

# Public Document Pack



## Executive Board

Thursday, 16 November 2017 2.00 p.m.  
The Boardroom, Municipal Building

A handwritten signature in black ink, appearing to read 'David W R'.

**Chief Executive**

### **ITEMS TO BE DEALT WITH IN THE PRESENCE OF THE PRESS AND PUBLIC**

#### **PART 1**

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<b>1. MINUTES</b>	
<b>2. DECLARATION OF INTEREST</b>	
Members are reminded of their responsibility to declare any Disclosable Pecuniary Interest or Other Disclosable Interest which they have in any item of business on the agenda, no later than when that item is reached or as soon as the interest becomes apparent and, with Disclosable Pecuniary interests, to leave the meeting during any discussion or voting on the item.	
<b>3. CHILDREN YOUNG PEOPLE AND FAMILIES PORTFOLIO</b>	
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*Please contact Angela Scott on 0151 511 8670 or  
Angela.scott@halton.gov.uk for further information.  
The next meeting of the Committee is on Thursday, 14 December 2017*

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<b>6. SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985</b>	
<p><b>PART II</b></p> <p>In this case the Board has a discretion to exclude the press and public and, in view of the nature of the business to be transacted, it is <b>RECOMMENDED</b> that under Section 100A(4) of the Local Government Act 1972, having been satisfied that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.</p>	
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***In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.***

<b>REPORT TO:</b>	Executive Board
<b>DATE:</b>	16 November 2017
<b>REPORTING OFFICER:</b>	Independent Chair, Halton Safeguarding Children Board
<b>PORTFOLIO:</b>	Children, Young People and Families
<b>SUBJECT:</b>	Halton Safeguarding Children Board Annual Report 2016-17
<b>WARD(S)</b>	Borough-wide

### 1.0 **PURPOSE OF THE REPORT**

1.1 The purpose of this report is to present the Executive Board with Halton LSCB Annual Report 2016-17 for information.

2.0 **RECOMMENDATION: That Executive Board note the contents of the report and associated Annual Report (Appendix 1) for information.**

### 3.0 **SUPPORTING INFORMATION**

3.1 Keeping children and young people safe and promoting their welfare continues to be a high priority for the Council and partner agencies. The Lead Member for Children, Young People and Families attends the LSCB Main Board as a participant observer, and the LSCB Chair meets with the Lead Member, Chief Executive and Strategic Director on a quarterly basis to ensure there is an effective working relationship between the Children's Trust and LSCB, and that the LSCB is working effectively.

3.2 The LSCB Annual Report provides a rigorous and transparent assessment of the performance and effectiveness of local services to safeguard and promote the welfare of children and young people. It should identify areas of weakness, the causes of those weaknesses and the action being taken to address as well as other proposals for action. The report includes lessons from learning and improvement activity within the reporting period including: Serious Case Reviews, Practice Learning Reviews, Child Death Reviews and audits. The report also lists the contributions made to the LSCB by partners and details the LSCB's expenditure.

3.3 From November 2013 LSCBs became subject to the review of their effectiveness and in November/December 2014 the LSCB was reviewed by Ofsted alongside the inspection of services for children

in need of help and protection, children looked after and care leavers. The report provides an update on progress against areas for improvement identified in the Ofsted report of the review. The LSCB Annual Report is a grade descriptor within the inspection framework. It is published in the public domain.

### 3.4 In terms of the report's content:-

- The **Chair's Introduction** references the impending legislative changes and future structure and governance of the local safeguarding partnership as new statutory guidance emerges.
- The **HSCB Structure** which shows the efficiencies provided by bringing together sub groups under the Safeguarding Adults and Children Boards and on a Pan Cheshire basis where appropriate.
- The **Demographics of Halton**
- The **Key Priorities 2016-17** identified from the activity of case reviews, audit and performance reporting.
- **Safeguarding Activity** includes data across the safeguarding continuum from Early Help to Child Protection, Children in Care, including Children in the Care of Other Local Authorities living in Halton and Adoption; alongside data on key vulnerable groups: Private Fostering, Missing Children and Child Sexual Exploitation;
- **Work of the Sub Groups** section outlines progress and forthcoming priorities of the Sub Groups – Scrutiny & Performance, Child Sexual Exploitation, Missing and Trafficked Children, Health, Safer Workforce & Development, Policy and Procedures and Child Death Overview Panel.
- **Training Activity** summarises multi-agency training and impact on outcomes for children and families;
- The **Local Authority Designated Officer** provides information on allegations management;
- **Learning and Improvement Activity** includes Serious Case Reviews, Practice Learning Reviews and Audit;
- **HSCB Challenge** includes challenge to all partners to meet requirements in terms of attendance and submission of reports to Child Protection Conferences; response times to calls to the Children's Social Care Contact Centre; CiCOLA notifications; and Private Fostering Awareness in relation to prisons;
- **Update from Ofsted Review of the Effectiveness of the Board 2014** provides an update on how the Board addressed areas for improvement;
- **Key Priorities 2017-18 and Business Plan** outlines the LSCB's achievements in addressing its strategic priorities for the Business Plan 2015-17; and the key priorities identified for 2017-18 which will inform the 2017-19 Business Plan;
- The **Budget** reports on the financial viability of the Board.

4.0 **POLICY IMPLICATIONS**

4.1 Section 13 of the Children Act 2014 requires each local authority to establish an LSCB and specifies the organisations and individuals that should be represented on the LSCB. The Local Authority is a statutory partner of the LSCB. The Chair must publish an Annual Report on the effectiveness of child safeguarding and promoting the welfare of children in the local area. (Section 14A of the Children Act 2004.) The report should be submitted to the Chief Executive and the Leader of the Council.

5.0 **FINANCIAL IMPLICATIONS**

5.1 The LSCB is currently funded via contributions from the Council, Cheshire Constabulary, NHS Halton CCG, Schools, the Probation Services (NPS and CRC) and Cafcass. The budget has reduced over the past 6 years with the LSCB losing contributions from Connexions, the Child Death Grant and year on year reductions from the Schools Forum. With the exception of Cheshire Constabulary, partners have been unable to commit to a sustained uplift in financial contributions or an increase of in kind contributions. The LSCB has agreed to maintain the current levels of financial contributions for the period 2017-19. Capacity within the HSCB Support Team has reduced over time due to the fall in financial contributions, with shared arrangements in place with Cheshire West and Chester LSCB. The current financial contributions cover staffing, but leave little additional resources to support the Board in undertaking its objectives and functions.

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 **Children & Young People in Halton**

The LSCB and Children's Trust have a formal protocol in place that sets out the accountability arrangements between the two. The Safeguarding Children Board is a formal consultee of the Children & Young People's Plan.

6.2 **Employment, Learning & Skills in Halton**

The LSCB has statutory functions regarding training, supervision and safer recruitment to support a skilled, competent and confident workforce across the partners working in the borough with children & young people, families and adults who may be parents/carers.

6.3 **A Healthy Halton**

The safeguarding of children is fundamental to their health and well-being. The LSCB is expected to influence the Joint Strategic Needs Assessment by ensuring it takes into account safeguarding children priorities. The LSCB's Health Sub Group which provides focus upon safeguarding children across the health sector now jointly reports to the Safeguarding Adults and Children Boards. This includes a focus

upon transitions.

**6.4 A Safer Halton**

The effectiveness of safeguarding children arrangements is fundamental to making Halton a safe place of residence for children and young people. The impact of domestic abuse on children and young people has been a priority area of focus for the HSCB. The HSCB has supported Halton Domestic Abuse Forum with training delivery for staff and Operation Encompass which has rolled out across Halton and Cheshire began as a pilot championed by the LSCBs.

**6.5 Halton’s Urban Renewal**

None

**7.0 RISK ANALYSIS**

The LSCB Annual Report is expected to provide a rigorous and transparent assessment of the performance and effectiveness of local services to safeguard and promote the welfare of children and young people. This includes identifying areas of weakness which impact on outcomes for children in the borough, and is a focus for Ofsted inspection of the Local Authority. The Joint Targeted Area Inspection (JTAI) is undertaken on a multi-agency basis. Therefore all partners need to be prepared to evidence the effectiveness of the work they have undertaken to safeguard children and young people.

7.1 The Children and Social Work Act 2017 has abolished LSCBs from 2019. There is an expectation that the key safeguarding partners – the Local Authority, Police and Clinical Commissioning Group – establish multi-agency safeguarding arrangements to ensure the effectiveness of safeguarding children processes and practice in the local area. The LSCB had begun to prepare for the changes by streamlining its structure. During any period of change from an established structure to a new one, there are risks. Statutory guidance is expected to be published for consultation towards the end of November. During this time of uncertainty all organisations need to continue to engage with the LSCB in its work as it continues to be the statutory strategic partnership.

**8.0 EQUALITY AND DIVERSITY ISSUES**

8.1 An Equality Impact Assessment is not required for this report.

**9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

Document	Place of Inspection	Contact Officer
Children Act 2004	Gov.UK Website	Tracey Holyhead
Working Together to Safeguard Children (2015)	Gov.UK Website	Tracey Holyhead







# **Halton Safeguarding Children Board**

**Annual Report 2016-17**

**and**

**Business Plan 2015-17**

**September 2017**

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## **Appendices**

- i. HSCB Membership and Attendance 2016-17**
- ii. Halton Levels of Need Framework**

## 1. Independent Chair's Introduction

I am pleased to present the Halton Safeguarding Children Board (HSCB) Annual Report 2016 - 2017. This has been an eventful year due to the impending legislative changes impacting on the role of LSCBs nationally alongside the local structural changes we have experienced. This report presents the work we have undertaken during this period and looks ahead to the challenges the Board faces.

We have seen significant progress against some of our most demanding priorities this year such as supporting partners to develop their joint response to neglect and multi - agency early help interventions. We have outlined this and other activity within the report to demonstrate the key activity undertaken to provide assurance that children and young people in Halton are appropriately safeguarded. The year ahead will be focused on continuing to strengthen our monitoring and scrutiny of key indicator information and the quality of safeguarding work of local services. This will include undertaking significant work around the future structure and governance of the local safeguarding partnership as new statutory guidance emerges. We welcome this opportunity to ensure that the HSCB moves forward with the most effective and efficient evidence based approaches. I would encourage members of the local community to use this Annual Report to understand the work of HSCB and invite them to contact us with any feedback.



Richard Strachan  
Independent Chair  
Halton Safeguarding Children Board

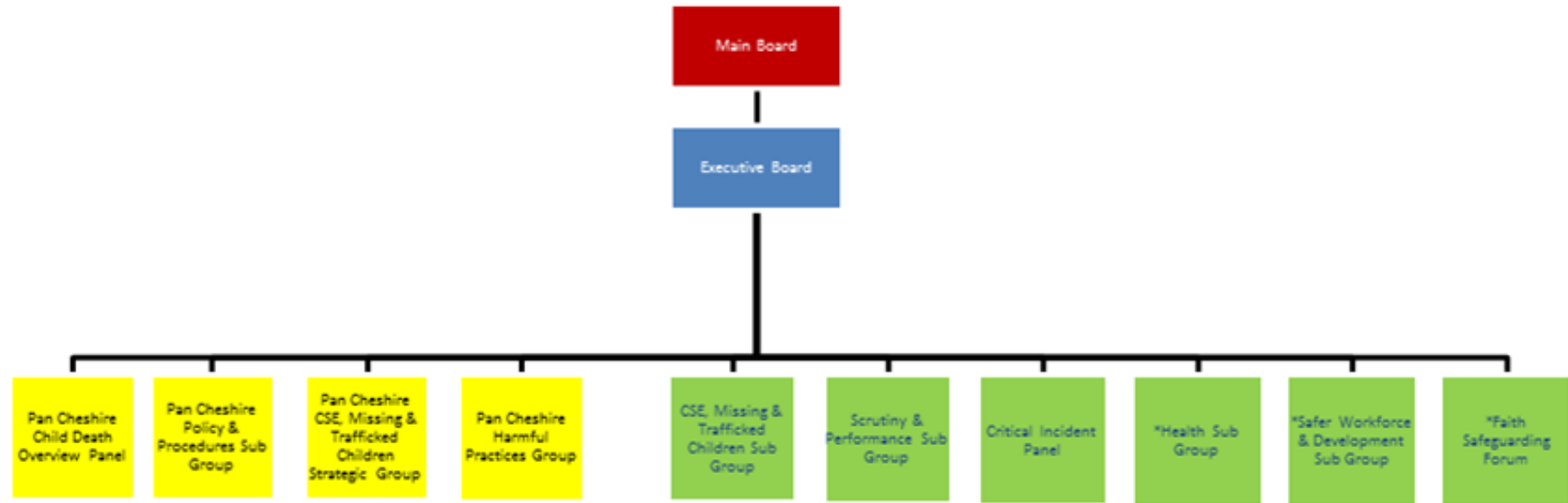
## **2. The Structure of the HSCB**

The HSCB comprises of a Strategic Board, an Executive and a number of sub groups. All sub groups have defined terms of reference, work plans under the HSCB Business Plan and are accountable to the Strategic Board. The Main Board is the overarching decision making body and the Executive drives the business on behalf of the Board, with the sub groups reporting directly to it.

There are clear overlaps and common issues between children's and adults' services in relation to safeguarding vulnerable people, whatever their circumstances. Examples include: Sexual Exploitation, Cyberbullying and Female Genital Mutilation. The behaviours and personal situation of an adult at risk in a family can impact significantly on any children and young people in that family, and may impair parenting abilities. In addition, childhood experiences may have lasting effects into adulthood. For this reason, Halton has strong links between the Safeguarding Adults and Children Boards. The Safer Workforce and Development Sub Group was established in 2015-16 to be accountable to both Boards, as is the Faith Safeguarding Forum. During 2016-17 the Health Sub Group amended its terms of reference, membership and Work Plan to also become accountable to both Boards.

In addition to the three established sub groups which operate on a Pan-Cheshire basis - Child Sexual Exploitation, Missing & Trafficked Children; Policies & Procedures; and Child Death Overview Panel (CDOP) – a Harmful Practices group has been established to focus upon the issues of Female Genital Mutilation, Forced Marriage and Honour Based Violence. These Pan-Cheshire arrangements support the four LSCBs to work more effectively. The arrangement supports and enables improved information sharing arrangements to address issues which do not recognise local authority boundaries, such as Child Sexual Exploitation or Trafficking.

## HALTON SAFEGUARDING CHILDREN BOARD STRUCTURE



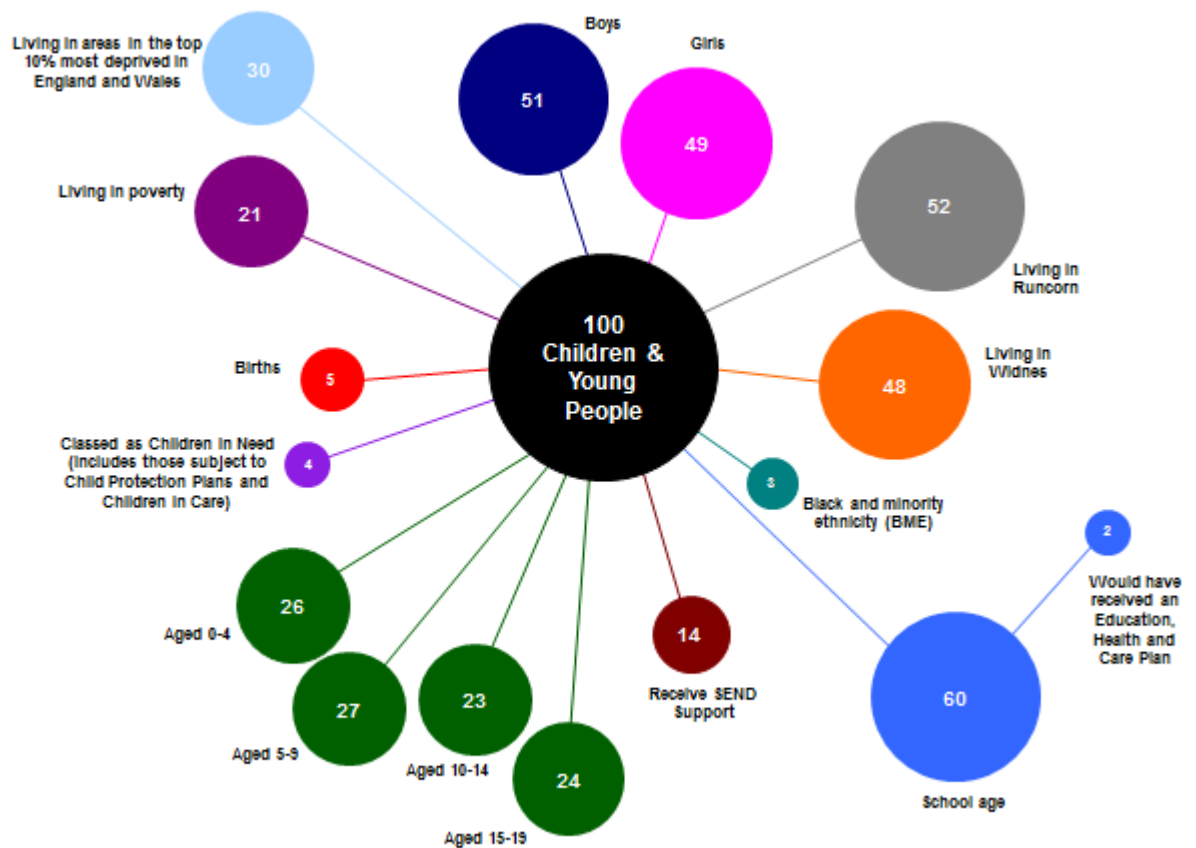
\*Denotes joint Sub Group of the HSCB and Safeguarding Adults Board

### 3. Demographics of Halton

Halton has an estimated population of 126,900, of which approximately 29,900 children aged between 0-18 years are living in the borough. (Source: ONS, 2016 Population Estimates). The population is largely White British, with only 3.2% of the population identified as being from a minority ethnic group. (Source: 2011 Census)

Halton is the 27<sup>th</sup> most deprived local authority area in England out of 326. 26% of the population live in areas that fall in the top 10% most deprived nationally. (Source: Index of Multiple Deprivation, 2015) In 2014, 12% of children and young people were living in poverty. (Source: DWP, Out of Work Benefit Claimant Households, 2015)

#### If Halton was a village of 100 Children & Young People...



#### **4. Key Priorities 2016-17:**

The HSCB's 2015-17 Business Plan identified five strategic objectives:

1. Identify and prevent children suffering harm.
2. Protect children who are suffering or at risk of suffering harm.
3. Ensure that children are receiving effective early help and support.
4. Support the development of a safe and informed workforce, including volunteers.
5. Engage with children and young people, their families and communities in developing and raising awareness of safeguarding.

During 2016-17 strategic priority 3 on early help and support was merged into existing priorities as it was one of the areas of focus to be considered across the strategic objectives.

In addition to the strategic objectives, the HSCB identified five areas of focus to be considered across all of the strategic objectives:

- a) Neglect
- b) Early Help and Support
- c) Children in Care
- d) Child Sexual Exploitation and Missing Children
- e) Domestic Abuse

The five areas of focus were identified from the information collated through performance monitoring, audit of practice, the outcome of reviews, feedback from frontline staff and engagement work with children & families. Progress against these priorities is detailed in the body of the Annual Report.

### **5. How Safe are our Children and Young People in Halton?**

#### **Safeguarding Activity 2016-17**

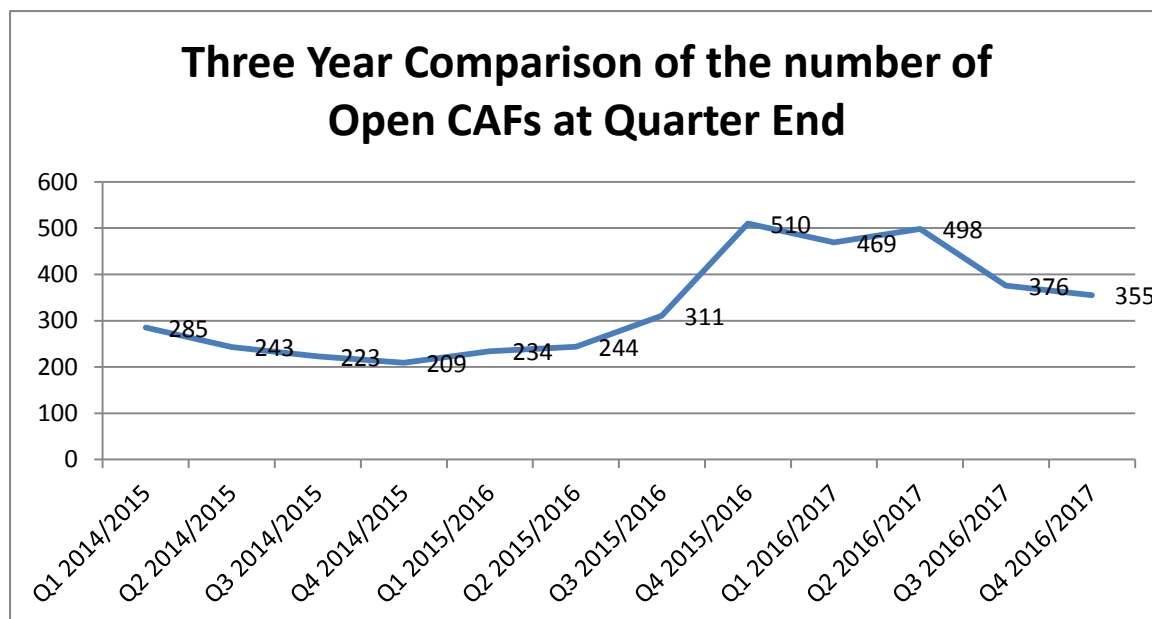
##### **5.1 Early Intervention**

Halton's Early Intervention Strategy ensures that identified and assessed needs of children and families are met at the lowest, safe level of service possible. In some instances children may have additional needs which if addressed at an early stage will prevent the need to refer to Children's Social Care at a later point. The child and family may need a range of supportive services to address these additional needs. The HSCB and its partners have agreed the use of the Common Assessment Framework (CAF) which is a voluntary assessment process, requiring informed consent of the family or young person, dependent upon age and understanding. The child's needs are assessed holistically, services delivered in a coordinated manner and progress and outcomes reviewed regularly.

The CAF may also be used when the level of risk has been reduced so that families no longer need a service from Children's Social Care. This is to ensure that any ongoing needs of families continue to be met and/or that families and young people are supported to access universal services.

Throughout 2015-16 there was an increase in the number of CAFs with this trend predicted to continue for 2016-17. However, at the end of quarter 2 some data quality issues were identified where CAFs which had been closed with the family had

not been closed on the recording system. During quarters 3 and 4 work was undertaken to address recording issues which resulted in the number of CAFs significantly reducing from the highest figure in 2015-16 quarter 3 of 510 to 355 (provisional figure) in Q4 2016/17. This is a 30% reduction.



Data in relation to step ups from CAF to Children’s Social Care has been unavailable throughout the year, due to the recording systems. This data will be available for the next financial year following full implementation of a new recording system.

From this financial year, data has been available in relation to the number of CAFs advised by the integrated Contact & Referral Team (iCART) and from quarter 3 2017-18 further information will be available to ascertain how many CAFs were subsequently put into place. A recommendation from PLR Child A recognised the importance of being able to monitor this so that partners, if required, can be challenged as to why a CAF was not initiated as advised.

## 5.2 Children in Need and Child Protection

All services and the community in Halton need to be vigilant and have the confidence to report concerns where they think that a child may be at risk of harm. We also need to ensure that children have opportunities to speak out when they are at risk, or are being harmed. Specialist services such as Children’s Social Care and the Police can only intervene to protect children if they are alerted to concerns. The HSCB promotes messages to both the public and staff regarding what to do if concerned about a child’s welfare. In addition, specific campaigns are also promoted by the HSCB; such as the “Know and See” Child Sexual Exploitation campaign.

The following information is about children and young people in Halton who have been identified by the Local Authority and partner agencies as being in need of safeguarding.

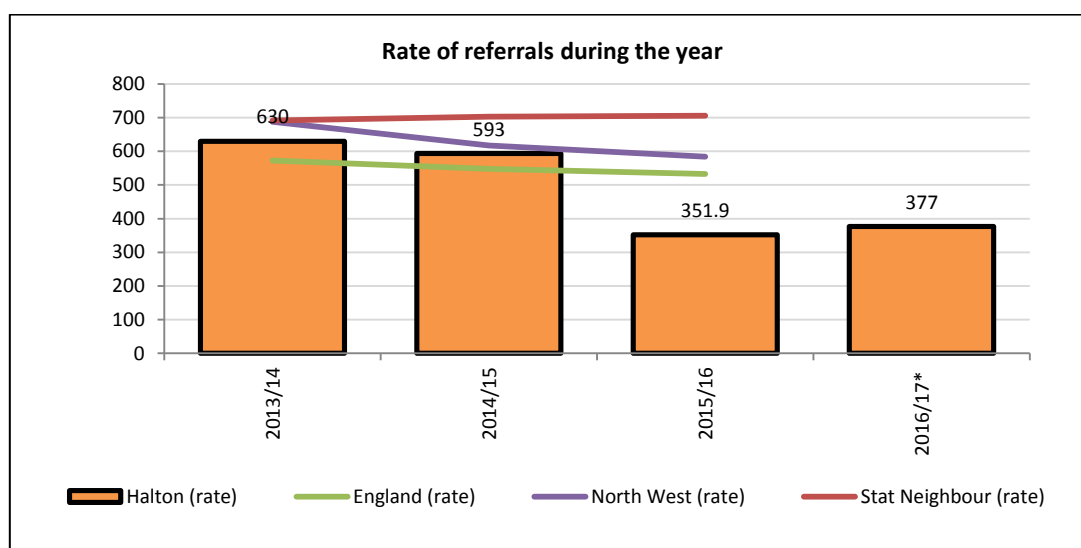
The rate of Children in Need in Halton has remained relatively stable throughout the year, with the exception of quarter 2. The provisional rate for Halton at the end of



2016-17 was 382 per 10,000 population based on those children and young people who have been involved with Social Care across the Levels of Need Framework (see Appendix B Halton Levels of Need Framework). This includes those receiving an assessment, subject of Child Protection Plans, Children in Need and Care Leavers. The latest available data from 2015-16 for Halton's statistical neighbours was 428.2 per 10,000 population.

### 5.3 Referrals

A referral is information received by Children's Social Care where there are concerns about a child. The response may be to provide advice, a single agency response, signpost to early intervention services or to undertake a Social Worker led single assessment.



Data suggests that Halton's rate of referrals slightly increased in 2016-17 on the previous year, but has not returned to the levels seen in 2013-14 and 2014-15.

Halton remains below that of the comparator data.

### 5.4 Re-Referrals:

Re-referrals to Social Care are defined as a referral being received within 12 months of the previous referral. Provisional data suggests that in 2016-17 Halton had 65 such re-referrals which equates to 6% of all referrals. This is a reduction from the previous year's published data which reported 10% re-referrals. This remains good performance.

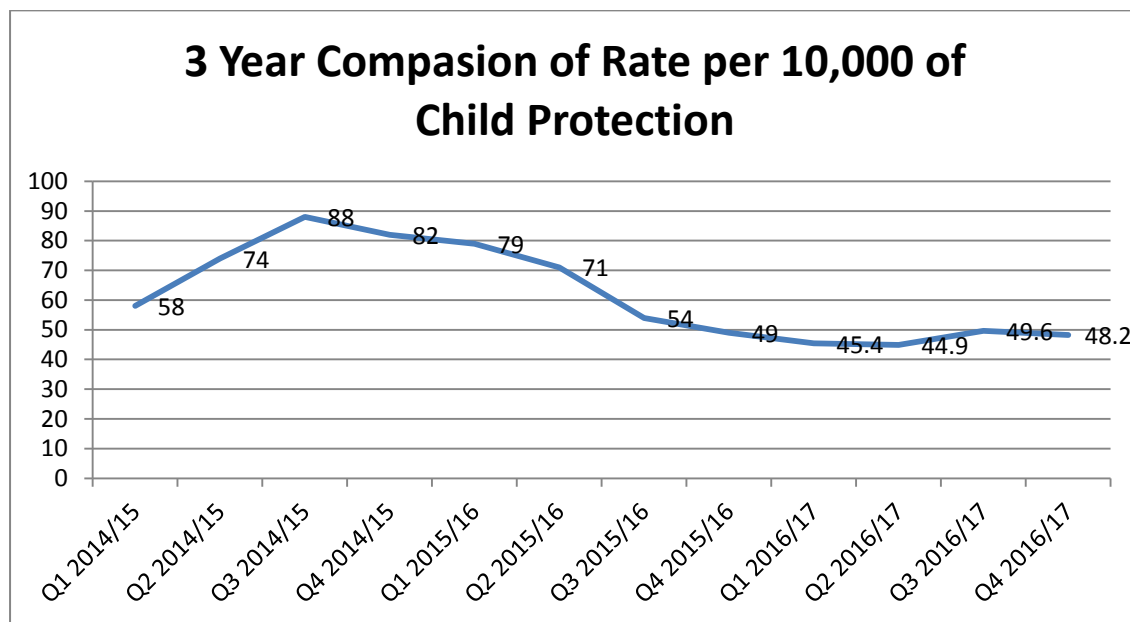
### 5.5 Assessments:

When Children's Social Care accepts a referral an assessment is undertaken by a Social Worker. Checks are built into the process to ensure that the child is seen in a timely manner and that the assessment is progressing to timescale. Social workers have up to 45 working days to complete their assessment and determine what services, if any, are appropriate for that child/children and family. The HSCB set a target to complete 95% of Single Assessments within 45 days and positively, this target was exceeded for the whole year. At the end of 2016-17 98% of assessments

had been completed within the 45 day timescale, an improvement on the previous year's average of 84%.

**5.6 Children Subject to Child Protection Plans:**

Children become the subject of a Child Protection Plan when it has been identified that they are in need of protection from either neglect, physical, sexual or emotional abuse. Only the most vulnerable children have Child Protection plans.



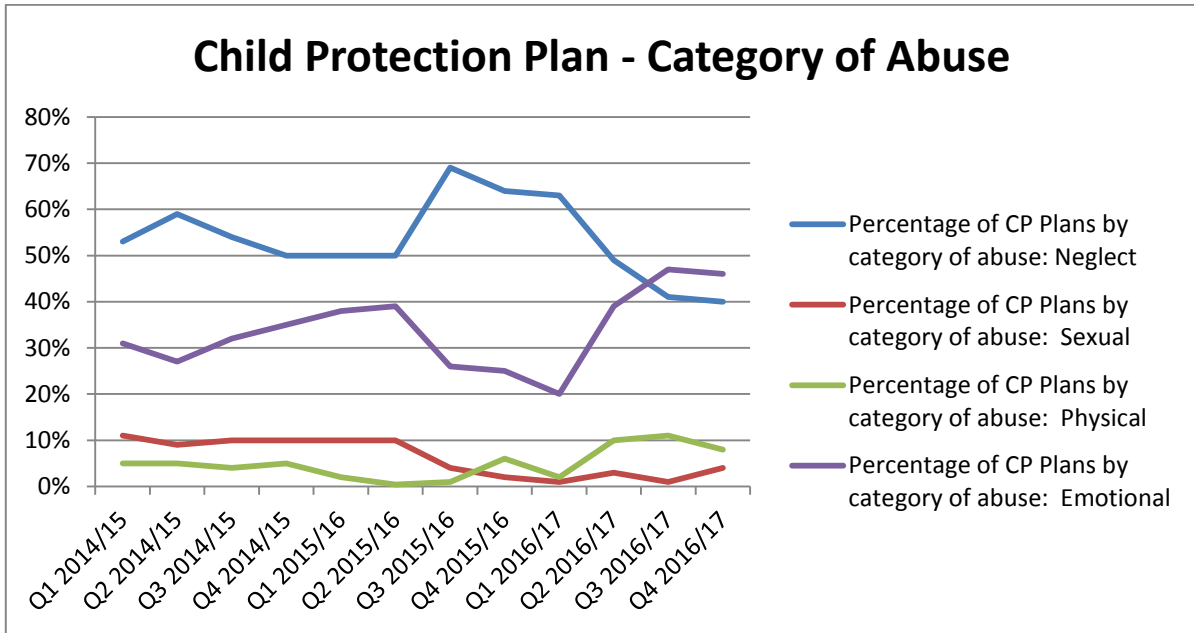
The rate per 10,000 of Child Protection Plans has remained in line with where it was at the end of quarter 4 2015-16. There has been a slight fluctuation during the year. The rate is significantly less than at the start of 2015-16 when the rate per 10,000 was 79, with the end of year rate being 47.8, which was a 39% reduction. The latest available data shows that Halton was slightly below the North West average of 55.2 per 10,000 and statistical neighbour average of 61.3 per 10,000 at the end of 2015-16.

**Category of Abuse for Child Protection Plans:**

The category of abuse reflects the most significant risks to the child.

There has been a reduction in Child Protection Plans with Neglect as the category of abuse. The data shows reduction from quarter 1 to quarter 4 of 23%. During the same period there was a 26% rise in the number of Plans with the category of abuse as Emotional Harm. In quarter 3 Emotional Harm overtook Neglect as the main recorded category of abuse for Plans.

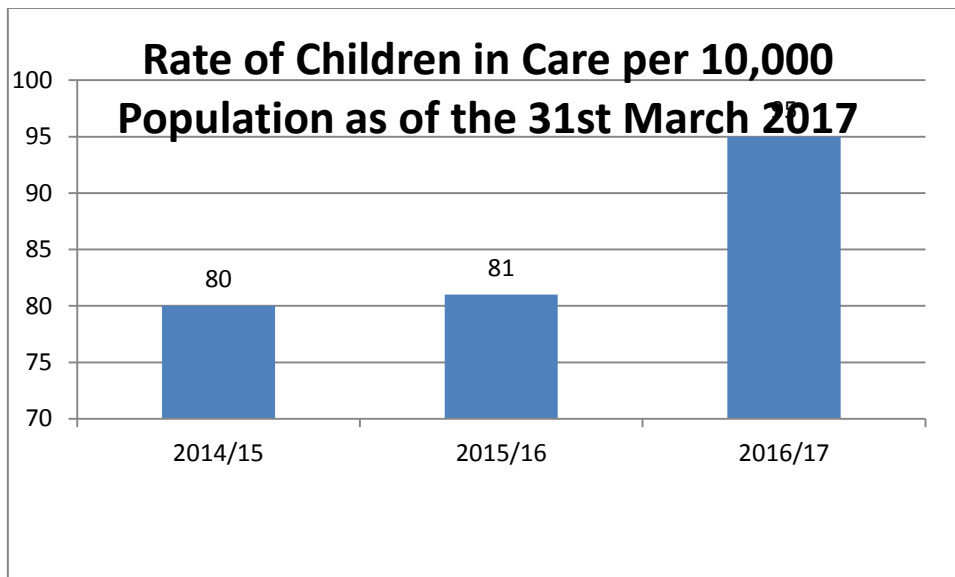
An audit was undertaken in late 2015 in relation to the low numbers of Plans in relation to Physical or Sexual Harm. There has been a slight increase in the number of Plans in relation to Physical Harm during 2016-17. A further audit has been planned for 2017-18 to provide assurance that the category of abuse is being recorded correctly, as given Halton's demographic we would expect to see more Plans where the primary concerns are in relation to Neglect.



## 5.7 Children in Care

At 31st March 2017 there were 268 Children in Care. This is an 11.6% rise over the previous year. This is a rate of 95 per 10,000 population. The latest available data in relation to statistical neighbours shows that Halton’s rate is similar to their average of 87.9 per 10,000 population. The numbers of Children in Care remained relatively static during the financial year until the final quarter where an increase of 15 was seen.

The Board receives reports from the Local Authority’s Children’s Commissioning Team on the quality of residential placements for Halton children placed within or outside the borough. There is a clear process in place for reviewing any provision that falls below the Ofsted “good” judgement whilst a Halton child is placed there.



## 5.8 Children in Care of Other Local Authorities (CiCOLA)

Some children living in Halton are Children in Care of other local authorities (CiCOLAs); this means that they live in foster care placements, independent children's homes or within a Leaving Care/Semi Independent placement where the placement has been arranged by another local authority.

Each local authority is required to maintain a current list of the children placed into its area. On 31st March 2017 there were 149 children on the CiCOLA list, which is a 15% decrease on last year. As there has not been a reduction in residential places in the borough, it would appear that the fall in CiCOLAs is due to less independent Foster Care placements being available. 2016-17 saw the first ever decline in recruitment of independent foster carers in the North West. Local authorities have also experienced difficulties in recruiting new foster carers with the impact being that children and young people with more complex needs are more likely to be placed in residential care. Residential care homes may then experience more challenging behaviours to deal with which increases their use of services such as the police. Cheshire police introduced a scheme whereby each residential care home has a named Police Officer or Police Community Support Officer assigned. This supports development of stronger relationships between the Police and residential providers to address issues such as multiple call outs to deal with challenging behaviour or children who go Missing from Care on multiple occasions. This has developed further under local policing priorities with problem solving meetings being held with providers where, for example, there is a much higher number of missing children reports.

## 5.9 Private Fostering

Private fostering is an arrangement, usually made by a parent, for a child under 16 years (or under 18 years if they have a disability) to be cared for by someone other than a close relative (ie grandparent, brother, sister, aunt or uncle) for 28 days or more. It does not apply to children who are looked after by the Local Authority.

LSCBs are expected to ensure that effective processes are in place to promote the notification of private fostering arrangements in their local area. This includes raising awareness amongst staff and the public of what constitutes a private fostering arrangement, and the requirement to notify Children's Social Care. The local authority is required to provide an annual Private Fostering Report to the HSCB, which the HSCB reviews and responds to any findings as necessary.

Whilst private fostering spans most age groups it more commonly occurs for young people between the ages of 13-16 years old. In research undertaken in 2015 the reasons for being privately fostered were identified as follows:

- 25% said they became privately fostered because their parents were on holiday;
- 17% said they were privately fostered because their parents had long term health problems;
- another 17% said their parents were working away from home;
- 10% said their parents were living somewhere else;
- 9% said they'd had a row with their mum and dad;

- and 5% said their parents were in prison.
- A further 34% cited 'other' as the reason they became privately fostered. (BAAF)

In light of the research focus this year has been on developing arrangements for identifying children whose parent has received a custodial sentence. In order to do this the Board wrote to local prisons to enquire as to how they identify offenders whose children may be living in a private fostering arrangement. In addition Cheshire & Greater Manchester Community Rehabilitation Company (CRC) also agreed to undertake a piece of work to consider how they could improve notification and reporting pathways.

CRC have developed a process to support identification at the earliest opportunity during the assessment stage undertaken by the custody team (within the first 8 days of custody). CRC will look to explore with individuals where and who children are staying with whilst they are in custody. They will check to see if it meets the 'private fostering criteria' and action taken with the case manager from there, if necessary. This will be in place in all Merseyside, Cheshire and Greater Manchester prisons. However, this will not cover those from Cheshire who are serving sentences elsewhere.

The target for awareness raising in the forthcoming year will be focused on local solicitors who are in an ideal position to provide early notification to Children's Social Care where a custodial sentence is expected or takes place.

Additional targeting of hospitals will take place in order to ensure systems are in place to identify children whose parents are being sectioned due to mental health concerns and those who experience long term hospital stays due to ill health.

Private fostering activity during 2016-17 was as follows:

	2016/17
Notifications received during the report year	3 (8 abandoned)
Private Fostering Arrangements starting during the reporting year	3
Arrangements open during the year	9
Average age of those children & young people with Private Fostering arrangements during the year	11.5yrs
Private Fostering arrangements ending during the reporting year	7 (four families)
Number open at end of reporting year 31 <sup>st</sup> March 2017	2 (two families)

Within Halton many of the notifications around private fostering are as a result of parental separation where the parents were not married and the child chooses to live with the parent who is not biologically related. Private fostering results but often ends as the carer is granted a formal order of care by the court.

### 5.10 Children who are Adopted

The number of adoptions from care during the reporting period was 13, all of whom were placed with prospective adopters within 12 months of the decision to adopt.

The government sets two threshold measures for adoption:

A1: Average time between a child entering care and moving in with its adoptive family. This threshold is 426 days and Halton’s forecast is 467 days suggesting an improvement from the previous three year period, but not below the threshold.

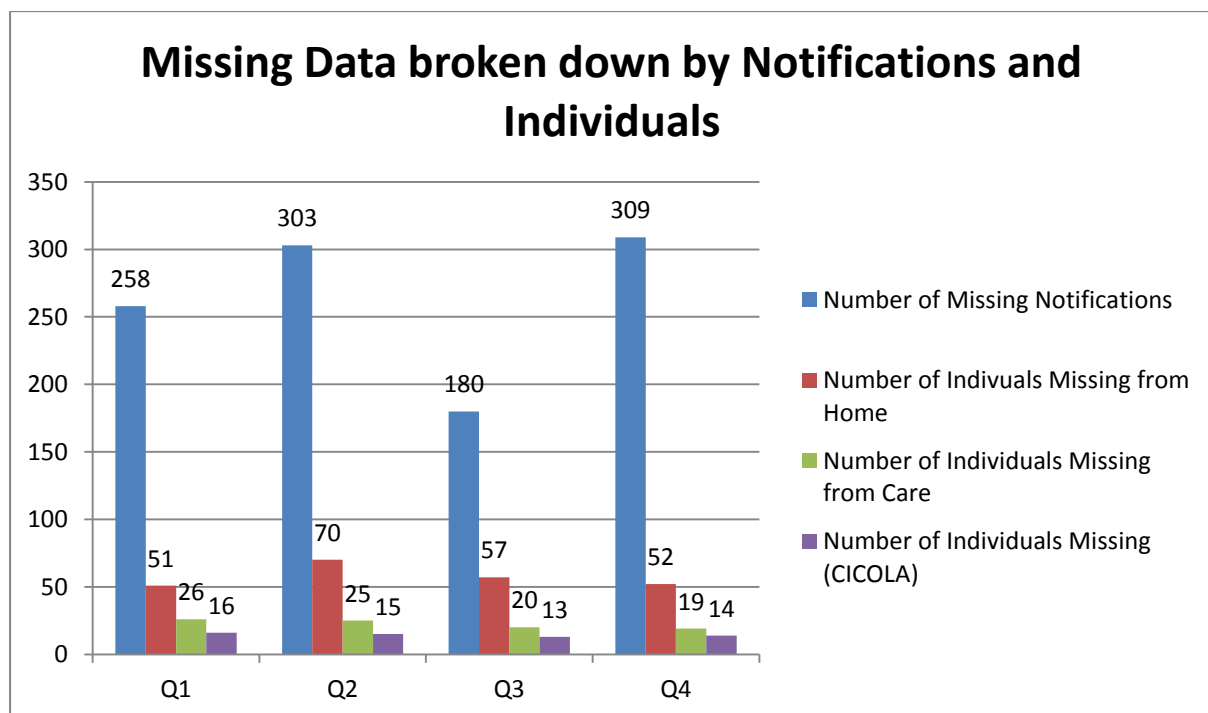
A2: Average time between a Local Authority receiving court authority to place a child and the Local Authority deciding on a match to an adoptive family. This threshold is 121 days and Halton’s forecast is 187 days suggesting an improvement from the previous three year period, but not below the threshold.

Despite an improvement in both indicators Halton did not meet either of the thresholds. Data published from the previous year suggests that few local authorities met the thresholds. Data is awaited to confirm the position for the three year period ending 31st March 2017.

### 5.11 Missing Children

Catch22 has been commissioned to provide the Missing from Home Service across Cheshire since 2012. Staff from Catch22 work closely with the police Missing from Home Coordinator and other partners. They undertake return interviews and assessment, followed by direct intervention work as required. They also undertake independent return interviews with Halton’s children in care, placed outside Cheshire, but living within a 20 mile radius.

#### Missing Children Data April 2016 – March 2017



In total, the Local Authority have recorded 1050 incidents relating to children being reported missing or absent.

The below is a breakdown by missing incident relating to whether the children were currently open to Social Work when they went missing.

473 Children in Care  
236 CiCOLA  
71 Child in Need  
34 Child Protection

Of these 814 incidents the actual number of children who have been reported missing is 251.

The breakdown below shows the numbers currently open to Social Work when they went missing.

44 Children in Care  
37 CiCOLA  
40 Children in Need  
18 Child Protection

Children in Care in Halton – both Haton’s children and CiCOLAs - equate to 68% of all missing incidents.

## **5.12 Child Sexual Exploitation (CSE)**

Sexual exploitation can happen to boys and girls from any background. Any child under the age of 18 may find themselves in a situation that makes them vulnerable to CSE. Perpetrators can be male or female, adults or other young people.

Further detail of CSE work in Halton is set out in the section on the CSE, Missing and Trafficked Children Sub Group.

## **5.13 Domestic Abuse**

In April 2016 Catch22 were commissioned to provide a Domestic Abuse Service for families in Halton which includes a range of interventions:

- Halton Domestic Abuse Family Service for those receiving tier 3 services ie known to Children’s Social Care. This includes safety planning for children to support them in keeping safe within the home; a structured programme for victims/survivors that ensures risk reduction strategies and education and awareness around domestic abuse and the impact on parenting.
- The Gateway Programme to raise awareness of the impact and dynamics of controlling relationships.
- The Jigsaw Programme to provide children who have lived with Domestic Abuse the opportunity to share their experiences in a safe and supportive environment.

Following involvement with the service one young person attended a trustee visit as a Peer Mentor to share their experiences of the service. 12 adult victim/survivors

have agreed to be Peer Champions. For 2017-18 there are plans to provide a service for young people who need help managing conflict in their relationship with their parents or carers.

Operation Encompass aims to safeguard and support children and young people who have been involved in a domestic abuse incident. Following such incidents the Police contact a trained member of staff at school/college who then offers appropriate support to the child. Following a pilot the approach was rolled out to all schools in Halton from January 2016, and is now embedded across all schools in Halton, as well as Riverside College. This is an initiative which has been welcomed by schools. Reporting has been improved during the year with schools informing the police as to the support they have provided to children and families following information received.

## **The Work of the Sub Groups**

### **6.1 Scrutiny and Performance Sub Group**

The role of this Sub Group is central to the monitoring and evaluation function of the HSCB. The Sub Group oversees actions from a programme of audit activity across the Levels of Need Framework including the Common Assessment Framework, Child in Need and Child Protection Plans, Children in Care and Care Leavers.

During 2016-17 the HSCB coordinated three Multi-Agency audits and from this good practice and areas for improvement were identified.

Key Achievements:

- 100% return on S175/157 audits of schools to demonstrate the effectiveness of their safeguarding arrangements.
- Revision of the audit process to improve attendance at focus groups by frontline staff to improve learning.

### **6.2 Child Sexual Exploitation, Missing and Trafficked Children Sub Group**

The Sub Group achieved the following in 2016-17:

- Developing a Pan Cheshire Modern Slavery Strategy for launch in May 2017 that covered children and adults, and a Safeguarding Trafficked Children Protocol.
- Bridgewater Community Healthcare NHS Foundation Trust embedded child trafficking training into their safeguarding training programmes and the content has been updated and extended to include Human Trafficking and Modern Day Slavery. There has been development and ratification of new safeguarding children guidelines including Human Trafficking and Modern Slavery.
- Cheshire Police produced guidance on Modern Slavery for frontline officers; delivered training, and identified Modern Slavery single points of contact in each Local Policing Unit.



- Lead staff in the Youth Justice Service (YJS) completed Trafficking training to inform development of agency guidelines.
- CSE Peer review of a neighbouring area.
- Revising the Pan Cheshire CSE Protocol.
- The re-launched CSE Operational Group further developed ensuring good representation from partners and oversight of all CSE Screening Tools by the CSE Coordinator at Cheshire Police, and a consistent approach to identifying children at risk of CSE recorded by partners.
- Revising processes within iCART to ensure that the risks identified via CSE Screening Tools are considered by a multi-agency group including Police, Catch22, Social Work and Early Help practitioners.
- The YJS has its own CSE/Missing/Modern Slavery Group Meeting where strategic and operational updates from the four Cheshire areas, update and monitoring of YJS CSE data, update on interventions and training are all discussed. The YJS also has a CSE Practitioner Panel which includes the Lead CSE Practitioners and considers any cases where there are CSE/Missing/Modern Slavery concerns and the YJS is providing an intervention.
- CSE training in place across a range of partner agencies which compliments multi-agency training.
- CSE Champions have been evidencing the work they have been doing within their organisations in order to continue to promote CSE and the responsibilities within their agencies which has included:
  - A song written by the YJS Girls Group, Captive
  - Use of social media to promote #talkinghands
  - Market stalls for public, students and staff in local hospitals and Riverside College.
  - CSE is a topic on the Tutorial scheme of work at Riverside College, along with awareness raising via the health & wellbeing magazine.
  - Police Youth Engagement Officers deliver CSE awareness in schools to pupils.

Priorities for 2017-18 include:

- Revising the terms of reference of the Sub Group to include Modern Slavery.
- Delivering Modern Slavery training across the workforce to embed pathways and good practice.
- Partners to complete a CSE audit.

### **6.3 Health Sub Group**

The Health Sub Group achieved the aim to broaden its remit to sit under both the Safeguarding Adults and Children Boards. The terms of reference, membership, priorities and Work Plan were reviewed.

There have been a number of changes in key personnel across the Health Sector partners. Most significantly NHS Halton Clinical Commissioning Group (CCG)

appointed a new Chief Nurse towards the end of the year, and will be recruiting to the roles of Designated Nurse Safeguarding Children & Children in Care, Designated Nurse Safeguarding Adults, Named GP for Vulnerable Groups (incorporating both Adults and Children), and Designated Doctor Safeguarding Children. It is of concern that the Designated Doctor post has been vacant throughout 2016-17.

The Sub Group achieved the following in 2016-17:

- Developing the Sub Group to report to both the Safeguarding Adults and Children Boards.
- Halton CCG coordinated a mapping exercise with providers against the Joint Targeted Area Inspection (JTAI) Domestic Abuse thematic inspection framework.
- Providers attending and reporting to MARAC (Multi-Agency Risk Assessment Conference which is a victim-focussed meeting where information is shared on the highest risk cases of domestic abuse) and MAPPA (Multi-Agency Public Protection Arrangements where agencies work together to assess and manage violent and sexual offenders to protect the public from harm)
- Provider involvement in a range of awareness activity relating to CSE, Domestic Abuse and Honour Based Violence.
- Revised and delivered training on a reporting template for Primary Care to Child Protection Conferences.

Priorities for 2017-18 include:

- Managing risk within out of area placements
- Ensuring outcomes in Children in Care health processes
- Full implementation of findings from all case review processes
- Implementation of recommendations relating to the Health Sector from inspections

#### **6.4 Safer Workforce & Development Sub Group**

The Safer Workforce & Development Sub Group reports to both the Safeguarding Adults and Children Boards in Halton. This year Cheshire Fire and Rescue Service became members of the Sub Group which has improved their engagement with learning and development activity in Halton which had been identified as an area for improvement during the Ofsted review of the HSCB in November 2014.

The Sub Group achieved the following in 2016-17:

- Revision of the joint safeguarding adults and children Training Needs Analysis.
- Compliance of schools against Sub Group priorities including training, safer recruitment processes and LADO scrutinised via the S175/157 Audits.
- Bridgewater Community Healthcare NHS Foundation Trust revised and updated their Safeguarding Supervision Policy
- Warrington & Halton Hospitals Foundation Trust increased capacity in the Trust to deliver supervision training by training staff on the NSPCC's safeguarding supervision training.
- Revision of Health provider organisations' Allegations Management procedures and monitoring via Key Performance Indicator reporting to Halton CCG.

- Implementation of an electronic Training Management System for the 2017-18 Training Programme which allows individuals and single points of contact within partner organisations to manage training records.

Although the Training Pool was enhanced by the addition of staff from the Safeguarding Nursing Team at Bridgewater Community Healthcare NHS Foundation Trust and HR staff from Halton BC maintaining a multi-agency, multi-disciplinary Training Pool is an ongoing concern for the HSCB. Without maintaining sufficient capacity within the Training Pool the HSCB will be unable to continue to deliver the range of multi-agency training currently on offer.

Priorities for 2017-18 include:

- Securing training pool representation and commitment to deliver courses from a broader range of partner agencies.
- Undertaking quality assurance of the LADO process.

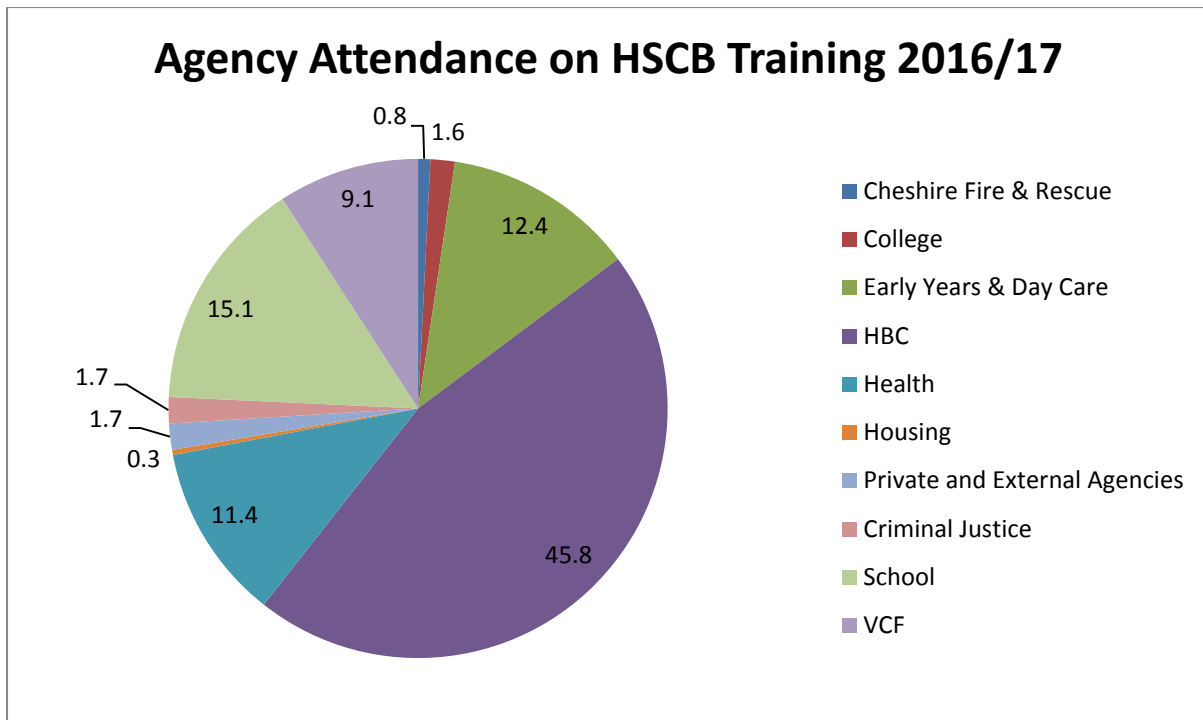
### **6.5 Training Activity 2016-17**

The HSCB has a responsibility to ensure that appropriate safeguarding training is available to the workforce across the borough. This work is led by the Safer Workforce & Development Sub Group.

The 2016-17 training programme saw 44 courses delivered with 886 participants attending. The HSCB also promoted a range of local and national e-learning. In addition bespoke training was delivered by the Board to Home Tutors and an Academy chain.

#### **Overall Agency Attendance on HSCB Courses 2016-17:**

Between 1<sup>st</sup> April 2016 and 31<sup>st</sup> of March 2017 16 different courses were offered in the HSCB Training Programme. Delivery ranged from 2 hours to two day face to face courses. In addition a range of local and national e-learning courses are also available. The pie chart below indicates the overall distribution of training places by agency and across sectors.



All courses are subject to immediate post course evaluation which is collated and used to develop delivery of future courses. In addition members of the Safer Workforce & Development Sub Group undertake post course impact evaluation telephone interviews with a sample of participants. The telephone interviews provide an opportunity for reflective interviews with course participants in order to identify how learning has made a difference to their day to day practice with children and families.

Examples of how training had made a difference to practice include:

- “My school is located in a very challenging area where a large proportion of our families have difficult circumstances. The training allowed me to revisit how to deal with difficult and challenging parents and meant that I could reaffirm our school’s procedures and my own personal ways of managing such situations.” *Senior Designated Person, School.*
- “My colleagues and I have been able to understand the impact of CSE and the recognised signs. We are far more aware of CSE through our interventions and now have a clear referral process into support agencies.” *Housing Solutions Advisor.*
- “I have a case where I have used the CSE Screening Tool. The training informed how I complete the Screening Tool and share with others, e.g. making sure others are aware of whom the young person is associating with. I use this to see if other young people they are associating with are known to other agencies and if they have any concerns.” *Supervising Social Worker, Fostering Service.*
- “This added awareness has meant that following a meeting in school, I telephoned a parent to talk in private as I had concerns about the potential

for coercive behaviour in the relationship from what I had witnessed within the meeting.” *Senior Designated Person, School*

- “I have recently picked up a case from out of borough that I will be going out on a home visit to next week where there are Mental Health issues. I will take the relapse indicators out with me as part of the assessment tools I use. I will also ask for consent about obtaining a copy of the Crisis Plan.” *Education Welfare Officer, Attendance and Behaviour Service.*
- “I was able to communicate more effectively with Social Workers and Leaving Care PAs to ensure that I had a full picture of the young person’s situation and needs. This meant that when I was referring to other organisations in relation to education, employment or training I was able to do this more appropriately and also to share information (with consent where necessary) to help them better support the young person to engage effectively and meet their potential.” *Young People Caseworker, 14 -19 Team..*
- “There was one young person who lives with their grandmother under a Special Guardianship Order. They were acting quite strange, out of character. I talked to school and spoke to the Social Worker. The Social Worker did a home visit as a result and it turned out that the grandmother had developed Alzheimer’s and the young person was trying to look after her. Before the training I might not have noticed this. The outcome was that Adult Social Care provided input supporting the young person and the family. The young person is now a lot happier, engaged and back to their old self.” *SEN Caseworker, SEN Assessment Team.*
- “Since attending the training myself and the wider team have started sharing more information with other health providers regarding children who are known to the Service.” *Nursery Nurse, Bridgewater Community Healthcare NHS Foundation Trust.*
- “I was at a step up meeting yesterday for a family who have been in and out of services for a long time. I asked where Dad was in all of this as no one had engaged with him. He did not go to meetings and was upstairs playing on the Xbox during visits. My rationale was that he is still in the family home and we cannot ignore his impact on the family. We focus so much on Mums and in this case Mum, who was attending the meetings, was being criticised for what she hadn’t done.” *Social Worker, iCART.*

## 6.6 Local Authority Designated Officer (LADO)

Each local authority has a Designated Officer (LADO). The LADO must be informed of all allegations relating to adults who work with children whether they are a paid member of staff, foster carer or volunteer, where there is concern or an allegation that the person has:

- Behaved in a way that has harmed a child, or may have harmed a child;
- Possibly committed a criminal offence against or related to a child; or
- Behaved towards a child or children in a way that indicates they may pose a risk of harm to children.

The LADO's role includes providing advice and guidance to employers and voluntary agencies; management and oversight of individual cases; monitoring the progress of cases to ensure that they are dealt with as quickly as possible, consistent with a thorough and fair process. This is part of the process of ensuring that safer workforce practices are in place to safeguard children from individuals and practices which may be harmful. This process also safeguards staff by ensuring that malicious or unsubstantiated allegations are thoroughly investigated and resolved in a timely manner.

In 2016-17 the LADO received 140 consultations. This is a significant increase on 73 consultations in 2016-17 and 67 consultations in 2014-15. Of these 59 were dealt with as allegations that resulted in strategy meetings, compared with 33 in 2015-16 and 30 in 2014-15. Proportionately this shows a slight reduction in the number of consultations converting into referrals, at 42% compared with 45%. This conversion rate is similar to that reported by other LADOs in the North West and should not be seen as a concern. This demonstrates the positive links and awareness of the LADO role, and that agencies feel able to contact the LADO for advice and guidance. It also reflects the expectations of OFSTED on providers to contact the LADO even when it is clear that the threshold is not met.

Due to the particular vulnerabilities of disabled children the LADOs operate slightly differently for such cases. Where a child is non-verbal these allegations are overseen by the LADO regardless of whether there is a specific professional identified. In the main this is due to non-verbal children not making the allegation themselves rather they tend to be made by other caregivers and often relate to injuries that cannot be explained. The importance of medical advice in these cases should not be underestimated and there has been a case recently whereby the medical report was not provided in a timely manner. Another instance identified the need to go back to the medic with specific questions about equipment and the child's disability in terms of understanding whether injuries could be explained.

Last year the LADO began reporting on how quickly strategy meetings are convened from point of referral. Only 5 strategy meetings out of 59 were convened outside of the agreed 7 days from referral during 2016-17. This is an improvement on last year. This was due to factors including: it not being possible to get the right professionals together within the time period; capacity within the Safeguarding Unit meaning that there is no Chair available within the agreed timescale; and the referral being received late leading to a meeting being held retrospectively, or managed virtually and therefore there is not a date attached to the strategy.

Last year the HSCB agreed to develop a process for quality assuring the LADO investigations. A process has been ratified by the HSCB which will be undertaken by members of the Safer Workforce & Development Sub Group in 2017.

It was reported in last year's Annual Report that following the Department for Education's decision to reinstate the outcome "unfounded" across the workforce, including teachers, the HSCB agreed that the LADO would reinstate use of there had been no cases which had concluded during the year where it had determined that the outcome of the case was "unfounded".

Training this year focused on developing safer organisations and the identification of emotional harm. Anonymised real case examples were used to reflect the audience and help conceptualise the information. An increase in consultations was seen as a result of this awareness raising and the training received positive feedback. Next year's training will focus upon Codes of Conduct due to the type of consultations received during 2016-17.

### **6.7 Policy & Procedures Sub Group**

The Pan Cheshire Policy & Procedures Sub Group terms of reference and membership was reviewed. The group now consists of multi-agency membership across Cheshire and is chaired by the Independent Chair of Cheshire West & Chester and Cheshire East LSCBs. The group has a forward plan against which updates are reported to the four Cheshire LSCBs. The key functions of the group are to:

- Coordinate revision of the Pan Cheshire LSCB Multi-Agency Safeguarding Children Procedures Manual
- Identify topics which can benefit from a Pan Cheshire procedures approach

The Sub Group achieved the following in 2016-17:

- Produced an LSCB Escalation Policy
- Produced Female Genital Mutilation Procedures
- Coordinated revisions to the Pan Cheshire LSCB Multi-Agency Safeguarding Children Procedures Manual

Priorities for 2017-18 are:

- Sexually Harmful Behaviours Principles
- Child Protection Appeals (parents who appeal the safeguarding decision)
- Information Sharing Agreements

### **6.8 Child Death Overview Panel (CDOP)**

All Boards have a statutory requirement to review the circumstances of the deaths of every child under the age of 18 years, who normally reside in the borough. This is in order to identify any potentially preventable child deaths.

Preventable child deaths are defined as those in which “modifiable factors” may have contributed to the death. These are factors which, if changed, could help to reduce the risk of injury or death in other children, although we cannot say that they would have prevented this particular child from dying.

The review of child deaths for Halton is undertaken by the Pan Cheshire Child Death Overview Panel. The Panel has an Independent Chair, Hayley Frame.

In 2016-17 there were eight deaths of Halton children reported to the Pan Cheshire Child Death Overview Panel. This is a slight increase on the previous year of 6 deaths. 18 Halton child deaths were reviewed and closed by the Panel during the year; five from 2014-15, six from 2015-16 and seven from 2016-17.

Published data shows that during a similar period (2013-15) the rate of child death (aged 1-17 years) in Halton was 14.5 deaths per 100,000 population, which is slightly higher than the England and North West averages. However, the infant mortality rate (under 1 year of age) during the same period was lower in Halton (3 per 1,000 live births) than the national (3.9) and regional (4.2) averages.

The Pan Cheshire CDOP Annual Report is published on the HSCB's website.

## **7. Learning and Improvement Activity:**

The HSCB undertakes a range of activity under the Learning and Improvement Framework including case reviews, audits and performance reporting. The Board published a Serious Case Review report referred to in last year's Annual Report which focussed upon a case of a young person who suffered a life threatening incident due to neglect.

A Practice Learning Review was undertaken on a case which did not meet the criteria for a Serious Case Review, but which the HSCB agreed would benefit from a review of multi-agency working by an independent reviewer. The learning from this review focusses upon how agencies work together when young people are repeatedly missing from home, including cross border working. The HSCB has drawn up an action plan to address the learning and to measure the impact. The agencies involved have also drawn up their own action plans which they will report on to the HSCB.

An audit schedule of Multi-Agency practice audits continued. Themes for 2016-17 were: Child Sexual Exploitation, Children with Disabilities and Sexual Abuse. Additional audits were undertaken on Early Intervention, Single Assessments, Return Interviews and how they inform children's plans and a Pan Cheshire audit on the quality of Return Interviews for missing children. The learning from the audit schedule continues to be used to inform practice.

## **8. HSCB Challenge:**

The HSCB has provided challenge in respect of a number of issues during the year. This has included:

- Attendance at Case Conferences and Submission of Reports – reporting from the Safeguarding Unit identified a range of concerns in relation to Child Protection Conferences, including failure to share reports with families prior to conference and attendance of agencies. The issues were impacting upon the conferences which in some instances were cancelled in order to give families the opportunity to consider the content of reports. The Chair of the Board wrote to all partners asking them to respond to the concerns and to provide assurance as to how they were managing to meet their statutory requirements. Partners responded and changes were made. For example, Bridgewater Community Healthcare Trust put a process in place to ensure that one member of staff could report on behalf of the service; Cheshire Police also made changes with dedicated civilian staff being recruited to attend in place of Police Officers.
- Response Times by the Children's Social Care Contact Centre to Calls – one of the partners raised concerns regarding the significant time it could



take for safeguarding calls to be answered by the Contact Centre. This was of particular concern should members of the public call to report safeguarding concerns as they may be less likely to wait for their call to be answered.

The Board asked for a report on call waiting and response times from the Manager of the Contact Centre. This demonstrated the priority given to calls for children or adult safeguarding over calls to the general switchboard number. All partners were reminded of the direct number for the Children's Social Care Contact Centre, and times of anticipated high demand highlighted. Changes were also made to the Halton BC internet page to make it clearer for the public. No further concerns have been raised by partners.

- CiCOLA Notifications – the Board recognises that CiCOLAs are a particularly vulnerable group. Notification to the Local Authority prior to placement and when the child leaves is therefore important. Local authorities placing children often fail to notify Halton BC. The Director for Children's Services has written to his counterparts to highlight these requirements. In addition, the Chair of the Board wrote to children's homes and independent fostering agencies in the area to remind them of their responsibility to also notify Halton BC when a child is placed with them from another area.
- Private Fostering Awareness in Relation to Prisoners – an area identified for improvement was in developing arrangements for identifying children whose parent has received a custodial sentence. The Chair of the Board wrote to local prisons to enquire as to how they identify offenders whose children may be living in a private fostering arrangement. In addition Cheshire & Greater Manchester Community Rehabilitation Company (CRC) also agreed to undertake a piece of work to consider how they could improve notification and reporting pathways. This new pathway will be introduced in 2017-18 and the HSCB will monitor the impact.

### **9.0 Update from Ofsted Review of Effectiveness of the Board 2014:**

In November/December 2014 a review of the effectiveness of the HSCB took place during the Local Authority single inspection of services for children in need of help, protection, children looked after and care leavers. Nine areas for improvement were identified from Ofsted's review of the HSCB. Since the review the areas for improvement have been addressed as follows:

- i. Ensure that the Board's annual safeguarding report is published immediately – the report was published on the HSCB website and a schedule implemented to ensure that future reports are published each September.
- ii. Ensure that all partner agencies attend Board meetings regularly and are active participants in the work of the HSCB – attendance at all levels of Board meetings is reviewed on a regular basis via the attendance logs; any issues are picked up and addressed by chairs at the earliest opportunity.
- iii. Work with Pan-Cheshire partner LSCBs to ensure that a chairperson for the Pan-Cheshire Child Death Overview Panel is appointed as soon as possible to ensure that the Panel's work does not lose momentum – an Independent Chair was appointed under a Pan Cheshire arrangement.

- iv. Establish effective information sharing arrangements with health partners to ensure that their own internal processes do not create delays in the work of the Board – all health partners signed up to information sharing agreements, and the Health Sub Group ensures that any delays are identified and challenged.
- v. Ensure that actions identified at Board meetings are followed through systematically to hold all partners to account for the work they do on behalf of the Board – actions are tracked and it is expected that the planned restructure of the HSCB with the implementation of the Quality Assurance & Scrutiny Board from April will improve the completion rate of actions given that a layer of reporting has been removed and that the Board will meet more frequently than the Executive whose functions it replaces.
- vi. Establish an effective working partnership with local faith-based organisations, utilising the role of the appropriate Board members to engage with the wider community – a Faith Safeguarding Forum has been established; the Forum delivered a well attended safeguarding event in March 2017.
- vii. Ensure that relevant staff from all partner agencies attend regular multi-agency training events to maximise opportunities for learning to support professional development – training attendance is monitored and reported to the HSCB; a new electronic Training Management System will come on line from April 2017 to support reporting.
- viii. Ensure that all partner agencies have a good understanding of private fostering arrangements and that effective processes are in place to promote the notification and understanding of private fostering arrangements across the partnership – specific work is outlined in the Private Fostering section of the Annual Report (see Section 5.9).
- ix. Put in place opportunities for children and young people to inform the work of the Board – this continues to be an area which the HSCB needs to focus upon. Opportunities have been taken to engage with children and young people via local events, work with the Children’s Trust and during the Crucial Crew workshops. This will be a strategic priority for the Board in its 2017-19 Business Plan.

### **10.0 Key Priorities 2017-18:**

The HSCB has focussed its key strategic priorities for 2017-18 on the following:

- 1. Ensuring that the Board has effective and efficient structures, processes and resources in place to undertake its objectives and functions effectively.
- 2. Engage with children, young people and families in the work of the Board and safeguarding activity undertaken by partners.
- 3. Assuring the quality of practice in the local safeguarding context.
- 4. Support the development of a safe and informed workforce, including volunteers.

A new Business Plan for 2017-19 will track progress against these priorities.

## HSCB Business Plan 2015-17

<b>1.0 Identify and prevent children suffering harm</b>					
	Outcome	Performance Measurement	Lead	Key Milestones in year 2	Timescale
1.1	Ensure that the revised integrated front door is working effectively to ensure that there is a prompt and assured response when contacts and referrals are made or new information is received about child care concerns.	Audits and quarterly performance activity show how integrated front door arrangements improve information sharing and ensure that referrals are dealt with within timescales.	Scrutiny & Performance Sub Group	<ul style="list-style-type: none"> <li>• Audit of referrals completed and reported to S+P Sub Group</li> <li>• Multi-Agency Audit on CSE cases July 2016 reported to S+P and CSEMTC Sub Groups</li> <li>• Early Intervention Audit reported to S+P Sub Group</li> <li>• HSCB Chair's visit to iCART</li> <li>• Performance reporting from CSC has shown that timely referrals have been made and managed within statutory timescales</li> <li>• The new multi-agency model of working following restructure of iCART and Early Intervention has led to further improvements in timely sharing of information and assessment of children</li> <li>• More efficient and streamlined VPA assessment utilising co-</li> </ul>	March 2017

				location with partners. <ul style="list-style-type: none"> <li>• Introduction of 360 assessment by iCART</li> <li>• Unannounced visit from the HMIC where Police received positive feedback on supported information sharing</li> </ul>	
<b>2.0</b>	<b>Protect children who are suffering or at risk of suffering harm</b>				
	Outcome	Performance Measurement	Lead	Key Milestones in year 2	Timescale
2.1	Ensure that the revised integrated front door is working effectively to ensure that there is a prompt and assured response when referrals are made or new information is received about child care concerns.	Audits and quarterly performance activity show how integrated front door arrangements improve information sharing and ensure that referrals are dealt with within timescales.	Scrutiny & Performance Sub Group	<ul style="list-style-type: none"> <li>• Audit of referrals completed and reported to S+P Sub Group</li> <li>• Multi-Agency Audit on CSE cases July 2016 reported to S+P and CSEMTC Sub Groups</li> <li>• HSCB Chair's visit to iCART</li> <li>• PLR Child A reported to Critical Incident Panel and Main Board</li> </ul>	March 2017
2.2	Ensure that partner agencies are working together effectively to ensure that there is a prompt and assured response when safeguarding			<ul style="list-style-type: none"> <li>• Multi-Agency Audits have evidenced an improvement in multi-agency working and outcomes for children</li> <li>• PLR Child A reported to Critical Incident Panel and Main Board</li> </ul>	

	concerns are identified.			<ul style="list-style-type: none"> <li>• Audit of categorisation of CP Plans</li> <li>• Case Conference Strategy discussions now completed by DS in Referral Unit</li> </ul>	
<b>3.0 Support the development of a safe and informed workforce, including volunteers</b>					
	Outcome	Performance Measurement	Lead	Key Milestones in year 2s	Timescale
3.1	Ensure that staff from all agencies have access to quality single and multi-agency safeguarding children training appropriate to their role to ensure that Halton has a skilled, knowledgeable and confident workforce.	HSCB Learning & Development Activity Reports evidence that staff across multi-agency partnership attend multi-agency safeguarding training and provide evidence of the impact of training on outcomes for children and families.	Safer Workforce and Development Sub Group	<ul style="list-style-type: none"> <li>• Impact Evaluation of 2015-16 Training on Outcomes for Children &amp; Young People reported to SWD Sub Group</li> <li>• Learning &amp; Development Activity 2015-16 reported to SWD Sub Group and Main Board</li> <li>• Learning &amp; Development Activity Q1-4 2016-17 reported to SWD Sub Group</li> </ul>	March 2017
		Training Needs Analysis provides evidence of training available to frontline staff provided by partners.		<ul style="list-style-type: none"> <li>• Safeguarding Adults &amp; Children Training Needs Analysis completed and reported to SWD Sub Group</li> </ul>	
		Quality Assurance of single and multi-agency training.		<ul style="list-style-type: none"> <li>• Training Validation Panel reports to SWD Sub Group</li> </ul>	

3.2	Ensure that robust Allegations Management processes are in place across all partners to ensure that there is a prompt response to cases where allegations are made against staff, including volunteers, in order to support safer organisations providing services to children.	LADO reports evidence that partners are consulting with and referring cases to the LADO appropriately in order to ensure safer working practices are in place, safeguarding children and young people and supporting safer organisations.	Safer Workforce and Development Sub Group	<ul style="list-style-type: none"> <li>• LADO Report 2015-16 reported to SWD Sub Group, Executive and Main Board</li> <li>• LADO Report 2016-17 reported to SWD Sub Group and Executive/Quality Assurance &amp; Scrutiny Board</li> <li>• Increase in reporting for LADO areas around neglect and emotional harm demonstrating impact of awareness raising in 2015-17</li> <li>• Improved complaints process implemented for Ofsted and their liaison with Local Authority.</li> <li>• All LADO meetings attended by police other than those agreed with LADO for non-attendance in advance</li> <li>• Any criminal investigation decision taken at LADO meeting and if already ongoing Officer in Charge will attend with DS.</li> </ul>	Nov 2016
3.3	Ensure that effective Safer Recruitment	S11 and S175 Audits demonstrate how Safer	Scrutiny & Performance	<ul style="list-style-type: none"> <li>• S175 Audit 2015-16 outcomes reported to S+P</li> </ul>	March 2017

	processes are in place across all partners to deter, detect and act upon unsuitable individuals entering the children’s workforce; this includes volunteers.	Recruitment processes are used to deter, detect and act upon unsuitable individuals entering the children’s workforce.	Sub Group	Sub Group	
		HSCB Learning & Development Activity Reports evidence that staff across multi-agency partnership attend Safer Recruitment training and provide evidence of the impact of training on outcomes for children and families.	Safer Workforce and Development Sub Group	<ul style="list-style-type: none"> <li>S11 Audit outcomes 2016-17 reported to S+P Sub Group</li> <li>S175 Audit 2016-17 completed and Action Plans sent to schools</li> <li>LADO training sessions focused upon safer recruitment and safer working culture</li> <li>Sessions on LADO and safer working practices for volunteers delivered at Faith Safeguarding event</li> <li>Learning &amp; Development Activity 2016-17 reported to SWD Sub Group</li> </ul>	
<b>4.0</b>	<b>Participation and Engagement with Children and Young People, their Families and Communities in developing and raising awareness of Safeguarding.</b>				
	Outcome	Performance Measurement	Lead	Key Milestones in year 2	Timescale
4.1	Partners are held to account to ensure that the engagement	S11 and S175 Audits demonstrate how the voice of the child is used to inform	Scrutiny & Performance Sub Group	<ul style="list-style-type: none"> <li>S175 Audit 2015-16 outcomes reported to S+P Sub Group</li> </ul>	March 2017

	and participation of children and young people is effective and informs improved services and outcomes.	service planning and delivery.		<ul style="list-style-type: none"> <li>• S11 Audit 2016-17 outcomes reported to S+P Sub Group</li> <li>• Addaction worked with Cammordos to do a whole feedback approach consultation and used findings to shape change.</li> <li>• Addaction have participation undertaken via Youth Cabinet, MYP and Involve.</li> </ul>
	Frontline visits demonstrate how the voice of the child is used to inform practice.		Executive	<ul style="list-style-type: none"> <li>• Outcome of frontline visits reported to Executive</li> </ul>
	Children and families are engaged in audit processes and partners are able to demonstrate how feedback has been used to improve services and outcomes.		Scrutiny & Performance Sub Group	<ul style="list-style-type: none"> <li>• MAA process reviewed engagement with parents, carers and children.</li> </ul>
	Children and families are engaged in case reviews and the Board is able to demonstrate how feedback has been used to improve services and outcomes.		Critical Incident Panel	<ul style="list-style-type: none"> <li>• SCR presented to Main Board 2016.</li> <li>• PLR presented to Main Board 2016.</li> <li>• PLR Child A presented to Main Board 2017.</li> </ul>
	Participation from children and		Safer Workforce	<ul style="list-style-type: none"> <li>• Local and national case</li> </ul>



		families is used to inform the delivery of training.	& Development Sub Group	<p>reviews used to inform HSCB training.</p> <ul style="list-style-type: none"> <li>• Feedback from parents and young people involved with CSE Service used to inform CSE training.</li> <li>• New training package for CSE is being written in conjunction with young people.</li> <li>• Competition to design radio advert on key risks such as sexting led by Safer Schools Partnership.</li> </ul>	
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## 11.0 Budget Information

<b>Income 2016-17</b>	
HBC – Children & Enterprise Directorate	45, 817
HBC - Schools	27, 995
NHS Halton Clinical Commissioning Group	45, 817
Cheshire Constabulary	25, 000
National Probation Service (NPS)	634.59
Community Rehabilitation Company (CRC)	1, 158
Cafcass NW	550
Training Income	7, 316
Carry Forward 2015-16	17, 261
<b>Total Income:</b>	<b>171, 548.59</b>

<b>Expenditure 2016-17</b>	
Staffing	106, 111
Multi-Agency Training	9, 608
<b>Total:</b>	
Carry Forward 2016-17:	16, 616

**Appendix A**  
**Halton Safeguarding Children Board Membership & Attendance**  
**2016-2017**

Attendance Log		Meetings 2016-2017					
		14.06.2016 (Extraordinary)	05.07.2016	13.09.2016	06.12.2016	08.03.2017 (Extraordinary)	28.03.2017
<b>Independent and Overseeing Members</b>	Richard Strachan, Independent Chair	✓	✓	✓	✓	✓	✓
	Cllr Tom McInerney, Lead Member Children & Young People (Participant Observer)	✓	D	✓	✓	✓	✓
<b>Lay Members</b>	Marjorie Constantine, Lay Member	A	✓	A	✓	✓	✓
<b>Local Authority</b>	Mil Vasic, Strategic Director of People	-	-	-	D	✓	✓
	Ann McIntyre, Operational Director, Education, Inclusion and Provision	✓	✓	✓	✓	✓	A
	Tracey Coffey, Operational Director Children & Families	✓	✓	✓	✓	✓	A
	Katherine Appleton, Senior Manager, Safeguarding Quality & Assurance	✓	✓	✓	✓	✓	✓
	Lindsay Smith, Divisional Manager, Mental Health, Communities Directorate	✓	✓	✓	✓	A	A
	Eileen O'Meara, Director of Public Health	✓	✓	✓	✓	A	✓
<b>Health</b>	Kristine Brayford-West, Associate Director for Safeguarding, Bridgewater Community Healthcare NHS Foundation Trust	A*	R*	A*	✓*	R	R
	Lisa Cooper, Deputy Director, Quality & Safeguarding, NHS England North (Cheshire & Merseyside)	✓	✓	A	A	D	D
	Gary O'Hare, Clinical Lead Children's Safeguarding, Halton CCG	A	✓	A	A	D	A
	Michelle Creed, Chief Nurse, Halton CCG	✓*	R*	✓*	A*	✓	✓

Attendance Log		Meetings 2016-2017					
		14.06.2016 (Extraordinary)	05.07.2016	13.09.2016	06.12.2016	08.03.2017 (Extraordinary)	28.03.2017
<b>Police</b>	Peter Shaw, Detective Superintendent, Cheshire Police	✓*	R*	✓*	R*	R	✓
<b>Criminal</b>	Donna Yates, Assistant Chief Executive, Cheshire & Greater Manchester Community Rehabilitation Company	A	A	R	D	A	A
<b>Justice Services</b>	John Davidson, Chief Executive, National Probation Service	A	✓	R	R	A	R
	Gareth Jones, Head of Service, CWHW YOS	✓	A	✓	✓	R	✓
<b>CAFCASS</b>	Joe Banham, Service Manager	✓*	✓*	✓*	✓	A	✓
<b>Schools and Colleges</b>	Karen Highcock, Head Teacher, Westbank Academy, Primary Headteacher Rep	A*	✓	A	✓	✓	✓
	John Rigby, Secondary Headteacher Representative	✓*	✓*	✓*	A*	D*	✓
	Paula Mitchell, Programme Manager, Riverside College	✓	✓	✓	✓	✓	✓
<b>VCF Sector</b>	Donna Wells, Service Manager Young Addaction, Voluntary Sector Rep	A	✓	✓	D	A	A
<b>Advisors to the Board</b>	Hayley McCulloch, Designated Nurse Safeguarding Children, NHS Halton CCG	✓*	✓*	R*	✓*	✓*	✓
	Designated Doctor, NHS Halton CCG	-	-	-	-	-	-
	Tracey Holyhead, HSCB Business Manager	✓	✓	✓	✓	✓	✓
	Marion Robinson, Legal Services HBC	✓	A	A	A	A	✓

**Key:**

A – denotes apologies received, but no-one attended in their place.

R – denotes a representative attended in their place.

D – denotes no apologies received and no-one attended in their place.

\*Denotes attendance of previous Board Member in this role

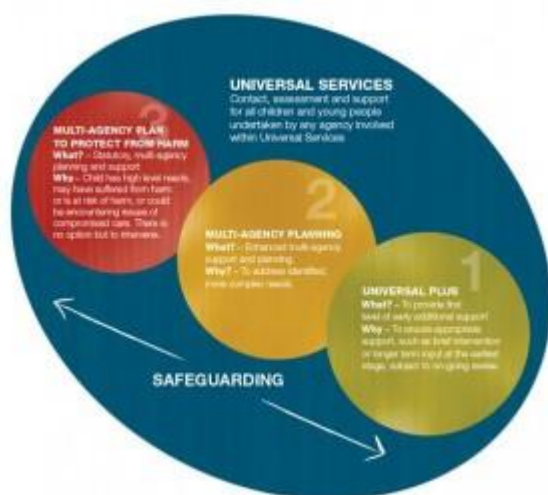
## Appendix B

### Halton Levels of Need Framework

The Halton Levels of Need Framework aims to support agencies to meet the needs of children, young people and their families to ensure the best possible outcomes. It aims to assist practitioners and managers in assessing and identifying a child's level of additional needs and how best to respond in order to meet those needs as early as possible to prevent needs escalating further.

Halton Levels of Need Framework was revised and launched in April 2013. The framework sets out three levels of additional needs above Universal Services that captures the full range of additional needs as they present. Universal Services remain at the heart of all work with children, young people and their families and are in place for all whether additional needs present themselves or not.

The fundamental relationship between Universal Services and the three levels of additional needs is captured in the diagram below:



The key principles of the Framework include:

- Safeguarding runs throughout all levels.
- Provide early help and support at the first possible stage and meet needs at the lowest possible level.
- The focus is on Halton's more vulnerable groups and directing service responses at preventing vulnerability.
- Builds on existing good multi-agency working and formalises shared responsibility for meeting all needs.
- Supports work of all agencies and is equally applicable to all agencies.
- Flexible and fluid, allows free movement between levels as additional needs increase or reduce.
- Clear and understandable
- Focus on the needs of the child and family to ensure the best outcomes for all.

Working Together 2015 seeks to ensure that all local areas have effective safeguarding systems in place and sets out two key principles that should underpin all safeguarding arrangements:

**SAFEGUARDING IS EVERYONE'S RESPONSIBILITY:** for services to be effective each professional and organisation should play their full part; and

**A CHILD CENTRED APPROACH:** for services to be effective they should be based on a clear understanding of the needs and views of children

The Halton Levels of Need Framework has been developed in line with this guidance and meets the requirement for the publication of a 'thresholds document' for Halton. It is based on a robust application of the Framework for the Assessment of Children (underpinned by the Children Act 1989), Team around the Family procedures and is consistent with LSCB procedures. The Halton Levels of Need Framework can be used as a central focal point to bring the right agencies together at the right level.

In terms of the **Children Act 1989**, our responsibilities include:

Where a child is accommodated under section 20 (when parents retain the parental responsibility for the child), the local authority has a statutory responsibility to assess the child's needs and draw up a care plan which sets out the services to be provided to meet the child's identified needs.

Under section 31A, where a child is the subject of an Interim Care Order or a Full Care Order, the local authority (who in these circumstances shares responsibilities, as a corporate parent, for the child and becomes the main contact around the child's every day needs) must assess the child's needs and draw up a care plan which sets out the services which will be provided to meet the child's identified needs.

<b>REPORT TO:</b>	Executive Board
<b>DATE:</b>	16 November 2017
<b>REPORTING OFFICER:</b>	Strategic Director, People
<b>SUBJECT:</b>	The national funding formula for schools and high needs
<b>WARDS:</b>	Borough wide

## **1.0 PURPOSE OF THE REPORT**

This report will outline the DfE proposals for the introduction of a national funding formula (NFF) and high needs funding from 2018/2019. It will summarise the outcomes of consultation with schools on the funding options for 2018/2019 and 2019/2020. The Board will be asked to consider the proposed options, the response to the consultation and the views of School Forum and agree the most appropriate option for funding Halton schools during the NFF transitional period.

## **2.0 RECOMMENDATION: That the Board**

- 1) approve an interim funding formula for 2018/2019 and 2019/2020 to allow the retention of the primary lump sum at 2017/2018 levels to support small schools within the Authority; and**
- 2) note the decision to transfer of 0.5% from the Schools Block to High Needs Block.**

## **3.0 SUPPORTING INFORMATION**

- 3.1 In July 2017 the Secretary of State confirmed the introduction of the national funding formula and announced that the per-pupil funding would be increased by 0.5% and that a minimum per-pupil funding level would be introduced, to be set at £3,300 for primary pupils in 2018-19 and £4,600 for secondary pupils. There is to be a further 0.5% per pupil increase for 2019-20 while the minimum per pupil funding level would be increased to £3,500 for primary pupils and £4,800 for secondary pupils. The Minimum Funding Guarantee can still be used if required although local authorities in consultation with School Forum have the flexibility of setting it at between 0% and -1.5%.
- 3.2 Local Authorities were advised that the minimum funding rates would be used by the DfE to determine the total allocation of funding to each local authority. However, as the full “hard” implementation of the national funding formula will not take place until 2020, each local authority area, following consultation with its schools and School

Forum, must consider which formula to use to fund schools in 2018/2019 and 2019/2020.

- 3.3 On 11<sup>th</sup> October 2017 a report highlighting the key changes to the funding of schools was presented to the Schools Forum. Following the release of indicative budgets from the DfE, a consultation paper was sent out to each school in the borough (see Appendix A). A short presentation on the funding options and the key changes was delivered to both the primary and secondary headteachers.
- 3.4 The consultation set out for schools three options for their consideration
- (1) Retain the current funding formula used in 2017/2018 uplifting for the additional funding;
  - (2) Implement the national funding formula but using transitional protection (there is insufficient funding at this stage to implement the full NFF)
  - (3) Devise an interim funding formula to ease the transition, this could lower the reductions some schools would face but would also cap the increases for those schools who would gain from the NFF.
- 3.5 Other key changes to funding the schools block included:
- The freedom to use both the Free School Meals indicator and the Free School Meals Ever 6 and the Income Deprivation Affecting Children Index as a deprivation funding factor.
  - The deletion of the Looked after Children funding factor (in the interim Local Authority could choose to retain if they used their current or an interim formula)
  - Pupils in Resource Bases funded from Schools Block in the same way all other pupils are, with an additional £6,000 element 2 funding plus top up funded from the High Needs block. Vacant places would continue to be funded at £10,000.
  - A lump sum of £110,000 for primary and secondary schools. Currently in Halton there is a lump sum of £128,274.30 for primary and £149,064.30 per secondary school.
- 3.6 The majority of responses received were from primary schools and they expressed a preference to move to the National Funding Formula with transitional protection. However, it was commented that although the smaller schools supported this view they would also like to see some additional protection and certainly that the lump sum factor be retained a primary at its current formula rate. Schools also said that they supported the proposal that School Forum make a decision on the appropriate level for the Minimum Funding Guarantee at their January meeting.



- 3.7 On 1<sup>st</sup> November 2017 Derek Twigg, MP, Ann McIntyre, Operational Director, Education, Inclusion and Provision, Pam Wright Chief Executive Officer of Wade Deacon Trust and Carolyn Roberts Principal of Daresbury Primary met with Nick Gibb, Schools Minister to share with him our concerns about the proposed funding formula. We identified the impact the reductions in the Key Stage 3 and 4 funding levels would have on secondary schools and the impact the reduced lump sum would have on the smaller schools. Unfortunately the Minister confirmed that the funding would implement as proposed.
- 3.8 However, it is proposed that during the two year transitional phase that in line with the views of the majority of schools Halton move to an interim funding formula so that the primary lump sum can be retained but in all other factors try to follow the principles of the transitional national funding formula. Worked examples of the impact of moving to the interim funding formula and the transitional funding formula will be presented to Executive Board prior to the meeting.
- 3.9 From April 2018 the Dedicated Schools Grant will be split into four blocks, Schools Block, Central Schools Services Block, High Needs Block and Early Years Block. The Schools Block supports mainstream primary, secondary and academies from reception to year 11. The Central Schools Services Block mainly supports the statutory functions carried out centrally on behalf of the schools and academies. The High Needs Block supports provision and central services for children with Special Educational Needs and Disabilities aged 0-25. The Early Years Block supports provision and central services for children aged 2 to 4 years.
- 3.10 In previous years Local Authorities have had the flexibility to move funding between the different funding blocks. From April 2018 this will no longer be possible. The Schools Block will be ring-fenced. Local Authorities will be allowed to transfer up to 0.5% of the Schools Block allocation to High Needs to ease the budget pressures on High Needs if this is approved following consultation with schools and academies and the approval of School Forum.
- 3.11 Each School received a consultation paper setting out Halton's previous financial commitments for High Needs against the key budget headings and its current commitments. It identified the estimated budget shortfall and sought permission to transfer 0.5%. It also highlighted that even with this transfer we would have to reduce our expenditure on High Needs as this was estimated to be at least another £1.25 million overspent allowing for the transfer. A copy of the consultation is attached at Appendix B.
- 3.12 The majority of schools who responded to the consultation agreed to the transfer of 0.5% from the Schools Block. On the basis of the indicative

budget this would be equate to a reduction per pupil of £23.33 (please note this figure is likely to change based on the final budget and the October 2017 census data.

- 3.13 A review of High Needs commitments is now underway to identify options for reductions in the High Needs budget from 2018/2019.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 The majority of schools will see an increase in their budgets in 2018/2019 and 2019/2020. However for some secondary schools and some of the smaller primary schools this increase will not cover their current cost pressures. Secondary schools will need to review both staffing and non-staffing costs to try and identify efficiencies to ensure they can deliver a balanced budget.

#### **5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

##### **5.1 Children & Young People in Halton**

It is essential the funding allocated to schools ensure that they are sustainable and have the resources to invest in improving outcomes for all Halton children and young people.

##### **5.2 Employment, Learning & Skills in Halton**

None.

##### **5.3 A Healthy Halton**

None.

##### **5.4 A Safer Halton**

None.

##### **5.5 Halton's Urban Renewal**

None.

#### **6.0 RISK ANALYSIS**

- 6.1 Implementation of the national funding formula will have an impact on our small schools. This issue has been raised with the Schools Minister. Although no changes were agreed at this meeting DfE Officials confirmed a review of sparsity funding would be undertaken. In the meantime the Board is asked to approve an interim funding formula solution.

- 6.2 Despite the guaranteed per pupil increase and minimum funding level per pupil amount, secondary schools will see a real terms reduction in their funding. Halton traditionally funded a pupil teacher ratio at secondary above the national average the national funding formula will deliver a national average rate. Schools report that they are already facing financial difficulties and seeing an increase in pupils with challenging behaviour, increases in persistent absence, fixed term and permanent exclusions. Their concern is that without sufficient funds there will be a direct impact on pupils' educational outcomes.
- 6.3 A Protocol for supporting schools with pupils with challenging behaviour has been developed and will be rolled out to all schools in November and over the next few months a new Behaviour Service will be established.
- 6.4 The DfE has also published a Schools' Buying Strategy (January 2017) to support schools to get the best value from their non-staff expenditure. It will also be providing information to support schools on the most effective deployment of staff and implementing flexible working. In addition, schools are advised to utilise the benchmarking tools available.

## **7.0 EQUALITY AND DIVERSITY ISSUES**

- 7.1 The aim of the introduction of the national funding formula to create a system that supports opportunity, is fair, efficient, delivers funding straight to schools, transparent, simple and predictable.
- 7.2 The level of funding allocated to small primary schools is a concern as a small number of schools may struggle to remain sustainable with the introduction of the NFF.

## **8.00 REASON FOR DECISION**

- 8.1 To ensure that there is a fair distribution of resources across the schools in the borough.

## **9.0 ALTERNATIVE OPTIONS**

- 9.1 Consideration was given to either retaining the existing funding formula with uplift for the increase, however, this was not an option supported by the schools. Implementation of the transitional NFF was considered but this would have an impact on the smaller schools.

## **10.0 IMPLEMENTATION DATE**

- 10.1 1<sup>st</sup> April 2018.

**11.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
The national funding formula for schools and high needs (Policy document) September 2017	DFE website	Ann McIntyre – Operational Director – Ann McIntyre – Operational Director- Education, Inclusion and Provision & Operational Director - Resources
Indicative Schools Budgets – EFA – October 2017	Ann McIntyre	Ann McIntyre – Operational Director – Education Inclusion and Provision & Operational Director Resources
Schools Block National Funding Formula – Technical note (September 2017) Central School Services Block National Funding Formula - Technical note - (September 2017) High Needs Funding Formula – Technical note (September 2017)  School Revenue Funding 2018/2019 – Operational Guide – 2018/2019	DFE Website	Ann McIntyre – Operational Director – Education, Inclusion and Provision & Operational Director Resources
School Forum agenda, papers and minutes	HBC website	Ann McIntyre – Operational Director – Education Inclusion and Provision & Operational Director Resources

## Consultation on the Schools Block funding formula for 2018-19

### Introduction

As you will be aware the Department for Education is introducing a National Funding Formula for primary and secondary schools from April 2018. For the first two years local authorities have the ability to use a different formula, either the current formula or an interim formula if it is felt that such a formula would help to ease their schools from the current funding formula to the NFF.

We are required to consult with all maintained schools and academies within the borough as well as with Schools Forum regarding any proposed changes to the local funding formula including the method, principles and rules adopted. The final decision on the local funding formula for 2018-19 no longer rests with Schools Forum as it has in previous years, but with the local authority. As we have very little left in reserves, we can only use the grant allocated to us for 2018-19 for the formula.

In the most simplistic form, we are asking schools to let us know what funding formula you want us to use for 2018-19.

- Do we keep to the current funding formula as used in 2017-18 (but with cash values adjusted as normal once the October census data has been received and the grant allocation updated in December).
- Do we go straight to the NFF with the transitional protection for 2018-19 – we cannot go to the full NFF without transitional protection as the figures we have received so far indicate that we would not receive sufficient funding to afford this.
- Do we look to an interim funding formula to ease the transition, which would lower the level of funding reductions to schools losing funding, but this could only be funded by not supporting the higher levels of increases in funding to schools receiving more funding.

Thankfully in Halton it does seem that the majority of schools should be receiving more funding under the NFF than seeing reductions.

### Individual funding factors explained

#### Basic Per Pupil

This is based on the number of pupils within each school on the October 2017 census. There is a primary rate, a Key stage 3 rate and a Key stage 4 rate.

	<u>Current formula</u>	<u>NFF</u>
Primary	£2,531.85	£2,746.99
The primary level cannot be less than £2,000.		
Key stage 3	£4,228.25	£3,862.65
Key stage 4	£4,425.32	£4,385.81
The secondary level cannot be less than £3,000.		

#### Deprivation

We must use this factor but can decide which criteria. We are currently restricted to either current Free School Meals eligibility or Free School Meals Ever 6 eligibility but from 2018-19 we can use both and both are used for the NFF. We are also able to use the Income Deprivation Affecting Children Index (IDACI) which uses pupil's home postcodes. The postcodes are split into seven bands – A to G and we are allowed to fund bands A to F only. We currently use a mix of FSM6 and IDACI.

	<u>Current formula</u>	<u>NFF</u>
Primary FSM	not used	£440.00
Secondary FSM	not used	£440.00
Primary FSM6	£722.36	£540.00

Secondary FSM6	£1,333.19	£785.00
Primary IDACI band G	not funded	not funded
F	£144.78	£200.00
E	£217.16	£240.00
D	£289.55	£360.00
C	£361.94	£390.00
B	£434.33	£420.00
A	£506.71	£575.00
Secondary IDACI	G not funded	not funded
F	£113.93	£290.00
E	£170.89	£390.00
D	£227.85	£515.00
C	£284.82	£560.00
B	£341.78	£600.00
A	£398.75	£810.00

### Low Prior Attainment

The prior attainment factors act as proxy indicators for low level, high incidence, special educational needs.

Primary – based on the Early Years Foundation Stage Profile which is a mix of Years 1 to 4 rated under the new EYFSP and Years 5 and 6 rated under the old EYFSP not achieving 73 points with the total proportion for Years 1 to 6 applied to Reception pupils to give a whole school figure.

Secondary – based on the number of pupils not achieving the expected level at KS2 in one or more of reading, writing or mathematics. The proportion of pupils funded through this factor is a mix of the old and new requirements with weighting applied to the new requirements.

	<u>Current formula</u>	<u>NFF</u>
Primary	£664.12	£1,050.00
Secondary	£1,138.20	£1,550.00

### English as an Additional Language

For pupils recorded on the October 2017 census as having entered state education in England during the last three years and having a mother tongue other than English.

	<u>Current formula</u>	<u>NFF</u>
Primary	£886.48	£515.00
Secondary	£886.48	£1,385.00

### Looked After Children

We currently fund LAC through the funding formula and funding is also available through the Pupil Premium Plus Grant via the Virtual School Head Teacher. Under the NFF there is no LAC factor as the DfE feel the funding should be through the PP Plus grant. The PP Plus grant is being increased from £1,900.00 per pupil to £2,300.00 per pupil. As we will no longer receive funding for this factor from April 2018 we are recommending that this factor is no longer used. If we continue to use it we will have to take the funding from another factor. For 2017-18 we allocated £250k+ through this factor.

	<u>Current formula</u>	<u>NFF</u>
Primary	£1,502.08	not available
Secondary	£1,502.08	not available

### Lump Sum

A lump sum payable to each school, currently paid at different levels for primary and secondary phases but will be paid at a single level under the NFF.

	<u>Current formula</u>	<u>NFF</u>
Primary	£128,274.30	£110,000.00

Secondary      £149,064.30      £110,000.00

Pupil Mobility

This is where a pupil entered a school during the last three academic years, but did not start at the beginning of the Autumn Term (or January for Reception pupils). There is a 10% threshold and funding is only payable where the proportion of pupils entering a school exceeds 10%.

	<u>Current formula</u>	<u>NFF</u>
Primary	not used	no value given
Secondary	not used	no value given

Sparsity

To be eligible for this funding, schools must

- a) be located in areas where pupils would have to travel a significant distance to an alternative school should the school close and
- b) be a small school.

No schools in Halton meet these criteria.

Split sites

This factor is to support schools have unavoidable extra costs because the school buildings are on separate sites. No schools in Halton qualify for split site funding at the present time.

LA Rates

Local authorities must fund rates at an estimate of the actual cost and can make adjustments to the rates funding during the year, outside of the funding formula. The effect on a school of LA Rates funding is zero as the funding would equate to that year's charge. LA Rates funding is specific to each school so is not listed here.

Private Finance Initiatives

This factor supports schools with unavoidable extra premises costs because they are a PFI school and to cover situations where the PFI 'affordability gap' is delegated and paid back to the local authority. Only one school qualifies for this funding, at £190.58 per pupil for 2017-18. The NFF will apply an uplift in line with RPIX growth from April 2016 to April 2017 at 3.8%.

London Fringe

This is not applicable to Halton.

Exceptional Premises Factor

We are allowed to apply to the ESFA to use exceptional premises factors for joint-use sports facilities. They can only be applied where the value of the factor is more than 1% of a school's budget and applies to fewer than 5% of the schools in the borough. In Halton we have one school funded at £135,000. We can use applications submitted for 2017-18 for 2018-19 if the qualification criteria are still met.

Minimum per pupil funding

The ESFA have set minimum per pupil funding levels for 2018-19 at £3,300 for primary schools and £4,600 for secondary schools. These levels are due to increase in 2019-20 to the full amounts of £3,500 for primary schools and £4,800 for secondary schools with pupils in years 10 and 11.

When we look at any capping or scaling of increases, these cannot take a school below the minimum value set in the local formula.

The minimum per pupil funding is calculated by adding together the pupil-led funding and school-led funding then dividing by the number of pupils. It isn't just the Basic Per Pupil factor.

Per pupil increase (Funding Floor)

The Secretary of State confirmed in July that the NFF will provide for at least a 0.5% per-pupil increase in respect of each school in 2018 to 2019.

To calculate this we use the 2017-18 baseline per pupil figure (similar to the minimum per pupil funding calculation above) and compare it to the 2018-19 per pupil figure AFTER the minimum per pupil calculation has been applied. If the difference is less than 0.5% then the funding floor is applied to ensure it reaches 0.5%.

## Minimum Funding Guarantee (MFG) / Gains cap

The MFG has been applied since the introduction of the revised funding formula in 2013-14 and has been set at minus 1.5% for the past few years. It is to ensure that a school's budget cannot fall by more than 1.5% for anything other than a reduction in pupil numbers. For 2018-19 local authorities have the flexibility to set their MFG between 0% and minus 1.5%.

We have also been allowed to set capping or scaling of increases to ensure the affordability of such. The total of any capping or scaling cannot exceed the total MFG. A cap sets a maximum on the amount of any increase a school can receive while a scale reduces all increases by the same percentage.

In recent years we have had to apply capping and scaling to ensure school budgets equal the funding available. To merely reduce the value of a funding factor in the hope of reducing the overall budget total doesn't work due to the impact of the MFG.

For 2018-19 it is impossible to say at this point in time what level of MFG, capping or scaling will give the best fit for school budgets within the funding we are given. We are asking that Schools Forum are allowed to agree these levels at the January meeting, when we will have indicative budgets calculated for all primary and secondary schools.

## What happens next?

The deadline for this consultation is Friday 20<sup>th</sup> October 2017. We acknowledge it is short, but the school level data for the NFF was only released by the Education & Skills Funding Agency on Thursday 4<sup>th</sup> October. As we have only had one week to prepare the consultation we have not yet been able to speak to representatives to find out what funding factors you would want including on a funding formula, which is why we are asking you to state your preferences now. We can then model an interim funding formula and share this with you. However, Appendix A gives the total Schools Block funding for each school using the October 2016 census data with the NFF transitional values and the current funding formula.

The funding formula decision needs to be made at Executive Board on Thursday 16<sup>th</sup> November 2017 so that if we need to submit a disapplication request we can do so by the deadline of 30<sup>th</sup> November 2017. An extra Schools Forum has been set for Wednesday 8<sup>th</sup> November 2017 to discuss the formula and responses from this consultation and the High Needs transfer consultation. The reports for both meetings need to be submitted by Friday 27<sup>th</sup> October which is the last school day of half term. To allow time for the responses to be analysed and the reports written, the consultation responses need to be sent to me no later than 5pm on Friday 20<sup>th</sup> October.

## Timescales

Mid-December will see the release of the October census data and the Schools Block allocation (usually one week before Christmas).

Formula calculations completed for Schools Forum on 17<sup>th</sup> January 2018

Submission of Halton's funding formula for 2018-19 to the ESFA by 19<sup>th</sup> January 2018

The funding formula will be reviewed and checked by the ESFA to ensure compliance with the regulations and we will be notified by 28<sup>th</sup> February 2018 if it is accepted.

We are required to notify maintained primary and secondary schools of their Schools Block allocations by 28<sup>th</sup> February 2018.

The ESFA will notify academies of their allocations during February and March 2018.



**Questions**

1. Do we move to the NFF with transitional protection in place for 2018-19, subject to receipt of sufficient funding to do so?  
Yes / No
2. Do we remain on the current funding formula for 2018-19, subject to variations in cash values which will not be known until the October census data is released along with the December updated grant allocations? (which is what currently happens)  
Yes / No
3. If we continue with the current funding formula for 2018-19, do we exclude the LAC factor?  
Yes / No
4. If you wish to continue with the LAC funding factor, do you agree we take the funding from the Basic per pupil factor to fund?  
Yes / No – If no, please state which factor should be reduced \_\_\_\_\_
5. Do we look to an interim funding formula to get to a mid-ground for the majority of Halton schools and academies, bearing in mind that until the census and updated grant allocations are released we won't know what is possible?  
Yes / No
6. If you want an interim funding formula, which factors would you want to be included:  
What criteria do you want to use for deprivation – please pick one option  
FSM, FSM6 and IDACI  
FSM6 and IDACI (as current)  
FSM and IDACI  
FSM only  
FSM6 only  
IDACI only
7. Do you want to include the Prior Attainment factor?  
Yes / No
8. Do you want to include the EAL factor?  
Yes / No
9. Do you want to include the Mobility factor? (not used at the moment)  
Yes / No
10. Do you want to include the Lump Sum factor?  
Yes / No
11. Do you agree to Schools Forum determining the level of the Minimum Funding Guarantee and any capping or scaling at the January meeting?  
Yes / No

Deadline for responses:

Please respond to [Anne.Jones@halton.gov.uk](mailto:Anne.Jones@halton.gov.uk) no later than 5.00pm on Friday 20<sup>th</sup> October 2017 to ensure your feedback can be included in the report to Schools Forum and Executive Board in November.



**Proposal to transfer funds from Schools Block to High Needs Block for 2018-19**Background

Since the introduction of the notional DSG funding blocks in April 2013, local authorities have been allowed to move funds freely between the blocks with the approval of their local Schools Forum. The main movement has been from the Schools Block, which is the main source of funding for Primary and Secondary schools, to the High Needs block. The High Needs Block supports provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25. High Needs funding is also intended to support alternative provision for pre-16 pupils who cannot receive education in schools.

The situation over the past few years is:

	2014-15	2015-16	2016-17	2017-18 forecast
Central HN spend	£6,019,217	£6,459,666	£6,240,520	£7,190,320
School budgets	<u>£9,340,138</u>	<u>£9,930,166</u>	<u>£9,403,710</u>	<u>£9,621,105</u>
Total expenditure	£15,359,355	£16,389,832	£15,644,230	£16,811,425
HN funding received	<u>£13,886,574</u>	<u>£13,268,052</u>	<u>£13,235,000</u>	<u>£14,055,751</u>
<b>Overspend</b>	<b>£1,472,781</b>	<b>£3,121,780</b>	<b>£2,409,230</b>	<b>£2,755,674</b>
<b>% overspend</b>	<b>10.6%</b>	<b>23.5%</b>	<b>18.2%</b>	<b>19.6%</b>

How have we funded this overspend – at the start of each year we have an estimate of what the overspend on High Needs will be so we move money from the Schools Block accordingly. At the end of the year, the additional overspend is met from reserves.

Schools Block funding (excluding central schools services block)

	2014-15	2015-16	2016-17	2017-18 forecast
Grant allocation	£80,375,048	£83,284,930	£81,826,997	£82,321,802
To schools/academies	£78,972,132	£81,096,572	£80,942,662	£81,819,524
Difference	£1,402,916	£2,188,358	£884,335	£502,278

It should also be remembered that the Schools Block has also been needed to cover expected overspends in the Early Years block although this has now stopped and the Early Years block grant is covering the Early Years spend each year.

During both 2016-17 and 2017-18 we have been required to provide baseline funding to the Education Funding Agency for the four blocks of DSG funding, as the notional block amounts were not based on historic spend.

With the introduction of the National Funding Formula from April 2018 there are new regulations restricting the movement of funding from the Schools Block. We are allowed to move up to 0.5% of the Schools Block funding to the High Needs Block following consultation with schools and the approval of Schools Forum. If we wish to move more than 0.5% we must then get approval from the Secretary of State.

For 2018-19 based on the indicative Schools Block allocation of £83,008,079, the 0.5% figure that can be approved by Schools Forum is just £415,040.

Even after the movement of 0.5% we are forecasting the High Needs block to have a funding shortfall of £1.25m. We are looking at options to reduce the funding gap for 2018-19.

Budget Pressures

The numbers of pupils who receive funding from the High Needs Block has increased by 5.8% from 996 in 2014-15 to 1,054 in 2016-17. So far in 2017-18 we are funding 984 pupils from the High Needs Block and we know that number will increase during the Autumn and Spring Terms.

Due to the increase in pupil numbers and their complexity of needs, the cost of supporting their needs has increased. In the detail below, the total pupil numbers is the total of individual pupils who have at any time during the year been receiving the particular type of provision. Therefore the number of individuals can be higher than the number of places due to pupils coming into places and pupils leaving. Below are key areas of High Needs expenditure:

Special Schools including Special Academies in Halton

	2014-15	2015-16	2016-17	2017-18 to date
Total pupil numbers	318	343	359	378
Total cost	£5,429,473	£5,579,254	£5,318,730	£5,540,440
Average top-up per pupil	£10,690.17	£10,347.68	£9,160.81	£9,154.60

Special schools are funded at £10,000 per commissioned place plus top-up funding which is pupil specific. While pupil numbers have increased, we reviewed the funding level criteria during 2015-16 with the special school Head Teachers and introduced a process whereby for a pupil to be funded at anything other than the lowest level of top-up, evidence of need has to be submitted to the SEN Team to be considered against the funding criteria. This is why the average top-up per pupil has reduced during 2016-17. The average top-up for 2017-18 is very slightly down again, but whether this remains for the full year is unknown.

Independent and Non-Maintained Special Schools

	2014-15	2015-16	2016-17	2017-18 to date
Total pupil numbers	85	81	87	83
Total cost	£2,351,182	£2,444,335	£2,687,275	£2,835,088
Average cost per pupil	£27,660.96	£30,176.98	£30,888.22	£28,736.00

Requests for placements in INMSS are scrutinised before the provision begins to check if there is any available alternatives to an INMSS. The type of provision and the costs of different INMSS' is explored with a view to finding the most cost efficient appropriate provision which can meet the needs of the pupils. The use of an INMSS is the last resort as one placement for a full year can cost almost £80,000 (as at 2016-17 prices). Where a placement is made jointly with health and social care, we always identify and separate the health and social care elements so only the education element is charged to the High Needs Block. However, the INMSS providers in the North West region are aware that there is more demand than places so Halton is putting in place plans to enter into negotiations with providers before we actually need to procure a place, in order to ensure we are getting best value. We are also tightening up on attendance monitoring and outcomes.

Top-up support in Mainstream schools

	2014-15	2015-16	2016-17	2017-18 to date
Total pupil numbers	363	396	373	414
Total cost	£1,683,105	£1,950,497	£1,843,016	£1,843,014
Average cost per pupil	£4,636.65	£4,925.50	£4,941.06	£4,451.72
Total hours supported	97,741.3	113,269.3	107,027.6	107,011.4

Top-up funding is provided to schools for named pupils who require additional support and is approved following submission of evidence to panel. The funding can be through Schools Action plus, a Statement or an EHCP. They are all funded at the same rate and schools are required to fund the first £6,000 of costs for each child.

A top-up funding review is underway and will be completed by the start of 2018-19 although we are not expecting to see the full impact of the review until the following financial year.

#### Resource Bases

	2014-15	2015-16	2016-17	2017-18 to date
Total pupil numbers	125	117	126	136
Number of fte places	130	130	124	118
Total cost	£1,621,419	£1,615,405	£1,343,018	£1,492,820
Average top-up per pupil	£2,571.35	£2,695.77	£2,404.90	£3,770.74

The Education Funding Agency is changing the way in which resource bases are funded from April 2018 as the £10,000 per commissioned place transfers from the High Needs block to the Schools block of the Dedicated Schools Grant. The change should have no impact upon the schools but we have not yet been able to do the calculations to confirm this. We have seen the two Hearing Impaired resource bases close over the last few years and the funding has been used to support the central services aligned with those resource bases and support for the former resource base children to remain at the school until they leave the school.

#### PRU

	2014-15	2015-16	2016-17	2017-18 to date
Total pupil numbers	82	62	75	70
Number of places	60	60	60	60
Total cost	£1,055,283	£1,284,823	£1,346,346	£1,489,760
Average top-up per pupil	£7,015.65	£11,851.98	£9,951.28	not available yet

The PRU is funded at £10,000 per commissioned place plus top-up funding which is pupil specific. When the top-up funding levels for the PRU were set the occupancy levels were about 70% so the funding reflected this, now however, the PRU is operating at capacity. Earlier this year we put out a request to other North West authorities to find out their PRU top-up funding rates and from that have started a review of the funding levels which will be completed by April 2018. The regulations require local authorities to recover funding from schools and academies who permanently exclude pupils, and this covers all pupil-led funding factors within the funding formula plus the Pupil Premium Grant for which the pupil may be eligible.

#### Inter Authority Recoupment Expenditure

	2014-15	2015-16	2016-17	2017-18 to date
Total pupil numbers	23	31	34	25
Total cost	£113,606.51	£238,481.64	£294,935.11	£211,925.00
Average cost per pupil	£4,939.41	£7,692.96	£8,674.56	£8,477.00

The costs of inter authority High Needs placements have increased considerably as the number of children needing such placements have increased. We are not required to pay the per place funding as the places should have been commissioned by the relevant local authority. Therefore we only have to pay the top-up amounts. However, where schools have taken in pupils over the number of commissioned places, we must negotiate with the provider to decide on whether a per-place payment (and the amount) should be made.

Central DSG funded posts

	2014-15	2015-16	2016-17	2017-18 to date
Number of posts	16.0 fte	17.5 fte	17.0 fte	18.4 fte
Total cost	£922,975	£897,196	£898,563	£1,136,825

The above figures include the posts funded by the former ESG grant in 2017-18 but excludes vacancies.

The way forward:

In Halton we are commissioning an all age review of support for Children and Young People with SEN. One of the aims of this review is to ensure that pupils have access to the right sort of support to better suit their needs. The review will be funded from the High Needs Strategic Planning Grant.

As part of the Liverpool City Region we are also contributing towards the review of sufficiency and provision across SEND. We have also undertaken a detailed review of support for pupils with SEMH and we are in the process of reconfiguring our provision in Halton to better meet the needs of those pupils. We have already reviewed our special school allocations in 15/16 and the changes came in during 16/17. By doing so we managed to save £0.25m. However with the changes in funding the Schools and High Needs budgets from April 2018 further reductions may be required.

We also looked at the allocation of our enhanced provision and by April 2018 we will have finalised this review. The new arrangements for enhanced provision came into place in September 2017. By the end of September 2017 we will have launched our Protocol for Pupils with SEMH (including pupils with persistently challenging behaviour). Many of these pupils currently progress to exclusion. We are now also underway with work to review top-up funding levels at the PRU which will be completed by April 2018.

We have also reviewed the high needs allocation for 2017/18 to Riverside College which is our main post 16 provider. We are currently working collaboratively with the Liverpool City Region and with our Health and Community and Social Care colleagues. We have a partnership meeting that has membership from all the key partners and we actively review our expenditure and help people to understand the implications of our expenditure on SEND. We previously held a pot of money to recognise the costs to those schools that are inclusive and through their reputation take a higher percentage than other schools with SEND and therefore experience budget pressures due to the demand on their notational SEN budget. At School Forum the decision was made to cease this support as it was no longer affordable.

Approval by School Forum to permit 0.5% of the schools budget to supplement the costs of the High Needs Budget will still leave an estimated gap of £1.25 million. This funding can only be found by reducing expenditure across High Needs from April 2018. It is proposed that this gap in funding is found by making the following savings:

- Reduce the budget for enhanced provision;
- Reduce top up funding levels from early years through to post-16;
- Review and reduce top up levels in special schools;
- Review and reduce top up levels in PRU;
- Reduce the number of children and young people placed out of borough

- Negotiate better rates for children placed out of borough
- Work with schools to provide funding to support pupils locally instead of placing out of borough

What are we asking for:

We are allowed to consult with schools and ask Schools Forum for approval to move up to 0.5% of Schools Block funding to the High Needs Block as previously mentioned. To move 0.5% - roughly £415,000 – using the October 2016 census data, would be a reduction to schools of £23.48 per pupil. We cannot take the funding from any other funding factor, as per the guidance. The actual cash value for 2018-19 will only be known once the census data for October 2017 is received along with the December update of our funding allocation.

However, we understand that by doing this we are taking funding from all schools to support those who receive High Needs top-up funding. Therefore we are looking at other options, such as not asking for a transfer of funding from Schools Block to High Needs block as long as schools accept that by doing this we will have to make even further reductions to the funding we use to support pupils in schools with high needs.

What we cannot do is not transfer funding from the Schools Block to the High Needs Block and continue to pay top-up funding at the current levels.

**Consultation Questions:**

**Do you agree to the transfer of 0.5% of Schools Block funds, to be taken from the Basic Per Pupil funding factor, to the High Needs Block for 2018-19?**

Yes / No

**Do you agree to not transfer any funding from the Schools Block to the High Needs Block for 2018-19 on the understanding that all top-up funding levels would have to be reduced to keep the High Needs Block within budget?**

Yes / No

**If you do not agree to the transfer of funds or the reduction of top-up funding levels, how else do you suggest that we fill the funding gap that we have for High Needs?**

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Deadline for responses:

Please respond to [Anne.Jones@halton.gov.uk](mailto:Anne.Jones@halton.gov.uk) no later than 5.00pm on **Friday 20<sup>th</sup> October 2017** to ensure your feedback can be included in the report to Schools Forum in November.





**REPORT TO:** Executive Board

**DATE:** 16 November 2017

**REPORTING OFFICER:** Strategic Director, People

**PORTFOLIO:** Health and Wellbeing

**SUBJECT:** Alternative Delivery Model for Adult Social Care Provider Services

**WARD(S)** Borough-wide

**1.0 PURPOSE OF THE REPORT**

1.1 To seek Executive Board approval to enter into discussions with Sefton and Knowsley Council to explore opportunities around an alternative delivery model for some Adult Social Care Provider Services.

**2.0 RECOMMENDATION: That**

**1) the Strategic Director, People, enters into further discussions with Sefton and Knowsley Council to explore the opportunities for Halton to develop an alternative delivery model for some Adult Social Care Provider Services; and**

**2) a further report be brought back to Executive Board.**

**3.0 BACKGROUND**

3.1 The current pressures on the delivery of social care are well documented and ongoing demand pressures are not being met by the market in any affordable way, and will require the Council to consider future delivery models of care that are based on need, support the quality of care that the people of the borough deserve and are financially sustainable.

3.2 This will require different ways of working as a Council and different ways in working with other Councils. An approach is the formal partnering of Councils and/or other public sector organisations such as the NHS through Local Authority Trading Companies (LTAC).

3.3 Sefton New Directions (SND) was incorporated in 2007 as a local authority trading company. Sefton Council is the sole shareholder. The Company is an independent legal entity and operates under the governance of a Board. The Board is responsible for the Governance

of the Company and currently consists of three Directors: 2 Councillor's and the Council's Chief Executive.

3.4 The Company is registered with the Care Quality Commission and conducts a range of care services, including: day services; reablement; intermediate care; respite services; supported living; shared lives services; and residential homes. The services are provided to older people, adults with learning and physical disabilities, and adults with mental health issues and dementia. The client groups are primarily Sefton residents with some services being provided to Sefton NHS and other bodies. There are approximately 350 employees. The Company reported a 'surplus of £1M in the 2015/16 financial year, and continues to be the Councils 'preferred provider' through a block contract.

3.5 Sefton Council approached both Knowsley and Halton councils to explore the opportunity of expanding the current organisation in partnership and the development of an enhanced portfolio of services. To this end we would explore a shareholder agreement of the LTAC, with Sefton, Knowsley and Halton holding shares and ownership based on their contribution of services or financial contribution.

3.6 There are a number of considerations for Halton to explore as part of the assessment of the benefits of a LTAC for social care, including:

1. Staffing issues including terms and conditions;
2. Ensuring that services are of a high quality and what are benefits to users by moving to this delivery model;
3. Financial benefits and liabilities to the Council;
4. Sustainability of the service offer;
5. How far this model would support the sustainability of our care home sector, for example, having a sufficient number of homes that can deliver the range of support required at a scale that is sustainable and can quickly move to rescue failing homes;
6. The potential to pool expertise and resources securing jobs, extending employment opportunities and promoting growth;
7. The ability to grow through delivering or entering into similar agreements with other Councils and/or others creating a social care provider driven by public sector values; and
8. The Social Value delivered by such a delivery model.

3.7 The LTAC would be a publically owned enterprise delivering services on behalf of the shareholders as the provider. The Council would be a shareholder in the LATC, with representation on the Board the Council would be accountable for proper governance and adherence to the values of the Council and ensure that users benefit from quality, efficient and sustainable service provision.

3.8 Through further discussion we would consider which services could be and would benefit from being delivered by the LTAC.

3.9 Currently the LTAC service value is £8million. Knowsley and Halton would need to determine their shareholding value based on the business case, but initial consideration would be in the region of £5M

For Halton it is proposed that we would investigate some or all of the following services:

i) **In House Learning Disability Services;**

Day Services, Bredon, Supported Housing and Adult Placement.

ii) **Recently purchased Care Homes.**

Executive Board have previously been informed of the risks within the Care Home market in Halton, in relation to the sustainability and future provision of care homes in the Borough. During the last year we have been notified of 2 care homes at risk of closure. Halton Council have purchased 1 home and are currently exploring the options for a second home. In addition the current care home market in Halton is insufficient to meet the needs of the population, over the next couple of years there will be a need to increase the availability of care home placements within the Borough.

If the Council continues to increase In-House services to include a number of care homes, we need to consider the options for future delivery. The Council do not currently have the available infrastructure, to enable this to happen including HR, property services and service management, this would increase the overall cost of provision.

4.0 **OTHER IMPLICATIONS**

4.1 There are a number of areas we would need to consider, see 3.6 in addition we would need to consider the impact on:

- Central Services
- Property
- Financial commitments and liabilities
- Process for exiting the arrangement
- Substantive consultation

A local Halton operation steering group will be established along with a member steering Board, to ensure the impact on Halton services is fully considered. The members steering Board will be chaired by Councillor Wright.

5.0 **POLICY IMPLICATIONS**

5.1 None identified.

6.0 **FINANCIAL IMPLICATIONS**

6.1 The overall costs of the services we propose to consider is estimated at £5 million. In addition we would be proposing to consider transfer of newly purchased care homes, Madeline McKenna and possibly Millbrow- overall cost estimated at £2 million. This would ensure that financially we have a significant shareholding.

7.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

7.1 **Children & Young People in Halton**

None identified

7.2 **Employment, Learning & Skills in Halton**

None identified.

7.3 **A Healthy Halton**

The sustainability of the Care Home market in Halton is a key priority for health.

7.4 **A Safer Halton**

Consideration of safeguarding for the vulnerable adults receiving services will be a key aspect of the project

7.5 **Halton's Urban Renewal**

None identified.

8.0 **RISK ANALYSIS**

8.1 There are a number of risks that will need to be considered as part of the project, a Halton dedicated steering group will be established to ensure all risks are addressed and mitigated.

9.0 **EQUALITY AND DIVERSITY ISSUES**

9.1 Equality and Diversity issues will be considered as part of the project.

10.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None.

**REPORT TO:** Executive Board

**DATE:** 16 November 2017

**REPORTING OFFICER:** Director of Public Health

**PORTFOLIO:** Health and Wellbeing

**SUBJECT:** 0 – 19 Healthy Child Service Tender

**1. PURPOSE OF REPORT**

- 1.1 To seek Executive Board approval to award a contract to deliver the 0 – 19 Healthy Child Service to the preferred supplier determined at the conclusion of the evaluation process on 14 November 2017.

- 2. RECOMMENDED: That In accordance with Standing Order 2.10.2, the Executive Board authorise the Director of Public Health to enter into a contract with the preferred supplier who through an open tender process has been assessed as being the most economically advantageous and effective organisation to deliver a 0 – 19 Healthy Child Service of those who tendered. The contract will be awarded for a period of 5 years with the option of two additional one year contracts.**

**3. SUPPORTING INFORMATION**

- 3.1 In February 2017 the Executive Board granted authority to the Director of Public Health to carry out all necessary steps in relation to the open tendering and commissioning of a 0 -19 Healthy Child Service (incorporating Health Visiting, the Family Nurse Partnership and School Nursing).
- 3.2 The tender opportunity was advertised via Halton's e-procurement system, Due North (The Chest) on 10 October 2017, with a closing date of 1 November 2017. The evaluation was completed on 14 November 2017. The details are presented to the Executive Board on 16 November 2017.
- 3.3 The tender documentation was assessed based on 25% price and 50% quality. Qualifying organisations were invited to the interview stage. Providers were asked questions about key aspects of service delivery which had been highlighted at tender evaluation stage. The presentation stage represented a further 25% of the overall assessment score.
- 3.4 Following the interview stage, the tender scores were determined and the successful organisation awarded the contract by the Director of Public Health through the authorisation of the Executive Board.

#### **4.0 POLICY IMPLICATIONS**

4.1 The contract is awarded in line with Halton Borough Council's Procurement Policy and the service will support Halton's Health and Well Being Board Strategy and Children's Plan. The Service will support the Council in meeting its statutory duties with regards to public health services for children and young people.

#### **5.0 FINANCIAL IMPLICATIONS**

5.1 The tender price submitted by the preferred supplier is within the indicative budget set for the service and is presented to the Executive Board. This includes the annual efficiencies agreed as part of the medium term financial strategy.

#### **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

##### **6.1 Children & Young People in Halton**

The service contributes to the delivery of the objectives of the Halton Children's Plan.

##### **6.2 Employment, Learning & Skills in Halton**

The service will contribute to supporting all children, young people and families to have the best possible start in life.

##### **6.3 A Healthy Halton**

The service contributes to the delivery of the objectives of the Health and Wellbeing Board and supports the effective delivery of essential services and support to all families, children and young people in Halton.

##### **6.4 A Safer Halton**

The service contributes to a Safer Halton by supporting young people in reducing risk taking behaviour, such as alcohol, drugs, etc. Community services also play an important role in reducing crime and anti-social behaviour.

##### **6.5 Halton's Urban Renewal**

None identified.

#### **7.0 RISK ANALYSIS**

7.1 Financial risk is minimised by awarding the contract within confirmed budgets.

7.2 As part of the procurement process, Halton Borough Council has carried out a financial assessment on the preferred supplier and has confirmed that they are a financially viable organisation.

**8.0 EQUALITY AND DIVERSITY ISSUES**

8.1 The preferred supplier will be required to demonstrate that they embrace and comply with the Equality Act, and their services will be monitored to ensure this is the case.

**9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

9.1 None.

**REPORT TO:** Executive Board

**DATE:** 16 November 2017

**REPORTING OFFICER:** Operational Director – Finance

**PORTFOLIO:** Resources

**SUBJECT:** 2017/18 Quarter 2 Spending

**WARD(S):** Borough-wide

## **1.0 PURPOSE OF REPORT**

1.1 To report the Council's overall revenue and capital spending position as at 30 September 2017.

## **2.0 RECOMMENDED: That**

- 1) All spending continues to be limited to the absolutely essential;**
- 2) Strategic Directors continue to take appropriate action to contain overall spending within their total operational budget by year-end; and**
- 3) Council be asked to approve the revised capital programme as set out in Appendix 3.**

## **3.0 SUPPORTING INFORMATION**

### **Revenue Spending**

- 3.1 Appendix 1 presents a summary of spending against the revenue budget up to 30 September 2017, along with individual statements for each Department. In overall terms revenue expenditure is £1.939m above the budget profile at this stage.
- 3.2 Given the Council's overall position and continuing budget pressures, it is essential that all Departments restrict and/or defer any non-essential spend over the remainder of the financial year.
- 3.3 The overspend position reported as at the end of 30 June 2017 was £0.808m above the profiled budget. Unfortunately over the last quarter the position has worsened with the overspend increasing by £1.131m. It is proposed Strategic Directors report back to Management Team with details of what steps all Departments are taking to assist the Council with managing this situation.
- 3.4 If current spending patterns continue, projections show that the Council will be overspent by approximately £4m by year-end if no corrective action is taken. As at 31 March 2017 the Council's General Fund balance



was £4.830m. Unless the projected overspend is reduced the general reserve will be all but consumed, giving the Council little scope to meet any future overspends.

- 3.5 The main budget pressure facing the Council continues to be within the Children & Families Department. The overspend position over the past quarter has increased from £1.2m to £2.8m, an increase of £1.6m. It is currently forecast that the Department's total spend for the year will be £5.7m in excess of the total available budget. This is an increase of £0.9m (18.7%) from that forecast at the end of quarter 1.
- 3.6 The two services which are dominating the overspend position continue to be Out of Borough Residential Places and Out of Borough Fostering. Between them they account for £2.4m (84%) of the current overspend position.
- 3.7 Against the Residential Placements budget to date of £1.5m, actual costs are currently £3.0m, which represents 80% of the full year's budget. Latest information shows that children in care numbers have increased over the past quarter, with an additional eight children entering the Service at a cost of £0.7m to the end of the financial year. Two children have left the Service at a cost reduction of £0.2m, although there has been an £81,000 increase in existing placement costs.
- 3.8 There continues to be a large amount of work undertaken to reduce, where appropriate, the cost of placements, particularly around young people who are aged 16+ and moving into semi-independent accommodation. Based on current service usage it is expected that the year-end overspend against the Residential Placements budget will be £2.9m.
- 3.9 The number of placements for Out of Borough Fostering has also increased over the past quarter. The total number of placements has increased by six during the quarter at an increased cost of £164,000. Whilst every effort is made to utilise in-house foster carers it is not always possible and therefore Out of Borough Placements are utilised at a much higher weekly cost. In an effort to recruit new foster carers the Council are in discussions to set up a collaborative fostering service with Cheshire West and Chester, Cheshire East and Warrington Councils. This service is forecast to spend £1.8m above the available budget by year-end.
- 3.10 The Department continues to experience high costs for direct payments, special guardianship orders, early years' service, court costs and transport related expenditure.
- 3.11 The Complex Care Pool Budget with Halton Clinical Commissioning Group is over budget by £1.004m as at 30 September 2017, although the Council is only liable for 61% of any year-end overspend position. Financial pressures within the Service relate to costs for health and social care services covering Residential and Domiciliary Care, Direct Payments and Day Care.

- 3.12 Within Residential and Nursing Care, continuing health care (CHC) and joint funded care (JFC) packages are placing pressure on the budget as an increasing number of people are deemed eligible for CHC and are also receiving care for longer periods of time than previously. The total number of clients receiving a permanent residential care package has increased from 599 to 611 in the first six months of the year, whilst the average weekly cost of a package has increased from £586 to £591. The number of out-of-borough placements has also increased, which on average attract a 30% higher cost than in-borough placements.
- 3.13 The year-end forecast of spend for Domiciliary Services has increased by just over £0.5m, as the average weekly cost of a domiciliary care package has increased from £299 to £313 (4.7%). There has also been a significant increase to the forecast spend for Direct Payment care packages, with an increase to the number of clients from 470 to 505 (7.4%).
- 3.14 Based on current service demand it is forecast the Complex Care Pool Budget will be overspent against budget by £2.3m by financial year-end. The Council's share of this overspend would be £1.4m. A financial recovery action plan has therefore been implemented by the Pool Manager, to look at reducing costs to bring spend back in line with budget.
- 3.15 Community & Environment Department spend to 30 September 2017 exceeds the profiled budget by £0.2m. The forecast level of overspend has however slowed during the second quarter. This is primarily due to shortfalls of income which continue to be experienced in a number of areas, including stadium catering, bars, and fitness membership.
- 3.16 Budget pressures are still evident on School Transport within the Education, Inclusion & Prevention Department. The Service is showing an overspend position of £0.138m as at 30 September 2017. This is mainly due to the high demand for special educational pupils transport provision, which has been growing steadily for a number of years.
- 3.17 Corporate & Democracy net spend is currently under budget by £1.4m, which is helping mitigate the budget pressures elsewhere across the Council. This is primarily due to borrowing costs being significantly lower than forecast and a review of unused reserves having released balances back into the general fund.
- 3.18 Total spending on employees is £0.1m below budget profile at the end of the quarter. This is only 20% of the underspend on staffing at this point last year, which indicates the significant number of vacant posts which have been deleted as budget savings and that vacancies are having to be filled quicker due to the increased pressure upon Services.
- 3.19 Included within the employees budget is a staff turnover savings target of 3.0% which reflects the saving made between a member of staff leaving a post and the post being filled. The target for the quarter has been

achieved in all Departments with the exception of Community & Environment, Economy, Enterprise & Property, Legal & Democratic Services, Policy People Performance & Efficiency and Education Inclusion & Provision.

- 3.20 The council tax collection rate for the second quarter of 55.37% is marginally lower (0.42%) than at this stage last year and the collection rate for business rates of 55.74% is also marginally lower (0.24%). The forecast retained element of business rates is however in line with the estimate used when setting the 2017/18 budget. Forecasting retained business rates through to the end of the financial year remains difficult, due to the number of appeals outstanding with the Valuation Office Agency and the new process of appealing against rateable values introduced with the April 2017 revaluation.

### **Capital Spending**

- 3.21 The Capital Programme has been revised to reflect a number of changes in spending profiles and funding as schemes have developed. These are reflected in the capital programme presented in Appendix 3. The schemes which have been revised within the Programme are as follows;

1. Widnes Market Refurbishment
2. 3MG
3. Equality Act Improvement Works
4. Broseley House
5. Murdishaw Regeneration
6. Land Acquisitions – Mersey Gateway
7. Development Costs – Mersey Gateway
8. Loan Interest During Construction – Mersey Gateway
9. Disabled Facilities Grant
10. RSL Adaptations
11. Basic Need Projects
12. The Bridge School Vocational Centre

- 3.22 Capital spending at 30 September 2017 totalled £53.3m, which is 99% of the planned spending of £53.9m at this stage. This represents 44.7% of the total Capital Programme of £119.4m (which assumes a 20% slippage between years). Note that no slippage has been calculated on the Mersey Gateway Construction Costs or Mersey Gateway Liquidity Fund.

### **Balance Sheet**

- 3.23 The Council's Balance Sheet is monitored regularly in accordance with the Reserves and Balances Strategy which forms part of the Medium Term Financial Strategy. The key reserves and balances have been reviewed and are considered prudent and appropriate at this stage in the financial year and within the current financial climate.

**4.0 POLICY AND OTHER IMPLICATIONS**

4.1 None.

**5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

5.1 There are no direct implications, however, the revenue budget and capital programme support the delivery and achievement of all the Council's priorities.

**6.0 RISK ANALYSIS**

6.1 There are a number of financial risks within the budget. However, the Council has internal controls and processes in place to ensure that spending is reviewed in line with budget. Reserves are monitored and released when appropriate, to help meet the challenge of keeping expenditure in line with the current year's budget.

6.2 In preparing the 2017/18 budget, a register of significant financial risks was prepared which has been updated as at 30 September 2017.

**7.0 EQUALITY AND DIVERSITY ISSUES**

7.1 None.

**8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1072**

8.1 There are no background papers under the meaning of the Act.

## APPENDIX 1

## Summary of Revenue Spending to 30 September 2017

Directorate / Department	Annual Budget £'000	Budget to Date £'000	Expenditure to Date £'000	Variance to Date (overspend) £'000
Community & Environment	19,368	8,599	8,813	(214)
Economy, Enterprise & Property	1,451	955	926	29
Finance	4,460	24	-126	150
ICT & Support Services	-4	-284	-310	26
Legal & Democratic Services	532	356	357	(1)
Planning & Transportation	7,629	3,369	3,399	(30)
Policy, People, Performance & Efficiency	0	-266	-388	122
<b>Enterprise, Community &amp; Resources</b>	<b>33,436</b>	<b>12,753</b>	<b>12,671</b>	<b>82</b>
Adult Social Care	37,993	16,448	16,929	(481)
Children & Families	20,403	9,042	11,890	(2,848)
Education, Inclusion & Provision	7,752	9,310	9,406	(96)
Public Health & Public Protection	388	226	220	6
<b>People</b>	<b>66,536</b>	<b>35,026</b>	<b>38,445</b>	<b>(3,419)</b>
<b>Corporate &amp; Democracy</b>	<b>3,277</b>	<b>4,468</b>	<b>3,070</b>	<b>1,398</b>
<b>Mersey Gateway</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Total</b>	<b>103,249</b>	<b>52,247</b>	<b>54,186</b>	<b>(1,939)</b>

**ENTERPRISE, COMMUNITY & RESOURCES DIRECTORATE**  
**Community & Environment Department**

	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance To Date (Overspend) £'000
<b><u>Expenditure</u></b>				
Employees	13,311	6,851	7,096	<b>(245)</b>
Other Premises	1,965	1,182	1,163	<b>19</b>
Supplies & Services	1,634	812	729	<b>83</b>
Book Fund	167	89	86	<b>3</b>
Hired & Contracted Services	1,098	459	441	<b>18</b>
Food Provisions	570	309	351	<b>(42)</b>
School Meals Food	1,983	714	709	<b>5</b>
Transport	55	37	29	<b>8</b>
Other Agency Costs	442	149	136	<b>13</b>
Waste Disposal Contracts	5,775	2,165	1,969	<b>196</b>
Grants To Voluntary Organisations	67	21	3	<b>18</b>
Grant To Norton Priory	172	86	88	<b>(2)</b>
Rolling Projects	108	108	108	<b>0</b>
Capital Financing	84	10	7	<b>3</b>
<b>Total Expenditure</b>	<b>27,431</b>	<b>12,992</b>	<b>12,915</b>	<b>77</b>
<b><u>Income</u></b>				
Sales Income	-2,104	-1,118	-1,024	<b>(94)</b>
School Meals Sales	-2,324	-886	-915	<b>29</b>
Fees & Charges Income	-5,387	-3,041	-2,952	<b>(89)</b>
Rents Income	-297	-90	-32	<b>(58)</b>
Government Grant Income	-1,246	-31	-31	<b>0</b>
Reimbursements & Other Grant Income	-677	-378	-375	<b>(3)</b>
Schools SLA Income	-99	-98	-96	<b>(2)</b>
Internal Fees Income	-191	-78	-61	<b>(17)</b>
School Meals Other Income	-2,096	-1,664	-1,663	<b>(1)</b>
Catering Fees	-182	-91	-35	<b>(56)</b>
Capital Salaries	-123	-31	-28	<b>(3)</b>
Rolling Projects Income	-108	0	0	<b>0</b>
Transfers From Reserves	-173	-165	-165	<b>0</b>
<b>Total Income</b>	<b>-15,007</b>	<b>-7,671</b>	<b>-7,377</b>	<b>(294)</b>
<b>Net Operational Expenditure</b>	<b>12,424</b>	<b>5,321</b>	<b>5,538</b>	<b>(217)</b>
<b><u>Recharges</u></b>				
Premises Support	1,760	880	880	<b>0</b>
Transport Recharges	2,072	920	917	<b>3</b>
Departmental Support Services	9	0	0	<b>0</b>
Central Support Services	3,467	1,769	1,769	<b>0</b>
Asset Charges	85	0	0	<b>0</b>
HBC Support Costs Income	-449	-291	-291	<b>0</b>
<b>Net Total Recharges</b>	<b>6,944</b>	<b>3,278</b>	<b>3,275</b>	<b>3</b>
<b>Net Department Expenditure</b>	<b>19,368</b>	<b>8,599</b>	<b>8,813</b>	<b>(214)</b>

## Economy, Enterprise &amp; Property Department

	Annual Budget	Budget To Date	Actual To Date	Variance to Date (Overspend)
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Employees	4,620	2,255	2,266	(11)
Repairs & Maintenance	2,294	862	861	1
Premises	43	42	42	0
Energy & Water Costs	642	238	208	30
NNDR	538	510	495	15
Rents	353	258	254	4
Economic Regeneration Activities	42	1	1	0
Supplies & Services	2,777	924	924	0
Grant to Non Vol Organisations	87	29	29	0
Agency Related	1	0	0	0
<b>Total Expenditure</b>	<b>11,397</b>	<b>5,119</b>	<b>5,080</b>	<b>39</b>
<b><u>Income</u></b>				
Fees & Charges	-291	-122	-125	3
Rent – Markets	-789	-392	-391	(1)
Rent – Investment Properties	-161	-74	-68	(6)
Rent – Commercial Properties	-879	-355	-353	(2)
Government Grant	-3,025	-780	-780	0
Reimbursements & Other Income	-182	-110	-111	1
Recharges to Capital	-162	-46	-46	0
Transfer from Reserves	-637	-163	-163	0
Schools SLA Income	-532	-502	-497	(5)
<b>Total Income</b>	<b>-6,658</b>	<b>-2,544</b>	<b>-2,534</b>	<b>(10)</b>
<b>Net Operational Expenditure</b>	<b>4,739</b>	<b>2,575</b>	<b>2,546</b>	<b>29</b>
<b><u>Recharges</u></b>				
Asset Rental Support Costs	4	0	0	0
Premises Support Costs	1,746	874	874	0
Transport Support Costs	23	11	11	0
Central Support Service Costs	1,865	958	958	0
Repairs & Maintenance Recharge Income	-2,412	-1,206	-1,206	0
Accommodation Recharge Income	-2,624	-1,312	-1,312	0
Central Support Service Recharge Income	-1,890	-945	-945	0
<b>Net Total Recharges</b>	<b>-3,288</b>	<b>-1,620</b>	<b>-1,620</b>	<b>0</b>
<b>Net Department Expenditure</b>	<b>1,451</b>	<b>955</b>	<b>926</b>	<b>29</b>

## Finance Department

	Annual Budget	Budget To Date	Actual To Date	Variance to Date (Overspend)
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Employees	6,724	3,283	3,180	103
Premises	56	54	54	0
Supplies & Services	386	302	287	15
Insurances	1,299	835	814	21
Concessionary Travel	2,175	528	528	0
LCR Levy (re Concessionary Travel)	2,175	0	0	0
Rent Allowances	50,200	21,504	21,504	0
Non HRA Rent Rebates	65	28	28	0
Discretionary Housing Payments	386	215	215	0
Discretionary Social Fund	154	70	70	0
<b>Total Expenditure</b>	<b>63,620</b>	<b>26,819</b>	<b>26,680</b>	<b>139</b>
<b><u>Income</u></b>				
Fees & Charges	-164	-117	-128	11
School SLAs	-837	-837	-837	0
NNDR Admin Grant	-166	0	0	0
Rent Allowances	-49,800	-22,773	-22,773	0
Clerical Error Recoveries	-400	-185	-185	0
Non HRA Rent Rebate	-65	-32	-32	0
Discretionary Housing Payments Grant	-386	-136	-136	0
Housing Benefit Admin Grant	-510	-212	-212	0
Universal Credit Support Grant	-130	-18	-18	0
Council Tax Admin Grant	-221	-221	-221	0
Transfer From Reserves	-251	0	0	0
Council Tax Liability Orders	-421	-372	-372	0
Reimbursement & Other Grant Income	-262	-263	-263	0
LCR Reimbursement (re Concess Travel)	-2,175	0	0	0
Dedicated Schools Grant	-92	0	0	0
<b>Total Income</b>	<b>-55,880</b>	<b>-25,166</b>	<b>-25,177</b>	<b>11</b>
<b>Net Operational Expenditure</b>	<b>7,740</b>	<b>1,653</b>	<b>1,503</b>	<b>150</b>
<b><u>Recharges</u></b>				
Premises Support	315	158	158	0
Transport Recharges	6	3	3	0
Central Support Recharges	2,686	1,343	1,343	0
Support Recharges Income	-6,287	-3,133	-3,133	0
<b>Net Total Recharges</b>	<b>-3,280</b>	<b>-1,629</b>	<b>-1,629</b>	<b>0</b>
<b>Net Department Expenditure</b>	<b>4,460</b>	<b>24</b>	<b>-126</b>	<b>150</b>



## ICT &amp; Support Services Department

	Annual Budget	Budget To Date	Actual To Date	Variance to Date (Overspend)
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Employees	5,532	2,789	2,785	4
Supplies & Services	713	387	380	7
Capital Financing	1,594	120	120	0
Computer repairs & Software	525	209	191	18
Communication Costs	385	351	354	(3)
Transfer To Reserves	15	0	0	0
<b>Total Expenditure</b>	<b>8,764</b>	<b>3,856</b>	<b>3,830</b>	<b>26</b>
<b><u>Income</u></b>				
Fees & Charges	-1,116	-69	-69	0
School SLAs	-509	-499	-499	0
<b>Total Income</b>	<b>-1,625</b>	<b>-568</b>	<b>-568</b>	<b>0</b>
<b>Net Operational Expenditure</b>	<b>7,139</b>	<b>3,288</b>	<b>3,262</b>	<b>26</b>
<b><u>Recharges</u></b>				
Premises Support	381	191	191	0
Transport Recharges	5	2	2	0
Central Support Recharges	685	342	342	0
Support Recharges Income	-8,214	-4,107,	-4,107	0
<b>Net Total Recharges</b>	<b>-7,143</b>	<b>-3,572</b>	<b>-3,572</b>	<b>0</b>
<b>Net Department Expenditure</b>	<b>-4</b>	<b>-284</b>	<b>-310</b>	<b>26</b>

## Legal &amp; Democratic Services Department

	Annual Budget	Budget To Date	Actual To Date	Variance to Date (Overspend)
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Employees	1,634	916	925	(9)
Supplies & Services	304	156	150	6
Civic Catering & Functions	27	15	14	1
Legal Expenses	223	124	110	14
Mayoral Allowances	22	0	0	0
<b>Total Expenditure</b>	<b>2,210</b>	<b>1,211</b>	<b>1,199</b>	<b>12</b>
<b><u>Income</u></b>				
Land Charges	-105	-48	-39	(9)
School SLAs	-80	-80	-80	0
Licence Income	-261	-116	-112	(4)
Other Income	-26	-13	-13	0
Transfer From Reserves	-10	0	0	0
<b>Total Income</b>	<b>-482</b>	<b>-257</b>	<b>-244</b>	<b>(13)</b>
<b>Net Operational Expenditure</b>	<b>1,728</b>	<b>954</b>	<b>955</b>	<b>(1)</b>
<b><u>Recharges</u></b>				
Premises Support	187	94	94	0
Transport Recharges	36	18	18	0
Central Support Recharges	313	156	156	0
Support Recharges Income	-1,732	-866	-866	0
<b>Net Total Recharges</b>	<b>-1,196</b>	<b>-598</b>	<b>-598</b>	<b>0</b>
<b>Net Department Expenditure</b>	<b>532</b>	<b>356</b>	<b>357</b>	<b>(1)</b>

## Planning &amp; Transportation Department

	Annual Budget	Budget To Date	Actual To Date	Variance to Date (Overspend)
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Employees	4,307	2,151	2,143	8
Other Premises	171	63	59	4
Contracted Services	244	53	19	34
Supplies & Services	172	152	142	10
Street Lighting	1,695	606	606	0
Highways Maintenance	2,365	983	969	14
Fleet Transport	1,397	610	608	2
Lease Car Contracts	40	26	26	0
Bus Support	660	320	358	(38)
Finance Charges	145	32	31	1
Grants to Vol. Organisations	68	34	34	0
LCR Levy	754	377	377	0
NRA Levy	63	63	63	0
<b>Total Expenditure</b>	<b>12,081</b>	<b>5,470</b>	<b>5,435</b>	<b>35</b>
<b><u>Income</u></b>				
Sales	-316	-194	-198	4
Planning Fees	-562	-263	-253	-10
Building Control Fees	-209	-104	-91	-13
Other Fees & Charges	-592	-333	-351	18
Rent	-8	-4	0	-4
Grants & Reimbursements	-230	-133	-143	10
Government Grant Income	-129	-72	-72	0
Efficiency Savings	-60	0	0	0
Schools SLAs	-42	-42	-44	2
Capital Salaries	-317	-12	-12	0
LCR Levy Reimbursement	-754	-377	-377	0
Transfers from Reserves	-100	0	0	0
<b>Total Income</b>	<b>-3,319</b>	<b>-1,534</b>	<b>-1,541</b>	<b>7</b>
<b>Net Operational Expenditure</b>	<b>8,762</b>	<b>3,936</b>	<b>3,894</b>	<b>42</b>
<b><u>Recharges</u></b>				
Premises Recharges	579	290	290	0
Transport Recharges	484	242	220	22
Asset Charges	358	179	179	0
Central Recharges	1,333	666	666	0
Borrow to Save Cost	240	120	120	0
Transport Recharge Income	-2,736	-1,368	-1,274	-94
Central Recharge Income	-1,391	-696	-696	0
<b>Net Total Recharges</b>	<b>-1,133</b>	<b>-567</b>	<b>-495</b>	<b>-72</b>
<b>Net Department Expenditure</b>	<b>7,629</b>	<b>3,369</b>	<b>3,399</b>	<b>-30</b>

## Policy, People, Performance &amp; Efficiency Department

	Annual Budget	Budget To Date	Actual To Date	Variance to Date (Overspend)
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Employees	1,618	829	831	(2)
Employees - Apprenticeship	200	100	0	100
Employees Training	133	66	53	13
Supplies & Services	138	65	54	11
Apprenticeship Levy	300	0	0	0
<b>Total Expenditure</b>	<b>2,389</b>	<b>1,060</b>	<b>938</b>	<b>122</b>
<b><u>Income</u></b>				
Fees & Charges	-90	-45	-45	0
Schools SLAs	-416	-389	-389	0
Transfer from Reserves	-98	0	0	0
<b>Total Income</b>	<b>-604</b>	<b>-434</b>	<b>-434</b>	<b>0</b>
<b>Net Operational Expenditure</b>	<b>1,785</b>	<b>626</b>	<b>504</b>	<b>122</b>
<b><u>Recharges</u></b>				
Premises Support	60	30	30	0
Central Support Recharges	1,081	541	541	0
Support recharges Income	-2,926	-1,463	-1,463	0
<b>Net Total Recharges</b>	<b>-1,785</b>	<b>-892</b>	<b>-892</b>	<b>0</b>
<b>Net Department Expenditure</b>	<b>0</b>	<b>-266</b>	<b>-388</b>	<b>122</b>

## PEOPLE DIRECTORATE

## Adult Social Care Department

	Annual Budget	Budget To Date	Actual To Date	Variance To Date (Overspend)
	£'000	£'000	£'000	£'000
<b>Expenditure</b>				
Employees	13,844	6,861	6,698	163
Other Premises	354	161	163	(2)
Supplies & Services	1,249	601	607	(6)
Aids & Adaptations	113	48	43	5
Transport	201	105	109	(4)
Food Provision	195	77	73	4
Contracts & SLAs	496	247	233	14
Emergency Duty Team	95	24	17	7
Other Agency	624	379	381	(2)
Payments To Providers	1,468	970	970	0
Contribution To Complex Care Pool	20,646	7,622	8,229	(607)
<b>Total Expenditure</b>	<b>39,285</b>	<b>17,095</b>	<b>17,523</b>	<b>(428)</b>
<b>Income</b>				
Sales & Rents Income	-307	-206	-241	35
Fees & Charges	-741	-370	-301	(69)
Reimbursements & Grant Income	-1,102	-416	-410	(6)
Transfer From Reserves	-631	0	0	0
Capitalised Salaries	-111	-56	-56	0
Government Grant Income	-854	-469	-456	(13)
<b>Total Income</b>	<b>-3,746</b>	<b>-1,517</b>	<b>-1,464</b>	<b>(53)</b>
<b>Net Operational Expenditure</b>	<b>35,539</b>	<b>15,578</b>	<b>16,059</b>	<b>(481)</b>
<b>Recharges</b>				
Premises Support	517	258	258	0
Asset Charges	83	0	0	0
Central Support Services	3,352	1,619	1,619	0
Internal Recharge Income	-1,995	-1,132	-1,132	0
Transport Recharges	497	125	125	0
<b>Net Total Recharges</b>	<b>2,454</b>	<b>870</b>	<b>870</b>	<b>0</b>
<b>Net Department Expenditure</b>	<b>37,993</b>	<b>16,448</b>	<b>16,929</b>	<b>(481)</b>

## Children &amp; Families Department

	Annual Budget	Budget To Date	Actual To Date	Variance to Date (Overspend)
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Employees	8,850	4,136	4,121	15
Premises	264	112	107	5
Supplies and Services	930	424	460	(36)
Transport	6	3	43	(40)
Direct Payments/Individual Budgets	228	133	274	(141)
Commissioned Services	277	108	94	14
Out of Borough Residential Placements	3,706	1,500	2,978	(1,478)
Out of Borough Adoption	80	57	57	0
Out of Borough Fostering	612	145	1,034	(889)
In House Adoption	215	87	154	(67)
Special Guardianship	1,092	572	718	(146)
In House Foster Carer Payments	1,829	802	802	0
Care Leavers	164	86	74	12
Family Support	53	31	33	(2)
Emergency Duty Team	89	0	0	0
Contracted Services	4	2	2	0
Capital Finance	6	0	0	0
Early Years	97	28	109	(81)
<b>Total Expenditure</b>	<b>18,502</b>	<b>8,226</b>	<b>11,060</b>	<b>(2,834)</b>
<b><u>Income</u></b>				
Adoption Placements	-45	-11	0	(11)
Fees and Charges	-15	-6	-5	(1)
Sales Income	-26	-26	-26	0
Rents	-97	-24	-24	0
Dedicated Schools Grant	-47	-24	-24	0
Reimbursements & Other Grant Income	-345	-237	-235	(2)
Government Grants	-67	-67	-67	0
Transfer from Reserves	-93	-93	-93	0
<b>Total Income</b>	<b>-735</b>	<b>-488</b>	<b>-474</b>	<b>(14)</b>
<b>Net Operational Expenditure</b>	<b>17,767</b>	<b>7,738</b>	<b>10,586</b>	<b>(2,848)</b>
<b><u>Recharges</u></b>				
Premises Support	374	191	191	0
Transport Support	47	21	21	0
Central Support Service Costs	2,215	1,092	1,092	0
<b>Net Total Recharges</b>	<b>2,636</b>	<b>1,304</b>	<b>1,304</b>	<b>0</b>
<b>Net Department Expenditure</b>	<b>20,403</b>	<b>9,042</b>	<b>11,890</b>	<b>(2,848)</b>

## Education, Inclusion &amp; Provision Department

	Annual Budget	Budget To Date	Actual To Date	Variance to Date (Overspend)
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Employees	5,970	2,923	2,936	(13)
Premises	112	31	31	0
Supplies & Services	2,624	1,056	1,003	53
Transport	5	1	0	1
Schools Transport	926	233	371	(138)
Commissioned Services	2,678	890	890	0
Agency Related Expenditure	1,595	752	745	7
Independent School Fees	2,463	1,036	1,036	0
Inter Authority Special Needs	175	1	1	0
Pupil Premium Grant	83	43	43	0
Nursery Education Payments	5,129	3,120	3,120	0
Special Education Needs Contingency	91	45	45	0
Capital Finance	150	118	118	0
<b>Total Expenditure</b>	<b>22,001</b>	<b>10,249</b>	<b>10,339</b>	<b>(90)</b>
<b><u>Income</u></b>				
Fees & Charges	-301	-295	-291	(4)
Government Grants	-639	-582	-582	0
Reimbursements & Other Income	-933	-411	-411	0
Schools SLA Income	-181	-168	-166	(2)
Transfer to/from Reserves	-587	-487	-487	0
Dedicated Schools Grant	-13,052	0	0	0
Inter Authority Income	-578	15	15	0
Rent	-104	0	0	0
<b>Total Income</b>	<b>-16,375</b>	<b>-1,928</b>	<b>-1,922</b>	<b>(6)</b>
<b>Net Operational Expenditure</b>	<b>5,626</b>	<b>8,321</b>	<b>8,417</b>	<b>(96)</b>
<b><u>Recharges</u></b>				
Central Support Services Costs	1,770	836	836	0
HBC Support Costs Income	-79	-39	-39	0
Premises Support Costs	226	113	113	0
Transport Support Costs	209	79	79	0
<b>Net Total Recharges</b>	<b>2,126</b>	<b>989</b>	<b>989</b>	<b>0</b>
<b>Net Department Expenditure</b>	<b>7,752</b>	<b>9,310</b>	<b>9,406</b>	<b>(96)</b>

## Public Health &amp; Public Protection Department

	Annual Budget	Budget To Date	Actual To Date	Variance to Date (Overspend)
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Employees	3,377	1,634	1,577	57
Other Premises	5	0	0	0
Supplies & Services	229	17	67	(50)
Contracts & SLA's	7,223	2,914	2,914	0
Transport	8	4	3	1
Other Agency	18	18	17	1
<b>Total Expenditure</b>	<b>10,860</b>	<b>4,587</b>	<b>4,578</b>	<b>9</b>
<b><u>Income</u></b>				
Sales Income	-19	-18	-19	1
Other Fees & Charges	-58	-35	-32	(3)
Government Grant	-10,454	-4,678	-4,678	0
Reimbursements & Grant Income	-81	-28	-28	0
Transfer from Reserves	-652	-30	-30	0
<b>Total Income</b>	<b>-11,264</b>	<b>-4,789</b>	<b>-4,787</b>	<b>(2)</b>
<b>Net Operational Expenditure</b>	<b>-404</b>	<b>-202</b>	<b>-209</b>	<b>7</b>
<b><u>Recharges</u></b>				
Premises Support	127	63	63	0
Central Support Services	739	370	370	0
Transport Recharges	20	10	11	(1)
Support Income	-94	-15	-15	0
<b>Net Total Recharges</b>	<b>792</b>	<b>428</b>	<b>429</b>	<b>(1)</b>
<b>Net Department Expenditure</b>	<b>388</b>	<b>226</b>	<b>220</b>	<b>6</b>



## Corporate &amp; Democracy

	Annual Budget	Budget To Date	Actual To Date	Variance to Date (Overspend) £'000
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Employees	153	176	145	31
Contracted Services	35	17	25	(8)
Supplies & Services	-492	-252	117	(369)
Members Allowances	793	397	406	(9)
Interest Payable	2,098	1,041	578	463
Bank Charges	79	39	57	(18)
Audit Fees	144	72	72	0
Contingency	1,225	550	0	550
Capital Financing	1,491	1,491	1,508	(17)
Contribution to Reserves	4,713	3,134	2,342	792
Debt Management Expenses	34	17	11	6
Precepts & Levies	184	184	179	5
<b>Total Expenditure</b>	<b>10,457</b>	<b>6,866</b>	<b>5,440</b>	<b>1,426</b>
<b><u>Income</u></b>				
Interest Receivable – Treasury	-406	-203	-204	1
Interest Receivable – Other	-258	-129	-113	-16
Other Fees & Charges	-52	-26	-23	-3
Grants & Reimbursements	-85	-42	-32	-10
Government Grant Income	-5,052	-2,590	-2,590	0
Transfer from Reserves	-500	0	0	0
<b>Total Income</b>	<b>-6,353</b>	<b>-2,990</b>	<b>-2,962</b>	<b>-28</b>
<b>Net Operational Expenditure</b>	<b>4,104</b>	<b>3,876</b>	<b>2,478</b>	<b>1,398</b>
<b><u>Recharges</u></b>				
Premises Recharges	173	87	87	0
Asset Charges	-1,648	60	60	0
Central Recharges	1,299	650	650	0
Central Recharge Income	-651	-205	-205	0
<b>Net Total Recharges</b>	<b>-827</b>	<b>592</b>	<b>592</b>	<b>0</b>
<b>Net Department Expenditure</b>	<b>3,277</b>	<b>4,468</b>	<b>3,070</b>	<b>1,398</b>

## Mersey Gateway

	Annual Budget	Budget To Date	Actual To Date	Variance to Date (Overspend)
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Premises Related Costs	136	65	66	(1)
Bridge Operations (Unitary) Charge	19,784	0	0	0
Toll Collection Management Fee (DMPA)	4,441	0	0	0
Insurance	748	0	0	0
Supplies & Services	3	2	2	0
Mersey Gateway Crossings Board Ltd	1,730	413	405	8
External Interest Payments	4,010	0	0	0
Finance Charges	164	82	73	9
<b>Total Expenditure</b>	<b>31,016</b>	<b>562</b>	<b>546</b>	<b>16</b>
<b><u>Income</u></b>				
Toll Income	-15,554	0	0	0
Government Grant & Reimbursements	-15,503	-582	-566	(16)
<b>Total Income</b>	<b>-31,057</b>	<b>-582</b>	<b>-566</b>	<b>(16)</b>
<b>Net Operational Expenditure</b>	<b>-41</b>	<b>-20</b>	<b>-20</b>	<b>0</b>
<b><u>Recharges</u></b>				
Property Support Recharges	3	1	1	0
Central Support Recharges	38	19	19	0
<b>Net Total Recharges</b>	<b>41</b>	<b>20</b>	<b>20</b>	<b>0</b>
<b>Net Department Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Complex Care Pooled Budget**

Note – Halton BC's net contribution towards the Complex Care Pooled Budget is included within the Adult Social Care Department statement shown in Appendix 1.

	Annual Budget	Budget To Date	Actual To Date	Variance To Date (Overspend) £'000
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Intermediate Care Services	4,677	1,931	1,710	221
End of Life	194	97	107	(10)
Sub-Acute	1,734	859	852	7
Urgent Care Centres	815	188	188	0
Joint Equipment Store	616	258	376	(118)
CCG Contracts & SLA's	1,215	608	528	80
Intermediate Care Beds	596	298	298	0
BCF Schemes	2,836	868	849	19
Carers Breaks	434	156	156	0
Adult Health & Social Care Services:				
Residential & Nursing Care	21,487	9,252	9,339	(87)
Domiciliary & Supported Living	13,469	5,743	6,358	(615)
Direct Payments	6,866	3,548	4,057	(509)
Day Care	410	159	210	(51)
<b>Total Expenditure</b>	<b>55,349</b>	<b>23,965</b>	<b>25,028</b>	<b>(1,063)</b>
<b><u>Income</u></b>				
Residential & Nursing Income	-5,963	-2,541	-2,608	67
Domiciliary Income	-1,867	-636	-611	(25)
Direct Payments Income	-458	-162	-179	17
BCF	-9,661	-4,830	-4,830	0
Improved Better Care Fund	-2,974	-1,487	-1,487	0
CCG Contribution to Pool	-12,968	-6,484	-6,484	0
Independent Living Fund	-699	-175	-175	0
Other Income	-113	-28	-28	0
<b>Total Income</b>	<b>-34,703</b>	<b>-16,343</b>	<b>-16,402</b>	<b>59</b>
<b>Net Department Expenditure</b>	<b>20,646</b>	<b>7,622</b>	<b>8,626</b>	<b>(1,004)</b>
Less: HCCG Liability as per Joint Working Agreement (37%)	<b>0</b>	<b>0</b>	<b>-397</b>	<b>397</b>
<b>HBC Net Liability</b>	<b>20,646</b>	<b>7,622</b>	<b>8,229</b>	<b>(607)</b>

## Capital Programme as at 30 September 2017

Directorate/Department	Actual Expenditure to Date £'000	2017/18 Cumulative Capital Allocation			Capital Allocation 2018/19 £'000	Capital Allocation 2019/20 £'000
		Quarter 2 £'000	Quarter 3 £'000	Quarter 4 £'000		
<b><u>Enterprise Community &amp; Resources Directorate</u></b>						
<b>Community and Environment</b>						
Stadium Minor Works	0	0	0	30	30	30
Brindley Café Extension	0	0	0	80	0	0
Norton Priory	2	5	10	348	0	0
Norton Priory Biomass Boiler	0	0	0	107	0	0
Open Spaces Schemes	242	250	425	602	0	0
Children's Playground Equipment	6	10	35	55	110	65
Upton Improvements	0	0	0	0	13	0
The Glen Play Area	0	0	0	25	18	0
Runcorn Hill Park	66	75	75	75	75	50
Crow Wood Play Area	21	30	150	450	60	5
Runcorn Cemetery Extension	11	9	9	9	0	0
Peelhouse Lane Cemetery	70	100	225	350	750	296
Peelhouse Lane Cemetery Enabling Works	0	0	30	33	0	0
Phoenix Park	2	10	10	110	11	0
Victoria Park Glass House	0	0	0	150	120	10
Sandymoor Playing Fields	74	100	350	600	500	500
Widnes Recreation	9	0	0	0	0	0
Landfill Tax Credit Schemes	0	0	0	160	340	340

Directorate/Department	Actual Expenditure to Date £'000	2017/18 Cumulative Capital Allocation			Capital Allocation 2018/19 £'000	Capital Allocation 2019/20 £'000
		Quarter 2 £'000	Quarter 3 £'000	Quarter 4 £'000		
Litter Bins	10	10	15	20	20	20
<b>ICT &amp; Support Services</b>						
ICT Rolling Programme	514	550	860	1,100	1,100	1,100
<b>Economy, Enterprise &amp; Property</b>						
Castlefields Regeneration	0	0	0	0	0	0
3MG	3,135	3,135	4,400	4,966	105	0
Widnes Waterfront	0	0	0	0	1,000	0
Johnsons Lane Infrastructure	0	0	66	66	0	0
Decontamination of Land	0	0	40	50	0	0
SciTech Daresbury – EZ Grant	0	0	483	483	0	0
Venture Field	6	6	6,000	6,000	0	0
Linnets Clubhouse	634	634	1,379	1,379	43	0
The Croft	0	0	0	30	0	0
Former Crosville Site	926	926	1,000	1,150	234	0
Signage at The Hive	87	87	87	87	0	0
Advertising Screen at The Hive	0	0	0	0	100	0
Widnes Market Refurbishment	53	53	75	100	1,205	0
Widnes Land Purchases	235	235	235	235	0	0
Former Simms Cross Caretakers House	0	0	14	14	0	0
Equality Act Improvement Works	37	37	113	150	300	300

Directorate/Department	Actual Expenditure to Date £'000	2017/18 Cumulative Capital Allocation			Capital Allocation 2018/19 £'000	Capital Allocation 2019/20 £'000
		Quarter 2 £'000	Quarter 3 £'000	Quarter 4 £'000		
Broseley House	0	0	690	690	0	0
Murdishaw Regeneration	0	0	0	46	0	0
<b>Mersey Gateway</b>						
Land Acquisitions	5,933	5,933	6,145	6,355	4,039	0
Development Costs	848	848	1,707	2,218	0	0
Loan Interest During Construction	2,031	2,031	2,186	2,186	0	0
Construction Costs	35,000	35,000	67,500	67,500	0	0
Mersey Gateway Liquidity Fund	0	0	10,000	10,000	0	0
<b>Other</b>						
Risk Management	1	10	100	155	120	120
Fleet Replacements	159	200	900	1,500	556	1,317
<b>Policy, Planning &amp; Transportation</b>						
Bridge & Highway Maintenance	854	900	2,108	4,236	1,546	0
Integrated Transport & Network Management	45	50	330	460	0	0
Street Lighting – Structural Maintenance & Upgrades	44	80	2,470	3,706	200	200
STEPS Programme	273	300	660	978	0	0
Silver Jubilee Bridge Major Maintenance	118	200	2,500	4,880	4,900	0
<b>Total Enterprise Community &amp; Resources</b>	<b>51,446</b>	<b>51,814</b>	<b>113,382</b>	<b>123,924</b>	<b>17,495</b>	<b>4,353</b>

Directorate/Department	Actual Expenditure to Date £'000	2017/18 Cumulative Capital Allocation			Capital Allocation 2018/19 £'000	Capital Allocation 2019/20 £'000
		Quarter 2 £'000	Quarter 3 £'000	Quarter 4 £'000		
<b>People Directorate</b>						
<b>Adult Social Care</b>						
Upgrade PNC	6	10	34	34	0	0
ALD Bungalows	0	0	100	199	0	0
Grangeway Court	0	0	140	140	0	0
Bredon Reconfiguration	56	90	130	186	0	0
Vine Street Reconfiguration	3	0	50	102	0	0
Purchase of 2 Adapted Properties	0	0	0	520	0	0
<b>Complex Pool</b>						
Disabled Facilities Grant	294	425	650	849	0	0
Stairlifts (Adaptations Initiative)	128	150	225	300	0	0
RSL Adaptations (Joint Funding)	124	125	175	250	0	0
Madeline McKenna Residential Home	0	0	450	450	0	0
<b>Schools Related</b>						
Asset Management Data	1	1	3	5	0	0
Capital Repairs	322	322	650	815	0	0
Asbestos Management	8	8	30	38	0	0
Schools Access Initiative	0	0	55	55	0	0
Basic Need Projects	0	0	0	396	0	283
School Modernisation Projects	47	47	68	68	0	0

Directorate/Department	Actual Expenditure to Date £'000	2017/18 Cumulative Capital Allocation			Capital Allocation 2018/19 £'000	Capital Allocation 2019/20 £'000
		Quarter 2 £'000	Quarter 3 £'000	Quarter 4 £'000		
Lunts Heath Primary School	91	91	150	200	5	0
Universal Infant School Meals	2	2	2	2	0	0
Early Education for 2yr Olds	8	8	8	8	0	0
Hale Primary	2	2	3	3	0	0
Fairfield Primary School	670	670	655	655	10	0
Weston Point Primary School	100	100	110	128	4	0
Kitchen Gas Safety	0	0	30	50	0	0
Small Capital Works	15	15	75	106	0	0
SEND Capital Allocation	0	0	0	0	167	167
The Bridge School Vocational Centre	0	0	0	360	0	0
<b>Total People Directorate</b>	<b>1,877</b>	<b>2,066</b>	<b>3,793</b>	<b>5,919</b>	<b>186</b>	<b>450</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>53,323</b>	<b>53,880</b>	<b>117,175</b>	<b>129,843</b>	<b>17,681</b>	<b>4,803</b>
Slippage (20%)				-10,469	-3,536	-961
					10,469	3,536
<b>TOTAL</b>	<b>53,323</b>	<b>53,880</b>	<b>117,175</b>	<b>119,374</b>	<b>24,614</b>	<b>7,378</b>



<b>REPORT TO:</b>	Executive Board
<b>DATE:</b>	16 November 2017
<b>REPORTING OFFICER:</b>	Operational Director, Finance
<b>PORTFOLIO:</b>	Resources
<b>TITLE:</b>	Treasury Management Half Year Report 2017-18
<b>WARDS:</b>	Borough-wide

## **1.0 PURPOSE OF REPORT**

1.1 The purpose of this report is to provide an update regarding activities undertaken on the money market as required by the Treasury Management Policy.

**2.0 RECOMMENDED: That the report be noted.**

## **3.0 SUPPORTING INFORMATION**

### **Economic Outlook**

3.1 The following analysis of the economic situation has been provided by Capita Asset Services, the Council's treasury management advisors.

3.2 During the six months ended 30 September 2017:

- The economy struggled to pick up much pace;
- There was an intensifying squeeze on households' real earnings;
- The labour market tightened further, but underlying wage pressures remained weak;
- The MPC took a more hawkish turn;
- A snap General Election delivered a hung Parliament;
- Face-to-face negotiations with the EU began but have lacked "significant progress";
- The public finance performed better than expected;
- Headline inflation picked up further.

3.3 After the UK economy surprised on the upside with strong growth in 2016, growth in 2017 has been disappointingly weak; quarter 1 came in at only +0.3% and quarter 2 was +0.3% which meant that growth in the first half of 2017 was the slowest for the first half of any year since 2012. The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the referendum, feeding increases in the cost of

imports into the economy. This has caused, in turn, a reduction in consumer disposable income and spending power and so the services sector of the economy, accounting for around 75% of GDP, has seen weak growth as consumers cut back on their expenditure. However, more recently there have been encouraging statistics from the manufacturing sector which is seeing strong growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year. However, this sector only accounts for around 11% of GDP so expansion in this sector will have a much more muted effect on the average total GDP growth figure for the UK economy as a whole

- 3.4 The Monetary Policy Committee (MPC) meeting of 14 September 2017 surprised markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that Bank Rate will need to rise. The Bank of England Inflation Reports during 2017 have clearly flagged up that they expected CPI inflation to peak at just under 3% in 2017, before falling back to near to its target rate of 2% in two years' time. Inflation actually came in at 2.9% in August, (this data was released on 12 September), and so the Bank revised its forecast for the peak to over 3% at the 14 September MPC meeting. This marginal revision can hardly justify why the MPC became so aggressive with its wording; rather, the focus was on an emerging view that with unemployment falling to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, that the amount of spare capacity in the economy was significantly diminishing towards a point at which they now needed to take action. In addition, the MPC took a more tolerant view of low wage inflation as this now looks like a common factor in nearly all western economies as a result of increasing globalisation. This effectively means that the UK labour force faces competition from overseas labour e.g. in outsourcing work to developing economies, and this therefore depresses the negotiating power of UK labour. However, the Bank was also concerned that the withdrawal of the UK from the EU would effectively lead to a decrease in such globalisation pressures in the UK, and so would be inflationary over the next few years.
- 3.5 The Inflation Report also included a sharp rise in the forecast for inflation to around 2.4% in 2018 and 2019. CPI has started rising during 2017 as the falls in the price of oil and food twelve months ago fall out of the calculation during the year and, in addition, the post referendum 10% fall in the value of sterling on a trade weighted basis is likely to result in a 3% increase in CPI over a time period of 3-4 years. However, the Monetary Policy Committee is expected to look through a one off upward blip from this devaluation of sterling in order to support economic growth, especially if pay increases continue to remain

subdued and therefore pose little danger of stoking core inflationary price pressures within the UK economy.

- 3.6 It therefore looks very likely that the MPC will increase the Bank Rate to 0.5% in November or, if not, in February 2018. The big question after that will be whether this will be a one off increase or the start of a slow, but regular, increase in Bank Rate. As at the start of October, short sterling rates are indicating that financial markets do not expect a second increase until May 2018 with a third increase in November 2019. However, some forecasters are flagging up that they expect growth to improve significantly in 2017 and into 2018, as the fall in inflation will bring to an end the negative impact on consumer spending power while a strong export performance will compensate for weak services sector growth. If this scenario were to materialise, then the MPC would have added reason to embark on a series of slow but gradual increases in Bank Rate during 2018. While there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two years will pan out.
- 3.7 Economic growth in the EU, (the UK's biggest trading partner), has been lack lustre for several years after the financial crisis despite the European Central Bank (ECB) eventually cutting its main rate to -0.4% and embarking on a massive programme of quantitative easing (QE). However, growth picked up in 2016 and now looks to have gathered ongoing substantial strength and momentum thanks to this stimulus. GDP growth was 0.5% in quarter 1 and 0.6% in quarter. However, despite providing massive monetary stimulus, the European Central Bank is still struggling to get inflation up to its 2% target and in August inflation was 1.5%. It is therefore unlikely to start on an upswing in rates until possibly 2019.
- 3.8 Japan is still bogged down in anaemic growth and making little progress on fundamental reform of the economy while Chinese economic growth has been weakening and medium term risks have been increasing.
- 3.9 Growth in the American economy has been volatile in 2015 and 2016. 2017 is following that path again with quarter 1 coming in at only 1.2% but quarter 2 rebounding to 3.1%, resulting in an overall annualised figure of 2.1% for the first half year. Unemployment in the US has also fallen to the lowest level for many years, reaching 4.4%, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has started on a gradual upswing in rates with three increases since December 2016; and there could be one more rate rise in 2017 which would then lift the central rate to 1.50%.

There could then be another four more increases in 2018. At its June meeting, the Fed strongly hinted that it would soon begin to unwind its \$4.5 trillion balance sheet holdings of bonds and mortgage backed securities by reducing its reinvestment of maturing holdings.

### 3.10 Interest Rate Forecast

The following forecast has been provided by Capita Asset Services.

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
<b>Bank rate</b>	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%
<b>5yr PWLB rate</b>	1.50%	1.60%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%
<b>10yr PWLB rate</b>	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
<b>25yr PWLB rate</b>	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%
<b>50yr PWLB rate</b>	2.70%	2.70%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%

### 3.11 Short Term Borrowing Rates

The bank base rate remained at 0.25% between April and September 2017.

	Mar	Apr	May	Jun	Jul	Aug	Sep
	%	%	%	%	%	%	%
Call Money (Market)	0.22	0.22	0.22	0.21	0.22	0.22	0.22
1 Month (Market)	0.25	0.26	0.25	0.25	0.25	0.25	0.25
3 Month (Market)	0.34	0.33	0.29	0.31	0.29	0.28	0.34

### 3.12 Longer Term Borrowing Rates

	Mar	Apr	May	Jun	Jul	Aug	Sep
	%	%	%	%	%	%	%
1 Year (Market)	0.83	0.82	0.85	1.08	0.98	0.90	1.14
10 Year (PWLB)	1.97	1.97	1.87	2.12	2.08	1.91	2.23
25 Year (PWLB)	2.60	2.63	2.54	2.73	2.72	2.58	2.79

Market rates are based on LIBOR rates and PWLB rates are for new loans based on principal repayable at maturity. The rates are shown for the end of each month.

### 3.13 Borrowing and Investments

#### Turnover During the Period

	No of deals	Turnover £m
Short Term Borrowing	2	5
Short Term Investments	17	158

#### Position at Month End

	Mar £m	Apr £m	May £m	Jun £m	Jul £m	Aug £m	Sep £m
Total Borrowing	153	153	153	153	143	143	143
Total Investments	(103)	(103)	(93)	(68)	(68)	(68)	(68)
Call Account Balance	(18)	(19)	(26)	(17)	(9)	(14)	(31)

#### Investment Benchmarking

Benchmark	Benchmark Return %	Performance Apr - Sep %	Investment Interest Earned £000
7 day	0.12	0.23	24
1 month	0.14	0.17	9
3 month	0.24	0.34	29
6 month	0.40	0.62	60
12 month	0.63	0.62	47
Property Fund		5.12	114
<b>Total</b>			<b>283</b>

This shows the Council has over achieved or almost matched all benchmarks for the first 6 months of the year.

At 30 September 2017 Halton Borough Council hold £5m in the CCLA Local Authority Property Fund. There is no benchmark available for this income.

#### **New Long Term Borrowing**

3.14 No new long term borrowing has been taken in this period.

#### **Policy Guidelines**

3.15 The Treasury Management Strategy Statement (TMSS) for 2017/18, which includes the Annual Investment Strategy, was approved by the Council on 08 March 2017. It sets out the Council's investment priorities as being:

- Security of capital;
- Liquidity; and
- Yield

3.16 The Council will also aim to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity. In the current economic climate and the heightened credit concerns it is considered appropriate to keep the majority of investments short term and to ensure all investments are in line with Sector's credit rating methodology.

### **Treasury Management Indicators**

3.17 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators were set out in the Treasury Management Strategy Statement and are reviewed in Appendix 1.

### **Debt Rescheduling**

3.18 No debt rescheduling was undertaken during the quarter.

## **4.0 POLICY IMPLICATIONS**

4.1 None.

## **5.0 FINANCIAL IMPLICATIONS**

5.1 The financial implications are as set out in the report.

## **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 There are no direct implications, however, the revenue budget and capital programme support the delivery and achievement of all the Council's priorities.

## **7.0 RISK ANALYSIS**

7.1 The main risks with Treasury Management are security of investment and volatility of return. To combat this, the Authority operates within a clearly defined Treasury Management Policy and annual borrowing and investment strategy, which sets out the control framework

## **8.0 EQUALITY AND DIVERSITY ISSUES**

8.1 None.

## **9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

9.1 There are no background papers under the meaning of the Act.

## Treasury and Prudential Indicators – 2017/18 – Quarter 2

Prudential Indicators	2016/17	2017/18	
	Full Year Actual £000	Original Estimate £000	Quarter 2 Estimate £000
Capital Expenditure	78,511	82,013	129,841
Net Financing Need for the Year <i>(Borrowing Requirement)</i>	52,523	60,177	100,588
Increase / (Decrease) in CFR <i>(Capital Financing Requirement)</i>	56,369	57,744	98,046
Ratio of Financing Costs to Net Revenue Stream <i>(Proportion of cost of borrowing to Council's net revenue)</i>	2.1%	2.0%	2.0%
Incremental Impact on band D Council Tax (£) <i>(net cost of borrowing compared to tax base)</i>	2.00	2.44	1.53
External Debt	153,000	173,000	182,000
Operational Boundary <i>(Limit of which external debit is not expected to exceed)</i>	252,600	254,164	254,164
Authorised Limit <i>(Limit beyond which external debit is prohibited)</i>	270,000	270,000	270,000

Upper Limit for Interest Rate Exposure	Exposure Limit %	2016/17 Actual %	2017/18 Estimate %
Fixed Rate	100	100	100
Variable Rate	30	-	-

Maturity Structure of Fixed Rate Borrowing	Exposure Limit %	2016/17 Actual %	2017/18 Estiamte %
Under 12 months	40	7	0
12 months to 24 months	40	0	0
24 months to 5 years	40	0	0
5 years to 10 years	40	0	0
10 years and above	100	93	100

<b>Maximum Principal invested &gt; 365 days</b>	<b>Investment Limit £000</b>	<b>2016/17</b>	<b>2017/18</b>
		<b>Actual £000</b>	<b>Estimate £000</b>
Principal Sums Invested over 365 days	30,000	5,000	0



**REPORT TO:** Executive Board

**DATE:** 16 November 2017

**REPORTING OFFICER:** Operational Director, Finance

**PORTFOLIO:** Resources

**SUBJECT:** Medium Term Financial Strategy 2018-2021

**WARD(S):** Borough-wide

### **1.0 PURPOSE OF REPORT**

1.1 To establish the Medium Term Financial Strategy for the period 2018/19 to 2020/21.

### **2.0 RECOMMENDATION: That**

- 1) the Medium Term Financial Strategy be approved;**
- 2) the 2018/19 base budget be prepared on the basis of the underlying assumptions set out in the Strategy;**
- 3) the Budget Strategy and Capital Strategy be approved;**
- 4) the Reserves and Balances Strategy be approved;**
- 5) the award of Council Tax Support for 2018/19 remains at the 2017/18 level of 21.55%; and**
- 6) the Council's 2018/19 Council Tax Support grant is not shared with the Parish Councils.**

### **3.0 SUPPORTING INFORMATION**

3.1 The Medium Term Financial Strategy (MTFS) sets out a three-year projection of the Council's resources and spending. It has been based on information that is currently available but there is information yet to be received, primarily from Government.

3.2 Although the projections in the Strategy must be treated with a considerable degree of caution, they clearly show there is continued need to make a significant level of savings over the next three years. This is an effect of the projections of public spending through to 2020 resulting from the 2015 Comprehensive Spending Review and uncertainty from 2020 onwards regarding Government plans for public

spending and continuity of the austerity programme. The Strategy takes into account the:

- Comprehensive Spending Review 2015 announced by the Chancellor of the Exchequer on 25<sup>th</sup> November 2015.
- Local Government Finance Settlement 2017/18 dated 21 February 2017
- Budget 2017 announced by the Chancellor of the Exchequer on 08 March 2017.
- Announcement of the Government's final position on the schools national funding formula and high needs formula dated 14 September 2017.

- 3.3 The Strategy provides initial guidance to the Council on its financial position over the medium term. The Strategy identifies that revenue savings of approximately £5.6m, £13.2m, and £3.3m will be required over the next three years. As a result a total of £22.1m will need to be removed from the Council's budget, by reducing spending or increasing income. This represents 21.4% of the net budget. It continues to be a significant challenge to find sufficient savings over the medium term in order to balance the budget.
- 3.4 The Council's current financial position is sound but continued reductions in Government funding together with increasing service demands, is beginning to have a serious impact upon Council finances. In 2016/17 the Council overspent its approved budget by £0.559m. At 30 September 2017 the Council is forecasting a 2017/18 year-end overspend of approximately £4m.
- 3.5 The Government's strategy with regard to the future funding of local government is to cease the provision of Government grant funding and for councils to become self-sustaining through the generation of funding from retained business rates and council tax. Councils will therefore benefit directly from their planning and development decisions, through the generation of increased business rates and council tax in order to fund the provision of all council services.
- 3.6 As at 30 March 2017 the Council had general reserves of £4.8m, earmarked reserves of £37.3m and provisions of £8.4m to meet existing known risks. It would not be considered prudent for general reserves to reduce any further and therefore earmarked reserves and provisions will be continue to be reviewed to release funds for general purposes.
- 3.7 In their report titled 'The Audit Findings for Halton Borough Council', for the year ended 31 March 2017, the External Auditor (Grant Thornton LLP) stated that the Council has:
- Proper arrangements in place in identifying, managing and monitoring financial risk.

- 3.8 In setting its revenue and capital budgets, the Council will need to have regard to its priority areas, namely:
- Healthy Halton
  - Environment & Regeneration in Halton
  - Children and Young People in Halton
  - Employment Learning and Skills in Halton
  - Safer Halton; and
  - Corporate Effectiveness and Business Efficiency
- 3.9 These priorities are set out in more detail in the Council's Corporate Plan.
- 3.10 In summary, the Council's Medium Term Financial Strategy (MTFS) has the following objectives:
- To deliver a balanced and sustainable budget.
  - To prioritise spending towards the Council's priority areas.
  - To avoid excessive council tax increases.
  - To achieve significant cashable efficiency gains.
  - To protect front line services and vulnerable members of the community as far as possible.
  - To deliver improved procurement.

### **Budget Strategy**

- 3.11 The MTFS shows that in order to balance the budget over the medium term there is a requirement to make significant cost savings. In making these savings the Council will need to have in mind the objectives of the Medium Term Financial Strategy set out above.
- 3.12 The Council will identify further savings by:
- Reviewing the portfolio of land and other assets, including its use of buildings in accordance with the Accommodation Strategy.
  - Continuing to drive improved procurement across the Council.
  - Progressing the Efficiency Programme.
  - Identifying opportunities to generate new or additional sources of income.
  - Exploring opportunities for shared services and joint working with partner organisations.
  - Offering staff voluntary redundancy or early retirement under the terms of the Staffing Protocol, where there is a clear benefit to the Council.
  - Delivering services in more efficient and effective ways such as via greater use of technology.
  - Reducing the cost of services either by reducing spend or increasing income.
  - Utilising cost and performance benchmarking data from comparable authorities, to highlight potential areas where savings might be achieved.

- Considering alternative approaches to address high demand and high cost services.
- Using the Invest to Save Reserve to invest in initiatives which will deliver revenue budget savings through improved efficiency, reduced costs, and/or increased income.
- Continuing to facilitate economic development and regeneration across the Borough, particularly in light of the opportunities provided by the opening of the Mersey Gateway Bridge, in order to deliver new jobs, generate additional business rates income and additional council tax income.
- Reducing or ceasing the delivery of some lower priority services.

### **Capital Strategy**

- 3.13 The Asset Management Strategy sets out how the land and buildings that are in Council ownership or occupation are structured to support the Council's priorities. The Capital Programme is a major part of the Strategy.
- 3.14 The MTFS shows that there is sufficient resource to cover the cost of the current Capital Programme. However, the scope for the Council to generate capital receipts is limited. Therefore, proposals for new capital schemes will need to include their own funding.
- 3.15 Prudential borrowing remains an option for funding capital schemes, but the capital financing costs as a result of that borrowing will increase the Council's revenue budget gap and would therefore require greater revenue savings to be found by the relevant Directorate.

## **4.0 POLICY IMPLICATIONS**

- 4.1 The MTFS represents the "finance guidelines" that form part of the medium term corporate planning process. These guidelines identify the financial constraints which the Council will face in delivering its key objectives, and are an important influence on the development of the Corporate Plan, Service Plans and Strategies.

## **5.0 FINANCIAL IMPLICATIONS**

- 5.1 The MTFS provides a guide to projected receivable funding resources over the three year term. The grant amounts included in the MTFS are based on the latest information provided by Government. As new information comes to light the forecast of future income streams will be updated. Decreases to funding resources will create further budget pressures for the Council in delivering its key objectives.

**6.0 IMPLICATIONS FOR THE COUNCIL’S PRIORITIES**

6.1 The revenue budget and capital programme support the delivery and achievement of all the Council’s priorities. Reductions of the magnitude identified within the Strategy are bound to have a negative impact upon the delivery of those priorities.

**7.0 RISK ANALYSIS**

7.1 The MTFFS is a key part of the Council’s financial planning process, and as such minimises the risk that the Council fails to achieve a balanced budget.

**8.0 EQUALITY AND DIVERSITY ISSUES**

8.1 There are no direct equality and diversity issues.

**9.0 REASON FOR THE DECISION**

9.1 To seek approval for the Council’s Medium Term Financial Strategy for 2018/19 to 2020/21.

**10.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

10.1 The alternative option of not maintaining a Medium Term Financial Strategy has been considered. However, this would not follow good financial management practice, as the Medium Term Financial Strategy is a key element in informing the Council’s financial planning and budget setting processes.

**11.0 IMPLEMENTATION DATE**

11.1 The Medium Term Financial Strategy 2018/21 will be implemented from 1st April 2018.

**12.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Local Government Grant Settlement 2017/18	Revenues and Financial Management Division, Kingsway House, Widnes	Steve Baker
Autumn Statement and Spending Review 2015	“ “	“ “
Spring Budget 2017	“ “	“ “

# **MEDIUM TERM FINANCIAL STRATEGY**

**2018/19 to 2020/21**

**Finance Department  
October 2017**

## **1.0 INTRODUCTION**

- 1.1 The Medium Term Financial Strategy (MTFS) sets out a three-year projection of the Council's resources and spending covering the period 2018/19 to 2020/21. The projections made within the MTFS must be treated with caution and require continuous updating as the underlying assumptions behind them become clearer.
- 1.2 The MTFS represents the "finance guidelines" that form part of the medium term corporate planning process. These guidelines identify the financial constraints which the Council will face in delivering its key objectives, and are an important influence on the development of the Corporate Plan, Service Plans and other Strategies.
- 1.3 There are a number of Government announcements, which in addition to service demands form the basis of the financial forecast, details of which are provided below.

## **2.0 Spending Review and Autumn Statement 2015**

- 2.1 The 2015 Spending Review and Autumn Statement was announced by the Chancellor of the Exchequer on 25 November 2015. The main points impacting on Local Government finances included:
  - a) Local Government settlement funding will be cut by approximately 30% over the 4 years of the spending review, cuts will be weighted towards the earlier years. Revenue Support Grant will be gradually phased out over the course of this period.
  - b) An option for Councils to set a precept over the council tax referendum threshold to help meet the increased needs of Adult Social Care. The option will be made available in each of the 4 years of the spending review.
  - c) An additional £1.5 billion being made available to local authorities within the Better Care Fund by 2019/20.
  - d) The ring-fence on Public Health spending will be maintained. Government will make savings in Public Health spending with annual real-term savings of 3.9% over the next five years.
  - e) There will be a consultation regarding the New Homes Bonus grant. The aim will be to "sharpen" the incentive to reward communities for additional homes whilst reducing the length of payments from 6 years to 4 years.
  - f) £250m to be provided nationally over the next 5 years to tackle potholes on local roads. In addition the roads maintenance capital budget will increase by £300m nationally.

- g) An apprenticeship levy will be applied to larger employers from April 2017, the cost of which will be 0.5% of the employer's wage bill.
- h) A national funding formula for schools will be introduced, the intention for which was a start date of April 2017 but has now been pushed back to April 2018.

### **3.0 Local Government Finance Settlement 2017/18**

- 3.1 Government announced the 2017/18 final Local Government Finance Settlement on 20 February 2017. The Settlement Fund Assessment for the Council was £51.1m a reduction of £4.2m (7.7%) from the previous year.
- 3.2 Government also issued indicative Settlement Funding Assessment figures for the following two years which show a reduction of £16.7m (30%) over the four year period of the 2015 Spending Review.
- 3.3 On 15 September 2016, Executive Board approved for the necessary steps to be taken to accept a 4 year settlement offer from Government. This guaranteed the amounts due to the Council under the indicative Settlement Funding Assessment and only under exceptional circumstances would the amounts be subject to change.
- 3.4 As part of the settlement an announcement was made on a change to the Social Care Precept on Council Tax. This was originally set at 2% per annum increase for the period 2016/17 to 2019/20. The Council is now able to increase the social care precept by up to 6% over the three year period from 2017/18 to 2019/20, with a cap of 3% in any of the three years.
- 3.5 Government confirmed changes to the New Homes Bonus scheme as part of the settlement announcement. From 2017/18 the number of years the scheme is based on will reduce from 6 years to 5 years with a further reduction to 4 years from 2018/19. The scheme will now also only reward growth in the number of homes of above 0.4% per annum.
- 3.6 Reductions to the New Homes Bonus Scheme were estimated as £241m for 2017/18 and these funds have been diverted to provide the new Adult Social Care Support Grant. This grant funding was distributed on the adult social care relative needs formula and is only for 2017/18. For Halton the grant awarded was £0.642m.

### **4.0 Spring Budget 2017**

- 4.1 The Chancellor of the Exchequer presented his 2017 Spring Budget to the House of Commons on 08 March 2017. The areas relevant to local government finances included:



- a) An additional £2.0bn of social care funding made available to local authorities over the period 2017/18 to 2019/20. This was announced as “additional” Better Care Funding covering one-off amounts to bridge the gap until the Improved Better Care Fund amounts are allocated for the period 2018/19 and 2019/20.
- b) Three business rates related announcements were made, having an estimated national forecast value of £435m, they included:
  - i. Discretionary Support Rate Relief – A fund to provide discretionary relief to target individual cases, where bills have increased significantly following the April 2017 Revaluation. The amount payable as a grant is worth £0.285m to Halton over the four year period 2017/18 to 2020/21.
  - ii. Targeted Support for Small Business Rate Relief – Increased support for those businesses that lost Small Business Rate Relief entitlement as a result of the April 2017 Revaluation and is in addition to measures provided under the transitional relief scheme. The support will limit increases in bills to the greater of £600 or the real terms transitional relief cap for small businesses each year. Relief will be available over the five years from 2017/18 to 2021/22.
  - iii. £1,000 Discount for Smaller Pubs – A one off for 2017/18 only. £1,000 business rate discount for public houses with a rateable value of up to £100,000.
- c) An additional £216m will be made available nationally to schools for repair and rebuilding costs.

## **5.0 Council Tax Support**

- 5.1 Support funding for council tax discounts is funded from Government through a grant included in the settlement funding assessment. Every council is responsible for implementing a local scheme to offer council tax discounts to those residents who may have been eligible to this previously through Council Tax Benefit.
- 5.2 The Halton scheme uses as a basis the previous regulations relating to Council Tax Benefit, which ensures that support for claimants with disabilities, claimants with children and claimants who are working is maintained. At the end of the existing support calculation, a reduction of 21.55% is made from every non pensioner award of benefit, to cover the shortfall in the Government grant funding for Halton’s Scheme.
- 5.3 In 2013/14 the level of grant awarded was shown separately within the formula for Settlement Funding Assessment but from 2014/15 onwards the grant is no longer separately identifiable. It is assumed the level of funding will therefore reduce in line with the Council’s overall Settlement Funding Assessment.

- 5.4 The MTFS assumes that the level of council tax support given to existing claimants will remain at the rate of 21.55% for the period of the MTFS. It also assumes that council tax support funding will not be shared with Parish Councils.

## **6.0 Business Rate Retention Scheme**

- 6.1 The Business Rates Retention scheme was introduced in April 2013, the intention of which was to reward councils for promoting economic development and generating future growth in business rates. The Council will only be rewarded if it increases its local share of business rates above a pre-set baseline. Conversely if the local share of business rates collected falls below the baseline position this would be to the Councils detriment.
- 6.2 The mid-year forecast of cumulative retained business rates as at 30 September 2017, indicates that by year-end there will be a surplus relating to the Council within the Collection Fund. Whilst it is difficult to accurately forecast retained business rates the financial forecast assumes the balance of £3.674m (Council local share) as at 31 March 2017 will be available for distribution. This one-off funding will help achieve a balanced budget position.
- 6.3 An estimate of the Council's share of retained business rates will be provided to DCLG in January 2018. It is currently forecast that the 2018/19 retained amount will be above the baseline figure. It is difficult to predict the level of business rates for future years due to the unpredictability of the economic climate and the high level of appeals received on the rateable value of properties, but the forecast assumes growth of £2.0m above the baseline position.
- 6.4 On 05 October 2015 and subsequently confirmed by the Comprehensive Spending Review, the Chancellor of the Exchequer announced local government would gain new powers with regard to the retention of local business rates. He pledged that by the end of the current Parliament, local government will be able to retain 100% of business rates compared to 49% it currently retains.

### **100% Business Rate Retention – Pilot Scheme**

- 6.5 As part of the Liverpool City Region, the Council has signed up to being a member of a pilot scheme for 100% business rate retention. The pilot scheme has been in operation since April 2017. DCLG have since given confirmation the pilot scheme will continue in 2018/19. No indication is given beyond this point but the forecast assumes the continuation of 100% business rates retention for all three years.
- 6.6 The pilot scheme results in Halton no longer being in receipt of Revenue Support Grant (RSG) through the Settlement Funding Assessment. RSG will be replaced by the additional business rates

retained; in addition the Improved Better Care Fund has been included in the pilot and is funded by the additional business rates retained.

- 6.7 DCLG has confirmed the operation of the pilot scheme should be at no financial detriment to participating councils. Therefore for as long as the pilot scheme operates Halton will be no worse off financially than it would have been if it is was still operating under 49% rates retention.
- 6.8 Operation of no financial detriment within the pilot scheme means that any LCR council who report a deficit as a result of the pilot will at first be reimbursed from other LCR pilot councils who report a surplus as a result of the pilot only. Only when any available surplus has been exhausted will Government step in and provide financial support.
- 6.9 As at 30 August 2017 all LCR councils were forecasting surpluses in terms of the pilot retention scheme by 31 March 2018 and therefore no detriment funding would be required. As mentioned elsewhere in this report, estimating retained business rates is difficult due to a number of factors and therefore at this stage the forecast assumes no additional surplus will be retained by Halton as a result of the pilot scheme.

#### **Settlement Funding Assessment**

- 6.10 In 2017/18 DCLG allocated Halton a Settlement Funding Assessment (SFA) of £51.055m. This was made up of £43.618m business rates baseline funding and £7.437m of top-up grant funding. Top-up grant funding is received as the Council's funding baseline is greater than the business rate baseline i.e. the Council's needs are greater than the business rates it can generate. The business rates baseline and funding level is set in the system until 2020 and uplifted each year by the Retail Price Index (RPI).
- 6.11 Table 1 shows the expected Settlement Funding Assessment for the next two years based on information provided at the time of the 2017/18 settlement announcement. This forms part of the 4 year grant settlement and included is the assumption 100% rates retention will operate post 2018/19. As Government have yet to publish any public spending plans from 2020/21, SFA for that year has been increased by the Governments inflation target of 2%.
- 6.12 Calculations show from 2019/20 and under 100% rates retention the Council will no longer be in receipt of top-up funding, as expected business rates retained will then exceed the SFA. This is dependent on no further grants being rolled into and funded from business rates.
- 6.13 Also included at Table 1 are the forecasts for business rate growth retained for the next three years and the difference between each of the years.

**Table 1 – Business Rate Retention**

	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000
Business Rate Baseline	43,618	44,490	45,380	46,288
Top-Up Funding	7,437	3,393	-2	-2
<b>Total Settlement Funding Assessment</b>	<b>51,055</b>	<b>47,883</b>	<b>45,378</b>	<b>46,286</b>
Business Rates Growth Retained	<b>2,165</b>	<b>2,000</b>	<b>2,040</b>	<b>2,081</b>
<b>Forecast Business Rates Retained (Incl Top-Up Funding)</b>	<b>53,220</b>	<b>49,883</b>	<b>47,418</b>	<b>48,367</b>
<b>Change in Business Rates Retained</b>		<b>-3,337</b>	<b>-2,465</b>	<b>949</b>

## 7.0 Specific Grants

- 7.1 The level of specific revenue grants received by Halton in 2017/18 is approximately £166m, including Housing Benefit Subsidy of £49.9m, Dedicated School Grant of £79.4m, Public Health Grant of £10.5m and DfT Support Grant for the Mersey Gateway crossing of £15.5m.
- 7.2 Halton was allocated a New Homes Bonus grant of £2.333m for 2017/18 which was used to balance the budget. Halton will receive additional allocations in each year of the scheme, based upon the number of new homes entering the council tax register in each year. The allocation for 2018/19 has not been announced although based on changes to how the New Homes Bonus scheme operates it is forecast the Council will lose £0.382m in the first year of the financial forecast.
- 7.3 Adult Social Care Services receive Section 256 grant funding allocated on an annual basis, which historically has not been built into the base budget. It is assumed for the Strategy that this funding is included in the base budget for 2018/19. This will be treated as one-off funding for the first year only, as the certainty of the grant for future years is unknown at this stage.
- 7.4 Indicative allocations for the 2018/19 Public Health grant show a reduction of 2.6% to the 2017/18 grant allocation, a loss of £0.272m to the Council. Further reductions of 2.6% are expected to be applied in 2019/20 also. The forecast assumes Public Health grant reductions will be contained within the overall spend for Public Health.
- 7.5 The forecast change in the level of specific grant funding for Halton is shown in Table 2:

**Table 2 – Change in Grant 2018/19 to 2020/21**

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Changes to New Homes Bonus	-382	-41	-112
Change in S256 Funding	1,600	-1,600	0
<b>Total Change</b>	<b>1,218</b>	<b>-1,641</b>	<b>-112</b>

## **8.0 COUNCIL TAX FORECAST**

8.1 For 2017/18 the Council Tax for a Band D property in Halton is £1,312.27 (excluding Police, Fire and Parish precepts), which will generate income of £44.378m.

8.2 When setting Council Tax levels it is clear that higher increases reduce the requirement to make savings. However, there are other factors that need to be considered when determining the appropriate increase in Council Tax. These factors include:

- Halton has the 4th lowest Council Tax level in the North West for 2017/18,
- Halton's 2017/18 Council Tax is £42.36 (3.1%) below the average Council Tax set by unitary councils in England.
- Inflation - the Consumer Price Index (CPI) as at September 2017 (latest available) is currently at 3.0% and the Retail Price Index (RPI) is at 3.9%.
- The public spending review, welfare reforms and high needs are all placing pressure upon the Council's funding and demand for the Council's services.

8.3 The consultation on the 2018/19 Local Government finance settlement in September 2017 detailed the Government's proposals for 2018/19 council tax referendum principles. The proposal is for a core referendum principle of less than 2% with a continuation of the Social Care precept of an additional 2% with the flexibility to increase by a further 1% to 3% as long as it does not increase by over 6% for the three year period 2017/18 to 2019/20.

8.4 The 2018/19 Council Tax Base shows an increase of 617 Band D equivalent properties to a total of 34,435 assuming a collection rate of 97%. The increase in the Tax Base will generate an additional £0.810m of council tax income.

- 8.5 For the purposes of this Strategy it is assumed the Council will apply a council tax increase of approximately 5% in 2018/19 (inclusive of a 3% Social Care precept) and 2% in each of the final two years of the forecast.
- 8.6 Table 3 below estimates the net amount of council tax income that will be produced for various percentage increases in Halton's Band D Council Tax for the next three years and assumes no change in council tax base beyond 2018/19.

**Table 3 – Additional Council Tax Income 2018/19 to 2020/21**

<b>Projected Increases in Council Tax Income (£'000)</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>Total £'000</b>
0%	-	-	-	-
1%	452	456	461	1,369
2%	904	922	940	2,766
3%	1,356	1,396	1,438	4,190
4%	1,808	1,880	1,955	5,643
5%	2,259	2,372	2,491	7,122

- 8.7 Over the past few years the amount of council tax collected has been greater than forecast. As at 31 March 2017 there was a surplus of £2.983m of council tax held as part of the Collection Fund relating to the Council only (excluding Police and Fire). In 2017/18 £1.519m of this was used in balancing the budget. This strategy assumes that an amount of £1.464m will be released in 2018/19 to provide a one-off budget saving.

## **9.0 Spending Forecast**

- 9.1 The spending forecast provides an estimate of the increase in revenue expenditure that will be required over the next three years in order to maintain existing policies and programmes. In effect this represents an early estimate of the standstill budget requirement using the information that is currently available.
- 9.2 The scope of the forecast covers General Fund revenue activities that are financed through the Settlement Funding Assessment, Specific Grants and Council Tax.
- 9.3 The forecast includes the budgetary consequences of previous budget decisions, including one-off savings used to balance the 2017/18 budget. This adds £4.179m to the spending forecast for 2018/19.
- 9.4 Pay and price inflation is the biggest uncertainty in the spending forecast. As part of the Summer Budget 2015 it was announced that public sector pay awards would be restricted to 1% for four years from 2016/17. No pay rates for 2018/19 have yet been agreed, despite

increasing inflation over the past year there has been no indication of the removal of any pay restriction and therefore this forecast assumes pay increases limited to 1%.

- 9.5 The Consumer Price Index (CPI) for September 2017 – the index by which the Government measures inflation - stands at 3.0% which is above the Government's 2% target. The spending forecast assumes that many items of supplies and services expenditure will continue to be cash limited. In other cases the forecast assumes an appropriate rate that reflects current and estimated future prices.
- 9.6 The Council has a significant capital programme and the spending forecast includes the financing costs of the existing programme, including the investment of Council cash balances. The net revenue costs associated with the capital programme are included in the forecast at an increase of £0.142m in 2018/19; no change is forecast for the last two years of the forecast. The MTFs assumes that any new capital projects which are approved over the medium term will be self-funded through capital grant, capital receipts or will generate revenue savings to fund the cost of borrowing.
- 9.7 The construction of the Mersey Gateway crossing was completed in October 2017. The Council has made a contribution towards the construction costs of the bridge funded by prudential borrowing, the financing costs of which will be met from toll revenues and Department for Transport (DfT) grant. The Mersey Gateway Crossing Board will continue to manage the Mersey Gateway, with their costs being met from future toll revenues and DfT grant.
- 9.8 No surplus toll revenue is included within this forecast. If toll revenue is greater than forecast after all other committed costs have been met at agreed periodic reviews points, it will be shared with the Department for Transport 85/15 in their favour.
- 9.9 The Council will have costs relating to service vehicles and staff crossing the bridge on Council business. The forecast provides for additional costs of £0.175m to cover this.
- 9.10 A key assumption that has been used in constructing the MTFs is that total spending in the current year is kept within the overall budget. In particular it can be difficult to control 'demand led' budgets such as children in care and care in the community. In this context it is important to consider the contingency for uncertain and unexpected items. Due to the considerable uncertainty in inflation, interest rates, demand led budgets, impact of spending cuts and loss of income, the spending forecast includes a contingency of £1m in 2018/19, £2.0m in 2019/20 and £2.5m in 2020/21.
- 9.11 The Children and Families Department is continuing to experience significant budget pressures and for the current financial year is

expected to be approximately £5.7m over budget by year-end. There is high demand for a number of services within the Department including residential placements, direct payments, out-of-borough fostering and special guardianship orders. Significant sums have been provided in previous years from contingency budgets and initiatives are in place to help reduce the overspend position. The MTFs includes £3.0m of additional funding in 2018/19 to assist with bringing the Children in Care budget and spending back into a balanced position.

9.12 The Chancellor of the Exchequer stated in his 2015 Summer Budget that a new compulsory National Living Wage (NLW) for over 25 year olds was to be introduced from April 2016. This was set at £7.50 per hour from April 2017 and is expected to rise each financial year until 2020 when it will reach £9.00. The forecast includes an amount of £0.500m to cover contract costs which may increase as a result of care providers having to meet NLW rates.

9.13 Table 4 summarises the Spending Forecast.

**Table 4 – General Fund Medium Term Standstill Spending Forecast**

Increase in spending required to maintain existing policies and services	Year on year change (£'000)		
	2018/19	2019/20	2020/21
Full Year Effect of Previous Year Budget	4,179	0	0
Capital Programme	142	0	0
Pay and Price Inflation	3,242	2,410	2,054
Contingency	1,000	2,000	2,500
Mersey Gateway Vehicle Tolling	175	0	0
Children & Families Department Demand Pressures	3,000	0	0
National Living Wage – Contracts	500	500	0
<b>TOTAL INCREASE</b>	<b>12,238</b>	<b>4,910</b>	<b>4,554</b>



## 10.0 The Funding Gap

10.1 At this level of spending there is a funding gap with the forecast level of resources. Table 5 demonstrates the forecast gap between spending and forecast resources at different levels of Council Tax increase.

**Table 5: Funding Gap with a given % increase in Council Tax**

	2018/19 £'000	2019/20 £'000	2020/21 £'000
Increase in Spending Forecast	12,238	4,910	4,554
Change in Business Rates Retained (Incl Top-Up)	3,337	2,465	-949
Change in Grant	-1,218	1,641	112
Increase in Council Tax Base	-810	0	0
Council Tax Surplus	-1,464	1,464	0
Business Rate Surplus	-3,674	3,674	0
Use of Reserves	-500	0	500
<b>Funding Gap Before Council Tax</b>	<b>7,909</b>	<b>14,154</b>	<b>4,217</b>
<b>Funding Gap After Council Tax Increase at Various Levels</b>			
0%	7,909	14,154	4,217
1%	7,457	13,698	3,756
2%	7,005	13,232	3,277
3%	6,553	12,758	2,734
4%	6,101	12,274	2,262
5%	5,650	11,782	1,726

10.2 The table shows that total savings of £5.6m are forecast to be needed to balance next year's budget after the use of one-off surplus council tax and business rate funds, use of reserves and an assumed 5% increase to council tax.

10.3 The use of reserves and surplus council tax and business rate funds add to the deficit position for the following year and are included in the above table under 'Increase in Spending Forecast'

10.4 Further savings of £13.2m in 2019/20 and £3.3m in 2020/21, are required assuming a 2% increase to Council Tax. The total funding gap is approximately £22.1m and represents 21.4% of the Council's 2017/18 net budget.

10.5 This represents a significant challenge for the Council to balance its budget. As a result every aspect of the Council's budget needs to be scrutinised to identify potential savings. In addition, all opportunities will

continue to be taken to generate additional income from charging for services, in order to reduce costs whilst maintaining levels of service delivery.

## 11.0 Capital Programme

11.1 The Council's capital programme is updated regularly throughout the year. Table 6 summarises the fully funded capital programme for the next two years.

**Table 6 – Capital Programme**

	<b>2019/20 (£'000)</b>	<b>2020/21 (£'000)</b>
<b>Spending</b>	<b>18,919</b>	<b>4,803</b>
Funding:		
Prudential Borrowing	10,545	1,317
Grants	3,193	1,306
Revenue Financing	141	14
Capital Receipts	5,040	2,166
<b>Total Funding</b>	<b>18,919</b>	<b>4,803</b>

11.2 The current system of capital controls allows councils to support and fund the capital programme by way of prudential borrowing. Such borrowing is required to be:

- prudent
- affordable, and
- sustainable

11.3 The Council has used prudential borrowing provided that the cost of borrowing has been covered by revenue budget savings and the spending forecast continues this assumption.

11.4 In previous years the Council has been extremely successful in attracting capital grants and contributions. In this way the Council has been able to undertake significant capital expenditure without financing costs falling on the revenue budget and this approach will continue.

## 12.0 Reserves and Balances

12.1 The Council's Reserves and Balances Strategy is attached in the Appendix. It sets out the Council's strategy in respect of the level of reserves and balances it wishes to maintain, by reference to the financial needs and risks associated with the Council's activities.

12.2 The level of balances and reserves will be reviewed as part of the budget and final accounts processes.

### **13.0 Schools Budget**

- 13.1 Schools are fully funded by the Dedicated Schools Grant (DSG). The DSG is used to fund the Individual Schools Budget (ISB) which is allocated to schools by way of a formula and the central allocation in accordance with the revised Department for Education (DfE) guidelines.
- 13.2 The Schools Forum assesses and considers current and future arrangements and changes to schools funding, agreeing any formula changes following consultation with schools and academies.
- 13.3 In April 2013 schools received budgets based on the new funding formula which is the first step in a proposed move towards a National Funding Formula.
- 13.4 In September 2017 Government published its final position on how the new national funding formula would work from 2018/19. From April 2018 distribution of school budgets to local authorities from the Department for Education will be provided in line with the new national funding formula. Local authorities will though have the opportunity to undergo a 'soft' implementation of the funding formula for both 2018/19 and 2019/20 by applying their local formula for distributing the amount across schools subject to the national controls on the operation of any local formula.

### **14.0 Partnership/Joint Working/Shared Services**

- 14.1 In 2015/16 the Government introduced a £3.8 billion fund to support the pooling of budgets for health and social care services, shared between the NHS and local authorities. This was intended to deliver better outcomes and greater efficiencies through more integrated services for older and disabled people. The Better Care Fund (BCF) provides an opportunity to improve the lives of some of the most vulnerable people in our society, to provide them with a better service and better quality of life. The Fund will be an important enabler for integrated care, acting as a significant catalyst for change.
- 14.2 The Council has been the host body in a Complex Care Pooled budget for a number of years. From 1<sup>st</sup> April 2015 the Better Care Fund was included within the pooled budget arrangements, working jointly with Halton Clinical Commissioning Group (HCCG). The gross expenditure value of the pooled budget for 2017/18 is approximately £55m.
- 14.3 The Council will receive a number of different strands of Better Care funding over the first two years of this strategy, this is summarised at Table 6, including details for 2017/18:

**Table 6 - Better Care Funding (BCF) 2018/19 to 2019/20**

	2017/18 £'000	2018/19 £'000	2019/20 £'000
Original BCF	9,661	Not Known	Not Known
Improved BCF	548	3,045	5,233
Additional BCF	2,974	1,827	904

14.4 Details of the grants are as follows:

- Original BCF
  - Paid as a grant by the Department of Health To Halton CCG.
  - Required to be included within the Complex Care Pool Budget.
- Improved BCF
  - Announced by Government in 2015, payable from April 2017.
  - Paid direct to Local Government, original intention to be paid as a direct grant.
  - From April 2017 included within the LCR Business Rate Retention Pilot Scheme and therefore funded from business rates.
  - Uncertainty to funding from 2020/21.
- Additional BCF
  - Announced by Government as part of the 2017 Spring Budget and not expected to continue beyond 2020.
  - Paper to Executive Board dated 15 June 2017 setting out planned use of funding.

14.5 The Council has established partnerships and shared service arrangements with a number of councils and other organisations over recent years for activities including, Children Services, Adult Social Services, Procurement and ICT Services. The Council is also part of the Liverpool City Region Combined Authority and the agreement with Government regarding devolution of powers and resources to the City Region. These arrangements should provide opportunities to achieve significant on-going savings from alternative ways of working and improved service delivery across the City Region.

## 15.0 Efficiency Strategy

15.1 In order to maintain the level of performance across services delivered by the Council, it needs to find new and innovative ways to deliver services whilst making efficiency savings. The Council recognises the need to look more radically at the way it does business in order to achieve the level of savings that will protect key services.

- 15.2 The Council has published an Efficiency Plan linked to the four year settlement referred to in section 3.3.
- 15.3 The Council has an established Efficiency Programme in place to review services in a consistent way. This enables the identification of opportunities to enhance productivity, reduce costs, explore alternative delivery mechanisms and ensure that services are configured in the most appropriate way to meet the needs of service users.
- 15.4 The Council has proper arrangements for challenging how it secures economy, efficiency and effectiveness. This is strengthened and improved by the centrally coordinated procurement arrangements established via the Procurement Division. Procurement is considered a key mechanism for delivering efficiencies across the Council.
- 15.5 The Council's strategy regarding accommodation aims to rationalise the land and property portfolio and wherever possible to locate staff in Council owned buildings. Progress continues to be made with implementation of the strategy, which has and will continue to result in revenue budget savings during the period of the forecast.

## **16.0 Monitoring**

- 16.1 Spending against each Department's revenue budget and capital programme is monitored and reported to the Policy and Performance Boards, alongside service outcomes, within the quarterly performance management reports. The Council-wide position is also reported quarterly to Executive Board.

## **17.0 Summary**

- 17.1 The 2015 Comprehensive Spending Review followed the approach Government have taken since 2010 in implementing the public spending austerity programme. The spending review only published details up to 2019/20 and therefore the final year of the strategy comes with further uncertainty and only assumptions can be made at this point with regards to the direction of travel for public spending. This strategy highlights that considerable savings will be required over the next three years, despite Governments offer of a multi-year settlement there remains great uncertainty to the future funding of services.
- 17.2 The Business Rates Retention Scheme and localisation of Council Tax Support carry further risk to the funding available to the Council over the medium and longer term. Whilst there may be opportunity to take advantage of growth, there will be circumstances outside of the Council's control such as decline in the national economy which could be at the detriment of business rates and council tax collected.
- 17.3 Future levels of growth and savings required will be directly influenced by the decisions made concerning council tax increases. Council tax

increases will reduce the level of savings required, although the legislative requirements regarding council tax referendums will restrict the Council's scope to increase council tax.

- 17.4 The Medium Term Financial Strategy has been based on information that is currently available. Revisions will need to be made as new developments take place and new information becomes available.

## **APPENDIX**

### **RESERVES AND BALANCES STRATEGY**

#### **1.0 INTRODUCTION**

- 1.1 The following sets out the Council's Strategy in respect of the level of reserves and balances it wishes to maintain, by reference to the financial needs and risks associated with the Council's activities.
- 1.2 The overall strategy is to provide the Council with an appropriate level of reserves and balances in relation to its day to day activities and to ensure the Council's financial standing is sound and supports the achievement of its long term objectives and corporate priorities.
- 1.3 The Operational Director, Finance will undertake quarterly reviews of the level of reserves and balances and take appropriate action in order to ensure the overall strategy is achieved. The outcome of the reviews will be reported to the Executive Board and will be used to inform the Medium Term Financial Strategy (MTFS), the annual budget setting process and the final accounts process.
- 1.4 The Strategy concentrates upon the Council's key reserves and balances, being those which may potentially have a significant affect upon the Council's financial standing and its day to day operations.

#### **2.0 GENERAL BALANCES**

- 2.1 It has been the Council's policy to maintain general balances at a reasonable level, based upon the financial risks and challenges it faces. This is particularly important at the current time given the increasing demand-led pressures upon Children's Services and Adult Social Care. Close monitoring and control of budgets has meant this policy has been successfully achieved. As at 31 March 2017 the balance of the Councils general reserve was £4.8m.

#### **3.0 PROVISIONS**

##### **Sundry Debtors**

- 3.1 The Council makes provision for bad and doubtful debts based upon an annual review of outstanding debts profiled by age and the associated risks of non-payment, depending upon the types of debt.
- 3.2 Past experience has shown that after 43 days (the period covering the initial stages of recovery action) the likelihood of sundry debts being paid reduces significantly and therefore the risk of them not being recovered increases greatly. Full provision will therefore be made for all sundry debts outstanding for more than 43 days.

- 3.3 The bad debt provisions in respect of sundry debtors at 31 March 2017 totals £2.9m.

#### **Council Tax / Business Rates (NNDR)**

- 3.4 Bad debt provisions are made in respect of Council Tax and National Non Domestic Rate (NNDR) debts. The bad debt provisions in respect of Council Tax and NNDR debtors at 31 March 2017 totals £4.7m.
- 3.5 The levels of bad debt provisions held are considered prudent in relation to the current level and age profile of outstanding debts. But they will be reviewed annually, particularly in the light of the prevailing economic climate and reductions in Council Tax Support payments and empty property discounts which may affect collection rates. Therefore appropriate provisions will be made to minimise the risk of financial loss to the Council.
- 3.6 The Council is required to hold a provision for NNDR valuation appeal claims. The provision as at 31 March 2017 totals £8.0m. Only 49% of this is attributable to the Council, 50% relates to Central Government with the remaining 1% attributable to Cheshire Fire Service. The treatment and funding of appeals is currently being considered nationally as part of the consultation regarding the implementation of 100% business rates retention from 2020 onwards. Once the outcome of this is known, the implications for future provisions for appeals can be determined.

#### **4.0 INSURANCE RESERVE**

- 4.1 The Council maintains an Insurance Reserve in order to meet the cost of current and future insurance claims which exceed the level of cover provided by the Council's insurers.
- 4.2 Changes in the insurance market have resulted in insurers seeking significant increases in premium from local authority clients. This consequently incentivises Councils to accept greater levels of self-insurance, in order to avoid increased costs and further pressure on revenue budgets.
- 4.3 In order to support the approach set out within the Strategy, the Insurance Reserve will be maintained at the level of total outstanding claims, in order to provide for both the cost of uninsured claims and the potential cost of future school claims. At 31 March 2017 the Insurance Reserve stood at £3.4m.



**5.0 CAPITAL RESERVE**

5.1 The Council holds a Capital Reserve to support the financing of the Council's capital programme which currently totals £4.5m and is based upon current capital funding needs.

**6.0 INVEST TO SAVE FUND**

6.1 The Council has an Invest to Save Fund which at 31 March 2017 stood at £0.6m. This is in order to provide one-off funding for proposals which will generate efficiencies and thereby create significant, permanent, revenue budget savings, whilst also supporting the achievement of the Council's corporate objectives.

**7.0 TRANSFORMATION FUND**

7.1 The Council has a Transformation Fund to fund the costs associated with efficiency reviews and structural changes required in order to deliver a balanced budget. At 31 March 2017 the fund's balance stood at £0.5m.

**REPORT TO:** Executive Board

**DATE:** 16th November 2017

**REPORTING OFFICER:** Operational Director, Finance

**PORTFOLIO:** Resources

**SUBJECT:** Determination of Council Tax Base 2018/19

**WARD(S):** Borough-wide

## **1.0 PURPOSE OF REPORT**

- 1.1 The Council is required to determine annually the Council Tax Base for its area and also the Council Tax Base for each of the Parishes.
- 1.2 The Council is required to notify the Council Tax Base figure to the Cheshire Fire Authority, the Cheshire Police & Crime Commissioner and the Environment Agency by 31 January 2018. The Council is also required to calculate and advise if requested, the Parish Councils of their relevant Council Tax Bases.

## **2.0 RECOMMENDED: That**

- 1) **Council set the 2018/19 Council Tax Base at 34,435 for the Borough, and that the Cheshire Fire Authority, the Cheshire Police & Crime Commissioner, and the Environment Agency be so notified; and**
- 2) **Council set the Council Tax Base for each of the Parishes as follows:**

<b>Parish</b>	<b>Tax Base</b>
<b>Hale</b>	<b>665</b>
<b>Halebank</b>	<b>529</b>
<b>Daresbury</b>	<b>172</b>
<b>Moore</b>	<b>328</b>
<b>Preston Brook</b>	<b>338</b>
<b>Sandymoor</b>	<b>1,112</b>

### 3.0 SUPPORTING INFORMATION

- 3.1 The Council Tax Base is the measure used for calculating Council Tax and is used by both the billing authority (the Council) and the major precepting authorities (Cheshire Fire Authority and Cheshire Police & Crime Commissioner), in the calculation of their Council Tax requirements.
- 3.2 The Council Tax Base figure is arrived at in accordance with a prescribed formula, and represents the estimated full year number of chargeable dwellings in the Borough, expressed in terms of the equivalent of Band 'D' dwellings.
- 3.3 The Council Tax Base is calculated using the number of dwellings included in the Valuation List, as provided by the Valuation Office Agency, as at 16 October 2017. Adjustments are then made to take into account the estimated number of discounts, voids, additions and demolitions during the period 16 October 2017 to 31 March 2018.
- 3.4 From 2013/14 onwards, the tax base calculation has included an element for the Council Tax Reduction Scheme (the replacement for Council Tax Benefit). The estimated amount of Council Tax Support payable for 2018/19 is converted into the equivalent number of whole properties which are deducted from the total.
- 3.5 An estimated percentage collection rate is then applied to the product of the above calculation to arrive at the Council Tax Base for the year.
- 3.6 Taking account of all the relevant information and applying a 97.0% collection rate, the calculation for 2018/19 provides a tax base figure of **34,435** for the Borough as a whole.
- 3.7 Taking account of all the relevant information and applying a 97.0% collection rate, the appropriate Council Tax Base figure for each of the Parishes is as follows

Parish	Tax Base
Hale	665
Halebank	529
Daresbury	172
Moore	328
Preston Brook	338
Sandymoor	1,112

#### **4.0 POLICY IMPLICATIONS**

4.1 None.

#### **5.0 FINANCIAL IMPLICATIONS**

5.1 The Council Tax Base will enable the Council to set the level of Council Tax to be charged for 2018/19.

#### **6.0 IMPLICATIONS FOR THE COUNCILS PRIORITIES**

##### **6.1 Children and Young People in Halton**

None.

##### **6.2 Employment, Learning and Skills in Halton**

None.

##### **6.3 A Healthy Halton**

None.

##### **6.4 A Safer Halton**

None.

##### **6.5 Halton's Urban Renewal**

None.

#### **7.0 RISK ANALYSIS**

7.1 There would be significant loss of income to the Council if the Council Tax Base were not agreed, as it would not be possible to set the level of Council Tax to be charged for 2018/19.

#### **8.0 EQUALITY AND DIVERSITY ISSUES**

8.1 None.

#### **9.0 REASON FOR THE DECISION**

9.1 To seek approval for the 2018/19 Council Tax Base for the Borough.

#### **10.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

10.1 There is no alternative option, as unless the Council Tax Base is approved it would not be possible to set the level of Council Tax to be charged for 2018/19.

#### **11.0 IMPLEMENTATION DATE**

11.1 The 2018/19 Council Tax Base will be implemented from 1st April 2018.

**12.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D  
OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Working Papers	Kingsway House	Stephen Baker

**REPORT TO:** Executive Board

**DATE:** 16 November 2017

**REPORTING OFFICER:** Operational Director – Finance

**PORTFOLIO:** Resources

**SUBJECT:** Initial Budget Proposals 2018/19

**WARD(S):** Borough-wide

### **1.0 PURPOSE OF REPORT**

1.1 To recommend to Council initial revenue budget proposals for 2018/19.

**2.0 RECOMMENDED: That Council approve the initial budget proposals for 2018/19 set out in Appendix 1.**

### **3.0 SUPPORTING INFORMATION**

3.1 The Medium Term Financial Strategy (MTFS) elsewhere on the Agenda forecasts potential revenue budget funding gaps for the Council totalling £22m over the next three years, with a gap of £5.6m for 2018/19. The forecast assumes that the Council will apply a general council tax increase of 1.9% in each year and will levy a 3% social care precept in 2018/19.

3.2 Budget saving proposals for 2018/19 are currently being developed by the Budget Working Group.

3.3 The first set of these proposals totalling £2.2m is listed in Appendix 1. It is proposed to implement these immediately in order to also achieve a part-year saving in 2017/18, which will assist in keeping the Council's overall spending in line with budget. In addition, a number of the proposals will take time to implement and therefore commencing the process as soon as possible will assist with ensuring they are fully implemented by 1<sup>st</sup> April 2018.

3.4 Appendix 1 includes an indication of whether each saving proposal is permanent or temporary (one-off). It also presents the impact in 2019/20 of certain of the savings proposals.

3.5 The Government will announce its Grant Settlement for Local Government in late December. However, in announcing the 2017/18 Grant Settlement the Government provided indicative grant figures for 2018/19 to 2019/20 upon which the MTFS has been based.

3.6 The Council also accepted the Government's four-year grant settlement offer, which should ensure that the Council will receive no less than the

indicative grant figures for each year. Therefore, it is not expected that the forecast budget gaps will change significantly for the next two years, however the position for 2020/21 is much less certain.

- 3.7 A second set of budget saving proposals is currently being developed by the Budget Working Group, which will be recommended to Council on 7 March 2018 to deliver a balanced budget for 2018/19.

#### **4.0 POLICY AND OTHER IMPLICATIONS**

- 4.1 The revenue budget supports the Council in achieving the aims and objectives set out in Halton's Sustainable Community Strategy and the Council's Corporate Plan.

#### **5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

- 5.1 The revenue budget supports the delivery and achievement of all the Council's priorities. The budget proposals listed in Appendix 1 have been prepared in consideration of all the Council's priorities.

#### **6.0 RISK ANALYSIS**

- 6.1 Failure to set a balanced budget would put the Council in breach of statutory requirements. The budget is prepared in accordance with detailed guidance and a timetable, to ensure statutory requirements are met and a balanced budget is prepared which aligns resources with corporate objectives.
- 6.2 The Council has accepted the Government's four-year grant settlement offer, which should ensure that the Council will receive no less than the indicative grant figures for each year up to 2019/20.

#### **7.0 EQUALITY AND DIVERSITY ISSUES**

- 7.1 None.

#### **8.0 REASON FOR THE DECISION**

- 8.1 To seek approval for the initial set of revenue budget proposals for 2018/19.

#### **9.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

- 9.1 There is no alternative option, as failure to set a balanced budget would put the Council in breach of statutory requirements.

#### **10.0 IMPLEMENTATION DATE**

- 10.1 The 2018/19 revenue budget will be implemented from 1st April 2018.

**11.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1072**

11.1 There are no background papers under the meaning of the Act.





APPENDIX 1

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM TEMP (P/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2018/19 £'000	2019/20 £'000		
<b>ENTERPRISE, COMMUNITY &amp; RESOURCES DIRECTORATE - FINANCE DEPARTMENT</b>							
<b>INCOME GENERATION OPPORTUNITIES</b>							
1	Audit, Procuremt & Op Finance Div	Increase in income generated from Supplier Incentive Programme (early payment scheme).	45	20	0	P	D
2	Audit, Procuremt & Op Finance Div	Increase in recovered funds from supplier statement reconciliations.	15	6	0	P	D
3	Audit, Procuremt & Op Finance Div	Rebate income from the Procurement Card scheme based on total value of transactions.	n/a	6	0	P	D
4	Audit, Procuremt & Op Finance Div	Realign the income budget for charges made to Appointeeship clients, to reflect the actual level of income being generated.	130	10	0	P	D
5	Revenues and Financial Management Div	Income from Financial Management service level agreement with NCER (National Consortium for Examination Results).	n/a	15	0	P	D
<b>PROCUREMENT OPPORTUNITIES</b>							
6	Corporate & Democracy	Reduction in the external audit fee following the re-procurement of external audit contracts undertaken by Public Sector Audit Appointments.	144	20	0	P	D

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM TEMP (P/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2018/19 £'000	2019/20 £'000		
<b>OTHER BUDGET SAVINGS</b>							
7	Audit, Procurement & Op Finance Div	Review of the Council's risk financing and insurance arrangements – premium saving from increasing the self-insurance deductibles for the public liability and employers liability insurance policies.	500	42	0	P	M
8	Audit, Procurement & Op Finance Div	Deletion of a vacant 0.6fte HBC5 Direct Payments Officer post.	165	15	0	P	M
9	Audit, Procurement & Op Finance Div	Saving by bringing the hosting of internal audit specialist software in-house.	5	2	0	P	M
10	Finance Dept	Deletion of vacant post of Divisional Manager Revenues & Benefits following the Finance Department's restructuring.	87	70	0	P	D
11	Benefits Div	Deletion of the following vacant posts: HBC2-4 Benefits Officer x 1fte HBC2-4 Revenues & Benefits Officers x 3.5fte HBC3 Overpayment Officer x 0.6fte	1,763	21 73 13	0 0 0	P P P	M M M
<b>TOTAL PERMANENT</b>				313	0		
<b>TOTAL TEMPORARY (ONE-OFF)</b>				0	0		
<b>GRAND TOTAL</b>				313	0		

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM TEMP (P/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2018/19 £'000	2019/20 £'000		
<b>ENTERPRISE, COMMUNITY &amp; RESOURCES DIRECTORATE - COMMUNITY &amp; ENVIRONMENT DEPARTMENT</b>							
<b>INCOME GENERATION OPPORTUNITIES</b>							
12	The Brindley	Increased income generation from the extended café provision.	n/a	20	0	P	D
13	Waste Services	Additional income from increasing the charge for collection of garden waste by £2 per annum (for the first time since its introduction in 2015/16). Current charges are £25 online (90% of subscribers) and £30 via phone or HDL.	388	32	0	P	D
14	Waste Services	Increase the charge for collection of bulky items from £22.50 to £24.00 for three items	66	3	0	P	D
<b>EFFICIENCY OPPORTUNITIES</b>							
15	Cemeteries & Crematorium	Staffing restructure resulting in a marginal reduction in staff hours.	260	3	0	P	M
16	Community Centres	Efficiency savings through reducing various areas of expenditure and increasing various areas of income generation.	312	25	0	P	M
17	Leisure Centre	Efficiency savings from reductions in various expenditure areas and increased income generation.	187	50	0	P	D

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM TEMP (P/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2018/19 £'000	2019/20 £'000		
18	Area Forum	Reduction in Area Forum funding, following which the remaining funding allocations would be; <ul style="list-style-type: none"> <li>• AF1 Broadheath, Ditton, Hough Green, Hale £44,050</li> <li>• AF2 Birchfield, Farnworth, Halton View £37,200</li> <li>• AF3 Appleton, Kingsway, Riverside £43,250</li> <li>• AF4 Grange, Heath, Halton Brook, Mersey £52,900</li> <li>• AF5 Halton Castle, Norton Nth, Norton Sth, Windmill Hill £43,400</li> <li>• AF6 Beechwood, Halton Lea £20,150</li> <li>• AF7 Daresbury £9,050</li> </ul> Total Remaining Allocation £250,000	300	50	0	P	D
19	Libraries	Implement various efficiency savings within Libraries, in order to reduce costs and increase income generation without affecting service provision.	1,660	25	0	P	D
<b>OTHER BUDGET SAVINGS</b>							
20	Parks Section	Review on-site Summer security of parks with the introduction of mobile security arrangements.	90	40	0	P	D
<b>TOTAL PERMANENT</b>					248	0	
<b>TOTAL TEMPORARY (ONE-OFF)</b>					0	0	
<b>GRAND TOTAL</b>					248	0	

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM TEMP (P/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2018/19 £'000	2019/20 £'000		
<b>ENTERPRISE, COMMUNITY &amp; RESOURCES DIRECTORATE - ICT &amp; SUPPORT SERVICES DEPARTMENT</b>							
<b>EFFICIENCY OPPORTUNITIES</b>							
21	ICT & Support Services Department	Deletion of the following vacant posts within ICT & Support Services Department;  Snr Technical Officer HBC7/8 Carefirst System Officer 0.5fte HBC6 Two Senior Business Analysts HBC 7/8 Two Business Analysts HBC 5 Senior Administration Officer HBC6	<b>5,643</b>				
				<b>43</b>	<b>0</b>	<b>P</b>	<b>D</b>
				<b>17</b>	<b>0</b>	<b>P</b>	<b>D</b>
				<b>85</b>	<b>0</b>	<b>P</b>	<b>D</b>
				<b>61</b>	<b>0</b>	<b>P</b>	<b>D</b>
				<b>34</b>	<b>0</b>	<b>P</b>	<b>D</b>
<b>TOTAL PERMANENT</b>				<b>240</b>	<b>0</b>		
<b>TOTAL TEMPORARY (ONE-OFF)</b>				<b>0</b>	<b>0</b>		
<b>GRAND TOTAL</b>				<b>240</b>	<b>0</b>		

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM TEMP (P/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2018/19 £'000	2019/20 £'000		
<b>ENTERPRISE, COMMUNITY &amp; RESOURCES DIRECTORATE - ECONOMY, ENTERPRISE &amp; PROPERTY DEPARTMENT</b>							
<b>INCOME GENERATION OPPORTUNITIES</b>							
22	Asset Management	Rent income from charging the Courts Service for accommodation provided within Rutland House.	n/a	50	0	P	D
23	Asset Management	Lease rental income from the new Costa Coffee outlet in Runcorn where the Council retains ownership of the land.	n/a	10	0	P	D
<b>SHARED SERVICES / PARTNERSHIP ARRANGEMENTS</b>							
24	Regeneration (non-town centres)	One-off funding from the business rates retained by the Daresbury Enterprise Zone, in order to fund the Council's project management fees involved in supporting the development of SciTech Daresbury.	n/a	80	-80	T	D
<b>EFFICIENCY OPPORTUNITIES</b>							
25	Regeneration (town centres)	Savings relating to a review of shift patterns at Widnes Market and other efficiency measures introduced.	187	10	0	P	D
<b>OTHER BUDGET SAVINGS</b>							

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM TEMP (P/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2018/19 £'000	2019/20 £'000		
26	Economy Enterprise & Property	Reduce the amount of one-off reserves held to offset any potential funding clawback relating to externally funded projects.	390	100	-100	T	D
<b>TOTAL PERMANENT</b>				70	0		
<b>TOTAL TEMPORARY (ONE-OFF)</b>				180	-180		
<b>GRAND TOTAL</b>				250	-180		

	DIVISION /	DESCRIPTION OF PROPOSAL	TOTAL BUDGET	ESTIMATED BUDGET SAVING	PERM TEMP	MANDATORY OR DISCRETIONARY
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	SERVICE AREA		£'000	2018/19 £'000	2019/20 £'000	(P/T)	SERVICE AFFECTED (M / D)
<b>ENTERPRISE, COMMUNITY &amp; RESOURCES DIRECTORATE - LEGAL &amp; DEMOCRATIC SERVICES DEPARTMENT</b>							
<b>EFFICIENCY OPPORTUNITIES</b>							
27	Legal Services - Licensing	Deletion of a vacant HBC4 Licensing Officer post and consequent increase in hours of existing HBC6 post.	15	15	0	P	M
<b>TOTAL PERMANENT</b>				15	0		
<b>TOTAL TEMPORARY (ONE-OFF)</b>				0	0		
<b>GRAND TOTAL</b>				15	0		

	DIVISION /	DESCRIPTION OF PROPOSAL	TOTAL BUDGET	ESTIMATED BUDGET SAVING	PERM TEMP	MANDATORY OR DISCRETIONARY
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	SERVICE AREA		£'000	2018/19 £'000	2019/20 £'000	(P/T)	SERVICE AFFECTED (M / D)
<b>ENTERPRISE, COMMUNITY &amp; RESOURCES DIRECTORATE - PLANNING &amp; TRANSPORTATION DEPARTMENT</b>							
<b>INCOME GENERATION OPPORTUNITIES</b>							
28	Traffic Division	Additional income generated from increased charges for pavement licences and skip permits.	3	2	0	P	D
29	Traffic Division	Increased income generation from streetworks permit charges.	250	25	0	P	D
<b>EFFICIENCY OPPORTUNITIES</b>							
30	Transport Co-ordination/ Travel Training Service	The Travel Trainer assists 320 special educational needs pupils to travel independently to school by public transport (rather than taxi/minibus average cost £3,500pa). The Travel Trainer is at full capacity and has a waiting list of pupils to be trained. It is proposed to employ an additional Travel Trainer (HBC4) to reduce the waiting list and thereby reduce the cost of contracted transport, giving a net saving over and above the additional salary costs.	n/a	28	0	P	M
31	Fleet Maintenance	Reduction in the vehicle components budget through improved procurement and efficiency.	294	20	0	P	M
32	Lower House Lane Depot	Reduction in the Depot utilities budget through the introduction of efficiency improvements.	70	5	0	p	D
33	Highways Division	Reduction in the cost of Winter gritting from use of historic data and improved forecasting of specific road temperatures.	190	9	0	P	M

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM TEMP (P/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2018/19 £'000	2019/20 £'000		
34	Planning and Development	Deletion of the contaminated land assessment budget, with any future requirements forming part of the cost of the relevant capital schemes.	18	18	0	P	M
<b>OTHER BUDGET SAVINGS</b>							
35	Transport Co-ordination	10% reduction in the Council's grant to Halton Community Transport.	68	7	0	P	D
<b>TOTAL PERMANENT</b>				114	0		
<b>TOTAL TEMPORARY (ONE-OFF)</b>				0	0		
<b>GRAND TOTAL</b>				114	0		

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM TEMP (P/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2018/19 £'000	2019/20 £'000		
<b>PEOPLE DIRECTORATE - PUBLIC PROTECTION DEPARTMENT</b>							
<b>OTHER BUDGET SAVINGS</b>							
36	Public Protection Department	One-off contribution from the departmental reserve.	284	200	-200	T	M/D
<b>TOTAL PERMANENT</b>				0	0		
<b>TOTAL TEMPORARY (ONE-OFF)</b>				200	-200		
<b>GRAND TOTAL</b>				200	-200		

	DIVISION /	DESCRIPTION OF PROPOSAL	TOTAL BUDGET	ESTIMATED BUDGET SAVING	PERM TEMP	MANDATORY OR DISCRETIONARY
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	SERVICE AREA		£'000	2018/19 £'000	2019/20 £'000	(P/T)	SERVICE AFFECTED (M / D)
<b>PEOPLE DIRECTORATE - ADULT SOCIAL CARE DEPARTMENT</b>							
<b>EFFICIENCY OPPORTUNITIES</b>							
37	Care Management	Efficiency savings anticipated as a result of the review of Care Management which is currently being undertaken.	1,619	100	0	P	M
38	Halton Supported Housing Network	Waking nights service - pilot currently being undertaken	1,900	50	0	P	D
<b>OTHER BUDGET SAVINGS</b>							
39	Complex Care	Change to the funding of the Equipment Service, which is now part-funded from the Disabled Facilities Grant.	615	231	0	P	M
<b>TOTAL PERMANENT</b>				<b>381</b>	<b>0</b>		
<b>TOTAL TEMPORARY (ONE-OFF)</b>				<b>0</b>	<b>0</b>		
<b>GRAND TOTAL</b>				<b>381</b>	<b>0</b>		

	DIVISION /	DESCRIPTION OF PROPOSAL	TOTAL BUDGET	ESTIMATED BUDGET SAVING	PERM TEMP	MANDATORY OR DISCRETIONARY
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	SERVICE AREA		£'000	2018/19 £'000	2019/20 £'000	(P/T)	SERVICE AFFECTED (M / D)
<b>PEOPLE DIRECTORATE - CHILDREN &amp; FAMILIES DEPARTMENT</b>							
<b>PROCUREMENT OPPORTUNITIES</b>							
40	Children in Care and Care Leavers	A range of providers are used to purchase semi-supported accommodation and support for children in care and care leavers aged 16-18, as part of their preparation for independence. It is proposed to centralise this support via a contract with one provider to meet the needs of this group. This will reduce expensive spot-purchase arrangements, but will also ensure that there is a consistent and high quality service offer for this vulnerable group.	<b>780</b>	<b>330</b>	<b>0</b>	<b>P</b>	<b>M</b>
<b>TOTAL PERMANENT</b>				<b>330</b>	<b>0</b>		
<b>TOTAL TEMPORARY (ONE-OFF)</b>				<b>0</b>	<b>0</b>		
<b>GRAND TOTAL</b>				<b>330</b>	<b>0</b>		

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM TEMP (P/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2018/19 £'000	2019/20 £'000		
<b>PEOPLE DIRECTORATE - EDUCATION INCLUSION &amp; PROVISION DEPARTMENT</b>							
<b>EFFICIENCY OPPORTUNITIES</b>							
41	Policy, Provision, Performance & Education	Restructure and re-focus the work of the two Early Years Teams resulting in the deletion of two vacant posts.	<b>481</b>	<b>70</b>	<b>0</b>	<b>P</b>	<b>D</b>
42	Commissioning and Integrated Youth support Service	Reduction in hours (37 to 30 hours) for a Contract Management Officer.	<b>186</b>	<b>8</b>	<b>0</b>	<b>P</b>	<b>D</b>
<b>TOTAL PERMANENT</b>				<b>78</b>	<b>0</b>		
<b>TOTAL TEMPORARY (ONE-OFF)</b>				<b>0</b>	<b>0</b>		
<b>GRAND TOTAL</b>				<b>78</b>	<b>0</b>		

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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