

# Public Document Pack

Sefton Council 

MEETING: CABINET  
DATE: Thursday 3rd November, 2022  
TIME: 10.00 am  
VENUE: Birkdale Room, Town Hall, Southport

DECISION MAKER: **CABINET**

Councillor Ian Maher (Chair)  
Councillor Atkinson  
Councillor Cummins  
Councillor Doyle  
Councillor Fairclough  
Councillor Hardy  
Councillor Lappin  
Councillor Moncur  
Councillor Roscoe  
Councillor Veidman

COMMITTEE OFFICER: Steve Pearce  
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The Cabinet is responsible for making what are known as Key Decisions, which will be notified on the Forward Plan. Items marked with an \* on the agenda involve Key Decisions

A key decision, as defined in the Council's Constitution, is: -

- any Executive decision that is not in the Annual Revenue Budget and Capital Programme approved by the Council and which requires a gross budget expenditure, saving or virement of more than £100,000 or more than 2% of a Departmental budget, whichever is the greater
- any Executive decision where the outcome will have a significant impact on a significant number of people living or working in two or more Wards

**If you have any special needs that may require arrangements to facilitate your attendance at this meeting, please contact the Committee Officer named above, who will endeavour to assist.**

We endeavour to provide a reasonable number of full agendas, including reports at the meeting. If you wish to ensure that you have a copy to refer to at the meeting, please can you print off your own copy of the agenda pack prior to the meeting.

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# A G E N D A

Items marked with an \* involve key decisions

<u>Item No.</u>	<u>Subject/Author(s)</u>	<u>Wards Affected</u>	
1	<b>Apologies for Absence</b>		
2	<b>Declarations of Interest</b>  Members are requested at a meeting where a disclosable pecuniary interest or personal interest arises, which is not already included in their Register of Members' Interests, to declare any interests that relate to an item on the agenda.  Where a Member discloses a Disclosable Pecuniary Interest, he/she must withdraw from the meeting room, including from the public gallery, during the whole consideration of any item of business in which he/she has an interest, except where he/she is permitted to remain as a result of a grant of a dispensation.  Where a Member discloses a personal interest he/she must seek advice from the Monitoring Officer or staff member representing the Monitoring Officer to determine whether the Member should withdraw from the meeting room, including from the public gallery, during the whole consideration of any item of business in which he/she has an interest or whether the Member can remain in the meeting or remain in the meeting and vote on the relevant decision.		
3	<b>Minutes of the Previous Meeting</b>		(Pages 5 - 18)
	Minutes of the meeting held on 6 October 2022		
* 4	<b>Sefton Carers Centre</b>	All Wards	(Pages 19 - 28)
	Report of the Executive Director of Adult Social Care and Health		
* 5	<b>Housing Strategy 2022 - 2027</b>	All Wards	(Pages 29 - 58)
	Report of the Assistant Director of Place (Economic Growth and Housing)		

* 6	<b>Sefton Economic Strategy</b>	All Wards	(Pages 59 - 144)
	Report of the Assistant Director of Place (Economic Growth and Housing)		
* 7	<b>Making an Article 4 Direction to prevent the conversion of use Class E (Commercial, Business and Service) to use Class C3 (Housing) without the need for Planning Permission</b>	Church; Derby; Ford; Linacre; Litherland; Netherton and Orrell; St. Oswald	(Pages 145 - 200)
	Report of the Assistant Director of Place (Economic Growth and Housing)		
8	<b>High Needs Funding 2022/23 - Quarterly Monitoring Update</b>	All Wards	(Pages 201 - 212)
	Report of the Assistant Director of Children's Services (Education)		
* 9	<b>Financial Management 2022/23 to 2024/25 and Framework for Change 2020 - Revenue and Capital Budget Update 2022/23 – November Update</b>	All Wards	(Pages 213 - 264)
	Report of the Executive Director of Corporate Resources and Customer Services		
* 10	<b>Financial Management 2022/23 to 2024/25 and Framework for Change 2020 - Medium-Term Financial Plan 2023/24 to 2024/25</b>	All Wards	(Pages 265 - 286)
	Report of the Executive Director of Corporate Resources and Customer Services		
* 11	<b>Treasury Management Position to September 2022</b>	All Wards	(Pages 287 - 296)
	Report of the Executive Director of Corporate Resources and Customer Services		
12	<b>Appointment to Sefton New Directions Limited Board</b>	All Wards	(Pages 297 - 300)
	Report of the Chief Legal and Democratic Officer		

**THE "CALL - IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON TUESDAY 18 OCTOBER 2022.**

## CABINET

**MEETING HELD AT THE COMMITTEE ROOM, TOWN HALL, BOOTLE ON THURSDAY 6TH OCTOBER, 2022**

**PRESENT:** Councillor Ian Maher (in the Chair)  
Councillors Atkinson, Cummins, Doyle, Fairclough, Hardy, Lappin, Moncur and Veidman

### **59. APOLOGIES FOR ABSENCE**

An apology for absence was submitted from Councillor Roscoe.

### **60. DECLARATIONS OF INTEREST**

In accordance with Paragraph 9 of the Council's Code of Conduct, the following declarations of personal interest were made, and the Members concerned left the room / remained in the room during the consideration of the items as indicated below:

Member	Minute No.	Nature of Interest
Councillor Fairclough	Minute No. 69 – Selective and Additional (HMO) Licensing Schemes Re-designation 2023 – 2028	Personal – He is a non-paid Non-Executive Director of his son's private landlord business. He remained in the room but did not vote on the agenda item.
Councillor Hardy	Minute No's 73 and 75 – Disposal of Land at Southport Old Road and Holgate, Thornton	Personal – She has a relative who is an employee of a business referred to in the report. She left the meeting and did not vote on the agenda items.
Councillor Maher	Minute No's 73 and 75 – Disposal of Land at Southport Old Road and Holgate, Thornton	Personal – He has a relative who is an employee of a business referred to in the report. He left the meeting and did not vote on the agenda items.

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## 61. MINUTES OF THE PREVIOUS MEETING

### Decision Made:

That the Minutes of the meeting held on 1 September 2022 be confirmed as a correct record.

## 62. COST OF LIVING CRISIS

The Cabinet considered the report of the Chief Executive which summarised the impact of the escalating Cost of Living Crisis on local businesses and outlined the support available and proposed in Sefton.

### Decision Made: That

- (1) the support currently provided as set out in paragraph 2.4 of the report be noted; and
- (2) the Equalities Assessment Report set out in Appendix A to the report be noted.

### Reasons for the Decision:

To enable the Cabinet to consider the impact of the escalating Cost of Living Crisis on local businesses and note the support available and approve plans proposed in Sefton.

### Alternative Options Considered and Rejected:

None.

## 63. SEFTON'S CHILDHOOD POVERTY STRATEGY 2022 - 2030: TACKLING CHILDHOOD POVERTY IN SEFTON

The Cabinet considered the report of the Director of Public Health which sought approval of the Sefton Child Poverty Strategy: Tackling Child Poverty in Sefton 2022-2030. The report indicated that the strategy was a major step in ensuring that Sefton residents are offered opportunities, support, advice, and information that will address the causes and challenges of childhood poverty.

### Decision made: That:

- (1) the Sefton Child Poverty Strategy 2022-2030 be approved for adoption and implementation by the Health and Wellbeing Board;
- (2) that approval be given to the continued engagement of our community, partners and community and voluntary sector organisations to develop a robust set of action plans, aligned to the objectives set out in the strategy and the performance framework which will underpin the strategy;

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- (3) the Council will continue to commit all available resources to underpin the delivery of the strategy using available funds from Public Health, Communities, Education etc. with a commitment to producing an annual summary detailing key achievements and challenges faced in the preceding year; and
- (4) approval be given to a multi-agency launch of the strategy in November 2022.

## **Reasons for the Decision:**

Living in poverty has negative impacts in other aspects of people's lives and is not just about money – it impacts educational attainment, access to good paying work, increases the risk of developing poor health conditions and reduces life expectancy. It also means that many people are not able to take part in the normal life of a place as experienced by other residents.

If we are unable to support the most in need families right now, the biggest challenge will be on the poorest in our society, increasing those who most rely on public services who will be limited even further in trying to support their own families and turn their lives around.

Approval of this strategy and its focus on pockets, places and prospects will lead to a fairer and more inclusive Sefton, where everyone is able to live their best life, prosperous and fulfilling, free from poverty and inequality.

## **Alternative Options Considered and Rejected:**

None. The strategy focuses on ensuring that the most vulnerable people in our communities receive the support they need, those most at risk and in need of accessing our services.

## **64. EDUCATION EXCELLENCE STRATEGY FOR SEFTON 2022 - 2027**

Further to Minute No. 16 of the meeting of the Overview and Scrutiny Committee (Children's Services and Safeguarding) held on 27 September 2022, the Cabinet considered the report of the Assistant Director of Children's Services (Education) which sought approval of the Education Excellence Strategy for Sefton 2022-2027. The report set out how the strategy had been developed, and the proposed next steps in terms of programme development.

## **Decision Made:**

That the Education Excellence Strategy for Sefton 2022-2027 be approved.

## **Reasons for the Decision:**

To ensure that the priorities of the Education Excellence Strategy for Sefton 2022-2027 and wider Education initiatives are aligned to the

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delivery of Sefton's 2030 vision, the Sefton Health and Wellbeing Strategy, and the Sefton Children and Young Peoples Plan, and that they are clearly articulated to parents, carers, young people, residents, early years providers, schools, colleges, providers of SEND education, as well as Health providers and other partners across Sefton and its neighbouring boroughs, in addition to the Department for Education.

To ensure that all children and young people receive an education in Sefton which enables them to reach their individual potential, have a clear pathway to further education, employment and engage positively with others in their community.

## **Alternative Options Considered and Rejected:**

None.

## **65. EXTENSION OF PARKING AND ENVIRONMENTAL ENFORCEMENT CONTRACT**

The Cabinet considered the report of the Assistant Director of Place (Highways and Public Protection) which sought approval for a six-month extension to the contract for the provision of Parking and Environmental Enforcement, Cash Collection and Car Park Management.

## **Decision Made:**

That the Assistant Director of Place (Highways and Public Protection) in consultation with the Cabinet Member for Regulatory, Compliance and Corporate Services be authorised to agree a six-month extension to the contract for the provision of Parking and Environmental Enforcement, Cash Collection and Car Park Management.

## **Reasons for the Decision:**

To ensure continued provision of a statutory service until the tender exercise can be completed.

## **Alternative Options Considered and Rejected:**

None.

## **66. DIGITAL INCLUSION STRATEGY**

The Cabinet considered the report of the Executive Director of Corporate Resources and Customer Services which sought approval for the Digital Inclusion Strategy 2022 -2025 for Sefton. The report set out how the strategy had been developed, and the proposed next steps in terms of programme development.



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**Decision Made:**

That the Digital Inclusion Strategy 2022-2025 be approved.

**Reasons for the Decision:**

To ensure that a clear strategy and programme of work exists to support Digital Inclusion across Sefton and to deliver the following vision:

“To develop a place where Sefton Residents and organisations understand the benefits of digital, feel safe and confident online and are supported to develop their skills and thrive in an increasingly digital world.”

**Alternative Options Considered and Rejected:**

None.

**67. FINANCIAL MANAGEMENT 2022/23 TO 2024/25 AND FRAMEWORK FOR CHANGE 2020 - REVENUE AND CAPITAL BUDGET UPDATE 2022/23 – OCTOBER UPDATE**

The Cabinet considered the report of the Executive Director of Corporate Resources and Customer Services which provided details of:

1. the current position relating to the 2022/23 revenue budget;
2. the current forecast on Council Tax and Business Rates collection for 2022/23; and
3. the monitoring position of the Council’s capital programme to the end of August 2023:
  - The forecast expenditure to year end;
  - Variations against the approved budgets and an explanation of those variations for consideration by Members; and
  - Updates to spending profiles and proposed amendments to capital budgets necessary to ensure the efficient delivery of capital projects are also presented for approval.

**Decision Made:** That:

Revenue Budget

- (1) the current position relating to the 2022/23 revenue budget be noted;
- (2) the actions being taken to offset the budget pressures being faced in 2022/23 be noted;
- (3) the financial risks associated with the delivery of the 2022/23 revenue budget be recognised and it be acknowledged that the

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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; and

- (4) the current position relating to the High Needs budget be noted and that officers are currently reviewing all options available to the Council to mitigate the additional pressure and to make the overall High Needs budget financially sustainable; and
- (5) approval be given to decisions on the use of the Household Support Fund being delegated to the Executive Director - People in consultation with the Cabinet Member for Communities and Housing, and it be noted that any discretionary element that will not be passported to vulnerable families and individuals in line with the grant conditions will be approved in accordance with the Financial Procedure Rules.

## Capital Programme

- (6) the spending profiles across financial years for the approved capital programme (paragraph 7.1) be noted;
- (7) the latest capital expenditure position as of 31 August 2022 of £10.191m (paragraph 7.5); and the latest full year forecast of £56.651m (paragraph 7.6) be noted;
- (8) the explanations of variances to project budgets (paragraph 7.9) be noted; and
- (9) it be noted that capital resources will be managed by the Executive Director of 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 7.10 - 7.12).

## **Reasons for the Decision:**

To ensure Cabinet are informed of the current position in relation to the 2022/23 revenue budget.

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

To keep members informed of the progress of the Capital Programme against the profiled budget for 2022/23 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.

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

**Alternative Options Considered and Rejected:**

None.

**68. APPOINTMENT TO SEFTON NEW DIRECTIONS LIMITED BOARD**

Further to Minute No. 52 of the meeting held on 1 September 2022, the Cabinet considered the report of the Chief Legal and Democratic Officer seeking the appointment of a further elected Member to serve on the Sefton New Directions Limited Board.

**Decision Made:**

That the Cabinet at its next meeting to be held on 3 November 2022, appoint the Council's second representative to serve on the Sefton New Directions Limited Board and that the term of office expire on 25 May 2023.

**Reasons for the Decision:**

The Cabinet has delegated powers set out in Chapter 5, Paragraph 40 of the Constitution to appoint the Council's representatives to serve on Outside Bodies.

To comply with a previous decision of Cabinet that the appointment be made at this meeting of the Cabinet.

**Alternative Options Considered and Rejected:**

None.

**69. SELECTIVE AND ADDITIONAL (HMO) LICENSING SCHEMES RE-DESIGNATION 2023 - 2028**

The Cabinet considered the report of the Assistant Director of Place (Economic Growth and Housing) which provided details of the results of the formal public consultation on the proposal to re-designate the Selective and Additional (HMO) Housing Licensing Schemes, as previously approved by the Cabinet on 2 December 2021 (Minute No.76); and which sought approval to re-designate both a Selective Licensing Scheme and two additional Houses in Multiple Occupation (HMO) Licensing Schemes in designated areas of the borough, together with associated matters.

**Decision Made:** That:

- (1) approval be given to the re-designation of a selective licensing scheme in the defined area of Bootle and two additional HMO

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licensing schemes in the defined areas of central Southport and areas of Waterloo/Seaforth/Brighton Le-Sands;

- (2) approval be given to a commencement date for the schemes of 1 March 2023;
- (3) the licence conditions, as set out in Background Papers 2 and 4 to the report be approved;
- (4) the fee structure, along with the recommended fee reductions and exemptions be approved; and
- (5) approval be given to the preparation and publication of a Public Notice of designation under sections 80 and 83 of the Housing Act 2004. This Notice shall allow for the designation of the chosen areas for the introduction of a Selective Licensing and two Additional (HMO) licensing schemes.
- (6) the Assistant Director of Place (Economic Growth and Housing) be authorised in consultation with the Cabinet Member for Communities and Housing to agree any minor/technical changes to the schemes (non-fundamental changes); and
- (7) it be noted that the Assistant Director Place (Economic Growth and Housing) will be asked to approve a supplementary revenue estimate of £40k for the first month of operation in 2022/23, in line with the requirements of the Financial Procedure Rules, which will be fully funded by income from the scheme. The budget allocations for future years will be included within the next Budget Report.

## **Reasons for the Decision:**

To improve the private rented sector and to ensure safe homes for our residents and landlords as set out in our housing strategy.

Cabinet authority is required for the introduction of a selective housing licensing scheme across the designated area, and two additional (HMO) licensing schemes within the Borough.

## **Alternative Options Considered and Rejected:**

1. Do nothing

Sefton could choose not to re-designate the current housing licensing schemes and revert back to a solely reactive service, responding to complaints, linked with more aggressive promotion of the Landlord Accreditation scheme. This option is unlikely to have significant impact due to Landlord Accreditation being a voluntary scheme, with only the better landlords obtaining accreditation status.

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## 2. Expand the Enforcement Regime

The Council also has a continued reactive enforcement approach in relation to privately rented properties, dealing with cases as they present themselves, generally from complaints from tenants. A more proactive approach could be taken to target the worst landlords. This would develop an outward facing image of enforcement in relation to rogue landlords.

To practically do this would involve the need to increase the resourcing allocated to the Housing Standards Team by a minimum of 4 additional posts. This cost could be up to £210,161 per annum. This is a more traditional enforcement approach and less of an enabling one than licensing has brought.

## 3. Introduce a borough wide Selective Licensing Scheme

Officers also considered introducing a borough wide scheme, but this was not taken forward because the evidence is not yet sufficient to introduce the whole borough and therefore such an application is unlikely to be supported

## 70. EXCLUSION OF PRESS AND PUBLIC

To comply with Regulation 5(2) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, notice has been published regarding the intention to consider the following matters in private for the reasons set out below.

### **Decision Made:**

That, under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the press and public be excluded from the meeting for the following items on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 and 6a of Part 1 of Schedule 12A to the Local Government Act 1972. The Public Interest Test has been applied and favours exclusion of the information from the Press and Public.

## 71. SERCO – LANDLORD LICENSING

The Cabinet considered the report of the Assistant Director of Place (Economic Growth and Housing) which detailed the approach which was being taken with SERCO who operate the Government's Asylum Seeker Programme in Sefton in relation to the Council's Selective Private Landlord Licensing requirements.

The Chief Legal and Democratic Officer reported that the action being proposed in the report was a regulatory function, not an executive function, so the Cabinet was not being asked to take a decision on this matter other than to note the current position and that the recommendations within the report should be amended accordingly.

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## **Decision Made:**

That the contents of the report and the approach which is being taken in relation to the Council's Selective Private Landlord Licensing requirements be noted.

## **Reasons for the Decision:**

Selective Landlord Licensing has been in operation in Sefton since 1 March 2018, and on the 2 December 2021, the Cabinet considered a report requesting authority to undertake consultation on the extension of the initiative for a further 5 years to March 2028 because of the successful outcomes from the scheme. The strict enforcement of the scheme relies on a consistent and fair approach being taken to ensure that all properties which fall within the scope of the scheme have a licence in place.

## **Alternative Options Considered and Rejected:**

1) Not to pursue licensing of properties operated by SERCO which fall within the scope of the Selective Licensing scheme.

This has been rejected because it is important that the scheme is consistently enforced in line with the legislation.

2) Not to proceed to serve the Civil Penalty Notice and to instead pursue the freeholder/owners of the properties to apply for the selective licence as an alternative.

The owners are not regarded to be the most appropriate person to hold the licence, and therefore the Council would not be complying with the legislation.

## **72. APPOINTMENT OF CHAIR**

Councillors Hardy and Maher left the meeting at this point in accordance with the Public Interest they had declared in respect of Minute Nos 73 and 75 below

### **Decision Made:**

That Councillor Fairclough be appointed as the Chair for the remainder of the meeting in the absence of Councillor Maher.

## **73. DISPOSAL OF LAND AT SOUTHPORT OLD ROAD AND HOLGATE, THORNTON - EXEMPT APPENDICES**

The Cabinet considered exempt information in relation to the disposal of land at Southport Old Road and Holgate, Thornton. (Minute No. 74 below refers)..

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**Decision Made:**

That the exempt information be considered as part of the report in relation to the disposal of land at Southport Old Road and Holgate, Thornton. (Minute No. 74 below refers).

**Reasons for the Decision:**

The exempt information is required to be considered with the information in the public domain in order that an informed decision may be made.

**Alternative Options Considered and Rejected:**

None.

**74. PUBLIC SESSION**

**Decision Made:**

That the press and public be re-admitted to the meeting.

**75. DISPOSAL OF LAND AT SOUTHPORT OLD ROAD AND HOLGATE, THORNTON**

Further to Minute No. 73 of the meeting held on 7 November 2019, the Cabinet considered the report of the Assistant Director of Place (Economic Growth and Housing) which indicated that Asset Maximisation is a project within the Council's Framework for Change, Public Sector Reform programme and that as part of this project, the Council's assets will be defined as being required for operational purposes, having heritage value, being required for the economic growth programme or being available for disposal. The first phase of this review was completed in 2019. The site known as Land at Holgate, Thornton was identified as being not operational, surplus to requirements and therefore available for disposal.

On 7 November 2019, the Cabinet approved that Legal Services and Property and Facilities Management finalise an agreement for the disposal of the Council's land known as Plots B and C, Holgate, Thornton and in 2020 an option agreement was entered into with the developer and purchaser, Forth Homes. This has enabled Forth Homes to commence technical due diligence work to inform a planning application for 206 dwellings on the site that was approved in June 2022.

As part of the negotiated deal with Forth Homes, the developer was required to bring on board a strategic partner. Forth Homes has agreed terms for a sale of the Council's land to a larger housebuilder, Castle Green Homes (a management buy-out of Housebuilder Macbryde Homes, backed by Steve Morgan CBE, founder and former chairman of Redrow). The deal agreed between Forth Homes and Castle Green Homes effectively triggered an overage payment for the Council's land, and

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therefore changed some conditions of the land sale previously reported to Cabinet.

The Option Agreement sets out the gross land value and allows deductions for abnormal development costs, Section 106 contributions (including affordable housing contribution required by the Council), external highway works and planning gain costs.

The Cabinet previously approved that Officers would be required to report back to Members when sale contracts and all financial issues were resolved. This final report now seeks Cabinet approval to conclude the land sale transaction for Plots B and C at Holgate, Thornton.

## **Decision Made:** That:

- (1) as per the terms of the Option Agreement, approval be given for Forth Homes to appoint Castle Green Homes as their Nominated Strategic Partner for the reasons detailed within 3.4 of the report;
- (2) the Heads of Terms for the long lease of land on the north side of Southport Old Road, Thornton as detailed within Appendix 4 of the report be approved;
- (3) approval be given for the Chief Legal and Democratic Officer to complete the long lease and land sale agreements, to secure the capital receipt as presented at Appendix A of the report;
- (4) it be noted that the work undertaken by Property and Facilities Management to verify abnormal costs deductions and the agreed disposal price as set out in Appendix 1 of the report meets best consideration requirements in accordance with Section 123 of the Local Government Act 1972; and
- (5) approval be given to the land disposal receipt being paid in two equal instalments, being 50% on completion and 50% twelve months thereafter.

## **Reasons for the Decision:**

- (i) The deal agreed will enable a comprehensive scheme to be brought forward. This will avoid the sterilisation of the Council's land (Plot C – 3.15 acres) if Orchard Farm was redeveloped in isolation with highways access provided from Holgate Road.
- (ii) The developer will fund and deliver an off-site highways solution, which provides an appropriate access into the Council's land at Plot A, unlocking this. This site will be brought forward in future years as a separate disposal.
- (iii) A final capital receipt is supported by an independent valuation provided at Appendix 2 to verify the Market Value of the site. All



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costs associated with progressing ground investigations and technical surveys have been passed onto the developer – the Council has not had to fund these works. The basis of the deal therefore meets with the Council's duty to receive best consideration requirements in accordance with Section 123 of the Local Government Act 1972.

## **Alternative Options Considered and Rejected:**

Option 1 – “Do nothing”:

The developer has successfully appealed their planning refusal and indicated that they will exercise their option and develop out their consented scheme, utilising Holgate for construction and residential access.

Risk: by redeveloping Orchard Farm in isolation, Holgate Road would be the main highways access into the site, but there would be insufficient capacity on this road to support the redevelopment of Plot C – this would likely remain as farmland. The impact would be the Council taking the remaining Plots A and B to market (see Option 2). The Council would incur costs associated with technical surveys, planning and marketing fees and lose the value of Plot C.

Option 2 – “Council bring forward Plots A and B in isolation”:

The Council would appoint consultants to progress desktop surveys (ecology, highways and ground conditions) and prepare a planning brief. The Council's remaining land would then be marketed to prospective partners – the deal to be conditional upon planning consent.

Risk: The Council would incur costs and staff resource to progress the upfront technical works and due diligence to take the site to market, including the appointment of property agents to market the land.

Option 3 – “Council buy out the Option Agreement”:

This would ensure that the Council had control of the whole site and would be free to take the site to the open market seeking a disposal or joint venture partner.

Risk: Option would mean that the Council would need to pay compensation for costs incurred to date in pursuing planning and loss of future development profit, in addition to a land value to reflect the 14-dwelling scheme proposed. This would not be financially viable.

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# Agenda Item 4

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	Thursday 3 November 2022
<b>Subject:</b>	Sefton Carers Centre		
<b>Report of:</b>	Director of Social Care and Health	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Cabinet Member - Adult Social Care		
<b>Is this a Key Decision:</b>	Y	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	N		

## Summary:

The purpose of this report is to recommend implementing a 2-year integrated contract with Sefton Carers Centre from 1<sup>st</sup> April 2023, that incorporates all commissioned activity detailed within this report, whilst we undertake an in-depth strategic review of the service.

## Recommendation(s):

Cabinet is recommended to:

- (1) Authorise the Executive Director of Adult Social Care who is also the NHS Place Director for Sefton to implement a 2-year integrated contract with Sefton Carers Centre from 1<sup>st</sup> April 2023, that incorporates all commissioned activity within the current NHS and Council budget available, whilst we undertake an in-depth strategic review of the service.
- (2) Note that a further report will be presented to Cabinet detailing the findings of the strategic review once finalised.
- (3) Delegate the decision with regards to any variance of the existing contract/contract value, noting that this is within the current NHS and Council budget available, to the Director of Adult Social Care and NHS Director of Sefton in consultation with the Executive Director of People, the Cabinet Member for Adult Social Care, and the Cabinet Member for Communities and Housing in the event that the service review highlights additional activity to be delivered to ensure compliance with our statutory obligations.

## Reasons for the Recommendation(s):

The implementation of a 2-year contract bringing together the funding streams will enable time and capacity to complete a strategic review of the service offer for carers in Sefton which will inform longer term recommendations and also reflects the priority to

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provide integrated Social Care and Health services in Sefton. The review will involve carers and families.

The review of the service will be underpinned by Sefton's Carers Strategy for the next 5 years and reflects the aims and vision of the Council's New Realities Agreement which outlines our commitment to working in partnership with the Voluntary, Community and Faith Sector.

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

To do nothing in terms of maintaining the current service delivery arrangements has been considered, but on the basis of being able to develop services further and achieve greater system wide efficiencies, as well as improved experiences for carer's this option is not recommended.

## **What will it cost and how will it be financed?**

### **(A) Revenue Costs**

Revenue costs will be met from within existing Council and ICB budgets by way of a pooled budget arrangement. The strategic review will be completed within the life of the contract extension and any impact on contract value as a result of the review will be considered by Council should it not be contained within the current budget across Children Services, Communities and Adult Social Care.

### **(B) Capital Costs**

There are no capital costs for the Council associated with this service.

## **Implications of the Proposals:**

<b>Resource Implications (Financial, IT, Staffing and Assets):</b> The cost of provision is currently within the Council and Sefton ICB baseline budget however, this may require review following completion of the service review.	
<b>Legal Implications:</b> Care Act 2014 Children and Families Act 2014 The Public Procurement (Amendment etc Regulations) (EU Exit) 2020 introduced to amend Public Contract Regulations 2015.	
<b>Equality Implications:</b> There are no identified equality implications.	
<b>Climate Emergency Implications:</b> The recommendations within this report will	
Have a positive impact	Y
Have a neutral impact	N

Have a negative impact	N
The Author has undertaken the Climate Emergency training for report authors	Y

The service will be monitored against how their delivery contributes towards Social Value, which includes green initiatives. The service will be able to develop and build upon existing ways of working to positively contribute to the Climate Change Emergency.

**Contribution to the Council’s Core Purpose:**

Protect the most vulnerable: The service provides free advice and guidance, emotional and practical support, training, and a range of holistic therapies for unpaid carers living in Sefton.
Facilitate confident and resilient communities: The service empowers people by providing guidance, practical support and training which enables them to fulfil their role as carers, thereby improving confidence and resilience.
Commission, broker and provide core services: The service ensures that individuals are supported to engage in the planning and assessment of their health and care needs.
Place – leadership and influencer: The establishment of an integrated contract will ensure that there is a place-based approach to care and support services for Carer’s across Sefton.
Drivers of change and reform: <ul style="list-style-type: none"> <li>• Integration – national and local context linked to the white paper.</li> <li>• Market Position Statement for Sefton</li> </ul>
Facilitate sustainable economic prosperity:
Greater income for social investment:
Cleaner Greener: The service will be monitored against how their service delivery contributes towards social value, which includes green initiatives.

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

**(A) Internal Consultations**

The Executive Director of Corporate Resources and Customer Services (FD6982/22) and the Chief Legal and Democratic Officer (LD5182/22) have been consulted and any comments have been incorporated into the report.

# Agenda Item 4

## **(B) External Consultations**

All key stakeholders have been consulted and further consultation will take place to inform and develop the service specification following completion of the review.

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

<b>Contact Officer:</b>	Angela Clintworth
Telephone Number:	0151 934 3720
Email Address:	angela.clintworth@sefton.gov.uk

### **Appendices:**

There are no appendices to this report

### **Background Papers:**

There are no background papers available for inspection.

## **1. Introduction/Background**

- 1.1 Sefton Carers Centre is a registered charity which provides free advice and guidance, emotional and practical support, training, and a range of holistic therapies for unpaid carers living in Sefton.
- 1.2 A carer is someone of any age who provides unpaid support to family or friends who could not manage with this help. This could be caring for a relative, partner or friend who is ill, frail, disabled or has mental health or substance misuse problems.
- 1.3 The Care Act 2014, places a duty on Local Authorities to promote individual wellbeing, aims to prevent, reduce, or delay the need for care and support to put individuals in control of their lives. It also stipulates that people who look after an adult, relative or friend with care needs have the same right to an assessment and support as the people they care for.
- 1.4 In Sefton, it is recognised that carers, and the people they care for, are valued members of our communities and that carers provide invaluable care and support to their families, and within local communities.

## **2. Current Commissioned Services**

- 2.1 At present, Sefton Carers Centre is commissioned by Adult Social Care, Communities and Sefton NHS ICB (Integrated Care Board formerly Sefton Clinical Commissioning Groups) to deliver the following services:
- 2.2 Direct Payments
  - 2.2.1 Sefton Carers Centre’s Direct Payment Service provides a single point of contact for information, advice, and support for Adult & Children’s Social

Care direct payments in Sefton. The service delivers targeted information and advice to existing and new recipients, their families, and carers. The service enables and empowers people to take control and manage their care and support.

2.2.2 The service provides the following:

- A single point of contact for information, advice and support relating to Direct Payments.
- Supports Direct Payment recipients with managing, planning, payroll, employment, training, and Direct Payment account monitoring to encourage confidence to self-manage care and support.
- Delivers a service that enables Direct Payment recipients to live independently.
- Signposts to other in-house services delivered by Sefton Carers Centre and other services to enhance a holistic whole family approach.
- Works with the Council to implement any improvements in systems and processes around Direct Payments.
- Supports consultations and enables Direct Payment recipients, their families, and Carers to have a voice in the development of the service.
- Supports recipients or representatives with information, advice, and guidance to ensure decisions made to support independent living are realistic and meet the needs identified in the support plan.
- Ensures that recipients if needed are supported to employ a Personal Assistant safely, effectively and in a timely manner.
- Offers all Direct Payment recipients training to support the management of their direct payment.
- Ensures all recipients understand and comply with the Direct Payment agreement, understand their support plan and how payments will be made in respect of this plan.
- A full payroll service which is available to all recipients that provides service users with access to Payroll and Advisors to meet all aspects of direct payments provision.

2.3 Carers Support Services

2.3.1 Sefton Carers Centre manages Carers Support at Home payments which provide Carers with funding for up to 25 hrs of Care and Support Services annually upon completion of an Adult Social Care Assessment.

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2.3.2 Sefton Carers Centre processes specific one-off payments to Carers. These costs are identified during a Carers Assessment and based on evidence of need. This is recorded in the Carers Support Plan and presented to Sefton Council through the authorisation process, who will approve as appropriate. These one-off payments can only be made once in a 12-month period.

## 2.4 Carers Training

2.4.1 The Carers Equal Opportunities Act 2004 as well as the Care Act 2014, places a duty on Local Authorities to take into account Carers needs in relation to work, life-long learning and leisure. To assist the Council in its obligations to carers, Sefton Carers Centre provides more flexibility by delivering courses in response to carers identified needs and availability, provides recreational courses to meet the needs of older carers and those carers who are unable to return to the labour market, whilst also providing “Springboard” training such as confidence building, basic skills and introduction to I.T. for those carers wishing to return to education or the workplace

## 2.5 Young Carers Service (16-24)

2.5.1 The Care Act 2014 places a duty on local authorities to assess young carers before they turn 18, so that they have the information they need to plan for their future. This is referred to as a transition assessment. Working with a young carer to prepare them for their transition assessment is important, particularly when they are considering options at school/college or if there are particular pressures at home.

2.5.2 Sefton Young Carers Support Service which is part of the Sefton Carers Centre work to support a young person to access relevant information and services in order to support the successful transition into adult life as a Carer.

## 2.6 Parent Carer Support

2.6.1 Sefton Carers centre provide support for Carers who care for a child or young person who is under 18yrs and has a physical disability, learning disability or emotional/behavioural condition, either diagnosed or undiagnosed. They will support Parent Carers with information, advice, and guidance to enhance their knowledge and emotional wellbeing.

2.6.2 The Children’s and Families Act 2014 states that if you are a Parent Carer of a child with a disability and have parental responsibility, you have the right to request a Parent Carer needs assessment.



The assessment will consider:

- The Individual needs of a parent carer
- Things that could make looking after a child easier
- The well-being of the Parent Carer
- The need to safeguard and promote the welfare of the child
- The need to safeguard and promote the welfare of any other children that they care for

The service provides the following:

- Offers and completes Carers Assessments and Reassessments with Parent Carers in line with current legislation.
- Provides Parent Carers with a point of contact for information, advice and support relating to their caring role and to interpret current legislation and inform them of their rights.
- Signposts Parent Carers to in-house services delivered by Sefton Carers Centre to support emotional and financial wellbeing and to enhance a holistic whole family approach.
- Signposts Parent Carers to appropriate services in Health, Social Care, Education and the VCF sector as appropriate.
- Offers low level advocacy to Parent Carers to support their autonomy in accessing services.
- Works with Children's Services and Aiming High to support the planning and co-ordination of a dedicated needs led provision for disabled children aged 0-18 yrs which meets the Council's statutory obligations.
- Supports consultations and enables Carers to have a voice in the development of services.
- Supports older Parent Carers in regard to future planning and transition to adult services
- Identifies and applies for external funding which will support the needs of Parent Carers.
- Promotes multi agency working partnerships by attending events and meetings.
- Provides support groups for Parent Carers to give advice, support, and opportunities to develop knowledge regarding services appropriate to their caring roles
- Works with key organisations such as Parent Carer Forum to support parent Carers with access to peer support, information, and events.

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- Provides Parent Carer Voice & Support groups to enable Carers to have input and understanding on local and national legislation and services which impact on parent Carers.

## 2.7 Parent Carer Advocacy

2.7.1 Sefton Carers Centre provides Parent Carer Advocacy to support Parent Carers in pursuing their rights and access to services and to ensure that their needs are met.

2.8 All of the services detailed above are commissioned under three separate contracts/service specifications and all have differing end dates. By implementing a 2-year integrated contract with Sefton Carers Centre, as from the 1<sup>st</sup> April 2023, this will enable Sefton Council and partners to incorporate all commissioned activity into one integrated contract, underpinned by a pooled budget arrangement, that will assist with the review and the development of an all-age service specification going forward. The financial impact of the 2-year contract will be contained within the current financial resources and budget allocation.

2.9 The established Carer's Strategy group will co-produce a 5-year strategy which will inform the development of an all-age service specification and any new proposed models of support, which will be underpinned by the Council's Digital and Tecs Strategy.

2.10 As part of the new contract arrangements, a performance management framework will also be developed, which will seek to address the performance of the service in order to achieve top quartile position in national benchmarking ASCOF.

2.11 All performance reports will be presented to Overview and Scrutiny Committee for consideration.

## 3. **Conclusion**

3.1 The Council has a statutory duty as defined by the Care Act 2014, and the Children and Families Act 2014, to provide care and support services for carers within Sefton.

3.2 The proposed implementation of a 2-year integrated contract, which will be subject to an in-depth strategic review, represents a further commitment between social care and health to provide integrated services.

3.3 Cabinet is asked to:

3.3.1 Authorise the Executive Director of Adult Social Care who is also the NHS Place Director for Sefton to implement a 2-year integrated contract with Sefton Carers Centre from 1<sup>st</sup> April 2023, that incorporates all commissioned activity within the current NHS and Council budget available, whilst we undertake an in-depth strategic review of the service.

3.3.2 Note that a further report will be presented to Cabinet detailing the findings of the strategic review once finalised.

- 3.3.3 Delegate the decision with regards to any variance of the existing contract/contract value, noting that this is within the current budget available, to the Director of Adult Social Care who is also the NHS Place Director for Sefton in consultation with the Executive Director of People, the Cabinet Member for Adult Social Care, and the Cabinet Member for Communities and Housing in the event that the service review highlights additional activity to be delivered to ensure compliance with our statutory obligations.

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# Agenda Item 5

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	3 November 2022
<b>Subject:</b>	Sefton Housing Strategy 2022-2027		
<b>Report of:</b>	Assistant Director Place (Economic Growth and Housing)	<b>Wards Affected:</b>	All Wards
<b>Portfolio:</b>	Cabinet Member – Communities and Housing		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No		

## Summary:

To seek Cabinet approval to publish Sefton’s Housing Strategy, which sets out the vision, key themes and strategic housing priorities for Sefton over the next five years.

## Recommendation(s):

### Cabinet is asked to:

- (1) Approve Sefton’s Housing Strategy 2022 – 2027 [as set out in Appendix 1] for publication.
- (2) Note that further work is to be undertaken in Autumn/Winter 2022 on the Housing Strategy Action Plan and Monitoring Reports. This Action Plan will include specific activities and actions to be undertaken by the Council to achieve the strategic priorities as identified in the Housing Strategy document.
- (3) Give authority to the Assistant Director Place (Economic Growth and Housing) in consultation with the Cabinet Member for Communities to approve the Housing Strategy Action Plan and Monitoring Reports as set out under recommendation (2).

## Reasons for the Recommendation(s):

The Government has recognised that *“housing should provide a secure foundation for individuals to live the lives they want to live. Finding the right home, in the right place, can be an essential platform for people seeking to support their families and sustain work”*. This updated Housing Strategy sets out the locally agreed, long-term vision for housing and sets out strategic housing priorities, objectives and broad target outcomes to help achieve this aim.

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

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The Council could utilise the existing Housing Strategy (2016 – 2021) to deliver housing priorities and guide economic growth and investment in the Borough - this option has been considered and rejected for the following reasons: The existing Housing Strategy (2016 – 2021) is now largely obsolete as many of the housing priorities contained within it have been successfully implemented. Additionally, the landscape and the way in which housing services are delivered has changed considerably over the past 5 years, therefore, a refreshed housing strategy is considered appropriate.

## What will it cost and how will it be financed?

### (A) Revenue Costs

There are no revenue cost implications with adopting Sefton’s Housing Strategy 2022 – 2027. Cost implications will be considered on a case by case basis for any work relating to the delivery of the priorities highlighted in this document.

### (B) Capital Costs

There are no capital cost implications with adopting Sefton’s Housing Strategy 2022-2027. Cost implications will be considered on a case by case basis for any work relating to the delivery of the priorities highlighted in this document.

## Implications of the Proposals:

<b>Resource Implications (Financial, IT, Staffing and Assets):</b> None identified.	
<b>Legal Implications:</b>  Section 29 of the Deregulation Act 2015 removed the legal requirement for a local authority to have a housing strategy. However, preparation of such a strategy is deemed to be good practice.	
<b>Equality Implications:</b> An Equality Impact Assessment (EIA) has been undertaken through development of the Housing Strategy and no negative impacts have been identified. The EIA is included in Appendix 2	
<b>Climate Emergency Implications:</b>  The recommendations within this report will	
Have a positive impact	Y
Have a neutral impact	N
Have a negative impact	N
The Author has undertaken the Climate Emergency training for report authors	Y
The draft Housing Strategy 2022-2027 sets out a clear response to the Council’s declaration of a Climate Emergency. We recognise that housing is one of the main producers of greenhouse gases, so we have made long-term resolutions to tackle our	

climate emergency head on by; working with private property owners and registered providers of social housing, to help retrofit housing stock across Sefton to reduce carbon emissions.

## Contribution to the Council's Core Purpose:

Protect the most vulnerable: Meeting the housing needs of the most vulnerable groups, such as those with mental health issues, learning and physical disabilities or those leaving care.

Facilitate confident and resilient communities: The places where we live will make it easy to be healthy and happy, with opportunities for better health and wellbeing on our doorstep.

Commission, broker and provide core services: Ensuring that the right housing choices are available and housing services are commissioned or provided in the most appropriate way.

Place – leadership and influencer: : Ensuring homes and neighbourhoods are developed in a way that people enjoy being part of, and take pride living in.

Drivers of change and reform: : Incorporating new technologies and materials to build better homes or retrofit existing homes with new technologies and improve energy efficiency utilising the most sustainable methods.

Facilitate sustainable economic prosperity: Supporting housing delivery throughout Sefton leads to a range of direct economic benefits including: Local employment opportunities and workforce development in construction. The development of aspirational homes also attracts and retains economically active people within the Borough and will help to rebalance our demographic profile.

Greater income for social investment: Utilising a range of public and private housing investment funding streams to enable development of the highest quality homes in the borough in the most appropriate locations

Cleaner Greener : Leading a range of improvement initiatives and encouraging others across all types and tenures of homes to; raise housing standards, address energy efficiency, reduce fuel poverty and decrease the number of poor-quality houses.

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

### (A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD 6981/22) and the Chief Legal and Democratic Officer (LD5181/22) have been consulted and any comments have been incorporated into the report.

### (B) External Consultations

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Discussions on the development of the draft Housing Strategy have been undertaken with a range of external stakeholders including South Sefton CCG, Registered Providers of Social Housing, Homes England, Liverpool City Region Combined Authority, The Regulator of Social Housing, Volume Housebuilders, Sefton Advocacy for Older Persons and Consultants working on behalf of the Council. Further external views on the draft strategy have been sought publicly, through a 12-week consultation and public engagement process and have been incorporated within the final version of Sefton's Housing Strategy 2022-27.

<b>Contact Officer:</b>	Alistair Malpas
Telephone Number:	0151 934 4842
Email Address:	Alistair.Malpas@sefton.gov.uk

## Appendices:

The following appendices are attached to this report:

Appendix 1 – Sefton's Housing Strategy 2022 – 2027

Appendix 2 – Equality Impact Assessment

## Background Papers:

Draft Housing Strategy approval for public consultation

<https://modgov.sefton.gov.uk/mgIssueHistoryHome.aspx?Id=67923>

### 1. Introduction/Background

- 1.1 Approval for the development of Sefton's new Housing Strategy to refresh the current 2016-21 strategy was agreed by Cabinet Member Communities and Housing in November 2021. Since this date, the draft Housing Strategy has been prepared incorporating the views of a range of internal officers and external stakeholders.
- 1.2 The development and publication of a refreshed version of the current Housing Strategy was recognised as being prudent by Cabinet Member Communities and Housing, due to a number of housing priorities being successfully implemented or fulfilled by the Council since 2016. Additionally, a range of new strategic housing goals and Sefton's adopted 2030 Vision, alongside numerous national policy and legislative changes, and changes to the operating environment, meant that a refreshed & robust updated strategy was essential for the delivery of local authorities' housing functions going forward.
- 1.3 On 6<sup>th</sup> October 2022 Cabinet approved a proposal to re-designate Selective and Additional Licensing schemes within the Borough to 2028. An up to date Housing Strategy is pre requisite for introducing a Selective Licensing scheme within the Borough. Governmental guidance states: *"selective licensing is not a tool that can be used in isolation. The local housing authority will have to show how such a designation will be a part of the overall strategic borough wide approach"*



1.4 A housing strategy refresh will also provide an opportunity to strengthen linkages with the strategic aims and objectives that have been subsequently implemented by both, Sefton Council and the Government since 2016. Wide-ranging and up-to-date evidential documents and the Council's Core Purpose have also been consulted upon and incorporated within this draft housing strategy, ensuring consistency across existing policies and plans.

1.5 A draft version of Sefton's Housing Strategy (2022-2027) was published for a wider 12-week public consultation in early May 2022 and this concluded on 31<sup>st</sup> July 2022. This draft housing strategy was developed over a number of months in partnership with a range of internal and external stakeholders. The development of a robust housing strategy has followed good practice guidance, which indicated the importance of developing a 'shared' strategy, in collaboration with key Local Authority partners, and, also through consultation with a wider group of stakeholders and the local community. A summary of the consultation responses and the Council's response to each comment can be accessed through the following link: [www.sefton.gov.uk/housingstrategyconsultation](http://www.sefton.gov.uk/housingstrategyconsultation)

## **2.0 Developing the new housing strategy's vision, key themes and housing priorities**

2.1 The vision for housing in Sefton to 2027 and beyond encompasses: – *“Building upon the successful impacts of the previous Housing Strategies to ensure that Sefton remains a great place to live, by providing opportunities to allow residents to access the highest quality housing appropriate for their needs”*.

2.2 The key themes and housing priorities from Sefton's outgoing Housing Strategy have been reviewed and continue to remain relevant in this strategy refresh. This ensures a measure of continuity in delivery and helps to build upon our past successful outcomes. Over the period of this strategy our housing priorities will be:

- Driving housing quality in communities and neighbourhoods;
- Meeting people's housing needs;
- Enabling people to live independently;
- Tackling barriers to obtaining suitable housing for the most vulnerable and ensuring equal access to housing services;
- Effectively utilising Council assets to support housing delivery.

2.3 This Housing Strategy does not sit in isolation; therefore, it references and supports numerous national, Liverpool City Region and Sefton-wide higher-level strategies, goals and the Council's Core Purpose.

2.4 It is also important that this strategy does not solely focus upon the provision of new housing, but also concerns itself with how housing policies can improve the local environment and quality of life for the benefit of all residents. Therefore, this strategy recognises that housing activities must support the Council's key high-level strategies including: Sefton's Vision 2030, Local Plan, Economic Strategy, Health and Wellbeing Strategy and Climate Emergency Strategy

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## 3.0 **Further work – Development of a Housing Strategy Action Plan and Monitoring report**

- 3.1 The Housing Strategy document is intended to be accessible for residents and stakeholders so that they can easily understand the housing priorities and vision for the borough. However, this will be complemented by a detailed Housing Strategy Action Plan. This action plan will again be developed with key partners in Autumn/Winter 2022 and will outline how the vision set out in the strategy will be achieved, and will set targets for delivery. The Action Plan will be published on the Council's website.
- 3.2 The Housing Strategy Action Plan will be reviewed on an annual basis to ensure that it is responsive to change and appropriately addresses the identified housing priorities and targets. This Monitoring Report will help to reflect on progress and targets achieved over the previous 12 months, and allow for updates to Sefton's housing priorities in the future. The Monitoring Report will also be published on the Council's website.

# Sefton Housing Strategy 2022 - 2027



Agenda Item 5



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## Reflections on the previous Housing Strategy

Sefton's previous Housing Strategy 2016 -2021 included a diverse range of housing priorities that were identified to help address the significant local and national housing challenges that Sefton's residents have faced over the previous 5-years.

Some of these housing priorities have been directly and successfully addressed, including; Driving Housing Quality in Communities and Neighbourhoods through the introduction of successful Landlord licensing schemes in the privately rented sector or working with Housing Associations to improve and implement estate regeneration projects. Alongside this, we have removed 3,780 hazards from residential properties that could have caused serious health & safety issues to occupiers or visitors and brought 11 unfit properties back into use through the use of Enforced Sales procedures.

There have been almost 3,300 additional new homes developed over the past 5 years across a range of housing tenures, to *meet people's housing needs*. Alongside this, we are *enabling people to live independently for longer* through the implementation of an Extra Care prospectus to help secure developments to meet the needs of older residents.

We have also tackled barriers to obtaining suitable housing for the most vulnerable and ensuring equal access to housing services by; effectively implementing a range of measures brought about through the Homelessness Reduction Act in 2017, to reduce homelessness and rough sleeping across the Borough.

Finally, Sefton Council has effectively utilised its assets to support new housing developments by setting up: Sandway Homes, to directly build and market new homes across the Borough. These outcomes highlight just a few of the successful housing outcomes of the 2016-21 strategy.



## A new focus on Housing 2022-27



**Councillor Trish Hardy**  
Cabinet Member for  
Communities and Housing

However, Sefton Council fully acknowledges that; Some housing priorities can only be addressed over a longer timeframe. In 2019 the Council declared a Climate Emergency, and we recognise that housing is one of the main producers of greenhouse gases so we have made long-term resolutions to tackle our climate emergency head on by working with private property owners and registered providers of social housing to help retrofit housing stock across Sefton to reduce carbon emissions. We have also taken positive action to meet the challenge of providing sufficient social housing for local people by developing and managing Council houses for the first time since 2006 over the period of this strategy. Each of these new or additional housing priorities will be included within this document. These matters have become more urgent over the past few years, as a direct consequence of our national and local housing crises or as a positive reaction to help tackle the climate emergency.

Additionally, legislative changes introduced by HM Government, societal changes brought about through the Covid-19 pandemic, and a reflection on the Grenfell Tower tragedy, mean that a robust and renewed Housing Strategy is outlined in this document

I would like to thank all those that have been involved in shaping the new Housing Strategy;

including tenants and residents, officers, partners and stakeholders. We look forward to delivering on the objectives set out in this strategy over the next 5 years.

**Cllr Trish Hardy**

Cabinet Member Communities and Housing – Sefton Council  
April 2022



## DEVELOPING THE VISION FOR HOUSING IN SEFTON

**Sefton**  
2030

The vision for housing in Sefton to 2027 and beyond encompasses: –

*“ Building upon the successful impacts of the previous Housing Strategies to ensure that Sefton remains a great place to live, by providing opportunities to allow residents to access the highest quality housing appropriate for their needs”.*



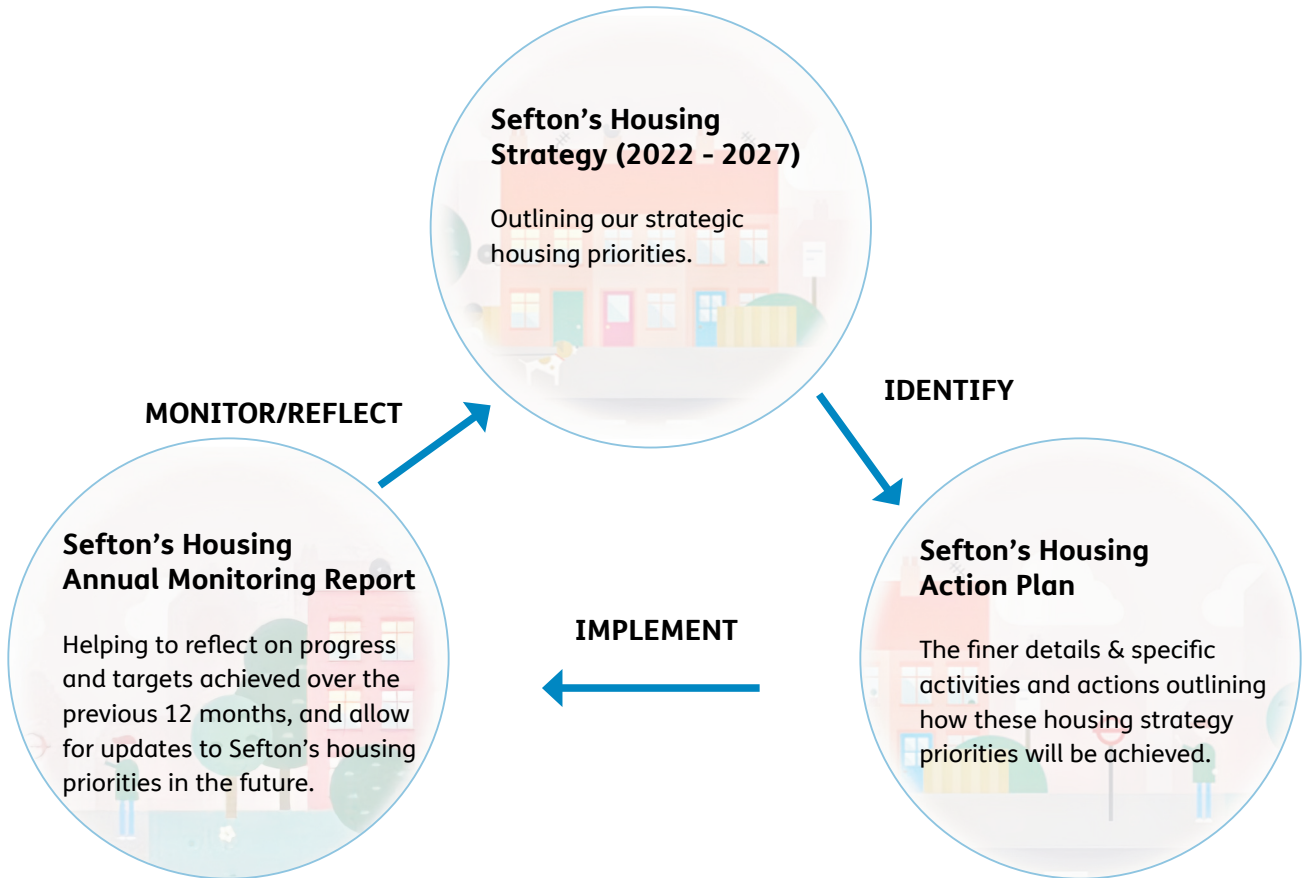
## Key Themes and Housing Priorities

The key themes and housing priorities from Sefton’s outgoing Housing Strategy have been reviewed and continue to remain relevant in this strategy refresh. This ensures a measure of continuity in delivery and helps to build upon our past successful outcomes. Over the period of this strategy our housing priorities will be:

- *Driving housing quality in communities and neighbourhoods;*
- *Meeting people’s housing needs;*
- *Enabling people to live independently;*
- *Tackling barriers to obtaining suitable housing for the most vulnerable and ensuring equal access to housing services;*
- *Effectively utilising Council assets to support housing delivery.*



This Housing Strategy does not sit in isolation; therefore, it references and supports numerous national, Liverpool City Region and Sefton-wide higher-level strategies, goals and the Council's Core Purpose. This strategy comprises of three separate documents to; i) outline the strategic housing priorities; ii) provide details and methods of how these priorities will be achieved in an Action Plan; and iii) monitor and evaluate progress against targets set out in the action plan, in an Annual Monitoring Report.



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It is also important that this strategy does not solely focus upon the provision of new housing, but also concerns itself with how housing policies can improve the local environment and quality of life for the benefit of all residents. Therefore, this strategy recognises that housing activities must support the Council's key high-level strategies including: Sefton's Vision 2030, Local Plan, Health and Wellbeing Strategy and Climate Emergency Strategy. All of which ensures that we:

## ***Protect the most vulnerable***

Meeting the housing needs of the most vulnerable groups, such as those with mental health issues, learning and physical disabilities or those leaving care.

## ***Facilitate confident and resilient communities***

The places where we live will make it easy to be healthy and happy, with opportunities for better health and wellbeing on our doorstep

## ***Commission, broker and provide core services***

Ensuring that the right housing choices are available and housing services are commissioned or provided in the most appropriate way.

## ***Place - leadership and influencer***

Ensuring homes and neighbourhoods are developed in a way that people enjoy being part of, and take pride living in.

## ***Drivers of change and reform***

Incorporating new technologies and materials to build better homes or retrofit existing homes with new technologies and improve energy efficiency utilising the most sustainable methods.

## ***Facilitate sustainable economic prosperity***

Supporting housing delivery throughout Sefton leads to a range of direct economic benefits including: Local employment opportunities and workforce development in construction. The development of aspirational homes also attracts and retains economically active people within the Borough and will help to rebalance our demographic profile.

## ***Greater income for social investment***

Utilising a range of public and private housing investment funding streams to enable development of the highest quality homes in the borough in the most appropriate locations.

## ***Cleaner Greener***

Leading a range of improvement initiatives and encouraging others across all types and tenures of homes to; raise housing standards, address energy efficiency, reduce fuel poverty and decrease the number of poor-quality houses.



## PRIORITY THEME: DRIVING HOUSING QUALITY IN COMMUNITIES AND NEIGHBOURHOODS

Continuing to improve Sefton's current housing stock is a key priority of this strategic theme. Higher quality & more energy efficient homes bring direct benefits to individual households, neighbourhoods, and the wider community. Climate change also represents a significant threat to our future, and this priority will help improve the quality of housing and is a key part of addressing this emergency. The Council will lead on a range of improvement initiatives and encourage others across all types and tenures of homes to; raise housing standards, address energy efficiency, reduce fuel poverty and decrease the number of poor-quality houses. This strategic priority also helps to tackle the number of empty homes in the Borough, reducing negative impacts on neighbourhoods and help increase the number of available homes.

### Our priorities include:

- Raise housing standards across all tenures and reduce the number of non-decent homes with particular focus on the worst conditions including;
- Improving the quality of privately rented sector (PRS) homes and;
- Regulating and improving Houses in Multiple Occupation (HMOs)
- Working closely with Social Housing providers ensure that residents in social housing are safe, are listened to, live in good quality homes and have access to redress when things go wrong
- Focus intervention activity to help reduce the number of long-term privately owned empty properties across the borough.

### We will achieve this priority over the next five years by:

- Working closely with private sector landlords to support and encourage them to invest in Sefton & provide high quality homes and management services;
- Re-designation of current Selective and Additional (HMO) Licensing Schemes in Bootle, Waterloo and Southport for a further five years (2023 - 2028);
- Raise housing standards across all tenures and reduce the number of poor-quality homes with a particular focus on those with the worst conditions;
- Provide support and guidance to owner-occupiers to help them improve their housing standards, particularly the most vulnerable in the worst housing conditions;
- Using evidence to monitor the quality of existing housing stock within the Borough across all tenures to assess where stock improvements can be implemented;

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- Working in partnership with Sefton’s Housing Associations to ensure that they successfully implement the Charter for Social Housing Residents by providing the best quantity, type and quality of housing, together with the most appropriate support services;
- Decarbonisation of privately-owned and social housing to address Sefton’s Climate Emergency Strategy by targeting and retrofitting the most energy inefficient homes;
- Helping empty property owners to bring their properties back into use through advice and assistance, including early intervention and preventative measures. Additionally, where necessary utilising the full range of enforcement powers to target and bring problematic properties back into use.

## PRIORITY THEME: MEETING PEOPLE'S HOUSING NEEDS

This priority looks at how we can increase the supply, mix and quality of new market homes, low cost homes as well as affordable social housing. This increase in overall housing supply will encourage a greater choice of homes that meet the needs of existing and future residents. Additional housing is an important factor in allowing demand to be met across all tenures and improve market flexibility, and importantly help to develop more mixed and sustainable communities. The Council also aspires to directly oversee the development of high-quality new homes in areas where people want to live.

### **Our priorities include:**

- Securing the development of appropriate housing and attracting housing investment in the Borough;
- Attracting and encouraging effective working relationships with appropriate housing development partners to continue to provide new homes across a range of tenures;
- Working with partners who can help those working-age residents own their own homes and to remain in the borough by providing aspirational housing in areas where they wish to live.
- Directly owning and managing social homes and also continuing to work with a range of partners to develop affordable housing;

### **We will achieve this priority over the next five years by:**

- Working with and supporting housing developers to deliver exceptional homes and neighbourhoods;
- Identifying and utilising different grant funding or finance opportunities to help secure development;
- Working in partnership with developers who can provide housing products and services that help aspiring householders to access home ownership;
- Exploring supplementary housing tenures and affordable home ownership to ensure that working-age people can aspire to own their homes in locations they desire.
- Working directly and also in partnership with housing associations to identify appropriate locations and develop a greater quantum and range of social housing;
- Utilising appropriate Planning policies to ensure homes are delivered throughout the Borough and Affordable Homes are built for those residents who are in greatest need.



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## PRIORITY THEME: ENABLING PEOPLE TO LIVE INDEPENDENTLY

This priority will help Sefton to provide an effective response to the longer-term demographic changes that will affect the borough including significant increases in older populations and a decrease in the working age population. This housing priority addresses how appropriate housing can be provided to support the future needs of specific groups within the local population, through the provision of specialist housing or adaptations to existing homes such as; more integrated and wider implementation of assistive technologies and Technology Enabled Care Solutions (TECS). Ensuring that people can continue to live independent, self-sufficient, and healthy lives.

### **Our priorities include:**

- Responding to long-term demographic changes - A significant increase in older populations often with more complex needs;
- Implementing a robust Housing Pathway, to enable all residents to access supported living and housing provision in the most suitable way;
- Providing appropriate housing to support future population needs;
- Reducing health inequalities through improved specialist housing;
- Meeting the housing needs of the most vulnerable groups, such as those with mental health issues, learning and physical disabilities or those leaving care;
- Using innovative and adaptive technologies as a tool to help support people to manage their own health and enabling better coordination and personalisation of care.

### **We will achieve this priority over the next five years by:**

- Delivery of Extra Care Accommodation throughout the Borough alongside the adoption of a robust Extra Care Housing Allocations Policy
- Improved integrated working with health and social care partners to identify the appropriate housing and housing investment required
- Introducing a housing pathway to set out new processes for streamlining access to supported living, in addition to housing provision for all cohorts of vulnerable people including older persons and those with disabilities, for example those with learning disability and/or Autism, physical impairment and mental health.
- Implementing the priorities as set out in the Technology Enabled Care Solutions (TECS) Strategy 2021-2024. Ensuring that the provision of TECS for individuals to live in an accessible and safe “home” environment, enabling them to retain independence;





- Working with partners to provide new housing and improved accommodation for older populations, care leavers and the most vulnerable groups, in the most appropriate and accessible locations for local services and facilities;
- Working with landlords and support service agencies to provide a range of supported living accommodation for our most vulnerable.

## PRIORITY THEME: TACKLING BARRIERS TO OBTAINING SUITABLE HOUSING FOR THE MOST VULNERABLE AND ENSURING EQUAL ACCESS TO HOUSING SERVICES

This priority will meet the needs of more diverse communities within Sefton, supporting the needs of populations or groups who are not able to be appropriately represented through the conventional housing market. This priority requires all areas of the Council to work in partnership with a range of external agencies and charities, to ensure that: The very best housing outcomes are achieved for Sefton's most vulnerable groups, such as those with mental health issues, learning and physical disabilities or those leaving care. This priority also recognises how housing can be used to help provide a level of protection for victims of domestic abuse and help to prevent offending behaviours.

### **Our priorities include:**

- Tackling all forms of homelessness and rough sleeping
- Providing more effective housing related support and advice services;
- Meeting the needs of more diverse and vulnerable communities;
- Providing greater access to affordable housing through improvements to the Choice-based letting scheme (Property Pool Plus);
- Providing additional housing opportunities; by registering as a social landlord to develop, own and manage housing stock (links to Priority Theme: Effectively Utilising Council Assets to Support Housing)
- Understand and act upon the duties placed on the Council, with regards to the Domestic Abuse Act 2021.

### **We will achieve this priority over the next five years by:**

- Refreshing Sefton's Homeless and Rough Sleeper Strategy and implementation of the new Homeless Strategy action plan;
- Assessing the current and future housing requirements for vulnerable groups including: Care Leavers, those providing Foster Care and people with a disability;
- Implementing the refreshed allocations policy for the Choice Based Letting Scheme (Property Pool Plus). Including where improvements to customer access can be made to assist those in need;
- Development of a business plan, to assess how Council Housing can address the needs of the most vulnerable;
- Providing accommodation-based support to victims of domestic abuse and their children in refuges and other safe accommodation.



## PRIORITY THEME: EFFECTIVELY UTILISING COUNCIL ASSETS TO SUPPORT HOUSING

This theme continues the work of the previous housing strategy by addressing how Sefton can maximise the use of its existing asset base, including its land and property portfolio to support the delivery of additional homes. The priority looks to enhance and grow properties being provided by Sandway Homes (Sefton Council's housing development company), over the lifetime of this strategy. Additionally, the Local Authority is once again registered as a Provider of Social Housing enabling the Council to act as a housing provider, stock owner and social landlord. Finally, the Council must work closely with national and sub-regional agencies to maximise the value of available funding for housing investment. This funding and investment will directly lead to the creation of new homes whilst bringing redundant or previously developed land back into use.

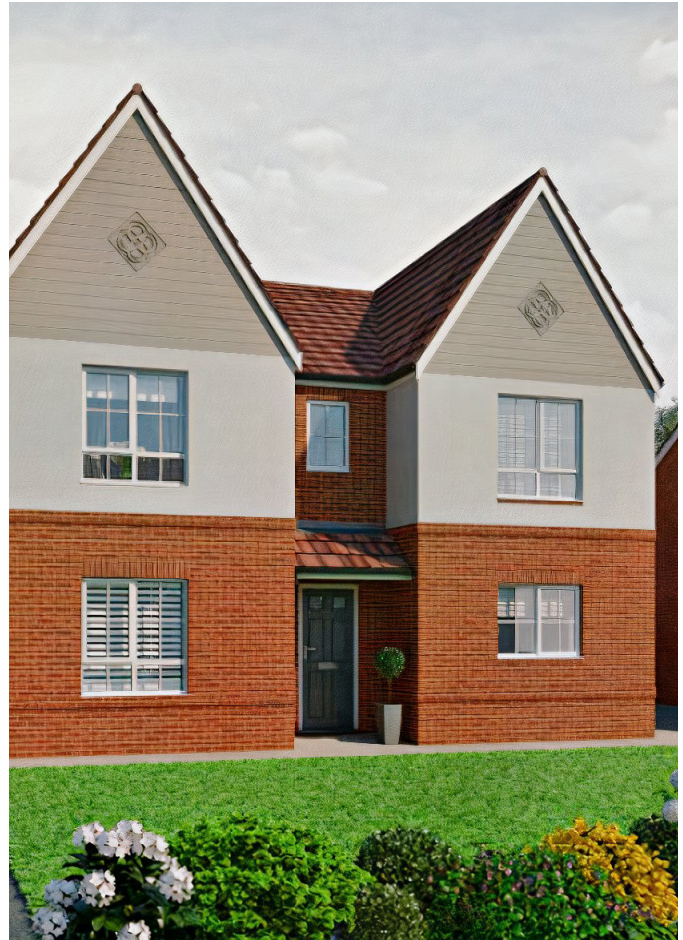
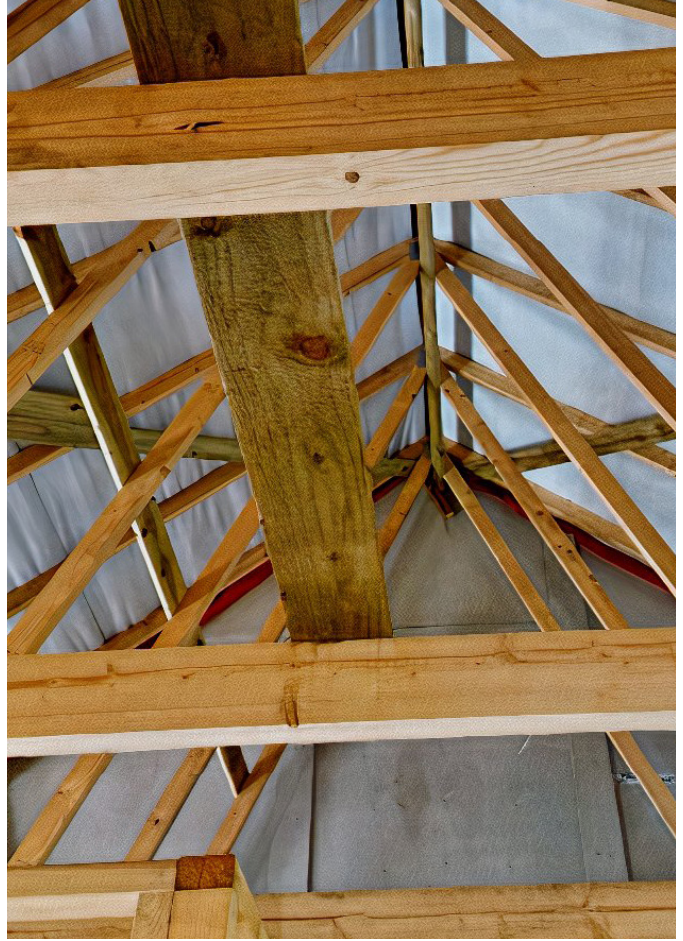
### **Our priorities include:**

- Reviewing and prioritising land and assets the Council owns/manages to help deliver housing and regeneration priorities;
- Providing additional housing opportunities; by registering as a social landlord to develop, own and manage housing stock (links to Priority Theme: Tackling Barriers to Obtaining Suitable Housing for the Most Vulnerable and Ensuring Equal Access to Housing Services);
- Growth of Sandway Homes to deliver new homes & making best use of council owned assets;
- Maximising housing investment funding from external partners, to enable additional housing development in the Borough.

### **We will achieve this priority over the next five years by:**

- Reviewing/facilitating the disposal of Council-owned regeneration assets to deliver housing or other regeneration priorities. Supporting the Council's Growth and Investment programme;
- Developing a Council Housing Business Plan to outline detailed governance arrangements and to meet regulatory requirements;
- Progressing the acquisition of Council Housing to meet housing needs;
- Development of Sandway Homes future pipeline sites throughout Sefton to provide additional quality family homes;
- Working directly with Liverpool City Region Combined Authority partners, to attract appropriate funding sources, to help implement a range of housing developments;
- Working with Homes England and Housing Associations, to maximise housing investment in the Borough, through the Affordable Homes Programme 2021-2026 funding.

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## 1.0 Introduction

1.1 The Equality Act 2010 outlines how public bodies must have due regard to:

1. Eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under this act
2. Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
3. Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

## 2.0 Protected Characteristics

2.1 Equality Act 2010 is clear that there are particular characteristics that are intrinsic to an individual against which it would be easy to discriminate. Section 149 (the Public Sector Equality Duty) lists the characteristics known as ‘protected characteristics’ against which we have to test for discrimination. These characteristics are gender, race/ethnicity, religion and belief, sexual orientation, age, gender reassignment, pregnancy and maternity and disability.

### 3.0 Identifying Impacts across protected characteristics

Through reviewing your proposal, identify if and how the protected groups below may be impacted and identify any mitigating actions regarding the proposed changes but also as part of the consultation and engagement activity.

Protected characteristic	Recommendations/mitigating actions
<b>Gender</b>	<p>There are potential equality impacts relating to Females due to gender differences between the composition of households and household tenures. The majority of single parent households are female. These households therefore rely on a single income, and current evidence identifies that; the remuneration levels for females is lower than males. Females are more likely to face challenges in accessing and affording housing, particularly private rented homes if in need of housing benefit assistance, and more likely to live in social rented housing.</p> <p>Mitigating Actions: This strategy aims to mitigate these factors by improving the access to housing and housing services and providing a greater range of homes across a wider range of tenures.</p> <p>Additionally, Sefton’s Housing Strategy is a high-level strategic document. The individual policies and plans arising from the strategy Action Plan, that have a direct impact on this protected group, will be potentially subject to separate consultation and EIA assessments. To identify and mitigate any identified direct or indirect gender discrimination.</p>
<b>Age</b>	<p>This Housing Strategy aims to positively impact those age groups (both young and old) that may be disproportionately affected by access to housing and housing services. This strategy has been closely developed with a range of representatives from the Children’s and Adult Social Care departments. There are housing priorities that can have positive impacts on children and younger adults who would wish to Page 55: housing market across a range of tenures. Additionally, there are specific aims and actions within this strategy [Enabling</p>

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	<p>People to Live Independently] that look to address the needs of older populations and the continuing demographic changes affecting the borough.</p> <p>Again, as Sefton’s Housing Strategy is a high-level strategic document. The individual policies and plans arising from the strategy Action Plan, that have a direct impact on this protected group, will be potentially subject to separate consultation and EIA assessments. To identify and mitigate any identified direct or indirect age-related discrimination.</p>
<b>Disability</b>	<p>The Housing Strategy again aims to positively impact upon these groups, including those with physical or mental disabilities. A number of the housing priorities including: <b><i>Meeting people’s housing needs, Enabling people to live independently &amp; Tackling barriers to obtaining suitable housing for the most vulnerable and ensuring equal access to housing services</i></b>. These all prioritise improving the provision of housing and housing services that are accessible and adaptable will increase choice in all tenures to help mitigate existing identified shortfalls or barriers.</p> <p>Again, as Sefton’s Housing Strategy is a high-level strategic document. The individual policies and plans arising from the strategy Action Plan, that have a direct impact on this protected group, will be potentially subject to separate consultation and EIA assessments. To identify and mitigate any identified direct or indirect disability-related discrimination.</p>
<b>Race/Ethnicity</b>	<p>The Housing Strategy seeks to positively address issues relating to race or ethnicity through “<i>Meeting the needs of more diverse and vulnerable communities</i>” and “<i>Providing more effective housing related support and advice services</i>”. <i>Ethnic groups such as Gypsies and Travellers have specific accommodation and housing need, and this strategy ensures that all ethnic groups will be assessed to ensure their housing needs are identified and met</i></p> <p>Sefton’s Housing Strategy is a high-level strategic document. The individual policies and plans arising from the strategy Action Plan, that have a direct impact on this protected group, will be potentially subject to separate consultation and EIA assessments. To identify and mitigate any identified direct or indirect race/ethnicity-related discrimination.</p>
<b>Religion or belief</b>	<p>None identified. The Housing Strategy is secular in its approach and implementation. However, as Sefton’s Housing Strategy is a high-level strategic document. There may be individual policies and plans arising from the strategy Action Plan, that have a direct impact on this protected group. These will be assessed and identified on a policy-by-policy basis will be potentially subject to separate consultation and EIA assessments. To identify and mitigate any identified direct or indirect religion or belief-related discrimination.</p>
<b>Sexual Orientation</b>	<p>None identified. However, as Sefton’s Housing Strategy is a high-level strategic document. There may be individual policies and plans arising from the strategy Action Plan, that have a direct impact on this protected group. These will be assessed and identified on a policy-by-policy basis will be potentially subject to separate consultation and EIA assessments. To identify and mitigate any identified direct or indirect sexual orientation-related discrimination.</p>
<b>Gender Reassignment</b>	<p>None identified. However, as Sefton’s Housing Strategy is a high-level strategic document. There may be individual policies and plans arising from the strategy Action Plan, that have a direct impact on this protected group. These will be assessed and identified on a policy-by-policy basis will be potentially subject to</p>



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## Appendix X - Sefton Housing Strategy 2022-2027 (Interim) Equality Impact Assessment

	separate consultation and EIA assessments. To identify and mitigate any identified direct or indirect sexual orientation-related discrimination.
<b>Pregnancy and maternity</b>	None identified. However, as Sefton's Housing Strategy is a high-level strategic document. There may be individual policies and plans arising from the strategy Action Plan, that have a direct impact on this protected group. These will be assessed and identified on a policy-by-policy basis will be potentially subject to separate consultation and EIA assessments. To identify and mitigate any identified direct or indirect sexual orientation-related discrimination.
<b>Other Protected Groups</b>	The objectives of this housing strategy are to provide homes and housing services to meet the needs of people who are unable to access the conventional housing market. The strategy seeks to promote housing opportunities for all those groups with protected characteristics. Each policy arising from the Housing Strategy will be assessed in accordance with the Equality Act 2010, to ensure that direct or indirect discrimination does not take place.

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# Agenda Item 6

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	Thursday 3 <sup>rd</sup> November 2022
<b>Subject:</b>	Sefton Economic Strategy		
<b>Report of:</b>	Assistant Director: Economic Growth and Housing	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Cabinet Member - Regeneration and Skills		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No		

## Summary:

To:

1. Update members on the outcome of the Sefton Economic Strategy consultation.
2. Give approval of the final version of the Sefton Economic Strategy.

## Recommendation(s):

That Cabinet Members:

- (1) Note the outcome of the Sefton Economic Strategy 2022 consultation and its key findings;
- (2) Approve the final version of the Sefton Economic Strategy for publication;
- (3) Note that further work is to be undertaken in Autumn/Winter 2022 on the Sefton Economic Strategy Action Plan and Monitoring Reports. This Action Plan will include specific activities and actions to be undertaken by the Council to achieve the strategic priorities as identified in the Economic Strategy document; and
- (4) Give authority to the Assistant Director of Place (Economic Growth and Housing) in consultation with the Cabinet Member for Regeneration & Skills to approve the Economic Strategy Action Plan and Monitoring Reports as set out under recommendation (3)

## Reasons for the Recommendation(s):

To update members on this key decision and seek permission to delegate approval for the final version of the Sefton Economic Strategy to Cabinet Member Regeneration & Skills

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

Do nothing and update the existing Economic Recovery plans - this was rejected as officers also needed to update and factor in the prevailing cost of living crisis into its economic planning for the borough. To have delayed this work would not have provided officers with the necessary economic data and evidence base on which to develop an up-to-date strategy framework which could help prioritise delivery to businesses, residents and communities.

## What will it cost and how will it be financed?

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## (A) Revenue Costs

The cost of this work is £19,880 (including £5,000 contingency) to be met by existing consultancy budget. The work was commissioned to Mickledore who were retained following their work on previous Covid-19 Recovery planning and investment prospectuses for Bootle and Southport.

## (B) Capital Costs

### Implications of the Proposals:

<b>Resource Implications (Financial, IT, Staffing and Assets):</b>	
Consultation co-ordination and ongoing delivery activities is being undertaken by Economic Growth & Housing staff within existing budgets	
<b>Legal Implications:</b>	
None	
<b>Equality Implications:</b>	
The equality Implications have been identified and mitigated as shown in the Equalities Impact Assessment	
<b>Climate Emergency Implications:</b>	
The recommendations within this report will	
Have a positive impact	No
Have a neutral impact	No
Have a negative impact	Yes
The Author has undertaken the Climate Emergency training for report authors	Yes
The Sefton Economic Strategy will have an associated action plan and some of the delivery activities (e.g new development, business expansion, inward investment) will have a negative impact on the footprint of the Sefton borough. These include direct emissions which result from the redevelopment of any vacant sites as well as long-term carbon emissions from each new building / operation created.	
However, the development of sites and buildings will be required to go through the planning system which will help to minimise the carbon impact of the building by applying the nationally required environmental standards.	
Economic growth will also impact businesses and transport negatively, but this could be minimised by adopting green policies e.g., green growth where companies use green renewable energy, use electric vehicles, low carbon options. InvestSefton works closely with the LJMU Eco Innovatory Centre who provide expert support to businesses seeking to reduce energy costs and introduce low carbon solutions to their operations. The team has already referred over 40 Sefton businesses for support.	

## Contribution to the Council's Core Purpose:

<p>Protect the most vulnerable:</p> <p>Social Inclusion and Access for all is a core objective of the strategy framework to set a direction for action so that the impacts of economic growth reach many more of Sefton's residents including the most vulnerable</p>
<p>Commission, broker and provide core services:</p> <p>The Strategy Framework will help in identifying key priorities for action including services that require direct delivery or sub-contracting and commissioning</p>
<p>Place – leadership and influencer:</p> <p>Regenerated Places is a core objective of the strategy framework, and the Council is already active in this work in terms of delivering area action plans, covid recovery plans and promoting Sefton a place to attract visitors and new inward investment.</p>
<p>Drivers of change and reform:</p> <p>The Strategy framework provides a platform to prioritise and develop support economic interventions where they are most needed and allows the council to refresh and update areas of work that require change and reform.</p>
<p>Facilitate sustainable economic prosperity: -this is the overarching objective of any Sefton economic strategy and the four key objectives-Employment &amp; opportunities for work; Business Growth and Investment; Social Inclusion and Access for all and Regenerated Places- are all geared to help maximise sustainable economic growth that will benefit residents, businesses, and communities in Sefton.</p>
<p>Greater income for social investment:</p> <p>Opportunities for supporting income for social investment will be covered under the strategy's core objectives of Business Growth &amp; Investment and Social Inclusion &amp; Access for all</p>
<p>Cleaner Greener</p> <p>Under Regenerated Places reference is made to the mitigation of any adverse environmental impacts because of economic regeneration growth; the strategy also focuses on attracting new cleaner greener investment. e.g. Digital, particularly the roll-out of ultrafast broadband.</p>

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

### (A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD6956/22) and the Chief Legal and Democratic Officer (LD5156/22) have been consulted and any comments have been incorporated into the report.

### (B) External Consultations

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The Strategy has been the subject of extensive external consultation with businesses, stakeholders, community groups/charities and residents.

<b>Contact Officer:</b>	Mike Mullin
Telephone Number:	07929 787436
Email Address:	mike.mullin@sefton.gov.uk

## **Appendices:**

The following appendices are attached to this report:

- (a) Sefton Economic Strategy O&S report (November 2021)
- (b) Sefton Economic Draft Strategy (October 2022)
- (c) Equalities Impact Assessment (October 2022)

## **Background Papers:**

The following background papers, which are not available elsewhere on the Internet can be accessed on the Council website:

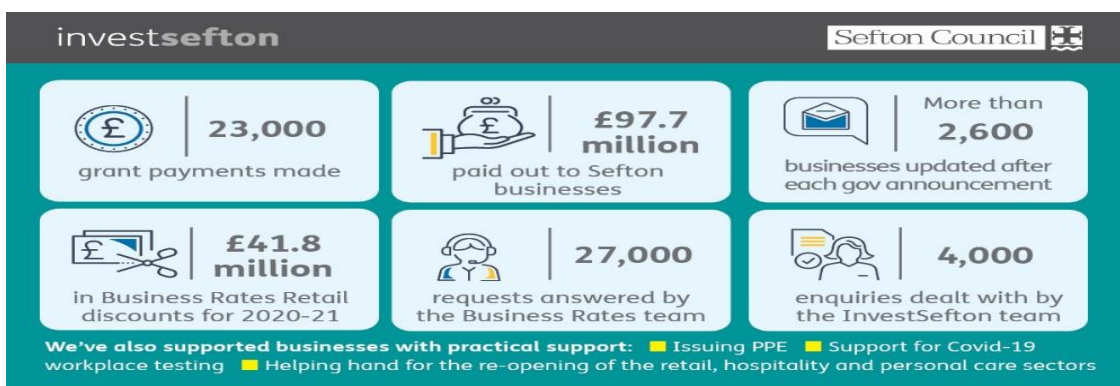
[Sefton Economic Strategy Public Consultation](#)

[Sefton Economy](#)

- 1.1 Cabinet Members will be aware that the Sefton Economic Strategy was last produced in 2018 and delegated approval for the subsequent Action Plan to Cabinet Member Regeneration & Skills. The Sefton Economic Strategy Action Plan was approved by Cabinet Member Regeneration & Skills in December 2019.
- 1.2 The delivery of the Action Plan was almost immediately disrupted in March 2020 with the outbreak of the Covid-19 pandemic and part of the emergency response was the production of the Council's Sefton Strategic Recovery Plan to help the council prioritise its emergency support activities.
- 1.3 Sefton commissioned Mickledore to undertake further work in the refresh and repurposing of the Sefton Economic Strategy 2022. This followed previous well received work undertaken by Mickledore during the pandemic which resulted in a Covid-19 Response report and Sefton Prospectuses outlining key opportunities for attracting new inward investment with a specific focus on Bootle and Southport.
- 1.4 Cabinet members will also recall that an update of the Sefton Economic Strategy was a recommendation of the initial Local Government Association review in 2019 and its more recent assessment in 2022. The initial work focussed on the economic evidence base on which the strategy could be updated and refreshed.

## 2. Sefton Economic Strategy 2018/19 Performance

- 2.1 Despite the massive economic impact and disruption caused by the Pandemic in March 2020 It is worth reflecting on the performance against delivery which were reported on two occasions to Overview and Scrutiny (Regeneration & Skills) in March and November 2021. Both reports were well received by members and the November 2021 report is attached as **Annex A**. Key highlights included:



- A new Business Grants team was recruited under InvestSefton to support the Trading on Grant scheme and assist in post assurance checks on all schemes delivered
- Progress reports on
  - Marine Lake Events Centre & The light Fantastic
  - Southport Market completion
  - Enterprise Arcade, Southport
  - Crosby Village
  - Bootle Strand
  - Crosby Lakeside
  - Cambridge Road

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- Business engagement, online and face to face events
  - Covid-19 help page visited by over 46,000 visitors
  - Over 4,434 business enquiries handled/supported
  - Several business growth projects supported
  - New inward investment secured in Mersey Reach, Atlantic Park
  - Support to residents & businesses from Public Health
  - Public Protection advice & guidance to food related businesses (150 enquiries per months)
  - Ways to Work support to Sefton residents seeking job opportunities from Sefton@work plus delivery of the Restart programme
  - Sefton Community Learning Test & Learn Pilot for People with Lived Experience of Care
  - NEET Reduction & Early Intervention Programme
  - Delivery of education programmes by Sefton Adult Community Learning service
- A review of the planning-led recovery measures aimed at assisting with economic recovery is demonstrating that they have had considerable success and playing a vital role in attracting investment in the Borough. This is demonstrated by a 40% increase in planning applications, with an estimated value of £60M to the economy. The Council has received national recognition for its innovative approach and tangible achievements.
  - Supporting homelessness and new housing development
  - Delivery of £558 welcome back funding supporting town centre initiatives in March 2021

## 3 2022 Consultation

3.1 Sefton Council's Economic Growth & Housing service led the public consultation exercise which started on 20th July and ended on 17th August. Proposals for consultation were approved by the Sefton Public Engagement & Consultation Panel on 15th July. The draft evidence base report was circulated (on two occasions) to over 2,600 businesses, developers/investors with a link to an online survey- in addition:

- A dedicated Council webpage and on-line consultation portal was produced
- The consultation report and questionnaires were also produced in easy read formats
- Several Sefton Communications tweets/press and social media releases on a weekly basis

3.2 Specific face to face briefings and online consultation forums included:

- *Sefton Economic Forum-15 July attended by over 100 business delegates*
- *Sefton in Mind-27 July attended by over 10 representatives*
- *People First Merseyside-11 August attended by over 20 Board members*
- *Sefton Partnership Board-15 August attended by over 15 board members*

3.3 The report was circulated to a wide range of internal and external groups, networks, and organisations to maximise reach including:

Sefton Council members and MPs  
Sefton CVS  
Community organisations  
Sefton Council Senior Leadership Board  
LCR Combined Authority  
LCR Growth Platform/Local Enterprise Partnership



Industry sector groups/boards  
LCR Local Authorities  
Chambers of Commerce  
Southport BID  
Federation of Small Businesses  
Marketing Southport  
Housing Associations  
FE/HE Colleges

## 4. Results

- 4.1 In total, 192 people took part in the survey. Of these, 60.4% were members of the public who live in Sefton and 27.6% were local businesses. Several other stakeholders and organisations also submitted responses to the consultation outside of the survey that have been factored into the analysis. These included responses from LCRCA, People First Merseyside and Youth Advisors, among others.
- 4.2 Overall, there was support for the chosen themes: **Employment and Opportunities for Work, Business Growth and Investment, Regenerated Places, and Social Inclusion and Access for All**. Generally, there was agreement that the themes work well together due to their interconnectedness, but that ***growing and investing in business is the starting point for the other themes to follow from.***
- 4.3 The survey asked respondents to rate the themes and **corresponding key issues based on how important they are to them. On average Employment and Opportunities for Work** was rated the highest.
- 4.4 Survey respondents were also given the opportunity to answer qualitative questions. The comments have been analysed and summarised to represent the frequently recurring key points and combined with feedback taken from consultation sessions and individual contributions outside of the survey. Key issues included **parking and transport, sustainability, and support for both the younger and older generations.**

## 5. Qualitative results

- 5.1 Overall, there was generally positive support for the choice of themes. A frequent comment was that business growth is the starting point for success in the other three thematic areas, and the interconnectivity between the themes should be highlighted in the strategy. A recurring theme was sustainability. In their response, LCR Combined Authority suggested that the **Net Zero theme** could flow throughout the whole strategy.
- 5.2 The following thematic comments appeared frequently throughout the consultation:

### 5.3 Employment and Opportunities for Work

- More opportunities for training and reskilling to fill vacancies.
- Provision of advice and guidance, and opportunities for employment and gaining skills particularly for school leavers and young people
- Ensure that messaging around public sector employment does not come across as negative.
- Focus on boosting private sector employment that will automatically reduce public sector role.

### 5.4 Business Growth and Investment

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- Support for SMEs to grow. Suggestions include financial support, community events, advertising via networks etc.
- Concerns raised about the lack of affordable, usable office space and employment land available in Sefton.
- Emphasise Sefton's growing sectors in the strategy e.g. Southport's technology industry opportunities, help for Sefton's digital & creative businesses, Financial , professional & business services

## 5.5 Regenerated Places

- Concerns raised about the unregulated growth of private accommodation in tourist areas, and growing unaffordability of housing.
- Prioritise attractive town centres that will attract and retain young people.
- Focus on making tourist areas and town centres accessible for all local residents by creating sustainable local transport hubs.
- The strategy needs to consider the sustainability agenda.
- More green spaces around Sefton.

## 5.6 Social Inclusion and Access for All

- Consider the environment, sports, recreation facilities etc. and how these can impact health and wellbeing in Sefton.
- Emphasise how deprivation impacts health inequality and consider the infrastructure needed to improve this e.g., schools, healthcare facilities etc. Address the impact health inequality has on economic activity rates.
- Consider how town centres need to adapt to manage the impacts of an ageing population.

## 6 Sefton Economic Strategy 2022

6.1 The consultation feedback has been analysed and, where applicable, fed into a revised draft Sefton Economic Strategy which is attached as **Annex B**.

6.2 Key headlines are as follows:

### Economy & Income levels

- At a local authority level, Sefton records economic data which is **generally favourable compared to the North West Region although slightly less so nationally**.
- Whilst at headline levels, Sefton may appear to be an area of average economic performance, **the local authority does have areas of severe deprivation**.
- When income is considered, Sefton has a number of areas where income is in the lowest 10% in England and a few in the highest 10%.
- Even these figures mask the scale of deprivation. One area of **Bootle is now ranked as the 28th most deprived in terms of income across England (out of 32,844 areas) and its ranking is falling (ranked 197th in 2007)**.
- Income deprivation is not only a serious issue at an individual / family level – a concentration of low levels of **income undermines the entire local economy reducing disposable income which can be spent in the area and creating challenges for the Local Authority in terms of income (lower Council Tax revenues) and expenditure (social support mechanisms) resulting in reduced opportunity for discretionary investment by the Local Authority**.

### Business Activity

- One issue impacting on local income is the range of businesses and employment opportunities in Sefton. Sefton has continuously and significantly created fewer businesses than England as a whole. **The gap was the narrowest in 2020 although even in this year Sefton created 21% fewer businesses per working age person than England.**
- Year-on-year under-performance in business creation is undermining the wealth creation potential in the area and whilst this is a City Region wide issue, it is also an indicator that can be influenced at a Local Authority level.
- It is possible that some private sector start-up activity has been crowded-out by the extent of public sector employment, but whatever the cause, in the majority of Wards within Sefton, the proportion **of public sector employment is higher than the average for England.**
- In 3 Wards within Bootle and Maghull (Ford, Derby and Sudell) the proportion of employees employed by the public sector is **>50%. Many public sector jobs also remain relatively low paid**
- Whilst some work can be undertaken to stimulate private business start-up and investment, it is certainly the case that the public sector has been an important employment generator in Sefton. **And as public sector employment is decentralised from London, Sefton can be presented as a contender for Government relocations.**

## Out-Commuting

In common with many LCR local authorities, Sefton has high levels of out-commuting. **46% of Sefton's working residents earned their income from outside the Borough at the time of the 2011 census (the last published data). Whilst out-commuting as a percentage of the workforce is not the highest of the local authorities in LCR, the number still represents a significant proportion of residents.** This data will be updated upon the release of the new census in 2022.

- **Over 12,000 net out commuters travelled to work in Liverpool, with high levels also travelling to Knowsley (-920) and Warrington (-840).** Sefton did receive net in commuters from Wirral (+724) and West Lancashire (+256).
- However, train borne out-commuting fell dramatically during the pandemic. Changing work patterns lasting from the impacts of the national lockdowns provide the possibility of a reset. **It is likely that many residents will have reconsidered their previous commuter lifestyle. There is the potential for a future reset to increase earning and retained spending in the area.**
- Whilst working patterns have returned towards previous trends in 2022, it will be important to monitor how changing working patterns impact the number of people choosing to out commute from Sefton in the future and whether this returns to previous levels.

## Employment & Skills

- Media commentary describes the ageing population at a national level. According to ONS population projection data, the issue will be more acute in Sefton with projections suggesting a decline of 5,663 in people aged 16-64 (still used as a proxy for 'working age' despite changing retirement ages). This represents a shrinkage of 3.5% in the available workforce. **This has a double impact because as the workforce is shrinking, those in need of adult social care is likely to increase as a result of the same ageing demographic trends.**
- The scale of change is expected to be greater in Sefton than in England as a whole. **Estimates beyond 2038 (when the situation is expected to ease) are somewhat speculative since the population that will be within the working age group by this date have not yet been born.**

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- Economic development policies of the next decade are likely to include a focus on the attraction and retention of talent and this has **implications for housing and the creation of attractive locations to both live and work**
- **Data available from the annual population survey in 2021 shows that overall skill levels in Sefton have been improving.** The number of people of working age in Sefton achieving NVQ level 4 and above has been increasing whilst the number of people with no skills has been declining. In 2021, 54,500 people in Sefton had qualifications up to NVQ4+ whilst 20,900 people achieved NVQ1 or lower.
- **Sefton and England are comparable in terms of the proportion of the working age population with no skills.** There has been a downward trend since 2012, although Sefton saw a slight jump between 2019 and 2021 likely to have been impacted by the pandemic.
- Covid-19 had a very significant impact on employment despite national government intervention. **The impact of a lockdown on the visitor economy and the hospitality industry was particularly severe. Despite concerns about Sefton's resilience given the importance of the visitor economy, Sefton has out-performed the national picture when claimant count levels are considered with a less pronounced impact of Covid-19 on out of work benefits and a more rapid recovery than England as a whole.**
- **At the peak of the pandemic Sefton reached 11,945 people claiming out of work benefits, but this figure has dropped significantly to 7045 in 2022.** This does however remain **13.4% above pre pandemic levels** and in many cases the pandemic's impact has been extremely serious at an individual level.
- Comparing Sefton to the UK against a 2013 index of 100, in 2022 Sefton's total out of work claimant count stood at 91.3 versus 113.6 in the UK. **Even during the lockdowns in 2020 Sefton performed better, with an index score of 154.8 compared with 185.3 in the UK on average.**
- At a Sefton wide level skills and employment data can be viewed in a positive light although, as ever, **the average figures mask areas of severe deprivation.**

## Place

- Economic development is increasingly about place – employment and a living environment at the confluence of transport routes and growth creates a critical mass of activity and generates ideas and opportunity.
- Key to this critical mass is the work / life balance and this can be measured in terms of residential demand. **Sefton has a strong demand for new housing provision and the house price affordability ratio is lower than elsewhere in the LCR as a whole with a ratio of 6.8 versus 5.5 (although recently affordability is slightly ahead of Wirral at a Local Authority level).** These ratios indicate the strength of demand although clearly unaffordable housing is now a significant problem for many residents seeking to access the housing ladder.
- **There is a clear need for additional housing provision and to create a mixed variety of properties including both affordable properties in areas of high demand and more aspirational housing in areas of income deprivation.** This priority is reflected in Sefton's emerging Housing Strategy which focusses on ensuring that housing needs are met over the next 5 years through the provision of the right type of housing in the right locations. The Council will achieve this through closer working with private sector providers and social landlords, as well as through the direct provision of high-quality housing for both outright sale, intermediate home ownership products and social rent in

areas where demand is highest. **Recent employment land studies also suggest that there is a shortfall of available land against current demand.**

## Disparities in Sefton

- When setting out an economic narrative for Sefton it is important that the story of the Borough is told in sections. At a Local Authority level, for many economic measures, average performance is unremarkable but this masks fundamental issues.
- When data is presented at a Sefton level the case for intervention is often lost. Sefton has some areas (**Lower-Level Super Output Areas**) in the **10% least deprived in the country** – but double the average proportion in the most deprived. These are generally (but not exclusively) in the south of the Borough.
- On average measures, such as resident income, Sefton records average resident incomes (2021) at **3% higher than the North West average and this is clearly a misleading story in terms of the key economic narrative.**
- Data and interventions can be more strongly aligned to the requirements of place. **Sefton is not a one size fits all Authority but nor is it as simple as a north / south split.**

## Conclusions

6.3 The strategy will focus on four key thematic objectives:

- **Employment and Opportunities for Work**-Continued work on pathways into work and skills & development activity underpins the entire strategy and is likely to be increasingly important given economic challenges, the changing nature of employment and the ageing demographic
- **Business Growth and Investment**-Sefton has a number of core private and public investments which can generate greater opportunities for local business growth and more start-up activity and smaller scale inbound investment – all broadening the business base, key sectors and employment opportunities
- **Regenerated Places**-An improved environment to live, work and attract visitors and investment is a key pillar of the strategy – but the ambitious investment programme can, itself, create opportunities for local business, help develop supply chains and create employment and skills development programmes
- **Social Inclusion and Access for All**-It is clear that any 'trickle down' benefits of economic growth do not reach all communities without proactive work to enable access to employment and wider services. Extreme deprivation undermines communities and also undermines the ability of the Local Authority to work on wider initiatives.

## 7.0 Action Plan

7.1 It is proposed that the strategy be divided into two sections:

- (i) **Evidence base**-this sets out the economic data evidence base. While data changes the key underlying issues for the economy in terms of jobs, business growth, attracting new investment and regeneration in Sefton remains the same. Most Local

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Authorities are now updating their economic data on two/three yearly cycles as a standard evidence base.

- (ii) **Action Plan**-This will set out what council services will deliver under each of the four key thematic objectives. The current draft took account of the key objectives (7 in total) in 2018/19 and compared with the priorities identified for 2022. It is recognised that delivery of these priorities will be ongoing and require associated performance Indicators. Bearing this in mind one of the recommendations is to delegate final approval of the strategy and action plan to Cabinet Member Regeneration & Skills.

7.2 A copy of the consultation Equalities Information Assessment is attached as **Annex C**. Sefton's consultation and engagement officer is also producing an easy read version of the Sefton Economic Strategy which will be launched alongside the main report when approved.

<b>Report to:</b>	Overview and Scrutiny Committee (Regeneration and Skills)	<b>Date of Meeting:</b>	9 <sup>th</sup> November 2021
<b>Subject:</b>	Sefton Economic Strategy update		
<b>Report of:</b>	Head of Economic Growth and Housing	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Cabinet Member Regeneration & Skills		
<b>Is this a Key Decision:</b>	No	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No		

**Summary:**

To update members on this ongoing work and advise on the progress of the Sefton Economic Strategy Action Plan (Dec 2019) , the associated Covid-19 Recovery plan and plans to refresh and update the Sefton Economic Strategy Action Plan to take effect from April 2022

**Recommendation(s):**

That Members note:

- (1) The report and provide feedback
- (2) The progress of the Sefton Economic Strategy Action Plan approved by Cabinet Member in December 2019 and the associated Covid-19 Recovery Plan
- (3) Work underway to refresh and update the Sefton Economic Strategy Action Plan to take effect from April 2022

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

To update members on this ongoing work and advise on the progress of the Sefton Economic Strategy Action Plan (Dec 2019), the associated Covid-19 Recovery Plan and work underway to refresh and update the Sefton Economic Strategy Action Plan to take effect from April 2022

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

None

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

None

**(B) Capital Costs**

None

## Implications of the Proposals:

<p><b>Resource Implications (Financial, IT, Staffing and Assets):</b></p> <p>Consultation co-ordination activities were previously undertaken by existing staff within existing budgets</p>
<p><b>Legal Implications:</b></p> <p>None</p>
<p><b>Equality Implications:</b></p> <p>The equality Implications have been identified and mitigated.</p>

## Contribution to the Council's Core Purpose:

<p>Protect the most vulnerable: Inclusive growth is the core objective of the strategy framework to set a direction for action so that the impacts of economic growth reach many more of Sefton's residents including the most vulnerable. This work has been prioritised in the Recovery Plan.</p>
<p>Facilitate confident and resilient communities: Inclusive Growth is the core objective of the strategy framework including a focus on 'People' to better connect economic opportunity to the lived experience of residents; Investing in education, skills and employability is also one of 7 key objectives. This work has been prioritised in the Recovery Plan.</p>
<p>Commission, broker and provide core services: Reconfiguring public services and community led delivery and generating new sources of finance to support growth are two of the 7 key objectives for the strategy</p>
<p>Place – leadership and influencer: Repositioning and reprofiling Sefton is one of the 7 key objectives for the strategy. This work has been prioritised in the Recovery Plan.</p>
<p>Drivers of change and reform: Reconfiguring public services and community led delivery and generating new sources of finance to support growth are two of the 7 key objectives for the strategy. This work has been prioritised in the Recovery Plan.</p>
<p>Facilitate sustainable economic prosperity: Delivering new development and infrastructure, Creating and growing local, private and social enterprise and securing new inward investment are three of the 7 key objectives for the strategy. This work has been prioritised in the Recovery Plan.</p>
<p>Greater income for social investment: Creating and growing local, private and social enterprise is one of the 7 key objectives for the strategy</p>
<p>Cleaner Greener: Under Delivering new development and infrastructure reference is made to the mitigation of any adverse environmental impacts as a result of economic regeneration growth; the strategy also focuses on attracting new cleaner greener investment for Digital, particularly the roll-out of ultrafast broadband. The work directly links to Sefton Council's Digital Strategy.</p>



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

**(A) Internal Consultations**

The Head of Corporate Resources (FD.....) and the Chief Legal and Democratic Officer (LD.....) have been consulted and any comments have been incorporated into the report.

**(B) External Consultations**

A full public engagement process was undertaken between March and May 2018 and reported to O&S Regeneration and Skills on 27 July 2018. Further work including consultation with partners and stakeholders has since been completed and the Sefton Economic Strategy Action Plan has been updated accordingly. Work has now started on refreshing and updating the Sefton Economic Strategy Action Plan to take effect from April 2022.

**Implementation Date for the Decision**

Approval for the final version of the Sefton Economic Strategy was delegated to Cabinet Member Regeneration & Skills on 26 July 2018. Following more intensive work by officers the Sefton Economic Strategy Action was approved by Cabinet Member on 28 November 2019.

<b>Contact Officer:</b>	Mike Mullin
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**Appendices:**

The following appendices are attached to this report:

- (1) Sefton Economic Strategy Action Plan (December 2019)
- (2) Sefton Economic Recovery Plan
- (3) Sefton Economic Recovery Plan (Appendices)

**Background Papers:**

**1. Background**

1.1 Cabinet Member – Regeneration & Skills approved the Sefton Economic Strategy (SES) Action Plan on 28<sup>th</sup> November 2019. **(Appendix 1)** This final approval had previously been delegated by Cabinet at its meeting of 26<sup>th</sup> July 2018. The Plan was the culmination of two major pieces of evidence gathering and work focussing on Sefton’s economy:

- The Sefton Economic Assessment, a factual statement of the borough’s strengths and weaknesses, opportunities and threats.
- Framework for Action, or the building blocks of the Strategy.

1.2 This followed extensive borough wide consultation and asked people what they thought was important for Sefton now and in for the future. Over 5,000 people took part and the information helped to develop the Vision for Sefton 2030.

- 1.3 Following consultation with the Public Engagement Panel work then started on the development of the SES Action Plan, the third and final element to a suite of documents that sets out key priorities.
- 1.4 The intention is to make the SES Action Plan a working document that will be periodically reviewed in terms of its progress and performance at key stages. This would enable us to share its findings and progress, with our partners, businesses and communities. Members will recall that there were three foundation pillars to the Strategy – **Place, People and Productivity** and that there were thematic areas for action:

Priority Action Area (PAA)	Thematic Area
PAA1	Development and infrastructure
PAA 2	Business Growth & Enterprise
PAA 3	Inward Investment
PAA 4	Education & Employment
PAA 5	Reconfiguring public services
PAA 6	Generating new finance
PAA 7	Promoting Sefton
<b>*PAA 8</b>	<b>Recovery (Covid-19 specific)</b>

## SES Action Plan update

- 1.5 Work is underway to update and refresh the SES Action Plan including:
- Reviewing its 7 Priority Actions Areas (PAAs), consider whether they are still fit for purpose and meet the Council’s overall vision and strategic objectives
  - Merging PAAs where there is crossover and alignment of activities
  - Introducing a New PAA-Health & Wellbeing
  - Taking stock of new LCR Combined Authority economic data sets including job furlough, GVA, Productivity and business openings/closure information for Sefton. Reviewing emerging LCR Prosperity Plan.
  - Reviewing economic data gaps for Sefton e.g, granular data for town centre to inform recovery actions; sector data; commercial market demand data etc
  - Sefton Import & Export performance (link to emerging Freeport opportunity)
  - Covid dashboard monitoring
  - Alignment with Sefton Economic Tracker and labour market data
  - Agreeing evidence required to provide robust evaluation of SES Action Plan
  - Future reporting; format and frequency
  - Embracing Climate Change and net zero action plan ambitions.
  - Further alignment with Sefton’s Digital Strategy
- 1.6 After very recent testing in lieu of the pandemic officers are keen to ensure the SES Action Plan offers its full value and relevance in terms of the right strategic actions. The Strategy is currently undergoing a detailed review and with the new Covid-19 actions added is still fit for purpose. It is envisaged that the economic data sets that underpin the Strategy will help show demonstrable improvements in the economy. Members will be consulted on this ongoing work with the aim to have a revised and updated SES Action Plan ready for April 2022 launch.

## 2. Covid-19 economic impact

- 2.1 In January 2020 Officers had started developing a performance framework to help measure the impact of each of the 7 thematic areas. However, as we are all aware the Covid-19 pandemic outbreak in March 2020 required a complete change in direction and strategy as the Council became engaged in a series of emergency measures to help support Sefton's residents, communities and businesses throughout various lockdowns and associated Government tiers of control.
- 2.2 This included the establishment of an Economy Cell led by the Head of Economic Growth and Housing and including representation from a range of services covering Planning, Housing, Economic Development and Regeneration; Business and Inward Investment (InvestSefton), Planning, Tourism, Employment & Skills (including Sefton @ Work) and representation from Public Health, Public Protection and Corporate Resources.
- 2.3 While the Sefton Economic Strategy Action Plan remains fit for purpose and the foundation for building economic activity, it was inevitable that the pandemic would impact on planned projects. Therefore, a further Priority Action Area was added- *\*Recovery*, which has focus on new Covid-19 emergency response measures including some of the key projects previously identified in the Sefton Economic Strategy Action Plan.
- 2.4 Members received a presentation from the Head of Economic Growth on 9th March 2021 setting out achievements and outcomes against PAA8 recovery plan objectives. These have been updated up to October 2021 in item 4 below and will be accompanied by a verbal presentation from the Head of Economic Growth & Housing.

## 3. Sefton Economic Recovery Plan

- 3.1 In November 2020 the Council produced a Strategic Recovery Plan. **(Appendices 2 & 3)**. Its purpose is to provide leadership and highlight opportunity and corral our many stakeholders into collective and collaborative action at a borough level. Members will be aware that the plan before Covid-19 was to build on a range of exciting projects to tackle head- on the long-standing economic issues that has held back growth in Sefton's communities, town centres and business sectors. These issues mean that the pandemic's impact is even more keenly felt, and we have had to revisit and rethink our plans to grow Sefton's economy.
- 3.2 The Liverpool City Region Combined Authority is currently developing a new Plan for Prosperity for the LCR . This is in response to a change in direction from Government who are moving away from the Pre-Covid Local Industrial Strategy (LIS) approach they originally favoured. Officers will work closely with the CA to ensure alignment with Sefton's refreshed Economic Strategy Action Plan, most notably to support bids for future funding.

## 4. Progress to date

- 4.1 Members will recall the last presentation to this meeting on 9<sup>th</sup> March 2021. In addition to the attached suite of documents it was felt Members would be most interested in how the plans have further progressed and, in particular, the results and outcomes of a wide range of activities in response to supporting the Sefton economy, its residents, communities, businesses and key sectors since the briefing in March. Members will be aware of much of this work through weekly Sitrep updates and key highlights are summarised below:

<b>Recovery Plan/Growth Projects</b>	<b>Progress/outcomes</b>
<b>Business Grants (Local Restrictions Support Grants/Additional Restrictions Support Grants)</b>	
<b>Sefton Small Business Support Grants</b>	£32,840,000 paid to 3,284 recipients
<b>Retail/Hospitality/Leisure Grants</b>	£17,170,000 paid to 926 recipients
<b>Local Restrictions Grant (Closed/Tier 2/3 restrictions/Sectors)</b>	£435,421 paid to 307 recipients
<b>Local Restrictions Grant (Closed) Addendum</b>	£2,788,272 paid to 1,816 recipients
<b>Wet led pubs grant support</b>	£102,000 paid to 102 recipients
<b>Local Restrictions Grant (Closed) Addendum</b>	£4,592,033 paid to 1,988 recipients
<b>Closed Business Lockdown payment</b>	£9,207,000 paid to 1,992 recipients
<b>Local Restrictions Support Grant (Open)</b>	£2,045,556 paid to 467 recipients
<b>Local Restrictions Support Grant (Closed) Addendum - 16 Feb to 31 Mar 21</b>	£4,763,656 paid to 1973 recipients
<b>Restart Grants - Non Essential Retail</b>	£2,008,826 paid to 1,194 recipients
<b>Restart Grants – Hospitality, Leisure, Accommodation, Sports &amp; Personal Care</b>	£13,021,494 paid to 1,853 recipients
<b>Discretionary Business Grants</b>	£2,237,500 paid to 340 Sefton recipients
<b>Taxi Drivers Grant Round 1</b>	£262,000 paid to 2,620 recipients
<b>Taxi Drivers Grant Round 2</b>	£648,400 paid to 3,242 recipients
<b>LCR Hospitality &amp; Leisure Grant fund (Round 1)</b>	£407,500 paid to 231 recipients
<b>Round 1 Top up Grant</b>	£1,476,910 paid to 219 recipients
<b>LCR Hospitality &amp; Leisure Grant fund (Round 2-expanded &amp; Top up</b>	£282,156 paid to 154 recipients

<b>LCR Local Business Support Grant (Round 3)</b>	£1,921,500 paid to 476 recipients
<b>Round 3 Top up Grant</b>	£3,027,287 paid to 726 recipients
<b>LCR Care Provider Grant fund</b>	£520,000 paid to 149 recipients
<b>Total value</b>	<b>£97,613,018</b>
<b>LCR Trading On Scheme</b>	Project launched 25 <sup>th</sup> October worth £1.4m for Sefton  InvestSefton is currently delivering this scheme which has a closing date of 12 November, after which all applications will be appraised.
<b>Sefton Business Grants team</b>	A new Business Grants team has been recruited under InvestSefton to support the Trading on Grant scheme and assist in post assurance checks on all schemes delivered
<b>Media</b>	MySefton news site: <a href="https://mysefton.co.uk/2021/08/05/sefton-businesses-supported-with-97-7-million-in-grant-payments-throughout-pandemic/">https://mysefton.co.uk/2021/08/05/sefton-businesses-supported-with-97-7-million-in-grant-payments-throughout-pandemic/</a>  The Comms team has produced a video which can be watched here: <a href="https://youtu.be/_c0_O6VpYN4">https://youtu.be/_c0_O6VpYN4</a>
<b>Regeneration Projects</b>	
<b>Marine Lake Events Centre &amp; the Light Fantastic</b>	<p>The Marine Lake Events Centre combined with The Light Fantastic is the anchor project of the Southport Town Deal. The project will see the current Southport Theatre and Convention Centre replaced with a brand-new flexible events centre capable of holding large scale conferences, esports and entertainment events.</p> <p>The Town Deal Board have allocated £33.3 million towards the project while The Combined Authority have also in principle allocated £20m. A £3.5m funding bid to Arts Council England has also been submitted.</p> <p>Work continues with the detailed design and full business case; the delivery team have been procured to support the Council to ensure that a full planning application is submitted by Spring 2021. Procurement for the full design team will commence shortly</p> <p>It is hoped the works will start on site in late 2022 with the new events centre expected to be completed in 2025.</p>

<p>Southport Market</p>	<p>Southport Market is now open after undergoing a £1.4m refurbishment. The failing mixed goods market is now a food and drinks market with a flexible events space.</p> <p>All funding has been secured from external sources. Since opening on the 22<sup>nd</sup> July tens of thousands of customers have visited the market purchasing hundreds of thousands of products.</p> <p>Further work is planned for 2021 that includes the completion of the events space to bring it in line with the look and feel of the rest of the market, children’s play area and a new outdoor seating space.</p>
<p>The Enterprise Arcade, Southport</p>	<p>Part of the recently successful Southport Town Deal programme is The Enterprise Arcade which received £1.5m of town deal funding. The Town Investment Plan identified the regeneration and transformation of Crown Buildings into Southport’s first flexible office space; designed to act as an incubator and flexible/co-working space for start-up businesses with the purpose of nurturing the growth of the creative digital and technology led business base which already exists in the town but currently has no identifiable geographic focus.</p> <p>Key objectives of the project include:</p> <ul style="list-style-type: none"> <li>• Support the diversification of the local economy</li> <li>• Deliver refurbished floorspace to create a business incubator and meet the needs of new and growing businesses through flexible, experiential workspaces</li> <li>• Increase the number of business in the target sector(s)</li> <li>• Support new business starts and encourage entrepreneurship</li> <li>• Support business and provide the right space for them to expand</li> <li>• Support the creation of new jobs and training opportunities</li> <li>• Act as a hub for businesses and innovation in Southport, facilitate the networks and connectivity to support a thriving business ecosystem</li> <li>• Drive private sector investment and help to deliver a new Creative, Digital and Tech led district</li> <li>• Help retain younger people in Southport</li> <li>• Help ensure greater integration between education and business</li> </ul> <p>In a break away from traditional office space and embracing the move towards flexible and hybrid working The Enterprise Arcade will be a ‘Place for Pioneer’s’, playing a part in Sefton’s and the City Regions Economic Recovery Plan. The benefits being seen in an outward looking resilient economy, underpinned by the infrastructure which connects the whole of the Liverpool City Region.</p> <p><a href="https://standupforsouthport.com/new-enterprise-arcade-in-southport-to-provide-vital-space-for-start-up-businesses/">https://standupforsouthport.com/new-enterprise-arcade-in-southport-to-provide-vital-space-for-start-up-businesses/</a></p>

Southport Visitor Attractions	<p>Officers are continuing engagement with Southport Pleasureland in relation to the sites transformation and investment linked to the most recent lease. Covid-19 has slightly delayed some planned investment; however, work has now started on the Viking Golf attraction for a 2022 opening.</p> <p>Southport Cove continues to progress with detailed planning pre app discussions having taken place. The required next steps are now being developed and implemented. This project will improve the quality of customer experience, create a consistent level of outstanding service which can be associated with a 'Southport standard' across different settings and build confidence and aspiration for all those involved in public interaction to allow them to be advocates for the town</p>
Building a Better Customer Experience	<p>This project will improve the quality of customer experience, create a consistent level of outstanding service which can be associated with a 'Southport standard' across different settings and build confidence and aspiration for all those involved in public interaction to allow them to be advocates for the town</p>
Crosby Village	<p>Sefton Council also submitted a £19m Levelling Up fund bid for Crosby Town Centre for a new library and health hub. A decision is expected later this year and the bid was developed and supported by a number of key town centre stakeholders.</p> <p>Sefton Council has launched a public consultation on proposals to regenerate Crosby town centre this September on proposed new access routes and highway improvements ahead of development of the Green Car Park site in the centre. This will explore views on improvements to the car parks and junctions in the town as well as better access for people walking and cycling. Key junction improvements are also proposed at the junction of the A565 Liverpool Road/The By-Pass and the B5193 Islington/ Coronation Road/Church Road junction which will be reconfigured to enable traffic to move more freely around the edge of the town centre and access parking.</p> <p>Investment and development interest continue within Crosby Village with recent proposals for a residential development at Central Buildings site expected to start Oct/Nov 2021 and a new residential development at Telegraph House in development. Vacancy rates have reduced from pre-covid position reflecting a more localised market demand.</p>
Bootle Strand	<p>The Strand Shopping Centre feeds directly into the key priority of ensuring retail remains a core function of Bootle Town Centre. Despite the challenging retail market and Covid-19 impacts affecting trading performance, the Council is firmly committed to taking a long-term investment perspective. The Council is driving forward plans with analysis of how best to repurpose this key town centre asset and is currently undertaking a detailed analysis of delivery and investment options possible to realise its ambitions to transform Bootle.</p> <p>Bootle Canalside has progressed this year following site acquisition and demolition to create a new public space next to</p>

	<p>Bootle canal. An August Bank Holiday music and activity event was held and was well attended, positively received and also enabled consultation with the local community on what they would like to see happen to this site.</p> <p>Sefton have also submitted a £16m Levelling Up Fund Bid in June 2021 for Bootle Canalside for a new Canalside event and activity space and high-tech, virtual reality leisure proposal. A decision is awaited later this year and was supported by a number of key town centre stakeholders and EFC. If approved it will enable the next stage of Bootle’s transformation and place-making to progress and enable further improvements to the Canalside area for the community including improved access, diversifying the town centre and helping the local economy to recover.</p> <p>The above work will also inform the emerging <b>Bootle Area Action Plan</b> which is shortly to go out to public consultation on key issues and options for the wider Bootle area including the town centre. This will help deliver the aspirations set out within the Bootle Town Centre Investment Framework which put the Strand Shopping Centre at the heart of town centre regeneration and place making. The Council bought the Strand to catalyse and take control of the re-development of Bootle Town Centre and bringing local assets back into local ownership. The work to explore the potential for the redevelopment of the Strand will help to improve the offer for Bootle residents and other key town centre users which in turn will help revitalise and regenerate the town centre and support wider commercial and residential investment in the area.</p>
Crosby Lakeside	<p>Work to refurbish Crosby Lakeside Adventure Centre continues on- site for this key coastal facility and gateway which is anticipated to complete by Spring 2022. In February 2021, Cabinet approved the formation of a wholly owned Sefton Council hospitality company to operate the newly refurbished facility and have appointed a new Managing Director to assist with the facility fit out and operational management the leisure facilities have continued to operate during the building work programme.</p>
<b>Cambridge Road</b>	<p>Work is almost complete to refurbish this Grade II Listed community learning facility in Cambridge Road. Investment in the building will see a refurbishment of the ground floor facilities including a new reception area and café and a reconfiguring of the former school hall as a new flexible area for teaching. The Community Learning Hub will also benefit from new IT infrastructure and will be fully WIFI enabled as a result of the investment, while the first floor of the building will also benefit from improvement works. Work will also include repairing and enhancing the building’s original features, with external improvements to the roof, windows, brick and stonework. The investment works will improve the external envelope and the energy efficiency of the building whilst also reducing running costs. The work is being undertaken by a locally based contractor with extensive experience in the refurbishment of important listed buildings, whilst providing social value to the users of the centre and the immediate community. Work is anticipated to complete later this year</p>



Business Support & engagement	
Website and events	<p>Dedicated Covid-19 webpages on <a href="http://www.investsefton.com">www.investsefton.com</a> established within 24 hours of March 2020 lockdown and regularly updated; has had over <b>46,000 unique sessions</b> as at 1st October 2021 and rising</p> <p>The origin accessing the website are as follows: UK (81.1%) China (7.2%) U.S (3.1%) Indonesia (2.6%) and India (1%).</p> <p>The team is now planning the redevelopment of <a href="http://www.investsefton.com">www.investsefton.com</a> to ensure it continues to meet business needs and demand</p> <p>InvestSefton has so far hosted 4 virtual webinars and 2 face to face events in 2021 on a range of topics with both public and private sector partners:</p> <ul style="list-style-type: none"> <li>• 7 Feb -Search Engine Optimisation;45 businesses attended</li> <li>• 25 May-EU transitioning following Brexit;20 businesses attended</li> <li>• 15 June- EU transitioning following Brexit;6 businesses attended</li> <li>• 17 June Business branding attended by 30 businesses</li> <li>• 28 September-Business health check attended by 20 businesses-Bootle Town Hall</li> <li>• 14 October-Access to Finance attended by 20 businesses</li> </ul> <p>The team is working with the Good Business Festival to deliver events in December 2021 and March 2022  <a href="https://thegoodbusinessfestival.com/">https://thegoodbusinessfestival.com/</a></p> <div style="display: flex; align-items: flex-start;">  <div style="margin-left: 20px;"> <p><b>New Normal event 28 September- Bootle Town Hall</b></p> <p>20 businesses attended InvestSefton and Liverpool Chamber of Commerce's first face to face event in Bootle since pre-Covid. The event was delivered by Moorcroft's Solicitors a Liverpool based law firm with many years experience and specialising in both private and commercial law. The event focussed on: The challenges of remote working particularly::</p> <ul style="list-style-type: none"> <li>• Employment law and HR – what you need to know</li> <li>• Compulsory Covid-19 vaccinations for staff – can employers insist on them?</li> <li>• How to support staff and yourself</li> <li>• Other HR related topics</li> </ul> </div> </div>
Business enquiries	InvestSefton supported Business Rates during the first month of the delivery of the Small Business Grant and the Retail, Leisure and Hospitality Grants, handling over 1,740 recorded calls with a

	<p>further 400 unrecorded due to the volumes of demand. The team is receiving record numbers of enquiries. InvestSefton has handled <b>4,434 enquiries</b> from a wide range of businesses. Breakdown by type of business is provided as at 8<sup>th</sup> October 2021.</p> <div data-bbox="550 403 1412 985"> <table border="1"> <caption>InvestSefton enquiries for W/E 08/10/21</caption> <thead> <tr> <th>Business Sector</th> <th>Enquiries (Approximate)</th> </tr> </thead> <tbody> <tr><td>Health &amp; Beauty</td><td>850</td></tr> <tr><td>Professional Services</td><td>200</td></tr> <tr><td>Retail</td><td>600</td></tr> <tr><td>Creative &amp; Digital</td><td>120</td></tr> <tr><td>Manufacturing</td><td>150</td></tr> <tr><td>Garages</td><td>80</td></tr> <tr><td>Wholesalers</td><td>30</td></tr> <tr><td>Entertainment</td><td>380</td></tr> <tr><td>Construction</td><td>180</td></tr> <tr><td>Cafes/Bar/Food</td><td>500</td></tr> <tr><td>Childrens Nurseries</td><td>80</td></tr> <tr><td>Gardening &amp; Landscaping</td><td>20</td></tr> <tr><td>Education/Training</td><td>180</td></tr> <tr><td>Care Homes</td><td>20</td></tr> <tr><td>Transport</td><td>100</td></tr> <tr><td>Accommodation</td><td>60</td></tr> <tr><td>Other Services</td><td>280</td></tr> <tr><td>Estate Agency</td><td>80</td></tr> <tr><td>Information &amp; Communication</td><td>150</td></tr> </tbody> </table> </div> <p><i>Of these, 1,767 were in connection with Rates and business grant payments/ Furloughing staff/self- employed scheme or Discretionary Business Grants. The remaining 2,667 are of a general business support nature including business start-up and property searches. As can be seen in the above graph most enquiries have come from businesses services such as high street retailers, including cafe's, hair/beauty salons but other sectors are also emerging as owners seek what support will be available in the event of ongoing restrictions.</i></p>	Business Sector	Enquiries (Approximate)	Health & Beauty	850	Professional Services	200	Retail	600	Creative & Digital	120	Manufacturing	150	Garages	80	Wholesalers	30	Entertainment	380	Construction	180	Cafes/Bar/Food	500	Childrens Nurseries	80	Gardening & Landscaping	20	Education/Training	180	Care Homes	20	Transport	100	Accommodation	60	Other Services	280	Estate Agency	80	Information & Communication	150
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<p>Business case studies</p>	<p>Richardson's Healthcare Ltd, a 2019 winner of the Queens Award for Enterprise has continued its exporting success despite Brexit. The Bootle based company has been awarded a major contract with a US company to supply its pressure reducing medical operating table mattresses to one of the worlds largest medical device companies.</p> <p>The contract valued at 1m dollars per year will create 6 new jobs and help secure 22 existing jobs. Managing Director Michael Gould commented. <i>" I can't deny that Brexit has been very challenging for our company, with goods held up for weeks in warehouses waiting to be cleared. Covid was also a blow because elected surgery was cancelled, and the bulk of our product are used in operating theatres. The market post covid lockdown has exploded with hospitals throughout the world trying to play catch up. This new US contract will give us a very solid base in the United States, and we expect further large contracts to follow"</i> he further commented <i>" The Queens Award for Enterprise has given our company real legitimacy in the eyes of large overseas potential customers and has been a big help in expanding our overseas sales"</i></p>																																								

	<p>Owner managed health and safety consultant based in Blundellsands. The business specialises in project management services for the construction industry, specifically in relation to compliance with Construction Design and Management Regulations (CDM). Due to the effects on the business of Covid, they are now looking to diversify and start bidding for public sector contracts as a first-tier supplier managing agent, outsourcing construction works to local contractors. InvestSefton supported the business by providing training on using the contracts finder portal and reviewing documentation for a housing tender.</p>
	<p>Sole trader graphic design and digital marketing business located in Thornton. Services include web design, graphic design, marketing materials and hand drawn illustrations for use in logos, website and marketing literature. The business is looking to develop its customer base further. InvestSefton supported the business by undertaking a customer base review to enable targeted marketing to both existing and new customers.</p>
	<p>Audio product manufacturer based in Southport specialising in DAC's and phono stages products that improve the quality of sound production from digital devices including phones, televisions, speakers and headphones. The Customer base is global with products being sold direct to consumers through Amazon and via a global network of distributors and audiophile specialist shops. The business is looking to improve their Digital Marketing. InvestSefton supported the business by researching suitable funding to finance attendance at an international trade expo as well as brokering an introductions for a University Graduate placement.</p>
	<p><b>LCR Growth Platform support</b></p> <p>InvestSefton is supporting LCR Growth Hub and its partners with a range of business support products open to Sefton businesses:</p> <ul style="list-style-type: none"> <li>•Help to Grow Management programme being delivered by Universities all over the Country. In Liverpool its being delivered by University of Liverpool Management School. Two cohorts are up and running. Taking expressions of interest for next cohort scheduled for the new year. Dates to be confirmed.</li> <li>•Race to Net Zero government campaign in the lead up to COP26. Details on <a href="http://www.businessclimatehub.org">www.businessclimatehub.org</a> Want SMEs to sign the Net Zero pledge to commit to reduce their carbon emissions. All on the website. Growth Platform has a marketing campaign pack if anyone wants it. It has been shared with all Growth Hub partners already to communicate with their businesses and encourage participation.</li> <li>•High Growth Programme Approved. Working with CA to get account management element up and running.</li> </ul>

	<p>•LCR Finance Hub has had funding approval. This will be co-funded by the CA and the Growth Platform and provide new access to finance for businesses.</p>
<p>Inward Investment</p>	<p>Development continues at Mersey Reach with Phase 2 of the scheme well under, completion expected Feb 2022. The last remaining unit on Phase 1 has been taken by the InvestSefton supported business CNC Robotics.  <a href="https://www.pesmedia.com/cnc-robotics-funding-23122020/">https://www.pesmedia.com/cnc-robotics-funding-23122020/</a></p> <p>Ongoing dialogue with RLAM related to the development of Atlantic Park that could see c. 600,000 sq ft of new employment floorspace created with an investment of up to £60m, and the potential to support the creation of over 1,000 new jobs.</p> <p>Continued work to support the development of Land North of Formby Industrial Estate, with the landlord having identified a preferred development partner.</p> <p>Working in conjunction with Regen Team with both private investors and end users to support the development of Southport Business Park.</p> <p>Engaged with Santander, who have now taken on office space on Atlantic Park to serve as their hub for Sefton. Discussions ongoing relating to the future development options for their existing site.</p> <p>Working with the Regeneration Team to bring forward the Enterprise Arcade project as part of the Southport Town Deal programme.</p> <p><b>L51 Campus-Aintree</b>  <a href="https://lbdaily.co.uk/planners-approve-new-70m-merseyside-tech-hub/">https://lbdaily.co.uk/planners-approve-new-70m-merseyside-tech-hub/</a></p> <p><b>113 Liverpool Road-Crosby</b> - The refurbishment of this building to create managed workspace with ancillary café/restaurant has now started on site with new steelwork in place for the new mezzanine floors to the front building and services established around the site</p> <p>.</p>
<p>Public Health</p>	<p>Public health continues to support healthy economic recovery and development in Sefton by working with our colleagues across the council and in partnership with external organisations in public, private and voluntary sectors. This has included supporting key sectors such as education and social care to prevent and manage spread of Coronavirus, as well as providing advice and guidance to private sector employers to contain outbreaks of Coronavirus and maintain safe working practices.</p>

	<p>Understanding and responding to the wider health needs of employers, people in work and people not in work has also continued, including through ongoing preventative mental wellbeing support delivered through commissioned services and in partnership with NHS and beyond. This is also a key priority in Sefton Integrated Care Partnership.</p> <p>Following a deep-dive report into child poverty and the impacts of the pandemic, the public health team has supported development of a successful Child Poverty Event, which attracted high quality input and interest from system leaders, and which represents an important first step to developing a new Child Poverty Strategy, which aims not only to alleviate current risk of poverty for children and their families, but also seeks to identify local actions to disrupt patterns of continuing poverty in adulthood and drive healthy and equitable economic development in Sefton.</p>
Public Protection	<p>Although the specific Coronavirus legislation has now been repealed the control of Coronavirus transmission in the workplace remains a health and safety at work matter. The pandemic is not over and although formal restrictions have been relaxed, we continue to advise businesses with regard to their covid risk assessments and the control of any outbreaks in the workplace. The Food Standards Agency has introduced an 18-month recovery plan for the food and drink sector to support them in re-opening their businesses following the lockdown and our Food and Safety Team are implementing this recovery plan locally in Sefton. The plan requires that in addition to responding to complaints from the public and requested for advice from businesses (approximately 150 per month), there will be a risk-based inspection programme incorporating 1500 unannounced formal full inspections of business undertaken to ensure compliance with food law.</p>
Southport Town Deal bid	<p>£37.5m bid approved for Southport including plans for the new Marine Lake Events Centre Enterprise Arcade business incubator, Light Fantastic spectacular light show in the Marine Lake, Public Realm enhancements and an employment and skills development project “Building a Better Customer Experience”</p>
Employment & Learning	<p>Sefton @ Work continues to deliver the Ways to Work employment support project, in partnership with the 5 other LAs in the city region. Funding to extend the scheme has been secured and this should allow the operation to continue into 2023. The premises on Stanley Road have been open for client access by appointment since September 2020 with a fully approved COVID RISK management plan in place. At present a blended service is in operation, with in-person access available together with remote, digital contact available for clients. However, there is a growing need to fully re-open the service to provide more COVID-safe in-person support to meet demand from residents/ stakeholder partners and plans for full re-opening are being developed.</p> <p><b>To date, the cumulative impact of Ways to Work in Sefton has included the following:</b></p>

Total Clients accessing service	3,858
Footfall( ie. people using Sefton@work remote facilities & premises)	45,896
W2W contracts Male	58.1%
W2W contracts Female	41.9%
W2W with self declared Disabilities/Health Conditions	1,363
W2W without basic skills	1,306
People leaving the programme (into jobs/self-emp/training)	1,725
No. of interviews with clients	17,424

Sefton@work has also now begun delivery of the government's RESTART employment programme. This is aimed at those who have been claiming Universal Credit for a minimum of 12 months and need sustained assistance to increase their employability and enter and sustain employment. Referrals are made via Jobcentreplus and since commencement, volumes have increased month on month. Refurbishment work to the Sefton@work premises at Stanley Road has allowed further space to be made available for the Restart scheme in a manner that is Covid secure. Further premises in Southport have also now been sourced within the Atkinson centre. These rooms will be occupied by both Sefton@work and Sefton Community Learning Service to allow for a more joined up approach for residents.

The funding obtained from the Merseyside Violence Reduction Partnership to provide paid work placement for young people known to the Youth Offending team has now concluded and Sefton@work has taken part in evaluation of this scheme as an exemplar of best practice. Further negotiations to make a future application for a second round of funding are ongoing.

Sefton@work continues to act as a Gateway organisation for the government's Kickstart scheme. This allows smaller companies to offer paid temporary employment to young people aged between 18 and 24 who are claiming Universal Credit. The scheme has been beset with delays and structural blockages which have not allowed us to optimise this opportunity within Sefton. However, Sefton@work has continued to work very pro-actively with local Jobcentreplus staff and 35 Kickstart jobs have been filled. The Chancellor recently announced an extension to Kickstart, which would allow employers to access the scheme through to mid-2022.

Sefton@work is also delivering another ESF funded project called Positive Inclusions. This project incorporates a strand of support for young people deemed to be vulnerable and this is largely targeted towards young Care Leavers and Looked after children. The project aims to improve employability and raise aspirations

	<p>and there is a flexible budget to purchase a range of additional support measures to benefit young people and remove practical barriers. The project also includes a strand of activity to support older workers displaced from their jobs through COVID-19.</p> <p><b>Sefton Community Learning Test &amp; Learn Pilot for People with Lived Experience of Care</b></p> <p>This pilot project is funded as part of the devolved Adult Education budget from the LCR CA. Its focus is on re-engaging young adults who have experience of care and have been NEET for a sustained period (12 months or more). Working alongside the Council's Leaving Care team to identify active NEET care leavers, the Service is in process of recruiting a specialist learning mentor to work with care leavers aged over 19 to engage them in a range of activities to identify and address barriers to learning. The project will design and create a range of bespoke learning courses, taster days, workshops and virtual events (online, blended and immersive technology) to encourage and increase participation and achievement. Each learner will have access to an online 24-7 self-serving platform to further developing e-learning on all aspects of job search, creating a flexible and adaptable learning experience in a dynamic and interactive way. This blend of technology will be used to encourage care leavers to access education, gain qualifications and ease learners into the norms and expectations of the world of work. Through Sefton@work, it will provide more employment pathways through live local vacancies, Kickstart, Routeways and the Council's apprenticeship programmes. This pilot will strengthen the links between partnership agencies and employers so they understand the issues and potential barriers care leavers face so they can be better supported when accessing training or employment opportunities and sustaining them.</p> <p><b>NEET Reduction &amp; Early Intervention Programme</b></p> <p>The Career Connect team for Sefton continue to provide a range of services to support our young people. The following highlights reflect the position for August:</p> <ul style="list-style-type: none"> <li>• <b>Academic Age 16-17 Combined NEET and Not Known Indicator</b> At 3.84% this is a reduction of 1.11% compared to August 2021 this is 56 young people</li> <li>• <b>Academic Age 16-17 Actual NEET</b> has seen a reduction of 36 young people. (at <b>3.16%</b>)</li> <li>• <b>Academic Age 16-18 Actual NEET</b> 16-18-year olds reduction is 62 young people of who 26 are 18 year olds. (at <b>3.94%</b>)</li> <li>• We have <b>160</b> more 16/17 young people continuing and sustaining <b>in learning</b> than in August 2020. In learning for 16-18 year olds as also increase by <b>1.83%</b>.</li> <li>• In August the team has further increased home visiting and face to face working transitioning back to the 'business as usual' model.</li> </ul>
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	<ul style="list-style-type: none"> <li>• In August Career Connect had <b>1,118</b> meaningful interventions with <b>612</b> young people supporting intensively the right young people at the right time. Early identification of vulnerable groups and ‘risk of NEET’ are also important to ensure priority is given to these young people to provide information, advice and guidance to enable a positive transition into EET.</li> <li>• September Guarantee <b>arrangement to ensure that all 16- and 17-year-olds are offered learning by the end of September</b>, a suitable place in education or training, including in schools, colleges or work-based training by local authorities. This is a cohort of <b>5,798</b> in Sefton and includes year 11’s who are educated in Sefton as well as residents. Currently Sefton have confirmed 5,708 learning offers and a further 90 offers for young people are needed. The team is focused on securing these offers and feeding them into the performance data.</li> <li>• Career Connect ‘s own Apprentice under contractual social value measures started in July. This young person is a Sefton client supported through Sefton@work and referred by them. They have settled in well.</li> <li>• Career Connect has also supported the Council’s Looked After Council Apprenticeships recruitment – identifying young people with engaging, supporting applications, preparation, interview skills, support and hand- holding to interview etc</li> </ul> <p><b>Sefton Community Learning Service update</b></p> <p>Current Enrolments have significantly improved during September, compared with the same period in 2020 with promotional activities high on the Service’s agenda. To date, 228 learners have started 245 learning aims. There are an additional 40 new learners due to commence courses over coming weeks who do not feature yet in these calculations.</p> <p>Arts and craft courses have proven to be the most popular area of learning, with a waiting list of more than 60 learners wanting to enroll onto future classes to be arranged shortly. The Service is in the process of booking additional courses to accommodate this extraordinary demand and will undertake further tutor recruitment for this area.</p> <p><b>75 learners also enrolled on Family Learning courses at the Canalside event over the August Bank holiday weekend. This provided an excellent opportunity to engage with the local community, promote courses and raise the profile of the Service. The Service also attended Southport Food and Drinks Festival and has plans to attend the Carla Lane event Sunday 26th September.</b></p> <p>By contrast, Enrolments on some IT courses have been slow, with some courses marked by extremely low numbers. The Service is evaluating this unforeseen trend but will aim to retain skilled IT tutors wherever possible. A number of courses are now being reviewed to make them more attractive to learners and meet their</p>
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	<p>changing needs. A similar pattern has been reported across other LA community learning providers and may relate to a greater need within the community for activity related to mindfulness and wellbeing rather than digital skills.</p> <p>The next round of Examinations is due to take place at the end of September, providing learners with the opportunity to re-sit exams from last year.</p> <p>The Service is working with People First to deliver a bespoke IT course for learners with low to moderate learning difficulties. The course will provide basic office admin skills, understanding how to use different devices and staying safe online; supporting individuals to develop skills and take more control over their own lives.</p> <p>The learning rooms secured alongside Sefton@work in Southport Atkinson and at Victoria Park will allow classes to have a more consistent delivery space in the town after some years and will to ensure the learning offer is available and visible to all Sefton residents.</p> <p>Refurbishment works are ongoing at the Cambridge Road site. There is as yet no agreed date for the Service to re-open its operations at the Centre, and will continue to operate learning delivery in outreach venues across the community for an extended period. This provides a challenge for the service as more community venues open and utilise their premises for their own purposes, potentially reducing the availability of suitable delivery locations for community learning until Cambridge Road can be re-occupied.</p> <p>The Employment and Learning team have co-designed with Education Excellence a Post 16 Pathways Partnership Group. This is a network grouping of schools' representatives, colleges, training providers and employment support providers which is aiming to improve the quality and availability of careers guidance and promote collaborative working to improve Sefton's young people and adult's employability and ability to meet their potential.</p> <p>Sefton@work has improved connectivity and intelligence with the Planning team to ensure that where applications capable of producing social impact through local jobs, placements, work experience etc are followed up and appropriate conditions and plans put in place. This has resulted in several planning consents this year having employment and training conditions attached to them, which Sefton@work is working with the applicants to implement.</p>
<p><b>Planning</b></p>	<p>Work underway to prepare the Bootle Area Action Plan (AAP), which will be a new development plan document aimed at securing the transformation of Bootle with a 20-year vision. AAP Member and Officer working group established with support from the wider corporate Bootle Transformation Member and Officer Reference Groups. The Bootle AAP Issues and Options document is due to go to Cabinet for approval for consultation on 7 October 2021. Turleys appointed to drive forward the engagement on the AAP. MHCLG design code pilot funding of £50,000 was secured to explore how design can be a</p>

	<p>regeneration catalyst in Bootle and support the wider transformation objectives. This work was undertaken over the summer and the findings submitted at the end of September. This work will inform the merging Bootle AAP.</p> <p>Confirmation that the Council has passed its housing delivery test for the second year running, which demonstrates that the Council is meeting its housing targets. The next results are due in the New Year. The Council continues to be able to demonstrate a strong supply of land for housing.</p> <p>A review of the planning-led recovery measures aimed at assisting with economic recovery is demonstrating that they have had considerable success and playing a vital role in attracting investment in the Borough. This is demonstrated by a 40% increase in planning applications, with an estimated value of £60M to the economy. The Council has received national recognition for its innovative approach and tangible achievements.</p> <p>The service has continued to perform well and exceed national targets on the speed and quality of decision making, despite all staff working from home, and is in the process of reviewing a number of supplementary planning documents aimed at providing further clarity on a range of issues aimed at introducing greater efficiencies and more ability to respond to new challenges with the aim of securing more investment.</p>
<p><b>Housing</b></p>	<p><b>Homelessness-</b>          Finding B&amp;B accommodation is becoming increasingly challenging due to the continuing high demand for holiday accommodation currently. In addition to this, the rolling monthly block booking with the Scarisbrick Hotel of 10 rooms cannot be renewed. The hotel has declined to accept bookings beyond 30 September 2021 for homeless households. We suspect that this decision was made as a consequence of placements made by Liverpool Council that caused issues for the hotel resulting in a blanket refusal to accommodate homeless households from all Council's.</p> <p>Sefton Housing Options continue to not place anyone without a Priority Need into Emergency Hotel Accommodation and are using the 7-night Shelter (Sit-Up rooms/Pods) to accommodate Anyone presenting to the Council or sleeping rough. Light for Life Rough Sleeper Service continue to inform the Council that this move has not had an impact on rough sleeping figures and that there are currently only two people sleeping rough, who are being worked with intensively to resolve.</p>

	<p><b>Licensing-</b> Over 3,600 Housing licence applications have been received, many as a result of street surveys identifying unlicensed properties-While this suggests that licensing is already having a positive impact in improving property standards and management it also means that landlords will be employing local gas safe &amp; electrical engineers to carry out their checks and issue safety certificates; generating additional business for these companies. Officers are re-commencing inspections of licensed premises, as restrictions are lifting.</p> <p><b>Housing construction-</b>The Brownfield Land Fund was announced by Government in the March '20 budget with £45m of the fund will be allocated directly to the Liverpool city region. The funding is expected to deliver land suitable for at least 3,000 and preferably 4,000 homes and start on site by 31st March 2025 at the latest.</p> <p>A call for private sector projects by the Combined Authority saw 8 Sefton schemes being submitted for consideration. The CA has assessed these bids and is currently taking recommended schemes through the approval process. Final stage approval of shortlisted schemes will be made by the Combined Authority at the end of November.</p> <p>Sandway has also submitted scheme proposals to the CA as part of the commissioned projects funding route and these are currently being assessed by the CA.</p> <p>Housing Strategy Refresh (2022 – 2027) – Work is currently being undertaken to refresh Sefton’s current Housing Strategy. The development and publication a refreshed strategy would help reflect upon the successful implementation of a range of housing priorities over the past 5 years. Additionally, new strategic housing goals and Sefton’s adopted 2030 Vision, alongside numerous national policy and legislative changes, mean that a refreshed &amp; robust strategy is essential for the delivery of local authorities’ housing functions over the coming years.</p>
<p><b>Regeneration</b></p>	<p>Sefton was allocated RHSS ERDF Funding in June 2020 and a further allocation in March 2021 of Welcome Back Funding ( totalling £588K) to support the safe re-opening of town centres and attracting the public back into town centre areas including coastal areas where the visitor economy was particularly affected by covid impacts.</p> <p>Expenditure to date has focused on safe re-opening following CV19 lockdowns and tier restrictions including public messaging, social media campaigns, business advice and reinforcing social distancing. Remaining funds allocated are to focus on events and activities to attract people back into town centres and particularly coastal visitor town centre locations affected by the pandemic.</p> <p>Specific interventions include:</p> <ul style="list-style-type: none"> <li>• Communications and public information activity to ensure that reopening of local economies can be managed successfully and safely. (Social media, communications and publicity material,</li> </ul>

	<p>posters emphasising “shop safely shop local” and social distancing messaging, floor vinyl’s, adverts, sanitiser stations and marking pavements)</p> <ul style="list-style-type: none"><li>• Business-facing awareness raising activities to ensure that reopening of local economies can be managed successfully and safely. (advice and guidance regarding safe opening and social distancing, business information packs and updates on guidance and operating customer facing activity, media and social media information and advice)</li><li>• Temporary public realm changes to ensure that reopening of local economies can be managed successfully and safely. (Temporary road closures and pavement use to ensure social distancing, planters to enable social distancing space for public.)</li><li>• Public space enhancement and temporary improvement measures.</li><li>• Events and activities to attract people safely back into town centres and visitor locations, including Xmas activities/events...</li></ul>
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REPORT:

# Sefton Economic Strategy Update

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Agenda Item 6



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Sefton Council's work in supporting the growth of the Borough's economy over the last decade in particular, has ensured that we have remained resilient, attractive and diverse. Our Growth and Strategic Investment Programme – which continued apace through (and despite) the pandemic – means we are now delivering the early phases of our exciting regeneration plans. These commitments will – both in isolation and in what they stimulate – be worth hundreds of millions of pounds to the local economy. We will of course strive to take full advantage of the many opportunities to support the wider development of the local economy, but we also recognise that there are challenges to address. We want to achieve economic growth that works for all Sefton residents. This document provides a basis for the clarification of our commitment to sustainable and inclusive economic growth for the Borough of Sefton.

Everybody recognises that the recent period has been characterised by such seismic shocks, disruption and instability to the global, domestic and local economies, and the Strategy responds to this changing landscape at the local level. It updates and replaces the Sefton Economic Strategy adopted only recently in 2019, and its associated Action Plans, to which the ink had barely dried before the pandemic hit in 2020. The Sefton Recovery Plan in November 2020 provided an immediate analysis and pathway out of the worst of the pandemic. And this October 2022 updated Sefton Economic Strategy reinforces the best and most relevant of what we have said before, and provides a new narrative following the post pandemic research and collaboration with partners.

But Sefton Council has continued to provide leadership and direction, pursuing a robust town centre focussed regeneration strategy, partnership working to bring forward some of our larger scale and complex strategic employment sites, promoting an embedded business support programme engaging with existing businesses to survive and thrive, ensuring over £100m in business support grants were provided to our businesses through the pandemic, investing directly in regeneration and infrastructure, including employment and skills.

Sefton's economic growth ambitions will not happen in isolation, and we will continue to work closely with our Liverpool City Region neighbours, the Combined Authority, Growth Platform/Local Enterprise Partnership and other partners in the private, public and voluntary sectors to help nurture growth and new investment and to support other ambitions relating to social value, climate change and tackling health and economic inequalities.

We must look forward together to ensure Sefton remains an attractive proposition for inward investment, and indeed a desirable place to live, work, and play. Consultation has helped to shape our Strategy, and through this, strong endorsement of its focus on four key thematic objectives emerged, namely:



## FOREWORD

- Employment and Opportunities for Work
- Business Growth and Investment
- Regenerated Places
- Social Inclusion and Access for All

The Sefton Economic Strategy and associated Action Plans will focus on these, and therefore will remain a working document. We will be reviewing progress and performance in many stages, enabling us to share our findings and update the measure the Borough's progress. We will also use this to demonstrate to Government the scale of the task and the evidence of tangible projects and programmes which can make a very real difference at the local level to our communities.

The key message remains one of aspiration. We are ambitious for the economy of Sefton, our businesses, and our people. We would be delighted to hear from you if you have any comments on our projects and activities. For

further information please contact Stuart Barnes Assistant Director of Place (Economic Growth & Housing) at [stuart.barnes@sefton.gov.uk](mailto:stuart.barnes@sefton.gov.uk)

This is our roadmap to supporting people, place and productivity within a vibrant local economy where our existing business are helped to grow, new businesses are established and thrive, our residents have the skills needed to access the jobs of the future and we collectively support places across all parts of the Borough that we can be proud of.

**Cllr Marion Atkinson**  
**Cabinet Member for Regeneration & Skills**





CHAPTER 1:

# Introduction



## INTRODUCTION

### Sefton

Sefton is a Local Authority in the Liverpool City Region (LCR) stretching from Bootle in the south to Southport in the north and encompasses other settlements including Crosby, Formby and Maghull. The borough is home to 275,000 people and nearly 8,000 businesses.

Sefton provides employment for around 75,000 people but also benefits from excellent connectivity to neighbouring conurbations including Liverpool and Manchester. This connectivity has also resulted in Sefton attracting a number of workers who commute to these nearby destinations. Sefton's coastal location results in a strong visitor economy and to the south port activities, the digital sector is supported by cross-Atlantic fibre links, many professional services firms operate in Sefton and the area also has unique mental healthcare activities which has stimulated some wider public and private sector investment.

In recent years, Sefton Council has worked towards securing investment for projects revitalising Southport Town Deal and Bootle Strand although the area includes numerous areas of deprivation, and the area has a strong relevance to the government Levelling Up Agenda.

### The Project

In December 2019 Sefton Council published the Sefton Economic Strategy (SES) Action Plan. This plan followed on from the Local Economic Assessment that was developed into the Economic Framework for Sefton.

The SES Action Plan was published shortly before the Covid-19 pandemic. As a result of the very scale changes on the UK economy and the importance of the visitor economy to Sefton, there was a need to update the original plan. As part of the consideration of changes since 2019 it was also necessary to consider several other large economic drivers created through aspects such as Brexit, the outbreak of the war in Ukraine and the supply chain pressures which have been completed by all these factors.

Covid-19 originally led to the publication of the Sefton Strategic Recovery Plan. Sefton Council are now seeking to update the original SES Action Plan in order to reflect the changing economic situation over the past 3 years. This strategy will therefore build on the original findings with updated evidence, themes and actions that were taken to public consultation in Summer 2022.

### Mickledore

Mickledore is an economic development advisory business based in Warrington and has worked with Sefton Council previously. In the recent past, Mickledore was engaged to assist with Sefton's Strategic Recovery Plan. Mickledore also undertakes some work at a Liverpool City Region level.

More widely, Mickledore has developed economic strategies for clients across the country and various inward investment strategies.



# INTRODUCTION

## Sefton Vision 2030

The strategy is aligned with the Sefton Vision 2030 and wider existing strategies and work on the Digital agenda and Climate Change. The strategy also aligns with Sefton work on Child Poverty; Housing; Climate and to some extent Health & Wellbeing. Work has also been undertaken to ensure that the document is also aligned with the LCRCA who were consulted.



CHAPTER 2:

# Evidence



## Introduction

An extensive investigation into the evidence took place to update the data used in the SES Action Plan. This data was analysed to identify any key issues for Sefton, and to highlight any changes that may have occurred following the Covid-19 pandemic.

The key evidence points are presented in this report and were used to establish the key themes that form the updated strategy. These were taken to public consultation in Summer 2022.

## Sefton's Economic Performance

At local authority level, Sefton records economic data which is generally favourable compared to the North West Region although slightly less so nationally.

In December 2021, 77.4% of people in Sefton were economically active. This is 0.9 percentage points higher than the North West average, but 1 percentage point lower than nationally.

This is a recurring picture across the key indicators. Sefton performs slightly better than the North West but worse than nationally for the percentage employed as managers and professionals (33.2%), people qualified with NQ4 and above (39.1%) and gross weekly pay for residents (£586.70).

Sefton records a worse position than the national averages for workless households and working age people claiming out of work benefits. Specifically, in December 2020 15.8% of households in Sefton were workless, 2.2 percentage points higher than nationally. 4.3% of Sefton's working age population claimed out of work benefits in 2022, 0.4 percentage points higher than nationally.

### Selected core economic statistics- Sefton

Variable	Sefton	NW England	National (GB)
Economically active (Dec 2021)	77.4%	76.5%	78.4%
Percentage households workless (Dec 2020)	15.8%	15.5%	13.6%
Percentage employed as managers or professionals (Dec 2021)	33.2%	32.1%	34.2%
Qualified NVQ4 or above (2021)	39.1%	38.5%	43.5%
Gross weekly pay for residents (2021)	£587	£578	£613
Claimant count (out of work benefits) working age population (2022)	4.3%	4.4%	3.9%



## EVIDENCE

### Income Disparity

Whilst at headline levels, Sefton may appear to be an area of average economic performance, the local authority does have areas of severe deprivation.

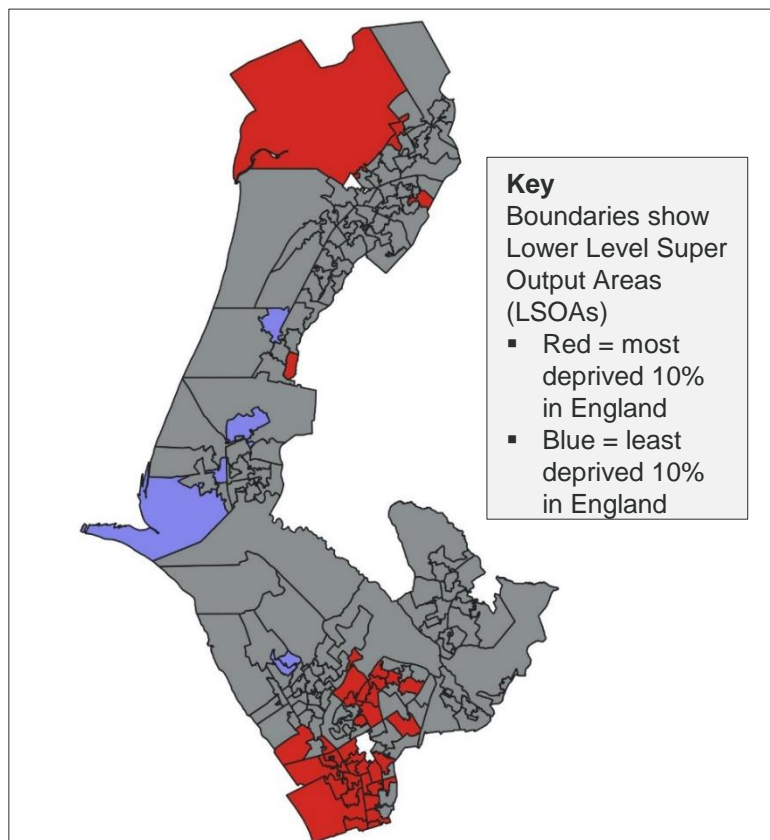
Deprivation is measured in a number of ways illustrated at a local level (Lower Level Super Output Areas) by the Indices of Multiple Deprivation. LSOAs typically contain the same amount of people and as a result the large shaded area to the North of the borough contains a similar number of people as the more densely populated areas.

When income is considered, Sefton has a number of areas where income is in the lowest 10% in England and a few in the highest 10%. The red areas on the map indicate the areas that are among the most deprived 10% in England, and the blue areas indicate the least deprived 10%.

Even these figures mask the scale of deprivation. One area of Bootle is now ranked as the 28th most deprived in terms of income across England (out of 32,844 areas) and its ranking is falling (ranked 197th in 2007).

Income deprivation is not only a serious issue at an individual / family level – a concentration of low levels of income undermines the entire local economy reducing disposable income which can be spent in the area, and creating challenges for the Local Authority in terms of income (lower Council Tax revenues) and expenditure (social support mechanisms) resulting in reduced opportunity for discretionary investment by the Local Authority.

Map of areas of Income Deprivation - Sefton



Source: Indices of Multiple Deprivation 2019 (DLUHC)



**Business Activity**

One issue impacting on local income is the range of businesses and employment opportunities in Sefton.

In fact, more generally, the Liverpool City Region (LCR) has a low level of business density when considered at a national level. The highest ranked local authority in the City Region is ranked 292 out of 374 local authorities. The average number of businesses in the UK per 1,000 working people is 66 but in Sefton this figure is only 49.

**Business Density (business units / 1,000 working age residents) – rank out of 374 Local Authorities**



Sefton has continuously and significantly created fewer businesses than England as a whole. The gap was the narrowest in 2020 although even in this year Sefton created 21% fewer businesses per working age person than England.

Year-on-year under-performance in business creation is undermining the wealth creation potential in the area and whilst this is a City Region wide issue, it is also an indicator that can be influenced at a Local Authority level.

**Business Start-ups (business units / 1,000 working age residents)**



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## EVIDENCE

### Business Activity cont.

It is possible that some private sector start-up activity has been crowded-out by the extent of public sector employment, but whatever the cause, in the majority of Wards within Sefton, the proportion of public sector employment is higher than the average for England.

In 3 Wards within Bootle and Maghull (Ford, Derby and Sudell) the proportion of employees employed by the public sector is > Page 104

Page 104  
 it some work can be undertaken to stimulate private business start-up and investment, it is certainly the case that the public sector has been an important employment generator in Sefton – albeit many of the public sector roles within the Borough are likely to be poorly paid. And as public sector employment is decentralised from London, Sefton can be presented as a

Percentage of Public sector employment by Sefton Ward

Ward	Percentage of employment public sector
Ford	61.9
Derby	60.5
Sudell	57.1
Kew	39.9
St Oswald	38.4
Linacre	38.3
Manor	30.6
<b>Sefton Average</b>	<b>24.6</b>
Ainsdale	23.6
Birkdale	23.0
Harington	22.6
Litherland	19.1
Meols	18.4
Park	17.3
Church	17.3
<b>England Average</b>	<b>16.8</b>
Blundellsands	15.8
Netherton and Orrell	14.5
Cambridge	13.8
Victoria	10.7
Duke's	10.5
Molyneux	10.4
Ravenmeols	7.2
Norwood	4.7

Higher propensity for public sector employment than average



Lower propensity for public sector employment than average





**Out Commuting**

In common with many LCR local authorities, Sefton has high levels of out-commuting. 46% of Sefton’s working residents earned their income from outside the Borough at the time of the 2011 census (the last published data). Whilst out-commuting as a percentage of the workforce is not the highest of the local authorities in LCR, the number still represents a significant proportion of residents. This data will be up-dated upon the release of the new census in 2021.

12,000 net out commuters travelled to work in Liverpool pool, with high levels also travelling to Knowsley (-920)

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**Percentage Out-commuting LCR (% of working residents)**

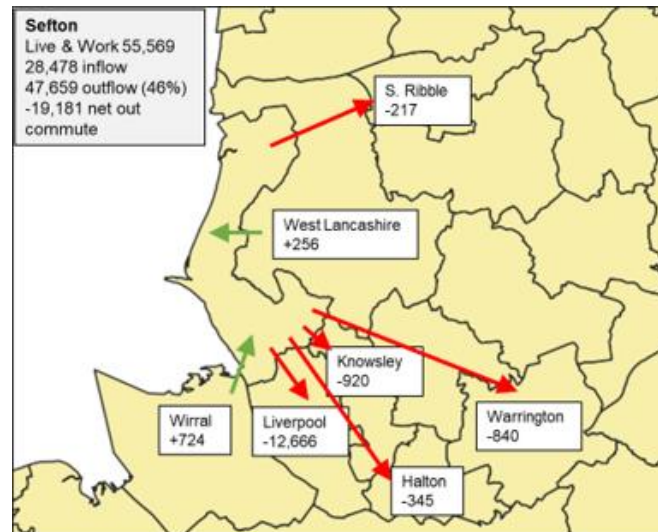
	Percentage
Knowsley	65%
St. Helens	52%
Sefton	46%
Halton	46%
Wirral	37%
Liverpool	30%

and Warrington (-840). Sefton did receive net in commuters from Wirral (+724) and West Lancashire (+256).

Rail data (overleaf) suggests generally increasing out-commuting over the last two decades.

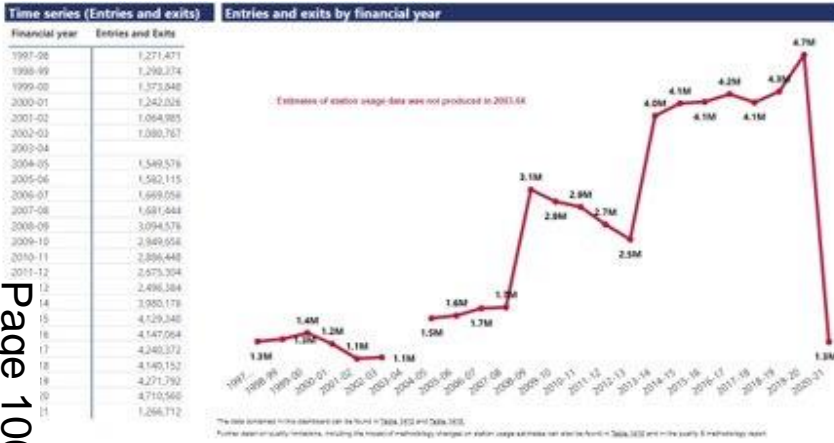
However, train borne out-commuting fell dramatically during the pandemic. Changing work patterns lasting from the impacts of the national lockdowns provide the possibility of a reset. It is likely that many residents will have reconsidered their previous commuter lifestyle. There is the potential for a future reset to increase earning and retained spending in the area.

**Net commuting flows Sefton (>100)**

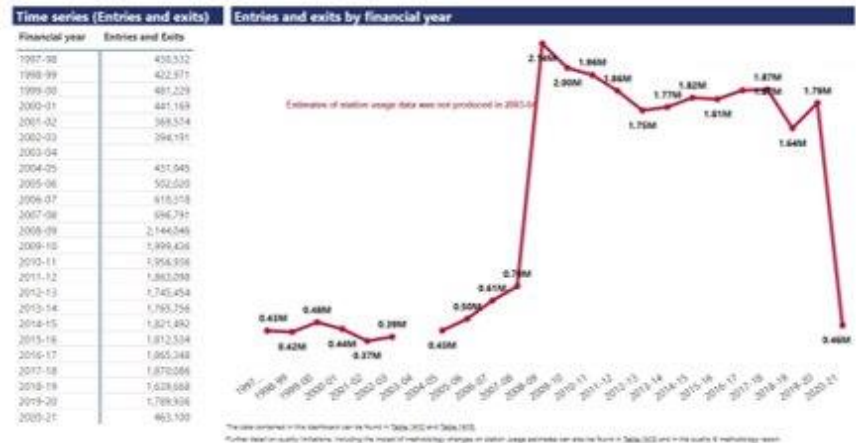


# OUT COMMUTING CONT.

## Southport station usage

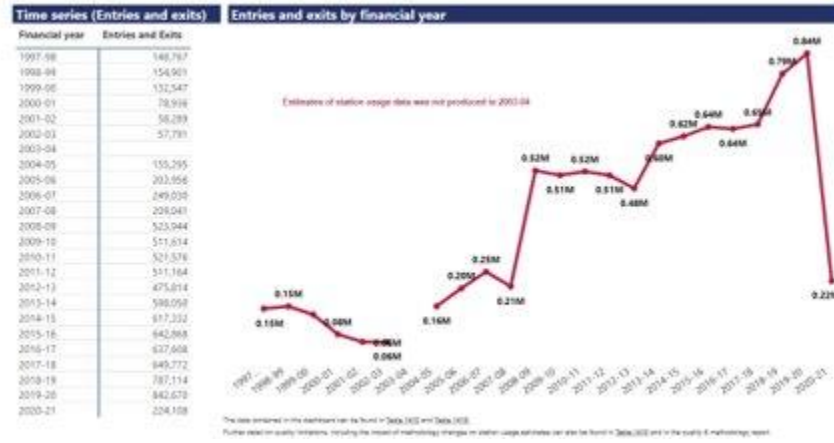


## Maghull Station usage



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## Combined Bootle station usage (New Strand / Oriel Road)



The station usage graphs show that the number of entries and exits has been increasing in all 3 Sefton stations (Southport, Maghull and Bootle) since 2004-05- (3 stations used as illustrative), reaching a peak in 2019-20. In that year there were 4.7m entries and exits at Southport station alone.

The Covid-19 pandemic caused a severe drop off in the number of people passing through Sefton's stations, as would be expected due to national lockdown restrictions. For example, Southport station saw only 1.3m entries and exits in 2020-21, a reduction of over 72%.

Whilst working patterns have returned towards previous trends in 2022, it will be important to monitor how changing working patterns impact the number of people choosing to out commute from Sefton in the future and whether this returns to previous levels.



**Securing a Workforce in the Future**

A reconsideration of commuting activity by Sefton residents is likely to be a highly relevant metric for the Sefton economy in the future.

Media commentary describes the ageing population at a national level. According to ONS population projection data, the issue will be more acute in Sefton with projections suggesting a decline of 5,663 in people aged 16-64 (still used as a proxy for 'working age' despite changing retirement ages). This represents a shrinkage of 3.5% in the available workforce. This has a double impact because as the workforce is shrinking, the need for adult social care is likely to increase as a

result of the same ageing demographic trends.

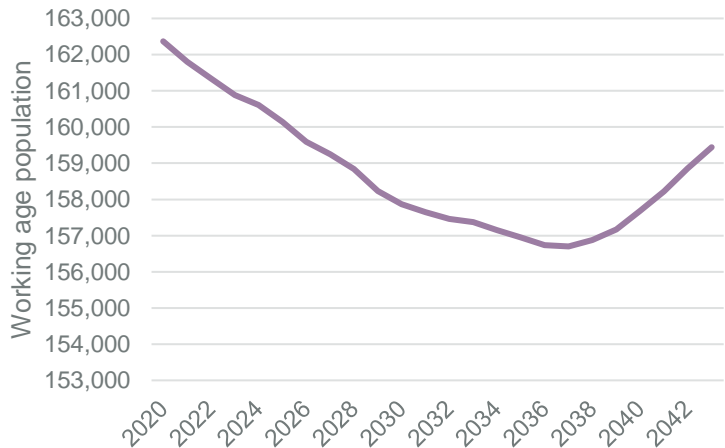
The scale of change is expected to be greater in Sefton than in England as a whole.

Estimates beyond 2038 (when the situation is expected to ease) are somewhat speculative since the population that will be within the working age group by this date have not yet been born.

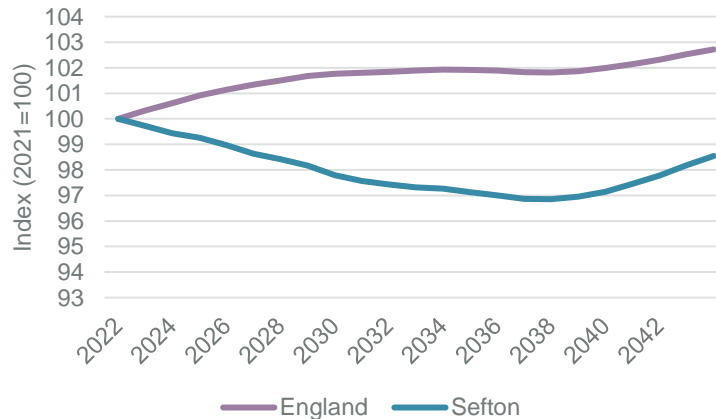
Economic development policies of the next decade are likely to include a focus on the attraction and retention of talent and this has implications for housing and the creation of attractive locations to both live and work.

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Projected population aged 16-64 time series 2020-2042



Index of projected change in population aged 16-64 for Sefton and England



Source: ONS Population projections

## EVIDENCE

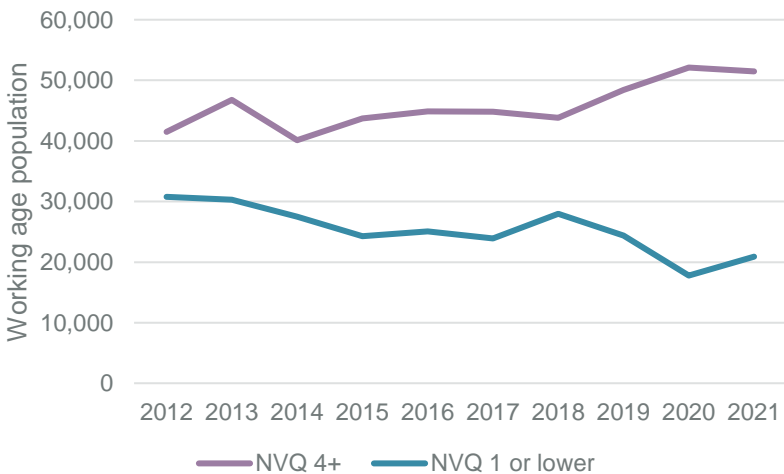
### Workforce and Skills Availability

Driving improvements in resident incomes in the future are likely to be strongly influenced by improvements in productivity and the attraction of more knowledge intensive businesses. This shift can only be achieved if the skills of the workforce enables these shifts in the economy.

Data available from the annual population survey in 2021 shows that overall skill levels in Sefton have been improving.

The number of people of working age in Sefton achieving level 4 and above has been increasing whilst the number of people with no skills has been declining. In 2021,

#### Working age population skills achievement

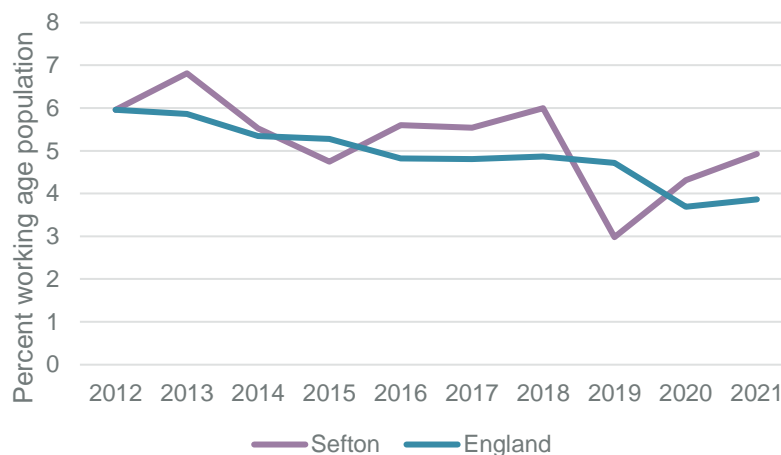


54,500 people in Sefton had qualifications up to NVQ4+ whilst 20,900 people achieved NVQ1 or lower.

Sefton and England are comparable in terms of the proportion of the working age population with no skills. There has been a downward trend since 2012, although Sefton saw a slight jump between 2019 and 2021 likely to have been impacted by the pandemic.

In addition, according to experimental ONS data the area is mid-ranked in terms of the workforce at risk of a loss of employment due to automation (129th of 354 Authorities ranked).

#### Proportion of working age population with no skills



# EVIDENCE

## Workforce and Skills Availability cont.

Covid-19 had a very significant impact on employment despite national government intervention. The impact of a lockdown on the visitor economy and the hospitality industry was particularly severe.

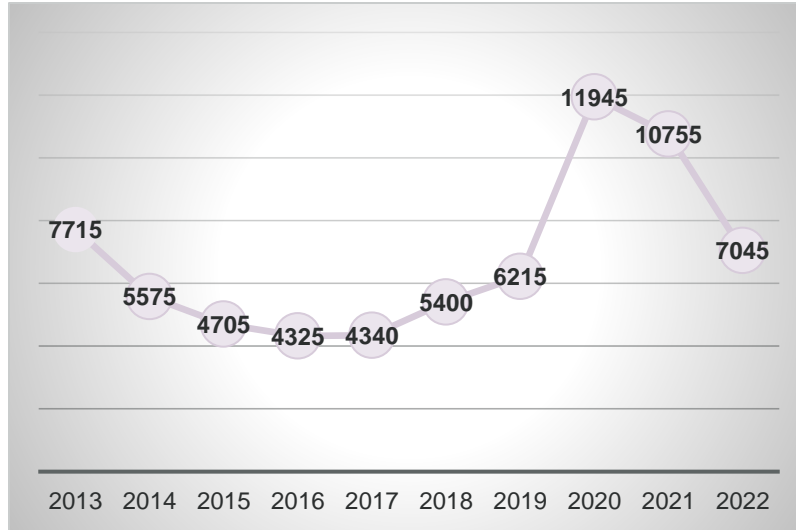
Despite concerns about Sefton's resilience given the importance of the visitor economy, Sefton has out-performed the national picture when claimant count levels are considered with a less pronounced impact of Covid-19 on out of work benefits and a more rapid recovery than England as a whole.

At its peak of the pandemic Sefton reached 11,945 people claiming out of work benefits, but this figure has dropped significantly to 7045 in 2022. This does however remain 11% above pre pandemic levels and in many cases the pandemic's impact has been extremely serious at an individual level.

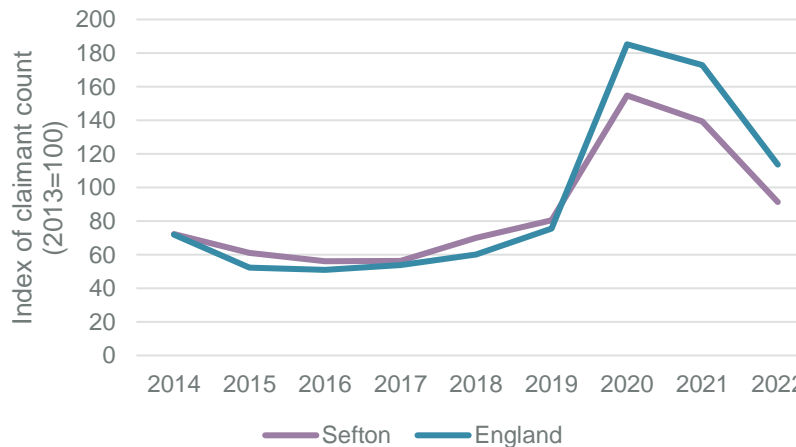
Comparing Sefton to the UK against a 2013 index of 100, in 2022 Sefton's total out of work claimant count stood at 91.3 versus 113.6 in the UK. Even during the lockdowns in 2020 Sefton performed better, with an index score of 154.8 compared with 185.3 in the UK on average.

At a Sefton wide level skills and employment data can be viewed in a positive light although, as ever, the average figures mask areas of severe deprivation.

Total out of work claimant count Sefton



Total out of work claimant count Sefton v England index (2012=100)



## EVIDENCE

### Economic Development and Place

Economic development is increasingly about place – employment and a living environment at the confluence of transport routes and growth creates a critical mass of activity and generates ideas and opportunity.

Key to this critical mass is the work / life balance and this can be measured in terms of residential demand. Sefton has a strong demand for new housing provision and the house affordability ratio is lower than elsewhere in the LCR as a whole with a ratio of 6.8 versus 5.5 (although recently affordability is slightly ahead of Wirral at a Local Authority level). These ratios indicate the strength of demand although currently unaffordable housing is now a significant problem for many residents seeking to access the housing ladder.

There is a clear need for additional housing provision and to create a mixed variety of properties including both affordable properties in areas of high demand and more aspirational housing in areas of income deprivation. This priority is reflected in Sefton's emerging Housing Strategy which focusses on ensuring that housing needs are met over the next 5 years through the provision of the right type of housing in the right locations. The Council will achieve this through closer working with private sector providers and social landlords, as well as through the direct provision of high quality housing for both outright sale, intermediate home ownership products and social rent in areas where demand is highest.

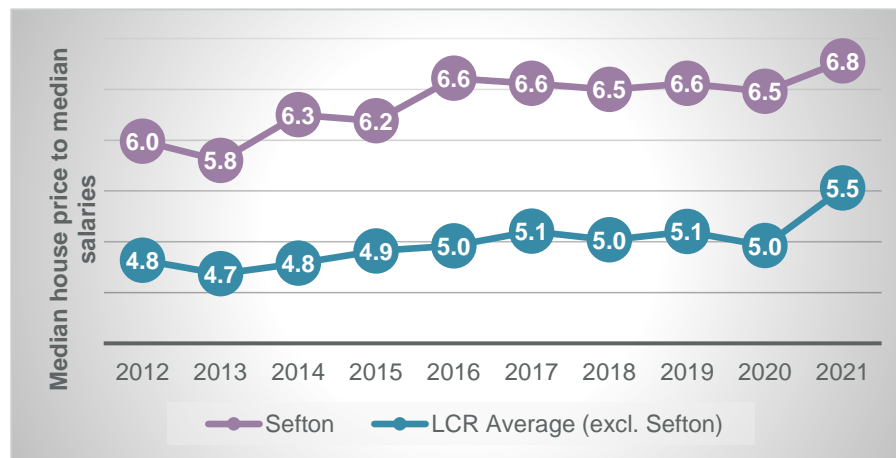
### Estimated employment Land Need (based on completions) 2012-37

Recent employment land studies also suggest that there is a shortfall of available land against current demand.

	B1	B2	Small Scale B8
Sefton	24.2	15.0	9.5
LCR (plus West Lancashire)	235.7	437.3	118.2

Source: GL Hearn SHELMA for LCR 2018

### Housing Affordability ratio – Sefton & LCR



Source: Housing data DLUHC



## EVIDENCE

### **Economic Development & Place cont.**

Recent employment land studies also suggest that there is a shortfall of available land against current demand.

There is a need to provide employment land but with a focus on land which can accommodate higher employment density space especially where higher value employment can be created. Land constraints in London suggest that demand for large floorplate uses lower employment densities should be resisted.

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## EVIDENCE

### Disparities within Sefton

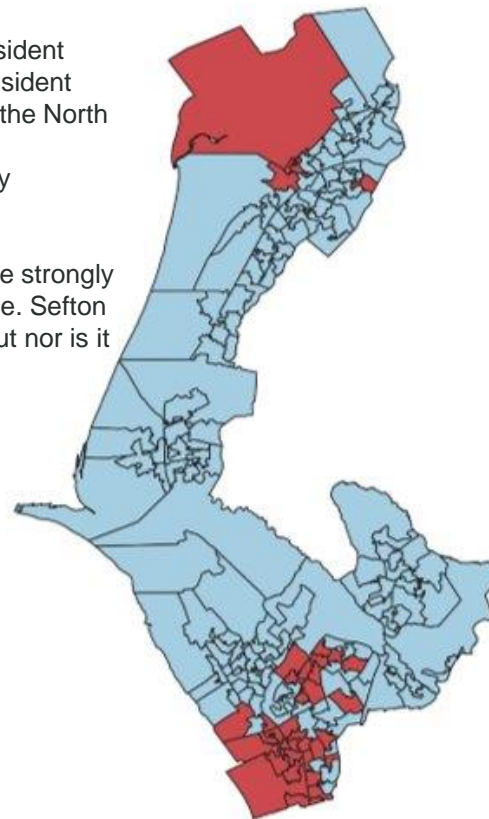
When setting out an economic narrative for Sefton it is important that the story of the Borough is told in sections. At a Local Authority level, for many economic measures, average performance is unremarkable but this masks fundamental issues.

When data is presented at a Sefton level the case for intervention is often lost. Sefton has 3 areas (Lower Level Super Output Areas) in the 10% least deprived in the country – but double the average proportion

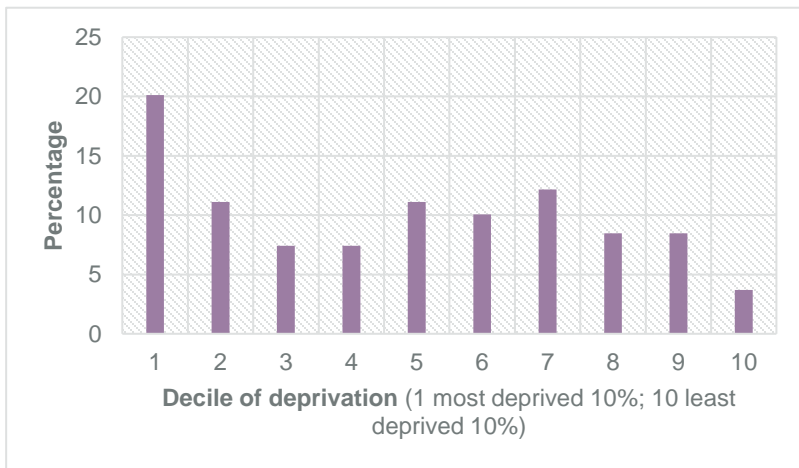
in the most deprived. These are generally (but not exclusively) in the south of the Borough.

On average measures, such as resident income, Sefton records average resident incomes (2021) at 3% higher than the North West average and this is clearly a misleading story in terms of the key economic narrative.

Data and interventions can be more strongly aligned to the requirements of place. Sefton is not a one size fits all Authority but nor is it as simple as a north / south split.



**The distribution of deprivation in Sefton – percentages of areas in different levels of deprivation. Map shows Sefton areas in the 10% most deprived in England**





## The Four Themes

Following the review of the updated evidence for Sefton, the analysis led to the establishment of four key themes that shape Sefton's updated economic strategy.

These themes are:

- Employment and opportunities for work

- Business Growth & Investment
- Social inclusion and access for all
- Regenerated places

These themes along with 25 corresponding key issues were taken to public consultation. The results of the consultation are discussed in the following chapter.



CHAPTER 3:

# Consultation



## Overview of the Consultation

Between 20<sup>th</sup> July and 17<sup>th</sup> August 2022 Sefton Council's Economic Growth and Housing Service led a public consultation to gather views on the updated evidence and proposed themes.

A draft evidence report was produced and circulated to over 2,600 businesses and developers/investors with a link to an online survey. In addition, the report was circulated to a wide range of internal and external groups, networks and organisations, and several specific face to face briefings and online consultation forums took place.

The face to face briefings and online consultation forums included:

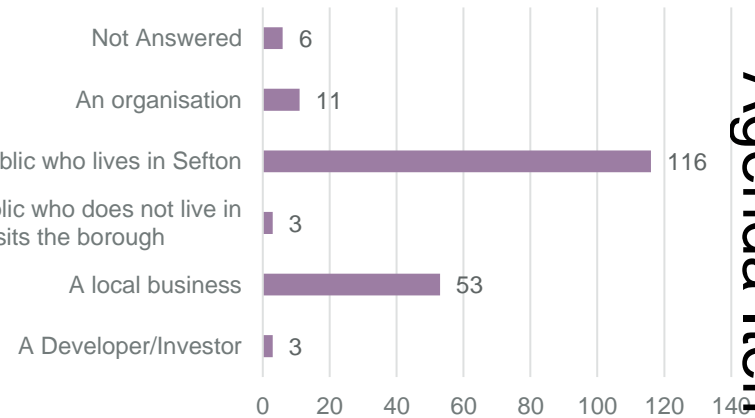
- *Sefton Economic Forum-15 July attended by over 100 business delegates*
- *Sefton in Mind-27 July attended by over 10 representatives*
- *People First Merseyside-11 August attended by over 20 Board members*
- *Sefton Partnership Board-15 August attended by over 15 board members*

To further increase public engagement the details of the consultation were shared on social media, and an easy read version of the evidence report and survey were produced. Equality questions were included within the survey to gain insight on the views of specific groups.

In total, 192 people completed the survey. Of these, 60.4% were members of the public who live in Sefton and 27.6% were local businesses. The survey produced quantitative results that have been analysed to understand the importance of the chosen themes, and several corresponding key issues, to the people, businesses and organisations of Sefton.

Survey respondents were also given the opportunity to answer qualitative questions. The comments have been analysed and summarised to represent the frequently recurring key points and combined with feedback taken from consultation sessions and individual contributions outside of the survey.

Sefton Economic Strategy Consultation Survey Respondents



# CONSULTATION

## Quantitative Results

Participants of the consultation survey were asked to score each of the four suggested themes out of 5 depending on how important they regard them to be, with 1 being the lowest and 5 the highest.

When taking the mean score for each theme, the theme that ranked as most important was **employment and opportunities for work** with a score of 4.55. 130 respondents (68.4%) ranked this theme as 5, the highest of importance.

However, the difference between the 4 themes is small. The lowest ranking of the 4 was **social inclusion and access for all** with a mean score of 4.12. 101 respondents (52.6%) scored this theme a 5 for importance.

The respondents were then asked to rate key issues relating to each theme from 1-5 associated with the level of

importance the issue has for them, with 5 being the highest and 1 the lowest.

The issue with the highest average score was to **deliver a range of progression pathways to better connect Sefton's young people with opportunities in the local labour market and make successful transition to the adult world of work**. 118 respondents (61.5%) rated this as a 5, the highest level of importance.

When ranking all 25 key issues from across the 4 themes against each other, 4 out of 5 of the Employment and Opportunities for Work key issues appear in the top 10. Therefore, this is clearly an area of high importance for consultees.

The full tables of rankings for each theme can be found overleaf.

Sefton Economic Strategy Consultation Survey – Ranking of Themes



## Employment and Opportunities for Work

Rank	Key issue	Average score
1	Deliver a range of progression pathways to better connect Sefton's young people with opportunities in the local labour market and make successful transition to the adult world of work.	4.16
2	Deliver accessible learning for residents of all ages to gain the skills required by our employers and move into or move up in work	3.91
3	Provide support for people with disabilities or poor health to reach their full potential in learning and work.	3.90
4	Develop innovative partnerships with employers to deliver better quality careers and improve progression routes for Sefton residents, prioritising the most vulnerable such as care leavers.	3.89
5	Provide advice and support for workless and inactive people disconnected from the labour market to enter sustainable, decent work.	3.84

## Business Growth and Investment

Rank	Key issue	Average score
1	Provide more support for businesses of any size or sector (including social businesses) seeking to grow and create new jobs	4
2	Focus more support on retaining existing companies, helping them to grow in the borough	3.99
3	Promote Sefton to seek and attract new inward investment opportunities	3.89
4	Focus support on businesses trading in Sefton's town centre's	3.84
5	Support Sefton businesses seeking to secure local supply chain opportunities from large public sector contracts	3.83
6	Deliver support to create new opportunities for people wanting to start their own business	3.8
7	Develop adequate land and business premises for employment to meet the borough's needs	3.47

## Regenerated Places

Rank	Key issue	Average score
1	Using vacant and underutilised floorspace to support other uses. (e.g. vacant shops /offices etc )	4.00
2	Provide a mix of different housing types and tenures, including housing that people can afford.	3.96
3	Creating quality outdoor environments in our town centres which support health and wellbeing for different age groups (Younger/Older People) and support diversity.	3.82
4	Marketing Sefton's excellent visitor destinations, quality attractions and events to enhance the growth of the Borough's economy and boost its status as a place to work, live and do business.	3.79
5	Providing town centre's with a diverse range of services and uses to support the business and residential communities around them. e.g. health & social care, more social business opportunities	3.76
6	Undertake housing led regeneration in less popular parts of the borough where our oldest housing stock is found.	3.72
7	Encourage and celebrate local cultural, heritage and local identity.	3.49
8	Encourage town centre living to help create diversity and support local economic resilience	3.37
9	Developing a shared drive to net zero and climate adaptation for all who work and live in Sefton and ensure we avoid negative impacts on our most disadvantaged communities	3.32
10	Moving away from car based to more sustainable travel transport and encouraging active travel throughout the borough	3.10

## Social Inclusion and Access for All

Rank	Key issue	Average score
1	Supporting sustainable improvements in health and wellbeing through both policies and delivery of economic development projects	3.86
2	Ensuring equality and diversity is central in all our activities to help support a more inclusive, creative, and innovative economy	3.54
3	Ensuring the benefits of digital transformation and inclusion across all Sefton's communities and businesses	3.53

## Ranking of Key Issues

The tables above display the results of the ranking of key issues by theme. They have been ranked by their average importance score. The key issues highlighted are the 10 themes with the highest average score for importance overall.



## Qualitative Results

Overall, there was generally positive support for the choice of themes. In particular, a frequent comment was that business growth is the starting point for success in the other 3 thematic areas, and the interconnectivity between the themes should be highlighted in the strategy.

Respondents contend that whilst this is undoubtedly the case, economic growth over the last 3 decades suggest that only proactive or policy initiatives ensure that this interconnectivity can take place and that it is not an automatic result.

A recurring theme from contributors was sustainability. In their detailed response to the strategy, LCRCA suggested that the Net Zero theme could flow throughout the whole strategy.

Under the theme of *Employment and Opportunities for Work* a common suggestion was that there should be more opportunities for training and reskilling, and advice and guidance for employment for both younger and the older populations. In particular, several respondents would like to see young people more prepared for working life from school age.

The strategy could also consider links between education and R&D between Sefton and Liverpool City Region given that for the most part the R&D assets of LCR are outside the Local Authority area.

Regarding *Business Growth and Investment*, consultees sought more support for SMEs ranging from financial support, to events and networking spaces. Concerns were raised about the lack of affordable and usable office space/employment land in Sefton and requests to emphasise Sefton's growing sectors to achieve greater investment aims.

The consultation highlighted that under *Regenerated Places*, people in Sefton would like town centres and tourist areas to be more attractive, green and accessible for people to live, visit and work. However, many suggested that investment should be more evenly distributed outside of tourist areas. Two of the most common comments were related to transport and the lack of accessible green spaces across the local authority.

Comments relating to *Social Inclusion and Access for All* were frequently associated with health and wellbeing, and particularly how this impacts the disparity in opportunities across Sefton. There was general agreement that there cannot be a one size fits all approach for the whole of Sefton. Another key concern was how Sefton will adapt to manage the impacts of an ageing population including reskilling and social/support groups. Concerns were also raised about disability access and digital inclusion.



## CONSULTATION

### Conclusion

It appears from the responses that the consultation exercise reached a wide range of people and that the participation was reasonably strong. There has been support for the approach taken by the Council with qualitative points which have been useful in strengthening some of the themes raised.

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CHAPTER 4:

# Conclusions







### Employment and Opportunities for Work

Continued work on pathways into work and skills & development activity underpins the entire strategy and is likely to be increasingly important given economic challenges, the changing nature of employment and the ageing demographic



### Business Growth and Investment

Sefton has a number of core private and public investments which can generate greater opportunities for local business growth and more start-up activity and smaller scale inbound investment – all broadening the business base and employment opportunities.



### Regenerated Places

An improved environment to live, work and attract visitors and investment is a key pillar of the strategy – but the ambitious investment programme can, itself, create opportunities for local business, help develop supply chains and create employment and skills development programmes



### Social Inclusion and Access for All

It is clear that any 'trickle down' benefits of economic growth do not reach all communities without proactive work to enable access to employment and wider services. Extreme deprivation undermines communities and also undermines the ability of the Local Authority to work on wider initiatives.



# CONCLUSIONS

## SES Action Plan – Previous Strategy

This strategy provides an update to the Sefton Economic Strategy (SES) Action Plan that was published by Sefton Council in December 2019. Following on from the Local Economic Assessment and the Economic Framework for Sefton. That Plan incorporated over-arching and interdependent strategies and policies at a national, sub-national and local level.

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SES Action Plan (from the previous strategy) put forward a Framework for Action. This framework established 3 key themes that link with economic and inclusive growth challenges in Sefton. These were:

- **Places** - giving priority to new housing and commercial development, the regeneration and revitalisation of Sefton's towns and broader investment in place-making and low carbon activities.
- **Productivity** - recognising that the priority of creating more jobs, more businesses and business growth in Sefton should be balanced with action to improve the quality of work and how much it pays.
- **People** - putting Sefton's residents at the heart of the economic Framework and equipping them with the skills and confidence needed to participate in a tough labour market and make a positive contribution to Sefton's economy.

These themes remain highly relevant to the update and have not changed as a result of the recent economic headwinds. In some cases, in particular in the people theme, the selection is even more relevant now than at the time it was drafted.

Following on from this, the SES Action Plan established seven broad action areas that together set up the strategy for Sefton's inclusive Economic Growth. These are set out below with each action's objective and key themes of priority actions:

1. **Development and Infrastructure:** To secure the delivery of new development in Sefton which supports economic growth including the creation of new employment and the delivery of major regeneration projects and improving and maintaining existing infrastructure.
2. **Business Growth and Enterprise:** To grow the business base through creating and growing new local, private sector and social enterprises; To embrace growth and ambition across the business base and provide more focused intervention to realise potential where it is considered greatest, which include key opportunity sectors and target geographies.
3. **Inward Investment:** To secure new inward investment targeting higher productive sectors.



## CONCLUSIONS

**4. Education and Employment:** Sefton Council and its partners and stakeholders need to invest in the borough's future talent pool to ensure young people get a good start in life and can access sustainable employment opportunities offering progression pathways to higher levels of pay and job satisfaction; Education-industry engagement facilitated to match the supply of skills to employer demands, and lifetime learning needs to be embraced to provide opportunities for reskilling and upskilling to meet changing skill need.

**5. Configuring Public Services:** To build a critical mass of self-sustaining community-led enterprises delivering services and managing community assets in Sefton, which are creating jobs and bringing new social investment to the borough.

**6. Generating New Finance:** To generate new sources of income and external resources to Invest in Sefton, and ensure that these resources are sustained in the long-term.

**7. Promoting Sefton:** To change internal and external perceptions of Sefton so that the Borough's strengths, qualities and ambitions are increasingly recognised and there is a shift away from any negative perceptions.

### Economic Changes since the SES Action Plan

Since the publishing of the SES Action Plan in December 2019, several large events have taken place that have had

an impact on the economic situation at a local, national and global level.

The most significant of these is the Covid-19 pandemic, which caused the UK to be in and out of lockdowns throughout 2020 and 2021. The immediate impact of the lockdowns were the rise in people claiming universal credit due to loss of employment, and the closure of many businesses that were not able to survive the effects of the pandemic. There were also huge impacts to people's health and wellbeing.

As the lockdowns have ended and life has returned to relative normality, it is important to reflect on the lasting impacts of the pandemic, and subsequently how it has shaped lives and local economies in the long term.

At a national level, the Office for Budget Responsibility has suggested that Covid-19 has resulted in a permanent 2% scarring on economic output. This scarring is likely to have been most focused on business-to-consumer service activities such as hospitality.

At a local economy level, one of the biggest long term changes is the shift in working patterns. It is now much more common for companies to offer fully remote or hybrid working. This has had a variety impacts of including changes to commuting patterns, uses of transport, footfall in town centres and work-life balance priorities.



## CONCLUSIONS

In addition, the pandemic, in combination with the UK exit from the EU on 31<sup>st</sup> January 2020 and the invasion of Ukraine by Russia in February 2022, has had a knock-on effect on the cost of living in the UK. By summer 2022 the UK was experiencing supply chain discontinuity which in turn has created inflation and a cost of living crisis that is forecast to get worse throughout the winter into 2023 due to the rising cost of energy bills and food. Citi Bank have forecast the UK inflation will hit 18.6% by as early as the start of 2023 (although official estimates are lower).

These three major events have also had an impact on trade flows, which affects businesses, employment and investment.

### The Updated Strategy

As a result of these major economic dislocations, Sefton Council sought to update the SES Action Plan to reflect changing priorities for the residents and businesses of Sefton.

Therefore, following the analysis of the updated evidence the strategy has been based around the four themes (employment and opportunities for work, business growth & investment, social inclusion and access for all, and regenerated places). They follow on from the original priorities of the SES Action Plan, but they also allow for the strategy to reflect economic shifts that have occurred in Sefton since 2019. The reasons for the choice of themes

are:

#### *Employment and Opportunities for Work*

In the short term, unemployment arising post Covid-19 remains above the pre-pandemic levels. Over the longer term, there remain areas of high worklessness in Sefton or areas where only low skilled opportunities exist.

Whilst skills levels have been improving in Sefton, the proportion of people in the borough with no skills remains higher than the UK average.

There is a need to continue projects in pathways into work and to continue the work on upskilling in both the young and adult populations. This time intensive work is recognised as a key priority for the local economy and underpins wider work on the attraction of investment and social inclusion. The wider work on the regeneration of places is one of the initiatives that can help create the employment opportunities.

#### *Business Growth and Investment*

LCR as a whole records a low business density compared to the UK average and this is an area where Sefton can influence outcomes at a local level. There were 49 businesses per 1000 working age people in Sefton in 2020, and a lower than average business start-up rate. The strategy can provide a greater focus on start-up activity as well as continuing to encourage investment more generally.



## The Updated Strategy cont.

In addition, Sefton is reliant on the public sector for much of its employment. Encouraging private sector investment will temper this reliance – and broaden the diversity of employment reducing the risk that continued budget difficulties for the public sector erodes jobs and incomes. Greater local employment opportunities are likely to be filled by residents who are otherwise commuting into neighbouring Authorities (especially Liverpool City Centre).

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There are opportunities for growth. The digital and creative sectors and business services generally have both generated significant new businesses for the Borough whilst significant opportunities exist which can further drive business opportunities – particularly the very significant mental health campus at Maghull has been drawn in new mental health related businesses and the Port of Liverpool offers an opportunity for growth of the economy, albeit with a need to better connect the local (and particularly deprived) communities into those opportunities and to improve the carbon footprint of the activity.

### *Regenerated Places*

Continued investment in places is recognised as an important pillar of any economic strategy creating the infrastructure and land & property that can enable business growth, investing in assets that support the visitor economy, reinvesting in local assets and public realm to create an improved living environment, and ensuring that there is a mixed residential offer to offset unaffordability pressures and

attract greater numbers of working age residents.

As part of the government's current policy of Levelling Up, the Levelling Up White Paper was produced. The White Paper set out the 6 types of capital (see diagram overleaf) which, when addressed, can create opportunities for upwards spirals in economic prosperity. The approach includes the improvement in the physical capital of an area – although only as part of a wider strategy.

This economic strategy for Sefton highlights the need for skills, employment and place-based investment as the foundations for a strengthening economy.

### *Social Inclusion and Access for All*

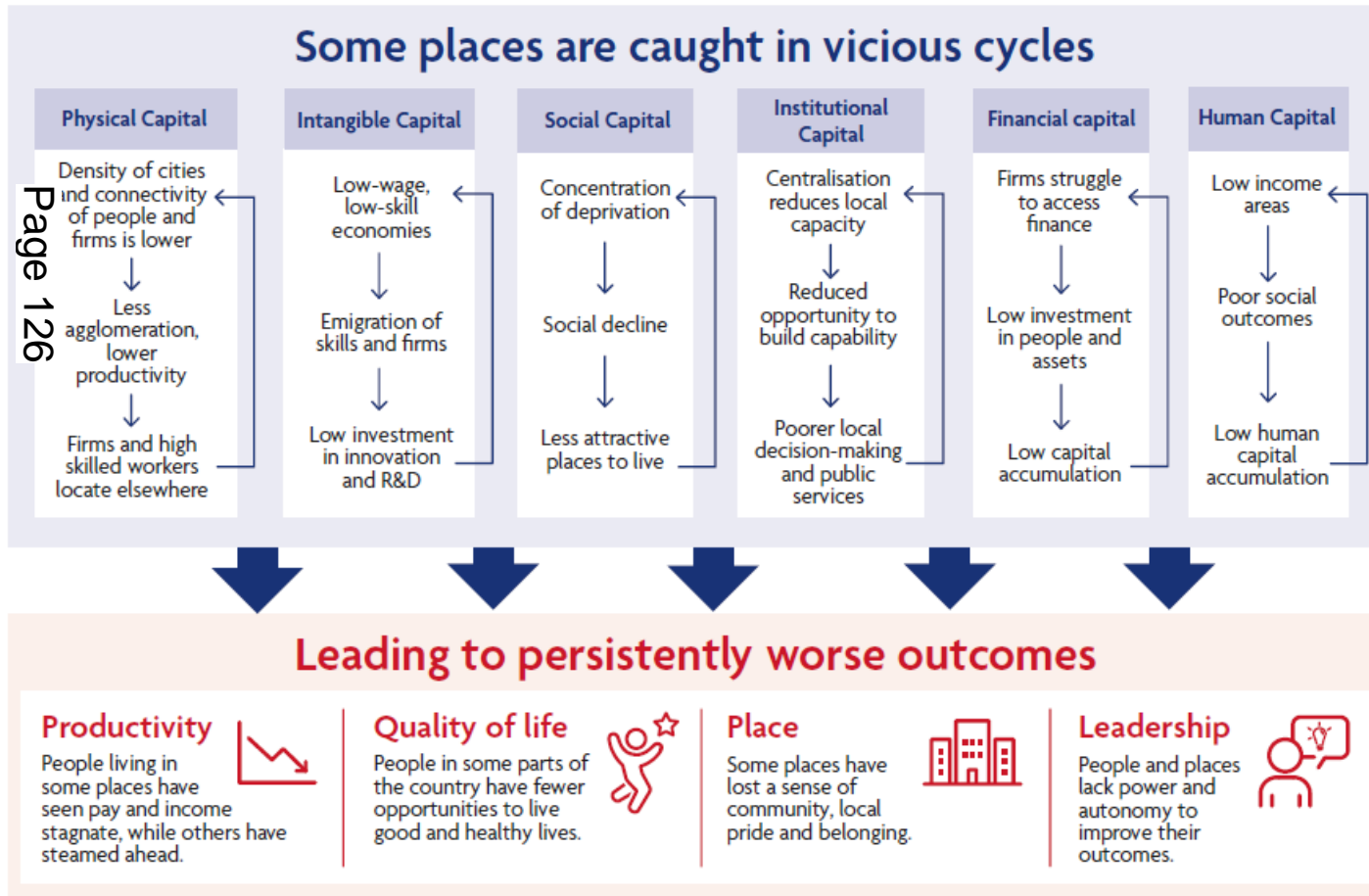
It is clear that there remain high levels of deprivation in parts of Sefton, and wide disparities between LSOAs across the borough. The continuous cycle of low income and poverty undermines potential for stronger economic growth and impacts financially on the Local Authorities ability to further address issues. The key initiative in tackling deprivation is the continued efforts to increase access to work.

Improvements in levels and the quality of employment will be important to balance against the wider economic / social challenges of an ageing population and the burden that this will create for the Council.



# CONCLUSIONS

Six capitals of local economies – taken from the UK Government Levelling Up White Paper 2022.



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# CONCLUSIONS

## *In General*

The conclusions from the public consultation are that there is overall positive support for the four chosen themes and that they represent the most important priorities for people in Sefton post-Covid. There was also a recognition that there is an interlinkage between the themes.

Many of those consulted believe that growing and investing in businesses is the starting point for Sefton to be successful at providing employment opportunities, regeneration and to Page 127 creating an inclusive economy. Employment and opportunities for work was rated as the most important theme to those that responded to the survey. It is recognised that there is a need for work within communities to ensure that local residents are able to secure the employment opportunities created by new and growing employers.

Upon reflection of the previous strategy, evidence and consultation, it was decided that it was appropriate to reduce the number of themes and actions to set up a more manageable strategy that addresses the current key issues and puts Sefton on the pathway for a successful future.

The following Actions chapter breaks down the themes by key issues and current projects/programmes that Sefton Council are undertaking to act on them. Each theme has

measurable objectives. Many of the actions relate back to the original actions in the SES Action Plan.

## *Current Economic Outlook*

The wider macro economic environment in the UK has appeared to have worsened during the preparation of this strategy in 2022. Supply chain dislocation has created inflationary pressures which are eroding business competitiveness and uncertainty is limiting any further investment and growth. Inflation is likely to impact on consumer spending in late 2022 and 2023 and this will, again, impact on those sectors of the economy reliant on discretionary consumer expenditure.

Sefton will not be immune from the wider economic pressures and it is likely that deprived communities will face the greatest problems in terms of inflation on basic household items.

The strategy, based on employment pathways and training linked to business start-ups and smaller scale incremental business investment offers an approach to address some of the issues locally. It will also be important to ensure that the place based investments underway are directly linked into creating the maximum local impacts – in terms of contracts, supply chains, employment and skills.



CHAPTER 5:

**Actions**





## ACTIONS

The specific actions are part of a separate document being developed by the relevant departments of the Council in response to this strategy

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## Equality Analysis Report – Sefton Economic Strategy- Post Consultation 2022

The Sefton Economic Strategy (SES) 2022 is an update, refresh and re-purposing of SES 2019. It also builds on the work of the Sefton Strategic Recovery Plan (Economy) produced in May 2021 and sets out the Council's Economic priorities to help lead the recovery process from the COVID-19 pandemic. The plan will set our Sefton's strategic priorities for:

1. Employment and opportunities for work
2. Business Growth & Investment
3. Social inclusion and access for all
4. Regenerated places

The strategy consultation document provides an economic evidence base which looks all aspects of the Sefton economy including trends for business, employment, and the wider borough economy. The strategy will form the basis of an economic framework and associated action plan for delivering specific projects and programmes. This will be achieved by working collectively and collaboratively with partners and stakeholders, which intend to create positive outcomes for individuals and communities.

### Consultation undertaken

Sefton Council's Economic Growth & Housing service led the public consultation exercise which started on 20th July and ended on 17th August 2022.

Proposals for consultation were approved by the Sefton Public Engagement & Consultation Panel on 15th July 2022. The draft evidence base report was circulated (on two occasions) to over 2,600 businesses, developers/investors with a link to an online survey-in addition:

- A dedicated Council webpage and on-line consultation portal was produced
- The consultation report and questionnaires were also produced in easy read formats
- Several Sefton Communications tweets/press and social media releases on a weekly basis

Specific face to face briefings and online consultation forums included:

- *Sefton Economic Forum-15 July attended by over 100 business delegates*
- *Sefton in Mind-27 July attended by over 10 representatives*
- *People First Merseyside-11 August attended by over 20 Board members*
- *Sefton Partnership Board-15 August attended by over 15 board members*

In total, 192 people took part in the survey. Of these, 60.4% were members of the public who live in Sefton and 27.6% were local businesses. Several other stakeholders and organisations also submitted responses to the consultation outside of the survey that have been factored into the analysis. These included responses from LCRCA, People First Merseyside and Youth Advisors, among others.

# Agenda Item 6

Overall, there was support for the chosen themes: Employment and Opportunities for Work, Business Growth and Investment, Regenerated Places, and Social Inclusion and Access for All. Generally, there was agreement that the themes work well together due to their interconnectedness, but that growing and investing in business is the starting point for the other themes to follow from.

The survey asked respondents to rate the themes and corresponding key issues based on how important they are to them. On average Employment and Opportunities for Work was rated the highest.

Survey respondents were also given the opportunity to answer qualitative questions. The comments have been analysed and summarised to represent the frequently recurring key points and combined with feedback taken from consultation sessions and individual contributions outside of the survey. Key issues included parking and transport, sustainability, and support for both the younger and older generations.

Sefton Council has more recently outlined a number of goals to further equality throughout the council which will have positive knock-on effects for the wider borough and its communities. This includes:

- Increased awareness and engagement across the whole organisation; improved communications, increased time for staff to attend dedicated engagement events & groups
- Increased engagement with partners and communities including website revitalisation to ensure inclusivity in related areas is explicit (e.g. of Navajo feedback). Mandatory online training – continued promotion and scrutiny to drive completion rate (and sustain it).
- Policy of zero tolerance on staff abuse to be drafted and displayed at all public-facing locations.
- Recruitment advertising – ensure explicit inclusivity and avoidance of unconscious bias to improve quality and consistency. Blind applications, interview panels, etc – finalise process points as previously identified.; Navajo assessment feedback and action plan.
- Establishment of Racial Equality Monitoring Group (REMG), as per recommendations of April '22 Motion.

**Where appropriate, information from the consultation undertaken is included in the sections below:**

## **Ramifications of Proposal:**

The whole population of Sefton will be affected. Economic impacts affect all people who live, work, visit and study in the borough.

The Sefton Economic Strategy will set both a framework and associated activity plans purpose is to help ensure that our priorities and delivery is effective across the whole of the borough.

The strategy does highlight that there are potentially groups of people who have been particularly impacted by the economic downturn mostly attributed to the effects of the Covid-19 pandemic but also including long-standing issues that have affected the economy and are likely to continue with the cost-of-living crisis.

- People who work in the Hospitality Leisure, Healthcare and town centre Retail sectors
- Lower skilled and lower paid (because of the employment opportunities in the industries affected)
- Female members of the workforce
- People who are long-term unemployed or furthest away from the labour market
- People who have been lost their jobs as a result of the pandemic
- People with disabilities or health conditions affecting their ability to engage with the labour market
- Young people looking to transition into work from education

The Sefton Economic Strategy provides a framework on which to develop focussed actions to help address, where possible, the issues raised by respondents under each of the four thematic objectives:

- 1 Employment and opportunities for work
- 2 Business Growth & Investment
- 3 Social inclusion and access for all
- 4 Regenerated places

The report will be measured by a series of targeted outcomes and reported to Cabinet and Overview & Scrutiny Committee (Regeneration & Skills).

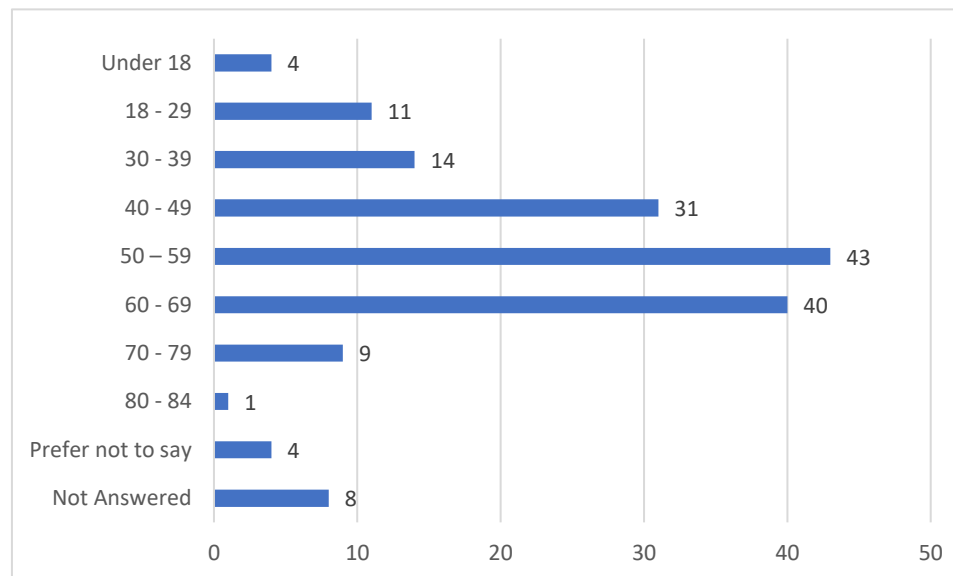
**Are there any protected characteristics that will be disproportionately affected in comparison to others?**

Age	<p><i>The objectives of the Sefton Economic Strategy (Employment &amp; Access to work) are likely to have a positive impact on individuals and communities with regards to the protected characteristic of age, with specific initiatives included to support younger people.</i></p> <p><i>We also recognise that older people seeking employment may be affected and we have put in place some provision to ensure they have access to assistance</i></p> <p><i>A potential barrier may be access to and the availability of information about the Strategy and any planned actions/activities arising from it. Any marketing of these initiatives may need to be targeted to ensure that demographics are aware of these initiatives and can access the opportunities available.</i></p>
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# Agenda Item 6

## Results

Of the 192 respondents 157 people provided their age profiles.



Some 55% of respondents were in the aged 50-79 age profile possibly reflecting the age demographic of the borough while 36.4% were below the age of 50, encouragingly nearly 10% were under the age of 29 including 2.4% under the age of 18. This is an actual increase of the 2018 consultation and reflects the more focused work, including face to face focus groups, carried out with people across Sefton.

We also gave people the opportunity to receive follow up support in areas such as employment, starting or growing a business. 34 people responded to this and have been contacted by respective teams.

Sefton Young Advisers provided feedback from 6 people in their group. They provided the following insights:

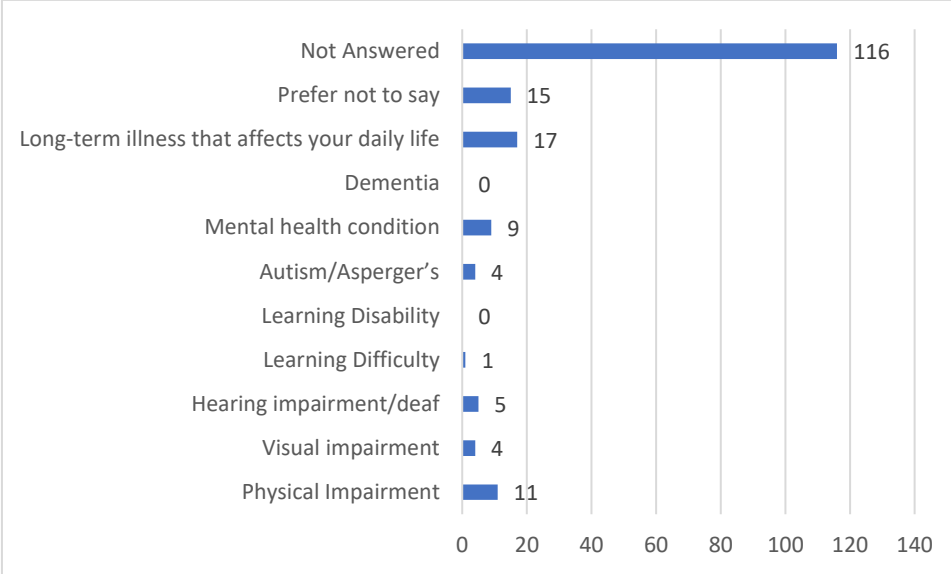
**Employment and training-** First aid training should be mandatory in colleges; Careers fairs in schools are a great vehicle for meeting employers; Sefton CVS provide great links to career opportunities

**Entering work-** Need to be taught about tax etc at an early age; Apprenticeships do not pay enough; lacking confidence and know-how on starting a business

**What has worked, what could be better?** Supportive teachers when applying for University; having a careers advisor available at all times in year 11; Designated time in school in year 11 to go through career planning; Higher paid apprenticeships; Support for smaller businesses to take on young people more locally; Education on employment rights; Standardised career advice in all schools/colleges; Barriers to less

	<p>wealthy students getting into top Universities; More information on roles that do not require university education</p> <p><b>Top 3 improvements-</b> (i) Understanding and more support for young people who don't know what they want to do at 16/18 when doing GCSE's or A-Levels (ii) More exposure to roles that are less well known (iii) Improved access to career support that isn't in school/college</p>
<p>Disability (physical, visual, hearing, learning disabilities and mental health)</p>	<p>The objectives of the Sefton Economic Strategy are likely to have a positive impact on individuals and communities with regards to the protected characteristic of disability.</p> <p>Any specific initiatives included within the Strategy action plan will support people with disabilities and should create a positive impact on this characteristic.</p> <p>People with disabilities or long-term conditions face much higher levels of worklessness than others. A potential barrier may be access to and the availability of information about the Strategy and any planned actions/activities arising from it. This includes people with learning disabilities or learning difficulties who may require additional support to appreciate what opportunities are available. Having information in accessible formats will help to ensure being able to access the opportunities. Involving the support of Advocacy Groups can also help with the engagement of the recovery approach.</p> <p>People who have lost their jobs as a result of COVID-19 may also be experiencing poor mental health and the impact of COVID-19 is likely to increase the demand for mental health services. People who have been displaced in this way may experience a lack of confidence about returning to the workplace or to a new area of work outside their experience. The training schemes can support this, as can guidance and support to employers on creating proactive approaches to risk assessment for staff, including physical and mental health which can support the return to work/employment.</p> <p>We recognize that poor mental health can affect significant numbers of people of any age and any background (evidenced by the reported increase among young people – and we expect that all activity arising from this Strategy will reflect this changing landscape and incorporate additional measures to address this.</p>

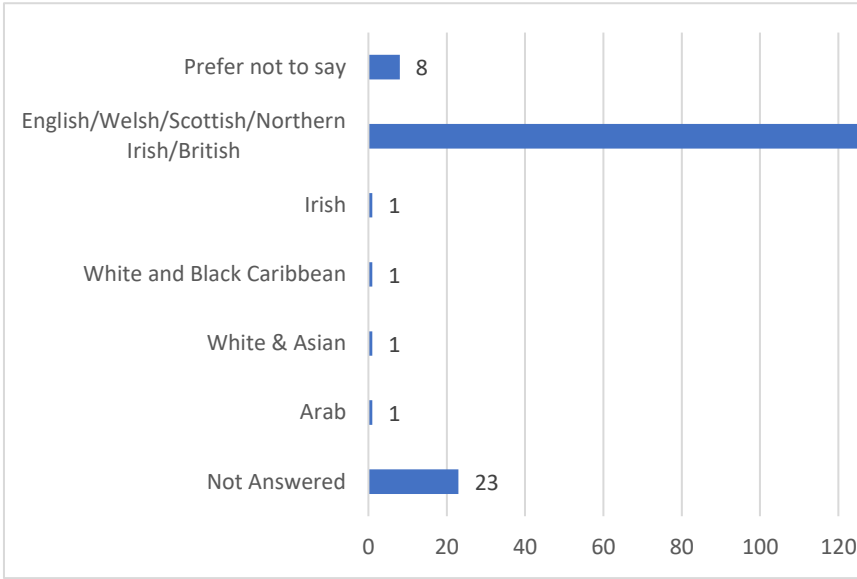
# Agenda Item 6

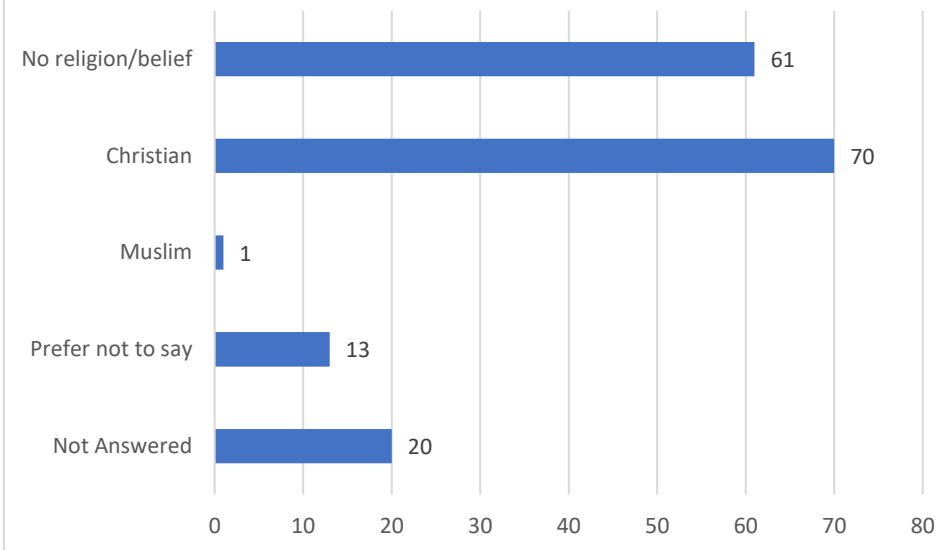
	<p><b>Results</b></p>  <table border="1"> <thead> <tr> <th>Disability Type</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>Not Answered</td> <td>116</td> </tr> <tr> <td>Prefer not to say</td> <td>15</td> </tr> <tr> <td>Long-term illness that affects your daily life</td> <td>17</td> </tr> <tr> <td>Dementia</td> <td>0</td> </tr> <tr> <td>Mental health condition</td> <td>9</td> </tr> <tr> <td>Autism/Asperger's</td> <td>4</td> </tr> <tr> <td>Learning Disability</td> <td>0</td> </tr> <tr> <td>Learning Difficulty</td> <td>1</td> </tr> <tr> <td>Hearing impairment/deaf</td> <td>5</td> </tr> <tr> <td>Visual impairment</td> <td>4</td> </tr> <tr> <td>Physical Impairment</td> <td>11</td> </tr> </tbody> </table> <p>49 people responded to the question on disability. The highest received was from those with a long-term illness that affects their every days lives while 5.5% had a mental health condition. The spread of responses also reflects the breadth of the consultation exercise including focus group meetings with:</p> <ul style="list-style-type: none"> <li>• <i>Sefton in Mind-27 July attended by over 10 representatives</i></li> <li>• <i>People First Merseyside-11 August attended by over 20 Board members</i></li> </ul> <p>A specific issue for people within this group characteristic is access to job opportunities and advice on how employment can affect disability benefits. Sefton@work is seeking ways in which to address this.</p> <p>The timely consulting of people within this group characteristic on new building developments was also raised. A Presentation to People First Merseyside is being arranged by officers involved in the current plans to refurbish Bootle Strand.</p>	Disability Type	Count	Not Answered	116	Prefer not to say	15	Long-term illness that affects your daily life	17	Dementia	0	Mental health condition	9	Autism/Asperger's	4	Learning Disability	0	Learning Difficulty	1	Hearing impairment/deaf	5	Visual impairment	4	Physical Impairment	11
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<p>Gender Reassignment</p>	<p>The objectives of the Sefton Economic Strategy are likely to have a positive impact on individuals and communities with regards to the protected characteristic of gender reassignment.</p> <p>A potential barrier may be access to and availability of relevant information on national and local support for gender-reassignment, both within the Council and other organisations (employers). Therefore, additional monitoring of this protected characteristic may be required.</p>																								



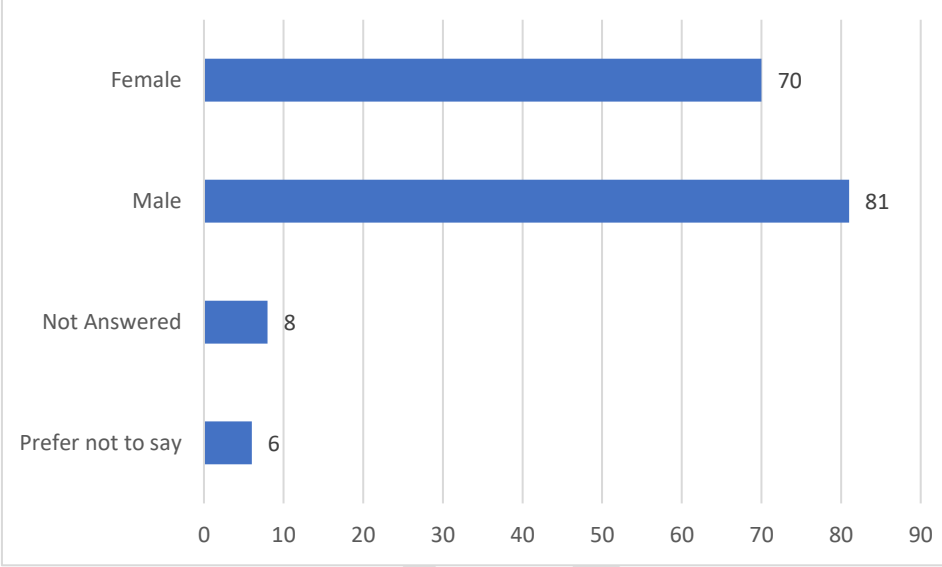


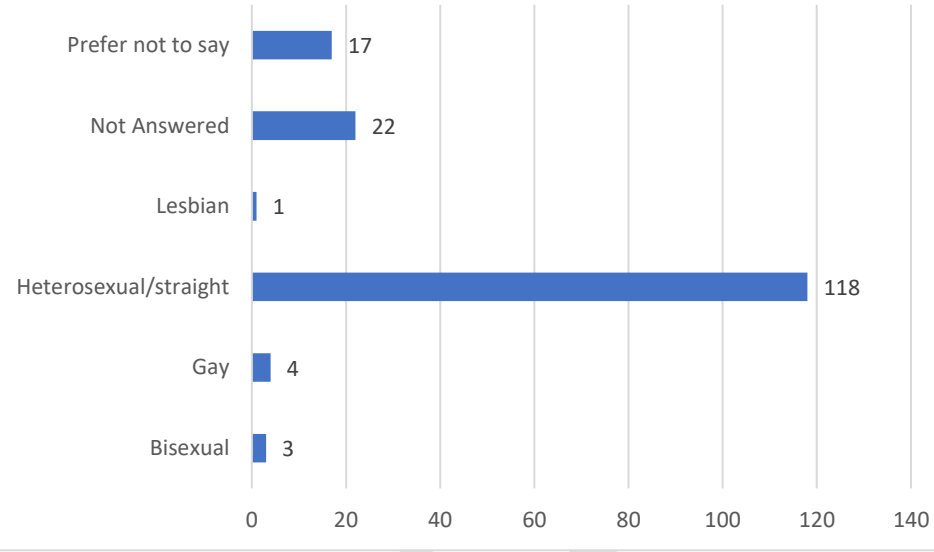
# Agenda Item 6

	<p><b>Results for Race characteristics</b></p>  <table border="1"> <caption>Data for Results for Race characteristics</caption> <thead> <tr> <th>Race characteristic</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>English/Welsh/Scottish/Northern Irish/British</td> <td>130</td> </tr> <tr> <td>Not Answered</td> <td>23</td> </tr> <tr> <td>Prefer not to say</td> <td>8</td> </tr> <tr> <td>Irish</td> <td>1</td> </tr> <tr> <td>White and Black Caribbean</td> <td>1</td> </tr> <tr> <td>White &amp; Asian</td> <td>1</td> </tr> <tr> <td>Arab</td> <td>1</td> </tr> </tbody> </table> <p>142 people responded to this question of which the vast majority (130) are of English/Welsh/Scottish/Northern Irish/British origins. 31 people did not or preferred not to say.</p> <p>Where appropriate information in appropriate languages and in accessible formats can be available to mitigate and barriers.</p> <p>Work with employers to ensure that they have access to up to date, relevant Government Guidance equalities and promote opportunities for all Sefton communities</p> <p>The Council and partners will ensure communication is effective, clear and where appropriate translated in other languages. They will also work closely with trusted organisations and individuals, in a culturally appropriate and sensitive way to ensure that recovery is experienced across all of Sefton.</p> <ul style="list-style-type: none"> <li>• Irish Community Care <a href="http://iccm.org.uk/contact/">http://iccm.org.uk/contact/</a></li> <li>• Sefton CVS BME Community Development Project</li> <li>• Migrant Workers Sefton Community Charity</li> </ul>	Race characteristic	Count	English/Welsh/Scottish/Northern Irish/British	130	Not Answered	23	Prefer not to say	8	Irish	1	White and Black Caribbean	1	White & Asian	1	Arab	1
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White and Black Caribbean	1																
White & Asian	1																
Arab	1																
<p>Religion and Belief (includes no belief)</p>	<p>The objectives of the Sefton Economic Strategy will provide positive impacts for all members of the community and fully includes individuals within the protected characteristic of religion and belief.</p>																

	 <p>There were 145 responses to the religion and belief question of which 70 people stated they are Christians; 1 was Muslim while 33 preferred to not say. Some 61 people are of no religion or belief.</p>
<p>Sex</p>	<p>The objectives of the Sefton Economic Strategy are likely to have a positive impact on individuals and communities with regards to the protected characteristic of sex.</p> <p>A potential barrier may be access to and the availability of information about the Strategy and any planned actions/activities arising from it. Any marketing of these initiatives may need to be targeted to ensure that both men and women (including those furthest away from the labour market) are aware of these initiatives and can access the opportunities available.</p> <p>We recognise there are some sectors of our labour market where employment of males or females dominate and there is unequal representation of the sexes, both across the workforce and within managerial structures. We aim to ensure that all our activity will promote equality of access and opportunity and will take relevant action to encourage more diverse recruitment and progression wherever possible.</p> <p><b>Results</b></p> <p>There were 157 responses to the question on gender</p>

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	 <p>A horizontal bar chart with a white background and a blue border. The x-axis represents the number of responses, ranging from 0 to 90 in increments of 10. The y-axis lists four categories: Female, Male, Not Answered, and Prefer not to say. The bars are blue. The values for each bar are: Female (70), Male (81), Not Answered (8), and Prefer not to say (6).</p> <table border="1"> <thead> <tr> <th>Gender</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>Female</td> <td>70</td> </tr> <tr> <td>Male</td> <td>81</td> </tr> <tr> <td>Not Answered</td> <td>8</td> </tr> <tr> <td>Prefer not to say</td> <td>6</td> </tr> </tbody> </table> <p>While 8 people did not answer and 6 preferred not to say, there were slightly more males (49.1%) than females (42.4%) who confirmed their gender.</p>	Gender	Count	Female	70	Male	81	Not Answered	8	Prefer not to say	6
Gender	Count										
Female	70										
Male	81										
Not Answered	8										
Prefer not to say	6										
<p>Sexual Orientation</p>	<p>The objectives of the Sefton Economic Strategy are likely to have a positive impact on individuals and communities with regards to the protected characteristic of sexual orientation.</p> <p>A potential barrier may be access to and availability of relevant information on national and local information on sexual orientation, both within the Council and other organisations (employers). Therefore, additional monitoring of this protected characteristic may be required.</p> <p>The Strategy will be delivered in the context of the work undertaken by the Council and its partners related to the NAVAJO standard of access for all LGBTQi plus groups</p> <p><b>Results</b></p> <p>There were 143 responses to the question on sexual orientation</p>										

	 <table border="1"> <thead> <tr> <th>Category</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>Prefer not to say</td> <td>17</td> </tr> <tr> <td>Not Answered</td> <td>22</td> </tr> <tr> <td>Lesbian</td> <td>1</td> </tr> <tr> <td>Heterosexual/straight</td> <td>118</td> </tr> <tr> <td>Gay</td> <td>4</td> </tr> <tr> <td>Bisexual</td> <td>3</td> </tr> </tbody> </table> <p>Sefton Council has further strengthened its work in this area through the Corporate Equality Group. This will be an excellent sounding board for consultation exercises and providing both guidance and challenge where applicable.</p>	Category	Count	Prefer not to say	17	Not Answered	22	Lesbian	1	Heterosexual/straight	118	Gay	4	Bisexual	3
Category	Count														
Prefer not to say	17														
Not Answered	22														
Lesbian	1														
Heterosexual/straight	118														
Gay	4														
Bisexual	3														
<p>Pregnancy and Maternity</p>	<p>The objectives of the Sefton Economic Strategy will provide positive impacts for all members of the community and fully includes individuals within the protected characteristic pregnancy and maternity.</p> <p>We will ensure that employers are signposted to relevant sources of information and support, so they are aware of best practice in this area. We will also provide guidance and signposting for individual community members on their rights in relation to pregnancy and maternity in the context of employment and training.</p>														
<p><b>Is there evidence that the Public Sector Equality Duties will be met?</b></p> <p><i>The Equality Act 2010 requires that those subject to the Equality Duty must, in the exercise of their functions, have due regard to the need to:</i></p> <ol style="list-style-type: none"> <li><i>1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.</i></li> <li><i>2. Advance equality of opportunity between people who share a protected characteristic and those who do not.</i></li> <li><i>3. Foster good relations between people who share a protected characteristic and those who do not.</i></li> </ol> <p><i>The Act explains that having due regard for advancing equality involves:</i></p>															

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- *Removing or minimising disadvantages suffered by people due to their protected characteristics.*
- *Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.*
- *Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.*

## **Data gaps to be addressed-liaise/discuss further**

Further work is required on analysing data gaps and identifying any further key trends from the survey results. The objectives of the Sefton Economic Strategy will provide positive impacts for all individuals and communities. The aims to create inclusive communities and foster good community relations, building aspiration and confidence.

Key initiatives within the approach are focused on involving communities, giving them a voice and supporting them to be involved in decision-making. Therefore, this is likely to be a further positive impact on individuals and communities with regards to community cohesion.

A potential barrier may be access to and the availability of information about the Strategy and any planned actions/activities arising from it and having information in accessible formats will help to ensure them being able to access the opportunities. Involving the support of Sefton@work, the Carers Centre, Advocacy Groups and VCF Networks can also help with the engagement of the recovery approach.

Sefton Council's Economic Growth and Housing service will work collaboratively with communities, businesses, educators and training providers to ensure that it grows its workforce with the right skills, from those furthest away from the labour market to those most recently displaced due to the pandemic and provide training and apprenticeship opportunities for transitional careers and new skill development.

Sefton Council will drive and promote Social Value through procurement, both as a Council and through shared values with our partners and investors to help create equality of opportunity.

Information will be available in accessible formats and alternative languages, where appropriate, to mitigate any barriers where information needs to be in different ways so it can be understood and therefore inadvertently lack engagement with the Recovery approach.

Partnership working is important to the recovery and the Sefton Economic Strategy builds on the strong, well-established partner relationships in Sefton, to further develop local initiatives for wider social good. These strong relationships will help foster good relations between individuals and communities, helping to create awareness of the programme and specific initiatives so that they are accessible to all.

## **What actions will follow if proposal accepted by cabinet & Council?**

*Include details of any mitigating action and ongoing monitoring to address any of the equality impacts highlighted above*

It is proposed that the strategy be divided into two sections:

1. **Evidence base**-this sets out the economic data evidence base. While data changes the key underlying issues for the economy in terms of jobs, business growth, attracting new investment and regeneration in Sefton remains the same. Most Local Authorities are now updating their economic data on two/three yearly cycles as a standard evidence base.
2. **Action Plan**-This will set out what council services will deliver under each of the four key thematic objectives. The current draft took account of the key objectives (7 in total) in 2018/19 and compared with the priorities identified for 2022. It is recognised that delivery of these priorities will be ongoing and require associated performance indicators. Actions will also be continually reviewed considering the impacts of the current cost of living crisis on the Sefton economy.

The Sefton Economic Strategy consultation helped shape the following key conclusions and key focus areas :

### **Employment and Opportunities for Work**

Continued work on pathways into work and skills & development activity underpins the entire strategy and is likely to be increasingly important given economic challenges, the changing nature of employment and the ageing demographic

### **Business Growth and Investment**

Sefton has a number of core private and public investments which can generate greater opportunities for local business growth and more start-up activity and smaller scale inbound investment – all broadening the business base and employment opportunities

### **Regenerated Places**

An improved environment to live, work and attract visitors and investment is a key pillar of the strategy – but the ambitious investment programme can, itself, create opportunities for local business, help develop supply chains and create employment and skills development programmes

### **Social Inclusion and Access for All**

It is clear that any 'trickle down' benefits of economic growth do not reach all communities without proactive work to enable access to employment and wider services. Extreme deprivation undermines communities and also undermines the ability of the Local Authority to work on wider initiatives. Further work in this space includes:

- Further consultations and engagement with individual characteristics will take place as part of the ongoing development and individual work programmes.
- Engage with key partners to further understand the issues and mitigations of protected groups, for example People First, Sefton CVS BME Community Development Project, Migrant Workers Sefton Community Charity, Equal Voice (BME) Network, Sefton Carers Centre, Embrace Network and In Trust Merseyside
- Further consideration of the marketing and communications needed for the Sefton Economic Strategy will be accessible and targeted, where appropriate.

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- Continue to promote access to learning and business growth from our emerging evidence and best practice across the system.
- Ensuring that key actions are overseen and monitored by the Economy Cell and report accordingly to the Senior/Executive management of the Council.
- Communicating across all communities and businesses on progress of performance against the Sefton Economic Strategy

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# Agenda Item 7

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	3 November 2022
<b>Subject:</b>	Making an Article 4 Direction to prevent the conversion of use class E (Commercial, Business and Service) to use class C3 (Housing) without the need for planning permission.		
<b>Report of:</b>	Assistant Director of Place (Economic Growth and Housing)	<b>Wards Affected:</b>	Linacre, Derby, Litherland and Netherton and Orrell.
<b>Portfolio:</b>	Cabinet Member - Planning and Building Control		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No		

## Summary:

In 2021 the Government introduced a change to both the Planning Use Classes Order and to the General Permitted Development Order. Planning Use Classes are a series of classes for different types of building/land uses. The Use Classes Order sets out the type of activity in each class (e.g. shops, homes, schools, business etc) and also outlines where changes of use between classes will not require planning permission.

The Government introduced a new use class E (Commercial, Business and Service). This consists of an amalgamation of a number of use classes. These include most retail and high street uses, including, shops, small financial services (banks building societies), Cafes, most medical services, offices, creches and day centres and certain leisure facilities. This is clearly a broad range of facilities within one use class and any change of use within class E is not considered development and therefore does not require planning permission.

The purpose of the report is to seek approval for the making of a non-immediate Article 4 Direction in relation to changes of Use from E to C3 in relation to shopping parades within the Bootle Area Action Plan Area. The Article 4 Direction will remove the permitted development rights that would allow units within shopping parades to change to residential dwellings without the need for planning permission.

## Recommendation(s):

(1) Approves the making of a non-immediate Article 4 Direction, attached in Appendix A, for the reasons set out in this report, in relation to changes of Use from use class E to C3 in selected areas of the Bootle Area Action Plan.

(2) Authorises the required public consultation.

(3) Authorises the preparation of a report, following notification and consultation, to seek Cabinet approval as to whether or not to confirm this non-immediate Article 4 Direction.

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

To remove the permitted development rights that exist for units in shopping parades to convert to residential in parts of the Bootle without the need for planning permission. Once the Article 4 is enacted, planning permission will be required and this will ensure the Council has control of these proposals. The Council will therefore be able to consider whether the proposals, either individually, or in combination, will have a detrimental impact on residential amenity and the vitality and viability of existing parades.

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

Option 1 – Do not have an article 4 direction. This is a possibility. It would mean business as usual and that the Council continue to have little control over conversions from units in Use Class E (such as in shopping parades) to Use Class C3 (residential). It may risk further fragmentation of shopping areas with a detrimental impact on the usability and health of those shopping areas. It may also mean that some accommodation provided may not be low quality and provide poor living conditions.

Option 2 – Article 4 direction with an immediate effect. This would mean that the control of use from units in parades to dwellings would be in place as soon as the direction is made. However, the Council would be liable to pay compensation to owners. This could be costly, and it is not clear how that could be financed.

Option 3 – Cover the whole of the Bootle AAP area with an article 4 direction. The National Planning Policy Framework is clear that an article 4 should be kept to the minimum area that is necessary. The Council are aware of article 4 directions being rejected by the Secretary of State due to proposed directions being applied too wide.

## **What will it cost and how will it be financed?**

### **(A) Revenue Costs**

The costs of publishing and advertising the Article 4 Direction will be met from the existing budget for the Planning Service. The Council will be required to process and determine planning applications for change of use from class E (Commercial, Business and Service) to C3 (homes and flats) in the designated areas but will charge a planning application fee for this to cover the associated cost.

### **(B) Capital Costs**

There are no direct capital costs associated with the recommendations in this report.

## **Implications of the Proposals:**

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

The proposed article 4 will likely result in more planning applications and fewer prior approval applications. Planning applications typically are more intensive in terms of staff time. However it is anticipated that any increase in work could be managed by the existing staff team and by the existing IT.

<b>Legal Implications:</b>	
None (see below).	
<b>Equality Implications:</b>	
There are no equality implications. See section 5 (below).	
<b>Climate Emergency Implications:</b>	
The recommendations within this report will	
Have a positive impact	N
Have a neutral impact	Y
Have a negative impact	N
The Author has undertaken the Climate Emergency training for report authors	Y
There are no significant climate implications. See section 5 (below).	

**Contribution to the Council's Core Purpose:**

<p>Protect the most vulnerable:          The article 4 direction will ensure that proposals to convert commercial properties to residential will be fully assessed to provide adequate quality accommodation for residents. This will include minimum internal living space standards, space for refuse collection, private outdoor space and adequate privacy and light.</p> <p>These properties are often occupied by some of Bootle's most vulnerable residents.</p>
<p>Facilitate confident and resilient communities:          The article 4 direction will protect Bootle's local shopping parades which are an important local facility for local communities. In some areas, car ownership is low and there are many people with long term health issues and so the facilities and services in these parades are an important lifeline.</p>
<p>Commission, broker and provide core services:          Not applicable.</p>
<p>Place – leadership and influencer:          The article 4 direction will ensure that the Council and local communities are able to influence the decisions made on these parades.</p>
<p>Drivers of change and reform:          Not applicable.</p>
<p>Facilitate sustainable economic prosperity:          The article 4 direction will help the Council to properly plan for the town through the Bootle Area Action Plan to help to secure investment and regeneration.</p>
<p>Greater income for social investment:          Not applicable.</p>
<p>Cleaner Greener          No significant impact but keeping shops and services nearer to where people live can</p>

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reduce care usage. Ensuring adequate outdoor space can help with less energy use.

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

### (A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.6975/22) and the Chief Legal and Democratic Officer (LD.5175/22) have been consulted and any comments have been incorporated into the report.

### (B) External Consultations

The Article 4 direction is subject to formal external consultation in accordance with the regulations following the decision.

## Implementation Date for the Decision

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

<b>Contact Officer:</b>	David Robinson
Telephone Number:	(0151) 9343898
Email Address:	david.robinson@sefton.gov.uk

## Appendices:

The following appendices are attached to this report:

Appendix A – Article 4 direction, including list and maps included within the article 4 direction.

## Background Papers:

The following background papers, which are not available elsewhere on the Internet can be accessed on the Council website:

The case for the Article 4 Direction:

[\\smbc-file-11\PLA\\_1\Novell\Files\01\\_22\\_08\\_Bootle\\_AAP\Article 4 Direction Bootle E to C3\casefor\\_art4dir\\_final.pdf](\\smbc-file-11\PLA_1\Novell\Files\01_22_08_Bootle_AAP\Article 4 Direction Bootle E to C3\casefor_art4dir_final.pdf)

## 1. Introduction/Background

1.1 In 2021 the Government introduced a change to both the Planning Use Classes Order and to the General Permitted Development Order. Planning Use Classes are a series of classes for different types of building/land uses. The Use Classes Order sets out the type of activity in each class (e.g. shops, homes, schools, business etc) and also outlines where changes of use between classes will not require planning permission.

1.2 The Government introduced a new use class E (Commercial, Business and Service). This consists of an amalgamation of a number of use classes. These include most retail and high street uses, including, shops, small financial services (banks building societies), Cafes, most medical services, offices, creches and day centres and certain leisure facilities. This is clearly a broad range of facilities within one use class and any change of use within class E is not considered development and therefore does not require planning permission.

1.3 In parallel with the changes to the Use Classes, the Government have also introduced amendments to the General Permitted Development Order in order to allow more types of development between classes that would otherwise require a full planning application, either being permitted development or requiring a 'light touch' permission, a prior approval application.

1.4 Of interest is the new class MA. This allows a change of use from class E (Commercial, Business and Service) to C3 (Housing). The class MA will require a prior approval application (but not a planning application), and is subject to certain conditions and is limited to 1,500m<sup>2</sup> of floorspace. This means that larger retail, commercial and office premises will not be impacted by use class MA. However smaller units, such as those within shopping parades, will be able to change to residential more easily.

1.5 This will benefit for some business and premises in being able to change use more easily in adapting to changing circumstances on the street and in patterns of shopping, leisure and office working habits as we adapt to a more online society and from changes brought about following Covid lockdowns.

1.6 However, there are some risks to already struggling parades and centres, and also for some local communities, particularly in our most deprived areas, as will be set out below.

## 2. Article 4 directions

2.1 An article 4 direction is a direction under article 4 of the General Permitted Development Order which enables a Local Planning Authority to withdraw specified permitted development rights across a defined area.

2.2 Provided that there is justification for both its purpose and extent, an article 4 direction can:

- cover an area of any geographic size, from a specific site to a local authority-wide area
- remove specified permitted development rights related to operational development or change of use

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- remove permitted development rights with temporary or permanent effect

2.3 The use of article 4 directions to remove national permitted development rights should be limited to situations where this is necessary to protect local amenity or the wellbeing of the area. The potential harm that the direction is intended to address should be clearly identified. In addition, paragraph 53 of the National Planning Policy Framework (NPPF) states:

- *where they relate to change from non-residential use to residential use, be limited to situations where an Article 4 direction is necessary to avoid wholly unacceptable adverse impacts (this could include the loss of the essential core of a primary shopping area which would seriously undermine its vitality and viability, but would be very unlikely to extend to the whole of a town centre); and.*
- *in all cases, be based on robust evidence, and apply to the smallest geographical area possible.*

2.4 The article 4 direction is required to be sent for consideration by the Secretary of State, who has the power to alter or not allow the article 4 direction. The Secretary of State sometimes does use this power and it is a risk with an article 4 direction. It is one of the reasons why the article 4 direction must be limited to a specific area where it is demonstrably needed.

2.5 An article 4 direction does not mean that development is not allowed. An article 4 direction only means that a particular development cannot be carried out under permitted development and therefore needs a planning application. This gives a local planning authority the opportunity to consider a proposal in more detail and take account of issues such a design, residential amenity, parking, refuse storage etc.

2.6 There are 2 types of directions under the General Permitted Development Order: non-immediate directions and directions with immediate effect. Non-immediate directions are those where permitted development rights are withdrawn following a prior notice period (12 months) which includes a period of consultation. Immediate directions are where permitted development rights are withdrawn with immediate effect. These are then confirmed immediately by the Council following a short period of consultation.

2.7 The removal of permitted development rights through an immediate Article 4 direction may make a Local Authority liable for compensation due to restricting, without notice, the economic options a property owner may have. However, where 12 months' notice is given in advance of a direction taken effect (i.e. through the making of a non-immediate direction) there will be no liability to pay compensation. Immediate directions are generally used where there is an immediate serious risk of harm, such as inappropriate works to a listed building.

2.8 It is therefore considered appropriate to remove the permitted development rights for the conversion from E to C3 through a non-immediate Article 4 direction.

### **3. The Case for the article 4**

3.1 The Bootle article 4 direction is only proposed for within shopping parades within the proposed [Bootle Area Action Plan \(AAP\)](#). This area covers Bootle and parts of Litherland, Seaforth and Orrell. This is because, as discussed above, an article 4

direction can only cover the areas where it is absolutely needed. It is considered that certain issues in the Bootle area create a very specific requirement for action to be taken to control conversions of shops to flats. There is also a Bootle AAP being produced and through this there is an opportunity to set clear standards that the Council will apply for proposals to convert shops to flats. The Article 4 Direction will support this approach.

3.2 The Bootle area has a number of shopping parades which vary in size. These parades have served their localities and at one time, particularly the longer parades, will have had a wide range of shops and services. Over the years, many of these parades have experienced varying degrees of decline, with just a few remaining relatively healthy. Some parades, such as Linacre Road, have experienced significant long-term decline from what were once vibrant local centres to having, in some cases, well over 50% vacancies. This is not a new issue for many of Bootle's parades but one which has become even more challenging following the impact of the Covid lockdowns, the cost of living crisis and the long term changes to consumer habits with many moving away from local stores to shopping online, supermarkets and out of town centres.

3.3 There have been many changes of use over the years on some of the parades from shops to residential. It is very common for some upper floors to have been converted to flats and in some cases ground floors and whole buildings have had a change of use to residential, whether as a single dwelling, flats or a House in Multiple Occupation (HMO) bedsits.

3.4 One of the big issues in the Bootle area is quality of accommodation. Bootle has an issue with poor quality accommodation. This is reflected by a number of initiatives that the Council has taken in recent years to address those issues. In the 2000s the Council carried out the Housing Market Renewal Initiative to address poor quality accommodation and market failure in some areas. More recently, large parts of Bootle have been included as Selective Licensing Areas to reflect the poor quality of some rented accommodation in the area. Research by the Housing Strategy team identified that there were far too many people, often on low incomes, living in poor housing, sometimes in poor quality conversions from commercial premises.

3.5 More recently in 2017, the Council published an article 4 direction to prevent smaller single dwelling houses being converted in HMO bedsits without planning permission. This was because of the concerns around poor quality of accommodation. The HMOs article 4 direction was specific for large areas of the Bootle as well as part of Waterloo, Crosby and central Southport. The Sefton Local Plan policy HC4 also addresses the need for good quality conversions to flats and HMOs.

3.6 The Council are currently consulting on a New Housing Development Supplementary Planning Document (SPD) and a Conversion to HMOs and Flats SPD. These both include standards for minimum room sizes, layout arrangements to avoid unacceptable noise from neighbours, privacy and outlook standards and outdoor amenity space standards. These standards are designed to ensure that residents can expect acceptable living standards.

3.7 One of the issues in many of the parades in the Bootle area, is that units are often small, terraced units that were purpose built for retail or other commercial purposes and were not intended specifically for residential. This can result in poor living standards for occupants, for example, rooms that are too small, living accommodation directly facing a public highway and no outside amenity space. These issues are considered important to

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be important because they impact on the health of occupiers of properties. Having adequate private outdoor amenity space is considered important because it, allows residents to do various outdoor activities including exercise, getting natural sunlight and the ability to dry clothes naturally. The latter point is particularly pertinent given the current high energy costs.

3.8 Poor quality residential conversions in shopping parades in the Bootle AAP area are particularly problematic as they tend to be some of the cheaper properties and often end up with poorer or otherwise more vulnerable occupants. These tenants often tend to be more transient, and this can cause social problems in a local neighbourhood.

3.9 Most of the Bootle AAP area is within some of the poorest 10% of areas within the Country in the Indices of multiple deprivation (2019). The Selective licensing evidence showed that much of Bootle were in:

- Being within the top 1-5% of the most deprived areas across the country
- Contains the highest rate of Private Rented Sector (PRS) properties across the Borough at approximately 25%
- Suffers high levels of unemployment, low level educational achievement with low skill and low paid occupations
- Highest rate of lone parents across the Borough
- Average household incomes of £22,600 are the lowest in the borough and compare to an average £29,000 for the whole borough
- Over a third of people aged 16 and over in Bootle have no qualifications, compared to a quarter for the whole borough

3.10 The Sefton ward profiles show a similar picture. For example, Linacre ward has 14.8% of adults 16+ years of age out of work and claiming benefits. This compares to 6.8% for Sefton and 6.3% for England (January 2021). In Derby Ward, Life expectancy at birth for men (2015/2019) was 74.9 years. This compares to the averages for Sefton and England as 78.7 and 79.7 years respectively. Again this demonstrates that there are many vulnerable people in the area and poor quality housing may exacerbate poor health.

3.11 Class MA allows some consideration of protection of some services, for example, a health centre or a children's nursery. However it does not provide the much protection for most types of businesses. This is a real concern because many shops and services can be very important to their local communities. Many areas in the Bootle Area Action Plan Area, have more less wealthy and more vulnerable residents. Much of the Bootle AAP area also has much lower levels of mobility, with car ownership being very low compared to the rest of Sefton, the northwest and nationally. This makes Bootle's local shops very important to local residents and a continued unplanned loss of shops and services will be seriously detrimental to those communities.

3.12 The issues outlined above demonstrate a justification for seeking an Article 4 direction in shopping parades in the area to be covered by the Bootle AAP (which covers Bootle and parts of Seaforth, Litherland and Orrell). The Article 4 Direction is supported by an evidence report, 'The Case for the Article 4 Direction'. The shopping parades are identified in the draft Article 4 direction in Appendix A.

## 4. Bootle AAP and Conclusions



4.1 The Bootle AAP is being produced to address local issues in the Bootle Area. The poor state that some of the local parades are in, is something that could be addressed through the AAP. The AAP allows for the Council and local residents to be ambitious in shaping their local communities. Continued unplanned losses of units of the continued fragmentation of parades may make it more challenging for the Council and local communities to provide comprehensive solutions to dealing with their local centres. It is therefore considered that all of the local shopping parades as set out in Appendix A below are included in the article 4.

4.2 It is considered that there is clear evidence that there is a lot of poverty and poor health in the Bootle AAP area. Poor quality conversions of commercial units may not provide suitable quality accommodation, and this may further disadvantage individuals and communities. It is also considered that the continues loss of shops and services in these parades is a likely to further disadvantage local communities. It is recommended that a non-immediate article 4 direction is published in order to protect the communities by ensuring that existing changes of use will need to go through the formal planning application scrutiny. It is also recommended that the article 4 direction is introduced in order to allow for better planning of the area through the Bootle AAP.

4.3 It is recommended that the article 4 direction is reviewed in scope after the adoption of the Bootle AAP.

4.4 It is not considered that the Bootle Strand or large office accommodation within the Bootle office quarter, are included within the article 4 direction. This is because the Bootle Strand as a covered shopping centre is unsuited to this type of development and is in single ownership. The large offices in the office quarter are not considered vulnerable because class MA is only applicable for floor space of less than 1,500m<sup>2</sup>.

## **5. Equality and Climate Change**

5.1 It is not considered that the proposed article 4 direction would make a material difference to any of the protected characteristics as classified by the Equality Act (2010). Removing permitted development rights would mean that planning permission would be required. This would allow for a more thorough assessment of the scheme. The only potential advantages are that the space standards expected with a planning application as set out in Sefton's existing and proposed SPDs, may mean that some schemes are required to provide a little more room. This may be of benefit to some who are of limited mobility through age or disability. It is not considered that these benefits are likely to be significant.

5.2 In relation to climate change. The proposal is to remove permitted development rights and make changes of use from E to C3 require a full planning application. Such small conversions are not the types of schemes that will normally have a big impact. An article 4 direction may still result in most of the conversions still going ahead, with a small number potentially being refused. It is not considered that this will make any material difference to climate change.

## **6. Procedure**

6.1 This report seeks authorisation to make the non-immediate Article 4 Direction

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attached in the areas identified as set out in Appendix A. If authorised, the Council would give notice of the Direction and representations would be sought in accordance with the Town and Country Planning (General Permitted Development) Order 1995, as amended.

6.2 The Council will also notify the Secretary of State and consult with relevant stakeholders. The proposal will also be advertised in the local press, site notices, on the Council's website and through social media to advise people of the Article 4 Direction and give them the opportunity to make representations. A 12 week period will be allowed for comments to be made.

6.3 All properties concerned will be directly contacted. Those properties are set out in Appendix A. The Council consider the methods of communication, set out above, will provide a suitable approach to making all relevant parties aware of the intention to implement the article 4 direction.

6.4 Any representations received will be reported back to Cabinet to determine whether or not to confirm the non-immediate Article 4 Direction. Subject to the Cabinet's decision, the non-immediate Article 4 Direction would come into force 12 months after the original notice of making the Direction is given. Any Direction will then automatically come into force unless the Secretary of State cancels or modifies it.

6.5 The following stages are expected to be met in the implementation of the non-immediate article 4 direction:

- Issue non-immediate Article 4 Direction – November 2022
- Period for comment – December 2022 – March 2023
- Cabinet requested to confirm non-immediate Article 4 Direction – Summer 2023
- Article 4 Direction comes into force – November 2023

**SEFTON METROPOLITAN BOROUGH COUNCIL**

**TOWN AND COUNTRY PLANNING ACT 1990 (AS AMENDED)**

**THE TOWN AND COUNTRY PLANNING (GENERAL PERMITTED DEVELOPMENT) (ENGLAND) ORDER 2015  
(AS AMENDED) (the “Order”)**

**DIRECTION MADE UNDER ARTICLE 4(1) TO WHICH SCHEDULE 3 APPLIES**

**Commercial Business and Service Uses to Dwellinghouses  
Article 4 Direction 2022**

**WHEREAS** the Council of Sefton Borough, being the appropriate local planning authority within the meaning of Article 4(5) of the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended), is satisfied that it is expedient that development of the description set out in the First Schedule below should not be carried out on the land described in the Second Schedule and shown edged red (for identification purposes only) on the Plans annexed hereto unless permission is granted on an application made under Part III of the Town and Country Planning Act 1990 (as amended).

NOW THEREFORE the said Council in pursuance of the power conferred on it by Article 4(1) of the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended) hereby directs that the permission granted by Article 3 of the said Order shall not apply to development on the said land of the description(s) set out in the First Schedule.

**FIRST SCHEDULE**

Development consisting of the change of use of a building and any land within its curtilage to a use falling within Class C3 (dwellings) of the Schedule to the Town and Country Planning (Use Classes Order) 2015 (as amended) from a use falling within Class E (commercial business and service uses) of that Schedule being development comprised within Class MA of Part 3 of Schedule 2 to the GPDO and not being development comprised within any other Class.

**SECOND SCHEDULE**

1. 20-82 (even) and 31-111 (odd) Stanley Road, Bootle
2. 6-20 (even), 38-70 (even), 3-17 (odd) and 33-57 (odd) Hawthorne Road, Bootle
3. 9-23 (odd) Irlam Road, Bootle
4. 215-231 (odd) Stanley Road, Bootle
5. 4-10 (even) and 5-17 (odd) Litherland Road, Bootle
6. 261-295 (odd) Hawthorne Road, Bootle
7. 242-322 (even) and 344-350 (even) Stanley Road, Bootle
8. 412-422 (even) Hawthorne Road, Bootle
9. 372-398 (even) and 7-9 (inclusive) Parrs Corner, Stanley Road, Bootle
10. 55-65 (odd) and 87-127 (odd) Marsh Lane, Bootle
11. 346-370 (even) Marsh Lane, Bootle

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Appendix A – Draft Article 4 Notice

12. 50-64 (even) Aintree Road and 36-44 (even) Fernhill Road, Bootle
13. 114-128 (even), 162-166 (even), 190-204 (even), 228-240 (even) 81-125 (odd), 137-151 (odd) and 229-233 (odd) Knowsley Road, Bootle
14. 512-542 (even) and 447-471 (odd) Stanley Road, Bootle
15. 82-98 (even) Linacre Lane, Bootle and 92 Fernhill Road, Bootle
16. 68-94 (even), 98-166 (even), 97-121 (odd) and 139-199 (odd) Linacre Road, Litherland
17. 48-70 (even) Seaforth Road, Seaforth
18. 1-9 (odd) Harris Drive, Litherland
19. 1-10 (inclusive) The Crescent, Bootle
20. 12-24 (even), 11-75 (odd) Seaforth Road, 1-25 (inclusive) Stella Precinct and 1-15 (odd) Sandy Road, Seaforth
21. 50-110 (even) and 69-75 (odd) Bridge Road, Litherland
22. 21-27 (odd), 31-45 (odd) and 55-61 (odd) Orrell Road, Bootle
23. 35-47 (odd) Ennerdale Drive, Litherland

**THIS DIRECTION** is made under Article 4(1) of the GPDO and shall come into force on the **xx** day of **x** 20**xx**.

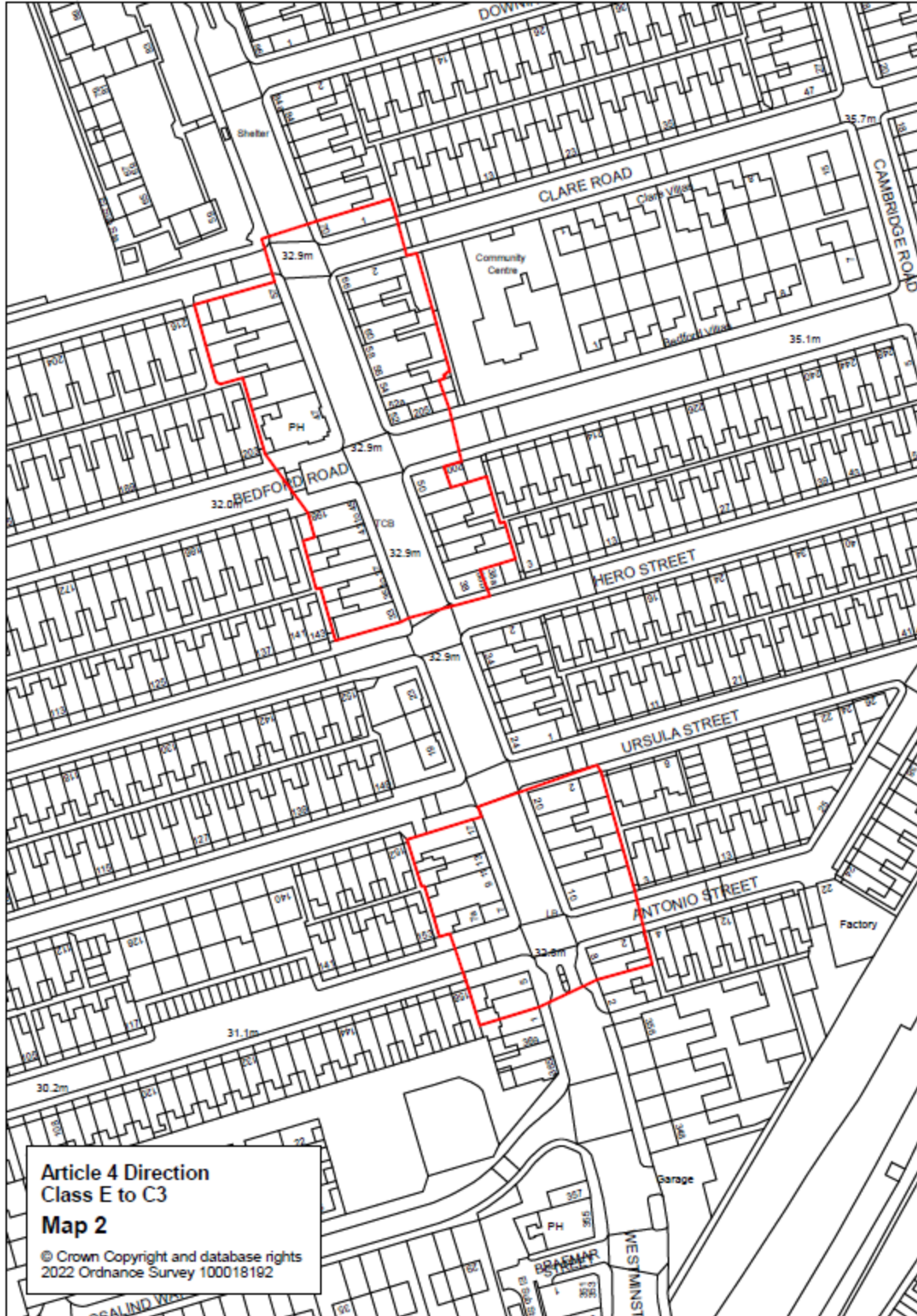
Made under the Common Seal of )  
SEFTON METROPOLITAN BOROUGH COUNCIL )  
this .... day of.....2022 )  
The Common Seal of the Council was )  
affixed to this Direction in the presence of:- )

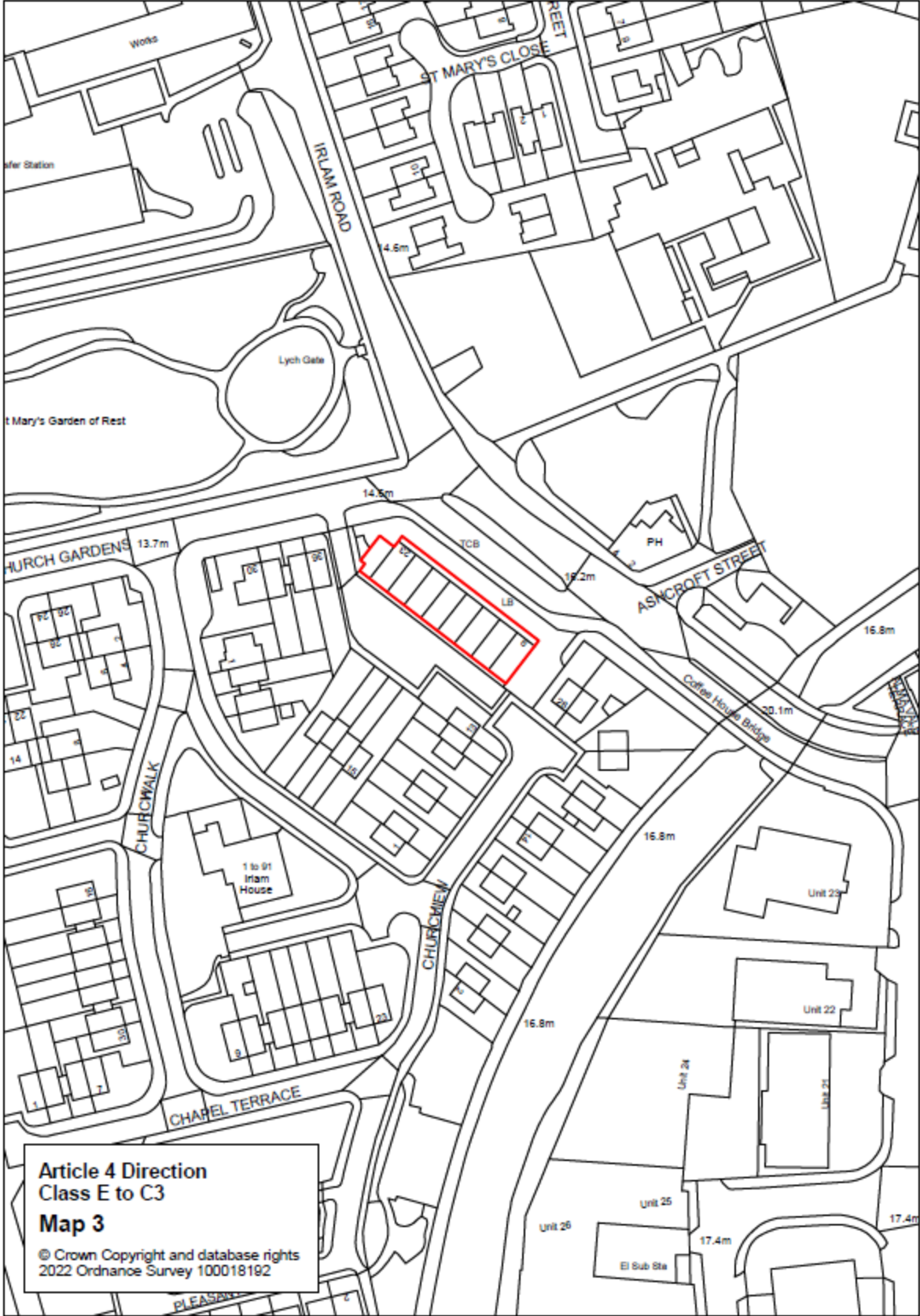
.....  
Authorised Signatory



# Agenda Item 7

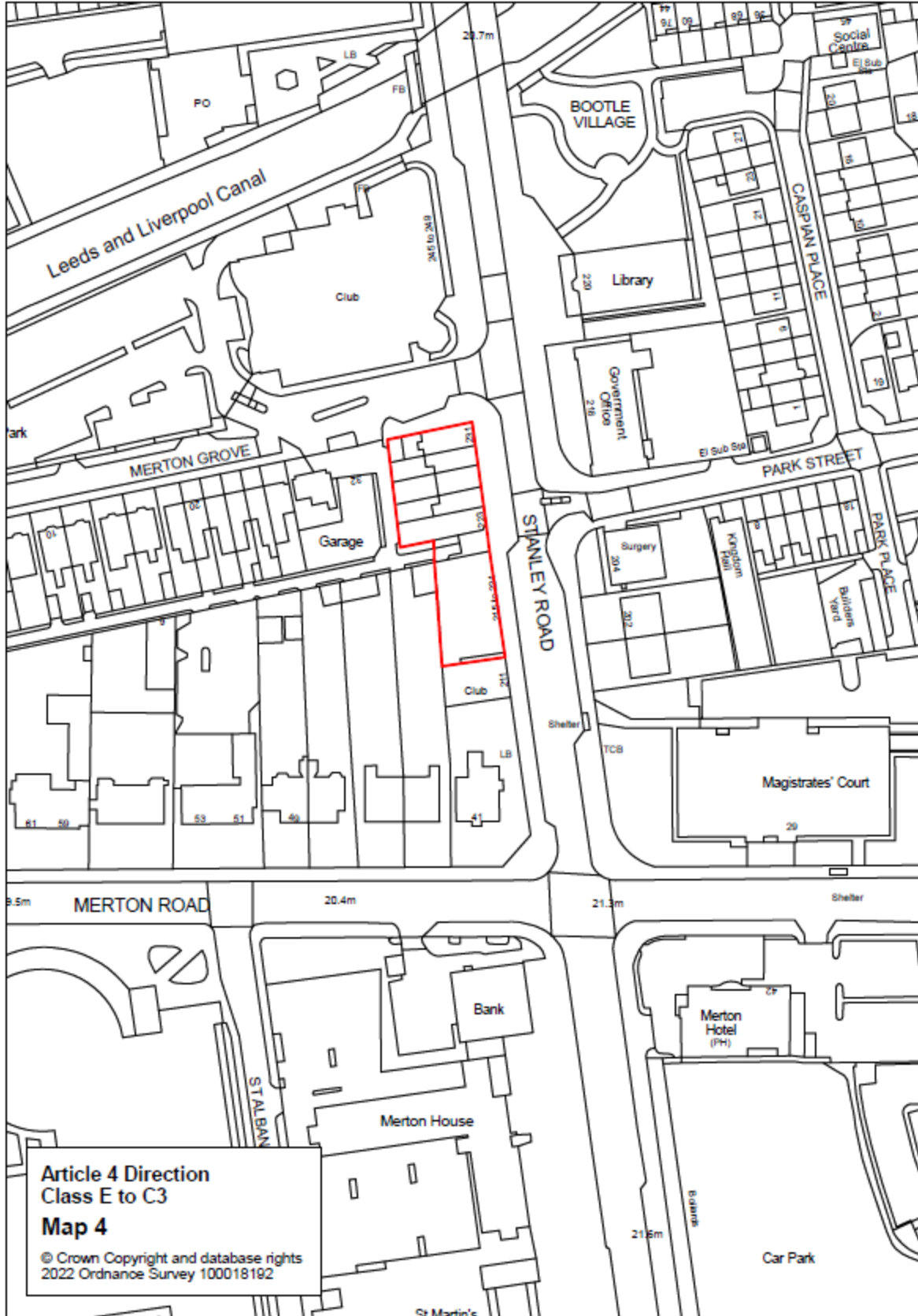
Appendix A – Draft Article 4 Notice



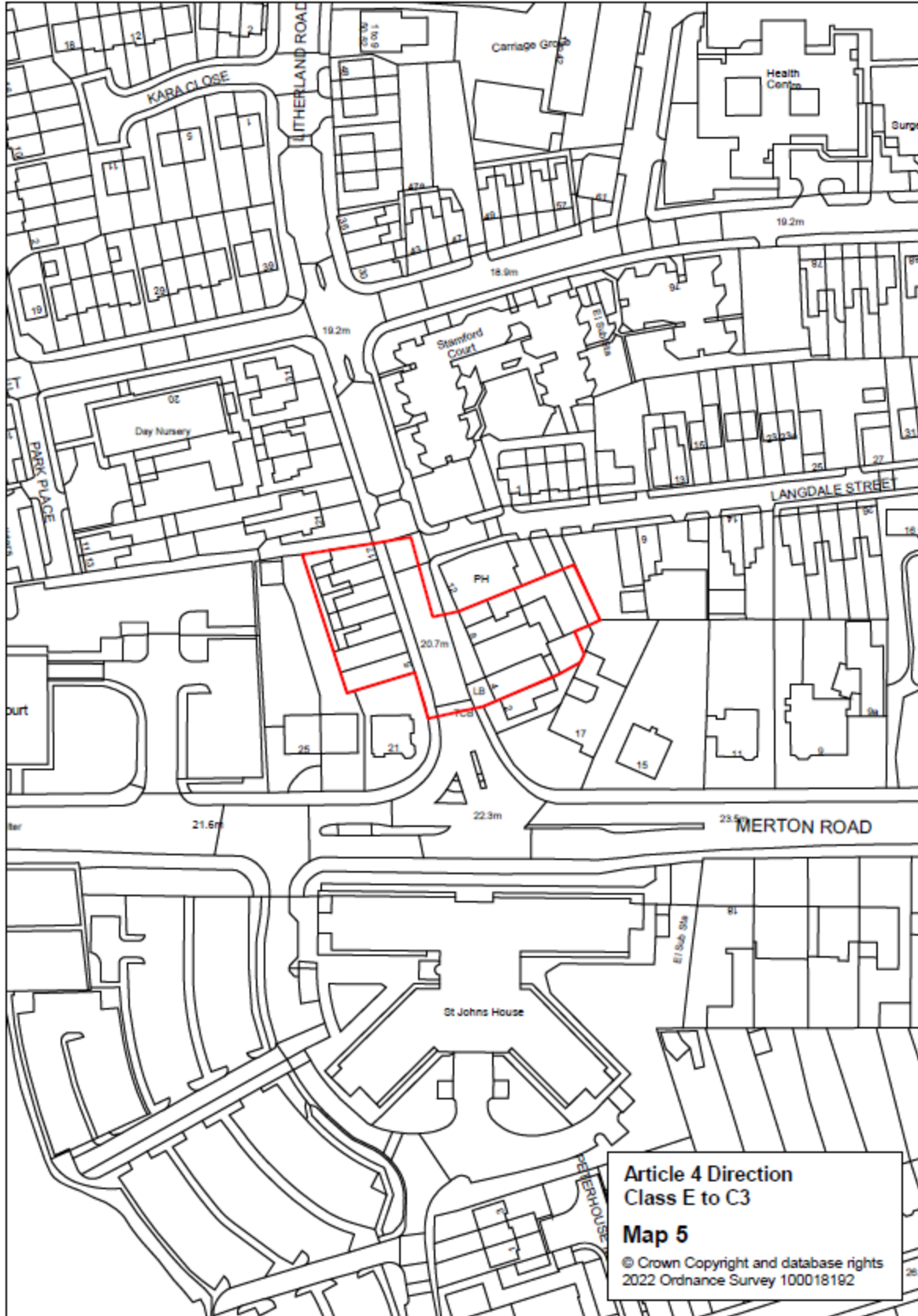


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Appendix A – Draft Article 4 Notice

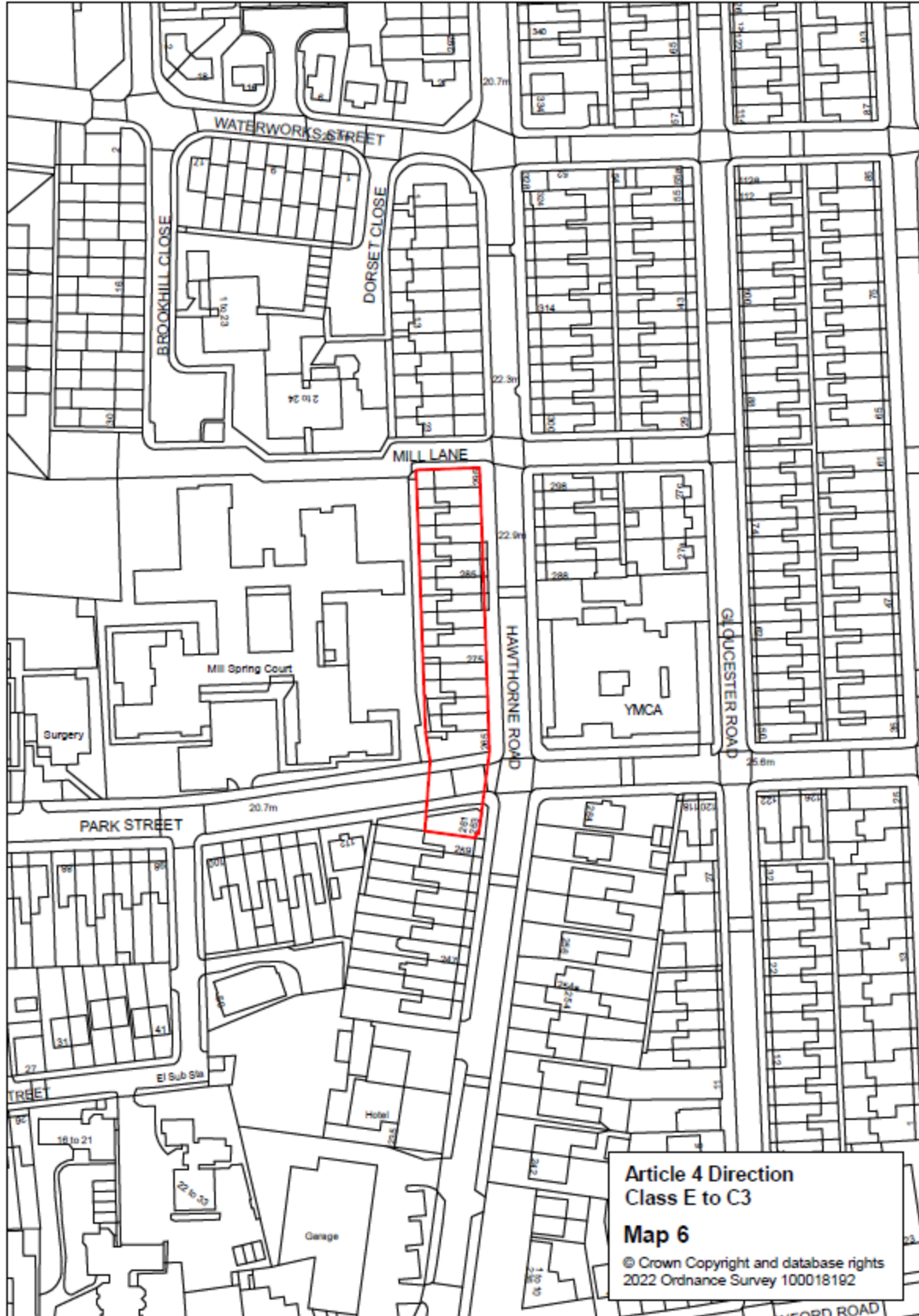


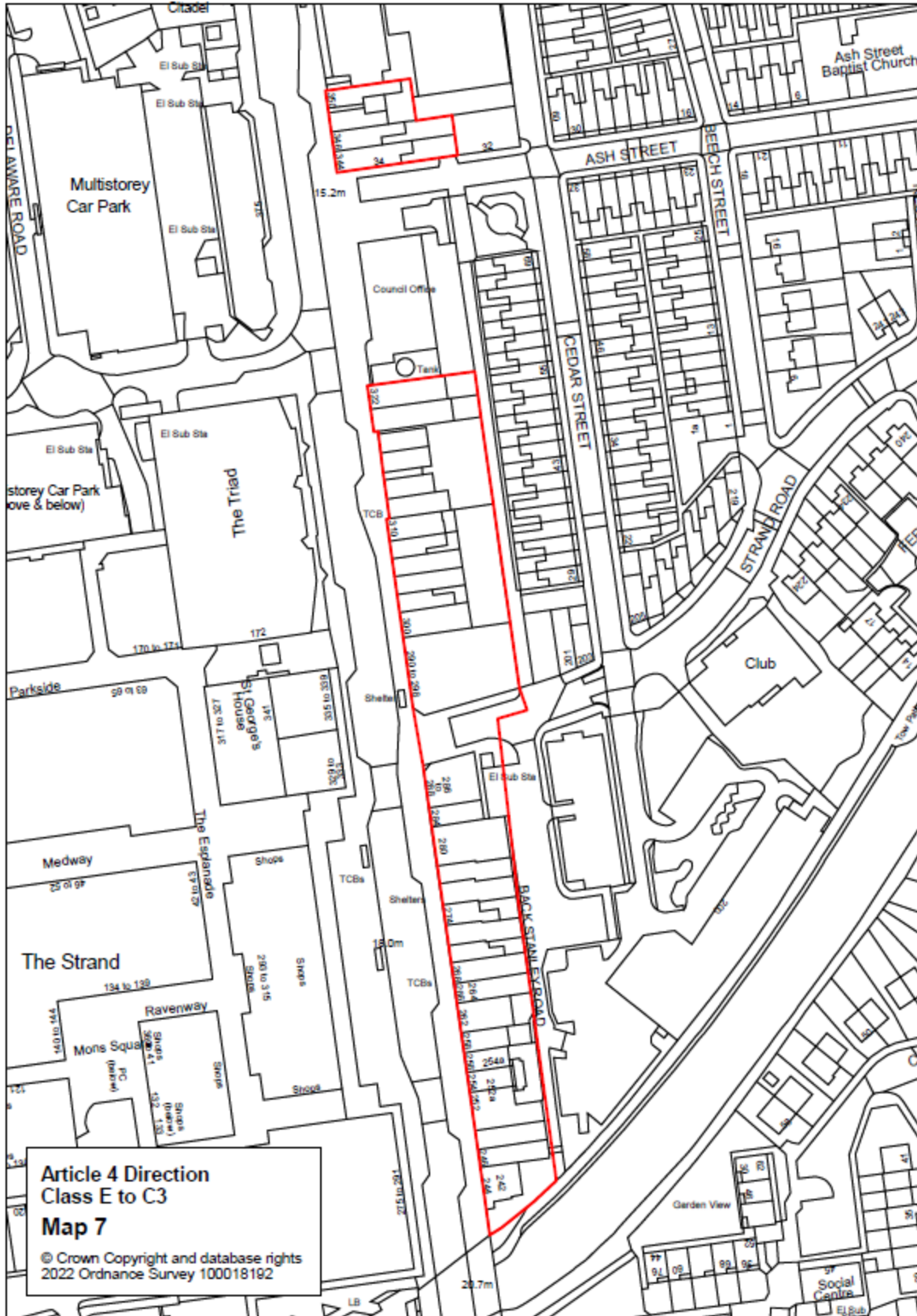




# Agenda Item 7

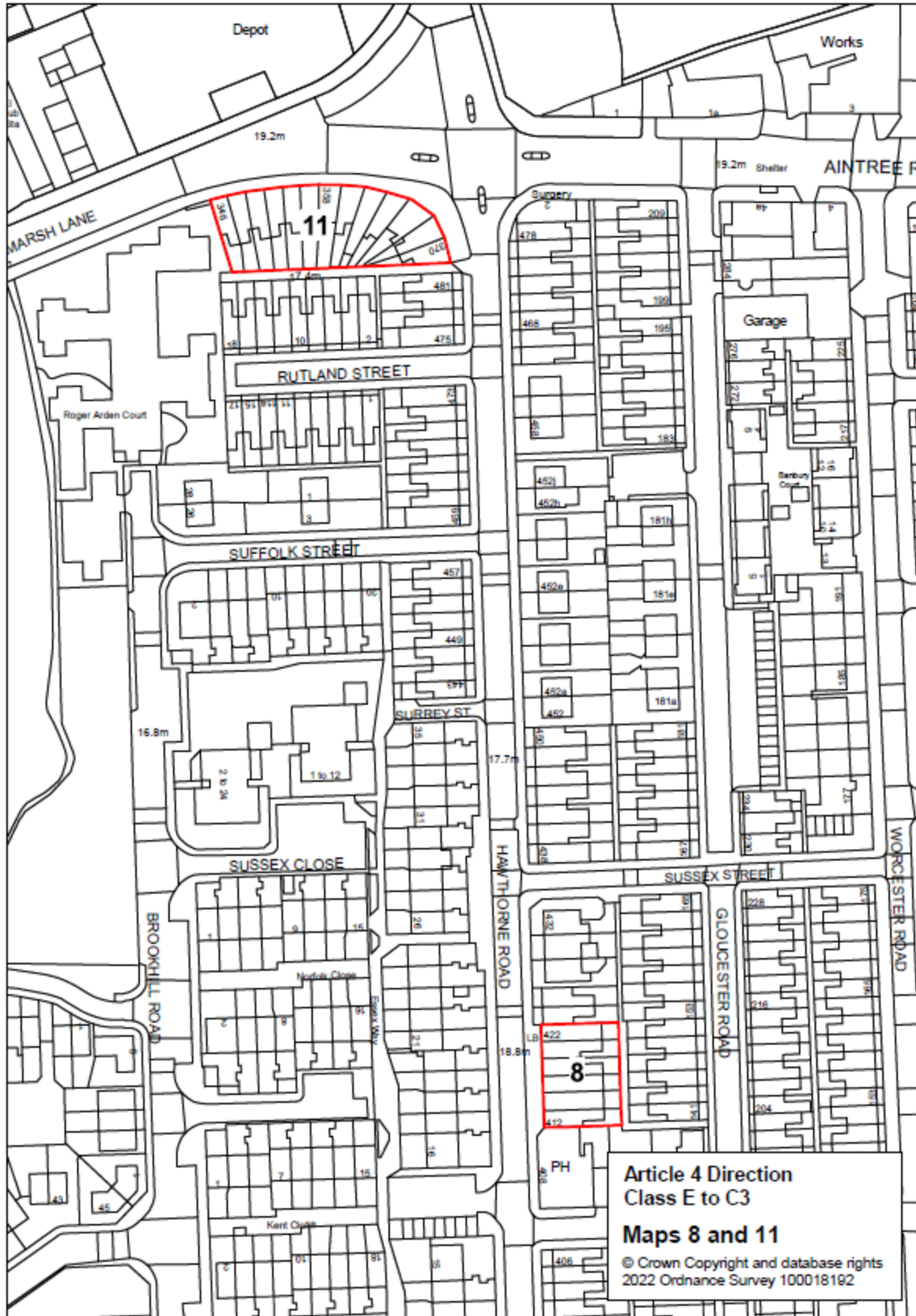
Appendix A – Draft Article 4 Notice

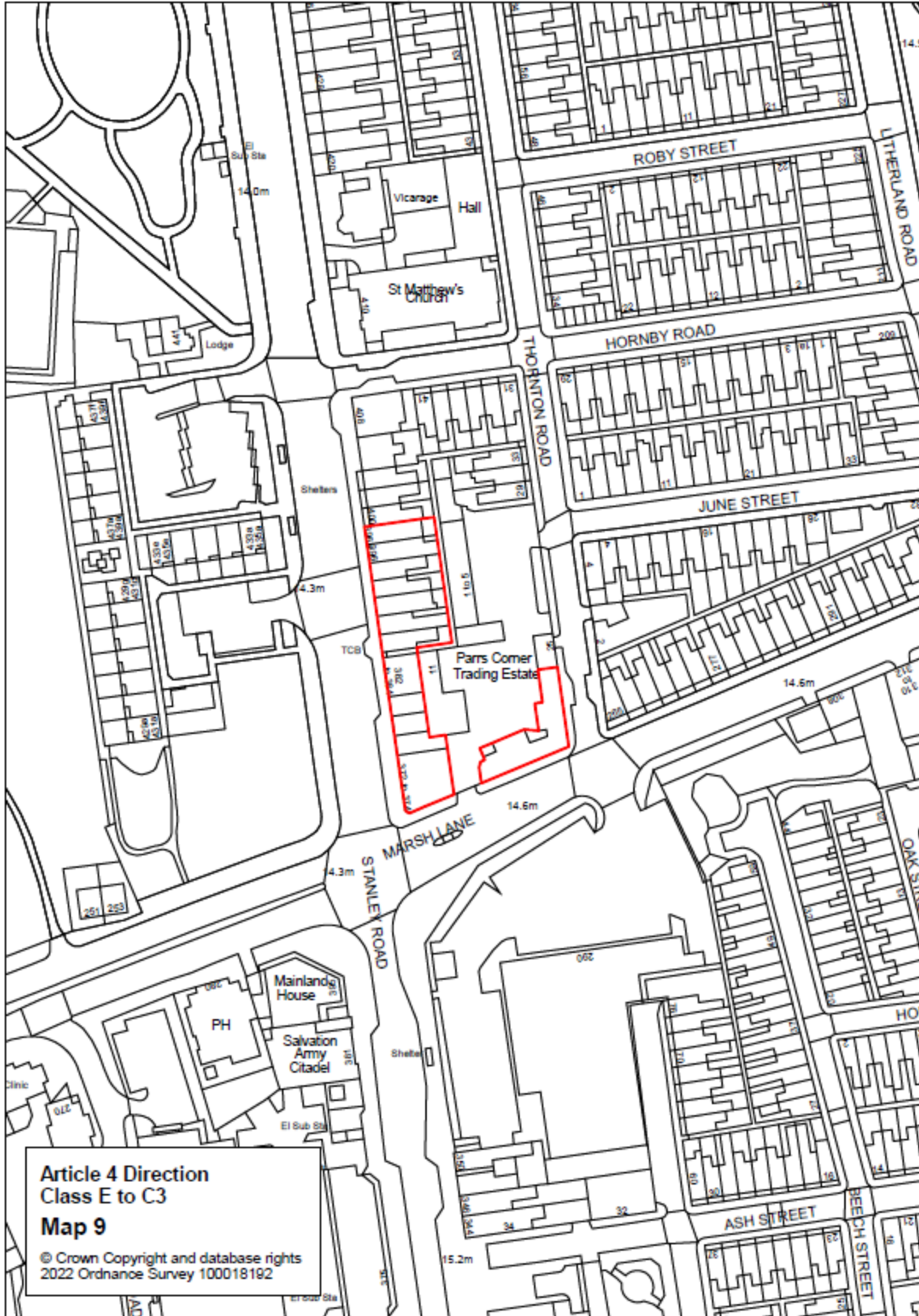




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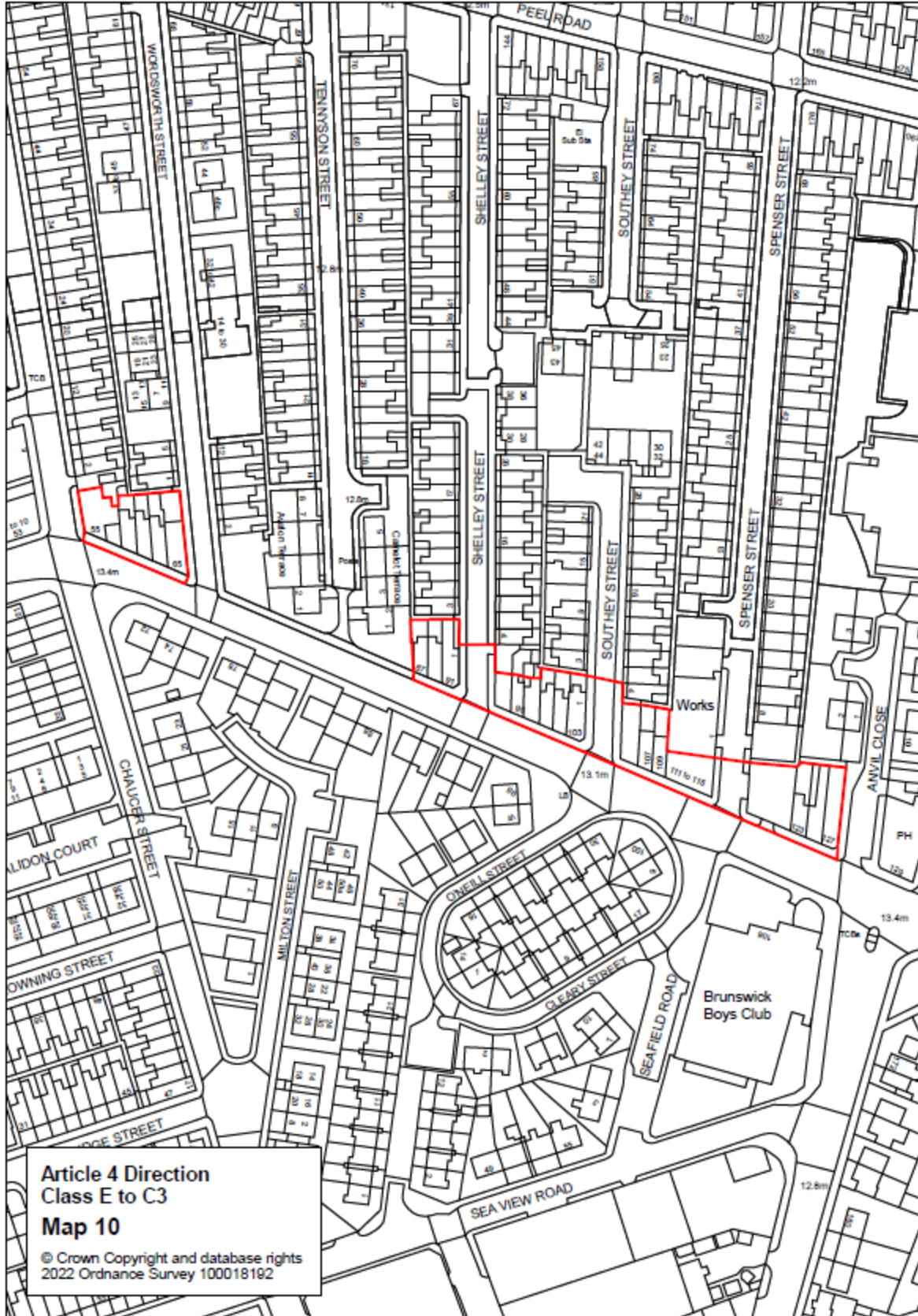
Appendix A – Draft Article 4 Notice



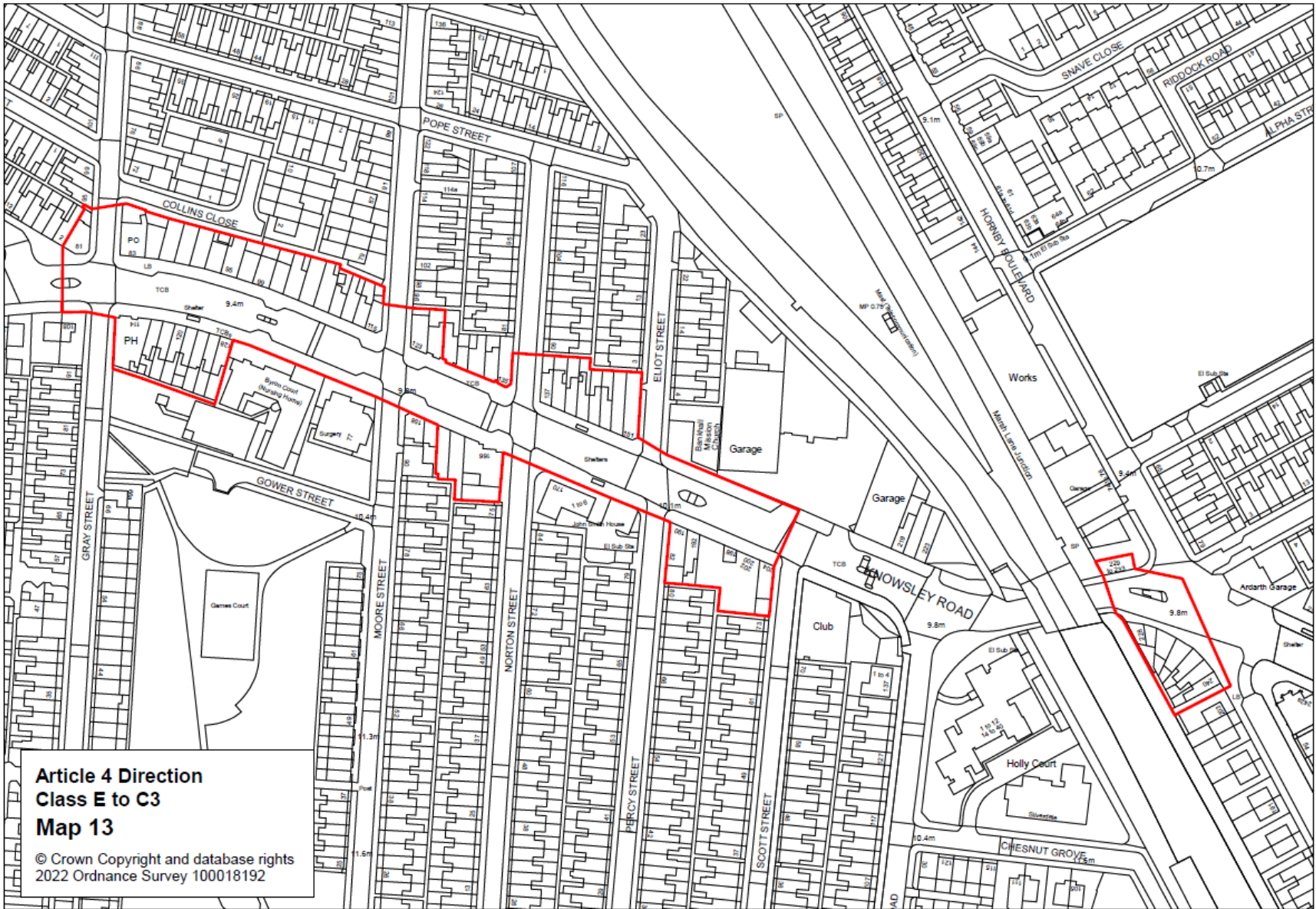


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Appendix A – Draft Article 4 Notice





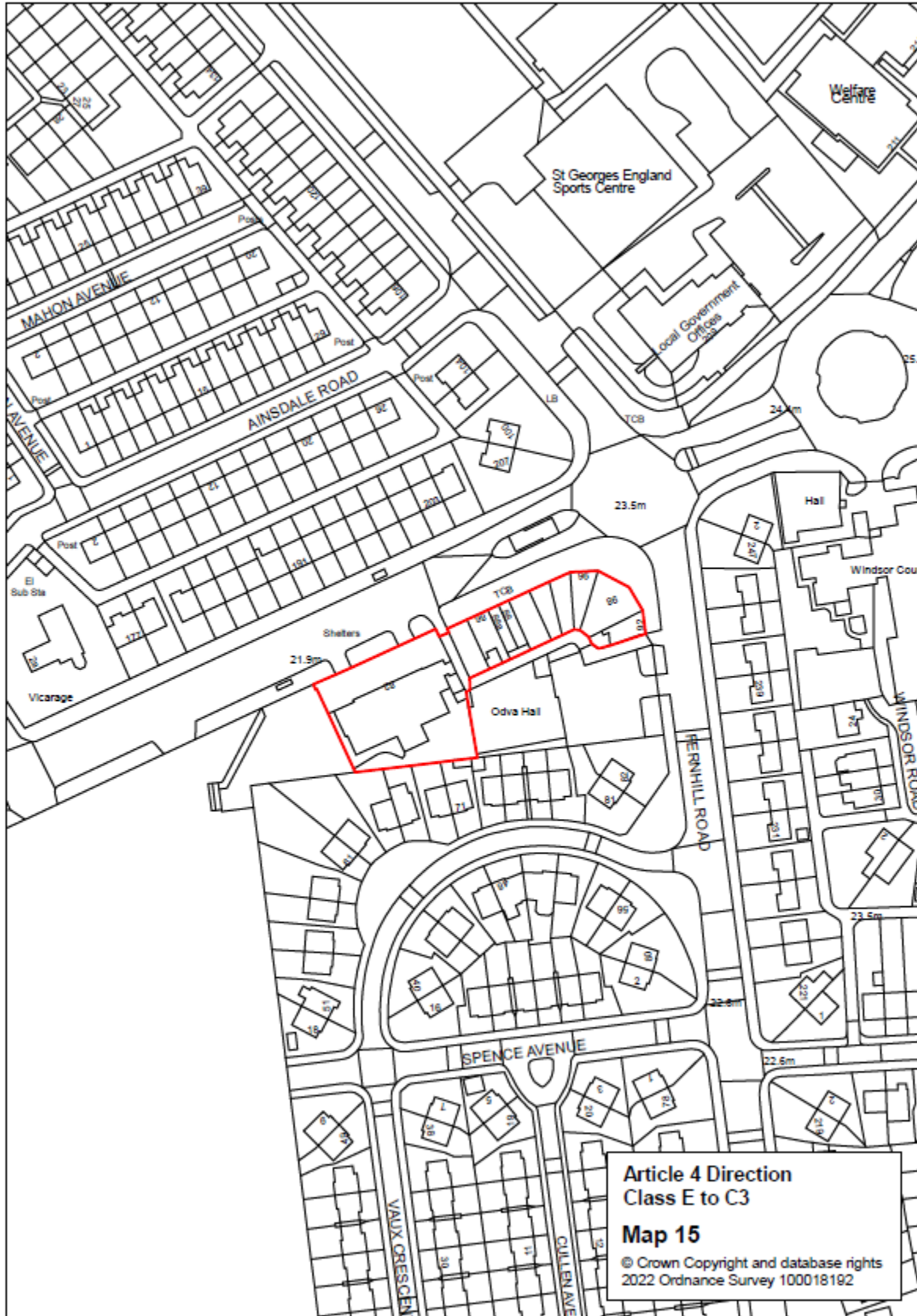


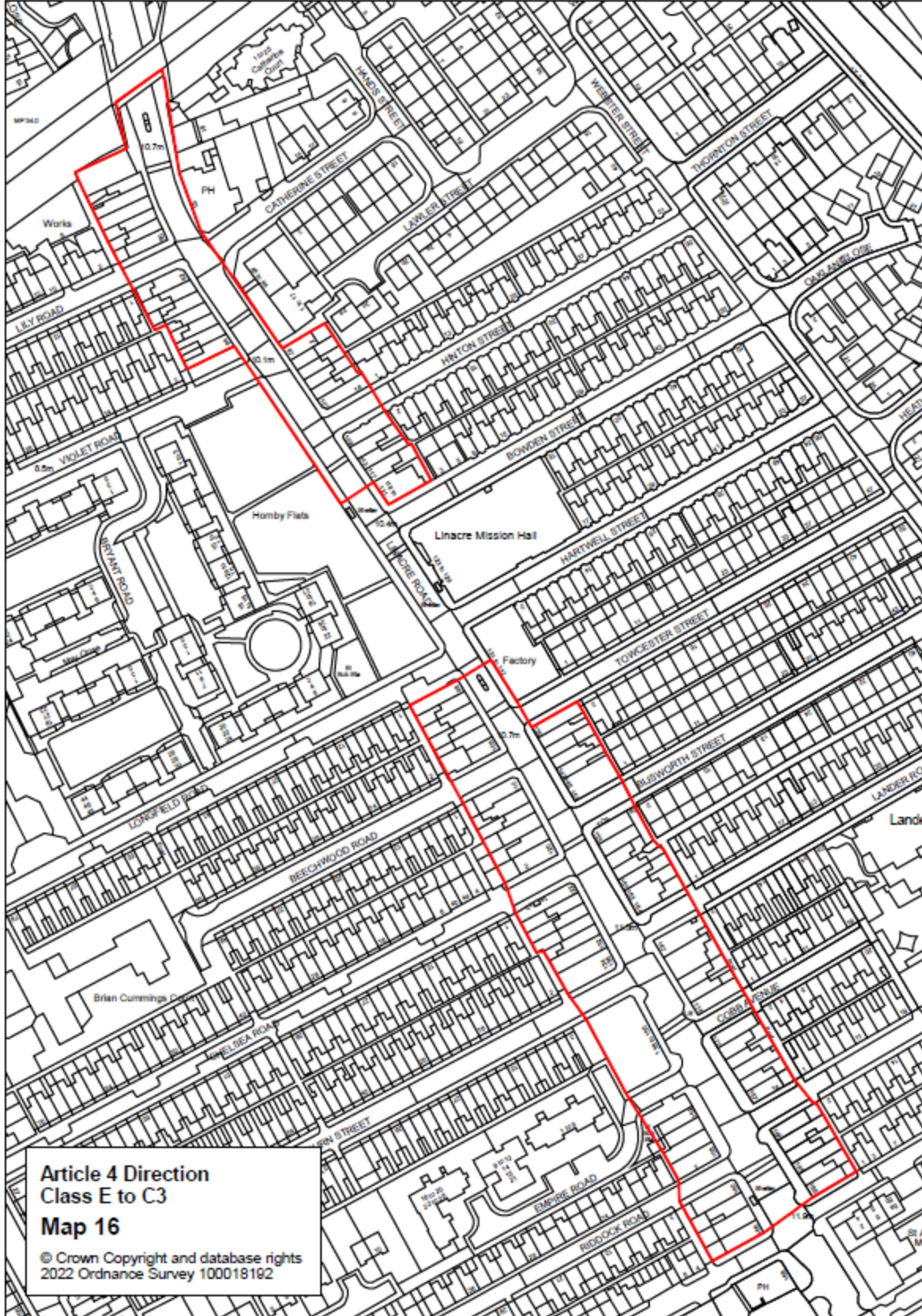




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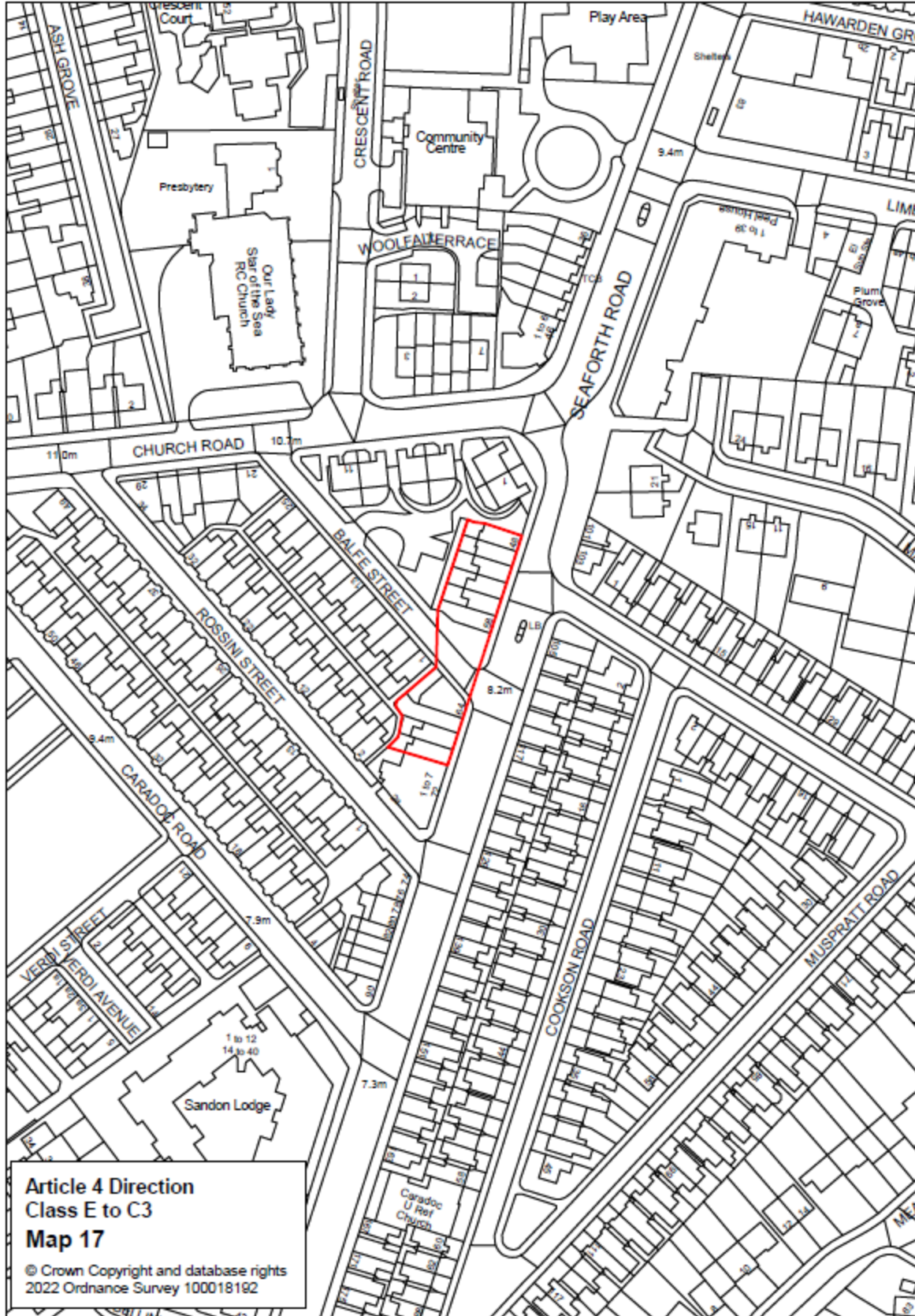
Appendix A – Draft Article 4 Notice





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Appendix A – Draft Article 4 Notice

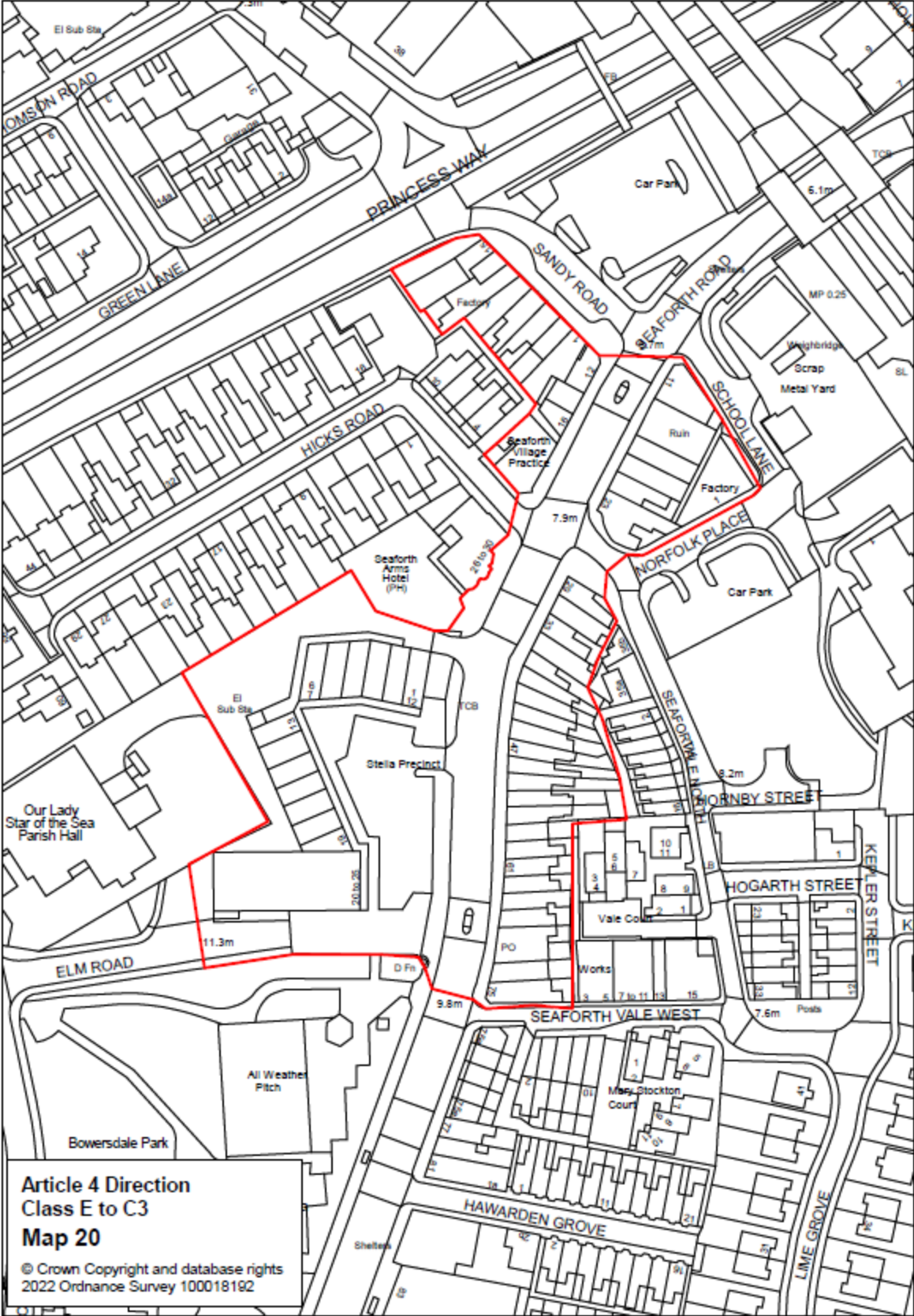




# Agenda Item 7

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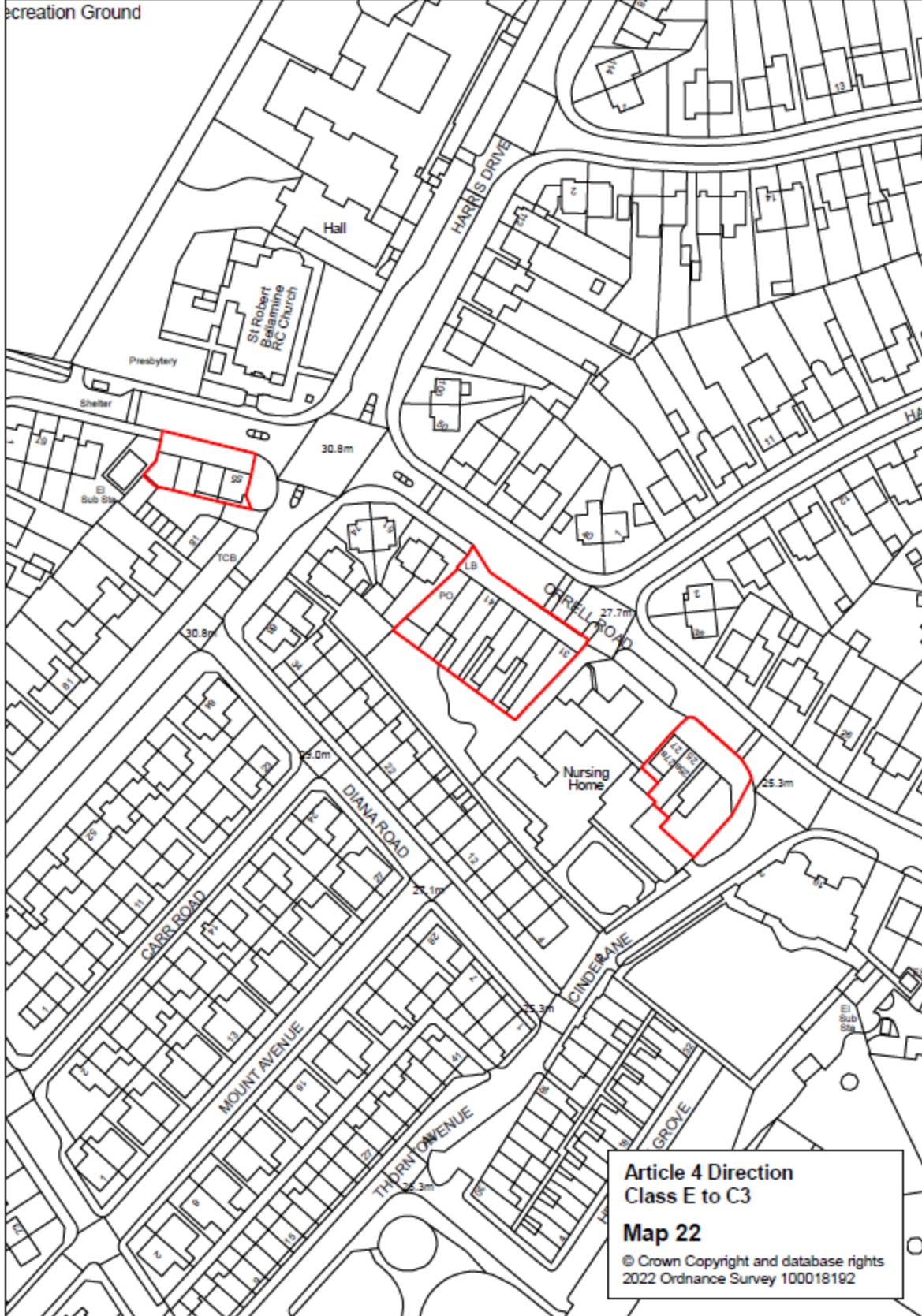


# Agenda Item 7

Appendix A – Draft Article 4 Notice







# Agenda Item 7

Appendix A – Draft Article 4 Notice



**Case for Article 4 Direction from shops and offices to residential (E to C3) for  
Bootle**

**OCTOBER 2022**

# Agenda Item 7

## Introduction

### Why is there an issue?

There are long-standing issues in Bootle with vacant shops, particularly those on shopping parades, due to an oversupply and low demand. In many cases these have been converted to poorly designed flats which detract from the area and provide inadequate living conditions. The way people shop has made these parades more vulnerable, and this has been exacerbated by the recent pandemic, with resultant lockdowns and changes to shopping habits. Changes to the Use classes order may further threaten the viability of parades in Bootle and result in a proliferation of poorly designed, poor-quality homes.

### What is the change of Use from E to C3?

Recent changes to permitted development have made it easier for various changes of use that don't require formal planning permission. Traditionally most permitted development rights have been associated with minor house extensions and alterations. However, in recent years, the Government has extended these to other areas including increasing amounts of commercial uses.

An example that has impacted upon Sefton, is for changes of use from offices to residential which has seen several large office buildings in Bootle and Waterloo in particular, change use to residential. Prominent schemes have included the conversion to flats of Daniel House on Trinity Road in Bootle and the 3TC buildings in Waterloo.

Recently there has been a change to the Use Classes Order which has grouped a wide range of uses together into one category, Class E (Commercial, Business and Service). Class E consists of the following:

Use, or part use, for all or any of the following purposes:

- a) Shop other than for the sale of hot food
- b) Food and drink which is mostly consumed on the premises
- c) the following kinds of services principally to visiting members of the public
  - i. financial services
  - ii. professional services (other than medical services)
  - iii. any other services which it is appropriate to provide in a commercial, business or service locality
- d) Indoor sport and recreation (not swimming pools, ice rinks or motorised vehicles or firearms)
- e) Medical services not attached to the residence of the practitioner
- f) Non-residential creche, day centre or nursery
- g) i) office ii) the research and development of products or processes or iii) any industrial process, (which can be carried out in any residential area without causing detriment to the amenity of the area)

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What the above means is that there can be any change within those categories which will not require planning permission as they will not constitute development.

There have also been changes to the Town and Country Planning (General Permitted development) order. With a new class MA added in part 3 schedule 2. The full part MA is found in Appendix 1 below.

To summarise, Class MA allows a change of use from anything in class E to C3 (residential) with certain exceptions. These exceptions any include any proposal is to convert over 1,500m<sup>2</sup> of floor area, or if the building has not been vacant for over three months.

Rather than needing planning permission, a Prior Approval application is required that does is not subject to full planning scrutiny and only certain conditions need to be met (class MA and its conditions can be seen in Appendix A).

What is an article 4 direction, why might it be considered, what area will be covered and how does it work?

An article 4 direction is a means to prevent certain types of permitted development from taking place. Instead, where an article 4 is in place, permitted development rights are removed and a planning application would be required and all the wider planning issues would need to be considered.

An article 4 direction is normally needed where it is considered that certain forms of permitted development will, or may, cause considerable harm to the area without appropriate planning controls. The purpose of this report is to consider whether the change from E to C3 might cause that harm.

An article 4 direction works by publishing the intention to have the direction. It can come into force immediately. That has the advantage of addressing the issue straight away. The disadvantage is that developers can claim compensation for development opportunities that have been lost due to the article 4 direction. Alternatively, an article 4 direction can come into force after twelve months. This is known as a non-immediate article direction. The disadvantage is that some detrimental developments may take place in those twelve months. However, the risk of compensation claims is removed as sufficient notice is given to property owners.

An article 4 direction should be proportional in size and scale and should not cover unnecessarily large areas. This is set out in para 53 of the National Planning Policy Framework. The article 4 direction being considered here is for specific commercial parades within the Bootle Area Action Plan area only (see Appendix 2 for map of area). The Bootle Area Action plan is a document that is being produced by the Council to guide development and regeneration in the wider Bootle area. Whilst some of the issues may apply to other areas of Sefton, they are considered to apply more to Bootle for the reasons set out in the report (below). This does not mean that similar measures could

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not considered in the future for other areas. The Bootle Area Action Plan Area primarily consists of Linacre, Derby and (most of) Litherland wards, although small parts of other wards are included.

Most of the issues in the Bootle area relates to small shops on parades and local centres. There are other issues like large employment areas along Dunning's Bridge Road and by the A565 near the docks. However, because class MA allows consideration by the Local Planning Authority of the impact of noise from neighbouring businesses and because of the limit on floorspace, it is not considered that this is necessary.

The Bootle office quarter has also been quite heavily impacted by changes of use from office space to C3. However, the limit to convert 1,500m<sup>2</sup> of floorspace under permitted development rights (from August 2021) should reduce the worse impacts of the largest schemes.

## Reasons why the article 4 may be needed.

1. To prevent poor quality housing in an area which already has a history of sub-standard homes and in an area where this housing be used by a community with a high number of people on low incomes, poor health and low mobility.
2. To prevent further damage and fragmentation to shopping parades that will be harmful to a local community.
3. To allow effective planning for the area. Specifically, it is acknowledged that there are issues that need to be addressed but the Council are preparing an Area Action Plan for Bootle in order to address some of those issues.

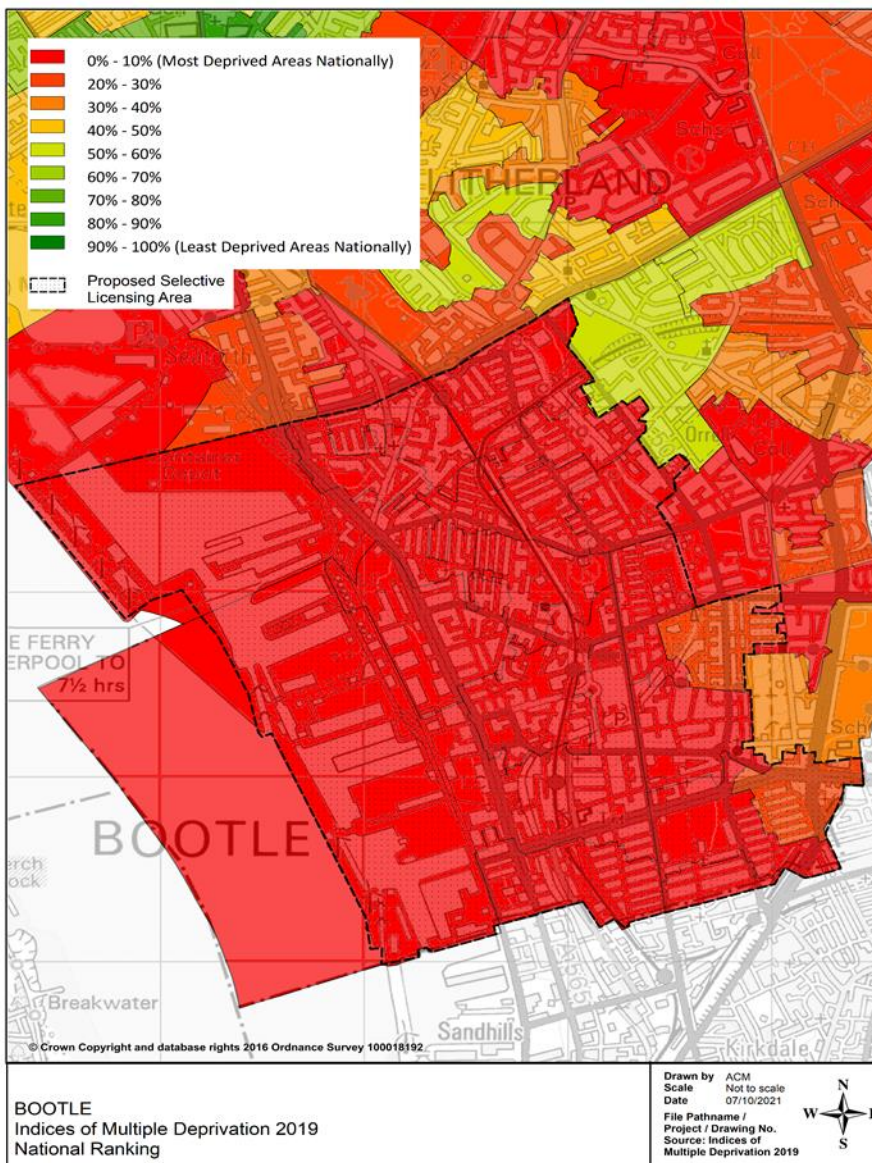
Each of these issues will be considered below.

## 1. Living standards and Poor Quality Accommodation

Bootle has been long recognised to have some areas of poor quality housing.

There have been a variety of programmes and plans to address this over the years. Some have involved direct market intervention, such as the housing market renewal initiative (HMRI) in the 2000s. Others have come through a variety of regeneration schemes and planning policies and initiatives.

The Bootle area features some of the most deprived neighbourhoods in the country. The map below shows that most parts of Bootle are classed as being within the 10% most deprived in the country.



*Indices of multiple deprivation 2019*

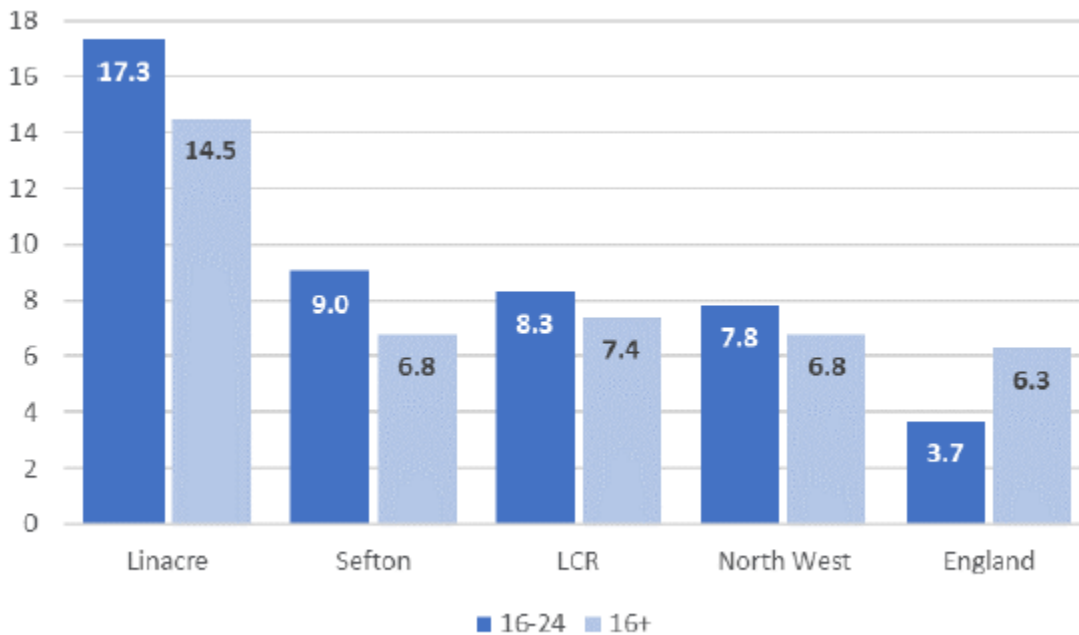
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The reasons for the high levels of deprivation are varied and historic. However, it has manifested itself in some poor-quality housing stock and a wide range of deprivation statistics.

In 2017 the Council decided to introduce selective licensing in order to address some of the issues in the private rented housing sector. The selective licensing found the following for Bootle:

## Deprivation

- Being within the top 1-5% of the most deprived areas across the country
- Contains the highest rate of Private Rented Sector (PRS) properties across the Borough at approximately 25%
- Suffers high levels of unemployment, low level educational achievement with low skill and low paid occupations
- Highest rate of lone parents across the Borough
- Average household incomes of £22,600 are the lowest in the borough and compare to an average £29,000 for the whole borough
- Over a third of people aged 16 and over in Bootle have no qualifications, compared to a quarter for the whole borough



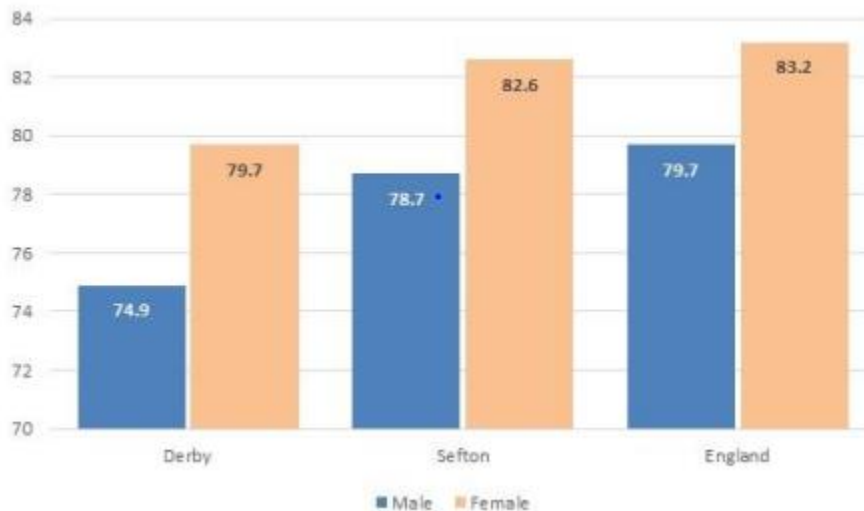
### *Rate of Working Age Residents Claiming Out of Work Benefits (January 2021)*

In the 2021 Ward profiles for Linacre Ward it can be seen that a really high percentage of residents are claiming benefits. The rate for people of 16+ is 14.5% which is well above the Sefton (9%), Liverpool City Region (8.3%), Northwest (7.8%) and English (6.3%) averages. The figure for Derby ward is 11% and 9.4% for Litherland.



According to Experian Mosaic in 2020, 36% (2,158) of households within Derby Ward in Bootle had an annual income of less than £15,000 (Figure 12), considerably higher than the rates seen across Sefton (23%).

Other issues in Bootle include some very poor levels of general health. Whilst health isn't always connected to property conditions, there are clear connections and poor quality housing can make resident's physical and mental health worse.



*Life expectancy at birth (2015/2019).*

Above we can see that the average life expectancy for men and women are considerably lower than both the Sefton and English averages in Derby ward. There is a similar picture in the other wards in Bootle.

The area also has low levels of car ownership and therefore more limited mobility.

In most statistics on deprivation the Bootle area scores poorly. This is particularly concerning given the current cost of living crisis and particularly with soaring energy bills.

Bootle also has some very low levels of car ownership. Derby, Linacre, Litherland and Netherton and Orrell have respective car ownership rates of 429.9, 462.7, 507.2 and 592.3 cars per 1,000 households against a Sefton average of 632, and an English average of 734.2 per 1,000. This means that the population as a whole is less mobile. Given the number of people on benefits and in poor health, this may also restrict access to some public transport.

As discussed earlier, the Council introduced Selective Licencing to improve property conditions. The Selective Licencing in the area has helped to privately rented properties and had provided an opportunity to develop better relationships between the Local

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Authority and landlords. By working together there can be benefits for both landlords and tenants. If more households can be helped out of poverty, the prosperity of the area generally will improve making it a more attractive area to live, which in turn should improve the popularity of housing in this area. However selective licensing only applies to certain types of properties and a wider range of tools are needed.

## **Property Conditions**

The area has some very poor property conditions. These include:

- High rate of housing disrepair complaints, with enforcement action taken over property conditions
- Levels of non-decent homes of circa 26% are higher than the rate of all private housing in the borough of 15.8%
- The highest levels of fuel poverty are found in Bootle

Given that there is some poor-quality housing within Bootle, it is a major concern of the Sefton Council if more are created through poor quality changes of use.

Planning has supported the selective licensing scheme by introducing an article 4 direction for changes of use from single dwelling houses to HMOs in the areas with the biggest issues from conversions to HMOs within Sefton and this includes much of Bootle. Larger HMOs already required planning permission, but smaller ones did not. The particular concerns that informed the HMOs article 4 direction were twofold:

1. Concerns about adverse changes to the character of existing areas due to numbers of change of use applications to HMOs.
2. There were concerns about the poor quality of HMO accommodation being created and the resulted impact upon living conditions of residents.

Particular concerns with some of the conversions that have taken place have been through poor quality, or no outdoor amenity space for residents and rooms that are inadequate. Bootle has suffered from some of these issues. A number of planning applications have been refused on the grounds of inadequate living conditions and some of these have been backed by Government appointed planning Inspectors on appeal.

Changes in Use from E to C3, if not done appropriately, can give rise to creating poor quality accommodation. The conditions within Class MA (see Appendix 1) do not give protections for living standards of residents, for example with regard to inadequate outdoor amenity space, poor quality outlook and prospect and small, cramped room sizes. This has been a particular concern for Sefton Council and an area where the Council has sought to drive up standards so that all residents will have access to good quality amenity space. This is for both recreation and socialising, but also so that the residents will be able to naturally dry washing. This is important in an area with high degrees of fuel poverty. It is also noted that the extensive use of tumble driers is very inefficient in terms of energy and will have a climate change impact. Many old shops

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and employment premises have little or no outdoor amenity space and little potential to create any. It is crucially important, given the high levels of deprivation set out earlier, that adequate outdoor space is provided. In the current energy crisis, having a lack of amenity space may mean that more people will need the use of a tumble drier. The current cost of living crisis will make this challenging for many. Given the high levels of deprivation in the area, it is important that changes of use can be assessed properly with planning applications to avoid more poor-quality accommodation.

It is noted that the Housing Standards team have had to take action on a number of conversions from commercial units on Bootle parades in the Bootle area.

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## **2. Impact upon Local of parades and centres**

The impact upon vitality and viability of parades for changes of use are important. Class MA does allow some consideration of the impact where a ground floor is being converted. However, the impact of change of use needs to be considered. There are a high numbers of vacancies on shopping parades in the Bootle area. All of the parades and Bootle Town Centre are set out in a map in Appendix C. This has been an issue for a number of years. However, changes in retail patterns over the last couple of decades and the Covid-19 pandemic have seen significant increases in vacancies on parades and reduced diversity and function. Bootle has a large number of parades of varying sizes. Whilst it is not the intention to go into detail on all of them, it is important to look at some of the larger parades. Some of the larger parades have been particularly impacted.

The parades main parades were visited in 2022 and when viewed, there were a very high number of shops that were shuttered when viewed. This does not mean that they are all vacant. Some may have been closed for the day. Others, for example some hot food takeaways, may only open in the evening. However, many of these units are known to be vacant. All of the parades have been assessed in previous retail health studies by the Council.

### **Stanley Road (south of the Bootle town centre)**

Stanley Road south consists of a whole series of parades from the boundary with Liverpool to the south, to Balliol Road at the north end. Traditionally it has seen a very busy parade with a wide range of businesses. However, over the past 20 years it has seen a decline in the number of occupied units. For example, in the 2012 parades study showed that some of the parades on Stanley Road had up to 34% vacancies.

Many of the shop units are in the original Victorian three-storey blocks but a few of them were newly built in the last decade and included purpose built apartments above. Most of the upper floors of retained Victorian blocks have been converted to flats when they once provided accommodation for the business owners at the ground floor. The units served a wide area and particularly the very tightly packed traditional terraces that were characteristic of the area.

Housing market decline was quite marked in the area and so has been the decline in commercial premises. There was direct market intervention through the Housing Market Renewal initiative (HMRI) in the 2000s. Many of the streets to the west were altered as part of the Bedford Queens Housing Market Renewal Initiative in the 2000s. This has brought some modern and lower density housing into the area. Much of the housing to the east remains unaltered.

The Covid pandemic and the resulting physical and economic restrictions have seen a further increased in vacancies. It is not unusual to see some of the parades dominated

by solid metal roller shutters during the day due to a combination of vacancies, reduced opening hours and hot food takeaway.

It was noted in the site visit that there are a significant number of units that are vacant. A number of the blocks appeared to have at least half or more units vacant or shuttered. The number of vacancies is an important factor because the change of use allowed in Class MA is contingent on units being vacant for at least three months. Therefore, a unit that is current occupied under class E does not benefit from the permitted development available through class MA.



*Stanley Road at the junction with Keble Road*

There is a fair amount of consistency in the number of vacancies across the blocks although there were more vacant units to the north end than the south. Many of the units appear to have upper floors that are occupied by residential, but few so far seem to be occupied by residential at the ground floor level. This may reflect the weak housing market in the area and may also reflect the robust Council planning policies for restricting poor quality conversions. However, with new class MA rights, those policies can no longer be used.

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If a number of vacant units were to be converted to residential, it could create a situation where a number of blocks could become fragmented. This may result in a further undermining of existing units.

## **Knowsley Road**

The Knowsley Road parade is situated to between the Southport to Liverpool railway line and Gray Street. It serves the large residential communities east the docks and the west and northwest of the town centre.

The parade has traditionally had a wide range of shops and services and had remained relatively successful in recent years. Again the pandemic and changes to shopping patterns have had an impact and the parade is now suffering a high of vacant units. This is particularly apparent towards the eastern end of the parade.

The middle and western end has remained relatively vibrant with a variety of shops and a reasonable amount of footfall.

There are some concerns about the decline in the number of shops that are open, even if it is not on the same level as Stanley Road and Linacre Road (see below). However, it does remain vulnerable to some of the changing patterns that are being seen in retail. Fragmentation of the parade through changes of use to residential is something that is a concern going forward.

## **Linacre Road**

The Linacre Road parade extends from the Johnsons site up to the old railway line to Aintree.

The Linacre Road parade was once the main local shopping area for the large residential areas at the north end of Bootle and south Litherland.

There are whole stretches of the parade that have significant amounts of vacancies. Indeed, during recent site visits, there were blocks that had more units without occupants than those with. Furthermore, the parade has already a number of units that have been converted to poor quality, poorly designed homes, notably part of the block (98-102 Linacre Road) opposite the May Lean factory and 99-105 Linacre Road.

It is unlikely that the parade will attract enough businesses in the future to prosper in the way it once did. The changes to retail patterns and the sheer number of available units mean that this is not realistic. What is also apparent is that the number of solid roller shutters on vacant units, derelict buildings, poor quality conversions and lack of greenery makes the area appear to be very unsightly and it does not reflect well on the neighbourhood. It also perhaps detracts from a number of really fine quality buildings that are in the locality including the Linacre Methodist mission, Pacific Public House, St Andrews Church and former Wesleyan Sunday School.

Class E to C3 permitted development rights are likely to cause further damage and fragmentation to Linacre Road parade.



*Linacre Road at the junction with Lily Road*

## **Hawthorne Road South**

There is a quite prominent parade at the south end of Hawthorne Road. It is north of the Liverpool City Council Boundary and Kirkdale railway station. This is a long parade that is already very fragmented. There are a large number of vacancies. The parade has had a high number of vacancies for many years but now long stretches are now either vacant or have already been converted to other uses.

Few of the remaining units have much potential for providing adequate open space should they be converted which would be a concern as set out earlier in this report.

Many of the existing conversions are aesthetically poor looking and the parade could really benefit from a comprehensive plan in the Bootle AAP.

## **Seaforth Centre**

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Seaforth centre is another important parade. And covers a large area in the north end of the Bootle AAP. It has a number of current vacancies but is not in the same poor health that some other areas are in. Seaforth is a significant distance from the centre of Bootle so it is really important for local residents, especially given the lower car ownership rates.

The Seaforth centre has a good car parking area unlike some of the parades and has a more modern set of retail units, known as Stella Precinct, opposite the more traditional parade on the east side of Seaforth Road.

Most of the units in the centre do not have an obvious potential to provide outdoor amenity space if converted.

## **Bootle Town Centre**

Bootle Town Centre is the retail heart of Bootle and for the south of the borough. It consists of the Bootle Strand, the 1960s purpose built shopping centre between the Strand Road and the more traditional shops on the eastern side of Stanley Road.

The town centre is not considered to suffer from the same degree of issues as some of the longer parades discussed above. This is due to the higher occupancy rates along Stanley Road and opposite the Strand, (although the Strand itself has a number of vacancies). As the Strand is managed alone by one landowner, it is unlikely to suffer fragmentation in the way that's some of the parades might.

The eastern side of Stanley Road consists of smaller units in multiple ownership. Whilst vacancies are still low, this needs to be protected in order that it does not become a major issue and undermine the town centre as a whole. Bootle town centre has lost a number of major retailers in recent years including Marks and Spencer, Tesco and WH Smith and it is important that the town centre, as the main centre in Bootle and south Sefton, isn't undermined by inappropriate conversions. Whilst some residential properties in the town centre could be beneficial in the long term, this needs to be managed and not done on a piecemeal basis.

## **Other parades**

Bootle has a number of smaller parades. These include:

- Marsh Lane (two parades)
- Harris Drive
- Litherland Road
- The Crescent
- Irlam Road
- Linacre Lane
- Orrell Road
- Aintree Road



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- Hawthorne Road (four parades)
- Bridge Road
- Ennerdale Drive
- Seaforth Road

These parades are spread around the Bootle area often serve a very local area and, in some cases, provide a vital function for their communities. The facilities in each parade can vary with some having a range of facilities and others being more limited. The health of these parades also vary enormously with some being relatively healthy with few vacancies and others having a lot of vacancies. For example, the parade on Marsh Lane on the junction with Hawthorne Road has many units that have already been converted to dwellings and a others vacant and the parade is in a poor state. Whilst some of those parades continue to struggle, it is important that the role they play in the local community is not undermined by uncontrolled changes of use.



*Marsh Lane (west) parade*

The shops and businesses in parades in the Bootle area do continue to be important to local communities and particularly where there are increased levels of poverty and

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lower levels of car usage. It may well be the case that in some of the parades and shopping areas, it is no longer viable to keep the same number of units as there have traditionally been. It may also be that some of the smaller parades might disappear altogether. This is a continuation of a trend as shown in the Council's Parades Study in 2012, which showed for example, 37% vacancies in the Stanley Road/Linacre Road parade. However unplanned changes of use have the potential to cause further harm and damage.

The potential for unplanned changes of use as exists with class MA does greatly increase the potential for fragmenting of parades. Class MA does allow some consideration of changes where the existing use is a medical setting or a nursery, there is otherwise very little control. Given the role that lack of mobility due to low car ownership (as set out earlier) and the high numbers of vulnerable and deprived people in the community, it is a concern that the continued loss of shops and services may prove to be very damaging to local communities. There is also the question of how big a role residential may or may not have a major role to play in that. However relatively unplanned and unmanaged residential can have a number of potentially unwanted impacts.

It is accepted that some parades are in a very poor state and the recent troubles during the Covid-19 pandemic has not helped small businesses and the impact of the current cost of living and energy issues are not known.

### **3. To provide for good quality planning for the area and Conclusions.**

The issues identified in this report demonstrate a need to ensure alternative uses on many of Bootle's local shopping parades are properly planned for. It is considered that, if left to the market, through the use of permitted development rights, this could exacerbate existing social problems that are prevalent in the area. This is to be done through an Area Action Plan.

The Bootle Action Plan has gone through the early consultation and engagement and is intended to be ambitious in addressing the many issues and opportunities that exist in Bootle.

The Area Action Plan provides the opportunity for planning solutions to some of the issues related to vacancies in commercial and retail units.

There may well be a scope for some residential redevelopment on some of the longer parades and potentially within some employment areas. These are decisions to make by the Council, in engagement with local residents, and it is right that the AAP has the opportunity to set out the planning framework for how this will be managed. The introduction of the article 4 direction will support that effective planning for the area.

The Council also recognise the poor-quality housing in the area. The Council has a New Housing Development Supplementary Housing document (SPD) and an HMOs and Flats SPD that both have robust standards for new and converted properties. One of their aims is to improve housing standards in the area.

Many of the commercial units within shopping parades were not designed for residential and, if converted, often result in inappropriate room sizes and inadequate outdoor amenity space. This is very important for the Council in ensuring that, in an area with high levels of deprivation, the poorest residents aren't left with poor quality housing. Class MA, in allowing the change of use from E to C3, does have potential to undermine these aims.

It is considered that there is compelling evidence that all of the shopping parades within the Bootle AAP area are covered by an article 4 direction. This article 4 direction should then be reviewed no later than 5 years after implementation, when the AAP will be adopted, to see whether it is still necessary.

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## Appendix 1

### Class MA in Part 3 of Schedule 2

#### Permitted development

**MA.** *Development consisting of a change of use of a building and any land within its curtilage from a use falling within Class E (commercial, business and service) of Schedule 2 to the Use Classes Order to a use falling within Class C3 (dwellinghouses) of Schedule 1 to that Order.*

#### Development not permitted

**MA.1.**—(1) Development is not permitted by Class MA—

- (a) unless the building has been vacant for a continuous period of at least 3 months immediately prior to the date of the application for prior approval;
- (b) unless the use of the building fell within one or more of the classes specified in sub-paragraph (2) for a continuous period of at least 2 years prior to the date of the application for prior approval;
- (c) if the cumulative floor space of the existing building changing use under Class MA exceeds 1,500 square metres;
- (d) if land covered by, or within the curtilage of, the building—
  - (i) is or forms part of a site of special scientific interest;
  - (ii) is or forms part of a listed building or land within its curtilage;
  - (iii) is or forms part of a scheduled monument or land within its curtilage;
  - (iv) is or forms part of a safety hazard area; or
  - (v) is or forms part of a military explosives storage area;
- (e) if the building is within—
  - (i) an area of outstanding natural beauty;
  - (ii) an area specified by the Secretary of State for the purposes of section 41(3) of the Wildlife and Countryside Act 1981<sup>(1)</sup>;
  - (iii) the Broads;
  - (iv) a National Park; or
  - (v) a World Heritage Site;

(f) if the site is occupied under an agricultural tenancy, unless the express consent of both the landlord and the tenant has been obtained; or

(g) before 1 August 2022, if—

(i) the proposed development is of a description falling within Class O of this Part as that Class had effect immediately before 1st August 2021; and

(ii) the development would not have been permitted under Class O immediately before 1st August 2021 by virtue of the operation of a direction under article 4(1) of this Order which has not since been cancelled in accordance with the provisions of Schedule 3.

(2) The classes mentioned in sub-paragraph (1)(b) are the following classes of the Use Classes Order—

(a) the following classes of the Schedule as it had effect before 1st September 2020—

(i) Class A1 (shops);

(ii) Class A2 (financial and professional services);

(iii) Class A3 (food and drink);

(iv) Class B1 (business);

(v) Class D1(a) (non-residential institutions – medical or health services);

(vi) Class D1(b) (non-residential institutions – crèche, day nursery or day centre);

(vii) Class D2(e) (assembly and leisure – indoor and outdoor sports), other than use as an indoor swimming pool or skating rink;

(b) on or after 1st September 2020, Class E (commercial, business and service) of Schedule 2.

## **Conditions**

**MA.2.**—(1) Development under Class MA is permitted subject to the following conditions.

(2) Before beginning development under Class MA, the developer must apply to the local planning authority for a determination as to whether the prior approval of the authority will be required as to—

(a) transport impacts of the development, particularly to ensure safe site access;

(b) contamination risks in relation to the building;

(c) flooding risks in relation to the building;

(d) impacts of noise from commercial premises on the intended occupiers of the development;

(e) where—

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(i) the building is located in a conservation area, and

(ii) the development involves a change of use of the whole or part of the ground floor,

the impact of that change of use on the character or sustainability of the conservation area;

(f) the provision of adequate natural light in all habitable rooms of the dwellinghouses;

(g) the impact on intended occupiers of the development of the introduction of residential use in an area the authority considers to be important for general or heavy industry, waste management, storage and distribution, or a mix of such uses; and

(h) where the development involves the loss of services provided by—

(i) a registered nursery, or

(ii) a health centre maintained under section 2 or 3 of the National Health Service Act 2006<sup>(2)</sup>,

the impact on the local provision of the type of services lost.

(3) An application for prior approval for development under Class MA may not be made before 1 August 2021.

(4) The provisions of paragraph W (prior approval) of this Part apply in relation to an application under this paragraph as if in the introductory words in sub-paragraph (5), for “and highways impacts of the development” there were substituted “impacts of the development, particularly to ensure safe site access”.

(5) Development must be completed within a period of 3 years starting with the prior approval date.

(6) Any building permitted to be used as a dwellinghouse by virtue of Class MA is to remain in use as a dwellinghouse within the meaning of Class C3 of Schedule 1 to the Use Classes Order and for no other purpose, except to the extent that the other purpose is ancillary to the use as a dwellinghouse.”.

Appendix 2



*Bootle Area Action Plan and Article 4 Area*

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<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	Thursday 3 <sup>rd</sup> November 2022
<b>Subject:</b>	High Needs Funding 2022-23 Quarterly Monitoring Update		
<b>Report of:</b>	Executive Director of Children's Social Care and Education	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Cabinet Member - Education		
<b>Is this a Key Decision:</b>	No	<b>Included in Forward Plan:</b>	No
<b>Exempt / Confidential Report:</b>	No		

## Summary:

To inform Cabinet of:

1. The monitoring position of the High Needs budget position on the 1<sup>st</sup> of September 2022 as per previous agreement to provide update on a quarterly basis:
  - The forecast year end deficit position based on current SEND placement pressures and support for individual pupils with SEND required during 2022/23.
2. Update on the 2022/23 SEN Review / Sufficiency Programme aimed at bringing High Needs expenditure pressures back into a more manageable financial position in the future.

## Recommendation(s):

### That Cabinet is requested to:

DSG – High Needs Budget

- 1) Note the current forecast year-end deficit position relating to the 2022/23 High Needs Budget.
- 2) Recognise the financial risks associated with the delivery of the 2022/23 High Needs budget and acknowledge that the forecast outturn position will continue to be reviewed / reported to cabinet on a quarterly basis to ensure a more sustainable financial position can be achieved in the future.

Update on the 2022/23 SEN Review / Sufficiency Programme

- 3) Note work undertaken in the implementation of the new High Needs Funding Model for SEND placements in Special Schools and Alternative Provision Schools from April 2022
- 4) Note changes to SEND placements from September 2022, both in Sefton and out of Borough.

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

- 1) To provide an updated forecast financial position of the 2022/23 High Needs budget.
- 2) To ensure that the SEND Review / Sufficiency programme can progress to provide sustainable and effective SEND support for Sefton pupils within the available resources allocated through the Dedicated Schools Grant – High Needs Block.

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

N/A

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

All financial implications are contained within the report

**(B) Capital Costs**

All financial implications relating to the creation of additional in-house SEND placements and alterations to SEND accommodation to support existing SEND demand are contained within the current HN capital programme for 2022/23

**Implications of the Proposals:**

<b>Resource Implications (Financial, IT, Staffing and Assets):</b> All implications are detailed in the report	
<b>Legal Implications:</b>	
<b>Equality Implications:</b> There are no equality implications.	
<b>Climate Emergency Implications:</b>	
<b>The recommendations within this report will</b>	
Have a positive impact	N
Have a neutral impact	Y
Have a negative impact	N
The Author has undertaken the Climate Emergency training for report authors	Y

**Contribution to the Council’s Core Purpose:**

Protect the most vulnerable: allows a Sefton wide focus on educational support for children with SEND
Facilitate confident and resilient communities: Proposals allow greater localised control and focus on the SEND requirements of the borough of Sefton in the review and delivery of SEND Specialist Education Placements and Support Services
Commission, broker and provide core services: Proposals strengthen the role of Strategic SEN Commissioning at a Sefton borough level and encourages greater collaboration with in-house SEND Settings for better outcomes for children
Place – leadership and influencer: Proposals set out the road map for greater local control of SEN demand / provision by the Council
Drivers of change and reform: Proposals allow for a Sefton wide focus on educational inequalities in provision for children with SEND
Facilitate sustainable economic prosperity: Proposals allow for a broader financial focus on the borough of Sefton for education SEN support
Greater income for social investment: Proposals allow for a broader financial focus on the borough of Sefton for education SEN support
Cleaner Greener: The creation of more local in-house SEN provision should reduce SEND home to children’s transport journeys and so reduce carbon emissions

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

**(A) Internal Consultations**

The Executive Director Corporate Resources and Customer Services (FD6978/22) and Head of Regulation and Compliance (LD 5178/22) have been consulted and any comments have been incorporated into the report.

**(B) External Consultations**

**Implementation Date for the Decision**

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

<b>Contact Officer:</b>	<b>Tricia Davies</b>
Telephone Number:	<b>0151 934 3428</b>
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**Appendices:**

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## Background Papers:

Council Report - High Needs Funding Update January 2022

High Needs Funding 2022-23 Quarterly Monitoring Update February 2022

High Need Monitoring Report – July 2022

### 1. Introduction/Background

- 1.1 Through the current High Needs review, a key feature was to develop a new funding model for HN placements that was transparent, right-sized Special School budgets and provided stability for in-house placements. In January 2022, Council approved the implementation of new High Needs funding model from April 2022.
- 1.2 Although the new funding model addressed the key actions required within the review, the cost of implementing the new funding model increased the projected HN Block deficit by up £2m per year from 2022/23.
- 1.3 This report is to provide Members with the third update of the forecast financial position for the High Needs budget for the 2022/23 financial year from September 2022.
- 1.4 This report also provides an update on proposals in relation to managing the High Needs Funding support to schools and the sufficiency plans for the Local Authority to ensure that there are an appropriate number of maintained specialist placements available to meet demand. This includes plans for Capital investment, how this will be funded and how the programme will be monitored.
- 1.5 This report needs to be read in the context of the Delivering Better Value Programme that will commence for Sefton from January 2023 in tranche 2 of the Programme. This programme is intended to support Local Authorities with a significant deficit in their High Needs Budgets to be more able to manage within budget after the 2–3-year programme and support from DfE and financial Advisors has concluded. Further information regarding the programme was provided in the previous quarterly report.
- 1.6 This report should also be read in the context of the recent SEND Green Paper Consultation, which proposes the concept of a national banding and funding framework to ensure consistency of placement costs across the entire country. The implementation of such proposals (timeframes have not yet been established if this is to be implemented) will have a wider, longer-term impact upon the High Needs Budget in the future.

1.7 In this situation the Council has 2 objectives:

- i) To provide a first-class service in accordance with best practice and government advice and support those who need it; and
- ii) To ensure that this service is financially sustainable, with the Council's annual expenditure being within government funding that is allocated and in addition repays the deficit owing.

## **2. Sefton's High Needs Funding / Budget position 2022/23**

21 Despite this increased level of funding in 2022/23, the current budget forecasts indicate that this will not be sufficient to meet the additional cost pressures on High Needs this year.

22 To support anticipated increased numbers of SEND pupils requiring specialist support from September 2022 the Council agreed to the rental of 3 additional temporary classrooms along with minor building works to several existing classrooms using the High Needs capital budget.

23 Since the last report to Members there has also been over 18 SEND students placed in Out of Borough independent Schools, due to either parental preference or no in-house provision that could meet the individual pupil's needs.

24 The increase in internal and Out of Borough placements, along with the uplift to the High Needs Funding Model for 2022/23 mean that the updated forecast for the 2022/23 budget is currently a projected deficit of -£3.8 million.

25 The above deficit forecast does not take account of any further increase in the number of pupils requiring SEND support in the current financial year or any cost pressures that may arise from the proposed Pay Awards for both teaching and non-teaching staff for 2022/23 which are projected to be higher than the estimated budget uplifts contained in the current High Needs Funding Model.

26 An accumulative deficit position on the High Needs budget of £16.2m would be in place should this position materialise. At this stage it is not considered that any further options exist to mitigate this increase in year however this will continually be tested and will be a key subject within the discussions in the Delivering Better Value Programme.

## **3. Mainstream support – Current position**

3.1 The previous quarterly report provided an update in relation to mainstream school support and use of High Needs Funding. One of the approved actions from the previous report was to reinstate a system to provide High Needs Funding to mainstream schools prior to a pupil having an Education, Health and Care Plan (EHCP) to enable earlier intervention and support in schools.

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- 3.2 This system is now in further development with a planned implementation date of Easter 2023 at the start of the new financial year. Further updates on the progress of this work will be provided in future quarterly reports to Cabinet.

## 4. **Mainstream Support - Developing alternative support mechanisms**

- 4.1 The previous Quarterly Report provided an update in relation to the use of group funding to enable schools to provide support for groups of children in their setting, rather than the continued use of 1:1 teaching assistants. This system now has a revised application process set up to run from the start of academic year 2022-23 which will provide greater rigour and scrutiny to the applications received from schools to ensure that the proposals are appropriate to the pupils' needs.

This process of support will continue, and further updates given on the progress and impact in future Quarterly update reports.

## 5 **Specialist Placements, sufficiency proposed and current projects**

- 5.1 As described in the previous Quarterly Report, the strains placed upon the High Needs Budget originate not just from funding models as addressed in the preceding two sections, but also from the cost of Independent out of Borough specialist placements, the majority of which are due to a lack of sufficient maintained places within Sefton special schools and resourced provisions. This lack of spaces has resulted from the significantly increased number of EHC Assessments and resulting EHC Plans that have been processed over the past 7 years since the Children and Families Act 2014 came into force. Placement and sufficiency concerns are to be addressed through a range of measures, covering both procedure and rigour of decision-making for short and medium term funding decisions for placements, and also longer term Capital projects to increase maintained placement sufficiency.

### **Decision-Making – process and rigour**

- 5.2 Complex Cases Panel will now only consider High Needs Funding requests associated with an Education, Health and Care Plan up to a value of £20,000. The Panel, lead by the Service Manager for SEND will place scrutiny around funding being requested to that it corresponds directly to the provision identified within the EHC Plan.
- 5.3 Any funding requests of a value exceeding £20,000, including requests for Independent, out of borough placements must be submitted on the appropriate High Need Funding Resource Request Form which is considered and approved at SLT level (usually Assistant Director for

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Education) together with Service Manager for SEND.

- 5.4 Clear expectations are to be embedded that should a school/parent be requesting a change of school setting this will only be considered after a formal review of the EHCP. No decision will be made by the Case Work Officer until the rationale of any school move is discussed with Senior Case Work Officer/Service Manager following receipt of the review paperwork. A High Needs Funding request for Independent placements will only be presented to SLT when it is deemed all avenues have been explored within our maintained special/resource/mainstream setting and neighbouring authorities 'under reasonable steps'. The High Needs Funding application will also include any funding implications for health/social care/transport and confirmation that discussions have taken place on this basis.
- 5.5 Current Independent Out of Borough placements will also be reviewed for continuing suitability at appropriate transition points (for example, Year 6 to Year 7 and Year 11 to Post 16). This will ensure clear oversight of continuing Independent placements and full exploration of all maintained options to bring a pupil into Sefton maintained provision where appropriate at these stages.

## Capital Projects

- 5.5 In the previous Quarterly Report Cabinet approved a number of Capital projects as part of the recommendations to address current and future placement sufficiency concerns for specialist and resourced school provision.
- 5.6 Four projects were previously agreed for implementation for September 2022. Progress on these elements is set out below:

Name of setting	Area of need	Update
Rowan Park	ASD/SLD	Mobile classroom in place and in use
Rowan High	ASD	Mobile classroom in place and in use
Crosby High School	MLD	Mobile classroom in place. Final work to access pathway being completed
Redgate Primary School	CLD	Work underway to be completed this term.

- 5.7 Agreement was also given from the previous Quarterly Report to a number of projects planned for the 2022-23 and 2023-24 Capital Budget allowances. Of these projects updates are available on those in the table below:

Date	Name of	Area of need	Number of	Update
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	<b>setting</b>		<b>places</b>	
September 2022	Rowan Park	PMLD	6	Work completed
September 2022	Marshside Primary School	ASD	7	Work completed
January 2023	Newfield (St Teresa's)	SEMH	28	Initial site visits completed. Completion now scheduled for Easter 2023
TBC	Formby High	CLD	Up to 40	School now engaging architect to move forward with scheme. Anticipated completion date to be confirmed in due course.

5.8 Further updates will be provided as projects proceed.

## **Future Project Planning**

5.9 Further to the above plans within the current SEND Capital Funding, from September 2025, there will be a cohort of children transitioning to secondary school from primary ASD resourced provision who will likely require a provision which can meet the needs of children with ASD and/or SLD. Sefton's current provisions which cater for these pupils (Rowan Park is underway in relation to this cohort to provide more accurate forecasting and enable due consideration of the provision required. Further plans will be presented in future update reports.

## **6. Monitoring and Review**

6.1 The progress in relation to sufficiency, mainstream inclusion and the impact on the High Needs Budget will be monitored through existing management reporting processes. Service Managers for SEND and Inclusion will report to the Assistant Director for Education who in turn will ensure regular reporting to ELT and Cabinet. A quarterly report to Cabinet is already agreed to be in place and will continue to provide a mechanism to ensure that the Leaders of the Council remain fully informed.



- 6.2 In terms of rigour for special school placement and High Needs Funding spend, the SEN Team will operate as set out in sections 5.2 – 5.4 above.

## **7 What will success look like?**

- 7.1 As previously stated in Section 1.11, in this situation the Council has 2 objectives:

- i) To provide a first-class service in accordance with best practice and government advice and support those who need it; and
- ii) To ensure that this service is financially sustainable, with the Council's annual expenditure being within government funding that is allocated and in addition repays the deficit owing.

- 7.2 To fulfil these objectives, success will look like as set out below:

- Children and young people are supported within their local area and good outcomes are demonstrated. Pupils are well supported within their local mainstream school where appropriate and there is a quality offer of support available for pupils and settings.
- The group funding model is utilised by an increasing number of schools to reduce the need for reliance on 1:1 support, thereby improving provision and outcomes for those children and as an additional success factor, reducing the overall burden on the High Needs Budget.
- As a result of increased inclusion within mainstream and the creation of further maintained specialist placements, Sefton Council will have enough maintained specialist SEN placements available that are appropriate to meet the demands for specialist provision based on current and forecasted numbers.
- Such placements will be appropriately resourced to enable children and young people to be successfully supported within Sefton's own schools and providers, reducing the demand for more expensive, independent out of borough provisions.
- There is a reduction of pressure on the High Needs Budget with the Council moving to a position of financial sustainability and being able to live within the set budget year on year. It should be noted that the move to financial sustainability will take a period to take effect. Increasing inclusive practice within mainstream settings will include changes to culture and practice which

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can take a period of years to take full effect for the difference to be felt in terms of the numbers remaining within mainstream and not requiring specialist placements.

- Initial investment into additional maintained special school places will also increase the pressure on the High Needs Budget in the short term. However, this increase will be much smaller than if those places had instead been allocated to independent settings.
  - Similarly, when High Needs Funding becomes available before an EHC Plan, there will be an initial surge in mainstream schools applying for the funding as it becomes available and there will be an increase again in funding allocated to mainstreams pre-EHC Plan. However, over a period of 12-18 months there should then be a decrease in the amount of funding with EHC Plans in mainstream as more pupils had had their needs met at an earlier stage in the process. This should then also produce a plateau in the numbers of children requiring specialist provision rather than the year on year increases currently being seen.
  - As increasing numbers of children remain within the maintained mainstream and specialist sectors over the years and the number moving to independent places reduces, then the pressure on the High Needs Budget will start to reduce, moving to a position of financial sustainability at the end of that cycle.
- 7.3 This paper and previous Quarterly Reports therefore sets out the strategic approach to meeting the sufficiency requirement and how these plans provide better value for money and are cheaper than external provision which would be the only option should these proposals not take place. Having provided members with visibility on these, this strategic approach will be shared with the Delivering Better Value Programme and any further proposals will be developed than can support the council's stated objectives.
- 7.4 In addition, following this report, a detailed 5-year budget forecast will be developed that will outline the forecast annual position and impact on the high needs budget deficit and this will be reported in the next cycle. This report suggests that a period of 4-5 years may be required to reach an annual break-even position, however the aim of the Delivering Better Value Programme is to get to that position in 2-3 years therefore that will be the subject of discussion as to how these can align, and improvements be made to accelerate the programme.
- 7.5 Members will recall through previous budget reports and reports on High Needs Funding that clarity has been sought from Central government over a number of years as to how High Needs Deficits should be treated by councils. The fact that deficits exist and that a number of councils are on the DFE Safety Valve project (for those councils with the highest deficits) and one third of councils in England are working with the Delivering Better Value Programme (for those with substantial deficits) reflects the scale of the

financial problem. Firm guidance has yet to be provided as to how these deficits should be treated and how they should be 'paid back' or 'met'.

- 7.6 The proposals contained within this report will further improve the system that impacts the High Needs Budget and over time will lead to financial sustainability. This will be supported by the Delivering Better Value Programme which aims to support councils in achieving annual sustainable budgets within a 1–3-year period. In the event however that central government changes the current ringfence around the High Needs Budget and councils are required to meet this from the general fund budget or reserves then the proposals within this paper will need to be revised in order that financial sustainability is reached in a shorter time period to protect the councils wider finances as meeting a £12m deficit (end of March 2022) will require significant decisions to be made by the council. As such if the protection currently offered to this budget changes, the council will also need to change its approach. At present there is a suggestion that this ringfence will be removed in March 2023 however the council is advised that this will be the subject of ministerial discussion during the autumn that will lead to a decision. As soon as this is received this will be reported as part of this quarterly cycle to both cabinet and council

## **8 Risk of no action**

- 8.1 This report does not make specific recommendations for action from Cabinet as it is an update report and recommendations are for Cabinet to note the position and recognise the financial risks. In the previous report submitted in July 2022 recommendations were made for action which were approved by Cabinet at that time. As such this report does not carry a risk associated with no action as there are no actions for Cabinet to take.

## **9 Next Steps**

- 9.1 The recommendations within the Cabinet Report considered in July 2022 and the update in this Cabinet Report are the initial steps in the work to ensure that Sefton Council has a long-term strategy in place around Inclusion and SEND and to reach a position of financial sustainability. The following steps will follow on from this report to continue the work towards this position.
- 9.2 The LA will be engaging in the Delivering Better Value Programme in January of 2023. An initial 6-month analysis and review period will be followed up with a 2–3-year implementation based upon its findings.
- 9.3 The impact of the SEND review will be evaluated following the Green Paper consultation and any subsequent changes to legislation. The exact timeframes on the implementation of national changes after the Green

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Paper currently remain unclear, although work will be undertaken to ensure the Council works towards the proposals made in the consultation to be in as strong a position as possible in anticipation of the changes to be made.

- 9.4 The impact of this area of need will be felt within the next 4-5 years and planning for this area will need to be prioritised as an immediate follow on to this current sufficiency plan to ensure the Council is prepared for this. Data systems need to be developed to be able to provide accurate forecasting for future need. Work is due to start on this with colleagues in data and ICT services. Forecasting will initially be difficult in the coming years as we seek to understand the long-term impact of Covid on children and young people.

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<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	Thursday 3 November 2022
<b>Subject:</b>	Financial Management 2022/23 to 2024/25 and Framework for Change 2020 - Revenue and Capital Budget Update 2022/23 – Mid-Year Review		
<b>Report of:</b>	Executive Director of Corporate Resources and Customer Services	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Leader of the Council		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No		

## Summary:

To inform **Cabinet** of:

- 1 The current position relating to the 2022/23 revenue budget.
- 2 The current forecast on Council Tax and Business Rates collection for 2022/23.
- 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 performance management information for 2022/23.
- 5 The latest corporate risk management information for 2023/23.
- 6 A proposed update to the scheme relating to the discretionary payments of the Council Tax Energy Rebate.

## Recommendation(s):

**Cabinet** is recommended to:

### Revenue Budget

- 1) Note the current position relating to the 2022/23 revenue budget.
- 2) Note the actions being taken to offset the budget pressures being faced in 2022/23.
- 3) Recognise the financial risks associated with the delivery of the 2022/23 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

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position and financial sustainability can be achieved.

- 4) Approve the utilisation of up to £0.630m from the Transforming Sefton Reserve to fund the costs in 2022/23 relating to the recruitment of 20 International Social Workers within Children's Social Care.
- 5) Note the current position relating to the High Needs budget and that officers are currently reviewing all options available to the Council to mitigate the additional pressure and to make the overall High Needs budget financially sustainable.

## **Capital Programme**

- 6) Note the spending profiles across financial years for the approved capital programme (paragraph 8.1).
- 7) Note the latest capital expenditure position as at 30 September 2022 of £13.465m (paragraph 7.5); the latest full year forecast is £51.753m (paragraph 8.6).
- 8) Note the programme outputs and progress to September (paragraphs 8.10 – 8.17).
- 9) Approve a supplementary capital estimate of £1m for the Sustainable Warmth Scheme fully funded by grant from the Combined Authority (paragraph 8.18).
- 10) Recommend to Council the approval of a supplementary capital estimate for £0.350m for the essential repairs and maintenance at two Leisure Centres funded by Prudential Borrowing (paragraph 8.23).
- 11) 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 7.24-7.26).

## **Performance**

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

## **Risk Management**

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

## **Council Tax Energy Rebate – Discretionary Fund**

- 14) Approve the proposed change to the scheme relating to the distribution of payments from the Council Tax Energy Rebate Discretionary Fund.

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

To ensure Cabinet are informed of the current position in relation to the 2022/23 revenue budget.

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

To keep members informed of the progress of the Capital Programme against the profiled budget for 2022/23 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 information of key performance information and 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 2022/23 an overspend position of £3.781m is currently forecast and that further mitigating actions will be required to ensure the Council returns to a balanced forecast outturn position.

**(B) Capital Costs**

The Council’s capital budget in 2022/23 is £51.673m. As at the end of September 2022 expenditure of £13.465m has been incurred and a full year outturn of £51.753m is currently forecast.

**Implications of the Proposals:**

<p><b>Resource Implications (Financial, IT, Staffing and Assets):</b>                  Currently an overspend position of £3.781m is forecast for 2022/23. Therefore, further mitigating actions will be required to ensure the Council returns to a balanced forecast outturn position. However, it should be noted that significant pressure and risk remains, particularly relating to Children’s Social Care and energy costs. If these budgets experience further demand and inflationary pressure during the remainder of the year further corresponding savings will need to be identified.</p>									
<p><b>Legal Implications:</b> None</p>									
<p><b>Equality Implications:</b> There are no equality implications.</p>									
<p><b>Climate Emergency Implications:</b></p> <p>The recommendations within this report will</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Have a positive impact</td> <td style="text-align: center; padding: 2px;">N</td> </tr> <tr> <td style="padding: 2px;">Have a neutral impact</td> <td style="text-align: center; padding: 2px;">Y</td> </tr> <tr> <td style="padding: 2px;">Have a negative impact</td> <td style="text-align: center; padding: 2px;">N</td> </tr> <tr> <td style="padding: 2px;">The Author has undertaken the Climate Emergency training for report authors</td> <td style="text-align: center; padding: 2px;">N</td> </tr> </table> <p>The allocations of capital funding outlined in section 8 may be spent on projects that will</p>		Have a positive impact	N	Have a neutral impact	Y	Have a negative impact	N	The Author has undertaken the Climate Emergency training for report authors	N
Have a positive impact	N								
Have a neutral impact	Y								
Have a negative impact	N								
The Author has undertaken the Climate Emergency training for report authors	N								

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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.

### **Protect the most vulnerable:**

See comment above

### **Facilitate confident and resilient communities:**

See comment above

### **Commission, broker and provide core services:**

See comment above

### **Place – leadership and influencer:**

See comment above

### **Drivers of change and reform:**

See comment above

### **Facilitate sustainable economic prosperity:**

See comment above

### **Greater income for social investment:**

See comment above

### **Cleaner Greener:**

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 6995/22)

The Chief Legal and Democratic Officer has been consulted and has no comments on the report (LD 5195/22).

### **(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

<b>Contact Officer:</b>	Paul Reilly
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## Appendices:

The following appendix is attached to this report:

APPENDIX A – Capital Programme 2022/23 to 2024/25

## Background Papers:

There are no background papers available for inspection.

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## 1. Introduction

- 1.1 On 3 March 2022, Members approved the Budget for the financial year 2022/23. 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.
- 1.2 A report to June's Cabinet and Council on 14 July, provided an update for Members of the financial position with the Council for events that had materialised since the budget was approved in March, including the increased cost of providing Children's Services and the increase in energy costs affecting the Council from global price increases. A remedial action plan was presented in the report and approved by Council.
- 1.3 The report to July's Cabinet outlined that those pressures continued across a number of service areas, that an overspend in the region of £2.2m was forecast. The report to September's Cabinet outlined that pressures had increased further, primarily as a result of the impact of the initial offer for the local government pay award and further pressure within Children's Social Care. A further remedial action plan was presented in the report and approved by Council. This took the total value of pressure that had been met in year to in excess of £20m.
- 1.4 This report includes the latest Council budget monitoring report as at mid-year and thereby updates the revenue forecast outturn position for all services, including the pressures previously identified in the previous reports. In developing a comprehensive mid-year position, this report also includes key performance information and key risk management areas. This is discussed further in the next sections.

## 2. Development of a Mid-Year Review

- 2.1 In July 2022 Cabinet considered the outcome of the Local Government Association Peer Review Revisit that took place in April 2022. The peers found that the Council had worked purposefully and had seen an improved approach across all the areas.
- 2.2 The Council could evidence that it had made progress against the key recommendations from the 2018 Peer Challenge. Good relationships with partners across the system was evidenced. Peers believed the Council had a clear sense of direction around commercialisation and the parameters were well understood. The peers also believed that the Council had managed its budget effectively and evidenced improvements in the financial position and stability of the Council. Member development was judged positively, and many examples of good practice were evidenced by the peer team.
- 2.3 The peers made a number of recommendations including "Embed the service level improvements in performance management made recently and establish regular, collective and cross-cutting performance discussions at Cabinet."

- 2.4 The peers also identified that “The senior officer team consider performance, primarily through the risk register which senior officers feel has started to improve and informs subsequent deep dive activity against the key risks.” and “The improvement in the Council’s financial position over the last two years especially is featured later in this report. Key to this improving picture was a collective, corporate effort supported by regular monitoring reports to Cabinet.”
- 2.5 The peers recommended “a combined three-pronged approach which routinely enables an understanding of risk, performance and finance is key.”
- 2.6 As a result, this report presents a Mid-Year Review of finance, performance and risk and it is proposed that this approach is followed at each quarter.
3. **Revenue Budget 2022/23 – Forecast Outturn Position as at the end of September 2022**
- 3.1 Members are provided with updates of the Council’s forecast financial revenue position each month during the financial year from July.
- 3.2 The report to Cabinet in June 2022 highlighted the significant financial pressures being faced by the Council relating to Children’s Social Care and energy costs that were unforeseen at the time of setting the budget. A remedial action plan was approved to meet these estimated costs during 2022/23. These are included in the forecast outturn position below.
- 3.3 The report to Cabinet in July 2022 outlined that pressures had continued in several service areas and a net overspend of £2.197m was forecast. The report to September’s Cabinet outlined that pressures had increased further, primarily as a result of the impact of the initial offer for the local government pay award and Children’s Social Care. A forecast overspend of £7.743m was reported. A further remedial action plan was approved to meet these estimated costs during 2022/23. At this point the total value of these remedial plans is in excess of £20m for the year. However, it was acknowledged that pressures might increase further, particularly relating to assumptions around high-cost accommodation charges within Children’s Social Care which required further financial modelling in order that a further accurate figure could be provided. It was also outlined that if these pressures materialised additional remedial actions would need to be implemented to ensure a balanced forecast outturn position, potentially including the adoption of financial principles used in previous years.
- 3.4 Since August’s monitoring, there has been a worsening of the position relating to Children’s Social Care as well as additional energy costs. As at the end of September 2022, the forecast outturn shows a net overspend of **£3.781m**. 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 this forecast overspend are outlined in paragraphs 3.8 to 3.11.
- 3.5 The table below highlights the variations across services that make up the £3.781m forecast overspend:

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	Budget	Forecast Outturn	Variance	Variance to August
	£m	£m	£m	
<b>Services</b>				
Strategic Management	4.024	4.035	0.011	-0.001
Adult Social Care	102.090	102.090	0.000	0.000
Children's Social Care	52.069	67.619	15.550	1.827
Communities	17.591	16.807	-0.784	-0.204
Corporate Resources	5.559	5.048	-0.511	-0.243
Economic Growth & Housing	6.583	6.466	-0.117	-0.154
Education Excellence	11.299	12.810	1.511	0.041
Health & Wellbeing	19.349	18.888	-0.461	-0.125
Highways & Public Protection	11.214	10.954	-0.260	-0.143
Operational In-House Services	15.013	15.676	0.663	-0.060
Energy Costs	0.000	4.750	4.750	0.450
Additional Pay Award Provision	0.000	4.100	4.100	0.000
<b>Total Service Net Expenditure</b>	<b>244.791</b>	<b>269.243</b>	<b>24.452</b>	<b>1.388</b>
Council Wide Budgets	0.076	-0.395	-0.471	-0.251
Levies	35.222	35.222	0.000	0.000
General Government Grants	(72.356)	(72.356)	0.000	0.000
Remedial Action Plan - June	0.000	-12.500	-12.500	0.000
Remedial Action Plan – September	0.000	-7.700	-7.700	0.000
<b>Total Net Expenditure</b>	<b>207.733</b>	<b>211.514</b>		
<b>Forecast Year-End Deficit</b>			<b>3.781</b>	<b>2.601</b>

3.6 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 2022/23. However, there are some significant financial pressures arising due to increases in numbers of clients in nursing and residential as well as overspends in Supported Living and Day Care. Additional pressures including agency and consultancy costs are also being seen. Further work is being undertaken to refine the forecasts, including around client numbers and associated income levels, as well as the achievement of savings from the Demand Management programme.
- **Children's Social Care** – The current forecast shows a potential overspend of £15.550m, a significant increase in the figure of £13.723m reported to Cabinet in October.

As has been regularly reported over the last three years, the cost of accommodation is the largest risk to the Council's budget position. Since the July report a number of additional high-cost placements have had to be entered into which have contributed to the increase in the forecast. Since the budget was set in March there has been an increase in Independent Residential Placements from 69 to 72. In addition, there are now more cases requiring high-cost accommodation and support than previously, and the costs of these have also risen significantly. Some new cases are now initially costing substantial amounts per week. There are currently 607 cared for children and a further 419 children on child protection plans.

The Council is currently working on developing a range of options to address the inherent demand and costs of Looked After Children whilst supporting the most vulnerable residents, but this budget remains under pressure and purely from a financial point of view this is likely to continue during this year and into the next financial year.

Due to issues relating to the recruitment and retention of social workers, which has necessitated the use of agency staff, the service is looking to recruit 20 International Social Workers. It is proposed that the initial recruitment costs (£0.380m) and staffing costs for the remainder of 2022/23 (£0.250m) will be funded by the utilisation of the Transforming Sefton Reserve (unless the final outturn position allows the costs to be met without the need to utilise the reserve). The costs in future years will be met from the service's staffing budget when the requirement to employ agency workers will be reduced.

- **Education Excellence** – The current forecast shows a potential overspend of £1.487m relating to Home to School Transport. There has been an increase in the number of children being transported, especially relating to out of borough placements. In addition, there has been an increase in the cost of providing the transport.
- **Operational In-House Services** The current forecast shows a potential overspend of £0.663m. This relates to a number of areas across the Service, including forecast shortfalls in income on Burials and Cremations, Catering, Green Sefton activities (mainly golf courses) and vehicle maintenance.
- **Energy Costs** – As reported in June, the global increase in energy prices is having a significant impact on the Council's energy and fuel costs. This is currently estimated at £4.750m, an increase of £0.450m since October based on updated information from the Council's framework providers on the fees being paid. This will continue to be closely monitored as more information becomes available, including whether the Council will benefit from any reduction in costs from the energy price cap for organisations. It should be noted that energy is a national issue affecting all local authorities. However, the Government have advised that no additional funding will be made available for local government, despite representations made both nationally and locally.
- **Additional Pay Award Provision** – The approved Base Budget included a provision for the 202/23 pay award of 3%. This was in line with most other local authorities who had budgeted for between 2.5% and 3% (and when the Spending

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Review 2021 was published, the Office for Budget Responsibility was forecasting inflation to be 4% in 2022). On 25 July 2022, the National Employers for local government services body made an offer to trade unions of a fixed increase of £1,925 (plus an additional day's annual leave from April 2023). For Sefton, this equates to an increase in the pay bill of about 6.5% or an additional £4.100m above the amount included in the 2022/23 budget. It should be noted that this is the latest offer and has yet to be accepted by Trade Unions – any increase in the offer will therefore require additional resources to be identified. As previously mentioned for energy costs, this is a national issue for local government however Government have made it clear that no additional funding will be made available.

From the above it can be seen that additional pressures of about £24.5m are being experienced and this mainly reflects the pressure in Children's Social Care and that experienced from energy costs and the additional pay award. Although many of the causes of pressures on children services are being seen nationally, there are many which are Sefton specific e.g., increases in numbers of Looked After Children and increases in accommodation and agency costs), however the energy and pay award pressures of £8.9m are impacting on all local authorities. These costs were not reflected in the funding provided as part of the Local Government Finance Settlement for 2022/2023 and the Government has made it clear than no additional funding will be made available, meaning the Council needs to make remedial plans to meet these pressures.

## **Proposed Remedial Actions**

- 3.7 As reported in October, given there is still a forecast deficit 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. The proposed / implemented actions are:

### Recruitment Freeze

- 3.8 The Council has introduced a recruitment freeze until the end of the financial year. This will apply to all services across the Council with the exception of Adult Social Care, Children's Social Care, Cleansing, Early Help and Special Educational Needs and Disability. Savings from non-recruitment of current vacant posts are now built into the forecast outturn position. Savings from the non-recruitment to posts as they become vacant across the remainder of the year will be built into future forecasts.

### No Further Overspend in any Service

- 3.9 All services must manage their budgets to ensure that their forecast outturn position does not worsen from that currently reported.

### No Further Growth Items or Additionality

- 3.10 All services to pause any requests for growth or additionality, even if it could be funded from current forecast underspends or further underspends compared to the current forecast position. This will ensure that any further underspends can be used to contribute to mitigating the Council's overall financial position. This doesn't apply to expenditure that can be fully met from external funding received by the Council.

## Non-Essential Expenditure

- 3.11 A full review is currently being undertaken of all budgets across the Council to identify any areas of non-essential spend that could be stopped. This includes reviewing progress on spending in all areas to identify options for where additional expenditure commitments could be paused. This will identify further underspends that can be used to contribute to mitigating the Council's overall financial position. These options / areas of non-essential expenditure identified to date include:
- Health and Wellbeing – the forecast underspend currently reported excludes potential underspends on various contracts agreed for the year. These will be evaluated to assess the potential in-year savings, but it is anticipated this could be in the region of £1.000m.
  - Agile / Hybrid Working – the Council set aside resources to fund changes to office accommodation for the move towards Agile / Hybrid working. As the works are nearly complete it is anticipated that some of these resources can be credited back to the revenue budget – current estimate is that £0.300m can be released.
  - New Burdens funding – the Council has received new burdens funding relating to activity it has been asked to undertake on the Government's behalf. Whilst some has been required to fund additional costs incurred, some is effectively to fund activity undertaken by existing staff. Therefore, £0.100m is available to offset the existing forecast outturn position.
  - Treasury Management – the current high level of interest rates has resulted in increased investment income for the Council. Officers are reviewing current assumptions and it is expected that an additional £0.100m could be generated between now and the end of the financial year.
  - Energy Reductions – given the additional pressures relating to energy costs the Council is reviewing various measures to reduce its energy consumption.

## Summary 2022/23

- 3.12 After the implementation of the previously agreed remedial actions, an overspend of £3.781m is currently forecast. The proposed actions in paragraphs 3.8 to 3.11 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 £1.7m 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 previously approved in June and September, there is no flexibility left for the use of existing reserves and 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.
- 3.13 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 2023/24 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.

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## 4. **Medium Term Financial Planning**

- 4.1 The report to Cabinet in June / Council in July highlighted that the pressures in Children's Social Care, as well as increased Energy costs, would have a significant ongoing impact on the Council's budget in 2023/24 and 2024/25. Whilst some of this pressure was considered to be temporary, much would be permanent.
- 4.2 The report also highlighted that there would be additional pressures from 2023/24 as a result of potential increases in the National Living Wage and the impact that this would have on both the Council pay structure as well as external providers, particularly in Adult Social Care. In addition, the current high levels of inflation would lead to significant pressure on many areas of the Council.
- 4.3 The ongoing impact of the current 2022/2023 pay award offer will now also need to be met in 2023/24 given it has been funded from one-off resources in 2022/23. In addition, the Council will need to assess the ongoing impact of the additional pressures reported this month in Children's Social Care as well as other service areas.
- 4.4 Based on all of these issues, the Council's Medium-Term Financial Plan (MTFP) has been refined and updated with the potential scale of the funding gap, in the absence of any further central government funding being clear based on the information in this report. As a result, it is clear that based on this update, budget proposals will need to be developed for implementation from April 2023 (pending further Central Government advice on future funding levels) in order that the Council maintains financial sustainability. This will not be easy with extremely tight financial constraints being in existence and demand for Council services increasing continually (and councils being asked to carry out more functions); however, it is essential that this planning commences from this point. The annual comprehensive Medium-Term Financial Plan is presented elsewhere on this agenda.

## 5. **Council Tax Income – Update**

- 6.1 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 £150.008m for 2022/23 (including Parish Precepts), which represents 84% of the net Council Tax income of £178.590m.
- 6.2 The forecast outturn for the Council at the end of September 2022 is a surplus of -£2.473m. This variation is primarily due to: -
- The surplus on the fund at the end of 2021/22 being higher than estimated (-£0.517m).
  - Gross Council Tax Charges in 2022/23 being higher than estimated (-£0.335m).
  - Exemptions and Discounts (including a forecasting adjustment) being lower than estimated (-£1.621m).



- 6.3 Due to Collection Fund regulations, the Council Tax surplus will not be transferred to the General Fund in 2022/23 but will be carried forward to be recovered in future years.
- 6.4 A forecast surplus of £2.022m was declared on the 15 January 2022 of which Sefton's share is £1.699m (84.1%). This is the amount that will be recovered from the Collection Fund in 2022/23. Any additional surplus or deficit will be distributed in 2023/24 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 £56.664m for 2022/23, which represents 99% of the net Business Rates income of £57.236m. 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 2022 is a surplus of -£5.184m on Business Rates income. This is due to:
- The deficit on the fund at the end of 2022/23 being lower than estimated (-£0.091m).
  - Increase in the gross charge on rateable properties (-£0.873m).
  - A number of reliefs announced for 2022/23 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 (-£5.362m).
  - Adjustments to the Appeals Provision relating to prior years (+£1.142m)
- 6.3 When taking into account the lower Section 31 grants due on the additional reliefs, a net surplus of £1.112m is forecast.
- 6.4 Due to Collection Fund regulations, a Business Rates deficit will not be transferred to the General Fund in 2022/23 but will be carried forward to be recovered in future years.
- 6.5 A forecast deficit of £18.702m was declared in January 2022. Sefton's share of this is £18.515m. This is the amount that will be distributed from the Collection Fund in 2022/23. Any additional surplus or deficit will be distributed in 2023/24 and future years.

## 7. **High Needs Budget**

- 7.1 A report was presented to Cabinet in July 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.

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- 7.2 In light of these factors, the SEND green paper, the commencement of the Delivering Better Value Programme and the potential changes to accounting treatment of these high needs deficits that exist in a substantial number of councils in England, it was proposed that a monthly financial forecast be presented to Cabinet each month that reflects financial performance against budget and remedial planning - this would be considered alongside the wider quarterly performance report that will be presented to Cabinet and Council.
- 7.3 The High Needs Quarterly Update report presented to Cabinet in July outlined that the overspend on the High Needs budget in 2021/2022 was £4.2m resulting in an accumulated deficit of £12.5m at the end of 2021/22. The report also highlighted that a deficit for 2022/23 was forecast to be between £2.3m - £4.0m.
- 7.4 Given the increase in placements in September 2022, the current forecast overspend will be at least £3.3m, despite the provision of additional places at Sefton specialist provision schools from September. Between April and September, there has been an increase of 52 children placed at our specialist schools / SEND resource units, 172 additional EHCPs (total now 2,437 with 150 in progress) and a further 18 out of borough placements. The position is exacerbated by the additional pressures from currently proposed pay awards for 2022/23 which are significantly higher than used for the new SEND Funding Model. Initial calculations show that the current proposed pay awards will add at least an additional £0.900m cost pressure across Specialist SEND placements. There will also be an impact on non-specialist provision schools where any additional cost has to be met from the High Needs budget as schools are only required to make a fixed contribution per qualifying pupil. An accumulative deficit position on the High Needs budget of £16.5m would be in place should this position materialise.
- 7.5 In light of the current position officers are reviewing all options available to the Council to mitigate this additional pressure during the current year and to reduce the impact on the High Needs deficit. This will include accelerating the proposals reported to members in the July Cabinet paper and determining new proposals to improve sufficiency. In addition, discussions as part of the Council's participation in the Delivering Better Value Programme will be assessed as to their impact on the forecast deficit position. An update will be provided to Cabinet as a separate report in December 2022.
- 7.6 In August the Council responded to central government's call for evidence on how High Needs deficits should be considered going forward, especially in respect of the potential for the ringfence of this deficit to the Dedicated Schools Grant (DSG) to come to an end from April 2023. Such a decision obviously presents significant financial risk to all councils if this moves from being a DSG issue to one that could impact on a council's General Fund. The response was shared with relevant Cabinet Members – at the current time there has been no announcement by the Government on this issue.

## 8. Capital Programme 2022/23 – 2024/25

### Capital Budget

8.1 The Capital Budget and profile of expenditure for the three years 2022/23 to 2024/25 is as follows:

<b>2022/23</b>	<b>£51.678m</b>
<b>2023/24</b>	<b>£41.050m</b>
<b>2024/25</b>	<b>£44.629m</b>

8.2 The updates listed below have been made to the Capital Programme budget since the previous budget reported to Cabinet in October:

- **Adult Social Care** – the following projects have been reviewed and rephased into 2023/24:
  - Digitising Social Care £0.455m
  - ICT Development and Transformation £0.200m
  - Care Home Improvements £0.200m
  - Technology Enabled Care £0.150m.
- **Communities** – following a public consultation exercise which was completed at the end of July regarding the proposed £1.2m development at Orrell Mount Park, a decision has been made not to proceed with the plans.
- **Economic Growth and Housing:**
  - £2m for Transformations de Southport has been phased to 2023/24 when the majority of the public realm works is anticipated to be completed.
  - The profiled spend for Marine Lake Events Centre continues to be refined and profiled with greater accuracy in line with the programme. The budgets for the current and subsequent financial years have therefore been adjusted accordingly and are included in the amounts shown above with a further breakdown by year shown in Appendix A. There has been no change to the overall cost of the project.
- **Operational In-House Services:**
  - £0.500m for the Coastal Monitoring programme has been phased to 2023/24 as the programme is behind schedule. There have been several delays in establishing services and service delivery due to impacts related to the Covid pandemic and variation in costs has meant some services are over budget, whilst other have had to be cut to meet the budget. Prioritisation of spend within the programme is being considered and the budget will be reallocated accordingly. One proposal in development will require additional staff resources. Due to the time required to establish new work streams budget allocations have been adjusted to account for this.
  - £0.132m for replacement plant and machinery has been phased to 2023/24.

8.3 In addition to the above capital budgets the following capital grant allocations have been approved by Cabinet and Council for inclusion in the Capital Programme 2022/23 and 2023/24:

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Capital Grant	2022/23 £	2023/24 £
<b>Education Excellence</b>		
Schools Condition Allocation	2,426,403	-
High Needs Provision Capital Allocation	2,062,067	2,908,641
Basic Needs Funding	-	878,823
<b>TOTAL</b>	<b>4,488,470</b>	<b>3,787,464</b>

8.4 Authority has been delegated to Cabinet Member – Education to assign funding to individual capital schemes for the school’s block allocations reported above. The list of schemes for the 2022/23 Schools Condition Allocation and High Needs Provision has been developed and will be presented to Cabinet Member for approval. It is anticipated that these schemes will be delivered in 2023/24 and future years. A full list of the approved capital schemes will be presented in future reports to Cabinet.

### Budget Monitoring Position to September 2022

8.5 The current position of expenditure against the budget profile to the end of September 2022 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.

Service Area	Budget to Sep-22 £m	Actual Expenditure to Sep-22 £m	Variance to Sep-22 £m
<b>Adult Social Care</b>	1.708	1.600	-0.108
<b>Children’s Social Care</b>	0.107	0.108	0.001
<b>Communities</b>	0.480	0.426	-0.054
<b>Corporate Resources</b>	0.370	0.399	0.029
<b>Economic Growth &amp; Housing</b>	4.485	4.684	0.199
<b>Education Excellence</b>	1.782	1.993	0.211
<b>Highways &amp; Public Protection</b>	3.617	3.589	-0.028
<b>In House Operational Services</b>	0.685	0.666	-0.020
<b>Total Programme</b>	<b>13.234</b>	<b>13.465</b>	<b>0.231</b>

### Capital Programme Forecast Outturn 2022/23

8.6 The current forecast of expenditure against the budget profile to the end of 2022/23 and the profile of budgets for future years is shown in the table below:

Service Area	Full Year Budget 2022/23 £m	Forecast Out-turn £m	Variance to Budget £m	Full Year Budget 2023/24 £m	Full Year Budget 2024/25 £m
<b>Adult Social Care</b>	6.875	6.816	-0.058	2.984	1.610
<b>Children’s Social Care</b>	0.450	0.450	-	0.100	-

<b>Communities</b>	<b>1.009</b>	<b>1.016</b>	<b>0.006</b>	<b>0.290</b>	<b>-</b>
<b>Corporate Resources</b>	<b>6.145</b>	<b>6.073</b>	<b>-0.072</b>	<b>1.008</b>	<b>-</b>
<b>Economic Growth &amp; Housing</b>	<b>10.750</b>	<b>10.914</b>	<b>0.164</b>	<b>21.494</b>	<b>38.023</b>
<b>Education Excellence</b>	<b>4.145</b>	<b>4.181</b>	<b>0.035</b>	<b>7.401</b>	<b>0.007</b>
<b>Highways &amp; Public Protection</b>	<b>18.356</b>	<b>18.356</b>	<b>-</b>	<b>4.874</b>	<b>3.663</b>
<b>In House Operational Services</b>	<b>3.947</b>	<b>3.947</b>	<b>-</b>	<b>2.900</b>	<b>1.326</b>
<b>Total Programme</b>	<b>51.678</b>	<b>51.753</b>	<b>0.075</b>	<b>41.050</b>	<b>44.629</b>

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

8.7 The current 2022/23 budgeted spend is £51.678m with a budgeted spend to September of £13.234m. The full year budget includes exceptional items such as £2.033m for vehicle replacement, £4.439m for Green Homes and Sustainable Warmth schemes, £9.792m for Growth and Strategic Investment projects, previously approved amounts for essential repairs and maintenance (£1.916m) and a significant scheme to upgrade to LED Street Lighting (£3.887m).

8.8 The current forecast from project managers is that the above projects could be fully delivered in 2022/23. In a typical year however, the capital programme spends in the region of £25m. Given this typical annual level of spend it is likely that some further reprofiling of spend into 2023/24 will occur as the year progresses and in light of current economic conditions.

8.9 A budget variance of £0.164m has been forecast on the Economic Growth and Housing budget for 2022/23. The following explanations are provided for the key elements of the variance:

- Cambridge Road Centre Redevelopment £0.127m – further resources are required to complete the project, and these have been identified from within the Council’s current budget pending approval by Head of Service. An application to the Liverpool City Region Combined Authority for further grant funding has also been made. A supplementary capital estimate will be presented for approval once confirmation of the grant offer has been received.

### **Capital Programme Outputs and Progress to September**

8.10 The Council has spent £13.465m on its Capital Programme to the end of September 2022. The paragraphs below summarise the key areas of delivery and progress to date:

#### **8.11 Adult Social Care – Disabled Facilities Grant Core Programme**

8.11.1 From 1<sup>st</sup> April to 30<sup>th</sup> September, 140 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 59.

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## 8.12 Growth and Strategic Investment Programme

8.12.1 Crosby Lakeside Redevelopment – shell and fit-out works were completed to enable the hospitality business, The Lake House, to open in late August 2022. Works included an extension wall completion, flooring, bar installation, kitchens fit out, landscaping, furniture, painting, alarm systems installation and till system installation.

8.12.2 Marine Lake Events Centre (MLEC):

- The MLEC project continues to make good progress, RIBA Stage 2 is complete, and RIBA Stage 3 is nearing completion.
- ASM Global have been selected as the preferred operator, the biggest events venue operator in the world.
- The procurement of the build contractor is underway, with a view to appoint by December 2022.
- Full planning application has been submitted.
- The business case has been submitted to Government for final approval of the Town Fund, and all information has also been submitted to the Liverpool City Region Combined Authority in respect of the match funding.
- The project is planning to be on site in the first quarter of 2023.

## 8.13 Education Excellence

8.13.1 The following school's schemes have been completed during the summer 2022:

- Christchurch CEP – resurfaced playground, roof repairs and replacement windows, phase two.
- Farnborough Road Juniors – window replacement.
- Lydiate CP – concrete repairs.
- Hudson Primary – additional phase of heating improvements scheme (ongoing).
- Lydiate CP – rewire, phase two.
- Kings Meadow Primary – rewire, phase one.
- Farnborough Road Juniors – rewire, phase two.
- Melling Primary – office extension and nursery block.
- Waterloo CP – bay window take down and make good.
- Netherton Moss – roof repairs and toilet refurbishment.
- Marshside CP – rewire.

8.13.2 Mobile classrooms have been installed during the summer as part of the Special Educational Needs and Disabilities programme at the following schools:

- Crosby High
- Rowan High
- Rowan Park

## 8.14 Highways and Public Protection

8.14.1 Scarisbrick Avenue Public Realm Scheme – the project in support of the Southport Townscape Heritage Project is substantially complete, with some outstanding works to be completed in the New Year.

8.14.2 Highway Maintenance – the Surface Dressing, Microasphalting and Extended patching programmes have been completed. The Marine Drive Phase Three resurfacing scheme is currently on site and the remainder of the carriageway resurfacing programme will be completed in February/ March.

8.14.3 LED Street Lighting Project - the Contractor has continued to undertake work as efficiently and effectively as possible, however with more and more people working from home, in some cases this has slowed delivery of the project due to parked vehicles etc, with revisits needing to be arranged and managed accordingly. LED unit supply has been maintained with limited warranty failures (0.25%). Bearing this in mind over 6,000 LED units have been installed since April 22 and over 1,500 new columns installed over the same period. Over 1,000 column units have been delivered to date, following our agreed contractual compensation event due to steel supply issues, from a new supplier which is going to plan.

## 8.15 In House Operational Services

8.15.1 Coastal Monitoring Programme – the regional coastal monitoring programme collects coastal change data along the Northwest coast and funds three staff within Green Sefton and one based in other local authorities. Over the last six months the programme has collected beach profile data, oblique aerial photographs and radar imagery of coastal processes. It continues to maintain two wave buoys in Morecambe Bay. Coastal defence inspections have taken place across all the coastal frontages with the majority of these being delivered by the staff funded through the programme.

8.15.2 Runnels Lane Park – the park is a small plot of grassed land in Thornton with two steel goal posts and a fenced MUGA pitch. A new young children's play area has been installed in Runnels Lane Park, using Section 106 funds as match funding for a Veolia Environment Trust grant of £75k. The project created a surfaced and fenced children's play area with a mix of items such as springers, swings etc. Some landscaping work has already taken place including the planting of a Jubilee Tree. Further tree planting is due to take place before Spring next year.

8.15.3 Vehicle Replacement Programme – the replacement programme has continued with twelve new transit vans being purchased in the first quarter of 2022/23.

## **Sustainable Warmth Programme**

8.16 Sustainable Warmth Funding was secured in December 2021 to deliver retrofit upgrades for the least energy efficient homes in the borough, for people with a household income of under £30k gross per year. The funds were spread between those with gas central heating (LAD) and those without (HUG). Sefton were awarded funding to upgrade 307 properties, with 75 HUG and 232 LAD. To date all LAD works have been completed or work allocated, and HUG is progressing.

8.17 Sefton closed the LAD element of the scheme on 26 August 2022, as the Council had over 500 applications and was oversubscribed. As part of the mid-term analysis Sefton reported the ability to continue work should additional funding be available. The Department for Business Energy & Industrial Strategy have indicated

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this is probable but have delayed a decision on the award. To ensure works can continue a decision was made at the Liverpool City Region Combined Authority Growth Board, to approve the advance of £1m funding (100 properties worth of work).

- 8.18 Cabinet is requested to approve a supplementary capital estimate of £1m fully funded by external grant funding, to continue the Sustainable Warmth Funding work (in line with the recommendations set out in the report to Council “Sustainable Warmth Funding 2022-2023” 20 in January 2022), pending formal confirmation of the award and receipt of the Grant Funding Agreement from the Combined Authority.

## **Leisure Centres – Essential Repairs and Maintenance**

- 8.19 Sefton’s six leisure centres are now of an age where large cost items are reaching end of life. These items are not scheduled to be replaced as part of the existing repairs and maintenance cycle and relate to both Health & Safety and compliance with the Equalities Act (EA). Furthermore, the increasing age of the buildings and the absence of building lifestyle plans and sinking funds is placing increasing pressure on maintenance budgets. There are two centres that require urgent works to be completed: Bootle Leisure Centre (BLC) and Netherton Activity Centre (NAC).
- 8.20 The roof at BLC is leaking in a number of places which results in the sports hall being out of order, this obviously affects income. The roof has a number of photovoltaic (PV) panels fitted and it is believed that some of the leaks have been caused by these panels. The panels are old and there is little or no technical knowledge about them. Several roofing contractors have been approached to carry out repairs, but they are unwilling to do any work whilst the PV panels remain. A number of options are currently being reviewed around the panels to remove, replace, do not replace or re-site. Given the age of the roof and its realistic lifespan it is recommended that the roof be replaced at an estimated cost of £202k with some potential additional cost relating to the PV panels.
- 8.21 Secondly the lift at BLC has failed. The lift was installed in 1993/94 and due to the length of time the lift has been in situ the parts needed to repair it have become obsolete and the company that installed it are no longer trading. The only option is to replace the lift with a new replacement at an estimated cost of £38k which will ensure continued EA compliance.
- 8.22 The rebound boards that surround the 3G football pitches at NAC have failed. Over time they have crumbled and split and require replacing. There have been significant issues sourcing the materials and prices have risen significantly over the last 12 months. The estimated cost to replace all boards and keep this valuable income generating facility open will be £103k. This will involve replacing the boards with fencing which also has a significantly increased life span.
- 8.23 Cabinet is recommended to recommend to Council to approve a supplementary capital estimate of £350,000 financed by Prudential Borrowing for the essential repairs and maintenance listed above at BLC and NAC. The cost of borrowing will be funded by an increase to Leisure Centre income targets. It is believed that a nationally benchmarked external analysis of Leisure Centre income and



expenditure could highlight opportunities to generate increased revenues that could not only be utilised to cover the cost of borrowing, but also pay for the cost of a marketing function and the longer-term preservation of the assets.

## **Programme Funding**

8.24 The table below shows how the capital programme will be funding in 2022/23:

<b>Source</b>	<b>£m</b>
Grants	38.986
Prudential Borrowing	7.528
Capital Receipts	2.300
Contributions (incl. Section 106)	2.864
<b>Total Programme Funding</b>	<b>51.678</b>

8.25 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.

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

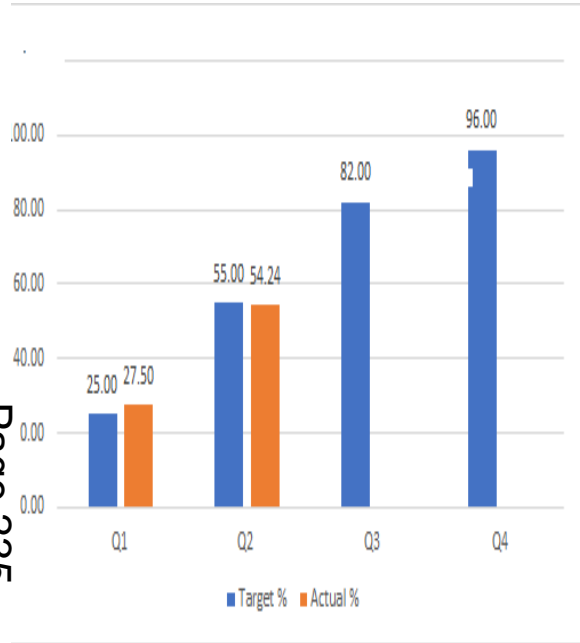
## 9. **Performance**

9.1 As stated earlier, 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.

9.2 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 as follows:

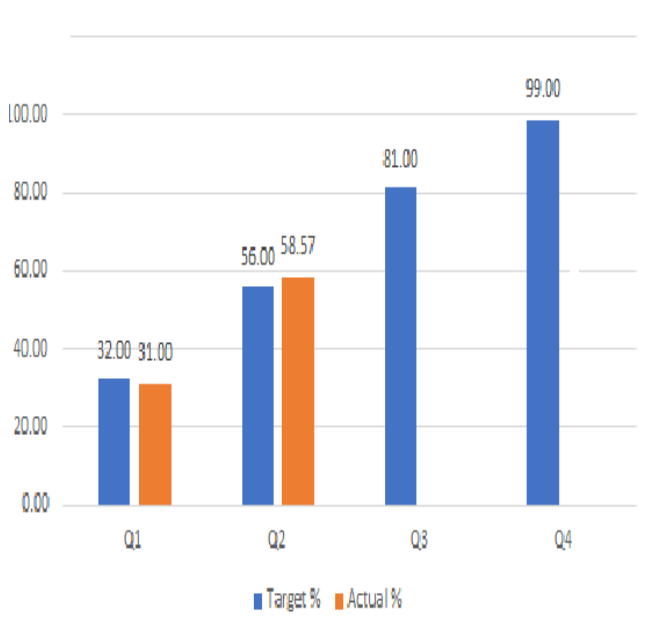
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### Council Tax Collection Rates %



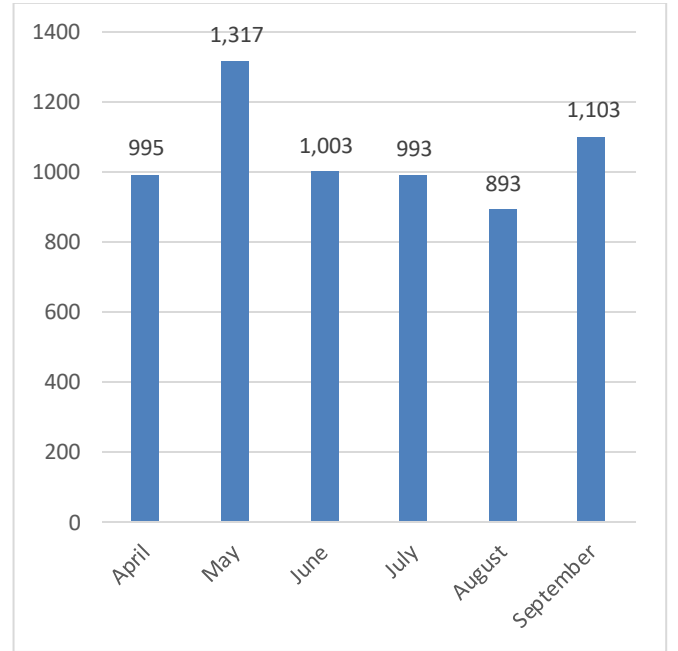
Council Tax collection is on target to reach the budgeted level by year end. At the current time performance is marginally behind the profile however this is expected to increase

### Business Rates Collection Rates %



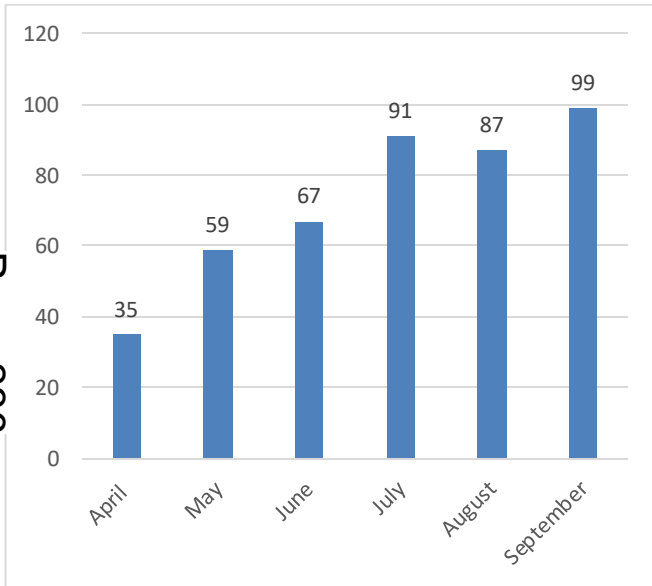
Business Rates collection is currently exceeding that budgeted for this year and is ahead of the profile at mid year review. As such the year end annual target is expected to be reached.

### Number of Emergency Limited Assistance Claims



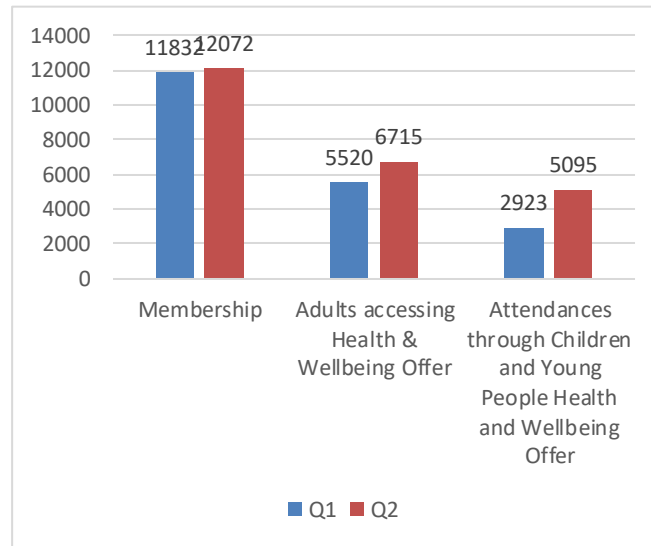
Sefton's Emergency Limited Assistance Scheme (ELAS) is available to support local people. This is for if those experiencing severe hardship, a disaster or emergency. So far this year 2121 food vouchers have been provided which is an increase of 69% on the same point last year and utility awards have increased by 83% with a total of 3176 awards being made. Demand is expected to continually increase.

### Welfare Rights Open Cases



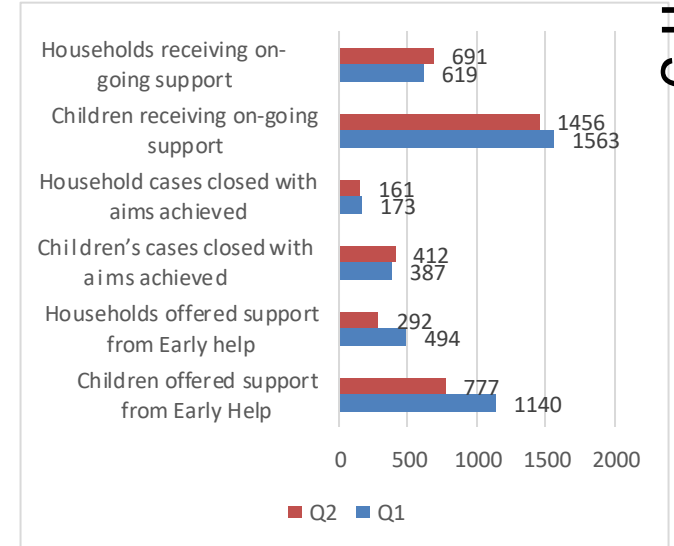
The Welfare Rights Team provide advice and guidance for people who live or work in Sefton to access welfare benefits. Between Apr-Sept 2022 the confirmed income generated to Sefton residents as a result of the support provided is in excess of £450k (per annum) and an average of an extra £115 per week per person.

### Leisure Memberships/ Number of Adults accessing leisure's health and wellbeing offer /Number of attendances across Children and Young People Programmes



Active Sefton is the brand name used to describe Sefton's Leisure Centres and health & wellbeing programmes. Despite the cost-of-living crisis and the impact of COVID, fitness memberships and leisure facility usage continue to show positive signs of recovery. The same applies to all health & wellbeing programmes, which includes GP Referral, Weight Management, Falls Prevention, NHS Health Checks, MOVE IT, 121 and Active

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

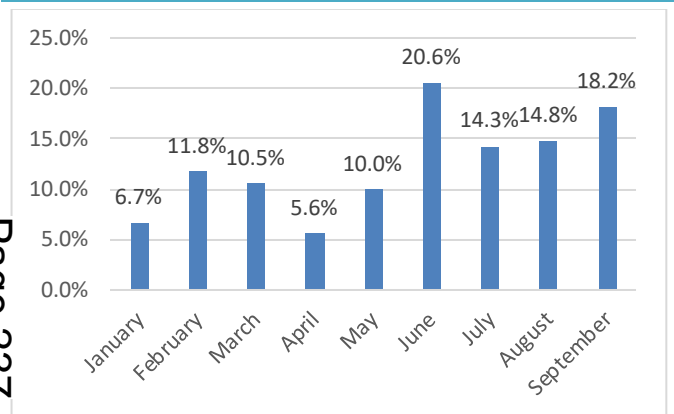


Early Help is a partnership approach to supporting children and families as soon as the need for help is identified. Based upon information gained through an assessment process, the right professionals work with the children and families to improve outcomes. Plans are put in place and reviewed regularly to ensure progress is measured and improvements stay on track. Families also benefit from signposting, advice and guidance through various community and voluntary services that provide a comprehensive

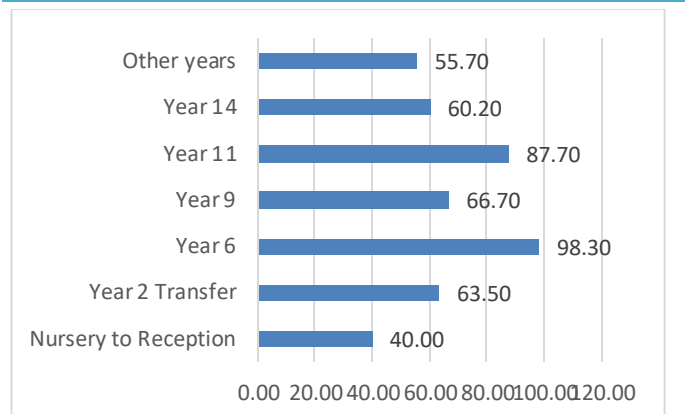
Schools, alongside seasonal delivery of children and young people's programmes, including Be Active and Park Nights.

offer. The number of referrals and caseloads fluctuate, and new children and families are received daily. Support plans are kept open until the identified needs are met and as such the service will always show as having open cases.

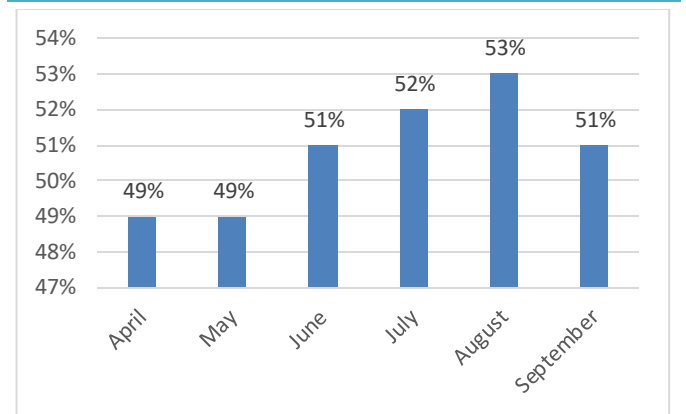
**SEND Education Health & Care Plans % completed within 20 Weeks**



**SEND Education, Health & Care Plan Reviews**



**% of Care Experienced Young People In Education, Employment or Training**

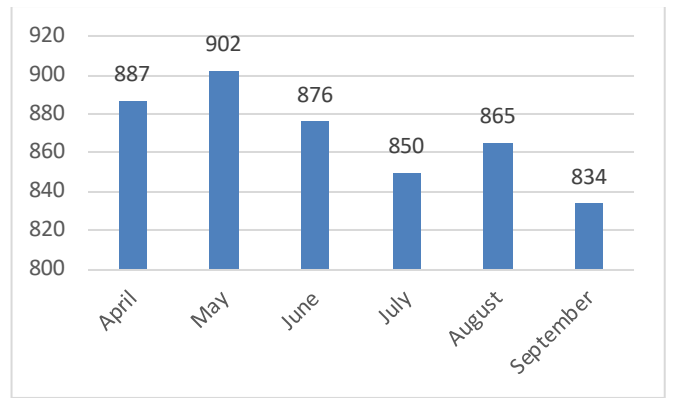


An education, health and care (EHC) plan is for children and young people aged up to 25 who need additional support from education, health and/or social care. Over the last year there has been an exponential increase in the number of EHCP requests, coupled with staffing issues this has resulted in a decline in EHCPs being finalised within the 20 week time frame. A new interim service manager started in September and has reviewed and reorganised the team as well as driving recruitment. As a result case officers are now clearer in their roles and the expectations in delivering a high quality service that supports the children and their families. The numbers of completions within timescale will increase over the next few months as well as the numbers of overdue reports being completed.

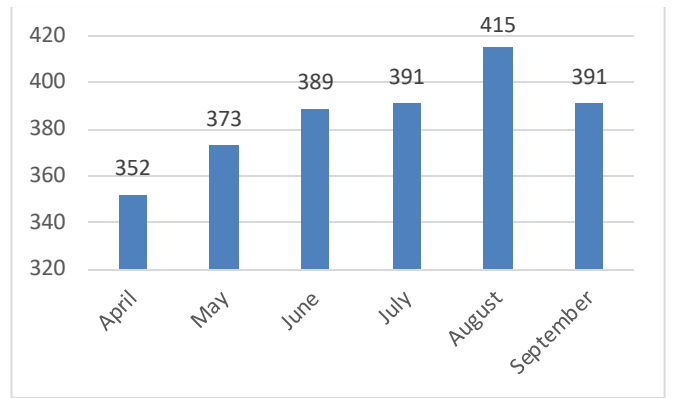
Over the last year there has been a greater focus on completing reviews for children and young people especially in the transition years. As a result the numbers of reviews being completed has risen and is now in line with national.

The percentage of care leavers (cared experienced) aged 19-21yrs who are in Education, Employment, or Training is 51%. Using the the most recent comparative data, this is an improvement on the percentage in 2021, which was 43%, below the statistical neighbour and northwest performances of 50% and the national performance of 52%.

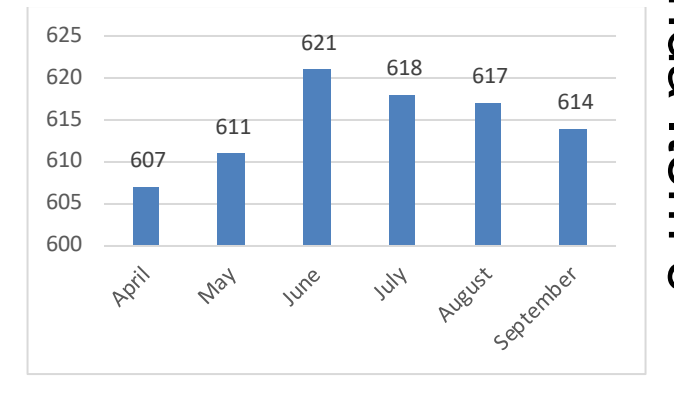
**Number of Children on a Children In Need Plan**



**Number of Children on a Child Protection Plan**



**Open Episodes of Cared for Children**



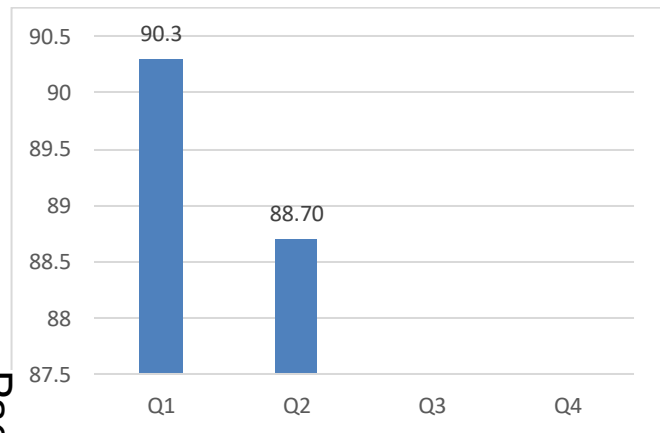
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There are no direct performance comparators with other Local Authorities as the number of children in need with a plan is not published nationally or regionally. However, despite the trend showing a slight decline in the number of children in need (0-17yrs) with a child in need plan, the number is significant with consideration to caseloads and resources. A child in need is one who has been assessed by children's social care as being in need of services, including family support, leaving care support, adoption support or disabled children's services. Typically, we would compare the rate of children in need with other LAs at a national and regional level. The rate of children in need per 10,000 children aged 0-17yrs in Sefton is 433. Using the most recent comparative data, the rate in 2021 was 400/10,000, which was above the national rate of 321/10,000 and the statistical neighbour rate of 360/10,000. The rate of children in need aged 0-17 in Sefton has been above the national rate since 2016.

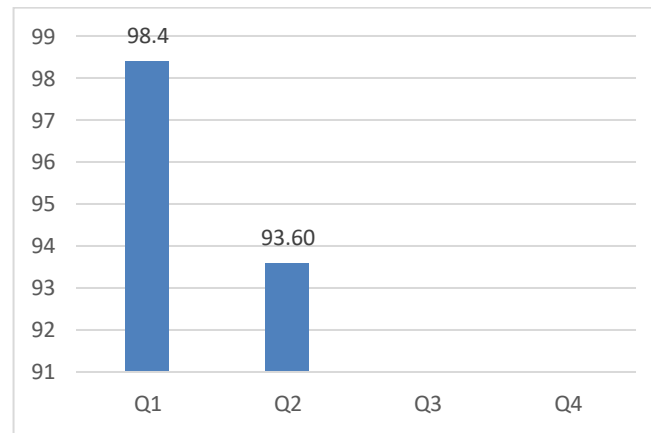
There are currently 391 children who are the subject of a child protection plan, which represents a rate of 71/10,000 children aged 0-17yrs in Sefton. Using the most recent comparative RIG data, the rate of children aged 0-17 on a Child Protection Plan in Sefton at the end Q1 (June 2022) was 66.4/10,000, compared with the Northwest rate of 48.2/10,000. 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 LA's in the Northwest.

There are currently 614 cared for children (CLA) with an open episode of care, which represents a rate of 11/10,000 children under 18yrs in Sefton. Using the most recent comparative RIG data, the rate of children looked after in Sefton at the end Q1 (June 2022) was 116.1/10,000 aged under 18yrs, compared with the Northwest rate of 97.8/10,000. Between 2013 and 2019 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. At the end of 2021 Sefton's rate of cared for children was 113/10,000 children under 18yrs, compared with 97/10,000 in the Northwest, 88.7/10,000 across statistical neighbours and 67/10,000 across England. Whilst actual numbers have fluctuated slightly over recent months, the trend is still showing an increase, which represents further demand on Council services and resources.

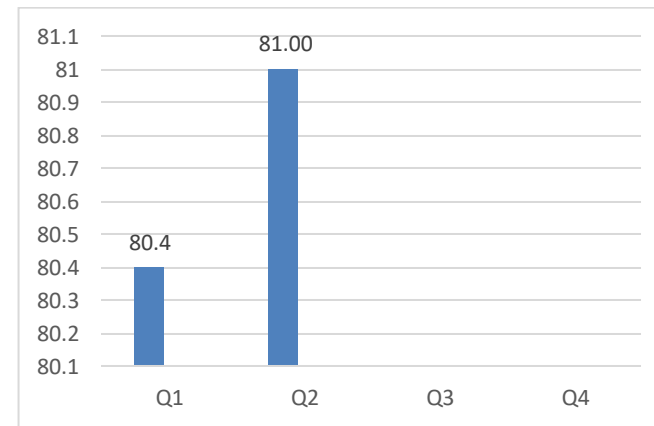
**Proportion of older people 65 and over who were still at home 91 days after discharge from hospital into reablement/rehabilitation services effectiveness of the service (2B1) (%)**



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



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



The Adult Social Care Outcomes Framework (ASCOF) measures nationally how well care and support services achieve the outcomes that matter most to most people. The three metrics included for Adult Social Care are part of the ASCOF.

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.

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.

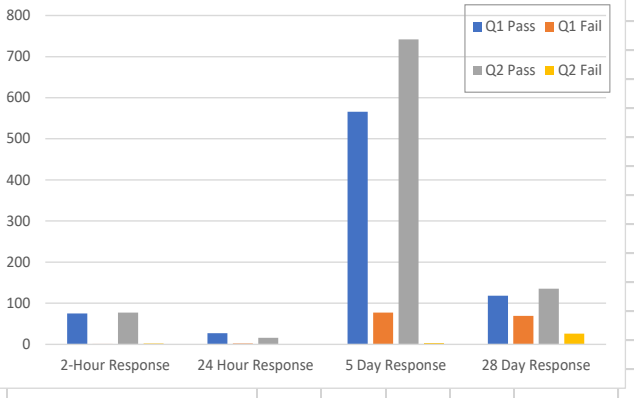
We ask those involved in a safeguarding episode what their preferred outcome would be, MSP indicates the percentage of people who had their preferred outcome fully or partially met. Whilst specific circumstances may mean that it is not always possible for an individuals desired outcomes to be achieved this is a key aspect of our safeguarding work.

Where ever possible Adult Social Care aim to support people to be as independent as possible, living at home and having strong links with their communities.

Whilst it is recognised that some people may well 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.

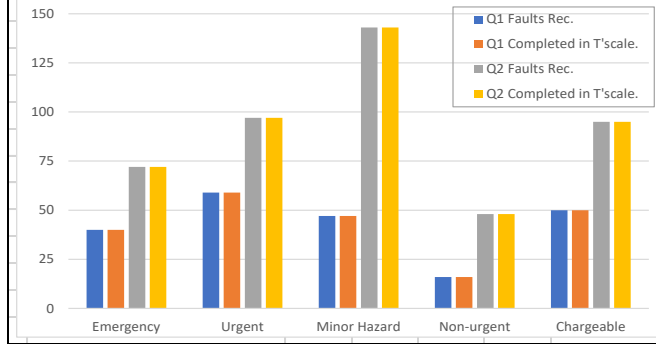
### Street Lighting – response to notified faults

	Q1 Pass	Q1 Fail	Q2 Pass	Q2 Fail	Q1&2 Total
2-Hour Response	75	1	77	2	155
24 Hour Response	27	2	16	0	45
5 Day Response	566	77	742	3	1388
28 Day Response	118	69	135	26	348

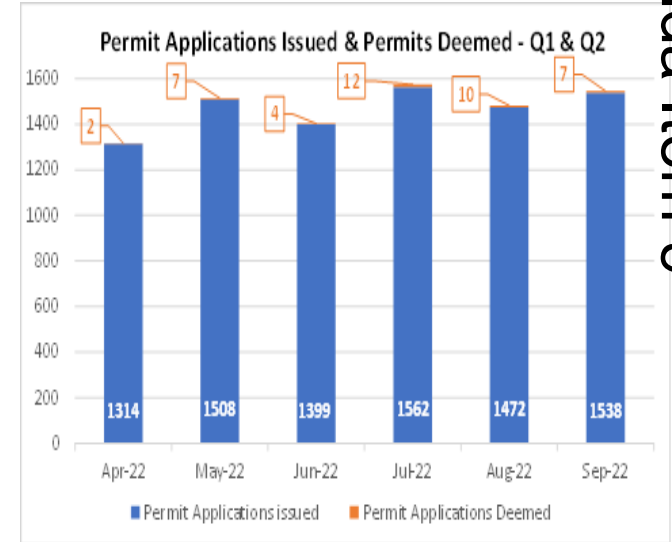


### Urban Traffic Control – response to notified faults

	Q1 Faults	Q1 Comp in Time	Q2 Faults	Q2 Comp in Time	Q1&2 Total
Emergency	40	40	72	72	112
Urgent	59	59	97	97	156
Minor Hazard	47	47	143	143	190
Non-urgent	16	16	48	48	64
Chargeable	50	50	95	95	145



### Network Management Permit Approvals



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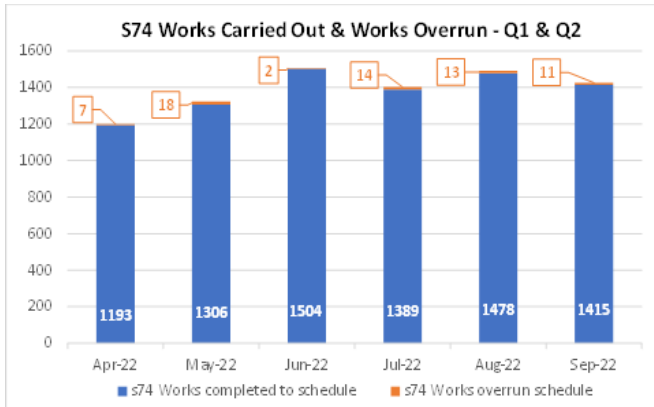
The Council has approximately 37,000 streetlights on its highways and recognises the importance of keeping them working well. When we are notified of faults, we assess the urgency of repair (e.g. 2-hours; 24 hours, 5 days etc.) allocate a target time for repair and pass it on to our appointed Contractor. 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 (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.



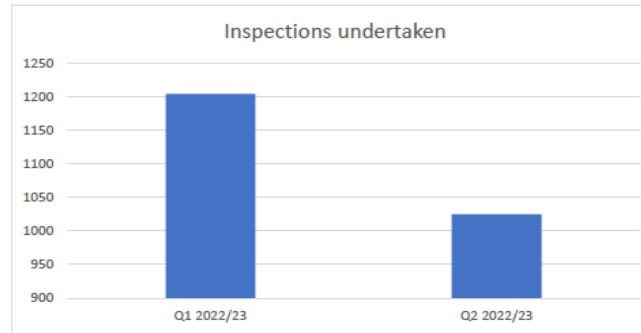
## Network Management Permit Overruns



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.

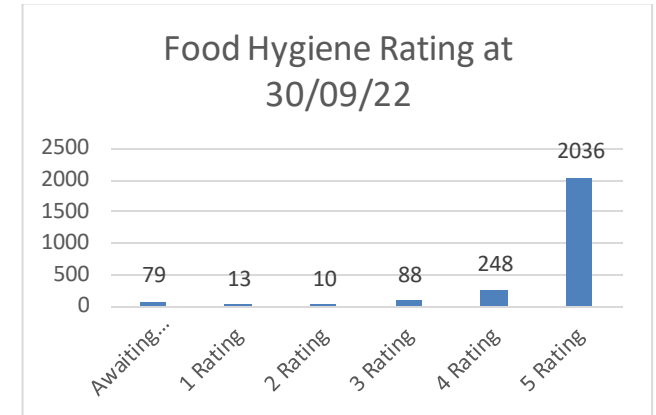
## Public Protection Inspections Undertaken

	Q1 2022/23	Q2 2022/23	Grand Total
Inspections undertaken	1204	1025	2229

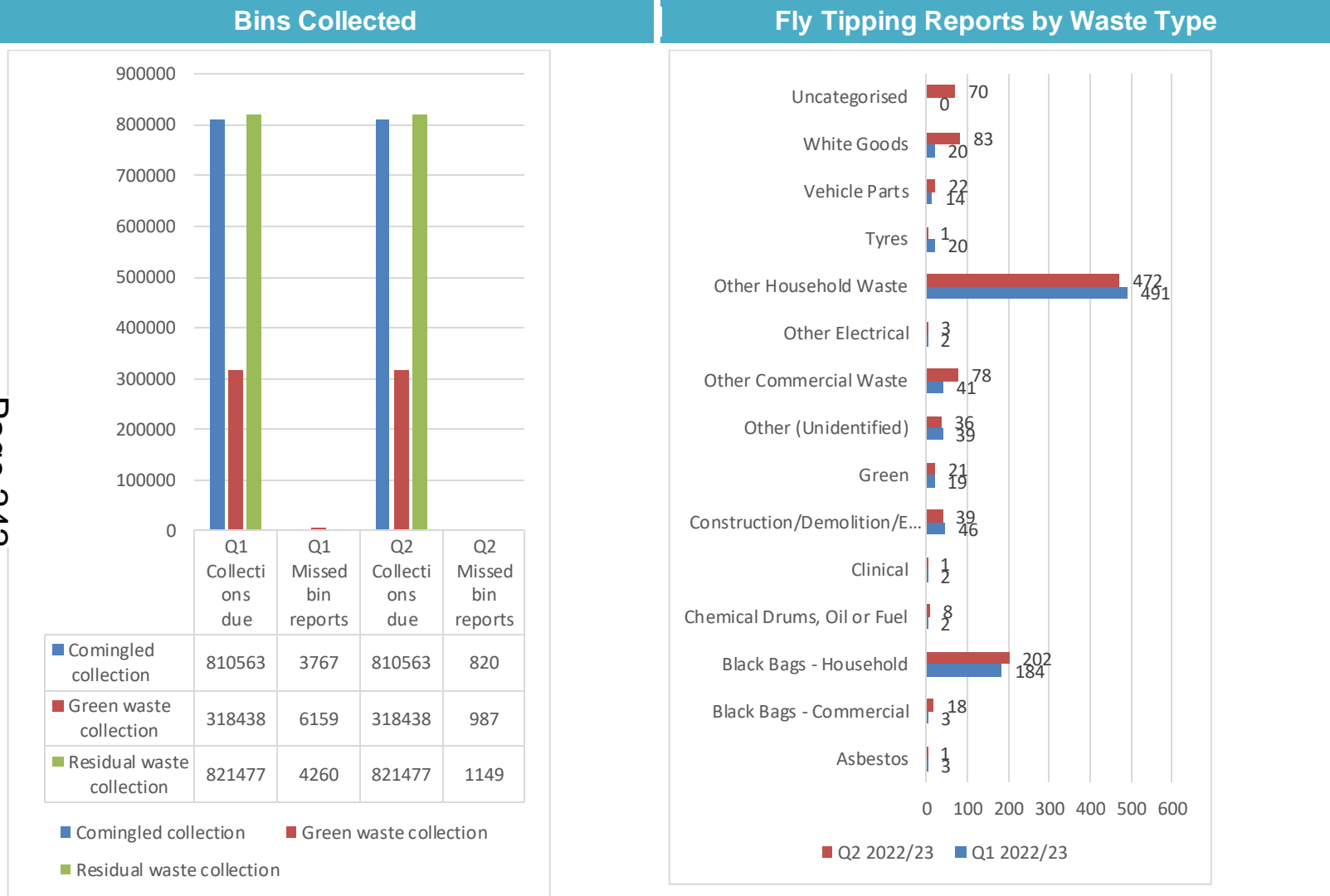


The Public Protection service undertakes a range of Food Safety, Health and Safety, Pollution Control, Trading Standards and Licensing inspections. These inspections enable us to monitor businesses, provide them with advice and guidance on legal requirements, and to take enforcement action when necessary. 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.

## Food Hygiene Rating Scores



After inspecting a business, our officers use the national Food Hygiene Rating Scheme to award them a rating. The business must display this rating for customers to see and it is also published on the Food Standards Agency website. This provides potential customers with a simple way of understanding the businesses' hygiene standards. The ratings range from 0 (urgent improvement is required) to 5 (hygiene standards are very good), with 3 indicating that hygiene standards are generally satisfactory. Whilst the food business is ultimately responsible for the standards they maintain, the Council's monitoring, advice and enforcement activities play a crucial role, and enable customers to make informed choices about where to shop and eat.



The Council has approximately 130,000 residential properties where collections of both residual and recycling waste are undertaken, predominately on an alternative weekly collection model. Of those properties, approximately 110,000 also participate in green waste collections, which is a non-statutory collection provision. We know the value of a robust and effective waste collection service however, on

occasions collections are delayed by traffic, inclement weather conditions or unforeseen circumstances. We aim to resolve complaints regarding missed collections for residual and recycling bins within 5 working days. Green bin collections are addressed within 10 working days. Our Q1 data displays a higher than average number of complaints received regarding green waste collections. This is reflective of significant operational issues that were experienced during that period. However, we are fully aware that the statistical data shown will not have captured all of the missed green bin collections experienced during that period as the majority of residents will have followed information shared via social media and our website regarding catch up collection arrangements rather than log individual complaints.

### Planning Services

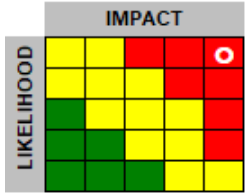
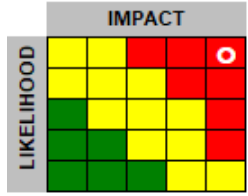
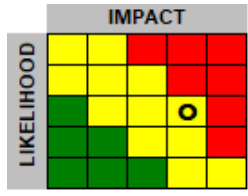
Performance indicator	Target National/Local	Q1 outturn	Q2 outturn
P1	63% of major applications to be determined within 13 weeks	81% (+18%)	100% (+27%) ↑9%
P2	68% of minor applications to be determined within 8 weeks	75% (+7%)	87% (+19%) ↑12%
P3	83% of other applications determined within 8 weeks	93% (+10%)	95% (+12%) ↑2%
P8	95% of all planning applications approved	96% (+1%)	91% (-4%) ↓5%
P9	95% building regulation applications approved	97% (+2%)	98% (+3%) ↑1%

The Service is performing well in relation to the first quarter of the year (Q1) in relation to all of its nominated targets. This has been achieved, notwithstanding the pressures brought to bear on the service as a result of Covid 19, which included new ways of working, and the introduction of special measures to assist with economic recovery. This represents an improvement on last year's performance, which has been enabled as a result of investment within the service and the new culture of working being embedded. This demonstrates that Planning

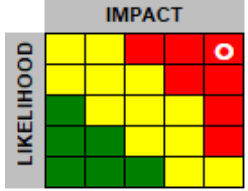
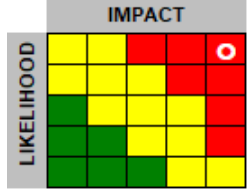
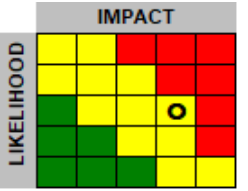
Services continues to have a positive impact on achieving both the Council and Directorate visions and objectives.

## 10. **Corporate Risk Management**

- 10.1 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 follows. These risks should be considered and aligned to the key financial and performance issues within this report.



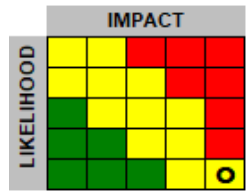
Risk Description	Previous risk score	Current risk score	Target risk score
<p>Financial sustainability beyond 2022/23</p>			
<p><b>Causes</b></p>	<p>The national review of local government funding that was expected to be completed during 2022/23, the 2021 Comprehensive Spending Review and potential financial settlements for 2023/24 and 2024/25 places further strain on the Council's overall medium-term budget.</p> <p>Due to the scale of budget reductions since 2010 there is a risk that further suitable cost-saving/income generating measures will be difficult to identify.</p> <p>. The impact of the current cost of living crisis will also have an impact on the Council's finances with increased demand for services, a reduction in income and reductions in Collection Fund income.</p> <p>Significant additional pressures, including Children's Social Care demand, energy costs, pay awards, increases to national living wage levels and especially substantial inflationary pressures that are forecast to last over the next 2 years, will all place demands on the in-year budget as well as future years' budgets.</p>		
<p><b>Result</b></p>	<ul style="list-style-type: none"> <li>• Degradation of service could have an adverse impact on residents and communities</li> <li>• The reputation of the Council may be compromised</li> <li>• Financial sustainability could be compromised</li> <li>• With inflation reaching 10%, in the absence of further government support, the Council will be in the position of having to make budget cuts and reductions to existing services, deliver less for the budget it holds, put in remedial action plans and for income charging services understand the cost of delivering services and update prices.</li> </ul>		
<p><b>Current treatments and controls</b></p>	<ul style="list-style-type: none"> <li>• The financial sustainability of the Council in the next two-year period after 2022/23 will be driven by the support offered by central government via the spending review and subsequent local government financial settlements.</li> <li>• The 2021 Spending Review indicated there would be no additional government funding nationally in these years, with only additional Council Tax available to support increases in costs.</li> <li>• It was previously forecast that the Review of Relative Needs and Resources would be completed in time to influence the 2023/24 settlement and it is estimated that this will have a negative impact on resources, however as at the start of October 2022 this consultation has not commenced and many commentators feel that it will not be in place for next year, thus increasing the uncertainty in the sector. As such developing the financial envelope to inform the Council's two-year budget from 2023/24 is difficult at this stage.</li> <li>• The Council's revised MTFP, based on the CSR announcement, was presented at the Budget Council meeting in March 2022 and this takes account of all known information to inform decision making-due to changes in global markets an update was provided to Council in July 2022.</li> <li>• Future budget assumptions will take account of the latest estimates and will also be sufficiently prudent to ensure financial sustainability is maintained.</li> </ul>		

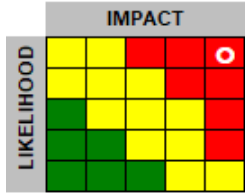
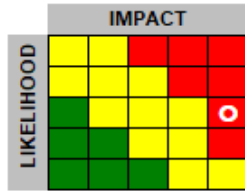
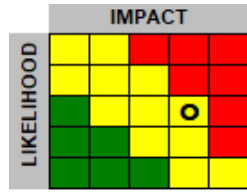
<b>Risk owner</b>	ED CR&CS
<b>Proposed actions</b>	<ul style="list-style-type: none"> <li>• Deliver the Councils Budget Plan for 2022/23 that was approved on 3 March 2022</li> <li>• Respond to all consultations in respect of the reform of local government finance and lobby for the best possible financial outcome for the Council - using the latest information from these consultations all 3-year budget assumptions will be updated accordingly. Consideration of the impact of inflation and both pay and prices will be critical</li> <li>• Ensure the rigorous approach to budget monitoring continues through 2022/23</li> <li>• Inflation reflects one of the key emerging issues to financial sustainability and is reflected in the latest financial reports that have been considered by Cabinet and Council. Assistant Directors have been asked to review all budgets and understand the impact on core service delivery and those services for which a charge is levied- these will then be considered by members as part of budget management and budget setting. In addition to this lobbying has commenced of central government to seek additional financial support in respect of mitigating the impact of inflation, potential salary growth, potential impact of increases in national living wage rates and energy price increases- all of these factors are included in the June Cabinet report and lobbying at a LCR level is currently underway. Ensure the rigorous approach to budget monitoring continues through 2022/23.</li> <li>• All of these factors will impact on budget setting for 23/24 and 24/25 also with full detail being provided in the medium term plan report that is on the Cabinet agenda for November.</li> </ul>


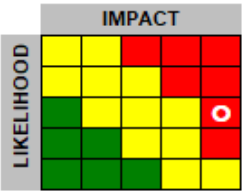
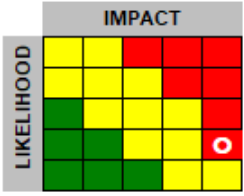
Risk Description	Previous risk score	Current risk score	Target risk score
<p>Dedicated Schools Grant High Needs Funding for Special Educational Needs is inadequate to meet requirements.</p>			
<p><b>Causes</b></p>	<ul style="list-style-type: none"> <li>• High Needs budgets are under considerable pressure from increasing numbers of children being diagnosed with complex and life-long SEND related issues.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• The current accounting override, whereby the HNF deficit is ringfenced, will come to an end meaning the Council, working with central government will need to identify how the existing £12m deficit will be funded</li> </ul>		
<p><b>Result</b></p>	<ul style="list-style-type: none"> <li>• Sefton's High Needs cumulative budget deficit is £12m at the end of 2021/22.</li> <li>• The estimated deficit on the high needs block will 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 currently the basis of review, with a call for evidence being conducted to inform ministerial discussions in the autumn. This is a significant financial risk to the Council as reported to Cabinet in July 2022.</li> </ul>		
<p><b>Current treatments and controls</b></p>	<ul style="list-style-type: none"> <li>• Report to Cabinet on work programme, timescales, and objectives</li> <li>• Engagement by Assistant Director Children's Services (Education) and the SEN team Managers on how costs can be contained.</li> <li>• Sufficiency statement produced that will drive future strategy and financial sustainability</li> <li>• Lobbying and engagement of both DfE and MCCLG on financial impact and the need for increased support</li> <li>• 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 Needs funding.</li> <li>• Review of place and top up levels of funding.</li> <li>• 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.</li> <li>• Council now part of DfE Delivering Better Value Programme</li> </ul>		

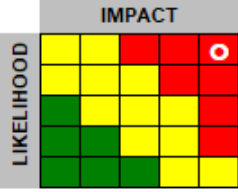
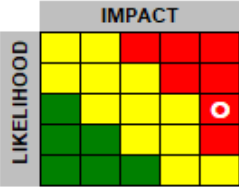
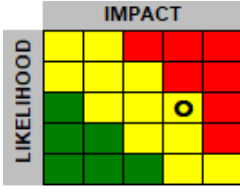


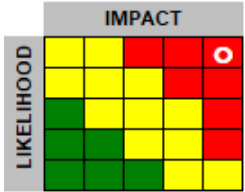
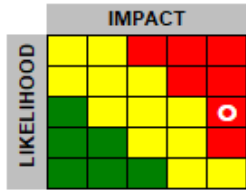
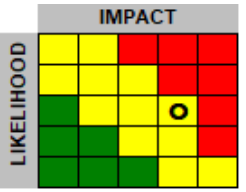
	<ul style="list-style-type: none"> <li>Comprehensive quarterly reports to be presented to Cabinet on sufficiency, in house provision, funding and deficit in order to provide rigour, transparency and inform decision making</li> </ul>
<b>Risk owner</b>	Assistant Director Children's Services (Education)
<b>Proposed actions</b>	<ul style="list-style-type: none"> <li>Lobbying of Government has been successful, and Sefton will be working in partnership with the DfE in 2022/23 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.</li> <li>Through the High Needs Review the LA has been working on two specific workstreams with School representatives working on a number of key areas:</li> <li>Developing a new funding model to support children with EHCPs.</li> <li>Clarifying high needs funding outside of the EHCP process.</li> <li>Reviewing provision and placement sufficiency.</li> <li>Considering new ways of working with SEN children in schools, making them more cost effective and with good outcomes.</li> <li>Review of the graduated response and supporting SEN leadership in schools.</li> </ul>

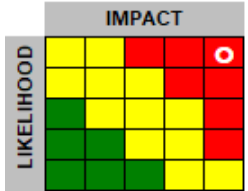
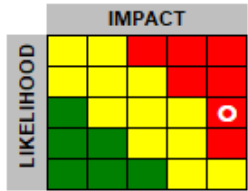
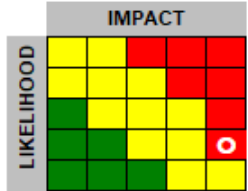
Risk Description	Previous risk score	Current risk score	Target risk score
<p>Failure to adequately invest in the Highway network and associated assets.</p>			
<b>Causes</b>	<p>Inadequate funding to meet need; budget reductions; inflationary cost pressures; insufficient internal staffing resource; insufficient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

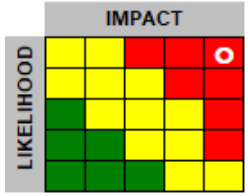
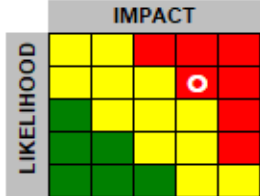
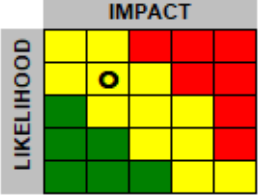
Risk Description	Previous risk score	Current risk score	Target risk score
Financial sustainability beyond 2022/23			
<b>Causes</b>	The Council has a wholly owned Housing Development Company- due to the prevailing economic conditions at present and the issues that surround supply chains (which are worldwide) there is a risk that there could be a financial impact on the Council.		
<b>Result</b>	<p>There are 3 key issues that could materialise from this risk</p> <ul style="list-style-type: none"> <li>• The Council's potential dividend may not be received at the level previously reported and this would have an impact on the MTFP for 2024/25</li> <li>• The Council provides a debt facility to the company that based on the recent Cabinet report amounts to £8.3m- this is due to be fully repaid in 2024.</li> <li>• The Council's ambition to provide high quality Housing maybe compromised</li> </ul>		
<b>Current treatments and controls</b>	<ul style="list-style-type: none"> <li>• The Council has (October 2021) received a detailed update report on all aspects of the Company's activities including building programmes, grant funding and financial implications. The new financial implications received by members were subsequently approved at Cabinet in December 2021 following the receipt from the company of an updated exit strategy.</li> <li>• Within that report members were provided with details of how the business plan was revised to inform more accurate financial projections that reflect a more accurate build, completion, and sales programme.</li> <li>• That report also provided details of the risk management approach that the company administers</li> <li>• The Company has utilised the Council's internal audit team to undertake a work programme during 2021/22</li> <li>• An update on governance arrangements for the company was approved by Cabinet in July 2022.</li> <li>• An annual report will be presented to Overview and Scrutiny Committee in November 2022</li> <li>• A self-assessment against the local partnerships guidance re. management of wholly owned companies will be completed.</li> </ul>		
<b>Risk owner</b>	CEX/ ED CR&CS		
<b>Proposed actions</b>	<ul style="list-style-type: none"> <li>• The governance arrangements and current controls will continually be 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.</li> <li>• A business plan update for 2023/24 will be provided to Cabinet in December 2022</li> </ul>		

Risk Description	Previous risk score	Current risk score	Target risk score
<p>The Council is the victim of a cyber-attack.</p>			
<b>Causes</b>	Malware, ransomware, or another virus infects the Council's systems.		
<b>Result</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Data breach occurs.</li> <li>• Financial impact of ransom.</li> <li>• Reputational damage</li> </ul>		
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 252</p> <p><b>Current treatments and controls</b></p>	<ul style="list-style-type: none"> <li>• Cyberattack prevention measures are in place, including <ul style="list-style-type: none"> <li>- Upgraded Council firewalls and active SIEM monitoring service.</li> <li>- Anti malware tools</li> <li>- New Acceptable use policy</li> <li>- LGA Stocktake completed</li> <li>- PSN Accreditation achieved and reviewed annually</li> <li>- New security standards for email encryption implemented</li> <li>- Further network security in place to reduce risk</li> </ul> </li> <li>• Back-up disaster recovery facility is in place at a separate site, allowing Agilisys to restore the top 20 critical systems.</li> <li>• 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</li> <li>• Ongoing monitoring in in place via ICT governance arrangements</li> <li>• Windows Defender anti-virus software is constantly updated alongside ESET also deployed</li> <li>• Communication to employees regarding the rise in malware attacks is in place, with plans to roll out better user education on this topic.</li> <li>• Review of Cyber Incident planning completed and revised policy released</li> <li>• Removal of unsupported systems from the network</li> </ul>		
<b>Risk owner</b>	ED CR&CS		
<b>Proposed actions</b>	<ul style="list-style-type: none"> <li>• The ongoing ICT Transformation programme will see the majority of 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.</li> <li>• Education programme for phishing to continue and this will be linked to the annual information security training.</li> <li>• Ongoing Cyber Security Improvement plan in place, including plans to bring all systems in the support of the existing ICT Contract.</li> <li>• External validation and assurance on-going, linked to improvement plan.</li> </ul>		

Risk Description	Previous risk score	Current risk score	Target risk score
Impact of Cost-of-Living Crisis on Residents and Demand for Council Services			
<b>Causes</b>	As residents become more vulnerable there is an increased demand for Council services - this increases pressure on teams and available resources.		
<b>Result</b>	<p>Increased demand will create:</p> <ul style="list-style-type: none"> <li>• Increased waiting time for some services</li> <li>• Issues around the capacity of the workforce to meet this demand</li> <li>• Budget pressure that cannot be contained</li> <li>• The requirement for the Council to administer central government support to residents in a tight timescale</li> <li>• Community cohesion will be compromised.</li> </ul>		
<b>Current treatments and controls</b>	<ul style="list-style-type: none"> <li>• 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</li> <li>• 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</li> </ul>		
<b>Risk owner</b>	All Assistant Directors		
<b>Proposed actions</b>	<p>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.</p> <p>A specific Child Poverty Strategy was approved by Cabinet in October 2022 and will be 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.</p>		

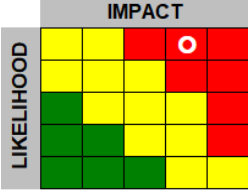
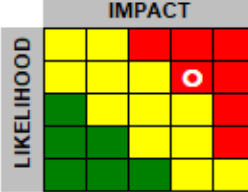
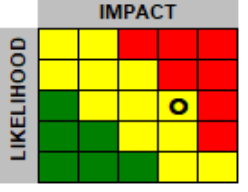
Risk Description	Previous risk score	Current risk score	Target risk score
<p>Data breach resulting in the wrongful release of personal and/or sensitive information</p>			
<b>Causes</b>	<p>Policies and processes coordinated by Information Management and Governance Executive Group are not adhered to, resulting in a higher incidence of breaches caused by human error System error occurs</p>		
<b>Result</b>	<p>Failure to comply with legal requirements; loss of privacy, distress, or harm to the data subject; damage to Council's reputation; loss of public confidence; and significant financial penalties.</p>		
<b>Current treatments and controls</b>	<ul style="list-style-type: none"> <li>Information management and governance, including data breaches and actions to prevent data breaches, is overseen by the Information Management and Governance Executive Group (IMGEG), which consists of Heads of Service with lead responsibilities for key aspects of IMG (i.e., Data Protection Officer/IG Lead, Senior Information Risk Owner, and Lead officer for ICT infrastructure) supported by other officers with key roles relating to IMG.</li> <li>Each service has designated Information Asset Owners and Information Asset Administrators. Policies, procedures, process, and issues are communicated to these officers through the Information Management and Governance Tactical Group.</li> <li>Support, co-ordination, advice, and guidance is provided corporately, and appropriate training/refresher training is in place.</li> <li>The Council has implemented policies, procedures, and processes to prevent, manage and respond to potential and actual data breaches.</li> </ul>		
<b>Risk owner</b>	<p>All Assistant Directors</p>		
<b>Proposed actions</b>	<ul style="list-style-type: none"> <li>Appropriate resourcing, prioritisation and focus on information management and governance across the Council include the following:</li> <li>Regular monitoring and review by IMGEG of policies, procedures, and processes to prevent, manage and respond to potential and actual data breaches.</li> <li>Ongoing review of information systems to ensure no inappropriate or unforeseen data linkages exist within systems or reports. Review of systems ahead of updates to identify any unintended changes.</li> <li>Ongoing education of staff and monitoring of activity by IAOs and IAAs to identify and prevent areas of human error.</li> <li>Regular review of information contained to ensure information is accurate and any information that should be removed is removed.</li> <li>Regular reporting by IMGEG to SLB and Audit and Governance Committee, as necessary.</li> <li>Maximise the opportunities from the Council's ICT Transformation to increase and embed effective information management and governance.</li> </ul>		

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>			
<b>Causes</b>	A major incident occurs affecting the Council or the Borough		
<b>Result</b>	<ul style="list-style-type: none"> <li>• Loss of human life, illness, or serious injury</li> <li>• Major damage or destruction to infrastructure, property and/or the environment</li> <li>• Disruption or loss of critical services such as transport, communications, utility services</li> <li>• Reputational or financial harm to the authority</li> </ul>		
<b>Current treatments and controls</b>	<ul style="list-style-type: none"> <li>• Emergency Response Manual and Major Incident Guidance in place.</li> <li>• Revised Command and Control structure in place which defines Strategic and Tactical level officers.</li> <li>• Emergency Duty Co-ordinators (EDCs) are able to access Resilience Direct containing incident response plans.</li> <li>• Relevant training provided to Emergency Duty Co-ordinators and volunteers on an ongoing basis.</li> <li>• Five EDCs have now completed Multi Agency Gold Incident Commander (MAGIC) accredited training.</li> <li>• Attendance and participation in Merseyside Resilience Forum and joint planning across Merseyside.</li> <li>• Humanitarian volunteers in place and regular meetings and training now offered.</li> <li>• Continuous development and review of supporting plans.</li> <li>• Service Level Business Continuity plans now completed. Business Continuity eLearning package available to all staff</li> <li>• Business Continuity risk register completed and review on quarterly basis</li> <li>• Business Continuity Policy and strategy have been devised and approved.</li> </ul>		
<b>Risk owner</b>	All Assistant Directors		
<b>Proposed actions</b>	<ul style="list-style-type: none"> <li>• A Business Continuity Management System has been devised and is currently being implemented. This includes the following:</li> <li>• Six monthly review of BC plans and activation exercise undertaken to confirm accuracy of contact details included.</li> <li>• External provider to undertake a BC exercise in Autumn 2022.</li> <li>• Review and update of BC manual ongoing.</li> </ul>		

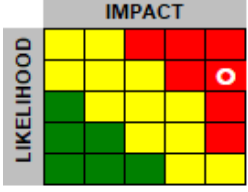
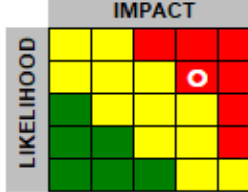
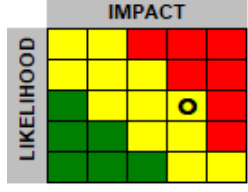
Risk Description	Previous risk score	Current risk score	Target risk score
<p>Market failure of Social Care provision across Adult and Children's</p>			
<p><b>Causes</b></p>	<ul style="list-style-type: none"> <li>• Capability and capacity of the available workforce to provide domiciliary care</li> <li>• Lack of diversity of supply in the market to provide choice and control</li> <li>• Impact of Covid-19 and need for mandatory vaccination</li> <li>• Capability and capacity of the available workforce within the care home market</li> <li>• National and regional pressures in Social Work recruitment and available workforce</li> <li>• Sufficiency in children's residential provision</li> </ul>		
<p><b>Result</b></p>	<ul style="list-style-type: none"> <li>• Inability to provide packages of care for service users and fulfil statutory duty of care</li> <li>• Lack of alternative providers able to support social care</li> <li>• Poor quality service provision and high costs</li> <li>• Significant increase in unmet needs of service users due to a fragile market that is not developing</li> <li>• Inability to meet sufficiency duty</li> <li>• 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</li> <li>• Reliance on high cost out of borough residential provision for children and young people</li> <li>• Reliance on high cost agency market to maintain staffing levels in Children's Social Care</li> </ul>		
<p><b>Current treatments and controls</b></p>	<ul style="list-style-type: none"> <li>• Market Position Statement and refresh of Children's Sufficiency strategy 22-25</li> <li>• Strengthen governance - Executive Commissioning Group/Strategic Commissioning Group</li> <li>• Strategic Commissioning Team - increased interim capacity</li> <li>• Commissioning priorities reset and improvement plan in place</li> <li>• Health and Wellbeing Strategy 2020-2025</li> <li>• Winter Planning/checklist</li> <li>• Robust supply chain review undertaken</li> <li>• Demand Management Programme in Adults and Children's</li> <li>• Local Dynamic Purchasing system - approved by Cabinet</li> <li>• Cost of Care exercise now in process and on track to meet national reporting requirements</li> <li>• Re-procurement framework development has now commenced and update scheduled for Cabinet. Timescale for procurement has been completed.</li> <li>• Extension of arrangements for block purchasing of hours in place to support hospital discharge and other opportunities to adopt similar arrangement being explored in the South</li> <li>• Fees 22/23 report completed and implemented</li> </ul>		


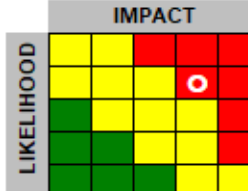
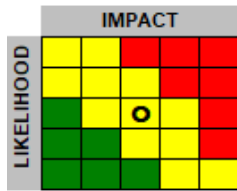


	<ul style="list-style-type: none"> <li>• Weekly escalation meetings with HOS and to DASS in place</li> <li>• Market position for ASC reporting now embedded into system calls</li> <li>• Links maintained across C&amp;M DASS group with key areas of focus on Market Sustainability, Home First and Discharge</li> <li>• LGA Peer challenge completed in July 2022 which will consider market oversight and sustainability</li> </ul>
<b>Risk owner</b>	ED ASC&H, ED CSC&E
<b>Proposed actions</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Continue to focus on strategic plans to current contracts to ensure Value for Money and objectives are met.</li> <li>• Development of new opportunities through Sefton Place Based Partnership development</li> <li>• Children's High Risk/High-Cost Project, Commissioning priorities and full work plan in progress with extension</li> <li>• Recruitment for Senior Commissioning Leadership post in process</li> <li>• Recruitment campaign developed with Market with ongoing input from Sefton at Work</li> <li>• Development of contingency plans for provider failure - risk escalation process</li> <li>• Cost of care exercises for care homes (65+) and Domiciliary Care (18+) concluded in line with DHSC requirements and outcomes to be submitted to DHSC by 14 Oct 2022.</li> <li>• Links maintained with LCR on key market risks (capacity, workforce, cost of living, ceasing of covid funding, demand)</li> <li>• New Procurement for Domiciliary Care to commence in October 2022 (with new framework in place from April 2023) -agreed at June Cabinet</li> <li>• 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 October. National Government Market Sustainability funding applied to Dom Care and care homes 65+</li> <li>• Winter planning continues and work to mobilise a rapid and reablement expansion continues</li> <li>• Explore inhouse provision of Children's residential care</li> </ul>

Risk Description	Previous risk score	Current risk score	Target risk score
Inflation and cost of care impact on budget availability			
<b>Causes</b>	<ul style="list-style-type: none"> <li>National Care Crisis reflected at regional and local level</li> <li>Increasing provider costs – CPI etc</li> <li>Impact of national decisions such as increase to National Living Wage</li> <li>Increased pressure to implement Real Living Wage – including to mirror approach adopted by other regional Local Authorities</li> <li>Workforce issues – recruitment, retention, pay and conditions</li> <li>Affordability</li> </ul>		
<b>Result</b>	<ul style="list-style-type: none"> <li>Budgetary impact / Council overspend</li> <li>Failure to meet statutory obligations</li> <li>Provider failure</li> <li>Needs of the population being unmet</li> <li>Contracts being handed back – leading to potential increased use of non-contracted Providers</li> <li>Reputational damage</li> </ul>		
<b>Current treatments and controls</b>	<ul style="list-style-type: none"> <li>Cost of Care exercise commissioned externally, and work is now in progress with external provider</li> <li>Market management by strategic commissioning re increased efficiencies</li> <li>Establishment of Local Framework Agreements to manage costs in process</li> <li>Establishment of Strategic Partnerships with providers</li> <li>Utilisation of workforce grants to support the market</li> <li>Involvement with regional forums e.g., NW ADASS Operational Commissioners Group to ensure collaborative approach, updates on key developments</li> <li>Collaborative fee setting exercise complete- paper to Cabinet imminent</li> </ul>		
<b>Risk owner</b>	ED ASC&H		
<b>Proposed actions</b>	<ul style="list-style-type: none"> <li>Cost of Care Exercise in process across all market sectors</li> <li>Use of bespoke cost of care tools to calculate costs</li> <li>Implementation of Local Frameworks to control costs (in process)</li> <li>Benchmarking with regional authorities</li> <li>Enhance pooled budget arrangements with Health in development in line with Place arrangements</li> <li>Integrated approach to commissioning further enhanced (Intermediate care, market sustainability)</li> </ul>		

- |  |  |
|--|--|
|  | <ul style="list-style-type: none"><li>• Ongoing Demand Management programme – realignment / redistribution of expenditure across service sectors to reflect actual/desired changes in demand</li><li>• Strategic review of budget in process as part of Sector Led Improvement offer</li><li>• LGA Peer review completed July 2022</li><li>• Care Cap reform work commenced – paper submitted to ELT</li></ul> |
|--|--|

Risk Description	Previous risk score	Current risk score	Target risk score
<p>Failure to meet the targets set out in the Council's declared climate emergency</p>			
<b>Causes</b>	<p>The Council has declared a climate emergency with a view to becoming a net zero contributor by 2030- the aim of this declaration is to improve the lives of residents, make the Borough a more attractive place to live and work, contribute to addressing the global impact of climate change contribute to stopping the deterioration of the Sefton environment.</p>		
<b>Result</b>	<ul style="list-style-type: none"> <li>• Further deterioration in air quality</li> <li>• Extensive Coastal Erosion</li> <li>• Further deterioration in overall Sefton Environment</li> <li>• Sefton fails to support the drive to reduce carbon emissions that are having a significant impact on climate change</li> <li>• Reduced life expectancy</li> <li>• Reputational damage having declared an emergency and agreed a strategy and implementation plan</li> </ul>		
<b>Current treatments and controls</b>	<ul style="list-style-type: none"> <li>• Council has declared a climate emergency</li> <li>• Council has agreed the Strategy to meet this Declaration</li> <li>• Initial activities all completed</li> <li>• 3-year implementation place agreed by Council</li> <li>• Pathway to net zero articulated in latest annual report including residual amount that maybe left and financial support that will be required from central government for decarbonisation</li> <li>• Annual Reports track progress and are reported to Cabinet and Council</li> <li>• Initial projects in 3-year period include- move to agile working for staff, street lighting energy scheme, decarbonation work at Bootle and Southport Town Halls and procurement of 100% renewable electricity</li> </ul>		
<b>Risk owner</b>	<p>ED CR&amp;CS and ED People</p>		
<b>Proposed actions</b>	<ul style="list-style-type: none"> <li>• Introduce 100% renewable electricity</li> <li>• Ensure completion of initial 3-year implementation place</li> <li>• Identify and bid for external funding to support change initiatives as without such financial support this will compromise the Council's ability to meet its target</li> <li>• Work with Combined Authority on communication strategy and leverage the CA to identify external funding and align with their programme of works</li> <li>• Work with the voluntary sector who have also declared a climate emergency - this will support delivery of schemes, external funding generation and community engagement for both organisations. Work on-going with Multi Agency Partnership to galvanise alignment with Partners activity in this area and influence delivery in line with Sefton's Strategy.</li> </ul>		

Risk Description	Previous risk score	Current risk score	Target risk score
Demand and Cost of Home to School Transport – Impact on the Financial Sustainability of the Council			
<b>Causes</b>	<p>Increasing expenditure is being driven by:</p> <ol style="list-style-type: none"> <li>1) The rising number of children and young people with an Education Health and care plan.</li> <li>2) The rising number of children and young people whose needs are not met in local mainstream provision and placed in educational provision outside the local area</li> <li>3) The rising cost of fuel and living</li> <li>4) Driver and escort shortages, competing for scarce resources</li> </ol>		
<b>Result</b>	<ul style="list-style-type: none"> <li>• Supply unable to match demand</li> <li>• Increased waiting time for users, impact on school attendance</li> <li>• Financial and reputational risks, financial sustainability of Council could be compromised, budget pressure cannot be contained</li> <li>• Capacity of the workforce to meet this demand</li> <li>• Potential for poor service delivery</li> <li>• Negative socio-economic impact</li> <li>• High level of media and public interest in the Council's actions</li> <li>• Loss of reputation</li> </ul>		
<b>Current treatments and controls</b>	<ul style="list-style-type: none"> <li>• Report to Leadership Team and Cabinet</li> <li>• Engagement with SEND on how demand can be contained</li> <li>• Review of In-House Fleet and post 16 charging policy</li> <li>• Monthly finance reports</li> <li>• On-going review of all provision</li> <li>• Personal travel budgets</li> </ul>		
<b>Risk owner</b>	Assistant Director of Education Excellence		
<b>Proposed actions</b>	<ul style="list-style-type: none"> <li>• Expand personal travel budget programme</li> <li>• Explore expansion of in-house fleet</li> <li>• Engagement with SEND on how demand can be contained</li> <li>• Review of travel solutions, focus on Post 16, out of borough, single occupancy and personal assistants</li> </ul>		

# Agenda Item 9

## 11. Council Tax Energy Rebate Scheme – Discretionary Fund

- 11.1 Cabinet in June 2022 approved a scheme relating to the distribution of payments from the Council Tax Energy Rebate Discretionary Fund. The total funding available for distribution was £708,150, with all payments having to be made by 30 November 2022.
- 11.2 The approved scheme meant that a significant part of the Discretionary Fund was awarded directly to specific groups, with no requirement for an application process. It was estimated that once the direct awards were made, £111,420 would be available to fund discretionary payments for certain groups who had not qualified for a payment previously.
- 11.3 However, only 23 applications were received, with only 8 approved as many of these had already received support. Therefore, the Council still has £109,040 available.
- 11.4 In the approved scheme, one of the groups to receive further support from the discretionary fund were Council Taxpayers whose sole or main residence is in a band A-D or E-H property and on 1st April 2022 they are in receipt of (means tested) Council Tax Reduction, which includes children in their household at that property. The additional award was £20 for 2 or less children or £30 for 3 or more children.
- 11.5 To ensure that as much funding as possible is distributed by the deadline it is proposed to make a further award to each household mentioned in paragraph 11.4 - £18 for 2 or less children or £22 for 3 or more children. Again, this would be an automatic award with no requirement to make an application.

## APPENDIX A – Capital Programme 2022/22 to 2024/25

Capital Project	Budget		
	2022/23 £	2023/24 £	2024/25 £
<b>Adult Social Care</b>			
Digitising Social Care	50,000	405,000	-
Core DFG Programme	2,000,000	-	-
Occupational Therapy Support for DFGs	603,774	-	-
ICT Development & Transformation	668,556	260,000	-
Care Home Improvements	787,559	200,000	-
Changing Places	92,507	-	-
Retail Model within Health and Wellbeing Hubs	450,000	-	-
Extra Care Housing	-	750,000	750,000
Short Term Assessment Unit	860,000	860,000	860,000
New Directions Programme	195,000	195,000	-
Technology Enabled Care	270,806	163,750	-
Sefton Carers Centre	30,000	-	-
Community Equipment Provision	300,000	-	-
Double to Single Handed Care Equipment	150,000	-	-
Community Equipment Stores	250,000	100,000	-
Programme Support	166,625	50,000	-
<b>Children's Social Care</b>			
Support for Fostering Placements	100,000	100,000	-
Community Equipment – Children's	250,000	-	-
Springbrook Refurbishment	100,000	-	-
<b>Communities</b>			
Dunes Splashworld – Essential Repairs	463,133	101,874	-
Dunes Splashworld – Health and Safety Works	270,000	-	-
Libraries - Centres of Excellence	90,000	188,019	-
Section 106 Funded Projects	185,990	-	-
<b>Corporate Resources</b>			
Council Wide Essential Maintenance	1,051,028	1,007,707	-
STCC Essential Maintenance	54,650	-	-
Victoria Baths Essential Works	76,960	-	-
Bootle & Southport Town Hall Retrofit Energy Saving	29,950	-	-
Green Homes Grant Sustainable Warmth Schemes	4,438,882	-	-
ICT Transformation	493,281	-	-
<b>Economic Growth &amp; Housing</b>			
Strategic Acquisitions - Bootle	17,620	-	-
Cambridge Road Centre Development	53,930	-	-
Crosby Lakeside Development	1,715,913	-	-
Town Centre Commission Bootle Canal Side	240,263	-	-
Bootle Canal Side Business Plan	556,862		
Southport Market Redevelopment	47,335	-	-
Strategic Acquisitions - Ainsdale	90,600	836,423	-
Marine Lake Events Centre	6,369,392	13,268,773	37,948,199

# Agenda Item 9

	2022/23 £	2023/24 £	2024/25 £
Enterprise Arcade	660,000	834,000	-
Transformations De Southport	-	2,500,000	-
Strand Business Plan	40,000	375,000	75,000
Strand Repurposing Project	-	680,000	-
Housing Investment	33,960	-	-
Brownfield Fund for Housing Development	537,790	-	-
Social Housing Allocations Scheme	65,000	-	-
Southport Pier	321,822	3,000,000	-
<b>Education Excellence</b>			
Schools Programme	3,377,472	7,400,536	7,055
Planned Maintenance	197,617	-	-
Special Educational Needs & Disabilities	570,083	-	-
<b>Highways and Public Protection</b>			
Accessibility	989,402	-	-
Healthy Lifestyles	790,000	-	-
Road Safety	120,000	-	-
A565 Route Management Strategy	2,349,041	-	-
A59 Route Management Strategy	839,000	-	-
Strategic Planning	1,510,634	-	-
Traffic Management & Parking	55,000	-	-
Highway Maintenance	5,600,454	-	-
Bridges & Structures	517,921	-	-
Drainage	337,340	-	-
Street Lighting Maintenance	327,400	-	-
LED Street Lighting Upgrade	3,886,920	3,605,580	3,662,630
Urban Traffic Control	902,830	-	-
Transport Growth Schemes	-	1,268,620	-
Completing Schemes / Retentions	130,000	-	-
<b>In House Operational Services</b>			
Burials & Cremation Service – Vehicles & Equipment	47,713	-	-
Coastal Erosion and Flood Risk Management	908,473	2,252,701	1,306,000
Parks Schemes	110,426	102,989	-
Tree Planting Programme	134,505	19,769	19,769
Golf Driving Range Developments	9,988	280,280	-
Ainsdale Coastal Gateway	327,712	-	-
Crosby Marine Lake Improvements – Phase 1	30,339	-	-
Green Sefton – Plant & Machinery	-	131,152	-
Vehicle Replacement Programme	2,033,329	113,000	-
Wheeled Bins	345,000	-	-
<b>TOTAL PROGRAMME</b>	<b>51,677,787</b>	<b>41,050,173</b>	<b>44,628,653</b>



# Agenda Item 10

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	Thursday 3 November 2022
<b>Subject:</b>	Financial Management 2022/23 to 2024/25 and Framework for Change 2020 - Medium-Term Financial Plan 2023/24 to 2025/26		
<b>Report of:</b>	Executive Director of Corporate Resources and Customer Services	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Leader of the Council		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No		

## Summary:

To inform **Cabinet** and **Council** of: -

1. The update to the Medium-Term Financial Plan (MTFP) for 2023/24 to 2025/26 taking account of all currently available information.
2. The position in respect of the Council's High Needs Budget, the commencement of the Delivering Better Value programme and within this the need to reach an annual financially sustainable position. In addition, these plans will be shared with the Council's external auditor.

## Recommendation(s):

**Cabinet** is recommended to: -

- 1) Note the updated Medium-Term Financial Plan for 2023/24 to 2025/26 and any assumptions made.

**Council** is recommended to: -

- 1) Approve the updated Medium-Term Financial Plan for 2023/24 to 2025/26 and any assumptions made.

## Reasons for the Recommendation(s):

In March 2022 Council approved a one-year budget plan for 2022/23. As part of this report, an indicative budget gap of £8.9m for 2023/24 to 2024/25 was reported, before any decisions on the level of Council Tax. The MTFP for this period has subsequently been updated to reflect the latest information available and to reflect the ongoing service pressures the Council is facing. The MTFP period has also been extended by a further

# Agenda Item 10

year to 2025/26. In approving the recommendation laid out in this report, the Council will continue to ensure resources are well managed and reflect the key priorities of the residents of Sefton.

## **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 a total budget gap of **£47.612m** is currently forecast for the period 2023/24 to 2025/26, prior to decisions about Council Tax and any further budget savings being made. However, there is considerable uncertainty around some of the assumptions made, particularly around government funding.

### **(B) Capital Costs**

None

## **Implications of the Proposals:**

The following implications of this proposal have been considered and where there are specific implications, these are set out as follows:

<b>Resource Implications (Financial, IT, Staffing and Assets):</b>	
None	
<b>Legal Implications:</b>	
None	
<b>Equality Implications:</b>	
There are no equality implications.	
<b>Climate Emergency Implications:</b>	
The recommendations within this report will	
Have a positive impact	N
Have a neutral impact	Y
Have a negative impact	N
The Author has undertaken the Climate Emergency training for report authors	N

## **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.

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

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

### (A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services is the author of the report (FD 6986/22)

The Chief Legal and Democratic Officer has been consulted and has no comments on the report (LD 5186/22).

### (B) External Consultations

N/A

## Implementation Date for the Decision

Following the expiry of the “call-in” period for Minutes of the Cabinet Meeting and immediately following Council.

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## **Appendices:**

There are no appendices to this report

## **Background Papers:**

There are no background papers available for inspection.

## 1. Introduction

- 1.1 In March 2022, Council approved a one-year budget plan for 2022/23. The forecast revenue outturn position for 2022/23 is being reported to Cabinet each month as a key element of effective financial management and ensuring that informed decision making can take place within the severe financial environment that is currently being experienced.
- 1.2 The budget report presented to Cabinet on 10 February 2022 and Council on 3 March 2022 outlined an initial forecast for the potential budget gaps for 2023/24 to 2024/25. An initial estimate of the potential budget gap for the two-year period was £8.9m before any decision on increasing Council Tax. However, the report indicated that this initial estimate could vary considerably given the high level of uncertainty, particularly around Government funding.
- 1.3 This report provides members with the Council's updated Medium Term Financial Plan (MTFP) for the period 2023/24 to 2025/26. This period reflects the last two years of the current Spending Review and what would be the first year of a subsequent spending review period.

## 2 National Context for Local Government Finance

- 2.1 In autumn of 2021, central government announced the outcome of its three-year Spending Review for the period 2022/23 to 2024/25. This included details of the departmental expenditure limit for local government. Within this was some growth in support that would be available in 2022/23 as reported to Budget Council in March 2022, but then no additional financial support being available from 2023/24 onwards. At the time many commentators, including the Institute for Fiscal Studies, stated that without further support being made available in these latter two years, or councils having the ability to raise additional income through higher council tax increases, service reductions would be required to balance local authority budgets.
- 2.2 Crucially, this Spending Review which would see no additional support being provided in the latter two years, was based upon an assumed inflation rate of 2-3% for the period and was made before international energy prices increased substantially from the early part of 2022.
- 2.3 With inflation reaching almost 10% in September 2022, the impact on local government has been well documented with financial pressure on pay awards, energy (over 100% increase) and all contracts seeing councils having to put in remedial plans in the current year to ensure budgets can be balanced and financial sustainability maintained. Similarly, whilst current year pressure has had to be met on a temporary basis this year, the longer-term impact will be severe for councils. Pressure funded on a temporary basis this year will require permanent funding in 2023/24 and this will be compounded as there is no sign of the prevailing market conditions changing. Thus, there will be at least two years of pressure in these core areas that is substantial:-
  - Pay
  - Energy
  - Contracts

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- 2.4 This pressure, in the absence of any further central government support or the ability to raise further income from taxation, will severely impact the financial sustainability of the sector. For example, the Local Government Association have recently conducted work and identified a funding gap of £3.6bn in 2023/24, rising to £4.5bn in 2024/15 (when this work was undertaken inflation was at 8%, it has since increased to 10%).
- 2.5 This position is further compounded by the cost-of-living crisis that is and will continue to affect residents and increase the demand for council services, which in turn will place further financial pressure on councils.
- 2.6 In recent years councils, the Local Government Association, SOLACE, etc., have all lobbied for further financial resources to be provided to support Adults and Children's Social Care. These two areas continue to experience significant cost pressure and the government's own report into children's social care by Josh MacAlister suggested that a fundamental review of the system was required and funding of £2bn would be needed.
- 2.7 The range and extent of these pressures that exist within local government will therefore be reflected in the financial challenge to set and deliver robust and sustainable budgets for this medium-term financial plan period.
- 2.8 In developing the Medium-Term Financial Plan, a number of estimates reflect central government policy and direction in advance of the actual local government financial settlement. With a new government now in place at this current time there has been no further information being made available to the sector on how or if these pressures will be addressed. At this time and on the rise of the September financial statement, ministers are advising that no further support will be made available to councils to support with these challenges and there is the risk that spending reductions will be required from central government departments to support this latest national budget. A further fiscal statement is due on 31 October 2022 (details are not known at the time of publishing this report) at which point further information may be available and the local government financial settlement should be received by councils before Christmas, however the current language and direction from central government at present does not suggest that further financial support will be received. By way of illustration with the Spending Review assumed inflation of 4% in 2022/23, reducing to 2-3% over the following two years, if inflation is 10% in 22/23 and 23/24 that will be compound rate of 22% by the end of that period, thus reflecting the scale of the financial challenge facing local government in the absence of further support.

### **3 Current Position with Sefton**

- 3.1 Members will be familiar that each month Cabinet are provided with budget monitoring reports that support informed decision making and ensure that financial sustainability is maintained. During this year's reports there has been the requirement for Members to approve remedial plans in the first six months in order to meet unexpected and unbudgeted for financial pressure. This pressure has resulted from pressure in the Children's Social Care sector / national economy around agency staff rates and accommodation costs, and also price inflation on energy and the impact of the pay award, again driven by inflation.

- 3.2 Combined, these three factors have required £20m to be met, using temporary and one-off funding. Within that funding package, £3.6m of general fund reserves has been utilised, thus reducing the overall level to 5% and £12.1m – the minimum level considered appropriate for Councils and now below the estimated level of 6.5% that's required based on risks facing the Council. These reserves will need to be replenished if the overall risk level remains at 6.5% of the net budget.
- 3.3 Similarly, a significant amount of this year's financial pressure will continue into 2023/24 and require permanent funding in order to meet it- as reflected earlier in this report this will be compounded by the cost pressure from the same issues that will be experienced again in 23/24, and for which no further central government funding is forecast to be received. This is the fundamental issue facing the Council in the next Medium-Term Financial Plan period- substantial and continued cost pressure from national economic factors, historic and current lack of funding in core services, e.g., children's social care, and at the current time no indication of further central government support to meet this.
- 3.4 As a result, and as can be seen later in this report, the Council will be required to make substantial budget decisions over the period in order to maintain financial sustainability.

## **4 Initial Development of the Medium-Term Financial Plan for 2022/23 to 2024/25**

- 4.1 The Budget Report considered by Cabinet and Council in March 2022 indicated that an initial forecast of the budget gap for 2023/24 to 2024/25 was £8.9m. This was considered to be the Council's best estimate and included the following assumptions:
- a) A reduction in general Government funding for the Council which assumed that potential changes to the way funding for local authorities is distributed would have a negative impact for the Council.
  - b) Resources to fund pay awards, increases in the pension future service rate, specific contracts and potential price increases from care providers.
  - c) No increases in costs relating to demand led services; and,
  - d) No increases in Council Tax.
- 4.2 The report indicated that the initial estimate of £8.9m could vary considerably given the high level of uncertainty, particularly around Government funding. The 2022/23 year was a one-year settlement for local authorities, as part of a three-year Spending Review. This, coupled with the number of short-term additional funding announcements over the past four years, meant that much was unknown regarding medium and long-term core funding from central government beyond 2022/23.

### **Key MTFP Updated Assumptions**

- 4.3 Within this MTFP, there are a number of initial key assumptions that will impact upon the funding gap facing the Council in the period 2023/24 to 2025/26 as well as a number of other budget changes. These are set out as follows:

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Resources to fund pay awards, increases in the pension future service rate, specific contracts and potential price increases from care providers

- 4.4 In line with previous MTFPs, the Council makes provision for the estimated costs of annual increases in pay, pensions etc. Provisions for these items initially totalled **£5.300m** per year, although certain assumptions have been subsequently revised, as described later in the report.

Levy Increases

- 4.5 The Council is required to pay levies to various bodies, the largest two of which are the Liverpool City Region Combined Authority (for Transport) and the Merseyside Recycling and Waste Authority. A provision has been included for the potential costs of increases in these levies in each of the three years (**£0.700m per year**). Sefton should receive notification of provisional figures for 2023/24 in December 2022.

Non-Recurring Items

- 4.6 Significant Treasury Management savings were built into the budget for 2016/17 following the review of policy – however, the annual value of this saving reduces at **£0.200m** each year going forward.
- 4.7 In addition, the Merseyside Pension Fund offered the Council the opportunity to prepay (in April 2020) a proportion of the total expected contributions for the three-year valuation period at a discount. After allowing for borrowing costs, there was a net saving of **£1.300m** in 2022/23 only. Therefore, this saving has been reversed in 2023/24.
- 4.8 The Council received additional New Homes Bonus in 2022/23 only. Due to the unexpected and one-off nature of this receipt, this was reserved, with the use determined during the year. This growth is therefore reversed in 2023/24 (**£0.639m**).
- 4.9 As a result of the grant allocations from government being focussed on 2022/23, with no further grant being received in 2023/24 or 2024/25, a one-off revenue sum of **£2.229m** was reserved in 2022/23, with its use to be determined during the year. This growth is therefore reversed in 2023/24.

Review of Relative Needs and Resources (formerly the Fair Funding Review):

- 4.10 The Government has previously announced that it is committed to reviewing the allocation of funding available to local authorities through the Review of Relative Needs and Resources. When announcing the Provisional Settlement for 2022/23, the Secretary of State for Levelling Up, Housing and Communities stated that “Government is committed to ensuring that funding allocations for councils are based on an up-to-date assessment of their needs and resources” and “Over the coming months, we will work closely with the sector and other stakeholders to update this and to look at the challenges and opportunities facing the sector before consulting on any potential changes”. Therefore, at the time of setting the 2022/23 budget in March 2022 it was assumed that the Review of Relative Needs and Resources would be completed in time to be used in allocating funding for 2023/24 onwards.



- 4.11 The Government also said that as part of the consultation they would look at options to support local authorities through transitional protection. Previously this has meant that any changes in funding have been phased in across a number of years. However, the Services Grant received in 2022/23 won't be included in any transitional protection arrangements which potentially gives the opportunity to phase in changes more quickly.
- 4.12 As mentioned in previous reports, Sefton's relative decline in population is likely to have a negative impact on the Council's overall funding position as part of the Review of Relative Needs and Resources. However, the exact impact is unknown as it will depend on the transitional arrangements put in place to protect those local authorities who would see a reduction in funding (the Local Government Association has argued that no council should see a reduction in its funding as a result of the changes). The Spending Review 2021 indicated that, apart from funding for Adult Social Care Reform and additional income from Council Tax, there won't be any increases in funding for local government in 2023/24 or 2024/25. Without additional funding for local government some local authorities will therefore see reductions in their funding.
- 4.13 However, the outcome is even more complex due to the differential impact austerity had on individual local authorities. Those local authorities that had received the most Government funding received the largest reductions in spending power whilst those who could raise more Council Tax income were less impacted. Therefore, the link between need and funding diverged, particularly in the early years of austerity, with the total spending power of two similar authorities now very different. This should also have an impact on the outcome of the Review and the funding being allocated. When announcing that 75% Business Rates Retention would no longer be proceeding, the Secretary of State for Levelling Up, Housing and Communities stated, "*You have a situation where those local authorities that have the most resilient council tax base and also the highest portion of business rates are, relatively speaking, in a stronger position...*".
- 4.14 At the time of setting the budget for 2022/23 it was considered prudent to assume that the Review will result in a reduction in funding for Sefton, and that this would be **£1.000m** in each of 2023/24 and 2024/25. This assumption is discussed more later in the report.

#### Business Rates Retention:

- 4.15 Sefton's Business Rates baseline was last set in 2013/14. Sefton's retained rates income is forecast to be above its funding baseline for 2021/22, so the Council is expecting to achieve a gain from Business Rate retention. As part of the Liverpool City Region 100% Business Rates Pilot Agreement the Council has retained a 99% share of growth in Business Rates since April 2017.
- 4.16 As part of the Fair Funding Review, the Business Rates baseline will be re-assessed and changed. Therefore, the benefit of these gains is expected to be lost going forward. As stated above, at the time of setting the 2022/23 budget in March 2022 it was considered prudent to assume this would take place in 2023/24. It was forecast that this reassessment will see the Council's funding reduce by **£1.000m** in 2023/24. This assumption is discussed further later in the report.

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- 4.17 Also, nationally the proportion of Business Rates retained by local authorities will increase from 50% to 75%. It is expected that pilot authorities will also move to 75% retention so a lower proportion (74%) of any future growth will be retained by the Council.

## New Homes Bonus

- 4.18 As mentioned in paragraph 4.8, the Council received additional New Homes Bonus, but for 2022/23 only. This funding has therefore been reversed in 2023/24.

## Housing Benefit / Council Tax Admin Subsidy

- 4.19 In recent years the amount of subsidy received by the Council to help fund the administration costs of Housing Benefits and the Council Tax Reduction Scheme has been reducing year on year. It is anticipated that this will continue in future years with an estimated reduction of **£0.050m** a year.

## Council Tax Base – additional properties

- 4.20 The Council Tax Base is set by Council in January each year. It reflects changes, and forecast changes, in the number of properties and the value of exemptions and discounts. For forecasting purposes, it was initially assumed that there will be growth in the Tax Base for additional properties that would generate **£0.500m** in each of the three years.

## Council Tax losses

- 4.21 The Council Tax Base is set by Council in January each year. Due to the impact of COVID-19 on the number of Council Tax Reduction Scheme (CTRS) claimants, the reduced collection rate and the slowdown in housing growth, there was a significant reduction in the Base for 2021/22. This reduced the Council Tax Requirement by approximately £3.600m.
- 4.22 It was assumed that this reduced income would unwind across three years from 2022/23 as the number of CTRS cases reduces and collection rates increase to levels experienced before the pandemic. Therefore, the Council Tax Base is forecast to result in increased income (excluding housing growth) of **£1.000m** in each of 2023/24 and 2024/25.

## Framework for Change 2020 – Demand Management Savings

- 4.23 The 2020/21 Budget Report presented to Council in February 2020 outlined the workstreams that would be established in order to review demand led budgets. Due to the size, complexity and demand for these services, a continual review would be undertaken to ensure that the cost base for these services reduces, an early intervention and prevention programme is embedded, and residents are supported in 'moving down the system' so as to reduce the demand for Council services and particularly those at the acute end.
- 4.24 From the initial work of the Adult Social Care workstream, savings of £3.300m were identified in 2020/21, which were built into the Base Budget for 2021/22. The continuing work of the Adult Social Care workstream identified further savings of £3.800m, which partly relates to the full year impact of previously implemented savings, as well as new savings that have been identified. Of these, £2.800m were built into the 2022/23 Base Budget, with **£1.000m** assumed to be achieved in 2023/24. These savings are considered to be permanent at this stage but will continue to be reviewed as part of the Demand Management Project.

Contribution to School Closure Reserve

4.25 The 2022/23 Base Budget includes a contribution of £0.750m to the reserve. This will result in the reserve standing at £1.750m at the end of 2022/23. This is considered prudent given the risks the Council might face relating to potential deficits. Therefore, the planned contribution to balances of **£0.750m** in 2023/24 would no longer be required and can be taken from the budget.

Income from the Strand Shopping Centre

4.26 The 2021/22 Budget Report highlighted that since the purchase of the Strand, surplus income of over £1.000m had been raised which has been used to support the Council's budget, and indeed the shopping centre had made a positive financial return each year. However, due to the significant impact of COVID-19 on retail businesses it was expected that there would be a reduction in income in 2021/22 and future years as businesses close and others experience difficult trading conditions.

4.27 The current business case forecasts that this income loss will be £0.500m in 2022/23 and will increase again by **£0.300m** in 2023/24. As would be expected these figures will be the subject of change and updates will be provided to Cabinet when required.

Sandway Homes Dividend – Phase One

4.28 The Business Case for Sandway Homes forecasted that there would be a surplus of £1.350m once Phase One of its development programme had been completed. Therefore, a dividend of **£1.350m** would be paid to the Council on completion of Phase One, expected to be received in 2024/25. As would be expected given the current economic climate, this figure could be the subject of change and updates will be provided to Cabinet when required.

**Initial MTFP Position 2023/24 to 2025/26**

4.29 Based upon the revisions relating to specific Government funding and the updated MTFP assumptions it was initially estimated that the funding shortfall between 2023/24 and 2024/25 would be **£8.882m**. This is before any Council Tax decisions are made and excludes any additional service and inflationary pressures and before any additional service delivery options are considered. A detailed analysis is shown below:

	<b>2023/24</b>	<b>2024/25</b>
	<b>£'m</b>	<b>£'m</b>
<b>Key MTFP updated assumptions:</b>		
- Provision for Pay Inflation	2.600	2.600
- Provision for Pension Increases	0.600	0.600
- Provision for Inflation on Contracts	0.100	0.100
- Assumed increase in Care Provider costs re. Adult Social Care	2.000	2.000
- Levy increases	0.700	0.700
	<b>6.000</b>	<b>6.000</b>
<b>Non-Recurring Items:</b>		
- Treasury Management	0.200	0.200

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- Prepayment of Pension Contributions	1.300	0.000
- Growth funded by New Homes Bonus	-0.639	0.000
- Revenue One-off funding for 2022/23	-2.229	0.000
	<b>-1.368</b>	<b>0.200</b>
<b>Government Funding:</b>		
- Fair Funding Review	1.000	1.000
- Business Rates Retention	1.000	0.000
- New Homes Bonus	0.750	0.000
- Housing Benefit / Council Tax Admin Subsidy	0.050	0.050
	<b>2.800</b>	<b>1.050</b>
<b>Other Budget Changes:</b>		
- Council Tax Base – additional properties	-0.500	-0.500
- Council Tax losses	-1.000	-1.000
- Demand Management Savings – Adult Social Care	-1.000	0.000
- Contribution to School Closure Reserve	-0.750	0.000
- Income from the Strand Shopping Centre	0.300	0.000
- Sandway Homes Dividend – Phase One	0.000	-1.350
	<b>-2.950</b>	<b>-2.850</b>
<b>Initial MTFP Funding Gap – excluding Council Tax</b>	<b>4.482</b>	<b>4.400</b>
<b>Total MTFP Funding Gap</b>		<b>8.882</b>

## 5 Government Funding Impact

5.1 The Comprehensive Spending Review (CSR) 2021 was announced on 27 October 2021 and made a number of announcements relating to the financing of local government in 2022/23 and future years. The impact on Sefton for 2023/24 won't be fully known until the Local Government Finance Settlement for 2023/24 is published in December 2022. Similarly, the impact for future years will only be fully known when the settlements for 2024/25 and 2025/26 are published. However, for planning purposes officers have assessed the announcements in the CSR and estimated their impact on Sefton. These funding streams are described below:

### General Council Tax increase

5.2 The Government has announced that local authorities are expected to be able to increase Council Tax by **2%** in 2023/24 and the following year without the need to hold a referendum. Within the CSR the Government have assumed that all local authorities will increase Council Tax by the maximum amount. The Government will announce the full details of the referendum limits for each year in the preceding December as part of the Local Government Finance Settlements. This is discussed further in section 9.

### Social Care Grants

5.3 In 2021/22, the Government provided £1,710m of Social Care Grant funding which was distributed using the Adult Social Care Relative Needs Formula. Sefton's allocation was £11.820m. As outlined in paragraph 2.6, it was unknown whether

this represented short-term additional funding. The Settlement has confirmed that this funding would continue to be paid in 2022/23.

- 5.4 The Settlement also announced that an additional £636.4m of Social Care Grant would be paid to local authorities in 2022/23. Of this, the Government distributed £556.4m using the Adult Social Care Relative Needs Formula, with the remaining £80m being distributed on a different basis aimed at providing more funding to those authorities with lower council tax bases who cannot raise as much through the Adult Social Care Precept. Sefton's allocation was £4.265m.
- 5.5 It was unclear from the CSR whether this funding would continue to be paid in 2023/24 and 2024/25. However, it is currently assumed that it will continue.
- 5.6 In addition, local authorities have been given the power raise Council Tax by a further 1% on top of the core principle as an Adult Social Care Precept. The Government expect that local authorities will use this power in full, having announced that this will raise a further £300m nationally as part of the £1bn funding announced as being available for social care. This is discussed further in section 10.

#### Services Grant

- 5.7 The Settlement for 2022/23 provided details of a new Services Grant, worth £822m nationally, to be paid in 2022/23 to local authorities and which is being distributed based on the 2013/14 shares of the Settlement Funding Assessment. Sefton's allocation of the grant was £4.477m.
- 5.8 The Government have announced that this is effectively a one-off grant to individual local authorities, although the overall funding will still be available to local government per the Spending Review. However, the grant will be excluded from any transitional protection arrangements in future years arising as a result of the Review of Relative Needs and Resources so the Council may receive a lower level of funding. It is proposed to assume this grant as ongoing.

#### Lower Tier Services Grant

- 5.9 The Government announced a new unringfenced Lower Tier Services Grant in 2021/22, which allocated £111m to local authorities with responsibility for lower tier services (for example, homelessness, planning, recycling and refuse collection, and leisure services). Sefton's allocation was £0.430m. This grant continued into 2022/23 with Sefton's allocation increasing slightly by £0.023m.

#### Public Health Grant

- 5.10 The Spending Review announced that funding for Public Health through the Public Health Grant would be maintained in real terms. However, no additional information has been received as to what additional funding will be made available in 2023/24 and 2024/25.

#### New Homes Bonus

- 5.11 Although the Government has been undertaking a review of New Homes Bonus it is expected that the Government will continue to make payments of New Homes Bonus in 2023/24. Officers are evaluating how much of this one-off funding might be received based on increases in housing numbers.

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## Settlement Funding Assessment / Business Rates Baseline

- 5.12 To support businesses in the near-term, the government decided to freeze the business rates multiplier in 2022/23. Local authorities were fully compensated for this decision through additional Section 31 Grant. It is currently unknown whether the Government will continue to provide support in 2023/24 and the implications of this, and the current high levels of inflation, on business rates income and the Settlement Funding Assessment.

## Review of Relative Needs and Resources / Business Rates Retention

- 5.13 As mentioned in paragraphs 4.14 and 4.17, when setting the budget for 2022/23 it was anticipated that there would be significant changes to local government funding that was expected to mean a reduction in funding for Sefton. However, there have been no recent announcements about the status of the reviews, and it is now considered too late to implement changes in time for the Local Government Finance Settlement for 2023/24. In addition, commentators have suggested that it is unlikely that and changes will take place in the current Spending Review Period. Therefore, the original assumptions included in the March 2022 budget report have been reversed pending more details being provided by the Government.

## Adult Social Care Reform Funding

- 5.14 As part of the Government's plan for health and social care, published on 7 September 2021, it was announced that £5.4bn would be made available over the Spending Review period for Adult Social Care.
- 5.15 The 2021 Spending Review confirmed that £3.6bn of this will be routed through local authorities in order to "implement the charging reforms and support local authorities to better sustain their local care market by moving towards a fairer cost for care". This is made up of £0.2bn in 2022/23, £1.4bn in 2023/24 and £2.0bn in 2024/25.
- 5.16 The Council has been working on understanding the cost implications of the elements of the reform and has been engaged with the government in advising of these potential costs. Allocations of the funding are expected to be announced as part of the Local Government Finance Settlement. The Council is currently assuming that the financial impact of the fair cost of care proposals and the social care charging reforms will need to be fully offset by additional funding from the Government.
- 5.17 The Adult Social Care service has recently invested in a new staffing structure to meet the requirements of Adult Social Care reform as well as ensure it is prepared for government inspections. It should be noted that although the service has underspent for a number of years, this underspend has been reducing. Officers have started work on trying to assess the costs of the individual Adult Social Care reform proposals. Whilst the overall budget is on a sustainable footing, there is no scope to fund Adult Social Care reform costs from existing budgets so any costs will need in line with the funding received.

## 6 Other MTFP Changes 2023/24 – 2025/26

### Pay Award Provisions

- 6.1 The approved Base Budget included a provision for the 2022/23 pay award of 3%. This was line with most other local authorities who had budgeted for between 2.5% and 3% (and when the Spending Review 2021 was published, the Office for Budget Responsibility was forecasting inflation to be 4% in 2022). On 25 July 2022, the National Employers for local government services body made an offer to trade unions of a fixed increase of £1,925 (plus an additional day's annual leave from April 2023). For Sefton, this equates to an increase in the pay bill of about 6.5% or an additional **£4.100m** above the amount included in the 2022/23 budget. It should be noted that this is the latest offer and has yet to be formally accepted by Trade Unions – any increase in the offer will therefore require additional resources to be identified. This is a national issue for local government however Government have made it clear that no additional funding will be made available.
- 6.2 Given the current rates of inflation it is considered prudent to increase the pay award provisions for 2023/24 and 2024/2025. Therefore, **£4.600m** has been added to the 2023/24 provision, and **£1.500m** added to the 2024/25 provision. It is assumed that by 2025/26 inflation will have reduced sufficiently for the provision to be sufficient.
- 6.3 Partially offsetting the above pressures, the provision for the 2021/2022 pay award was in excess of the amount required to fund the award. This reduces the above pressures by **£1.300m**.

### Budget Pressures Fund

- 6.4 The 2022/23 Base Budget includes a Budget Pressures Fund of **£1.000m**. Given the inflationary pressures currently being experienced it is proposed to utilise the Fund to offset these pressures.

### National Insurance Contributions Increase

- 6.5 In September 2021, the Government announced the introduction of a new Health and Social Care Levy of 1.25%, based on National Insurance Contributions, for both employees and employers. They announced that this funding would be ringfenced for health and social care. This will be introduced from April 2022 as an increase in National Insurance Contributions before being separated out as a new distinct Levy from April 2023. The Council included **£1.250m** in its Base Budget for these costs. However, the Government have announced the reversal of this policy from November 2022. Therefore, this provision can be taken from the budget in 2023/24.

### Council Tax Base – additional properties

- 6.6 The Council Tax Base is set by Council in January each year. It reflects changes, and forecast changes, in the number of properties and the value of exemptions and discounts. For forecasting purposes, it was initially assumed that there will be growth in the Tax Base for additional properties that would generate £0.500m in each of the next three years. It is now assumed that there is the potential for additional income more in line with the growth assumed for 2022/23. Therefore, an additional **£0.250m** is assumed in each of the next three years. This will be closely monitored by officers to ensure the levels of housing growth support this assumption.

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## **7 MTFP Changes – Additional Budget Pressures**

7.1 As is the case in each budget planning process, the Council brings together the potential budget pressures that have been identified during the year as potential additions to the budget. The following outlines the current pressures, however the amounts will be the subject of refinement over the coming months.

### Children's Social Care

7.2 Within the Council's budget report of March 2022, the financial risk to the Council from Children's Social Care was reported extensively and was reflected in the overall risk analysis that determines the reserves that the Council should hold and the main budget report that reflected that in the absence of further government funding, if costs in children's social care (and adults social care) increased then savings would be required in future years.

7.3 This risk has been reported over the last 3-5 years within the Council and has been focussed on the number and cost of accommodation for children who require support. As a result, it has been the main area of the Council where the budget has grown, increasing from £32.0m in 2018/19 to £52.1m in 2022/23.

7.4 This risk has increased exponentially in the current year for circumstances that were unforeseen at the time of budget setting- inflation has caused accommodation costs to increase substantially with an increase in rates of over 10%, the current LAC number is 73 with some accommodation costs being in excess of £24,000 per week during the current year and agency rates for social workers have increased with a dislocation in the market so that they can now amount to £100k per annum. This latter point means that the Council is seeing recruitment and retention issues and substantial cost increases as the service tries to source staff to deliver the services required. Within the current year financial pressure of £15.5m has been reported and £11.5m will continue into 23/24 for which budget will be required.

7.5 A key recommendation from the Council's DfE commissioner was to align the Medium-Term Financial Plan of the Council to the improvement plan that is in place within the service. This alignment, while always there in all budget cycles has been undertaken on a more formal basis to inform this MTFP and will be refined in advance of the budget being set in March 2023. This has seen the Director of Children's Services advise the Chief Executive, s151 officer and deputy s151 officer via a series of meetings on the resources required to fund the service, accepting that this area of the Council will continue to be extremely volatile. These discussions have focussed on the following four areas that are reflected in this MTFP:

- Right sizing the budget for next year.
- Inflation on existing accommodation costs.
- Salary budget taking into account agency costs.
- Additional budget requirement for accommodation costs, either external placements or Council owned provision.

7.6 From this work, the estimates within this report have been signed off by the Director of Children's Services and specifically take account of:-

- Current in year demand for the service and financial pressure-£7.9m



- Known inflationary costs in the sector that will inform via a specific working group, fee increases-estimated at 10% or £2.5m in each of the following 2 years.
- Impact of recruitment of permanent staff to all posts above team leader.
- Potential impact of international social worker (ISW) recruitment and the approved social worker academy- 20 ISW's that will fill existing establishment posts thereby reducing the agency number and cost.
- A forecast of children who may require accommodation support in future years (five assumed in 23/24); and
- The estimated running costs of council owned accommodation (£0.730m per annum based on a four-bed accommodation site)

7.7 As stated, these estimates will continue to be refined in advance of the budget report being published.

Adult Social Care

7.8 It is anticipated that the National Living Wage will increase significantly from April 2023. It is expected that this, and the current high levels of inflation, will create significant additional burdens on Adult Social Care Providers in 2023/24. It is therefore considered prudent to include an additional **£3.500m** in 2023/24 and 2024/25 for the potential impact of increased fees from providers. As previously reported, there is currently no additional funding for either Adults or Children's Social Care beyond 2022/23, with government providing only the ability for councils to raise Council Tax by 1% in each year to support Adult Social Care.

Home to School Transport

7.9 There has been significant pressure on the Home to School Transport budget during 2022/23. This is due to a significant increase in the number of children being transported, especially relating to out of borough placements. In addition, there has been an increase in the cost of providing the transport. It is therefore proposed to add **£1.500m** to the 2023/24 Base Budget to mitigate these pressures.

ICT Income

7.10 There has been a reduction in income received for ICT services provided to third parties. This unavoidable cost will increase the budget by **£0.150m** in 2023/24.

Southport Pier Decking Project

7.11 Council on 29 September 2022 approved a Supplementary Capital Estimate of £3.000m for the Southport Pier Decking Project, funded by prudential borrowing. The revenue costs of this borrowing are **£0.180m** per year for which there is currently no budget.

**Summary MTFP Position 2023/24 to 2025/26 including Growth**

	2023/24	2024/25
	£'m	£'m
<b>Revised MTFP Funding Gap – excluding Council Tax</b>	<b>4.482</b>	<b>4.400</b>

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<b>Government Funding:</b>		
- Fair Funding Review	-1.000	-1.000
- Business Rates Retention	-1.000	0.000
	<b>-2.000</b>	<b>-1.000</b>
<b>Changes in MTFP Assumptions:</b>		
- Pay Award 2022/2023	4.100	0.000
- Pay Award 2023/24 and 2024/25	4.600	1.500
- Pay Award 2021/22 - Overprovision	-1.300	0.000
- Budget Pressures Fund	-1.000	0.000
- Reversal of National Insurance increase	-1.250	0.000
- Additional Council Tax Income	-0.250	-0.250
	<b>4.900</b>	<b>1.250</b>
<b>Additional Budget Pressures:</b>		
- Children's Social Care – Permanent Pressures from 2022/23	7.900	0.000
- Children's Social Care – additional accommodation and support provision	2.000	1.000
- Children's Social Care – Social Worker Academy	1.200	0.000
- Children's Social Care – Agency Permanent Budget	1.000	0.000
- Children's Social Care – additional Communications, Legal and HR Support	0.400	0.150
- Children's Social Care – Provider Inflation	2.500	2.500
- Adult Social Care	3.500	3.500
- Home to School Transport	1.500	0.000
- ICT Contract Inflation	0.150	0.000
- Southport Pier Decking Project	0.180	0.000
	<b>20.330</b>	<b>7.150</b>
<b>Revised MTFP Funding Gap</b>	<b>27.712</b>	<b>11.800</b>
<b>Total MTFP Funding Gap</b>		<b>38.512</b>

7.12 From the above table it can be seen that a funding gap of £38.512m would remain over the last two years of the Spending Review period before any council tax increases (see section 11). It is good practice for a Medium-Term Financial Plan to cover three years. This supports effective medium-term planning- as 2025/26 would represent the first year of a new Spending Review period there is no financial or policy information currently available to develop a robust planning assumption. For completeness however, if a normal financial environment was in existence of 2% inflation and no public sector spending reductions then a funding gap of around £8.1m could be expected. Therefore, this should be added to the funding gap for the next two years to get that three-year view of the financial shortfall.

## **8 Temporary Budget Pressures**

8.1 There are also other significant budget pressures that are currently considered to be temporary in nature. It is assumed that as these losses are considered temporary, they will be funded from one-off resources.

## Energy Costs

- 8.2 As has been reported in the monthly reports to Cabinet, the global increase in energy prices is having a significant impact on the Council's energy and fuel costs. This is currently estimated to increase costs in 2023/24 by around £6-£7m. This is being closely monitored as more information becomes available from the Council's framework providers on the fees being paid. It should be noted that this is a national issue affecting all local authorities. However, the Government have advised that no additional funding will be made available for local government, despite representations made both nationally and locally. The Government has set up a support programme for businesses in 2022/23 and the Council is evaluating whether any of its estimated £4.5m increase is eligible. However, there is no indication of whether any support will be available for 2023/24, and if so whether the Council would be eligible. Therefore, the Council will need to evaluate its usage in light of the substantial price increase.

## Sales, Fees and Charges Income

- 8.3 There was a significant impact on income from sales, fees and charges for a range of services during the pandemic. Whilst some income streams have fully recovered, others are expected to remain impacted, particularly for car parking and at leisure centres. It is currently forecast that this could result in a loss of income of up to £1.000m during 2023/24, reducing further in the following year, returning to normal from 2025/26. This forecast will be reviewed as there is more experience of the impact on reopened facilities.

## Children's Social Care – Social Worker Agency Costs / Managed Teams

- 8.4 As discussed earlier, there has been a need to utilise more expensive agency workers within Children's Social Care. Whilst the implementation of the Social Worker Academy and recruitment of international social workers are expected to reduce the reliance on agency workers it is considered prudent to provide some temporary budget of £1.000m to fund some short-term costs as these take effect.

## Waste Disposal Costs

- 8.5 It is anticipated that the levy from the Merseyside Recycling and Waste Authority will increase in 2023/24 to reflect the increased cost of disposing of household waste due to the impact of people working, holidaying and shopping from home. It is currently forecast that this could result in an additional cost of up to £0.500m during 2023/24, reducing in the following years, returning to normal from 2025/26. This forecast will be reviewed as there is more experience of the impact on costs.

## **9 Council Owned Companies**

- 9.1 Within this Medium-Term Financial Plan, there are updates in respect of the financial assumptions that reflect the Council's relationship with its three wholly owned companies :-
- Sefton Hospitality Operations Limited
  - Sefton New Directions; and
  - Sandway Homes Limited

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- 9.2 In accordance with the agreed governance process, business plans for each of these are due for presentation to cabinet in December 2022, with the any impact being reflected in the forthcoming budget report for 2023/24.
- 9.3 Like the council, these wholly owned companies are currently and will continue to operate in a volatile and challenging financial environment with significant financial pressure being experienced in respect of pay, supplier and supply chain cost pressure, tightening of liquidity in the market, increased interest rates and the impact of the cost-of-living crisis. These are all substantial issues that could have a financial impact on the council. Any changes reported in the business plans that are being considered will be fed into this MTFP and the current budget process, with any material variation to an agreed business plan requiring member approval.

## **10 High Needs Funding**

- 10.1 In January 2022, the council received a report that outlined the current position on the High Needs Budget the increased demand for services and impact on the budget which is ring fenced within the Dedicated Schools Grant. It was agreed that quarterly reports would be provided to cabinet and council on progress in addressing this demand and the financial implications. This work and reporting cycle has commenced.
- 10.2 The key risk identified in that January report was in respect of the High Needs Budget and that despite government support increasing in recent years, costs of delivering the service driven by out of borough provision and numbers of children in receipt of an EHCP were exceeding the budget available. Like a number of local authorities this has led to the council having a deficit balance that accumulates each year. This reached over £12m at the end of 2021/22. At present there is a statutory override in place that allows this to be held on the Council's balance sheet under the Dedicated Schools Grant, however it is clear that this position is unsustainable both nationally and for this council.
- 10.3 As a result of this issue, central government have commenced two programmes of activity to support councils review their High Needs systems with a view to improving the service, reducing cost and delivering financial sustainability. There is a programme for those councils with the highest deficits and then a further Delivering Better Value (DBV) programme for a further 55 councils who are in a deficit position- the Council is in this programme and full detail has and will continue to be made available to members through the quarterly reporting.
- 10.4 At the same time, central government is current working on what the future of the statutory override will be- this was due to come to an end at the end of this financial year (2022/23), but there is uncertainty as to if this will take place and if it does what it will mean for councils with significant deficits, such as Sefton, and how they should fund them. At present the High Need Budget is within the Dedicated Schools Grant and as such there is no impact on the General Fund of the Council, however, if this position changes there could be a substantial financial risk to the Council.
- 10.5 Within the current year a further overspend of £4m is currently forecast , which would take the Council's deficit to £16m. Central government, following support

from Council officers, issued a call for evidence during the summer to inform ministerial discussions post September on the future of the override and treatment of deficits- the outcome from these discussions is still awaited by the sector. The Council has provided feedback that this issue should remain within the Dedicated Schools Grant, however if this changes it could have a material impact on this Medium-Term Financial Plan, the financial sustainability of the Council, its risk profile and future budget decisions.

- 10.6 As a result of this it is critical that the Council, with the support of the Delivering Better Value Programme, reaches financial sustainability, i.e., its expenditure matches income as soon as possible and indeed starts to reduce the deficit held. The focus on the work that is being undertaken in advance of the programme commencing, the speed and ambition of the DBV programme and the financial impact will need to be a key feature of future quarterly reports to Cabinet and Council from the Assistant Director of Children's Services (Education), will need to feed into future risk analysis (both the corporate risk register and the assessment of general fund reserves required) and clarity will need to be provided to Members on how this will impact future budget decisions and financial sustainability.

## **11 Potential Council Tax Increases**

- 11.1 As in previous years the Government will set a Core Referendum Principle for Council Tax. As is customary, the government will consult on Council Tax Referendum Principles later this year as part of the Local Government Finance Settlement. However, the Comprehensive Spending Review indicated that there is expected to be a referendum principle of 2% in 2023/24 and 2024/2025. A 1.99% increase for Sefton would generate in the region of £3.000m in each year.
- 11.2 As mentioned in paragraph 5.6, local authorities have also previously been given the power to raise Council Tax by a further amount on top of the core principle as an Adult Social Care Precept. The Comprehensive Spending Review indicated that this would also be available in 2023/24 and 2024/25 at 1%. A 1% increase for Sefton would generate an additional £1.500m in each year.
- 11.3 Therefore, the overall impact of increasing Council Tax by the full 2.99% each year would be in the region of £4.500m, or **£13.500m** across the three years.
- 11.4 The actual core referendum principle, and the level of Adult Social Care Precept, are announced as part of the Local Government Finance Settlement in December each year. They could therefore be different to the figures above. The Institute for Fiscal Studies, in their initial briefing on the CSR, stated '*...things might still feel tight in other areas. Perhaps nowhere is this truer than in local government, where after a jump next year (2022/23), grant funding for existing services will be more or less frozen in the following two years - **bigger council tax rises than the government plans to allow could be necessary to maintain services.***'
- 11.5 A decision on the level of Council Tax is made by Budget Council each year. The 2022/23 Band C Council Tax is £1,569.58. It should be noted that as part of the Comprehensive Spending Review the Government assumes local authorities raise Council Tax by the maximum amount when calculating an individual authority's Spending Power and this will directly influence future years' funding allocations.

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<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	3 November 2022
<b>Subject:</b>	Treasury Management Position to September 2022		
<b>Report of:</b>	Executive Director of Corporate Resources and Customer Services	<b>Wards Affected:</b>	All Wards
<b>Portfolio:</b>	Cabinet Member - Regulatory, Compliance and Corporate Services		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No		

**Summary:**

This report provides Members with a review of the Treasury Management activities undertaken to 30<sup>th</sup> September 2022. This document is the mid-year report to Cabinet and Council, as well as the second report of the ongoing quarterly monitoring provided to Audit & Governance Committee whose role it is to carry out scrutiny of treasury management policies and practices.

**Recommendation(s):**

Members are requested to note the Treasury Management update to 30<sup>th</sup> September 2022, to review the effects of decisions taken in pursuit of the Treasury Management Strategy and to consider the implications of changes resulting from regulatory, economic and market factors affecting the Council’s treasury management activities.

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

To ensure that Members are fully appraised of the treasury activity undertaken to 30<sup>th</sup> September 2022 and to meet the reporting requirements set out in Sefton’s Treasury Management Practices and those recommended by the CIPFA code.

**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 financial position on the external investment budget to the end of September indicates a surplus to the end of the period. The forecast to the end of the financial year also shows that investment income will exceed the level set in the budget.

**(B) Capital Costs**

None.

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## Implications of the Proposals:

<p><b>Resource Implications (Financial, IT, Staffing and Assets):</b> A surplus in investment income has been forecast for 2022/23 financial year due to prevailing market conditions.</p>									
<p><b>Legal Implications:</b> The Council has a statutory duty under the Local Government Act 2003 to review its Prudential Indicators and Treasury Management Activities.</p>									
<p><b>Equality Implications:</b> There are no equality implications.</p>									
<p><b>Climate Emergency Implications:</b></p> <p>The recommendations within this report will</p> <table border="1"> <tr> <td>Have a positive impact</td> <td>N</td> </tr> <tr> <td>Have a neutral impact</td> <td>Y</td> </tr> <tr> <td>Have a negative impact</td> <td>N</td> </tr> <tr> <td>The Author has undertaken the Climate Emergency training for report authors</td> <td>N</td> </tr> </table> <p>The Council has during 2022/23, invested its reserves and balances overnight with either banks or money market funds in order to maintain high security and liquidity of such balances. It has not had the opportunity to invest in longer term financial instruments or investment funds for which there may be a chance to consider the impact on the Council's Climate Emergency motion.</p> <p>In the event that the Council has more surplus balances available in future that may lead to longer term investing, the Council will take account of the climate emergency when discussing the options available with the Treasury Management Advisors.</p>		Have a positive impact	N	Have a neutral impact	Y	Have a negative impact	N	The Author has undertaken the Climate Emergency training for report authors	N
Have a positive impact	N								
Have a neutral impact	Y								
Have a negative impact	N								
The Author has undertaken the Climate Emergency training for report authors	N								

## Contribution to the Council's Core Purpose:

Protect the most vulnerable: n/a
Facilitate confident and resilient communities: n/a
Commission, broker and provide core services: n/a
Place – leadership and influencer: Support strategic planning and promote innovative, affordable and sustainable capital investment projects through application of the CIPFA Prudential Code.
Drivers of change and reform: The Treasury Management function ensures that cash flow is adequately planned and cash is available when needed by the Council for improvements to the borough through its service provision and the Capital Programme.
Facilitate sustainable economic prosperity: Pursuit of optimum performance on



investments activities and minimising the cost of borrowing and the effective management of the associated risk continues to contribute to a balanced budget for the Council.
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Greater income for social investment: n/a
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Cleaner Greener: n/a
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## What consultations have taken place on the proposals and when?

### (A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD6984/22) is the author of the report.

The Chief Legal and Democratic Officer (LD5184/22) have been consulted and any comments have been incorporated into the report.

### (B) External Consultations

N/A

## Implementation Date for the Decision

With immediate effect.

<b>Contact Officer:</b>	Graham Hussey
Telephone Number:	Tel: 0151 934 4100
Email Address:	graham.hussey@sefton.gov.uk

## Appendices:

There are no appendices to this report

## Background Papers:

There are no background papers available for inspection.

# Agenda Item 11

## 1. Background to the Report

- 1.1. As recommended under CIPFA's revised 2017 Code of Practice on Treasury Management in Public Services, the Council's Treasury Management Policy and Strategy document for 2022/23 (approved by Council on 3<sup>rd</sup> March 2022) included a requirement for regular updates to be provided on the investment activity of the Authority. This report is the second of such reports for the year and presents relevant Treasury Management information for the period ending 30<sup>th</sup> September 2022.
- 1.2. The report includes information on the investments held / entered into during the period and the interest rates obtained (with a comparison of performance against a standard benchmark figure). In addition, the report highlights whether there has been any variance from the Treasury Management Policy and Strategy and the Council's approved Prudential Indicators (the operational boundaries within which the Council aims to work).

## 2. Investments Held

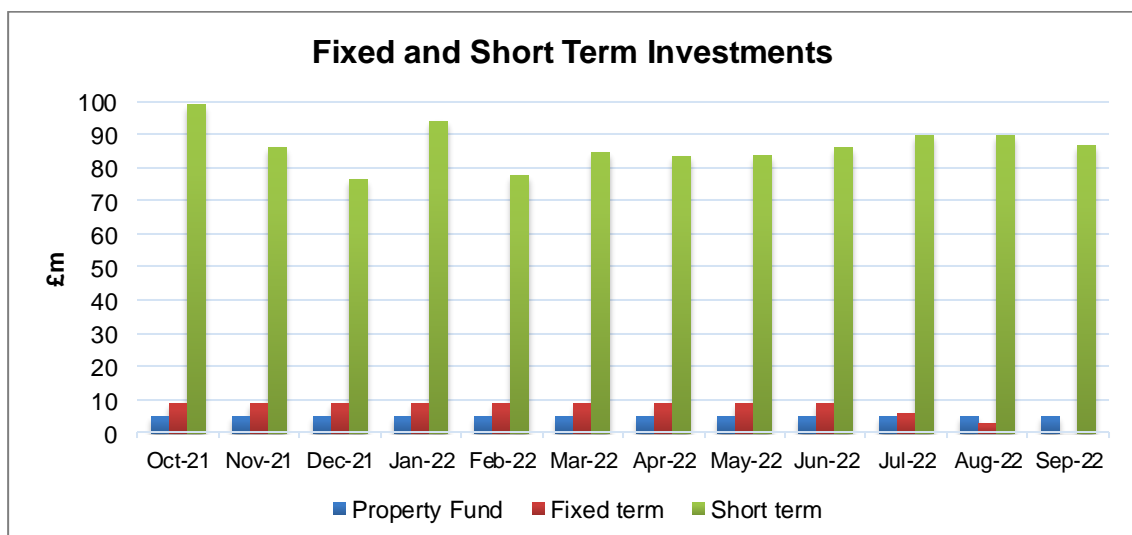
- 2.1. Investments held at the 30/09/2022 comprise the following:

Institution	Deposit £m	Rate %	Maturity	Rating
<b>Money Market Funds:</b>				
Aberdeen	8.66	2.09	01.10.22	AAA
Aviva	8.66	1.94	01.10.22	AAA
Blackrock	8.66	1.94	01.10.22	AAA
BNP Paribas	9.19	2.20	01.10.22	AAA
Goldman-Sachs	8.66	1.97	01.10.22	AAA
HSBC	8.66	2.05	01.10.22	AAA
Invesco	8.20	2.12	01.10.22	AAA
Morgan Stanley	8.89	2.12	01.10.22	AAA
Federated	8.66	2.08	01.10.22	AAA
Insight	8.66	2.03	01.10.22	AAA
Total	86.90			
<b>Property Fund:</b>				
CCLA	5.00	3.40	n/a	n/a
Total	5.00			
<b>TOTAL INVESTMENTS</b>	<b>91.90</b>			

- 2.2. The Authority holds significant invested funds, representing grant income received in advance of expenditure plus balances and reserves held. The cash is initially held in a number of highly liquid Money Market Funds to ensure security of the funds until they are required to be paid out. This approach is consistent with the Council's approved Treasury Management Policy and Strategy for

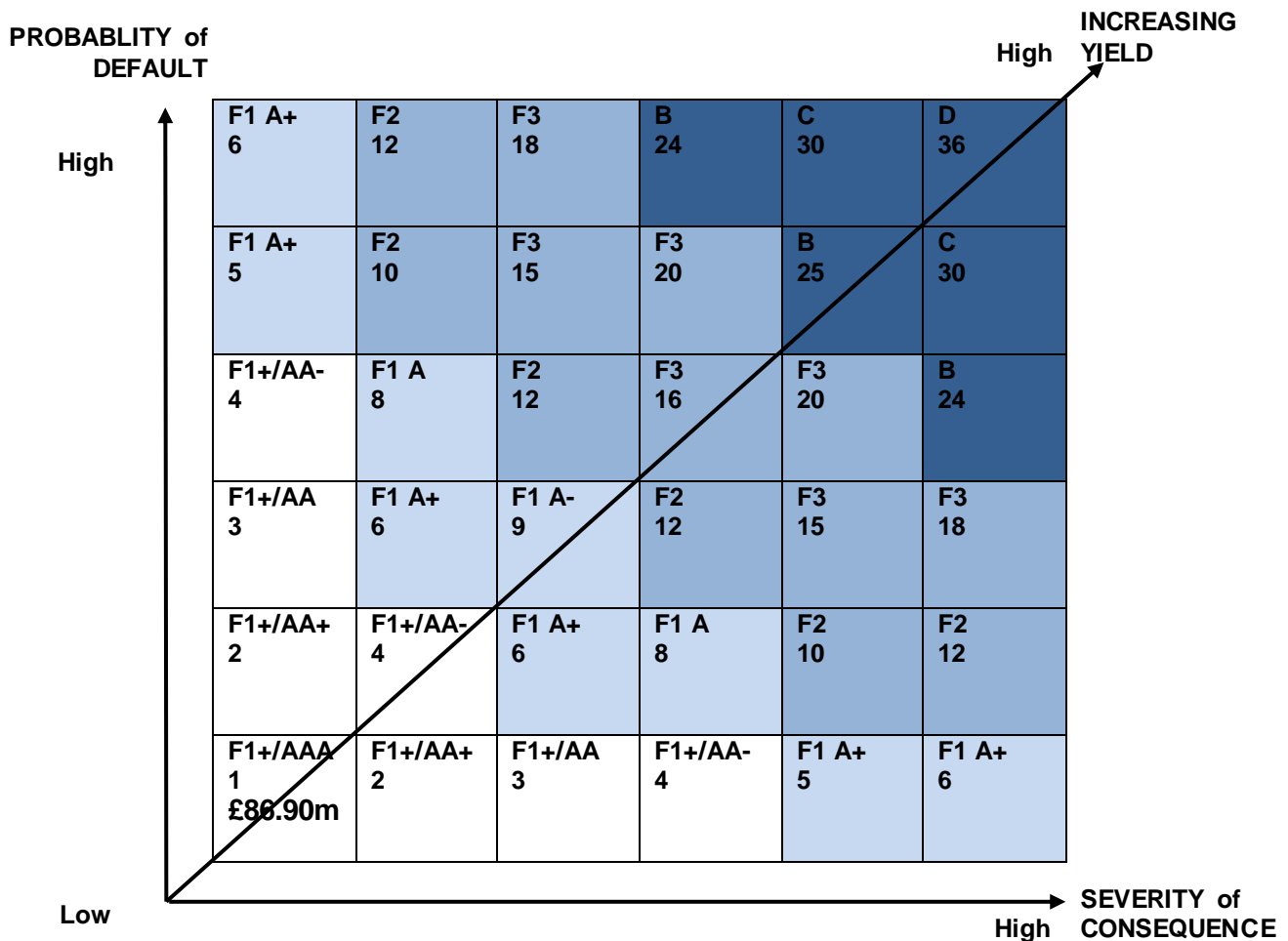
2022/23. The balance of investments is therefore expected to fall over the coming months as the income is fully expended.

- 2.3. All of the investments made since April 2022 have been with organisations on the current counterparty list. The maximum level of investment permitted in the Treasury Management Strategy in any one institution, or banking group, is currently £15m. Whilst the maximum should be retained, in light of current economic conditions, a day to day operational maximum of 10% of the total portfolio is currently being imposed for investments. This will spread the risk for the Council but will have a small detrimental impact on the returns the Council will receive in the future. The Council has remained within that boundary during the year. At present, it is not expected that there will be any need to review this limit.
  
- 2.4. The Council will only invest in institutions that hold a minimum Fitch rating of A- for banking institutions, or AAA for money market funds. The ratings applied to investment grade institutions, and the much riskier speculative grade institutions, as defined by Fitch, have been placed into a risk matrix (paragraph 2.8).
  
- 2.5. An investment has been made with the Church, Charities and Local Authority Investment Fund (CCLA) in June 2014. CCLA invest in commercial property which is rented out to enterprises such as retail units, warehousing, and offices. The majority of properties owned are in the south of the country where the market is often more buoyant than the north. The Council has in effect bought a share of the property portfolio and returns paid are in the region of 3%. This is seen as a long-term investment with the potential for the capital value of the investment to vary as property prices fluctuate.
  
- 2.6. The Net Asset Value (NAV) of the Property Fund has increased over a 12-month period to September 2022 from 318.20p per unit to 347.79p per unit, an increase of 9.3%. The income yield on the Property fund at the end of September 2022 was 3.4% which, although lower than returns received in the past, still represents a reasonable return on the Council's investment.
  
- 2.7. The ratio of overnight deposits (short term) to fixed term investments and the property fund is shown below:



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2.8. The matrix below shows how the Council has set its risk appetite by being risk averse and putting security and liquidity before yield when investing:



### SEFTON RISK TOLERANCE:

Risk Level	Score	Grade	Amount Invested
LOW	1 - 4	Investment Grade	£86.90m
LOW - MEDIUM	5 - 9	Investment Grade	£0
MEDIUM	10 - 20	Investment Grade	£0
HIGH	21 - 36	Speculative Grade	£0

2.9. The Council will continue to maximise any investment opportunities as they arise, but in light of current economic conditions and uncertainty around interest rates it is not envisaged that any substantial increase in returns can be achieved for the remainder of the current financial year. Cash balances available for investment will be held in overnight deposits to allow the council to respond to any exceptional demands for cash as they arise. The possibility for making long term deposits at potentially improved rates will be reviewed once economic conditions stabilise.

### 3. Interest Earned

3.1. The actual performance of investments against the profiled budget to the end of September 2022 and the forecast performance of investments against total budget at year end is shown below:

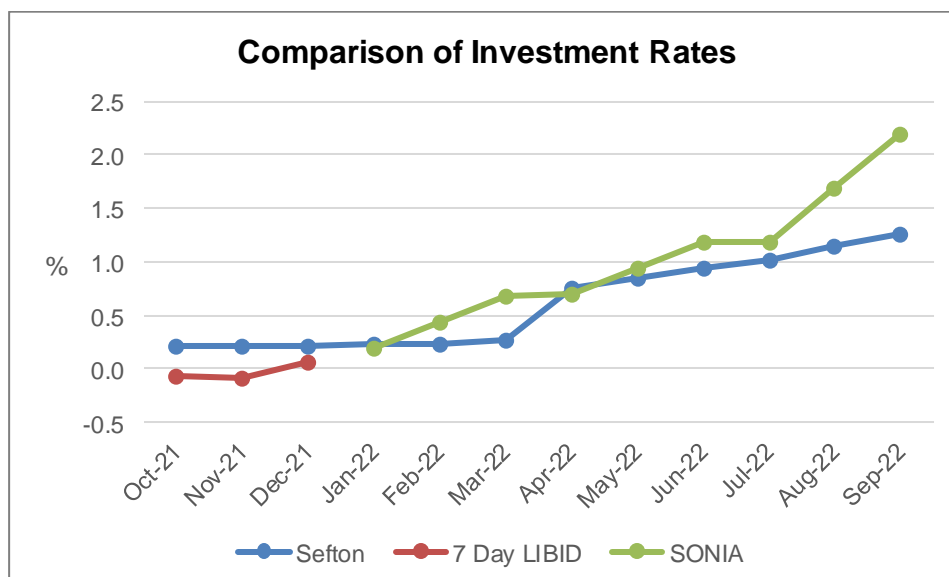
	Budget £m	Actual £m	Variance £m
<b>September-22</b>	0.345	0.587	0.242

	Budget £m	Forecast £m	Variance £m
<b>Outturn 2022/23</b>	0.789	1.173	0.384

3.2. The forecast outturn for investment income shows the level of income to be above target against the budget for 2022/23. Investment rates have increased significantly in the first half of 2022 (see 3.4. below) largely in response to rises in interest rates. The forecast income for 2022/23 has therefore been set at a higher level when compared to previous financial years.

3.3. As mentioned in paragraph 2.9, it is not envisaged that increased rates will lead to a significant improvement in the forecast income from investments for the remainder of 2022/23 as cash balances are diminishing and held in short term deposits. Interest rate uncertainty has also made future returns difficult to forecast and a prudent approach has therefore been taken when forecasting returns for the rest of the year.

3.4. The Council has achieved an average rate of return on its investments of 1.27%. The chart below shows the average rate of return plotted against the 7-day LIBID and SONIA benchmarks.



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- 3.5. On 5th March 2021 the Financial Conduct Authority announced the cessation of the LIBOR benchmark from the start of 2022. This deadline has now passed and as a result some LIBOR benchmarks such as the 7-day LIBID have been discontinued. LIBOR has primarily been replaced by the Sterling Overnight Index Average (SONIA) benchmark as the new widespread reference rate.
- 3.6. On the advice of its treasury management advisors, Sefton has adopted the SONIA rate as a replacement for the 7-day LIBID when benchmarking its investment performance from January 2022 onwards. As can be seen from the chart above, Sefton's investments have underperformed (by 0.92%) compared to SONIA to the end of September 2022, although the investment income received is above target as per the 2022/23 budget as shown in paragraph 3.1 (above).

## 4. Borrowing Strategy

- 4.1. The Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
- 4.2. Over the April-September period short term Public Works Loans Board (PWLB) rates rose dramatically, particular in late September after the Chancellor's 'mini-budget', included unfunded tax cuts and additional borrowing to fund consumer energy price subsidies. Exceptional volatility threatened financial stability, requiring Bank of England intervention in the gilt market. Over a twenty-four-hour period some PWLB rates increased to 6%, before the intervention had the desired effect, bringing rates back down by over 1% for certain maturities.
- 4.3. Interest rates rose by over 2% during the period in both the long and short term. As an indication the PWLB 5-year maturity certainty rate rose from 2.30% on 1st April to 5.09% on 30th September; over the same period the 30-year maturity certainty rate rose from 2.63% to 4.68%. Further commentary on interest rates is provided in paragraph 5 (below).
- 4.4. The Council has a significant PWLB loan maturity of £17.9m due in March 2023 comprising several historic loans. The Council pursues a strategy of internal borrowing as per the Treasury Management Strategy approved by Council in March 2022. Cash balances will therefore be reduced to replace maturing loans where possible and when interest rates on deposits remain lower than PWLB borrowing rates.
- 4.5. Following consultation with the Council's treasury advisers, it is considered prudent to continue to pursue the above strategy in view of recent interest rate uncertainty. The borrowing position will be kept under review however and further advice sought should the need arise to take out external borrowing from the PWLB.

## 5. Interest Rate Forecast

5.1. Arlingclose, the Council's treasury advisors, have provide the following interest rate view:

	Current	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
<b>Official Bank Rate</b>													
Upside risk	0.00	0.50	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Arlingclose Central Case</b>	<b>2.25</b>	<b>4.25</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>4.75</b>	<b>4.25</b>	<b>3.75</b>	<b>3.25</b>
Downside risk	0.00	-1.00	-1.00	-0.75	-0.50	-0.50	-0.50	-0.75	-1.25	-1.50	-1.75	-1.75	-1.75

- Monetary policymakers are behind the curve having only raising rates by 50bps in September. This was before the “Mini-Budget”, poorly received by the markets, triggered a rout in gilts with a huge spike in yields and a further fall in sterling. In a shift from recent trends, the focus now is perceived to be on supporting sterling whilst also focusing on subduing high inflation.
- There is now an increased possibility of a special Bank of England MPC meeting to raise rates to support the currency. Followed by a more forceful stance over concerns on the looser fiscal outlook. The MPC is therefore likely to raise Bank Rate higher than would otherwise have been necessary given already declining demand. A prolonged economic downturn could ensue.
- Uncertainty on the path of interest rates has increased dramatically due to the possible risk from unknowns which could include for instance another Conservative leadership contest, a general election, or further tax changes including implementing windfall taxes.
- The government's blank cheque approach to energy price caps, combined with international energy markets priced in dollars, presents a fiscal mismatch that has contributed to significant decline in sterling and sharp rises in gilt yields which will feed through to consumers' loans and mortgages and business funding costs.
- UK government policy has mitigated some of the expected rise in energy inflation for households and businesses flattening the peak for CPI, whilst extending the duration of elevated CPI. Continued currency weakness could add inflationary pressure.
- The UK economy already appears to be in recession, with business activity and household spending falling. The short- to medium-term outlook for the UK economy is relatively bleak.
- Global bond yields have jumped as investors focus on higher and stickier US policy rates. The rise in UK government bond yields has been sharper, due to both an apparent decline in investor confidence and a rise in interest rate expectations, following the UK government's shift to borrow to loosen fiscal policy. Gilt yields will remain higher unless the government's plans are perceived to be fiscally responsible.
- The housing market impact of increases in the Base Rate could act as a “circuit breaker” which stops rates rising much beyond 5.0%, but this remains an uncertainty.
- The MPC is particularly concerned about the demand implications of fiscal loosening, the tight labour market, sterling weakness and the willingness of firms to raise prices and wages.
- The MPC may therefore raise Bank Rate more quickly and to a higher level to dampen aggregate demand and reduce the risk of sustained higher inflation. Arlingclose now expects Bank Rate to peak at 5.0%, with 200bps of increases this calendar year.

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- This action by the MPC will slow the economy, necessitating cuts in Bank Rate later in 2024.
- Gilt yields will face further upward pressure in the short term due to lower confidence in UK fiscal policy, higher inflation expectations and asset sales by the BoE. Given the recent sharp rises in gilt yields, the risks are now broadly balanced to either side. Over the longer term, gilt yields are forecast to fall slightly over the forecast period.

## 6. Compliance with Treasury and Prudential Limits

- 6.1. During the first half of 2022/23 financial year, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices.
- 6.2. The key treasury indicators compared to the actuals as at 30<sup>th</sup> September 2022 are shown below:

<b>External Debt:</b>	<b>2022/23 £m</b>
<b>Authorised limit for external debt</b>	220.000
<b>Operational boundary for external debt</b>	205.000
<b>Actual external debt 30.09.22</b>	166.600

<b>Maturity structure of fixed rate borrowing:</b>	<b>Upper Limit %</b>	<b>Lower Limit %</b>	<b>Actual %</b>
<b>Under 12 months</b>	35	0	21
<b>12 months to 24 months</b>	40	0	3
<b>24 months to 5 years</b>	50	0	10
<b>5 years to 10 years</b>	50	0	15
<b>10 years to 15 years</b>	75	0	12
<b>15 years +</b>	90	25	39

<b>Upper limit for principal sums invested for longer than 365 days:</b>	<b>Limit £m</b>	<b>Actual £m</b>
<b>Principal sums invested</b>	15	5



# Agenda Item 12

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	3 November 2022
<b>Subject:</b>	Appointment to Sefton New Directions Limited Board		
<b>Report of:</b>	Chief Legal and Democratic Officer	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Cabinet Member - Adult Social Care		
<b>Is this a Key Decision:</b>	No	<b>Included in Forward Plan:</b>	No
<b>Exempt / Confidential Report:</b>	No		

## Summary:

The report seeks to appoint Councillor Judy Hardman to serve on the Sefton New Directions Limited Board.

## Recommendation:

That the Cabinet appoint Councillor Judy Hardman to serve on the Sefton New Directions Limited Board and that the term of office expire on 25 May, 2023.

## Reasons for the Recommendation(s):

The Cabinet has delegated powers set out in Chapter 5, Paragraph 40 of the Constitution to appoint the Council's representatives to serve on Outside Bodies.

To comply with a decision of Cabinet that the appointment be made at this meeting of the Cabinet.

## Alternative Options Considered and Rejected:

None

## What will it cost and how will it be financed?

### (A) Revenue Costs

None arising from this report. Remuneration for the Board members is funded by Sefton New Directions Limited .

### (B) Capital Costs

There are no direct capital costs associated with the recommendations in this report.

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## Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

<b>Financial</b>	
None	
<b>Legal</b>	
Paragraph 40 of Chapter 5 in the Constitution gives the Cabinet delegated powers to make appointments to Outside Bodies, appropriate.	
<b>Human Resources</b>	
None	
<b>Equality</b>	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>
<b>Climate Emergency Implications:</b>	
The recommendations within this report will	
Have a positive impact	N/A
Have a neutral impact	N/A
Have a negative impact	N/A
The Author has undertaken the Climate Emergency training for report authors	Yes

## Contribution to the Council's Core Purpose:

Protect the most vulnerable: The appointment of Council representatives will ensure that the interests of residents of Sefton are taken into account.
Facilitate confident and resilient communities: As above
Commission, broker and provide core services: As above
Place – leadership and influencer: As above
Drivers of change and reform: As above
Facilitate sustainable economic prosperity: As above
Greater income for social investment: As above
Cleaner Greener: As above

## **Impact of the Proposals on Service Delivery:**

The appointment of Council representatives will ensure that the interests of residents of Sefton are taken into account.

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

The Executive Director of Corporate Resources and Customer Services (FD:6941/22) has been consulted and notes the report indicates no new direct financial implications for the Council.

The Chief Legal and Democratic Officer (FD5141:/22) has been consulted and comments have been incorporated into the report

## **Implementation Date for the Decision**

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

**Contact Officer:** Paul Fraser

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**Email:** paul.fraser@sefton.gov.uk

## **Background Papers:**

There are no background papers available for inspection

# Agenda Item 12

## 1. Introduction/Background

- 1.1 The Cabinet has delegated powers set out in Chapter 5, Paragraph 40 of the Constitution to appoint the Council's representatives to serve on Outside Bodies.

## 2. Sefton New Directions Limited Board

- 2.1 The Council is entitled to appoint representatives to serve on the Sefton New Directions Limited Board.

- 2.2 At its meeting held on 26 May 2022, the Cabinet appointed:

- Councillor Cummins, Cabinet Member – Adult Social Care as the Shareholder representative; and
- Councillor John Joseph Kelly to serve on the Board.

The terms of office will expire on 25 May 2023.

- 2.3 It was noted by Cabinet at that meeting that there were 2 Labour vacancies to be nominated at a later date.

- 2.4 At its meeting held on 28 July 2022, the Cabinet appointed (Minute No. 29) Councillor Liz Dowd as a representative to fill one of the two vacancies on the Board.

- 2.5 The Cabinet also agreed that the final vacancy be filled at the next meeting of the Cabinet to be held on 1 September 2022, but the appointment was deferred by the Cabinet at that meeting and again on 6 October 2022. The Labour Group has now nominated Councillor Judy Hardman to fill the vacancy.

- 2.6 The Cabinet is therefore requested to appoint Councillor Judy Hardman to serve on the Sefton New Directions Limited Board and that the term of office should expire on 25 May 2023.