

# Public Document Pack



## Executive Board

Thursday, 18 November 2021 2.00 p.m.  
Council Chamber - Town Hall, Runcorn

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

**Chief Executive**

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

#### PART 1

Item	Page No
<b>1. MINUTES</b>	<b>1 - 5</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. LEADER'S PORTFOLIO</b>	
<b>(A) URGENT DECISIONS</b>	<b>6 - 8</b>
<b>4. CORPORATE SERVICES PORTFOLIO</b>	
<b>(A) 2021/22 REVENUE SPENDING AS AT 30 SEPTEMBER 2021</b>	<b>9 - 40</b>

*Please contact Ann Jones 0151 511 8276 or [ann.jones@halton.gov.uk](mailto:ann.jones@halton.gov.uk) for further information.*

*The next meeting of the Committee is on Thursday, 9 December 2021*

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## **PART II**

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 **RECOMMENDED** 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(s) 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.

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8. HEALTH & WELLBEING PORTFOLIO	
(A) THE PROCUREMENT OF A NEW INTEGRATED SPECIALIST ADULT COMMUNITY SUBSTANCE MISUSE SERVICE FOR HALTON - KEY DECISION	168 - 173

*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.*

**EXECUTIVE BOARD**

*At a meeting of the Executive Board on Thursday, 14 October 2021 in the Council Chamber - Town Hall, Runcorn*

Present: Councillors Wharton (Chair), Dennett, Harris, M. Lloyd Jones, J. Lowe, T. McInerney, Nelson, Nolan, Thompson and Wright

Apologies for Absence: None

Absence declared on Council business: None

Officers present: D. Parr, I. Leivesley, M. Vasic, M. Reaney, E. Dawson and A. Jones

Also in attendance: L. Howarth, C. Deadman and Neil McGrath – Halton Housing Trust and one member of the press

**ITEMS DEALT WITH  
UNDER POWERS AND DUTIES  
EXERCISABLE BY THE BOARD**

**EXB34 MINUTES**

*Action*

The Minutes of the meeting held on 16 September 2021 were taken as read and signed as a correct record.

**ADULT SOCIAL CARE PORTFOLIO**

*Councillor Wright declared an interest in the following item as she is a Member of Halton Housing Trust Board.*

**EXB35 HALTON HOUSING TRUST - ANNUAL REPORT**

The Board received the Halton Housing Trust's (HHT) Annual Report, which provided an update on their activities since the last report to Executive Board in November 2020.

The Chair welcomed Liz Haworth, Group Chief Executive, Neil McGrath, Deputy Group Chief Executive and Chief Financial Officer and Clive Deadman, Chair of Halton Housing, who jointly presented the report to the Board – *Annual Report to HBC Executive Board, October 2021.*

The report outlined some of the key achievements over the past year, which included the completion of 92 new homes; the clearing of the repairs backlog; investment made

in digital services; and the recruitment of 11 apprentices. It was noted that despite the challenges of the ongoing pandemic, no tenants had been evicted.

The guests' responded to Members' questions on the report and Members congratulated the Trust on its achievements, recognising the challenges they faced generally, as well as in more recent times with the pandemic and the need to support more vulnerable customers.

RESOLVED: That the Board notes the report.

## **CHILDREN AND YOUNG PEOPLE PORTFOLIO**

### **EXB36 REQUEST FOR HALTON BOROUGH COUNCIL TO LEAD THE PROCUREMENT OF AN IAG SERVICE FOR HALTON, KNOWSLEY AND WIRRAL LOCAL AUTHORITIES**

The Board considered a report of the Strategic Director – People, which requested approval for Halton Borough Council to lead the procurement of services to encourage, enable and assist young people to participate in education and training.

It was reported that local authorities had a duty to make available to all young people aged 13-19 and to those between 20 and 25 with an Education, Health and Care Plan; support that would encourage, enable and assist them to participate in education or training. Since April 2014 the 14-19 Team within Halton had implemented the Halton Participation Strategy to meet these duties, as required under Section 68 of the Education and Skills Act 2008.

The report outlined Halton's previous collaborations with Knowsley, Liverpool and Wirral Authorities, to commission a service to provide information, advice and guidance to young people where Halton took the lead.

Knowsley and Wirral Local Authorities had once again requested Halton to act as lead for the upcoming procurement process. In order to make this procurement process as efficient as possible for the authorities involved, approval was sought for Halton to lead the procurement process for a joint service across Halton, Knowsley and Wirral Local Authorities, beginning April 2022.

Details on the procurement process, the expected contract values and benefits of the proposal were provided.

RESOLVED: That the Board

Strategic Director  
- People

- 1) notes the report; and
- 2) approves Halton Borough Council acting as lead in a joint procurement process with Knowsley and Wirral Local Authorities.

## **ENVIRONMENT AND URBAN RENEWAL PORTFOLIO**

### **EXB37 PRELIMINARY ESTIMATES FOR LIQUID ROAD FUEL CONTRACTS - SUPPLY OF DIESEL, KEROSENE, HVO AND AD BLUE**

The Board considered a report of the Strategic Director – Enterprise, Community and Resources, which sought approval for the Council to be included in a national procurement exercise, in order to award contracts for the supply of Liquid Road Fuels to Council sites.

It was reported that the Council currently had a Liquid Road Fuel contract and a contract for the provision of Ad Blue in place, with a total expenditure in the region of £488,000 per annum. These contracts supplied Council sites with diesel and Ad Blue and were due to expire on 31 March 2022.

The business case in support of the request was presented to Members in the report. On the subject of climate change, it was noted that the Council was currently developing a Climate Change Action Plan, which would be published in the autumn of 2021. Part of this Action Plan would include plans to transition the Council's fleet from petrol and diesel to lower emission vehicles. As this would take some time to complete, it was important to ensure ongoing service delivery in the meantime, so award of the above contracts was needed.

RESOLVED: That the Board approves the use of Procurement Standing Order 1.4.1, to allow the Council to use a Framework Agreement procured by a Central Purchasing Body (Crown Commercial Services) in compliance with the Public Contracts Regulation 2015, or order to award contracts for the supply of Liquid Road Fuels to Council sites.

Strategic Director  
- Enterprise,  
Community and  
Resources

### **EXB38 SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

The Board considered:

- 1) whether members of the press and public should be excluded from the meeting of the Board during consideration of the following items of business in accordance with Sub-Section 4 of Section 100A of the Local Government Act 1972, because it was likely that, in view of the nature of the business to be considered, exempt information would be disclosed, being information defined in Section 100 (1) and paragraph 3 of Schedule 12A of the Local Government Act 1972; and
- 2) whether the disclosure of information was in the public interest, whether any relevant exemptions were applicable and whether, when applying the public interest test and exemptions, the public interest in maintaining the exemption outweighed that in disclosing the information.

RESOLVED: That as, in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, members of the press and public be excluded from the meeting during consideration of the following item of business, in accordance with Sub-Section 4 of Section 100A of the Local Government Act 1972 because it was likely that, in view of the nature of the business, exempt information would be disclosed, being information defined in Section 100 (1) and paragraph 3 of Schedule 12A of the Local Government Act 1972.

#### **DEPUTY LEADER'S PORTFOLIO**

##### **EXB39 PROPOSED LEISURE CENTRE, MOOR LANE, WIDNES - UPDATE REPORT**

The Board considered a report of the Strategic Director – Enterprise, Communities and Resources, which gave an update on progress in respect of the proposed Leisure Centre on Moor Lane.

Approval was sought in respect of investing in air source heat pump technology, in order to help maximise the benefit of connection to the Council owned solar farm at St Michael's Golf Course, to help reduce carbon emissions that would be associated with the facility.

RESOLVED: That

- 1) the report is noted; and
- 2) approval be given for the installation of air source heat pumps run on electricity, in order to provide heat and hot water and to connect the building to the solar farm at St Michael's Golf Course, in order to generate maximum benefit in respect of reducing carbon emissions associated with the facility.

Strategic Director  
- Enterprise,  
Community and  
Resources

**MINUTES ISSUED: 19 October 2021**

**CALL-IN: 26 October 2021 at 5.00 pm**

**Any matter decided by the Executive Board may be called in no later than 5.00pm on 26 October 2021.**

*Meeting ended at 3.00 p.m.*



<b>REPORT TO:</b>	Executive Board
<b>DATE:</b>	18 November 2021
<b>REPORTING OFFICER:</b>	Chief Executive
<b>PORTFOLIO:</b>	Leader
<b>SUBJECT:</b>	Urgent Decisions
<b>WARDS:</b>	Borough Wide

### 1.0 PURPOSE OF THE REPORT

- 1.1 To bring to the attention of Executive Board urgent decisions taken since the last meeting.

### 2.0 RECOMMENDATION:

- 2.1 That the report is noted.

### 3.0 SUPPORTING INFORMATION

- 3.1 The Council's Constitution gives authority to the Chief Executive to take urgent decisions which are required before the next formal meeting of Executive Board.

These must be made in consultation with the Leader of the Council where practicable, and with the Operational Director – Finance and/or Operational Director – Legal and Democratic Services where necessary. They must also be reported for information to the next practically available meeting of the Board.

- 3.2 More information on each can be found on the Council's website:

<http://councillors.halton.gov.uk/mgDelegatedDecisions.aspx?bcr=1>

- 3.3 The urgent decisions taken since the last meeting of Executive Board:

<b>Date Decision taken</b>	<b>Decision details</b>
21 October 2021	WONDE – School Voucher Scheme – to reach the most vulnerable children in the Borough it was decided to use the voucher scheme that worked so well for the Covid Winter Grant Scheme, administered by a company called WONDE. Due to tight timescales a full tender was not feasible.
1 November 2021	Household Support Fund Spending Plan – there was a need to put arrangements in place as soon as possible, to ensure the funding was fully utilised and delivered promptly. Therefore, urgent approval was sought to enable the Plan to be implemented.

9 November 2021	Children's Social Work Capacity – Managed Service. Current Children Social Care workforce capacity is low with a high number of vacancies and excessive use of agency staff. There is an urgent need to respond to lack of capacity, understand and improve the quality of casework. The Managed Service approach will quickly secure experienced social work teams that will provide the capacity needed immediately and provide time for a new approach to recruitment to take effect and will be sourced from a framework.
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**4.0 POLICY IMPLICATIONS**

4.1 There are none other than the constitutional requirement to report urgent decisions for information.

**5.0 OTHER IMPLICATIONS**

5.1 None.

**6.0 IMPLICATIONS FOR THE COUNCIL'S 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 The report is for information, and there are no risk issues arising from it.

**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 No background papers were used in the preparation of this report. Further information on the decisions taken is available from the link in Paragraph 3.2.

**REPORT TO:** Executive Board

**DATE:** 18 November 2021

**REPORTING OFFICER:** Operational Director – Finance

**PORTFOLIO:** Corporate Services

**SUBJECT:** Revenue Spending as at 30 September 2021

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

### **1.0 PURPOSE OF REPORT**

- 1.1 To report the Council's overall revenue net spending position as at 30 September 2021 together along with a forecast outturn position.
- 1.2 To report on the financial impact of Covid-19 and to summarise Government funding made available to the Council to date.

### **2.0 RECOMMENDED: That;**

- (i) **All spending continues to be limited to only absolutely essential items;**
- (ii) **Strategic Directors take urgent action to identify areas where spending could be reduced or suspended for the remainder of the current financial year;**
- (iii) **Council be requested to approve the revisions to the Capital Programme as set out in paragraph 3.16**

### **3.0 SUPPORTING INFORMATION**

#### **Revenue Spending**

- 3.1 Appendix 1 presents a summary of spending against the operational revenue budget up to 30 September 2021 and Appendix 2 provides detailed figures for each individual Department. In overall terms the outturn forecast for the year shows that net spend will be over the approved budget by £5.843m.
- 3.2 The forecast overspend position is inclusive of operational day to day net spend and costs & loss of income attributable to Covid. Operational net spend is forecast to be £5.108m above budget at year-end, this figure being approximately 9.6% higher than the figure of £4.661m forecast at quarter 1. All forecasts are based on current service demand and estimated future costs and income levels.

- 3.3 The quarter 1 position forecast that all Covid costs would be met from either specific or un-ringfenced Government grant. This position has been reviewed and it is currently estimated Covid spend and loss of income will be £0.735m higher than available grant. Further information on this is provided later in the report.
- 3.4 The report excludes the majority of the forecast cost of the 2021 pay offer. In setting the 2021/22 budget, pay inflation of 1.5% was applied only to HBC grades 1-5. It is forecast the additional cost of the latest pay offer of 1.75% will be in the region of £0.730m, this cost will be met through the Council's contingency budget. Any increase in the pay offer above 1.75% will add further pressure to the forecast outturn position.

### **Revenue - Operational Spending (Non Covid)**

- 3.5 Operational net spending (excluding Covid) for the first half of the year is £49.065m, higher than the approved budget to date by £2.490m Based on current forecasts it is estimated net spend will be over the approved budget for the year by £5.108m as at 31 March 2022.
- 3.6 Within the overall budget forecast position for the quarter, the key budget variances are as follows;

(i) **Children and Families Department:-**

The projected outturn forecast is for the Department to overspend by £5.384m against a net budget of £24.925m. This represents additional departmental spend of £1.577m from the forecast provided at the end of quarter 1.

The main driver behind the increase in costs is out of borough residential care where it is now forecast that spend for the year will exceed the approved budget by £4.045m. This excludes costs related directly to Covid which it is estimated will add a further £0.782m to the cost of residential placements.

The increase in costs over the past three months is in part due to the changes of placements within the period. Although numbers of young people in residential care hasn't particularly increased, the costs relating to care packages has. This is due to a number of older children placed in lower cost leaving care placements moving into their own accommodation being offset by the number of younger children entering care placements, with the costs being significantly higher.

Residential Care

The table below presents a breakdown of current residential placements, based on costs and placement type over the past six months.

		30th Sept 21		30th June 21		31 March 21	
Provision	Weekly Costs	No. Placed	Estimated cost for the year	No. Placed	Estimated cost for the year	No. Placed	Estimated cost for the year
Residential	£2000 - £3000	4	516,859	6	692,500	4	358,048
Residential	£3001 - £4000	18	3,306,204	16	2,970,377	15	2,784,509
Residential	£4001 - £5000	16	3,424,050	12	2,964,877	10	1,831,251
Residential	£5001 - £10000	8	2,632,775	7	2,245,845	8	1,881,495
Secure	£5212 - £8750	3	1,048,694	3	1,118,635	3	971,407
Leaving Care	£300 - £3487	15	1,059,473	22	1,041,312	23	1,809,338
Parent & Child	£581 - £2,053	1	116,066	2	105,025	2	127,589
<b>Total:</b>		<b>65</b>	<b>12,104,121</b>	<b>68</b>	<b>11,138,571</b>	<b>65</b>	<b>9,763,637</b>

The increase in numbers and costs is also partly due to the increasing number of Unaccompanied Asylum Seeking Children (UASC) currently placed in care, which have increased considerably over the year to date. Funding is available from the Home Office for UASC, however this funding will only be granted subject to certain criteria and only once the relevant age assessments have been carried out and submitted. A prudent approach has been adopted by not including this income until it is confirmed, however, if it is it will assist with offsetting the forecast overspend.

The Early Years net divisional expenditure is £0.152m over budget profile at the end of the second quarter with the full year outturn position expected to be £0.366m over budget. This is due to the underachievement of parental income targets, based upon the Early Years provision having high occupancy levels. This underachievement of income will continue throughout 2021/22 and currently there is no possibility that they will become self-sustaining and will therefore continue to be a significant budget pressure going forwards. It is probable that the effects of the global pandemic will be long lasting and have a significantly detrimental effect on the already strained financial position of the Early Years provision for the foreseeable future.

(ii) **Adult Social Care Department:-**

The projected outturn forecast is for the Department to overspend against budget by £1.181m against a net budget of £46.360m. The overspend for the department is offset by the Pool budget where it is estimated there will be underspend against budget in the region of £0.722m

The main in-year budget pressures for the department are within the Care Homes Division and Community Care.

The 2021/22 forecast net spend position for the Care Homes Division is £0.198m over budget. The main budget pressure for the division is in relation to staffing. Net staffing costs for the four care homes to date is forecast to be £0.106m above the approved budget. Forecasts are based on the current staffing structure. It does not include the anticipated additional costs for St Luke's and St Patrick's staffing, once they transfer to Council terms and conditions.

In addition to day to day staffing costs, additional agency staffing required in Care Homes to deal with the pandemic is significant. To date staffing costs of £0.740m have been coded against the general Covid grant. It is forecast the cost could increase to £1.401m by the end of the financial year if there is no reduction to staffing requirements.

The 2021/22 forecast outturn position for the community care budget is for net spend to be £1.033m over the approved annual budget of £18.630m. The main budget pressure being linked to Direct Payments where there have been a number of new and revised cost packages agreed over the first six months of the year at a significant cost. Some of the increase in referrals have been due to service users being unable to attend Day Services as a result of the pandemic, the gradual re-opening of this service will help reduce and control overall costs.

Covid funding of hospital discharge programmes over the past year has perhaps masked the financial impact of increased care packages falling on the Council. From the start of Q2, funding for early discharge packages has reduced to 4 weeks, extended through to the end of the year. The income to cover these packages of care has drastically reduced and service users are coming onto normal funding streams sooner. The vast majority of these packages come to HBC to fund. Costs recovered from HCCG for the year to date are £0.560m with additional care package costs being picked up by the Council. The cost of which to date is £0.468m, forecast to increase to £0.873 to the end of the financial year, funded from the general Covid grant.

Community care remains a very volatile budget due to changes in demand and unit costs, the impact of which will be reviewed on a regular basis throughout the year.

(iii) **Community and Environment:-**

The projected outturn forecast is for the Department to overspend by £0.380m against a net budget of £23.616m.

The main pressure areas for the department continue to be around budgeted income targets, including schools meals, sales and fees & charges income.

It is extremely challenging to estimate the school meals income which is likely to be received during the rest of the year as the service has been subject to considerable disruption since resuming fully in late 2020. Many schools have had to send large numbers of children home to self-isolate which has had an impact on sales of school meals. Sales income will also be affected by the economic downturn due to a likely increase in free school meals numbers and possible reductions in the amount of household income available for discretionary spending.

Fees & charges income is currently forecast to be £0.950m under the income target by the end of the year. This relates to historic shortfalls in income in the leisure centres and the Stadium, offset by an increase in income for cemeteries, the crematorium and green waste licences.

**(iv) Enterprise, Inclusion and Provision:-**

The projected outturn forecast is for the Department to overspend against budget by £0.303m against a net budget of £8.294m.

Schools Transport is the main budget pressure for the department. The Council has a statutory responsibility to provide Special Educational Needs (SEN) pupils with transport. Year on year the demand for this service is increasing in line with the increasing number of pupils with SEN within the Borough. This concern has been recognised and the budget has been given an additional £0.671m in 2021/22 in order to help ease some of this pressure. However, despite this budget growth schools transport is £0.166m over budget at the end of quarter 2 and it is forecast based on current demand spend will exceed the annual budget by £0.406m by the end of March 2022.

**Revenue – COVID - 19 Net Spending**

- 3.7 Included within the tables at Appendix 1 and 2 is the forecast cost of Covid for the year. It is currently forecast the gross cost and loss of income over the year will be £16.587m. In meeting this cost, £9.872m will come from specific grants, £1.369m from the balance of 2020/21 general Covid grant, £4.376m general grant made available for 2021/22 and compensation for the loss of fees and charges between April and June 2021 totalling £0.232m.
- 3.8 The increase in forecast of costs and loss of income through to March 2022 will leave the Council with a deficit position of £0.735m.



**Forecast Covid Cost and Funding 2021/22**

	£'000
Gross Costs	14.593
Loss of Income	1.991
<b>Total Cost and Loss of Income</b>	<b>16.584</b>
<i>Funded by:</i>	
Specific Grants	9.872
Balance of Funding 2020/21	1.369
General Covid Funding 2021/22	4.376
Fees & Charges Compensation	0.232
<b>Total Available Funding</b>	<b>15.849</b>
<b>Balance of Funding</b>	<b>(0.735)</b>

- 3.9 It should be noted that the financial information included in this report includes a high number of assumptions on costs and loss of income for the year. Whilst the vast majority of Covid restrictions were lifted by Government in July Finance Officers have continued to take a prudent view of future costs, some of which could continue through to the end of the year and beyond. The Council continue to provide monthly data to MHCLG on costs and loss of income as a result of the pandemic.
- 3.10 Examples of the costs the Council continue to incur and which are funded from General Covid grant include (with forecasts for the year):
- Loss of income for leisure, recreation and cultural services - £0.650m
  - Waste costs through maintained levels of working and entertaining from home - £0.585m
  - Increased demand and costs for supported housing - £0.215m
  - Staffing and agency demand within adult social care and care homes - £1.401m
  - Additional care packages for adult social care clients, current arrangements only allow for 4 weeks funding on release from hospital - £0.873m
  - Loss of income from external sources for community care placements - £0.922m
  - Demand and costs for children's residential care placements - £1.175m
- 3.11 Full advantage will be made of ringfenced Covid grants to ensure the available funding is fully utilised.

**Collection Fund**

- 3.12 The in-year collection rate for council tax and business rates shows an improvement on the position at this time a year ago. This is not unexpected given the number of payment deferrals agreed to over the initial months of the pandemic. Overall it is expected that both council tax and business rates income over the year will be in line with the figure of £105.897m used in setting the 2021/22 net budget.

- 3.13 Council tax collection for the 2nd quarter of the year is 54.58%, up 0.69% on this point last year and down by 0.47% from that reported in 2019/20. Cash collection for the year to date is £39.483m, this includes £1.116m collected in relation to previous year debts.
- 3.14 Business rates collection for the year to 30 September 2021 is 54.76%, up 1.16% on this point last year but down by 2.64% from that reported for the same period in 2019/20. Cash collected for the year to date is £29.668m.

### **Review of Reserves**

- 3.15 As at 31 March 2021 the Council's General Reserve was £6.342m. This is considered to be a prudent level in order to ensure the Council remains in a financially sustainable position moving forward. Earmarked reserves of £131.958m were held by the Council on 31 March 2021, these reserves having been set aside for specific purposes. Generally they are not available for general use but regular reviews will identify where funds are no longer required.

### **Capital Spending**

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

- I. Brookvale Pitch Refurbishment
- II. Equality Act Improvement Works

- 3.17 Capital spending at 30 September 2021 totalled £7.614m, which is 97% of the planned spending of £7.855m at this stage. This represents 20% of the total Capital Programme of £38.225m (which assumes a 20% slippage between years).

## **4.0 CONCLUSIONS**

- 4.1 As at 30 September 2021 the forecast net spend outturn (including the net impact of Covid) will be £5.843m over the available budget.
- 4.2 The outturn forecast assumes prudent estimates based upon current service demands and estimated costs. It also assumes Covid-19 infection rates continue at the current high level, with associated additional cost implications. However, there are many uncertainties involved with the forecast, which if a more positive outcome is achieved may provide an improved outturn position for certain Services.

- 4.3 The summary table in appendix 1 therefore includes columns reflecting both a prudent and a more optimistic outturn forecast. As a result, the forecast year-end outturn position is likely to be between £4.0m and £5.8m over budget.
- 4.4 To address day to day operational budget pressures Departments should ensure that all spending continues to be restricted and tightly controlled throughout the year, to ensure that the forecast outturn overspend is minimised as far as possible.
- 4.5 The prolonged impact of the pandemic may result in the Council having to fund some Covid-19 costs from reserves, in addition to the support provided by Government. It is therefore important for Departments to closely manage all costs incurred as a result of Covid-19. Lobbying of the Government will continue, to support Local Government by providing full funding for the Covid-19 pandemic.

## **5.0 POLICY AND OTHER IMPLICATIONS**

- 5.1 None.

## **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 There are a number of financial risks within the budget. However, the Council has internal controls and processes in place to ensure that spending remains in line with budget.
- 7.2 In preparing the 2021/22 budget, a register of significant financial risks was prepared which has been reviewed and updated as at 30 September 2021.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

- 8.1 None.

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

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

## Summary of Revenue Spending to 30 September 2021

## APPENDIX 1

Directorate / Department	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance (Overspend) £'000	Prudent Forecast Outturn (Overspend) £'000	Optimistic Forecast Outturn (Overspend) £'000
Community & Environment	24,575	11,205	11,433	(227)	(380)	(380)
Economy, Enterprise & Property	2,067	-10	-35	25	(4)	(4)
Finance	4,216	4,076	3,751	325	353	353
ICT & Support Services	-822	-1,043	-944	(99)	(167)	(167)
Legal & Democratic Services	469	431	360	71	146	146
Planning & Transportation	8,254	2,719	2,566	153	231	*431
Policy, People, Performance & Efficiency	205	-194	-229	35	127	127
<b>Total Enterprise, Community &amp; Resources</b>	<b>38,964</b>	<b>17,184</b>	<b>16,902</b>	<b>282</b>	<b>306</b>	<b>506</b>
Adult Social Care (inc Community Care and Care Homes)	46,360	21,387	21,924	(537)	(1,181)	*(681)
Children & Families	24,925	10,441	12,954	(2,513)	(5,384)	*(5,184)
Complex Care Pool	4,380	-1,318	-1,703	385	722	722
Education, Inclusion & Provision	8,294	3,357	3,473	(116)	(303)	(303)
Public Health & Public Protection	715	577	391	186	350	*550
<b>Total People</b>	<b>84,674</b>	<b>34,444</b>	<b>37,039</b>	<b>(2,595)</b>	<b>(5,796)</b>	<b>(4,896)</b>
Corporate & Democracy	-10,201	-5,053	-4,876	(177)	382	382
<b>Total Operational Net Spend</b>	<b>113,437</b>	<b>46,575</b>	<b>49,065</b>	<b>(2,490)</b>	<b>(5,108)</b>	<b>(4,008)</b>
Covid-19 Additional Costs	0	0	8,873	(8,873)	(14,593)	*(13,858)
Covid-19 Shortfall in Budgeted Income Targets	-1,991	-1,280	0	(1,280)	(1,991)	(1,991)
Less: Government Non-Specific Grant	0	0	-3,611	3,611	5,977	5,977
Less: Specific Government Grants	0	0	-6,542	6,542	9,872	9,872
<b>Total Covid Net Spend</b>	<b>-1,991</b>	<b>-1,280</b>	<b>-1,280</b>	<b>0</b>	<b>(735)</b>	<b>0</b>
<b>Total Net Spend (Including Covid-19)</b>	<b>111,446</b>	<b>45,295</b>	<b>47,785</b>	<b>(2,490)</b>	<b>(5,843)</b>	<b>(4,008)</b>



## Community &amp; Environment Department

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	14,976	6,900	6,555	345	725
Premises	2,279	1,220	1,175	45	30
Supplies & Services	1,836	580	565	15	(57)
Book Fund	105	100	101	(1)	0
Hired Services	537	130	122	8	(37)
Food Provisions	459	202	179	23	253
School Meals Food	1,835	555	492	64	(31)
Transport	115	78	70	8	16
Other Agency Costs	106	50	47	3	5
Waste Disposal Contract	6,312	3,100	3,000	100	405
Grants to Voluntary Organisations	67	50	45	5	5
Grant to Norton Priory	172	87	87	0	(1)
Rolling Projects	0	0	32	(32)	0
Capital Financing	0	0	-4	4	0
<b>Total Expenditure</b>	<b>28,799</b>	<b>13,052</b>	<b>12,467</b>	<b>585</b>	<b>1,312</b>
<b>Income</b>					
Sales Income	-1,284	-600	-296	(304)	(521)
School Meals Sales	-2,431	-700	-557	(143)	(270)
Fees & Charges Income	-4,252	-2,500	-2,194	(306)	(666)
Rents Income	-201	-88	-78	(9)	(19)
Government Grant Income	-473	-412	-412	0	30
Reimbursements & Other Grant Income	-597	-36	-36	(0)	34
Schools SLA	-2,183	-1,106	-1,106	0	(83)
Internal Fees Income	-247	-34	-34	0	(103)
School Meals Other Income	-251	-50	-45	(5)	(89)
Catering Fees	-114	0	45	(45)	(59)
Capital Salaries	-173	-85	-84	(1)	(2)
Transfers from Reserves	-80	0	0	(0)	0
<b>Total Income</b>	<b>-12,286</b>	<b>-5,610</b>	<b>-4,798</b>	<b>(813)</b>	<b>(1,748)</b>
<b>Net Operational Expenditure</b>	<b>16,513</b>	<b>7,442</b>	<b>7,669</b>	<b>(227)</b>	<b>(436)</b>

## Community &amp; Environment Department (continued)

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Covid Costs</b>					
Community Development	0	0	0	0	0
Community Safety	0	0	0	0	0
Leisure & Recreation	0	0	102	(102)	(112)
Open Spaces	0	0	25	(25)	(27)
Schools Catering	0	0	0	0	0
Waste & Environmental Improvement	0	0	0	0	(585)
Covid Local Support	0	0	610	(610)	(610)
<b>Covid Loss of Income</b>					
Commercial Catering	-35	-24	0	(24)	(35)
Community Development	-75	-57	0	(57)	(75)
Leisure & Recreation	-400	-322	0	(322)	(400)
Open Spaces	-420	-281	0	(281)	(420)
Stadium	-29	-19	0	(19)	(29)
<b>Government Grant Income</b>					
General Covid Funding	0	0	-830	830	1,683
Covid Local Support Grant	0	0	-610	610	610
<b>Net Covid Expenditure</b>	<b>-959</b>	<b>-703</b>	<b>-703</b>	<b>0</b>	<b>0</b>
<b>Recharges</b>					
Premises Support	1,589	795	795	0	0
Transport Support	2,409	1,110	1,110	0	56
Central Support	4,419	2,210	2,210	0	0
Asset Rental Support	146	0	0	0	0
Recharge Income	-502	-351	-351	0	0
<b>Net Total Recharges</b>	<b>8,062</b>	<b>3,764</b>	<b>3,764</b>	<b>0</b>	<b>56</b>
<b>Net Departmental Expenditure</b>	<b>23,616</b>	<b>10,502</b>	<b>10,730</b>	<b>(227)</b>	<b>(380)</b>

## Economy, Enterprise &amp; Property Department

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	4,615	2,344	2,333	11	23
Repairs & Maintenance	1,958	647	648	(1)	(1)
Premises	81	77	77	0	0
Energy & Water Costs	755	296	292	4	9
NNDR	547	547	543	4	4
Rents	163	92	46	46	46
Economic Regeneration Activities	0	0	0	0	0
Security	476	201	201	0	0
Supplies & Services	580	118	122	(4)	(4)
Supplies & Services - Grant/External Funded	1,383	300	300	0	0
Grants to Voluntary Organisation	102	63	63	0	0
Capital Financing	0	0	0	0	0
Transfer to Reserves	122	121	121	0	0
<b>Total Expenditure</b>	<b>10,782</b>	<b>4,806</b>	<b>4,746</b>	<b>60</b>	<b>77</b>
<b>Income</b>					
Fees & Charges	-480	-201	-200	(1)	(1)
Rent - Commercial Properties	-770	-278	-250	(28)	(56)
Rent - Investment Properties	-165	-142	-142	0	0
Rent - Markets	-751	-348	-340	(8)	(19)
Government Grant Income	-582	-544	-544	0	0
Reimbursements & Other Income	-1,638	-1,003	-1,005	2	3
Schools SLA Income	-424	-403	-403	0	(8)
Recharges to Capital	-247	-54	-54	0	0
Transfer from Reserves	-1,086	-554	-554	0	0
<b>Total Income</b>	<b>-6,143</b>	<b>-3,527</b>	<b>-3,492</b>	<b>(35)</b>	<b>(81)</b>
<b>Net Operational Expenditure</b>	<b>4,639</b>	<b>1,279</b>	<b>1,254</b>	<b>25</b>	<b>(4)</b>
<b>Covid Costs</b>					
Staffing	0	0	44	(44)	(78)
Repairs & Maintenance	0	0	14	(14)	(19)
Reopening High Street Safely	0	0	57	(57)	(114)
Covid 19 Grant - Welcome Back Fund	0	0	0	0	(179)
Covid-19 Discretionary Business Support Grants	0	0	1,518	(1,518)	(1,518)
<b>Covid Loss of Income</b>					
Rent - Markets	-50	-50	0	(50)	(50)
<b>Government Grant Income</b>					
Covid Grant - Welcome Back Fund	0	0	0	0	179
Covid Discretionary Business Support Grants	0	0	-1,518	1,518	1,518
Covid Grant - Reopening High Street Safely	0	0	-57	57	114
Covid Grant Funding	0	0	-108	108	147
<b>Net Covid Expenditure</b>	<b>-50</b>	<b>-50</b>	<b>-50</b>	<b>0</b>	<b>0</b>
<b>Recharges</b>					
Premises Support	1,661	830	830	0	0
Transport Support	29	14	14	0	0
Central Support	2,136	1,068	1,068	0	0
Asset Rental Support	4	0	0	0	0
Recharge Income	-6,402	-3,201	-3,201	0	0
<b>Net Total Recharges</b>	<b>-2,572</b>	<b>-1,289</b>	<b>-1,289</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>2,017</b>	<b>(60)</b>	<b>(85)</b>	<b>25</b>	<b>(4)</b>



## Finance Department

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	5,650	2,687	2,573	114	234
Supplies & Services	313	242	214	28	57
Insurances	1,081	614	602	12	29
Concessionary Travel	2,108	757	530	227	454
LCR Levy	2,241	2,241	2,241	0	0
Rent Allowances	35,500	16,229	16,229	0	0
Non HRA Rebates	70	32	32	0	0
Discretionary Housing Payments	528	158	158	0	0
Discretionary Social Fund	106	86	86	0	0
Bad Debt Provision	106	0	0	0	(93)
<b>Total Expenditure</b>	<b>47,703</b>	<b>23,046</b>	<b>22,665</b>	<b>381</b>	<b>681</b>
<b>Income</b>					
Fees & Charges	-257	-140	-133	(7)	(14)
SLA to Schools	-272	-272	-272	0	0
Business Rates Administration Grant	-154	0	0	0	0
Hsg Ben Administration Grant	-495	-247	-247	0	0
Rent Allowances	-35,500	-13,640	-13,358	(282)	(564)
New Burdens Grant	-59	-59	-256	197	197
Council Tax Admin Grant	-204	-204	-216	12	12
Non HRA Rent Rebates	-70	-65	-65	0	0
Reimbursements & Other Grants	-87	-24	-42	18	34
Liability Orders	-501	-399	-399	0	0
Transfer from Reserves	-46	-46	-42	(4)	(4)
Discretionary Housing Payments Grant	-528	-146	-146	0	0
Dedicated School Grant	-106	0	0	0	0
Universal Credits	-6	-6	-6	0	0
VEP Grant	0	0	-9	9	9
CCG McMillan Reimbursement	-80	-40	-41	1	2
LCR Reimbursement	-2,241	-2,241	-2,241	0	0
<b>Total Income</b>	<b>-40,606</b>	<b>-17,529</b>	<b>-17,473</b>	<b>(56)</b>	<b>(328)</b>
<b>Net Operational Expenditure</b>	<b>7,097</b>	<b>5,517</b>	<b>5,192</b>	<b>325</b>	<b>353</b>
<b>Covid Costs</b>					
Rent Allowance	0	0	68	(68)	(205)
Covid Isolation Grant	0	0	392	(392)	(544)
Supplies & Services	0	0	4	(4)	(4)
<b>Covid Loss of Income</b>					
Reimbursements & Other Grants	-6	0	0	0	(6)
<b>Government Grant Income</b>					
Covid Isolation Grant	0	0	-392	392	544
Government Grant Income	0	0	-72	72	215
<b>Net Covid Expenditure</b>	<b>-6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recharges</b>					
Premises Support	240	120	120	0	0
Central Support	2,316	1,158	1,158	0	0
Recharge Income	-5,437	-2,719	-2,719	0	0
<b>Net Total Recharges</b>	<b>-2,881</b>	<b>-1,441</b>	<b>-1,441</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>4,210</b>	<b>4,076</b>	<b>3,751</b>	<b>325</b>	<b>353</b>

## ICT &amp; Support Services Department

	Annual Budget £'000	Budget to Date £'000	Actual £'000	Variance (Overspend) £'000	Forecast Outturn £'000
<b>Expenditure</b>					
Employees	6,873	3,402	3,481	(79)	(159)
Supplies & Services	976	415	409	6	12
Computer Repairs & Software	1,167	952	987	(35)	(68)
Communications Costs	17	11	8	3	6
Other Premises	65	54	67	(13)	(28)
Capital Financing	78	3	3	0	17
Transport Expenditure	3	1	1		1
Transfers to Reserves	15	0	0	0	15
<b>Total Expenditure</b>	<b>9,194</b>	<b>4,838</b>	<b>4,956</b>	<b>(118)</b>	<b>(204)</b>
<b>Income</b>					
Fees & Charges	-612	-197	-215	18	44
SLA to Schools	-554	-513	-504	(9)	(18)
Reimbursement & other Grant Income	0	0	-10	10	11
Transfer from Reserves	0	0	0	0	0
<b>Total Income</b>	<b>-1,166</b>	<b>-710</b>	<b>-729</b>	<b>19</b>	<b>37</b>
<b>Net Operational Expenditure</b>	<b>8,028</b>	<b>4,128</b>	<b>4,227</b>	<b>(99)</b>	<b>(167)</b>
<b>Covid Costs</b>					
Supplies & Services	0	0	20	(20)	(35)
Capital Costs	0	0	7	(7)	(7)
<b>Government Grant Income</b>					
General Covid Funding	0	0	-27	27	42
<b>Net Covid Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recharges</b>					
Premises Support	362	181	181	0	0
Transport Support	20	11	11	0	0
Central Support	1,019	510	510	0	0
Asset Rental Support	1,494	0	0	0	0
Recharge Income	-11,745	-5,873	-5,873	0	0
<b>Net Total Recharges</b>	<b>-8,850</b>	<b>-5,171</b>	<b>-5,171</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>-822</b>	<b>-1,043</b>	<b>-944</b>	<b>(99)</b>	<b>(167)</b>

## Legal &amp; Democratic Services Department

	Annual Budget £'000	Budget to Date £'000	Actual £'000	Variance (Overspend) £'000	Forecast Outturn £'000
<b>Expenditure</b>					
Employees	1,796	1,007	985	22	44
Transport	8	7	6	1	2
Supplies & Services	265	112	73	39	78
Civic Catering & Functions	44	11	1	10	20
Legal Expenses	214	147	147	0	0
<b>Total Expenditure</b>	<b>2,327</b>	<b>1,284</b>	<b>1,212</b>	<b>72</b>	<b>144</b>
<b>Income</b>					
Land Charges	-82	-36	-35	(1)	(3)
License Income	-258	-124	-125	1	2
School SLA's	-84	-84	-79	(5)	(5)
Fees & Charges Income	-63	-38	-42	4	8
Transfer from Reserves	0	0	0	0	0
<b>Total Income</b>	<b>-487</b>	<b>-282</b>	<b>-281</b>	<b>(1)</b>	<b>2</b>
<b>Net Operational Expenditure</b>	<b>1,840</b>	<b>1,002</b>	<b>931</b>	<b>71</b>	<b>146</b>
<b>Covid Costs</b>					
Employees	0	0	18	(18)	(24)
Legal Expenses	0	0	10	(10)	(10)
Elections Covid Grant	0	0	17	(17)	(36)
<b>Government Grant Income</b>					
General Covid Funding	0	0	-28	28	34
Elections Covid Grant	0	0	-17	17	36
<b>Net Covid Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recharges</b>					
Premises Support	55	23	23	0	0
Central Support	321	134	134	0	0
Recharge Income	-1,747	-728	-728	0	0
<b>Net Total Recharges</b>	<b>-1,371</b>	<b>-571</b>	<b>-571</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>469</b>	<b>431</b>	<b>360</b>	<b>71</b>	<b>146</b>

## Planning & Transportation Department

	Annual Budget £'000	Budget to Date £'000	Actual £'000	Variance (Overspend) £'000	Forecast Outturn £'000
<b>Expenditure</b>					
Employees	4,749	2,301	2,172	129	277
Efficiency Savings	-100	0	0	0	0
Premises	161	97	97	0	26
Hired & Contracted Services	252	339	493	(154)	(307)
Supplies & Services	182	229	323	(94)	(187)
Street Lighting	1,662	578	359	219	438
Highways Maintenance	2,859	524	748	(224)	(448)
Fleet Transport	1,361	680	623	57	159
Bus Support - Halton Hopper Tickets	199	100	100	0	0
Bus Support	560	280	262	18	36
Grants to Voluntary Organisations	61	30	30	0	0
NRA Levy	68	68	68	0	0
LCR Levy	882	441	441	0	0
Contribution to Reserves	440	37	0	37	37
<b>Total Expenditure</b>	<b>13,336</b>	<b>5,704</b>	<b>5,716</b>	<b>(12)</b>	<b>31</b>
<b>Income</b>					
Sales & Rents Income	-91	-46	-2	(44)	(48)
Planning Fees	-518	-259	-408	149	161
Building Control Fees	-219	-110	-140	30	50
Other Fees & Charges	-898	-378	-438	60	121
Grants & Reimbursements	-162	-137	-137	0	0
Government Grant Income	-61	-56	-37	(19)	0
Halton Hopper Income	-199	-100	-100	0	0
School SLA's	-45	-45	-36	(9)	(9)
Recharge to Capital	-317	0	0	0	(77)
LCR Levy Reimbursement	-882	-441	-441	0	0
Contribution from Reserves	-565	-272	-280	8	24
Efficiency Savings	0	0	0	0	0
<b>Total Income</b>	<b>-3,957</b>	<b>-1,844</b>	<b>-2,019</b>	<b>175</b>	<b>222</b>
<b>Net Operational Expenditure</b>	<b>9,379</b>	<b>3,860</b>	<b>3,697</b>	<b>163</b>	<b>253</b>
<b>Covid Costs</b>					
PPE & Equipment	0	0	13	(13)	(13)
Staffing	0	0	6	(6)	(35)
EATF Grant Expenditure	0	0	0	0	(306)
Additional Home to School Transport	0	0	6	(6)	(6)
Covid Bus Support Grant	0	0	19	(19)	(19)
<b>Covid Loss of Income</b>					
Fees & Charges	-25	-25	0	(25)	(25)
<b>Government Grant Income</b>					
Covid Bus Support Grant	0	0	-19	19	19
EATF Grant	0	0	0	0	306
Additional Home to School Transport Grant	0	0	-6	6	6
Government Grant Income	0	0	-44	44	73
<b>Net Covid Expenditure</b>	<b>-25</b>	<b>-25</b>	<b>-25</b>	<b>0</b>	<b>0</b>
<b>Recharges</b>					
Premises Recharges	516	258	258	0	0
Transport Recharges	707	346	338	8	15
Asset Charges	1,250	0	0	0	0
Central Recharges	1,560	780	780	0	0
Transport Recharge Income	-4,328	-2,111	-2,092	(19)	(37)
Central Recharge Income	-830	-415	-415	0	0
<b>Net Total Recharges</b>	<b>-1,125</b>	<b>-1,142</b>	<b>-1,131</b>	<b>(11)</b>	<b>(22)</b>
<b>Net Departmental Expenditure</b>	<b>8,229</b>	<b>2,694</b>	<b>2,541</b>	<b>153</b>	<b>231</b>

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

	Annual Budget £'000	Budget to Date £'000	Actual £'000	Variance (Overspend) £'000	Forecast Outturn £'000
<b>Expenditure</b>					
Employees	2,111	1,040	964	76	151
Employee Training	117	51	48	3	6
Supplies & Services	155	86	90	(4)	(7)
Apprenticeship Levy	300	170	167	3	6
<b>Total Expenditure</b>	<b>2,683</b>	<b>1,347</b>	<b>1,269</b>	<b>78</b>	<b>156</b>
<b>Income</b>					
Fees & Charges	-104	-101	-115	14	28
Reimbursement and Other Grants	0	0	-2	2	2
School SLAs	-464	-464	-405	(59)	(59)
Transfer from Reserves	-40	-40	-40	0	0
<b>Total Income</b>	<b>-608</b>	<b>-605</b>	<b>-562</b>	<b>-43</b>	<b>-29</b>
<b>Net Operational Expenditure</b>	<b>2,075</b>	<b>742</b>	<b>707</b>	<b>35</b>	<b>127</b>
<b>Covid Costs</b>					
Employees	0	0	8	(8)	(21)
<b>Government Grant Income</b>					
Government Grant Income	0	0	-8	8	21
<b>Net Covid Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recharges</b>					
Premises Support	68	34	34	0	0
Central Support	917	458	458	0	0
Recharge Income	-2,855	-1,428	-1,428	0	0
<b>Net Total Recharges</b>	<b>-1,870</b>	<b>-936</b>	<b>-936</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>205</b>	<b>-194</b>	<b>-229</b>	<b>35</b>	<b>127</b>

### Adult Social Care Department (incl Care Homes and Community Care)

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn (Overspend)
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	14,252	6,847	6,755	92	150
Premises	287	165	188	(23)	(40)
Supplies & Services	722	480	480	0	0
Aids & Adaptations	113	56	41	15	0
Transport	647	305	322	(17)	0
Food Provision	183	51	41	10	30
Agency	565	188	191	(3)	(10)
Supported Accommodation and Services	1,398	719	717	2	0
Emergency Duty Team	103	0	0	0	0
Contacts & SLAs	657	514	512	2	(10)
Capital Financing	43	0	0	0	0
Transfer To Reserves	353	0	0	0	0
<u>Housing Solutions Grant Funded Schemes</u>					
LCR Immigration Programme	800	20	16	4	0
Homelessness Prevention	442	75	75	0	0
Rough Sleepers Initiative	121	40	36	4	0
<b>Total Expenditure</b>	<b>20,686</b>	<b>9,460</b>	<b>9,374</b>	<b>86</b>	<b>120</b>
<b>Income</b>					
Fees & Charges	-640	-276	-253	(23)	(20)
Sales & Rents Income	-287	-159	-165	6	0
Reimbursements & Grant Income	-967	-422	-387	(35)	(50)
Housing Strategy Grant Funded Schemes	-1,393	-1,348	-1,357	9	0
Capital Salaries	-111	-55	-61	6	0
Government Grant Income	-689	-601	-602	1	0
<b>Total Income</b>	<b>-4,087</b>	<b>-2,861</b>	<b>-2,825</b>	<b>(36)</b>	<b>(70)</b>
<b>Net Operational Expenditure Excluding Homes and Community Care</b>	<b>16,599</b>	<b>6,599</b>	<b>6,549</b>	<b>50</b>	<b>50</b>
Care Homes Net Expenditure	6,526	3,059	3,158	(99)	(198)
Community Care Expenditure	18,630	8,898	9,386	(488)	(1,033)
<b>Net Operational Expenditure Including Homes and Community Care</b>	<b>41,755</b>	<b>18,556</b>	<b>19,093</b>	<b>(537)</b>	<b>(1,181)</b>

### Adult Social Care (inc Care Homes and Community Care) continued

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn (Overspend)
	£'000	£'000	£'000	£'000	£'000
<b>Covid Costs</b>					
Employees	0	0	740	(740)	(1,401)
Premises	0	0	47	(47)	(85)
Transport	0	0	12	(12)	(18)
Supplies (Including PPE)	0	0	21	(21)	(42)
Contracts	0	0	224	(224)	(225)
Extra Care Packages	0	0	468	(468)	(873)
Infection Control	0	0	630	(630)	(630)
Rapid Test	0	0	448	(448)	(448)
Hospital Discharge Programme	0	0	560	(560)	(560)
<b>Covid Loss of Income</b>					
Community Care Income	-770	-375	0	(375)	(770)
Community Services Transport	-91	-61	0	(61)	(91)
Community Services Placements	-61	-37	0	(37)	(61)
<b>Government Grant Income</b>					
Infection Control Grant	0	0	-630	630	630
Rapid Test Funding	0	0	-448	448	448
CCG Hospital Discharge Programme	0	0	-560	560	560
Covid Grant Funding	0	0	-1,985	1,985	3,566
<b>Net Covid Expenditure</b>	<b>-922</b>	<b>-473</b>	<b>-473</b>	<b>0</b>	<b>0</b>
<b>Recharges</b>					
Premises Support	402	201	201	0	0
Transport Support	151	75	75	0	0
Central Support	4,161	2,616	2,616	0	0
Asset Rental Support	13	0	0	0	0
Recharge Income	-122	-61	-61	0	0
<b>Net Total Recharges</b>	<b>4,605</b>	<b>2,831</b>	<b>2,831</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>45,438</b>	<b>20,914</b>	<b>21,451</b>	<b>(537)</b>	<b>(1,181)</b>

**Care Homes Division**

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn (Overspend)
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
<u>Madeline McKenna</u>					
Employees	500	253	286	(33)	(66)
Premises	44	21	21	0	0
Supplies & Services	12	5	7	(2)	(4)
Food	30	15	19	(4)	(8)
<b>Total Madeline McKenna Expenditure</b>	<b>586</b>	<b>294</b>	<b>333</b>	<b>(39)</b>	<b>(78)</b>
<u>Millbrow</u>					
Employees	1,577	847	981	(134)	(268)
Premises	66	17	29	(12)	(24)
Supplies & Services	45	28	29	(1)	(2)
Food	61	30	31	(1)	(2)
<b>Total Millbrow Expenditure</b>	<b>1,749</b>	<b>922</b>	<b>1,070</b>	<b>(148)</b>	<b>(296)</b>
<u>St Luke's</u>					
Employees	2,136	990	958	32	64
Premises	83	18	29	(11)	(22)
Supplies & Services	40	21	27	(6)	(12)
Food	100	35	37	(2)	(4)
<b>Total St Luke's Expenditure</b>	<b>2,359</b>	<b>1,064</b>	<b>1,051</b>	<b>13</b>	<b>26</b>
<u>St Patrick's</u>					
Employees	1,440	692	577	115	230
Premises	82	32	42	(10)	(20)
Supplies & Services	32	18	22	(4)	(8)
Food	100	50	43	7	14
<b>Total St Luke's Expenditure</b>	<b>1,654</b>	<b>792</b>	<b>684</b>	<b>108</b>	<b>216</b>
<u>Care Homes Management</u>					
Employees	256	65	98	(33)	(66)
Transfer from Reserves	-78	-78	-78	0	0
<b>Total St Luke's Expenditure</b>	<b>178</b>	<b>-13</b>	<b>20</b>	<b>(33)</b>	<b>(66)</b>
<b>Net Expenditure</b>	<b>6,526</b>	<b>3,059</b>	<b>3,158</b>	<b>(99)</b>	<b>(198)</b>



**COMMUNITY CARE**

	<b>Annual Budget</b>	<b>Budget to Date</b>	<b>Actual</b>	<b>Variance (Overspend)</b>	<b>Forecast Outturn (Overspend)</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Expenditure</b>					
Residential & Nursing	13,017	5,576	5,378	198	310
Domiciliary Care & Supported Living	9,288	4,151	4,329	(178)	(328)
Direct Payments	9,678	4,789	5,660	(871)	(1,745)
Day Care	315	124	155	(31)	(67)
<b>Total Expenditure</b>	<b>32,298</b>	<b>14,640</b>	<b>15,522</b>	<b>(882)</b>	<b>(1,830)</b>
<b>Income</b>					
Residential & Nursing	-9,103	-3,941	-4,093	152	564
Domiciliary Care	-1,875	-703	-717	14	36
Direct Payments	-721	-277	-319	42	188
ILF Income	-656	-164	-164	0	0
Government Grant	-1,200	-600	-600	0	0
Other Income	-113	-57	-243	186	9
<b>Total Income</b>	<b>-13,668</b>	<b>-5,742</b>	<b>-6,136</b>	<b>394</b>	<b>797</b>
<b>Net Departmental Expenditure</b>	<b>18,630</b>	<b>8,898</b>	<b>9,386</b>	<b>(488)</b>	<b>(1,033)</b>

## Children &amp; Families Department

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	9,539	4,620	4,723	(103)	(222)
Premises	270	120	89	31	52
Supplies & Services	784	275	483	(208)	(417)
Transport	113	37	39	(2)	(7)
Direct Payments/Individual Budgets	904	435	429	6	11
Commissioned Services	224	90	62	28	53
Out of Borough Residential Placements	7,682	2,668	4,590	(1,922)	(4,045)
Out of Borough Adoption	7	4	0	4	7
Out of Borough Fostering	2,375	997	1,066	(69)	(173)
In House Adoption	357	123	125	(2)	(11)
Special Guardianship	1,756	833	850	(17)	(43)
In House Foster Carer Placements	2,358	1,148	1,263	(115)	(251)
Care Leavers	292	135	89	46	103
Family Support	53	26	32	(6)	(13)
Contracted Services	3	1	1	0	(1)
Early Years	131	64	216	(152)	(366)
Emergency Duty Team	116	9	15	(6)	(15)
Youth Offending Service	251	64	62	2	4
<b>Total Expenditure</b>	<b>27,215</b>	<b>11,649</b>	<b>14,134</b>	<b>(2,485)</b>	<b>(5,334)</b>
<b>Income</b>					
Fees & Charges	-30	-7	-4	(3)	(5)
Sales Income	-4	-2	-1	(1)	(2)
Rents	-42	-14	-18	4	6
Reimbursements & Grant Income	-593	-231	-203	(28)	(49)
Transfer from Reserves	-67	-75	-75	0	0
Dedicated School Grant	-50	0	0	0	0
Government Grant Income	-4,164	-2,128	-2,128	0	0
<b>Total Income</b>	<b>-4,950</b>	<b>-2,457</b>	<b>-2,429</b>	<b>(28)</b>	<b>(50)</b>
<b>Net Operational Expenditure</b>	<b>22,265</b>	<b>9,192</b>	<b>11,705</b>	<b>(2,513)</b>	<b>(5,384)</b>
<b>Covid Costs</b>					
Employees	0	0	246	(246)	(288)
Supplies & Services	0	0	13	(13)	(23)
Transport	0	0	0	0	(1)
Commissioned Services	0	0	23	(23)	(46)
Out of Borough Residential Placements	0	0	348	(348)	(782)
In House Foster Carer Placements	0	0	1	(1)	(1)
Care Leavers	0	0	2	(2)	(9)
Family Support	0	0	2	(2)	(2)
Emergency Duty	0	0	11	(11)	(21)
PPE	0	0	0	0	(1)
<b>Covid Loss of Income</b>					
Nursery Parental Income	0	0	0	0	0
<b>Government Grant Income</b>					
Government Grant Income	0	0	-646	646	1,175
<b>Net Covid Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Recharges</b>					
Premises Support	139	69	69	0	0
Transport Support	19	9	9	0	0
Central Support	2,626	1,313	1,313	0	0
Recharge Income	-124	-142	-142	0	0
<b>Net Total Recharges</b>	<b>2,660</b>	<b>1,249</b>	<b>1,249</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>24,925</b>	<b>10,441</b>	<b>12,954</b>	<b>(2,513)</b>	<b>(5,383)</b>

## Complex Care Pool

	Annual Budget £'000	Budget to Date £'000	Actual £'000	Variance (Overspend) £'000	Forecast Outturn £'000
<b>Expenditure</b>					
Intermediate Care Services	6,464	3,002	2,476	526	1,047
Joint Equipment Store	783	51	51	0	0
Oakmeadow	1,139	569	560	9	41
Intermediate Care Beds	607	304	304	0	0
Sub-Acute Unit	1,990	0	0	0	0
Inglenook	125	63	14	49	92
CCG Contracts & SLA's	3,319	119	117	2	2
Carers Centre	365	182	182	0	0
Red Cross Contract	65	33	32	1	0
Carers Breaks	412	279	204	75	142
Intermediate Care Development Fund	1,005	0	0	0	0
Residential and Nursing	1,014	507	507	0	0
Domicilliary Care and Supported Living	2,422	1,211	1,208	3	(23)
<b>Total Expenditure</b>	<b>19,710</b>	<b>6,320</b>	<b>5,655</b>	<b>665</b>	<b>1,301</b>
<b>Income</b>					
Better Care Fund	-11,468	-5,734	-5,734	0	0
CCG Contribution to Pool	-3,196	-1,598	-1,598	0	0
Oakmeadow Income	-612	-306	-305	(1)	(2)
Other Income	-54	0	0	0	(54)
<b>Total Income</b>	<b>-15,330</b>	<b>-7,638</b>	<b>-7,637</b>	<b>(1)</b>	<b>(56)</b>
<b>Net Departmental Expenditure</b>	<b>4,380</b>	<b>-1,318</b>	<b>-1,982</b>	<b>664</b>	<b>1,245</b>
<b>Covid Costs</b>					
Infection Control Fund	0	0	31	(31)	(31)
Rapid Testing	0	0	14	(14)	(14)
<b>Government Grant Income</b>					
Infection Control Fund	0	0	-31	31	31
Rapid Testing	0	0	-14	14	14
<b>Net Covid Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>4,380</b>	<b>-1,318</b>	<b>-1,982</b>	<b>664</b>	<b>1,245</b>
CCG Contribution Share of Surplus	0	0	279	(279)	(523)
<b>Adjusted Net Department expenditure</b>	<b>4,380</b>	<b>-1,318</b>	<b>-1,703</b>	<b>385</b>	<b>722</b>

## Education, Inclusion &amp; Provision Department

	Annual Budget £'000	Budget to Date £'000	Actual £'000	Variance (Overspend) £'000	Forecast Outturn £'000
<b>Expenditure</b>					
<b>Core Funded</b>					
Employees	3,105	1,663	1,636	27	54
Premises	3	0	0	0	0
Supplies & Services	825	457	416	41	87
Transport	6	1	0	1	0
Schools Transport	1,323	362	528	(166)	(406)
Commissioned Services	1,583	792	792	0	0
Grants to Voluntary Organisations	35	10	10	0	0
Capital Financing	1	0	0	0	0
<b>Grant Funded</b>					
Employees	3,344	1,602	1,602	0	0
Premises	24	0	0	0	0
Supplies & Services	576	38	38	0	0
Transport	1	0	0	0	0
Schools Transport	21	1	1	0	0
Independent School Fees	5,422	2,831	2,831	0	0
Inter Authority Special Needs	383	42	42	0	0
Pupil Premium Grant	191	10	10	0	0
Nursery Education Payments	7,527	3,506	3,506	0	0
Grants to Voluntary Organisations	276	106	106	0	0
<b>Total Expenditure</b>	<b>24,646</b>	<b>11,421</b>	<b>11,518</b>	<b>(97)</b>	<b>(265)</b>
<b>Income</b>					
Fees & Charges Income	-91	-71	-75	4	8
Government Grant	-17,362	-8,136	-8,136	0	0
Reimbursements & Other Grant Income	-544	-287	-287	0	0
Schools SLA Income	-350	-270	-270	0	0
Transfer from Reserves	-556	-556	-556	0	0
HBC Support Costs Income	-22	-22	-22	0	0
<b>Total Income</b>	<b>-18,925</b>	<b>-9,342</b>	<b>-9,346</b>	<b>4</b>	<b>8</b>
<b>Net Operational Expenditure</b>	<b>5,721</b>	<b>2,079</b>	<b>2,172</b>	<b>(93)</b>	<b>(257)</b>
<b>Covid Costs</b>					
Emergency Childcare Payments	0	0	20	(20)	(20)
Schools Transport Contract Costs	0	0	12	(12)	(12)
<b>Government Grant Income</b>					
Government Grant Income	0	0	-32	32	32
<b>Net Covid Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recharges</b>					
Premises Support	129	64	64	0	0
Transport Support	440	220	243	(23)	(46)
Central Support	1,987	994	994	0	0
Asset Rental Support	17	0	0	0	0
<b>Net Total Recharges</b>	<b>2,573</b>	<b>1,278</b>	<b>1,301</b>	<b>(23)</b>	<b>(46)</b>
<b>Net Departmental Expenditure</b>	<b>8,294</b>	<b>3,357</b>	<b>3,473</b>	<b>(116)</b>	<b>(303)</b>

## Public Health &amp; Public Protection Department

	Annual Budget £'000	Budget to Date £'000	Actual £'000	Variance (Overspend) £'000	Forecast Outturn £'000
<b>Expenditure</b>					
Employees	4,183	1,446	1,305	141	261
Premises	5	0	0	0	0
Supplies & Services	234	90	69	21	42
Contracts & SLA's	7,152	3,172	3,172	0	0
Transport	10	4	1	3	5
Agency	20	20	20	0	0
Transfer to Reserves	50	0	0	0	0
<b>Total Expenditure</b>	<b>11,654</b>	<b>4,732</b>	<b>4,567</b>	<b>165</b>	<b>308</b>
<b>Income</b>					
Fees & Charges	-84	-18	-22	4	7
Reimbursements & Grant Income	-148	-99	-99	0	0
Transfer from Reserves	-584	-84	-84	0	0
Government Grant Income	-10,862	-4,197	-4,197	0	0
<b>Total Income</b>	<b>-11,678</b>	<b>-4,398</b>	<b>-4,402</b>	<b>4</b>	<b>7</b>
<b>Net Operational Expenditure</b>	<b>-24</b>	<b>334</b>	<b>165</b>	<b>169</b>	<b>315</b>
<b>Covid Costs</b>					
Contain Outbreak Management Fund	0	0	1,621	(1,621)	(3,783)
Practical Support Self-Isolation	0	0	51	(51)	(278)
Community Based Testing	0	0	170	(170)	(170)
Targeted Community Testing	0	0	126	(126)	(367)
<b>Covid Loss of Income</b>					
Pest Control income	-10	-10	0	(10)	(10)
Exercise class income	-16	-16	0	(16)	(16)
Day trip income	-3	-3	0	(3)	(3)
<b>Government Grant Income</b>					
General Covid Funding	0	0	-29	29	29
Contain Outbreak Management Fund	0	0	-1,621	1,621	3,783
Practical Support Self-Isolation	0	0	-51	51	278
Community Based Testing	0	0	-170	170	170
Targeted Community Testing	0	0	-126	126	367
<b>Net Covid Expenditure</b>	<b>-29</b>	<b>-29</b>	<b>-29</b>	<b>0</b>	<b>0</b>
<b>Recharges</b>					
Premises Support	119	59	59	0	0
Transport Support	24	12	12	0	0
Central Support	751	327	310	17	35
Support Income	-155	-155	-155	0	0
<b>Net Total Recharges</b>	<b>739</b>	<b>243</b>	<b>226</b>	<b>17</b>	<b>35</b>
<b>Net Departmental Expenditure</b>	<b>686</b>	<b>548</b>	<b>362</b>	<b>186</b>	<b>350</b>

## Corporate and Democracy

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn (Overspend)
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	324	162	166	(4)	(8)
Contracted Services	38	19	97	(78)	0
Supplies & Services	129	65	90	(25)	0
Premises Expenditure	5	5	22	(18)	0
Transport Costs	0	0	168	(168)	(168)
Members Allowances	884	442	428	14	0
Interest Payable - Treasury Management	1,099	550	550	0	0
Interest Payable - Other	303	151	14	137	274
Bank Charges	85	43	123	(80)	(150)
Audit Fees	128	64	64	0	0
Contingency	807	0	0	0	0
Capital Financing	1,888	0	0	0	343
Contribution to Reserves	6,194	0	0	0	0
Debt Management Expenses	34	17	10	7	23
Precepts & Levies	198	99	99	0	(5)
<b>Total Expenditure</b>	<b>12,115</b>	<b>1,616</b>	<b>1,830</b>	<b>-214</b>	<b>309</b>
<b>Income</b>					
Interest Receivable - Treasury Management	-1,236	-618	-589	(29)	73
Interest Receivable - Other	0	0	0	0	0
Other Fees & Charges	-117	-58	-71	13	0
Grants & Reimbursements	-115	-32	-85	53	0
Government Grant Income	-10,922	-5,461	-5,461	0	0
Transfer from Reserves	-8,143	0	0	0	0
<b>Total Income</b>	<b>-20,532</b>	<b>-6,170</b>	<b>-6,206</b>	<b>37</b>	<b>73</b>
<b>Net Operational Expenditure</b>	<b>-8,417</b>	<b>-4,554</b>	<b>-4,377</b>	<b>(177)</b>	<b>382</b>
<b>Covid Government Grant Income</b>					
Clinically Extremely Vulnerable	0	0	-261	261	261
<b>Net Covid Expenditure</b>	<b>0</b>	<b>0</b>	<b>-261</b>	<b>261</b>	<b>261</b>
<b>Recharges</b>					
Premises Recharges	3	1	1	0	0
Central Recharges	1,495	747	747	0	0
Recharge Income	-3,283	-1,248	-1,248	0	0
<b>Net Total Recharges</b>	<b>-1,785</b>	<b>-499</b>	<b>-499</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>-10,202</b>	<b>-5,053</b>	<b>-5,137</b>	<b>84</b>	<b>643</b>



Capital Programme as at 30 September 2021

Appendix 3

Directorate/Department	2021/22 Capital Allocation	Allocation to Date	Actual Spend to 30 September 2021	Total Allocation Remaining	2022/23 Capital Allocation	2023/24 Capital Allocation
	£'000	£'000	£'000	£'000	£'000	£'000
<b>PEOPLE DIRECTORATE</b>						
Asset Management Data	25	9	4	21	0	0
Capital Repairs	1,111	800	764	347	0	0
Asbestos Management	12	10	9	3	0	0
Schools Access Initiative	50	20	9	41	0	0
Basic Needs Projects	606	0	0	606	0	0
Fairfield Primary School	6	0	0	6	0	0
Kitchen Gas Safety	0	26	34	-34	0	0
Small Capital Works	7	30	18	-11	0	0
SEND allocation	77	7	35	42	0	0
Healthy Pupil Capital Fund	753	0	0	753	0	0
Chesnut Lodge	986	4	3	983	0	0
Ashley at The Heath	0	8	10	-10	0	0
Woodside KS2 Resource Base	4	2	2	2	0	0
Grants – Disabled Facilities	650	300	204	446	600	600
Stair Lifts	250	125	94	156	270	270
Joint Funding RSL Adaptations	200	100	56	144	270	270
Millbrow Care Home	1,450	10	7	1,443	0	0
Madeline McKenna	100	20	11	89	0	0
St Lukes	240	10	3	237	0	0
St Patricks	50	20	11	39	0	0
Orchard House	30	32	32	-2	0	0
<b>TOTAL PEOPLE DIRECTORATE</b>	<b>6,607</b>	<b>1,533</b>	<b>1,306</b>	<b>5,301</b>	<b>1,140</b>	<b>1,140</b>



Capital Programme as at 30 September 2021...continued

Directorate/Department	2021/22 Capital Allocation	Allocation to Date	Actual Spend to 30 June 2021	Total Allocation Remaining	2022/23 Capital Allocation	2023/24 Capital Allocation
	£'000	£'000	£'000	£'000	£'000	£'000
<b>ENTERPRISE, COMMUNITY &amp; RESOURCES DIRECTORATE</b>						
Stadium Minor Works	30	20	19	11	30	30
Stadium Decarbonisation Scheme	1,200	150	154	1,046	0	0
Children's Playground Equipment	65	12	12	53	65	65
Landfill Tax Credit Schemes	340	0	0	340	340	340
Upton Improvements	13	0	0	13	0	0
Crow Wood Park	50	1	1	49	5	0
Peelhouse Lane Cemetery	20	3	4	16	0	0
Runcorn Town Park	280	10	9	271	300	300
Open Spaces Schemes	650	155	154	496	600	600
Litter Bins	20	0	0	20	20	20
Brookvale Pitch Refurbishment	577	0	0	577	0	0
Halton Leisure Centre	10,897	40	38	10,859	8,000	0
Widnes Cremator	200	0	0	200	0	0
IT Rolling Programme	700	221	221	479	700	700
Covid IT Capital Costs	0	0	46	-46	0	0
3MG	199	16	16	183	0	0
Murdishaw redevelopment	38	0	0	38	0	0
Equality Act Improvement Works	250	76	76	174	300	300
Widnes Market Refurbishment	44	30	30	14	0	0
Broseley House	389	7	7	382	15	0
Solar Farm Extension	146	123	123	23	0	0
Foundary Lane Residential Area	1,682	51	51	1,631	0	0

**Capital Programme as at 30 September 2021...continued**

<b>Directorate/Department</b>	<b>2021/22 Capital Allocation</b>	<b>Allocation to Date</b>	<b>Actual Spend to 30 June 2021</b>	<b>Total Allocation Remaining</b>	<b>2022/23 Capital Allocation</b>	<b>2023/24 Capital Allocation</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Kingsway Learning Centre Improved Facilities	37	0	0	37	0	0
Kingsway Learning Centre Equipment	8	8	8	0	0	0
Halton Lea TCF	1,062	182	182	880	0	0
Property Improvements	200	3	3	197	200	200
Astmoor Regeneration	110	82	22	88	0	0
Runcorn Town Centre Fund	1,050	0	0	1,050	0	0
Bridge and Highway Maintenance	4,910	1,167	1,167	3,743	0	0
Integrated Transport	3,119	164	164	2,955	0	0
Street Lighting - Structural Maintenance	710	26	26	684	200	200
Street Lighting - Upgrades	2,745	14	14	2,731	0	0
Widnes Loops	2,792	100	100	2,692	0	0
SUD Green Cycle / Walk Corridors	282	5	5	277	0	0
Windmill Hill flood Risk Management Scheme	212	139	139	73	0	0
Risk Management	404	1	1	403	120	120
Fleet Replacements	3,817	129	129	3,688	2,590	1,207
Silver Jubilee Bridge - Major Maintenance Scheme	320	0	0	320	0	0
Silver Jubilee Bridge - Decoupling / Runcorn Station Quarter	1,114	3,264	3,264	-2,150	0	0
Silver Jubilee Bridge - Lighting	493	123	123	370	0	0
<b>TOTAL ENTERPRISE, COMMUNITY &amp; RESOURCES DIRECTORATE</b>	<b>41,175</b>	<b>6,322</b>	<b>6,308</b>	<b>34,867</b>	<b>13,485</b>	<b>4,082</b>

**Capital Programme as at 30 September 2021...continued**

Directorate/Department	2021/22 Capital Allocation	Allocation to Date	Actual Spend to 30 June 2021	Total Allocation Remaining		2022/23 Capital Allocation	2023/24 Capital Allocation
	£'000	£'000	£'000	£'000		£'000	£'000
<b>TOTAL CAPITAL PROGRAMME</b>	<b>47,782</b>	<b>7,855</b>	<b>7,614</b>	<b>40,168</b>		<b>14,625</b>	<b>5,222</b>
Slippage (20%) Carried Forward	-9,556					-2,925	-1,044
Slippage Brought Forward						9,556	2,925
<b>TOTAL</b>	<b>38,225</b>	<b>7,855</b>	<b>7,614</b>	<b>30,611</b>		<b>21,256</b>	<b>7,103</b>

**REPORT TO:** Executive Board

**DATE:** 18 November 2021

**REPORTING OFFICER:** Operational Director – Finance

**PORTFOLIO:** Resources

**TITLE:** Treasury Management Half Year Report 2021-22

**WARDS:** 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 is noted

### **3.0 SUPPORTING INFORMATION**

#### **Economic Outlook**

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

3.2 During the six months ended 30 September 2021

- GDP rose by 2.3% month on month in April as restrictions were lifted on non-essential retailers, and a further boost in May as indoor hospitality resumed. But there was only a 0.1% month on month rise in July as rising virus cases and product/labour shortages stalled the recovery. Shortages worsened in August and September
- CPI accelerated to 2.1% in May due to energy effects and a surge in reopening inflation. Inflation increased further to a nine-year high of 3.2% in August.
- Gilt yields and sterling made little headway between April and June, but then gained strongly between July and September.

3.3 In the UK the Monetary Policy Committee (MPC) meeting voted unanimously to keep Bank Rate unchanged at 0.10% throughout the first 6 months of the year, and made no changes to its programme of quantitative easing which is due to finish at the end of the year. But at the meeting in September there was a major shift in the tone of the MPC's minutes at this meeting which had

majored on indicating that some tightening in monetary policy was now on the horizon, but also not wanting to stifle economic recovery by increasing the Bank Rate too early.

- 3.4 Financial markets are now pricing in a first increase in Bank Rate from 0.10% to 0.25% in February 2022, but this looks ambitious as the MPC has stated that it wants to see what happens to the economy, and particularly to employment once furlough ends at the end of September. At the MPC's meeting in February it will only have available the employment figures for November: to get a clearer picture of employment trends, it would need to wait until the May meeting when it would have data up until February. At its May meeting, it will also have a clearer understanding of the likely peak of inflation.
- 3.5 In the EU, the slow roll out of vaccines initially delayed economic recovery in early 2021 but the vaccination rate has picked up sharply since then. After a contraction in GDP of -0.3% in Q1, Q2 came in with strong growth of 2%, which is likely to continue into Q3, though some countries more dependent on tourism may struggle. Recent sharp increases in gas and electricity prices have increased overall inflationary pressures but the European Central Bank is likely to see these as being only transitory after an initial burst through to around 4%, so is unlikely to be raising rates for a considerable time.
- 3.6 World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum more recently. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these should subside during 2022. It is likely that we are heading into a period where there will be a reversal of world globalisation and a decoupling of western countries from dependence on China to supply products, and vice versa. This is likely to reduce world growth rates from those in prior decades.
- 3.7 The pandemic and extreme weather events have been highly disruptive of extended worldwide supply chains. At the current time there are major queues of ships unable to unload their goods at ports in New York, California and China. Such issues have led to mis-distribution of shipping containers around the world and have contributed to a huge increase in the cost of shipping. Combined with a shortage of semi-conductors, these issues have had a disruptive impact on production in many countries. Many western countries are having difficulty in filling job vacancies. It is expected that these issues will be gradually sorted out, but they are currently contributing to a spike upwards in inflation and shortages of materials and goods on shelves.

### **Interest Rate Forecast**

- 3.8 The following forecast has been provided by Link Asset Services.

Link Group Interest Rate View		29.9.21								
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
<b>BANK RATE</b>	0.10	0.10	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.75
3 month ave earnings	0.10	0.10	0.20	0.20	0.30	0.40	0.50	0.50	0.60	0.70
6 month ave earnings	0.20	0.20	0.30	0.30	0.40	0.50	0.60	0.60	0.70	0.80
12 month ave earnings	0.30	0.40	0.50	0.50	0.50	0.60	0.70	0.80	0.90	1.00
5 yr PWLB	1.40	1.40	1.50	1.50	1.60	1.60	1.60	1.70	1.70	1.70
10 yr PWLB	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10
25 yr PWLB	2.30	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.60
50 yr PWLB	2.00	2.00	2.10	2.20	2.20	2.20	2.20	2.30	2.30	2.40

3.9 The bank base rate has remained at 0.1% since 19 March 2020.

#### Short Term Borrowing Rates

	Mar	Apr	May	Jun	Jul	Aug	Sep
	%	%	%	%	%	%	%
Call Money (Market)	0.04	0.04	0.04	0.04	0.04	0.04	0.04
1 Month (Market)	0.05	0.05	0.05	0.05	0.06	0.05	0.05
3 Month (Market)	0.09	0.08	0.08	0.08	0.07	0.07	0.08

#### Longer Term Borrowing Rates

	Mar	Apr	May	Jun	Jul	Aug	Sep
	%	%	%	%	%	%	%
1 Year (Market)	0.16	0.16	0.16	0.18	0.19	0.22	0.37
10 Year (PWLB)	1.75	1.75	1.74	1.65	1.48	1.49	1.84
25 Year (PWLB)	2.19	2.16	2.16	2.06	1.82	1.84	2.19

3.10 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.

## Borrowing and Investments

### Turnover during the period

	No of deals	Turnover £m
Short Term Borrowing	-	-
Short Term Investments	7	70

### Position at month end

	Mar £m	Apr £m	May £m	Jun £m	Jul £m	Aug £m	Sep £m
Total Borrowing	172	172	172	172	172	172	172
Total Investments	(80)	(86)	(101)	(106)	(106)	(106)	(106)
Call Account Balance	(19)	(28)	(33)	(32)	(37)	(37)	(41)

### Investment benchmarking

	Benchmark Return %	Performance Apr - Sep %	Investment Interest Earned £000
<b>Benchmark</b>			
7 day	-0.08	0.02	3
1 month	-0.07	0.00	-
3 months	-0.23	0.00	-
6 months	-0.20	0.35	77
12 months	0.06	0.37	68
Over 12 months		0.90	156
Property Fund		3.75	93
<b>Total</b>			<b>397</b>

- 3.11 This shows the Council has over achieved on all benchmarks for the first 6 months of the year. There are no benchmarks available for the Council's investment in the CCLA property fund, or for investments held over 12 months.

## Budget Monitoring

<b>Net Interest at 30th September 2021</b>			
	<b>Budget Year to Date £000</b>	<b>Actual Year to Date £000</b>	<b>Variance (o/spend) £000</b>
Investment	(335)	(397)	62
Borrowing	550	550	-
<b>Total</b>	<b>214</b>	<b>153</b>	<b>62</b>

### New Long Term Borrowing

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

### Policy Guidelines

3.13 The Treasury Management Strategy Statement (TMSS) for 2021/22, which includes the Annual Investment Strategy, was approved by the Council on 04 March 2021. It sets out the Council's investment priorities as being:

- Security of capital;
- Liquidity; and
- Yield

3.14 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 Link Asset Service's credit rating methodology.

### Treasury Management Indicators

3.15 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

3.16 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 – 2021/22 – Quarter 2

Prudential Indicators	2020/21	2021/22	
	Full Year Actual £000	Original Estimate £000	Quarter 2 Estimate £000
Capital Expenditure	26,761	24,583	47,782
Net Financing Need for the Year <i>(Borrowing Requirement)</i>	7,311	14,816	20,217
Increase / (Decrease) in CFR <i>(Capital Financing Requirement)</i>	(2,412)	(2,787)	2,379
Ratio of Financing Costs to Net Revenue Stream <i>(Proportion of cost of borrowing to Council's net revenue)</i>	2.1%	2.2%	1.9%
External Debt <i>(Borrowing plus PFI and lease liabilities)</i>	544,676	532,679	532,679
Operational Boundary <i>(Limit of which external debit is not expected to exceed)</i>	566,519	559,675	559,675
Authorised Limit <i>(Limit beyond which external debit is prohibited)</i>	637,602	647,965	647,965

Maximum Principal invested > 365 days	Investment	2020/21	2021/22
	Limit £000	Actual £000	Estimate £000
Principal Sums Invested over 365 days	40,000	20,000	25,700

**REPORT TO:** Executive Board

**DATE:** 18<sup>th</sup> November 2021

**REPORTING OFFICER:** Operational Director, Finance

**PORTFOLIO:** Corporate Services

**SUBJECT:** Determination of Council Tax Base 2022/23

**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, Liverpool City Region Combined Authority and the Environment Agency by 31<sup>st</sup> January 2022. 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 2022/23 Council Tax Base at 35,831 for the Borough, and that the Cheshire Fire Authority, the Cheshire Police & Crime Commissioner, Liverpool City Region Combined Authority and the Environment Agency be so notified; and
- (2) Council set the Council Tax Base for each of the Parishes as follows:

Parish	Tax Base
Hale	664
Halebank	526
Daresbury	186
Moore	333
Preston Brook	368
Sandymoor	1,417

### **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, Cheshire Police & Crime Commissioner and Liverpool City Region Combined Authority), 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 19 October 2021. Adjustments are then made to take into account the estimated number of discounts, voids, additions and demolitions during the period 19 October 2021 to 31 March 2022.
- 3.4 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 2022/23 is converted into the equivalent number of whole properties which are deducted from the total.
- 3.5 The tax base calculation will include an element for Care Leavers Discretionary Discount. The estimated amount of Care Leavers Discount payable for 2022/23 is converted into the equivalent number of whole properties which are deducted from the total.
- 3.6 The tax base calculation will include an element for Foster Carers Discretionary Discount. The estimated amount of Foster Carers Discount payable for 2022/23 is converted into the equivalent number of whole properties which are deducted from the total.
- 3.7 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.
- 3.8 Taking account of all the relevant information and applying a 97.0% collection rate, the calculation for 2022/23 provides a tax base figure of **35,831** for the Borough as a whole.

- 3.9 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

<b>Parish</b>	<b>Tax Base</b>
<b>Hale</b>	<b>664</b>
<b>Halebank</b>	<b>526</b>
<b>Daresbury</b>	<b>186</b>
<b>Moore</b>	<b>333</b>
<b>Preston Brook</b>	<b>368</b>
<b>Sandymoor</b>	<b>1,417</b>

#### **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 2022/23.

#### **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 2022/23.

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

- 8.1 None.

**9.0 REASON FOR THE DECISION**

9.1 To determine the Council Tax Base for the area and also the Council Tax Base relating to each of the Parishes.

**10.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

10.1 There is no alternative option, as the Council Tax Base is the measure used for calculating Council Tax and is used by both the Council and the major precepting authorities in the calculation of their Council Tax requirements.

**11.0 IMPLEMENTATION DATE**

11.1 The Council Tax Base will be used to set the Council Tax for 2022/23 applicable from 1st April 2022.

**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	Halton Stadium	Stephen Baker

**REPORT TO:** Executive Board

**DATE:** 18 November 2021

**REPORTING OFFICER:** Operational Director, Finance

**PORTFOLIO:** Corporate Services

**SUBJECT:** Medium Term Financial Strategy 2022/23 – 2024/25

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

### **1.0 PURPOSE OF REPORT**

1.1 To establish the Medium Term Financial Strategy for the period 2022/23 to 2024/25.

### **2.0 RECOMMENDATION: That;**

- (i) the Medium Term Financial Strategy be approved;**
- (ii) the 2022/23 base budget be prepared on the basis of the underlying assumptions set out in the Strategy;**
- (iii) the Reserves and Balances Strategy be approved;**
- (iv) the award of Council Tax Support for 2022/23 remains at the 2021/22 level of 21.55%.**

### **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. There is limited financial information available for 2022/23, with the Public Sector Spending Review being the first indicator of funding resources. The Spending Review was published at the end of October 2021 and covers the next three financial years. Details of the 2022/23 Local Government Grant Settlement are expected to be released in December 2021 on a provisional basis, with a final settlement expected in January 2022.

3.2 The delay and uncertainty regarding 2022/23 financial resources means the financial information included within the MTFS is based on a large number of assumptions and best estimates. The financial forecast will be updated as and when further information is known.

- 3.3 There is considerable uncertainty surrounding Local Government Funding in 2022/23 and beyond. The Fair Funding Review, which changes how funding is apportioned between councils, was due to be implemented in 2021/22, alongside a Business Rates Baseline Reset and a move to 75% Business Rates Retention. Delays with the Brexit process and the subsequent disruption from Covid-19 have pushed these reforms back indefinitely.
- 3.4 The Covid-19 pandemic has continued to have a significant impact on Council services during 2021/22. Costs within Adult's and Children's Social Care, and Waste Management remain higher than pre-Covid levels, and Government restrictions caused the temporary closure of many services within the Community & Environment Department, leading to significant income losses. It is likely that some of these costs will continue into the medium and long term.
- 3.5 2020/21 was an exceptional year due to a substantial increase in grant funding to deal with the impact of Covid-19, and the reduction and cessation of many services during national and local lockdowns. As a result, spend was £2.3m under the approved budget at the end of the 2020/21 financial year. The indications are that this underspend position will not continue into the 2021/22 financial year, with increased demand pressures causing a significant rise in costs within Adult's and Children's Social Care.
- 3.6 Appendix 1 details the Medium Term Financial Strategy from 2022/23 – 2024/25 which has been produced using a prudent estimate of the financial conditions over the course of the next three years.
- 3.7 Although the projections in the Strategy must be treated with a considerable degree of caution, they show there is continued need to make a significant level of savings over the next three years.
- 3.8 The Strategy provides initial guidance to the Council on its financial position into the medium term. Adopting a prudent view, the strategy identifies that revenue savings of approximately £12.0m, £4.2m and £2.6m are required over the next three years. As a result, a total of £18.8m will need to be removed from the Council's budget, by reducing spending or increasing income. This represents 16.9% of the 2021/22 net budget. The majority of these savings will need to be made in the 2022/23 financial year.

#### **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 MTFFS provides a guide to projected receivable funding resources over the three year term. The grant amounts included in the MTFFS 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 2022/23 to 2024/25.

## **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 2022/23 will be implemented from 1st April 2022.

## **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>
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Local Government  
Grant Settlement  
2021/22

Revenues and  
Financial Management  
Division, Halton  
Stadium, Widnes

Steve Baker

## Appendix 1

### Medium Term Financial Strategy 2022/23 – 2024/25

#### 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 2022/23 to 2024/25. 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 Beyond 2021/22 there is great uncertainty regarding the funding of local government. A number of major reviews to local government finance have been delayed as a result of the focus on Brexit negotiations and the Covid-19 pandemic.
- 1.4 The following measures will continue to be considered throughout the period covered by the MTFS:
  - Fair Funding Review – A review of how cumulative local government funding should be apportioned between councils. The last review was in April 2013 and since then cuts made to local government have been made on a percentage basis. This has had the impact of protecting those authorities less reliant on Government grant funding whilst those councils which are more reliant (such as Halton) have had to deal with larger cuts in funding on a per head basis. The Fair Funding Review was due to be implemented in the 2021/22 financial year, and was postponed due to the impact of Covid-19. To date, only one indicative formula, relating to Adult Social Care, which will form part of the Fair Funding Review has been published. The formula suggests that deprivation will have a lower weighting under the new system which would disadvantage authorities such as Halton. As the Spending Review 2021 covers the following three financial years and no further details of Fair Funding have been published, it has been assumed that the review will not be implemented within the scope of the forecast.
  - 75% Business Rates Retention – Government have confirmed the percentage share of retained rates at a local level will be 75%. This was first due to be implemented in the 2021/22 financial year but has now been postponed. It was confirmed at Spending Review 2021 that Halton will continue to be part of the Liverpool City Region Business Rate Pilot until 2024/25 with 100% retention.
  - Business Rates Baseline Reset – A reset of the business rates baseline was due to take place in 2021/22. Halton has seen a high level of growth in business rates since the previous reset in 2013 and would be expected to lose funding

from a reset in the baseline. It is not known if there will be a transition process put in place to protect authorities from too high a loss in funding from an increase to the baseline position. The reset was postponed due to Covid-19, and it is unclear when this will now take place. As the full impact of Covid-19 on business rates will only become clear over the course of several years, it has been assumed for the purpose of this report that the reset will not take place within the timescale covered by the forecast.

- Comprehensive Spending Review – The Spending Review was published on 27 October 2021, covering the next three financial years. It was announced that Local Government will receive an increase in Core Spending Power of approximately 3% per year between 2022/23 and 2024/25, amounting to an additional £1.6bn of funding per year. No details of how this funding will be distributed, or whether it will be ring-fenced to specific services, was released. Full details are expected to be published as part of the Provisional Local Government Finance Settlement in December 2021.
- Social Care Green Paper – This was expected to be announced by Government in the summer of 2018 but has been repeatedly delayed. The Government published a Plan for Health and Social Care in September 2021, although this fell a considerable way short of being a fundamental review of social care funding. The Plan instead focused on the level of contributions that individuals will need to make towards their care. Whilst it is anticipated that councils will receive funding to cover their loss of income as a consequence of these changes, it was stressed that demographic changes and unit cost pressures must “be met through the council tax, the social care precept, and long-term efficiencies.” No additional funding for social care beyond the additional precept has therefore been included in the forecast.

## **2.0 Local Government Finance Settlement 2021/22**

2.1 Government announced the 2021/22 final Local Government Finance Settlement on 04 February 2021. Details included:

- I. Council Tax – As previously announced at Spending Round 2020, the council tax referendum limit was set at 2% for local authorities, with social care authorities allowed a 3% social care precept.
- II. Business Rates Retention – The three elements of the Business Rates Retention system (Baseline Need, NNDR Baseline and Tariff / Top Up amounts) were all increased by 3.1%, in line with the September 2020 CPI inflation figure. The Business Rates Multiplier was frozen in 2021/22, with councils receiving additional grant funding to compensate for this.
- III. New Homes Bonus - The 2021/22 allocations will be paid with the legacy payments due from previous years (2018/19 to 2019/20). There will be no legacy payments for 2020/21 or 2021/22 in future year allocations.
- IV. Social Care Support Grant – Government announced an additional £300m of funding to cover both Adult’s and Children’s Social Care. The value of the grant (including the existing Winter Care Pressures Grant) to Halton in 2021/22 was £5.2m.
- V. Lower Tier Services Grant – New funding of £111m for services provided by lower tier authorities was announced, financed through the reduction in New

Homes Bonus payments. The value of the grant to Halton in 2021/22 was £0.2m.

- VI. Covid-19 Support – Several additional one-off measures were announced to help councils address the impact of the ongoing Covid-19 pandemic, including additional un-ringfenced grant funding worth £4.376m to Halton, funding to support the increase in working-age Local Council Tax Support claimants worth £1.5m to Halton, confirmation of the Local Tax Income Guarantee to cover 75% of council tax and business rates losses in 2020/21, and the extension of the Sales, Fees and Charges Compensation Scheme into the first quarter of 2021/22.

### **3.0 Council Tax Support**

- 3.1 Funding to support council tax discounts is received 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.
- 3.2 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.
- 3.3 In 2013/14 the level of grant awarded was shown separately within the formula for Settlement Funding Assessment but from 2014/15 the grant is no longer separately identifiable. It is assumed the level of funding will move in line with the Council's overall Settlement Funding Assessment.
- 3.4 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.

### **4.0 Business Rate Retention Scheme**

- 4.1 The aim of the business rates retention scheme is to promote economic development and generate 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 Council's detriment.
- 4.2 An estimate of the Council's share of retained business rates will be provided to DLUHC in January 2022. In January 2021 it was confirmed that Government would provide grant funding to cover 75% of councils' relevant business rates deficits from the 2020/21 financial year when the economic downturn caused by Covid-19 led to a significant decrease in business rates collected nationally.

The remaining 25% of the deficit is required to be carried forward, with one third charged to the Collection Fund in each of the three subsequent financial years. For Halton, this means that £2.525m of the 2020/21 business rates deficit will need to be accounted for in 2022/23 and 2023/24. This is included within the forecast figures.

- 4.3 The business rates baseline was due to be reset in 2021/22, but this was postponed due to the Covid-19 pandemic. No new date has been given for the implementation of the reset, although as Spending Review 2021 has given a three year indicative settlement, it has been assumed that this will not take place within the timescales covered by the MTFS.

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

- 4.4 As part of the Liverpool City Region, the Council has signed up to being a member of a pilot scheme for 100% business rates retention. The pilot scheme has been in operation since April 2017.
- 4.5 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 and Additional Better Care Fund has been included in the pilot and funded by business rates retained.
- 4.6 DLUHC 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 was still operating under 49% rates retention.
- 4.7 Operation of no financial detriment within the pilot scheme means that any LCR authority who report a deficit as a result of the pilot will at first be reimbursed from other member pilot authorities who report a surplus as a result of the pilot. Only when any available surplus has been exhausted will Government step in and provide financial support.
- 4.8 For the first four years of the pilot scheme all LCR authorities reported a betterment position as a result of retaining 100% business rates, therefore surplus income from the pilot scheme has previously been used to balance the Council's revenue budget.
- 4.9 All authorities were due to move to 75% business rates retention in 2021/22, but the Government announced in July 2020 that this would be postponed. It was subsequently announced in the October 2021 Spending Review that current pilot schemes will remain in place until at least 2024/25.

### **5.0 Settlement Funding Assessment**

- 5.1 In 2021/22 DLUHC allocated Halton a Settlement Funding Assessment (SFA) of £52.424m. This was made up of £46.857m business rates baseline funding

and £5.567m 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 is estimated it can generate. The business rates baseline and funding level is set in the system and uplifted each year by the Consumer Price Index (CPI).

5.2 Table 1 shows the expected Settlement Funding Assessment for the next three years based on information provided at the time of the 2021/22 settlement announcement. At the time of writing the report Government have yet to publish any detailed public sector spending plans for 2022/23 onwards, therefore the SFA for 2022/23 has been uplifted as per the September CPI figure of 3.1% with the following two years increased by the Government's inflation target of 2%.

5.3 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**

	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>
Business Rate Baseline	46,857	48,310	49,276	50,261
Top-Up Funding	5,567	5,740	5,854	5,971
<b>Total Settlement Funding Assessment</b>	<b>52,424</b>	<b>54,050</b>	<b>55,130</b>	<b>56,232</b>
Business Rates Growth Retained	4,200	5,702	5,817	5,933
Business Rate Surplus	0	0	0	0
<b>Forecast Business Rates Retained (Incl Top-Up Funding)</b>	<b>56,624</b>	<b>59,752</b>	<b>60,947</b>	<b>62,165</b>
<b>Increase (Decrease) in Business Rates Retained</b>	<b>-</b>	<b>3,128</b>	<b>1,195</b>	<b>1,218</b>

## 6.0 Council Tax Forecast

6.1 For 2021/22 the council tax for a Band D property in Halton is £1,549.34 (excluding Police, Fire, LCR and Parish precepts), which is expected to generate income of £54.509m.

6.2 When setting council tax levels, higher increases reduce the requirement to make budget 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 2021/22.
- Halton's 2021/22 council tax is £57.29 (3.7%) below the average council tax set by unitary councils in England.

- Inflation - the Consumer Price Index (CPI) as at September 2021 (latest available) is currently at 3.1% and the Retail Price Index (RPI) is at 4.9%.

- 6.3 The 2022/23 Council Tax Base shows an increase of 649 Band D equivalent properties to a total of 35,831, assuming a collection rate of 97%. When setting the Council Tax Base in 2021/22, a collection rate of 96% was used as it was anticipated that collecting council tax income would be more difficult during the pandemic. After careful monitoring of the collection rate over the past year, an increase of 1% can be assumed, returning the collection rate to its pre-pandemic level of 97%. The increase in the Tax Base will result in an increase of £1.006m of council tax income.
- 6.4 In 2021/22 the Council utilised £0.333m of council tax surplus income to balance the budget. It is estimated that there will be £1.187m of surplus available to fund the 2022/23 budget.
- 6.5 For the purposes of this strategy it is assumed the Council will apply a council tax increase of 1.99% in 2022/23. It is further assumed there will be a 1% increase for the Adult Social Care precept in 2022/23.
- 6.6 Table 2 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 2022/23.

**Table 2 – Additional Council Tax Income 2022/23 to 2024/25**

<b>Projected Increases in Council Tax Income</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>
0%	-	-	-
1%	555	561	566
2%	1,110	1,132	1,155
3%	1,665	1,715	1,767

## **7.0 Three-Year Financial Forecast**

- 7.1 The Medium Term Financial Strategy (MTFS) 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.
- 7.2 The Council's financial position over the course of 2022/23 – 2024/25 is extremely uncertain due to the continuing economic impacts of Covid-19 and the ongoing political uncertainty surrounding the future of local government funding. This forecast uses prudent estimates based on the information that is



currently available. Figures should be treated with caution and will need to be continually updated as new information becomes available.

- 7.3 For the purposes of this forecast it has been assumed that the Fair Funding Review will not be implemented within the next three years. It has also been assumed that Halton will continue in the 100% business rates retention pilot scheme.
- 7.4 It has been assumed that council tax will rise by 2.99% in each year of the forecast which is currently the maximum allowed without a local referendum, and includes a precept for Adult Social Care of 1% per annum. Any increase in council tax below these levels would lead to an increase in the required level of budget savings.
- 7.5 The Retail Price Index (RPI) rate of inflation for September 2021 was recorded as 4.9%. 2% has been included for general price inflation in the 2022/23 forecast, with 4% added to domiciliary, residential care and direct payment budgets. It is anticipated that inflation on utilities will significantly exceed that of general inflation. Currently, it is forecast that electricity costs will rise by 25%, gas by 40% and street lighting costs by 40% in March 2022. £2.754m of inflationary costs have been added to the forecast in 2022/23, £0.537m of which is attributable to utilities. Inflation of 2% has been added to prices for 2023/24 and 2024/25, in line with the Bank of England's inflation target. 2% inflation has been applied to income budgets in all three years of the forecast.
- 7.6 Pay increases for 2022/23 and beyond are unknown. For the purposes of the forecast a rate of 2% has been applied for each of the three years.
- 7.7 The Pension Fund Triennial Review was completed in 2019/20, and set the employer contribution rates as follows:
- 2020/21 – 22.6%
  - 2021/22 – 21.6%
  - 2022/23 – 20.6%

An estimate of 20.6% has been used for 2023/24 onwards.

- 7.8 The Council has an arrangement in place whereby staff have four days unpaid leave included within their terms and conditions. It is estimated this saves the Council £1.026m per year. This arrangement ends in 2021/22 with the effect of increasing overall staff costs. Growth is therefore included in the first year of the forecast to reflect this.
- 7.9 The operation of the New Homes Bonus grant was altered for 2020/21 to remove legacy payments from any new allocations. It was anticipated that the nature of the grant would change substantially in 2021/22 but no further announcements have been made by Government regarding the future of the New Homes Bonus scheme. It has therefore been assumed that funding will continue on the same basis as in 2020/21 and 2021/22. This will lead to a reduction in funding of £1.183m over the course of the three-year forecast as

no new legacy payments will be received. A new Lower Tier Services grant was introduced in 2021/22, funded from the reduced New Homes Bonus payments. It has been assumed that this grant will continue to be received in 2022/23.

- 7.10 The Government's Plan for Health and Social Care, published in September 2021, set out changes to the amounts that individuals would be expected to contribute towards social care costs, as well as confirming a 1.25% rise to both employees' and employers' national insurance rates from April 2022. Government have stated their intention to fund the increased cost of employers' national insurance contributions within the public sector. It has therefore been assumed that the increase in pay costs attributable to the increase in national insurance rates will be covered by additional funding from Government. The forecast assumes that the rates that the Council pays for domiciliary care, residential care and direct payments will rise as providers pass on these increased staffing costs. A 4% increase to these budgets is included in the first year of the forecast.
- 7.11 Changes to the contributions that individuals make towards their care costs will come into force in October 2023. These measures consist of a new cap on care costs per person of £0.086m, and changes to the savings limit and income threshold which will entitle more people to help with the cost of their care. It is intended that the increase to national insurance will fund these measures, so no growth is included within the forecast. These changes will, however, increase the administrative burden on the Council as more in-depth financial assessments will need to be carried out. This will be kept under review as more details of how the changes will work in practice are released. Beyond providing funding to implement the new care cap, no additional funding has been provided to address the existing challenges within Adult Social Care services. A response from the Association of Directors of Adult Social Services emphasises that the announcement "will not add a single minute of extra care and support, nor improve the quality of life of older people, disabled people and unpaid carers," and leaves councils "faced with the choice of further council tax rises or dealing with the consequences of older, and disabled people going without vital care and support."
- 7.12 The forecast includes the budgetary consequences of previous budget decisions, including one-off savings and the use of reserves to balance the 2021/22 budget. These add £0.419m and £6.037m respectively to the forecast for 2022/23.
- 7.13 The net revenue costs associated with the capital programme are included in the forecast. It is estimated that there will be an increase in costs of £0.053m in 2022/23. The Financial Forecast and MTFs assumes that any new capital projects which are approved over the medium term will be self-funded through capital grants, capital receipts or will generate revenue savings to fund the cost of borrowing.
- 7.14 A key assumption that has been used in constructing the forecast 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's and Adult Social Care as well as many income streams. In this context it is important to consider the contingency for uncertain and unexpected items. Due to the considerable uncertainty in inflation, the ongoing Covid-19 pandemic, interest rates, demand-led budgets, the impact of spending cuts and loss of income, the spending forecast includes a contingency of £0.5m in 2022/23, £1.0m in 2023/24 and £2.0m in 2024/25.

- 7.15 The Council received £1.5m of funding in 2021/22 to compensate for the reduction in council tax base due to the increase in numbers of claimants accessing the Local Council Tax Support scheme during the Covid-19 pandemic. The loss of this funding in 2022/23 means that £1.5m of growth has been added to the forecast.
- 7.16 Estimated additional service demand pressures of £2.114m will need to be added to the budget in 2022/23. The largest additional spend is projected within Children's Social Care (£1.0m) due to an anticipated increase in demand for high-cost residential placements. The ongoing demand pressures within Children's Social Care and the need for continuing work to bring about service delivery improvements, are also likely to result in additional one-off costs.
- 7.17 The Council receives grant funding on an annual basis from the Department of Health to fund its Public Health activities. Between 2017/18 and 2021/22, Halton's allocation per capita has reduced from £82.00 to £80.52. It is anticipated that demand for Public Health services will rise over the medium term due to the need to compensate for the reduction in activity during the Covid-19 pandemic. These additional costs and the estimated levels of future grant income will be closely monitored over the course of the forecast period.
- 7.18 The majority of Council services have now reopened due to the easing of Covid restrictions, although there are still many areas where service levels have not returned to normal. Government support for sales, fees and charges income losses ended in June 2021, but income generated by Culture and Leisure services within Halton has not returned to pre-pandemic levels. It is unlikely that public usage of these services will return to normal levels whilst cases of Covid-19 are still relatively high. Income budgets were reduced in 2021/22 to reflect this and will now be phased back in over two years. Additional costs will continue to be incurred in Adult Social Care due to the long term need to maintain infection control measures. This has impacted on capacity within Adult Day Services, a consequence of which is increased costs within Community Care as clients have had to seek alternative care provision.

**Table 3 – General Fund Medium Term Spending Forecast 2022/23 – 2023/24**

Increase in spending required to maintain existing policies and services	Year on Year Change £'000		
	2022/23	2023/24	2024/25
Full Year Effect of Previous Year's Budget	6,456	0	0
Capital Programme	53	0	0
Pay and Price Inflation	5,027	2,527	2,578
Service Demand Pressures	2,079	1,345	1,600
Covid-19 Pressures	500	0	0
Contingency	500	1,000	2,000
Four Days Unpaid Leave	1,026	0	0
Reduction in New Homes Bonus Funding	513	670	0
Surplus from Business Rates Pool	-946	946	0
Removal of Covid-19 Grant Funding	3,476	0	0
<b>Total Increase</b>	<b>18,684</b>	<b>6,488</b>	<b>6,178</b>

## 8.0 The Funding Gap

8.1 At this level of spending there is a funding gap with the forecast level of resources. Table 4 demonstrates the forecast gap between spending and forecast resources at different levels of council tax increase.

**Table 4: Funding Gap with a given % increase in Council Tax**

	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>
Increase in Net Spend Forecast (Table 3)	18,684	6,488	6,178
Decrease (Increase) in Business Rates Retained (Incl Top-Up) (Table 1)	-3,128	-1,195	-1,219
Increase in Council Tax Base (Para 6.3)	-1,006	-555	-561
Decrease (Increase) in Council Tax Surplus (Para 6.4)	-854	1,187	0
<b>Funding Gap Before Council Tax</b>	<b>13,696</b>	<b>5,925</b>	<b>4,398</b>
<b>Funding Gap After Council Tax Increase at Various Levels</b>			
<b>0%</b>	13,696	5,925	4,398
<b>1%</b>	13,141	5,354	3,810
<b>2%</b>	12,586	4,771	3,198
<b>3%</b>	<b>12,037</b>	<b>4,182</b>	<b>2,569</b>

- 8.2 The table shows that total savings of £12.037m are forecast to be needed to balance next year's budget, assuming a 2.99% increase in council tax. This amounts to a 10.8% reduction to the 2021/22 net budget.
- 8.3 Further savings of £4.182m in 2023/24 and £2.569m in 2024/25 are required, assuming that council tax continues to increase by 2.99% per year. The total funding gap is £18.788m and represents 16.9% of the Council's 2021/22 net budget.
- 8.4 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 or attracting additional funding, in order to reduce costs whilst maintaining levels of service delivery.

## **9.0 Capital Programme**

- 9.1 The Council's capital programme is updated regularly throughout the year. Table 5 summarises the fully funded capital programme for the next two years.

**Table 5 – Capital Programme**

	<b>2022/23 (£'000)</b>	<b>2023/24 (£'000)</b>
<b>Spending</b>	<b>14,000</b>	<b>4,322</b>
Funding:		
Prudential Borrowing	9,191	807
Grants	1,726	1,446
Capital Receipts	3,083	2,069
<b>Total Funding</b>	<b>14,000</b>	<b>4,322</b>

9.2 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

9.3 The capital programme is underpinned by the Capital Strategy agreed by Council in March 2021.

9.4 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.

9.5 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.

## **10.0 Reserves and Balances**

10.1 The Council's Reserves and Balances Strategy is attached in Appendix 2. 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.

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

## **11.0 Conclusions**

11.1 This Strategy highlights that considerable budget savings will be required over the next three years, in order for the Council to deliver balanced annual revenue budgets. Alongside this, there is considerable uncertainty with regards to future funding.

- 11.2 The Business Rates Retention Scheme and Fair Funding Review carry further risks to the funding available to the Council over the medium and longer-term. The lack of certainty provided by Government means that it is very difficult to predict both the timing and extent of the impact upon the Council's budget of the planned funding changes.
- 11.3 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 implement these increases.
- 11.4 The Medium Term Financial Strategy has been based upon information that is currently available. Revisions will need to be made as new developments take place and new information becomes available.

## **APPENDIX 2**

### **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 RESERVE 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 2021 the balance of the Council's general reserve was £6.342m.
- 2.2 In addition to the general reserve the Council holds earmarked reserves set aside for specific purposes. As at 31 March 2021 the balance of earmarked reserves was £123.834m. This is broken down as follows:
  - Contractual - £72.791m
  - Non Covid Grants - £16.850m
  - Future Revenue Commitments - £13.145m
  - Capital Projects - £9.235m
  - Risk (inc Insurance) - £7.441m
  - Other - £4.372m

#### **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. Increased 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 2021 totals £3.0m.

**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 (Council Share) in respect of Council Tax and NNDR debtors at 31 March 2021 totals £12.7m.
- 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 2021 totals £8.5m. The treatment and funding of appeals is currently being considered nationally as part of the consultation regarding the implementation of 75% business rates retention. Once the outcome of this is known, the implications for future provisions for appeals can be determined.

<b>REPORT TO:</b>	Executive Board
<b>DATE:</b>	18 <sup>th</sup> November 2021
<b>REPORTING OFFICER:</b>	Operational Director – Finance
<b>PORTFOLIO:</b>	Corporate Services
<b>SUBJECT:</b>	Initial Budget Proposals 2022/23
<b>WARD(S):</b>	Borough-wide

### **1.0 PURPOSE OF REPORT**

1.1 To recommend to Council initial revenue budget proposals for 2022/23.

**2.0 RECOMMENDED: That Council approve the initial budget proposals for 2022/23 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 £18.8m over the next three years, with a gap of £12.0m for 2022/23. The forecast assumes that the Council will apply a general council tax increase of 1.99% in each year and will levy a 1% social care precept in 2022/23.

3.2 Budget savings proposals for 2022/23 are currently being developed by the Budget Working Group.

3.3 The initial set of savings proposals totalling £1.783m is listed in Appendix 1. It is proposed to implement these immediately in order to also achieve a part-year saving in 2021/22, 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 2022.

3.4 Appendix 1 includes an indication of whether each saving proposal is permanent or temporary (one-off).

3.5 The Government will announce its Grant Settlement for Local Government in December, which will provide the detailed funding figures for 2022/23 for Halton. It is expected that indicative figures will also be provided for 2023/24 and 2024/25.

- 3.6 A further set of budget saving proposals is currently being developed by the Budget Working Group, which will be recommended to Council on 2 March 2022 to deliver a balanced budget for 2022/23.

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

- 4.1 The revenue budget supports the Council in achieving the aims and objectives set out in 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.

#### **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 2022/23.

#### **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 2022/23 revenue budget will be implemented from 1st April 2022.

#### **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.

## 2022/23 INITIAL BUDGET PROPOSALS

	DIVISION / SERVICE	DESCRIPTION OF THE BUDGET PROPOSAL	ANNUAL BUDGET £'000	ESTIMATED BUDGET REDUCTIONS / ADDITIONAL INCOME		PERMANENT / TEMPORARY (P/T)
				2022/23 £'000	2023/24 £'000	
<b>PEOPLE DIRECTORATE</b>						
<b>DEPARTMENT: ADULT SOCIAL CARE</b>						
1	Independent Living Services	The budget for Deprivation of Liberty Safeguards assessments was increased previously to meet rising demand. However demand has now stabilised and the budget can therefore be reduced accordingly.	103	30	0	P
2	Independent Living Services	The Council previously made a contribution to the cost of a Pharmacy Technician but Halton Clinical Commissioning Group are now meeting this cost.	390	27	0	P
3	Housing Solutions	A review of supplies and services and premises costs has identified that efficiencies can be made in various budgets.	55	40	0	P
4	Housing Solutions	Removal of a part-time administrative post which has been held vacant for over a year.	67	10	0	P
5	Community Services	Efficiencies identified in various supplies and services budgets for the Positive Behaviour Support Service.	365	50	0	P
6	Independent Living Services	Increased demand for the Lifeline Service has meant that higher income levels are being generated. It is unclear whether this additional demand will continue long term, hence it is proposed as a one-year saving initially.	274	50	-50	T
7	Homelessness	Efficiencies achieved in the delivery of Homelessness Support have enabled funding to be carried forward and held in reserve over recent years. However, continuing low numbers of homeless people in the Borough means that this funding can now be released to provide a one-off saving.	100	100	-100	T

	DIVISION / SERVICE	DESCRIPTION OF THE BUDGET PROPOSAL	ANNUAL BUDGET £'000	ESTIMATED BUDGET REDUCTIONS / ADDITIONAL INCOME		PERMANENT / TEMPORARY (P/T)
				2022/23 £'000	2023/24 £'000	
8	Homelessness	Funding is received each year in respect of Rough Sleepers, some of which has remained unused due to lower numbers than anticipated. This has been carried forward in reserve and can be released to provide a one-off saving.	NA	100	-100	T
9	Community Services	A number of councils purchase Halton's Positive Behaviour Support Service, which has generated some surpluses in previous years. These have been carried forward in reserve and can now be released as a one-off saving.	NA	200	-200	T
10	Adult Social Care	An earmarked reserve established for the development of the Care Financials system is no longer required. It can therefore be released as a one-off saving.	70	70	-70	T
11	Adult Social Care	A number of managed efficiencies have been achieved across the Department, which will be carried forward to provide a one-off saving.	300	300	-300	T
<b>TOTAL PERMANENT SAVINGS</b>				157	0	P
<b>TOTAL TEMPORARY SAVINGS (ONE-OFF)</b>				820	-820	T
<b>GRAND TOTAL</b>				977	-820	

	DIVISION / SERVICE	DESCRIPTION OF THE BUDGET PROPOSAL	ANNUAL BUDGET £'000	ESTIMATED BUDGET REDUCTIONS / ADDITIONAL INCOME		PERMANENT / TEMPORARY (P/T)
				2022/23 £'000	2023/24 £'000	
<b>DEPARTMENT: PUBLIC PROTECTION</b>						
12	Environmental, Public Health & Health Protection	Proposed restructure in the Trading Standards and Environmental Health teams, subject to consultation. This will create two new posts and remove three current posts from the structure.	<b>755</b>	<b>50</b>	<b>0</b>	<b>P</b>
<b>TOTAL PERMANENT SAVINGS</b>				<b>50</b>	<b>0</b>	<b>P</b>
<b>TOTAL TEMPORARY SAVINGS (ONE-OFF)</b>				<b>0</b>	<b>0</b>	<b>T</b>
<b>GRAND TOTAL</b>				<b>50</b>	<b>0</b>	

	DIVISION / SERVICE	DESCRIPTION OF THE BUDGET PROPOSAL	ANNUAL BUDGET £'000	ESTIMATED BUDGET REDUCTIONS / ADDITIONAL INCOME		PERMANENT / TEMPORARY (P/T)
				2022/23 £'000	2023/24 £'000	
<b>DEPARTMENT: EDUCATION, INCLUSION &amp; PROVISION</b>						
13	Integrated Youth Support Services / Commissioning	Part of the funding for Specialist Advisors (part of the Speech and Language contract) was not allocated for 2020/21 and it is considered that it can be offered as a permanent saving.	624	12	0	P
14	Integrated Youth Support Services / Commissioning	Temporary efficiencies identified in the delivery of youth service provision during Covid-19 restrictions, which will provide a one-off budget saving.	400	88	-88	T
<b>TOTAL PERMANENT SAVINGS</b>				12	0	P
<b>TOTAL TEMPORARY SAVINGS (ONE-OFF)</b>				88	-88	T
<b>GRAND TOTAL</b>				100	-88	

	DIVISION / SERVICE	DESCRIPTION OF THE BUDGET PROPOSAL	ANNUAL BUDGET £'000	ESTIMATED BUDGET REDUCTIONS / ADDITIONAL INCOME		PERMANENT / TEMPORARY (P/T)
				2022/23 £'000	2023/24 £'000	
<b>ENTERPRISE, COMMUNITY &amp; RESOURCES DIRECTORATE</b>						
<b>DEPARTMENT: FINANCE</b>						
15	Benefits Division	Delay filling two vacant Housing Benefit Officer posts until 30 September 2022. The position will then be reviewed in terms of claimant rates, workloads and processing performance to establish whether the posts can be removed permanently.	965	25	-25	T
16	Revenues & Financial Management Division	Reduction in the council tax bad debt provision, as Covid-19 has not had as great an impact as expected upon collection rates. The annual budget used to increase the provision will be reduced and also there will be a one-off release of funds from the provision.	100	30	0	P
				90	-90	T
17	Audit, Procurement & Operational Finance Division	A one-year reduction in the public liability, motor vehicle and employer's liability insurance excesses budget. Whilst difficult to predict the level of claims, given measures in place to prevent and handle claims it is considered budgets can be reduced for one year initially. The position will then be reviewed for 2023/24.	559	170	-170	T
18	Audit, Procurement & Operational Finance Division	Increase in the budgeted income target for the Suppliers' Voluntary Early Payment Scheme, whereby Suppliers opt to receive early payment of their invoices in exchange for offering a small discount.	40	10	0	P
19	Audit, Procurement & Operational Finance Division	Increase in the budgeted income target for rebates achieved in respect of the payments to Supplier's via the corporate credit card. This arrangement has proved successful and efforts are being made to increase the number of suppliers who are paid by this method.	30	15	0	P
<b>TOTAL PERMANENT SAVINGS</b>				55	0	P
<b>TOTAL TEMPORARY SAVINGS (ONE-OFF)</b>				285	-285	T
<b>GRAND TOTAL</b>				340	-285	



	DIVISION / SERVICE	DESCRIPTION OF THE BUDGET PROPOSAL	ANNUAL BUDGET £'000	ESTIMATED BUDGET REDUCTIONS / ADDITIONAL INCOME		PERMANENT / TEMPORARY (P/T)
				2022/23 £'000	2023/24 £'000	
<b>DEPARTMENT: PLANNING, POLICY &amp; TRANSPORT</b>						
20	Traffic, Risk & Emergency Planning	Efficiencies to be achieved in various supplies and services budgets across the Division.	210	40	0	P
21	Highways	Removal of the Local Transport Plan budget, as it will now be funded via the LCR Combined Authority.	43	43	0	P
<b>TOTAL PERMANENT SAVINGS</b>				83	0	P
<b>TOTAL TEMPORARY SAVINGS (ONE-OFF)</b>				0	0	T
<b>GRAND TOTAL</b>				83	0	

	DIVISION / SERVICE	DESCRIPTION OF THE BUDGET PROPOSAL	ANNUAL BUDGET £'000	ESTIMATED BUDGET REDUCTIONS / ADDITIONAL INCOME		PERMANENT / TEMPORARY (P/T)
				2022/23 £'000	2023/24 £'000	
<b>DEPARTMENT: LEGAL AND DEMOCRATIC</b>						
22	Member Services	Small efficiencies identified in various budgets across the Service.	57	10	-1	P/T
23	Marketing & Communications	Efficiencies identified in the corporate advertising budget	128	7	-7	T
<b>TOTAL PERMANENT SAVINGS</b>				9	0	P
<b>TOTAL TEMPORARY SAVINGS (ONE-OFF)</b>				8	-8	T
<b>GRAND TOTAL</b>				17	-8	

	DIVISION / SERVICE	DESCRIPTION OF THE BUDGET PROPOSAL	ANNUAL BUDGET  £'000	ESTIMATED BUDGET REDUCTIONS / ADDITIONAL INCOME		PERMANENT / TEMPORARY (P/T)
				2022/23 £'000	2023/24 £'000	
<b>DEPARTMENT NAME: ECONOMY, ENTERPRISE &amp; PROPERTY</b>						
24	Economy Enterprise and Property	Generate additional income over the next two years, from renting out further office space for external organisations at Rutland House, by re-locating Council staff to other offices and continued home working.	111	25	25	P
<b>TOTAL PERMANENT SAVINGS</b>				25	25	P
<b>TOTAL TEMPORARY SAVINGS (ONE-OFF)</b>				0	0	T
<b>GRAND TOTAL</b>				25	25	

	DIVISION / SERVICE	DESCRIPTION OF THE BUDGET PROPOSAL	ANNUAL BUDGET £'000	ESTIMATED BUDGET REDUCTIONS / ADDITIONAL INCOME		PERMANENT / TEMPORARY (P/T)
				2022/23 £'000	2023/24 £'000	
<b>DEPARTMENT: PEOPLE, POLICY, PERFORMANCE &amp; EFFICIENCY</b>						
25	Performance Management	Balance of saving already achieved from restructuring of the Performance Management function.	<b>98</b>	<b>25</b>	<b>0</b>	<b>P</b>
26	Unison Office	Removal of budget for part-time support within the Unison Office, which has existed since March 2020 but the proposed post has not been established or recruited to.	<b>131</b>	<b>16</b>	<b>0</b>	<b>P</b>
<b>TOTAL PERMANENT SAVINGS</b>				<b>41</b>	<b>0</b>	<b>P</b>
<b>TOTAL TEMPORARY SAVINGS (ONE-OFF)</b>				<b>0</b>	<b>0</b>	<b>T</b>
<b>GRAND TOTAL</b>				<b>41</b>	<b>0</b>	

	DIVISION / SERVICE	DESCRIPTION OF THE BUDGET PROPOSAL	ANNUAL BUDGET £'000	ESTIMATED BUDGET REDUCTIONS / ADDITIONAL INCOME		PERMANENT / TEMPORARY (P/T)
				2022/23 £'000	2023/24 £'000	
<b>DEPARTMENT: COMMUNITY &amp; ENVIRONMENT</b>						
27	Waste & Community	One year reduction in the Area Forum budget, by utilising the balances to be carried forward at year-end, in order to provide the same total funding available for 2022/23.	200	150	-150	T
<b>TOTAL PERMANENT SAVINGS</b>				150	-150	P
<b>TOTAL TEMPORARY SAVINGS (ONE-OFF)</b>				0	0	T
<b>GRAND TOTAL</b>				150	-150	

**GRAND TOTALS**

<b>TOTAL PERMANENT SAVINGS</b>	582	-125	P
<b>TOTAL TEMPORARY SAVINGS (ONE-OFF)</b>	1,201	-1,201	T
<b>GRAND TOTAL</b>	1,783	-1,326	

<b>REPORT TO:</b>	Executive Board
<b>DATE:</b>	18 <sup>th</sup> November 2021
<b>REPORTING OFFICER:</b>	Strategic Director, Enterprise, Community & Resources
<b>PORTFOLIO:</b>	Corporate Services
<b>SUBJECT:</b>	Council contract for supply of Fruit & Vegetables (includes bread and dairy)
<b>WARD(S)</b>	Borough-wide

## 1.0 **PURPOSE OF THE REPORT**

- 1.1 This is a Preliminary Estimate Report to seek approval from Executive Board to commence a new procurement process for the supply of Fruit and Vegetables, Bread and Dairy Produce in compliance with Procurement Standing Order 1.3.4
- 1.2 current fruit & vegetable (including bread and dairy) contract was procured using the 'The University Caterers Organisation' (TUCO) framework and is due to expire on the 31 December 2021, a new contract needs to be awarded to commence from 1<sup>st</sup> January 2022.
- 1.3 contract supplies fruit, vegetables, bread and dairy products and was awarded to Chalker's on 1<sup>st</sup> January 2018, who distribute produce to Schools, the DCBL Stadium, Council run Café Bars and Council run Care Homes.
- 1.4 The current estimated annual expenditure is £500k across all school and non-school sites, with an estimated total expenditure of £2 million.

## 2.0 **RECOMMENDATION: That:**

The Executive Board approves this Preliminary Estimates Report in compliance with Procurement Standing Order 1.3.4. to allow Officers to undertake a call-off by mini competition in compliance with Procurement Standing Order 1.4.1, Frameworks, as supported by the Councils Procurement Division, accessing the TUCO Fresh Fruit & Vegetables & Related Products Framework for a 2 year period with the option to extend for a further two separate 12 month periods from 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2025 with an estimated total expenditure of £2million.

## 3.0 **SUPPORTING INFORMATION**

- 3.1 Annually the council spends £500k on the supply of fresh fruit,

vegetables, bread and dairy products across over 60 sites.

3.2 The School Meals service require fresh fruit and vegetables along with bread and dairy products to ensure a balanced nutritious diet for the children staying for lunches at schools in Halton.

3.3 Deliveries are required daily to ensure maximum freshness and quality of the end product/meal.

3.4 Halton use the TUCO frameworks to ensure value for money and economies of scale.

#### 4.0 **POLICY IMPLICATIONS**

4.1 The procurement of fresh fruit and vegetables has a direct impact on the Councils Healthy Halton policy. Ensuring the children in Halton receive regular fruit and vegetables as part of their daily diet.

4.2 TUCO Frameworks are fully compliant with the Public Contract Regulations 2015.

#### 5.0 **FINANCIAL IMPLICATIONS**

5.1 Annually HBC spends approximately 500k per annum on the contract for supply of fruit & vegetables. These costs are covered by recharges either by cash sales or recharges.

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

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

Fruit and vegetables are a great source of vitamins, minerals and fibre, and are an important part of a healthy, balanced diet. The school meals service needs this contact to ensure the provision of fruit & vegetables to children from the ages of 1-18

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

None identified.

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

Eating plenty of fruit and veg helps keep us healthy, and may reduce the risk of disease and some cancers.

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

None identified.

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

None identified.

7.0 **RISK ANALYSIS**

7.1 If there is no contract in place there could be supply issues or a breach of standing of orders.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 None identified.

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

None under the meaning of the Act.



<b>REPORT TO:</b>	Executive Board
<b>DATE:</b>	18 <sup>th</sup> November 2021
<b>REPORTING OFFICER:</b>	Strategic Director Enterprise, Community & Resources
<b>PORTFOLIO:</b>	Corporate Services
<b>SUBJECT:</b>	Agency Worker Contract Procurement
<b>WARDS:</b>	All

## **1.0 PURPOSE OF REPORT**

- 1.1 This is a Preliminary Estimate report to seek approval from Executive Board to commence a collaborative procurement process for the supply of Agency Workers in compliance with the Public Contract Regulations 2015 and Procurement Standing Order 1.3.4, as the estimated value is likely to exceed £1,000,000 p.a. across participating partners in the Liverpool City Region.

## **2.0 RECOMMENDED That:**

- i) the report be noted; and**
- ii) the Board approve that Halton participate in the procurement of a new collaborative contract arrangement within the Liverpool City Region to ensure the council maximises purchasing power on a common category of spend (supply of Agency Workers).**

## **3.0 SUPPORTING INFORMATION**

- 3.1 In 2014 the Merseyside Procurement Partnership (MPP) accessed the ESPO Framework MSTAR1 and made a direct award to Matrix SCM for the provision of a Neutral Vendor Managed Service for Agency Workers.
- 3.2 In 2018 Halton was lead partner in a further direct award to Matrix SCM for the provision of a Neutral Vendor Managed Service for Agency Workers, accessed through the ESPO Framework MSTAR2. Halton's participation in this contract expires in February 2022, when the 4 year contract term ends.
- 3.3 Since 2019 there has been a significant increase in the use and overall cost of agency workers in the Council. This has come about as a result of an increase in demand, particularly in Social Care services, as well as developing instability within the labour market across a growing number of role types. In addition, the COVID-19 pandemic has led to the Council needing to engage role types that it has not used previously – for example testing centre operatives and track and trace operatives, for which agency supply has provided the only viable route.

- 3.4 Given the resourcing scenarios that have emerged, it is imperative that the Council seeks to maintain access to a resourcing solution that meets the needs of the organisation, and delivers value for money. Continuing participation in a collaborative contract arrangement is the most effective way of achieving this as economies of scale are generated in the procurement process and remain in place for the duration of the contract.
- 3.5 A managed service ensures that the Council remains compliant with the prevailing legislation pertaining to the use of contingent resources (The Agency Worker Regulations), and the equity and safeguarding requirements of individual role types. This also allows efficient call-off of workers through a single gateway.
- 3.6 Spend figures across the current contract term, along with the savings achieved through use of the current contract, are given in the tables below for information:

<b>Year</b>	<b>Agresso Total Contract Spend £</b>
2018-19	2,074,709.00
2019-20	2,250,852.00
2020-21	3,877,626.00
<b>Total</b>	<b>8,203,187.00</b>

Spend sits across a broad range of cost centres, linked to the service requesting the worker(s).

For the reasons outlined at 3.3 above, 2021-21 should be seen as an exceptional year. The outturn for 2021-22 is likely to be similar.

Under normal operating conditions, the anticipated contract spend across a 4 year contract term will be in the region of £8m.

	<b>Council Savings £</b>
2018-19	129,045.00
2019-20	142,515.00
2020-21	265,170.00
<b>Total</b>	<b>536,730.00</b>

Savings are derived from the difference between the charges paid for the managed service in the current contract, against other available options for the engagement of agency workers.

- 3.7 There are always instances of off-contract expenditure (acquisition of workers outside of the Matrix contract), which result from unfulfilled requests where agencies within the scope of the managed service are unable to supply specific role types. This will either be because there are no agencies within

the managed service who specialise in certain roles (e.g. highly technical professional occupations such as engineers or surveyors, or specialist staff such as nurses). Typically this equates to less than 10% of requisitions. In 2019/20, 93% of agency resources were successfully resourced through the contract.

- 3.8 Over the last full financial year there has been an increase in off-contract expenditure amounting to £1.66m in 2020/21. This is in part due to the reasons outlined at 3.3 above, but also the fact that care homes acquired by the Council came into the organisation with existing agency worker supply chains in place and until such time as the roles, terms and conditions of staff within them are matched to those already existing in the Council through restructuring exercises, those arrangements continue. During November 2021 those processes will complete and the Council will seek to increase the number of agency workers acquired through the contract on an ongoing basis and reduce the off-contract commitment.
- 3.9 It is proposed that a new supply contract will be selected through an approved Framework Agreement (Eastern Shires Purchasing Organisation – ESPO), in accordance with Procurement Standing Order 1.4.1. This will avoid the costs and resource commitment of a tendering procedure, but is fully compliant with the Public Contract Regulations 2015.

#### **4.0 POLICY IMPLICATIONS**

- 4.1 The contract is awarded in line with Halton Borough Council's Procurement Standing Order 1.4.1 and the contract will support peripheral resourcing where it is required to ensure that services are sufficiently resourced to deliver a range of provision to Halton residents.
- 4.2 Peripheral resourcing is strictly controlled and monitored across the Council through the Policy, People, Performance and Efficiency Division.

#### **5.0 FINANCIAL IMPLICATIONS**

- 5.1 The value of Halton's call-off from the agency contract is £1.7m per annum. This has reduced from £3.6m per annum in 2014/15. The aggregate contract spend across the four year period is anticipated to be £6.8m.

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

- 6.1 Use of the contract may contribute to any or all of the Council's priorities from time to time, by providing peripheral resources to any service where a requirement is identified in order to ensure continuity of provision of service to residents and businesses in Halton that fall within the scope of the Council's operations.

**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.

<b>REPORT TO:</b>	Executive Board
<b>DATE:</b>	18 November 2021
<b>REPORTING OFFICER:</b>	Strategic Director Enterprise, Community and Resources
<b>PORTFOLIO:</b>	Corporate
<b>SUBJECT:</b>	Department for Transport Statutory Taxi & Private Hire Vehicle Standards recommendations
<b>WARDS:</b>	Borough wide

## 1. PURPOSE OF REPORT

To receive a report from the Regulatory Committee recommending that the Executive Board approve amendments to the current taxi licensing policies.

## 2. RECOMMENDED: That the following be adopted:-

- (1) A requirement that all new applicants be checked against a central database prior to being licensed and that a National Register be updated with details of licence refusals and revocations.
- (2) A requirement for all licensed drivers to be registered with the Disclosure & Barring Service (DBS) update service so that more frequent checks can be conducted.
- (3) An amendment to the vehicle licensing policy requiring the display of a customer feedback notice in vehicles.

## 3. BACKGROUND INFORMATION

- 3.1 In July 2020, the Department for Transport ('DfT') published statutory guidance referred to as the 'Statutory Taxi and Private Hire Vehicle Standards' ("the Standards"). The focus within the standards is on protecting children and vulnerable adults and a number of recommendations are made. The DfT expects these recommendations to be implemented by local authorities unless there is a compelling reason not to.
- 3.2 On 2 September 2020 the Regulatory Committee received a copy of the Standards and were notified that its contents and implications would be

thoroughly examined by officers of the Council and referred back to the Regulatory Committee for consideration.

- 3.3 One of the recommendations was to implement a new professional standards policy relating to convictions and this has been adopted by the Council.
- 3.4 Three further recommendations have now been considered by Officers and amendments to the Council's current taxi licensing policies were submitted to the Regulatory Committee for consideration.
- 3.5 On 6 October 2021, the Regulatory Committee considered the amendments. See attached Regulatory Committee agenda at Appendix 1. These amendments are also set out in section 2 of this report.

#### **4 CONSULTATION**

- 4.1 As part of a consultation exercise the local taxi trade were contacted on 16 August 2021 by email for any comments on the 3 amendments. Details of the consultation were also posted on the Council's website with a closing date for comments or opinions of 30 August 2021
- 4.2 Written responses were received from the taxi trade and these are set out in the attached report to the Regulatory Committee.

#### **5 OPTIONS**

- 5.1 The options available to the Regulatory Committee at the meeting on 6 October 2021 were either to recommend –
  - Agreement to some or all of the potential changes;
  - Amendment to some or all of the potential changes; or
  - Rejection of the potential changes.
- 5.2 The Regulatory Committee resolved to agree all of the potential changes set out in the agenda subject to there being an amendment to the proposed wording of the Vehicle Licence Policy Amendment set out in Appendix D. The amended wording agreed by the Committee is set out in bold below.

*“Every licensed hackney carriage and private hire vehicle is required to permanently display in a prominent location for the customer a **feedback notice (compliments and complaints)** as provided by the licensing section”.*
- 5.3 The reason for the amended wording was that the Committee wanted to make it clear that the feedback notice was also for positive feedback and not just complaints.

**6. POLICY IMPLICATIONS**

6.1 The subject matter of this report is to adopt policy changes.

**7. IMPLICATIONS FOR THE COUNCILS PRIORITIES**

**7.1 Children and Young People in Halton**

N/A

**7.2 Employment Learning and Skills in Halton**

N/A

**7.3 A healthy Halton**

N/A

**8.4 A Safer Halton**

N/A

**8.5 Halton's Urban Renewal**

N/A

**9. RISK ANALYSIS**

N/A

**10. EQUALITY AND DIVERSITY ISSUES**

N/A

**11. LIST OF BACKGROUND PAPERS UNDER SECTION 100D LOCAL GOVERNMENT ACT 1972**

Regulatory Committee Agenda Item dated 6 October 2021 and accompanying appendices.



Department  
for Transport

## APPENDIX A

# Statutory Taxi & Private Hire Vehicle Standards



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## 1. Introduction

- 1.1 There is evidence to support the view that taxis and private hire vehicles are a high-risk environment. In terms of risks to passengers, this can be seen in abuse and exploitation of children and vulnerable adults facilitated and in some cases perpetrated by the trade and the number of sexual crimes reported which involve taxi and private hire vehicle drivers. Links between the trade and child sexual abuse and exploitation have been established in many areas and other investigations continue. Data on reported sexual assaults by taxi and private hire vehicle drivers evidence the risk to passengers; data from [Greater Manchester](#) and [Merseyside](#) suggest that, if similar offence patterns are applied across England, 623 sexual assaults per year are reported. These figures do not however account for the under reporting of crime which is estimated to be as high as 83 percent in the [Crime Survey for England and Wales](#).
- 1.2 The Policing and Crime Act 2017 enables the Secretary of State for Transport to issue statutory guidance on exercising taxi and private hire vehicle licensing functions to protect children and vulnerable individuals who are over 18 from harm when using these services. For the purposes of this document, a child is defined as anyone who has not yet reached their 18th birthday; and the term “vulnerable individual” has the same meaning as the definition of a ‘vulnerable adult’ for the purpose of section 42 of the [Care Act 2014](#), which applies where a local authority has reasonable cause to suspect that an adult in its area (whether or not ordinarily resident there):
- (a) has needs for care and support (whether or not the authority is meeting any of those needs),
  - (b) is experiencing, or is at risk of, abuse or neglect, and
  - (c) as a result of those needs is unable to protect himself or herself against the abuse or neglect or the risk of it.
- 1.3 Whilst the focus of the Statutory Taxi and Private Hire Vehicle Standards is on protecting children and vulnerable adults, all passengers will benefit from the recommendations contained in it. There is consensus that common core minimum standards are required to regulate better the taxi and private hire vehicle sector, and the recommendations in this document are the result of detailed discussion with the trade, regulators and safety campaign groups. **The Department therefore expects these recommendations to be implemented unless there is a compelling local reason not to.**
- 1.4 It should be noted that as policing and criminal justice is not a devolved matter, the Statutory Taxi and Private Hire Vehicle Standards issued under the Policing and Crime Act 2017 will continue to have effect in Wales although responsibility for taxi and private hire vehicle policy was devolved to the Welsh Assembly in April 2018. Should the Welsh Government introduce legislation to regulate on these issues, the standards in this document would, cease to apply.

- 1.5 All local authorities and district councils that provide children's and other types of services, including licensing authorities, have a statutory duty to make arrangements to ensure that their functions and any services that they contract out to others are discharged having regard to the need to safeguard and promote the welfare of children. This means that licensing authorities should have in place arrangements that reflect the importance of safeguarding and promoting the welfare of children. This includes clear whistleblowing procedures, safe recruitment practices and clear policies for dealing with allegations against people who work with children, as set out in the [Working Together to Safeguard Children](#) statutory guidance.
- 1.6 The Statutory Taxi and Private Hire Vehicle Standards reflect the significant changes in the industry and lessons learned from experiences in local areas since the 2010 version of the Department's Best Practice Guidance. This includes extensive advice on checking the suitability of individuals and operators to be licensed; safeguarding children and vulnerable adults; the Immigration Act 2016 and Common Law Police Disclosure (which replaced the Notifiable Occupations Scheme).
- 1.7 The standards in this document replace relevant sections of the Best Practice Guidance issued by the Department in 2010, where there is a conflict between the Statutory Taxi and Private Hire Vehicle Standards and the Best Practice Guidance the Department issue on taxi and private hire vehicle licensing, the standards in this document take precedence.

### Terminology

Taxis are referred to in legislation, regulation and common language as 'hackney carriages', 'black cabs' and 'cabs'. The term '**taxi**' is used throughout this document and refers to all such vehicles. Taxis can be hired immediately by hailing on the street or at a rank.

Private hire vehicles include a range of vehicles including minicabs, executive cars, chauffeur services, limousines and some school and day centre transport services. All private hire vehicle journeys must be pre-booked via a licensed private hire vehicle operator and are subject to a 'triple licensing lock' i.e. the operator fulfilling the booking must use vehicles and drivers licensed by the same authority as that which granted its licence. The term 'private hire vehicle' is used throughout this document to refer to all such vehicles.

## 2. Consideration of the Statutory Taxi and Private Hire Vehicle Standards

- 2.1 The past failings of licensing regimes must never be repeated. The Department has carefully considered the measures contained in the Statutory Taxi and Private Hire Vehicle Standards and recommend that these should be put in to practice and administered appropriately to mitigate the risk posed to the public. The purpose of setting standards is to protect children and vulnerable adults, and by extension the wider public, when using taxis and private hire vehicles.
- 2.2 The Government set out in the [Modern Crime Prevention Strategy](#) the evidence that where Government, law enforcement, businesses and the public work together on prevention, this can deliver significant and sustained cuts in certain crimes. That is good news for victims and communities and it makes clear economic sense too. Educating the public on the risks of using unlicensed drivers and vehicles, how to identify the licensed trade and appropriate measure to take when using these services will protect help all passengers, more information is annexed to this document (Annex - Staying safe: guidance for passengers).
- 2.3 The Strategy committed to protect children and young people from the risk of child sexual abuse and exploitation (CSAE), by working with local authorities to introduce rigorous taxi and private hire vehicle licensing regimes. Both the [Jay](#) and [Casey](#) reports on CSAE highlighted examples of taxi/private hire vehicle drivers being directly linked to children that were abused, including instances when children were picked up from schools, children's homes or from family homes and abused, or sexually exploited.
- 2.4 The Casey Report made clear that weak and ineffective arrangements for taxi and private hire vehicle licensing had left the children and public at risk. The Department for Transport has worked with the Home Office, Local Government Association (LGA), personal safety charities, trade unions and trade bodies,

holding workshops, forums, and sharing evidence and good practice with local authorities to assist in the setting of the standards.

- 2.5 This document is published by the Secretary of State for Transport under section 177(1) of the Policing and Crime Act 2017 following consultation in accordance with section 177(5).
- 2.6 The document sets out a framework of policies that, under section 177(4), licensing authorities “**must have regard**” to when exercising their functions. These functions include developing, implementing and reviewing their taxi and private hire vehicle licensing regimes. “Having regard” is more than having a cursory glance at a document before arriving at a preconceived conclusion.
- 2.7 “Having regard” to these standards requires public authorities, in formulating a policy, to give considerations the weight which is proportionate in the circumstances. **Given that the standards have been set directly to address the safeguarding of the public and the potential impact of failings in this area, the importance of thoroughly considering these standards cannot be overstated.** It is not a question of box ticking; the standards must be considered rigorously and with an open mind.
- 2.8 Although it remains the case that licensing authorities must reach their own decisions, both on overall policies and on individual licensing matters in light of the relevant law, it may be that the Statutory Taxi and Private Hire Vehicle Standards might be drawn upon in any legal challenge to an authority’s practice, and that any failure to adhere to the standards without sufficient justification could be detrimental to the authority’s defence. **In the interest of transparency, all licensing authorities should publish their consideration of the measures contained in Statutory Taxi and Private Hire Vehicle Standards, and the policies and delivery plans that stem from these.** The Department has undertaken to monitor the effectiveness of the standards in achieving the protection of children and vulnerable adults (and by extension all passengers).
- 2.9 The Statutory Taxi and Private Hire Vehicle Standards does not purport to give a definitive statement of the law and any decisions made by a licensing authority remain a matter for that authority.

### 3. Administering the Licensing Regime

#### Licensing policies

- 3.1 The Department recommends all licensing authorities make publicly available a cohesive policy document that brings together all their procedures on taxi and private hire vehicle licensing. This should include but not be limited to policies on convictions, a 'fit and proper' person test, licence conditions and vehicle standards.
- 3.2 When formulating a taxi and private hire vehicle policy, the primary and overriding objective must be to protect the public. The importance of ensuring that the licensing regime protects the vulnerable cannot be overestimated. This was highlighted in the [report by Dame Louise Casey CB](#) of February 2015 on safeguarding failings.

*“It will be evident from this report that in many cases the activities of perpetrators take place in spheres which are regulated by the Council – taxis have been the focus of particular concern. Persistent and rigorous enforcement of the regulatory functions available to the council, including the placing of conditions on private hire taxi operator licences where appropriate, would send a strong signal that the trade is being monitored and would curtail the activities of opportunistic perpetrators whereby taxi drivers have solicited children to provide sex in return for cigarettes, alcohol or a fare free ride.”*

- 3.3 The long-term devastation caused by CSAE was summarised in the same report:

*“Victims suffer from suicidal feelings and often self-harm. Many become pregnant. Some have to manage the emotional consequences of miscarriages and abortions while others have children that they are unable to parent appropriately. The abuse and violence continues to affect victims into adulthood. Many enter violent and abusive relationships. Many suffer poor mental health and addiction.”*

- 3.4 Rotherham Metropolitan Borough Council ('Rotherham Council') provides an example of how the systematic review of policies and procedures and the implementation of a plan to drive improvements in practice can result in a well-functioning taxi and private hire vehicle sector that is rebuilding local confidence in the industry. The history of past failings here and elsewhere is well known, but it is the transparency and resolution that Rotherham Council has demonstrated and the high standards they now require that are rebuilding public confidence.
- 3.5 One of the key lessons learned is that it is vital to review policies and reflect changes in the industry both locally and nationally. **Licensing authorities should review their licensing policies every five years, but should also consider interim reviews should there be significant issues arising in their area, and their performance annually.**

## Duration of licences

- 3.6 A previous argument against issuing licences for more than a year was that a criminal offence might be committed, and not notified, during this period; this can of course also be the case during the duration of a shorter licence. This risk can be mitigated for drivers by authorities to undertaking regular interim checks. **To help authorities monitor licensees' suitability, licensing authorities should engage with their police force to ensure that when the police believe a licensee presents a risk to the travelling public they use their Common Law Police Disclosure powers (see paragraphs 4.9 - 4.11) to advise them.**
- 3.7 The Local Government (Miscellaneous Provisions) Act 1976 (as amended) sets a standard length at three years for taxi and private hire vehicle drivers and five years for private hire vehicle operators. Any shorter duration licence should only be issued when the licensing authority thinks it is appropriate in the specific circumstances of the case, if a licensee has requested one or where required (e.g. when the licence holder's leave to remain in the UK is time-limited) or when the licence is only required to meet a short-term demand; they should not be issued on a 'probationary' basis.

## Whistleblowing

- 3.8 It is in the application of licensing authority's policies (and the training and raising of awareness among those applying them) that protection will be provided. Where there are concerns that policies are not being applied correctly, it is vital that these can be raised, investigated and remedial action taken if required. **Licensing authorities should have effective internal procedures in place for staff to raise concerns and for any concerns to be dealt with openly and fairly.**

A report into the licensing of drivers by South Ribble Borough Council highlights the implications of not applying the agreed policies. In early August 2015, concerns were raised regarding decisions to renew the licences of drivers where there were potential incidents of child sexual exploitation. An internal review concluded that there had been failings in local investigatory procedures which might have affected the ability of the General Licensing Committee to make proper decisions, and information sharing with the police and data recording was not satisfactory.



- 3.9 The external investigation in South Ribble concluded “that there had been a lack of awareness and priority given to safeguarding and the safety of taxi [and private hire vehicle] passengers in the manner in which licensing issues were addressed”. We are pleased to note that the [report](#) concludes, “The Council have been active at every stage in responding to issues and concerns identified. It has taken steps to address operational issues in the licensing function and has engaged fully with other agencies in so doing. In the light of the above, it is not necessary to make any further recommendations.”
- 3.10 It is hoped that all licensing authorities will have learnt from these mistakes but to prevent a repeat, **local authorities should ensure they have an effective ‘whistleblowing’ policy and that all staff are aware of it.** If a worker is aware of, and has access to, effective internal procedures for raising concerns then ‘whistleblowing’ is unlikely to be needed.
- 3.11 The Public Interest Disclosure Act 1998 (PIDA), commonly referred to as whistleblowing legislation, provides protection for those that have a reasonable belief of serious wrongdoing, including failure to comply with professional standards, council policies or codes of practice/conduct. The PIDA is part of employment law. In the normal course of events, if a worker reveals information that his employer does not want revealed it may be a disciplinary offence. If someone leaked their employer’s confidential information to the press, they might expect to be dismissed for that. The PIDA enables workers who ‘blow the whistle’ about wrongdoing to complain to an employment tribunal if they are dismissed or suffer any other form of detriment for doing so. It is a qualified protection and certain conditions would have to be met for the worker to be protected. More information is available online for [employees](#) and [employers](#):

### Consultation at the local level

- 3.12 Licensing authorities should consult on proposed changes in licensing rules that may have significant impacts on passengers and/or the trade. Such consultation should include not only the taxi and private hire vehicle trades but also groups likely to be the trades’ customers. Examples are groups representing disabled people, Chambers of Commerce, organisations with a wider transport interest (e.g. the Campaign for Better Transport and other transport providers), women’s groups, local traders, and the local multi-agency safeguarding arrangements. It may also be helpful to consult with night-time economy groups (such as Pubwatch) if the trade is an important element of dispersal from the local night-time economy’s activities.
- 3.13 Any decision taken to alter the licensing regime is likely to have an impact on the operation of the taxi and private hire vehicle sector in neighbouring areas; and **licensing authorities should engage with these areas to identify any concerns and issues that might arise from a proposed change.** Many areas convene regional officer consultation groups or, more formally, councillor liaison meetings; this should be adopted by all authorities.

### Changing licensing policy and requirements

- 3.14 **Any changes in licensing requirements should be followed by a review of the licences already issued.** If the need to change licensing requirements has been identified, this same need is applicable to those already in possession of a licence. That is not however to suggest that licences should be automatically revoked overnight, for example if a vehicle specification is changed it is proportionate to allow those that would not meet the criteria to have the opportunity to adapt or change their vehicle. The same pragmatic approach should be taken to driver licence changes - if requirements are changed to include a training course or qualification, a reasonable time should be allowed for this to be undertaken or gained. The implementation schedule of any changes that affect current licence holders must be transparent and communicated promptly and clearly.
- 3.15 Where a more subjective change has been introduced, for example an amended policy on previous convictions, a licensing authority must consider each case on its own merits. Where there are exceptional, clear and compelling reasons to deviate from a policy, licensing authorities should consider doing so. Licensing authorities should record the reasons for any deviation from the policies in place.

## 4. Gathering and Sharing Information

- 4.1 Licensing authorities must consider as full a range of information available to them when making a decision whether to grant a licence and to meet their ongoing obligation to ensure a licensee remains suitable to hold a licence.

### The Disclosure and Barring Service

- 4.2 The Disclosure and Barring Service (DBS) provides access to criminal record information through its disclosure service for England and Wales. The DBS also maintains the lists of individuals barred from working in regulated activity with children or adults. The DBS makes independent barring decisions about people who have harmed, or where they are considered to pose a risk of harm to a child or vulnerable person within the workplace. The DBS enables organisations in the public, private and voluntary sectors to make safer employment decisions by identifying candidates who may be unsuitable for certain work, especially that which involves vulnerable groups including children.
- 4.3 Enhanced certificates with a check of the barred lists include details of spent and unspent convictions recorded on the Police National Computer (PNC), any additional information which a chief officer of police believes to be relevant and ought to be disclosed, as well as indicating whether the individual is barred from working in regulated activity with children or adults. Spent convictions and cautions are disclosed on standard and enhanced certificates according to rules set out in legislation. Convictions which resulted in a custodial sentence, and convictions or cautions for a specified serious offence such as those involving child sexual abuse will always be disclosed on a standard or enhanced certificate. Full details of the disclosure rules, and those offences which will always be disclosed, are available from the [DBS](#). As well as convictions and cautions, an enhanced certificate may include additional information which a chief police officer reasonably believes is relevant and ought to be disclosed. Chief police officers must have regard to the [statutory guidance](#) issued by the Home Office when considering disclosure. A summary of the information provided at each level of DBS checks is annexed to this document (Annex – Disclosure and Barring Service information).
- 4.4 It should be noted that licensing authorities must not circumvent the DBS process and seek to obtain details of previous criminal convictions and other information that may not otherwise be disclosed on a DBS certificate. Whilst data protection legislation (not just the Data Protection Act 2018 or General Data Protection Regulation (GDPR)) gives individuals (or data subjects) a 'right of access' to the personal data that an organisation holds about them, it is a criminal offence to require an individual to exercise their subject access rights so as to gain information about any convictions and cautions. This could potentially lead to the authority receiving information to which it is not entitled. The appropriate way of accessing an individual's criminal records is through an enhanced DBS and barred lists check.

## The Disclosure and Barring Service Update Service

- 4.5 Subscription to the DBS Update Service allows those with standard and enhanced certificates to keep these up to date online and, with the individual's consent, allows nominees to check the status of a certificate online at any time. Subscription to the service removes the need for new certificates to be requested, reduces the administrative burden and mitigates potential delays in relicensing.
- 4.6 The DBS will search regularly to see if any relevant new information has been received since the certificate was issued. The frequency varies depending on the type of information; for criminal conviction and barring information, the DBS will search for updates on a weekly basis. For non-conviction information, the DBS will search for updates every nine months.
- 4.7 Licensing authorities are able to request large numbers of status checks on a daily basis. The DBS has developed a Multiple Status Check Facility (MSCF) that can be accessed via a web service. The MSCF enables organisations to make an almost unlimited number of Status Checks simultaneously. Further information on the MSCF is available from the [DBS](#).
- 4.8 Should the MSCF advise that new information is available the DBS certificate should no longer be relied upon and a new DBS certificate requested.

### Common Law Police Disclosure

- 4.9 The DBS is not the only source of information that should be considered as part of a fit and proper assessment for the licensing of taxi and private hire vehicle drivers. Common Law Police Disclosure ensures that where there is a public protection risk, the police will pass information to the employer or regulatory body to allow them to act swiftly to mitigate any danger.
- 4.10 Common Law Police Disclosure replaced the Notifiable Occupations Scheme (NOS) in March 2015 and focuses on providing timely and relevant information which might indicate a public protection risk. Information is passed on at arrest or charge, rather than on conviction which may be some time after, allowing any measures to mitigate risk to be put in place immediately.
- 4.11 This procedure provides robust safeguarding arrangements while ensuring only relevant information is passed on to employers or regulatory bodies. **Licensing authorities should maintain close links with the police to ensure effective and efficient information sharing procedures and protocols are in place and are being used.**

### Licensee self-reporting

- 4.12 Licence holders should be required to notify the issuing authority within 48 hours of an arrest and release, charge or conviction of any sexual offence, any offence involving dishonesty or violence and any motoring offence. An arrest for any of the offences within this scope should result in a review by the issuing authority as to whether the licence holder is fit to continue to do so. This must not

however be seen as a direction that a licence should be withdrawn; it is for the licensing authority to consider what, if any, action in terms of the licence should be taken based on the balance of probabilities. Should an authority place an obligation on licensees to notify under these circumstances, authorities should also ensure appropriate procedures are in place to enable them to act in a suitable timeframe if and when needed.

- 4.13 Importantly, a failure by a licence holder to disclose an arrest that the issuing authority is subsequently advised of might be seen as behaviour that questions honesty and therefore the suitability of the licence holder regardless of the outcome of the initial allegation.

### Referrals to the Disclosure and Barring Service and the Police

- 4.14 In some circumstances it may be appropriate under the Safeguarding Vulnerable Groups Act 2006 for licensing authorities to make referrals to the DBS. **A decision to refuse or revoke a licence as the individual is thought to present a risk of harm to a child or vulnerable adult, should be referred to the DBS.** The power for the licensing authority to make a referral in this context arises from the undertaking of a safeguarding role. Further guidance has been provided by the [DBS](#).

- 4.15 The Department recommends that licensing authorities should make a referral to the DBS when it is thought that:

- an individual has harmed or poses a risk of harm to a child or vulnerable adult;
- an individual has satisfied the '[harm test](#)'; or
- received a caution or conviction for a relevant offence and;
- the person they are referring is, has or might in future be working in regulated activity;

if the above conditions are satisfied, the DBS may consider it appropriate for the person to be added to a barred list.

- 4.16 These referrals may result in the person being added to a barred list and enable other licensing authorities to consider this should further applications to other authorities be made. Further information on referrals to DBS is [available](#).

## Working with the Police

- 4.17 The police are an invaluable source of intelligence when assessing whether a licensing applicant is a 'fit and proper' person. It is vital that licensing authorities have a partnership with the police service to ensure that appropriate information is shared as quickly as possible. As part of building an effective working relationship between the licensing authority and the police, **action taken by the licensing authority as a result of information received should be fed-back to the police.** Increasing the awareness among police forces of the value licensing authorities place on the information received, particularly on non-conviction intelligence, will assist furthering these relationships and reinforce the benefits of greater sharing of information.
- 4.18 This relationship can be mutually beneficial, assisting the police to prevent crime. The police can gain valuable intelligence from drivers and operators, for example, the identification of establishments that are selling alcohol to minors or drunks, or the frequent transportation of substance abusers to premises.
- 4.19 To aid further the quality of the information available to all parties that have a safeguarding duty, a revocation or refusal on public safety grounds should also be advised to the police.

## Sharing licensing information with other licensing authorities

- 4.20 As has been stated elsewhere in this document, obtaining the fullest information minimises the doubt as to whether an applicant or licensee is 'fit and proper'. An obvious source of relevant information is any previous licensing history. **Applicants and licensees should be required to disclose if they hold or have previously held a licence with another authority. An applicant should also be required to disclose if they have had an application for a licence refused, or a licence revoked or suspended by any other licensing authority.** Licensing authorities should explicitly advise on their application forms that making a false statement or omitting to provide the information requested may be a criminal offence.
- 4.21 The LGA's Councillors' [Handbook on taxi and private hire vehicle licensing](#) advises that those responsible for licensing should "*communicate regularly with licensing committees and officers in neighbouring councils to ensure critical information is shared and that there is a consistency and robustness in decision-making. By working together, local government can make sure that this vital service is safe, respected, and delivering for local communities.*". While this approach may aid consistency and robustness in decision-making within regions, it has obvious inherent limitations as it is unlikely such protocols could be established between all licensing authorities. The LGA commissioned the National Anti-Fraud Network to develop a national register of taxi and private hire vehicle driver licence refusals and revocations (the register is known as 'NR3'). **Tools such as NR3 should be used by licensing authorities to share information on a more consistent basis to mitigate the risk of non-disclosure of relevant information by applicants.**

- 4.22 For these processes to be beneficial, all licensing authorities must keep a complete and accurate record as to the reasons for refusal, suspension or revocation of a licence in order that this might be shared if requested and appropriate to do so.
- 4.23 Data protection legislation provides exemption from the rights of data subjects for the processing of personal data in connection with regulatory activities. This includes taxi and private hire vehicle licensing. The exemption applies only to information processed for the core regulatory activities of appropriate organisations; it may not be used in a blanket manner. The exemption applies only to the extent that the application of the rights of data subjects to the information in question would be likely to prejudice the proper discharge of the regulatory functions. The Information Commissioner's Office has published [guidance](#) to assist organisations to fully understand their obligations and suggest good practice.
- 4.24 If notification under paragraph 4.20 or 4.21 of a refused or revoked licence is disclosed, the relevant licensing authority should be contacted to establish when the licence was refused, suspended or revoked and the reasons why. In those circumstances, the relevant licensing authority must consider whether it should disclose any information in relation to the previous decision, consistent with its obligations under data protection legislation. If information is disclosed, it can then be taken into account in determining the applicant's fitness to be licensed. The relevance of the reason for refusing/revoking a licence must be considered. For example, if any individual was refused a licence for failing a local knowledge test, it does not have any safeguarding implications. Conversely, a revocation or refusal connected to indecency would. Licensing authorities should not simply replicate a previous decision, authorities must consider each application on its own merits and with regard to its own policies.
- 4.25 Should a licensing authority receive information that a licence holder did not disclose the information referred to in paragraph 4.20, for example by checking the NR3 register, the authority should consider whether the non-disclosure represents dishonesty and should review whether the licence holder remains 'fit and proper'.

### Multi-agency Safeguarding Hub (MASH)

- 4.26 Multi-Agency Safeguarding Hubs are a way to improve the safeguarding response for children and vulnerable adults through better information sharing and high quality and timely safeguarding responses. MASHs (or similar models) should operate on three common principles: information sharing, joint decision making and coordinated intervention.
- 4.27 The Home Office report on [Multi Agency Working and Information Sharing](#) recommended that effective multi-agency working still needs to become more widespread. The Children's Commissioner's 2013 [Inquiry into Child Sexual Exploitation in Gangs and Groups](#) found that both police and local authorities still identified the inability to share information as a key barrier to safeguarding children from sexual abuse and exploitation.



- 4.28 All licensing authorities should operate or establish a means to facilitate the objectives of a MASH (i.e. the sharing of necessary and relevant information between stakeholders). As has been emphasised throughout this document, one of the most effective ways to minimise the risk to children and vulnerable adults when using taxis and private hire vehicles is to ensure that decisions on licensing individuals are made with the fullest knowledge possible.

### Complaints against licensees

- 4.29 Complaints about drivers and operators provide a source of intelligence when considering the renewal of a licence or to identify problems during the period of the licence. Patterns of behaviour such as complaints against drivers, even when they do not result in further action in response to an individual complaint, may be indicative of characteristics that raise doubts over the suitability to hold a licence. **All licensing authorities should have a robust system for recording complaints, including analysing trends across all licensees as well as complaints against individual licensees.** Such a system will help authorities to build a fuller picture of the potential risks an individual may pose and may tip the 'balance of probabilities' assessment that licensing authorities must take.
- 4.30 Licensees with a high number of complaints made against them should be contacted by the licensing authority and concerns raised with the driver and operator (if appropriate). Further action in terms of the licence holder must be determined by the licensing authority, which could include no further action, the offer of training, a formal review of the licence, or formal enforcement action.
- 4.31 To ensure that passengers know who to complain to, licensing authorities should produce guidance for passengers on making complaints directly to the licensing authority that should be available on their website. Ways to make complaint to the authority should be displayed in all licensed vehicles. This is likely to result in additional work for the licensing authority but has the advantage of ensuring consistency in the handling of complaints. Currently, it is more likely that a complaint against a taxi driver would be made directly to the licensing authority whereas a complaint against a private hire vehicle driver is more likely to be made to the operator. An effective partnership in which operators can share concerns regarding drivers is also encouraged.
- 4.32 Importantly, this approach will assist in the directing of complaints and information regarding the behaviour of drivers who may be carrying a passenger outside of the area in which the driver is licensed to the authority that issued the licence. In order for this to be effective licensing authorities must ensure that drivers are aware of a requirement to display information on how to complain and take appropriate sanctions against those that do not comply with this requirement.
- 4.33 In terms of investigating complaints CCTV footage of an incident can provide an invaluable insight, providing an 'independent witness' to an event. This can assist in the decision whether to suspend or revoke a licence. The potential benefits of mandating CCTV in vehicles is discussed in paragraphs 7.7 - 7.12.

### Overseas convictions



- 4.34 The DBS cannot access criminal records held overseas, only foreign convictions that are held on the Police National Computer may, subject to the disclosure rules, be disclosed. Therefore, a DBS check may not provide a complete picture of an individual's criminal record where there have been periods living or working overseas; the same applies when an applicant has previously spent an extended period (three or more continuous months) outside the UK. It should however be noted that some countries will not provide an 'Certificate of Good Character' unless the individual has been resident for six months or more
- 4.35 Licensing authorities should seek or require applicants to provide where possible criminal records information or a 'Certificate of Good Character' from overseas in this circumstance to properly assess risk and support the decision-making process (. It is the character of the applicant as an adult that is of particular interest, therefore an extended period outside the UK before the age of 18 may be less relevant. As with all licensing decisions, each case must be considered on its own merits. For information on applying for overseas criminal record information or 'Certificates of Good Character' please see the Home Office [guidance](#).
- 4.36 Where an individual is aware that they have committed an offence overseas which may be equivalent to those listed in the annex to this document (Annex – Assessment of previous convictions), licensing authorities should advise the applicant to seek independent expert or legal advice to ensure that they provide information that is truthful and accurate.

## 5. Decision Making

### Administration of the licensing framework

- 5.1 A policy is only effective if it is administered properly. The taxi and private hire vehicle licensing functions of local councils are non-executive functions i.e. they are functions of the council rather than the executive (such as the Cabinet). The functions include the determination of licence applications, reviews and renewals, along with the attachment of conditions when considered appropriate. The function may be delegated to a committee, a sub-committee or an officer – which should be set out within a clear scheme of delegation. In London the taxi and private hire vehicle licensing function is undertaken by Transport for London.
- 5.2 Licensing authorities should ensure that all individuals that determine whether a licence is issued or refused are adequately resourced to allow them to discharge the function effectively and correctly.

### Training decision makers

- 5.3 **All individuals that determine whether a licence is issued should be required to undertake sufficient training.** As a minimum, training for a member of a licensing committee should include: licensing procedures, natural justice, understanding the risks of CSAE, disability and equality awareness and the making of difficult and potentially controversial decisions. Training should not simply relate to procedures, but should include the use of case study material to provide context and real scenarios. All training should be formally recorded by the licensing authority and require a signature from the person that has received the training. Training is available from a number of organisations including the Institute of Licensing and Lawyers in Local Government; the LGA may also be able to assist in the development of training packages.
- 5.4 Public safety is the paramount consideration but the discharge of licensing functions must be undertaken in accordance with the following general principles:
- policies should be used as internal guidance, and should be supported by a member/officer code of conduct.
  - any implications of the Human Rights Act should be considered.
  - the rules of natural justice should be observed.
  - decisions must be reasonable and proportionate.
  - where a hearing is required it should be fairly conducted and allow for appropriate consideration of all relevant factors.
  - decision makers must avoid bias (or even the appearance of bias) and predetermination.
  - data protection legislation.

- 5.5 When a decision maker has a prejudicial interest in a case, whether it be financial or a personal relationship with those involved they should declare their interest at the earliest opportunity; this must be prior to any discussions or votes and, once declared, they must leave the room for the duration of the discussion or vote.

### The regulatory structure

- 5.6 It is recommended that councils operate with a Regulatory Committee or Board that is convened at periodic intervals to determine licensing matters, with individual cases being considered by a panel of elected and suitably trained councillors drawn from a larger Regulatory Committee or Board. This model is similar to that frequently adopted in relation to other licensing matters. To facilitate the effective discharge of the functions, less contentious matters can be delegated to appropriately authorised council officers via a transparent scheme of delegation.
- 5.7 It is considered that this approach also ensures the appropriate level of separation between decision makers and those that investigate complaints against licensees, and is the most effective method in allowing the discharge of the functions in accordance with the general principles referred to in 5.4. In particular, the Committee/Board model allows for:
- Each case to be considered on its own merits. It is rare for the same councillors to be involved in frequent hearings – therefore the councillors involved in the decision making process will have less knowledge of previous decisions and therefore are less likely to be influenced by them. Oversight and scrutiny can be provided in relation to the licensing service generally, which can provide independent and impartial oversight of the way that the functions are being discharged within the authority.
  - Clear separation between investigator and the decision maker – this demonstrates independence, and ensures that senior officers can attempt to resolve disputes in relation to service actions without the perception that this involvement will affect their judgement in relation to decisions made at a later date.
- 5.8 Avoidance of bias or even the appearance of bias is vital to ensuring good decisions are made and instilling and/or maintaining confidence in the licensing regime by passengers and licensees.
- 5.9 Unlike officers, elected members are not usually involved in the day to day operation of the service and as such do not have relationships with licence holders that may give the impression that the discharge of a function is affected by the relationship between the decision maker and the licence holder.
- 5.10 Some licensing authorities may decide to operate a system whereby all matters are delegated to a panel of officers; however, this approach is not recommended and caution should be exercised. Decisions must be, and be seen to be, made objectively, avoiding any bias. In addition, it may be more difficult to demonstrate compliance with the principles referred to above due to the close

connection between the officers on the panel, and those involved in the operational discharge of the licensing functions.

- 5.11 Whether the structure proposed is introduced or an alternative model is more appropriate in local circumstances, the objective should remain the same - to separate the investigation of licensing concerns and the management of the licence process. Regardless of which approach is adopted, **all licensing authorities should consider arrangements for dealing with serious matters that may require the immediate revocation of a licence.** It is recommended that this role is delegated to a senior officer/manager with responsibility for the licensing service.

### Fit and proper test

- 5.12 Licensing authorities have a duty to ensure that any person to whom they grant a taxi or private hire vehicle driver's licence is a 'fit and proper' person to be a licensee. It may be helpful when considering whether an applicant or licensee is fit and proper to pose oneself the following question:

**Without any prejudice, and based on the information before you, would you allow a person for whom you care, regardless of their condition, to travel alone in a vehicle driven by this person at any time of day or night?**

- 5.13 If, on the balance of probabilities, the answer to the question is 'no', the individual should not hold a licence.
- 5.14 Licensing authorities have to make difficult decisions but (subject to the points made in paragraph 5.4) the safeguarding of the public is paramount. All decisions on the suitability of an applicant or licensee should be made on the balance of probability. This means that an applicant or licensee should not be 'given the benefit of doubt'. If the committee or delegated officer is only "50/50" as to whether the applicant or licensee is 'fit and proper', they should not hold a licence. The threshold used here is lower than for a criminal conviction (that being beyond reasonable doubt) and can take into consideration conduct that has not resulted in a criminal conviction.

### Criminal convictions and rehabilitation

- 5.15 In considering an individual's criminal record, licensing authorities must consider each case on its merits, but they should take a particularly cautious view of any offences against individuals with special needs, children and other vulnerable groups, particularly those involving violence, those of a sexual nature and those linked to organised crime. In order to achieve consistency, and to mitigate the risk of successful legal challenge, licensing authorities should have a clear policy for the consideration of criminal records. This should include, for example, which offences would prevent an applicant from being licenced regardless of the period elapsed in all but truly exceptional circumstances. In the case of lesser offences, a policy should consider the number of years the authority will require to have elapsed since the commission of particular kinds of offences before they will grant a licence.

- 5.16 Annexed to this document are the Department's recommendations on the assessment of previous convictions (Annex – Assessment of previous convictions). This draws on the work of the Institute of Licensing, in partnership with the LGA, the National Association of Licensing Enforcement Officers (NALEO) and Lawyers in Local Government, in publishing its guidance on determining the suitability of taxi and private hire vehicle licensees.
- 5.17 These periods should be taken as a starting point in considering whether a licence should be granted or renewed in all cases. The Department's view is that this places passenger safety as the priority while enabling past offenders to sufficiently evidence that they have been successfully rehabilitated so that they might obtain a licence. Authorities are however reminded that applicants are entitled to a fair and impartial consideration of their application.

## 6. Driver Licensing

### Criminality checks for drivers

- 6.1 Licensing authorities are entitled to request an enhanced criminal record certificate with check of the barred lists from the DBS for all driver licence holders or applicants. The DfT's 2019 [survey of taxi and private hire vehicle licensing authorities](#) shows that all licensing authorities in England and Wales have a requirement that an enhanced DBS check is undertaken at first application or renewal.
- 6.2 All individuals applying for or renewing a taxi or private hire vehicle drivers licence licensing authorities should carry out a check of the children and adult Barred Lists in addition to being subject to an enhanced DBS check (in section x61 of the DBS application 'Other Workforce' should be entered in line 1 and 'Taxi Licensing' should be entered at line 2). All licensed drivers should also be required to evidence continuous registration with the DBS update service to enable the licensing authority to routinely check for new information every six months. Drivers that do not subscribe up to the Update Service should still be subject to a check every six months.
- 6.3 Driving a taxi or private hire vehicle is not, in itself, a regulated activity for the purposes of the barred list. This means that an individual subject to barring would not be legally prevented from being a taxi or private hire vehicle driver but the licensing authority should take an individual's barred status into account alongside other information available. **In the interests of public safety, licensing authorities should not, as part of their policies, issue a licence to any individual that appears on either barred list.** Should a licensing authority consider there to be exceptional circumstances which means that, based on the balance of probabilities they consider an individual named on a barred list to be 'fit and proper', the reasons for reaching this conclusion should be recorded.
- 6.4 Drivers working under an arrangement to transport children may be working in 'regulated activity' as defined by the [Safeguarding Vulnerable Groups Act 2006](#). It is an offence to knowingly allow a barred individual to work in regulated activity. The [guidance on home-to-school travel and transport](#) issued by the Department for Education should be considered alongside this document. Please see [guidance](#) on driver DBS eligibility and how to apply.

### Safeguarding awareness

- 6.5 Licensing authorities should consider the role that those in the taxi and private hire vehicle industry can play in spotting and reporting the abuse, exploitation or neglect of children and vulnerable adults. As with any group of people, it is overwhelmingly the case that those within the industry can be an asset in the detection and prevention of abuse or neglect of children and vulnerable adults. However, this is only the case if they are aware of and alert to the signs of potential abuse and know where to turn to if they suspect that a child or vulnerable adult is at risk of harm or is in immediate danger.

6.6 All licensing authorities should provide safeguarding advice and guidance to the trade and should require taxi and private hire vehicle drivers to undertake safeguarding training. This is often produced in conjunction with the police and other agencies. These programmes have been developed to help drivers and operators:

- provide a safe and suitable service to vulnerable passengers of all ages;
- recognise what makes a person vulnerable; and
- understand how to respond, including how to report safeguarding concerns and where to get advice.

6.7 Since 2015, the Department for Education (DfE) has run a nationwide campaign – *‘Together, we can tackle child abuse’* which aims to increase public understanding of how to recognise the signs to spot and encourage them to report child abuse and neglect. The DfE continues to promote and raise awareness of the campaign materials through its [online toolkit](#), for local authorities, charities and organisations for use on their social media channels.

### **‘County lines’ exploitation**

6.8 County lines is a term used to describe gangs and organised criminal networks involved in exporting illegal drugs (primarily crack cocaine and heroin) into one or more importing areas [within the UK], using dedicated mobile phone lines or other form of “deal line”.

6.9 Exploitation is an integral part of the county lines offending model with children and vulnerable adults exploited to transport (and store) drugs and money between locations. Children aged between 15-17 make up the majority of the vulnerable people involved in county lines, but they may also be much younger. We know that both girls and boys are groomed and exploited and offenders will often use coercion, intimidation, violence (including sexual violence) and weapons to ensure compliance of victims. Children exploited by county lines gangs may have vulnerabilities besides their age, such as broader mental health issues, disrupted or chaotic homes, substance misuse issues, being excluded from school or frequently going missing.

6.10 The National Crime Agency’s 2018 county lines threat assessment set out that the national road network is key to the transportation of county lines victims, drugs and cash; with hire vehicles being one of the methods used for transportation between locations.

6.11 Safeguarding awareness training should include the ways in which drivers can help to identify county lines exploitation. Firstly, they should be aware of the following warning signs:

- Children and young people travelling in taxis or private hire vehicles alone;

- travelling at unusual hours (during school time, early in the morning or late at night);
- travelling long distances;
- unfamiliar with the local area or do not have a local accent;
- paying for journeys in cash or prepaid.

6.12 The Home Office is working with partners to raise awareness of county lines and has provided [material](#) to help taxi and private vehicle hire staff to identify victims and report concerns to protect those exploited through this criminal activity.

6.13 Drivers (or any person) should be aware of what to do if they believe a child or vulnerable person is at risk of harm. If the risk is immediate they should contact the police otherwise they should:

- use the local safeguarding process, the first step of which is usually to contact the safeguarding lead within the local authority;
- call Crime Stoppers on 0800 555 111.

### Language proficiency

6.14 A lack of language proficiency could impact on a driver's ability to understand written documents, such as policies and guidance, relating to the protection of children and vulnerable adults and applying this to identify and act on signs of exploitation. Oral proficiency will be of relevance in the identification of potential exploitation through communicating with passengers and their interaction with others.

6.15 A licensing authority's test of a driver's proficiency should cover both oral and written English language skills to achieve the objectives stated above.



## 7. Vehicle Licensing

7.1 As with driver licensing, the objective of vehicle licensing is to protect the public, who trust that the vehicles dispatched are above all else safe. It is important therefore that licensing authorities are assured that those granted a vehicle licence also pose no threat to the public and have no links to serious criminal activity. Although vehicle proprietors may not have direct contact with passengers, they are still entrusted to ensure that the vehicles and drivers used to carry passengers are appropriately licensed and so maintain the safety benefits of the licensing regime.

### Criminality checks for vehicle proprietors

7.2 Enhanced DBS and barred list checks are not available for vehicle licensing. **Licensing authorities should require a basic disclosure from the DBS and that a check is undertaken annually.** Any individual may apply for a basic check and the certificate will disclose any unspent convictions recorded on the Police National Computer (PNC). Licensing authorities should consider whether an applicant or licence holder with a conviction for offences provided in the annex to this document (Annex – Assessment of previous convictions), other than those relating to driving, meet the ‘fit and proper’ threshold.

7.3 However, it is important that authorities acknowledge that in many cases individuals that license a vehicle may already be licensed as a driver. An authority which undertakes the biannual DBS checks recommended for its drivers should not require those seeking to licence a vehicle to provide a basic DBS check as part of the application process; a basic DBS would not provide any information in addition to that disclosed under the enhanced DBS and barred lists check used for the driver assessment. In these circumstances, the authority should instead rely on the fact that the applicant is considered as fit and proper to hold a driver licence when considering their suitability to hold a vehicle licence. Should the individual cease to hold a driver licence a basic certificate should be required immediately.

7.4 A refusal to license an individual as a driver or to suspend or revoke a driver licence does not automatically mean that that individual cannot be issued or continue to hold a vehicle or private hire vehicle operator licence; these decisions must be independent of a driver licence refusal and based on the appropriate information i.e. it should not consider information that would only be available via an enhanced DBS check but instead that which would be disclosed on a basic check. DBS certificate information can only be used for the specific purpose for which it was requested and for which the applicant’s full consent has been given.

7.5 Private hire vehicle operator and vehicle licences may be applied for by a company or partnership; licensing authorities should apply the ‘fit and proper’ test to each of the directors or partners in that company or partnership. For this to be effective private hire vehicle operators and those to whom a vehicle licence should be required to advise the licensing authority of any change in directors or partners.

7.6 As explained earlier in the context of driver licensing, the DBS cannot access criminal records held overseas so other checks must be considered where and applicant has lived or worked overseas (see paragraph 4.34 - 4.36).

### **In-vehicle visual and audio recording – CCTV**

7.7 Government has acknowledged the potential risk to public safety when passengers travel in taxis and private hire vehicles. It is unfortunately the case that no matter how complete the information available to licensing authorities is when assessing whether to issue any taxi or private hire vehicle licence, nor how robust the policies in place are and the rigor with which they are applied, it will never completely remove the possibility of harm to passengers by drivers.

7.8 The Department's view is that CCTV can provide additional deterrence to prevent this and investigative value when it does. The use of CCTV can provide a safer environment for the benefit of taxi/private hire vehicle passengers and drivers by:

- deterring and preventing the occurrence of crime;
- reducing the fear of crime;
- assisting the police in investigating incidents of crime;
- assisting insurance companies in investigating motor vehicle accidents.

7.9 All licensing authorities should consult to identify if there are local circumstances which indicate that the installation of CCTV in vehicles would have either a positive or an adverse net effect on the safety of taxi and private hire vehicle users, including children or vulnerable adults, and taking into account potential privacy issues.

7.10 While only a small minority of licensing authorities have so far mandated all vehicles to be fitted with CCTV systems, the experience of those authorities that have has been positive for both passengers and drivers. In addition, the evidential benefits of CCTV may increase the level of reporting of sexual offences. According to the [Crime Survey for England and Wales](#) only 17 percent of victims report their experiences to the police, 28 percent of rape or sexual assault victims indicated that a fear they would not be believed as a factor in them not reporting the crime. The evidential benefits CCTV could provide are therefore an important factor when considering CCTV in vehicles.

7.11 The mandating of CCTV in vehicles may deter people from seeking a taxi or private hire vehicle licence with the intent of causing harm. Those that gain a licence and consider perpetrating an opportunistic attack against a vulnerable unaccompanied passenger may be deterred from doing so. It is however unfortunately the case that offences may still occur even with CCTV operating.

7.12 CCTV systems that are able to record audio as well as visual data may also help the early identification of drivers that exhibit inappropriate behaviour toward passengers. Audio recording should be both overt (i.e. all parties should be aware when recordings are being made) and targeted (i.e. only when passengers (or

drivers) consider it necessary). The recording of audio should be used to provide an objective record of events such as disputes or inappropriate behaviour and must not be continuously active by default and should recognise the need for privacy of passengers' private conversations between themselves. Activation of the audio recording capability of a system might be instigated when either the passenger or driver operates a switch or button.

- 7.13 Imposition of a blanket requirement to attach CCTV as a condition to a licence is likely to give rise to concerns about the proportionality of such an approach and will therefore require an appropriately strong justification and must be kept under regular review. More information and guidance on assessing the impacts of CCTV and on an authority mandating CCTV is annexed to this document (Annex – CCTV guidance).

### Stretched Limousines

- 7.14 Licensing authorities are sometimes asked to license small (those constructed or adapted to carry fewer than nine passengers) limousines as private hire vehicles, these vehicles may be used for transport to 'school proms' as well as for adult bookings. It is suggested that licensing authorities should approach such requests on the basis that these vehicles – where they have fewer than nine passenger seats - have a legitimate role to play in the private hire trade, meeting a public demand. It is the Department's view that it is not a legitimate course of action for licensing authorities to adopt policies that exclude limousines as a matter of principle thereby excluding these services from the scope of the private hire vehicle regime and the safety benefits this provides. A blanket policy of excluding limousines may create an unacceptable risk to the travelling public, as it may lead to higher levels of unsupervised operation. Public safety considerations are best supported by policies that allow respectable, safe operators to obtain licences on the same basis as other private hire vehicle operators.

- 7.15 Stretched large limousines which clearly seat more than eight passengers should not be licensed as private hire vehicles because they are outside the licensing regime for private hire vehicles. However, in some circumstances a vehicle with space for more than eight passengers can be licensed as a private hire vehicle where the precise number of passenger seats is hard to determine. In these circumstances, the authority should consider the case on its merits in deciding whether to license the vehicle under the strict condition that the vehicle will not be used to carry more than eight passengers, bearing in mind that refusal may encourage illegal private hire operation.

## 8. Private Hire Vehicle Operator Licensing

8.1 As with driver licensing, the objective in licensing private hire vehicle operators is to protect the public, who may be using operators' premises and trusting that the drivers and vehicles dispatched are above all else safe. It is important therefore that licensing authorities are assured that those that are granted a private hire vehicle operator also pose no threat to the public and have no links to serious criminal activity. Although private hire vehicle operators may not have direct contact with passengers, they are still entrusted to ensure that the vehicles and drivers used to carry passengers are appropriately licensed and so maintain the safety benefits of the driver licensing regime.

### Criminality checks for private hire vehicle operators

- 8.2 Enhanced DBS and barred list checks are not available for private hire vehicle operator licensing. **Licensing authorities should request a basic disclosure from the DBS and that a check is undertaken annually.** Any individual may apply for a basic check and the certificate will disclose any unspent convictions recorded on the Police National Computer (PNC). Licensing authorities should consider whether an applicant or licence holder with a conviction for offences provided in the annex to this document (Annex – Assessment of previous convictions), other than those relating to driving, meet the 'fit and proper' threshold.
- 8.3 However, it is important that authorities acknowledge that in many cases individuals that license as a private hire vehicle operator may already be licensed as a driver. An authority which undertakes the biannual DBS checks recommended for its drivers should not require those seeking a private hire vehicle operator licence to provide a basic DBS check as part of the application process; a basic DBS would not provide any information in addition to that disclosed under the enhanced DBS and barred lists check used for the driver assessment. In these circumstances, the authority should instead rely on the fact that the applicant is considered as fit and proper to hold a driver licence when considering their suitability to hold a vehicle licence. Should the individual cease to hold a driver licence a basic certificate should be required immediately
- 8.4 Refusal to license in individual as a driver or to suspend or revoke a driver licence does not automatically mean that that individual cannot be issued or continue to hold a private hire vehicle operator licence; this decision must be independent of a driver licence refusal and based on the appropriate information i.e. it should not consider information that would only be available via an enhanced DBS check but instead that which would be disclosed on a basic check. DBS certificate information can only be used for the specific purpose for which it was requested and for which the applicant's full consent has been given.
- 8.5 A private hire vehicle operator licence may be applied for by a company or partnership; licensing authorities should apply the 'fit and proper' test to each of the directors or partners in that company or partnership. **For this to be effective**

private hire vehicle operators should be required to advise the licensing authority of any change in directors or partners.

- 8.6 As explained earlier in the context of driver licensing, the DBS cannot access criminal records held overseas. Further information on assessing the suitability of those that have spent extended periods in overseas is provided in paragraphs 4.34 - 4.36.

### Booking and dispatch staff

- 8.7 Private hire vehicle drivers are not the only direct contact that private hire vehicle users have with private hire vehicle operators' staff, for example a person taking bookings (be it by phone or in person). A vehicle dispatcher decides which driver to send to a user, a position that could be exploited by those seeking to exploit children and vulnerable adults. It is therefore appropriate that all staff that have contact with private hire vehicle users and the dispatching of vehicles should not present an undue risk to the public or the safeguarding of children and vulnerable adults.
- 8.8 Licensing authorities should be satisfied that private hire vehicle operators can demonstrate that all staff that have contact with the public and/or oversee the dispatching of vehicles do not pose a risk to the public. **Licensing authorities should, as a condition of granting an operator licence, require a register of all staff that will take bookings or dispatch vehicles is kept.**
- 8.9 Operators should be required to evidence that they have had sight of a Basic DBS check on all individuals listed on their register of booking and dispatch staff and to ensure that Basic DBS checks are conducted on any individuals added to the register and that this is compatible with their policy on employing ex-offenders. DBS certificates provided by the individual should be recently issued when viewed, alternatively the operator could use a 'responsible organisation' to request the check on their behalf. When individuals start taking bookings and dispatching vehicles for an operator they should be required, as part of their employment contract, to advise the operator of any convictions while they are employed in this role.
- 8.10 The register should be a 'living document' that maintains records of all those in these roles for the same duration as booking records are required to be kept, this will enable cross-referencing between the two records. A record that the operator has had sight of a basic DBS check certificate (although the certificate itself should not be retained) should be retained for the duration that the individual remains on the register. Should an employee cease to be on the register and later re-entered, a new basic DBS certificate should be requested and sight of this recorded.
- 8.11 Operators may outsource booking and dispatch functions but they cannot pass on the obligation to protect children and vulnerable adults. Operators should be required to evidence that comparable protections are applied by the company to which they outsource these functions.

- 8.12 Licensing authorities should also require operators or applicants for a licence to provide their policy on employing ex-offenders in roles that would be on the register as above. As with the threshold to obtaining a private hire vehicle operators' licence, those with a conviction for offences provided in the annex to this document (Annex – Assessment of previous convictions), other than those relating to driving, may not be suitable to decide who is sent to carry a child or vulnerable adult unaccompanied in a car.

### Record keeping

- 8.13 Section 56 of the [Local Government \(Miscellaneous Provisions\) Act 1976](#) requires private hire vehicle operators to keep records of the particulars of every booking invited or accepted, whether it is from the passenger or at the request of another operator. **Licensing authorities should as a minimum require private hire vehicle operators to record the following information for each booking:**

- the name of the passenger;
- the time of the request;
- the pick-up point;
- the destination;
- the name of the driver;
- the driver's licence number;
- the vehicle registration number of the vehicle;
- the name of any individual that responded to the booking request;
- the name of any individual that dispatched the vehicle.

- 8.14 This information will enable the passenger to be traced if this becomes necessary and should improve driver security and facilitate enforcement. It is suggested that booking records should be retained for a minimum of six months.

- 8.15 Private hire vehicle operators have a duty under data protection legislation to protect the information they record. The Information Commissioner's Office provides comprehensive on-line guidance on registering as a data controller and how to meet their obligations.

### Use of passenger carrying vehicles (PCV) licensed drivers

- 8.16 PCV licensed drivers are subject to different checks from taxi and private hire vehicle licensed drivers as the work normally undertaken, i.e. driving a bus, does not present the same risk to passengers. Members of the public are entitled to expect when making a booking with a private hire vehicle operator that they will receive a private hire vehicle licensed vehicle and driver. **The use of a driver who holds a PCV licence and the use of a public service vehicle (PSV) such**

**as a minibus to undertake a private hire vehicle booking should not be permitted as a condition of the private hire vehicle operator's licence without the informed consent of the booker.**

- 8.17 Where a private hire vehicle is unsuitable, for example where a larger vehicle is needed because more than eight passenger seats required or to accommodate luggage, the booker should be informed that a PSV is necessary, and that a PCV licenced driver will be used who is subject to different checks and not required to have an enhanced DBS check.



## 9. Enforcing the Licensing Regime

9.1 Implementing an effective framework for licensing authorities to ensure that as full a range of information made available to suitably trained decision makers that are supported by well-resourced officials is essential to a well-functioning taxi and private hire vehicle sector. These steps will help prevent the licensing of those that are not deemed 'fit and proper' but does not ensure that those already licensed continue to display the behaviours and standards expected.

### Joint authorisation of enforcement officers

9.2 Licensing authorities should, where the need arises, jointly authorise officers from other authorities so that compliance and enforcement action can be taken against licensees from outside their area. An agreement between licensing authorities to jointly authorise officers enables the use of enforcement powers regardless of which authority within the agreement the officer is employed by and which issued the licence. This will mitigate the opportunities for drivers to evade regulation. Such an agreement will enable those authorities to take action against vehicles and drivers that are licensed by the other authority when they cross over boundaries. A model for agreeing joint authorisation is contained in the [LGA Councillors' handbook](#).

### Setting expectations and monitoring

9.3 Licensing authorities should ensure that drivers are aware of the policies that they must adhere and are properly informed of what is expected of them and the repercussions for failing to do so. Some licensing authorities operate a points-based system, which allows minor breaches to be recorded and considered in context while referring those with persistent or serious breaches to the licensing committee. This has the benefit of consistency in enforcement and makes better use of the licensing committee's time.

9.4 The provision of a clear, simple and well-publicised process for the public to make complaints about drivers and operators will enable authorities to target compliance and enforcement activity (see paragraphs 4.29 - 4.33). This will provide a further source of intelligence when considering the renewal of licences and of any additional training that may be required. It is then for the licensing authority to consider if any intelligence indicates a need to suspend or revoke a licence in the interests of public safety.

### Suspension and revocation of driver licences

9.5 Section 61 of the Local Government (Miscellaneous Provisions) Act 1976 provides a licensing authority with the ability to suspend or revoke a driver's licence on the following grounds: -

(a) that he has since the grant of the licence—



- (i) been convicted of an offence involving dishonesty, indecency or violence; or
- (ii) been convicted of an offence under or has failed to comply with the provisions of the Act of 1847 or of this Part of this Act;
- (aa) that he has since the grant of the licence been convicted of an immigration offence or required to pay an immigration penalty; or
- (b) any other reasonable cause

9.6 Licensing authorities have the option to suspend or revoke a licence should information be received that causes concern over whether a driver is a fit and proper person. Where the licence holder has been served an immigration penalty or convicted of an immigration offence the licence should be revoked immediately. [Guidance for licensing authorities](#) to prevent illegal working in the taxi and private hire vehicle sector has been issued by the Home Office. As with the initial decision to license a driver, this determination must be reached based on the balance of probabilities, not on the burden of beyond reasonable doubt.

9.7 Before any decision is made, the licensing authority must give full consideration to the available evidence and the driver should be given the opportunity to state his or her case. If a period of suspension is imposed, it cannot be extended or changed to revocation at a later date.

9.8 A decision to revoke a licence does not however prevent the reissuing of a licence should further information be received that alters the balance of probability of a decision previously made. The decision to suspend or revoke was based on the evidence available at the time the determination was made. New evidence may, of course, become available later.

9.9 New evidence may be produced at an appeal hearing that may result in the court reaching a different decision to that reached by the council or an appeal may be settled by agreement between the licensing authority and the driver on terms which, in the light of new evidence, becomes the appropriate course. If, for example, the allegations against a driver were now, on the balance of probability, considered to be unfounded, a suspension could be lifted or, if the licence was revoked, an expedited re-licensing process used.

9.10 A suspension may still be appropriate if it is believed that a minor issue can be addressed through additional training. In this instance the licence would be returned to the driver once the training has been completed without further consideration. This approach is clearly not appropriate where the licensing authority believes that, based on the information available at that time, on the balance of probability it is considered that the driver presents a risk to public safety.

## Annex – Assessment of Previous Convictions

Legislation specifically identifies offences involving dishonesty, indecency or violence as a concern when assessing whether an individual is 'fit and proper' to hold a taxi or private hire vehicle licence. The following recommendations to licensing authorities on previous convictions reflect this.

**Authorities must consider each case on its own merits, and applicants/licensees are entitled to a fair and impartial consideration of their application.** Where a period is given below, it should be taken to be a minimum in considering whether a licence should be granted or renewed in most cases. The Department's view is that this places passenger safety as the priority while enabling past offenders to sufficiently evidence that they have been successfully rehabilitated so that they might obtain or retain a licence.

### Crimes resulting in death

Where an applicant or licensee has been convicted of a crime which resulted in the death of another person or was intended to cause the death or serious injury of another person they will not be licensed.

### Exploitation

Where an applicant or licensee has been convicted of a crime involving, related to, or has any connection with abuse, exploitation, use or treatment of another individual irrespective of whether the victim or victims were adults or children, they will not be licensed. This includes slavery, child sexual abuse, exploitation, grooming, psychological, emotional or financial abuse, but this is not an exhaustive list.

### Offences involving violence against the person

Where an applicant has a conviction for an offence of violence against the person, or connected with any offence of violence, a licence will not be granted until at least 10 years have elapsed since the completion of any sentence imposed.

### Possession of a weapon

Where an applicant has a conviction for possession of a weapon or any other weapon related offence, a licence will not be granted until at least seven years have elapsed since the completion of any sentence imposed.

### Sexual offences

Where an applicant has a conviction for any offence involving or connected with illegal sexual activity, a licence will not be granted.

In addition to the above, the licensing authority will not grant a licence to any applicant who is currently on the Sex Offenders Register or on any barred list.

### Dishonesty

Where an applicant has a conviction for any offence where dishonesty is an element of the offence, a licence will not be granted until at least seven years have elapsed since the completion of any sentence imposed.

### Drugs

Where an applicant has any conviction for, or related to, the supply of drugs, or possession with intent to supply or connected with possession with intent to supply, a licence will not be granted until at least 10 years have elapsed since the completion of any sentence imposed.

Where an applicant has a conviction for possession of drugs, or related to the possession of drugs, a licence will not be granted until at least five years have elapsed since the completion of any sentence imposed. In these circumstances, any applicant may also have to undergo drugs testing for a period at their own expense to demonstrate that they are not using controlled drugs.

### Discrimination

Where an applicant has a conviction involving or connected with discrimination in any form, a licence will not be granted until at least seven years have elapsed since the completion of any sentence imposed.

### Motoring convictions

Hackney carriage and private hire drivers are professional drivers charged with the responsibility of carrying the public. It is accepted that offences can be committed unintentionally, and a single occurrence of a minor traffic offence would not prohibit the granting of a licence. However, applicants with multiple motoring convictions may indicate that an applicant does not exhibit the behaviours of a safe road user and one that is suitable to drive professionally.

Any motoring conviction while a licensed driver demonstrates that the licensee may not take their professional responsibilities seriously. However, it is accepted that offences can be committed unintentionally, and a single occurrence of a minor traffic offence may not necessitate the revocation of a taxi or private hire vehicle driver licence providing the authority considers that the licensee remains a fit and proper person to retain a licence.

### Drink driving/driving under the influence of drugs

Where an applicant has a conviction for drink driving or driving under the influence of drugs, a licence will not be granted until at least seven years have elapsed since the completion of any sentence or driving ban imposed. In the case of driving under the influence of drugs, any applicant may also have to undergo drugs testing at their own expense to demonstrate that they are not using controlled drugs.

### Using a hand-held device whilst driving

Where an applicant has a conviction for using a held-hand mobile telephone or a hand-held device whilst driving, a licence will not be granted until at least five years have elapsed since the conviction or completion of any sentence or driving ban imposed, whichever is the later.

## Annex – Disclosure and Barring Service information

Table 1: Information included in criminal record checks

Information included	Type of check			
	Basic check	Standard DBS check	Enhanced DBS check	Enhanced DBS (including barred list) check
Unspent convictions	Yes	Yes	Yes	Yes
Unspent cautions <sup>1</sup>	Yes	Yes	Yes	Yes
Spent convictions <sup>2</sup>	No	Yes	Yes	Yes
Spent cautions <sup>1 &amp; 2</sup>	No	Yes	Yes	Yes
Additional police Information <sup>3</sup>	No	No	Yes	Yes
Barred list(s) Information <sup>4</sup>	No	No	No	Yes

1. Does not include fixed penalty notices, penalty notices for disorder or any other police or other out-of-court disposals.
2. Spent convictions and cautions that have become protected under the Rehabilitation of Offenders Act 1974 (Exceptions Order) 1975, as amended, are not automatically disclosed on any level of certificate. Further guidance is available [the DBS filtering guide](#).
3. This is any additional information held by the police which a chief police officer reasonably believes to be relevant and considers ought to be disclosed.
4. This is information as to whether the individual concerned is included in the children's or adults' barred lists maintained by the Disclosure and Barring Service (DBS).

## Annex – CCTV Guidance

It is important to note that, in most circumstances, a licensing authority which mandates the installation of CCTV systems in taxis and private hire vehicles will be responsible for the data – the data controller. It is important that data controllers fully consider concerns regarding privacy and licensing authorities should consider how systems are configured, should they mandate CCTV (with or without audio recording). For example, vehicles may not be exclusively used for business, also serving as a car for personal use - it should therefore be possible to manually switch the system off (both audio and visual recording) when not being used for hire. Authorities should consider the Information Commissioner's view on this matter that, in most cases, a requirement for continuous operation is unlikely to be fair and lawful processing of personal data.

The Home Office '[Surveillance Camera Code of Practice](#)' advises that government is fully supportive of the use of overt surveillance cameras in a public place whenever that use is:

- in pursuit of a legitimate aim;
- necessary to meet a pressing need;
- proportionate;
- effective, and;
- compliant with any relevant legal obligations

The Code also sets out 12 guiding principles which, as a 'relevant authority' under section 33(5) of the [Protection of Freedoms Act 2012](#), licensing authorities must have regard to. It must be noted that, where a licence is granted subject to CCTV system conditions, the licensing authority assumes the role and responsibility of 'System Operator'. The role requires consideration of all guiding principles in this code. The failure to comply with these principles may be detrimental to the use of CCTV evidence in court as this may be raised within disclosure to the Crown Prosecution Service and may be taken into account.

The Surveillance Camera Commissioner (SCC) has provided guidance on the Surveillance Camera Code of Practice in its '[Passport to Compliance](#)' which provides guidance on the necessary stages when planning, implementing and operating a surveillance camera system to ensure it complies with the code. The Information Commissioner's Office (ICO) has also published a [code of practice](#) which, in this context, focuses on the data governance requirement associated with the use of CCTV such as data retention and disposal, which it is important to follow in order to comply with the data protection principles. The SCC provides a [self-assessment tool](#) to assist operators to ensure compliance with the principles set out in the Surveillance Camera Code of Practice. The SCC also operate a [certification scheme](#); authorities that obtain this accreditation are able to clearly demonstrate that their systems conform to the SCC's best practice and are fully compliant with the Code and increase public confidence that any risks to their privacy have been fully considered and mitigated.

The [Data Protection Act 2018](#) regulates the use of personal data. Part 2 of the Data Protection Act applies to the general processing of personal data, and references and supplements the General Data Protection Regulation. Licensing authorities, as data controllers, must comply with all relevant aspects of data protection law. Particular attention should be paid to the rights of individuals which include the right to be informed, of access

and to erasure. The ICO has provided detailed [guidance](#) on how data controllers can ensure compliance with these.

It is a further requirement of data protection law that before implementing a proposal that is likely to result in a high risk to the rights and freedoms of people, an impact assessment on the protection of personal data shall be carried out. The ICO recommends in [guidance](#) that if there is any doubt as to whether a Data Protection Impact Assessment (DPIA) is required one should be conducted to ensure compliance and encourage best practice. A DPIA will also help to assess properly the anticipated benefits of installing CCTV (to passengers and drivers) and the associated privacy risks; these risks might be mitigated by having appropriate privacy information and signage, secure storage and access controls, retention policies, training for staff how to use the system, etc.

It is essential to ensure that all recordings made are secure and can only be accessed by those with legitimate grounds to do so. This would normally be the police if investigating an alleged crime or the licensing authority if investigating a complaint or data access request. Encryption of the recording to which the licensing authority, acting as the data controller, holds the key, mitigates this issue and protects against theft of the vehicle or device. It is one of the guiding principles of data protection legislation, that personal data (including in this context, CCTV recordings and other potentially sensitive passenger information) is handled securely in a way that 'ensures appropriate security', including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures.

All passengers must be made fully aware if CCTV is operating in a vehicle. Given that audio recording is considered to be more privacy intrusive, it is even more important that individuals are fully aware and limited only to occasions when passengers (or drivers) consider it necessary. The recording of audio should be used to provide an objective record of events such as disputes or inappropriate behaviour and must not be continuously active by default and should recognise the need for privacy of passengers' private conversations between themselves. Activation of the audio recording capability of a system might be instigated when either the passenger or driver operates a switch or button. As well as clear signage in vehicles, information on booking systems should be introduced. This might be text on a website, scripts or automated messages on telephone systems; the Information Commissioner's Office (ICO) has issued guidance on privacy information and the right to be informed on its website.

## Annex - Staying Safe: Guidance for Passengers

Licensing authorities should provide guidance to assist passengers in identifying licensed vehicles and the increased risks of using unlicensed vehicles. The guidance might include advice on:

- how to tell if a taxi or private hire vehicle is licensed.

Educate the public in the differences between taxis and private hire vehicles e.g.:

- a taxi can be flagged down or pre-booked.
- a private hire vehicle that has not been pre-booked should not be used as it will not be insured and may not be licensed.
- what a private hire vehicle should look like e.g. colour, signage, licence plates etc.
- the benefit of pre-booking a return vehicle before going out.
- arrange to be picked up from a safe meeting point.
- requesting at the time of booking what the fare is likely to be.

When using a private hire vehicle, passengers should always:

- book with a licensed operator.
- confirm their booking with the driver when s/he arrives.
- note the licence number.
- sit in the back, behind the driver.
- let a third party know details of their journey.

When using a taxi, passengers should where possible:

- use a taxi rank and choose one staffed by taxi marshals if available.

**APPENDIX 1**

<b>REPORT:</b>	Regulatory Committee
<b>DATE:</b>	6 <sup>th</sup> October 2021
<b>REPORTING OFFICER:</b>	Strategic Director Enterprise, Community and Resources
<b>PORTFOLIO:</b>	Resources
<b>SUBJECT:</b>	Taxi Licensing Matter
<b>WARDS:</b>	Borough-wide

**1. PURPOSE OF REPORT**

To progress the recommendations made by the Department for Transport (DfT) in their document “Statutory Taxi & Private Hire Vehicle Standards”.

**2. RECOMMENDATION**

**It is recommended that the following amendments to the current taxi licensing policy put forward in this report be considered and adopted. These amendments are as follows:-**

- **To require checks of all new applicants against a central database prior to being licensed as well as updating a National Register with details of licence refusals and revocations**
- **A requirement for all licensed drivers to be registered with the Disclosure & Barring Service (DBS) update service so that more frequent checks can be conducted**
- **An amendment to the vehicle licensing policy requiring the display of a customer feedback notice in vehicles**

**3. INTRODUCTION AND BACKGROUND INFORMATION**

3.1 The Department for Transport (DfT) published its Statutory Guidance on ‘Statutory Taxi and Private Hire Vehicle Standards’ in July 2020.

3.2 The Statutory Guidance has been issued to all Licensing Authorities to enhance the safeguarding measures the taxi and private hire vehicle licensing regime requires, and to protect the most vulnerable in communities.



- 3.3 Whilst the primary focus of the Statutory Guidance is on protecting children and vulnerable adults, all passengers are said to benefit from the recommendations contained within it. There is consensus that national minimum standards are required to make the regulation of the taxi and private hire vehicle sector better, and the recommendations in the document are the result of detailed discussion with the trade, regulators and safety campaign groups. As this is Statutory Guidance, the recommendations must be implemented unless there is a compelling local reason not to.
- 3.4 On 2<sup>nd</sup> September 2020 this Committee received a copy of this document and were notified that its contents and implications would be thoroughly examined by Officers of the Council and referred back to this Committee for consideration. A copy of the DFT's "Statutory Taxi and Private Hire Vehicle Standards" are attached to this report as Appendix A.
- 3.5 One section of the DFT's requirements is to implement a new professional standards policy relating to convictions and a subsequent proposal was put before Members in June of this year which has since been adopted by this Council.
- 3.6 Three further matters from the DFT's standards have been considered by Officers and changes to the Council's current policy is now submitted for consideration by this Committee. The details of which are referred to in Section 4 of this report.
- 3.7 The Committee is responsible for determining the Council's policies in connection with the grant, variation, suspension or revocation of licences relating to taxi and private hire.
- 3.8 However, the Constitution must now be interpreted in accordance with the case of R (On the application of 007 Stratford Taxis Limited v Stratford on Avon District Council 2011. This Court of Appeal decision interpreted the meaning of the Local Authorities (Functions and Responsibilities)(England) Regulations 2000 in respect of matters which must be dealt with by a Council's Executive or by a committee of its council. Essentially, the court held that: (1) it was clear that individual applications relating to taxi matters must be dealt with by the equivalent of this Council's Regulatory Committee and (2) matters calculated to facilitate, or be conducive or incidental to such applications must also be dealt with in the same way but (3) any "plan or strategy" associated with such a function would be an executive function and therefore have to be determined by a council's executive. The Stratford case concerned the introduction of a wheelchair access policy. The decision was taken by the

Council's cabinet rather than its Licensing Committee. The challenge from the taxi trade was that the Licensing Committee should have adopted the policy. This element of the challenge was rejected by the court.

3.9 Consequently, any decision of the Regulatory Committee on matters contained in this agenda will be by recommendation to the Executive Board.

3.10 In deciding whether to recommend the adoption of a policy the following questions should be addressed:

3.10.1 Has proper consultation been undertaken?

3.10.2 Are the proposals necessary and proportionate?

#### **4. SUPPORTING INFORMATION**

4.1 As stated above, there are three matters that need to be considered. The first matter is the requirement for all applicants to be checked against a National database prior to issuing a licence. This proposal would also mean that any applicants who have a licence refused or revoked will be recorded on this register. Further details can be found on the National Register of Taxi Licence Revocation and Refusals (NR3) Policy Document which is at Appendix B of this report.

4.2 The second matter is a requirement for all applicants to register with the DBS Update Service. This would allow for checks against a person's criminal record to be carried out more frequently than every 3 years which is the case at present and provides clear instruction on how this would work. This proposal can be found at Appendix C of this report.

4.3 The 3<sup>rd</sup> and final matter is the requirement for notices to be fitted in licensed hackney carriage and private hire vehicles clearly advising the public on how they can provide feedback to the Council about the driver, operator or vehicle they are travelling in. The details of this proposed policy change can be found at Appendix D of this report.

#### **5. CONSULTATION**

5.1 As part of the consultation the local trade were contacted on 16<sup>th</sup> August 2021 by email for any comments on the 3 matters referred to in this report. Details of the consultation were also posted on the Council's website with a closing date for comments or opinions to be made by 30<sup>th</sup> August 2021.

5.2 The following replies were submitted to the licensing team as part of the consultation process. Each person submitting their views has had their identities removed but has been referred to with a number for audit purposes only. No comment has been amended, corrected or rephrased.

5.2.1 Number 1

Reply to all 3 matters

*I would like to agree to all the changes put forward*

5.2.2 Number 2

*I agree with the NR3 database as it will make the service safer for our passengers*

*I'm satisfied with the way that the DBS checks are run as they are now*

*As far as I am aware all vehicles have the complaint policy on show. I don't see the need for more signage*

5.2.3 Number 3

*I agree with all 4 of changes being discussed but especially the one about driver/assistants having their DBS registered, my reason for this is because you can ask for the codes from the driver in order to see the document without further costs. Plus it would be so much quicker to obtain vital information to get the required badges.*

\* Please note that the 4<sup>th</sup> change referred to by this respondent is for a non-statutory consultation relating to hackney carriage vehicle tariffs which is not for consideration by Members at present.

5.2.4 Number 4

*NR3 Central Database Service*

*Totally agree with this proposal I feel that if you haven't got anything to hide then this proposal won't be a problem to you*

*DBS Update Service*

*Totally agree the previous system only tells the council that on a the date of issue you are a fit and proper person to be licensed the day after could be a different story*

*Complaints Issue*

*Totally disagree, If anyone has a issue with a taxi driver everybody with the ability to get into a taxi knows beforehand to get in touch with the Council who licensed the driver. This proposal will increase the amount of frivolous complaints and the additional signage will tell a passenger to complain about a driver because they can !*

5.2.5 Number 5

*Also with regards to the NR3, DBS Update, and complaints contact notice, a yea on all three likewise.*

*Only reservation I have is, I'm currently registered with the DBS subscription and am unsure as to whether or not I'll be notified with regard to the expiration of my debit card, for auto renewal, I'm also still unsure as to whether they propose to implicate a direct debit method of payment which I think will be much more satisfactory.*

5.3 Members of the Regulatory Committee may add any weight to the above comments as they see reasonable.

**6. REGULATORS' CODE 2014**

6.1 The Regulators' Code 2014 requires regulators (such as the Council) to take into account a number of factors when introducing new policies.

6.2 For example, paragraph 1.2 of the Code states: "When designing and reviewing policies, operational procedures and practices, regulators should consider how they might support or enable economic growth for compliant businesses and other regulated entities, for example, by considering how they can best:

- understand and minimise negative economic impacts of their regulatory activities;
- minimise the costs of compliance for those they regulate;
- improve confidence in compliance for those they regulate, by providing greater certainty; and
- encourage and promote compliance."

6.3 The Code also states that regulators should base their regulatory activities on risk. In the present case the balancing exercise is to weigh any negative consequences on the taxi trade against the positive consequences on the public who use the services of the trade.

- 6.4 It is taken as read that unnecessary burdens should never be imposed and that all actions need to be proportionate.

## 7. OPTIONS

- 7.1 The options available to the committee are to **recommend**:
- Agreement to some or all of the potential changes or
  - Amendment to some or all of the potential changes or
  - Rejection of the potential changes.
- 7.2 Should the Committee recommend the second option to amend any of the potential changes to the policy and/or licensing condition then they will need to be altered. The Committee would therefore be requested to include within the resolution a delegation of the task of preparing detailed wording and other consequential matters to the Licensing Manager.

## 8. POLICY IMPLICATIONS

- 8.1 Any changes made would change elements of existing policy relating to applicants applying to hold a hackney carriage and private hire driver's licence (referred to as a Single Status Driver's Licence) as well as both hackney carriage and private hire vehicle licences issued by Halton Borough Council.

## 9. OTHER IMPLICATIONS

None

## 10. IMPLICATIONS FOR THE COUNCILS PRIORITIES

- 10.1 **Children and Young People in Halton**  
None
- 10.2 **Employment Learning and Skills in Halton**  
N/A
- 10.3 **A Healthy Halton**  
N/A
- 10.4 **A Safer Halton**  
None

10.5 **Halton's Urban Renewal**  
N/A

**11. RISK ANALYSIS**

There are no associated risks which have been identified with this item.

**12. EQUALITY AND DIVERSITY ISSUES**

There are no equality or diversity issues related to a review

**13. 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>
1. Taxi Consultation File	Licensing Section	Nick Wheeler

## APPENDIX B



### **The National Register of Taxi Licence Revocation & Refusals (NR3) Policy Document**

#### Background

The National Register of Taxi Licence Refusals and Revocations (known as NR3) is a mechanism for licensing authorities to share details of individuals who have had a hackney carriage or Private Hire Vehicle (PHV) licence revoked, or an application for one refused.

The use and participation of the authority in this mechanism is necessary for assessing whether an individual is a fit and proper person to hold a hackney carriage or PHV licence, in particular these assessments form part of the legal duty of the authority to protect vulnerable passengers through the licensing process.

Currently all applicants for a hackney carriage or private hire vehicle driver's licence are required to answer a question on the application form which asks if they have ever had an application refused or a taxi licence revoked by another licensing authority. If they indicate "yes" the Council is then able to carry out the relevant enquiries of the other licensing authority. If the applicant gives a negative response to this question the Council has no mechanism for checking this. Whilst it is true that relevant criminal convictions should be revealed by the Disclosure and Barring Service check there are a range of circumstances which could properly lead to the refusal or revocation of a licence that would not result in a conviction. The NR3 Register has been created to address this gap, i.e. to facilitate and control the legitimate sharing of refusal/revocation information between Licensing Authorities.

It is not mandatory for the local authorities to participate and use the register however it is strongly recommended by central government that they do as the more extensive the database then the better protection it will potentially provide. The use of the NR3 database is recommended by the Department for Transport in their July 2020 document "*Statutory Taxi & Private Hire Vehicle Standards*".

Tameside Council host the National Anti-Fraud Network (NAFN) who are the administrators of the register.

This policy sets out how we will use the National Register.

## **Requests for information, disclosure of information, and use of information as a result of an entry on NR3**

In this policy, the 'first authority' refers to a licensing authority which made a specific entry onto the National Register of Refusals and Revocations; the 'second authority' refers to a licensing authority which is seeking more detailed information about the entry.

### **1. Overarching Principles**

This policy covers the use that Halton Borough Council will make of the ability to access and use information contained on the National Register of Taxi Licence Revocations and Refusals (NR3). The NR3 contains information relating to any refusal to grant, or revocation of, a taxi drivers' licence. This information is important in the context of a subsequent application to another authority for a drivers' licence by a person who has had their licence refused or revoked in the past.

Halton Borough Council has signed up to the NR3. This means that when an application for a taxi drivers' licence is refused, or when an existing taxi drivers' licence is revoked, that information will be placed upon the register.

When an application for a new drivers' licence, or renewal of an existing drivers' licence is received, this authority will make a search of the NR3. The search will only be made by an officer who has been trained in the use of the NR3 and who is acting in accordance with this policy. If details are found that appear to relate to the applicant, a request will be made to the authority that entered that information for further details.

Any information that is received from any other authority in relation to an application will only be used in relation to that application, and the determination of it, and will not be used for any other purpose. Any data that is received will only be kept for as long as is necessary in relation to the determination of that application. This will include the period of processing that application, making a decision, notifying the applicant of the outcome of that decision, and the appeal processes. In any case, information is only kept in accordance with data protection legislation.

### **2. Information Contained within the NR3 Register**

Tameside Council host the National Anti-Fraud Network (NAFN) who are the administrators of the register.

The information recorded on NR3 itself will be limited to:

- name
- date of birth
- address and contact details
- national insurance number
- driving licence number
- decision taken
- date of decision



- date decision effective

Information will be retained on NR3 for a period of 25 years.

### **3. Making a request for further information regarding an entry on NR3**

When making an application to this authority for the grant of a new, or renewal of, a hackney carriage or private hire driver's licence, a check of the NR3 system will be made by licensing officers.

This authority will make and then retain a clear written record of every search that is made of the register. This will detail:

- the date of the search;
- the name or names searched;
- the reason for the search (new application or renewal);
- the results of the search; and
- the use made of the results of the search (this information will be entered to the register at a later date).

If this authority discovers any match (i.e. there is an entry in the register for the same name and identifying details) a request will be made to the authority that entered those details (the first authority) for further information about that entry. That request will also include details of this authority's data protection policy in relation to the use of any data that is obtained as a result of this process.

This request will be made in writing (posted or emailed) to the contact address of the authority that entered those details (the first authority) which will be detailed in the register.

### **4. Responding to a request made for further information regarding an entry on NR3**

When this authority receives a request for further information from another authority, a clear written record will be made of the request having been received within a register solely for the purpose of data protection monitoring and in accordance with the Data Protection Act 2018.

This authority will then determine how to respond to the request. It is not lawful to simply provide information as a blanket response to every request. Any disclosure must be considered and proportionate, taking into account the data subjects' rights and the position and responsibilities of a taxi driver. Each application will be considered on its own merits. This will be determined by an officer who has been trained to discharge this function in accordance with data protection legislation. The officer will record what action was taken and why. This authority will make and then retain a clear written record of every decision that is made as a result of a request from another authority. This will detail:

- the date the request was received
- the name or names searched
- whether any information was provided
- if information was provided, why it was provided (and details of any further advice obtained before the decision was made)

- if information was not provided, why it was not provided (and details of any further advice obtained before the decision was made) and
- how and when the decision (and any information) was communicated to the requesting authority.

## **5. Using any information obtained as a result of a request to another authority**

When this authority receives information as a result of a request that has been made to another authority, it will take that information into account when determining the application for the grant or renewal of a taxi drivers' licence. This will be in accordance with the usual process for determining applications.

## **6. Making New Applicants and Existing Drivers aware of NR3**

All future applications for hackney carriage or PHV driver licenses will be checked against the NR3 register. The authority has updated its application forms and related paperwork/webpages (such as guidance notes and its Privacy Notice) to make it clear that:

- all applicants will have their details checked against the register, and any relevant information taken into account in assessing the application;
- Where an application is refused, or where a licence is granted but subsequently revoked, this information will be entered into the register and will be held for a maximum of 25 years.

Where the authority (the first authority) decides to refuse or revoke a hackney carriage/private hire driver's licence, the decision notice will refer to the authority's earlier notification in guidance and on application forms that the decision will be entered on to NR3. The decision notice will also make clear that if the individual makes an application to another licensing authority (the second authority) for a driver's licence at a later date, the second authority may check the register, and the details of the refusal or revocation will be provided to them by this authority, in line with our policy for disclosing information.

## APPENDIX C



### **The Disclosure & Barring Service (DBS) Update Service Policy Document**

#### **Background**

Halton Borough Council, like most licensing authorities requires all new and renewal applicants for hackney carriage and private hire vehicle drivers to obtain an Enhanced DBS check prior to the licence being considered in order to satisfy itself that the applicant is a fit and proper person as required by The Local Government (Miscellaneous Provisions) Act 1976.

This has since been amended in light of the recommendations from The Department for Transport (DfT) in their document “Statutory Taxi & Private Hire Vehicle Standards” (July 2020) to require all licensed drivers to subscribe to the Disclosure and Barring Service (DBS) update service.

This means that no licence will be granted (first or renewal) until the licensing section have received an Enhanced DBS certificate and verified that the applicant has subscribed to the DBS Update Service. Any information provided by the DBS must satisfy the Council’s current policy on Professional Standards.

All costs in respect of obtaining a DBS enhanced certificate and subscription to the DBS Update Service will be borne by the applicant/licence holder.

#### **The DBS Update Service**

The DBS Update Service is an online subscription service that allows the licence holder to keep their DBS certificates up to date. It allows licensing officers to check your certificate online, with your consent multiple times throughout the period of your licence as well as upon renewal.

Joining the subscription service will save time and money. Once registered the licence holder will not need to make a separate application for an enhanced disclosure certificate as part of the application to renew the licence. In the long term it is cheaper than applying for a new certificate every three years.

Details of how to apply and costs can be found on the Government website:  
<https://www.gov.uk/dbs-update-service>

### **Renewing your subscription to the Update Service**

Subscriptions last for one year from the 'date of issue' displayed on the DBS certificate – after this, the subscription will expire. It is the responsibility of the licence holder to ensure they keep the subscription up to date and pay the subscription fee every year. There is an option to automatically renew your subscription. Failure to maintain the subscription for any reason the licence will be suspended with immediate effect. The suspension will not be lifted or the licence re-instated until you have applied for and received a new enhanced DBS certificate, re-subscribed to the update service and the Council are satisfied with the contents of your new certificate.

### **Information Obtained from the Update Service Checks**

The online update service checks confirm that there has been no changes to the information that was previously provided on the DBS certificate. However, it may advise that the DBS certificate is no longer current. In these circumstances the applicant or licence holder will be required to obtain a further DBS certificate and enquiries will be made as to why the additional information had not been provided previously as per licensed driver conditions. The licence holder will then have to sign up to the update service again.

### **Notification of certain Criminal Offences**

During the period of a licence, should a licence holder notify the licensing team that they have been convicted of a recordable criminal offence, then following any action taken by the Council that does not result in the revocation of their licence a new DBS certificate will have to be obtained and register again with the update service.

## APPENDIX D



### **Vehicle Licence Policy Amendment**

#### **Background**

The Department for Transport (DfT) in their document “Statutory Taxi & Private Hire Vehicle Standards” (July 2020) has reported on the necessity for all authorities to have a robust system to promote the reporting of complaints from the public as well as the recording and dealing appropriately with the complaints.

Halton Borough Council licensing team now has a bespoke complaints reporting system which has resulted in a transparent audit trail of how matters are dealt with.

The DfT specifically referred to “*Ways to make complaint to the authority should be displayed in all licensed vehicles*” which is currently not a requirement.

#### **Customer Complaints Notice**

The Council is able to produce a customer complaints notice with the cost met from the licensing budget. The issue being that there is nothing in the current policy to require the fitting of these notices in licensed hackney carriage and private hire vehicles.

It is proposed that the following wording is adopted in the policy for hackney carriage and private hire vehicles:

*Every licensed hackney carriage and private hire vehicle is required to permanently display in a prominent location for the customer a complaints notice as provided by the licensing section.*

<b>REPORT TO:</b>	<b>Executive Board</b>
<b>DATE:</b>	<b>18<sup>th</sup> November 2021</b>
<b>REPORTING OFFICER:</b>	<b>Strategic Director People</b>
<b>PORTFOLIO:</b>	<b>Children and Young People</b>
<b>SUBJECT:</b>	<b>The Funding Formula for Mainstream Schools and Academies for 2022-23</b>
<b>WARDS:</b>	<b>Borough wide</b>

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

- 1.1 This report will outline the proposal for the Dedicated Schools Grant (DSG) Schools Block Funding Formula for Halton mainstream schools and academies for the Council's financial year 2022-23.

### **2.0 RECOMMENDATION: That**

- 2.1 **The Board approve the continuation of the National Funding Formula for 2022-23;**
- 2.2 **The Board supports the disapplication request to transfer 1% of DSG from Schools Block to High Needs Block.**

### **3.0 SUPPORTING INFORMATION**

- 3.1 The Dedicated Schools Grant was split into four blocks; Schools Block, Central Schools Services Block, High Needs Block and Early Years Block from April 2018. The Schools Block supports mainstream primary and secondary schools 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.
- 3.2 The National Funding Formula (NFF) is used by the Department for Education to calculate the Schools Block element of the Dedicated Schools Grant allocated to Halton. The NFF contains a number of factors, mainly pupil-led and each schools' budget is calculated using the cash values assigned to each factor with the data from the October school census. Until such time as the "hard" National Funding Formula is introduced, it is for each local authority to decide upon the funding formula to be adopted each financial year. This is which factors we wish to use and, where permissible, what criteria is attached to those factors.

- 3.3 After consultation with schools and Schools Forum it was decided to move Halton mainstream schools and academies to the National Funding Formula for 2018-19 and have followed the NFF since that point.
- 3.4 We are required to now make a decision on the funding formula to be adopted for 2022-23. The changes to the NFF for 2022-23 are:
- For 2022-23 there is a cash increase of 3% on key factors within the NFF, 2% cash increase to the funding floor, Minimum Per Pupil Levels and the Free School Meals factors. No uplift has been applied to premises factors with the exception of the Private Finance Initiative factor which has increased by the Retail Price Index.
  - Changes have been made to the maximum cash value and criteria of the Sparsity factor but this is not currently used in Halton.
  - For 2022-23 data on pupils who have been eligible for Free School Meals at any time within the last six years is now taken from the October census instead of the January census to make the factor more up to date and bring it in line with arrangements for other NFF factors as well as the Pupil Premium Grant.
  - In calculating low prior attainment proportions, data from the 2019 early years foundation stage profile and key stage 2 tests is used as a proxy for the 2020 tests, following the cancellation of assessment due to Covid-19.
  - Changes of the data source for the Mobility factor have been made due to the cancellation of the May 2020 census. This factor is not used in Halton.
- 3.5 On 9<sup>th</sup> September 2021 a consultation paper was sent out to all mainstream schools and academies in the borough and this is attached as Appendix A. The deadline for responses was 24<sup>th</sup> September. At Schools Forum held on 13<sup>th</sup> October the provisional DSG allocations for 2022-23 were reported along with the consultation paper and responses. Schools Forum members agreed with the results of the consultation that we should continue to adopt the NFF method, principles and rules for the funding formula to be applied to primary and secondary mainstream schools and academies. Details of the responses can be found as Appendix B.
- 3.6 The second part of the Schools Block consultation related to the Minimum Funding Guarantee (MFG), which remains in place with a permitted range of plus 0.5% to plus 2.0%. The MFG ensures that a school's budget on a per pupil basis cannot fall by more than this set amount. As we will not know the pupil data from the October 2021 census and the final Schools Block settlement until December, it is impossible for any decision to be made on the level of MFG at this point in time. The consultation outcome of Schools Forum being permitted to

make the decision on the level of MFG to be applied for 2022-23 at the January meeting was supported by Schools Forum.

- 3.7 From April 2018 the Schools Block has been ring-fenced, to be devolved to mainstream schools and academies only. Local Authorities are allowed to transfer up to 0.5% of the Schools Block allocation to the High Needs Block to ease the budget pressures on High Needs, if this is approved following consultation with schools and academies and receives the approval of School Forum. A transfer in excess of 0.5% is possible but is also subject to approval by the Secretary of State. This is known as a Disapplication request.
- 3.8 It was made explicitly clear to schools that if the pressures on the High Needs Block did not ease during 2021-22, schools and academies could expect a request for a transfer of funding from the Schools Block to the High Needs Block for 2022-23. As pressures did not ease, a separate consultation on this transfer of 1% from the Schools Block to the High Needs Block was issued on 7<sup>th</sup> October 2021 with a closing date of 22<sup>nd</sup> October 2021. The transfer request is to offset some of the High Needs Block deficit balance but will also be used to fund three Invest to Save Proposals as set out in the consultation document. This consultation is attached at Appendix C.
- 3.9 The provisional grant allocations for 2022-23 were announced on 19<sup>th</sup> July 2021 and showed an increase of £1.3M to the High Needs Block and a provisional increase of £2.7M to the Schools Block compared to the 2021-22 allocations. We have not requested any transfer of Schools Block grant to the High Needs Block for the 2020-21 or 2021-22 financial years, to allow us to pass through the full amount of the Schools Block allocation to mainstream primary and secondary schools and academies in Halton. This was to help with the additional costs incurred due to the pandemic that may not be covered by grants and to allow time for more inclusive practices to bed in, continuing the rationale from last year.
- 3.10 The consultation on the proposed transfer of DSG from the Schools Block to the High Needs Block received 14 responses. Of these 6 supported the proposal, 7 were against the proposal and 1 gave only a narrative response. The full details of the responses are attached at Appendix D.
- 3.11 In order for the disapplication request to transfer 1% of Schools Block grant to the High Needs Block to be considered by the Department for Education, we are required to show support from schools via the consultation, Schools Forum and political approval at a local level. The consultation shows the schools who responded were against the transfer by one school. Schools Forum met on the 3<sup>rd</sup> November to consider the proposal and the outcome of the consultation and were in favour of the transfer. We now require a decision from the Board to support the consultation outcome and Schools Forum decision.



#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 If pupil numbers and cohort in each school remained the same for 2022-23, every school would see an increase in funding. For 2021-22 91.47% of Schools Block funding was allocated through pupil-led factors (the minimum requirement is 80%), with 69.79% through the basic per pupil entitlement alone. However, we know that in some schools, pupil numbers are falling. Therefore, where pupil numbers are falling schools will likely see a reduction in funding, however the two levels of safeguards – Minimum Per Pupil funding level and Minimum Funding Guarantee will ensure that on a per pupil basis schools will receive a minimum increase of at least 0.5% per pupil.

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

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

It is essential the funding allocated to schools ensures 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 The High Needs Budget continues to be highly pressured due to the number of learners requiring support. The High Needs Review has been considering the changes needed in Halton to ensure that we can continue to appropriately support our children and young people with SEND whilst reducing costs.
- 6.2 Increased investment in schools through the National Funding Formula and promoting and developing increased inclusion in our schools and settings should reduce the need for additional support or specialist placements.

## 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.

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

Document	Place of Inspection	Contact Officer
National Funding Formula for schools and high needs 2021-22 (July 2021)	DfE website	Martin West – Interim Operational Director – Education Inclusion and Provision & Operational Director Resources
Impact of the schools NFF – EFA – (July 2021)	DfE website	Martin West – Interim Operational Director – Education Inclusion and Provision & Operational Director Resources
Schools Block National Funding Formula – Technical note (July 2021)  High Needs Funding Operational Guide 2022 to 2023 (August 2021)  Central School Services Block National Funding Formula - Technical note - (July 2021)  High Needs Funding Formula – Technical note (July 2021)  School Revenue Funding 2022 to 2023 –Operational Guide (July 2021)	DFE Website	Martin West – Interim Operational Director – Education, Inclusion and Provision & Operational Director Resources
School Forum agenda, papers and	HBC website	Martin West – Interim Operational Director –

minutes		Education Inclusion and Provision & Operational Director Resources
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Appendix A

**Consultation on the Schools Block Funding Formula for 2022-23**

Appendix B

**Consultation responses on the Schools Block Funding Formula for 2022-23**

Appendix C

**Consultation on the proposal to transfer 1% of Schools Block grant to the High Needs Block for 2022-23**

Appendix D

**Consultation responses to the transfer proposal for 2022-23**

## Consultation on the Schools Block Funding Formula

### Funding Formula

We are required to consult with schools and academies on the method, principles and rules adopted for the funding formula to be applied to primary and secondary schools and academies. We are NOT consulting on the cash values for each factor, simply which factors we use and the criteria to use where there is a choice.

As you will be aware, for the past three years we have followed the National Funding Formula (NFF) method, principles and rules. We are recommending that we continue this. The NFF for 2022-23 is as detailed below:

<u>Factor</u>	<u>Criteria</u>	<u>Primary NFF value 22-23</u>	<u>Secondary NFF value 22-23</u>
Basic per Pupil	A set level of funding for each pupil. For 2022-23 this factor has been uplifted by 3% since the 2021-22 NFF	£3,217	£4,536 KS3 £5,112 KS4
Deprivation - FSM	Funding for pupils who are currently eligible for FSM.	£470	£470
Deprivation – FSM Ever 6	Funding for pupils who have been eligible for FSM at some point in the previous 6 years.	£590	£865
Deprivation – IDACI	Income Deprivation Affecting Children Index. Funding is based on the deprivation level assigned to each pupil's home post code, banded A to G. However funding is only allowed for bands A to F.	F £220 E £270 D £420 C £460 B £490 A £640	F £320 E £425 D £595 C £650 B £700 A £890
Low Prior Attainment	Primary – where pupils have not achieved the expected level of development at EYFSP. Secondary – where pupils have not achieved the expected standard in KS2 at either reading, writing or maths.	£1,130	£1,710
English as an Additional Language	Pupils identified with a first language other than English can be funded for up to the first three years of statutory schooling. We fund for the maximum period of three years.	£565	£1,530
Pupil Mobility	Provides funding for pupils who enter a school other than at the start of Autumn Term. A minimum threshold applies of 6% of pupil numbers. Not used in Halton due to extremely low number of schools affected.	£925	£1,330

Sparsity	Funding for small schools located in areas where pupils would have to travel a set minimum distance to the next nearest school. Not used in Halton.	Year Group size and distance tapers as per DfE	Year Group size and distance tapers as per DfE
Minimum Level of Per-pupil funding	A mandatory factor. <i>Combines all pupil-led factors and is not a stand-alone amount.</i>	£4,265	£5,525
Total Pupil-led factors	Each LA is required to allocate at least 80% of the delegated Schools Block funding through the above pupil-led factors.		
Lump Sum	An amount per school up to a maximum of £175,000. Can be different for primary and secondary schools.	£117,838.45	£117,838.45
Split Sites	No schools in Halton are eligible for funding under this factor.		
LA Rates	LA Rates	2021-22 value uplifted by 2.5%	2021-22 value uplifted by 2.5%
PFI contracts	A factor to support schools that have unavoidable premises costs due to being a PFI school. In Halton we use a per pupil rate.	£213.55	£213.55
Exceptional Premises	In Halton, this is for the joint use of leisure facilities by contractual agreement with one school.		£148,702
Minimum Funding Guarantee	The MFG can be set between +0.5% and +2.0%.		

### Cash values

We are not required to consult on the cash values attributed to each factor, however we can share with you the NFF values as above. The final cash values used are dependent upon the pupil data and final grant allocation which will both be released mid-December.

The cash values for 2022-23 are also dependent upon the outcome of a separate consultation on a proposal to transfer an amount of Schools Block funding to the High Needs Block. It is expected that this separate consultation will be issued in early October.

The DfE have uplifted by 3% the NFF cash values for basic entitlement, FSM6, IDACI, LPA, EAL and the lump sum. The Funding Floor, MPPL and FSM factors have been uplifted by 2%. No uplift has been applied to premises factors, except for PFI which has increased by RPIX (3.17%).

**Exceptional Circumstances factor**

The Exceptional Circumstances factor has been used to provide funding to Ormiston Bolingbroke Academy for the Joint Use of Brookvale Recreation Centre. This is an historic agreement for which we gained permission to use this factor for 2016-17. The DfE allow the continuation of the factor for six years after agreement is given so we are now required to reapply for permission. The factor is now uplifted each year by the same RPIX percentage as applied to the PFI factor, set by the DfE for 2022-23 at 3.17%.

As per the terms of a general disapplication request, we are required to consult with the school affected by this factor and Schools Forum.

**Minimum Funding Guarantee**

The Minimum Funding Guarantee remains in place for 2022-23 and continues to have a permissible range of plus 0.5% to plus 2.0%. The MFG is calculated to a per pupil amount which cannot be less than the previous year's per pupil amount multiplied by the MFG factor. This means that a schools' per pupil amount must increase by a minimum of 0.5% to 2.0% compared to the previous year.

It is impossible to say what MFG level we will require, or can afford at this point in time. This can only be calculated when the final grant allocation and pupil data is received. The grant settlement is typically released just a few days before Christmas. As the Council requires most staff to take unpaid leave between Christmas and New Year, there is insufficient time to allow the calculations to be completed, options modelled, a new consultation paper prepared, issued and responses received and considered before Schools Forum in January and the statutory DfE submission deadline. Therefore, as in previous years, we are asking that you agree to Schools Forum approving the MFG level at the January meeting when the Schools Block indicative budgets will be presented. If we do not submit a proposed Schools Block funding formula to the DfE by the deadline of 21<sup>st</sup> January it is possible that the DfE will impose a funding formula on us. As in previous years, we will always strive to give the maximum MFG possible based upon the actual grant settlement.

**Indicative Schools Block budgets**

The attached spreadsheet issued by the DfE shows the impact of the updated 2022-23 NFF formula and cash values. This is based on your October 2020 census data and therefore is not the amount of funding you will receive.

**Consultation questions**

1. Do you agree that we continue to adopt the NFF method, principles and rules adopted for the funding formula to be applied to primary and secondary schools and academies?

Yes/No

If no, please explain what you would prefer to use:

2. Do you agree to the continuation of the Exceptional Premises Factor to meet the Joint Use costs at one school, as previously agreed in 2016-17.

Yes/No

3. Do you agree to Schools Forum determining the level of the Minimum Funding Guarantee at the January meeting?

Yes/No

If no, please explain how you think agreement should be reached within the timescales set by the DfE:

Please respond no later than **5pm on Friday 24<sup>th</sup> September 2021** to ensure your feedback can be fed back to Schools Forum and subsequently to the Executive Board of the Council.

**Responses to be e-mailed to [anne.jones@halton.gov.uk](mailto:anne.jones@halton.gov.uk)**

**Schools Block Consultation - Funding formula for 2022-23**

Issued 09-09-21

	Response date	Q1	Comment	Q2	Comment
Victoria Rd	09/09/2021	Yes	-	Yes	-
Gorsewood	13/09/2021	Yes	-	Yes	-
St Gerards	12/09/2021	Yes	-	Yes	-
All Saints Upton	21/09/2021	Yes	-	Yes	-
The Grange	16/09/2021	Yes	-	Yes	-
OCA	24/09/2021	Yes	-	Yes	-
Wade Deacon	17/09/2021	Yes	-	Yes	-
Sandymoor	24/09/2021	Yes	-	Yes	-
Responses		8	8		8



## Consultation on the proposal to transfer DSG from the Schools Block to the High Needs Block 2022-23

### Background

Until 2018-19 we were able to move DSG between the different funding blocks to meet the needs of each block. With the introduction of the new National Funding Formula from April 2018, new regulations came into force restricting the movement of funding from the Schools Block.

This created increased pressure on the High Needs Block so for 2018-19 we consulted and gained approval to transfer 0.5%, £421,594 from the Schools Block to the High Needs Block, plus £51,672 from the Central Schools Services Block. This was to support the increase in pupil numbers and costs of SEND support at all levels. Appendix A is the consultation document for this transfer which details the breakdown of the pupil numbers for each level of support and costs for 2017-18 to date (at the time of writing the consultation that year) and the previous three years from 2014-15 onwards.

For the following year, 2019-20, we consulted and gained approval for a transfer of 1%, £869,312. The consultation document for that year detailing the pupil numbers and costs of SEND support at all levels is included as Appendix B.

### Current Position

As you will be aware despite all our efforts we failed to achieve a balanced year-end position for 2020-21 and had a deficit DSG balance of £895,355. As we did not fully spend the de-delegated Schools Contingency budget during 2020-21, Schools Forum decided that the unspent balance should be carried forward into 2021-22 and added to the De-delegated Schools Contingency budget in that year. Therefore our deficit increased to £995,742.

The High Needs Block grant allocation for Halton has increased over the years as below:

Year	2018/19	2019/20	2020/21	2021/22	2022/23
After recoupment	£13,987,816	£13,811,856	£16,155,582	£18,328,788	£19,646,658*

\*estimated figure for 2022-23 after recoupment as recoupment figure not yet finalised

### High Needs expenditure

The following is a breakdown of the actual costs and pupil numbers for each level of SEND support (forecast position for 2021-22 based on current data):

#### Special schools including Special Academies

	2018/19	2019/20	2020/21	2021/22
Total pupil numbers	336	366	388	404
Total budget	£4,763,403	£4,957,423	£5,196,436	£6,004,886
Total cost	£5,004,246	£5,097,422	£5,526,497	£5,934,886
Average cost per pupil	£14,893.59	£13,927.38	£14,243.55	£14,690.31

#### PRU

	2018/19	2019/20	2020/21	2021/22
Total pupil numbers	55	64	61	60
Number of places	60	60	60	60
Total budget	£1,715,535	£1,904,955	£1,729,814	£1,643,271
Total cost	£1,715,535	£1,904,955	£1,857,077	£1,643,271
Average cost per pupil	£30,938.41	£29,844.20	£30,614.52	£27,387.85

## Resource Bases

	2018/19	2019/20	2020/21	2021/22
Total pupil numbers	85	84	96	92
Number of FTE places	118	130	120	120
Total budget	£1,373,543	£1,307,002	£1,186,633	£1,230,461
Total cost	£1,124,844	£1,378,478	£1,186,633	£1,150,461
Average cost per pupil	£13,228.79	£15,228.63	£13,083.77	£13,193.32

## Top-up funding – includes Discretionary funding and EHCP funding

	2018/19	2019/20	2020/21	2021/22
Total pupil numbers	329	227	296	306
Total budget	£1,379,006	£1,657,120	£1,155,124	£1,722,080
Total cost	£1,103,838	£1,151,156	£1,721,822	£2,068,851
Average cost per pupil	£3,811.53	£5,071.17	£5,816.97	£6,760.95

## Centrally Retained Funding - Specialist Provision

	2018/19	2019/20	2020/21	2021/22
No FTE posts	18.2	17.38	18.86	21.64
Total budget	£2,105,005	£1,923,695	£3,047,486	£2,361,030
Total cost	£1,667,950	£2,054,423	£2,159,945	£2,220,776

## Centrally Retained Funding – Inclusion staffing

	2018/19	2019/20	2020/21	2021/22
Total FTE	6	5	9	9
Total budget	£528,140	£446,470	£464,120	£531,560
Total cost	£469,048	£308,770	£393,294	£554,056

## Inter Authority Expenditure

	2018/19	2019/20	2020/21	2021/22
Total pupil numbers	38	42	42	47
Total budget	£175,000	£175,000	£375,000	£382,670
Total cost	£400,011	£345,929	£560,341	£790,423
Average cost per pupil	£10,526.61	£8,236.40	£13,498.94	£16,817.51

## Independent and Non-Maintained Special Schools

	2018/19	2019/20	2020/21	2021/22
Total pupil numbers	109	118	126	130
Total budget	£2,421,450	£2,415,450	£3,172,450	£4,452,830
Total cost	£3,048,811	£3,063,211	£4,280,879	£5,134,808
Average cost per pupil	£27,970.74	£25,959.42	£33,975.23	£39,498.52

## Overall Summary

	2018/19	2019/20	2020/21	2021/22
Funding available	£14,461,082	£14,784,113	£16,155,582	£18,328,788
Expenditure	£14,534,283	£15,204,614	£17,754,719	£19,525,202*
Deficit	£73,201	£420,501	£1,599,137	£1,238,484*

\*Forecast outturn as at 30-09-21

## Budget Summary

Halton's High Needs Block budget was overspent by £1,599,137 at the end of 2020/21. This was offset by the carried forward balance from the previous year and underspends from the other blocks of DSG, to give an overall deficit of £995,742. This sum has been carried forward into 2021/22 and with continuing cost pressures, the cumulative overspend is currently forecast at £2.19M for the end of this financial year.

It is therefore essential that the increasing cost pressures are reduced. While actions taken from now will impact on future spend, we are likely to have a cumulative deficit as at 31<sup>st</sup> March 2022 in the region of 10% of the High Needs Block budget for next year.

The provisional HN allocation for 2022/23 is estimated to be an increase of £1.3M to £19.6M compared to the current year. This could cover the expected costs for 2022/23 and allow increased investment in Educational Psychology, Specialist Teaching and Early Years, but is unlikely to meet any pay uplifts as well.

However to try to reduce the deficit, identify, assess and meet local needs earlier and more effectively we will be requesting a 1% transfer from the Schools Block to the High Needs Block. Based on current estimates this is likely to be in the region of £1M. After initial modelling there is a possible unallocated amount of £334k of Schools Block funding. If this is proven to be the case when the actual data and allocation is received, instead of increasing one or more cash values to fully devolve the Schools Block, we would reduce the allocations by 0.67% so that when added to the unallocated Schools Block amount it would total 1%. Appendix F shows the indicative Schools Block budgets for each school as previously circulated with the Schools Block Funding Formula consultation plus the comparative budget after the 1% transfer.

## DSG Management Plan

The DfE require all LAs who either end the year with a deficit DSG balance or a significant reduction of their DSG balance to gather the information identified on the DSG Management Plan. This is a combination of figures – past years and forecasts for the next three years – and narrative of the actions and plans in place or in development that will bring us back to a balanced year-end DSG position. This is being finalised but, having found another error in the template we need to return it to the DfE for the error to be corrected.

## Case for transferring Schools Block to High Needs Block

For 2018-2019 schools and School Forum agreed to transfer 0.5% of Schools Block and in 2019-2020 schools, School Forum and the Secretary of State agreed to a transfer of 1% from Schools Block. On 16<sup>th</sup> January 2020 Executive Board agreed that no transfer be requested for 2020-21 as the High Needs budget had increased by £2.29 million. This was to allow the full increase of the Schools Block DSG to be passed through to all mainstream primary and secondary schools/academies.

In line with the Inclusion Charter developed with schools in 2019 and school's responsibilities as part of the Local Offer, schools were advised to use this funding to improve their local provision for their children and young people with SEND, thereby reducing the need for specialist placements and the number of EHCPs. However, demand has continued to increase with the percentage of EHCPs increasing significantly since 2018 from between 12% and 17%.

The question of why we are continually overspending on the High Needs Block is two-fold. Yes, we can always argue that the amount of grant has been well below what we felt we should have been receiving but the number of learners that we are being asked to support is continually rising and we

have more than 0.5% of our total statutory age pupil cohort in out of borough placements where costs can exceed £80,000 for one pupil for one year. This would fund 7 primary age pupils or almost 9 secondary age pupils at Band 3 EHCP support.

The transfer of funds from Schools Block to the High Needs Block would not just be to offset the current deficit balance. Three key areas have been identified as requiring additional investment with a view to reducing costs in future years:

1. Increasing the Education Psychologists by 1.5fte posts costing £100,000 – See Appendix C for details
2. Increase the Specialist Teams capacity by 1fte Teacher/Advisor costing £60,000 plus the purchase of an Autism Education Trust (AET) Licence costing £13,200 – See Appendix D for details
3. Purchase of the Wellcomm Toolkit costing £22,500, Early Years SENDCO Training and Development work costing £40,000 and the launch of the EY Inclusion Charter plus bespoke training costing £14,100 – See Appendix E for details.

Summary of Invest to Save costs:

Business Case 1 – Educational Psychologist 1.5fte posts	£100,000
Business Case 2 – Specialist Teacher/Advisor 1.0fte post	£ 60,000
- Autism Education Trust Licence & Materials	£ 13,200
Business Case 3 – Wellcomm Toolkit	£ 22,500
- Early Years SENDCO Training & Development	£ 40,000
- Inclusion Charter launch & bespoke training courses	£ 14,100
<b>Total</b>	<b>£250,000</b>

Future Years

It is extremely difficult to say for certain whether a transfer from the Schools Block to the High Needs Block will be needed again in future years as it is dependent upon so many variables. The key variable being the High Needs Block grant allocation from the DfE. The Spending Review should hopefully give some insight into this but that will not be known for some time. There is also the impact of the changes being brought on line in the coming months and years. The hope is that no further transfer will be required but we cannot guarantee this.

Other DSG blocks

We are already keeping the spend from the Central Schools Services Block to an absolute minimum so that the balance can be used to support the High Needs pressures. The Early Years Block has restrictions on how much can be retained centrally, we are not in a position to offer any transfer from the Early Years Block due to the adverse impact this would have on all EY providers.

**Consultation question**

The question is simple – do you agree with the transfer of 1% of the Schools Block allocation for 2022-23 to the High Needs Block, to ease the pressure and support the Invest to Save proposals as set out in this document?

Yes / No

If your answer is No, please state your proposals of how we bring the DSG overall budget back to a balanced position within the next few years.

**The deadline for your response is 5pm on Friday 22<sup>nd</sup> October 2021** in order for your response to be included in the report to Schools Forum, on Wednesday 3<sup>rd</sup> November.

Please e-mail your responses to [anne.jones@halton.gov.uk](mailto:anne.jones@halton.gov.uk)

You will shortly be notified of presentation/Q&A sessions to be held via Teams regarding this consultation.

**Transfer to HNB Consultation - 2022-23**

Issued 07-10-21	Deadline 22-10-21		
	Response date	Q1	Comment
Victoria Rd	10/10/2021	Yes	-
St Clements	07/10/2021	Yes	-
Woodside	08/10/2021	-	-
Windmill Hill	08/10/2021	Yes	-
St Gerards	09/10/2021	Yes	-
OLPS	20/10/2021	Yes	-
Bridgewater Park	22/10/2021	No	-
Palacefields	22/10/2021	No	-
Daresbury	22/10/2021	No	-
Widnes	21/10/2021	No	-
The Grange	20/10/2021	No	-
The Heath	22/10/2021	No	-
Wade Deacon	21/10/2021	No	-
Brookfields	12/10/2021	Yes	-

## Narratives

School	Comment
Woodside	Neither. I wish to protest that schools and the LA should not be forced into this parsimonious penny pinching where children's futures are at stake.
Bridgewater Park Palacefields Daresbury The Heath	<p data-bbox="400 367 1455 472">Saying 'NO' does not mean we are against the principle of the need for further investment in SEN, but we need to balance the needs of SEN with the funding requirements for all of our pupils, and this proposal could lead to an 80k reduction in our funding in 22/23.</p> <p data-bbox="400 528 1455 633">The impact of 'no' could also be detrimental and push back costs/lack of provision on schools which may also have a considerable cost both to the schools and pupils so it becomes an impossible choice, especially as incorporates an improvement to services.</p> <p data-bbox="400 678 1455 846">The information provided does not appear to show forward projections beyond 22/23 – when will the DSG management plan be available and would we be better placed to agree to the 1% if we could see its impact within this plan? This would give more assurance that this contribution would make a positive difference – even if it did not fully eliminate the issue, and would negate the inference that it is just a short term 'fix'.</p>
Widnes Academy Wade Deacon	<p data-bbox="400 904 1455 1184">As you state schools have previously supported requests from the LA in order to seek to bring budget under control by interim cash support which has resulted in schools including my own not being able to provide the full range of provision and resources we would normally have undertaken. Whilst I appreciate that the simple methodology of a 1% cross clawback is common it does not appreciate the impact this will have on a small schools already restricted budget whilst seeking to support the high level of catch up and covid legacy costs. This will mean staff support reductions for us. To minimum or cap on any contribution is not a reasonable approach.</p> <p data-bbox="400 1263 1455 1579">Future Years – there appears to be no rationale for supporting this proposal as you state that there is no guarantee that this will not be required for further years. By not applying a consultation that considers the contribution towards additional investment in capacity items 1,2 and 3 only which schools can see would provide capacity into a system this is an omission as the question of deficit should have been treated separately as these are two different matters. To be clear we do not support the consultation in its current format and oppose the transfer of 1%. In order to provide a view on the potential other options much more detail is required and as indicated the existing information provided in the email there are errors in templates that need to be corrected.</p>

<b>REPORT TO:</b>	Executive Board
<b>DATE:</b>	18 November 2021
<b>REPORTING OFFICER:</b>	Strategic Director Enterprise, Community & Resources
<b>PORTFOLIO:</b>	Environment and Urban Renewal
<b>SUBJECT:</b>	Procurement of Services for Capital Funded Highway Improvement Schemes
<b>WARDS:</b>	Borough-wide

## **1.0 PURPOSE OF THE REPORT**

- 1.1 To seek approval to proceed with the procurement of services for the delivery of capital funded highway improvements across the Borough. The existing contract will expire on 5 August 2022.
- 1.2 The current contract is held by Lambros Ltd, a local company, who have delivered schemes such as the Widnes Gyrotory improvements, the cycleway through Astmoor and alongside the Bridgewater Canal, and other elements of the Local Cycling and Walking Improvement Plan. The contract is utilised when lower value capital improvements are undertaken on the highway network, for example new sections of footpath. Higher value schemes undergo a separate and bespoke procurement process.
- 1.3 This contract differs to the Highway Term Maintenance Contract that has been jointly procured with Warrington BC, and is held by Tarmac which covers the repair and restoration of the existing highway network and is funded from the highway maintenance block grant from the Department for Transport and revenue funding.

## **2.0 RECOMMENDATION: That**

- 2.1 The Board approve a procurement process to secure a delivery contractor for capital funded highway improvement works.**

## **3.0 SUPPORTING INFORMATION**

- 3.1 It is proposed that the new tender is set up for a 3-year period with an option to award a one-year extension. This is in line with current capital funding arrangements through the Liverpool City Region Combined Authority (LCRCA) .The anticipated tender date is early February 2022 with a commencement date being 6<sup>th</sup> August 2022.
- 3.2 Based on current funding via LCRCA, it is anticipated that the annual value of the contracts in total is likely to be in the region of £ 2.0m thus making



the value of a four year contract in the order £8.0m. This figure is above the Public Contract Regulations 2015 threshold value and will be tendered accordingly. The open procedure will be used whereby expressions of interest are first obtained and then assessed.

- 3.3 The tender submissions will be evaluated on both price and quality; this being on a 30% price, 70% quality ratio and the most economically advantageous tender will be reported to this Board.
- 3.4 The cost of the works delivered through this contract will be met from approved budget allocations for capital funding received via LCRCA and the Local Transport Plan integrated transport block grant from the Department for Transport.

#### **4.0 POLICY IMPLICATIONS**

- 4.1 The method of procurement conforms to the Council's procurement policy. The tender process will be carried out in conjunction with the Procurement Centre of Excellence, using 'The Chest' procurement portal.

#### **5.0 OTHER IMPLICATIONS**

- 5.1 The above contract will ensure that we continue to deliver capital funding in a cost effective manner ensuring the Highway Authority fulfils its capital funding obligations statutory duties.

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

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

None

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

A primary objective of the present funding cycle is to enhance the transport network to provide access to employment locations in the Borough.

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

Improved sustainable links provides residents with opportunities to walk and cycle, and hence live healthier lifestyles

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

Transport network improvements are designed to improve the safety and comfort of the traveling public with improved crossing points and low energy street lighting.

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

Providing improved network links to employment areas and investing in the public realm will improve the attractiveness of the borough, thereby making Halton a desirable location for investors and those who may wish to live here.

## **7.0 RISK ANALYSIS**

Failure to procure a replacement contract would mean that the delivery of Highway capital funded projects would be delayed, leading to decreased opportunities to secure future funding.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

None

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

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

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

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