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To: The Members of the Cabinet

Date: 30 October 2023

Our Ref:

Your Ref:

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Dear Councillor,

CABINET - THURSDAY 2ND NOVEMBER, 2023

I refer to the agenda for the above meeting and now enclose the following report which was unavailable when the agenda was published.

Agenda No.	Item
6.	Financial Management 2023/24 to 2026/27 - Revenue and Capital Budget Update 2023/24 – November Update (Pages 99 - 162) Report of the Executive Director of Corporate Resources and Customer Services

Yours faithfully,

Democratic Services

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Report to:	Cabinet	Date of Meeting:	2 November 2023
Subject:	Financial Management 2023/24 to 2026/27 - Revenue and Capital Budget Update 2023/24 – November Update		
Report of:	Executive Director of Corporate Resources and Customer Services	Wards Affected:	(All Wards);
Portfolio:	Cabinet Member - Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

To inform **Cabinet** of:

- 1) The current position relating to the 2023/24 revenue budget.
- 2) The current forecast on Council Tax and Business Rates collection for 2023/24.
- 3) The monitoring position of the Council's capital programme to the end of September 2023:
 - The forecast expenditure to year end.
 - Variations against the approved budgets and an explanation of those variations for consideration by Members.
 - Updates to spending profiles and proposed amendments to capital budgets necessary to ensure the efficient delivery of capital projects are also presented for approval.
- 4) The latest asset disposals, prudential indicator, performance and risk management information for 2023/24.

Recommendation(s):

Cabinet is recommended to:

Revenue Budget

- 1) Note the current position relating to the 2023/24 revenue budget.
- 2) Note the actions being taken to refine forecasts and identify mitigating efficiencies to ensure each service achieves a balanced position.
- 3) Approve the Remedial Action Plan actions to offset the budget pressures being faced in 2023/24.
- 4) Approve the release of £1.000m from the Business Rates Income Reserve.
- 5) Approve the release of £1.000m from the Transforming Sefton Reserve.

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- 6) Approve the release of £0.945m from the Redundancy Reserve.
- 7) Recognise the financial risks associated with the delivery of the 2023/24 revenue budget and acknowledge that the forecast outturn position will continue to be reviewed, and remedial actions put in place, to ensure a balanced forecast outturn position and financial sustainability can be achieved.
- 8) Approve a Supplementary Revenue Estimate of £0.688m for the Ways to Work Programme for the period 1st October 2023/24 to 31st March 2024, fully funded by an allocation of the Strategic Investment Fund from the Liverpool City Region Combined Authority.

Capital Programme

- 9) Note the spending profiles across financial years for the approved capital programme (paragraph 8.1).
- 10) Approve a supplementary capital estimate of £0.280m for the Local Authority Treescapes Fund funded by grant from the Forestry Commission (paragraphs 8.3 – 8.6).
- 11) Recommend to Council the approval of a supplementary capital estimate of £0.012m for the works at Foul Lane funded by capital receipts (paragraphs 8.7 – 8.8).
- 12) Note the latest capital expenditure position as at 30 September 2023 of £14.521m (paragraph 8.10); the latest full year forecast is £60.206m (paragraph 8.12).
- 13) Note the programme outputs and progress to September (paragraphs 8.13 – 8.30).
- 14) Note that capital resources will be managed by the Executive Director Corporate Resources and Customer Services to ensure the capital programme remains fully funded and that capital funding arrangements secure the maximum financial benefit to the Council (paragraphs 8.31-8.33).

Asset Management Strategy and Asset Disposals

- 15) Note the latest position relating to asset disposals under the Asset Management Strategy.

Prudential Indicators

- 16) Note the forecasts for the Prudential Indicators relating to capital expenditure and financing as at 30th September 2023.

Performance

- 17) Note the latest position relating to key performance measures.

Risk Management

- 18) Note the latest position relating to key risk management areas.

Reasons for the Recommendation(s):

To ensure Cabinet are informed of the current position in relation to the 2023/24 revenue budget.

To provide an updated forecast of the outturn position with regard to the collection of Council Tax and Business Rates.

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To keep members informed of the progress of the Capital Programme against the profiled budget for 2023/24 and agreed allocations for future years.

To progress any changes that are required in order to maintain a relevant and accurate budget profile necessary for effective monitoring of the Capital Programme.

To approve any updates to funding resources so that they can be applied to capital schemes in the delivery of the Council's overall capital strategy.

To ensure Cabinet are informed of prudential indicators, key performance information and key risk management areas.

Alternative Options Considered and Rejected: (including any Risk Implications)

N/A

What will it cost and how will it be financed?

(A) Revenue Costs

The report indicates that for 2023/24 following the implementation of the recommendations contained in this report that an overspend position of £2.535m is currently forecast and that further work is being undertaken to refine forecasts and identify mitigating efficiencies to ensure each service achieves a balanced position. Further mitigating actions are proposed in this report to ensure the Council returns to a balanced forecast outturn position-if these actions are not available within the approved budget, existing reserves and balances may need to be used.

(B) Capital Costs

The Council's capital budget in 2023/24 is £60.409m. As at the end of September 2023 expenditure of £14.521m has been incurred and a full year outturn of £60.206m is currently forecast.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):

Currently an overspend position of £2.535m is currently forecast for 2023/24, pending further work to refine forecasts and identify mitigating efficiencies. Further mitigating actions are proposed in this report to ensure the Council returns to a balanced forecast outturn position. However, it should be noted that significant pressure and risk remains in a number of areas, particularly relating to Children's Social Care. If budgets experience further demand and inflationary pressure during the remainder of the year further corresponding savings or financial contributions will need to be identified and approved by members.

Legal Implications:

None

Equality Implications:

There are no equality implications.

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Impact on Children and Young People: Yes	
The report highlights the current financial position relating to services provided for Children and Young People.	
Climate Emergency Implications:	
The recommendations within this report will	
Have a positive impact	No
Have a neutral impact	Yes
Have a negative impact	No
The Author has undertaken the Climate Emergency training for report authors	Yes
The allocations of capital funding outlined in section 8 may be spent on projects that will have a high climate change impact as they could relate to new build, rebuild, refurbishment, retrofit and demolition proposals. Environmental consideration will be taken into account when specific projects are designed and tendered – which will help to mitigate negative impacts.	

Contribution to the Council's Core Purpose:

Effective Financial Management and the development and delivery of sustainable annual budgets support each theme of the Councils Core Purpose.

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

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources & Customer Services is the author of the report (FD 7398/23)

The Chief Legal and Democratic Officer has been consulted and has no comments on the report (LD 5596/23).

(B) External Consultations

N/A

Implementation Date for the Decision

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

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Appendices:

The following appendix is attached to this report:

- APPENDIX A – Capital Programme 2023/24 to 2025/26
- APPENDIX B – Performance Information 2023/24 – Quarter 2
- APPENDIX C – Corporate Risk Register – October 2023

Background Papers:

There are no background papers available for inspection.

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1. Introduction

- 1.1 On 2 March 2023, Members approved the Budget for the financial year 2023/24. This budget was developed throughout the preceding nine months and took account of all known issues. Within that report, and as with previous years, the inherent financial risk within the budget, especially with respect to Children's Services, was identified. This was further reflected within the reserves' strategy for the Council, as reported in the Robustness Report also presented to Budget Council.
- 1.2 This report is the fourth of the Council's monthly budget monitoring reports and updates the revenue forecast outturn position for all services, including the pressures that have materialised since the budget was set. The report also includes measures to meet the forecast deficit currently being estimated.
- 1.3 The report also outlines the current position regarding key income streams for the Authority, namely Council Tax and Business Rates. Variations against expected receipts in these two areas will also affect the Council's financial position in future years.
- 1.4 The capital section of the report informs Members of the latest estimate of capital expenditure for 2023/24 and forecast expenditure for 2024/25 and 2025/26. The capital budget to date is presented in paragraph 8.1. Paragraphs 8.3 to 8.30 review progress of the capital programme, including additional capital schemes. Finally, paragraphs 8.31 to 8.33 confirm that there are adequate levels of resources available to finance the capital programme.
- 1.5 This report also includes the usual mid-year information on key performance measures and key risk management areas. For the first time this report also includes the quarterly reporting of the Council's Prudential Indicators. This requirement has been introduced by CIPFA. In addition, the report includes an update on the overall asset disposals that have taken place under the Asset Management Strategy.

2. Revenue Budget 2023/24 – Forecast Outturn Position as at the end of September 2023

- 2.1 Members are provided with updates of the Council's forecast financial revenue position each month during the financial year from July.
- 2.1 It is acknowledged that this position remains relatively early in the financial year so forecasts will include a number of assumptions on anticipated expenditure and income for the remainder of the year that will invariably be the subject of change. Forecasts will continue to be refined and a review of all budgets and assumptions will be undertaken each month to refine the forecasts.
- 2.2 As at the end of September 2023, the forecast outturn shows a net overspend of **£7.330m**, the majority of which relates to potential additional pressure within Children's Social Care, Adult Social Care and Education Excellence as well as the potential impact of the local government pay award. It should be noted that the majority of services are reporting a balanced position or are implementing local

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remedial actions to return a balanced position at this stage. As with all organisations at this time, the Council is operating in a very challenging financial environment. However, it is vital that the Council achieves a balanced forecast outturn position to ensure its financial sustainability. Proposed actions to meet the forecast overspend are outlined later in the report and include the adoption of financial principles used in previous years.

2.3 The table below highlights the variations across services that make up the £7.330m forecast overspend:

	Budget	Forecast Outturn	Variance	Variance to August
	£m	£m	£m	£m
<u>Services</u>				
Strategic Management	3.906	3.099	0.093	-0.001
Adult Social Care	110.598	111.598	1.000	1.000
Children's Social Care	80.081	85.114	5.033	0.974
Communities	11.551	11.416	-0.135	-0.135
Corporate Resources	5.972	5.762	-0.210	-0.210
Economic Growth & Housing	6.409	6.409	0.000	0.000
Education Excellence	15.305	16.713	1.408	0.935
Health & Wellbeing	19.620	18.972	-0.648	-0.480
Highways & Public Protection	10.672	10.625	-0.047	-0.033
Operational In-House Services	16.160	16.396	0.120	-0.116
Energy Costs	4.200	4.200	0.000	0.000
Additional Pay Award Provision	4.333	5.833	1.500	0.000
Total Service Net Expenditure	288.807	296.921	8.114	2.069
Council Wide Budgets	14.203	13.419	-0.784	-0.249
Levies	36.193	36.193	0.000	0.000
General Government Grants	(84.086)	(84.086)	0.000	0.000
Total Net Expenditure	255.117	262.447		
<u>Forecast Year-End Deficit</u>			<u>7.330</u>	<u>1.685</u>

2.4 The key areas relating to the outturn position are as follows:

- **Adult Social Care** – The current forecast assumes that the Adult Social Care budget will break-even during 2023/24. However, there are a number of significant assumptions and uncertainties that could impact on this position before the year-end. The service has also committed to a number of efficiencies and savings that amount to £5.7m, in order to meet the savings approved as part of the approved 2023/24 budget plus additional savings to meet the additional budgetary pressures

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arising from the increases in provider fees approved at Cabinet meetings in June 2023. The achievement of these savings will be carefully monitored throughout the year. At this time £4m of the £5.7m of savings have been delivered.

Like all councils, the Service is experiencing growth pressure with demand for services and are seeking to meet the cost of this within the resources available, including taking account of the additional funding from Central Government that is being made available to councils to meet increases in demand and financial pressure including those that maybe experienced during winter and in respect of discharges. Given the pressures being faced a forecast overspend of £1.000m is now being reported. However, the Service will continue to explore options to ensure that a balanced position is achieved. As would be expected with a budget of this size and volatility, this remains a key risk during the current year.

- **Children's Social Care** – The current forecast for the service shows a potential overspend of £5.033m. However, there are a number of significant assumptions and uncertainties that could impact on this position before the year-end.

Members will be aware that the 2023/24 approved budget included an additional £21m of investment in the service based on the requirement for additional staffing (including some temporary funding for additional agency costs whilst more permanent staff are recruited to, including International Social Workers and from staff coming through the social work academy) as well as additional resources to reflect the number of packages at the time, some potential growth as well as resource for inflationary pressures.

The current forecast for staffing is an overspend of £0.660m. This will require robust monitoring through the year. There are a clear set of assumptions driving this forecast in terms of when expensive managed / project teams will leave the Council as new staff are onboarded from the International Social Worker cohort and the academy. If these assumptions change then the forecast will be revised with additional pressure being experienced.

Certain areas of accommodation and support packages are forecast to overspend by £3.472m, partly due to additional packages in the late part of 2022/23 and early part of 2023/24. As mentioned in reports last year, packages initially have been at a higher cost than previously seen. However, recently improvements in practice have resulted in more children being placed in more appropriate settings at a lower cost. This is expected to continue throughout the year. Work is currently being undertaken to review forecasts for all types of care settings based on a number of children being in higher cost settings for shorter periods, which is expected to significantly impact on the forecast. In addition, where numbers and costs of Children with Disabilities has increased, specialist work is being undertaken to ensure health are making the appropriate contributions to the cost of care.

This is the key aspect of this financial forecast- the service is stabilising and as this takes place the review of placements will also be undertaken. At present the assumption is that all support, unless known otherwise, will continue for the whole of the financial year and for a number of placements this will not be the case. Senior managers are reviewing these, and the forecast will be updated accordingly in addition to the health contributions that are due.

As part of this work a further review of demand will be undertaken. This again will inform the forecast- the service is currently starting to stabilise and that will inform that estimate. Members will recall that in the budget reports it was advised that a tolerance of 5% on the budget could be expected based on advice from the DfE commissioner- based on the service budget that would amount to £4m. This current forecast is slightly higher than that at present before the outcome of the additional reviews is to be built in.

In considering this forecast, work will also be undertaken to determine if any of this pressure is temporary or permanent in nature and needs reflecting in future budget setting processes.

- **Corporate Resources** – The service was previously forecasting a balanced position. However, in light of the overall budget position, the Service has reviewed budgets further to identify areas where savings could be made. The forecast has therefore been revised to an underspend of £0.210m. Based on the latest information, functions within the service are therefore forecasting an underspend of £0.834m. However, there is pressure within the ICT budget from inflation on contracts that is in excess of the provision made and a loss of income from School SLAs as a result of a change in the contractual arrangement enforced by the provider for which the Council has no control. These two pressures amount to £0.624m, which is offset by the underspends across the Service. As stated, all services are underspent, and significant cost control will continue to be required between now and the year end to deliver the current forecast position.
- **Economic Growth and Housing** – The service is showing a balanced position. However, based on the latest information, functions within the service are forecasting an overspend of £0.618m, although the service are currently examining forecasts. Additional cost control will be required between now and the year end to deliver that balanced position and this position will be updated in future reports.
- **Education Excellence** – The current forecast shows a potential net overspend of £1.408m which is an increase of over £0.900m since last month, this relates to the provision of additional SEND staff and Home to School Transport. The service is reviewing all forecasts to identify areas that will offset costs of the additional SEND staff. Members will recall that in the budget substantial funding was added to the Home to School Transport budget, but this budget has come under further pressure due to the increase in the number of EHCPs being completed and the resulting pressure in the Service.
- **Operational In-House Services** The current forecast shows a potential overspend of £0.120m which is a further improvement on the previous month. This relates to a number of areas across the Service, but mainly in Catering and the security service. The service is reviewing all forecasts to identify areas that may be able to offset these additional pressures, including from recharging additional costs being incurred, and this position will be updated at mid-year review.
- **Additional Pay Award Provision** – The approved Base Budget included a provision for the 2023/234 pay award of around 4.5%. This was line with most other local authorities who had budgeted for similar amounts. The offer from the National Employers for local government services body is for a fixed increase of

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£1,925, with a minimum of 3.5% (similar to the increase in 2022/23). For Sefton, this equates to an increase in the pay bill of about 6.0% or an additional £1.500m above the amount included in the 2023/24 budget. It should be noted that this offer has been rejected by trade unions who have balloted their members on whether to undertake strike action.

3. Revenue Budget Summary 2023/24

- 3.1 An overspend of **£7.330m** is currently forecast. However, as mentioned in section 2, this is a forecast based on a number of uncertainties and assumptions. Additional work will continue to be undertaken across service areas to refine the forecasts and identify mitigating efficiencies to ensure each service achieves a balanced budget position. In Children's Social Care forecasts will be refined to take into account the improvements in practice that have seen children being placed in more appropriate settings, as well as the anticipated reduction in the number of Looked After Children.
- 3.2 As mentioned, the Council must achieve an overall balanced position to ensure its financial sustainability. As an overall forecast overspend remains a remedial action plan to meet the residual balance has been produced and is presented below for members' approval.

Remedial Action Plan

- 3.3 At this mid-year review stage, services were asked to identify areas where action could be taken to reduce the previous forecast outturn position. This has enabled the forecast deficit to be reduced by over £1.100m - mainly Corporate Resources and Customer Services (£0.210m), Health and Wellbeing (£0.480m) and Treasury Management activity (£0.249m).
- 3.4 Given the scale of the remaining current forecast deficit it is proposed to utilise one-off resources to meet a balanced forecast outturn position to ensure its financial sustainability. The sources of these resources are:

Review of Earmarked Reserves

- 3.5 Officers have undertaken a review of Earmarked Reserves to determine if any are no longer required for their original purpose and can be released to support the in-year pressures. The exercise has identified **£3.795m** of reserves that can be released, the most significant are:
- Business Rates Income Reserve – the Council maintains a reserve to allow for the timing of S31 grants to be managed across years, as well as fluctuations in Business Rates income. A review of the reserve has identified that £1.000m can be released. In line with Financial Procedure Rules (FPRs) Cabinet is requested to approve the release of this reserve.
 - Transforming Sefton Reserve - the Council maintains a reserve which previously allowed for investment in initiatives that transformed activity across the Council to release savings, e.g., for ICT and Digital Transformation. A review of the reserve has identified that £1.000m can be released. In line with Financial Procedure Rules (FPRs) Cabinet is requested to approve the release of this reserve.
 - Redundancy Reserve – The Council maintained a reserve to fund redundancies due to previous reform programmes. The Council does not currently plan any redundancies so the reserve of £0.945m can be released. In line with Financial

Procedure Rules (FPRs) Cabinet is requested to approve the release of this reserve.

- Other Earmarked Reserves – in addition, a number of smaller reserves totalling £0.850m can now be released. In line with the FPR's these have been approved by the S151 Officer.

- 3.6 Officers are currently reevaluating all other Earmarked Reserves held by the Council. It is expected that this will enable a further **£1.000m** to be released. In line with the FPR's these will be approved by the S151 Officer or Cabinet if appropriate.

Proposed Remedial Actions

- 3.7 After the review of the Council's Earmarked Reserves there is still a forecast overspend of **£2.535m**. It is proposed to undertake a number of remedial actions, including the adoption of financial principles used in previous years, to enable a balanced forecast outturn position to ensure its financial sustainability. This will include cost control in relation to recruitment, non-essential expenditure and no further growth items / additionality. The final details of the financial contributions from each of these is currently being developed and will be reported in the next cycle.

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- 3.8 An overspend of **£2.535m** is currently forecast. The proposed actions in this report will be fully evaluated and their financial impact will be reported to Cabinet in December – at this stage it is anticipated that the actions proposed will meet a proportion of the current forecast overspend, with a balance estimated at up to £1.5m remaining to be funded. However, this represents the current position that has been forecast to the year end- in the event that further pressure is experienced, further remedial action will be required. As a result of using the options above, there is no flexibility left for the use of existing reserves or general balances- as a result this pressure, and any further pressure, will need to be met from within the existing Council budget and delivery monitored carefully and reported to Cabinet.
- 3.9 Should there still be a residual overspend at year end, this will need to be funded by general balances and as part of the budget process for 2024/25 the Council will need increase these back to the previous level taking into account the risks faced by the Council and the assessment of their adequacy as described in the S151 Officer's Robustness report. As stated, further work will be carried out on the remedial plan and a detailed position will be reported in the next cycle.

4. Additional Revenue Grant Funding

Ways to Work Programme

- 4.1 Sefton@work have been in receipt of European Social Funding (ESF) for the Ways to Work employment support project since 2016. Ways to Work is the largest ESF funded scheme of its kind in the country and in Sefton has supported more than 4,500 people during this time. The scheme was a joint programme delivered via all six of the Liverpool City Region councils, with the LCR Combined Authority being the Lead Body. ESF funds have now ceased but the Ways to Work delivery model for employment support continues to be the LCRCA's key investment in addressing employment inequality and forms an integral part of the wider Plan for Prosperity,

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with commitment being given to find alternative means of continuation funding after the end of ESF.

- 4.2 The Government's Fund to replace European Social Fund is the United Kingdom Shared Prosperity Fund (UKSPF), and the Ways to Work scheme has been earmarked in the LCR UKSPF investment plan to receive an allocation of UKSPF for the year 2024/25. However, there is a gap period between the end of ESF (i.e., October 2023) and the inception of UKSPF funding for employment support. This grant offer of Strategic Investment Funding (SIF) from the LCRCA is intended to bridge this gap and avoid loss of service to our communities and businesses for the period between October 2023 and April 2024. It will also offer the Sefton@work service an opportunity to manage the transition away from established practices under ESF open to all LCR workless residents to the new funding regime of UKSPF where support will only be available to those people deemed to be economically inactive.
- 4.3 Sefton@work has a proven track record of efficient management of a wide range of external funding and measures have been put in place to ensure that all claims and performance management information required to satisfy the requirement of this SIF grant offer can be met. The staff resources are in place to deliver this service, and policies and protocols have been designed in conjunction with the LCR-CA to ensure risks are managed appropriately and service delivery is conducted to the highest standards. Client facing staff are all trained and qualified to appropriate levels and compliance staff have significant expertise in successfully managing audit requirements from the internal, sub-regional and European levels. The service continues to hold the national MATRIX standard which assures the quality of information, advice and guidance to nationally recognised standards and has also maintained the national Customer Service Excellence award.
- 4.4 The Council has been allocated a revenue grant of £688,000 from the Liverpool City Region Combined Authority funded from the UK Shared Prosperity Fund for the period of October 2023 to March 2024 to continue to support the Ways to Work Programme. Cabinet is therefore requested to approve a supplementary revenue estimate of £688,000 for the Ways to Work Programme, to be fully funded by the grant allocation from the Liverpool City Region Combined Authority funded from the UK Shared Prosperity Funding (UKSPF).

5. **Council Tax Income – Update**

- 5.1 Council Tax income is shared between the billing authority (Sefton Council) and the three major precepting authorities (the Fire and Rescue Authority, the Police and Crime Commissioner and the Combined Authority – Mayoral Precept) pro-rata to their demand on the Collection Fund. The Council's Budget included a Council Tax Requirement of £160.236m for 2023/24 (including Parish Precepts), which represents 84% of the net Council Tax income of £191.139m.
- 5.2 The forecast outturn for the Council at the end of September 2023 is a surplus of £0.006m. This variation is primarily due to: -
- The surplus on the fund at the end of 2022/23 being higher than estimated (-£0.314m).

- Gross Council Tax Charges in 2023/24 being higher than estimated (-£0.376m).
- Exemptions and Discounts (including a forecasting adjustment) being higher than estimated (+£0.684m).

5.3 Due to Collection Fund regulations, the Council Tax surplus will not be transferred to the General Fund in 2023/24 but will be carried forward to be recovered in future years.

5.4 A forecast surplus of £2.045m was declared on the 17 January 2023 of which Sefton's share is £1.716m (83.9%). This is the amount that will be recovered from the Collection Fund in 2023/24. Any additional surplus or deficit will be distributed in 2024/25 and future years.

6. **Business Rates Income – Update**

6.1 Since 1 April 2017, Business Rates income has been shared between the Council (99%) and the Fire and Rescue Authority (1%). The Council's Budget included retained Business Rates income of £62.388m for 2023/24, which represents 99% of the net Business Rates income of £63.018m. Business Rates income has historically been very volatile making it difficult to forecast accurately.

6.2 The forecast outturn for the Council at the end of September 2023 is a surplus of -£11.250m on Business Rates income. This is due to:

- The surplus on the fund at the end of 2023/24 being higher than estimated (-£9.916m).
- Increase in the gross charge on rateable properties (-£0.157m).
- A number of reliefs announced for 2023/24 were assumed in the NNDR1 return with the loss of income as a result of these reliefs covered by Section 31 grant payments. It is now forecast that the value of these reliefs will be less than anticipated (-£1.028m).
- Adjustments relating to prior years (-£0.149m)

6.3 When taking into account the lower Section 31 grants due on the additional reliefs, a net surplus of £10.536m is forecast.

6.4 Due to Collection Fund regulations, a Business Rates deficit will not be transferred to the General Fund in 2023/24 but will be carried forward to be recovered in future years.

6.5 A forecast surplus of £12.836m was declared in January 2023. Sefton's share of this is £12.708m. This is the amount that will be distributed from the Collection Fund in 2023/24. Any additional surplus or deficit will be distributed in 2024/25 and future years.

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7. High Needs Budget

- 7.1 Cabinet and Council have agreed to receive quarterly reports from the Executive Director of Children's Social Care and Education and the Assistant Director of Children's Services (Education) with regard to the High Needs budget and the changes that are proposed, details of sufficiency planning, the Council's engagement on the Delivering Better Value Programme and the current high needs deficit and the risk around future central government decision making in respect of this deficit.
- 7.2 The latest quarterly report was presented to Cabinet in July, providing detail on the current monitoring position relating to the High Needs budget. The next quarterly report will be presented to Cabinet in December.

8. Capital Programme 2023/24 – 2025/26

Capital Budget

- 8.1 The Capital Budget and profile of expenditure for the three years 2023/24 to 2025/26 is as follows:

2023/24	£60.409m
2024/25	£42.956m
2025/26	£46.350m

- 8.2 The following updates have been made to the capital programme budget since the initial budget report to Cabinet in October:

- **Adult Social Care:**

- £0.153m has been phased to 2023/24 for ICT development and improvements works.
- £0.353m has been phased to 2023/24 for the Short Term Assessment Unit project.

- **Communities** - £0.103m has been phased to 2023/24 for the delivery of new fencing at Netherton Activity Centre in Spring / Summer 2024.

- **Economic Growth & Housing:**

- £0.170m has been added to the Cambridge Road Centre Redevelopment Project under delegated authority following a successful application for additional grant funding from the Combined Authority.
- £0.270m has been phased from 2024/25 to 2023/24 for strategic acquisitions in Ainsdale due to some purchases progressing earlier than anticipated.
- £0.343m has been added to Bootle Canalside Business plan approved under delegated authority from Council resources and Section 106 contributions.
- £10.619m has been phased to from 2023/24 to future years for the Marine Lake Events Centre. Significant milestones of securing planning permission and commencement of site preparation for the proposed enabling works has been achieved. Demolition works will commence when

utility diversions are complete (carried out by the Statutory Authorities). Demolition is expected early 2024 resulting in the anticipated enabling works spend and main works contract costs moving out of year.

- **Education Excellence:**

- £0.089m has been added to St Phillips Litherland roof repairs approved under delegated authority from the Schools Condition Allocation grant from the Department of Education.
- £0.078m has been added to Valewood Primary playground, access road and drainage scheme approved under delegated authority from the Schools Condition Allocation grant from the Department of Education.

- **Highways and Public Protection** – Cabinet Member for Locality Services has, under delegated authority, approved the 2023/24 Transportation Capital Programme. This includes the allocation of funding to schemes within the City Region Sustainable Transport Settlement (approved by Council in March) for Maintenance and Non-Maintenance including Street Lighting, Drainage, Urban Traffic Control and Highway Structures, together with previously approved allocations from the Liverpool City Region Development Funds, Sustainable Urban Development Fund, Pothole Fund, DfT signals Fund and Active Travel funds. The full list of budget allocations is listed at Appendix A.

Local Authority Treescapes Fund

- 8.3 The Local Authority Treescapes Fund (LATF) is the key government offer for local authorities to restore tree cover in non-woodland areas which may have been impacted by pests and diseases. The fund targets the restoration of treescapes that have been affected by tree diseases such as ash dieback.
- 8.4 The type of planting which has been applied for in relation to Sefton's Bid is the planting of standards. The funding criteria is such that planting of standards must be direct replacements of trees lost to threats such as pests and diseases. The replacement tree must be replanted within the same planting site or local area (e.g., within 2km) and of a similar ultimate size.
- 8.5 The LATF is a capital grant does not require match funding by the Council. The application submitted by Sefton covers two years of planting and three years of maintenance for each year. The total amount of grant funding applied for is £279,625 and the minimum number of trees to be planted in total is 250 with a minimum of 125 to be planted each year.
- 8.6 A conditional offer of funding from the Forestry Commission for the full amount has been received subject to final approval. No expenditure will be committed to the scheme until the final confirmation is received and the offer of funding is formalised. Cabinet is therefore asked to approval a supplementary capital estimate pending receipt of the final grant offer from the Forestry Commission.

Land at Foul Lane, Southport

- 8.7 Cabinet in March 2023 approved the disposal of land at Foul Lane, Southport (the former park and ride site) to Homes England as part of the Asset Maximisation: Phase 2 Disposals Programme.

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- 8.8 Following disposal, works have been identified to divert the Council's electricity supply for a car park on the opposite side of the road which has been retained in Council ownership. It is therefore requested that a portion of the capital receipt is utilised for these necessary works to the value of £12,000.

Budget Monitoring Position to September 2023

- 8.9 The current position of expenditure against the budget profile to the end of September 2023 is shown in the table below. It should be noted that budgets are profiled dependent upon the timing of when works are to be carried out and the anticipated spend over the financial year. The budget to date in the table below reflects the profiles of each individual scheme.

	Budget to September	Actual Expenditure to September	Variance to September
	£m	£m	£m
<u>Services</u>			
Adult Social Care	2.480	2.197	-0.283
Children's Social Care	0.151	0.151	-
Communities	0.258	0.253	-0.005
Corporate Resources	1.070	0.969	-0.101
Economic Growth & Housing	3.556	3.379	-0.177
Education Excellence	2.095	2.165	0.070
Highways & Public Protection	5.210	5.110	-0.100
Operational In-House Services	0.270	0.298	0.028
<u>Total Programme</u>	15.091	14.521	-0.569

Capital Programme Forecast Outturn 2023/24

- 8.10 The current forecast of expenditure against the budget profile to the end of 2023/24 and the profile of budgets for future years is shown in the table below:

	Budget 2023/24	Forecast Outturn	Variance	Budget 2024/25	Budget 2025/26
	£m	£m	£m	£m	£m
<u>Services</u>					
Adult Social Care	7.578	7.491	-0.088	2.599	1.850
Children's Social Care	0.602	0.716	0.114	0.100	-
Communities	2.009	2.049	0.040	0.285	-
Corporate Resources	2.597	2.597	-	0.023	-
Economic Growth & Housing	14.403	14.293	-0.110	19.414	43.281
Education Excellence	9.354	9.177	-0.177	7.629	-
Highways & Public Protection	20.222	20.229	0.007	8.453	0.322
Operational In-House Services	3.644	3.655	0.010	4.453	0.898
<u>Total Programme</u>	60.409	60.206	-0.203	42.956	46.350

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

- 8.11 The current 2023/24 budgeted spend is £60.409m with a budgeted spend to September of £15.091m. The full year budget includes exceptional items such as £10.266m for Growth and Strategic Investment projects, £1.082m for the Brownfield Housing Development fund, £0.760m for Sustainable Warmth Schemes, £1.300m for the Local Authority Housing Fund, £1.583m for Sporting Betterments at Schools, a £3.041m project for Southport Pier Decking, and a scheme to upgrade to LED Street Lighting (£3.606m).
- 8.12 Typically, on an annual basis the capital programme spends in the region of £25-30m. Given this typical annual level of spend it is likely that reprofiling of spend into 2024/25 will occur as the year progresses.

Capital Programme Outputs and Progress to September

- 8.13 The Council has spent £14.521m on its Capital Programme to the end of September 2023. The paragraphs below summarise the key areas of delivery and progress to date:

Adult Social Care

- 8.14 Disabled Facilities Grant Core Programme - from 1st April to 30th September, £1.550m has been spent. 216 adaptations were certified as complete on behalf of clients including items such as stair lifts, vertical lifts, bathroom adaptations, extensions, and hoists. This is a significant improvement on the previous year when the number reported as complete as of September 2021 was 140.
- 8.15 Care Home Improvements – care home providers have successfully implemented a wide range of projects, including the installation of sensory spaces both indoors and outdoors, summer house and conservatory refurbishments, cool touch radiators, dementia friendly furniture and flooring, interactive tables and Wi-Fi upgrades, TEC and digital equipment such as interactive tables, robotic toys / companion pets, dementia friendly lighting, carpets, decoration and installation of wet rooms and a hair salon for residents. The spend breakdown for each round of Care Home Improvement Grants is as follows:
- Round 1 spend – £310,440
 - Round 2 spend – £360,935
 - Round 3 spend (as at 30th September) - £238,087

- 8.16 Community Equipment Store – between 1st April and 30th September, the service supplied 21,948 loan items to 6067 Service Users.

Corporate Resources – Sustainable Warmth Schemes

- 8.17 From 1st April to 30th September 2023, 10 properties have received external wall insulation and 52 have received mixed measures under the LAD 3 scheme. Under HUG, there has been 14 measures against 12 properties.

Growth and Strategic Investment Programme

- 8.18 Marine Lake Events Centre (MLEC) – significant milestones of securing planning permission and commencement of site preparation for the proposed enabling works

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has been achieved. Main spend items include Project Team (RIBA Stage 4) Design fees, PCSA contract fees, surveys, site hoarding and instigation of utility diversions.

- 8.19 Crosby Lakeside Redevelopment - funding has been used for the building of the Bunkbarn, a residential facility that will be managed by Leisure for schools and community use. Practical completion of this is due in October.
- 8.20 Bootle Strand Repurposing – up to September 2023, funding has been spent on pre-development costs, including consultancy and survey work. The draft RIBA Stage 2 report has been received.
- 8.21 Bootle Canal Side – a programme of phase 2 works has been delivered, which includes construction of the Main Stage and Platform structures, construction of the Canalside footpath, completion of the mechanical and electrical infrastructure requirements, installation of further containers and street furniture, and branding and design. The completion of works has enabled major events to be delivered on the site, with further events planned for 23/24.

Education Excellence

- 8.22 The following Special Educational Needs and Disabilities schemes have been completed as at September 2023:
- Farnborough Road Juniors – access ramp
 - Holy Family High School – new ASD base
 - Marshside Primary – new ASD modular classroom
 - Norwood Primary – hygiene room and specialist equipment
 - Waterloo Primary – alterations to upstairs toilets; basic skills classroom KS2; reception room redesign.
- 8.23 The following Schools Condition Allocation schemes have been completed/partially completed as at September 2023:
- Crosby High – repair brickwork and re-pointing
 - Freshfield Primary – replace wiring systems (phase 1 complete)
 - Grange – rewiring (phase 2 complete); and roof refurbishment
 - Hatton Hill – perimeter fencing
 - Hudson Primary – provide mechanical ventilation to nursery, and brickwork repointing
 - Kings Meadow Primary – replace wiring systems (phase 2 complete)
 - Melling Primary – refurbish toilets
 - Merefield – playground
 - Netherton Moss – fire doors (phase 3 complete); and re-point brickwork and repair concrete sills
 - Redgate Primary – replace boundary fence
 - St. Philips Litherland – roof repairs (phase 3 complete)
 - Valewood Primary – playground, access road and drainage
 - Waterloo CP – upgrade nursery areas; and wet pour surfacing and equipment

Highways and Public Protection

8.24 Integrated Transport Programme –

- Formby bypass works were completed in August to upgrade 2.2km of cycle path/ footway alongside the Formby Bypass between Woodvale and Formby
- Work has been progressing on the two major scheme business cases, with detailed design almost complete on the Southport Eastern access scheme and detailed design ongoing for Phase 1 of the Maritime corridor project.
- Works have commenced in Crosby village in access improvements, with phase 1 scheduled to be complete by December

8.25 Highway Maintenance – work activities relating to highway maintenance, completed to September 2023 are as follows:

- Footway Surface Treatments Programme (40,399m²)
- Carriageway Preventative Type Surface Treatment Programmes: Surface Dressing (72,432m²); and Micro Asphalt (49,629m²)
- Carriageway Resurfacing/Extended Patching (67,558m²)

8.26 LED Street Lighting Project – deliverables from 1st April to 30th September are as follows:

- 4,678 LED lanterns (including lanterns on column and slippers mentioned below)
- 627 columns/slippers columns
- 113 bollards to hi reflective
- 112 signs to LED
- Energy saving = 5,557,137.77 kWh and 1,203.60 tonnes of CO²
- Agreed Steelwork Compensation Event proved very successful & is substantially complete awaiting final delivery of the agreed levels in the next few weeks.

Operational In-House Services – Green Sefton

8.27 Along with its annual programme of beach surveys and defence inspections, the Coastal Monitoring Programme has undertaken a vertical aerial photography survey of the coastline. We have also checked and published ecological mapping data derived from the previous aerial photography data set. The programme has also appointed a new coastal scientist to improve the communication of the vast amount of data collected.

8.28 The new MUGA in Rainbow Park and improvements to the play area in Poets Park have been completed. Site improvements and new tree planting have taken place in Poets Park and the Seaforth Green.

8.29 The planning of the interim work on the Crosby coastal defence is well underway and the review of the main scheme has commenced as well via the Council's consultants.

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8.30 The Making Space for Water Project in Crossens / Churchtown has completed environmental assessments and landscape design is now out to public consultation.

Programme Funding

8.31 The table below shows how the capital programme will be funding in 2023/24:

<u>Source</u>	£m
Grants	44.893
Prudential Borrowing	8.833
Capital Receipts	4.434
Contributions (including Section 106)	2.249
<u>Total Programme Funding</u>	60.409

8.32 The programme is reviewed on an ongoing basis to confirm the capital resources required to finance capital expenditure are in place, the future years programme is fully funded, and the level of prudential borrowing remains affordable.

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

9. Asset Management Strategy and Asset Disposals

9.1 The Asset Management Strategy and Asset Disposal Policy set out the vision and aspirations for the effective management of the Council's corporate asset portfolio and the role it plays in supporting and shaping the Council's agenda for the 2030 vision. Land and property are the Council's next biggest resource after its staffing and therefore it is vital that this resource is managed and used effectively and efficiently to ensure that the Council derives maximum benefit from its assets in support of its strategic aims and priorities.

9.2 The Asset Management Strategy and Asset Disposal Policy provide a framework for the planning, prioritisation, management and funding of the Council's asset base and are statutory documents that the Council is required to have in place and are reviewed on an annual basis.

9.3 Based on the phases of this multi-year programme which have been approved so far, net receipts of £30.6m are anticipated – of which £9.7m of receipts have been received to date. These receipts have been allocated in support of the 2030 vision in line with the Asset Management Strategy as approved by Council. Capital schemes totalling £13.2m to be funded from the anticipated capital receipts have been approved by Council to date. Other proposed schemes to be funded from the capital receipts will be brought forward for approval at the appropriate time.

10. Prudential Indicators 2023/24 – Update to September 2023

10.1 The Authority measures and manages its capital expenditure and financing with reference to the Prudential Indicators approved by Council in March 2023. It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis as part of the budget monitoring process. The actual values for 2022/23 and updated forecasts for the prudential indicators for 2023/24 and future years have therefore been calculated and are presented below for review. It should be noted that the Authority has not exceeded the original estimates approved by Council in March 2023 and the forecasts below are therefore present for Cabinet and Council to note.

Capital Expenditure:

10.2 The Authority has undertaken and is planning capital expenditure as summarised below.

Capital Expenditure				
	2022/23 £m Actual	2023/24 £m Budget	2024/25 £m Budget	2025/26 £m Budget
TOTAL	38.705	60.409	42.956	46.350

10.3 The estimates of the capital expenditure for the current and next two years have remained within those approved in March although some timing differences may be shown due to reprofiling of capital expenditure, further details of which are reported to Cabinet on a regular basis as part of the capital programme budget monitoring.

10.4 The main capital projects that have incurred expenditure to date have included:

- Disable Facilities Grants - £1.550m
- Community Equipment - £0.391m
- Sustainable Warmth Schemes - £0.659m
- Crosby Lakeside Redevelopment - £0.541m
- Marine Lake Events Centre - £1.630m
- Bootle Canal Side - £0.490m
- Strand Business Plan - £0.463m
- Schools Programme - £1.196m
- Schools Special Educational Needs & Disabilities Programme - £0.969m
- Highways Integrated Transport Programme - £1.584m
- Highway Maintenance - £2.063m
- LED Street Lighting Upgrade - £1.310m

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Capital Financing Requirement:

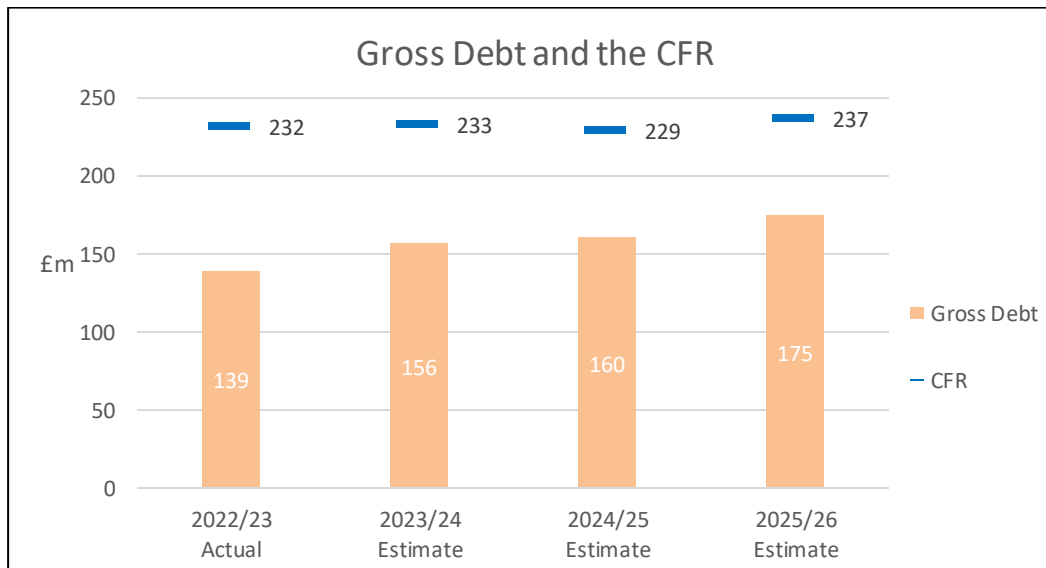
10.5 The Authority’s cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with Minimum Revenue Provision (the statutory amounts set aside to repay debt).

Capital Financing Requirement				
	31/03/23 £m Actual	31/03/24 £m Forecast	31/03/25 £m Forecast	31/03/26 £m Forecast
CFR	231.985	232.900	229.331	237.233

10.6 No new capital schemes funded by borrowing have been added to the capital programme since the initial estimates reported in March. The estimates of the CFR have therefore remained within those approved in March although as mentioned previously, some timing differences may be shown due to reprofiling of capital expenditure.

Gross Debt and the Capital Financing Requirement:

10.7 The statutory guidance provided by CIPFA is that debt should remain below the capital financing requirement, except in the short term. The Authority has complied and expects to continue to comply with this requirement in the medium term as is shown below.



Debt and the Authorised Limit and Operational Boundary:

10.8 The Authority is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit. The operational boundary is a management tool for in-year monitoring it is not unusual if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure under the CIPFA code.

	Maximum Actual Debt To Date 2023/24 £m	Actual Debt at 30.9.2023 £m	Authorised Limit £m	Operational Boundary £m
Borrowing	134	124	185	160
Other Long-Term Liabilities	5	5	5	5
Total Debt	139	129	190	165

10.9 The table above shows highest level of debt during the year to date (the Maximum Actual Debt) and also the debt position as at 30th September compared to the Authorised Limit and Operational Boundary. Neither indicator has been breached and it is not anticipated that this position will change for the remainder of the financial year.

Net Income from Commercial and Service Investments to Net Revenue Stream:

10.10 This indicator measures the proportion of the authority's net revenue stream that is derived from non-treasury investments such as service investments (loans to subsidiaries) and commercial investments (investment properties). Commercial investments relate to legacy arrangements such as concessions at Southport seafront, parks and gardens; the freehold interest in the Strand Shopping Centre; rents linked to small retail units; industrial units; clubs; and car park income. The indicator is a measure of the exposure to loss of income should the net return from those investments fall short of the target set in the budget.

Net Income from Commercial and Service Investments to Net Revenue Stream				
	2022/23 Actual	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Ratio	1.2%	1.0%	1.0%	1.3%

10.11 As can be seen from the ratios above this is a relatively low percentage of the Council's revenue stream indicating that the Council's budget is not overly reliant on commercial and service investment income. Variations to planned levels of income are also reflected in the Council's Medium Term Financial Plan. Should a shortfall in investment income occur then the plan will be adjusted accordingly, and corresponding savings will need to be made to compensate for the loss of income.

Proportion of Financing Costs to Net Revenue Stream:

10.12 This indicator measures the total capital financing costs of capital expenditure as a proportion of the total level of income from Government Grants, local Council Tax and Business Rates payers. This measure demonstrates the affordability of capital plans by comparing the cost of borrowing undertaken to fund the capital programme (in previous years and for planned expenditure in future years) to the net revenue available to the Council in each of those years.

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Financing Costs / Net Revenue Stream				
	2022/23 Actual	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Ratio	5.9%	5.3%	5.7%	5.5%

10.13 The forecast ratios calculated as of September are slightly lower than those set at the beginning of the year (2023/24 indicator was set at 5.7%) due to variations in the forecast net revenue stream. The cost of borrowing for the current approved capital programme therefore remains affordable.

11. Performance

11.1 The Council recognises the importance of performance management and service areas report regularly to Cabinet Members, Health & Wellbeing Board and Overview and Scrutiny on service-related performance and key corporate activity.

11.2 Members will also be aware that a detailed, comprehensive Corporate Performance is reported annually to Cabinet in July as part of the Financial Outturn report. Such an approach is the basis for reporting quarterly performance to Members as set out in Appendix B.

12. Corporate Risk Management

12.1 The Council has an established approach to risk management. As part of that a Corporate Risk Register is maintained and is reported at each quarterly meeting of the Audit and Governance Committee. This Corporate Risk Register has been updated for this mid-year review report and the top scoring risks are set out as in Appendix C. These risks should be considered and aligned to the key financial and performance issues within this report.

APPENDIX A – Capital Programme 2023/24 to 2025/26

<u>Capital Scheme</u>	Budget		
	2023/24 £	2024/25 £	2025/26 £
Adult Social Care			
Disable Facilities Grants – Core Grants (DFGs)	3,000,000	-	-
Occupational Therapy Support for DFGs	663,774	-	-
ICT Development & Transformation	1,035,023	185,867	2,708
ICT Connectivity in Care Homes and Support Living	100,000	-	-
Fall Prevention Schemes	45,000	-	-
Care Home Improvements	475,449	200,000	-
Changing Places	51,327	-	-
Integrated Health and Wellbeing on the High Street	-	400,000	-
Short Term Assessment Unit	506,846	1,213,154	1,847,000
New Directions Programme Development	206,038	195,000	-
Technology Enabled Care	464,383	-	-
Community Equipment Provision	400,000	-	-
Double to Single Handed Care Equipment Provision	150,000	-	-
Community Equipment – Specialist Projects	232,435	-	-
Community Equipment Stores Improvements	65,000	-	-
Programme Support	122,922	-	-
Digitising Social Care	50,000	405,000	-
Community Based Falls Equipment	10,200	-	-
Children’s Social Care			
Support for Fostering Placements	99,370	100,000	-
Community Equipment Provision	270,000	-	-
ICT Development & Transformation	133,545	-	-
Springbrook Refurbishment	28,923	-	-
Springbrook Vehicle	70,000	-	-
Communities			
Leisure Centres – Essential Works	293,748	103,000	-
Libraries – Centres of Excellence	172,176	105,843	-
Sefton Libraries Live	30,000	-	-
Library Improvement – Tech Rooms	73,857	-	-
Neighbourhoods Projects	80,886	-	-
Local Authority Housing Fund	1,300,000	-	-
UK Shared Prosperity Fund	58,143	76,174	-
Corporate Resources			
Council Wide Essential Maintenance	1,762,785	23,000	-
Sustainable Warmth Schemes	760,092	-	-
ICT Transformation	73,812	-	-
Economic Growth & Housing			
Cambridge Road Centre Redevelopment	227,069	-	-
Crosby Lakeside Redevelopment	673,935	33,219	-
Strategic Acquisitions – Ainsdale	310,000	566,303	-
Marine Lake Events Centre	4,863,327	16,770,090	43,205,556

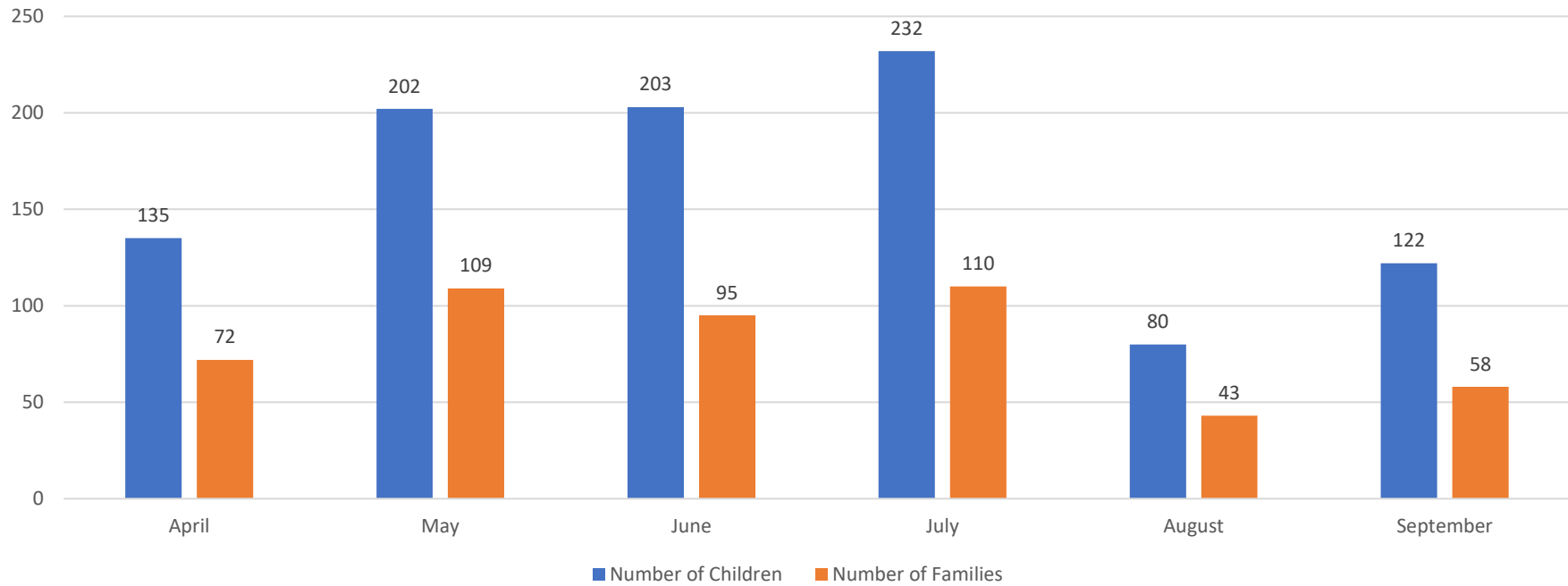
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	2023/24 £	2024/25 £	2025/26 £
The Strand – Maintenance and Improvements	40,000	375,000	75,000
Enterprise Arcade	1,233,208	393,561	-
Transformations de Southport	1,425,000	1,075,000	-
Bootle Canal Side Business Plan	813,867	-	-
The Strand – Repurposing Programme	680,000	-	-
Housing Investment	-	33,960	-
Social Housing Allocations Scheme	13,590	-	-
Brownfield Fund for Housing Development	1,082,336	-	-
Southport Pier	3,040,588	107,679	-
UK Shared Prosperity Fund	-	58,764	-
Education Excellence			
General Planned Maintenance	365,605	30,249	-
Schools Programme	3,404,906	7,007,107	-
Sporting Betterment of Schools	1,583,215	-	-
Special Educational Needs & Disabilities	4,000,508	592,198	-
Highways and Public Protection			
Accessibility	668,143	-	-
Healthy Lifestyles	387,263	-	-
Road Safety	157,638	-	-
A565 Route Management and Parking	1,114,674	-	-
A59 Route Management Strategy	1,065,000	2,100,426	322,000
Strategic Planning	4,041,090	-	-
Traffic Management and Parking	55,000	-	-
Highway Maintenance	6,329,191	-	-
Bridges and Structures	475,000	1,900,000	-
Drainage	443,181	-	-
Street Lighting Maintenance	326,823	-	-
LED Street Lighting Upgrade	3,605,580	3,662,630	-
Urban Traffic Control	1,513,249	-	-
Completing Schemes and Retentions	40,000	-	-
Transport Growth Programme	-	789,813	-
Operational In-House Services			
Coastal Erosion and Flood Risk Management	1,285,194	1,916,883	898,000
Countryside Stewardship	11,659	-	-
Crosby Marine Lake Improvements	10,803	-	-
Parks Schemes	83,943	814,035	-
Tree Planting Programme	49,769	78,885	-
Golf Driving Range Developments	2,197	280,280	-
Ainsdale Coastal Gateway	-	866,175	-
Green Sefton – Vehicles, Plant & Machinery	149,487	-	-
Refuse Collection & Recycling	-	345,000	-
Vehicle Replacement Programme	1,779,494	-	-
UK Shared Prosperity Fund	271,616	152,203	-
<u>Total Programme</u>	60,408,881	42,956,498	46,350,264

Q2 July to September 2023

Children & Young People - Improving outcomes for children and their families.

Early Help (EH) cases held & EH case closed with positive outcomes achieved



In Quarter 2 reporting, our Early Help Service supported 439 children (211 families) of which 49% of families reported that they achieved all the outcomes set by the family to address their needs/difficulties. The remaining 51% of our families reported that early help support, and interventions helped to address some of their needs but not all.

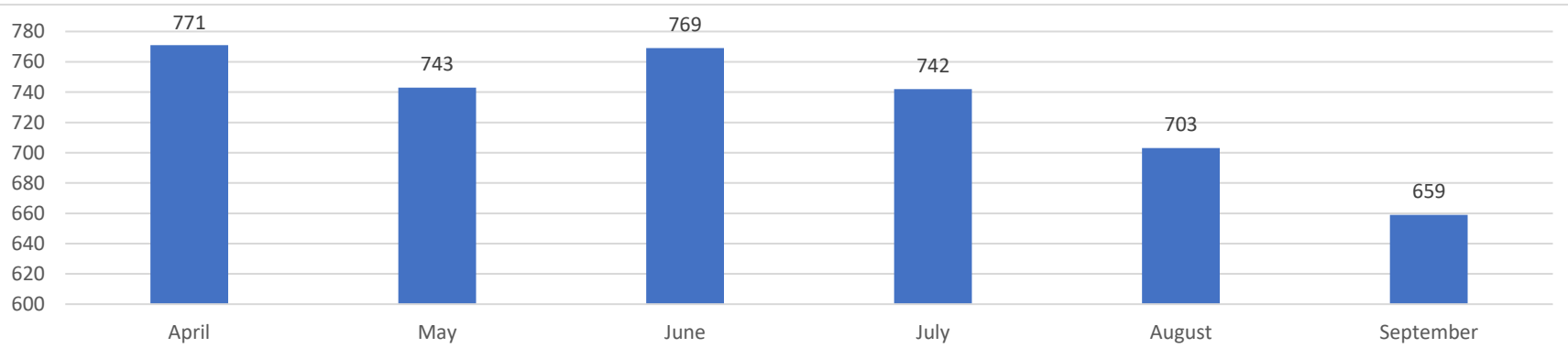
Following the implementation of the revised Early Help Assessment and closures on the EHM system, the outcome measures have been changed and re-aligned with the Supporting Families Framework. The Supporting Families outcomes are broken down into 10 key sections;

- Getting a Good Education

- Good Early Years Development
- Improved Mental and Physical Health
- Promoting Recovery and Reducing Harm from Substance Use
- Improved Family Relationships
- Children Safe from Abuse and Exploitation
- Crime Prevention and Tackling Crime
- Safe from Domestic Abuse
- Secure Housing
- Financial Stability

The new system will enable Early Help to provide a more detailed and outcomes-based performance measures to evidence the impact of our early help offer, support and interventions provided to our families.

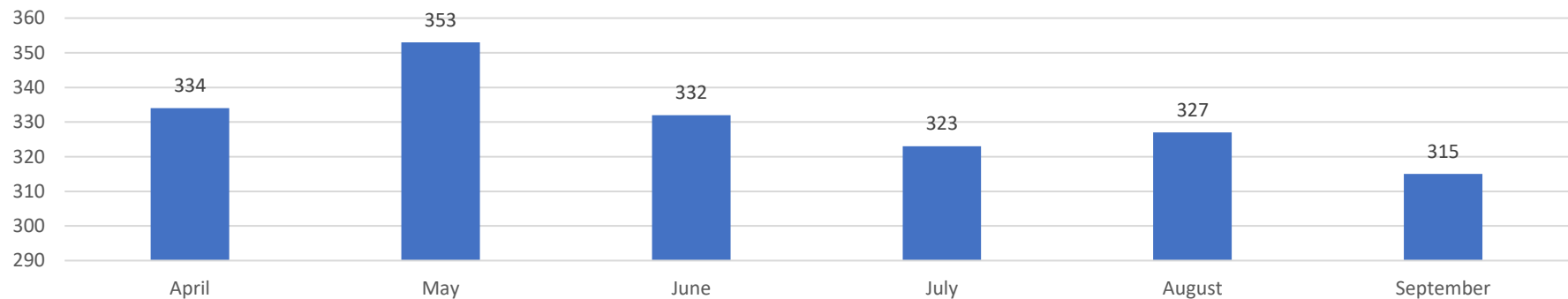
Number of Children on a Children In Need Plan



- A child in need is one who has been assessed by Children’s Services as needing services, including family support and Early Help Services as syet out in Section 17 of the Children Act 1989. Typically, we would compare the rate of children in need with other LAs at a national and regional level, but there are no direct performance comparators with other Local Authorities. At the end of September 2023, there were 659 children open to Child in Need (CIN) services, support and interventions.

- There has been a significant decline from August to September 2023 in the number of children in need (0-17yrs) with a child in need plan (a decrease of 44 children). The current rate of children subject to CiN planning is the lowest figure in Sefton for 2 years. The reductions has been caused by the decreasing number of referrals into social care although the number of contacts remains consistent. Over the last 12 months we have seen this conversion rate from contact to referral figure drop from roughly a third of contacts converting into referrals to down to approximately 20%. This 20% figure is now in line with regional conversion rates. With the number of contacts largely static at approximately 1,250 per month, the lower conversion rate means approximately 100 fewer young people access social care and instead they are accessing Early Help Services from the partnership or signposting to relevant resources to support families.
- Additional quality assurance processes have been implemented to ensure the children and young people who are subject to CIN plans receive timely, good quality, child focused and evidence-based interventions. This is helping to improve the quality of practice.

Number of Children on a Child Protection Plan

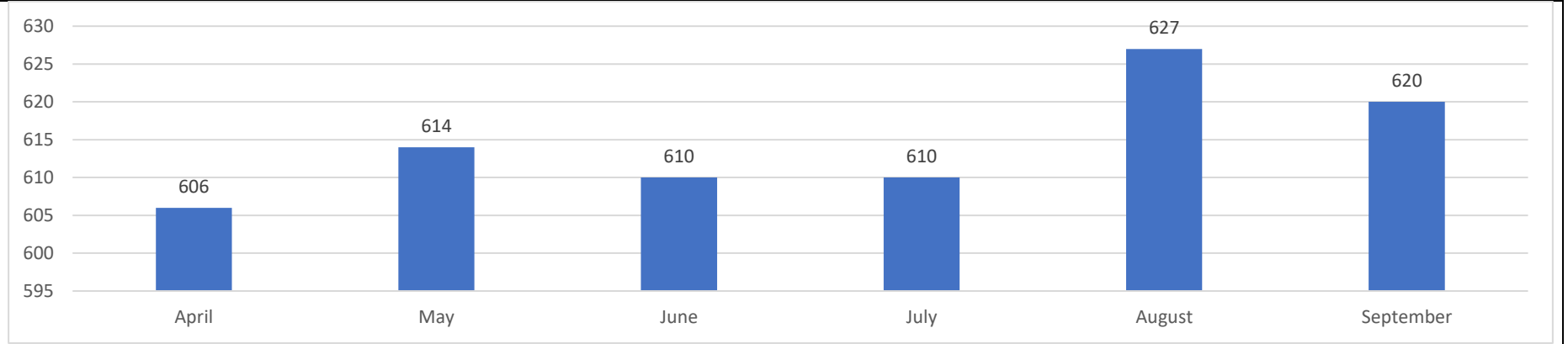


At the end of September 2023 there were 315 children who are the subject to a Child Protection Plan, which represents a rate of 56/10,000 children aged 0-17yrs in Sefton. Since 2013, the rate of children who are the subject of a Child Protection Plan in Sefton has been marginally above the national comparable rate, but below the rates seen across statistical neighbours and local authorities in the Northwest.

The number of children subject to child protection planning continues to fall to a rate approaching the national figure. Additional Scrutiny for the children who have been subject to CP Plans for more than 15 months supported to ensure the plans are purposeful and reduced drift and delays. 80 % of our children have been subject to CP Plans for less than 12 months which evidence timely and purposeful interventions.

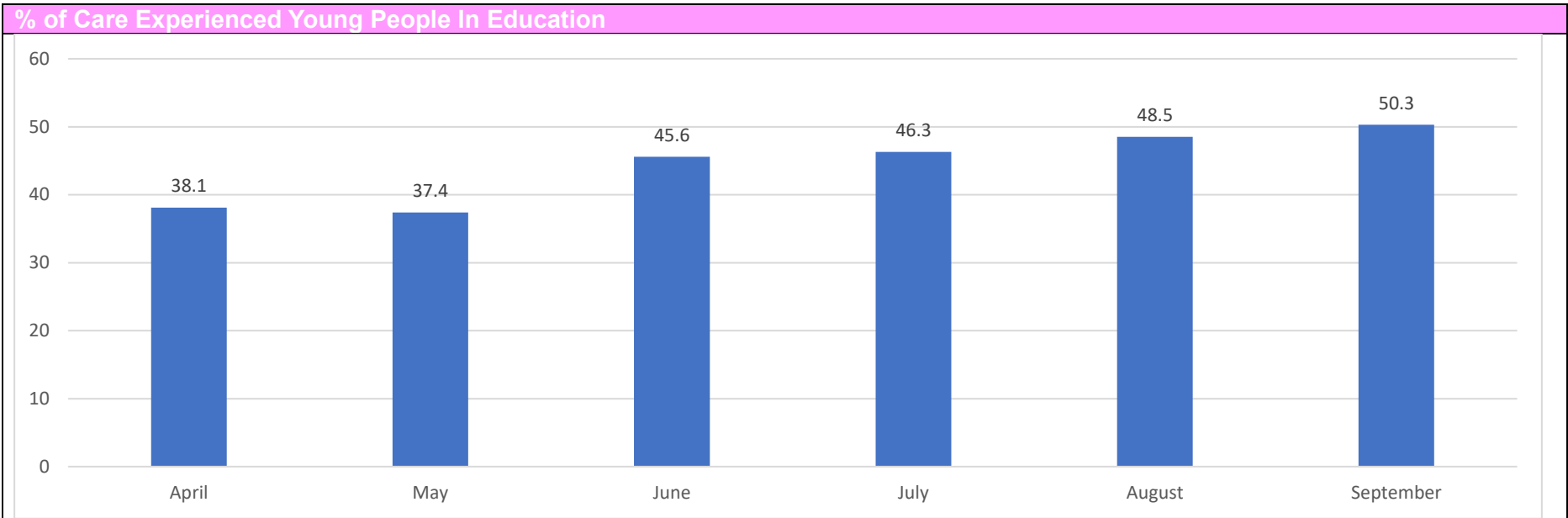
Increased management oversight of CP plans, supported by improved performance management scrutiny has gone some way to improve the quality of our practice for the children subject to CP Plans. There is also increased oversight of those plans where a decision to end at an early (3 month) stage is taken. This oversight is a direct response to the findings of earlier Ofsted monitoring visits.

Open Episodes of Cared for Children



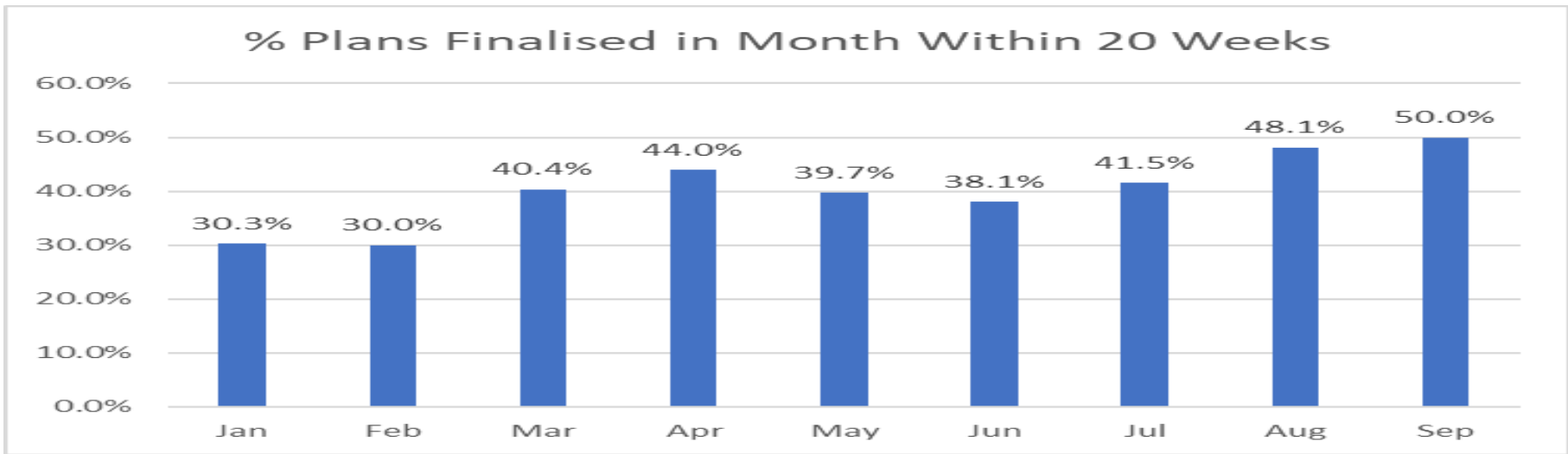
At the end of September 2023, there were 620 cared for children (CLA) with an open episode of care, which represents a rate of 115/10,000 children under 18yrs in Sefton. Between 2013 and 2023 the rate of children cared for in Sefton has been broadly consistent with the rates seen across the Northwest and statistical neighbours, but above the national rate. However, since 2020, the rate of children cared for in Sefton has been above the Northwest and statistical neighbours and significantly above the national rate.

The rate of cared for children remains broadly static, with the number fluctuating around the 615 number each month. The current rate of 115 per 10,000 is significantly above the regional and statistical neighbour rate. Were Sefton at the regional rate of approx. 97 per 10,000, the cared for population would stand at approximately 500. A number of these children (approx. 14%) are placed at home on Care Orders and there is significant ongoing activity aimed at seeking to discharge these orders before the Family Courts.



At the end of September 2023, there were 236 young people identified as Care Experienced. 119 of the cohort (50.6%) are in Education, Employment or Training (EET). There has been a steady increase of 4% of Care Experienced who are now in EET. EET provisions may include Further Education courses at sixth form colleges or vocational colleges (e.g., Hugh Baird or Southport Colleges) and apprenticeships.

SEND Education, Health & Care Plan % Plans completed in 20 weeks



The end of Q2 20-week performance was at 50% which is an overall improvement from 30% at the beginning of 2023 and an improvement of over 100% since this time last year as we align with the national average of 50%.

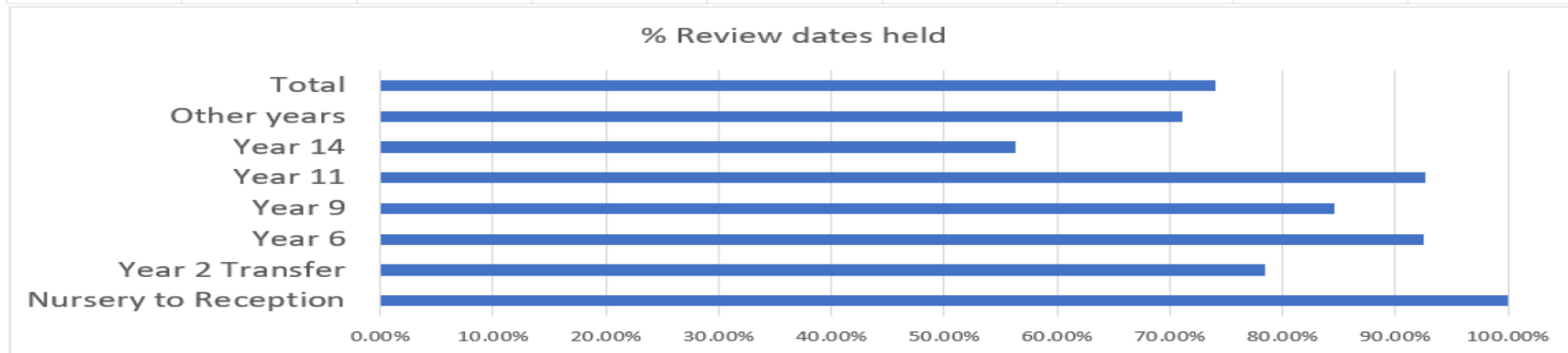
Case officer numbers are the same as 2020 (9.5) with a 45% increase in requests although we have recruited 5 fixed term staff incrementally since then. The increase in plans shown has been driven by increasing complexity of needs particularly in the areas of Autism/SEMH. Social care advice returns are over the 6-week timeline in the majority of cases, impacting on the rest of the assessment timeline.

To improve performance the following steps are being taken:

- Recruitment of additional officers, assistants and senior officer to increase service capacity to meet demand.
- Interim Team Manager post created to operationally manage the team's performance.
- We are working with social care to increase their compliance with the 6-week target for assessment information that will in turn improve the overall timeliness performance.

SEND Education, Health & Care Plans % Reviews Held for 22/23 academic year ending 31/08/2023

	Nursery to Reception	Year 2 Transfer	Year 6	Year 9	Year 11	Year 14	Other years	Total
% Review dates held	100.00%	78.41%	92.55%	84.62%	92.73%	56.29%	71.17%	74.00%

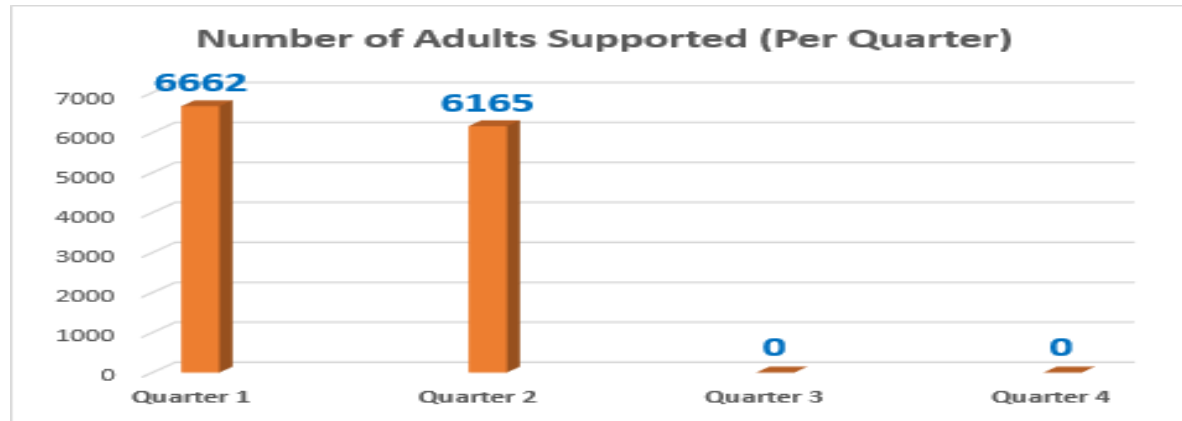


A review of a child’s or young person’s EHC plan checks their progress. A plan is in place to improve performance in this area, with additional programme management capacity in place.

Reviews have commenced again in September, however, as this is the first month back numbers are relatively low as the children are settling back into school. The actions to improve performance mirror the above.

Health & Wellbeing - Improving the health and wellbeing of everyone in Sefton and reduce inequality

Access to adult based targeted Active Sefton Services



Representative of access to:

Active Lifestyles (GP Referral and Weight Management) - a 12 week supported programme of physical activity and 6-week Weight Management Programme (Weigh Forward), which aims to provide residents who are above a healthy weight and/or suffer with/are at risk of developing Coronary Heart Disease (CHD) the opportunity to live a more active and healthier lifestyle.

NHS Health Checks - a statutory programme delivered by the Active Lifestyles team to eligible adults aged 40-74, which is designed to detect early signs of stroke, heart and kidney disease, type II diabetes and dementia.

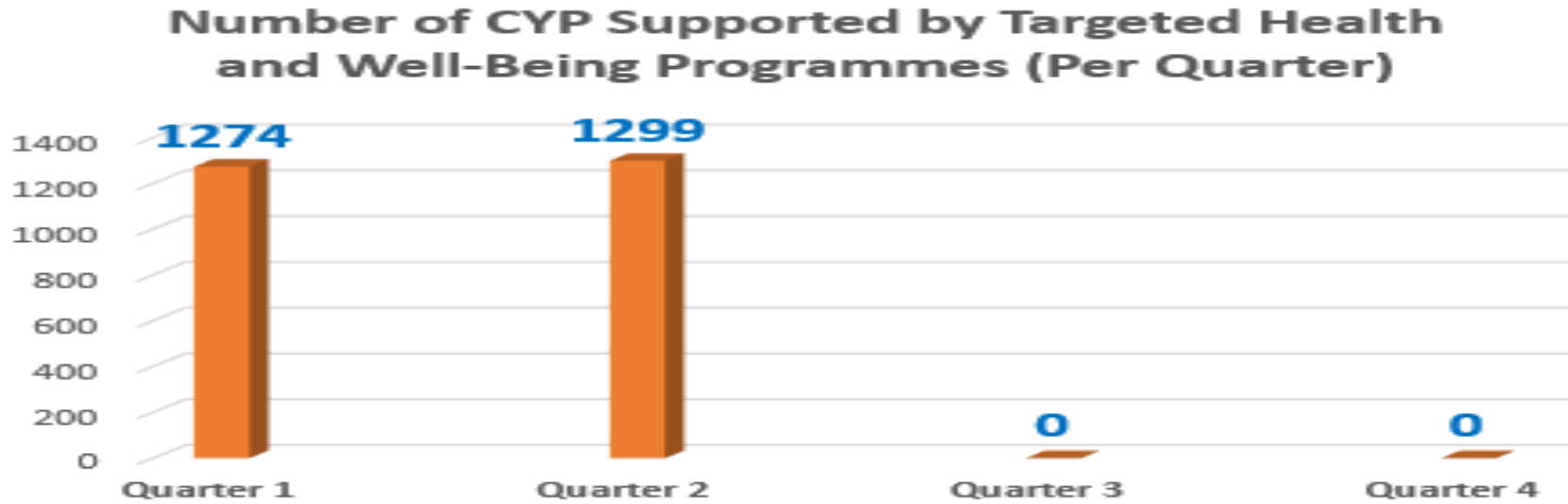
Active Ageing Falls Service – a 12-week strength and balance programme for residents over the age of 60 who are at risk of falling or have fallen. The service also incorporates support for social isolation and loneliness.

Active Workforce - a workplace wellbeing programme, aimed to improve the health and wellbeing of employees by breaking down all barriers leading to improved physical and mental wellbeing.

Analysis

The fall in the number of adults supported on these programmes is because of the impact of the summer holidays and time of year. During this period more people are out of their usual routine due to additional childcare responsibilities because of the school holidays, for example. The main reason for the drop in figures is from Active Workforce participants, who will have taken time off during the summer, resulting in less engagement. Whilst it is expected that participation figures will increase in Q3, the scheduling of events will be reviewed to ensure that participation is maximised outside of the seasonal variations referred to above.

Number of children and young people supported



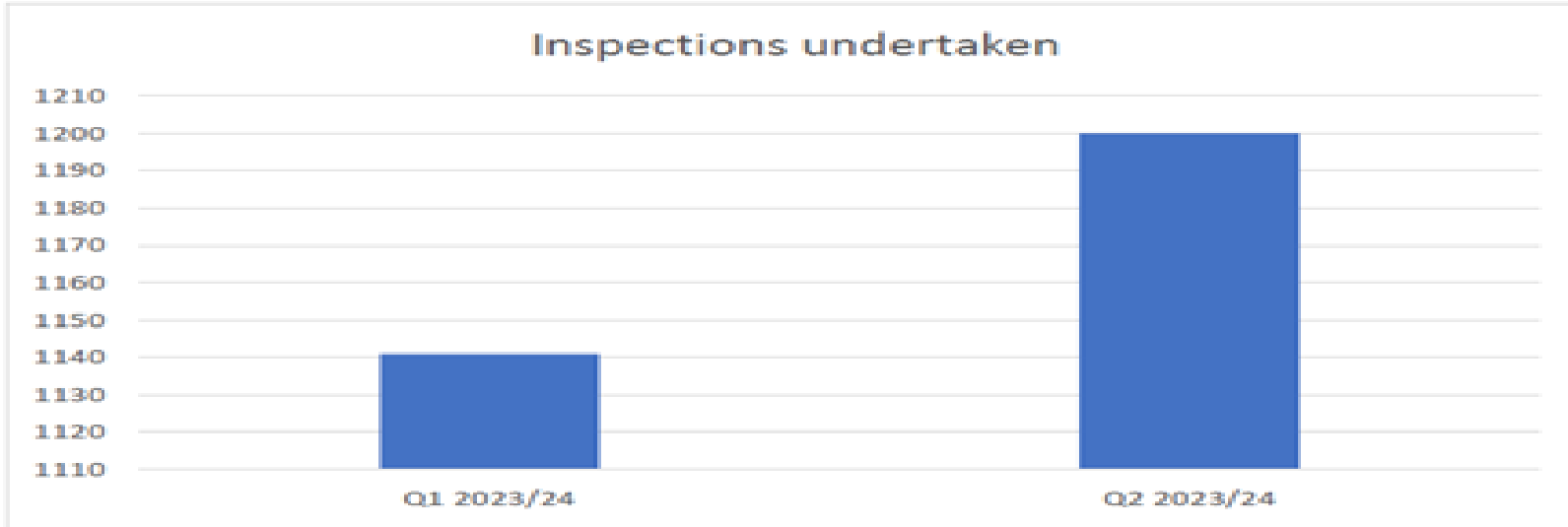
Representative of access to MOVE IT (Weight Management), 1-2-1 Programme (mental wellbeing) and Active Schools Service.

Numbers have remained consistent despite the school holidays which can impact the number of sessions delivered, particularly with the Active Schools programme over the summer holidays. Referrals have increased both for MOVE IT and 1-2-1 programme, highlighting the demand for both services, and the team have managed to adapt delivery to cater for young people out of their school routines. The launch of the Happy 'n' Healthy service is also offering a coordinated approach to referrals across the Public Health commissioned services and raising the profile of Active Sefton programmes across partner organisations.

There were a further **3306** attendances through the community delivery of summer holiday Be Active and Park Night sessions.

Public Protection Inspect Public Protection Inspections Undertaken

	Q1 2023/24	Q2 2023/24	Grand Total
Inspections undertaken	1141	1200	2341

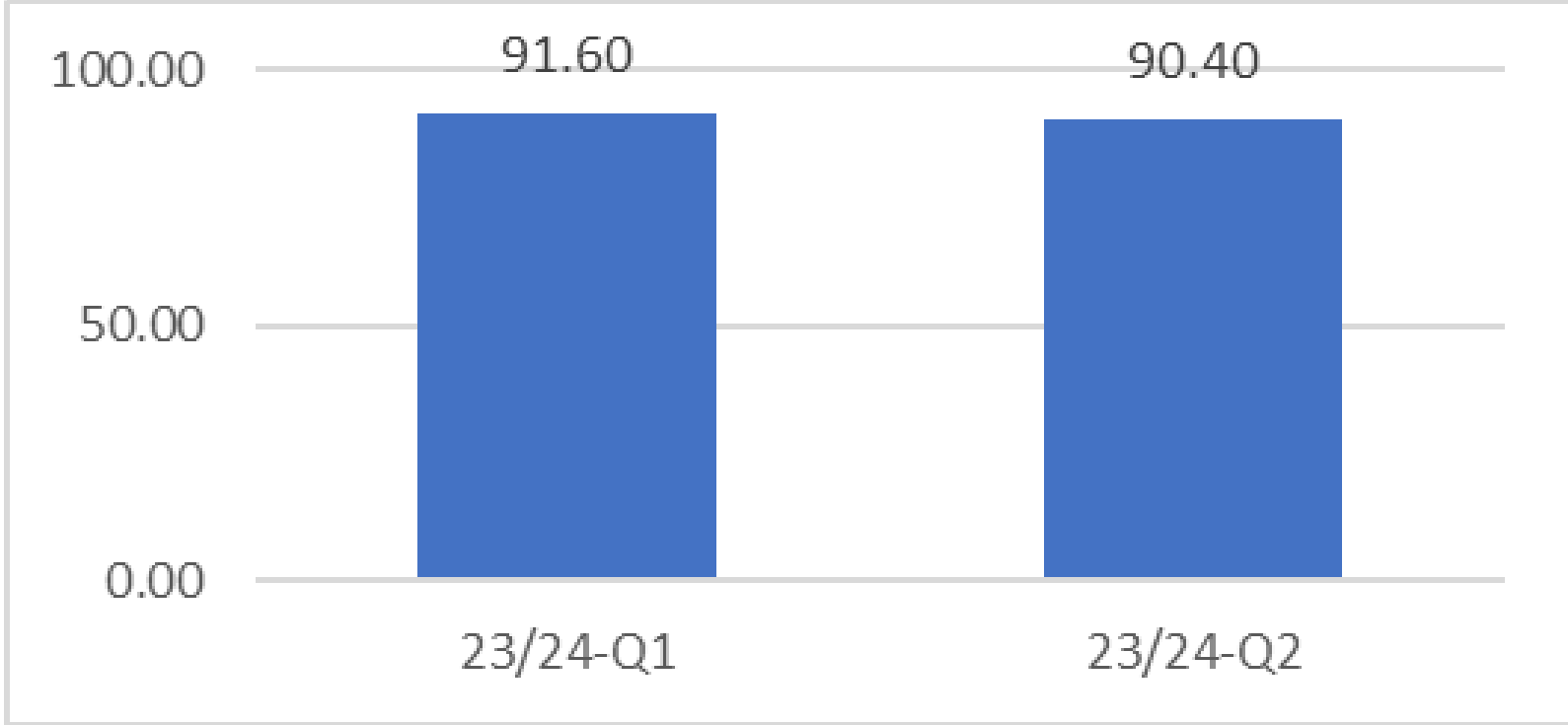


The Public Protection service undertakes a range of Food Safety, Health and Safety, Pollution Control, Trading Standards and Licensing inspections. These inspections enable us to monitor businesses, provide them with advice and guidance on legal requirements, and to take enforcement action when necessary. The Inspection programmes are an important activity for maintaining standards and ensuring that people are protected from harm and protect good businesses from unfair competition by those who try to cut corners with compliance.

The Food Hygiene and Standards inspections program is determined by The Food Standards Agency and the risk rating of the premises. Inspections have seen an increase comparative to Quarter one (28.5% and 23.4% respectively) this is in line with expectations and ensures that the council is on target to deliver its annual program to maintain food safety. A targeted focus on gas safety within catering premises has also contributed to the increased numbers of inspections this quarter (58) and consequential improvements to health & safety within this sector. Animal Feed Surveillance inspections of feed product entering the country through the Port of Liverpool has remained consistent across the two quarters (274/258) ensuring successful monitoring and prevention of unsafe product entering the food chain.

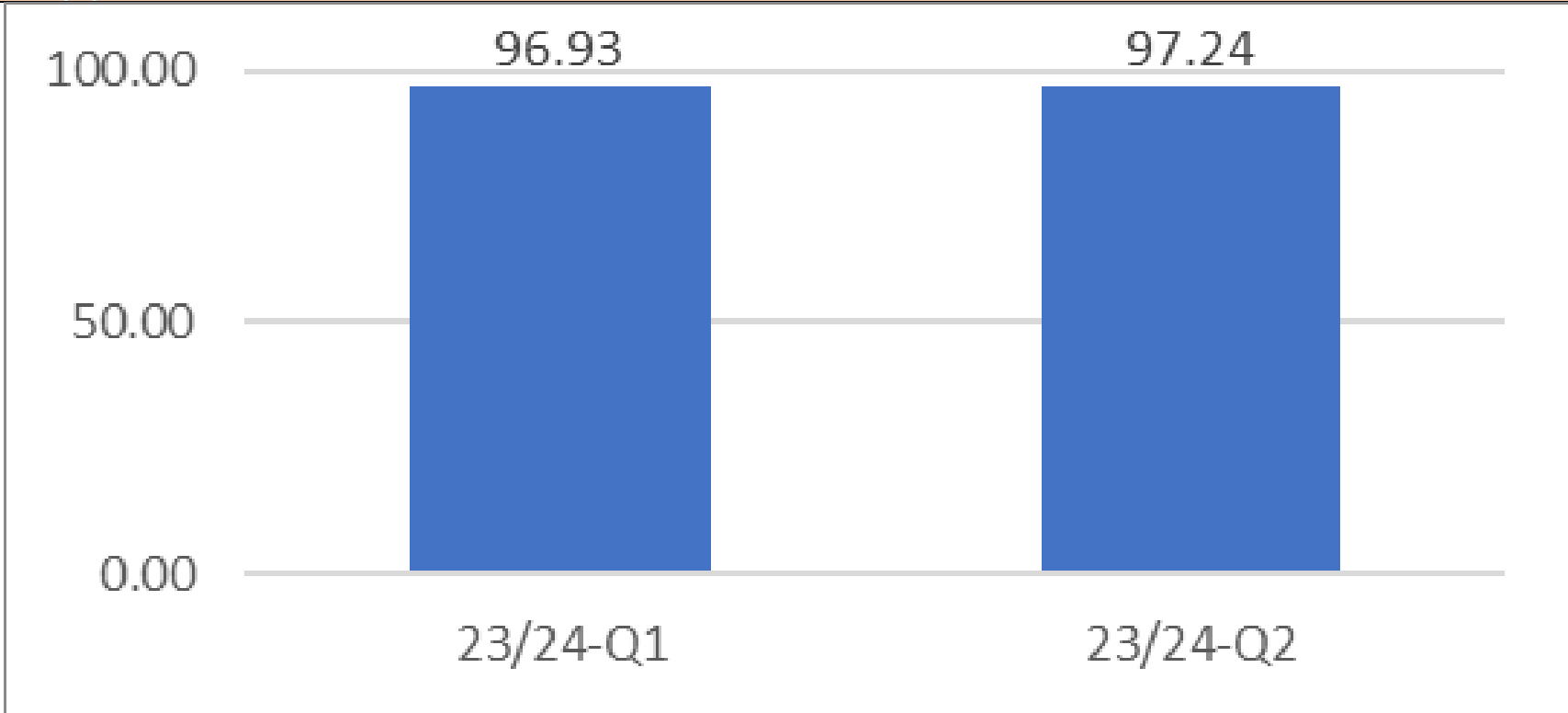
Adult Social Care - Empowering people to live an independent life, exercise choice and control, and be fully informed.

Proportion of older people 65 and over who were still at home 91 days after discharge from hospital into reablement/rehabilitation services effectiveness of the service (2B1) (%)



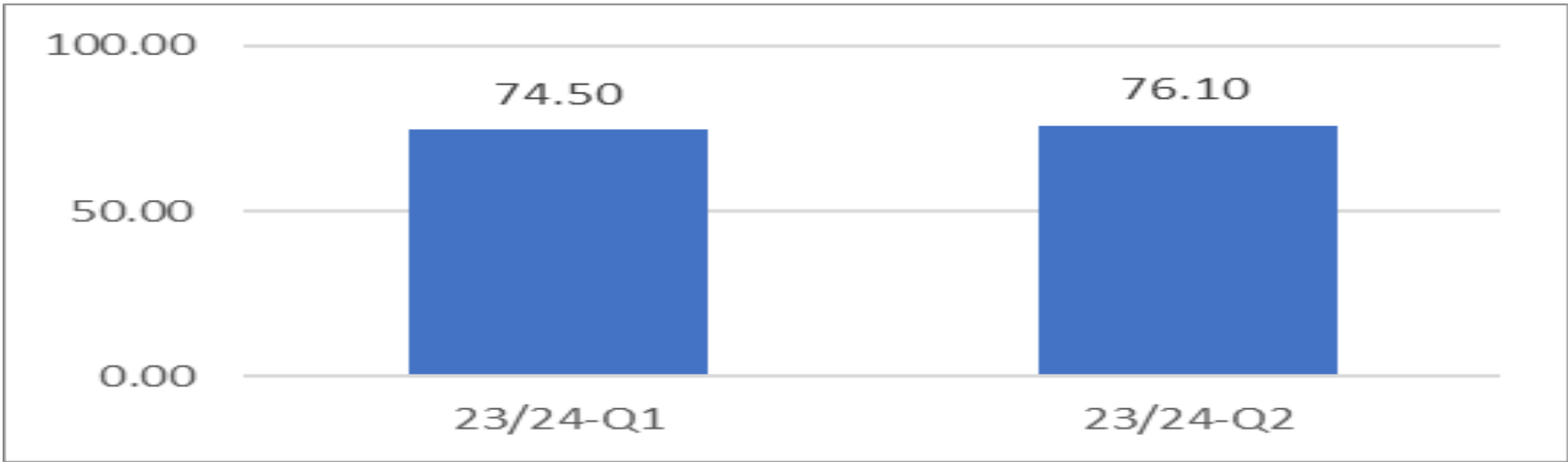
The Adult Social Care Outcomes Framework (ASCOF) measures nationally how well care and support services achieve the outcomes that matter most to most people. Supporting people to return home and regain their independence after a period in hospital is a key area of work for Adult Social Care. Upon leaving hospital individuals are supported at home receiving reablement and rehabilitation services who help people get back to their optimum so they can regain their confidence and independence. Sefton continues to perform well in in this area. The proportion of clients aged over 65 who are still at home 91 days after hospital discharge into reablement stood at just over 90% at the end of Q2. The Council has now moved to the top quartiles both nationally and in the North West for this measure. Given the importance of reablement services, we are continuing to work with our local partners to expand capacity in this area.

Proportion of Adult Social Care Safeguarding Enquiries concluded where people's preferred stated outcomes were fully or partially met (%)



Adult Social Care has a responsibility to safeguard vulnerable people who have care and support needs. Making Safeguarding Personal (MSP) is a national initiative' aiming to encourage an outcome focused and a person-centred approach in safeguarding work. We ask those involved in a safeguarding episode what their preferred outcome would be, MSP indicates the percentage of people who had their preferred outcome fully or partially met. Whilst specific circumstances may mean that it is not always possible for an individuals desired outcomes to be achieved this is a key aspect of our safeguarding work. In Q2, the proportion of safeguarding enquiries where the preferred outcome has been fully or partially met, stood at just over 97%- a small improvement from Q1. Compared to local authorities in the North West region we ranked in the top quartile.

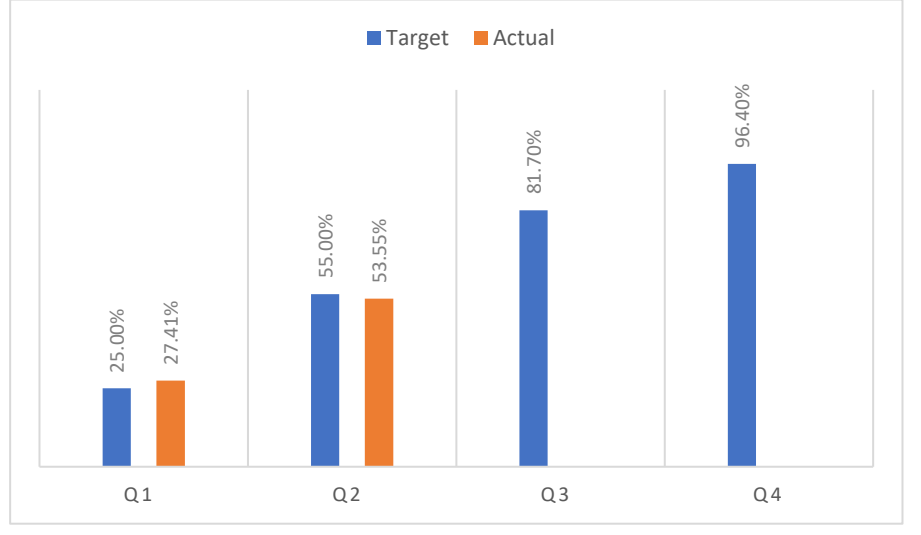
Proportion of people whose initial service was short term who did not go on to long term services (%)



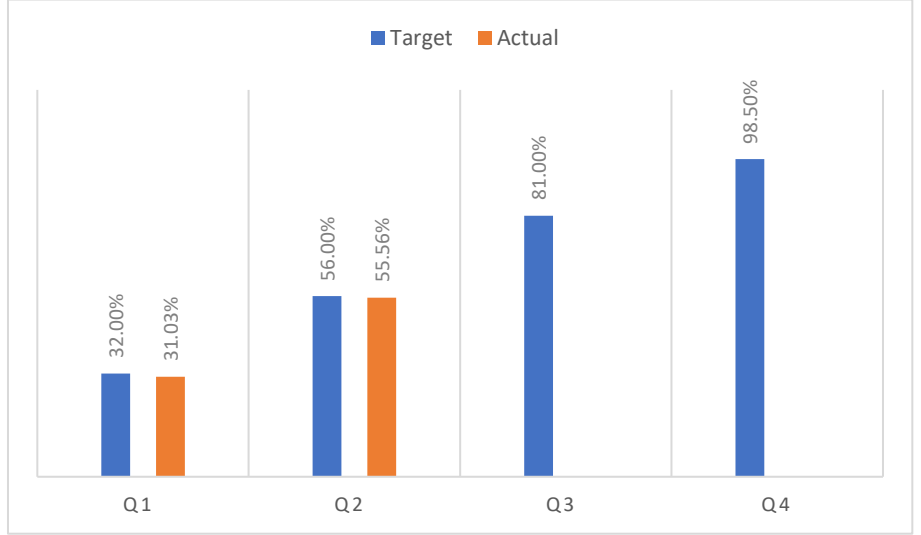
Adult Social Care aim to support people to be as independent, wherever possible living at home and having strong links with their communities. Whilst it is recognised that some people may need long term services, this measure specifically shows the proportion of people whose short-term service resulted in a reduced, or no ongoing, need for support. A key responsibility of Adult Social care is to ensure early help and intervention helping people to delay the need for long term services. End of Q2 saw 76% of short-term support clients not going into long term support or receiving a support at lower level- an improvement of just over 1.5 percentage points from Q1. At the end of Q2, Sefton was outside the top quartile for North West. This remains a key area of focus.

Working for Our Communities Every Day - Working together to deliver affordable services which achieve the best possible outcomes for our communities

Council Tax Collection Rates %



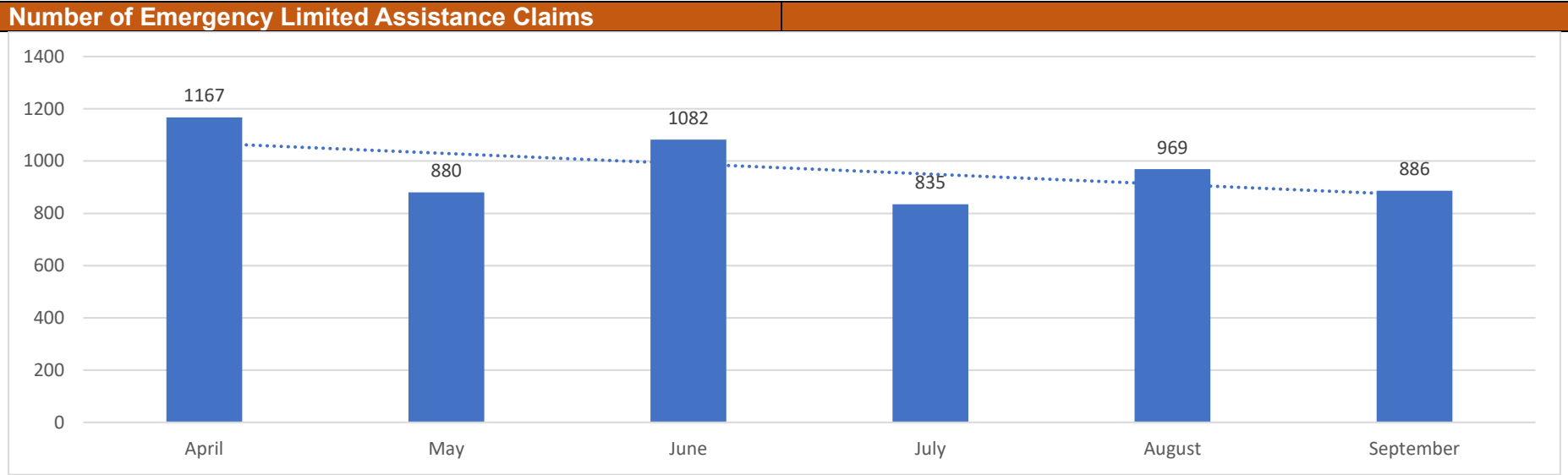
Business Rates Collection Rates %



Council Tax collection is currently volatile across the country however the position in Sefton has remained stable over the last 18 months. The Q2 position shows a slight variance against target however at present there is no clear trend or driver that is promoting this position. The Council continues to be pro-active in its management, engagement, collection and enforcement activities however this position will require robust monitoring over the next 6-8 weeks to determine if the movement in Q2 is to have a longer-term impact.

This is especially true as this informs budget setting for 24/25.

Business Rates collection continues to be close to target with no cause for concern at present. However as with Council tax collection, current economic circumstances mean this has the potential for volatility between now and the end of the year. As a result, this position will be reviewed on a regular basis over the next 2 months.



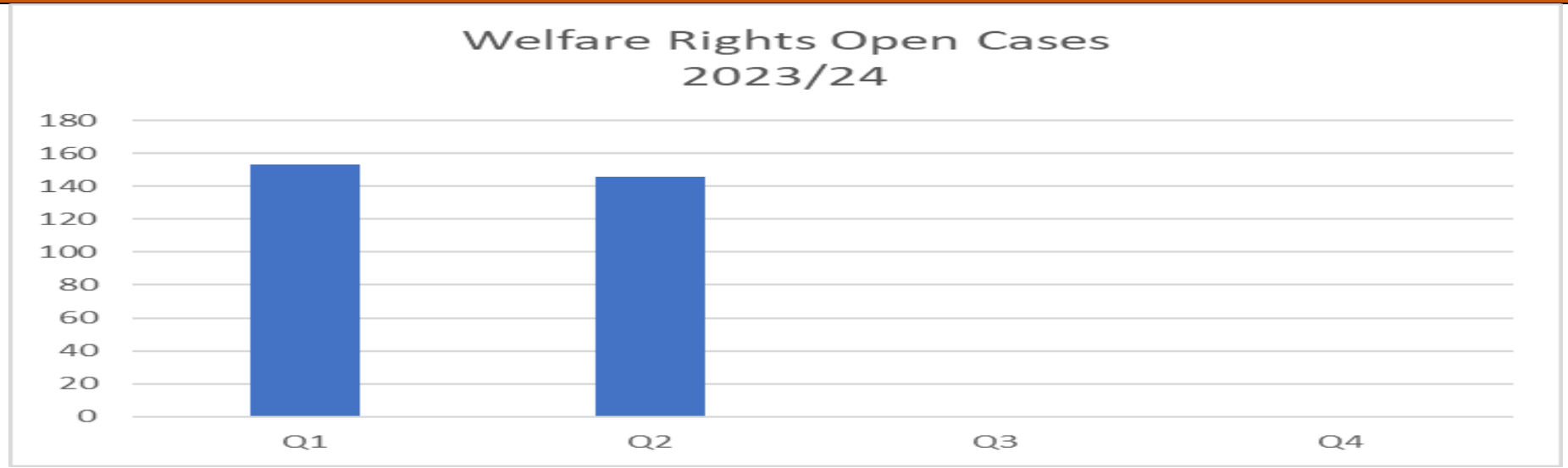
Sefton's Emergency Limited Assistance Scheme (ELAS) is available to support local people. This is for if those experiencing severe hardship, a disaster or emergency. The Council has received **5,819** ELAS applications this compares to the **5,455** received at the same point last year.

Demand has dropped from end of April which is probably due to the DWP cost of living payments being issued, these volumes are monitored on a weekly basis. Also, the availability of the Open Access HSF Application scheme is providing some applicants with an alternative route for support, rather than ELAS. There have been **1,649** food vouchers provided, compared to **1,738** provided at the same point last year and there have been **2,024** utility awards, down on the **2,644** the previous year.

The second phase of the Open Access HSF scheme went live from April 2023 and currently a total of **5,137** applications have been received, the Council has made **3,455** awards and a total of **£744,900** has been spent/ committed through the Post Office Pay Out Service.

Whilst there has been some year-on-year fluctuation in volumes, the demand for all of these programme remains exceptionally high with substantial support being provided to residents. The availability of this support will continue to be communicated via all channels in order that residents are aware of what can be provided. With the variety of options that are available, work will also be required to ensure that sufficient funding and provision is available to residents throughout the year and especially as winter approaches. A true assessment of demand will only be available after this period.

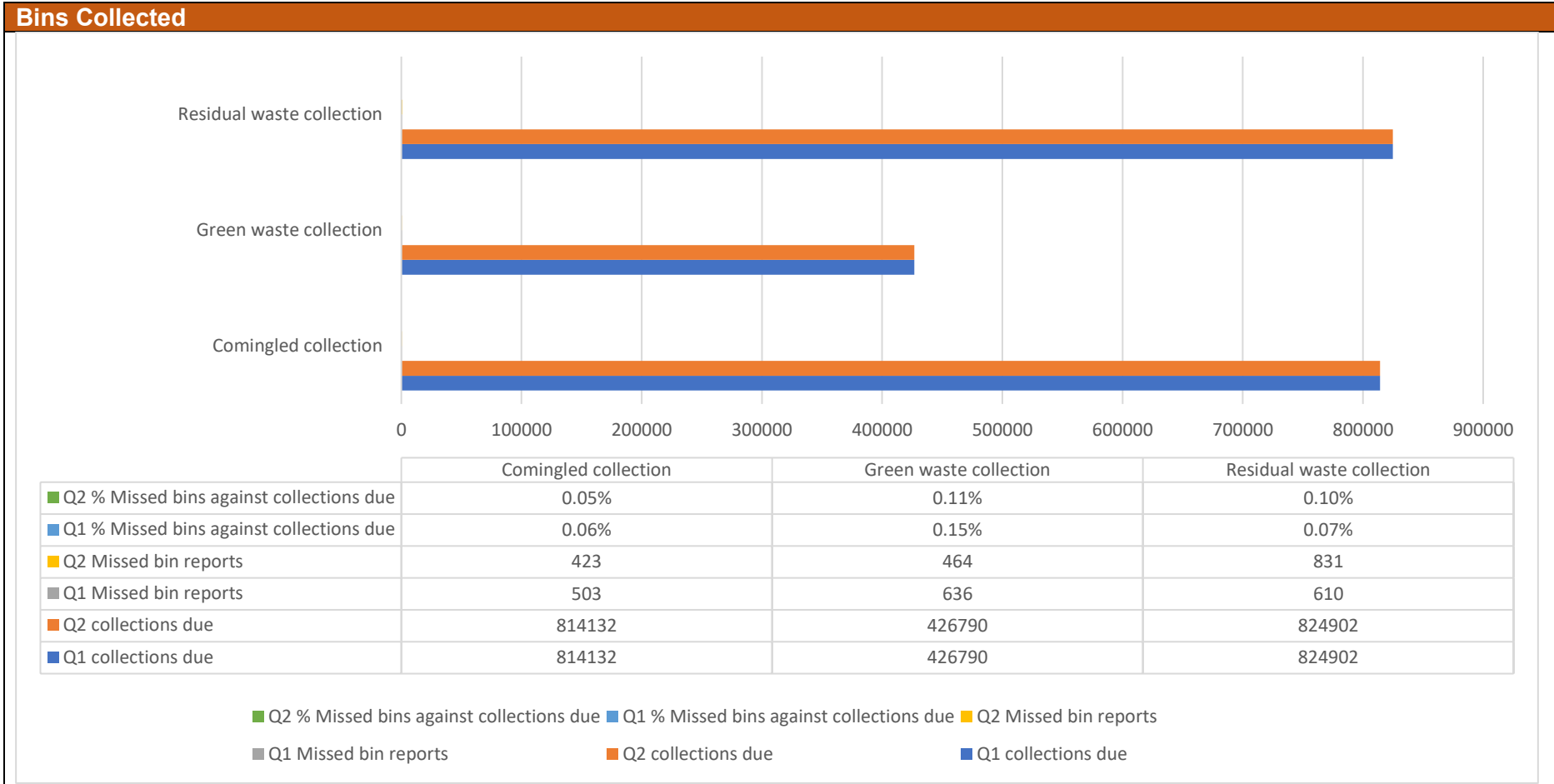
Welfare Rights Open Cases



To ensure that people claim their full entitlement Sefton Council provide a Welfare Rights Team consisting of a number of expert advisers. The team can provide advice and guidance for people who live or work in Sefton across the entire range of Welfare Benefits. Welfare Rights also provide advice sessions and offer appointments to help with the following:

- Advice on claiming appropriate benefits.
- Help to complete benefit claim forms.
- Assistance to challenge Benefit decisions, including tribunal representation where appropriate.
- Advice regarding back to work benefits and better off calculations.

Welfare Rights received 731 contacts through the advice line in Q2 and have worked on 146 open cases. This is a slight decrease from Q1.

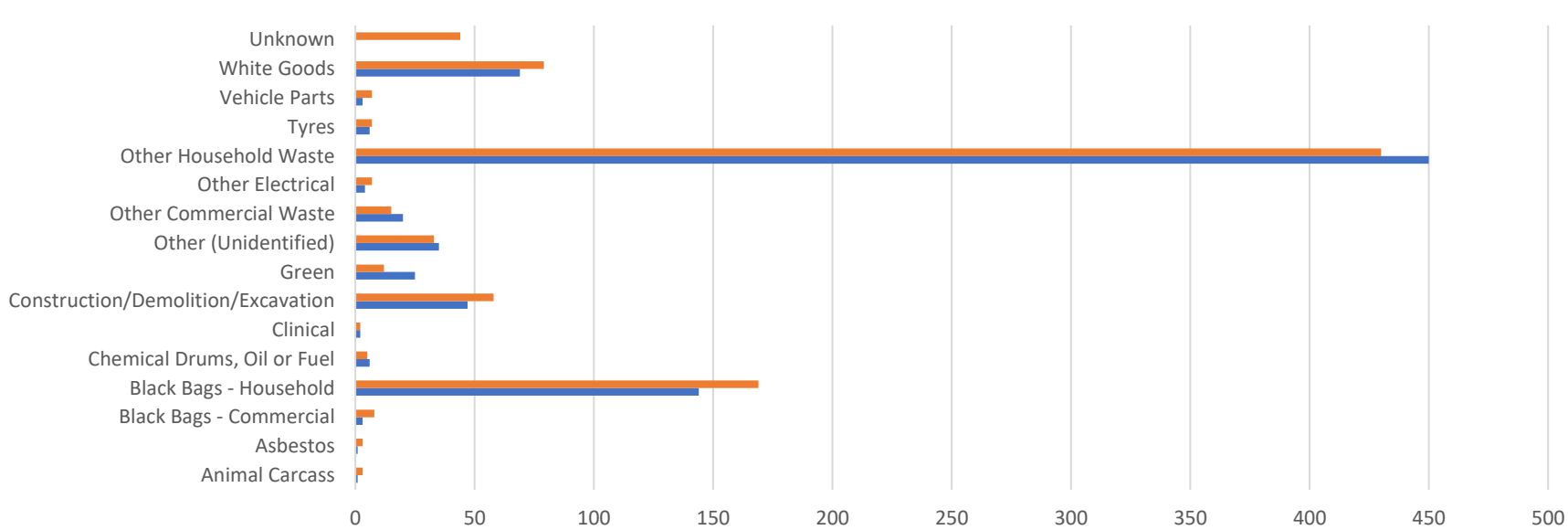


The Waste Management Service continue to deliver a high-quality service provision for the collection of all waste streams from residential properties. Whilst the number of missed bins is very low, there is always room for improvement from both staff in their vigilance of collections and residents in ensuring waste is presented correctly. Additionally, it is essential that comingled bins contain the correct recyclable items to prevent contamination once the load reaches the transfer station for onward sorting.

Q2 has seen an improvement in the number of missed collections for both comingled and green waste, however, there has been an increased reporting of missed bins for the residual waste stream. These statistics are shared with the supervisory team to inform their monitoring activities

moving forward with the aim of continued service improvement and some additional staff resource has been identified to assist the teams with analysing the reasons for missed collections with an aim of improving this aspect of performance.

Flytipping



	Animal Carcass	Asbestos	Black Bags - Commercial	Black Bags - Household	Chemical Drums, Oil or Fuel	Clinical	Construction/Demolition/Excavation	Green	Other (Unidentified)	Other Commercial Waste	Other Electrical	Other Household Waste	Tyres	Vehicle Parts	White Goods	Unknown
Q2	3	3	8	169	5	2	58	12	33	15	7	430	7	7	79	44
Q1 2023/24	1	1	3	144	6	2	47	25	35	20	4	450	6	3	69	0

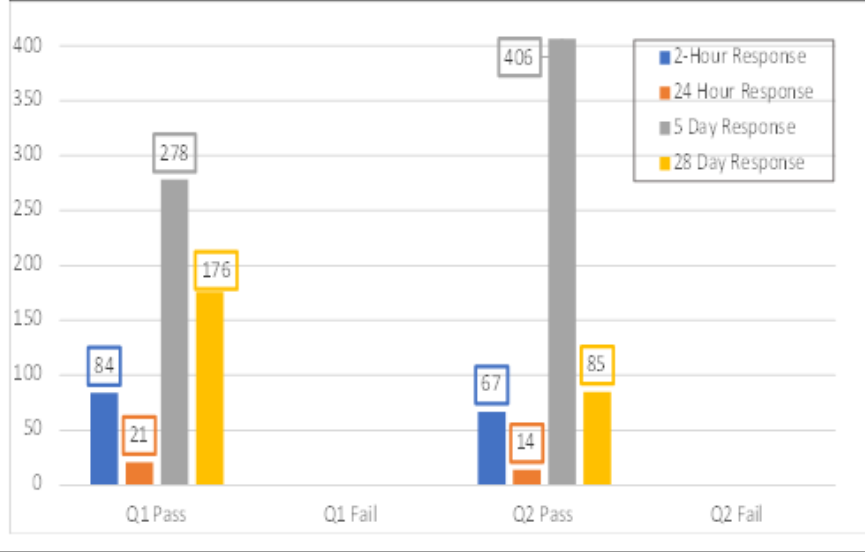
Q2 Q1 2023/24

Fly tipping is defined as "the illegal deposit of any waste onto land that does not have a licence to accept it" as defined by the Keep Britain Tidy Group. Within Sefton, fly tipping continues to be an on-going issue and a blight on the Borough. There is focussed work underway to identify options for reducing the levels of flytipping including behaviour change, communication campaigns and highlighting land ownership and responsibilities where the land is not owned by the Council. The Council offer a Bulky Household Waste Collection Service at a competitive rate for residents to utilise for the correct disposal of household waste. Members of the public can report incidents of fly tipping via the Council's website at <https://www.sefton.gov.uk/bins-and-recycling/bins-and-recycling/litter-and-fly-tipping/fly-tipping/> Further education is required to

assist members of the public to act correctly when disposing of waste. Fly tipping is a national problem and the government publish data regarding the volume of fly tipping incidents. Latest figures are available at [Fly-tipping statistics for England, 2021 to 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

Street Lighting – response to notified faults

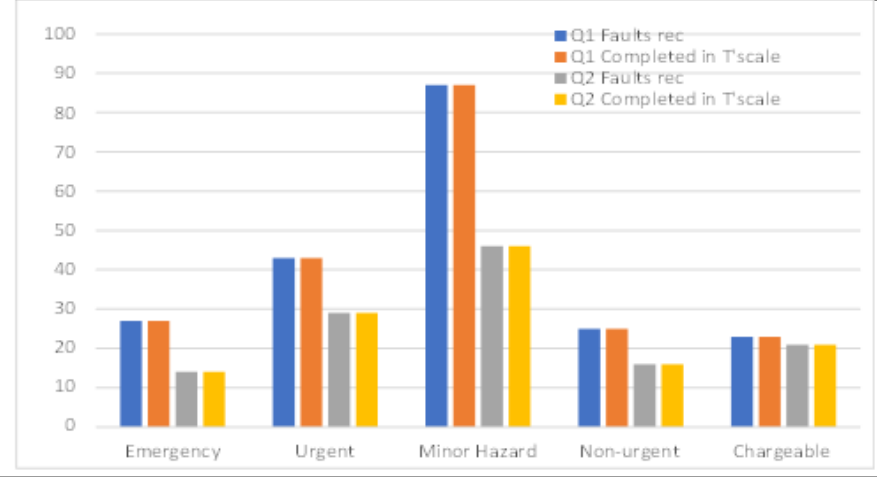
	Q1 Pass	Q1 Fail	Q2 Pass	Q2 Fail	Q1&2 Total
2-Hour Response	84	0	67	0	151
24 Hour Response	21	0	14	0	35
5 Day Response	278	0	406	0	684
28 Day Response	176	0	85	0	261



The Council has approximately 37,000 streetlights on its highways and recognises the importance of keeping them working well. When we are notified of faults, we assess the urgency of repair (e.g., 2-hours; 24 hours, 5 days etc.) allocate a target time for repair and pass it on to our appointed Contractor. We then monitor their performance against the targets. The contract includes financial penalties that can be applied if they fail to meet the required level of performance.

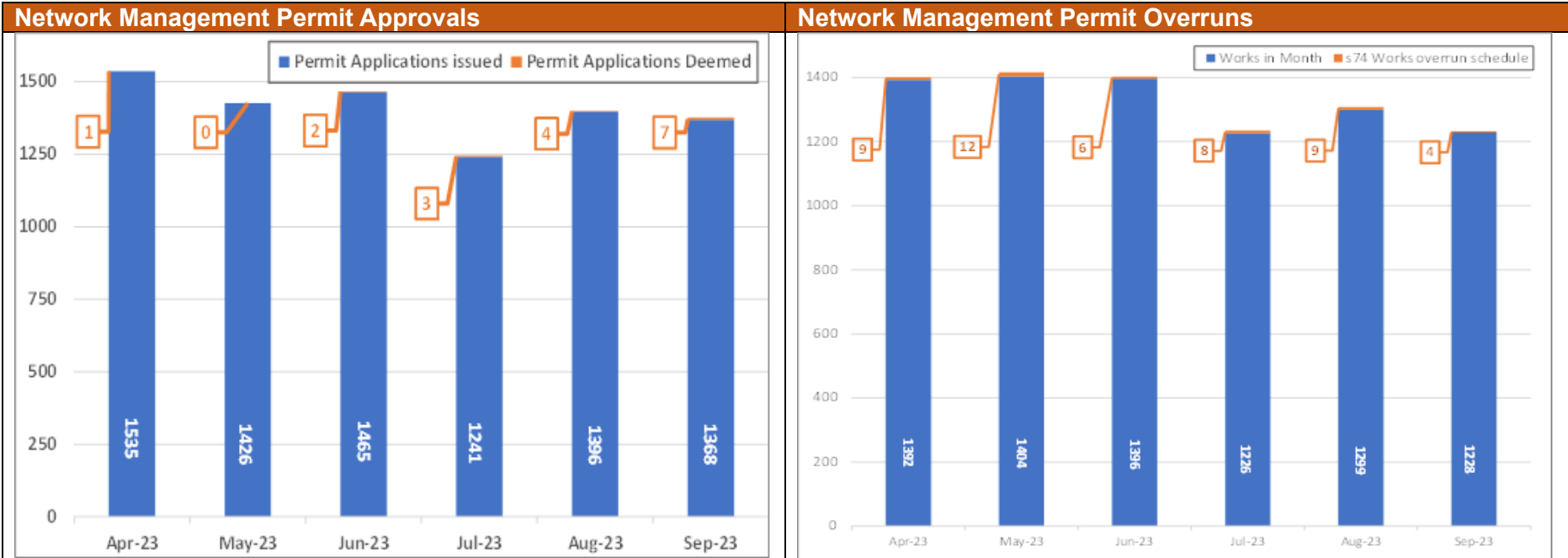
Urban Traffic Control – response to notified faults

	Q1 Faults	Q1 Comp in Time	Q2 Faults	Q2 Comp in Time	All
Emergency	27	27	14	14	41
Urgent	43	43	29	29	72
Minor Hazard	87	87	46	46	133
Non-urgent	25	25	16	16	41
Chargeable	23	23	21	21	44



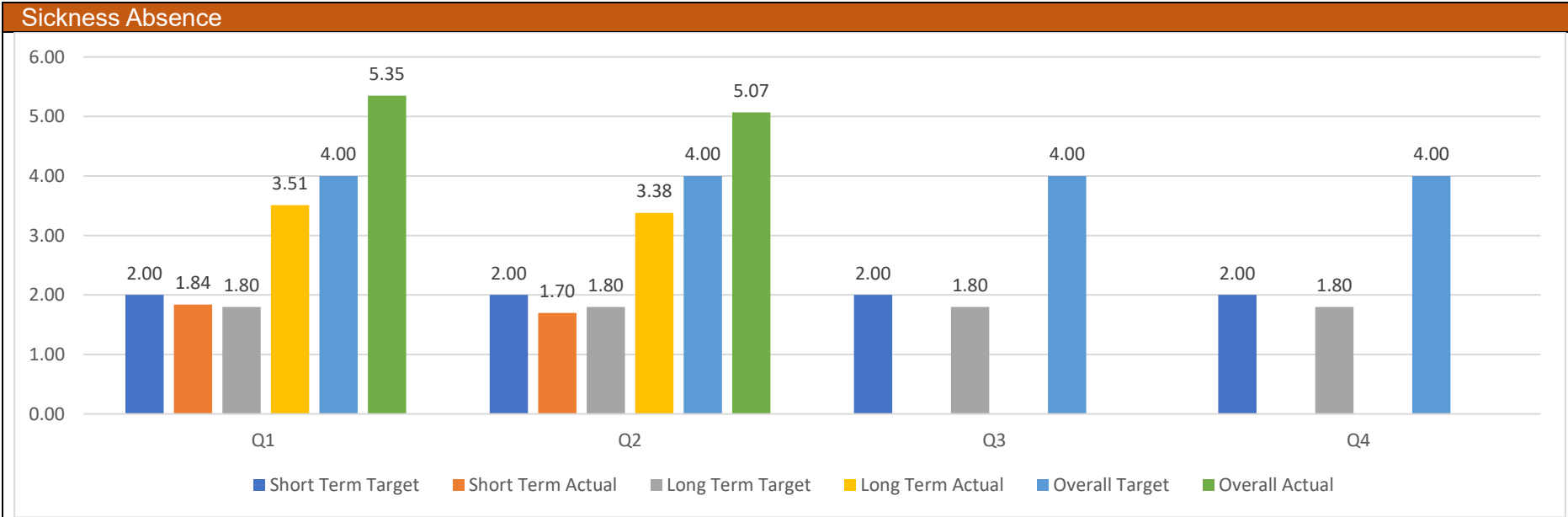
Urban Traffic Control (UTC) refers to our connected network of Traffic Lights and signal-controlled pedestrian crossings. Keeping these working well is essential for keeping people safe and the highway network flowing. When we are notified of faults, we assess the urgency of repair (e.g., emergency; urgent; minor hazard etc.) allocate a target time for repair and pass it on to our appointed Contractor. We then monitor their performance against the targets. The contract includes

financial penalties that can be applied if they fail to meet the required level of performance.



Minimising disruption caused by works on the highway is important for managing the network and keeping traffic moving. For this reason, anyone wishing to excavate part of the highway requires permission and a permit for the work. We have a set time to deal with requests (the time period differs depending upon the length of time the works will take) and either accept, challenge or amend the permit requested. If we do not deal with these requests in time, the permission is automatically granted (a Deemed Permit). This data shows how effectively we manage this important function. The Deemed Permits will also include requests we receive for roads that are not our responsibility.

Anyone wishing to excavate part of the highway requires permission and a permit for the work. When we issue a permit, it allows a set time to complete the works and remove the obstruction. We monitor compliance with the permits and charge companies if they overrun the time allowed. This helps to minimise disruption and ensure that the works are dealt with efficiently.



The Council continues to monitor sickness absence and work with employees to ensure a healthy return to work. The 4% target is purely indicative to monitor levels on a quarterly and annual basis and there are naturally differences in expected sickness levels depending on the nature of the service. AT Q2 it can be seen that short term sickness remains below the indicative target. Longer term sickness is above target. Each service and the Executive leadership team receive detailed information that allows the management of sickness and clear direction on how staff can be supported and the correct process to be followed in order to maximise that's support which in turn should lead to increased attendance.

Inclusive Growth - Creating more and better jobs for local people.

Planning				
Performance indicator	National and Local Targets	Q1	Q2	
P1	63% of major applications to be determined within 13 weeks (National target 60%)	85%	83%	Performance well exceeds national targets and also our own more demanding local targets
P6	Maximum of 10% of Council's decision making on major applications by appeal over a 2-year period + 9 months (National target)	5.56%	3.57%	Performance is within tolerance of national target

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Business Growth & Investment (InvestSefton)

Indicator	Government Target	Local Target description	Target	Actual 2022/23	Forecast 2023-24	Comments
B2	No Government Target	No of businesses contacting Invest Sefton for Information, Advice & Guidance-Triage system (Phone/email/website)	250	335	340	InvestSefton exceeded targets with increased businesses looking for support to trade out of recession
B3	UKSPF	No of businesses receiving 1:1 support (face to face/diagnostic /action plan)	90	137	140	InvestSefton Advisers exceeded targets set under EU programmes-an increase of businesses are looking for intensive face to face support

Employment & Learning					
Indicator	Local Target	Target 2022/23	Actual 2022/23	Forecast 2023/24	
E4 Adult Learning	% retention across all Adult Community Learning Courses	90.0%	97.7%	91.0%	Retention in learning is a key indicator of teaching quality and the satisfaction experienced by learners who have choice as adults about where and what they learn. The achievement of a high retention rate within the Adult Community Learning service indicates that the curriculum is attuned to the needs of the local labour market and the requirements of learners in the community who may be low skilled and wishing to acquire marketable skills for employment progression. Retention is also a key feature monitored and evaluated by Ofsted.
E6 Sefton@work	% of vulnerable people referred into the service from a third party receive targeted support, including subsidised placements	70.0%	80.1%	72.0%	This measure represents the high degree of integration/collaboration between Sefton@work with other partners/stakeholders close to the most vulnerable groups within our community. It also indicates a high conversion rate of moving people who may have multiple, complex barriers into appropriate support interventions that improve their employability. Subsidised placements with employers are tried and tested methods for workless people to gain real experience in a workplace setting.
E10 Not In Education Employment or Training	Remain in the best performing quartile for 16-18 Not Known when compared to Liverpool City Region and National Statistical Neighbours.	Yes	Yes	Yes	This measure indicates our intention to maintain recent performance on 16-18 NEET levels in line with other LAs with similar features to Sefton. The data on NEETs is uploaded monthly into a national government portal, meeting rigorous data quality standards.

Tourism

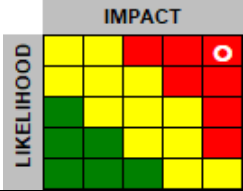
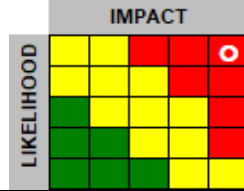
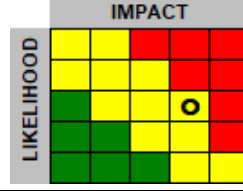
Indicator	Government Target	Local Target	Target 2022/23	Actual 2022/23	
T2	A swift recovery back to 2019 levels of tourism volume and visitor expenditure	Increase Visitor Economy economic impact by 2.5% year on year,	£440m	£605m	
T3	A swift recovery back to 2019 levels of tourism volume and visitor expenditure	Increase Visitor Economy total employment by 2% year on year,	4795	6172	

Housing


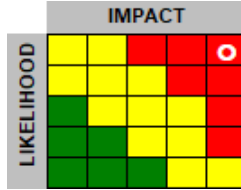
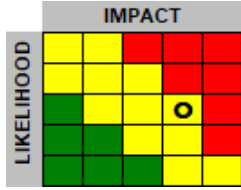
Indicator Reference		Target per Quarter	Actual Q1	Actual Q2	Comments
H1	Number of Landlord Licences Issued	160	227	228	Landlord licencing shows good performance in the first quarter of the new 5 year scheme. Monitoring of licencing and outcomes continues through a range of Key Performance Indicators.
H4	Number of actions taken against owners of vacant homes	15	25	15	Ongoing action is key to address empty homes in the borough. Q1 performance shows a good level of engagement in line with the empty homes strategy.

Regeneration					
Indicator Reference		Target per Quarter	Actual Q1	Actual Q2	Comments
R1	100% of expenditure verified for projects which are externally funded.	100%	100%	100%	SIF & UKSPF expenditure verified through Agresso.
R3	Funding Claims submitted completed and submitted on time to Audit	90%	90%	90%	SIF & UKSPF funding claims for quarter completed and submitted.

Appendix C Corporate Risk Register October 2023

Risk Description	Previous risk score	Current risk score	Target risk score
Financial sustainability beyond 2023/24			
Causes	<ul style="list-style-type: none"> The national economy, taking into account inflation and direct government funding which has been reflected in the financial settlement for 2023/24 and planning assumptions for 2024/25 and the demand for services will place substantial strain on the Council's overall medium-term budget. As a result, significant budget and cost reductions will be required. Due to the scale of budget reductions made since 2010 there is a risk that further suitable cost-saving / income generating measures will be difficult to identify. The impact on the financial sustainability of the Council is therefore a key risk. 		
Result	<ul style="list-style-type: none"> The Council will need to identify substantial sustainable savings to meet the funding gap that arises from inflation, potential government grant reductions and increased demand for services for the next 3 year period 2024/25 to 2026/27. The Budget reductions could have an adverse impact on residents and communities. The reputation of the Council may be compromised. Financial sustainability could be compromised. 		
Current treatment and controls	<ul style="list-style-type: none"> The council set a budget for 2023/24 at its meeting on 2 March 2023. Substantial investment has been made into ASC, CSC, and home to school transport as part of this and this is where the financial risk exists- robust financial management and monitoring will be required for the delivery of the approved budget. If there are any variations to the approved budget remedial plans will need to be put in place from within the already approved budget. The council does have an appropriate level of general fund reserves however these do not offer the scope to address a budget gap similar to that experienced in 2022/23 indeed there is no scope to support an overspend from reserves. The MTFP approved by Cabinet in September and presented to Council has identified the key issues that need to be addressed within the next budget period and work continues on refining these assumptions which in turn will update the budget gap for the next 3 years 2024/25 to 2026/27- work has commenced led by Executive Leadership and Senior Leadership teams on bridging this gap as part of the budget planning timetable and this progress is regularly reported to Members. This is key to the financial sustainability of the council with the key risk remaining being Children's Services. This has been mitigated for 23/24 by all budget assumptions having been agreed with the DCS which ensured that the MTFP for the council was aligned to the improvement plan and provided the service with the resources required to meet this plan, but it is clear that this risk remains. 		
Risk owner	Executive Director Corporate Resources & Customer Services		
Proposed actions	<ul style="list-style-type: none"> Key financial risk for 2023/24 is delivery of savings and Children's Social Care delivering services within budget agreed with DCS - regular and rigorous financial management, monitoring and reporting is required by SLB. SLB have commenced work on the 3 year budget plan for 2024/25 to 2026/27 		

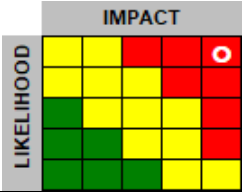
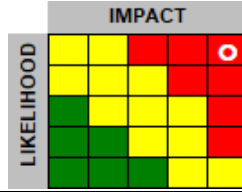
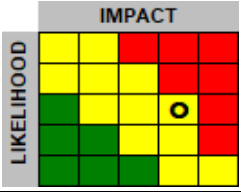
Appendix C Corporate Risk Register October 2023

Risk Description	Previous risk score	Current risk score	Target risk score
<p>Dedicated Schools Grant High Needs Funding for Special Educational Needs is inadequate to meet requirements.</p>			
<p>Causes</p>	<ul style="list-style-type: none"> • High Needs budgets are under considerable pressure from increasing numbers of children being diagnosed with complex and life-long SEND related issues. • National funding allocations are not increasing annually at a rate to reflect increases in local population demand and so any additional commissioned places need to be financed from within existing budget envelope. • The number and value of requests from mainstream schools for "top-up" funding (for children with SEND) continues to increase year on year as schools face financial pressures to meet the first £6k of any SEN Support. • Maintained special school provision is full and more children are being placed in independent provision which is more expensive. Whilst this issue is being addressed through extra In-house provision, there remain risks that external placements may continue at high additional cost. • Central Government have advocated parental preference for SEND provision - which has added to the number of children being placed in independent provision - with no additional funding. • The current accounting override whereby the HNF deficit is ringfenced will continue until April 2026, but the increasing accumulative deficit poses a significant financial risk to the council 		
<p>Result</p>	<ul style="list-style-type: none"> • Sefton's High Needs cumulative budget deficit is £18m at the end of 22/23. • The estimated deficit on the high needs block continues to be held on the Council's Balance Sheet. Whilst the current DfE regulations do not expect the Local Authority's General Fund to cover accumulated deficits, this is still only on a temporary basis until 2026. The council does not have the reserves or balances to meet this deficit if required in 2026 hence the threat to financial sustainability. • This is a significant risk to the council and quarterly monitoring statements will continue to be reported to cabinet throughout the 2023/24 financial year. 		
<p>Current treatment and controls</p>	<ul style="list-style-type: none"> • The quarterly reporting to Cabinet and Council should focus on the work program that seeks to improve the support to children, the demand for the service and the financial forecast- it should also take full account of the progress in the DFEE led Delivering Better Value Programme. • Leadership from Sefton's Executive Director of Children's Social Care and Education, Assistant Head of Education, and the SEN team Managers on how costs can be contained. • Sufficiency statement produced that will drive future strategy and financial sustainability. • Lobbying and engagement of DLUHC, DfE and MCCLG on financial impact and the need for increased support or confirmation that this will continue to be a DSG issue post 2026. • Engagement with special schools actively working with individual schools to review impact of any proposed changes to their funding, reviewing three-year financial plans, identifying any strategic savings to mitigate high calls on DSG High 		

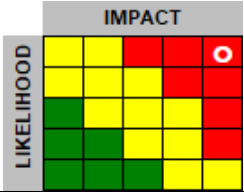
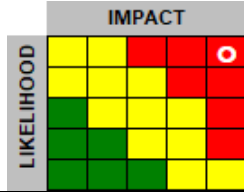
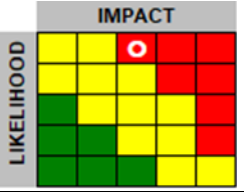
Appendix C Corporate Risk Register October 2023

	<p>Needs funding.</p> <ul style="list-style-type: none"> • Review of place and top up levels of funding. • In addition, further work is being undertaken on alleviating the barriers to inclusivity within mainstream settings and assessment of effectiveness of capital spend to maximise mainstream settings for children and young people. • Council now part of DfE Delivering Better Value Program-it should be noted however that this is focused on the system and not on delivering financial sustainability therefore the council cannot rely on this programme to meet its key financial objective. • Comprehensive quarterly reports to be presented to Cabinet and Council on sufficiency, in house provision, funding and deficit to provide rigor, transparency and inform decision making
Risk owner	Assistant Director Children's Services (Education)
Proposed actions	<ul style="list-style-type: none"> • Through the High Needs Review the LA has been working on two specific workstreams with School representatives working on a number of key areas: • Developing a new funding model to support children with EHCPs. • Clarifying high needs funding outside of the EHCP process. • Reviewing provision and placement sufficiency. • Considering new ways of working with SEN children in schools, making them more cost effective and with good outcomes. • Review of the graduated response and supporting SEN leadership in schools. • Sefton has been working in partnership with the DfE since December 2022 to develop solutions to bring the High Needs Budget into a more financially secure position going forward and help to reduce the accumulated deficit over a set period. • The sign off of the High Needs Deficit action plan through the Delivering Better Value Programme was completed earlier in 2023 and a work programme of planned improvements and changes in SEN support for HN children has commenced which should reduce the projected deficit but also improve outcome for SEN children in Sefton

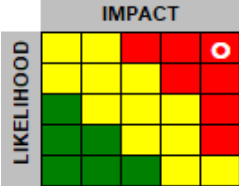
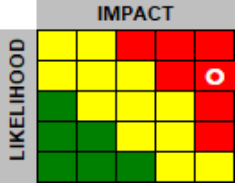
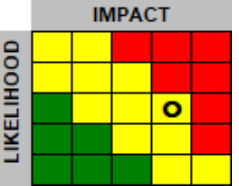
Appendix C Corporate Risk Register October 2023

Risk Description	Previous risk score	Current risk score	Target risk score
Financial sustainability beyond 2023/24			
Causes	The Council has a wholly owned Housing Development Company- due to the prevailing economic conditions at present, there is a risk that the value and timing of the dividend from phase 1 maybe the subject of change and the timing of the capital receipt is later than previously forecast.		
Result	Due to the national economic conditions at present, there is a risk that housing completions (driven by interest rates and potential inflation) will reduce from current levels. This could result in a delay to the completion of Phase 1 of company activity. This delay could reduce the dividend and it's timing together with the timing of the capital receipts and debt repayment due to the Council.		
Current treatment and controls	<ul style="list-style-type: none"> • The Council, in December 2022, received a detailed update report on all aspects of the Company's activities including building programmes, grant funding and financial implications. This report including changes to timing of dividend and timing and value of receipt was approved by members. A further update report was presented to Cabinet as shareholder at the September meeting. • Within that report members were provided with a comprehensive update on the business plan and financial projections that reflect the latest estimates on the build, completion and sales programme and the current risks driven by the national economic picture, especially rising interest rates and recession. • The report focussed on the progress on the first 2 sites for which sales are progressing and the 3rd site for which construction has yet to commence. • The Company will utilise the Council's internal audit team to undertake an annual work programme. • An update on governance arrangements for the company was approved by Cabinet in July 2022 • An annual report was presented to Overview and Scrutiny management board in November 2022 and was then considered by the service O&S meeting in January 2023 • A self-assessment against the local partnership's guidance re management of wholly owned companies is currently underway by the Council's monitoring officer 		
Risk owner	AD Economic Growth and Housing		
Proposed actions.	<ul style="list-style-type: none"> • Due to prevailing market conditions and the volatility that exists, the housing market is currently seeing substantial change within it- this includes the cost of construction, house prices and the cost of mortgages, all of which could impact sales, completions, and the performance of the phase 1 business plan. These risks will need to be managed by the company but as a number of these are outside of its control, close working with the Council will be required to inform effective decision making that protects the Council's financial interests and supports the original objectives of the company. • The governance arrangements and current controls will be continually updated - there is a lot of coverage nationally in respect of the management of wholly owned companies and as the guidance and best practice is updated on how these should be governed and managed is published, this will be taken into account by the Council. 		

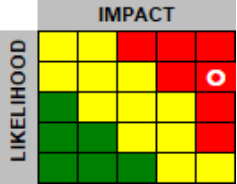
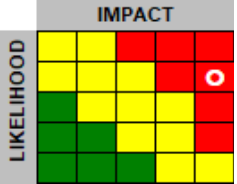
Appendix C Corporate Risk Register October 2023

Risk Description	Previous risk score	Current risk score	Target risk score
The Council is the victim of a cyber-attack.			
Causes	Malware, ransomware, or another virus infects the Council's systems.		
Result	<ul style="list-style-type: none"> • Services will not have access to systems and data as standard and will have to fall back on non-ICT delivery methods, albeit without access to key data. • Data breach occurs. • Financial impact of ransom. • Reputational damage 		
Current treatment and controls	<ul style="list-style-type: none"> • Cyberattack prevention measures are in place, including. <ul style="list-style-type: none"> ○ - Upgraded Council firewalls and active SIEM monitoring service. ○ - Anti malware tools ○ - New Acceptable use policy ○ - LGA Stock take completed ○ - PSN Accreditation achieved and reviewed annually ○ - New security standards for email encryption implemented ○ - Further network security in place to reduce risk • Back-up disaster recovery facility is in place at a separate site, allowing Agilisys to restore the top 20 critical systems. • Agilisys has a Business Continuity-Disaster Recovery plan in place which covers an action plan for this priority restoration, and the subsequent restoration of all other systems. • Ongoing monitoring in in place via ICT governance arrangements • Windows Defender anti-virus software is constantly updated alongside ESET also deployed. • Communication to employees regarding the rise in malware attacks is in place, with an enhanced training offer in place. • Review of Cyber Incident planning completed and revised policy released. • Removal of unsupported systems from the network and segregation in place as required 		
Risk owner	ED CR&CS		
Proposed actions	<ul style="list-style-type: none"> • The ongoing ICT Transformation programme has seen most systems and data migrated to Microsoft Azure cloud hosting, which will reduce the overall risk; and improve Business continuity however further work is underway to improve the current security posture further. • Ongoing Cyber Security Improvement plan in place, including plans to bring all systems in the support of the existing ICT Contract • External validation and assurance ongoing linked to improvement plan. 		

Appendix C Corporate Risk Register October 2023

Risk Description	Previous risk score	Current risk score	Target risk score
<p>Failure to adequately invest in the Highway network and associated assets.</p>			
<p>Causes</p>	<p>Inadequate funding to meet need; budget reductions; inflationary cost pressures; insufficient internal staffing resource; insufficient market capacity, contractor availability and contractor capacity; insufficient availability of materials and/or labour; delayed lead-in times for materials or services; rising prices for services, materials, and equipment.</p>		
<p>Result</p>	<ul style="list-style-type: none"> • Deterioration of highway assets • Potential increase in claims • Financial and reputational risks • Potential increase in accidents resulting in injury and/or death. • Reduction in amount of work able to be done within budget 		
<p>Current treatment and controls</p>	<ul style="list-style-type: none"> • Essential work is prioritised within available budget. Regular inspections of most assets to monitor and guide prioritisation of works to mitigate risk. • Regular updates provided to Cabinet Member. • Preventive surface treatments used to prolong the life of the network and to treat more of it than if more long-term maintenance solutions were used (i.e., resurfacing) • Increased Capital funding received through City Region Sustainable Transport Settlement (CRSTS) for 2022-24. Will require additional staffing resource to deliver. 		
<p>Risk owner</p>	<p>Assistant Director Highways & Public Protection</p>		
<p>Proposed actions</p>	<ul style="list-style-type: none"> • Actively pursue opportunities for additional external funding via LCRCA and others to maintain and improve network. • Work with Contractors and suppliers to manage risk, mitigate for price rises, material, and labour shortages, and manage supply chain. • Undertake recruitment to vacant posts; create and recruit to additional posts and/or commissions where funding available to do so. • Further refine and strengthen project planning, delivery, and governance measures 		


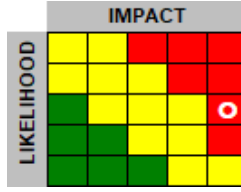
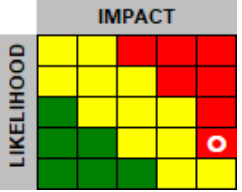
Appendix C Corporate Risk Register October 2023

Risk Description	Previous risk score	Current risk score	Target risk score
Condition of Assets			TBC
Causes	<ul style="list-style-type: none"> The council like all local authorities has a mix of assets with each asset being in different condition based on age, use etc. The maintenance of these assets continues to be a challenge due to the size of the estate and the investment required to maintain it. Significant maintenance backlog due to insufficient local government funding being available through providing limited opportunity to invest. 		
Result	<ul style="list-style-type: none"> With insufficient funding being available to the council to provide the right investment or use approved resources in the right areas can lead to Health and Safety risk or injury to staff and public if the statutory requirements are not fulfilled. Component or Systems failure Building closures 		
Current treatment and controls	<p>A delivery team is in place with a percentage of Capital investment funding secured to deliver an initial phase (1) of works. This phase 1 of works is being developed/delivered. Wider essential maintenance Capital investment funding and work requirements have also been identified with approval of funding pending. Once approval of funding is approved then further development of phases/works can take place.</p>		
Risk owner	ED CR&CS		
Proposed actions	<ul style="list-style-type: none"> Whilst a percentage of works are in train, the risk remains high due to the significant work required and the capacity and funding that is available - further funding as identified in the MTFP is required to allow the ability to develop and deliver further phases of works. The approval of this future year's funding is pending. 		

Appendix C Corporate Risk Register October 2023

Risk Description	Previous risk score	Current risk score	Target risk score
Impact of Cost-of-Living Crisis on Residents and Demand for Council Services			
Causes	As residents become more vulnerable there is an increased demand for Council services - this increases pressure on teams and available resources.		
Result	<p>Increased demand will create:</p> <ul style="list-style-type: none"> • Increased waiting time for some services • Issues around the capacity of the workforce to meet this demand. • Budget pressure that cannot be contained • The requirement for the Council to administer central government support to residents in a tight timescale. • Community cohesion will be compromised. 		
Current treatment and controls	<ul style="list-style-type: none"> • Continual review of impact of cost-of-living crisis will be made based on demand for services, feedback from ward Councillors and performance information- this will lead to an agreed response with cabinet both in terms of direct support and impact on financial sustainability. • In the event that the council is asked to administer support to residents, the resource requirement will be evaluated and will be supported by new burdens funding and cabinet will be engaged on the most effective and efficient manner of providing that support. • A specific Child Poverty Strategy was approved by Cabinet in Oct 2022, and this was launched in December 2022 with partners and stakeholders. • The Cabinet has considered regular reports on Cost of Living and the Health and Well Being Board has requested the matter be a standing item on the Board agenda going forward. 		
Risk owner	All Assistant Directors		
Proposed actions	The council will continue to lobby central government for support for residents impacted by the cost-of-living crisis and will continue to direct resources and support to those who need it most reflecting the core purpose objective of protecting the most vulnerable.		

Appendix C Corporate Risk Register October 2023

Risk Description	Previous risk score	Current risk score	Target risk score
<p>Inadequate capability to prepare for and respond effectively to a Major Incident affecting the Council or occurring in Sefton as per the Council's responsibilities under the Civil Contingencies Act 2004.</p>			
Causes	A major incident occurs affecting the Council or the Borough		
Result	<ul style="list-style-type: none"> • Loss of human life, illness, or serious injury • Major damage or destruction to infrastructure, property and/or the environment • Disruption or loss of critical services such as transport, communications, utility services • Reputational or financial harm to the authority 		
Current treatment and controls	<ul style="list-style-type: none"> • Emergency Response Manual and Major Incident Guidance in place. • Revised Command and Control structure in place which defines Strategic and Tactical level officers. • Emergency Duty Co-Ordinator's (EDCs) can access Resilience Direct containing incident response plans. • Relevant training provided to Emergency Duty Co-Ordinator's and volunteers on an ongoing basis. • Five EDCs have now completed Multi Agency Gold Incident Commander (MAGIC) accredited training. • Attendance and participation in Merseyside Resilience Forum and joint planning across Merseyside. • Humanitarian volunteers in place and regular meetings and training now offered. • Continuous development and review of supporting plans. • Service Level Business Continuity plans now completed. Business Continuity eLearning package available to all staff • Business Continuity risk register completed and review on quarterly basis. • Business Continuity Policy and strategy have been devised and approved. • BC exercise completed in January 2023 for Senior Leadership Board 		
Risk owner	CEX/ED CR&CS		
Proposed actions	<ul style="list-style-type: none"> • A Business Continuity Management System has been devised and is currently being implemented. This includes the following: • Six monthly review of BC plans and activation exercise undertaken to confirm accuracy of contact details included. • External provider to continually provide support in hosting regular BC exercises for all Exec/Assistant Directors. • Review and update of BC manual ongoing 		

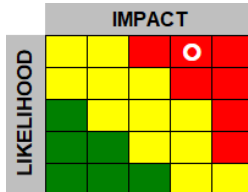
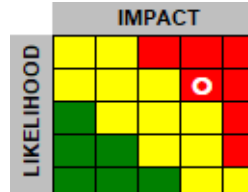
Appendix C Corporate Risk Register October 2023

Risk Description	Previous risk score	Current risk score	Target risk score
Market failure of Social Care provision across Adult and Children's			
Causes	<ul style="list-style-type: none"> • Lack of diversity of supply in the market to provide choice and control. • Ongoing legacy of Covid-19 • Capability and capacity of the available workforce within the care home market 		
Result	<ul style="list-style-type: none"> • Lack of alternative providers able to support social care. • Poor quality service provision and high costs • Significant increase in unmet needs of service users due to a fragile market that is not developing. • Inability to meet sufficiency duty. • Increase in placing young people within Borough, by other LAs placing additional pressure on ASC markets linked to transitions 		
Current treatment and controls	<ul style="list-style-type: none"> • Market Position Statement and refresh of Children's Sufficiency strategy 22-25 allows market management. • Strengthen governance via actions and oversight of Executive Commissioning Group/Strategic Commissioning Group • Strategic Commissioning Team more permanent capacity to increase resource. • Implementation of Commissioning priorities improvement plan • Delivery of Health and Wellbeing Strategy 2020-2025 • Implementation of robust and timely Winter Planning/checklist • Ongoing review of supply chain contracts • Demand Management Programme embedded in adults and children. • Recommissioning of Local Dynamic Purchasing system for Domiciliary Care • Internal cost of care programme commenced between Strategic Commissioning and Finance - allows ASC assurance on VFM, and budgetary controls and assists provider achieve sustainable business model. • Mitigation of market failure by block purchasing arrangements to support hospital discharge. • Weekly escalation/ visibility of capacity and costs with AD, DASS and wider system • Maximising learning opportunities across C&M DASS group with key areas of focus • LGA Peer challenge completed in July 2022 Action Plan prepared December 2022 • Senior Commissioning Leadership post - Agency Consultant in place • Provider Failure Policy updated. • Cost of care exercises completed and submitted to DHSC. Outcomes used to inform fee setting 		
Risk Owner	ED ASC&H, ED CSC&E		

Appendix C Corporate Risk Register October 2023

Proposed actions	<ul style="list-style-type: none">• Strengthened oversight of Quality Assurance (QA) with dedicated Senior Manager support will add the ability to refocus QA resources on identified areas of Market Risk. Gather intelligence to inform risks and ensure resilience and capacity.• Continue to focus on strategic plans to current contracts to ensure Value for Money and objectives are met.• Development of new opportunities through Sefton Place Based Partnership development• Children's High Risk/High-Cost Project, Commissioning priorities and full work plan in progress with extension• Recruitment campaign developed with Market with ongoing input from Sefton at Work - Workforce Strategy now developed.• Links maintained with LCR on key market risks (capacity, workforce, cost of living, ceasing of covid funding, demand)• New Procurement for Domiciliary Care commenced in March 2023 (with new framework in place from Oct 2023) - agreed at June Cabinet• Integrated commission arrangements will develop via new place arrangement. Market Sustainability Plan and Fair Cost of Care Exercise to be sent to Central Government mid Oct. National Government Market Sustainability funding applied to Dom Care and Care Homes 65+. Discharge funding now recurrent through the Better Care Fund. Work continues to mobilise a rapid reablement expansion. Linked to ND review. Work jointly with Health to develop approach to reduction of one to one request.
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Appendix C Corporate Risk Register October 2023

Risk Description	Previous risk score	Current risk score	Target risk score
Market Failure of Social Care Provision across Adults and Children's			TBC
Causes	<ul style="list-style-type: none"> • Lack of national response to the Independent Review of Children's Social Care and report by the Competition and Markets Authority calling for action on the children's social care market • National and regional pressures in Social Work recruitment and available workforce • Sufficiency in children's residential provision • Inflation 		
Result	<ul style="list-style-type: none"> • Lack of alternative providers able to support social care. • Poor quality service provision and high costs • Increase in unmet needs of children and young people due to a fragile market that is not developing. • Inability to meet sufficiency duty. • Growing number of children placed out of borough with more LA's placing young people within Borough, placing additional pressure on ASC markets linked to transitions. • Reliance on high cost out of borough residential provision for children and young people 		
Current treatment and controls	<ul style="list-style-type: none"> • Joint Strategic Needs Assessment and supporting Children's Chapters • Market Position Statement and refresh of Children's Sufficiency strategy 22-25 • Strengthened governance - Executive Commissioning Group/Strategic Commissioning Group • Strategic Commissioning Team - increased interim capacity. • Commissioning priorities reset and improvement plan in place. • Local Dynamic Purchasing system - approved by Cabinet. • Re-procurement framework development has now commenced, and update scheduled for Cabinet. • Strengthened oversight of Quality Assurance with dedicated Senior Manager support will add the ability to refocus quality assurance resources on identified areas of risk in the market and gather intelligence to inform risks and ensure resilience and capacity. 		
Risk owner	Executive Director of Children's Services		
Proposed actions	<ul style="list-style-type: none"> • Development of new opportunities through Sefton Place Based Partnership development. • Children's High Risk/High-Cost Project, Commissioning priorities and full work plan in progress • Recruitment for Senior Commissioning Leadership post in process • Development of contingency plans for provider failure - risk escalation process • Links maintained with LCR on key market risks (capacity, workforce, cost of living, ceasing of covid funding, demand) • Develop business case for inhouse provision of Children's residential care 		