **Highways and Public Protection (£0.141m overspend before mitigating actions)** – There is a shortfall on car parking income (£0.124m) due to poorer weather in the first quarter compared to 2018/19. 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

Highway Maintenance budgets for 2019/20. The service will hold vacancies and reduce the Highway Maintenance and Highway Management Programmes as required to mitigate the forecast overspend and ensure the forecast outturn is within the service budget.

- **Locality Services (£0.275m overspend before mitigating actions)** – The service pressures experienced in 2018/19 have continued into 2019/20.
  - Security Service (£0.230m 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. Despite this improvement in income, the certainty of future income is not assured although efforts are being made to secure new contracts.
  - Green Sefton (£0.073m overspend)- The service was expected to achieve savings of £0.330m in 2019/20. Plans to increase income within the Golf courses will not be achieved in the current year as improvements to the courses to encourage customers are not expected until 2020/21.
  - These overspends have been reduced by a net underspend of £0.028m elsewhere within the service.

Mitigating actions have been identified which will bring the forecast outturn within the service budget. These include generating additional income through increased use of assistive technology and external security services as well as temporarily reducing expenditure on supplies and services.

- **Public Sector Reform Savings not allocated to services (£0.950m overspend)** – see paragraph 2.3 below.
- **Council Wide Budgets (£0.669m)** – the increase in pay budgets due to pay awards and pension increases, after allowing for fees and charges increases for traded services, is £0.403m greater than the provision built into the 2019/20 budget. In addition, Housing Benefits is forecast to overspend by £0.248m due to reductions in subsidy relating to certain types of expenditure. However, this budget is difficult to forecast given the complexities of the subsidy claim and as such there is extreme volatility in this budget with the final position not being able to be predicted until year end.

**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:

	<b>Total</b>	<b>Forecast -</b>	<b>Forecast</b>
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	<b>Saving 2019/20</b>	<b>Achieved In 2019/20</b>	<b>- Not Achieved 2019/20</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
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
<b>Total PSR Projects</b>	<b>9.803</b>	<b>8.853</b>	<b>0.950</b>

- 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.

#### **Measures to close the residual gap in 2019/20**

- 1.5 The forecast budget deficit as at September 2019 is **£2.959m**. 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.
- 1.6 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. Cabinet, at their meeting on 3<sup>rd</sup> October 2019, have noted the allocation of £0.913m to support the budget pressure identified and balance the forecast outturn position. However, as noted above the position has worsened in September and it is assumed that the remaining **£0.087m** can be used to contribute to the Council's overall position.
- 1.7 The net forecast outturn position for 2019/20 is therefore:

	<b>£m</b>
Forecast Year-End Deficit (Paragraph 2.1)	2.959
Business Rates Reserve increase (previously noted by Cabinet on 5 September 2019)	-1.750
Budget Pressures Fund	-0.913
Forecast Year-End Deficit	<b>0.209</b>



- 1.8 As mentioned in paragraph 2.2, the forecast outturn position includes an overspend of £0.248m relating to Housing Benefits. This budget is difficult to forecast given the complexities of the Subsidy claim. The position will be monitored during the remainder of the year with any overspend at the end of the year considered as part of the Council's overall outturn position.
- 1.9 Whilst the above table shows a balanced forecast outturn position (excluding the Housing Benefits forecast), there are risks still inherent in the position, particularly relating to Looked After Children, meaning the position may worsen during the year. Should a deficit be forecast then further mitigating actions will need to 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 An assessment will need to be made on the potential impact on the budget for 2020/21. The Business Rates Reserve usage is a one-off item and the Budget Pressures Fund will need to be retained in 2020/2021. The report on the Medium Term Financial Plan 2021/22 to 2022/23, considered elsewhere on the agenda, assumes that £1.850m will be needed in 2020/21 to fund the ongoing pressures from the 2019/20 budget.

### **Sefton Clean Air Zone**

- 1.11 Elsewhere on this agenda there is a proposal to develop an Outline Business Case for a Sefton Clean Air Zone. It is estimated that this will cost £0.530m, with £0.100m being required in the current year. A comprehensive review of reserves and balances has commenced (the final outcome will be reported to Cabinet in December 2019) and from this first phase it has been identified that reserves would be available in order to fund this work. Cabinet are therefore requested to approve a Supplementary Revenue Estimate funded from Earmarked Reserves as detailed.

## **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 September 2019 is a deficit of +£0.111m. This variation is primarily due to: -
- The surplus on the fund at the end of 2018/19 being lower than estimated (+£0.151m);
  - Gross Council Tax Charges in 2019/20 being higher than estimated (-£0.208m);
  - Exemptions and Discounts (including a forecasting adjustment) being higher than estimated (+£0.168m).

- 3.3 Due to Collection Fund regulations, the Council Tax deficit will not be transferred to the General Fund in 2019/20 but will be carried forward to be recovered in future years.
- 3.4 A forecast surplus of £1.160m was declared on the 15 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 September 2019 is a surplus of -£0.798m 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 (-£0.455m)
  - Other reliefs (including a forecasting adjustment) being lower than estimated in 2019/20 (-£0.251m).
- 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, £0.261m 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**

1.1.1. The Capital Budget and profile of expenditure for the three years 2019/20 to 2021/22 is:

<b>2019/20</b>	<b>£25.430m</b>
<b>2020/21</b>	<b>£10.630m</b>
<b>2021/22</b>	<b>£0.730m</b>

1.1.2. Amendments to the 2019/20 capital budget have been made in September due to re-phasing of schemes between 2019/20 and future years as follows:

- Adult Social Care wider programme realigned to future years (£0.544m)
- Public Sector Reform (£0.112m from 2019/20 to 2020/21)
- A565 Northern Key Corridor (£0.023m from 2020/21 to 2019/20).

1.1.3. The following new Section 106 funded schemes have been added to the programme in September:

- Rainbow Park Improvement Works (£0.026m)
- Linacre Ward Mobile CCTV (£0.018m).

1.1.4. Several historic Section 106 schemes have been withdrawn from the programme (£0.357m) following notification from Members that the funds will be used for other identified priorities.

## 1.2. **Budget Monitoring Position to September 2019**

1.2.1. The current position of expenditure against the budget profile to the end of September 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.

1.2.2. As would be expected Education Excellence carries out most of its capital works during key school's 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 profiled to quarters 3 and 4.

<b>Service Area</b>	<b>Budget to Sep-19</b>	<b>Actual Expenditure to Sep-19</b>	<b>Variance to Sep-19</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Adult Social Care</b>	1.433	1.203	-0.230
<b>Communities</b>	0.075	0.072	-0.003
<b>Corporate Resources</b>	0.201	0.160	-0.041
<b>Economic Growth &amp; Housing</b>	0.049	0.058	0.009
<b>Education Excellence</b>	1.579	1.520	-0.059
<b>Highways &amp; Public Protection</b>	4.043	3.740	-0.303

<b>Locality Services</b>	0.495	0.644	0.149
<b>Total Programme</b>	<b>7.875</b>	<b>7.397</b>	<b>-0.478</b>

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

### **Adult Social Care**

<b>Scheme</b>	<b>Variation</b>	<b>Reason</b>	<b>Action Plan</b>
<b>Disabled Facilities Grant</b>	<b>-£182,398</b>	Underspend due to reduced occupational therapist resource available to assess claims.	Occupational therapist resource is now in place which will reduce the underspend and ensure the grant is utilised effectively.

### **Corporate Resources**

<b>Scheme</b>	<b>Variation</b>	<b>Reason</b>	<b>Action Plan</b>
<b>Bootle Town Hall - Fire Door Statutory Compliance</b>	<b>-£32,476</b>	Delays due to the contractor not completing work as required. The contractor has now been discharged.	A listed building specialist is actively being sought to continue the work.

### **Education Excellence**

<b>Scheme</b>	<b>Variation</b>	<b>Reason</b>	<b>Action Plan</b>
<b>Healthy Pupils Fund</b>	<b>-£39,358</b>	Three school's schemes due to commence in September have been delayed due to difficulty in finding a suitable contractor.	The schools will work to locate contractors to complete the required works before the end of the financial year.

### **Highways & Public Protection**

<b>Scheme</b>	<b>Variation</b>	<b>Reason</b>	<b>Action Plan</b>
<b>M58 J1 Improvements</b>	<b>-£80,524</b>	Works on site and proceeding as planned but the cost schedule needs to be reviewed.	The cost profile will be reviewed and updated in October.
<b>Street Lighting</b>	<b>-£62,917</b>	September invoice has been delayed. All planned work has now been committed for completion by year end.	The outstanding invoice will be settled in October.

<b>Maintenance</b>	<b>-£111,836</b>	Outstanding balances from the previous financial year.	Balance is reducing. Contractors will continue to be chased up to clear outstanding amounts.
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### Locality Services

<b>Scheme</b>	<b>Variation</b>	<b>Reason</b>	<b>Action Plan</b>
<b>CERMS</b>	<b>£107,608</b>	Work is progressing on these projects as planned but invoices have been paid earlier than anticipated. No overspend is forecast against total budget allocation.	Budget profile will be reviewed and will liaise with contractor about timing of payments. Some work is weather dependent and hence timing issues with profile.
<b>The Pool and Nile Watercourses</b>	<b>£12,340</b>	Compensation events have occurred on the contract due to delays in modelling work with United Utilities.	Project contingency is sufficient to cover the extra cost so no overspend anticipated.
<b>Crosby Flood and Coastal Scheme</b>	<b>£30,665</b>	Additional staffing costs have been incurred by the scheme.	Outline business case is due for completion by the end of October. Total scheme costs will be reviewed at this stage.
<b>Surface Water Management Plan</b>	<b>-£23,946</b>	Delays in obtaining the required data for the project.	Data has now been obtained and consultants have completed work. No further action needed.

1.2.4. In the August report a number of schemes that reported variances to budget contained action plans to address the variance. Progress on these is as follows:

### Education Excellence

<b>Scheme</b>	<b>Variation</b>	<b>Action Plan</b>	<b>Progress to date</b>
<b>Linacre Primary – Classroom Refurb</b>	<b>£50,765</b>	The projects will be completed as planned with no additional funding required.	The budget profiles have been updated to align with the new schedule. No additional funding is required.
<b>Lydiat Primary – General Refurb</b>	<b>£19,414</b>		
<b>Linaker Primary – Additional Classroom</b>	<b>-£20,000</b>	The scheme has now completed and all accounts will be settled with the contractor.	Final account payments are being processed.

<b>Netherton Moss Primary – Rewire</b>	<b>-£30,081</b>	Work has now caught up over the summer. Payments will be completed in September.	This scheme is now complete
<b>St Luke’s Primary – Resource Hall</b>	<b>-£20,000</b>	Work has now caught up over the summer. Payments will be completed in September.	The budget profiles have been updated to align with a new schedule of payments.

### Highways & Public Protection

<b>Scheme</b>	<b>Variation</b>	<b>Action Plan</b>	<b>Progress to Date</b>
<b>Dib Lane Improvements</b>	<b>-£46,666</b>	The contractor could not schedule in the required work when needed. Will look to engage an alternative contractor to complete on schedule.	Quotes for work from alternate contractor will cost an additional £40,000 compared to the budget. Options are being explored to reduce costs through project redesign or identify additional resources from efficiencies in other schemes.
<b>A565 Altcar Road Signals</b>	<b>£50,176</b>	Expenditure to be transferred to the Accessibility budget.	Transfer of expenditure is now complete.
<b>A59 Maghull Route Management</b>	<b>£274,436</b>	Budget profile will be revised.	Budget profile has been revised to take account of the front loading of spend and a revised work schedule.
<b>Highway Maintenance</b>	<b>£146,525</b>	Expenditure will not exceed budget as work will only continue until funding is exhausted.	Budget profile has been amended to take account of a revised work schedule.

### 1.3. Capital Programme Forecast Outturn 2019/20

1.3.1. 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:

<b>Service Area</b>	<b>Full Year Budget 2019/20</b>	<b>Forecast Out-turn</b>	<b>Variance to Budget</b>	<b>Full Year Budget 2020/21</b>	<b>Full Year Budget 2021/22</b>
	£m	£m	£m	£m	£m
<b>Adult Social Care</b>	<b>4.218</b>	<b>4.216</b>	-0.002	0.000	0.000
<b>Communities</b>	<b>0.269</b>	<b>0.263</b>	-0.006	0.314	0.000
<b>Corporate Resources</b>	<b>1.179</b>	<b>1.179</b>	0.000	0.212	0.000

<b>Economic Growth &amp; Housing</b>	<b>0.338</b>	<b>0.338</b>	0.000	0.127	0.000
<b>Education Excellence</b>	<b>3.519</b>	<b>3.516</b>	-0.003	8.559	0.191
<b>Highways &amp; Public Protection</b>	<b>13.267</b>	<b>13.955</b>	0.688	0.155	0.000
<b>Locality Services</b>	<b>2.640</b>	<b>2.640</b>	0.000	1.262	0.539
<b>Total Programme</b>	<b>25.430</b>	<b>26.107</b>	<b>0.677</b>	<b>10.630</b>	<b>0.730</b>

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

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

#### Highways & Public Protection

Scheme	Variation	Reason	Action Plan
<b>M58 Junction 1 Improvements</b>	<b>£688,540</b>	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.

#### 1.4. Capital Programme Outputs

1.4.1. The Council has spent £7.397m on its Capital Programme to the end of September 2019. The paragraphs below summarise the key areas of delivery to date:

##### Adult Social Care – Disabled Facilities Grant Core Programme

1.4.2. From 1st April to 30th September there were 161 referrals made by Occupational Therapists and of these 122 had costs approved. During the same period 124 adaptations were completed on behalf of clients including items such as stair lifts, vertical lifts, bathroom adaptations, extensions and hoists.

##### Education Excellence

1.4.3. **Healthy Pupils Capital Fund** – Work has been completed on projects at six schools to improve young people’s physical and mental health. The new facilities added were: an artificial play area, Early Years outdoor space, Daily Mile track, climbing frames, kitchen alterations and a storytelling area. Further work is scheduled to create a number of garden areas later in the year.

1.4.4. **Schools Programme** – The main outputs are as follows:

- Completion of one form entry classroom at Linaker Primary
- Partial completion of toilet facilities extension at Forefield Infants
- Partial completion of classroom refurbishment at Linacre Primary and remodelling at Great Crosby

- Completion of improvements to school access at Hatton Hill Primary
- Phased replacement of electrical wiring systems at Redgate Primary and Netherton Moss Primary
- Phased replacement of the heating system at Hudson Primary
- Various repairs to building fabric, boundary walls and security fencing across six sites
- Various inspections relating to statutory compliance activities in school buildings.

1.4.5. **Special Educational Needs and Disabilities (SEND)** – The following has been accomplished in support of SEND provision:

- Enabling works are underway at Crosby High School to complete Phase 1 of the accessibility scheme
- Alterations to the former Sand Dunes Nursery and Waterloo Primary have been completed to provide new facilities and improved accessibility
- The design process is underway for a new classroom for children with complex needs at Rowan Park
- A complex needs base has been completed at a Redgate Primary to create additional specialist places.

#### Highways and Public Protection

1.4.6. Works commenced on the construction of the new slip roads at junction 1 of the M58. The site compound and new farm access track have been established, earthworks commenced and works completed overnight on the M58 to facilitate future tie ins. The project is now in week 20 of 42 with completion scheduled for March 2020.

1.4.7. The Contractor has also made progress on the delivery of the first section of the new Kirkby-Maghull cycle track. Progress has been made with the deals with the various landowners and planning permission has been secured.

1.4.8. Works have progressed on the North Liverpool Key Corridor scheme with the works at the junction of Derby Road and Millers Bridge now completed, equipment relocated and accommodating works undertaken on Derby Road.

1.4.9. The delivery of the improvements to the junction of Buckley Hill with Edge Lane has progressed, although some delay has been encountered as a result of statutory undertaker's diversion works taking much longer than anticipated.

1.4.10. Some initial work on statutory diversion works have commenced at the junction of the A59 with Dover Road in Maghull. The design of the main junction improvement works has been completed, the works tendered and a contractor appointed.

1.4.11. Design work has progressed on a number of projects. These include:

- Crosby Centre Access Improvements
- Southport East-West Cycle Links (including Coastal Road scheme)
- Great George's Road Improvements (including Crosby Marine Park scheme).



- 1.4.12. Bids to the Combined Authority to secure funding from the Feasibility fund have been successful to allow the further development of Business Cases for the Maritime Corridor and Southport Eastern Approaches schemes.
- 1.4.13. Maintenance works have been completed to Marine Parade Bridge, including the testing of the cables.
- 1.4.14. The street lighting maintenance programme has replaced 45 lighting columns to date.
- 1.4.15. Work has been completed on 37,876m<sup>2</sup> of carriageway resurfacing and 76,056m<sup>2</sup> of micro-resurfacing treatments.

#### Locality Services – Green Sefton

- 1.4.16. **Pool Project, Southport** – Progress has been made by the consultant and they have developed a short list of options to alleviate flooding in Churchtown. Working with United utilities and the Environment Agency, we are looking into the feasibility of the preferred option and securing funding to undertake the works.
- 1.4.17. **Crosby Coast protection and Flood Alleviation Scheme** – Work is progressing on reviewing options to seek a preferred option and secure funding to undertake the works. The public consultation on the outline designs and principles is included in the wider Crosby Seafront Consultation that runs to the end of September.
- 1.4.18. **Fouracres Project, Maghull** – Work is continuing to find a viable option as the work the consultant did on developing options came back with no viable options. We are now working closely with United Utilities to seek alternative methods of slowing the flow further up the system.
- 1.4.19. **Surface Water Management Plan Level 2** – JBA consultants have been appointed to undertake a detailed option exercise in three key flood risk areas in Sefton, Maghull, Formby and Seaforth & Litherland. This project will identify, assess and develop outline business cases for a range of measures to reduce flood risk in the areas.
- 1.4.20. **Regional Coastal Monitoring Programme** – Work has been ongoing delivering the programme. Bathymetric surveys have been completed and data has been processed. A tender was awarded for land-based remote sensing systems that can operate around the clock and collect data in all conditions and locations are being identified to install them.
- 1.4.21. **The Gormleys** – Work on replacing the foundation piles on the Gormley statues has commenced and is due to finish on the 31st October.
- 1.4.22. A further update of key outputs will be included in the capital out-turn report for 2019/20.

## 1.5. **Special Educational Needs and Disabilities (SEND)**

- 1.5.1. Sefton has made a bid to the Department for Education in order to draw down SEND capital grant funding in 2019/20 of £0.849m. This funding has been matched by £0.301m from the balance of existing school's allocations.
- 1.5.2. The Department for Education (DfE) has now released £0.682m of the funds to Sefton in September having been satisfied that the plans have met the funding requirements. The final tranche of £0.167m will be claimed in March 2020 following a further update to the DfE.
- 1.5.3. Work on SEND capital schemes is progressing as per the update provided in paragraph 5.4.5 (above).

## 1.6. **Programme Funding**

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

<b>SOURCE</b>	<b>£m</b>
<b>Grants</b>	<b>22.339</b>
<b>Contributions (incl. Section 106)</b>	<b>1.278</b>
<b>Capital Receipts</b>	<b>0.271</b>
<b>Prudential Borrowing</b>	<b>1.542</b>
<b>Total Programme Funding</b>	<b>25.430</b>

- 1.6.2. 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 5.3.2.
- 1.6.3. 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 £
<b>Adult Social Care</b>			
Adult Social Care IT Infrastructure	44,020	-	-
South Hub	11,257	-	-
Primary Care Integration	39,500	-	-
Core DFG Programme	2,200,000	-	-
Wider Social Care Programme	1,923,000	-	-
<b>Communities</b>			
Atkinson Studio Stage	11,929	-	-
Dunes All Weather Pitches - Invest to Save	13,083	-	-
Crosby Lakeside Adventure Centre Water Sports	75,157	-	-
Formby Library Improvements	-	6,620	-
Libraries - Centres of Excellence	80,000	265,237	-
Bootle Library	-	42,372	-
S106 - Rainbow Park Improvement Works	26,211		
S106 - Litherland Ward - Caged Tipper	44,640	-	-
S106 - Linacre Ward - Mobile CCTV	18,000		
<b>Corporate Resources</b>			
Corporate Maintenance	113,022	-	-
STCC Essential Maintenance	219,718	-	-
St John Stone Site – Infrastructure Works	623,210	-	-
Magdalen House Alterations	61,587	83,392	-
Meadows Community Base	3,645	2,683	-
Aintree Community Base	5,815	1,968	-
NAC Community Base	2,511	18,499	-
Southport Town Hall Community Base	26,477	5,373	-
Family Wellbeing Centres	122,816	100,000	-
<b>Economic Growth &amp; Housing</b>			
Marian Square, Netherton CCTV	-	40,405	-
REECH Project	37,162	-	-
Southport Commerce Park - 3rd Phase Development	13,173	-	-
Housing Investment (HMRI)	34,800	56,980	-
Southport Pier Project	252,528	29,675	-
<b>Education Excellence</b>			
Healthy Pupils Fund	178,000	-	-
Schools Programme	2,534,552	3,504,433	190,569
Planned Maintenance	655,203	4,000,000	-

	2019/20 £	2020/21 £	2021/22 £
Special Educational Needs & Disabilities	151,850	1,054,650	-
<b>Highways and Public Protection</b>			
Accessibility	265,000	-	-
Completing Schemes/Retentions	32,250	-	-
Healthy Lifestyles	1,590,000	-	-
Road Safety	120,000	-	-
A565 Route Management and Parking	710,000	-	-
Strategic Planning	523,990	-	-
Traffic Management and Parking	2,417,500	-	-
Highway Maintenance	2,039,446	-	-
Bridges & Structures	243,110	-	-
Drainage	225,000	-	-
Street Lighting Maintenance	300,000	-	-
UTC Maintenance	100,000	-	-
Major Transport Schemes	4,700,589	154,836	-
<b>Locality Services</b>			
Thornton Garden of Rest Improvements	3,692	-	-
Burials & Cremation Insourcing - Vehicles & Equipment	-	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	91,523	221,065	-
Tree Planting Programme	54,300	39,174	38,600
Vehicle Replacement Programme	1,130,614	-	-
<b>TOTAL PROGRAMME</b>	<b>25,429,673</b>	<b>10,629,475</b>	<b>729,169</b>