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|--------------------------------------|--|----------------------------------|-----------------------------------|
| <b>Report to:</b>                    | Cabinet Council  | <b>Date of Meeting:</b>          | 30 July 2020<br>17 September 2020 |
| <b>Subject:</b>                      | Revenue and Capital Budget Update 2020/21 including the Financial Impact of COVID-19 on the 2020/21 Budget |                                  |                                   |
| <b>Report of:</b>                    | Executive Director of Corporate Resources & Customer Services  | <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 estimated financial impact of COVID-19 on the 2020/21 Budget;
2. The current forecast revenue outturn position for the Council for 2020/21;
3. The current forecast on Council Tax and Business Rates collection for 2020/21;
4. The monitoring position of the Council's capital programme to the end of June 2020:
  - 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 estimated impact of COVID-19 on the 2020/21 Budget together with the key issues that will influence the final position and that further government guidance is awaited on the additional support that will be provided to the council which will inform the councils strategy for delivering financial sustainability
- 2) Recognise the financial risks associated with the delivery of the 2020/21 revenue budget and the material variations that are to be expected to the current estimates contained in this report, and agree that subsequent reports provide updates and where appropriate remedial actions plans as appropriate;

- 3) Approve that the Leader of the Council approve any further expenditure from the Emergency Fund following advice from the Chief Executive and s151 officer with any decisions being reported to future Cabinet meetings;
- 4) Note the government grant funding that has been received that has been used to support the response to the pandemic and which has been distributed in accordance with central government guidance;
- 5) Note the current forecast revenue outturn position for 2020/21;
- 6) Approve the implementation of a remedial action plan to partially mitigate the forecast outturn position, and the principles to be adopted to meet the remaining forecast deficit;
- 7) Approve the temporary additional resources required as part of the demand management programme in respect of fostering, family finder and direct payments and that this provision be reviewed at the end of Q1 in 2021/22 to confirm that the savings identified are being delivered; and
- 8) Acknowledge that the forecast outturn position will continue to be reviewed to ensure a balanced forecast outturn position and financial sustainability can be achieved;

### **Capital Programme**

- 9) Note the spending profiles across financial years for the approved capital programme (paragraph 7.1).
- 10) Approve the proposed updates to the School's Programme (paragraph 7.2).
- 11) Recommend to Council to approve the revised Transport Allocations as shown in paragraph 7.3.
- 12) Note the latest capital expenditure position as at 30 June 2020 of £2.423m (paragraph 7.4.2) with the latest full year forecast of £35.825m (paragraph 7.5.1).
- 13) Note explanations of variances to project budgets (paragraph 7.5.2).
- 14) Note that capital resources will be managed by the Executive Director Corporate Resources and Customer Services to ensure the capital programme remains fully funded and that capital funding arrangements secure the maximum financial benefit to the Council (paragraph 7.6).
- 15) Approve that in order to comply with the guidance set out by MHCLG in respect of the offer from central government of £1m to Southport as part of the Towns Fund, that the Southport Towns Fund Board will advise the Council of the project(s) that it is recommending will be completed with the grant allocation and that this will be communicated to MHCLG via the Council's s151 officer as per the guidance. Following approval this will be the subject of a recommendation to Members in accordance with the Council's Financial Procedure Rules (paragraph 7.7).

**Council** is recommended to:

Approve the revised Transport Allocations as shown in paragraph 7.3 of the report

### **Reasons for the Recommendation(s):**

To ensure Cabinet are informed of the forecast outturn position for the 2020/21 Revenue Budget as at the end of June 2020, including delivery of a remedial action plan, 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.

**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 2020/21 there is currently a forecast deficit of £0.664m. Mitigating measures have been identified in order to arrive at this deficit. If this remains at the end of the financial year this will be a call on the Council's General Balances, therefore further remedial action will be required.

**(B) Capital Costs**

The Council's capital budget in 2020/21 is £35.766m. As at the end of June 2020 expenditure of £2.423m has been incurred and a full year outturn of £35.825m 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:

|  |
|--|
| <p><b>Resource Implications (Financial, IT, Staffing and Assets):</b><br/>There is currently a budget shortfall of £0.664m forecast for 2020/21. However, it should be noted that significant pressure and risk remains in four key business areas, namely Children's Social Care, Children with Disabilities, Education Excellence and Locality Services. These budgets may experience further demand pressure during the remainder of the year in which case corresponding savings will need to be identified. If this cannot take place there will be a call on the Council's General Balances.</p> |
| <p><b>Legal Implications:</b><br/>None</p>   |
| <p><b>Equality Implications:</b><br/>None</p>  |

**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><br>See comment above                    |
| <b><u>Facilitate confident and resilient communities:</u></b><br>See comment above |
| <b><u>Commission, broker and provide core services:</u></b><br>See comment above   |
| <b><u>Place – leadership and influencer:</u></b><br>See comment above              |
| <b><u>Drivers of change and reform:</u></b><br>See comment above                   |
| <b><u>Facilitate sustainable economic prosperity:</u></b><br>See comment above     |
| <b><u>Greater income for social investment:</u></b><br>See comment above           |
| <b><u>Cleaner Greener:</u></b><br>See comment above                                |

## **What consultations have taken place on the proposals and when?**

### **(A) Internal Consultations**

The Executive Director of Corporate Resources & Customer Services is the author of the report (FD 6063/20)

The Chief Legal and Democratic Officer has been consulted and has no comments on the report (LD 4246/20).

### **(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 2020/21 to 2022/23

## APPENDIX B – Proposed Education Capital Schemes

### Background Papers:

There are no background papers available for inspection.

#### 1. Introduction

- 1.1 In February 2020, Council approved the budget for 2020/21. This report provides an update on the forecast revenue outturn position for 2020/21, including the significant impact of COVID-19 on the Council's 2020/21 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 2020/21 and forecast expenditure for 2021/22 and 2022/23. The capital budget to date is presented in section 7.1. Sections 7.4 and 7.5 review progress of the capital programme. Finally, section 7.6 confirms that there are adequate levels of resources available to finance the capital programme.

#### 2. Impact of COVID 19 on 2020/21 Budget

- 2.1 At the last Cabinet meeting on 25 June 2020, Members received a comprehensive report that outlined the full range of financial issues that were being faced by the Council (and all other councils within the country). This focussed on:-
  - Cost of the Council responding to the Pandemic;
  - Reduction in Income collected from services as a result of the pandemic;
  - Reduced Council Tax Income;
  - Reduced Business Rates Income;
  - Impact on Cashflow during the year;
  - Impact on the bad debt provision; and
  - Potential impact on the development of the Council's 2021/22 to 2022/23 budget.
- 2.2 At that meeting members were provided with details that based on the monthly return to central government (MHCLG) the Council would have an income shortfall of £27.3m in 2020/21 when these issues had been taken into account and the use of the £17.5m emergency fund from central government had been applied. These figures reflected actual expenditure and receipts as at the end of May and estimates until the end of the year. It was acknowledged that these figures would be the subject of material change depending on when lockdown measures were relaxed, social behaviour and the conditions within the local economy that drive employment and business activity.
- 2.3 That report outlined that for Sefton, government guidance and advice was required at the earliest opportunity on how to approach each issue and that significant further direct financial support was required in order for the Council to be able to balance its budget in year and to support cash flow. This could not be done through the use of

Council reserves. In the absence of this, the Council would have to commence planning for how each of these issues would be addressed in order that it would meet its statutory obligations and financial sustainability be maintained.

#### Latest Submission to MHCLG - July 2020

- 2.4 As Members will be aware each month the Council has been required to outline its cost pressures in its return to MHCLG. The latest submission is due to be provided on 31 July 2020. At the time of this report being published work is ongoing on the return however an estimate of the latest figures that will be provided are detailed below.

|  | June 2020<br>£'m | July 2020<br>£'m |
|--|------------------|------------------|
| Forecast cost of responding the pandemic | 15.9             | 14.2             |
| Loss of income from fees and charges     | 15.6             | 15.7             |
| Reduced Council Tax receipts             | 7.8              | 6.4              |
| Reduced Business Rates receipts          | 5.5              | 7.0              |
| <b>Sub Total</b>                         | <b>44.8</b>      | <b>43.3</b>      |
| Government Funding Received              | (17.5)           | (20.1)           |
| <b>Current Shortfall</b>                 | <b>27.3</b>      | <b>23.2</b>      |

#### Central Government Advice and Guidance

- 2.5 On Thursday 2 July 2020, central government issued a press release that provided headlines for its next phase of financial support to local government and this was focussed on 3 areas:
- An unringfenced grant for LA's totalling £500m;
  - In year support will be provided for loss of income from fees and charges. This will be based on Local Authorities having to fund the first 5% (to reflect natural volatility) of total fees and charges to be collected in year. This is to be taken from the total income that can't be collected-central government will then meet 75% of the remaining balance with councils having to fund the remaining 25%; and
  - For next year the budget shortfall that would have been experienced due to lower council tax and business rates being collected can be 'smoothed' over 3 years. Central Government have advised that they will look at this area and its impact as part of the Spending Review which will be announced in October/November 2020.
- 2.6 On Thursday 16 July 2020, further advice and guidance was provided - this included the announcement that the Council's share of the £500m grant would be £2.570m. This takes the total grant received by central government to £20.124m.

#### Potential Impact for Sefton

##### **2020/21**

- 2.7 As stated, there are two primary issues that need to be addressed in the current year for the Council:-

- The Council has a statutory responsibility to balance its budget, therefore needs to meet the loss of fees and charges of £15.7m (This assumes that the approved budget for the year is balanced); and
- The Council needs to have sufficient cash within its bank account to meet its ongoing costs throughout the year, i.e. cashflow.

### **Additional Direct Allocation**

2.8 Central Government has announced a further £500m of unringfenced grant for local authorities with the Sefton allocation being £2.570m. This follows an initial 2 tranches of support that have previously been received and were intended to be used to respond to the pandemic (tranche 1) and to meet potential income shortfalls in addition to responding to the pandemic (tranche 2). This initial support was also unringfenced.

### **Cost of responding to the pandemic**

2.9 It can be seen from the table presented earlier in this report that in June the Council had commitments totalling £15.9m from its emergency fund budget. This reflected spend to date and some initial estimates from the start of the pandemic of what maybe incurred. At this point in time it is estimated that some of these initial allocations will not be required to the level previously assumed and that the revised commitments now amount to £11.2m.

2.10 As a result of this, a balance would remain in this emergency fund. There is of course huge uncertainty within the country at present in respect of the potential for local outbreaks and a second wave of the pandemic and indeed as lockdown releases further pressure maybe experienced in Council services. It is therefore proposed that an indicative sum of £3.0m be held to support such an eventuality. This sum can be changed depending on developments over the coming months which as stated are not known at this stage. It is proposed that the Leader of the Council approve any further expenditure from the Emergency Fund following advice from the Chief Executive and s151 officer with any such allocation being reported to future Cabinet meetings.

### **Fees and Charges**

2.11 As stated, within the latest MHCLG return, the Council has estimated that it will experience a reduction in fees and charges income of £15.7m.

2.12 This sum represents known and expected losses to the end of August 2020 and then further reductions from that point as some services are re-opened. This is obviously an estimate at this stage and will be determined by two key issues:-

- The actual level of income that is generated over the remainder of the year; and
- Social behaviour post lockdown.

2.13 Based upon the central government initial guidance received on 16 July 2020 of how the support in this area will work, the Council estimates that it may be required to fund approximately £5.0m to £7.0m of these income losses, however as stated this will depend on the final guidance received and the final losses experienced by the Council. It is important to note that as a 'cost sharing' approach has been set by

central government, decisions made by the Council in respect of its income generating activity will bear a cost that will need to be met.

### **Potential Options for Balancing the 2020/21 Budget**

- 2.14 The financial implications for the current year are both complex and significant in financial value. As stated, the final financial impact of the pandemic is not yet known and there remains uncertainty as to the level of government support that will be made available. Therefore, in developing a proposal for how the Council will balance its budget, it needs to be aware of the factors that could lead to it needing to update or refine its plans.
- 2.15 Based upon the initial estimates at this stage (and assuming that the previously approved Council budget is balanced), the Council will need to meet an additional funding shortfall of approximately £5.0m to £7.0m in this year, however this will be subject of change. It is clear that the potential to make further in year savings of this level from this point would be extremely difficult without changes to services and/or service levels, neither of which are desirable at this stage in the financial year, with the pandemic ongoing and pressure on Council services mounting as lockdown eases.
- 2.16 Similarly, the Council does not have 'surplus' reserves that it could utilise on a one-off basis for a deficit of this size. Any such use would have to be undertaken on a risk-based basis and would require repayment in future years which would add to the funding gap in the Medium-Term Financial Plan.
- 2.17 The Council will therefore need to maximise the use of the central government grant that it has received and has not been spent in directly responding to the pandemic at this stage (should any balance remain) while using but as far as possible limiting the potential use reserves or other balances held.
- 2.18 This approach however is predicated on the following:-
- Final government guidance on the proposed approach to funding fees and charges being received and the estimates within this paper being revised;
  - No further commitments being agreed at this stage in respect of the emergency fund;
  - Previous estimates in respect of emergency fund allocations being 'revised down' as set out to reflect actual expenditure incurred-this will take place following approval of this report;
  - An initial contingency of £3.0m being established from the emergency fund for potential future commitments in respect of additional support being required to fund a local outbreak or a second wave of the pandemic or additional demand for Council services/funding. It is proposed that the Leader of the Council approve any such allocations having taken advice from the Chief Executive and the s151 officer;
  - The impact of a local outbreak or second wave of the pandemic meaning a response is required from the Council that exceeds the proposed £3.0m sum that is to be set aside;
  - The final estimated shortfall on fees and charges within the Council during the year which will be dependent on when services resume, additional cost of re-opening, reduced income levels and social behaviour; and,



- Central government remaining consistent that the use of emergency funding is unringfenced and at the discretion of local councils and that any funds not used in responding to the pandemic will not be directed by central government as part of their contribution to the fees and charges shortfall.

2.19 In the event that these options cannot be delivered for the reasons set out, the Council will need to review further expenditure commitments that are due to be incurred between now and the end of the year and the use of all of its available cash balances, including potential capital receipts and earmarked reserves, to meet any funding shortfall. Such a scenario comes with a number of risks and issues to the future financial sustainability of the Council and is thus not the preferred approach at this stage. Discussions with the Council's External Auditor will form part of the final strategy.

2.20 The Council, as reported at Budget Council in February, outlined that its level of reserves is low compared to that of similar authorities and for a council of this size. Any use of cash balances (including capital receipts) and earmarked reserves will increase the financial risk to the Council in both current and future years and will need to be repaid as part of the Medium-Term Financial Plan.

### **Cashflow**

2.21 At this time, it is unclear as to when the additional grant from central government will be received and when support for fees and charges is due. It is therefore not possible at this stage to refine the estimate of when the Council will require additional support to its cashflow position that was previously reported to Cabinet at the previous meeting. This will be refined as this information becomes available.

### **2021/22**

2.22 Central Government has recognised that what councils collect in council tax and business rates in one year directly informs what it has available to spend in the following year through its Collection Fund.

2.23 All councils are experiencing reductions in council tax and business rates income at present and are reporting this to MHCLG. These estimates will obviously be the subject of change through the year but will have a material impact on next year's budget.

2.24 Central government have been advising in recent weeks that the previous austerity programme has come to an end, that councils should not be developing plans for significant service cuts as a result of the pandemic or government policy as they are working on a sustainable financial settlement for the sector and that they are hoping to provide certainty to aid planning.

2.25 Sefton is currently estimating that it will experience a reduction in council tax and business rates income of around £13.4m, with this estimate having the potential to vary considerably before the year end as the true impact of the pandemic on employment levels and business becomes apparent.

2.26 Government have advised that instead of experiencing the impact of this in one year, i.e. 2021/22, as required by the current regulations, such a deficit can be 'smoothed'

over the next three years. Based on the current figure this would mean a shortfall in each of the next three years of £4.5m.

2.27 Such figures are significant; therefore, government has advised that it will revisit this as part of the Spending Review, when the financial position will become clearer for councils, but this is the best planning total that the Council has at this stage.

2.28 The Government have now announced that the Spending Review will be finalised this autumn, covering years from 2021/22 to 2023/24. However, the implications of this for individual councils will not be known until the Local Government Finance Settlement which is expected to be announced just before Christmas. As it has in previous years, the Council will be making representations to the Government on the Spending Review.

2.29 Developing next year's budget and a revised Medium-Term Financial Plan is therefore extremely difficult at this stage, due to the uncertainty that exists both within existing budgets and what government guidance and support can be expected. The council is clear on the issues that need to be reflected in this Medium-Term Financial Plan therefore a set of potential ranges are set out for each of these. These will need to be refined over the forthcoming months.

2.30 A summary of these potential issues is summarised below that takes account of this and other factors that will influence the Council's Medium-Term Financial Plan that will be updated and presented to Cabinet in October 2020:

| <b>Medium Term Financial Plan- Planning Assumption 2021/22</b>   | <b>Lower range Estimate (£'m)</b> | <b>Upper Range Estimate (£'m)</b> |
|--|-----------------------------------|-----------------------------------|
| 'Smoothing' of Collection Fund deficit   | 1.0                               | 4.5                               |
| Loss of income from sales, fees and charges until economy recovers   | 1.5                               | 4.5                               |
| Increase provision for Children's Social Care  | 2.0                               | 2.0                               |
| Contingency provision to reflect significant budget uncertainty within existing services arising from the pandemic | 1.0                               | 1.0                               |
| Potential Impact from Spending Review – grant distribution based on population as per previous MTFP                | 0.0                               | 4.5                               |
| Repayment of reserves and balances if required to support loss of income in the current year                       | 0.0                               | 1.7                               |
| <b>Total</b>   | <b>5.5</b>                        | <b>18.2</b>                       |

Note :all of these estimates will be the subject of change as the Council moves through the financial year for the reasons set out in this report

2.31 From this table it can be seen that there are a diverse range of issues that will impact upon the funding that the Council has for next year with the most significant of these not being within its control. As such the funding gap for next year arising from the pandemic could be between £5.5m and £18.2m based on current estimates.

2.32 As such the planning detailed within the Cabinet report of June 2020 will continue and be reported to Members in due course and the MTFP planning assumptions which will be the subject of change throughout the year will also be updated.

2.33 As stated in the Cabinet report of June 2020 and this report, the situation the council finds itself in is one that is reflective of all councils in England. The Council is engaged individually and collectively with other city region authorities in lobby both MHCLG and BEIS on the issues faced, the need for sustainable funding solutions and timely advice and support in order that it can meet its statutory responsibilities both financially and in respect of providing services to residents.

### **3. Central Government Grant Programmes in Response to COVID-19**

3.1 As part of its role in responding to the pandemic, Central Government has requested that all councils administer a number of grant programmes that have been designed to support residents, businesses and care homes. These are:-

- A Council Tax Hardship Fund
- Small Business Grant Fund and Retail, Hospitality and Leisure Grant Fund
- Business Rates relief; and
- Infection Control Fund

3.2 For each of these programmes, government advice and guidance has been prescriptive with no flexibility offered to local government on how to apply them. A summary of each of the programmes, key details and their value is included below.

#### **Council Tax Hardship Fund**

3.3 The Government announced in the Budget on 11 March that it would provide local authorities in England with £500 million of new grant funding to support economically vulnerable people and households in their local area. Sefton's allocation was £3.037m.

3.4 The Council was required to give all residents of working age who receive a discount under the Council Tax Reduction Scheme (CTRS) a further discount of £150. Approximately 15,500 residents have their bill reduced and amended Council Tax bills showing this reduction have been reissued (total cost £2.359m). New claimants will automatically receive this discount and funding has been set aside for this purpose as a rise is expected.

#### **Small Business Grant Fund and Retail, Hospitality and Leisure Grant Fund**

3.5 The Government announced there would be support for small businesses, and businesses in the retail, hospitality and leisure sectors in the form of two grant funding schemes for 2020/21, the Small Business Grant Fund (SBGF) and the Retail, Hospitality and Leisure Grant Fund (RHLG).

3.6 Under the SBGF all businesses in England in receipt of either Small Business Rates Relief (SBRR) or Rural Rates Relief (RRR) in the business rates system were eligible for a payment of £10,000 in line with the eligibility criteria. To 10 July 2020 Sefton had made payments of £31.730m to 3,173 businesses.

3.7 Under the RHLG, businesses in England that would have been in receipt of the Expanded Retail Discount (which covers retail, hospitality and leisure) on 11 March

2020 with a rateable value of less than £51,000 will be eligible for the following cash grants per property:

- Eligible businesses in these sectors with a property that has a rateable value of up to and including £15,000 will receive a grant of £10,000.
- Eligible businesses in these sectors with a property that has a rateable value of over £15,000 and less than £51,000 will receive a grant of £25,000.

3.8 To 10 July 2020 Sefton had made payments of £16.825m to 901 businesses.

#### **Discretionary Business Grant Fund**

3.9 A discretionary fund has been set up by the Government to accommodate certain small businesses previously outside the scope of the business grant funds scheme. Sefton's allocation was £2.237m.

3.10 This additional funding is aimed at small businesses with ongoing fixed property-related costs. However, awards of funding could be made to other businesses based on local economic need.

3.11 As at 10 July 2020 payments of £0.552m had been made to 123 businesses. A report providing an update on the scheme is presented elsewhere on today's agenda.

#### **Business Rates relief**

3.12 In the Budget on 11 March the Government announced that it would increase the Business Rates Retail discount to 100% and extend it to include the leisure and hospitality sectors. Following the announcement on 23 March 2020 of further measures to limit the spread of coronavirus, the Government confirmed that some of the exclusions for this relief had been removed. To 10 July 2020 Sefton had applied £39.755m of relief to the Business Rates bills of 1,640 eligible businesses. This is £37.007m more than estimated under the previous Retail scheme.

3.13 In addition, on 18 March 2020 the government announced that many childcare providers would pay no business rates in 2020/21. To 10 July 2020 Sefton had applied £0.371m of relief to the Business Rates bills of 37 eligible businesses.

#### **Infection Control Fund**

3.14 The Government has also provided £600m nationally to help support adult social care providers with the costs of infection control; the Council has been allocated £4.858m. An initial allocation of 50% of this figure has been received, with local authorities being mandated to pay 75% of this directly to care homes based on the number of CQC registered beds. The initial allocation to care homes was £482.59 per bed with total payments of £1.822m made to 131 individual care homes. The remaining 25% of the initial allocation will be allocated to care homes and domiciliary care providers to support infection control measures, primarily for Personal Protective Equipment (PPE).

3.15 It is expected that once received by the Council, the second 50% tranche of funding will be required to be allocated in a similar way but may also be utilised for wider Infection, Prevention and Control activities.

4. **Summary of the Forecast Outturn Position as at the end of June 2020**

- 4.1 Members are provided with updates of the Council’s forecast financial position each month during the financial year from June onwards.
- 4.2 Given the unprecedented financial challenges faced by the Council in relation to COVID-19, it is vital that the Council is able to achieve a balanced forecast outturn position for its normal activities, ignoring the impact of COVID-19 pressures. Therefore, the Council undertook initial budget monitoring during April and May to get an earlier indication on the likely pressures to be incurred.
- 4.3 As in previous years, significant pressures have been identified in several service areas at this early stage of the year, particularly Children’s Social Care, Communities (Children with Disabilities) Education Excellence (Home to School Transport) and Locality Services. Initial indications of the budget pressures are shown below:

| <b><u>Service</u></b>                           | <b><u>Budget Pressure</u></b> |
|---|-------------------------------|
|   | £m                            |
| Children's Social Care – Placements & Packages  | 4.100                         |
| Communities – Children with Disabilities / PSR2 | 1.050                         |
| Education Excellence – Home to School Transport | 0.200                         |
| Locality Services – Security Force              | 0.350                         |
|   | <b>5.700</b>                  |

- 4.4 Given the uncertainty around COVID-19 it is vital that the Council ensures the 2020/21 budget does not overspend. Therefore, following the April monitoring position being determined, it was identified that a remedial plan needed to be developed. This has initially focussed on vacancy management with external recruitment being prioritised in Children’s Services, Family and Well Being Centres/Early Help and SEND, stopping all non-essential expenditure within the Council, with the exceptions of Children’s Social Care (due to the budget issues in that service) and Public Health (due to the current pandemic) and as per the Budget Report of February 2020, bringing through savings from the Framework for Change programme - these will be developed and shared with Members as per the Council’s established governance processes. A budget shortfall of £5.7m equates to needing to identify savings to the value of 3.5% of the Council’s remaining budget and as this pressure is permanent long-term savings to this value are required moving into next year.
- 4.5 As a result of this work undertaken, the latest forecast of service expenditure indicates an overspend of **£0.664m** however this represents the forecast at this early stage of the year and both each services outturn forecast and those savings that are being developed will vary in value over the next nine months. It is however critical that in the event that budget pressure increases, corresponding savings are identified within the Council’s existing budget. The table below highlights the variations:

|  | <b>Budget</b> | <b>Forecast Outturn</b> | <b>Variance</b> |
|--|---------------|-------------------------|-----------------|
|  |               |                         |                 |

|   | £m             | £m             | £m                  |
|---|----------------|----------------|---------------------|
| <b>Services</b>                         |                |                |                     |
| Strategic Management                    | 3.140          | 2.972          | -0.168              |
| Strategic Support                       | 2.460          | 2.367          | -0.093              |
| Adult Social Care                       | 97.634         | 94.335         | -3.299              |
| Children's Social Care                  | 34.717         | 39.362         | 4.645               |
| Communities                             | 18.463         | 19.176         | 0.713               |
| Corporate Resources                     | 4.499          | 3.670          | -0.829              |
| Economic Growth & Housing               | 5.664          | 5.583          | 0.081               |
| Education Excellence                    | 9.925          | 9.851          | -0.074              |
| Health & Wellbeing                      | 18.972         | 18.913         | -0.059              |
| Highways & Public Protection            | 10.710         | 10.362         | -0.348              |
| Locality Services                       | 12.153         | 12.187         | 0.034               |
| <b>Total Service Net Expenditure</b>    | <b>218.337</b> | <b>218.778</b> | <b>0.441</b>        |
| Budget Pressure Fund                    | 1.000          | 0.000          | -1.000              |
| Council Wide Budgets                    | 17.124         | 18.347         | 1.223               |
| Levies                                  | 34.701         | 34.701         | 0.000               |
| General Government Grants               | (46.456)       | (46.456)       | 0.000               |
| <b>Total Net Expenditure</b>            | <b>224.706</b> | <b>225.370</b> |                     |
| <b><u>Forecast Year-End Deficit</u></b> |                |                | <b><u>0.664</u></b> |

4.6 The key forecast variations in the outturn position (excluding savings) are as follows:

-

- **Children's Social Care (£4.645m net overspend)** – Based on the numbers of Looked After Children at the beginning of the year, the Placement and Packages budget is forecast to overspend by £3.241m in 2020/21. Assuming a further increase in the number of Looked After Children in line with the increase seen in 2019/20, the forecast overspend will increase by a further £0.960m, i.e. a total forecast overspend of £4.201m.

In addition, there is a forecast overspend on staffing costs relating to social workers and agency staff of £0.483m. A review of the level of staffing will be undertaken, including the use of agency staff, to refine the forecast and determine if any of the increased costs are as a result of COVID-19 and the pressure that has brought to the service.

As has been regularly reported over the last two years, the cost of Placements and Packages is the largest risk to the Council's budget position, and it is expected that the position will be the subject of further change between now and the year end. The Council is currently working on developing a range of options to address the inherent demand and costs of Looked After Children whilst supporting the most vulnerable residents, but this budget remains under pressure and purely from a financial point of view this is likely to continue during this year and into the next financial year.

- **Communities – (£1.260m overspend)** – The cost of placements and packages for Children with Disabilities is forecast to overspend by £0.583m (excluding the estimated additional costs relating to COVID-19). This budget has been under increasing pressure in recent years but overspends have previously been offset by underspends elsewhere on the service.

In addition, there is a residual savings target from PSR2 of £0.633m for which specific savings have yet to be identified. In 2019/20 these were achieved by vacancy savings and a number of one-off measures which aren't available in 2020/21.

- **Education Excellence (£0.163m overspend)** - Home to School transport external provision has a projected overspend of £0.207m due to an increase in the number of children being transported plus an increase in the number of children in receipt of personal travel budgets. These demand pressures have meant the budget has overspent for a number of years, despite increases being made to the budget, including £0.200m in 2020/21.
- **Locality Services (£0.350m overspend)** – Some of the service pressures experienced in 2019/20 have continued into 2020/21.
  - Security Service (£0.615m overspend) – The forecast deficit is a reflection of an under recovery of income to support the cost base. The forecast overspend is based on a prudent view of the income due. The Service is to undertake a full review as part of the saving proposals below.
  - Cleansing (£0.351m underspend) – The underspend is mainly due to the reduced costs of vehicles as the purchase of the new fleet will occur later than originally anticipated, resulting in lower prudential borrowing costs.

### **Measures to close the residual gap in 2020/2021**

- 4.7 The forecast budget deficit as at June 2020 is **£0.664m**. This reflects the risks that are inherent in the Council's financial position, particularly around demand for Children's Social Care and other demand led services. With a budget gap remaining and further pressure likely based on experience in previous years and the need to manage the impact of COVID on the Council's financial sustainability, financial principles utilised over the last decade will once again be maintained:
- All Heads of service as a minimum should contain expenditure within the budget forecast that has been made at the end of June - if there is to be any budget pressure above this, remedial measures will be required to meet the pressure or further savings being required across all services.
  - To that end expenditure should only be incurred on essential activities during the year and a targeted approach to vacancy management as set out.
  - Heads of Service and senior managers to place an increased emphasis on budget monitoring throughout the year to ensure all financial forecasts are robust and can be substantiated.
  - The remedial action plan and mitigations proposed by Services be tracked for the remainder of the financial year to ensure they are being achieved.
- 4.8 As has been discussed previously, the financial landscape for local government this year is uncertain – it is hoped based on some briefings that central government will support the sustainability of the sector but this budget position will not be helped by that process so as a minimum this in year budget must be balanced as this also directly impacts the councils reserves and cash flow position which are two of the biggest risk areas arising from the current pandemic. As the year progresses monthly reports will be provided to members on all financial issues and proposals for how financial sustainability can be maintained and the decisions that are required to enable this. It should also be noted that the pressures identified this year will be permanent, i.e. will exist next year. These will need to be funded from that point therefore an assessment will be needed as to whether the measures included in the



remedial plan can be extended into next year or this pressure will add to the potential funding gap detailed in paragraph 2.29.

### **Framework for Change 2020**

- 4.9 Budget Council on 27 February 2020 approved the commencement of all appropriate activity within the Framework for Change 2020 programme. Work has progressed on each of the workstreams for both Council of 2023 and Demand Management. As part of Demand Management, and following work undertaken with external support, savings have been identified in respect of a number of projects within the Children's Social Care and Adult Social Care workstreams.
- 4.10 Due to the impact of COVID-19 there have been delays in progressing some of the activities required in order to achieve the forecast savings. Part year savings have been included within the 2020/21 forecast outturn figures where appropriate and savings will be built into the 2021/22 budget.
- 4.11 In order to deliver some of the savings the following additional resources are required:
- Family Finder Team (£0.140m)
  - Fostering Team (£0.170m)
  - Direct Payments Team (£0.070m staff)

The cost of these additions has been netted off the savings included in the current forecast and will be reviewed after 12 months to confirm that they have resulted in those financial benefits having been generated.

### **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 £139.830m for 2020/21 (including Parish Precepts), which represents 84.1% of the net Council Tax income of £166.267m.
- 5.2 The forecast outturn for the Council at the end of June 2020 is a deficit of +£1.574m. This variation is primarily due to: -
- The deficit on the fund at the end of 2019/20 being higher than estimated (+£0.047m);
  - Gross Council Tax Charges in 2020/21 being lower than estimated (£0.010m);
  - Exemptions and Discounts (including a forecasting adjustment) being higher than estimated (+£1.517m). This is mainly as a result of a significant increase in the number of claimants for the Council Tax Reduction Scheme (CTRS).

- 5.3 It should be noted that the deficit is expected to increase due to an increasing number of CTRS claimants (the current estimated deficit is a further £0.7m in addition to the figure quoted in paragraph 4.2) and the impact of a reduction in the amount of Council Tax being collected (currently estimated at £4.2m).
- 5.4 Due to Collection Fund regulations, the Council Tax deficit will not be transferred to the General Fund in 2020/21 but will be carried forward to be recovered in future years.
- 5.5 A forecast deficit of £2.348m was declared on the 23 January 2020 of which Sefton's share is £1.975m (84.1%). This is the amount that will be recovered from the Collection Fund in 2020/21. Any additional surplus or deficit will be distributed in 2021/22 and future years.

## **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 £66.169m for 2020/21, which represents 99% of the net Business Rates income of £66.838m. 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 June 2020 is a deficit of £35.591m on Business Rates income. This is due to:
- The surplus on the fund at the end of 2020/21 being higher than estimated (-£1.119m);
  - Increase in the gross charge on rateable properties (-£0.083m);
  - Other reliefs (including a forecasting adjustment) being lower than estimated in 2020/21 (-£0.110m);
  - A number of additional reliefs were announced after January 2020 to support businesses during the COVID-19 pandemic. These include expanded retail discount, pub relief, newspaper relief, and private nursery relief. The loss of income as a result of these reliefs will be covered by Section 31 grant payments. Due to the timing of these announcements the impact of these reliefs could not be incorporated into the budget figures reported in the NNDR1 return (+£36.903m).
- 6.3 When taking into account the additional Section 31 grants due on the additional reliefs, a net surplus of £1.407m is forecast. However, it should be noted that this doesn't take account of the impact of the number of appeals being registered by businesses in response to the pandemic or the reduction in the amount of Business Rates being collected. A significant forecast deficit is therefore anticipated with the current estimate being a £7.0m deficit.
- 6.4 Due to Collection Fund regulations, a Business Rates deficit will not be transferred to the General Fund in 2020/21 but will be carried forward to be recovered in future years.

6.5 A forecast surplus of £0.622m was declared in January 2020. Sefton's share of this is £0.616m. This is the amount that will be distributed from the Collection Fund in 2020/21 and any additional surplus or deficit will be distributed in future years.

## **7. Capital Programme 2020/21 – 2022/23**

### **7.1 Capital Budget**

7.1.1 The Capital Budget and profile of expenditure for the three years 2020/21 to 2022/23 is as follows:

|                |                 |
|----------------|-----------------|
| <b>2020/21</b> | <b>£35.766m</b> |
| <b>2021/22</b> | <b>£20.481m</b> |
| <b>2022/23</b> | <b>£1.081m</b>  |

### **7.2 School's Programme**

7.2.1 The Council had a provisional allocation of funding available at the beginning of 2020/21 of £4.163m to allocate to school's schemes. In developing the programme for 2020/21 and reviewing the existing school's schemes, the following allocations have been made from this available allocation due to cost price increases and changes in scope:

- Freshfield Primary Boiler Replacement £0.007m
- Grange Primary Boiler Replacement £0.040m
- Grange Primary Rewiring £0.145m
- Lydiate Primary Rewiring £0.159m

7.2.2 A greater focus and need under Special Educational Needs and Disabilities has also been identified for sixth form provision at Rowan High School. It is therefore proposed to support the development of three classrooms with an additional £0.368m from the provisional funding available above.

7.2.3 The remaining balance of £3.444m funding available will be allocated to new education schemes and a programme of works has therefore been developed. A breakdown of these new schemes can be found at Appendix B and is now presented for approval.

### **7.3 Highways Programme**

7.3.1 The Capital Programme approved by Cabinet and Council in February 2020 included an allocation of £2.298m for Highway Maintenance and an additional sum for maintaining the Key Route Network (KRN) of £0.405m based upon previous years allocations.

7.3.2 Subsequently the Combined Authority (CA) agreed to increase the proportion of highway maintenance funding for the Key Route Network with a proportionate decrease in the direct allocations to Local authorities. Sefton was subsequently

awarded £1.882m for the Highways Maintenance block, with the KRN allocation to be allocated in due course. This was the figure subsequently used in the Transport Capital schemes approved by Cabinet Member for Localities in June 2020.

7.3.3 On 7th July 2020 the Council was informed that our allocation from the CA for the KRN for 2020/21 will be £0.898m. In addition, we will receive further allocations of £1.995m and £0.630m from the Highways Challenge Fund distributed by the government to the CA in response to COVID-19. Alongside this a further £0.167m has been allocated via the Pot hole Fund, together with £0.590m of Active Travel Funding to implement pop up cycle lanes as part of the COVID-19 response. Consequently, the revised 2020/21 Transport Capital allocations presented for approval are as follows:

|   | <b>Revised Allocations July 2020</b> |
|---|--------------------------------------|
| <b>LTP - Highways Maintenance Block</b>                 | £1,880,000                           |
| <b>LTP - Integrated Transport Block</b>                 | £990,000                             |
| <b>LTP - Additional Key Route Network</b>               | £898,000                             |
| <b>Highways Challenge Fund (Formulaic distribution)</b> | £1,995,000                           |
| <b>Highways Challenge Fund (as per Bid)</b>             | £630,000                             |
| <b>Pot Hole Fund</b>                                    | £167,400                             |
| <b>Active Travel Fund</b>                               | £590,460                             |
| <b>Sustainable Urban Development Fund</b>               | £1,085,000                           |
| <b>Merseyside Local Growth Fund STEP</b>                | £1,067,000                           |

#### **7.4 Budget Monitoring Position to June 2020**

7.4.1 The current position of expenditure against the budget profile to the end of June 2020 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. For example, Education Excellence will typically carry out most of its capital works during key school's holiday periods such as the summer recess (quarter two), whilst Highways and Public Protection will complete most of its programmed works during quarters two and four. The budget to date in the table below reflects the profiles of each individual scheme.

7.4.2 Due to the impact of the COVID-19 crisis, delivery of schemes during the first quarter (April to June) has been relatively low and the budget has been profiled accordingly, similarly the opportunity to conduct large elements of the schools' programme during summer 2020 will also have been lost. It is anticipated that spending will increase towards the end of quarter two as contractors return on site to complete scheduled works. The budgets will therefore reflect increases in activity later in the year. It may also be necessary to reprofile allocations to future years where schemes have been delayed and cannot be completed in the current year. These schemes will be kept under review and any adjustments to the budgets will be reported to Cabinet on subsequent monitoring reports.

| Service Area                            | Budget to Jun-20 | Actual Expenditure to Jun-20 | Variance to Jun-20 |
|---|------------------|------------------------------|--------------------|
|   | £m               | £m                           | £m                 |
| <b>Adult Social Care</b>                | 0.332            | 0.259                        | -0.073             |
| <b>Communities</b>                      | 0.018            | 0.021                        | 0.003              |
| <b>Corporate Resources</b>              | 0.009            | 0.007                        | -0.002             |
| <b>Economic Growth &amp; Housing</b>    | 0.021            | 0.021                        | -                  |
| <b>Education Excellence</b>             | 0.589            | 0.588                        | -0.001             |
| <b>Highways &amp; Public Protection</b> | 1.173            | 1.135                        | -0.038             |
| <b>Locality Services</b>                | 0.346            | 0.392                        | 0.046              |
| <b>Total Programme</b>                  | <b>2.488</b>     | <b>2.423</b>                 | <b>-0.065</b>      |

## 7.5 Capital Programme Forecast Outturn 2020/21

7.5.1 The current forecast of expenditure against the budget profile to the end of 2020/21 and the profile of budgets for future years is shown in the table below:

| Service Area                            | Full Year Budget 2020/21 | Forecast Out-turn | Variance to Budget | Full Year Budget 2021/22 | Full Year Budget 2022/23 |
|---|--------------------------|-------------------|--------------------|--------------------------|--------------------------|
|   | £m                       | £m                | £m                 | £m                       | £m                       |
| <b>Adult Social Care</b>                | <b>2.614</b>             | <b>2.574</b>      | -0.040             | 7.992                    | -                        |
| <b>Communities</b>                      | <b>0.255</b>             | <b>0.258</b>      | 0.003              | 0.265                    | -                        |
| <b>Corporate Resources</b>              | <b>1.489</b>             | <b>1.489</b>      | -                  | 1.399                    | -                        |
| <b>Economic Growth &amp; Housing</b>    | <b>6.100</b>             | <b>6.100</b>      | -                  | 1.377                    | -                        |
| <b>Education Excellence</b>             | <b>3.689</b>             | <b>3.689</b>      | -                  | 5.749                    | -                        |
| <b>Highways &amp; Public Protection</b> | <b>12.547</b>            | <b>12.547</b>     | -                  | -                        | -                        |
| <b>Locality Services</b>                | <b>9.072</b>             | <b>9.168</b>      | 0.096              | 3.699                    | 1.081                    |
| <b>Total Programme</b>                  | <b>35.766</b>            | <b>35.825</b>     | <b>0.059</b>       | <b>20.481</b>            | <b>1.081</b>             |

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

7.5.2 The current 2020/21 budgeted spend is £35.766m with a budgeted spend to June of £2.488m. The full year budget includes an exceptional item of £7.3m for vehicle replacement. Typically, on an annual basis the capital programme spends in the region of £20m. Given this typical annual level of spend it is likely that reprofiling of spend into 2021/22 will occur as the year progresses. This will be compounded by the effect of COVID-19 which may mean that some works scheduled for completion in 2020/21 will be rescheduled to 2021/22.

7.5.3 Analysis of significant spend variations under budget profile in 2020/21:

## 7.6 Programme Funding

7.6.1 The table below shows how the capital programme will be funding in 2020/21:

| <b>Source</b>                     | <b>£m</b>     |
|-----------------------------------|---------------|
| Grants                            | 22.368        |
| Contributions (incl. Section 106) | 0.763         |
| Capital Receipts                  | 1.953         |
| Prudential Borrowing              | 10.682        |
| <b>Total Programme Funding</b>    | <b>35.766</b> |

7.6.2 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.

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

## **7.7 Southport - Towns Fund**

7.7.1 Members will recall that Southport has been identified and invited to submit a bid for £25m of government funding via the Towns Fund. As part of central government's response to the COVID 19 pandemic it is bringing forward £5bn of capital investment projects that aim to support jobs and economic recovery with the Towns Fund being part of this strategic approach. As such, government is bringing forward funding to this financial year to support projects that will make an immediate impact in towns across the country.

7.7.2 On 1 July 2020, MHCLG wrote to the Council advising that they are offering Southport a grant of £1million now to fund capital projects that can be delivered this financial year. This funding is to be used to encourage projects that will support towns in responding to immediate challenges, including:

- Improvement to or new parks and green spaces and sustainable transport links;
- Improvements to town centres including repurposing empty commercial properties; or
- Demolition or site remediation where this will have an immediate benefit.

7.7.3 In order for this funding to be released, the Council's s151 officer will need to advise MHCLG by 14 August 2020 of how the funding will be used, how it will meet the requirements as included within the Towns Fund intervention framework, will achieve good value for money and that the project can be delivered this financial year.

7.7.4 There is a Southport Towns Fund Board in place that is currently developing the overall bid that will be submitted in October 2020 and it is this body that will advise the Council of the project(s) that it wishes to be completed with the available funding. This will be reflected in the minutes of the relevant board meeting in order that a sufficient audit trail exists.

7.7.5 It is recognised that once the grant funding is allocated, the Council will be the accountable body for that funding therefore approval of the projects that will utilise this funding will progress through the Council's agreed governance route to ensure

compliance with Financial Procedure Rules. This will therefore mean that subsequent approval will be sought by Cabinet or if the value of the project exceeds £1m a Council decision will be required.

## APPENDIX A – Capital Programme 2020/21 to 2022/23

| Capital Project                               | Budget       |              |              |
|---|--------------|--------------|--------------|
|   | 2020/21<br>£ | 2021/22<br>£ | 2022/23<br>£ |
| <b>Adult Social Care</b>                      |              |              |              |
| Care Homes - Fire Alarms & Emergency Lighting | 102,000      | -            | -            |
| Core DFG Programme                            | 666,000      | 1,158,000    | -            |
| Wider Social Care Programme                   | 1,845,787    | 6,833,923    | -            |
| <b>Communities</b>                            |              |              |              |
| Libraries - Centres of Excellence             | 80,000       | 265,088      | -            |
| Bootle Library                                | 42,372       | -            | -            |
| S106 - Derby – South Park Hut Extension       | 50,614       | -            | -            |
| S106 - St Oswalds – Marion Gardens Play Equip | 3,022        | -            | -            |

|  |                |                |                |
|--|----------------|----------------|----------------|
| S106 - Netherton & Orrell – Abbeyfield Park Play Area      | 11,942         | -              | -              |
| S106 - Cambridge – Hesketh Park Improvement Works          | 15,016         | -              | -              |
| S106 - Netherton & Orrell – Zebra Crossing, Park Lane West | 19,540         | -              | -              |
| S106 - Linacre - Strand Living Wall                        | 33,000         | -              | -              |
| <b>Corporate Resources</b>                                 |                |                |                |
| Corporate Maintenance                                      | 17,799         | -              | -              |
| STCC Essential Maintenance                                 | -              | 1,398,634      | -              |
| Victoria Baths Essential Works                             | 541,247        | -              | -              |
| St John Stone Site - Infrastructure Works                  | 623,210        | -              | -              |
| Magdalen House Alterations                                 | 90,234         | -              | -              |
| Southport Town Hall Community Base                         | 22,882         | -              | -              |
| Family Wellbeing Centres                                   | 193,317        | -              | -              |
| <b>Economic Growth &amp; Housing</b>                       |                |                |                |
| Marian Square, Netherton CCTV                              | -              | 37,162         | -              |
| REECH Project  | -              | 13,173         | -              |
| Southport Commerce Park - 3rd Phase Development            | -              | 40,405         | -              |
| Housing Investment (HMRI)                                  | 18,078         | 36,180         | -              |
| Southport Pier Project                                     | 179,920        | -              | -              |
| Strategic Acquisitions - Land at Bootle                    | 748,500        | -              | -              |
| Town Centre Fund   | 500,000        | 250,000        | -              |
| Cambridge Road Centre Development                          | 1,252,000      | -              | -              |
| Crosby Lakeside (CLAC) Development                         | 3,100,000      | -              | -              |
| Strategic Acquisitions - Ainsdale                          | 301,859        | 1,000,000      | -              |
| <b>Education Excellence</b>                                |                |                |                |
| Healthy Pupils Fund  | 26,241         | -              | -              |
| Schools Programme  | 2,839,213      | 1,294,152      | -              |
| Planned Maintenance  | 405,000        | 3,444,300      | -              |
| Special Educational Needs & Disabilities                   | 419,001        | 1,010,699      | -              |
| <b>Highways and Public Protection</b>                      |                |                |                |
| Accessibility  | 287,320        | -              | -              |
| Completing Schemes/Retentions                              | 20,000         | -              | -              |
|  | <b>2020/21</b> | <b>2021/22</b> | <b>2022/23</b> |
|  | <b>£</b>       | <b>£</b>       | <b>£</b>       |
| Healthy Lifestyles   | 2,885,200      | -              | -              |
| Road Safety  | 140,000        | -              | -              |
| A565 Route Management and Parking                          | 2,020,000      | -              | -              |
| Strategic Planning   | 348,000        | -              | -              |
| Traffic Management and Parking                             | 1,004,350      | -              | -              |
| Highway Maintenance  | 1,838,380      | -              | -              |
| Bridges & Structures                                       | 233,670        | -              | -              |
| Drainage   | 225,000        | -              | -              |
| Street Lighting Maintenance                                | 300,000        | -              | -              |
| UTC Maintenance  | 112,660        | -              | -              |
| Winter Service Facility                                    | 2,632,000      | -              | -              |
| Major Transport Schemes                                    | 500,000        | -              | -              |
| <b>Locality Services</b>                                   |                |                |                |



|   |                   |                   |                  |
|---|-------------------|-------------------|------------------|
| Burials & Cremation Insourcing - Vehicles & Equip | 135,210           | -                 | -                |
| Formby Strategic Flood Risk Management            | 21,926            | 21,925            | -                |
| Merseyside Groundwater Study                      | 31,508            | -                 | -                |
| Four Acres Multi Agency Flood Options             | 1,570             | -                 | -                |
| CERMS   | 603,213           | 75,000            | -                |
| Natural Flood Risk Management                     | 10,000            | -                 | -                |
| The Pool & Nile Watercourses                      | 38,179            | -                 | -                |
| Crosby Flood & Coastal Scheme                     | 105,000           | -                 | 785,839          |
| Seaforth & Litherland Strategic Flood Risk        | 30,000            | -                 | -                |
| Hall Road & Alt Training Bank - Rock Armour       | 15,000            | 35,000            | -                |
| Ainsdale & Birkdale Land Drainage Scheme          | 29,340            | -                 | -                |
| Surface Water Management Plan                     | 134,478           | -                 | -                |
| Surface Water Modelling & Mapping                 | 20,020            | -                 | -                |
| Parks Schemes                                     | 256,917           | 25,650            | -                |
| Tree Planting Programme                           | 30,597            | 38,600            | 181,936          |
| Golf Driving Range Developments                   | 256,080           | 280,280           | -                |
| Vehicle Replacement Programme                     | 7,352,905         | 3,223,000         | 113,000          |
| <b>TOTAL PROGRAMME</b>                            | <b>35,766,317</b> | <b>20,481,171</b> | <b>1,080,775</b> |

| <b>APPENDIX B – Proposed Education Capital Schemes</b> |   |                             |
|--|---|-----------------------------|
| <b>Site / Location</b>                                 | <b>Nature of work</b>   | <b>Estimated Cost<br/>£</b> |
| Christchurch Primary                                   | High level hall windows & Classroom windows/doors - roof refurbishment - Playground surfaces.   | 271,392                     |
| Farnborough Road Site                                  | Repairs to Boundary walls and brickwork in general - Roof refurbishment - Felt to corridors/parapets/verges - Pitch - rain water goods/soffits & Facias | 150,437                     |
| Grange Primary   | Roof refurbishment - Hall - Carpark (safety)  | 93,925                      |
| Hatton Hill  | Roof refurbishment to infants - remaining roof  | 67,425                      |
| Hudson Primary   | Replacement windows - Roof refurbishment x 4 areas.   | 272,797                     |
| Larkfield Primary                                      | Refurbishment of Various toilets  | 38,332                      |
| Linacre CP   | Repairs to Brickwork and re-pointing  | 30,000                      |
| Lydiate Primary  | Replacement Windows - Roof & roof light refurbishment - repairs to concrete frame and brickwork - Playground surfaces - Sanitary appliance repairs      | 315,550                     |
| Marshside Primary                                      | Roof refurbishment - rear - kitchen - LH side - RH side - Hall - Playground and Car Park surfaces (safety)  | 207,400                     |
| Melling Primary  | Repairs to Concrete Flue - Roof refurbishment - Playground and verge repairs (safety)   | 35,000                      |
| Meols Cop  | Roof refurbishment x 3 - Car park surface (Safety)  | 210,280                     |
| Merefield Special school                               | Roof refurbishment - various areas Playground surfaces (safety)   | 58,962                      |
| Netherton Moss   | Roof refurbishment - remaining areas - Toilets - various refurb - Brickwork repairs - Replacement Windows   | 326,000                     |
| Northway Primary                                       | Hall floor refurbishment x 2no Infant & Juniors - Toilet Refurbishment - Various  | 62,000                      |
| Oakfield   | Re-surface car park and re-lay footpaths  | 28,000                      |
| Redgate Primary  | Brickwork and paving repairs  | 16,000                      |
| Waterloo Primary                                       | Roof refurbishment - Brickwork Repairs  | 34,000                      |
| Woodlands Primary                                      | Repointing brickwork & flue repairs   | 30,000                      |
| Farnborough Road Junior                                | Upgrade fire alarm system to meet BS 5389 - Install new lighting protection system  | 39,000                      |
| Freshfield Primary                                     | Replace wiring systems  | 222,000                     |
| Grange Primary   | Install new lightning protection system   | 15,000                      |
| Jigsaw - Thornton Family WB                            | Upgrade fire alarm system to meet BS 5389   | 18,500                      |
| Kings Meadow Primary                                   | Replace wiring systems  | 248,000                     |
| Marshside Primary                                      | Emergency Lighting  | 40,000                      |
| Norwood Primary  | Upgrade fire alarm system to meet BS 5389   | 40,000                      |
| St. Philip`s CEP (Litherland)                          | Replace boilers, including control panel and pumps.   | 130,000                     |
| Summerhill Primary                                     | Replace wiring systems  | 332,000                     |
| Birkdale Primary                                       | Replace Fire Alarm System   | 46,000                      |
| Marshside Primary                                      | Replace Fire Alarm System   | 24,000                      |
| Sand dunes   | Replace Fire Alarm System   | 10,000                      |
| Lander Road  | Replace Fire Alarm System   | 32,000                      |
|  | <b>Total New Schemes</b>  | <b>3,444,000</b>            |

