

# Public Document Pack



## Executive Board

Thursday, 17 November 2022 2.00 p.m.  
Boardroom - Municipal Building, Widnes

S. Young

Chief Executive

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

#### PART 1

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<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) TREASURY MANAGEMENT 2022-23 HALF YEAR UPDATE</b>	<b>14 - 22</b>

*Please contact Gill Ferguson 0151 511 8059 or  
gill.ferguson@halton.gov.uk for further information.  
The next meeting of the Committee is on Thursday, 8 December 2022*

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*In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.*

**EXECUTIVE BOARD**

*At a meeting of the Executive Board on Thursday, 20 October 2022 in Boardroom - Municipal Building, Widnes*

Present: Councillors Wharton (Chair), 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: S. Young, M. Vasic, M. Reaney, E. Dawson, G. Ferguson and D. Nolan

Also in attendance: N. McGrath and S. Scott – Halton Housing Trust. One member of the public and Councillor McDermott.

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

	<i>Action</i>
<p>EXB22 MINUTES</p> <p>The Minutes of the meeting held on 14 July 2022 were taken as read and signed as a correct record.</p> <p><b>LEADER'S PORTFOLIO</b></p> <p>EXB23 URGENT DECISIONS</p> <p>The Executive Board received a report from the Chief Executive, which provided information on the urgent decisions taken since the last meeting of the Board.</p> <p>It was noted that the Council's Constitution gave authority to the Chief Executive to take urgent decisions, in consultation with the Leader of the Council and the Operational Director Finance and/or the Operational Director Legal and Democratic Services, where necessary.</p> <p>Four urgent decisions had been made since the last meeting of the Board and full details were published on the Council's website.</p>	

RESOLVED: That the urgent decisions taken since the last meeting of the Executive Board be noted.

EXB24 PROCUREMENT OF PROPERTY TERM CONSULTANT SERVICES

The Board considered a report of the Operational Director of Economy, Enterprise and Property, that notified Members of the intention to utilise the Matrix MM online market place to appoint Cassidy & Ashton as the main property term consultants for up to a four year period.

Cassidy & Ashton were the current term consultants and were appointed via the Chest in November 2018. The initial contract period was for three years and ended on 16 November 2021, a 12 month extension option was available which was exercised.

It was noted that during the past 4 years Cassidy & Ashton had consistently delivered a high level of service across all disciplines and it was considered desirable that the Council continued to engage with them going forward.

RESOLVED: That Members note the intention to utilise the Matrix MM online market place in order to appoint Cassidy & Ashton as our main property term consultants going forward for up to a 4 year period.

Operational  
Director of  
Economy,  
Enterprise and  
Property

EXB25 2022/23 SPENDING AS AT 30 JUNE 2022

The Board received a report from the Operational Director – Finance, which reported the Council's overall revenue net spending position as at 30 June 2022, together with an initial forecast outturn position.

A summary of spending against the operational revenue budget up to 30 June 2022 was presented in Appendix 1 and Appendix 2 and these provided detailed figures for each individual Department. In overall terms the outturn forecast for the year showed that net spend would be over the approved budget by £5.352m. It was noted that this figure was based on current service demand and forecast of future costs and income levels. Appendix 3 presented the Capital Programme as at 30 June 2022.

RESOLVED: That

- 1) all spending continues to be limited to only absolutely essential items;

Operational  
Director –  
Finance

- 2) Strategic Directors take urgent action to identify areas where spending could be reduced or suspended for the remainder of the current financial year; and
- 3) Council be requested to approve the revisions to the Capital Programme as set out in paragraph 3.10.

EXB26 COUNCIL CONTRACT FOR SUPPLY OF GROCERY AND CHILLED GOODS (INCL FRUIT, VEGETABLES AND DAIRY)

The Board considered a report of the Operational Director – Community and Environment, which sought approval to commence a new procurement process for the supply of Grocery and Chilled Goods.

RESOLVED: That

- 1) the preliminary estimates report be approved in compliance with Procurement Standing Order 1.3.4; and
- 2) Officers be authorised to undertake a call-off in compliance with Procurement Standing Order 1.4.1, Frameworks, accessing the TUCO Grocery, Frozen and Chilled Food, including associated goods of Fresh Fruit & Vegetables Framework for a 2 year period with the option to extend for a further two separate 12 month periods from 1 January 2023 to 31 December 2026 with an estimated total expenditure of £4 million.

Operational  
Director –  
Community and  
Environment

**DEPUTY LEADER'S PORTFOLIO**

EXB27 WIDNES MARKET

The Board considered a report which provided Members with an updated Business Plan and Market Protocols for Widnes Market. Both of these documents highlighted the changes required to Widnes Market to bring it in line with the Council's financial procedures. A copy of the Business Plan and Market Protocols were attached as appendices to the report.

The Widnes Market Protocols and Charging Policy were previously approved by Executive Board at the meeting on 11 April 2019 (Minute EXB121 refers). In the intervening years a number of issues had been raised around the operation of Widnes Market which had necessitated some amendments to the market regulations

and the main points of these changes were set out in the report.

In addition the Board noted that the Widnes Market Business Plan had been updated to take into account the priorities and actions required to be undertaken to ensure the market continued to be at the heart of the Widnes Town Centre. The main focus of the Business Plan was to set out the vision and strategy for the market over the next three years.

RESOLVED: That

- 1) the report be noted;
- 2) the amendments to the Market Protocols as outlined in the Report, (section 3.2 refers) be approved; and
- 3) the Board requested the Corporate Policy and Performance Board to review the findings of the proposed Customer Survey, with a view to it bringing forward any further comments to the Executive Board on the proposed amended Market Business Plan.

Operational  
Director of  
Economy,  
Enterprise and  
Property

#### **ADULT SOCIAL CARE PORTFOLIO**

#### **EXB28 ST PATRICK'S AND ST LUKE'S CARE HOMES REDEVELOPMENT CONTRACT**

The Board considered a report which notified Members of the intention to undertake a procurement exercise via the RISE framework in respect of St Patrick's and St Luke's Care Homes.

It was noted that previously Eric Wright Construction were contracted to refurbish the Lillycross Care facility. The works were completed on time and on budget to a high standard, all of which demonstrated their capability and experience of working in the care sector. Furthermore, of the 20 contractors who were on the general building framework, Eric Wright Construction were the most cost competitive on the price valuation.

The overall estimated cost for both schemes amounted to circa £3.885m.

RESOLVED: That Members note the intention to undertake a procurement exercise via the RISE framework and make a direct award to Eric Wright Construction in respect of the redevelopment of both St Patrick's and St

Operational  
Director of  
Economy,  
Enterprise and  
Property

Luke's Care Homes, subject to them submitting competitive prices for the works.

EXB29 A NEW ASSURANCE FRAMEWORK FOR ADULT SOCIAL CARE

The Board considered a report of the Strategic Director – People, which provided an update on the Halton preparation for the new Care Quality Commission (CQC) Adult Social care assurance framework. It was noted that:

- The CQC had now published a draft assessment framework for consultation;
- North West ADASS Sector Led Improvement Board were leading on the assurance preparation across the North West and they had pulled together a number of work streams to support local authorities with assurance preparations;
- The LGA had completed an initial scoping of key data requirements aligned to the proposed assurance framework. A proposed set of indicators had been developed in draft form; and
- Halton Adult Social Care Management Team had established a task and finish group to ensure the Council was fully prepared for a CQC inspection, working on a timeline for full preparation by April 2023.

RESOLVED: That

- 1) the report be noted;
- 2) the approach to the preparation and generation of an improvement plan be agreed;
- 3) the risks be noted; and
- 4) the Board agree that a Members seminar be held later in the year to brief on the plan.

Strategic Director  
– People

EXB30 COMMUNITY MEALS: RE-COMMISSIONING OPTIONS

The Board considered a report of the Strategic Director – People, which outlined proposals for the re-commissioning for the provision of the Community Meals Service from 1 April 2023. The Council currently provides a Community Meals Service to eligible adults within Halton who were unable to shop or prepare a meals for themselves

due to age, illness or disability. An external catering provider currently supplies the Council with frozen ready prepared meals.

It was noted that the Council's Internal Audit team had undertaken a planned audit of the Community Meals Service for the financial year 2020/21. Outlined in the Audit report, the Internal Audit Team made a number of recommendations for the service. One of the recommendations set out that an interim contract should be awarded to the existing supplier whilst the Council considers alternative community meals service delivery options. Subsequently, a one-year contract was agreed with the current supplier Apetito until 31 March 2023.

The report set out a number of options (Appendix A) in relation to the supply of meals from 1 April 2023 and requested the Board to advise on the preferred option.

RESOLVED: The Board agreed that option 1, as set out in Appendix A of the report, was the preferred re-commissioning option for the provision of the Community Meals Service from 1 April 2023.

Strategic Director  
– People

#### EXB31 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 October 2021.

The Chair welcomed Sam Scott, Group Chief Executive and Neil McGrath, Deputy Group Chief Executive of Halton Housing, who presented the report to the Board – *Annual Report to HBC Executive Board, October 2022.*

The report outlined some of the key achievements over the past year, which included the completion of 31 new homes for affordable rent and 48 new homes for shared ownership, Destination Ditton Pilot had been completed, delivery of their largest independent living scheme of 100 homes in Sandymoor (Hazlehurst) was completed, performance in responding to and addressing customer complaints continued to improve and the Trust had continued to work with the Council hubs to support customers during the pandemic.

The guests' responded to Members' questions on the report and Members congratulated the Trust on its achievements.



RESOLVED: That the report be noted.

**ENVIRONMENT AND URBAN RENEWAL PORTFOLIO**

**EXB32 CONTRACTOR INVOLVEMENT IN THE EAST RUNCORN CONNECTIVITY (ERC) PROJECT**

The Board considered a report from the Operational Director – Policy, Planning and Transportation, which sought approval to utilise the SCAPE framework to secure Balfour Beatty to provide contractor involvement in the development of the four schemes that comprised the East Runcorn Connectivity (ERC) project.

The full ERC scheme comprised four elements:

- A558 dualling from Pitts Heath Lane to Innovation Way;
- A56 Major Maintenance – Keckwick Lane to M56 junction 11;
- Potential loop road M56 junction 11 to A533; and
- A suite of active and sustainable travel interventions.

The SCAPE Framework had been used successfully for the completion of works on Silver Jubilee Bridge, Runcorn Delinking and Runcorn Station Quarter projects. The SCAPE had six stages as shown in Appendix 1. The report sought permission to utilise the SCAPE process to the end of Stage 3 (pre-construction). Once Stage 3 was complete and provided technical considerations were favourable and funding was available, a further report would be presented to the Board to seek approval to sign a 'delivery agreement' and proceed into construction.

RESOLVED: That

1. approval is given to procure, via the SCAPE framework, contractor input into the ERC Project, up to and including 'Pre-construction Stage'; and
2. delegated authority is given to the Operational Director – Planning and Transport, in consultation with the Portfolio Holder Environment and Urban Renewal, to implement activities to pass the formal SCAPE gateways up to and including 'Pre-construction Stage'.

Operational  
Director – Policy,  
Planning and  
Transportation

Councillor Thompson declared an interest in the following item as he is a member of the Town Deal Board

EXB33 BRINDLEY GREEN, RUNCORN SCAPE FRAMEWORK

The Board considered a report of the Operational Director – Economy, Enterprise and Property, which provided an update on:

- the development of the High Street Connectivity project in support of the Runcorn Town Investment Plan; and
- the Inception Phase of the previously approved development of the High Street Connectivity project as per the Town Centre bid, which led to a change in scope.

The report also sought approval to utilise the SCAPE framework for the integration of the already designed Brindley Green plans with the High Street scheme to Project Order stage.

RESOLVED: That the Board approve

- 1) the use of the SCAPE framework for the integration of the already designed Brindley Green plans with the High Street scheme to Project Order stage; and
- 2) the delegation of authority to the Operational Director, Economy, Enterprise and Property to authorise the passing of the SCAPE gateways prior to this stage.

Operational Director – Economy, Enterprise and Property

EXB34 ENVIRONMENT SERVICES DYNAMIC PURCHASING SYSTEM

The Board considered a report which sought approval to proceed with a procurement process with regard to the provision of an Environment Services Dynamic Purchasing System (DPS).

The Environment Services Division currently utilised DPS to source landscape contractors to carry out construction works in the borough's parks, playgrounds and open spaces. The Division's existing DPS would come to an end on 31 March 2023. It was proposed that a new Environment Services DPS would be set up for an initial 4 year period.

Based upon previous expenditure it was anticipated that the total annual value of the further competition exercises tendered via the Environment Services Division DPS was likely to be up to £1.5m thus making the value of a four year contract up to £6m. This figure was above the

Public Contract Regulation threshold and as such it would need to be procured in accordance with the Public Contract Regulations 2015.

RESOLVED: That approval be given for a procurement process to be undertaken with the purpose of creating an Environment Services Dynamic Purchasing System.

Operational  
Director –  
Community and  
Environment

## **CLIMATE CHANGE PORTFOLIO**

### EXB35 HALTON SMART MICRO GRID

The Board considered a report of the Chief Executive, which sought for a waiver of compliance with part 2 and/ or 3 of Procurement Standing Orders pursuant to Procurement Standing Order 1.14.4 to allow a direct contract award to Horizon Energy and Power to provide technical support development of the Halton Micro Grid including submitting a planning application and developing all documentation to enable design and build tenders to be invited.

The Board was advised that at a previous meeting the Board had endorsed a scheme to extend the Solar Farm on the former St Michael's Golf Course and create a micro grid connecting in the Municipal Building, Lowerhouse Lane Depot and the new Leisure Centre in Moor Lane (Minute EXB75/2022 refers).

It was noted that the scheme also had the endorsement of the Liverpool City Region (LCR) Internal Investment Panel with a potential for a grant allocation of £2.5m towards the capital costs. A key condition of the Investment Panel's decision was that the Council provided an updated cost for the project to reflect current market prices.

In order to meet the condition set out by the LCR Internal Investment Panel the Council would be required to undertake a procurement exercise and seek planning approval for the scheme. This would require specialist consultancy support in a number of areas, details of which were outlined in the report.

The Council had appointed Horizon Power and Energy to undertake consultancy work in relation to the initial solar farm project and they had provided a quote for the above scope of work for the Micro Grid Project. A benchmarking exercise of the costs submitted by Horizon Power and Energy had been undertaken against the

consultancy rates on the ESPO Public Sector Procurement Framework and this had shown that the costs of the work were in line with the framework rates.

RESOLVED: Executive Board give approval that

- 1) Procurement Standing Orders 2 and or 3 be waived pursuant to Standing Order 1.14.4 (non-emergency procedures – exceeding a value threshold of £100,000), 1.14.4 (iv) where compliance with Procurement Standing Orders would result in the Council having to forego a clear financial or commercial benefit); and
- 2) a contract award be made to Horizon Energy and Power as their quote demonstrates value for money against the ESPO Public Sector Procurement Framework rates and of their expertise and detailed knowledge of the Halton Micro Grid Project.

Chief Executive

EXB36 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.

With prior permission from the Leader, Councillor McDermott remained to observe the following items.

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

#### **EXB37 PROPOSED LEISURE CENTRE, MOOR LANE, UPDATE REPORT**

The Board considered a report of the Operational Director – Economy, Enterprise and Property, which provided an update on the progress in respect of the proposed Leisure Centre on Moor Lane. The report also sought approval to proceed following submission of the updated costs from the contractor.

RESOLVED: That

- 1) the report be noted; and
- 2) approval is given to proceed with the construction of the Leisure Centre, and enter into a contract with Wates Construction to deliver the scheme.

Operational  
Director –  
Economy,  
Enterprise and  
Property

### **ENVIRONMENT AND URBAN RENEWAL PORTFOLIO**

#### **EXB38 SILVER JUBILEE BRIDGE LIGHTING SCHEME**

The Board considered a report of the Operational Director – Policy, Planning and Transportation, which provided an update on the competitive tendering exercise that had been carried out utilising the SCAPE Framework in accordance with Procurement Standing Order 1.4.1 to provide costings for a new architectural lighting scheme on Silver Jubilee Bridge.

The Board thanked Councillor S Hill for his contribution towards this project.

RESOLVED: That

- 1) the SCAPE Framework is used for fulfilling of the supply and installation of the SJB floodlighting scheme in compliance with Procurement Standing Order 1.4.1;

Operational  
Director – Policy,  
Planning and  
Transportation

- 2) the tendered sum set out in section 3.4 is accepted and the capital programme amended accordingly; and
- 3) delegated powers are given to the Operational Director – Policy, Planning and Transportation in conjunction with Portfolio Holder for Environment and Urban Renewal to undertake the necessary actions to deliver the proposed lighting scheme.

### **ADULT SOCIAL CARE PORTFOLIO**

#### **EXB39 LILYCROSS CARE CENTRE - CARE BEDS**

The Board considered a report from the Director of Adult Social Services, which sought a waiver in compliance with Procurement Standing Order 1.14.4 (v) of Part 3 of Procurement Standing Orders for the granting of a direct award for the provision of 10 Transitional Beds (Residential and Nursing) at Lilycross Care Centre, Widnes by Catalyst Management Services from 1<sup>st</sup> October 2022 to 31<sup>st</sup> March 2023.

RESOLVED: That

- 1) the contents of the report be noted; and
- 2) in compliance with Procurement Standing Order 1.14.4 (v), of Part 3 of Procurement Standing Orders, approval be granted for a direct award to Catalyst Management Services for the provision of Care Beds at Lilycross Care Centre.

Director of Adult  
Social Services

### **LEADER'S PORTFOLIO**

#### **EXB40 ADDITIONAL CAPACITY TO SUPPORT THE DESIGN OF THE COUNCIL'S TRANSFORMATION PROGRAMME**

The Board considered a report of the Executive Director - Enterprise, Community & Resources – Interim, which sought approval for a waiver of standing orders for an immediate hire of additional temporary resources from a specific supplier who could provide that expertise at short notice to assist with designing the Transformation Programme. The appointment was needed in order for the programme to be approved as part of the Council's 2022/23 budget setting process.

RESOLVED: That

- 1) the appointment of additional temporary capacity to support the Transformation Programme design, be approved; and
- 2) Part 3 of Procurement Standing Orders be waived, by virtue of Procurement Standing Order 1.14.4 (v) and the contract be awarded directly to Studio3Advisory Ltd.

Executive Director  
- Enterprise,  
Community &  
Resources –  
Interim

**MINUTES ISSUED: 25 October 2022**

**CALL- IN: 1 November 2022 at 5.00 pm**

**Any matter decided by the Executive Board may be called in no later than 5.00pm on 1 November 2022.**

*Meeting ended at 3.12 p.m.*

**REPORT TO:** Executive Board

**DATE:** 17 November 2022

**REPORTING OFFICER:** Operational Director – Finance

**PORTFOLIO:** Leader

**TITLE:** Treasury Management 2022-23 Half Year Update

**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 during the first half of the financial year to 30 September 2022, as required by the Treasury Management Policy.

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

### **3.0 SUPPORTING INFORMATION**

#### **Economic Outlook**

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

3.2 During the six months ended 30 September 2022

- GDP rose by 0.2% from -0.1%, which means the UK economy has avoided recession for the time being;
- There were signs of economic activity losing momentum as production fell due to rising energy prices;
- CPI inflation eased to 9.9% in August, but domestic price pressures are showing little sign of abating in the short-term;
- The unemployment rate fell to a 48-year low of 3.6% due to a large shortfall in labour supply;
- The Bank Rate rose by 1.5% over the period to 2.25% with further rises to come;
- Gilt yields surged and sterling fell following the "fiscal event" of the new Prime Minister and Chancellor on 23rd September.

3.3 The UK economy grew by 0.2% during the period, though revisions to historic data left it below pre-pandemic levels.



- 3.4 There are signs of higher energy prices creating more persistent downward effects in economic activity. Both industrial production (-0.3%) and construction output (-0.8%) fell in July 2022 for a second month in a row. With the drag on real activity from high inflation having grown in recent months, GDP is at risk of contracting through the autumn and winter months.
- 3.5 Retail sales volumes fell by 1.6% in August, which was the ninth fall in ten months. That left sales volumes in August just 0.5% above their pre-Covid level and 3.3% below their level at the start of the year. There are also signs that households are spending their excess savings in response to high prices. Indeed, cash in households' bank accounts rose by £3.2bn in August, which was below the £3.9bn rise in July and much smaller than the 2019 average monthly rate of £4.6bn.
- 3.6 The labour market remained exceptionally tight. Data for July and August provided further evidence that the weaker economy is leading to a cooling in labour demand. The number of vacancies has started to level off from recent record highs but there have been few signs of a slowing in the upward momentum on wage growth
- 3.7 CPI inflation eased from 10.1% in July to 9.9% in August, though inflation has not peaked yet. The easing in August was mainly due to a decline in fuel prices reducing fuel inflation from 43.7% to 32.1%. With the oil price now just below \$90 per barrel, we would expect to see fuel prices fall further in the coming months.
- 3.8 However, utility price inflation is expected to add 0.7% to CPI inflation in October when the Ofgem unit price cap increases to, typically, £2,500 per household (prior to any benefit payments). But, as the Government has frozen utility prices at that level for two years, energy price inflation will fall sharply after October and have a big downward influence on CPI inflation.
- 3.9 During the year, there has been a change of both Prime Minister and two changes of Chancellor. The new team (Liz Truss and Kwasi Kwarteng) made a step change in Government policy. The Government's huge fiscal loosening from its proposed significant tax cuts will add to existing domestic inflationary pressures and will potentially leave a legacy of higher interest rates and public debt. These included the reversal of April's national insurance tax on 6th November, the cut in the basic rate of income tax from 20p to 19p in April 2023, the cancellation of next April's corporation tax rise, the cut to stamp duty and the removal of the 45p tax rate, although the majority of these already been reversed with the appointment of Jeremy Hunt as Chancellor.

- 3.10 Fears that the Government has no “fiscal anchor” on the back of these announcements meant that the pound has weakened again, adding further upward pressure to interest rates. Whilst the pound fell to a record low of \$1.035 on the Monday following the Government’s “fiscal event”, it has since recovered to around \$1.12. That is due to hopes that the Bank of England will deliver a very big rise in interest rates at the policy meeting on 3rd November and the Government will lay out a credible medium-term plan in the near term. This was originally expected as part of the fiscal statement on 23rd November but has subsequently been moved forward to an expected release date in October. Nevertheless, with concerns over a global recession growing, there are downside risks to the pound.
- 3.11 The Monetary Policy Committee (MPC) has now increased interest rates seven times in as many meetings in 2022 and has raised rates to their highest level since the Global Financial Crisis. Even so, coming after the US Federal Bank and European Central Bank raised rates by 0.75% in their most recent meetings, the Bank of England’s latest 0.5% rise looks relatively cautious. However, the UK’s status as a large importer of commodities, which have jumped in price, means that households in the UK are now facing a much larger squeeze on their real incomes.
- 3.12 Since the fiscal event on 23rd September, we now expect the MPC to increase interest rates further and faster, from 2.25% currently to a peak of 5.00% in February 2023. The combination of the Government’s fiscal loosening, the tight labour market and inflation expectations means we expect the MPC to raise interest rates by 1.0% at the policy meetings in November (to 3.25%) and 0.75% in December (to 4%) followed by further 0.5% in February and March (to 5.00%). Market expectations for what the MPC will do are volatile. If the Bank Rate climbs to these levels the housing market looks very vulnerable, which is one reason why the peak in our forecast is lower than the peak of 5.50% - 5.75% priced into the financial markets at present.
- 3.13 Throughout 2022/23, gilt yields have been on an upward trend. They were initially caught up in the global surge in bond yields triggered by the surprisingly strong rise in CPI inflation in the US in May. The rises in two-year gilt yields (to a peak of 2.37% on 21st June) and 10-year yields (to a peak of 2.62%) took them to their highest level since 2008 and 2014 respectively. However, the upward trend was exceptionally sharp at the end of September as investors demanded a higher risk premium and expected faster and higher interest rate rises to offset the Government’s extraordinary fiscal stimulus plans. The 30-year gilt yield rose from 3.60% to 5.10% following the “fiscal event”, which threatened financial stability by forcing pension funds to sell

assets into a falling market to meet cash collateral requirements. In response, the Bank did two things. First, it postponed its plans to start selling some of its quantitative easing (QE) gilt holdings until 31st October. Second, it committed to buy up to £65bn of long-term gilts to “restore orderly market conditions” until 14th October. In other words, the Bank is restarting QE, although for financial stability reasons rather than monetary policy reasons.

- 3.14 Since the Bank’s announcement on 28th September, the 30-year gilt yield has fallen back from 5.10% to 3.83%. The 2-year gilt yield dropped from 4.70% to 4.30% and the 10-year yield fell back from 4.55% to 4.09%.
- 3.15 There is a possibility that the Bank continues with QE at the long-end beyond 14th October or it decides to delay quantitative tightening beyond 31st October, even as it raises interest rates. So far at least, investors seem to have taken the Bank at its word that this is not a change in the direction of monetary policy nor a step towards monetary financing of the government’s deficit. But instead, that it is a temporary intervention with financial stability in mind.

### Interest Rate Forecast

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

Link Group Interest Rate View 27.09.22		Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
<b>BANK RATE</b>		4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50
3 month ave earnings		4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80	2.80	2.50
6 month ave earnings		4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00	2.90	2.60
12 month ave earnings		5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10	3.00	2.70
5 yr PWLB		5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30	3.20	3.20
10 yr PWLB		4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30	3.20	3.20
25 yr PWLB		5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60	3.50	3.40
50 yr PWLB		4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30	3.20	3.10

**Short Term Borrowing Rates**

- 3.17 The bank base rate has increased steadily from 0.75% on 31<sup>st</sup> March to 2.25% on 22<sup>nd</sup> September 2022.

	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>
	%	%	%	%	%	%	%
Base Rate	0.75	0.75	1.00	1.25	1.25	1.75	2.25
Call Money (Market)	0.55	0.65	1.15	1.15	1.20	1.55	2.15
1 Month (Market)	0.75	0.95	0.90	1.15	1.60	1.90	2.45
3 Month (Market)	1.10	1.15	0.90	1.55	1.95	2.30	3.80

**Longer Term Borrowing Rates**

	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>
	%	%	%	%	%	%	%
1 Year (Market)	1.55	1.80	1.95	2.70	2.75	3.60	4.95
10 Year (PWLB)	2.44	2.66	2.81	3.20	2.82	3.63	4.94
25 Year (PWLB)	2.62	2.83	3.09	3.48	3.36	3.91	4.80

- 3.18 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

	<b>No of deals</b>	<b>Turnover £m</b>
Short Term Borrowing	-	-
Short Term Investments	6	41

Position at month-end

	<b>Mar £m</b>	<b>Apr £m</b>	<b>May £m</b>	<b>Jun £m</b>	<b>Jul £m</b>	<b>Aug £m</b>	<b>Sep £m</b>
Total Borrowing	172	172	172	172	172	172	172
Total Investments	(121)	(121)	(121)	(121)	(131)	(121)	(121)
Call Account Balance	(11)	(14)	(21)	(18)	(20)	(11)	(6)

Investment benchmarking

<b>Benchmark</b>	<b>Benchmark Return %</b>	<b>Performance Apr - Sep %</b>	<b>Investment Interest Earned £000</b>
7 day	1.29	0.02	29
1 month	0.98	0.00	-
3 months	1.22	0.00	-
6 months	1.54	0.35	157
12 months	1.98	0.37	138
Over 12 months	-	0.90	46
Property Fund	-	3.40	170
<b>Total</b>			<b>540</b>

- 3.19 The above table shows the Council has underachieved on all benchmarks over the first six months of the year. This was due to the fast and unexpected increase in rates during this period, whilst the majority of the Council's investments are fixed for either six or twelve month's duration. A substantial increase in rates achieved will be seen in the second half of the year, due to the lower rate investments maturing and being replaced at significantly higher rates. There are no benchmarks available for the Council's investment in the CCLA property fund, or for investments held over 12 months.

## Budget Monitoring

	Net Interest at 30 September 2022		
	Budget to Date £000	Actual To Date £000	Variance (o/spend) £000
<b>Investments</b>	(289)	(540)	251
<b>Borrowings</b>	550	550	0
<b>Net Total</b>	260	10	251

- 3.20 Due to the increase in interest rates during the period, the Council has generated an additional £251,000 net income over budget, in the first half of the year from its treasury management activities. This is expected to increase further in the second half of the year, due to the continued increases in interest rates.

### New Long Term Borrowing

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

### Policy Guidelines

- 3.22 The Treasury Management Strategy Statement (TMSS) for 2022/23, which includes the Annual Investment Strategy, was approved by Council on 17 February 2022. It sets out the Council's investment priorities as being:

- Security of capital;
- Liquidity; and
- Yield

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

### Treasury Management Indicators

- 3.24 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

- 3.25 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 mitigate these, the Council 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 – 2022/23 – Quarter 2

Prudential Indicators	2021/22	2022/23	
	Full Year Actual £000	Original Estimate £000	Quarter 2 Estimate £000
Capital Expenditure	26,761	30,496	39,720
Net Financing Need for the Year <i>(Borrowing Requirement)</i>	7,311	18,397	13,364
Increase / (Decrease) in CFR <i>(Capital Financing Requirement)</i>	(2,412)	(193)	(5,218)
Ratio of Financing Costs to Net Revenue Stream <i>(Proportion of cost of borrowing to Council's net revenue)</i>	6.2%	6.8%	5.5%
External Debt <i>(Borrowing plus PFI and lease liabilities)</i>	537,678	525,358	525,358
Operational Boundary <i>(Limit of which external debit is not expected to exceed)</i>	559,675	552,679	552,679
Authorised Limit <i>(Limit beyond which external debit is prohibited)</i>	630,824	627,133	627,133

Maximum Principal invested > 365 days	Investment	2021/22	2022/23
	Limit £000	Actual £000	Estimate £000
Principal Sums Invested over 365 days	40,000	15,700	10,000



<b>REPORT TO:</b>	Executive Board
<b>DATE:</b>	17 November 2022
<b>REPORTING OFFICER:</b>	Operational Director, Finance
<b>PORTFOLIO:</b>	Corporate Services
<b>SUBJECT:</b>	Medium Term Financial Strategy 2023/24 – 2025/26
<b>WARD(S):</b>	Borough-wide

### **1.0 PURPOSE OF REPORT**

- 1.1 To establish the Medium Term Financial Strategy for the period 2023/24 to 2025/26.

### **2.0 RECOMMENDATION: That**

- (i) the Medium Term Financial Strategy be approved;**
- (ii) the 2023/24 base budget be prepared on the basis of the underlying assumptions set out in the Strategy;**
- (iii) the Reserves and Balances Strategy be approved; and**
- (iv) the award of Council Tax Support for 2023/24 remains at the 2022/23 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. The most recent Public Sector Spending Review was published at the end of October 2021, setting Government Departmental Expenditure Limits for the following three financial years. The growth of 3.3% set out in the Spending Review was based on inflation predictions in October 2021, however inflation currently stands at 10.1%, eroding much of the increase in funding. Government confirmed in September 2022 that the funding envelope would not be revised to take account of rising inflation. Although the overall Local Government funding available during 2023/24 has already been determined, there are still several areas of uncertainty around how this funding will be distributed between individual Authorities. Details of the 2023/24 Local Government Finance Settlement are expected to be released in December 2022 on a provisional basis, with a final settlement expected in January 2023.

- 3.2 The uncertainty regarding 2023/24 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 2023/24 and beyond. The Fair Funding Review, which changes how funding is apportioned between councils, was originally proposed in 2016 and has been repeatedly delayed, and there has been no confirmation from Government that this will still take place. The proposed Business Rates Baseline Reset and a move to 75% Business Rates Retention have also been postponed indefinitely.
- 3.4 High inflation is impacting on services during 2022/23, with significant cost increases being incurred for utilities and social care contracts. The proposed pay award for 2022/23 is in excess of the level predicted when this years' budget was set and will add to these inflationary pressures.
- 3.5 Legacy costs from the Covid-19 pandemic continue to impact on a range of services, with no additional funding available from Central Government
- 3.6 Appendix 1 details the Medium Term Financial Strategy from 2023/24 – 2025/26 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 £21.1m, £1.9m and £2.0m are required over the next three years. As a result, a total of £25.0m will need to be removed from the Council's budget, by reducing spending or increasing income. This represents 22.4% of the 2022/23 net budget.

#### **4.0 POLICY IMPLICATIONS**

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

#### **5.0 FINANCIAL IMPLICATIONS**

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

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

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

## **7.0 RISK ANALYSIS**

- 7.1 The MTFS 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.
- 7.2 The financial forecast is presented on a prudent basis but there is continued uncertainty around Government support, funding levels and the high cost of inflation. This will be reviewed on a constant basis to help mitigate the increased level of risk.

## **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 2023/24 to 2025/26.

## **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 2023/24 will be implemented from 1st April 2023.

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

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Local Government Grant Settlement 2022/23	Revenues and Financial Management Division, Halton Stadium, Widnes	Steve Baker

## Appendix 1

### Medium Term Financial Strategy 2023/24 – 2025/26

#### 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 2023/24 to 2025/26. 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 2022/23 there is great uncertainty regarding the funding of local government. A number of major reviews to local government finance have been repeatedly delayed and there has been no firm commitment by the current Government as to whether these reviews will go ahead.
- 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 – It was anticipated that the percentage share of retained rates at a local level was to be set at 75% from the 2021/22 financial year. This was postponed and there has been no new commitment from Government that this will still go ahead. 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. 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. It was confirmed in September 2022 that the Spending Review would not be revisited to adjust for higher than expected inflation. No details of how this funding will be distributed in 2023/24 or 2024/25, 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 2022.
- **Medium Term Fiscal Plan** – The Chancellor is expected to publish the Government's Medium Term Fiscal Plan on Thursday 17<sup>th</sup> November, the aim of which is to review the Government's annual revenue and fiscal deficit goals over a three-year horizon. It has been announced that as part of this, Government departments will be asked to make efficiencies within their budgets. There is no current detail as to what extent this will impact upon Local Government.
- **Social Care Reform** – The Government published a Plan for Health and Social Care in September 2021, focussing on the level of contributions that individuals will need to make towards their care by introducing a £0.086m cost cap for care costs and changing the thresholds at which the Council must contribute to care costs. A consultation on the distribution of funding to compensate Councils for these changes has currently been issued, but the outcome will not be known until the publication of the 2023/24 Local Government Finance Settlement. An additional £600m is due to be distributed to Councils to allow them to increase the rates paid to providers in order to strengthen the social care market. For the purposes of this forecast, it is assumed that all of the increased costs of these measures will be covered by additional funding, but this will need to be continuously reviewed over the period covered by the forecast.

## **2.0 Local Government Finance Settlement 2022/23**

2.1 Government announced the 2022/23 final Local Government Finance Settlement on 07 February 2022. Details included:

- I. **Council Tax** – The Council Tax referendum limit was set at 2% for local authorities, with social care authorities allowed to raise a 1% additional 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 4.9%, in line with the September 2021 RPI inflation figure. The Business Rates Multiplier was frozen in 2022/23, with councils receiving additional grant funding to compensate for this.

- III. New Homes Bonus - The 2022/23 allocations will be paid with the legacy payments due from 2019/20. There will be no legacy payments in future year allocations.
- IV. Social Care Support Grant – Government announced an additional £636m 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 2022/23 was £7.0m.
- V. Lower Tier Services Grant – Funding of £111m for services provided by lower tier authorities was continued for another year. The value of the grant to Halton in 2022/23 was £0.215m.
- VI. Services Grant – New non-ringfenced funding of £822m was distributed via the 2013/14 Settlement Funding Assessment formula, funded from the reduction in New Homes Bonus payments. This grant includes an unspecified amount to compensate Councils for the increase in National Insurance payments between April and October 2022. It was emphasised that this grant was for one year only and this funding may be distributed in a different way or for a different purpose in future years. The value of the grant to Halton is £2.5m.

### **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 2023. 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 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 five 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 £52.924m. This was made up of £46.857m business rates baseline funding and £6.066m 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 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>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>
Projected Business Rates Income	49,463	56,912	58,050	59,211
Business Rates Surplus / (Deficit)	-2,172	-1,401	0	0
Section 31 Grants and Top-Up Multiplier Adjustment	8,248	10,212	10,416	10,625
Funding for Covid-Related Business Rates Reliefs	4,725	0	0	0
Top-Up Funding	6,067	777	793	808
<b>Forecast Business Rates Retained (Incl. Top-Up Funding)</b>	<b>66,331</b>	<b>66,500</b>	<b>69,259</b>	<b>70,644</b>
<b>Increase / (Decrease) in Business Rates Retained</b>	<b>0</b>	<b>169</b>	<b>2,759</b>	<b>1,385</b>

## 6.0 Council Tax Forecast

6.1 For 2022/23 the council tax for a Band D property in Halton is £1,595.67 (excluding Police, Fire, LCR and Parish precepts), which is expected to generate income of £57.174m.

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 2022/23.

- Halton’s 2022/23 council tax is £49.75 (3.0%) below the average council tax set by unitary councils in England.
- Inflation - the Consumer Price Index (CPI) as at August 2022 (latest available) is currently at 10.1% and the Retail Price Index (RPI) is at 12.6%.

- 6.3 The 2023/24 Council Tax Base shows an increase of 410 Band D equivalent properties to a total of 36,241, assuming a collection rate of 97%. The increase in the Tax Base will result in an increase of £0.654m of council tax income.
- 6.4 In 2022/23 the Council utilised £1.187m of council tax surplus income to balance the budget. It is estimated that there will be £1.190m of surplus available to fund the 2023/24 budget.
- 6.5 For the purposes of this strategy it is assumed the Council will apply a council tax increase of 1.99% in 2023/24. It is further assumed there will be a 1% increase for the Adult Social Care precept in 2023/24.
- 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 2023/24.

**Table 2 – Additional Council Tax Income 2023/24 to 2025/26**

<b>Projected Increases in Council Tax Income</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>
0%	-	-	-
1%	578	584	590
2%	1,157	1,180	1,203
3%	1,735	1,787	1,841

**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 2023/24 – 2025/26 is extremely uncertain due to the continuing impacts of high inflation 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 August 2022 was recorded as 12.3%. 5% has been included for general price inflation in the 2023/24 forecast, with 8% added to domiciliary, residential care and direct payment budgets. £6.221m of inflationary costs have been added to the forecast in 2023/24,. Inflation of 2% has been added to prices for 2024/25 and 2025/26, in line with the Bank of England's inflation target. 8% inflation has been applied to income budgets for 2023/24 to match the estimated pay increases, reducing to 2% in each subsequent year.
- 7.6 Pay increases for 2023/24 and beyond are unknown. For the purposes of the forecast a rate of 6% has been applied for 2023/24, with 2% applied in each subsequent year.
- 7.7 No notification has yet been received from Cheshire Pension Fund regarding the employer contribution rates between 2023/24 and 2025/26. It has been assumed that the current rate of 20.6% will remain in place throughout the period covered by the forecast.
- 7.8 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 2022/23 but no further announcements have been made by Government regarding the future of the New Homes Bonus scheme. As the legacy payments have now expired, it has been assumed that funding will be redistributed on a different basis in the Settlement. A prudent assumption has been made that 50% of Halton's existing funding will be lost in this redistribution, leading to a reduction of £0.426m in the 2023/24 forecast. A new one-off Services Grant was introduced for 2022/23, funded in part by the national reduction in New Homes Bonus payments. It is assumed that any change in the distribution of this funding in 2023/24 will be revenue neutral for Halton. No change to the Lower Tier Services Grant is anticipated over the period of the forecast.
- 7.9 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 Councils will receive funding to cover the additional costs arising from these changes. A consultation has been issued which includes different

options for distributing the available funding between Councils. Based on these figures, it has been anticipated that there will be no additional costs to Halton in 2023/24. An additional £600m has been allocated nationally to support Councils to increase the rates paid to social care providers. No indicative allocations have been issued for this funding, so it has been assumed in the forecast that any additional costs will be offset by new grant funding. The sufficiency of this funding will be kept under review as more details of how the changes will work in practice are released. No additional funding has been provided to address the existing challenges within Adult Social Care services.

- 7.10 The forecast includes the budgetary consequences of previous budget decisions, including one-off savings and the use of reserves to balance the 2022/23 budget. These add £1.351m and £6.762m respectively to the forecast for 2023/24.
- 7.11 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 £0.318m in 2023/24. 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.
- 7.12 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, interest rates and demand-led budgets, the spending forecast includes a contingency of £0.5m in 2023/24, £1.0m in 2024/25 and £2.0m in 2025/26.
- 7.13 Estimated additional service demand pressures of £2.009m will need to be added to the budget in 2023/24. 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.

**Table 3 – General Fund Medium Term Spending Forecast 2023/24 – 2024/25**

Increase in spending required to maintain existing policies and services	Year on Year Change £'000		
	2023/24	2024/25	2025/26
Full Year Effect of Previous Year's Budget	8,113	0	0
Capital Programme	318	0	0
Pay and Price Inflation	11,872	3,279	3,342
Service Demand Pressures	2,009	1,600	550
Contingency	500	1,000	2,000
Reduction in New Homes Bonus Funding	426	0	0
Reduction in Surplus from Business Rates Pool	1,496	0	0
<b>Total Increase</b>	<b>23,634</b>	<b>5,879</b>	<b>5,892</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>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>
Increase in Net Spend Forecast (Table 3)	23,634	5,879	5,892
Decrease (Increase) in Business Rates Retained (Incl. Top-Up) (Table 1)	-169	-2,759	-1,385
Increase in Council Tax Base (Para 6.3)	-654	-578	-584
Decrease (Increase) in Council Tax Surplus (Para 6.4)	-3	1,190	0
<b>Funding Gap Before Council Tax</b>	<b>22,808</b>	<b>3,732</b>	<b>3,923</b>
<b>Funding Gap After Council Tax Increase at Various Levels</b>			
<b>0%</b>	22,808	3,732	3,923
<b>1%</b>	22,229	3,136	3,310
<b>2%</b>	21,651	2,529	2,671
<b>3%</b>	<b>21,073</b>	<b>1,909</b>	<b>2,010</b>

- 8.2 The table shows that total savings of £21.073m are forecast to be needed to balance next year's budget, assuming a 2.99% increase in council tax. This amounts to an 18.9% reduction to the 2022/23 net budget.
- 8.3 Further savings of £1.909m in 2024/25 and £2.010m in 2025/26 are required, assuming that council tax continues to increase by 2.99% per year. The total funding gap is £24.992m and represents 22.4% of the Council's 2022/23 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>2023/24 (£'000)</b>	<b>2024/25 (£'000)</b>
<b>Spending</b>	<b>34,534</b>	<b>14,641</b>
Funding:		
Prudential Borrowing	14,334	7,032
Grants	18,131	4,540
Capital Receipts	2,069	3,069
<b>Total Funding</b>	<b>34,534</b>	<b>14,641</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 2022.

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 2022 the balance of the Council's general reserve was £5.147m.
- 2.2 In addition to the general reserve the Council holds earmarked reserves set aside for specific purposes. As at 31 March 2022 the balance of earmarked reserves was £131.872m. This is broken down as follows:

- Contractual - £84.861m
- Grants - £12.598m
- Future Revenue Commitments - £18.754m
- Capital Projects - £2.605m
- Risk (inc Insurance) - £2.324m
- Schools - £7.434
- Other - £3.296m

#### **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 2022 totals £4.145m.

### **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 2022 totals £13.924m.
- 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. 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 2022 totals £6.654m.

**REPORT TO:** Executive Board

**DATE:** 17 November 2022

**REPORTING OFFICER:** Operational Director – Finance

**PORTFOLIO:** Leader

**SUBJECT:** 2022/23 Spending as at 30 September 2022

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

## **1.0 PURPOSE OF REPORT**

1.1 To report the Council's overall capital and revenue net spending position together with a forecast outturn position, as at 30 September 2022,

## **2.0 RECOMMENDED: That**

- (i) **The scale of the potential outturn overspend and the potential impact upon reserves, if no corrective action is taken, be noted;**
- (ii) **All Departments be requested to limit spending to only absolutely essential items;**
- (iii) **All Departments be requested, to identify as a matter of urgency any areas where spending could be reduced or ceased for the remainder of the current financial year, or deferred until next year; and**
- (iv) **Council be requested to approve the revisions to the Capital Programme as set out in paragraph 3.18.**

## **3.0 SUPPORTING INFORMATION**

### **Revenue Spending**

- 3.1 Appendix 1 presents a summary of spending against the operational revenue budget up to 30 September 2022 and Appendix 2 provides detailed figures for each individual Department. In overall terms, net Council spending as at 30 September 2022 is £3.378m over budget. The outturn forecast for the year currently estimates that net spend will be over budget by £7.586m.
- 3.2 The forecast overspend position is significantly higher than the figure of £5.352m which was forecast at 30 June 2022, an increase of £2.234m (42%). The estimate at 30 September 2022 is based on current service demand and forecasts of future costs and income levels.

- 3.3 There is currently huge uncertainty regarding both the inflationary impact upon costs and demand pressures upon Council services going forward. Inflation at September 2022 is running at 10.1% for CPI and 12.6% for RPI, with the threat that higher rates may be maintained over the next year. There is a risk that costs for the Council may increase during the second half of the financial year at an even higher level than forecast, although a prudent approach has been taken with the outturn forecast position.
- 3.4 One of the tangible impacts of higher inflation is the cost relating to utility bills. Significant growth was included in the 2022/23 base budget for utility costs and an earmarked reserve was also set aside. What had not been allowed for, was the increased cost of energy for street lighting. Over the past quarter street lighting energy costs have increased by 103% as part of a two year fixed term deal until March 2024. This is estimated to be an increased annual cost of £0.791m, the cost of which will need to be funded from the central contingency.
- 3.5 Included within the departmental figures is the cost of the 2022/23 proposed pay award. The position as known and if agreed is that all staff will receive a flat pay award amount of £1,925. For those staff at the lower end of the pay scales, this will be an increase of approximately 10%, which is significantly higher than the 2% included within the Council's base budget. The excess cost of the proposed pay award including on-costs across all departments, is estimated to be £3.138m over and above what has been provided within the current year's budget. This in-year cost will need to be temporarily funded from reserves and then built permanently into the base budget from 2023/24 onwards.
- 3.6 The increased energy costs, pay award and high inflation rates will all have a serious negative impact upon the Council's financial position. There is no expectation that any increased Government funding will be received to help meet these pressures. To help address the pressures within the Council budget there is now a real urgency for all Departments to reduce, cease or defer any non-essential spending and to implement any proposed efficiencies as soon as possible.
- 3.7 Other than the above inflationary pressures, there are continued significant service pressures within many Departments. These continue to be particularly evident within Children's and Adults Social Care and within School Transport. Service demand and inflationary cost pressures are having a detrimental impact upon the net spend for these areas, which are significantly higher than the available budget.

### **Revenue - Operational Spending**

- 3.8 Operational net spending for the first three months of the year is higher than the budget to date by £3.378m. Based upon current forecasts it is estimated that net spending will be over the approved budget for the year by £7.586m as at 31 March 2023, if no corrective action is taken.

3.9 Within the overall spending position, the key budget variances are as follows;

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

The latest projected outturn forecast is for the Department's total spending to be £10.049m over the net budget of £27.901m.

Staffing

Employee costs are £1.593m above budget at the end of quarter 2. The continued long term reliance on agency staff is primarily the cause of this overspend. Social worker recruitment is still proving difficult due to an extremely competitive market and highly inflated agency payment rates. Spend on agency staff at the end of quarter 2 is £2.998m or 55% of the employee budget to date.

The final outturn for employee costs is expected to be £2.444m over budget, with spending £3.981m more than during the last financial year. This is a significant increase from the forecast outturn position as at quarter 1 and is due to a number of factors:

- The extension of agency staff contracts from the end of November 22 to the end of March 23. This was highlighted as a risk in the quarter 1 report.
- Extension of the Innovate contract from the end of August 2022 to the middle of January 2023.

Supplies & Services

Supplies and Services expenditure is £0.425m above budget at the end of quarter 2 and is anticipated to be £0.907m over budget at the end of the financial year. A large proportion of this spend is due to increased court costs, currently forecast at £0.550m for the full year, almost twice the expenditure incurred in 2022/23.

Consultancy costs also contribute to this overspend and are expected to be £0.225m at the end of the financial year. The majority of these costs relate to the continuing work undertaken in relation to the in-house fostering project. This however, has been extremely successful, having increased the numbers of in-house foster carers and continuing to maintain high retention levels of existing carers.

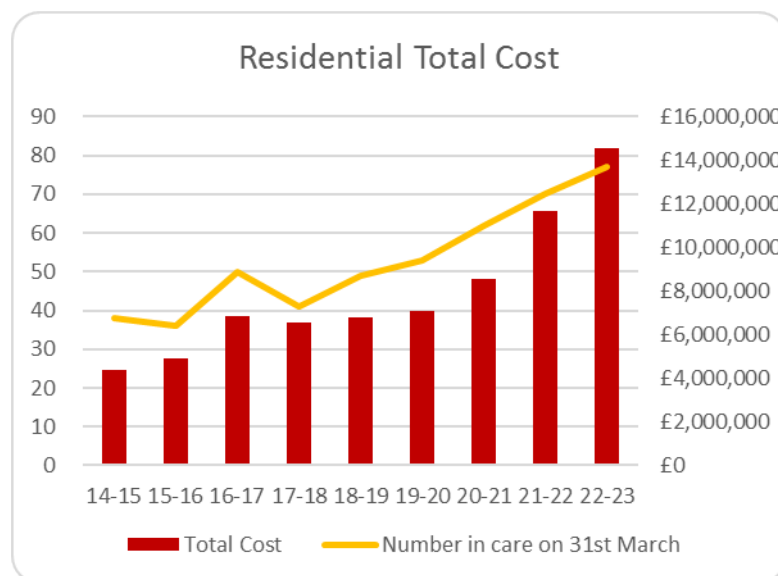
Out of Borough Residential Care

Out of Borough Residential Care continues to be the main budget pressure for the Children and Families Department as the costs of residential care have continued to rise year-on-year. Residential care is £2.828m overspent at the end of quarter 2 with an anticipated outturn forecast of £5.604m over budget at the end of the financial year.

The table below breaks down the current residential placements based on costs and placement type:

Provision	Weekly Costs	30th September 2022		30th June 2022	
		No. Placed	Estimated cost for the year	No. Placed	Estimated cost for the year
Residential	£2000 - £3000	5	662,535	5	680,801
Residential	£3001 - £4000	13	2,635,774	11	2,289,537
Residential	£4001 - £5000	8	1,685,973	9	2,122,580
Residential	£5001 - £10276	19	5,813,443	17	5,655,116
Secure	£6397 - £9675	1	343,422	0	0
Leaving Care	£443 - £8225	25	2,410,167	24	1,939,850
Parent & Child	£581 - £2,053	6	995,092	6	642,576
<b>Total:</b>		<b>77</b>	<b>14,546,406</b>	<b>72</b>	<b>13,330,459</b>

The graph below illustrates the rising costs of Residential Care, for consistency this does not include the costs of UASC as these costs were not included in previous years.



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

Community Care

Community care expenditure is over budget profile at the end of the second quarter by £0.603m and is anticipated to be overspent by circa £1.236m at the end of the financial year. Pressures on the budget continue the theme from the previous financial year, mostly relating to Direct Payments.

The demand for a Direct Payment continues to increase. As at the end of September 2022 there are 518 service users in receipt of a direct payment compared with 508 in April, which is a 2% increase.

However this budget has for many years experienced great pressure and costs will continue to exceed budget with demand at current levels. The average weekly cost of a direct payment award is £438.60.

There are currently 418 residents in permanent residential/nursing care as at the end of September 2022 compared to 404 residents in April. This is an increase of 3.5%.

The weekly average cost of a package of care has increased since April from £638.87 to £667.77, an increase of 4.5%. There are currently 62 service users with a package of care costing more than £1,000 per week (54 as at April 2022), albeit some of those are jointly funded with Health. Of those 34 are placed outside the borough, an increase from 28 as at April 2022.

### Care Homes

Spend across the Division is over the budget profile by £0.641m for the first quarter. The forecast to the end of the financial year is an estimated outturn net spend position of £1.236m over available budget.

The main issue driving the increased costs relates to the difficulties with recruitment of staff, which has resulted in the use of expensive agency staff and overtime to cover vacancies. Due to pressures with recruitment and retention in the sector, heavy reliance is being placed upon agency staff. In the financial year to date, the care homes have incurred costs of £1.8m on agency staff which has partially been offset by high numbers of staff vacancies.

A number of recruitment days have taken place to recruit staff across the four care homes which has reduced the number of vacant posts. Further proactive rolling recruitment with the support of HR has been implemented, with the hope that this will speed up the recruitment process. This will hopefully reduce the agency requirement and will support the budget recovery plan going forward.

### (iii) **Corporate and Democracy:-**

To date Corporate and Democracy net spend is £2.577m under the budget to date and it is currently forecast that net spend for the year will be below the approved budget by £3.969m.

Included within the above figures are both general and specific contingency budgets. This includes a contingency for known budget pressures within social care services and recognises that efforts to control and reduce spending within these areas is part of a longer term plan.

Interest rate rises by the Bank of England have increased significantly the amounts of interest which the Council is able to generate from its cash investments. It is currently forecast that by year-end the Council will be able to generate an additional £0.855m in interest receipts than was forecast at budget setting. This will be extremely helpful in supporting the Council's overall outturn position.

### Collection Fund

- 3.10 Council tax collection for the first quarter of the year is 54.45%, down by 0.13% on this point last year. Cash collection for the year to date is £40.4m, this includes £1.2m collected in relation to previous year debt.
- 3.11 Council tax collection has been adversely impacted over the first six months of the year, as staff have had to administer the Government's £150 Energy Rebate Scheme. This has impacted significantly upon the volume of recovery action which the team were able to make. The Energy Rebate Scheme has now been concluded and service priority will therefore now return to recovery action.
- 3.12 Business rates collection for the first quarter of the year is 61.54%, up by 6.78%% on this point last year. Cash collected for the year to date is £33.2m. The in-year collection rate has been helped by credits placed against business rate accounts, following the awarding of 2021/22 rate reliefs funded by the Government Covid Additional Relief Fund

### Review of Reserves

- 3.13 As at 31 March 2022 the Council's General Reserve was £5.147m, which represents 4.6% of the Council's total net budget. This is considered to be a reasonable level.
- 3.14 As at the end of the current financial year it is forecast the balance of the Council's earmarked reserves will stand at £97.017m. This balance is after funding the additional cost of the 2022/23 pay award and cost of extending the Innovate contract for Children and Family Services.
- 3.15 Detailed below is the forecast of earmarked reserves as at 31 March 2023, categorised into the reasons for which they are held

Category	Balance 31 March 2023 £'000s
Future Revenue Commitments	11,746
Contractual Arrangements	73,063
Grants	5,800
Capital	2,469
Risk	2,324
Other	1,615
<b>Total</b>	<b>97,017</b>



- 3.16 Contractual reserves include those reserves for Mersey Gateway which are largely earmarked to be returned to the Department for Transport.
- 3.17 The value of reserves available for future revenue commitments will need to be utilised to fund any outturn overspend against the 2022/23 budget and also to help with balancing the 2023/24 budget. The limited total value of these reserves is a significant concern, given the issues which have previously been mentioned in the report i.e. high inflation, service demand pressures and future public spending reductions

### **Capital Spending**

- 3.18 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. Basic Need Projects
  - ii. SEMH Free School
  - iii. High Need Provision
  - iv. Disabled Facilities Grants
  - v. Stair Lifts
  - vi. Joint Funded RSL Adaptations
  - vii. Millbrow Care Home
  - viii. Spike Island/Wigg Island
  - ix. Halton Lea Town Centre Fund
  - x. Bridge & Highway Maintenance
  - xi. Street Lighting Upgrades
  - xii. SUD Green Cycle / Walk Corridors
  - xiii. Runcorn East Connectivity
  - xiv. Fleet Replacements
  - xv. Local Cycling and Walking Infrastructure Plan

- 3.19 Capital spending at 30 September 2022 totalled £11.626m, which represents 103% of the planned spending of £11.251m at this stage. This represents 38% of the total Capital Programme of £31.777m (which assumes a 20% slippage between years).

## **4.0 CONCLUSIONS**

- 4.1 As at 30 September 2022, net revenue spend (including the net impact of Covid) is £3.378m over the budget to date.
- 4.2 The forecast outturn currently estimates that spending will be £7.586m over budget for the year, which would have a severe impact upon the Council's reserves.
- 4.2 To address day-to-day operational budget pressures Departments should ensure that all spending continues to be restricted and tightly controlled

over the remainder of the year, with costs avoided or deferred to next year wherever possible, to ensure that the forecast outturn overspend is minimised as far as possible

**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.

**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 2022

## APPENDIX 1

Directorate / Department	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance (Overspend) £'000	Forecast Outturn (Overspend)
Community & Environment	24,027	11,484	11,365	119	(118)
Economy, Enterprise & Property	2,281	1,452	1,638	(186)	(109)
Finance	4,125	4,192	3,939	253	200
ICT & Support Services	-1,042	-887	-934	47	58
Legal & Democratic Services	502	165	142	23	(21)
Planning & Transportation	9,058	2,065	1,949	116	367
Policy, People, Performance & Efficiency	0	-286	-337	51	150
<b>Enterprise, Community &amp; Resources</b>	<b>38,951</b>	<b>18,185</b>	<b>17,762</b>	<b>423</b>	<b>527</b>
Adult Social Care (inc Care Homes & Community Care)	48,187	23,194	24,390	(1,196)	(2,472)
Children & Families	27,901	11,841	17,377	(5,536)	(10,049)
Complex Care Pool	4,504	-1,306	-1,730	424	607
Education, Inclusion & Provision	8,809	9,920	10,029	(109)	(239)
Public Health & Public Protection	253	127	88	39	71
<b>People</b>	<b>89,654</b>	<b>43,776</b>	<b>50,154</b>	<b>(6,378)</b>	<b>(12,082)</b>
<b>Corporate &amp; Democracy</b>	<b>-16,886</b>	<b>-16,201</b>	<b>-18,778</b>	<b>2,577</b>	<b>3,969</b>
<b>Mersey Gateway</b>	<b>0</b>	<b>-20,372</b>	<b>-20,372</b>	<b>0</b>	<b>0</b>
<b>Total Operational Net Spend</b>	<b>111,719</b>	<b>25,388</b>	<b>28,766</b>	<b>(3,378)</b>	<b>(7,586)</b>



## Community &amp; Environment Department

	Annual Budget £'000	Budget to Date £'000	Actual £'000	Variance (Overspend) £'000	Forecast Outturn £'000
<b>Expenditure</b>					
Employees	15,412	7,300	6,966	334	303
Proposed Pay Award 2022/23	640	0	0	0	0
Premises	2,543	1,272	1,317	(45)	(90)
Supplies & Services	1,398	750	800	(50)	(100)
Hired & Contracted Services	890	44	156	(112)	(225)
Book Fund	140	108	93	15	30
Food Provisions	404	817	801	16	32
School Meals Food	1,872	925	721	204	409
Miscellaneous Transport Costs	115	47	49	(2)	(3)
Other Agency Costs	156	92	69	23	(51)
Other Expenditure	0	2	5	(3)	(5)
Waste Disposal Contracts	6,538	3,269	3,268	1	2
Grants to Voluntary Organisations	67	16	41	(25)	48
Grant to Norton Priory	172	172	174	(2)	(1)
Rolling Projects	0	10	20	(10)	(20)
Capital Financing	0	4	4	0	0
<b>Total Expenditure</b>	<b>30,347</b>	<b>14,828</b>	<b>14,484</b>	<b>344</b>	<b>329</b>
<b>Income</b>					
Sales Income	-1,309	-678	-608	(70)	(141)
School Meals Income	-4,958	-2,275	-2,086	(189)	(378)
Fees & Charges Income	-5,546	-3,318	-3,298	(20)	(41)
Rental Income	-205	-75	-75	0	0
Government Grant Income	-359	-500	-664	164	329
Reimbursements & Other Grant Income	-597	-214	-149	(65)	(130)
Catering Fees	-88	-44	-45	1	2
Internal Fees Income	-247	-30	-38	8	16
Capital Salaries	-173	-46	-46	0	0
Transfers From Reserves	-742	-26	-24	(2)	0
<b>Total Income</b>	<b>-14,224</b>	<b>-7,206</b>	<b>-7,033</b>	<b>(173)</b>	<b>(343)</b>
<b>Net Operational Expenditure</b>	<b>16,123</b>	<b>7,622</b>	<b>7,451</b>	<b>171</b>	<b>(14)</b>
<b>Recharges</b>					
Premises Support	1,496	748	748	0	0
Transport	2,324	1,144	1,196	(52)	(104)
Central Support	4,449	2,225	2,225	0	0
Asset Rental Support	146	0	0	0	0
HBC Support Costs Income	-511	-255	-255	0	0
<b>Net Total Recharges</b>	<b>7,904</b>	<b>3,862</b>	<b>3,914</b>	<b>(52)</b>	<b>(104)</b>
<b>Net Departmental Expenditure</b>	<b>24,027</b>	<b>11,484</b>	<b>11,365</b>	<b>119</b>	<b>(118)</b>

## Economy, Enterprise &amp; Property Department

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employee Related Expenditure	5,159	2,529	2,609	(80)	60
Proposed Pay Award 2022/23	220	0	0	0	0
Repairs & Maintenance	2,306	1,216	1,216	0	0
Premises	92	90	90	0	0
Energy & Water Costs	919	284	387	(103)	(207)
NNDR	533	533	535	(2)	(2)
Rents	179	102	99	3	5
Economic Regeneration Activities	37	0	0	0	0
Security	485	211	211	0	0
Supplies & Services	494	398	398	0	6
Supplies & Services - Grant	1,192	415	415	0	0
Grants to Voluntary Organisations	113	72	72	0	0
Capital Finance	30	30	30	0	0
Transfer to Reserves	254	127	127	0	0
<b>Total Expenditure</b>	<b>12,013</b>	<b>6,007</b>	<b>6,189</b>	<b>(182)</b>	<b>(138)</b>
<b>Income</b>					
Fees & Charges Income	-864	-144	-144	0	0
Rent - Commercial Properties	-842	-297	-235	(62)	(124)
Rent - Investment Properties	-53	-31	-31	0	0
Rent - Markets	-797	-391	-382	(9)	(18)
Government Grant	-690	-412	-412	0	0
Reimbursements & Other Grant Income	-1,451	-351	-351	0	0
Schools SLA Income	-410	-381	-345	(36)	(36)
Recharges to Capital	-237	-36	-36	0	0
Transfer from Reserves	-1,717	-1,174	-1,277	103	207
<b>Total Income</b>	<b>-7,061</b>	<b>-3,217</b>	<b>-3,213</b>	<b>(4)</b>	<b>29</b>
<b>Net Operational Expenditure</b>	<b>4,952</b>	<b>2,790</b>	<b>2,976</b>	<b>(186)</b>	<b>(109)</b>
<b>Recharges</b>					
Premises Support	1,474	737	737	0	0
Transport Support	27	13	13	0	0
Central Support	2,082	1,041	1,041	0	0
Asset Rental Support	4	0	0	0	0
Recharge Income	-6,258	-3,129	-3,129	0	0
<b>Net Total Recharges</b>	<b>-2,671</b>	<b>-1,338</b>	<b>-1,338</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>2,281</b>	<b>1,452</b>	<b>1,638</b>	<b>(186)</b>	<b>(109)</b>

## Finance Department

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	5,955	2,928	2,781	147	353
Proposed Pay Award 2022/23	328	0	0	0	0
Insurances	894	668	642	26	0
Supplies & Services	415	288	278	10	7
Rent Allowances	35,500	15,661	15,661	0	0
Non HRA Rent Rebates	70	35	28	7	0
Discretionary Social Fund	106	60	60	0	0
Discretionary Social Fund Household Support	579	579	594	(15)	0
Discretionary Housing Payments	300	150	127	23	0
Covid Isolation Scheme	0	0	-9	9	0
Concessionary Travel	1,898	574	509	65	130
LCR Levy	2,241	2,241	2,241	0	0
Transfer to Reserves	17	0	0	0	17
Bad Debt Provision	77	0	0	0	(78)
<b>Total Expenditure</b>	<b>48,380</b>	<b>23,184</b>	<b>22,912</b>	<b>272</b>	<b>429</b>
<b>Income</b>					
Rent Allowances	-34,900	-13,473	-13,336	(137)	(406)
Non HRA Rent Rebate	-70	-35	-87	52	0
Housing Benefit Recovery	-400	-100	-71	(29)	0
Burdens Grant	-60	-60	-87	27	27
Dedicated schools Grant	-111	0	0	0	0
Discretionary Housing Payment Grant	-300	-125	-91	(34)	0
Housing Benefits Admin Grant	-515	-257	-257	0	0
Universal Credits	-5	-5	-5	0	0
Council Tax Admin Grant	-204	-204	-211	7	7
Household Support Fund Grant	-579	-144	-144	0	0
Covid Isolation Grant Income	0	0	36	(36)	0
Council Tax Liability Order	-502	-251	-265	14	0
Business Rates Admin Grant	-155	0	0	0	0
VEP Grant	-9	-9	-9	0	0
Council Tax Rebate Scheme Admin Gra	0	0	-79	79	79
Schools SLAs	-278	-278	-280	2	5
LCR Reimbursement	-2,241	-2,241	-2,241	0	0
Other Fees & Charges	-264	-130	-164	34	31
Reimbursements & Other Grants	-111	-56	-58	2	71
CCG McMillan Reimbursement	-82	0	0	0	0
Transfer from Reserves	-461	-119	-119	0	(43)
<b>Total Income</b>	<b>-41,247</b>	<b>-17,487</b>	<b>-17,468</b>	<b>(19)</b>	<b>(229)</b>
<b>Net Operational Expenditure</b>	<b>7,133</b>	<b>5,697</b>	<b>5,444</b>	<b>253</b>	<b>200</b>
<b>Recharges</b>					
Premises Support	227	113	113	0	0
Central Support	2,518	1,259	1,259	0	0
Recharge Income	-5,753	-2,877	-2,877	0	0
<b>Net Total Recharges</b>	<b>-3,008</b>	<b>-1,505</b>	<b>-1,505</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>4,125</b>	<b>4,192</b>	<b>3,939</b>	<b>253</b>	<b>200</b>

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employee	7,288	3,645	3,615	30	(82)
Proposed Pay Award 2022/23	485	0	0	0	0
Supplies & Services Expenditure	1,012	506	498	8	(14)
Capital Finance	78	5	1	4	33
Computer Repairs & Software	1,257	1,150	1,151	(1)	30
Communication Costs	13	13	9	4	0
Premises Expenditure	99	85	77	8	(27)
Transport Expenditure	3	2	1	1	1
Transfer from Reserves	15	0	0	0	15
<b>Total Expenditure</b>	<b>10,250</b>	<b>5,406</b>	<b>5,352</b>	<b>54</b>	<b>(44)</b>
<b>Income</b>					
Fees & Charges	-624	-260	-252	(8)	178
Schools SLA Income	-565	-480	-475	(5)	(83)
Contribution from Reserves	-485	0	0	0	0
Reimbursements & Other Grant Income	0	0	-6	6	7
<b>Total Income</b>	<b>-1,674</b>	<b>-740</b>	<b>-733</b>	<b>(7)</b>	<b>102</b>
<b>Net Operational Expenditure</b>	<b>8,576</b>	<b>4,666</b>	<b>4,619</b>	<b>47</b>	<b>58</b>
<b>Recharges</b>					
Premises Support	389	195	195	0	0
Transport Support	19	12	12	0	0
Central Support	1,592	796	796	0	0
Asset Rental Support	1,494	0	0	0	0
Recharge Income	-13,112	-6,556	-6,556	0	0
<b>Net Total Recharges</b>	<b>-9,618</b>	<b>-5,553</b>	<b>-5,553</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>-1,042</b>	<b>-887</b>	<b>-934</b>	<b>47</b>	<b>58</b>



	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	1,913	956	898	58	48
Proposed Pay Award 2022/23	29	0	0	0	0
Supplies & Services	322	149	159	(10)	(20)
Civic Catering & Functions	39	11	2	9	17
Legal Expenses	218	73	121	(48)	(96)
Legal Expenses Locums	360	183	183	0	0
Transport Related Expenditure	10	7	4	3	6
<b>Total Expenditure</b>	<b>2,891</b>	<b>1,379</b>	<b>1,367</b>	<b>12</b>	<b>(45)</b>
<b>Income</b>					
Land Charges	-84	-41	-37	(4)	(6)
School SLA's	-85	-84	-82	(2)	(2)
Licence Income	-263	-114	-129	15	30
Fees & Charges Income	-65	-32	-34	2	2
Transfer from Reserves	-406	-200	-200	0	0
<b>Total Income</b>	<b>-903</b>	<b>-471</b>	<b>-482</b>	<b>11</b>	<b>24</b>
<b>Net Operational Expenditure</b>	<b>1,988</b>	<b>908</b>	<b>885</b>	<b>23</b>	<b>(21)</b>
<b>Recharges</b>					
Premises Support	58	29	29	0	0
Central Support	351	175	175	0	0
Recharge Income	-1,895	-947	-947	0	0
<b>Net Total Recharges</b>	<b>-1,486</b>	<b>-743</b>	<b>-743</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>502</b>	<b>165</b>	<b>142</b>	<b>23</b>	<b>(21)</b>

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	5,017	2,338	2,285	53	233
Proposed Pay Award 2022/23	131	0	0	0	0
Efficiency Savings	-100	0	0	0	0
Premises	174	89	72	17	39
Hired & Contracted Services	313	152	152	0	(2)
Supplies & Services	204	202	262	(60)	(121)
Street Lighting	2,516	361	361	0	0
Highways Maintenance - Routine & Reactive	1,618	375	513	(138)	(276)
Highways Maintenance - Programmed Works	1,513	721	670	51	102
Fleet Transport	1,383	705	745	(41)	(81)
Bus Support - Halton Hopper Tickets	50	6	6	0	0
Bus Support	498	281	238	43	86
Grants to Voluntary Organisations	31	31	31	0	0
NRA Levy	69	69	70	(1)	0
LCR Levy	882	441	441	0	0
Contribution to Reserves	407	0	0	0	0
<b>Total Expenditure</b>	<b>14,706</b>	<b>5,770</b>	<b>5,846</b>	<b>(76)</b>	<b>(20)</b>
<b>Income</b>					
Sales & Rent Income	-93	-42	-26	(16)	(32)
Planning Fees	-563	-424	-655	231	462
Building Control Fees	-224	-127	-143	16	31
Other Fees & Charges	-927	-492	-500	8	16
Grants & Reimbursements	-239	-154	-154	0	0
Government Grant Income	-125	-64	-64	0	0
Halton Hopper Income	-50	-5	-5	0	0
School SLA's	-46	-45	-43	(2)	(3)
Recharge to Capital	-317	-89	-11	(78)	(156)
LCR Levy Reimbursement	-882	-441	-441	0	0
Contribution from Reserves	-690	-559	-559	0	0
<b>Total Income</b>	<b>-4,156</b>	<b>-2,442</b>	<b>-2,601</b>	<b>160</b>	<b>318</b>
<b>Net Operational Expenditure</b>	<b>10,550</b>	<b>3,329</b>	<b>3,245</b>	<b>84</b>	<b>298</b>
<b>Recharges</b>					
Premises Recharges	534	267	267	0	0
Transport Recharges	661	321	336	(15)	(25)
Asset Charges	1,099	0	0	0	0
Central Recharges	1,581	791	791	0	0
Transport Recharge Income	-4,496	-2,207	-2,254	47	94
Central Recharge Income	-871	-436	-436	0	0
<b>Net Total Recharges</b>	<b>-1,492</b>	<b>-1,264</b>	<b>-1,296</b>	<b>32</b>	<b>69</b>
<b>Net Departmental Expenditure</b>	<b>9,058</b>	<b>2,065</b>	<b>1,949</b>	<b>116</b>	<b>367</b>

**Policy, People, Performance & Efficiency Department**

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	2,162	1,048	987	61	175
Proposed Pay Award 2022/23	53	0	0	0	0
Employees Training	123	66	68	(2)	(4)
Apprenticeship Levy	300	151	155	(4)	(9)
Supplies & Services	144	86	93	(7)	(14)
Agency Related Expenditure	11	0	3	(3)	0
<b>Total Expenditure</b>	<b>2,793</b>	<b>1,351</b>	<b>1,306</b>	<b>45</b>	<b>148</b>
<b>Income</b>					
Fees & Charges	-132	-100	-102	2	(2)
Schools SLA	-448	-448	-452	4	4
Transfer from Reserves	-70	-17	-17	0	0
<b>Total Income</b>	<b>-650</b>	<b>-565</b>	<b>-571</b>	<b>6</b>	<b>2</b>
<b>Net Operational Expenditure</b>	<b>2,143</b>	<b>786</b>	<b>735</b>	<b>51</b>	<b>150</b>
<b>Recharges</b>					
Premises Support	72	36	36	0	0
Central Support	1,037	518	518	0	0
Recharge Income	-3,252	-1,626	-1,626	0	0
<b>Net Total Recharges</b>	<b>-2,143</b>	<b>-1,072</b>	<b>-1,072</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>0</b>	<b>-286</b>	<b>-337</b>	<b>51</b>	<b>150</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	15,598	7,600	7,532	68	110
Proposed Pay Award 2022/23	572	0	0	0	0
Premises	311	235	232	3	0
Supplies & Services	649	379	370	9	0
Aids & Adaptations	38	5	4	1	0
Transport	187	94	118	(24)	(50)
Food Provision	158	79	75	4	0
Agency	617	367	364	3	0
Supported Accommodation and Services	1,463	605	604	1	0
Emergency Duty Team	105	52	63	(11)	(20)
Contacts & SLAs	627	376	368	8	0
<b>Housing Solutions Grant Funded Schemes</b>					
LCR Immigration Programme	330	165	163	2	0
Homelessness Prevention	356	130	131	(1)	0
Rough Sleepers Initiative	150	50	49	1	0
<b>Total Expenditure</b>	<b>21,161</b>	<b>10,137</b>	<b>10,073</b>	<b>64</b>	<b>40</b>
<b>Income</b>					
Fees & Charges	-761	-337	-318	(19)	(40)
Sales & Rents Income	-391	-221	-259	38	40
Reimbursements & Grant Income	-1,535	-563	-563	0	0
Capital Salaries	-121	-61	-61	0	0
Housing Schemes Income	-836	-836	-836	0	0
Transfer From Reserves	-1,394	0	0	0	0
<b>Total Income</b>	<b>-5,038</b>	<b>-2,018</b>	<b>-2,037</b>	<b>19</b>	<b>0</b>
<b>Net Operational Expenditure Excluding Homes and Community Care</b>	<b>16,123</b>	<b>8,119</b>	<b>8,036</b>	<b>83</b>	<b>40</b>
Care Homes Net Expenditure	8,295	4,173	4,814	-641	-1,236
Community Care Expenditure	19,224	8,658	9,261	-603	-1,236
<b>Net Operational Expenditure Including Homes and Community Care</b>	<b>43,642</b>	<b>20,950</b>	<b>22,111</b>	<b>(1,161)</b>	<b>(2,432)</b>
<b>Recharges</b>					
Premises Support	460	230	230	0	0
Transport Support	587	294	329	(35)	(40)
Central Support	3,563	1,781	1,781	0	0
Asset Rental Support	57	0	0	0	0
Recharge Income	-122	-61	-61	0	0
<b>Net Total Recharges</b>	<b>4,545</b>	<b>2,244</b>	<b>2,279</b>	<b>(35)</b>	<b>(40)</b>
<b>Net Departmental Expenditure</b>	<b>48,187</b>	<b>23,194</b>	<b>24,390</b>	<b>(1,196)</b>	<b>(2,472)</b>

**Care Homes Division**

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
<b>Madeline Mckenna</b>					
Employees	505	255	344	(89)	(211)
Other Premises	53	27	42	(15)	(27)
Supplies & Services	13	5	10	(5)	(8)
Food	40	17	18	(1)	3
<b>Total Madeline Mckenna Expenditure</b>	<b>611</b>	<b>304</b>	<b>414</b>	<b>(110)</b>	<b>(243)</b>
<b>Millbrow</b>					
Employees	1,587	794	975	(181)	(316)
Other Premises	79	41	57	(16)	(32)
Supplies & Services	45	22	15	7	(5)
Food	63	26	35	(9)	(13)
<b>Total Millbrow Expenditure</b>	<b>1,774</b>	<b>883</b>	<b>1,082</b>	<b>(199)</b>	<b>(366)</b>
<b>St Luke's</b>					
Employees	2,412	1,256	1,279	(23)	(258)
Other Premises	105	54	67	(13)	(48)
Supplies & Services	39	15	11	4	(13)
Food	112	47	49	(2)	(3)
Donation	0	0	-1	1	1
<b>Total St Luke's Expenditure</b>	<b>2,668</b>	<b>1,372</b>	<b>1,405</b>	<b>(33)</b>	<b>(321)</b>
<b>St Patrick's</b>					
Employees	1,483	745	1,037	(292)	(511)
Other Premises	94	48	57	(9)	(30)
Supplies & Services	33	13	16	(3)	(14)
Food	102	43	46	(3)	(19)
<b>Total St Patrick's Expenditure</b>	<b>1,712</b>	<b>849</b>	<b>1,156</b>	<b>(307)</b>	<b>(574)</b>
<b>Care Homes Divison Management</b>					
Employees	220	113	105	8	(19)
Proposed Pay Award 2022/23	287	0	0	0	287
Supplies & Services	72	72	72	0	0
Transfer from Reserves	-365	-78	-78	0	0
<b>Care Home Divison Management</b>	<b>214</b>	<b>107</b>	<b>99</b>	<b>8</b>	<b>268</b>
<b>Net Operational Expenditure</b>	<b>6,979</b>	<b>3,515</b>	<b>4,156</b>	<b>(641)</b>	<b>(1,236)</b>
<b>Recharges</b>					
Premises Support	324	162	162	0	0
Central Support	992	496	496	0	0
<b>Net Total Recharges</b>	<b>1,316</b>	<b>658</b>	<b>658</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>8,295</b>	<b>4,173</b>	<b>4,814</b>	<b>(641)</b>	<b>(1,236)</b>

**COMMUNITY CARE BUDGET**

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn (Overspend)
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Residential & Nursing	14,118	5,837	6,034	(197)	(382)
Domiciliary Care & Supported Living	12,319	5,127	4,821	306	666
Direct Payments	10,369	5,087	5,777	(690)	(1,498)
Day Care	335	129	209	(80)	(138)
Consultancy	0	0	34	(34)	0
<b>Total Expenditure</b>	<b>37,141</b>	<b>16,180</b>	<b>16,875</b>	<b>-695</b>	<b>-1,352</b>
<b>Income</b>					
Residential & Nursing Income	-10,128	-4,208	-4,304	96	130
Community Care Income	-2,446	-890	-912	22	44
Direct Payments Income	-886	-335	-308	(27)	(59)
ILF Grant	-656	-164	-164	0	(0)
Income from other CCGs	-126	-63	-63	0	0
Other Income	-141	-130	-130	0	0
Market sustainability & FCC Grant	-431	-215	-216	1	0
Adult Social Care Support Grant	-3,035	-1,517	-1,517	0	0
War Pension Disregard Grant	-68	0	0	0	0
<b>Total Income</b>	<b>-17,917</b>	<b>-7,522</b>	<b>-7,614</b>	<b>92</b>	<b>116</b>
<b>Net Departmental Expenditure</b>	<b>19,224</b>	<b>8,658</b>	<b>9,261</b>	<b>(603)</b>	<b>(1,236)</b>

**Children & Families Department**

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	11,836	5,434	7,027	(1,593)	(2,444)
Proposed Pay Award 2022/23	224	0	0	0	0
Other Premises	316	129	140	(11)	(31)
Supplies & Services	855	406	831	(425)	(907)
Transport	113	37	67	(30)	(67)
Direct Payments	940	390	369	21	40
Commissioned services to Vol Orgs	233	101	77	24	46
Residential Care	9,865	3,785	6,613	(2,828)	(5,065)
Out of Borough Adoption	89	45	0	45	79
Out of Borough Fostering	2,503	1,136	1,280	(144)	(255)
In House Adoption	427	153	142	11	26
Special Guardianship Order	1,780	890	1,032	(142)	(313)
In House Foster Carer Placements	2,337	1,181	1,351	(170)	(405)
Lavender House	219	73	73	0	0
Home Support & Respite	3	3	43	(40)	(167)
Care Leavers	249	106	85	21	52
Family Support	53	26	92	(66)	(150)
Contracted services	3	1	1	0	0
Early Years	203	49	197	(148)	(346)
Emergency Duty	118	0	0	0	0
Youth Offending Services	255	77	103	(26)	(74)
<b>Total Expenditure</b>	<b>32,621</b>	<b>14,022</b>	<b>19,523</b>	<b>(5,501)</b>	<b>(9,981)</b>
<b>Income</b>					
Fees & Charges	-24	-4	-1	(3)	(6)
Sales Income	-4	-1	0	(1)	(1)
Rents	-58	-22	-22	0	0
Reimbursement & other Grant Income	-640	-341	-310	(31)	(61)
Transfer from reserve	-1,661	-520	-520	0	0
Dedicated Schools Grant	-50	0	0	0	0
Government Grants	-5,391	-2,846	-2,846	0	0
<b>Total Income</b>	<b>-7,828</b>	<b>-3,734</b>	<b>-3,699</b>	<b>(35)</b>	<b>(68)</b>
<b>Net Operational Expenditure</b>	<b>24,793</b>	<b>10,288</b>	<b>15,824</b>	<b>(5,536)</b>	<b>(10,049)</b>
<b>Recharges</b>					
Premises Support	178	89	89	0	0
Transport	18	8	8	0	0
Central Support Recharges	3,036	1,518	1,518	0	0
Internal Recharge Income	-124	-62	-62	0	0
<b>Net Total Recharges</b>	<b>3,108</b>	<b>1,553</b>	<b>1,553</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>27,901</b>	<b>11,841</b>	<b>17,377</b>	<b>(5,536)</b>	<b>(10,049)</b>

**Complex Care Pool**

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Intermediate Care Services	6,403	2,877	2,362	515	555
Oakmeadow	1,165	601	600	1	3
Community Home Care First	1,300	469	469	0	0
Joint Equipment Store	815	261	261	0	0
Development Fund	662	0	0	0	0
HICafs	3,584	738	448	290	585
Contracts & SLA's	3,262	858	826	32	75
Carers Breaks	428	247	212	35	74
Carers centre	377	188	188	0	0
Residential Care	1,075	537	537	0	0
Domiciliary Care & Supported Living	2,556	1,278	1,301	(23)	(75)
<b>Total Expenditure</b>	<b>21,626</b>	<b>8,055</b>	<b>7,205</b>	<b>850</b>	<b>1,217</b>
<b>Income</b>					
BCF	-12,079	-6,039	-6,039	0	0
CCG Contribution to Pool	-2,831	-1,416	-1,416	0	0
Oakmeadow Income	-613	-306	-304	(2)	(3)
Transfer from reserve	-700	-700	-700	0	0
Ageing Well	-694	-694	-694	0	0
Bal cfwd 2021/22	-206	-206	-206	0	0
<b>Total Income</b>	<b>-17,122</b>	<b>-9,361</b>	<b>-9,359</b>	<b>(2)</b>	<b>(3)</b>
<b>Net Expenditure</b>	<b>4,504</b>	<b>-1,306</b>	<b>-2,154</b>	<b>848</b>	<b>1,214</b>
CCG Contribution Share of Surplus	0	0	424	(424)	(607)
<b>Adjusted Net Departmental Expenditure</b>	<b>4,504</b>	<b>-1,306</b>	<b>-1,730</b>	<b>424</b>	<b>607</b>



	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
<b>Core Funded</b>					
Employees	3,573	1,678	1,601	77	329
Proposed Pay Award 2022/23	169	0	0	0	0
Premises	3	1	0	1	3
Supplies & Services	689	445	411	34	67
Transport	43	18	14	4	(3)
Schools Transport	1,311	300	588	(288)	(677)
Commissioned Services	1,839	264	266	(2)	(5)
Grants to Voluntary Organisations	35	4	1	3	(62)
Capital Financing	1	1	1	0	1
<b>Grant Funded</b>					
Employees	3,719	1,589	1,589	0	0
Premises	24	6	6	0	0
Supplies & Services	1,588	542	542	0	0
Transport	22	13	13	0	0
Independent School Fees	6,728	2,790	2,790	0	0
Inter Authority Special Needs	604	62	62	0	0
Pupil Premium Grant	200	9	9	0	0
Nursery Education Payment	6,000	2,431	2,431	0	0
Grants to Voluntary Organisations	1,444	497	497	0	0
<b>Total Expenditure</b>	<b>27,992</b>	<b>10,650</b>	<b>10,821</b>	<b>(171)</b>	<b>(347)</b>
<b>Income</b>					
Fees & Charges	-93	-47	-47	0	36
Government Grant	-1,513	-630	-630	0	0
Reimbursements & Other Grant Income	0	0	-46	46	46
Schools SLA Income	-358	-149	-220	71	81
Transfer to/from Reserves	-991	-814	-814	0	0
Dedicated Schools Grant	-18,553	0	0	0	0
Inter Authority Income	-544	-240	-185	(55)	(55)
<b>Total Income</b>	<b>-22,052</b>	<b>-1,880</b>	<b>-1,942</b>	<b>62</b>	<b>108</b>
<b>Net Operational Expenditure</b>	<b>5,940</b>	<b>8,770</b>	<b>8,879</b>	<b>(109)</b>	<b>(239)</b>
<b>Recharges</b>					
Premises Support	127	53	53	0	0
Transport Support	438	135	135	0	0
Central Support	2,309	962	962	0	0
Asset Rental Support	17	0	0	0	0
Recharge Income	-22	0	0	0	0
<b>Net Total Recharges</b>	<b>2,869</b>	<b>1,150</b>	<b>1,150</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>8,809</b>	<b>9,920</b>	<b>10,029</b>	<b>(109)</b>	<b>(239)</b>

**Public Health & Public Protection Department**

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	4,451	2,059	2,028	31	53
Premises	5	0	0	0	0
Supplies & Services	278	161	148	13	27
Contracts & SLA's	7,025	2,590	2,590	0	0
Transport	11	9	8	1	1
Other Agency	21	21	21	0	0
Transfer to Reserves	79	29	29	0	0
<b>Total Expenditure</b>	<b>11,870</b>	<b>4,869</b>	<b>4,824</b>	<b>45</b>	<b>81</b>
<b>Income</b>					
Fees & Charges	-291	-233	-231	(2)	(5)
Reimbursements & Other Grants	-313	-290	-290	0	0
Government Grants	-11,337	-4,693	-4,693	0	0
Transfer from Reserves	-667	-22	-22	0	0
<b>Total Income</b>	<b>-12,608</b>	<b>-5,238</b>	<b>-5,236</b>	<b>(2)</b>	<b>(5)</b>
<b>Net Operational Expenditure</b>	<b>-738</b>	<b>-369</b>	<b>-412</b>	<b>43</b>	<b>76</b>
<b>Recharges</b>					
Premises Support	126	63	63	0	0
Transport Support	23	12	16	(4)	(5)
Central Support	1,324	662	662	0	0
Recharge Income	-482	-241	-241	0	0
<b>Net Total Recharges</b>	<b>991</b>	<b>496</b>	<b>500</b>	<b>-4</b>	<b>-5</b>
<b>Net Departmental Expenditure</b>	<b>253</b>	<b>127</b>	<b>88</b>	<b>39</b>	<b>71</b>

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn (Overspend)
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	342	171	171	(0)	0
Contracted Services	38	19	11	8	0
Supplies & Services	129	65	202	(137)	(100)
Premises Expenditure	5	5	16	(11)	(11)
Transport Costs	0	0	0	0	0
Members Allowances	901	451	422	29	30
Interest Payable - Treasury Management	917	275	275	(0)	0
Interest Payable - Other	303	76	7	69	274
Bank Charges	137	68	68	0	0
Audit Fees	135	68	68	(1)	0
Contingency	3,707	2,249	0	2,249	3,358
Capital Financing	1,941	1,941	1,989	(48)	(48)
Contribution to Reserves	4,332	0	0	0	0
Debt Management Expenses	20	10	10	0	0
Precepts & Levies	210	105	105	0	0
<b>Total Expenditure</b>	<b>13,117</b>	<b>5,501</b>	<b>3,344</b>	<b>2,157</b>	<b>3,503</b>
<b>Income</b>					
Interest Receivable - Treasury Management	-1,124	-562	-983	421	974
Interest Receivable - Other	0	0	0	0	(119)
Other Fees & Charges	-119	-59	-58	(1)	0
Grants & Reimbursements	-1,811	-71	-71	0	(376)
Government Grant Income	-11,802	-7,183	-7,183	0	(13)
Transfer from Reserves	-13,292	-13,292	-13,292	0	0
<b>Total Income</b>	<b>-28,146</b>	<b>-21,167</b>	<b>-21,587</b>	<b>420</b>	<b>466</b>
<b>Net Operational Expenditure</b>	<b>-15,030</b>	<b>-15,666</b>	<b>-18,243</b>	<b>2,577</b>	<b>3,969</b>
<b>Recharges</b>					
Premises Recharges	4	2	2	0	0
Central Recharges	1,297	648	648	0	0
Recharge Income	-3,158	-1,185	-1,185	0	0
<b>Net Total Recharges</b>	<b>-1,857</b>	<b>-535</b>	<b>-535</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>-16,886</b>	<b>-16,201</b>	<b>-18,778</b>	<b>2,577</b>	<b>3,969</b>

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	0	0	0	0	0
Premises	91	50	42	8	7
Hired & Contracted	0	0	5	(5)	(16)
Unitary Charge	40,225	16,760	16,557	203	608
DMPA Fee	9,303	4,652	5,858	(1,206)	(1,385)
Supplies & Services	0	0	60	(60)	(143)
MGCB Ltd	1,920	960	844	116	232
Insurances	715	0	0	0	0
MGET	303	76	82	(6)	19
Bus Support	250	101	26	75	104
External Interest	5,305	2,652	2,587	65	66
Finance Charges	161	0	0	0	0
Bad debt provision	0	0	0	0	0
Direct Revenue Financing	288	0	0	0	144
Transfer to Reserves	9,746	0	0	0	(52)
<b>Total Expenditure</b>	<b>68,307</b>	<b>25,251</b>	<b>26,061</b>	<b>(810)</b>	<b>(416)</b>
<b>Income</b>					
Toll Income	-45,267	-22,633	-23,250	617	432
Grants & Reimbursements	-22,940	-22,940	-22,940	0	0
Transfer from Reserves	-215	-107	-300	193	(16)
<b>Total Income</b>	<b>-68,422</b>	<b>-45,680</b>	<b>-46,490</b>	<b>810</b>	<b>416</b>
<b>Net Operational Expenditure</b>	<b>-115</b>	<b>-20,429</b>	<b>-20,429</b>	<b>0</b>	<b>0</b>
<b>Recharges</b>					
Central Support	115	57	57	0	0
<b>Net Total Recharges</b>	<b>115</b>	<b>57</b>	<b>57</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>0</b>	<b>-20,372</b>	<b>-20,372</b>	<b>0</b>	<b>0</b>

## Capital Programme as at 30 September 2022

## Appendix 3

Directorate/Department	2022/23 Capital Allocation	Allocation to Date	Actual Spend to 30 September 2022	Total Allocation Remaining	2023/24 Capital Allocation	2024/25 Capital Allocation
	£'000	£'000	£'000	£'000	£'000	£'000
<b>PEOPLE DIRECTORATE</b>						
Asset Management Data	6	2	2	4	0	0
Capital Repairs	1,155	914	914	241	294	0
Asbestos Management	29	10	10	19	0	0
Schools Access Initiative	62	2	2	60	0	0
Basic Needs Projects	0	0	0	0	278	0
Fairfield Primary School	20	0	0	20	283	20
Kitchen Gas Safety	1	1	1	0	0	0
Small Capital Works	124	38	38	86	0	0
SEMH Free School	237	227	227	10	232	0
Cavendish School Extension	443	31	31	412	23	0
High Need Provision unallocated	0	0	0	0	3,201	0
Grants – Disabled Facilities	600	300	280	320	600	600
Stair Lifts	200	100	94	106	270	270
Joint Funding RSL Adaptations	300	150	152	148	270	270
ALD Bungalows	0	0	0	0	199	0
Purchase of 2 adapted Properties	0	0	0	0	358	0
Millbrow Care Home	400	100	63	337	0	0
Madeline McKenna	100	20	18	82	0	0
St Lukes	100	10	9	91	1,000	0
St Patricks	400	100	100	300	1,000	1,200
Care Homes Refurbishment	0	0	0	0	0	0
Telehealthcare Upgrade	400	100	92	308	0	0
<b>TOTAL PEOPLE DIRECTORATE</b>	<b>4,577</b>	<b>2,105</b>	<b>2,033</b>	<b>2,544</b>	<b>8,008</b>	<b>2,360</b>

Capital Programme as at 30 September 2022...continued

Directorate/Department	2022/23 Capital Allocation	Allocation to Date	Actual Spend to 30 September 2022	Total Allocation Remaining	2023/24 Capital Allocation	2024/25 Capital Allocation
	£'000	£'000	£'000	£'000	£'000	£'000
<b>ENTERPRISE, COMMUNITY &amp; RESOURCES DIRECTORATE</b>						
Stadium Minor Works	37	10	9	28	30	30
Stadium Decarbonisation Scheme	0	0	117	-117	0	0
Open Spaces Schemes	450	130	128	322	600	600
Upton Improvements	13	0	0	13	0	0
Crow Wood Park	39	10	10	29	0	0
Brookvale Pitch Refurbishment	70	40	38	32	0	0
Halton Leisure Centre	6,296	950	927	5,369	8,000	7,285
Children's Playground Equipment	80	5	2	78	65	65
Landfill Tax Credit Schemes	340	0	0	340	340	340
Runcorn Town Park	256	110	110	146	310	310
Widnes Crematorium						
Replacement Cremator	200	200	234	-34	0	0
Spike Island / Wigg Island	60	0	0	60	964	964
Litter Bins	20	0	0	20	20	20
IT Rolling Programme	700	123	123	577	700	700
3MG	164	6	6	158	0	0
Murdishaw redevelopment	31	0	0	31	0	0
Equality Act Improvement Works	300	34	34	266	300	300
Widnes Market Refurbishment	6	6	6	0	0	0
Broseley House	21	7	7	14	0	0
Solar Farm Extension	11	0	0	11	0	0
Foundary Lane Residential Area	2,117	932	932	1,185	2,117	0
Kingsway Learning Centre						
Improved Facilities	36	0	0	36	0	0
Halton Lea TCF	388	353	353	35	0	0
Property Improvements	213	169	169	44	200	200
Astmoor Regeneration	14	10	10	4	0	0
Runcorn Town Centre Fund	2,089	952	959	1,130	0	0
Woodend, Unit 10 Catalyst	500	21	21	479	0	0
St Paul's Mews	500	500	515	-15	0	0
Runcorn Station Quarter	530	77	77	453	0	0
Bridge and Highway Maintenance	2,448	471	471	1,977	1,873	0
Integrated Transport	1,553	332	332	1,221	0	0
EATF Runcorn Busway	1,546	564	564	982	0	0
CRSTS Funded Schemes	3,306	628	628	2,678	0	0
Street Lighting - Structural						
Maintenance	853	139	139	714	200	200
Street Lighting - Upgrades	530	52	52	478	2,000	0
SUD Green Cycle / Walk Corridors	349	349	349	0	0	0
Runcorn East Connectivity	1,500	326	326	1,174	4,069	0
Risk Management	495	23	23	472	120	120
Fleet Replacements	2,500	452	452	2,048	4,467	1,147
Silver Jubilee Bridge - Major						
Maintenance Scheme	321	0	0	321	0	0
Silver Jubilee Bridge - Decoupling /						
Runcorn Station Quarter	0	0	325	-325	0	0
Widnes Loops	0	0	13	-13	0	0
Silver Jubilee Bridge - Lighting	469	1	1	468	0	0
LCWIP (Local cycling and walking						
infrastructure plan) / Dukesfield	2,750	1,089	1,089	1,661	0	0
MG Land Acquisition	904	0	-33	937	0	0
MG Development Costs	40	24	24	16	0	0
MG Handback Land	100	51	51	49	0	0
<b>TOTAL ENTERPRISE, COMMUNITY &amp; RESOURCES DIRECTORATE</b>	<b>35,144</b>	<b>9,146</b>	<b>9,593</b>	<b>25,551</b>	<b>26,375</b>	<b>12,281</b>

## Capital Programme as at 30 September 2022...continued

Directorate/Department	2022/23 Capital Allocation	Allocation to Date	Actual Spend to 30 September 2022	Total Allocation Remaining		2023/24 Capital Allocation	2024/25 Capital Allocation
	£'000	£'000	£'000	£'000		£'000	£'000
<b>TOTAL CAPITAL PROGRAMME</b>	<b>39,721</b>	<b>11,251</b>	<b>11,626</b>	<b>28,095</b>		<b>34,383</b>	<b>14,641</b>
Slippage (20%) Carried Forward	-7,944					-6,877	-2,928
Slippage Brought Forward						7,944	6,877
<b>TOTAL</b>	<b>31,777</b>	<b>11,251</b>	<b>11,626</b>	<b>20,151</b>		<b>35,450</b>	<b>18,589</b>







**REPORT TO:** Executive Board

**DATE:** 17<sup>th</sup> November 2022

**REPORTING OFFICER:** Operational Director - Finance

**PORTFOLIO:** Leader

**SUBJECT:** Determination of Council Tax Base 2023/24

**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 2023. 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 2023/24 Council Tax Base at 36,241 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:**

<b>Parish</b>	<b>Tax Base</b>
<b>Hale</b>	<b>668</b>
<b>Halebank</b>	<b>528</b>
<b>Daresbury</b>	<b>186</b>
<b>Moore</b>	<b>336</b>
<b>Preston Brook</b>	<b>370</b>
<b>Sandymoor</b>	<b>1,473</b>

### **3.0 SUPPORTING INFORMATION**

- 3.1 The Council Tax Base is the measure used for calculating Council Tax and is used by both the billing authority (the Council) and the major precepting authorities (Cheshire Fire Authority, 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 17 October 2022. Adjustments are then made to take into account the estimated number of discounts, voids, additions and demolitions during the period 17 October 2022 to 31 March 2023.
- 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 2023/24 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 2023/24 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 2023/24 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 2023/24 provides a tax base figure of **36,241 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>668</b>
<b>Halebank</b>	<b>528</b>
<b>Daresbury</b>	<b>186</b>
<b>Moore</b>	<b>336</b>
<b>Preston Brook</b>	<b>370</b>
<b>Sandymoor</b>	<b>1,473</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 2023/24.

#### **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 2023/24.

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

- 8.1 None.

**9.0 REASON FOR THE DECISION**

9.1 To seek approval for the Council Tax Base for the Borough and also the Council Tax Base for each of the Parishes.

**10.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

10.1 The Council is required to determine annually the Council Tax Base and to notify the Cheshire Fire Authority, the Cheshire Police & Crime Commissioner, Liverpool City Region Combined Authority, the Environment Agency and Parish Councils.

**11.0 IMPLEMENTATION DATE**

11.1 The Council Tax Base 2023/24 will be implemented from 1st April 2023.

**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

<b>REPORT:</b>	Executive Board
<b>DATE:</b>	17 November 2022
<b>REPORTING OFFICER:</b>	Operational Director, Legal and Democratic Services
<b>PORTFOLIO:</b>	Leader
<b>SUBJECT:</b>	Taxi Licensing Matter
<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 policy and Private Hire Operator Conditions.

## **2 RECOMMENDED:**

It is recommended that:-

- (1) a new private hire operator licence condition on the use of passengers carrying vehicles be adopted; and**
- (2) the temporary policy amendment relaxing the maximum age restriction on Hackney Carriage and Private Hire Vehicles which is due to expire on 25 February 2023 be extended for a further period of 2 years (i.e. until 25 February 2025) subject to the same two conditions requiring the vehicles benefiting from the extension to have 3 tests per year and on the basis that no vehicle taking advantage of the dispensation may be transferred to another proprietor.**

## **3 BACKGROUND INFORMATION**

- 3.1 Members will recall that the Council's taxi licensing policies are currently being reviewed in light of the Department for Transport's guidance on "Statutory taxi and private hire vehicle standards" which was issued in July 2020 ("the Statutory Guidance"). This provides that public safety is to be of paramount consideration in discharging licensing functions and sets out a number of recommendations that the Department expects to be implemented unless there is a compelling local reason not to.
- 3.2 A number of the recommendations are already in place or have been recently adopted. On 12 October 2022, the Regulatory Committee considered another of the recommendations, namely the adoption of a

private hire operator condition relating to Passenger Carrying Vehicles which is discussed further at paragraph 4.1 below.

3.3 The Regulatory Committee also considered a request from the trade to extend the temporary vehicle policy amendment relaxing the maximum age restriction on Hackney Carriage and Private Hire Vehicles for a further period of time in light of the ongoing cost of living crisis. This is dealt with further in paragraph 4.2. below.

3.4 The Regulatory Committee has recommended the adoption of the new private hire operator licence condition and the extension of the temporary policy amendment on the maximum age vehicle restriction by a further 2 years, i.e. until 25 February 2025.

## 4 AMENDMENTS

### 4.1 Amendment 1: A new Private Hire Operator Condition regarding the use of Passenger Carrying Vehicles

4.1.1 As Members will be aware, a Private Hire Vehicle is a “motor vehicle constructed or adapted to seat fewer than 9 passengers”. Where a larger vehicle is required, such as a minibus, bus or coach, this is known as a Passenger Carrying Vehicle or PCV. PCVs are subject to a different licensing regime.

4.1.2 Some Private Hire Operators hold PCV licences or subcontract bookings to PCV licence holders where a PHV is unsuitable. In these circumstances, neither the driver nor the vehicle would have been licensed with the Council despite the passenger having booked through a Private Hire Operator which is licenced with the Council.

4.1.3 According to the Statutory Guidance,

*...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.***

*Where a private hire vehicle is unsuitable, for example where a larger vehicle is needed because more than eight passenger seats are required or to accommodate luggage, the booker should be informed that a PSV is necessary, and that a PCV licensed driver will be used*

*who is subject to different checks and not required to have an enhanced DBS check.*

4.1.4 In light of the above, it is recommended that the following new condition for Private Hire Operators is adopted:

4.1.5 **A private hire operator must not provide (to include sub-contract) a vehicle that is able to carry more than 8 passengers without first obtaining written or verbal consent of the hirer. The hirer must be made aware that neither the vehicle, nor the driver (where applicable) are licensed by Halton Borough Council and as such are subject to different checks. The hirer must also be informed that the driver is not required to have an enhanced DBS check. Verification of consent must be kept for a period as stated in 2.2 of these conditions.**

4.1.6 For the sake of clarity 2.2 of the Private Hire Operator conditions requires that certain information must be kept for not less than 6 months.

4.1.7 Both the trade and the public were consulted on the additional condition but no relevant responses were received.

**4.2 Amendment 2: Extending the temporary amendment to the Vehicle Policy relaxing the maximum age of Hackney Carriage and Private Hire Vehicles.**

4.2.1 The Council's Vehicle Policy provides the following age restrictions for licensed vehicles:-

*Non fully wheelchair accessible vehicles*

Can be no more than 5 years old when first licensed and the maximum age is 10 years old.

*Fully wheelchair accessible vehicles*

Can be no more than 13 years old when first licensed and the maximum age limit is 16 years old.

4.2.2 Due to the economic consequences of the pandemic on the trade, the Executive Board approved a temporary amendment that came into force on 26 February 2021 extending the maximum age restriction on Hackney Carriage and Private Hire Vehicles by 2 years, for a period of 2 years, subject to the following conditions:-

- any vehicle taking advantage of the dispensation shall be subject to 3 tests per year; and
- no vehicle taking advantage of the dispensation may be transferred to another proprietor.



- 4.2.3 These conditions were imposed to mitigate any safety risks to the public bearing in mind the overriding consideration of protecting the public.
- 4.2.4 The temporary amendment is due to expire on the 25<sup>th</sup> February 2023 but the economic circumstances have not improved with the current cost of living crisis. As such, the trade have requested that the temporary amendment continue for a further period of time.
- 4.2.5 A consultation exercise was undertaken and the majority of the trade voted in favour of the extension. This is detailed further in report to the Regulatory Committee which can be found at Appendix 1. The public consultation produced no responses.
- 4.2.6 The following considerations were brought to the Committee's attention:-
- Replacing a licensed vehicle on attaining current age limit could, in the current time of austerity, be punitive to the proprietor and place unreasonable financial and/or personal pressure on the licence holders.
  - Removing the conditions in their entirety could lower the standards achieved in the Borough since age restrictions were established, to the detriment of the service to which the public are entitled.
  - Any extension that may be granted would only benefit a small percentage of the trade whose vehicles reach the current maximum age in the next year or two. Even those licence holders who may benefit from any temporary extension to the current policy may not necessarily take advantage of any potential rule change and choose to obtain a newer vehicle anyway. In fact, there are only 17 licence holders that are currently benefiting from the temporary amendment.
- 4.2.7 In light of the above, it is recommended that the temporary amendment is extended for a further period of two years.
- 4.2.8 For the sake of clarity, the further extension would only be to the period of time in which the temporary policy amendment is in force and not to the maximum age of vehicles. This means that the temporary maximum age of non-fully wheelchair accessible vehicles would remain at 12 years old and the maximum age of fully wheelchair accessible vehicles would be 18 years old. The temporary policy amendment would be in place until 25 February 2025 when the maximum ages would revert back to 10 and 16 years old respectively. The two public safety conditions at paragraph 4.2.2. would also remain in place during the extending period.

## **5. Options**

- 6.1 The options available to the Regulatory Committee at the meeting on 12 October 2022 were 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

The Regulatory Committee recommends that the Executive Board agree to all the potential changes / recommendations set out in the agenda report.

## **7. POLICY IMPLICATIONS**

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

## **8. IMPLICATIONS FOR THE COUNCILS PRIORITIES**

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

N/A

### **8.2 Employment Learning and Skills in Halton**

N/A

### **8.3 A Healthy Halton**

It might be considered that allowing older vehicles to be used as taxis may cause more pollution. However, as the estimated number of vehicles that could benefit from the extension is less than 14% of the taxi and private hire fleet and the extension is only for 2 years this is not considered a significant issue.

### **8.4 A Safer Halton**

None

### **8.5 Halton's Urban Renewal**

N/A

## **9. RISK ANALYSIS**

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

## **10. EQUALITY AND DIVERSITY ISSUES**

None identified.

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

**Document**

1. Regulatory  
Agendas

**Place of Inspection**

Licensing Section

**Contact Officer**

Kim Hesketh

<b>REPORT:</b>	Regulatory Committee
<b>DATE:</b>	12 October 2022
<b>REPORTING OFFICER:</b>	Operational Director – Legal and Democratic Services
<b>PORTFOLIO:</b>	Resources
<b>SUBJECT:</b>	Taxi Licensing Matter
<b>WARDS:</b>	Borough-wide

## **1 PURPOSE OF REPORT**

To consider additions and amendments to the Council’s taxi licensing policies and Private Hire Operator Conditions.

## **2 RECOMMENDATION**

That the Committee considers the proposals and makes appropriate recommendations to the Executive Board.

## **3 INTRODUCTION AND BACKGROUND INFORMATION**

3.1 Two matters are being considered in this report. In respect of the first, members will recall that the Council’s taxi licensing policies are currently being reviewed in light of the Department for Transport’s guidance on “Statutory taxi and private hire vehicle standards” which was issued in July 2020 (“the Statutory Guidance”). This provides that public safety is to be of paramount consideration in discharging licensing functions and sets out a number of recommendations that the Department expects to be implemented unless there is a compelling local reason not to.

3.2 A number of the recommendations are already in place or have been recently adopted by the Council. This report considers another of the recommendations, namely the adoption of a private hire operator condition relating to Passenger Carrying Vehicles. This is discussed further at paragraph 4.1.

3.3 In respect of the second matter, Members will also recall that, on 25 February 2021, the Executive Board approved a temporary amendment to the vehicle policy which extended the maximum age restriction on Hackney Carriage and Private Hire Vehicles by 2 years, for a 2 year period, subject to conditions (as recommended by this Committee). That temporary amendment is due to expire on 25 February 2023 and there has been a request from the trade to extend it by further in light of the ongoing cost of living crisis. This is dealt with at paragraph 4.2.

3.4 According to the Council's Constitution, the Committee is responsible for determining policies in connection with the grant, variation, suspension or revocation of licences relating to taxi and private hire.

3.5 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.

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

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

3.7.1 Has a proper consultation been undertaken where the duty arises?

3.7.2 Are the proposals necessary and proportionate?

## **4 POTENTIAL AMENDMENTS**

### **4.1 Amendment 1: A new Private Hire Operator Condition regarding the use of Passenger Carrying Vehicles**

4.1.1 As Members will be aware, a Private Hire Vehicle is a "motor vehicle constructed or adapted to seat fewer than 9 passengers". Where a

larger vehicle is required, such as a minibus, bus or coach, this is known as a Passenger Carrying Vehicle or PCV. PCVs are subject to a different licensing regime.

4.1.2 Some Private Hire Operators hold PCV licences or subcontract bookings to PCV licence holders where a PHV is unsuitable. In these circumstances, neither the driver nor the vehicle would have been licensed with the Council despite the passenger having booked through a Private Hire Operator which is licenced with the Council.

4.1.3 According to the Statutory Guidance,

*...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.***

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

**Proposal**

4.1.4 In light of the above, it is proposed to introduce the following new condition for Private Hire Operators:

4.1.5 **A private hire operator must not provide (to include subcontract) a vehicle that is able to carry more than 8 passengers without first obtaining written or verbal consent of the hirer. The hirer must be made aware that neither the vehicle, nor the driver (where applicable) are licensed by Halton Borough Council and as such are subject to different checks. The hirer must also be informed that the driver is not required to have an enhanced DBS check. Verification of consent must be kept for a period as stated in 2.2 of these conditions.**

4.1.6 For the sake of clarity 2.2 of the Private Hire Operator conditions requires that certain information must be kept for not less than 6 months.

**Consultation**

- 4.1.7 The Statutory Guidance provides that licensing authorities should consult on proposed changes in the licensing rules that may have significant impacts on passengers and/or the trade.
- 4.1.8 The trade were consulted by email on 29 July 2022 about the proposal and details of the consultation were posted on the Council's website with a closing date for comments or opinions to be made by 12 August 2022.
- 4.1.9 No relevant responses were received.

**4.2 Amendment 2: Extending the temporary amendment to the Vehicle Policy relaxing the maximum age of Hackney Carriage and Private Hire Vehicles.**

- 4.2.1 The Council's Vehicle Policy provides the following age restrictions for licensed vehicles:-

Non fully wheelchair accessible vehicles

Can be no more than 5 years old when first licensed and the maximum age is 10 years old.

Fully wheelchair accessible vehicles

Can be no more than 13 years old when first licensed and the maximum age limit is 16 years old.

- 4.2.2 Due to the economic consequences of the pandemic on the trade, a temporary amendment came into force on 26 February 2021 which extended the maximum age restriction on Hackney Carriage and Private Hire Vehicles by 2 years, for a period of 2 years, subject to the following conditions:-
- any vehicle taking advantage of the dispensation shall be subject to 3 tests per year; and
  - no vehicle taking advantage of the dispensation may be transferred to another proprietor.

**Proposal**

- 4.2.3 The temporary amendment was due to expire on the 25<sup>th</sup> February 2023 but the economic circumstances have not improved with the current cost of living crisis. The trade have therefore requested that the temporary amendment continue for a further period.
- 4.2.4 In determining whether the temporary amendment should be extended, the following considerations should be taken in to account.
- Replacing a licensed vehicle on attaining current age limit could, in the current time of austerity, be punitive to the proprietor and

place unreasonable financial and/or personal pressure on the licence holders.

- Removing the conditions in their entirety could lower the standards achieved in the Borough since age restrictions were established, to the detriment of the service to which the public are entitled.
- Any extension that may be granted would only benefit a small percentage of the trade whose vehicles reach the current maximum age in the next year or two. Even those licence holders who may benefit from any temporary extension to the current policy may not necessarily take advantage of any potential rule change and choose to obtain a newer vehicle anyway. In fact, there are only 17 licence holders that are currently benefiting from the temporary amendment.

### **Consultation**

4.2.4.1 The trade were consulted on 10 June 2022 by email and the following questions were posed:-

- (1) Whether you consider an extension of the maximum age limit on wheelchair accessible vehicles only is needed?
- (2) Whether you consider an extension of the maximum age limit on standard vehicles only is needed?
- (3) Whether you consider an extension of the maximum age limit on all vehicles is needed?
- (4) If you feel an extension is needed on any of the points above what length of time is required?

4.2.4.2 There were 54 replies to the consultation which have provided the following information:

- 43 replies are in favour of an extension to the vehicle age limit
- 1 reply was in favour of an extension to standard vehicles only
- 2 replies are in favour of an extension to fully wheelchair accessible vehicles only
- 4 replies were against an extension to the vehicle age limit
- Many of those who are in favour made various comments regarding the extension and length of time.

4.2.4.3 The findings with comments were collated and can be found at Appendix A of this report.

4.2.4.4 The public have also recently been consulted on the same questions. At the time of drafting this report, the public consultation period is ongoing but is due to expire on 12 October 2022. The Committee will be updated on the results of this at the meeting on 12 October 2022.



## 5. REGULATORS' CODE 2014

- 5.1 The Regulators' Code 2014 requires regulators (such as the Council) to take into account a number of factors when introducing new policies.
- 5.2 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;
  - minimising 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."
- 5.3 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.
- 5.4 It is taken as read that unnecessary burdens should never be imposed and that all actions need to be proportionate.

## 6. OPTIONS

- 6.1 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.
- 6.2 The Committee are asked to recommend one of the above options to the Executive Board for adoption.
- 6.3 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.

## 7. POLICY IMPLICATIONS

- 7.1 Any changes made would amend elements of existing policy and vary conditions relating to a Private Hire Operator's licences issued by the Council.

**8. OTHER IMPLICATIONS**

None

**9. IMPLICATIONS FOR THE COUNCILS PRIORITIES**

**9.1 Children and Young People in Halton**

N/A

**9.2 Employment Learning and Skills in Halton**

N/A

**9.3 A Healthy Halton**

N/A

**9.4 A Safer Halton**

None

**9.5 Halton's Urban Renewal**

N/A

**10. RISK ANALYSIS**

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

**11. EQUALITY AND DIVERSITY ISSUES**

None identified.

**12. 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 Consultative Group Agendas	Licensing Section	Kim Hesketh
2. Current licence Conditions/policies		
3. Taxi Consultation File		

# Appendix A

## Consultation on age of vehicles

Name	Age of vehicles extension	Comments on age of vehicle extension
1.	Yes	Extend the maximum age on all vehicles
2.	Yes	An extra year should be considered
3.	Yes	Extend as long as properly maintained as cost are continually rising
4.	Yes	Extension on normal cars to a minimum of 10 years old if the vehicle is maintained
5.	Yes	Extend the age of all vehicles, if car passes MOT then good to go
6.	Yes	As long as your taxi passes the MOT and is kept in a clean condition you shouldn't have to change
7.	Yes to standard cars only	Wheelchair accessible vehicles – no extension Standard vehicles – extend to 12 years
8.	No	All vehicles should stay as they are otherwise the standard of vehicles could suffer
9.	Yes	An extra 2 years on all vehicles with the cost of living going up so are the price of new vehicles as long as it is maintained and 2 test per year many of them are still in very good condition.
10.	Yes	Extending the age is one less thing to worry about
11.	Yes	In my opinion a cars age doesn't always determine its overall roadworthiness. More modern cars and especially electric vehicles will have a much longer life span than traditional cars due to better technology that exists today and the fewer moving parts of the EV. Providing that the vehicle still meets the requirements and passes it taxis based MOT and the interior is in good condition the vehicle should be allowed to stay on the road. After 10 years the interior could be showing some heavy wear and tear but is would be much cheaper to renew the interior of a vehicle than to replace it
12.	Yes	two year extension on all vehicles in the current circumstances would be appropriate
13.	Yes	An extension on all vehicles would be helpful
14.	Yes	Given the cost of things and the increase in petrol car repair etc I think we do need an increase
15.	Yes	Personally I don't think any driver would want to go back thirty odd years, when the majority of vehicles were only just roadworthy. Because of the reliability and robust of modern vehicles I think some sort of extension based on the vehicles own

		testing performance may be an answer, say two consecutive fails (or so many in a certain time period) and it then has to be replaced. When I replaced my previous vehicle there was nothing wrong with it only that it had reached the age limit.
16.	Yes	I would support an extension on the age limit of all vehicles
17.	Yes	I strongly agree with an increase in all vehicles life being extended to me all vehicles should be allowed to stay on as a taxi for as long as vehicles pass the council strict test, there should be no age limit for car or cabs
18.	Yes	I personally believe and am for an extension on both wheelchairs accessible vehicles and non-wheelchair accessible vehicles. I think it would be acceptable to test these vehicles 3 times annually to ensure safety and compliance
19.	Yes	Two years on all vehicles the price of cars and wheelchairs have gone up quite dramatically in the last two years. Fuel has gone through the roof.
20.	Yes to wheelchairs only	Regarding cars is they were given an extra two years the cars are given a hard life on the taxis and driver do look after them but by the time they have reached 10 years they could have 500,000 miles on them and are tired inside and out. The cab are purpose built for the trade and are commercial vehicles so used to the hard life, but if to be extended past their 16 years should maybe have a 4 month test instead of a 6 month test
21.		
22.	Yes	An extension on all vehicles considered
23.	Yes	Extension is needed the price of cares is through the roof especially black cars. The age limit should be changed immediately
24.	Yes	Great idea as long as road worthy and clean
25.	Yes	Should be extended by two years for 1 <sup>st</sup> registration this would allow drivers to find cheaper vehicles when searching the used car market. All vehicles should be allowed a further two years on expiry of age of vehicle. Make unlimited age restriction on wheelchair cabs this would encourage some drivers to keep cabs as sometimes there is a shortage.
26.		Age limit to bring a vehicle on should stay the same as it is now
27.	Yes	An extension on all vehicles is a good idea as long as strict testing is in place, as long as a vehicle is safe and meets the criteria it should be able to remain as a taxi. A minimum of 14 years should be considered followed by six monthly tests.
28.	Yes	An extension on all vehicles is fair in the current economic climate. Maybe cars should be 7 years from first registration to 12 years as long as road worthy and clean. Second hand cars have increased by 57% which makes it very expensive to buy a vehicle under 5 years.
29.	Yes	An extension to all taxis extended to at least 5 years as only the Council test.
30.	Yes	Car age limit should be increased for vehicles already licensed
31.	Yes	Great idea to prolong the life of all the taxis we currently use. As we are all aware car prices as well as everything else have rocketed over the past few months and we are finding it hard to source a car which would meet Halton taxi standards at an affordable price. Another 2-3 years extension would really be welcomed but only of a car was to pass a test and to be kept to an acceptable standard of cleanliness.

32.	Yes	Extension on all vehicles
33.	Yes	Extension all vehicles would be a good idea especially for wheelchair cabs if cabs are forced off the road because of their age, then disabled passengers would have problems getting transport. The reason being not many drivers could afford the £50,000 plus price tag to replace them. The age limit for vehicles coming onto the job should remain the same.
34.	Yes	Life of all vehicles should be extended, the age to which the vehicle should be allowed to come on should remain the same.
35.	No	It would be a mistake to go down that route, the public of Halton know what they are getting with a good standard and safety. I think it is the drivers responsibility to cater for the purchase of a car/cab
36.	Yes	If the vehicle is kept serviced and passes its test twice a year then the life should be longer.
37.	Yes	Wheelchair cabs should be no age, cars maybe 12 years old with 12 month test upto 6 years and minimum age of 6 years to be let on.
38.	Yes	An extension is needed on all vehicles, if an extension is to be approved 3 MOTs a year and must pass its test
39.	Yes	Age vehicles come on should be over 5 years. Rather than just extending the final age of the vehicle.
40.	Yes	
41.	Yes	
42.	Yes	I think the age of vehicles should be raised at least for a time as the cost of even a 2 <sup>nd</sup> hand vehicle is crazy at the current time. I can't see a problem with this if a taxi passes its compliance test and its emissions are OK
43.		Why is there an age limit if a vehicle passes its test then it's safe for the road, drivers don't keep them more than 6-7 years anyway. So no limit and once it reaches 10 years old have three tests a year
44.	Yes	Agree to the extension to the ages of non-wheelchair accessible vehicles and I wish to propose an amendment to the accessible vehicles to the extent that the age limit is abolished
45.	Yes	Extend the age of vehicles to 12 years without affecting the general condition of the taxi fleet and the age vehicles are brought on at from 5 to 7
46.	Yes to wheelchairs only	To wheelchair accessible vehicles not a lot around at the moment and if it passes a test I don't think they should have an age limit.
47.	Yes	I feel the age of all vehicles should be increased as drivers spend a lot of money keeping their vehicles on the road and new vehicles are more expensive
48.	Yes	Agree to an extension because in the current climate the cost of new vehicles has increased dramatically and makes it harder to afford, should be for at least 2 – 3 years
49.	Yes	Age limit for all vehicles should be extended, vehicle should still have a limit they come onto the system
50.	Yes	Age of vehicles should be raised to 12 – 14 years, age vehicles can come on should be 6-7 years instead of 5
51.	No	Not necessary

52.	Yes	An extra two years is good
53.	No	Not necessary
54.	No	I personally don't see any need to an extension

<b>REPORT TO:</b>	Executive Board
<b>DATE:</b>	17 <sup>th</sup> November 2022
<b>REPORTING OFFICER:</b>	Operational Director Economy, Enterprise & Property
<b>PORTFOLIO:</b>	Leader
<b>SUBJECT:</b>	Business Rates Action Areas
<b>WARDS:</b>	Borough-wide

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

In July 2018 Executive Board approved the Business Rates Action Areas and agreed the first 5 year pilot would commence on Astmoor in April 2019. Other locations would follow when local circumstances were considered to be favourable.

Conditions are now favourable at 3MG. There are a number of new developments and more in the pipeline. This report covers two sites at 3MG occupied by Warburtons.

### **2.0 RECOMMENDATION: That the Executive Board approves Business Rates Relief to Warburtons.**

### **3.0 SUPPORTING INFORMATION**

Successful applicants to the Business Rates Action Areas scheme can benefit from up to 100% business rates discount in year one, 75% discount in year 2 and 50% discount in year 3. The company is required to meet subsidy control regulations, which at present allows a company to access up to £325,000 of public funding over a three-year rolling period.

In return for operating the scheme the Council has access to a company's employment data and is the 'first port of call' for all recruitment. The employment data is of particular importance, as 3MG was awarded £9m of grant funding from BEIS for the 3MG development and, therefore, the scheme supports the Council in meeting its job creation targets which are a key grant condition.

### **4.0 POLICY IMPLICATIONS**

The applications to the scheme are in line with the Business Rates Action Areas which is a Council policy.

## **5.0 FINANCIAL IMPLICATIONS**

Warburtons – rates payable £123,392 per annum.  
Rates relief would equate to £277,632 across the 3 years.  
Clawback reduced by £406,149 in April 2023.

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

The Business Rates Action Areas were proposed in order to accelerate development, job creation and business rates income.

## **7.0 RISK ANALYSIS**

The scheme is available to all businesses within the Action Areas and, therefore, does not advantage any business over another.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

No adverse impact.

## **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>	17 <sup>th</sup> November 2022
<b>REPORTING OFFICER:</b>	Strategic Director, People
<b>PORTFOLIO:</b>	Adult Social Care
<b>SUBJECT:</b>	Preliminary Procurement Notification – Proposed Tender of Halton Healthwatch & Advocacy Hub Service
<b>WARD(S):</b>	Borough-wide

## **1.0 PURPOSE OF 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 a combined Halton Healthwatch and Advocacy Hub Service. The proposed contract will be for three years (plus a 2 year extension), commencing 1<sup>st</sup> April 2023 until 31<sup>st</sup> March 2026, in compliance with Procurement Standing Order 1.3.4.

## **2.0 RECOMMENDED: That Executive Board**

- 1) Note the contents of the report; and**
- 2) Approve this Preliminary Estimates Report in compliance with Procurement Standing Order 1.3.4.**

## **3.0 SUPPORTING INFORMATION**

**3.1** In 2017 Halton Borough Council tendered for a combined Halton Healthwatch and Advocacy Hub Service under a single contractual agreement.

**3.2** The contract was awarded to Engaging Communities Staffordshire (ECS), who have subsequently delivered both Halton Healthwatch and Halton's Advocacy Hub over a five year contractual period (2018 – 2023). This covered the initial 3-year contract term and a two year contract extension period. There are no further extension periods available.

**3.3** As the current contract is due to expire on 31<sup>st</sup> March 2023, Officers have been undertaking work to prepare to re-tender the service, commencing from 1<sup>st</sup> April 2023.

**3.4** Both of the services covered by the contractual agreement are statutory Adult Social Care services, which the Council has a duty to

3.5 commission. The risk of not effectively commissioning these services could result in the Council not meeting its statutory duties. It is proposed that the Council re-tenders on the same contractual basis i.e. for a combined Halton Healthwatch and Advocacy Hub Service under a single contractual agreement.

3.6 The proposed contract term is for a three year period (1<sup>st</sup> April 2023 – 31<sup>st</sup> March 2026) with an option to extend the contract for a two year extension period until 31<sup>st</sup> March 2028.

3.7 The estimated value of the contract is £1,467,930 over the five year lifetime of the contract. The cost is inclusive of an inflationary uplift of the current contractual value which will be applied at the commencement of the initial three year term of the contract. Any further inflationary uplift and will be re-considered at the commencement of the extension period, if an extension were to be taken.

3.8 It is proposed to undertake a full open tender procurement exercise to comply with Procurement Standing Order 1.5.2.

#### **4.0 POLICY IMPLICATIONS**

4.1 None at this stage.

#### **5.0 FINANCIAL IMPLICATIONS**

5.1 The \*estimated total life cost of the contract for the three year term plus two year extension period is £1,467,930. This value includes an inflationary uplift based on the latest Consumer Prices index (CPI) rate (as at August 2022) of 9.9%. The Annual contract value is £293,586 per annum.

\*Note: the contract value at the time of award may be subject to any change in CPI rate.

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

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

None identified at this stage.

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

None identified at this stage.

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

The provision of Halton Healthwatch and Halton's Advocacy Hub will contribute to improving the Health and Wellbeing of Halton Residents.

**6.4 A Safer Halton**

None identified at this stage.

**6.5 Halton’s Urban Renewal**

None identified at this stage.

**7.0 RISK ANALYSIS**

**7.1** Approval by Executive Board to proceed with an open tender exercise will ensure appropriate action is taken to procure provision of the Service once the current contract comes to an end.

**8.0 EQUALITY & DIVERSITY ISSUES**

**8.1** None at this stage.

**9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 19s s72**

9.1	Document	Place of Inspection	Contact Officer
	Draft Service Specifications for Halton Healthwatch and Halton’s Advocacy Hub Service.	Runcorn Town Hall	Damian Nolan, Divisional Manager, Urgent Care and Commissioning

<b>REPORT TO:</b>	Executive Board
<b>DATE:</b>	17 November 2022
<b>REPORTING OFFICER:</b>	Strategic Director, People
<b>PORTFOLIO:</b>	Children & Young People
<b>SUBJECT:</b>	Children Social Work Workforce Recruitment and Retention Package
<b>WARD(S)</b>	Borough-wide

## 1.0 PURPOSE OF THE REPORT

- 1.1 A report to Executive Board setting out a series of proposals to support the permanent recruitment and retention of staff in qualified social worker posts in Children's Social Care.

## 2.0 **RECOMMENDATION:** For the Board to endorse the recommendations set out in this report, namely:

- a.) Proposals to support the conversion of agency social worker to becoming permanent (set out in para. 3.8), including payment of a 'conversion allowance of £4,000 paid over a two year period;
- b.) Agreement to fund Social Work England registration for permanent staff employed in a qualified social work role (up to Principal Manager level) for a two year period (set out in para. 3.9b);
- c.) A recognition and performance allowance is paid to existing permanent staff employed in a qualified social work role. This would be a £2,000 payment paid over a two year period, and would supporting the retention of existing staff (set out in para. 3.9c);
- d.) A form of "golden hellos" is offered to new recruits employed in permanent social work roles (set out in paras. 3.10a, c); and
- e.) An annual allowance of £2,000 is paid to social work staff employed in case management child protection teams, reflecting these are considered "hard to fill" posts.

## 3.0 SUPPORTING INFORMATION

### National context

- 3.1 There is a national context surrounding the children's social work workforce that will be familiar to the Executive Management Team, as such this report will only provide a brief overview in setting the context to the business case.
- 3.2 Unfortunately children's social work isn't necessarily a "desirable occupation" given how it's often perceived by the public and portrayed in the media, particularly following cases of child deaths as a consequence of abuse where
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there is perceived failing in safeguarding systems including the role of social workers. Most recently the death of Star Hobson (2020) and Arthur Labinjo-Hughes (2020) illustrates these points. Previously there has been the deaths of Victoria Climbié (2000), Baby Peter (2006) and Daniel Pelka (2012).

- 3.3 The nature of the children's social workforce has changed. Many social workers have left the profession, and there are fewer now being trained in the profession. The majority of Councils report challenges in recruitment and retention, particularly "hard to fill" posts in frontline child protection. Social workers no longer value the security of having a permanent contract of employment and will move several times during their career. There has also been the emergence of social work agencies and more recently "managed teams" that has transformed the labour market. Working outside of permanent local authority employment has become a positive career choice for a significant proportion of social workers.
- 3.4 In a national context this has significantly contributed to Councils (as the main employers of children's social workers) reporting challenges in recruitment and retention and operating with an unstable workforce.

#### Local context

- 3.5 The Council is aspirational in becoming a local "employer of choice" for children's social workers, in developing a permanent, stable, skilled and motivated workforce. This forms part of the Children's Improvement Plan and is linked to a transformation of services. It is also about Children's Services becoming financially sustainable due to the high costs of managing a workforce with a heavy reliance on agency staffing often a factor in poor quality case management.
- 3.6 In order to become an "employer of choice" for social workers there are common characteristics in an organisation, whether this is a Council, Children's Trust, or a dedicated social work organisation (e.g. CAF/CASS; NSPCC). These characteristics include (not considered an exhaustive list):
- Valuing the social work workforce, recognising its uniqueness, particularly in Councils where there is a wide-range of services being delivered;
  - Systems and services in place that support good practice and focused on positive outcomes for children. This includes clear pathways supporting children and families in accessing services; i.e. early help, edge of care or children looked after;
  - Access to 'tools' that enable social workers to fulfil their role. Examples include effective electronic recording system, good IT, facilities and premises that support their work;
  - A vision underpinned by a set of strong cultural values about how the organisation wishes to work with children and families that is aspirational, recognises the strengths of families and their communities, and is committed to co-production and partnership working. This approach is often supported by a practice model that can often be wider than Children's Services, whether this is restorative or systemic practice;
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- Manageable caseloads that support their work with children and families, allowing them to deliver direct work and build trusting relationships;
- Access to good quality supervision that is supportive and challenging, whilst leadership is visible and instils confidence, particularly in managing change;
- A clear Continuous Professional Development offer (CPD) for social workers supported by effective training, progression, and opportunities for career development;
- Terms and conditions of employment are competitive with other organisations. This doesn't solely refer to salary, but can include flexible working arrangements, leave entitlements, access to car schemes, health and leisure benefits etc;
- The workforce is experienced, skilled, motivated and stable, with an emphasis on being permanent.

3.7 The Children's Services Self-Assessment recognises that there is a significant amount of work to do in order for the Council to be an "employer of choice" for social workers. Not all of the characteristics referred to in paragraph 3.6 are in place or embedded. Although recent investment has led to manageable caseloads due to the turnover of social workers this results in too many changes of social worker for children and families. This can then lead to drift in care planning and a cycle of re-assessment which inevitably produces poor decision-making and outcomes for children.

3.7 The biggest challenge is the instability in the workforce with only 60% being permanent. There is a high turnover of staffing, with a dependence on agency workers. This creates uncertainty amongst the workforce, it doesn't support effective relationships with children and families and is financially unsustainable. There are 41 agency staff employed in the Service, in different social work type roles. The monthly expenditure on agency staffing is £328k (*July 2022 and excludes cost of Innovate managed team*). The predicted outturn position for spend on agency staffing is £1.8m for this financial year, placing an overall pressure on the staffing budget of £3m.

#### Options for consideration

3.8 **Converting agency workers to permanent staff** - we have 41 plus agency workers, some of whom we believe are capable in their role and would be interested in becoming a permanent member of staff. The target would be to convert between 6-10 agency workers to becoming permanent employees. It's estimated that if we were to converting 10 agency social workers to permanent positions would result in a £480K annual saving. A target of circa 25 permanent QSW will reduce spend by circa @1.2M. We believe a number of agency staff would be receptive to a discussion about becoming permanent employees. To do this we need to construct an offer that is sufficiently competitive to persuade them to switch to a permanent contract. This comprises of two components:

- a) **Contractual entitlements** – agency workers would be entitled to receive Local Government terms and conditions of employment as a Council
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employee. We are proposing there is flexibility in the starting salary within the existing paygrade, dependent upon their experience. For those agency workers that have been with Halton for in excess of six months there wouldn't be a requirement to complete a probationary period. Conditions would be in place to ensure this was only available to those who had a distinguished period of employment whilst working in Halton. It's further proposed there is an offer of annual leave entitlement at the mid-point, as opposed to starting with the minimum number of days. In the first months of employment there exists a mechanism to support the transfer from weekly pay to monthly pay, to help with any adjustments for individuals.

- b) **The right financial package** - as an agency worker an individual would receive a significantly higher daily pay rate in comparison to a permanent member of staff. Whilst there is a regional agreement for a capped rate for agency workers, experienced social workers can now expect to be paid anything from £35-£50 per hour (excluding on costs). This has become more competitive taking into account 'managed teams' given they pay higher rates and work outside of IR35. An option to incentivise agency workers to become permanent staff is to offer a 'conversion allowance'. This is a national approach taken by local authorities in the recruitment of agency social workers. This is a payment over a period of time usually one or two years. The range of payment can be anything between £1,000 to £5,000. It's proposed that a conversion payment is offered over a two year period of employment. This would be a payment of up to £4,000. It is proposed £1,000 would be paid at the point of employment, with further equal instalments at 6, 12 and 18 months. These payments would be conditional and linked to performance. An additional annual allowance of £2,000 would be paid to those staff based in the frontline child protection teams, to reflect these are 'hard to fill' posts. This would be payable in two instalments, 6 and 12 months. One neighbouring Council has begun to pay this allowance to social workers based in their child protection teams.

3.9 **Supporting improved retention** – there is a risk with offering what's seen as an enhanced package to agency staff by our existing social work workforce. Whilst it's imperative to recruit new social workers, it's important that the contribution of the permanent workforce is acknowledged. We have experience of permanent staff being spoken to by agency workers about the benefits of being employed via an agency route, particularly given some of the financial hourly rates now available (£35 - £50). The following is proposed:

- a.) A full review of existing salaries and terms and conditions for qualified social work posts. Comparatively Halton is at the lower end (if not the lowest) of the scale amongst the 11 local authorities in Cheshire and Merseyside.
- b.) The Council funds the £80 annual subscription fee for social workers to be registered with Social Work England. This would be payable for a period of two years and would be considered as a 'benefit in kind'.
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- c.) Employees in a qualified social work post up to the level of Principal Manager would receive a 'recognition and performance' allowance paid over a period of two years. This would be a £2,000 allowance paid in four instalments. It would be linked to retention and performance. There would be an additional allowance for staff based in the frontline child protection teams paid over the two year period (as outlined in para. 3.8b).

**3.10 Supporting recruitment** - in attracting new recruits there has to be a focus on a 'grow your own' approach to developing newly qualified social workers. This will have a number of elements:

- a.) Attracting newly qualified social workers in the final year of studies - we know the majority of recruits are newly qualified social workers, who have previously been students in the social work teams. As such, we are maximising our capacity to provide additional placements to final year students. We are now ensuring that there is a presence by Halton at social work job fairs, and this includes those facilitated by the local Higher Education Institutes. It's proposed that we have a targeted recruitment of final year social work students annually in October, with a view to offering conditional contracts of employment to coincide when they become qualified in the following September. We have trialled this process October 2022 (three students were interviewed week of 23 October 2022 and been offered jobs with start dates March 2023). In the intervening period between the offer of employment and their start date, there would be a series of 'inset' days to begin their induction and support professional development. In order to be competitive with other local authorities regarding pay rates we would need to review the salaries for newly qualified (*linked to para. 4.2a*). There would be a 'golden hello' payment to newly qualified social workers of £2,000 that would be paid over a two-year payment. They would be entitled to receive the child protection allowance referred to in para. 3.8b.
  - b.) Frontline Practice Unit – in September we had a meeting with Frontline organisation that is commissioned by the DfE to provide a 'fast track' approach to training graduates to become social workers as part of a 12 month programme. Frontline have a visit to Halton on 1 November to evaluate our readiness to operate a Practice Unit. If taken forward, we would be providing four social work trainees a full year work experience placement, with the guarantee of a one year contract as a newly qualified social worker. This is part funded by the DfE (previously LA would receive a grant of £60k for four social work trainees). The requirement of the Council is to provide a social work manager to have operational responsibility for the programme. The next intake for the programme is due to begin in July 2023. This would potentially provide a guarantee of four new social workers by September 2024.
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- c.) Outside of these proposals, it will be challenging to recruit experienced social workers to join Halton as permanent employees. This is often the case because individuals we are trying to recruit are employed in neighbouring local authorities with similar or better terms and conditions. However, if we begin to attract staff from neighbouring authorities, particularly those in manager roles, what often happens is that their colleagues may follow in joining Halton. The recommendation is that a 'golden hello' payment is offered to new recruits, with the package tailored dependent upon the role being recruited to. This would be £4,000, paid in instalments similar to what is being proposed in supporting the conversion of agency staffing. To be entitled to the allowance, social workers will be required to have progressed beyond the first year (ASYE).

#### Developing the right organisational offer

- 3.11 It is critical that we create the right environment in which our staff can thrive in Children's Social Care. It needs to be centred on how we develop and support the workforce, including recruitment, retention, and career progression, CPD, and practice improvement. This will be linked to what we will define as the "Halton Offer" that will be delivered under a social work academy/ centre for practice excellence model. We have had recent discussions with two HEI's (Liverpool John Moores and Hope University) about the possibility of establishing a strategic partnership (outside of the Cheshire and Merseyside Teaching Partnership. Thoughts thus far with some already in process are:
- A revised induction process for Children's Services that would be rolled out across the Directorate;
  - A strengthened approach to re-positioning Halton as a social work employer utilising digital platforms such as LinkedIn and Instagram;
  - An overhaul of our approach to social work recruitment. This would be delivered via information held on a microsite, moving to CV applications, holding virtual recruitment events (supported by key speakers), and having a rolling advert;
  - Trial new ways of working within the existing framework of flexible working, including the idea of teams working a 9 day fortnight based on compressed hours;
  - Career pathways – progression on a page. What they need to do and how we can support this?;
  - An infrastructure that supports the ASYE and progression programme for social work, ideally linked to one of the HEIs.
- 3.12 Clarity of our offer will be finalised as part of our Improvement programme and will be completed by December 2022, as this will require consultation and engagement with the existing workforce, along with the Trade Unions.

#### **4.0 POLICY IMPLICATIONS**

- 4.1 There are several proposals in this report that would have policy implication that would need to be considered further, particularly in dealing with the employment and human resources factors.
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## 5.0 FINANCIAL IMPLICATIONS

5.1 The financial costs associated with these proposals are detailed in the table below:

Comparison per Worker	Agency Cost to LA based on £32p/hr	Permanent Cost	Proposal CiN/CP	Annual Saving
Social Work Cost Mid-Point Salary 29 Conversion Proposal	£61, 568	£35, 411	£5, 080	£21, 077
Comparison per 10 Workers	Agency Cost to LA	Permanent Cost	Proposal CiN/CP	Annual Saving
Social Work Cost Mid-Point Salary 29 Conversion Proposal	£615,680	£354, 110	£50, 800	£210, 770

Proposal	No Staff	Year 1 (cost)	Year 2 (cost)	Total
Social Work England Registration	80	£6,400	£6,400	£12,800
Agency conversion allowance	10	£20,000	£20,000	£40,000
Retention allowance	60 (Y 1) 70 (Y 2)	£120,000	£140,000	£260,000
Golden Hello (ASYEs)	8	£8,000	£8,000	£16,000
Golden Hello to Exp SWs	5 (Y 1) 5 (Y 2)	£10,000	£20,000	£30,000
		£164000	£194000	£358000

## 6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

**6.1 Children & Young People in Halton**

Having a strong and robust framework for identifying and responding across all agencies is the key to ensuring that children and young people are safe and protected, and partners are clear about their responsibilities and role in working together.

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

None identified.

**6.3 A Healthy Halton**

Children and young people whose health needs and level of development is potentially compromised are identified early and multi-agency support is in place to support them.

**6.4 A Safer Halton**

Children who are at risk of harm are identified quickly and services work together to minimise the risk of harm and take action to formally protect children in a timely way.

**6.5 Halton's Urban Renewal**

None identified.

**7.0 RISK ANALYSIS**

7.1 Consideration of the possibility of equal pay claim for staff of similar work. The majority of neighbouring authorities have in place or are planning similar schemes targeted at this professional group due to acute shortages and associated safeguarding risks. This scheme is based on current market conditions for a specific professional group and the scheme may be appropriate for other services where the size and scale of the problem is not surmountable by the current market supplements.

**8.0 EQUALITY AND DIVERSITY ISSUES**

8.1 None Identified

**9.0 REASON(S) FOR DECISION**

To improve the recruitment and retention of Qualified Children Social Workers and reduce the reliance and cost of agency staff

**10.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

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A review of schemes of a similar nature across the region have been considered and the proposal is set within similar parameters found regionally.

**11.0 IMPLEMENTATION DATE**

**1 December 2022**

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

None.

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**REPORT TO:** Executive Board

**DATE:** 17 November 2022

**REPORTING OFFICER:** Strategic Director People

**PORTFOLIO:** Children & Young People

**SUBJECT:** Children Services Improvement Update

**WARD(S)** Borough-wide

## **1.0 PURPOSE OF THE REPORT**

1.1 To provide an update to the Executive Board on the progress in Children Services as part of the improvement programme.

## **2 RECOMMENDATION: That the Board**

- 1) note the contents of the report; and**
- 2) request that the refreshed Improvement Plan is presented at the next Executive Board**

## **2.0 SUPPORTING INFORMATION**

2.1 The Board will recall that there are several recommendations from the Ofsted ILAC inspection (March 2020), Focused Visit (October 2021) that would be considered under the Help and Protection judgement of a future ILAC inspection. These are specifically referenced below:

### ILAC – what needs to improve

- a.) Consistency of application of thresholds and understanding of parental consent in ICART.
- b.) Quality of assessments, and plans, including personal educational plans (PEPs) and contingency planning.
- c.) Management oversight, challenge and supervision, to support consistent, good quality social work practice.

### Focused Visit – areas for priority action

- d.) The assessment and management of risk to children, including the frequency of visits to children, in line with assessed risk and needs.
  - e.) Management oversight and supervision to provide effective support and challenge.
- 2.1 The Focused Visit led to a Notice to Improve and the establishment of an independently chaired Improvement Board and allocation of a DfE Adviser. The Board oversees the delivery of the improvement plan

which has four overarching themes: Workforce, Quality of Practice; Partnerships and Future Model of Practice.

- 2.2 Political and Corporate oversight continues with the Lead Member meets weekly with Executive Director to discuss progress and issues in the service. Alongside this the Chief Executive has dedicated fortnightly meetings with the Executive Director and Operational Director to discuss progress and the financial position. Similarly, the Leader, Lead Member and Chief Executive meet as an Executive Safeguarding Assurance group to ensure appropriate on ongoing oversight of safeguarding.

### **3. Workforce**

- 3.1 The Board is aware of the workforce challenges at the time of the focused visit that there were too many vacancies with many not filled even by agency. Caseloads were too high and the quality of practice was poor in too many cases. The introduction of three managed teams provided the necessary capacity to reduce caseloads. Since August reliance on managed teams has reduced to a single team, which is due to end January 2023. There still remain a high number of vacancies across the service 35-40%, circa 35 QSW, many are now filled with agency and agency turnover has stabilised providing some stability. This has reduced average caseloads to a favourable figure below 20. The main gaps are in the difficult to recruit to teams in Children in Need and Child Protection.
- 3.2 The recruitment challenges are not restricted to Halton. The number of social workers leaving children's posts in English councils or trusts has spiked to its highest point in at least five years, according to DfE figures. The churn drove turnover rates to 15.4%, up from 13.5% the year before and the highest rate in at least five years. Vacancies also rose to their highest levels in at least five years, by 7%, to 6,522 FTE posts, a third consecutive annual increase. The National picture is even more acute in the region with several LAs carrying negative OfSTED judgements and relying heavily on agency workers and managed teams.
- 3.3 Recent activity has resulted in permanent recruitment of social workers who have completed their assisted year in employment; four started this month and three more will start in the New Year. Alongside this we have converted two agency workers to permanent posts and successfully recruited to the foster Care Manager post and Operational Director.
- 3.4 The Workforce Strategy is comprehensive but the main themes are to focus on the short-term conversion of agency workers and retention of existing social workers and a resourced scheme has been proposed for consultation. The target for recruitment is between 15-20, including agency conversions.
- 3.5 The mid and longer-term approach is built around revision of our offer and a 'grow your own' approach, which includes a strategic partnership with

local higher education institutes. The viability of International recruitment is also being considered.

- 3.6 As a small LA recruiting a relatively small number of permanent staff circa 17 would bring Halton in-line with the national average.
- 3.7 To ensure staff are included in the improvement journey several staff development and briefing sessions have been developed. There is a staff forum consisting of frontline practitioners who provide feedback and contribute to new policies, procedures and service developments. A staff member also has a seat on the Improvement Board reporting into the board at every meeting on staff issues.

#### 4.0 Quality of Practice

- 4.1. The focus has been to ensure the 'basics' are being completed through case file evidence of children being visited regularly, have a current assessment, plan, intervention along with evidence of management oversight. Performance reported to the Improvement Board indicates that there has been improvement for example the completion of Children and Family Assessments over 80% and the timeliness of Strategy Discussion to Initial Child Protection Conference reported as 80% for the three month period between 1 July – 30 September. Key activities have included:

- **Core Skills programme** a compulsory 5 day training programme for frontline practitioners in Early Help and Social Care with the priority for attendance being permanent social work qualified practitioners (social workers, team managers and independent review managers).
- **Policy and procedures** – the Social Work Practice Standards and the revised Supervision Policy were launched separately in June and July 2022 and these are aligned to the Performance framework to ensure there is a level of consistency. The Social Work Practice Standards are newly introduced and these will be reviewed with a second version to be introduced in January 2023.. The Levels of Needs Framework including parental consent was re-visited as part of the Levels of Need. Audits show consent is now more routinely considered within ICART, including the necessity for when it's sought and the rationale if it's being dispensed with.
- **Quality Assurance and Performance Management** – An audit programme is in place but further improvements are needed to ensure effective targeted approaches to deliver sustainable improvements and consistent performance. In summary, there has been improvement in the quality of practice in the service but it still remains too variable with the majority of cases requiring improvement to be good and inconsistencies in the quality of

supervision. No audits have found children at significant risk of harm. In addition, the pace of change needs to accelerate ahead of any inspection. This is particularly the case for the children in need and child protection teams.

- 4.2 The Children's Management Information system was criticised in the last report and considerable work has been done to improve its functionality. Nevertheless, further reviews and feedback from staff highlight ongoing issues with the system that hinder practice. Future development of the system is taking too long and the extent and intensity of corporate resources to support the system have extended beyond what would have been expected as part of the original implementation system.

## **5.0 Partnership:**

- 5.1 The Safeguarding Partnership has reviewed the governance, working groups, audit framework, adherence to Working Together regulations and partner's contribution to improvement. This includes reviews of our system against OfSTED criteria and lesson learned from other inspections that have taken place across the region. This work will improve the processes and multi-agency response to safeguarding in Halton. A key challenge across the system is capacity amongst partners to meet agreed standards of practice and work continues to address this.

## **6.0 Future model of delivery**

- 6.1 Halton has previously invested in the systemic relationship model of practice and will look to this model as the future model of practice. The DfE fund Sector Led Improvement Partners (SLIP) to support other LAs in a variety of ways. Warrington is our closest SLIP that has developed a systemic model of practice and associated training programme. A work plan and training programme has been agreed with Warrington through November to March 2023. The current timeline is linked to funding arrangements. Further support from the DfE will most likely be available in the new financial year to support aspects of our improvement plan.

## **7.0 Next Steps**

- 7.1 Work to the end of the year includes a refresh of the Improvement Plan and an updated self-assessment alongside audit and staff development activity. As set out in the first improvement plan a focus of attention at this time would-be on our Children in Care and Care Leavers service activity is underway and that will include the Corporate Parenting Board.
- 7.2 To accelerate improvement additional investment of resource and capacity as part of the Corporate Transformation programme has been added providing capacity and opportunity to develop a sustainable improvement programme.



7.3 Finally, the DfE Notice to Improve was set for 12 months as part of the process the DfE will undertake a review in January. The Notice would only be removed following a full OfSTED Inspection.

## 8.0 **POLICY IMPLICATIONS**

8.1 Recruitment and retention plans linked to the Improvement Plan several have policy implications that will need to be considered further.

## 9.0 **FINANCIAL IMPLICATIONS**

9.1 The Improvement Program and refreshed Improvement Plan will have financial implications which will be included in the Corporate Transformation Programme. Further Government intervention may lead to increased demand on financial resources.

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

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

10.1.1 Improving Children Services is key to ensuring that children and young people are safe and protected,

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

None identified.

### 10.3 **A Healthy Halton**

10.3.1 Children and young people whose health needs and level of development is potentially compromised are identified early and multi-agency support is in place to support them.

### 10.4 **A Safer Halton**

10.4.1 Children who are at risk of harm are identified quickly and services work together to minimise the risk of harm and take action to formally protect children in a timely way.

### 10.5 **Halton's Urban Renewal**

None identified.

## 11.0 **RISK ANALYSIS**

11.1 Insufficient progress in improving the quality of practice across Children's Services could lead to a poor OfSTED outcome and increase the possibility of Government intervention

**12.0 EQUALITY AND DIVERSITY ISSUES**

None Identified

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

None.