



COUNCIL SUMMONS

To Members of the Metropolitan Borough Council

Dear Councillor

You are requested to attend a Meeting of the Sefton Metropolitan Borough Council to be held on **Thursday 14th September, 2023 at 6.30 pm at the Town Hall, Bootle** to transact the business set out on the agenda overleaf.

Yours faithfully,

PHIL PORTER

Chief Executive

Town Hall,
Southport

Wednesday 6 September 2023

Please contact Debbie Campbell, Democratic Services Manager
on 0151 934 2254 or e-mail debbie.campbell@sefton.gov.uk

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.

A G E N D A

1. Apologies for Absence

2. Declarations of Interest

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. Minutes of Previous Meeting

(Pages 5 - 22)

Minutes of the meeting held on 13 July 2023

4. Mayor's Communications

Public Session

5. Matters Raised by the Public

To deal with matters raised by members of the public resident within the Borough, of which notice has been given in accordance with the procedures relating to public questions, motions or petitions set out in Paragraph 36 to 47 of the Council and Committee Procedure Rules in Chapter 4 of the Council Constitution.

(Details of any petitions notified or questions submitted by members of the public will be circulated at the meeting).

Council Business Session

6. Questions Raised by Members of the Council

To receive and consider questions to Cabinet Members,

Chairs of Committees or Spokespersons for any of the Joint Authorities upon any matter within their portfolio/area of responsibility, of which notice has been given by Members of the Council in accordance with Paragraph 49 to 51 of the Council and Committee Procedure Rules, set out in Chapter 4 of the Council Constitution.

- 7. High Needs Funding 2023/24 Quarterly Monitoring Update** (Pages 23 - 44)
Report of the Assistant Director of Children’s Services (Education)
- 8. Annual Report of the Audit and Governance Committee 2022-2023** (Pages 45 - 90)
Report of the Executive Director of Corporate Resources and Customer Services
- 9. Proper Officer Functions** (Pages 91 - 94)
Report of the Executive Director of Corporate Resources and Customer Services
- 10. Treasury Management Outturn 2022/23** (Pages 95 - 110)
Report of the Executive Director of Corporate Resources and Customer Services
- 11. Financial and Corporate Performance 2022/2023** (Pages 111 - 190)
Report of the Executive Director of Corporate Resources and Customer Services
- 12. Financial Management 2023/24 to 2026/27 - Revenue and Capital Budget Update 2023/24 – September Update** (Pages 191 - 226)
Report of the Executive Director of Corporate Resources and Customer Services
- 13. Financial Management 2023/24 to 2026/27 – Medium Term Financial Plan 2024/25 to 2026/27** (Pages 227 - 246)
Report of the Executive Director of Corporate Resources and Customer Services
- 14. Council Constitution - Rule 46 (Waiving Call-in) Provisions** (Pages 247 - 252)
Reports of the Leader of Council
- 15. Membership of Committees 2023/24**
To consider any changes to the membership of any

Committees etc.

- 16. Motion Submitted by Councillor Prendergast - Members' Allowances** (Pages 253 - 254)
Copy attached
- 17. Motion Submitted by Councillor Sir Ron Watson - Vehicle Parking Dukes Ward** (Pages 255 - 256)
Copy attached
- 18. Notice of Motion by Councillor Lloyd-Johnson - Two Child Benefits Cap** (Pages 257 - 258)
Copy attached

COUNCIL

MEETING HELD AT THE TOWN HALL, SOUTHPORT ON THURSDAY 13TH JULY, 2023

PRESENT: The Mayor (Councillor June Burns) in the Chair
The Deputy Mayor (Councillor Carragher) Vice Chair

Councillors Atkinson, Bradshaw, Brough, Danny Burns, Byrom, Carlin, Corcoran, Cummins, D'Albuquerque, Desmond, Dodd, Dowd, Doyle, Evans, Fairclough, Grace, Halsall, Hansen, Hardman, Harrison, Hart, Harvey, Howard, Keith, John Kelly, Sonya Kelly, Lappin, Lloyd-Johnson, Lunn-Bates, Christine Maher, Ian Maher, McGinnity, McKee, Morris, Myers, O'Brien, Prendergast, Pugh, Richards, Riley, Robinson, Roche, Roscoe, Shaw, Spencer, Spring, Thomas, Lynne Thompson, Tweed, Veidman, Sir Ron Watson and Webster

17. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Brodie-Browne, Cluskey, Hardy, John Joseph Kelly, Killen, Moncur, Murphy, Catie Page, Chris Page, Anne Thompson, Waterfield and Wilson.

18. 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 remained in the room during the consideration of the item:

| Member | Minute No. | Nature of Interest |
|-------------------|---|---|
| Councillor Brough | Minutes Nod. 30 and 33 – Southport Pier | He is a representative on Southport Pier Trust – stayed in the room but took no part in the consideration of the items and did not vote thereon |
| Danny Burns | Minute No. 32 – Local Government Pay: A Fully Funded, Proper Pay Rise for Council and | He is employed by Knowsley Borough Council – stayed in the room, took no part in the consideration of the item but voted thereon |

Agenda Item 3

COUNCIL - THURSDAY 13TH JULY, 2023

School Workers

| | | |
|------------------------|--|---|
| Councillor Corcoran | Minute No. 32 – Local Government Pay: A Fully Funded, Proper Pay Rise for Council and School Workers | She is employed by Liverpool City Council – stayed in the room, took no part in the consideration of the item but voted thereon |
| Councillor Dodd | Minutes Nod. 30 and 33 - Southport Pier | He is a representative on Southport Pier Trust – stayed in the room but took no part in the consideration of the items and did not vote thereon |
| Councillor Grace | Minute No. 32 – Local Government Pay: A Fully Funded, Proper Pay Rise for Council and School Workers | She is employed by Liverpool City Council – stayed in the room, took no part in the consideration of the item but voted thereon |
| Councillor Spring | Minute No. 32 – Local Government Pay: A Fully Funded, Proper Pay Rise for Council and School Workers | He is employed by Merseytravel - stayed in the room, took no part in the consideration of the item but voted thereon |

19. MINUTES OF PREVIOUS MEETINGS

RESOLVED:

That subject to the following amendments, the Minutes of the Council Meetings held on 16 and 18 May 2023 be approved as a correct record:

- (1) the addition of Councillor Spring's name to the list of those present at the Council Meeting held on 16 May 2023; and
- (2) the deletion of Councillor Hart's name from the Apologies for Absence for the Council Meeting held on 18 May 2023 (Minute No. 7).

20. MAYOR'S COMMUNICATIONS

Retirement of Chief Executive and Welcome to new Chief Executive

The Mayor paid tribute and thanked the outgoing Chief Executive Dwayne Johnson. Dwayne was appointed as Chief Executive in June 2019 and previously he had been Director of Social Care and Health in the Council. The Mayor thanked Dwayne for his dedication and commitment to Sefton, in particular successfully guiding Sefton through the very difficult Covid-19 Pandemic. The Mayor welcomed his successor, Mr Phil Porter, to Sefton Council. Phil joined Sefton from Brent Council and the Mayor wished him well in his new role.

Councillors Maher, Pugh and Prendergast also paid tribute to the outgoing Chief Executive Dwayne Johnson.

Charity Events

The Mayor was now in a position to release details for her Charity Events programme for her term of office, and asked Members to put dates in diaries as tickets would be released soon. Her first Charity Night would be a Divas Night which would be on Saturday 14 October 2023 at St William of York Social Club, £10.00 a ticket which included entertainment by Miss Sugar. The second event was a Charity 70's night and this would be on Saturday 18 November 2023 at Waterloo Rugby Club, tickets would be £20.00 which included entertainment and food. Lastly, her Gala Charity Ball would be on Saturday 6 April 2024 and would be held at Formby Hall, tickets would be £50.00 which included a three-course meal, welcome drink and entertainment.

Battle of Atlantic Celebration

Over the last May Bank Holiday weekend, the Mayor indicated that she had a fantastic time at the Battle of the Atlantic Celebrations. On Friday 26 May 2023 she attended the 80th Anniversary Church Service, which was attended by the Princess Royal and this was followed by a Commemorative Dinner at the Crowne Plaza in the evening, which began with a reception on board HMS Defender. The weekend was extremely well attended as all kinds of displays were put on for the public to visit. The event culminated in a special Drumhead service on Sunday, 28 May 2023 with a parade through the city centre, ending at the Pier Head.

Naval Officer Memorial

The Mayor displayed a statuette she had been presented with, that was a replica of the one sited at the National Memorial Arboretum, Staffordshire, that was dedicated to remembering naval officer casualties.

Southport Armed Forces Day

Agenda Item 3

COUNCIL - THURSDAY 13TH JULY, 2023

On Sunday, 25 June 2023 the Mayor attended Southport Armed Forces Day which was another fantastic event that was very well attended, that included both the Lord Lieutenant and High Sheriff of Merseyside. The Mayor's thanks went to Sefton's Armed Forces Champion, Councillor Carragher, for her involvement in the event, and to all the Council officers involved in helping to ensure the event was a success.

21. MATTERS RAISED BY THE PUBLIC

The Council considered a schedule setting out the written questions submitted by:

| | |
|----|---|
| 1. | Mr. Gavin Scott to Councillor Moncur (Cabinet Member - Health and Wellbeing) |
| 2. | Mr. Michael Brennan to Councillor Doyle (Cabinet Member - Children's Social Care) |

together with responses given.

The members of the public concerned were not in attendance at the Council meeting.

RESOLVED: That

- (1) the questions and responses, as set out in the schedule, be noted; and
- (2) a copy of the responses from the relevant Cabinet Members be forwarded to the members of the public concerned.

22. QUESTIONS RAISED BY MEMBERS OF THE COUNCIL

The Council considered a schedule setting out the written questions submitted by:

| | |
|----|--|
| 1. | Councillor Prendergast to the Deputy Leader of the Council (Councillor Fairclough) |
| 2. | Councillor Prendergast to the Cabinet Member for Regeneration and Skills (Councillor Atkinson) |
| 3. | Councillor Prendergast to the Cabinet Member for Regeneration and Skills (Councillor Atkinson) |
| 4. | Councillor Prendergast to the Cabinet Member for Regeneration and Skills (Councillor Atkinson) |
| 5. | Councillor Prendergast to the Cabinet Member for Regeneration and Skills (Councillor Atkinson) |

| | |
|-----|--|
| 6. | Councillor Prendergast to the Cabinet Member for Locality Services (Councillor Fairclough) |
| 7. | Councillor Sir Ron Watson to the Leader of the Council (Councillor Ian Maher) |
| 8. | Councillor Sir Ron Watson to the Leader of the Council (Councillor Ian Maher) |
| 9. | Councillor Sir Ron Watson to the Leader of the Council (Councillor Ian Maher) |
| 10. | Councillor Sir Ron Watson to the Leader of the Council (Councillor Ian Maher) |
| 11. | Councillor Sir Ron Watson to the Leader of the Council (Councillor Ian Maher) |
| 12. | Councillor Brodie-Browne to the Cabinet Member – Regulatory, Compliance and Corporate Services (Councillor Lappin) |
| 13. | Councillor Brodie-Browne to the Cabinet Member – Regulatory, Compliance and Corporate Services (Councillor Lappin) |
| 14. | Councillor Brodie-Browne to the Cabinet Member – Locality Services (Councillor Fairclough) |
| 15. | Councillor Pugh to the Cabinet Member – Regeneration and Skills (Councillor Atkinson) |
| 16. | Councillor Pugh to the Cabinet Member – Regeneration and Skills (Councillor Atkinson) |
| 17. | Councillor Pugh to the Cabinet Member – Regeneration and Skills (Councillor Atkinson) |
| 18. | Councillor Pugh to the Cabinet Member – Regulatory, Compliance and Corporate Services (Councillor Lappin) |

together with responses given. Supplementary questions to questions 1, 2, 4, 6, 7, 9, 10 and 11 were responded to by the Deputy Leader of the Council; the Cabinet Members - Regeneration and Skills and Locality Services; and the Leader of the Council.

23. YOUTH JUSTICE SERVICE - ANNUAL PLAN

The Council considered the report of the Executive Director of Children’s Social Care and Education indicating that each year, the Youth Justice Board (YJB) required local Youth Justice Services to produce an Annual

Agenda Item 3

COUNCIL - THURSDAY 13TH JULY, 2023

Plan to satisfy the grant allocation and to ensure that the YJB was kept abreast of local business and performance. This year, the YJB had recommended that each Youth Justice Service adhered to a template for consistency and that the plan was signed off by the Chair of the local Youth Justice Partnership (formerly the YOT Management Board).

Sefton's Youth Justice Annual Plan had been produced in accordance with the YJB requirements and had been shared with the Cabinet Member - Children's Social Care, Assistant Director of People (Communities), Assistant Director of Children's Services (Cared for Children and Care Experienced), Executive Director - People and the Executive Director of Children's Social Care and Education. The Chair of the Youth Justice Service Partnership, Dawn McNally, Supt. Local Policing, Merseyside Police had signed the Plan.

The Youth Justice Partnership Annual Plan was attached to the report.

It was moved by Councillor Doyle, seconded by Councillor Lappin and

RESOLVED: That

- (1) the Youth Justice Service – Annual Plan 2023/24 be approved; and
- (2) in the event of subsequent comments by the Youth Justice Board, delegated approval be granted to the Executive Director of Children's Social Care and Education, in consultation with the Cabinet Member – Children's Social Care, to finalise the Youth Justice Service Annual Plan.

24. MILLERS BRIDGE RAILWAY BRIDGE - INVESTIGATION WORK

Further to Minute No. 11 of the meeting of the Cabinet held on 25 May 2023, the Council considered the report of the Assistant Director of Place (Highways and Public Protection) which indicated that the Department for Transport had provided £2m to the Council to complete investigatory works on the road bridge over the railway on the A5058, Millers Bridge. This was to ensure that the bridge was capable of carrying loads including abnormal loads to the Port of Liverpool. The report sought approval to the addition of the funding into the Council's Transport Capital Programme.

It was moved by Councillor Maher, seconded by Councillor Byrom and

RESOLVED:

That approval be given to the inclusion of a supplementary capital estimate for £2m, for the Millers Bridge Scheme, into the Council's Transport Capital Programme.

25. CLIMATE EMERGENCY - ANNUAL PROGRESS REPORT

COUNCIL - THURSDAY 13TH JULY, 2023

Further to Minute No. 29 of the meeting of the Cabinet held on 22 June 2023, the Council considered the report of the Executive Director of Corporate Resources and Customer Services indicating that the Council had declared a climate emergency in July 2019. Following that, declaration work had progressed within the Council and a climate emergency strategy and associated action plan had been created.

Annual reporting on progress made was required as part of the governance approach to the programme. Members were asked to note the progress made on achieving net zero carbon by 2030 and the programme of works supporting the Council's transition to low carbon working.

A revised Appendix to the report had been circulated in a supplementary agenda.

It was moved by Councillor Lappin, seconded by Councillor Roscoe and

RESOLVED: That

- (1) the progress made on the targets in the Sefton climate emergency strategy and action plan be noted; and
- (2) it be noted that the proposal was a Key Decision but had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Leader of the Council and the Chair of the Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) had been consulted under Rule 27 of the Access to Information Procedure Rules of the Constitution, to the decision being made by Cabinet as a matter of urgency on the basis that it was impracticable to defer the decision until the commencement of the next Forward Plan because of the need to publish the report at the same time each year.

26. FINANCIAL MANAGEMENT 20223/24 TO 2025/26 AND FRAMEWORK FOR CHANGE 2020 - REVENUE AND CAPITAL BUDGET UPDATE 2023/24 – JUNE UPDATE - ADDITIONAL CAPITAL ESTIMATES

Further to Minute No. 30 of the meeting of the Cabinet held on 22 June 2023, the Council considered the report of the Executive Director of Corporate Resources and Customer Services that set out supplementary capital and revenue estimates for approval in the Council's Capital Programme and revenue budget and an update on revised allocations of grant from central government and the Liverpool City Region Combined Authority.

The Leader of the Council indicated that he would provide a written response to the question on the A59 Northway Pedestrian / Cycle Improvements and developer's contributions.

It was moved by Councillor Maher, seconded by Councillor Byrom and

Agenda Item 3

COUNCIL - THURSDAY 13TH JULY, 2023

RESOLVED: That

- (1) a supplementary capital estimate of £3.000m for Disabled Facilities Grants core programme in 2023/24 funded by the Better Care Fund, be approved;
- (2) a supplementary capital estimate of £1.350m for the scheme at St Teresa's funded by High Needs Capital Grant, be approved;
- (3) a supplementary capital estimate of £1.583m for inclusion in the capital programme for the sporting betterment of local schools funded by capital receipts, be approved;
- (4) a supplementary capital estimate of £0.240m for the enabling works at Crown Buildings funded by capital receipts, be approved;
- (5) a supplementary capital estimate of £2.941m for inclusion in the capital programme for the A59 Key Route Network grant from the City Region Combined Authority, be approved;
- (6) a supplementary capital estimate of £1.500m for inclusion in the capital programme for the Crosby Town Centre scheme funded by grant from the City Region Combined Authority, be approved;
- (7) a supplementary capital estimate of £3.42m for inclusion in the capital programme for the A59 Northway Pedestrian/ Cycle Improvements scheme funded by grant from the City Region Combined Authority, developer's contributions, and Council resources, be approved; and
- (8) a supplementary capital estimate of £3.300m for inclusion in the capital programme for the Carriageway Resurfacing Programme funded by grant from the City Region Combined Authority, be approved.

27. OVERVIEW AND SCRUTINY ANNUAL REPORT 2022/23

The Council considered the Overview and Scrutiny Annual Report for 2022/23 and Councillors Thomas, Dowd, Bradshaw and Spencer highlighted the key areas of work undertaken by the respective Committees and thanked Members and Officers for their support and assistance during 2022/23.

It was moved by Councillor Dowd, seconded by Councillor Spencer and

RESOLVED:

That the Overview and Scrutiny Annual Report 2022/23 be noted.

COUNCIL - THURSDAY 13TH JULY, 2023

28. MATTERS DEALT WITH IN ACCORDANCE WITH RULE 46 OF THE SCRUTINY PROCEDURE RULES (CALL-IN AND URGENCY) AND RULE 29 OF THE ACCESS TO INFORMATION PROCEDURE RULES (SPECIAL URGENCY) OF THE CONSTITUTION

The Council considered the report of the Leader of the Council in relation to a matter that was dealt with in accordance with Rules 29 (special urgency) and 46 (waiving call-in) of the Access to Information Procedure Rules of the Council Constitution, whereby “call in” was waived.

It was moved by Councillor Maher, seconded by Councillor Byrom and

RESOLVED:

That the report be noted.

29. MEMBERSHIP OF COMMITTEES 2023/24

The Mayor reported that Gemma Armer had been appointed as a Parent Governor Representative on the Overview and Scrutiny Committee (Children’s Services and Safeguarding).

No changes to the memberships of Committees were made.

30. MOTION SUBMITTED BY COUNCILLOR PRENDERGAST - SOUTHPORT PIER

It was moved by Councillor Prendergast, seconded by Councillor Riley:

Southport Pier

Southport is fortunate to be blessed with many unique and historic buildings and structures. This benefits local businesses, residents and all those people who visit the Town.

This heritage and history enables Southport to market itself as a unique tourist destination and one of Southport’s most iconic structures is the Pier.

At over 160 years old and the second longest in the UK it is synonymous with Southport and its Victorian heritage. People travel from far and wide to visit the Pier and enjoy it.

It is therefore, deeply regrettable that the Pier has had to close. Whilst we all recognise that on occasion works need to be carried out, these should (where possible) be done in a manner that keeps the Pier open and accessible to all.

Therefore, this council resolves:

Agenda Item 3

COUNCIL - THURSDAY 13TH JULY, 2023

1. To commit to re-open the Pier as soon as possible.
2. To make every effort to carry out any required repair works in a manner that allows the Pier to remain open whilst works are being undertaken.
3. On the basis of the above provide a firm date when works will commence, provide details of costs and a schedule of works to be undertaken in a report to the Audit & Governance meeting scheduled for 6th September 2023.

An **amendment** was moved by Councillor Atkinson, seconded by Councillor Byrom that the Motion be revised as follows:

Southport Pier

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This heritage and history enables Southport to market itself as a unique tourist destination and one of Southport's most iconic structures is the Pier.

At over 160 years old and the second longest in the UK it is synonymous with Southport and its Victorian heritage. People travel from far and wide to visit the Pier and enjoy it.

It is, therefore, deeply regrettable that the Pier has had to close and remains closed. However, as safety is priority, it is recognised that the Council, based on independent experts, has made and continues to make the right decision that the Pier remains closed. Furthermore, the swift action of the Council in raising the profile of the Pier to secure its future is of paramount importance to the town and is welcomed.

Therefore, this council resolves:

1. To commit to re-opening the Pier with the safety of our residents, visitors and businesses being a priority when making those decisions.
2. To continue to make representations to Government departments, grant funders and all interested parties to work toward securing the additional funding that is needed.

Following a debate on the **Amendment** the Chief Legal and Democratic Officer officiated a vote and the Mayor declared that the **Amendment was carried** by 40 votes to 11.

A **further amendment** was moved by Councillor Pugh, seconded by Councillor Shaw that:

COUNCIL - THURSDAY 13TH JULY, 2023

Further to the above the Council commits itself to consult with all relevant stakeholders in order to construct a viable timetable for the restoration and re-opening of the Pier to be published in either draft or final version before the next council meeting, simultaneous with an update on any attempts to secure funding.

Following a debate on the further amendment, the Chief Legal and Democratic Officer officiated a vote and the Mayor declared that the **further amendment was lost** by 10 votes to 41.

On being put as the **Substantive Motion** it **was carried** unanimously and it was:

RESOLVED:

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Therefore, this council resolves:

1. To commit to re-opening the Pier with the safety of our residents, visitors and businesses being a priority when making those decisions.
2. To continue to make representations to Government departments, grant funders and all interested parties to work toward securing the additional funding that is needed.
31. **MOTION SUBMITTED BY COUNCILLOR ROSCOE - EXTENSION OF PUPIL PREMIUM PLUS FOR +16 TO ALL LOCAL AUTHORITIES**

Agenda Item 3

COUNCIL - THURSDAY 13TH JULY, 2023

It was moved by Councillor Roscoe, seconded by Councillor Dowd and unanimously

RESOLVED:

Extension of Pupil Premium Plus for +16 to all Local Authorities

This Council notes:

Pupil premium plus is specifically for pupils who are care experienced or leaving local authority care up to year 11 (usually age 16). It is a funding initiative to target disadvantaged pupils, level up the playing field and enable them to reach their full potential at school. It can be used by schools and virtual schools to raise the attainment of disadvantaged pupils.

Evidence shows that pupil premium spending is most effective when used across 3 areas:

1. high-quality teaching, such as staff professional development
2. targeted academic support, such as tutoring
3. wider strategies to address non-academic barriers to success in schools, such as attendance, behaviour, and social and emotional support

It is not available to post year 11 students.

That Government piloted the expansion of Pupil Premium Plus for +16 to 19 for 30 local authorities in 2021/22 and then confirmed that it would continue this scheme from September 2022 until July 2023.

An additional 28 local authorities were then added to the scheme making 58 in total.

The original post-16 pupil premium plus pilot ran from October 2021 until the end of March 2022 with an allocation of £900 per pupil which is less than half the £2,345 per pupil for those on the scheme aged up to 16.

Research carried out by the University of Oxford's Rees Centre was published by the DfE in December 2022⁽¹⁾ and found that this pilot scheme strengthened relationships between virtual school heads, colleges and social workers, and resulted in tailored interventions such as work to boost attendance of youngsters and provide enrichment activities to motivate them.

The report recommended the DfE commission a longer-term evaluation of the potential impact of adopting extending the pilot to all local authorities, extending funding beyond the age of 18 for those still in or newly entering education and extending provision beyond further education colleges to include years 12 and 13 in schools and those on apprenticeships or employment programmes.

COUNCIL - THURSDAY 13TH JULY, 2023

The House of Commons Education Committee published a report in June 2022⁽²⁾ "Educational poverty: how children in residential care have been let down and what to do about it" which noted:

"That there is a cliff-edge in Pupil Premium Plus funding when a looked-after pupil turns 16 and that the needs of looked-after pupils do not suddenly cease to exist when they turn 16."

It recommended that the Department of Education extend Pupil Premium Plus funding beyond age 16 to ensure looked-after pupils are receiving the support they deserve to succeed throughout their education and that post-16 Pupil Premium Plus funding must be calculated using the same funding formula as for the pre-16 cohort.

This Council proposes

Writing to the Secretary of State for Education to request that he/she extend the Pupil Premium Plus post-16 pilot to all local authorities and furthermore calculate post-16 pupil premium funding using the same formula as for the pre-16 cohort to ensure that ALL care experienced pupils/students are receiving the support that they deserve to succeed throughout their education, employment or training.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1123287/VSH_extension_evaluation_December_2022.pdf accessed May 2023

<https://committees.parliament.uk/publications/23006/documents/168514/default/> accessed May 2023

32. MOTION SUBMITTED BY COUNCILLOR LAPPIN - LOCAL GOVERNMENT PAY: A FULLY FUNDED, PROPER PAY RISE FOR COUNCIL AND SCHOOL WORKERS

It was moved by Councillor Lappin, seconded by Councillor Halsall:

Local Government Pay: A Fully Funded, Proper Pay Rise for Council and School Workers

This council notes:

Local government has endured central government funding cuts of more than 50% since 2010. Between 2010 and 2020, councils lost 60p out of every £1 they have received from central government. New research by UNISON has shown that councils across England, Wales and Scotland are facing a collective funding shortfall of £3bn by the financial year 2023/24 and a cumulative funding gap of £5bn by 2024/25.

Councils led the way in efforts against the Covid-19 pandemic, providing a huge range of services and support for our communities. Local government has shown more than ever how indispensable it is. But Covid

Agenda Item 3

COUNCIL - THURSDAY 13TH JULY, 2023

has led to a massive increase in expenditure and loss of income, and as we emerge from the pandemic, local authorities and schools need far more support from Westminster. Recent funding announcements from the Government relating to schools did nothing to help.

Council and school workers kept our communities safe through the pandemic, often putting themselves at considerable risk as they work to protect public health, provide quality housing, ensure our children continue to be educated, and look after older and vulnerable people.

Since 2010, the local government workforce has endured years of pay restraint with the majority of pay points losing at least 25 per cent of their value since 2009/10. Staff are now facing the worst cost of living crisis in a generation, with inflation hitting 10% and many having to make impossible choices between food, heating and other essentials. This is a terrible situation for anyone to find themselves in.

At the same time, workers have experienced ever-increasing workloads and persistent job insecurity. Across the UK, 900,000 jobs have been lost in local government since June 2010 – a reduction of more than 30 per cent. Local government has arguably been hit by more severe job losses than any other part of the public sector.

There has been a disproportionate impact on women, with women making up more than three-quarters of the local government workforce.

Recent research shows that if the Government were to fully fund the unions' 2023 pay claim, around half of the money would be recouped thanks to increased tax revenue, reduced expenditure on benefits and tax credits, and increased consumer spending in the local economy.

This council believes:

Our workers are public service super-heroes. They keep our communities clean and safe, look after those in need and keep our towns and cities running.

Without the professionalism and dedication of our staff, the council services our residents rely on would not be deliverable.

Local government workers deserve a proper real-terms pay increase. The Government needs to take responsibility and fully fund this increase; it should not put the burden on local authorities whose funding has been cut to the bone and who were not offered adequate support through the Covid-19 pandemic. The final offer of £1,925 is a derisory, below inflation offer for all council and school workers – in other words a further pay cut.

This council resolves to:

- Support the pay claim submitted by UNISON, GMB and Unite on behalf of council and school workers, for an increase of RPI + 2%.

COUNCIL - THURSDAY 13TH JULY, 2023

- Call on the newly constituted Local Government Association to make urgent representations to central government to fund the NJC pay claim.
- Write to the Chancellor and Secretary of State to call for a pay increase for local government workers to be funded with new money from central government.
- Meet with local NJC union representatives to convey support for the pay claim and consider practical ways in which the council can support the campaign.
- Encourage all local government workers to join a union.

An **amendment** was moved by Councillor Shaw, seconded by Councillor Pugh that the Motion be amended by adding the following words at the end of the motion:

In addition, noting that

- the meeting of the Independent Remuneration Panel of 30th June 2023 recommended that Members Allowances be increased in line with the Local Government Pay Settlement
- Should Council subsequently agree with the recommendation from the IRP, in supporting the union pay claim of an increase of RPI + 2% (equating to an increase of approximately 13.5%), this Council would be supporting an increase in Members Allowances of 13.5%.

This Council believes that such an increase in Members Allowances would be excessive and should take this into consideration when considering the recommendation from the IRP in due course.

Following a debate on the amendment, the Chief Legal and Democratic Officer officiated a vote and the Mayor declared that the **amendment was lost** by 12 votes to 40.

Following a debate on the **Original Motion**, the Chief Legal and Democratic Officer officiated a vote and the Mayor declared that the **Motion was carried** by 40 votes to 4 with 8 abstentions, and it was:

RESOLVED:

Local Government Pay: A Fully Funded, Proper Pay Rise for Council and School Workers

This council notes:

Local government has endured central government funding cuts of more than 50% since 2010. Between 2010 and 2020, councils lost 60p out of every £1 they have received from central government. New research by UNISON has shown that councils across England, Wales and Scotland are facing a collective funding shortfall of £3bn by the financial year 2023/24 and a cumulative funding gap of £5bn by 2024/25.

Agenda Item 3

COUNCIL - THURSDAY 13TH JULY, 2023

Councils led the way in efforts against the Covid-19 pandemic, providing a huge range of services and support for our communities. Local government has shown more than ever how indispensable it is. But Covid has led to a massive increase in expenditure and loss of income, and as we emerge from the pandemic, local authorities and schools need far more support from Westminster. Recent funding announcements from the Government relating to schools did nothing to help.

Council and school workers kept our communities safe through the pandemic, often putting themselves at considerable risk as they work to protect public health, provide quality housing, ensure our children continue to be educated, and look after older and vulnerable people.

Since 2010, the local government workforce has endured years of pay restraint with the majority of pay points losing at least 25 per cent of their value since 2009/10. Staff are now facing the worst cost of living crisis in a generation, with inflation hitting 10% and many having to make impossible choices between food, heating and other essentials. This is a terrible situation for anyone to find themselves in.

At the same time, workers have experienced ever-increasing workloads and persistent job insecurity. Across the UK, 900,000 jobs have been lost in local government since June 2010 – a reduction of more than 30 per cent. Local government has arguably been hit by more severe job losses than any other part of the public sector.

There has been a disproportionate impact on women, with women making up more than three-quarters of the local government workforce.

Recent research shows that if the Government were to fully fund the unions' 2023 pay claim, around half of the money would be recouped thanks to increased tax revenue, reduced expenditure on benefits and tax credits, and increased consumer spending in the local economy.

This council believes:

Our workers are public service super-heroes. They keep our communities clean and safe, look after those in need and keep our towns and cities running.

Without the professionalism and dedication of our staff, the council services our residents rely on would not be deliverable.

Local government workers deserve a proper real-terms pay increase. The Government needs to take responsibility and fully fund this increase; it should not put the burden on local authorities whose funding has been cut to the bone and who were not offered adequate support through the Covid-19 pandemic. The final offer of £1,925 is a derisory, below inflation offer for all council and school workers – in other words a further pay cut.

COUNCIL - THURSDAY 13TH JULY, 2023

This council resolves to:

- Support the pay claim submitted by UNISON, GMB and Unite on behalf of council and school workers, for an increase of RPI + 2%.
- Call on the newly constituted Local Government Association to make urgent representations to central government to fund the NJC pay claim.
- Write to the Chancellor and Secretary of State to call for a pay increase for local government workers to be funded with new money from central government.
- Meet with local NJC union representatives to convey support for the pay claim and consider practical ways in which the council can support the campaign.
- Encourage all local government workers to join a union.

33. MOTION SUBMITTED BY COUNCILLOR PUGH - SOUTHPORT PIER

With the agreement of the Council this Notice of Motion was withdrawn.

34. MOTION SUBMITTED BY COUNCILLOR SIR RON WATSON - CONSTITUTIONAL CHANGES

With the agreement of the Council this Notice of Motion was withdrawn.

35. MOTION SUBMITTED BY COUNCILLOR LLOYD JOHNSON - ANDY'S MAN CLUB

It was moved by Councillor Lloyd-Johnson, seconded by Councillor Evans and unanimously

RESOLVED:

Andy's Man Club

Andy's Man Club (AMC) was created in 2016 with the aim to create a talking group, a place for men to come together in a safe environment to talk about issues and problems they have faced or are currently facing. Formed in Halifax, the Club follows the motto, 'it's ok to talk.'

In their own words, AMC aim to, "eliminate the stigma surrounding mental health and create a judgment-free, confidential space where men can be open about the storms in their lives. [They] aim to achieve this through weekly, free-to-attend peer-to-peer support groups for men aged over 18."

On July 3rd, Andy's Man Club held the first meeting of their newly formed Southport branch.

This Council recognises;

Agenda Item 3

COUNCIL - THURSDAY 13TH JULY, 2023

The excellent work of Andy's Man Club to date and the particular role they play in improving mental health in our communities.

That according to the Department for Health, suicide is the biggest cause of death in men under the age of 50 and around three-quarters of deaths from suicides each year are men.

This Council resolves to;

Welcome Andy's Man Club to Southport and ask the Council's Chief Executive to write to the organisation expressing these sentiments.

Explore ways that the Council can work with Andy's Man Club to support their work.

Agenda Item 7

| | | | |
|--------------------------------------|--|----------------------------------|---|
| Report to: | Cabinet Council | Date of Meeting: | Thursday 27 July 2023 Thursday 14 September 2023 |
| Subject: | High Needs Funding 2023/24 Quarterly Monitoring Update | | |
| Report of: | Assistant Director of Children's Services (Education) | Wards Affected: | All Wards |
| Portfolio: | Cabinet Member - Education | | |
| Is this a Key Decision: | No | Included in Forward Plan: | No |
| Exempt / Confidential Report: | No | | |

Summary:

To inform Cabinet of:

1. The monitoring position of the High Needs budget position on the 1st of July 2023 as per previous agreement to provide regular updates.
 - The forecast expenditure to year end based on current / anticipated SEND support required during 2022/23.
 - Provisional High Need budget forecast for the 2023/24 financial year based on announced funding levels and estimated High Needs demands.
2. Update on the current SEN Review / Sufficiency Programme aimed at bringing High Needs expenditure pressures back into a more manageable financial position in the future including the outcomes from the work to date on the national Delivering Better Value Programme

Recommendation(s):

That Cabinet and Council is requested to

DSG – High Needs Budget

1. Note the current forecast position relating to the 2023/24 High Needs Budget.
2. Note the forecast accumulative deficit position of the High Needs Budget
3. Note the provisional potential deficit position facing the 2023/24 High Needs Budget

Update on the SEN Review / Sufficiency Programme

4. Note the outcomes from the Delivering Better Value Programme
5. Note the continuing work being undertaken through the SEN Review/ Sufficiency Programme

Agenda Item 7

Reasons for the Recommendation(s):

- 1) To provide an updated on the 2023/24 High Needs budget financial position.
- 2) To provide Members with a provisional update of the potential deficit budget forecast against the High Needs budget in 2023/24
- 3) 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

The options considered in this report are investments in order to save higher expenditure in the future. This may, by necessity, lead to large increases to the High Needs accumulated deficit, already forecast to be in excess of £24m by the end of 2023/24. There are considerable risks posed by this which are further considered in the report.

The report provides details from the Delivering Better Value programme and suggests that without mitigation the council could have a deficit balance within its DSG of over £100m by 2028. This is 2 years after the current statutory override that is in place at this time is due to come to an end/ be reviewed. As has been reported previously these numbers are not unique to the council but represent a real threat to financial sustainability as it is clear that such sums cannot be directed to such an annual or cumulative deficit. As such, lobbying will take place between officers and members with central government with a view to helping develop options to be considered at 2026. It has been reported that these DSG deficit balances amount to £2.1bn at the end of 2021/22 and were rising at £0.4bn per year in the sector. If the Sefton forecast figures are replicated across the sector this will increase exponentially.

It should be noted however that the council maintains that this is DSG issue and not one for the general fund and will continue to present that case and plans within the report will mitigate some of the increases but with the scale of the challenge will not meet this in full. Upon completion of the DBV work a full analysis of the financial issues and implications will be reported to cabinet and council as part of this quarterly reporting cycle.

(B) Capital Costs

All current financial implications are contained within the current High Needs

Agenda Item 7

capital programme for 2022/23 and 2023/24. Future Capital costs are to be determined through the Working Group and will be presented to a future Cabinet meeting.

Implications of the Proposals:

| | | | | | | | | |
|--|------------------------|----|-----------------------|-----|------------------------|----|---|-----|
| Resource Implications (Financial, IT, Staffing and Assets): All implications are detailed in the report. | | | | | | | | |
| Legal Implications: | | | | | | | | |
| Equality Implications: There are no equality implications | | | | | | | | |
| Impact on Children and Young People: Yes All implications are detailed in the report with regards to the impact and risks associated | | | | | | | | |
| Climate Emergency Implications: The recommendations within this report will <table border="1"><tr><td>Have a positive impact</td><td>No</td></tr><tr><td>Have a neutral impact</td><td>Yes</td></tr><tr><td>Have a negative impact</td><td>No</td></tr><tr><td>The Author has undertaken the Climate Emergency training for report authors</td><td>Yes</td></tr></table> | Have a positive impact | No | Have a neutral impact | Yes | Have a negative impact | No | The Author has undertaken the Climate Emergency training for report authors | Yes |
| Have a positive impact | No | | | | | | | |
| Have a neutral impact | Yes | | | | | | | |
| Have a negative impact | No | | | | | | | |
| The Author has undertaken the Climate Emergency training for report authors | Yes | | | | | | | |

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 |

Agenda Item 7

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| 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 of Corporate Resources and Customer Services (FD 7313/23) and the Chief Legal and Democratic Officer (LD 5513/23) 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

| | |
|-------------------------|-----------------------------|
| Contact Officer: | Tricia Davies |
| Telephone Number: | 0151 934 3428 |
| Email Address: | tricia.davies@sefton.gov.uk |

Appendices:

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
High needs Monitoring Report – November 2022
High Needs Monitoring Report – February 2023
High Needs Monitoring Report – April 2023

1. Introduction/Background

- 1.1 This report provides an update on the continuing work in relation to the High Needs Funding Budget. It will cover the current and forecasted deficits and the work that is already underway and further work that is required to address this situation and bring expenditure back into line with the resources available. This will include further details in relation to support being provided 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 approved Capital investment agreed through the 2022/23 and 2023/24 High Needs Capital

Agenda Item 7

- Programme and future plans for Capital investment. It will also provide an update in relation to latest outcomes with Sefton Council's participation in the Delivering Better Value in SEND Programme and the next steps to be taken.
- 12 Previous quarterly reports to Cabinet have already provided updates in relation to activities already undertaken, including the right-sizing of Special School budgets and the implementation of a new High Needs funding model for special schools and resourced provisions from April 2022. This rightsizing, while addressing the key actions required, resulted in an increased cost pressure of £2 million per year on the High Needs block from 2022/23. This decision was felt justified against the risk of not right-sizing the funding and potentially leading to the schools failing and more pupils with SEND being placed out of borough in high-cost independent settings and thus incurring substantial additional costs.
 - 13 Previous quarterly updates have also detailed work in relation to creating more placements for children with Education, Health and Care Plans (EHCPs) in maintained special schools and also the introduction of group funding approaches to meeting needs in mainstream schools in Sefton. These are both discussed further later in this report.
 - 14 This report will also set out the latest progress in relation to Sefton's involvement in the Delivering Better Value in SEND (DBV) Programme. Sefton is in tranche 2 of the Programme and which started in January 2023. The DBV programme previously stated its intention to support Local Authorities having a significant deficit against their High Needs Budgets to be as effective and efficient as they can, to reduce spending to more manageable levels, and to get back within budget, through an approved action plan, over a 2–3-year period with support offered throughout from DfE and financial Advisors. Progress in this programme including unmitigated financial forecasts and opportunities for mitigations presented by the programme are set out later in this report
 - 15 As with previous quarterly reports, this report should also be read in the context of the SEND Green Paper Consultation, which proposed the concept of a national banding and funding framework to ensure consistency of placement costs across the entire country. The DfE published its response to the consultation feedback earlier in 2023 and set out its intended approach in the document 'Special Educational Needs and Disabilities (SEND) and Alternative Provision (AP) Improvement Plan - Right Support, Right Place, Right Time' This describes further the concept of developing the national banding and funding framework and delivering a sustainable funding model for Local Authorities. There is an initial intended timeframe around delivery of this and other objectives by 2025.
 - 16 In this situation, the Council has 2 key objectives:
 - i) To provide a first-class service in accordance with best practice and government advice and support those who need it; and

Agenda Item 7

- 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 2023/34

- 21 The accumulative High Needs Budget deficit as at 31st March 2023 has now risen to £18.2m.
- 22 The High Needs funding allocation to Sefton has been increased by a further net £2.700m in 2023/24, and by supplementary funding of £1.826m announced in the Autumn Budget announcement in November 2022. However, the initial financial forecast for 2023/24 is estimating an increased overspend position of anywhere between £6m - 10m depending upon demand for additional SEN support throughout 2023/24.
- 23 Officers also sought agreement from all primary and secondary schools to allocate 0.5% (£0.981m) of their Block funding in support of schools with high numbers of pupils in receipt of High Needs funding from the Council. Although this was agreed by the Schools' Forum, the funding is ringfenced and earmarked to support meeting the first £6,000 of SEN support for pupils in receipt of High Needs funding agreements over an agreed threshold at each school. The funding cannot be used more widely to support other High Needs pressures.
- 24 The table below provides Members with an initial estimate of the financial forecast for the High Needs Budget in 2023/24

| <u>Forecast HN Budget Position 2023/24</u> | |
|---|--------------------|
| <u>2023/24 Forecasts</u> | |
| HN (Net) Budget 2023/24 (Increase in funding £2,745,946) | £42,803,102 |
| Mainstream Schools Additional Grant 2023/24 High Needs element (**Gov requirements on use of this funding) | £1,826,507 |
| Total HN Funding 2023/24 | £44,629,609 |
| Starting Position - Assume Same Expenditure level as forecast for 2022/23 (i.e with no increase / decrease in demand or taking account of full-year of any increases in 2022/23) | £46,057,156 |
| Opening and immediate shortfall Deficit Position 2023/24 | -£1,427,547 |
| <u>Known Additional Pressures that must be met in 2023/2024</u> | |

Agenda Item 7

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|---|--------------------|
| 3.4% Supplementary HN Grant Passport - **Gov Requirement | £728,522 |
| Special School price/pay uplifts 2023/24 - full-year cost of additional places in 2022/23 plus any agreed new places Sept 2023 | £1,723,569 |
| School Resource Units price/pay uplifts 2023/24 - full-year cost of additional places in 2022/23 plus any agreed new places Sept 2023 | £363,399 |
| AP Schools price/pay uplifts 2023/24 - full-year cost of additional places in 2022/23 plus any agreed new places Sept 2023 | £81,982 |
| Primary School 1:1 Top-up funding Pay uplift / adjustment to pay and conditions | £1,007,898 |
| Secondary School 1:1 Top-up funding Pay uplift / adjustment to pay and conditions | £627,767 |
| OOB / Independent Placements - price uplifts 2023/24 (based on average 6.8% uplift – some providers are seeking higher price increases) | £601,670 |
| Additional increases in Cost Pressures 2023/24 | £5,134,806 |
| | |
| Estimated Deficit 2023/24 | -£6,562,353 |
| <u>The above estimates do not include:</u> | |
| <i>Any increased demand other than 10 Primary Places and 24 special School Places built into HN capital programme</i> | |
| <i>No increases / decreases in 1:1 Support or new EHCs</i> | |
| <i>No new OOB Placements</i> | |
| <i>No increases in Post 16 HN numbers or increases in costs of Post 16 placements</i> | |

- 25 Despite the increased level of High Needs funding in 2023/24 it continues to not be enough to meet demand and the additional cost pressures on High Needs this year. As with the previous 4 years, Sefton's High Needs funding increase has lagged behind service expenditure and rising demand.
- 26 The number of children with EHCPs in Sefton has increased from 1765 at the start of 2020 to 2563 at the start of 2023 (based on national statistical returns) and currently sits at 2857 at the end of June 2023. The number of EHCPs written by the SEN Team has also increased significantly increasing from 322 in the calendar year 2021 and 389 in the calendar year 2022 to 346 completed in the first 6 months of 2023 to the end of June.
- 27 As a result, the level of High Needs funding offered by the Government in recent years, despite adding extra supplementary grant towards cost pressures such as Pay and Inflation in 2022/23 and 2023/24, still does not offer sufficient resource to meet local growing demand for High Needs provision. Much of the High Needs national formula allocations continue to be based on 'historic' demand data from 2018/19. Even those areas of the formula which do change for things like the 0-18 years population shifts and for other local health factors etc make little real difference to the funding

Agenda Item 7

level reflective of true demand. Thus, the funding allocations are not responsive to the larger increases in demand.

- 28 For Sefton, the funding shortfall each year is compounded on several fronts, including by the increased reliance on Independent placements, where either most usually there is not sufficient capacity in maintained special school provision to provide a place for a child; where a child's needs are too complex to be met within maintained provision; or in some instances, caused through parental pressure. Inconsistent application of the Graduated Approach to meeting need in mainstream schools has also potentially resulted in increased demand for special school places, resulting in further placements in Independent settings.
- 29 The situation also remains fluid, with the rate of new EHC Assessment requests remaining consistently high, resulting in a continued rise in EHC Plans. New funding agreements also continue to be put in place, either for individual pupils or groups of pupils. Whilst group agreements represent mitigation or cost avoidance in comparison to costs that would be in place had the pupils instead received 1:1 funding or independent placements, they still represent an increase on the burden of the High Needs Budget.
- 2.9 The work that has already been undertaken to create cost mitigations is set out further in the sections below, along with the wider plans to put more mitigations in place over the coming months and years including the planned workstreams from the DBV Programme.
- 210 The seriousness of having such large levels of overspending on High Needs and the possibility of even higher levels of accumulated deficit balances should not be underestimated. The DLUHC, in conjunction with CIPFA, have recently extended the funding override rules governing the accountability for DSG deficits by three years, covering 2023/24 to 2025/26. Under these rules such balances remain only to be carried forward as unusable reserves, and to be reduced by the LA through necessary actions, without them falling directly against the LA's own resources.
- 211 The key risk to the council is what central government then decide to do in respect of these deficits. The statutory override cannot be maintained indefinitely, and it is doubtful that the sector has this funding in reserves that it can use to fund it. Within Sefton, this is also the case. The council does not have reserves at a level that could repay this deficit not at the end of 22/23 and certainly with annual increases of £5m+.
- 212 Similarly with such annual increases, additional budget provision cannot be realistically set aside. As a result, the council has always maintained that this is a DSG issue build up over the last decade and should always be treated as such and should never become an issue for the general fund. Any long-term funding solutions that reflect a new system that is fully funded based on actual demand, should be supported by either deficits being written off or funded by the DSG over the long term. This however is a major risk to the financial sustainability of this council as this level of deficit cannot be met should the direction be post 2026 that deficits should be met by the general fund.

Mitigations undertaken by the Council since 2019/20 to reduce the financial commitments against the High Needs Budget from increasing SEN pressures.

3. Creation of additional in-house specialist SEN places

- 31 Since 2019/20 the Council has attempted to create new in-house SEN resources to meet the increasing demand for children and young people requiring more intensive / specialist SEN support which cannot be met in mainstream school settings and so reduce the reliance on having to send children to more expensive out of borough independent school settings.
- 32 It is only since 2022/23 that the Council has been provided with any level of High Needs capital funding from the Government to support making any significant investment in the creation of new SEN provision. However, prior to receiving any capital funding to support the current 2022 – 2024 High Needs capital programme the Council has been able to create, with support from the primary schools, several new Resource Bases utilising vacant classrooms at a few school sites.
- 33 Through the current High Needs High Needs capital programme, the Council has been able to accelerate the creation of new SEN places in the Special School and in both the Primary and Secondary School sectors as well as enhancing existing school sites so that more children can be supported in mainstream settings rather than specialist provision.
- 34 By September 2024 the Council will increased the number of SEN Resource Unit places in the primary and secondary school sector by 175 and will have created 250 new places in the special school sector.
- 35 The creation of the additional Resource Unit provision has reduced the cost to the High Needs budget by £1.5m per annum compared to having to place children in special school places and by nearly £6m compared to placements in independent schools (this does not include savings to transport budget which is outside of the High Needs budget commitments)
- 36 The table below provides an overview of the mitigation savings that have been made to reduce High Needs costs through the creation of new Resource Unit places since 2019/20

Agenda Item 7

| | Increases | Increases | Increases | Increases | Increases | Increases | Increases |
|--------------------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Resource Unit Provision | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| +20 Sept 2019 | 11.67 | 20.00 | 20.00 | 20.00 | 20.00 | 20.00 | 20.00 |
| +4 April 2020 | | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| +18 Sept 2020 | | 10.50 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 |
| +12 April 2021 | | | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 |
| -10 Sept 2021 | | | -5.83 | -10.00 | -10.00 | -10.00 | -10.00 |
| +8 Jan 2022 | | | 2.00 | 8.00 | 8.00 | 8.00 | 8.00 |
| +72 Sept 23 | | | | | 42.00 | 72.00 | 72.00 |
| +32 Jan 24 | | | | | 8.00 | 32.00 | 32.00 |
| + 14Sept 24 | | | | | | 8.17 | 14.00 |
| Increase in Provision | 11.67 | 34.50 | 55.17 | 57.00 | 107.00 | 169.17 | 175.00 |
| Avg Cost @ Resource Unit | £11,068.17 | £10,640.06 | £12,153.69 | £11,207.17 | £12,542.76 | £12,542.76 | £12,542.76 |
| Avg Cost @ Special School | £19,983.66 | £20,665.01 | £21,914.11 | £19,140.62 | £21,359.74 | £21,359.74 | £21,359.74 |
| Avg Cost @ Independent Sch | £37,057.78 | £37,829.67 | £40,839.10 | £43,789.90 | £47,836.73 | £47,836.73 | £47,836.73 |
| Mitigating Saving v Spec | -£104,014.09 | -£345,860.57 | -£538,449.69 | -£452,206.81 | -£943,417.40 | -£1,491,539.97 | -£1,542,972.38 |
| Mitigating Saving v Indep | -£303,212.14 | -£938,041.44 | -£1,582,478.09 | -£1,857,215.68 | -£3,776,455.56 | -£5,970,564.48 | -£6,176,446.02 |

3.7 The creation of 250 new in-house special school places has also provided mitigation savings of over £6.5m on an annual basis compared to having to send children out to independent schools.

3.8 The table below provides an overview of the mitigation savings that have been made to reduce High Needs costs through the creation of new special school places since 2019/20

| | Increases | Increases | Increases | Increases | Increases | Increases | Increases |
|---------------------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Special School Provision | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| + 1 April 2019 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| + 22 Sep 2019 | 12.83 | 22.00 | 22.00 | 22.00 | 22.00 | 22.00 | 22.00 |
| + 11 April 2020 | | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 |
| + 14 Sep 2020 | | 8.17 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 |
| + 11 April 2021 | | | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 |
| + 24 Sep 2021 | | | 14.00 | 24.00 | 24.00 | 24.00 | 24.00 |
| + 85 April 2022 | | | | 85.00 | 85.00 | 85.00 | 85.00 |
| + 39 Sep 2022 | | | | 22.75 | 39.00 | 39.00 | 39.00 |
| + 9 Jan 2023 | | | | | 2.25 | 9.00 | 9.00 |
| + 6 Sep 2023 | | | | | 3.50 | 6.00 | 6.00 |
| + 28 Sep 2023 | | | | | 16.33 | 28.00 | 28.00 |
| Increase in Provision | 13.83 | 42.17 | 73.00 | 190.75 | 229.08 | 250.00 | 250.00 |
| Avg Cost Special School | £19,983.66 | £20,665.01 | £21,914.11 | £19,140.62 | £21,359.74 | £21,359.74 | £21,359.74 |
| Avg Cost Independent | £37,057.78 | £37,829.67 | £40,839.10 | £43,789.90 | £47,836.73 | £47,836.73 | £47,836.73 |
| Mitigating Saving v Indep | -£236,191.98 | -£723,776.62 | -£1,381,523.98 | -£4,701,849.87 | -£6,065,437.63 | -£6,619,248.05 | -£6,619,248.05 |

3.9 Although the Council has created the above increases in in-house SEN places the number of children requiring Special SEN places continues to outstrip places requiring more and more children to be placed in, more expensive, independent school settings.

4. Group Funding Arrangements in Mainstream Schools

4.1 As stated earlier in the report the number of children in receipt of High Needs funding support, either through EHC plans or High Needs funding agreements, continues to grow exponentially. Historically SEN provision for

Agenda Item 7

these children has been through the use of additional Teaching Assistants to provide 1:1 support in a classroom, often working with the child throughout their entire school day. However, national studies have shown that the impact of 1:1 teaching assistants on the outcomes for children with SEND is inconsistent and does not necessarily promote the acquisition of greater independence in learning. Children are then also often supported for their entire day by that staff member, rather than receiving more input from a higher skilled teacher in the classroom. The growing number of pupils requiring higher levels of support has led to classrooms increasingly crowded by adults and schools struggling to recruit to the number of teaching assistant posts they require.

- 42 Over the past 18 months staff within the SEN and Inclusion Services have been working with mainstream schools to develop group approaches to meeting the needs of their children with SEND. This more flexible approach to meeting need has enabled schools to adapt the provision they put into place to meet the needs of the specific cohorts of children that they have with different provision put in place to meet the context of each individual school and the children they support. For one school this might be supporting a group of 8 with a teacher and teaching assistant. For another, it might be using a Higher-Level Teaching Assistant to support three pupils.
- 43 This new approach to SEN support has a financial saving to both the Council and individual schools, as well as delivering better outcomes for the children being supported through this new way of working. In relation to the financial element, the traditional method of schools being held to pay the first £6000 for every pupil and the Council providing individual funding for each child is set aside, with overall contributions for the group as a whole being provided, producing cost mitigations that benefit both school and the Council.
- 44 The table below provides an overview of the mitigation savings that have been made over the last year by adopting this new way of support children in receipt of SEN support in mainstream schools.

| Age Range | Spend on Group Funding | Potential spend if 1:1 funded instead | Cost mitigations produced |
|---------------------------|-------------------------------|--|----------------------------------|
| New Reception 2023 | £423,763 | £759,000 | £280,509 |
| Primary Age | £1,666,493.50 | £3,628,000 | £1,961,506.50 |
| Secondary Age | £619,305 | £856,655 | £237,350 |

5. **SEN pressures in mainstream schools with high levels of children in receipt of High Needs funding plans – 0.5% School top-slice agreement 2023/24.**

Agenda Item 7

- 5.1 As well as covering general operating costs for the education of all children on roll from its' delegated budget each school is also usually required to meet the first £6,000 of any additional support for any children in receipt of SEN high needs support. The Government has indicated that each school keeps a small element back of each funding stream within its delegated budget to create a "notional SEN" budget to support any additional SEN costs specific to each school. For many schools, especially those only receiving minimum funding levels, the funding they receive on an annual basis only covers general day to day costs and so any additional financial pressures due to SEN pupils makes things extremely difficult – especially if the school is very inclusive / has high levels of SEN pupils.
- 5.2 If schools cannot afford to meet the first £6,000 then the LA has the option to support all the additional SEN costs from its High Needs Budget to ensure that pupils continue to be supported in mainstream settings and that placements do not breakdown resulting in pupils being transferred into more expensive Specialist Placements.
- 5.3 In 2022/23 there were a number of inclusive schools, including several schools who only receive minimum formula funding levels, who approached officers to inform them that from 2023/24 they could not afford to support the first £6,000 of support for every pupil in receipt of HN funding and that in most cases SEN staffing would have to cease and pupils placed in Specialist settings unless the LA could cover full cost of SEN support.
- 5.4 With the significant financial pressures facing the High Needs Budget and a forecast accumulative deficit of approx. £18.5m by the end of 2022/23 Officers took the decision to meet with all Headteachers to seek support from the primary and secondary sectors to help with this financial pressure facing certain schools in 2023/24.
- 5.5 All schools, through a majority vote, agreed to a 0.5% top-slice of the maintained schools budget block in 2023/24 as a one-off agreement. This funding (£987,000) is an earmarked contingency in the High Needs Budget in 2023/24 and used to meet the first £6,000 for any children in receipt of high needs support for each pupil where the number of SEN children is exceeding 3% of the school population in each school.
- 5.6 However, this is a one-year fix and work will be required in the autumn term to seek support for 2024/25 or this potentially will become a £1m cost pressure against the High Needs Budget in 2024/25 or risk many placement breakdowns in school settings.

6. Specialist Placements, sufficiency proposed and current projects

- 6.1 As described in previous Quarterly Reports, part of the strains placed upon the High Needs Budget originate from the cost of Independent out of Borough specialist placements, the majority of which have been due to a lack of sufficient maintained places within Sefton special schools and

Agenda Item 7

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.

- 62 In previous Quarterly Reports Cabinet have 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.
- 63 Progress on previously agreed elements is set out below along with any placement cost avoidance elements that are realised through the work:

| Name of Setting | Area of Need | Update | Impact |
|------------------------|---------------------------------------|---|--|
| Redgate Primary School | Complex Learning Difficulties (CLD) | Building work completed for Easter 2023. Additional play area work in progress. | Additional class of 8 places created enabling pupils to be kept in LA provision. Annual cost of £110,574 in LA provision against at least £400,000 in Independent provision. Cost avoidance of £289,426. |
| Newfield | Social Emotional Mental Health (SEMH) | Work due to commence with former St Teresa's site. Building to be ready for school to move pupils in from January 2024. | Additional 28 places created. Based on average split of top 2 banding levels annual cost of £676,942 in LA provision against at least £1.4 million in Independent provision. Cost avoidance of £723,058 |
| Formby High | Cognition and Learning | School have submitted relevant planning permission | Additional 40 places to be created. Annual cost of £552,870 in LA |

Agenda Item 7

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| | | application to Sefton Council for approval. Anticipated completion by September 2024 at latest. | provision against at least £2 million in Independent provision. Cost avoidance of £1,447,130. |
| Waterloo Primary ASD Base | Autistic Spectrum Disorder (ASD) | Completion date due of 30 th October | Additional 8 places to be created. Annual cost of £110,574 against £400,000 in Independent provision. Cost avoidance of £289,426 |
| Waterloo Primary mainstream | All Needs | Internal works to support SEN groups due to be complete ready for start of September 2023 | Support for SEN Support pupils in mainstream places. N/A on direct cost mitigation |
| Thomas Gray Primary Base | Social Communication | Mobile classroom ready for start of Autumn term. Internal alterations partially ready for start of Autumn term and further phase after this. | Additional 38 places to be created. Annual Cost of £560,000 in LA provision against £1.9 million in Independent Provision. Cost avoidance of £1.34 million. |
| Marshside Primary | ASD | Mobile classroom to be ready for start of Autumn term | Support for pupils in mainstream places. N/A on direct cost mitigation |
| Bishop David Sheppard Base | Social Communication | Internal alteration and extension to be ready during Autumn term | Additional 16 places to be created. Annual cost of £221,148 in LA provision against £800,000 in Independent provision. Cost avoidance of £578,852. |
| Holy Family High Base | Cognition and Learning | Mobile classroom to be ready Spring 2024. Internal | Creation of 30 additional places by September 2024. |

Agenda Item 7

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| | | works to be carried out for Autumn 2023 | Annual cost of £414,652 in LA provision against £1.5 million in Independent provision. Cost avoidance of £1.085 million. |
| Grange Primary | All Needs | Sensory room refit to be complete for Autumn 2023 | N/A on direct cost avoidance |
| Farnborough Jnr School | All Needs | Access ramp and Canopy work being tendered for | N/A on direct cost avoidance |
| Norwood Primary | All Needs | Hygiene room to be ready for Autumn 2023 | N/A on direct cost avoidance |
| Hudson Primary | All Needs | Internal changes to reception room to be ready for Autumn 2023 | N/A on direct cost avoidance |

While there is an additional cost pressure of £2,646,760 against the High Needs budget, there is an overall cost avoidance of an additional £5,752,892 against independent school placements per annum for those pupils once all new places are open across the provisions. These elements are factored in within sections 3.6 and 3.8.

- 64 The additional revenue costs to High Needs identified above, need to be tempered against the gradual reduction in the need for out of Borough placements, keeping these to a minimum over the next few years and beyond. As the reliance on placements at these schools starts to fall, and as long-term pupils start to leave these schools costs should start to drop in this budget area.

Future Workstreams

7. Delivering Better Value (DBV) in SEND Programme

- 7.1 The DBV Programme has now concluded its analytical and forecasting stage and is now at the point of action planning on workstreams for the bid for grant funding from the DfE for up to £1 million to be submitted.
- 7.2 The financial analysis of current trends produced by the Programme show an unmitigated forecast cumulative deficit in the High Needs budget of up to £132million by 2028 if current trends do not change and no extra actions are undertaken.

Agenda Item 7

- 73 In mitigation, the DBV Programme has identified an opportunity to mitigate that deficit by an overall cumulative amount from 2024 – 2028 of £19.8 million or a stretch target of £24.7 million in a best-case scenario. This would reduce the forecasted deficit for 2028 to between £107.3 million - £112.2 million. The increases are driven by inflation, continued increases in demand and the continued overflow out of MSS into INMSS once MSS reaches capacity. These are sector wide issues with the significant majority of Councils reporting continued forecast significant mitigated deficits and DfE seeking to revisit the figures.
- 74 This is a clear variation in position from the initial stated purpose of the DBV Programme enabling Councils to move back to within balanced budgets to mitigating the growth of the deficit. The DBV Programme and workstreams must therefore be seen as only one part of the solution required to the financial situation.
- 75 Focus of DBV Workstream outcomes - The DBV Programme has identified mitigation opportunities in strengthening the mainstream engagement with the Graduated Approach to meeting needs of children with SEND and so reducing the flow of pupils leaving mainstream and moving to resourced provision, maintained special schools and independent special schools. This then produces further capacity in the maintained special school and resourced provision elements, thus reducing further the flow into independent special schools.
- 76 Two parallel workstreams will focus upon the Early Years, particularly the transition from nursery to Reception, and school aged children, particularly the transition from primary to secondary. Additional fixed-term staff will be recruited by the use of grant funding to create additional temporary capacity in the Inclusion, Educational Psychology and Early Years services to enable the required development work to take place and to provide a greater capacity to respond to school requests for immediate support and guidance.
- 7.7 A focussed piece of work will take place to refresh and strengthen the existing Graduated Approach document, to make it holistic across Education, Health and Care, not just focussed on education. It will also have a toolkit alongside it to enable quick access for SENCOs and other practitioners to supportive resources and contacts. Alongside this the Local Offer will be reviewed and refreshed to increase accessibility and information available. A strengthened training offer will also be created to provide greater knowledge, skills and confidence in school staff. To ensure sustainability, a train the trainer approach will be adopted to ensure retention of skills and experience.
- 78 Work will be carried out to ensure stronger clearer communication with families to raise awareness of services available and how to access them, along with a clearer understanding of the Graduated Approach and what to expect to be available for their children.
- 79 The framework for mainstream high needs funding will be refreshed, piloted in the Autumn Term of 2023 and built towards a full relaunch in September

2024.

- 7.10 A dashboard to measure indicators of Inclusion across schools will be established to ensure clear measurement of schools' inclusiveness and to measure the impact of the work carried out over the next 18 months from a baseline position. This will be shared transparently with schools to ensure clear understanding of practice across the local area and to enable peer accountability when ensuring consistency of application of the Graduated Approach. Measures will include exclusions, attendance, EHC Assessment requests, destination of pupils when an EHC Plan is finalised, in year moves between schools, rates of referrals to services and engagement with support offered etc.
- 7.11 In conclusion in relation to the DBV Programme, it has become clear that focus has shifted from balanced budgets to cost mitigation and that achieving financial stability through this programme alone is not achievable. The Council cannot meet the remaining forecast deficit from within its own finances and so it represents a continued risk to the financial sustainability of the Council, especially with consideration of the financial override expiring in 2026. It is essential that through Members and Officers that there is significant engagement with the DfE, Treasury and DLUHC to ensure that conversations continue and challenge is made over the financial situation.

8. Special School Sufficiency Planning

- 8.1 In the previous quarterly report reference was made to work in development in relation to developing special school sufficiency in Sefton. As a result of the outcomes of the DBV Programme this has been prioritised as an additional piece of work required to further reduce the projected growth in the High Needs Funding.
- 8.2 At this point the work is at an embryonic stage but pace and priority have been attached to the work in recognition of significance of the work. An initial meeting has been held between key Officers from various departments across the Council to co-ordinate a Project group to manage the work required. Initial implementation of the work is targeting September 2024 for additional places to become available.
- 8.3 This will involve a significant amount of investment into the special school estate to ensure appropriate sufficiency of places for the next 5-7 years. DBV analytics forecasts a requirement of an additional 388 special school placements over the next 5 years to 2028. Provision of these places through maintained provision, while still representing an additional cost on the current budget, will still represent a significant mitigation of costs compared to those pupils requiring independent school settings.
- 8.4 Further updates on the progress of this work will provided to the next quarterly report to Cabinet.

9. Monitoring and Review

Agenda Item 7

- 91 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.
- 92 The Service Manager for SEND and the Assistant Director for Education meet on a weekly basis to review HNF requests over £20,000, mainly independent out of borough requests.
- 93 A clear governance structure will be established to ensure monitoring and review of the Implementation Plan that will result from the DBV Programme. This will ensure reporting to the appropriate Officers and Boards and hold that programme to account.
- 94 Given the high profile and clear significant risk attached to the SEND agenda, including the High Needs Funding Budget and the pending SEND Local Area Ofsted Inspection, discussions are underway with the Director of Children's Services for potential options, responding to the recommendations in the DfE document 'High needs budgets: effective management in local authorities' published in June 2022, which presents findings from the initial work nationally in relation to managing High Needs Funding Budget Deficits and makes 10 key recommendations for Local Authorities to consider, one of which is that 'Local authorities should invest properly in SEND leadership, with dedicated time for strategic functions to avoid constant distractions from operational pressures'. This will be progressed further in the coming months.

10. What will success look like?

- 101 As previously stated in Section 1.6, 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.
- 102 To fulfil these objectives, success will look like as set out below:
- o 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.

Agenda Item 7

- 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 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 closer to a position of financial sustainability at the end of that cycle.

103 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

Agenda Item 7

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'. Given the current position with the DBV Programme, which is also reflected across other Councils taking part in the Programme of the opportunities for mitigation not offsetting the forecasted deficits, this conversation holds an even higher priority than previously. The firm running the DBV Programme, Newton Europe, are collating all outcomes for Councils in the Programme and feeding the findings back to the DfE, however further dialogue between Councils themselves and the Department may be required as this situation moves forwards.

- 104 The proposals contained within this report will further improve the system that impacts the High Needs Budget and over time is intended to lead to financial sustainability, however the forecasted deficit cannot be ignored. It was agreed in late 2022 by Government Ministers, that Councils will continue to have protection from having to fund their DSG High Needs deficits out of their core balances for a further 3 financial years 2023/24 – 2025/26, but it is not expected to be extended beyond this period. Therefore, anything the Council can do to prevent High Needs spending from adding to the already substantial accumulated deficit (£18.5m end of 22/23) must be considered.

11. **Risk of taking no action**

- 11.1 Cabinet is asked to formally note the actions being taken to address the budget deficit. This will involve a future decision in relation to proposals on a Capital scheme once options have been explored and are in a position to be presented. Should the decision be taken not to approve these schemes there are several risks which should be fully considered by Members.
- 11.2 The paramount risk to preventing an expansion of places through capital spending, is the loss of learning for children and young people. There are currently not enough spaces locally both within maintained and independent provision for pupils and this could result in a number of children out of school.
- 11.3 Having pupils either out of school or inappropriately placed could have a huge impact on the council's reputation with large amounts of tribunals, complaints and risk of press involvement.
- 11.4 If the recommendations to approve the Capital schemes is not approved there is also a risk of council services being unable to meet their own aims and objectives in relation to supporting children and young people in their local settings, and in being unable to meet the proposed aims and objectives set out in the SEND Green Paper.

115 Financially, the risk of no action means that children and young people will continue to require large numbers of places in specialist provision. If no maintained provision is created and if spaces are available in independent provision, then the LA would have no choice but to place children in these settings. A placement in an independent provision for 1 year can range from £27,500 to over £100,000, with the average currently approximately £53,000 per year. This would be at an additional cost of over £8 million per year given the number of anticipated new places required over the next 12-18 months. This would add to the annual budget deficit, in turn meaning that the Council will not reach a position of financial sustainability for its High Needs Budget. This in turn could compromise the overall financial management of the Council.

12. Next Steps

121 The LA is now at the point of submitting its final application to the DfE for the awarding of the £1 million grant funding. This will be considered by the DfE by the end of July 2023 with workstreams then due to start at the end of August to run through to March 2025 in terms of use of the Grant funding. An update on progress will be provided at the next quarterly report.

122 Initial project meetings have commenced in relation to the Capital sufficiency work with planning underway. This will continue over the summer period and will be in a position to provide a more detailed update with potential proposals at the next quarterly report.

123 Work on the strategic structure and capacity of the SEN Service will continue to ensure there is sufficient strategic and operational capacity to manage and deliver on the outcomes required for the service area.

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Agenda Item 8

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| Report to: | Audit and Governance Committee | Date of Meeting: | Wednesday 6 September 2023 |
| | Council | | Thursday 14 September 2023 |
| Subject: | Audit and Governance Committee Annual Report 2022-2023 | | |
| Report of: | Executive Director of Corporate Resources and Customer Services | Wards Affected: | (All Wards); |
| Portfolio: | Regulatory, Compliance and Corporate Services | | |
| Is this a Key Decision: | No | Included in Forward Plan: | No |
| Exempt / Confidential Report: | No | | |

Summary:

To formally present the Annual Report of the Audit and Governance Committee 2022-2023.

Recommendations:

1. Recommendation to the Audit and Governance Committee:

That the Audit and Governance Committee be requested to:

Agree and refer the 2022-2023 Annual Report of the Audit and Governance Committee to the Council for approval.

2. Recommendation to the Council:

That Council be requested to approve the Annual Report of the Audit and Governance Committee 2022-2023.

Agenda Item 8

Reasons for the Recommendations:

To comply with the Terms of Reference of the Committee as set out in Chapter 7 of the Council's Constitution.

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

No alternative options have been considered – To comply with the formal reporting mechanism.

What will it cost and how will it be financed?

There are no direct financial implications arising from this report.

(A) **Revenue Costs** – see above

(B) **Capital Costs** – see above

Implications of the Proposals:

| | |
|--|---------|
| Resource Implications (Financial, IT, Staffing and Assets): | |
| None | |
| Legal Implications: | |
| None | |
| Equality Implications: | |
| There are no equality implications. | |
| Impact on Children and Young People: No | |
| Climate Emergency Implications: | |
| The recommendations within this report will | |
| Have a positive impact | Neutral |
| Have a neutral impact | Neutral |
| Have a negative impact | Neutral |
| The Author has undertaken the Climate Emergency training for report authors | Yes |
| There are no direct climate emergency implications arising from this report. Any climate emergency implications arising from matters referred to in the Annual Report would have been contained in reports when they were presented to Members during the previous year; or will be contained in future reports during the forthcoming year. | |

Contribution to the Council's Core Purpose:

| |
|---|
| Protect the most vulnerable: None directly applicable to this report |
| Facilitate confident and resilient communities: None directly applicable to this report |
| Commission, broker and provide core services: Good governance is about how the Council ensures that it is doing the right things, in the right way, for the communities we serve. Good governance will enable the Council to pursue its vision and secure its agreed objectives in the most effective and efficient manner. |
| Place – leadership and influencer: None directly applicable to this report |
| Drivers of change and reform: None directly applicable to this report |
| Facilitate sustainable economic prosperity: None directly applicable to this report |
| Greater income for social investment: None directly applicable to this report |
| Cleaner Greener: None directly applicable to this report |

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD 7339/23) and the Chief Legal and Democratic Officer (LD 5539/23) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Not applicable

Implementation Date for the Decision

Immediately following the Council meeting.

| | |
|-------------------------|----------------------------|
| Contact Officer: | Ruth Appleby |
| Telephone Number: | Tel: 0151 934 2181 |
| Email Address: | ruth.appleby@sefton.gov.uk |

Appendices:

The Annual Report of the Audit and Governance Committee 2022-2023 is attached as an appendix to this report.

Background Papers:

There are no background papers available for inspection.

Agenda Item 8

1.0 Introduction and Background

1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Position Statement on Audit and Governance Committees states that Audit Committees are a key component of an authority's governance framework. Their function is to provide an independent and high-level resource to support good governance and strong public financial management.

1.2 The Position Statement also states that:

"The audit committee should be held to account on a regular basis by the group to which it is accountable. For a local authority audit committee, this will be the Council. The aspects that should be specifically considered include:

- Whether the Committee has fulfilled its agreed terms of reference
- Whether the Committee has adopted recommended practice
- Whether the Committee members have been assessed and whether they are accessing briefing and training opportunities
- Whether the committee has assessed its own effectiveness and been the subject of a review and the conclusions and actions from that review
- What impact the committee has on the improvement of governance, risk and control within the authority".

1.3 Within the Chartered Institute of Public Finance and Accountancy (CIPFA) model Terms of Reference (2018), which the Council adopted in May 2021, there is a requirement to publish an annual report on the work of the committee as well as to report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.

1.4 The proposed requirement stems from good practice to outline an Annual Report of the Audit and Governance Committee to the Council, setting out all the activities/decisions taken by the Committee during that year. The report should as a result enhance the accountability of the Committee and its decision making and good governance.

1.5 The Annual Report of the Audit and Governance Committee outlines the Committee's work and achievements over the year ending 31 March 2023 and demonstrates to residents and Council stakeholders the important role that is carried out by the Committee and its contribution to the Council's overall governance arrangements.

2.0 Audit and Governance Committee Terms of Reference and Work Programme

2.1 Following adoption of the model Terms of Reference of the Committee by the Council in May 2021 this is the third Audit and Governance Annual Report that has been produced and approved by the Chair of the Committee. The Annual Report, along with the Work Programme of the Committee, was developed

further in 2022-2023 to ensure that the Committee remained effective in addressing all elements of the adopted model Terms of Reference.

- 2.2 Appendix 2 to the Annual Report sets out the Work Programme of the Committee covered in 2022-2023 comprising the schedule of meetings for the Committee and the reports to be considered at each of those meetings.
- 2.3 The Work Programme for each Municipal Year is an important element of planning the year ahead as it ensures that the Committee remains on target in reviewing the effectiveness of the Committee and is effectively monitoring/reviewing the Terms of Reference of the Committee (Appendix 1 to the report). Appendices 1 and 2 work hand-in-hand in that all elements of the Terms of Reference are monitored through the submission of reports/briefings to the Committee.

3.0 Audit and Governance Committee Self-Assessment

The introduction of a Self-Assessment for the Committee (approved on 15 March 2023) enabled the Members to undertake a high-level review of the function and effectiveness of the Audit and Governance Committee incorporating the key principles set out in the Chartered Institute of Public Finance and Accountancy's (CIPFA) Position Statement [CIPFA Audit Committee Position Statement.pdf \(sefton.gov.uk\)](#) and the publication (Practical Guidance for Local Authorities and Police, CIPFA, 2022) [Audit Committee Practical Guidance 2022.pdf \(sefton.gov.uk\)](#)

A copy of this document can be viewed in the Audit and Governance Committee Library at the following link: [AG Committee Self Assessment March 2023.pdf \(sefton.gov.uk\)](#)

The Self-Assessment Exercise will be undertaken on an annual basis and will inform the Committee's work programme, training and development of Committee members and the annual report.

4.0 Appointment of an Independent Member

The appointment of a co-opted non-voting Independent Member to the serve on the Audit and Governance Committee recommended by CIPFA and is seen as a positive step.

Following interviews held in April 2023, the successful candidate, Ms Rachel Oakes, commenced in the role on 1 June 2023 at the start of the 2022/2024 Municipal Year.

The appointment is for a three-year period, subject to annual review when the Terms of Reference are reviewed.

5.0 Member Training and Development Programme

The training and development of Audit and Governance Committee Members is considered essential to ensure they are able to be up-to-date, confident and

Agenda Item 8

effective in their role. A programme of briefings based on the key competencies outlined by CIPFA was held throughout 2022-2023 prior to each meeting of the Committee.

Sefton Council



Audit and Governance Committee
Annual Report 2022-2023

Councillor Dave Robinson
Chair

Agenda Item 8

Introduction by the Chair of the Audit and Governance Committee



Councillor Dave Robinson

Chair of Audit and Governance Committee

It gives me great pleasure to introduce the 2022-2023 Annual Report of the Audit and Governance Committee.

The report informs the Council of the broad range of work undertaken by the Committee in fulfilling its Terms of Reference and in doing so provides assurances on the effectiveness of the Committee in meeting its obligations.

The Committee's Terms of Reference were developed in accordance with the CIPFA guidance and the detailed Committee Work Programme, and Self-Assessment provides further assurances that the Terms of Reference are reviewed.

I wish to place on record my appreciation to the Executive Director of Corporate Resources and Customer Services and his team for all their hard work and continued support to Audit and Governance Committee members.

I look forward to working with Committee members and officers who support the Committee during 2023-2024.

Agenda Item 8

CONTENTS

| | | Page no. |
|-----|--|----------|
| 1. | Background and Introduction | 6 |
| 2. | Meetings held in 2022-2023 | 7 |
| 3. | Audit and Governance Committee Work Programme 2022-2023 | 8 |
| 4. | Reports considered by the Audit and Governance Committee in accordance with the Work Programme 2022-2023 | 9 |
| 5. | Assurance Activity | 13 |
| 6. | Risk Management | 14 |
| 7. | Treasury Management | 15 |
| 8. | Statement of Accounts and External Auditors | 15 |
| 9. | Information Governance/Constitution Updates and other miscellaneous reports falling within the Committee's Terms of Reference | 16 |
| 10. | Audit and Governance Committee Self-Assessment Exercise | 20 |
| 11. | Appointment of an Independent Member | 21 |
| 12. | Audit and Governance Committee Member Training and Development | 23 |
| 13. | Outcomes / Achievements | 24 |
| 14. | Conclusion | 25 |
| | | 26 |
| | Appendices | |
| | Appendix 1 - Audit and Governance Committee Terms of Reference | 27 |
| | Appendix 2 - Audit and Governance Committee Work Programme 2022-2023 | 34 |
| | Appendix 3 - Schedule of Member Briefing Sessions for 2022-2023 Municipal Year - based on the CIPFA recommended Core Areas of Knowledge for Audit and Governance Committee Members | 37 |

1.0 Background and Introduction

1.1 The Audit and Governance Committee has delegated responsibilities from Council. This report provides details of how the Audit and Governance Committee has discharged those responsibilities and delivered against its Terms of Reference which can be found at Appendix 1 to this report.

1.2 The purpose of the Audit and Governance Committee is to:

- provide independent assurance to the Council in respect of the effectiveness of the Council's governance arrangements, risk management framework and the associated control environment; and
- independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment.

1.3 The key benefits of an effective audit Committee are:

- increasing awareness regarding the effectiveness and continued development of the Council's governance arrangements;
- providing additional assurances on the robustness of the Council's governance arrangements through a process of independent and objective review;
- reducing the risks of illegal or improper acts;
- increasing public confidence in the objectivity and fairness of financial and other reporting;
- contributing to performance improvements in assurance levels and awareness of the need for strong internal control including the implementation of audit recommendations;
- reinforcing the importance and independence on internal and external audit and similar review processes; and
- promotes high standards of ethical behaviour by developing, maintaining and monitoring performance and Codes of Conduct for Members of the Council (including co-opted members and other persons acting in a similar capacity).

2.0 Meetings held in 2022-2023

Meetings of the Audit and Governance Committee are scheduled to take place every three months and in 2022-2023 were held on the following dates:

- 22 June 2022
- 7 September 2022
- 14 December 2022
- 15 March 2023

Additional meetings of the Committee (outside the quarterly schedule) are convened when urgent business needs to be conducted and to enable the Committee to focus its attention on one key area, for example, for consideration of the Council's Statement of Accounts.

On 25 May 2022 an urgent special meeting of the Committee was convened for consideration of the Disposal of Fixtures and Fittings at the Southport Theatre and Convention Centre which were no longer needed due to plans to demolish the existing venue and build the new Marine Lake Events Centre.

Further information on the Audit and Governance Committee Meetings, including agendas and minutes is available at the following link: [Sefton Council](#)

3.0 Audit and Governance Committee Work Programme 2022-2023

The Committee's Work Programme is a rolling and flexible schedule of work that should be undertaken by the Committee. The programme is designed to ensure that the Committee remains on track with its ambitious schedule of work.

The Chartered Institute of Public Finance and Accountancy (CIPFA) publication - "Practical Guidance for Local Authorities and Police" recommends as good practice, the provision of an annual work programme to enable Audit and Governance Committees to discharge their duties in accordance with their Terms of Reference.

Adherence to the work programme ensures that the Audit and Governance Committee has a structured, consistent approach to fulfilling its responsibilities as detailed in the CIPFA guidance.

The Terms of Reference for the Audit and Governance are based on the Chartered Institute of Public Finance and Accountancy's (CIPFA's) publication – "Practical Guidance for Local Authorities and Police" which sets out CIPFA's guidance on the role, function and operation of audit committees in local authorities and police bodies and represents best practice for audit committees in local authorities throughout the UK and for police audit committees in England and Wales. The Terms of Reference have been enhanced to reflect the Committee's Governance role which is not detailed in the guidance.

The Work Programme for each Municipal Year is an important element in planning the year ahead as being closely aligned with the Terms of Reference, it ensures that the Committee has a structured, consistent approach to fulfilling its responsibilities within the Terms of Reference and helps to ensure the effectiveness of the Audit and Governance Committee. It is also important to note that a degree of flexibility is applied in order that any ad hoc / urgent reports may be considered by the Committee as and when required. The Work Plan for the 2022-2023 Municipal Year was approved by Audit and Governance Committee on 16 March 2022 and can be viewed at Appendix 2 to this report.

The introduction of quarterly Work Programme update reports has provided a useful way for the Audit and Governance Committee to monitor adherence to the Work Programme.

4.0 Reports considered by the Audit and Governance Committee in accordance with the Work Programme

As indicated in the Work Programme, reports submitted for consideration by the Audit and Governance Committee related to the following areas:

- Internal Audit
- Risk Management
- Monitor Role
- Accounts, Financial Statements and Treasury Management
- Information Governance/Constitution Updates
- Miscellaneous / Ad hoc reports

4.1 Internal Audit

To support the Committee in monitoring progress of Internal Audit work within the year the following reports were presented:

| Meeting | Reports |
|------------------|---|
| 22 June 2022 | Annual Report and Opinion of the Chief Internal Auditor |
| | |
| 14 December 2022 | Follow up of Audit Agreed Actions |
| | |
| 15 March 2023 | Internal Audit Charter and Annual Audit Plan 2023-2024 |

4.2 Risk Management

The following reports on the management of risk within the Council during the year were presented to the Audit and Governance Committee:

| Meeting | Reports |
|------------------|------------------------------------|
| 22 June 2022 | Corporate Risk Management |
| 22 June 2022 | Assurance Framework |
| 22 June 2022 | Risk and Audit Service Performance |
| | |
| 7 September 2022 | Corporate Risk Management |
| 7 September 2022 | Risk and Audit Service Performance |
| | |
| 14 December 2022 | Corporate Risk Management |
| 14 December 2022 | Risk and Audit Service Performance |
| | |
| 15 March 2023 | Corporate Risk Management |
| 15 March 2023 | Risk and Audit Service Performance |

4.3 Monitor Role

| | |
|------------------|---------------------------|
| 22 June 2022 | Financial Management Code |
| 14 December 2022 | Financial Procedure Rules |

4.4 Accounts, Financial Statements & Treasury Management

The following Financial and Treasury Management reports were presented to the Audit and Governance Committee:

| Meeting | Reports |
|------------------|---|
| 22 June 2022 | Treasury Management Position to May 2022 |
| 7 September 2022 | Treasury Management Outturn and Position to 31 July 2022 |
| 7 September 2022 | Draft Statement of Accounts 2021/2022 |
| 14 December 2022 | Audit Planning Report 2021/2022 – Ernst and Young LLP |
| 14 December 2022 | Treasury Management Position to September 2022 |
| 15 March 2023 | Treasury Management Position to January 2023 |
| 15 March 2023 | Statement of Accounts 2021-2022 and 2022-2023 (Verbal Update) |

4.5 Information Governance/Constitution Updates

Within the financial year significant work was undertaken on the Council’s governance arrangements and issues in relation to the constitution. These issues were presented to the Audit and Governance committee in advance of progression to Council for approval where required and are reflected below:

| Meeting | Reports |
|------------------|---|
| 22 June 2022 | Constitution Amendments - Executive Scrutiny Protocol / Revised Protocol for Relationships between Members and Officers |
| 7 September 2022 | Procurement – National Procurement Policy, Contract Procedure Rules and Internal Processes |
| 7 September 2022 | Annual Report of the Audit and Governance Committee 2021-2022 |

| | |
|------------------|--|
| 7 September 2022 | Audit and Governance Committee Work Programme Update |
| 7 September 2022 | Review of Members Code of Conduct Complaints 2021-22 |
| | |
| 14 December 2022 | Review of Whistleblowing Complaints 2021-2022 |
| 14 December 2022 | Review of Audit and Governance Committee Terms of Reference |
| 14 December 2022 | Audit and Governance Committee Work Programme Update |
| 14 December 2022 | Sefton Council Anti-Money Laundering Policy Update |
| | |
| 15 March 2023 | ICT Acceptable Usage Policy |
| 15 March 2023 | Audit and Governance Committee Self-Assessment |
| 15 March 2023 | Audit and Governance Committee Member Training and Development Update Report |
| 15 March 2023 | Audit and Governance Committee Work Programme 2023-2024 |

4.6

Miscellaneous Reports

The following miscellaneous reports were considered by the Audit and Governance Committee:

| Meeting | Reports |
|---|---|
| 25 May 2022 (Special additional Meeting) | Southport Theatre and Convention Centre - Disposal of Fixtures and Fittings |
| | |
| 22 June 2022 | Item submitted by a Member of the Audit and Governance Committee in accordance with Rules 115 and 116 of Chapter 4 of the Constitution requesting that the Constitution to be amended in relation to Cabinet Agendas. |
| | |
| 7 September 2022 | Issuing of Press Releases |
| 7 September 2022 | Southport Theatre and Convention Centre - Disposal of Fixtures and Fittings – Update |
| | |

| | |
|------------------|---|
| 14 December 2022 | Issuing of Press Releases Update |
| 14 December 2022 | Item submitted by a Member of the Audit and Governance Committee in accordance with Rules 115 and 116 of Chapter 4 of the Constitution requesting that the Constitution to be amended in relation to Members' Questions to full Council |
| | |
| 15 March 2023 | Cyber Security Assurance |

5.0 Assurance Activity 2022-2023

- 5.1 In order for the Committee to draw conclusions about the effectiveness of the Council's internal control framework, governance and risk management it gained assurances from several sources.
- 5.2 The Accounts and Audit (England) Regulations 2015 require the Council to maintain an adequate and effective internal audit which is discharged by the Section 151 Officer. The Chief Internal Auditor works with Internal Audit to provide assurances for both Members and management on the effectiveness of the control framework.
- 5.3 The Committee received and considered reports in relation to the Annual Report and Opinion of the Chief Internal Auditor that provided a summary of the work of internal audit during 2022-2023 and the Chief Internal Auditor's opinion on the overall control environment operating within the Council during the year. This report is a key requirement of the Public Sector Internal Audit Standards.
- 5.4 The Committee also received regular updates in relation to the performance and key activities of the Risk and Audit Service to each Meeting and agreed revisions to the Internal Audit Plan for 2022/2023.

6.0 Risk Management

6.1 Risk Management continues to be a key component to service planning and regular monitoring of the corporate risk register is a vital of the Committee. The Committee routinely received reports in that respect. Throughout 2022-2023 risks had been re-scored in accordance with the assessment guidance included in the Corporate Risk Management handbook. Members welcomed the continuance of the regime of receiving a short presentation from a risk owner on one of the risks listed in the Corporate Risk Register, which provided Members with further insight into risks associated with particular service areas and allowed for a further layer of scrutiny and challenge.

During 2022-2023 the Committee received the following presentations:

- Executive Director of Corporate Resources and Customer Services on ‘Inflation Risk Facing the Council and the measures in place to mitigate the risk’.
- Executive Director of Corporate Resources and Customer Services on ‘Emergency Planning and Business Continuity and the ability of the Council to prepare and respond to a major incident under the Civil Contingencies Act’.
- Service Manager Transport and Highway Infrastructure and the Highways Asset Manager on the risk: ‘Failure to adequately invest in the highway network and associated assets’.
- Interim Executive Director of Children’s Services and Education and the Assistant Director of Children’s Services (Social Care) on four risks associated with Children’s Social Care:
 - Market failure of Social Care provision across Adult and Children’s Services.
 - Failure to manage increasing demand for services.
 - Impact of regulatory framework outcomes.
 - The provision of Children’s Social Care is not financially sustainable.

7.0 Treasury Management

- 7.1 The Audit and Governance Committee has a responsibility to provide a level of scrutiny in relation to treasury management policies and practices, and as such, the Committee considered the treasury management outturn position for the period 2022/2023 which reviewed the implications of changes resulting from regulatory, economic and market factors affecting the Council’s treasury management position along with the treasury management activities undertaken to 31 March 2023.
- 7.2 The Committee also considered quarterly progress reports on the treasury management position and performance against prudential indicators. As a result of the current economic environment the Council’s Treasury Management activities took on even greater importance especially around ensuring the Council took advantage of increases in interest rates to generate additional investment returns which helped to support the overall budget pressures in 2022/23 – this position was reported to Audit and Governance committee through the year and Council in accordance with the agreed Strategy.

8.0 Statement of Accounts and External Auditors

- 8.1 At its meeting held on 7 September 2022 the Committee considered the draft un-audited Statement of Accounts for 2021/22 in advance of the final audited Statement of Accounts being presented for approval later in the financial year. Members scrutinised the draft statement of accounts robustly by asking questions of the Section 151 Officer.
- 8.2 The Committee on 14 December 2022 considered the report by Ernst and Young LLP, the Council’s external auditors, setting out an overview of the 2021/22 audit strategy, including an assessment of key risks and a planned audit strategy in response to those risks.
- 8.3 The Committee on 15 March 2023 received a verbal update on the position relating to the audits of the 2020/21 and 2021/22 Statement of Accounts. Due to a technical accounting issue relating to the valuation of infrastructure assets that have been raised nationally the audit of the Statement of Accounts for 2020/21 had yet to be completed. CIPFA has consulted on changes to the Accounting Code of Practice which would allow for the issue to be resolved and the audit to be concluded. However, it was unknown how long that process would take. Committee were also informed that the audit for 2021/22 was still being undertaken and the final audited

Statement of Accounts would be presented for approval later in the year.

9.0 Information Governance/Constitution Updates and other Miscellaneous reports falling within the Committee's Terms of Reference

Within the financial year significant work was undertaken on the Council's governance arrangements and issues in relation to the constitution. These issues were presented to the Audit and Governance committee in advance of progression to Council for approval where required.

9.1 Disposal of Fixtures and Fittings in the Southport Theatre and Convention Centre

On 25 May 2022 a special meeting of the Committee was held to consider a report by the Executive Director Place on the disposal of fixtures and fittings in the Southport Theatre and Convention Centre that were no longer needed due to the plans to demolish the existing venue and to build the new Marine Lake Events Centre. Due to the number and specialist nature of fixtures and fittings it was proposed that a specialist auction house would oversee the process from start to finish on behalf of the Council.

At the meeting, the Head of Economic Growth and Housing reassured Members that no historical elements of significance would be disposed of and it was anticipated that where possible, items such as Art Deco lighting, sprung dance floor and historic projectors would be incorporated into the new events centre (reused either as features or upcycled).

The Committee approved the disposal of the redundant fixtures and fittings as set out in the report.

In September 2022, the Committee received a further report updating on the proceeds from the auction which had generated a return of £67,012 and the Committee approved the auction of a Steinway grand piano using a specialist piano auction house and specified that any unsold useable fridges, freezers, cookers and office furniture and equipment should be donated to food banks and other suitable local charities.

9.2 Constitutional Amendments

On 22 June 2022 the Committee considered a report which recommended that the Constitution be amended in

relation to the Executive/Scrutiny Protocol and the Revised Protocol for Relationships between Members and Officers. The Audit and Governance Committee and subsequently the full Council gave approval for inclusion of both of these protocols in the Constitution.

9.3 At its Meeting held on 7 September 2022 the Committee considered the following key reports:

9.3.1 National Procurement Policy, Contract Procedure Rules and Internal Processes

The Committee approved the refresh of the Council’s Contract Procedure Rules and noted the published Modern Slavery Statement, which is updated annually and can be viewed on the Council’s website at the following link: <https://www.sefton.gov.uk/media/1265/modern-slavery-statement.pdf>.

The Committee also noted that a full rewrite of the Contract Procedure Rules would take place once the updated national guidance was published when a further report would be submitted for consideration by the Audit and Governance Committee.

9.3.2 Review of Members Code of Conduct Complaints

Provided a summary of complaints received in the municipal year 2021 to 2022 that Members of Sefton Council had breached its Members Code of Conduct, indicating that 2 complaints had been received, alleging that Sefton members had breached its Code of Conduct for Members.

It was noted that in comparison, 6 complaints had been received in 2020-2021.

Both of the complaints received in 2021-2022 had been made by members of the public and for the reasons set out in the report neither of the complaints had led to a full investigation and had been concluded without any adverse findings being made.

9.3.3 Issuing of Press Releases

In response to a request from Members at the meeting on 22 June 2023 that Members be given 48 hours advance notice of press releases, the Corporate Communications Manager brought a report for consideration by the Committee on 7 September 2023.

This report summarised the process of issuing a press release to media outlets, and the involvement of elected members. The report indicated that providing Members with details of all press releases to all elected members 48 hours in advance of being issued to the media would mean that releases that required a quick turnaround could not be issued, and the Council would miss out on opportunities. Being slow to respond to stories might also result in reputational damage, as stakeholders might perceive the Council as not having an opinion/voice/involvement.

The report indicated that all proactive press releases, and occasionally some reactive statements, are uploaded to MySefton news site and elected members were advised to check this site regularly for updates. The report also reminded Members about the publication of a quarterly e-newsletter, issued to all Sefton Councillors directing readers to relevant articles on MySefton.

The Committee resolved that further consideration be given to this matter and at the meeting held on 14 December 2023 the Executive Director of Corporate Resources and Customer Services provided an update and the Committee agreed that Member would be given advance notification of planned press releases which provided information to the public on specific issues, such as awareness campaigns and that this would be reviewed after three months.

9.4 At its meeting on 14 December 2022, the Committee considered the following key reports:

9.4.1 Anti-Money Laundering Policy Update Sefton Council Annual Money Laundering Policy Update

The report advised that Guidance from the Chartered Institute of Public Finance and Accountancy (“CIPFA”) indicated that local authorities should comply with the underlying spirit of the legislation and regulations. Failure by a member of staff to comply with the procedures set out in this Policy may lead to disciplinary action being taken against them and may also lead to a conviction under Proceeds of Crime Act 2002 and Money Laundering Regulations 2017. The Sefton Council Anti-Money Laundering policy had been approved by Audit & Governance

Committee on 16 December 2020 and there had been no changes in the regulations and no contraventions of the Anti-Money Laundering policy had occurred since then.

9.4.2 Review of Whistleblowing Complaints

The report summarised the 7 complaints that had been received by the Council via its whistleblowing policy in the municipal year 2021 to 2022.

9.4.3 Review of the Audit and Governance Committee Terms of Reference

This report advised Members of the revised guidance issued by the Chartered Institute for Public Finance and Accountancy (CIPFA) relating to the terms of reference for audit committees and sought the Committee's views on the appropriateness of any changes that should be made to Sefton Council's Audit and Governance Committee Terms of Reference in line with CIPFA guidance.

The report indicated that a comparison of CIPFA's revised Terms of Reference showed no material difference except in relation to Committee Size and Membership; Tenure of Membership; Co-opted Independent Member; and Standards and requested that the Committee consider whether Terms of Reference for Sefton Council's Audit and Governance Committee should be amended. The Committee resolved that no changes be made to the Audit and Governance Committee's Terms of Reference in relation to Committee Size and Membership; Tenure of Membership; but that the Terms of Reference be amended to allow for the appointment of one Independent Member and reviewed after 12 months.

9.5 At its Meeting held on 15 March 2023 the Committee considered the following key reports:

9.5.1 ICT Acceptable Usage Policy

The ICT Acceptable Usage Policy is reviewed on an annual basis.

The Committee Audit and Governance Committee gave its approval for the revised security policy relating to the Authority's ICT estate ensuring that Sefton's ICT is operating in accordance with industry standards for ICT Security Management.

The Committee requested that the Policy be reworded in relation to Use of email (key principles) - bullet point 3 to read:

‘Officers should not make any statements on their own behalf or on behalf of the Sefton Council that do or may defame, libel, or damage the reputation of Sefton Council or any person’. ***Elected Members should refer to the Members Code of Conduct for further guidance’;**

The revised Policy incorporating the above rewording was given final approval by Council on 20 April 2023.

9.5.2 Cyber Security Assurance

This report outlined the external assurance sought in relation to the Cyber Security of Sefton Council and set out the key findings from three key assessments completed in 2022, further improvement plans in progress and key next steps. Arising from a request by a Member of the Committee the Senior Manager provided a glossary of terms relating to cyber security.

10.0 **Audit and Governance Committee Self-Assessment Exercise**

The Chartered Institute of Public Finance and Accountancy (CIPFA) emphasises the importance of local authority audit committees undertaking a self-assessment exercise to help provide assurance that the committee is soundly based and has in place a knowledgeable membership.

On 23 November 2022 Audit and Governance Committee members attended a special briefing session and conducted a Self-Assessment exercise in consultation with the Chief Internal Auditor and Chief Legal and Democratic Officer.

The Self-Assessment exercise enabled the Committee Members to undertake a high-level review that incorporated the key principles set out in the Chartered Institute of Public Finance and Accountancy’s (CIPFA) Position Statement [CIPFA Audit Committee Position Statement.pdf \(sefton.gov.uk\)](#) and the publication (Practical Guidance for Local Authorities and Police, CIPFA, 2022) [Audit Committee Practical Guidance 2022.pdf \(sefton.gov.uk\)](#)

The completed Self-Assessment document was considered by the Audit and Governance Committee held on 15 March 2023. A copy of this document can be viewed in the Audit and Governance Committee Library at the following link: [AG Committee Self Assessment March 2023.pdf \(sefton.gov.uk\)](#)

The Committee agreed that the Self-Assessment Exercise will be undertaken on an annual basis and will inform the Committee’s work programme, training and development of Committee members and the annual report.

11.0 Appointment of an Independent Member

CIPFA strongly recommends that Audit and Governance Committee Membership includes non-elected, co-opted independent member(s).

11.1 CIPFA indicates that the benefits of independent member(s) to serving on Audit and Governance Committees are:

- To supplement the knowledge and experience of elected representatives in specific areas, such as audit or financial reporting.
- To provide continuity outside the political cycle. This is of particular importance where membership of the committee changes annually or because of elections.
- To help achieve a non-political focus on governance, risk and control matters.

11.2 Recruitment for the appointment of Independent Member(s) initially began in October 2022, when the position was advertised on the Council’s JobsGoPublic website and also recognised social media outlets. However, due to the poor response rate and the lack of relevant experience from applications received, it was necessary to readvertise the position in February/ March 2023. This followed agreement by the Audit and Governance Committee on 14 December 2022 that agreed that the Committee’s Terms of Reference be amended to allow for the appointment of one Independent Member, subject to review in a year’s time.

11.3 The second recruitment drive attracted more suitable candidates and interviews for the position were held on 19 April 2023, conducted by:

- Councillor Dave Robinson - Chair of Audit and Governance Committee
- Stephan Van Arendsen – Executive Director of Corporate Resources and Customer Services
- David McCullough – Chief Legal and Democratic Officer.

- 11.4 Following the interviews, it was determined that Ms Rachel Oakes be offered the position of Independent Member on the Audit and Governance Committee, commencing on 1 June 2023 for a three-year period, subject to annual review when the Terms of Reference are reviewed.
- 11.5 The 1 June 2023 start date meant that Ms Oakes was able to commence her position as an Independent Member at the start of the 2023-2024 Municipal Year and attend the first meeting of the Audit and Governance Committee on 19 July 2023 (postponed from 21 June 2023).
- 11.6 CIPFA states that while including co-opted members can bring real value to the Committee, care is needed to ensure that the arrangement works well, both for the co-opted member and for the other committee members. It is essential therefore, that the co-opted member receives an adequate induction and ongoing support to provide organisational context and to build working relationships.
- 11.7 In this respect, for induction purposes, Ms Oakes has attended 2 separate one-to-one meetings (on Teams) with the Chief Internal Auditor and the Service Manager Finance prior to attending her first meeting of the Audit and Governance Committee.

Ms Oakes has also been invited to attend the Audit and Governance Committee Member Training and Development sessions held prior to each meeting of the Committee and the Council's Code of Conduct training event for all Members which is due to be held on Teams on 11 October 2023 – 17.30 to 18.30 hours. Ongoing help and support is also available as and when required.

12.0 Audit and Governance Committee Member Training and Development

To comply with the Chartered Institute of Public Finance and Accountancy (CIPFA) advises that regular briefings and training are essential to keep Audit and Governance Committee Members up-to-date, confident and effective in their role.

12.1 On 16 March 2022 the Committee gave its approval for the 2022-2023 programme of Audit and Governance Committee briefing sessions based on the key competencies outlined by CIPFA to be held for one hour prior to scheduled meetings of the Audit and Governance Committee. Details of the programme of briefings and how they fulfil CIPFA key competencies Appendix 3 to this report.

12.2 The report also indicated that as the Treasury Management function cross-cuts all Council business it would be helpful for Treasury Management training to be provided to all Councillors. The Committee therefore gave its approval for this course to be included in the Member Development Handbook 2022-23 provided to Councillors at the start of the Municipal Year. This is in line with CIPFA code which states:

“The responsible officer will ensure that board/council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively”.

The Treasury Management Training event for all Councillors was held on Teams and delivered by the Council’s Treasury Management Consultants – Arlingclose on 9 November 2022.

12.3 CIPFA stresses the importance of Audit and Governance Committee Members being committed to and ‘buying into’ training and development regardless of previous knowledge and skills they had when they joined the committee; ensuring that their knowledge is kept up to date, giving them more confidence and understanding of their role as A&G Committee members and helping to facilitate effective, participation and decision making at meetings.

12.4 The following table provides details of the 2022-2023 training sessions and numbers of attendees at each session:

| Date and Topic | Presenter | Number of Attendees |
|--|--|--|
| 22 June 2022 Organisational knowledge | Chief Legal and Democratic Officer | 8 Members 0 Substitutes |
| 7 September 2022 Internal Audit (swapped with Audit & Governance Committee Role & Functions) | Chief Internal Auditor | 9 Members 0 Substitutes |
| 14 December 2022 Governance | Chief Legal and Democratic Officer | 5 Members 0 Substitutes |
| 15 March 2023 Treasury Management <i>Also provided to all Councillors on 9 November 2022 as part of the Member Development Programme</i> | The Council's Treasury Management Consultant – Arlingclose | 8 Members 0 Substitutes 12 Attendees including the &G Committee Chair and 2 Substitute Members |

As illustrated, the briefing sessions were well attended by Members with no less than 50% attendance. It is noted that although they were invited, none of the sessions were attended by Substitute Members, except for the Treasury Management session provided to all Councillors as part of the Council's Member Development Programme.

- 12.5 Presentation Slides from all of the training sessions were provided to Member and Substitute Members following each session and can be viewed in the Mod Gov Library (Intranet only) at the following link: smbc-modgov-03/ecCatDisplay.aspx?sch=doc&cat=14035

13.0 Outcomes / Achievements

The work undertaken by the Committee has provided additional assurance of the robustness of the Council's arrangements regarding corporate governance, risk management and internal management of controls. The Committee has added value through the importance placed upon governance issues, risk management, anti-fraud and assurances that key risks are being mitigated.

- 13.1 The continuation of the Work Programme for the Audit and Governance Committee is seen as a positive step in ensuring that the Committee remains on track with its ambitious schedule of work. The introduction of quarterly Work Programme update reports are a useful means of monitoring adherence to the annual work programme.
- 13.2 The continuation of the programme of Member Briefings to be held prior to each Committee Meeting based on key competencies outlined by CIPFA helps to ensure that Members have the necessary skills to carry out their role effectively.
- 13.3 The introduction of a Self-Assessment Exercise completed by Members of the Committee, provides reassurance that the Committee is equipped to fulfil its role in providing independent assurance to the Council in respect of the effectiveness of the Council's governance arrangements, risk management framework and the associated control environment; and independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment and helping provide assurance that the Committee is soundly based and has in place a knowledgeable membership.
- 13.4 The appointment of an Independent Member is seen as a positive development for the Committee in helping to supplement the knowledge and experience of elected members and to help achieve a non-political focus on governance, risk and control matters.

14.0 Conclusions and Future Plans

- 14.1 The Committee has the benefit of being well supported by Council officers including the Section 151 Officer, the Monitoring Officer and the Chief Internal Auditor as well as the Council's external auditors.
- 14.2 During 2022/2023 the Audit and Governance Committee has consolidated the progress that has been made in previous years in providing robust scrutiny and challenge of the Committees Terms of Reference and in doing so the Committee has continued to have a real and positive contribution to the governance arrangements of the Council.
- 14.3 In order to build on the key achievements of 2022/2023 and in looking forward to the Committee's work programme for 2023/2024 the Committee will:
- Continue to review all elements of the governance arrangements associated with Audit and Governance Committee ensuring that best practise is adopted in a timely fashion;
 - Continue to support the Council in managing the risk of fraud and corruption.
 - Continue to support the work of audit.
 - Continue to consider the effectiveness of the Council's risk management arrangements.
 - Continue to provide effective challenge and scrutiny of all areas of the Audit and Governance Terms of Reference giving the appropriate assurances to the Council.
 - Continue to provide Audit and Governance Committee Members with training to help ensure that they remain up-to-date, confident and effective in their role on the Committee.

APPENDIX 1

Audit and Governance Committee - Terms of Reference

Statement of purpose

- 1 The Audit and Governance Committee is a key component of Sefton’s corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

- 2 The purpose of the Audit and Governance Committee is to provide independent assurance to the members of the adequacy of the risk management framework and the internal control environment. It provides independent review of Sefton’s governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

Governance, risk and control

- 3 To review the council’s corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.

- 4 To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit’s opinion on the overall adequacy and effectiveness of the council’s framework of governance, risk management and control.

- 5 To consider the council’s arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.

- 6 To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.
- 7 To monitor the effective development and operation of risk management and Corporate Governance in the Council.
- 8 To monitor progress in addressing risk-related issues reported to the committee including the Corporate Risk Register.
- 9 To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- 10 To review the assessment of fraud risks and potential harm to the council from fraud and corruption.
- 11 To monitor the following activities:
 - Counter-fraud/ bribery strategy, actions and resources.
 - Whistleblowing
 - Money Laundering
 - Council Complaints Process including make payments or provide other benefits in cases of maladministration etc. under Section 92 of the Local Government Act, 2000 in excess of £1,000.
 - Breaches of Financial Procedure Rules and Contract Procedure Rules
- 12 To review the governance and assurance arrangements for significant partnerships or collaborations and where appropriate obtain annual third-party assurance statements.
- 13 To make recommendations to Council for amendments to the Constitution.
- 14 To make recommendations to the Council on the adoption, implementation and maintenance and review of a local Code of Conduct for Members – co-opted Members and officers of the Council.

- 15 To determine effective training of Councillors and Co-opted Members in matters of conduct and advice to individuals on issues relating to the treatment of interests and on the propriety of conduct generally.
- 16 To deal with the arrangements for Councillors to receive dispensations to speak on, or participate in, matters in which they have an interest.
- 17 To determine the appropriate action on matters referred to the Committee by the Monitoring Officer including disciplinary matters relating to the conduct of individual and/or groups of Councillors including alleged misuse of a Members Self-Maintained Website.
- 18 To ensure compliance throughout the Council with all appropriate Codes of Conduct, including the Protocol for relationships between members and officers of Sefton Council, and procedures from time to time determined by the Committee.
- 19 To deal with appropriate matters referred to it from other Committees.
- 20 To determine any applications for the grant and supervision of exemptions from political restrictions in accordance with Section 3A of the Local Government and Housing Act 1989.
- 21 To determine whether a valid petition for a Community Governance review has been received and to determine the terms of reference for such a review, how the review will be conducted including the required consultation and consider replies to a consultation and then make a recommendation to Full Council on the preferred outcome. The Committee has the authority to establish a working group to undertake the committee's responsibilities in this regard.

Internal audit

- 22 To approve the internal audit charter.
- 23 To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
- 24 To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- 25 To approve significant interim changes to the risk-based internal audit plan and resource requirements.
- 26 To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
- 27 To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To approve and periodically review safeguards to limit such impairments.
- 28 To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include
- a) updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work
 - b) regular reports on the results of the Quality Assurance Improvement Plan (QAIP)
 - c) reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards (PSIAS) and Local Government Assurance Note (LGAN), considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement (AGS).

d) to consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.

29 To consider the head of internal audit's annual report:

a) The statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of internal audit.

b) The opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the AGS.

30 To consider summaries of specific internal audit reports as requested.

31 To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.

32 To contribute to the QAIP and in particular, to the external quality assessment of internal audit that takes place at least once every five years.

33 To consider a report on the effectiveness of internal audit to support the AGS, where required to do so by the Accounts and Audit Regulations (see Appendix A).

34 To provide free and unfettered access to the Audit and Governance Committee Chair for the head of internal audit, including the opportunity for a private meeting with the committee.

External audit

35 To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA or the authority's auditor panel as appropriate.

- 36 To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
- 37 To consider specific reports as agreed with the external auditor.
- 38 To comment on the scope and depth of external audit work and to ensure it gives value for money.
- 39 To commission work from internal and external audit.
- 40 To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

Other Assurance areas

- 41 To consider the Council's arrangements for health and safety and receive regular assurances and assessments on the effectiveness of these arrangements.
- 42 To consider write-offs of debt/ assets above £10,000.
- 43 To regularly review the Council's Treasury Management activities.

Financial reporting

- 44 To review and approve the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
- 45 To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Accountability arrangements

- 46 To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.
- 47 To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.
- 48 To publish an annual report on the work of the committee.

APPENDIX 2

Audit and Governance Committee Work Programme 2022-2023 (Approved by A&G Committee on 16 March 2022)

| Agenda item | Inclusion rationale | June | Sept. | Nov.* | Dec. | March |
|---|---------------------|------|-------|-------|------|-------|
| Governance | | | | | | |
| Produce annual report of the Audit and Governance Committee (to full Council) | Terms of Reference | | ✓ | | | |
| Review of effectiveness of the Audit and Corporate Governance Committee – complete self- assessment | Good practice | ✓ | | | | |
| Review Audit and Corporate Governance Committee training requirements | Good practice | | ✓ | | | |
| Review and approve Annual Work Plan for the Audit and Governance Committee | Good practice | | | | | ✓ |
| Review of the Audit and Corporate Governance Committee's Terms of Reference | Good Practice | | | | ✓ | |
| Review of Corporate Governance | Recommended by A&G | | | | | ✓ |
| Internal Audit | | | | | | |
| Performance update on Risk and Audit Team including: <ul style="list-style-type: none"> • Audit Team • Health and Safety • Counter Fraud • Insurance and other risk areas such as Business Continuity | Terms of Reference | ✓ | ✓ | | ✓ | ✓ |
| Annual Opinion of the Chief Internal Auditor including: <ul style="list-style-type: none"> • review of impairment on independence and objectivity • QAIP • Assessment against PSIAS and LGAN | Terms of Reference | ✓ | | | | |
| Approval of the Annual Internal Audit Plan and review of Internal Audit Charter | Terms of Reference | | | | | ✓ |

| Agenda item | Inclusion rationale | June | Sept. | Nov.* | Dec. | March |
|---|---------------------|------|-------|-------|------|-------|
| Provide a report on the completion of audit recommendations including those not implemented within a reasonable timescale | Terms of Reference | | | | ✓ | |
| Annual report on the follow up of Internal Audit recommendations | Terms of Reference | | | | ✓ | |
| Risk Management | | | | | | |
| Review of the Quarterly Corporate Risk Register | Terms of Reference | ✓ | ✓ | | ✓ | ✓ |
| Approval of the review of the Corporate Risk Management Handbook | Terms of Reference | | | | ✓ | |
| Provide a regular report on health and safety | Terms of Reference | ✓ | ✓ | | ✓ | ✓ |
| Monitor role | | | | | | |
| Reporting of the anti- fraud, bribery and corruption strategy (in performance report DE) | Terms of Reference | ✓ | ✓ | | ✓ | ✓ |
| Provide an annual report on the Council's anti-fraud strategy | Terms of Reference | | | | ✓ | |
| Review of Whistleblowing Policy | Terms of Reference | | | | ✓ | |
| Review of Financial Procedure Rules (if required) | Terms of Reference | | | | ✓ | |
| Review of CIPFA Financial Management Code | Good Practice | ✓ | | | | |
| Review of the Members Code of Conduct | Terms of Reference | | ✓ | | | |
| Review the annual governance statement | Terms of Reference | | ✓ | | | |
| Provide an annual report on the Council's Anti-Money Laundering Policy | Terms of Reference | | | | ✓ | |

| Agenda item | Inclusion rationale | June | Sept. | Nov.* | Dec. | March |
|---|---------------------|------|-------|-------|------|-------|
| Accounts, Financial Statements & Treasury Management | | | | | | |
| External Auditor Annual Audit Letter | Terms of Reference | ✓ | | | | |
| External Auditor Annual Report re. grant work | Terms of Reference | ✓ | | | | |
| Treasury Management Outturn | Terms of Reference | | ✓ | | | |
| Treasury Management In-Year Position | Terms of Reference | ✓ | ✓ | | ✓ | ✓ |
| Write-offs of debt above £10,000 (if required) | Terms of Reference | ✓ | ✓ | | ✓ | ✓ |
| Rent Policy | Good Practice | ✓ | | | | |

Page 87

A special meeting of the committee will need to be arranged to consider and approve the final audited Statement of Accounts for 2021/2022. This is currently scheduled for November 2022 but will be dependent on the completion of the audit by the Council's external auditors.

APPENDIX 3

Schedule of Member Briefing Sessions for 2022-2023 Municipal Year - based on the CIPFA recommended Core Areas of Knowledge for Audit and Governance Committee Members (Approved by Audit and Governance Committee on 16 March 2022). (Subject to alteration to meet contingencies during the year)**

| 2022-2023 Municipal Year | | |
|---|---|---|
| Knowledge area /Training Date / Facilitator | Details of core knowledge required | How the audit committee member is able to apply the knowledge |
| <p><u>Treasury management</u></p> <p>16 March 2022</p> <p><i>Also, to be provided to all Councillors at a later date (tbc) as part of the Member Development Programme</i></p> <p>Facilitators: Treasury Management Consultants - Arlingclose</p> | <p>Effective Scrutiny of Treasury Management is an assessment tool for reviewing the arrangements for undertaking scrutiny of treasury management. The key knowledge areas identified are: regulatory requirements; treasury risks; the organisation’s treasury management strategy; the organisation’s policies and procedures in relation to treasury management. See also Treasure Your Assets (CfPS).</p> | <p>Core knowledge on treasury management is essential for the committee undertaking the role of scrutiny.</p> |

| Knowledge area /Training Date / Facilitator | Details of core knowledge required | How the audit committee member is able to apply the knowledge |
|---|---|--|
| <u>Organisational knowledge</u> 22 June 2022 Facilitators: <ul style="list-style-type: none"> • Chief Legal and Democratic Officer | An overview of the governance structures of the authority and decision-making processes. Knowledge of the organisational objectives and major functions of the authority. | This knowledge will be core to most activities of the audit committee including review of the AGS, internal and external audit reports and risk registers. |
| <u>Audit committee role and functions</u> (Chapters 3 and 6) 7 September 2022 Facilitator: <ul style="list-style-type: none"> • Chief Legal and Democratic Officer | An understanding of the audit committee's role and place within the governance structures. Familiarity with the committee's terms of reference and accountability arrangements. Knowledge of the purpose and role of the audit committee. | This knowledge will enable the audit committee to prioritise its work in order to ensure it discharges its responsibilities under its terms of reference and to avoid overlapping the work of others. |
| <u>Financial management and accounting</u> (Chapter 4) (Annual Statement of Accounts) 23 November 2022 Facilitators: <ul style="list-style-type: none"> • Service Manager - Finance | Awareness of the financial statements that a local authority must produce and the principles it must follow to produce them. Understanding of good financial management principles. Knowledge of how the organisation meets the requirements of the role of the CFO, as required by The Role of the Chief Financial Officer in Local Government (CIPFA, 2016) and the CIPFA Statement on the Role of Chief Financial Officers in Policing (2018). | Reviewing the financial statements prior to publication, asking questions. Receiving the external audit report and opinion on the financial audit . Reviewing both external and internal audit recommendations relating to financial management and controls. The audit committee should consider the role of the CFO and how this is met when reviewing the AGS. |

| Knowledge area /Training Date / Facilitator | Details of core knowledge required | How the audit committee member is able to apply the knowledge |
|---|--|--|
| <p><u>Governance</u> (Chapter 4)</p> <p>14 December 2022</p> <p>Facilitator:</p> <ul style="list-style-type: none"> • Chief Legal and Democratic Officer | <p>Knowledge of the seven principles of the CIPFA / Solace Framework and the requirements of the AGS.</p> <p>Knowledge of the local code of governance.</p> | <p>The committee will review the local code of governance and consider how governance arrangements align to the principles in the framework.</p> <p>The committee will plan the assurances it is to receive in order to adequately support the AGS.</p> <p>The committee will review the AGS and consider how the authority is meeting the principles of good governance.</p> |
| <p><u>Internal audit</u> (Chapter 4)</p> <p>15 March 2023</p> <p>Facilitator:</p> <p>Chief Internal Auditor</p> | <p>An awareness of the key principles of the PSIAS and the LGAN.</p> <p>Knowledge of the arrangements for delivery of the internal audit service in the authority and how the role of the head of internal audit is fulfilled.</p> | <p>The audit committee has oversight of the internal audit function and will monitor its adherence to professional internal audit standards.</p> <p>The audit committee will review the assurances from internal audit work and will review the risk-based audit plan. The committee will also receive the annual report, including an opinion and information on conformance with professional standards.</p> <p>In relying on the work of internal audit, the committee will need to be confident that professional standards are being followed.</p> <p>The audit committee chair is likely to be interviewed as part of the external quality assessment and the committee will receive the outcome of the assessment and action plan</p> |

Agenda Item 9

| | | | |
|--------------------------------------|--|----------------------------------|-------------------|
| Report to: | Council | Date of Meeting: | 14 September 2023 |
| Subject: | Proper Officer Functions | | |
| Report of: | Chief Legal & Democratic Officer | Wards Affected: | All |
| Portfolio: | Regulatory Compliance & Corporate Services | | |
| Is this a Key Decision: | No | Included in Forward Plan: | No |
| Exempt / Confidential Report: | No | | |

Summary:

To report a proposal that the statutory duties in relation to Electoral Administration and of the Returning Officer in relation to Parliamentary, Local, Parish Elections and Referenda be attached to the post of the Chief Executive, Philip Porter with effect from 15 September 2023.

Recommendation(s):

(1) That the Council be recommended to approve the proposal that the Electoral Registration Officer Functions for the registration of Parliamentary and Local Government Electors and Returning Officer Functions for Parliamentary, Local, Parish Elections and Referenda under all relevant legislation, be attached to the post of the Chief Executive, Philip Porter and the current post holder be appointed to act as the Proper Officer for all related functions and relevant legislation with effect from 15 September 2023.

Reasons for the Recommendation(s):

It is a Statutory requirement for the Council to have an Officer appointed as the Returning Officer for the Borough in order that any Election or Referenda is legal.

The Council has recently appointed Philip Porter to the post of Chief Executive.

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

There are no alternative options.

What will it cost and how will it be financed?

(A) Revenue Costs

The position of Returning Officer is remunerated. The fees for Parliamentary Elections and Referenda are set by the relevant legislation at the time, and the fee in

Agenda Item 9

terms of the local elections is set in accordance with a fees and charges order approved by the Council. Fees paid to the Returning Officer for local elections are met from the revenue budget which exists for elections, and fees for other elections are reimbursed by the relevant government body.

(B) Capital Costs

Not applicable

Implications of the Proposals:

| | | | | | | | | |
|---|------------------------|----|-----------------------|-----|------------------------|----|---|----|
| Resource Implications (Financial, IT, Staffing and Assets): Details of financial implications are given in the section above. | | | | | | | | |
| Legal Implications: The appointment as proper officer under the Representation of the People Act 1983 requires the approval of Full Council under the Council's Constitution. The Council must have a Monitoring Officer and Proper Officer. | | | | | | | | |
| Equality Implications: There are no equality implications. | | | | | | | | |
| Impact on Children and Young People: No | | | | | | | | |
| Climate Emergency Implications: The recommendations within this report will <table border="1"><tr><td>Have a positive impact</td><td>No</td></tr><tr><td>Have a neutral impact</td><td>Yes</td></tr><tr><td>Have a negative impact</td><td>No</td></tr><tr><td>The Author has undertaken the Climate Emergency training for report authors</td><td>No</td></tr></table> This is a statutory officer appointment and therefore as no impact. | Have a positive impact | No | Have a neutral impact | Yes | Have a negative impact | No | The Author has undertaken the Climate Emergency training for report authors | No |
| Have a positive impact | No | | | | | | | |
| Have a neutral impact | Yes | | | | | | | |
| Have a negative impact | No | | | | | | | |
| The Author has undertaken the Climate Emergency training for report authors | No | | | | | | | |

Contribution to the Council's Core Purpose:

Protect the most vulnerable: It is a Statutory requirement for the Council to have an Officer appointed as the Returning Officer for the Borough in order that any Election or Referenda is legal. Ensuring that any Election is carried out legally protects the Community at large.

| |
|---|
| 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: N/A |
| Drivers of change and reform: N/A |
| Facilitate sustainable economic prosperity: N/A |
| Greater income for social investment: N/A |
| Cleaner Greener N/A |

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD7360/23.....) and the Chief Legal and Democratic Officer (LD.5560/23....) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

None

Implementation Date for the Decision

15 September 2023

| | |
|-------------------------|--------------------------------|
| Contact Officer: | Neil Middlehurst |
| Telephone Number: | 0151 934 2260 |
| Email Address: | Neil.middlehurst@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 There are a number of statutory officers involved in the delivery of electoral services.

1.2 In England, every district council is required to appoint “an officer of the council to

Agenda Item 9

be The Electoral Registration Officer for any constituency or part of a constituency situated in the local authority area (Section 8(2), Representation of the People Act 1983)

- 1.3 Every district council in England shall appoint an officer of the council to be the Returning Officer for the elections of councillors of the district and for the election of any parish councillors in its area (Section 35(1), Representation of the People Act 1983 and Section 35(2), Representation of the People Act 1983).
- 1.4 Once appointed, the Returning Officer will have a number of subtly different designations dependent upon the type of election as follows:

UK Parliamentary Election Acting Returning Officer

Section 28(1), Representation of the People Act 1983

Police and Crime Commissioner Election Local Returning Officer

Section 54(5), Police Reform and Social Responsibility Act 2011

Combined Authority Mayoral Election Local Returning Officer

Article 5, Combined Authorities (Mayoral Elections) Order 2017

- 1.5 The Returning Officer for district council elections is also responsible as Counting Officer for the administration of any referendum required under the Local Government Act 2000 (as amended) relating to the executive governance of the authority (Regulation 9, Local Authorities (Conduct of Referendums) (England) Regulations 2012)
- 1.6 The Returning Officer for district council or London borough elections is responsible as Counting Officer for the administration of any referendum required under the Town and Country Planning Act 1990 (as amended) relating to neighbourhood planning (Regulation 9, Neighbourhood Planning (Referendums) Regulations 2012)

Agenda Item 10

| | | | |
|--------------------------------------|---|----------------------------------|---|
| Report to: | Cabinet Council | Date of Meeting: | Thursday 27 July 2023 Thursday 14 September 2023 |
| Subject: | Treasury Management Outturn 2022/23 | | |
| Report of: | Executive Director of Corporate Resources and Customer Services | Wards Affected: | All Wards |
| Portfolio: | Cabinet Member - Regulatory, Compliance and Corporate Services | | |
| Is this a Key Decision: | Yes | Included in Forward Plan: | Yes |
| Exempt / Confidential Report: | No | | |

Summary:

This outturn report provides Members with a review of the Treasury Management activities undertaken during 2022/23 and an update to 30 June 2023. Cabinet receives this outturn report to allow monitoring against the Treasury Management Policy & Strategy and Prudential Indicators approved by Cabinet and Council in March 2022. This report is also 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 position during 2022/23 and the update to 30 June 2023, 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 apprised of the treasury activity undertaken during 2022/23 and also to 30 June 2023 in order 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

Agenda Item 10

None

(B) Capital Costs

None

Implications of the Proposals:

| | | | | | | | | |
|--|------------------------|----|-----------------------|-----|------------------------|----|---|----|
| Resource Implications (Financial, IT, Staffing and Assets): A surplus in investment income has been experienced for 2022/23 financial year. | | | | | | | | |
| Legal Implications: The Council has a statutory duty under the Local Government Act 2003 to review its Prudential Indicators and Treasury Management Activities. | | | | | | | | |
| Equality Implications: There are no equality implications. | | | | | | | | |
| Climate Emergency Implications: The recommendations within this report will <table border="1"><tr><td>Have a positive impact</td><td>No</td></tr><tr><td>Have a neutral impact</td><td>Yes</td></tr><tr><td>Have a negative impact</td><td>No</td></tr><tr><td>The Author has undertaken the Climate Emergency training for report authors</td><td>No</td></tr></table> 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. 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. | Have a positive impact | No | Have a neutral impact | Yes | Have a negative impact | No | The Author has undertaken the Climate Emergency training for report authors | No |
| Have a positive impact | No | | | | | | | |
| Have a neutral impact | Yes | | | | | | | |
| Have a negative impact | No | | | | | | | |
| The Author has undertaken the Climate Emergency training for report authors | No | | | | | | | |

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: Good treasury management supports strategic planning and promotes 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. |
| Greater income for social investment: n/a |
| Cleaner Greener: n/a |

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD 7291/23) is the author of the report.

The Chief Legal and Democratic Officer (LD 5491/23) has been consulted and any comments have been incorporated into the report.

(B) External Consultations

The Council's external Treasury Management Advisors: Arlingclose have provided advice with regards to Treasury Management activities undertaken during the financial year.

Implementation Date for the Decision

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

| | |
|-------------------------|-----------------------------|
| Contact Officer: | Graham Hussey |
| Telephone Number: | 0151 934 4100 |
| Email Address: | Graham.Hussey@sefton.gov.uk |

Appendices:

None

Background Papers:

There are no background papers available for inspection.

Agenda Item 10

BACKGROUND:

1. Introduction

1.1. The CIPFA Prudential Code for Capital Finance in Local Authorities (The Prudential Code) was introduced following the Local Government Act 2003. The Prudential Code details a number of measures / limits / parameters (Prudential Indicators) that, to comply with legislation, must be set in respect of each financial year to ensure that the Council is acting prudently and that its capital expenditure proposals are affordable.

1.2. A requirement of the Prudential Code is the reporting to Cabinet and Full Council of the outturn position of indicators following the end of the financial year. In accordance with this requirement, this report outlines the 2022/23 outturn for the following Prudential Indicators:-

- i. Capital Expenditure (Section 2);
- ii. Capital Financing Requirement (Section 3.1);
- iii. Gross Debt and the CFR (Section 3.2);
- iv. Borrowing Limits (Section 3.3);
- v. Financing Costs as a proportion of Net Revenue Stream (Section 3.4);
- vi. Treasury Management Indicators (Section 6).

1.3. The Treasury Management Policy and Strategy Statements are agreed annually by the Council as part of the budget process. A requirement of the Policy Statement is the reporting to Cabinet and Full Council of the results of the Council's treasury management activities in the previous year. Treasury management in this context is defined as:

'The management of the authority's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'

1.4. In accordance with the above this report outlines the results of treasury management activities undertaken in 2022/23 covering the following issues:

- borrowing strategy and practice
- compliance with Treasury Limits
- compliance with Prudential Indicators
- investment strategy and practice.

1.5. The results of treasury management activities in 2022/23 are reflected in the net expenditure on Capital Financing Costs included within the Council's Revenue Budget. The Capital Programme is also agreed annually as part of the budget process. It sets out the anticipated capital expenditure to be incurred within the year.

2. Capital Expenditure

2.1. The original estimate for 2022/23 expenditure together with the actual capital expenditure calculated on an accruals basis for the financial year is as follows:

| | Estimate £m | Actual £m |
|----------------------------|----------------|---------------|
| Capital Expenditure | 47.015 | 38.705 |

- 2.2. Capital expenditure in 2022/23 was £8.31m less than the original estimate reported in March 2022. The Council has therefore remained within the limits for expenditure set at the start of the year. The variation is due to the phasing of capital budgets and grant allocations to future years. These adjustments were approved by Cabinet and Council as part of the monthly budget monitoring for the capital programme during 2022/23.
- 2.3. A full report on capital expenditure and the out-turn position for 2022/23 can be found in the separate Financial and Corporate Performance report also presented at this meeting.

3. The Council's Overall Borrowing Need

3.1. Capital Financing Requirement

- 3.1.1. The Capital Financing Requirement (CFR) reflects the Authority's underlying need to borrow for capital purposes and is based on historic capital financing decisions and the borrowing requirement arising from the financing of actual capital expenditure incurred in 2022/23.
- 3.1.2. The Council is currently internally borrowed meaning it temporarily uses its own cash balances to fund some capital schemes instead of external borrowing, a strategy which saves the cost of interest payments on loans.
- 3.1.3. The actual level of Capital Financing Requirement as at 31 March 2023 compared to the initial estimate for 2022/23 is as follows:

| | Estimate £m | Actual £m |
|--------------------------------------|----------------|----------------|
| Capital Financing Requirement | 235.437 | 232.445 |

- 3.1.4. As mentioned in paragraph 2.2 (above), the level of capital expenditure for 2022/23 was less than anticipated and therefore the requirement for the financing of this expenditure from borrowing is also lower.

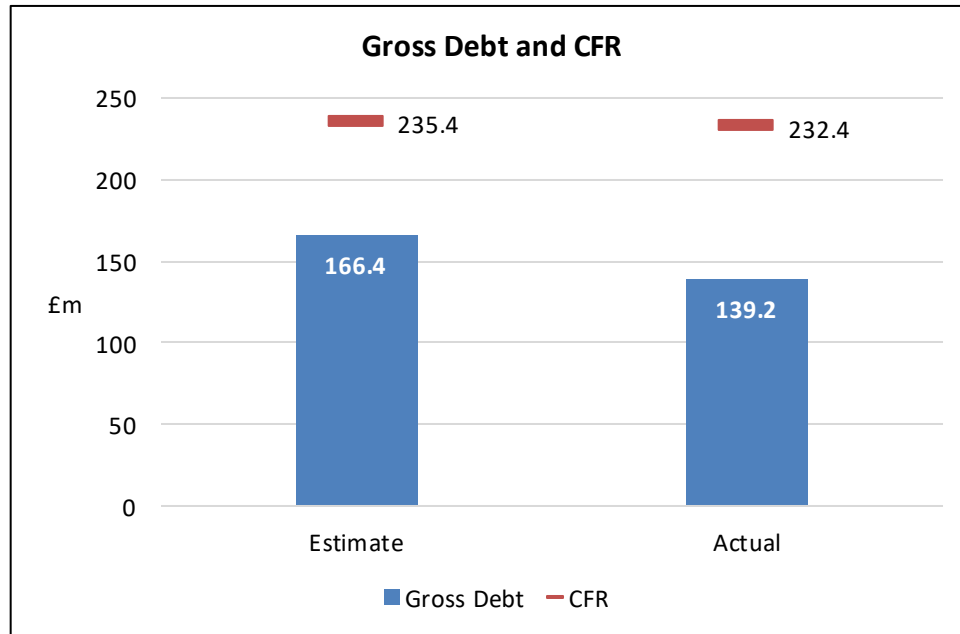
3.2. Gross Debt and the CFR

- 3.2.1. CIPFA's Prudential Code for Capital Finance in Local Authorities includes the following statement as a key factor of prudence:

"In order to ensure that over the medium-term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years."

Agenda Item 10

3.2.2. In the report to Cabinet and Council in March 2022, it was stated that the Authority would comply with this requirement in 2022/23. During the financial year, gross external borrowing did not exceed the total of the Capital Financing Requirement. The chart below shows the out-turn position compared to the CFR and a comparison with the original estimate:



3.2.3. The actual level of borrowing at year end was significantly lower than anticipated compared to the original estimate for the year. As mentioned previously, the Council is currently internally borrowed meaning it will take the opportunity where prudent to use its own cash balances instead of external borrowing, a strategy which has continued throughout 2022/23 financial year.

3.3. Borrowing Limits

| | 2022/23 £m |
|---|----------------|
| Authorised limit | 220.000 |
| Operational boundary | 205.000 |
| Maximum Gross Borrowing Position | 173.686 |

3.3.1. The Operational Boundary sets a boundary on the total amount of long-term borrowing that the Council is estimated to enter into. It reflects an estimate of the Authority's current commitments, existing capital expenditure plans, and is consistent with its approved Treasury Management Policy Statement and practices.

3.3.2. The Authorised Limit sets a limit on the amount of external borrowing (both short and long term) that the Council can enter into. It uses the Operational Boundary as its base but also includes additional headroom to allow for exceptional cash movements.

3.3.3. The Maximum Gross Borrowing Position shows the highest level of actual borrowing undertaken during 2022/23 financial year. This level remained within the Operational Boundary and did not exceed the Authorised limit.

3.4. Financing Costs as a Proportion of Net Revenue Stream

3.4.1. This indicator measures the financing costs of capital expenditure as a proportion of the net resource expenditure of the General Fund.

| | Estimate 2022/23 | Actual 2022/23 |
|--------------------------------------|-----------------------------|---------------------------|
| Financing Costs / Net Revenue | 3.8% | 3.3% |

3.4.2. The overall ratio is lower than the original estimate by 0.5%. The financing costs for the repayment of debt incurred in previous years was lower than originally forecast. The net revenue stream for 2022/23 by comparison remained broadly on target hence the reduced ratio. The Council's debt therefore remained within affordable levels.

4. Borrowing Strategy and Practice

4.1. The Council's debt portfolio at the 31st March 2023 and a comparison to the position at the end of last financial year is summarised as follows:

| Actual Debt Outstanding | 31st March 2022 £m | 31st March 2023 £m |
|--------------------------------|--|--|
| Public Works Loans Board | 167.205 | 133.694 |
| Other Long-Term Liabilities | 6.481 | 5.497 |
| TOTAL | 173.686 | 139.191 |

4.2. The category of other long-term liabilities represents transferred debt from the Merseyside Residuary Body (£0.875m) and finance lease liabilities (£4.622m).

4.3. The Council's PWLB debt activity during 2022/23 is summarised in the following table:

| Movement in Year | Actual £m |
|---|----------------------|
| PWLB opening debt 1 st April 2022 | 167.205 |
| Less principal repayments | (33.511) |
| Add new borrowing | - |
| Closing PWLB debt 31st March 2023 | 133.694 |

4.4. The policy of internally borrowing, running down the Authority's cash balances rather than taking out new borrowing, continued with regards to the Capital

Agenda Item 10

Programme in 2022/23 as no new expenditure was financed from external borrowing.

- 4.5. The average rate of interest on Council loans with the Public Works Loans Board (PWLB) in 2022/23 and a comparison to the previous year is shown below:

| | 2021/22 | 2022/23 |
|---|--------------|--------------|
| Average PWLB Interest Rate in Year | 3.74% | 3.89% |

- 4.6. The average rate of interest is based upon the total interest amount paid as a proportion of loan principal held. The slight increase in the average rate of interest from 2021/22 to 2022/23 has resulted from maturing loans during the year reducing the balance of principal held, but interest payments remaining proportionally higher due to historic loans within the portfolio that were taken out when rates were higher.

5. Debt Maturity Profile

- 5.1. This is a profile measuring the amount of borrowing that is fixed rate maturing in each period as a percentage of total borrowing that is fixed rate:

| Fixed Rate Debt Maturity | Upper Limit | Lower Limit | Actual 31st March 2023 |
|---------------------------------------|--------------------|--------------------|--|
| Under 12 months | 35% | 0% | 8% |
| 12 months and within 24 months | 40% | 0% | 4% |
| 24 months and within 5 years | 50% | 0% | 11% |
| 5 years and within 10 years | 50% | 0% | 19% |
| 10 years and within 15 years | 75% | 0% | 18% |
| 15 years and above | 90% | 25% | 40% |

- 5.2. The spread of debt across the various maturity periods shows how the authority has acted prudently and controlled its exposure to refinancing risk by not having overly large amounts of debt concentrated in one period, especially those in the shorter term.

6. Compliance with Treasury Limits

- 6.1. The following Treasury Limits were approved by Council during the 2022/23 Budget Setting process:

6.1.1 Borrowing Limits

| | Limit £m | Maximum Borrowing 2022/23 £m |
|-----------------------------------|-------------|---------------------------------------|
| Authorised Borrowing Limit | 220.000 | 173.686 |
| Short Term Borrowing Limit | 30.000 | 0 |

6.1.2 Investment Limits

| | Upper Limit £m | Maximum Invested 2022/23 £m |
|---|----------------------|--------------------------------------|
| Principal sums invested for longer than 365 days | 15 | 5 |

6.2. The amounts above show the maximum amounts borrowed or invested during the year compared to the limits set. The Council therefore remained within the limits for borrowing and investments set for the year and no short-term borrowing was undertaken.

7. Investment Strategy and Practice

7.1. The Council invests all available cash balances, which includes school balances and the insurance fund, following a policy of obtaining maximum returns whilst minimising risks.

i. **Externally Managed Investments**

No externally managed funds are held.

ii. **Internally Managed Investments**

The Council's available funds during the year averaged £91.10m and were managed internally with advice from our treasury consultants.

7.2. The level of the Council's investments during 2022/23 and comparable figures from the previous year are summarised in the following table:

| | 2021/22 | 2022/23 |
|--|----------|---------|
| Total Investment of Cash Balances at year end | £98.69m | £31.11m |
| Average Investment Balance during the year | £104.98m | £91.10m |
| Average Return on Investments | 0.27% | 2.25% |

7.3. In 2022/23 a weighted average return of 2.25% was achieved. The majority of the funds are invested with major banks and Money Market Funds (MMF's), with the

Agenda Item 10

remaining balance of £5m invested with the CCLA Property Fund. The return of 2.25% can be disaggregated into a return of 1.97% on bank and MMF investments, whilst 4.25% was returned by the CCLA investment.

- 7.4. The Bank Rate has increased from 0.75% at the beginning of the year to 4.25% at the end of March 2023. Short-dated cash rates, which had ranged between 0.7% - 1.5% at the beginning of April, rose by around 3.5% for overnight/7-day maturities and 3.3% for 6-12 month maturities. The Council's investments have therefore significantly outperformed the target set in the budget as the majority of funds were invested in the short term and increased in line with short term money market rates. The table below shows the outturn position for 2022/23:

| Budget Profile | Budget £m | Actual £m | Variance £m |
|------------------------|----------------------|----------------------|------------------------|
| Outturn 2022/23 | 0.789 | 1.917 | 1.128 |

8. Treasury Position for 2023/24 – Update to 30th June 2023

8.1. Investments held at the 30/06/2023 comprise the following:

| Institution | Deposit £m | Rate % | Maturity | Rating |
|----------------------------|---------------|-----------|----------|--------|
| Money Market Funds: | | | | |
| Aberdeen | 4.11 | 4.78 | 01.07.23 | AAA |
| Aviva | 4.11 | 4.84 | 01.07.23 | AAA |
| Blackrock | 0.97 | 4.68 | 01.07.23 | AAA |
| BNP Paribas | 4.11 | 4.93 | 01.07.23 | AAA |
| Goldman-Sachs | 3.79 | 4.70 | 01.07.23 | AAA |
| HSBC | 3.97 | 4.72 | 01.07.23 | AAA |
| Invesco | 3.12 | 4.70 | 01.07.23 | AAA |
| Morgan Stanley | 3.79 | 4.76 | 01.07.23 | AAA |
| Federated | 4.11 | 4.73 | 01.07.23 | AAA |
| Insight | 4.11 | 4.78 | 01.07.23 | AAA |
| Total | 36.19 | | | |
| Property Fund: | | | | |
| CCLA | 5.00 | 4.25 | n/a | n/a |
| Total | 5.00 | | | |
| TOTAL INVESTMENTS | 41.19 | | | |

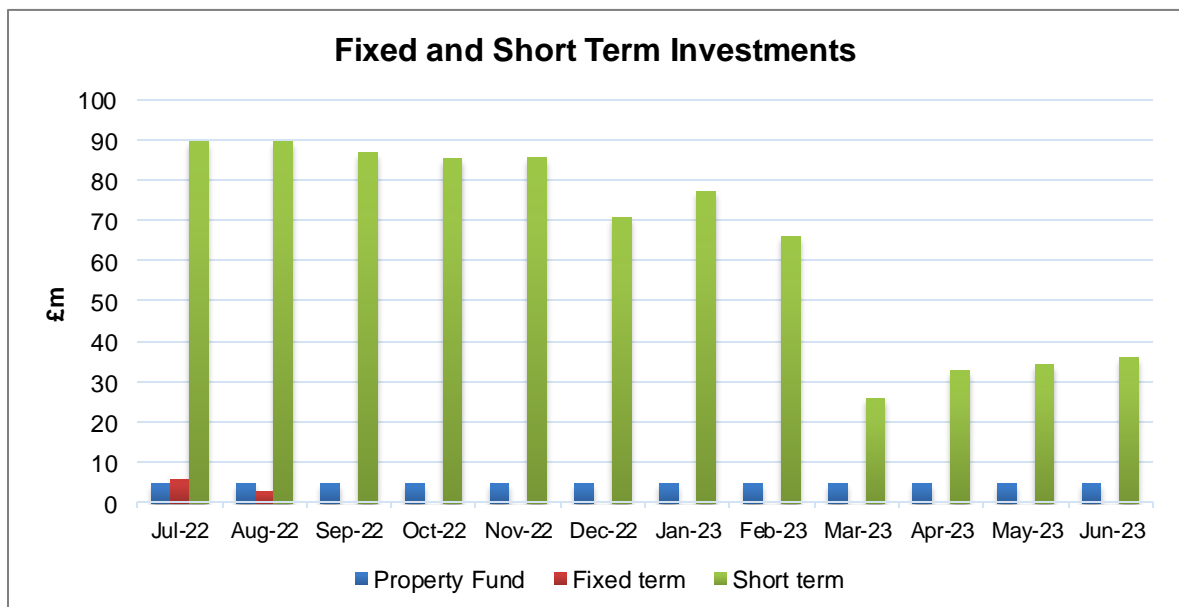
8.2. The Authority holds significant invested funds, representing grant income received in advance of expenditure plus balances and reserves held. The cash is initially held in a number of highly liquid Money Market Funds to ensure security of the funds until they are required to be paid out. This approach is consistent with the Council's approved Treasury Management Policy and Strategy for 2023/24. The balance of investments is therefore expected to fall over the coming months as the income is fully expended.

8.3. All of the investments made since April 2023 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.

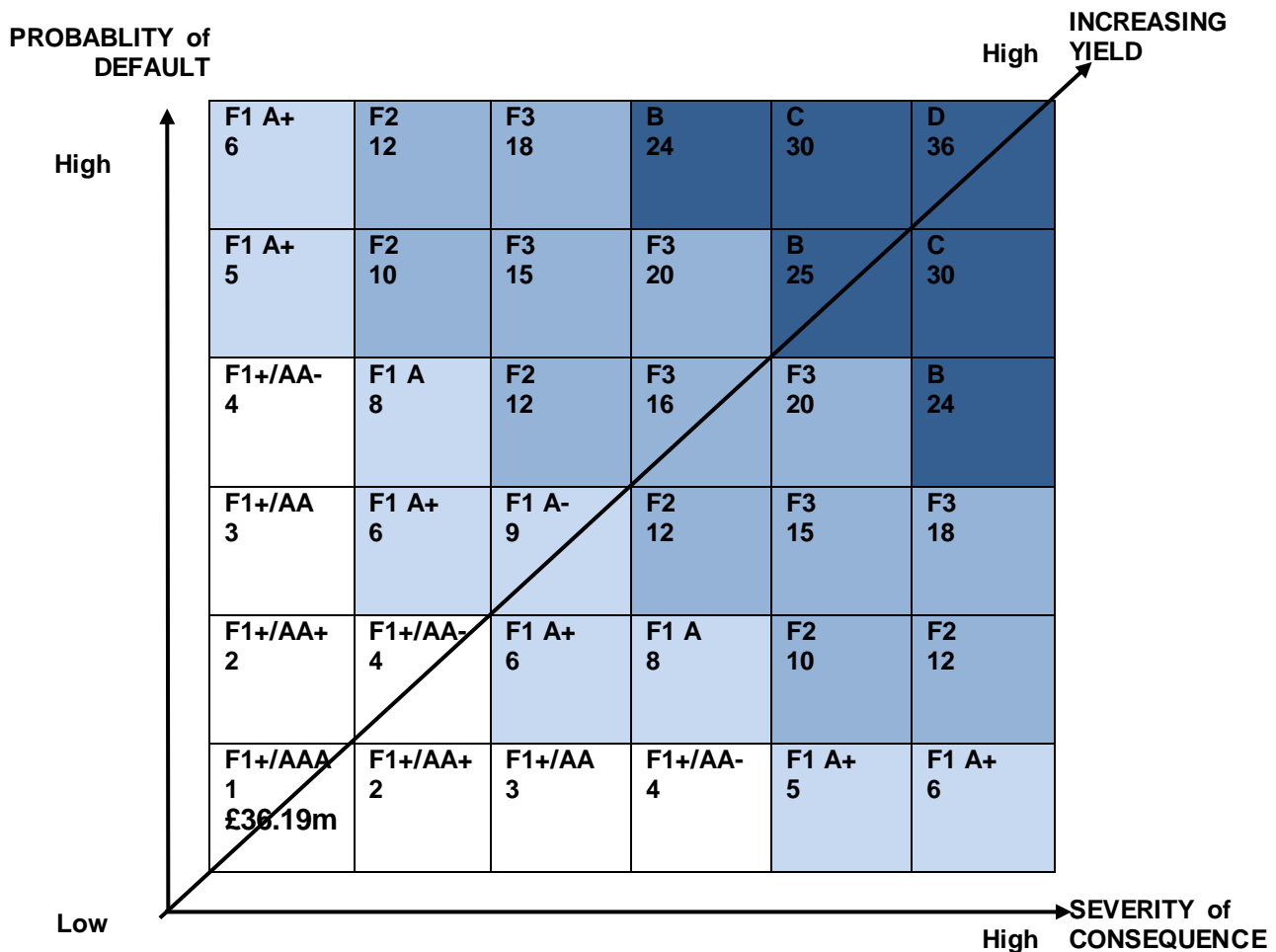
8.4. The Council will only invest in institutions that hold a minimum Fitch rating of A- for banking institutions, or AAA for money market funds. The ratings applied to investment grade institutions, and the much riskier speculative grade institutions, as defined by Fitch, have been placed into a risk matrix (paragraph 8.8).

Agenda Item 10

- 8.5. 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 4%. This is seen as a long-term investment with the potential for the capital value of the investment to vary as property prices fluctuate.
- 8.6. The Net Asset Value (NAV) of the Property Fund has decreased over a 12-month period to May 2023 from 363.21p per unit to 289.20p per unit, a decrease of 20%. The fund is considered to be a long-term investment and fluctuations in value are to be expected with this type of asset. The investment market over the past 12 months has been turbulent and driven by interest rates rather than property fundamentals. The CCLA is well positioned in the property market and has experienced no material change in tenant default rates with income levels remaining stable and reliable. The fund has a high industrial weighting with future growth potential and is making a strategic shift away the weaker office sector. The overall value of the Council's investment in the fund still remains higher than the original principal sum invested. It should also be noted that much of the fluctuation mentioned above took place in the latter half of 2022 and NAV prices have now stabilised in recent months. The situation will continue to be monitored closely however, and advice taken from the Council's treasury advisers should its position in the fund need to be reviewed. The income yield on the Property fund at the end of May 2023 was 4.25% which is above the level of returns received in the past.
- 8.7. The ratio of overnight deposits (short term) to fixed term investments and the property fund is shown below:



- 8.8. 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 | £36.19m |
| LOW - MEDIUM | 5 - 9 | Investment Grade | - |
| MEDIUM | 10 - 20 | Investment Grade | - |
| HIGH | 21 - 36 | Speculative Grade | - |

8.9. The Council will continue to maximise any investment opportunities as they arise although it is not envisaged that any substantial increase in returns can be achieved for the remainder of the current financial year as balances available for investment will be held in short term deposits to allow the Council to respond to any exceptional demands for cash as they arise. The security and availability of cash will be prioritised over improved yields as per the agreed Treasury Management Strategy and advice received from Sefton’s treasury management advisors.

9. Interest Earned

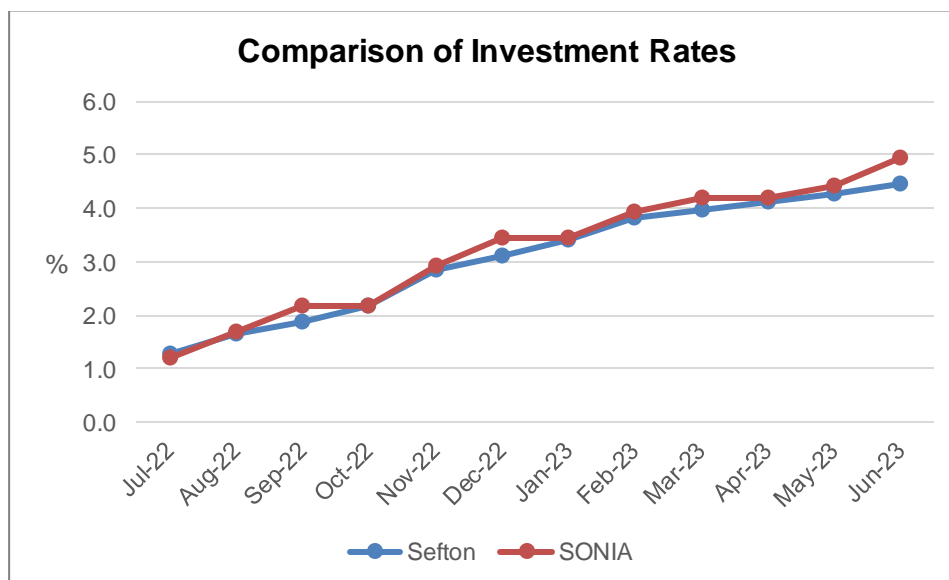
9.1. The actual performance of investments against the profiled budget to the end of June 2023 and the forecast performance of investments against total budget at year end is shown below:

Agenda Item 10

| | Budget £m | Actual £m | Variance £m |
|---------------|----------------------|----------------------|------------------------|
| Jun-23 | 0.272 | 0.451 | 0.179 |

| | Budget £m | Forecast £m | Variance £m |
|------------------------|----------------------|------------------------|------------------------|
| Outturn 2023/24 | 1.317 | 1.549 | 0.232 |

- 9.2. The forecast outturn for investment income shows the level of income to be above the target set in the budget for 2023/24. Investment rates have increased significantly over the past 12 months (see 9.4. below) largely in response to rises in interest rates. The forecast income for 2023/24 is therefore estimated to be at a higher level when compared to the budget estimates set out in the Council's medium term financial plan.
- 9.3. It is not envisaged that improved rates will lead to a significant increase over and above the current forecast income from investments during 2023/24 as cash balances are diminishing and held in short term deposits.
- 9.4. The Council has achieved an average rate of return on its investments of 4.45% to the end of June 2023. The chart below shows the average monthly rate of return plotted against the SONIA benchmark.



- 9.5. As can be seen from the chart above, Sefton's investments have slightly underperformed compared to SONIA to the end of Jun 2023, although remain broadly aligned with the benchmark. The investment income received is above target compared to the 2023/24 budget as shown in paragraph 9.1 (above).

10. Interest Rate Forecast

10.1. Arlingclose, the Council's treasury advisors, have provide the following interest rate view as of 23 June 2023:

| | Current | Sep-23 | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 | Jun-25 | Sep-25 | Dec-25 | Mar-26 | Jun-26 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Official Bank Rate | | | | | | | | | | | | | |
| 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 |
| Central Case | 5.00 | 5.50 | 5.50 | 5.50 | 5.25 | 4.75 | 4.25 | 3.75 | 3.25 | 3.00 | 3.00 | 3.00 | 3.00 |
| Downside risk | 0.00 | 0.50 | 0.50 | 0.50 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |

- The MPC raised the Bank Rate by 50bps to 5.0% in June. Due to current inflation and wage data, we believe that Bank Rate will rise to 5.25% in August and to 5.50% in September.
- The risks lie to the upside. Further strong inflation data for June (released in July) will likely result in another 50bps rise in Bank Rate in August.
- The MPC will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until services inflation and wage growth ease. The stickiness of these data suggests that rate cuts will happen later than previously expected. We see rate cuts from Q2 2024 to a low of around 3% by mid-2025.
- Arlingclose expects long-term gilt yields to eventually fall from current levels reflecting the lower medium-term path for Bank Rate. However, yields will remain relatively higher than in the past, partly due to quantitative tightening, with continued elevated volatility.

11. Compliance with Treasury and Prudential Limits

11.1. As at the end of Jun 2023, 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.

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Agenda Item 11

| | | | |
|--------------------------------------|---|----------------------------------|---|
| Report to: | Cabinet Council | Date of Meeting: | Thursday 27 July 2023 Thursday 14 September 2023 |
| Subject: | Financial and Corporate Performance 2022/2023 | | |
| Report of: | Executive Director of Corporate Resources and Customer Services | Wards Affected: | (All Wards); |
| Portfolio: | Cabinet Member - Regulatory, Compliance and Corporate Services | | |
| Is this a Key Decision: | Yes | Included in Forward Plan: | Yes |
| Exempt / Confidential Report: | No | | |

Summary:

To inform Cabinet and Council of the revenue and capital outturn position in relation to the 2022/23 financial year. In doing so the report will outline any key variations and where appropriate any impact on future years' financial performance. In addition, it provides details of the Council Corporate Performance for 2022/23 and current corporate risks.

Recommendation(s):

Cabinet is recommended to: -

Revenue Outturn

- Note the General Fund net deficit of £2.808m for 2022/23 that will reduce the Council's General Balances by £5.700m more than was budgeted for, but in line with the decisions of Cabinet during the year to partially fund the pressures faced during the year.
- Note the decrease in Schools' balances of £0.296m for 2022/23 and the net reduction of non-schools centrally retained DSG balances of £5.962m.
- Note the overall deficit on the High Needs Budget of £18.666m.
- Note the changes to Earmarked Reserves in 2022/23.
- Request Council to approve the addition and utilisation of the Earmarked Reserves detailed in paragraph 6.4.(a), (c) and (d).

Agenda Item 11

Capital Outturn

- Note the total capital outturn of £35.941m for the financial year 2022/23.
- Note the successful delivery of a number of schemes as set out in section 11 that have supported the delivery of the Council's core purpose.

Corporate Performance

- Consider the Council's Corporate Performance Report for 2022/23 and the latest Corporate Risk Register alongside the financial outturn for the year.

Council is recommended to: -

Revenue Outturn

- Approve the addition and utilisation of the Earmarked Reserves detailed in paragraph 6.4.(a), (c) and (d).

Reasons for the Recommendation(s):

The production of a revenue and capital outturn report is a key feature of effective financial management and will allow Members to make informed decisions that will support service delivery and medium-term financial sustainability.

This report should be read in conjunction with the Treasury Management Outturn report for 2022/23 also on this agenda.

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 reflected within the report.

(B) Capital Costs

All financial implications are reflected within the report.

Implications of the Proposals:

| |
|--|
| Resource Implications (Financial, IT, Staffing and Assets): |
| None |
| Legal Implications: |
| None |

| | | | | | | | | | |
|---|-----|------------------------|----|-----------------------|-----|------------------------|----|---|----|
| <p>Equality Implications:</p> <p>There are no equality implications.</p> | | | | | | | | | |
| <p>Impact on Children and Young People: Yes</p> <p>The report highlights the significant additional investment made in the Children’s Social Care Service and Home to School Transport during 2022/23 as well as the financial position of education services funded by the Dedicated Schools Grant.</p> | | | | | | | | | |
| <p>Climate Emergency Implications:</p> <p>The recommendations within this report will</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Have a positive impact</td> <td style="width: 20%;">No</td> </tr> <tr> <td>Have a neutral impact</td> <td>Yes</td> </tr> <tr> <td>Have a negative impact</td> <td>No</td> </tr> <tr> <td>The Author has undertaken the Climate Emergency training for report authors</td> <td>No</td> </tr> </table> <p>The allocations of capital funding outlined in sections 9 to 13 may be spent on projects that will have a high climate change impact as they could relate to new build, rebuild, refurbishment, retrofit and demolition proposals. Environmental consideration will be taken into account when specific projects are designed and tendered – which will help to mitigate negative impacts.</p> | | Have a positive impact | No | Have a neutral impact | Yes | Have a negative impact | No | The Author has undertaken the Climate Emergency training for report authors | No |
| Have a positive impact | No | | | | | | | | |
| Have a neutral impact | Yes | | | | | | | | |
| Have a negative impact | No | | | | | | | | |
| The Author has undertaken the Climate Emergency training for report authors | No | | | | | | | | |

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><u>Protect the most vulnerable:</u></p> <p>See comment above.</p> |
| <p><u>Facilitate confident and resilient communities:</u></p> <p>See comment above.</p> |
| <p><u>Commission, broker and provide core services:</u></p> <p>See comment above.</p> |
| <p><u>Place – leadership and influencer:</u></p> <p>See comment above.</p> |
| <p><u>Drivers of change and reform:</u></p> <p>See comment above.</p> |
| <p><u>Facilitate sustainable economic prosperity:</u></p> |

Agenda Item 11

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 and Customer Services (FD.7303/23) and the Chief Legal and Democratic Officer (LD.5503/23) have been consulted and any comments have been incorporated into the report.

(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 and immediately following the Council meeting.

| | |
|-------------------------|---------------------------|
| Contact Officer: | Paul Reilly |
| Telephone Number: | Tel: 0151 934 4106 |
| Email Address: | paul.reilly@sefton.gov.uk |

Appendices:

The following appendices are attached to this report:

APPENDIX A – Corporate Risk Register – July 2023

APPENDIX B1 – Corporate Performance Report 2022/23

APPENDIX B2 – Corporate Performance Report 2022/23 – Performance Indicators

Background Papers:

There are no background papers available for inspection.

1. Introduction

- 1.1 The report details the revenue outturn position for the financial year 2022/23 and provides details of the major variations within that position for the General Fund and Schools' Delegated Budgets including the High Needs Budget. The report also provides details of the Capital Outturn position for 2022/23.
- 1.2 In addition, the report includes the Council's Corporate Performance Report for 2022/23 (Appendix B1 and B2) together with the latest Corporate Risk Register (Appendix A).

General Fund Revenue Outturn 2022/23

2 Overall Position 2022/23

- 2.1 The outturn figures for 2022/23 are explained in more detail in section 3 but can be summarised as follows:

| <u>Net Revenue Expenditure</u> | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|----------------|----------------|-----------------|
| | <u>£m</u> | <u>£m</u> | <u>£m</u> |
| <u>Services</u> | | | |
| Strategic Management | 4.038 | 4.074 | 0.036 |
| Adult Social Care | 102.929 | 102.706 | -0.223 |
| Children's Social Care | 52.876 | 73.256 | 20.380 |
| Communities | 18.611 | 16.209 | -2.402 |
| Corporate Resources | 5.673 | 4.868 | -0.805 |
| Economic Growth & Housing | 6.811 | 6.703 | -0.108 |
| Education Excellence | 11.643 | 13.293 | 1.650 |
| Health and Wellbeing | 19.374 | 17.682 | -1.692 |
| Highways & Public Protection | 11.508 | 11.592 | 0.084 |
| Operational In-House Services | 17.008 | 17.880 | 0.872 |
| Other Services | 2.923 | 2.798 | -0.125 |
| Energy Costs | 0.000 | 2.058 | 2.058 |
| <u>Total Service Net Expenditure</u> | 253.393 | 273.116 | 19.723 |
| Remedial Action Plan - July | 0.000 | -9.700 | -9.700 |
| Remedial Action Plan – September | 0.000 | -4.800 | -4.800 |
| Corporate Items | -8.526 | -7.415 | 1.111 |
| Levies | 35.222 | 35.222 | - |
| Parish Precepts | 1.382 | 1.382 | - |
| <u>Total Net Expenditure</u> | 281.471 | 251.419 | 6.334 |
| Financed by: | | | |
| Council Tax Payers | -151.707 | -151.707 | - |
| Business Rates Top-Up | -22.151 | -22.151 | - |

Agenda Item 11

| | | | |
|---|-----------------|-----------------|---------------|
| Retained Business Rates | -38.149 | -38.149 | - |
| General Government Grants | -72.356 | -72.990 | -0.634 |
| | | | |
| Total Financing | -284.363 | -254.881 | -0.634 |
| | | | |
| Amount added to (-) / funded from General Balances | -2.892 | 2.808 | 5.700 |

3 General Fund Revenue Outturn 2022/23 – Variation Analysis

3.1 From the above table it can be seen that the Council in 2022/23 was overspent on net service expenditure by £19.7m. It is important to note that this was due to the issues that were reported through the year in respect of Children's Social Care who were £20.380m overspent. Most other services were underspent or reporting close to balanced positions including Adult Social Care, which is the largest budget within the Council and was underspent for the year. As a result, as shown in section 2, the outturn for 2022/23 shows that there was a transfer from General Balances of £2.808m which was £5.700m more when compared to the increase in General Balances of £2.892m that was budgeted for. This relates to the use of General Balances included as part of the Remedial Actions Plans approved by Council in July 2022 (£2.8m) and September 2022 (£2.9m).

3.2 As would be expected, during the financial year, there has been a number of significant variations in individual services. The major variances are highlighted in the following paragraphs: -

3.2.1 **Children's Social Care** - Children's Social Care overspent in 2022/23 by £20.380m, a position that was reported to Cabinet throughout the year.

The service continued to see rising demand and further investigatory work is ongoing with partner agencies with the aim of addressing this. Overall, the overspend was made up of the following key areas: -

- Due to a significant number of vacancies within the service, especially with regard to Social Workers, the expenditure on agency staff has been £6.5m over the staffing budget. Within this £3.5m relates to managed teams as well as the costs of employing additional social workers to manage the additional casework brought about by the rising demand for services.
- At the start of the financial year as inflation took hold in the UK, unbudgeted for inflation on accommodation costs has resulted in an overspend of £1.2m; and,
- A number of additional complex and high-cost placements have had to be entered into which have led to an overspend on this budget of £8.3m. Since the budget was set in March there was an increase in Independent Residential Placements from 69 to 79. In addition, there were more cases requiring high-cost accommodation and support than previously, and the costs of these had also risen significantly. Some new cases were initially costing substantial amounts per week. Within the budget for 2023/24 there was provision for an additional 5 placements therefore this increase from 69 to 79 will result in a budget pressure in the new year.

Members will be familiar from the reports previously presented to Cabinet that the service are working through options to address each of these issues. The introduction of the social worker academy with an annual cohort of 30 staff and the proposal to bring to the Council 25 international social workers will reduce the reliance on expensive agency workers going forward and proposals around supporting children and development of in-house accommodation will support future budget planning and control in respect of accommodation costs. In addition, a fundamental review of the service's budget is being undertaken.

- 3.2.2 **Communities** – The surplus of £2.402m primarily relates to reduced expenditure on sports facilities due to the closure of Splashworld and significant vacancy savings on family wellbeing staffing. There were also other vacancy savings across the service, as well as additional grant funding made available to offset existing costs in the year.
- 3.2.3 **Corporate Resources** – The surplus of £0.805m for Corporate Resources primarily relates to savings made against staffing budgets which is due to posts being held vacant in order to contribute to the overall budget pressures faced by the Council.
- 3.2.4 **Education Excellence** – The net overspend of £1.650m is due to a significant increase in the costs of Home to School Transport. There was an increase in the number of children being transported, especially relating to out of borough placements. In addition, there was an increase in the cost of providing the transport, particularly from September.
- 3.2.5 **Health & Wellbeing** – A net surplus of £1.692m arose primarily due to savings on contracts procured during the year, including on substance misuse and health prevention services. In addition, there were also vacancy savings in the service, as well as additional grant funding made available to offset existing costs in the year.
- 3.2.6 **Operation In-House Services** - The net overspend on the Service was £0.872m. 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.
- 3.2.7 **Energy Costs** - As reported throughout the year, the global increase in energy prices had a significant impact on the Council's energy and fuel costs, increasing costs by £2.052m above budget. It should be noted that energy is a national issue and affected all local authorities. However, no additional Government funding was made available for local government, despite representations made both nationally and locally.
- 3.2.8 **Remedial Action Plans** – Due to the overall pressures faced during the year, particularly from the increased costs of energy, the pay award and Children's Social Care, Cabinet approved Remedial Action Plans to fund these pressures. In June they approved one-off savings of £9.7m (plus the use of £2.9m of General Balances) and in September approved further one-off savings of £4.8m (plus the use of £2.8m of General Balances).

Agenda Item 11

3.2.9 **Corporate Items:** There are various corporate items that have had an impact on the Council's outturn position, with a net impact of £1.111m. The most significant are described below:

- 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 1 November 2022, trade unions accepted the offer from the National Employers for local government services body of a fixed increase of £1,925 (plus an additional day's annual leave from April 2023). For Sefton, this equated 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. As previously mentioned for energy costs, this was a national issue for local government, however, no additional Government funding was made available.
- The Budget Report for 2022/23 outlined that Council's budget included the potential deficit for the Strand Shopping Centre for 2022/23 of £0.5m. The deficit for the year has now been finalised at £0.626m with the impact on the outturn position being an overspend of £0.126m. However, it should be noted that this position is better than that included in the latest Business Plan approved by Cabinet in January 2023, which indicated an estimated deficit of £0.777m (so an improvement of £0.151m).
- Due to the increase in interest rates across the year, the Council was able to achieve increased returns on its cash investments. This resulted in a net underspend of £1.026m in the Council's Treasury Management budget.
- As reported throughout the year, it was imperative that the Council achieved a balanced outturn position to ensure its financial sustainability and that General Balances weren't utilised further. A number of remedial actions were put in place, including a recruitment freeze and ceasing non-essential spend in most services across the Council. In addition, a further review of the emergency funding received by the Council has determined that a further £1.518m can be released to ensure a balanced outturn position can be achieved.

3.3 As a result of the variations detailed within this report an overall Council-wide balanced outturn position has been recorded for the year which represents the outcome of stringent financial management through the year as the Council continues to meet the unprecedented financial pressure from demand led services, energy costs, pay and price inflation, the extreme challenges of national government policy as well as the continuing impact of COVID19. The outturn position excludes the impact of COVID19 with any additional expenditure and loss of income being met by utilising various additional funding sources provided by the Government.

3.4 As was detailed within the Budget report presented to Council in March 2023, the Council continues to face unprecedented financial pressure particularly within Children's Social Care. This position is not unique to Sefton; however, the challenge is significant and will require very careful financial management throughout 2023/24 and beyond. The Council acknowledged these risks in its

budget report and significant additional resources were built into 2023/24 budget in recognition of these additional demands.

- 3.5 As the report suggests, General Fund Balances have been used in this year due to the unprecedented pressure in Children's Social Care. As this was known during the year, provision was made in the 2023/24 budget to increase the balances by a further £4.423m. This means that there are £16.414m of balances available in 2023/24.

4 Schools' Delegated Budgets Outturn 2022/23

- 4.1 The level of schools' balances as at the end of 2022/23 stand at a cumulative surplus of £17.756m (£18.289m 2021/22). This overall sum consists of direct school balances of £17.495m (£17.961m 2021/22); Schools Supply Funding Pool surplus of £0.051m (£0.005m surplus in 2021/22) and the Schools Rates Pooled Account surplus of £0.210m (£0.323m 2021/22). However, some residual deficit balances included in the above, relating to two forced academy convertor schools and one closed school were written down in the year by the Local Authority against the closed schools' deficit earmarked reserve (£0.237m) leaving the overall carried forward balances for the maintained schools of the Authority at £17.993m including pooled accounts. These total balances represent 16.1% of schools' 2022/23 delegated budgets. Overall, schools' direct balances decreased in the year by £0.229m after allowing for the writing down of the deficits mentioned above (£0.237m); The Schools Supply Pool balances increased by £0.046m and the Rates Pool Account reduced by £0.113m.
- 4.2 Analysis of the Schools Balances, including those ultimately written down in the year, shows that 35 schools saw an increase in their balances totalling £3.143m; whilst 49 schools experienced a fall in their balances of £3.609m giving a net decrease in the year of £0.466m. Of the 49 schools with falling balances, there were 39 Primary schools; 2 Secondary; 5 Special and 3 Nursery Schools with a fall in balances of £1.711m; £0.502m; £1.243m and £0.153m respectively.
- 4.3 At the start of 2022/23, there were seven schools in a deficit balance position, including three Maintained Primary Schools; three Maintained Secondary Schools; and one Pupil Referral Unit with net deficit balances of £0.287m; £1.113m and £0.059m respectively (£1.459m). These seven schools were all operating under a licensed deficit in 2022/23.
- 4.4 By the end of 2022/23, based on the outturn position, seven schools were in a deficit position, including three Maintained Primary schools; and four Maintained Secondary Schools, with net deficit balances of £0.456m and £0.918m respectively (£1.374m). Three of these schools however, (two Primary and one Secondary), had their deficit balances charged against the Council's closed schools' deficit earmarked reserve (£0.237m) leaving just one Primary school and three secondary schools in a deficit position (£1.137m). One of the secondary schools, Savio, converted to an academy on 1 January 2023, but the accounts have remained open to end of April 2023, i.e., into the 2023/24 financial year to allow the required statutory time to close them down following conversion.
- 4.5 High Needs budgets were overspent by £6.172m in 2022/23 (£4.245m in 2021/22). This has resulted in the overall High Needs accumulated deficit now standing at

Agenda Item 11

£18.666m. Cost pressures have continued across High Needs provision with increasing demand for Special School places driven by growing numbers of children being assessed for an Education Health and Care Plan (EHCP). During 2022/23 an extra 560 children have been assessed as requiring an EHCP across the Borough (a 22% increase). Numbers of places commissioned out of Borough, have also continued to increase (68 in 2022/23, a 37% increase), due, in part, to a shortage of in-house places. Initial spending forecasts were well exceeded in terms of overspending in the year. Some increase in costs, however, was anticipated, following a Cabinet Member agreement to making a £2m investment in rightsizing and updating the funding allocations across the maintained special schools; Resourced Units and PRUs. In addition, there has been a significant take-up of dedicated 'Group' funding over the year by many of the mainstream schools, to gradually start to replace the need for many individual 1:1 s in the classroom, and to focus on specialised group classroom teaching methods and support for SEN children. This is considered considerably cheaper to fund and is seen to be quite beneficial by the schools.

- 4.6 During the year, the Council engaged with Newton Europe to examine High Needs spending and other operational issues as part of the Government's Delivering Better Value (DBV) Programme for those local authorities with significant High Needs deficits. Along with 55 other local authorities, Sefton were selected to be part of Tier 2 of the DBV programme. This programme set about obtaining and analysing Sefton's High Needs spending to help their statistical experts to forecast trends and to hopefully identify some potential areas of spending mitigation over the next 5 to 8 years. Their own initial forecasting suggests, that, without any mitigations over the next 5 to 8 years, the Council would have a significantly increased accumulative net deficit on its High Needs spending. This is clearly unsustainable but is something also being forecast in many other local authorities under the DBV Programme. Of great concern is the fact that from the end of 2025/26, the Government's statutory override mechanism for DSG deficits to be ringfenced comes to an end, and should it not be extended, local authorities may be required to fund any deficit from its General Fund. Sefton is actively seeking clarity from the Government on how deficits are to be funded once the statutory override finishes as it will be one of a number of local authorities for whom it would impact on financial sustainability. This issue has been covered in great detail in both the Budget Report for 2023/24 and the Robustness Report of the S151 Officer on the same agenda. The significance of this issue cannot and is not being underestimated and as stated engagement with staff in Treasury, DLUHC and DfE is to take place. As a result, the quarterly reports produced for Cabinet and Council by the Assistant Director of Children's Services (Education) are critical to inform members of developments, demand, mitigating work that will reduce or contain cost, the Delivering Better Value Programme and national and sector discussions. Due to the significance this issue is also included on the Council's Corporate Risk Register.
- 4.7 Unlike the original Safety Valve Programme, the DBV Programme does not offer any funding towards writing down accumulated deficits on High Needs but does allow local authorities under the programme to apply for up to £1m grant towards supporting the development and structure required to start to deliver some mitigating actions towards reducing High Needs spending. However, this is one-off funding to support the Council, the legacy of which, would be left to the Authority to

support once the funding runs out. Sefton has applied for this funding. The DBV programme at Sefton has now drawn to its conclusion.

- 4.8 During the year any changes planned to address the funding given to mainstream schools for local SEN support of children without/working towards an EHCP was put on hold, pending the funding provision mentioned above and also due to the release of the Government’s Green Paper consultation, as part of its SEND Review, (Right support; right place; right time) which came out in March 2022, and concluded in mid-July 2022. Conclusions and recommendations were made by the DfE in late 2022 following the consultation, and these included that a ‘national’ banding structure may be put in place for SEND support to schools, along with a wide range of other proposals. However, many of these are not planned to happen until the end of 2025, and few, if any, would directly benefit the serious High Needs funding issues currently faced by local authorities.
- 4.9 As reported the last year has again seen unprecedented growth in demand for High Needs places, along with cost increases, post-pandemic. High Needs has continued to be reviewed by the Council, with the introduction of a new funding mechanism for our Special schools, offering them greater financial stability, and involving a right sizing of their budgets, despite the additional cost of doing this, to High Needs. There has also been an expansion of new places across our Resourced Provision in the year, with further expansion planned in 2023/24 following a sufficiency and planned-place report conducted in recent months by the SEN Manager. New capital funding has also been provided to create space for more in-house places across a range of locations.
- 4.10 Early Years provision had a small net underspending of £0.181m in 2022/23. This was following adjustments that were made to the original funding by the DfE after taking account changes to headcount between January 2021 and January 2022 where we received additional funding in the year of £0.234m. Spending from the Early Years centrally retained reserves continued as planned in support of Providers (£0.173m), leading to a net underspending of £0.008m in 2022/23.
- 4.11 Early Years centrally retained balances started the year with a surplus balance of £0.636m in 2022/23 and after spending on planned initiatives during the year, and underspending against Early Years provision, ended the year at a surplus of £0.644m.
- 4.12 The Council holds Centrally Retained DSG reserves, separate to its Maintained Schools’ balances. These are shown below:

| <u>Centrally Retained DSG Balances</u> | 1 April 2022 Surplus (-) / Deficit | Net Movement In Year 2022/23 | 31 March 2023 Surplus (-) / Deficit |
|---|---|---|--|
| | £m | £m | £m |
| Schools Block | -0.761 | -0.202 | -0.963 |
| Early Years Block | -0.636 | -0.008 | -0.644 |
| High Needs Block | 12.494 | 6.172 | 18.666 |
| | 11.097 | 5.962 | 17.059 |

Agenda Item 11

5 Council Balances

5.1 The change in the level of Council and School Balances as at 31 March 2023 are set out in the tables below:

| <u>Non-School General Fund Balances</u> | £m | <u>£m</u> |
|--|-----------|------------------|
| Actual Non-School General Fund Balances at 31 March 2022 | | -14.799 |
| Less underspend in comparison to the 2022/23 Base Estimate: | | |
| - Assumed Increase in Balances 2022/23 | -2.892 | |
| - Use of General Balances approved by Council as part of in-year remedial action plans | 5.700 | |
| - In-Year Variance | 0.000 | |
| Actual Increase in Balances in 2022/23 | | -3.462 |
| Actual Non-School General Fund Balances at 31 March 2023 | | -11.991 |

| <u>Schools' Balances</u> | <u>£m</u> |
|---|------------------|
| Schools' balances as at 1 April 2022 | -18.289 |
| Total net variation on Schools' Delegated Budgets | 0.296 |
| Schools' balances at 31 March 2023 | -17.993 |

5.2 With the known use of general fund balances on 2022/23, the budget for 2023/24 has included provision for the addition of £3.400m and there is a further sum of £1.023m carried forward within General Balances for use in 2024/25, meaning that available general fund balances in 2023/24 stand at £16.414m or approximately 6.5% of the Council's net budget.

6 Earmarked Reserves

6.1 Unlike General Fund balances, Earmarked Reserves are held for a specific purpose. These purposes may be determined by the Council to coincide with its policy objectives, dictated by statute (e.g., Schools Earmarked Reserves) or relate to revenue grants and contributions that haven't been fully applied by the end of the financial year.

6.2 Once approved, expenditure incurred in accordance with the reserve's purpose is funded by applying the reserve, without any need for further approval. If the reserve is no longer required for the originally intended purpose it is released back into the General Fund.

6.3 An analysis of the Council's Earmarked Reserves, and the movement during 2022/23 is shown in the table below:

| Movements in 2020/21 | 1 April 2022 £000s | Transfers in £000s | Transfers Out £000s | 31 March 2023 £000s |
|--|--------------------------|--------------------------|---------------------------|---------------------------|
| Environmental Warranty | -9,000 | 0 | 0 | -9,000 |
| Insurance Fund | -1,948 | 0 | 0 | -1,948 |
| Transforming Sefton | -2,232 | -299 | 670 | -1,861 |
| Redundancy Reserve | -1,326 | 0 | 380 | -946 |
| Community Transition Fund | -386 | 0 | 58 | -328 |
| Contamination Clearance | -1,380 | 0 | 22 | -1,358 |
| Regeneration Schemes Reserve | 0 | -2,500 | 0 | -2,500 |
| Secondary School Deficit Reserve | -1,000 | -750 | 237 | -1,513 |
| Business Rates S31 Grants Reserve | -18,305 | 0 | 18,305 | 0 |
| Collection Fund Deficit Spreading Reserve | -6,137 | 0 | 5,638 | -499 |
| Revenue Grants and Contributions Unapplied | -28,470 | -11,626 | 17,577 | -22,519 |
| Other Earmarked Reserves | -11,069 | -1,878 | 3,292 | -9,656 |
| | -81,253 | -17,053 | 46,178 | -52,128 |

6.4 The main changes in Earmarked Reserves are as follows:

- a) **Regeneration Schemes Reserve** – The Council received an amount during 2022/23 relating to the surrender of a lease at the Strand Shopping Centre. ***Council is asked to approve the creation of a reserve from the receipt of £2.500m to be utilised in future years to offset the loss of income from the lease surrender.***
- b) **Business Rates S31 Grants Reserve** – In response to COVID19, the Government introduced an expanded Business Rates retail relief scheme in 2020/21, which continued into 2021/22. This resulted in a significant deficit on the Collection Fund which was recovered in 2022/23. However, the Council received S31 grants to offset the reliefs granted which were received in 2021/22. These were therefore reserved so they could be used to offset the deficit in 2022/23.
- c) **Collection Fund Deficit Spreading Reserve** – Due to COVID19, the income received from Business Rates and Council Tax was significantly reduced in 2020/2021. The Government amended regulations so that the deficits arising could be spread into future years. The creation of a reserve to offset these future deficits, primarily funded from COVID government grants, was approved by Budget Council in March 2021. In addition, the level of S31 grants received in 2022/23 relating to Business Rate Reliefs was lower than budgeted for due to less businesses qualifying for the reliefs than anticipated. However, this meant that additional Business Rates were collected which offset this but under Collection Fund Regulations these can only be credited to the General Fund in 2023/24. The Council will therefore utilise some of the remaining Collection Fund Deficit Spreading Reserve to offset the shortfall in 2022/23 with the Business Rates Surplus replacing the budgeted for use of the reserve in 2023/24. ***Council is asked to approve the use of £2.569m of the Collection Fund Deficit Spreading Reserve in 2022/23 to offset the shortfall in Business Rates S31 grants.***
- d) **Revenue Grants and Contributions Unapplied** – There was a large increase in grants received during 2020/21 and 2021/22 due to the receipt of various tranches

Agenda Item 11

of funding to support the Council's response to the COVID-19 pandemic. These include COVID19 emergency funding and the Contain Outbreak Management Fund. These were reserved to fund costs and loss of income that was incurred in 2022/23 and will be in future years. A further review of the emergency funding received by the Council has determined that a further £1.518m can be released to ensure a balanced outturn position can be achieved in 2022/23. ***Council is asked to approve the utilisation of £1.518m to support the outturn position in 2022/23.***

- e) **Other Earmarked Reserves** – A number of Earmarked Reserves were utilised as part of the remedial action plans agreed during the year to support the budget.

7 Council Wholly Owned Companies

- 7.1 The Council has three wholly owned companies, namely, Sefton New Directions, Sandway Homes Limited and Sefton Hospitality Operations Limited. During the year Cabinet have received comprehensive Business Plan updates on each of these companies and outturn reports detailing progress against business plan both in terms of service delivery/meeting of objectives and financial performance will be presented to overview and scrutiny committee in early autumn. In terms of the key financial metrics for each company: -

Sandway Homes Limited

- The latest Business Plan for the Company was presented to Cabinet on 1 December 2022.
- The report highlighted that the Council's dividend was forecast to be £1.050m in line with the original business plan (rather than the £1.350m subsequently reported to Cabinet and Budget Council) and was expected to be delivered in 2025/26 rather than 2024/25.
- It remains the forecast that the capital receipt in respect of the three sites in Phase 1 totalling £2.3m will also be received in 2024/25.
- The Council has agreed peak debt for the company of £8.3m. As at 31 March 2023 the company has drawn down £6.4m of this and at this stage does not expect this sum to increase. This is expected to be repaid during 2024/25.

A further report on the Company will be presented to Cabinet in September 2023 updating on all aspects of the business plan.

Sefton Hospitality Operations Limited

- The latest Business Plan for the Company was presented to Cabinet on 1 December 2022.
- The report outlined that despite the economic and sectoral challenges highlighted in the report, and the delay to the opening of the Lake House in Summer 2022, financial performance is consistent with previous expectations.
- The Full Business Case, approved by Cabinet in February 2021, approved a loan of £500,000 from the Council to cover working capital. This would be

- repaid to the Council as the first financial commitment for profits generated over the 10 years of the Full Business Case.
- The Full Business Case also outlined that a saving of nearly £0.250m would be achieved for the Council through the removal of the subsidy previously included in the budget. In addition, dividends would be due to the Council in later years as the Company becomes more profitable and the loan is repaid.
 - However, the report to Cabinet in December 2022 highlighted that no shareholder dividends or commencement of repayment of the working capital loan to the Council are proposed during the latest Business Plan period (to 2024/25). However, based on performance of the business and the progression of future opportunities, this will be re-evaluated on an annual basis as part of the Business Plan process.

Sefton New Directions

- The latest Business Plan for the Company was presented to Cabinet on 23 June 2022.
- A report on the latest position of the Company is presented elsewhere on today's agenda.

8 Revenue Outturn 2022/23 - Conclusion

- 8.1 In March 2022, the Council set a one-year budget for 2022/23. Through the application of stringent financial management throughout the year, the Council continued to meet the financial pressures from demand led services and especially Children's Social Care, and the increased costs of energy and pay and price inflation. In addition, it was able to withstand the financial pressures that continued to arise from COVID19 by utilising the resources provided by the Government to support the Council's response.
- 8.2 Whilst the position reported is largely favourable, the Council is still facing significant financial pressure from some of its main demand led budgets, in particular Children's Social Care. The experience in Sefton is currently similar to many local authorities across the country and as a result will require careful financial management in the forthcoming year in order that these pressures are aligned with the delivery of the overall savings target that the Council has to meet. This approach and pressure were identified within the Budget report of March 2023 and significant additional resources were included in the budget for 2023/24.
- 8.3 The Council's accounts are scheduled to be completed by the middle of August 2023. They will then be subject to review by the external auditor, Ernst & Young, and following final completion of the audit, the Accounts will be presented to the Audit & Governance Committee for consideration, together with the ISA 260 report that will reflect their findings and conclusions.

Agenda Item 11

Capital Outturn 2022/23

9 Overall Position for 2022/23

9.1 The approved capital budget for 2022/23 was £45.157m against which capital expenditure of £35.941m has been incurred at the year end. This has resulted in a year end variance of £9.216m. A service-by-service breakdown is shown in the following table:

| Service Area | Budget 2022/23 | Actual Expenditure 2022/23 | Variance to Budget |
|---|---------------------------|---|-------------------------------|
| | £m | £m | £m |
| Adult Social Care | 4.648 | 4.100 | -0.548 |
| Children's Social Care | 0.450 | 0.263 | -0.187 |
| Communities | 1.159 | 0.916 | -0.243 |
| Corporate Resources | 7.440 | 6.338 | -1.102 |
| Economic Growth & Housing | 8.301 | 7.237 | -1.064 |
| Education Excellence | 4.258 | 3.853 | -0.405 |
| Highways & Public Protection | 16.989 | 11.789 | -5.200 |
| In House Operational Services | 1.912 | 1.445 | -0.467 |
| Total Programme | 45.157 | 35.941 | -9.216 |

9.2 In addition to the core programme, capital expenditure totalling £2.764m was incurred by the Council. This included Schools Devolved Formula Capital which is provided directly to and managed by schools and capitalisation of Highways expenditure. Total capital expenditure in 2022/23, including this was £38.705m.

10 Programme Funding

10.1 The table below shows how the capital programme has been funded in 2022/23:

| Source | £m |
|--------------------------------|---------------|
| Grants | 28.892 |
| Prudential Borrowing | 6.441 |
| Contributions | 1.016 |
| Capital Receipts | 1.517 |
| Section 106 | 0.840 |
| Total Programme Funding | 38.705 |

11 Programme Delivery 2022/23

11.1 As would be expected with a capital programme of this size, the investment that has been incurred during the year has led to both the development and improvement of the Council's infrastructure and supported the delivery of key

outcomes as set out in the Framework for Change programme. The key areas of delivery are as follows:

11.1 Adult Social Care

11.1.1 Disabled Facilities Grants Core Programme (£2.011m)

During 2022/23 there were 279 adaptations certified as complete on behalf of clients including items such as stair lifts, vertical lifts, bathroom adaptations, extensions, and hoists. The number has increased when compared to last year due to the increased number of referrals for adaptation received from the Occupational Therapist Team along with increased staff resource.

11.1.2 Integrated Community Equipment (£0.656m including Children's spend)

Loan equipment has been purchased to issue to Sefton residents with medical needs or a disability to enable them to remain safe and independent in their own homes. The equipment provided includes walking aids, bathing aids, toileting aids and patient handling equipment to enable carers to assist and care for residents in a safe manner. All equipment is issued on a loan basis and ownership is retained by the Council. When no longer needed by service users it is collected, decontaminated in accordance with strict infection control procedures and recycled for future issue to others.

11.1.3 Single to Double Handed Care Equipment (£0.126m)

The equipment purchased, predominantly for patient handling, is specifically designed to enable a reduction in the number of carers required to care for an individual. The service provides gantry hoists, specialist slings and a variety of patient handling pieces taking advantage of new product development and techniques, with the ultimate aim of reducing a care package for the individual whether that care be provided by family or formal carers. The benefits of the equipment provide a more dignified care process for the recipient. All equipment is issued on a loan basis and when no longer needed by the service user, collected and recycled for further use.

11.1.4 ICT Development and Transformation (£0.265m)

The Council's Liquidlogic and ContrOCC systems were migrated to cloud hosting. This migration was followed by upgrade works which were largely completed during the financial year, with the go-live of the latest upgrades taking place in May 2023. In addition, improvement works took place on both the Adults and Children's Social Care systems, with a particular focus on Children's in order to support the wider operational improvement works in that area.

11.1.5 Care Home Improvement Grants (£0.362m)

Positive outcomes are being achieved for care home providers and their residents with 58 care homes that have benefitted from improvement grants to date. Round three of the Grant Programme launched January 2023 and criteria also included the implementation of energy efficiency digital solutions and the reduction of

Agenda Item 11

carbon footprint in acknowledgement of increases to energy costs. 34 grants have been issued under round three.

11.2 Communities

11.2.1 Dunes Splashworld – Essential Repairs (£0.545m)

Dunes Splashworld leisure centre has undergone a range of extensive work centred on recoating the main steel frame, remediating concrete failures in the flume tower structure and complete retiling of the pool tank, along with a range of electrical improvement works. Works are now complete, and the centre is back in operation.

11.2.2 Dunes Splashworld – Health & Safety Works (£0.247m)

A range of works have been completed including safety flooring, pump and filtration equipment, replacement and repaired locks on lockers, café equipment, refurbished toilets and showering facilities.

11.3 Corporate Resources and Customer Services

11.3.1 Corporate Maintenance (£0.465m)

This programme includes a number of larger schemes with a range of site-based challenges requiring consultation and clear communication with all parties involved or affected by the works. There have also been budgetary challenges to overcome due to industry costs increases. Good progress is now being made and works on the Cambridge Arcade and Southport Town Hall scheme will commence soon. This programme has also delivered a range of health and safety improvement across several sites, along with funding in support of Bootle and Southport Town Hall energy retrofit programme, which are now complete.

11.3.2 Green Homes Local Delivery Scheme (£5.326m)

516 properties received funded works that were eligible due to having a poor energy efficiency rating and a low household income. The funded works included external wall insulation, cavity wall insulation, loft insulation, under floor insulation, photovoltaic panels, double glazing, and upgrades to heating controls. The aim of the scheme was to improve the energy efficiency rating from a D, E, F or G to a C or above. The works will help reduce household utility bills and also lower carbon emissions.

11.3.3 ICT Transformation (£0.487m)

The funding has enabled Sefton Council to upgrade and move the majority of its on-premises data centre to the Azure Cloud in line with the Digital Strategy of the Council. This includes the deployment of specialist applications for legacy systems to ensure they perform as expected within the Cloud, supporting the authority's move to agile working, as well as modernising and securing our ICT infrastructure.

The funding has also enabled the delivery of a new CRM system for Sefton replacing the legacy system, which was end of life. The solution has also enabled Sefton to improve its customer offer around self-service.

11.4 Economic Growth and Housing

11.4.1 Crosby Lakeside Redevelopment (£1.509m)

Expenditure during 2022/23 was on completion of the hospitality side of the lakeside building which opened in August 2022. Predevelopment work on a bunk barn was also carried out during the year for the next phase of the project.

11.4.2 Bootle Canalside (£0.151m)

Site preparation works were completed on the Canalside space – site levelling, surfacing, boundary treatment, landscaping and design works which will allow the site to be used for community activities and events.

11.4.3 Marine Lake Events Centre (£4.288m)

The Marine Lake Events Centre project continues to make good progress and planning permission was obtained in April 2023. Prior to this Kier Construction have been appointed under a pre-construction service agreement to undertake the demolition and enabling works. Kier has and will continue to work with the delivery and design team to finalise the stage 4 plans to then allow detailed costings to be agreed ready for the main contract to commence in October 2023.

The design team have completed stage 3 design and stage 4 designs are due to be completed in July 2023. Given the size of the MLEC projects and specialist nature of expertise required, there are several consultants supporting the Council in key areas from architects, venue advisors, engineers and cost consultants.

11.4.4 Enterprise Arcade (£0.107m)

The RIBA Stage 3 report and detailed design work for the project has been completed during the year.

11.4.5 Brownfield Fund for Housing Development (£0.488m)

The Council received £1.050m from the Brownfield Development Fund administered by the Liverpool City Region Combined Authority. This bid was to enable the Council's housing development company, Sandway Homes Limited, to bring forward a development in Netherton. The grant has now been fully utilised (across 2021/22 and 2022/23) to part fund enabling work that has now completed at the site. The construction of 63 dwellings is due to commence in October 2023.

11.5 Education Excellence

11.5.1 Schools Programme (£3.091m)

Completions on schemes funded by the Schools Condition Allocation can be summarised as follows: upgrading / repairs and renewal of flooring, windows /

Agenda Item 11

doors and roofs, along with remodelling classrooms and toilet facilities, and improving accessibility to sites, playground / car park and drainage improvements covering 20 projects at schools, replacing outdated electrical systems, fire alarms and boiler replacements covering 8 projects at schools. The full list of schemes is provided below.

- Bedford Primary – Flooring in assembly hall.
- Birkdale Primary – Replace fire alarm.
- Christchurch CEP – Windows & Doors.
- Farnborough Rd. Infants – Boiler replacement.
- Farnborough Rd. Juniors – Rewiring.
- Farnborough Road Site – Roof refurbishments.
- Forefield Infants – Land drains, Windows, Brickwork repairs.
- Freshfield – Boiler replacement.
- Grange Primary – Rewire.
- Grange Primary – Hall roof.
- Hatton Hill – Access ramps.
- Hatton Hill – Roof Phase 2.
- Hatton Hill – Boundary fence.
- Hudson Primary – Boiler replacement.
- Hudson Primary – Windows.
- Kingsmeadow – Rewire.
- Linacre Primary – Wall repairs.
- Lydiate Primary – Rewiring.
- Lydiate Primary – Concrete repairs.
- Melling Primary – New pupil places.
- Marshside Primary – Playground repairs.
- Netherton Moss – Fire doors.
- Northway Primary – Entrance lobby alterations.
- St Johns, Crossens – Repoint brickwork.
- St Philip's CEP – Replace boilers.
- Waterloo Primary – Repoint brickwork.
- Waterloo Primary – roof refurbishment.
- Woodlands Primary – Brickwork repointing and flue repairs.

11.5.2 Special Educational Needs and Disabilities (SEND) (£0.762m)

Completions on schemes funded by High Needs funding can be summarised as follows: upgrading and remodelling classrooms, toilet and changing facilities, accessibility works to entrances and footpaths over 14 projects at Schools (listed below), enabling works for the provision and installation of mobile classrooms at 3 schools' sites was also carried out.

- Bedford primary – Classroom and communal area alterations.
- Crosby High – New footpath.
- Crosby High – Mobile classroom.
- Daleacre – Toilets / Changing rooms and fire door and security improvements.
- Freshfield primary – Playground for ASD.

- Hudson Primary – Additional ASD classroom.
- Marshside Primary – Internal alterations to form ASD classroom.
- Oakfield PRU – Upgrade classroom.
- Pinefield – Entrance alterations and internal upgrading.
- Redgate Primary – Convert music service to ASD base.
- Rowan Park – Mobile classroom and new access route.
- Rowan High – Mobile classroom.
- St Nicholas CEP – SEND room.
- Waterloo Primary – Work to ASD classroom and equipment.

11.6 Highways and Public Protection

11.6.1 The Highways projects delivered within 22/23 from the £8.371m spend included:

- Development of two major scheme business cases (Southport Eastern access and Maritime corridor).
- Completion of Scarisbrick Avenue Public Realm works
- Improvements to A59 Ormskirk Road /toucan Crossing
- Development of Southport Public Realm works in support of the Town Deal & Southport investment Strategy.
- Commencement of Formby bypass active travel improvements
- Public rights of Way improvements to North Moss Lane, Formby
- Bridge Strengthening scheme to A565 Waterloo Road railway bridge
- Carriageway Micro Surfacing (76,124m²)
- Carriageway Surface Dressing (89,764m²)
- Carriageway Patching (5,400m²)
- Footway Reconstruction (2085m²)
- Carriageway Resurfacing (121,395m²)

11.6.2 LED Street Lighting Upgrade (£3.418m)

LED unit supply has been maintained to great effect and timeliness across several suppliers with limited warranty failures on the main supplier's units (0.25%). Over 12,000 LED units have been installed between 1st April 2022 and 31st March 2023, with over 1,500 new columns installed over the same period. Over 1,000 column units have been delivered to date from a new supplier which is continuing to go to plan, and preparation is underway for the remaining agreed steelwork.

Energy savings for 2022-23 are 2,840,133Kwh with a saving of £1.004m with Carbon savings of 593.3. Total Project savings to 31st March 2023 are 3,703,678Kwh with a saving of £1.136m with Carbon savings of 790.8.

11.7 Operational In-House Services

11.7.1 Coastal Monitoring Programme (£0.763m)

The Northwest Regional Coastal Monitoring Programme collected evidence to understand changes in beach levels and shoreline position. Surveys were primarily undertaken in Spring and Autumn to understand seasonal changes with

Agenda Item 11

nearly 1700 beach profiles surveyed. Deployment of continuous radar monitoring systems continued, with 4 in operation around the Northwest coast, with one deployed at Hall Road, Crosby. These systems continuously collect wave and current information that can be used to derive changes in the seabed and beaches. This programme also supports posts in Sefton and Wyre Council, with the team undertaking surveys, commissioning works and representing the northwest coast at local, regional and national forums.

The Crosby Coastal defence scheme option assessment and design work for the interim protection north of Hall Road has been completed, ready to move into the delivery phase in 2024/25.

Several water level monitors with live data feeds have been deployed in critical watercourses across Sefton to improve the understanding of flood risk and flood risk warnings.

11.7.2 Parks Schemes (£0.183m)

Green Sefton have led on the delivery of a new multi-use games area (MUGA) in Rainbow Park, Melling with support from local ward funds and developer's contributions. A new play area was installed in Runnels Lane Park, Thornton with ward funding used as match for a successful Veolia Environment Fund bid. Mersey Forest funding was also used to plant additional trees. Funding from the Parks Levelling Up Fund was allocated to Poets Park and Seaforth Triangle where new paths, furniture and tree planting has taken place to improve the area for our communities.

11.7.3 Vehicle Replacement Programme (£0.367m)

The Council's Vehicle Replacement Programme continued in 2022/23 including the purchase of 12 new vans with further expenditure planned for 2023/24.

12 Explanations of Full Year Outturn Key Variance 2021/22

12.1 Adult Social Care

12.1.1 ICT Development & Transformation (£0.193m)

As the Council's Liquidlogic and ContrOCC systems were migrated to cloud hosting, followed by upgrade works which completed in May 2023, the implementation of the ContrOCC modules for Online Financial Assessment and Client Finance Portal were not able to begin until 2023/24. Preparations are now underway to implement these modules which will improve the customer journey. Funding for ICT equipment purchases was also identified elsewhere in the budget to support spend in 2022/23. The budget was therefore carried forward to 2023/24.

12.2 Corporate Resources and Customer Services

12.2.1 Sustainable Warmth Programme (£0.973m)

The scheme has experienced some movement on targets and the profile of spend has therefore been adjusted as a result. The scheme was extended with a final completion date for works of 30 September 2023 and it is anticipated that the remaining budget will be utilised within this timeframe (there is also a possibility however, that the Government may decide to delay the end date further to 31 December 2023, but this is not confirmed).

The funds were spread between those with gas central heating (LAD) and those without (HUG). For LAD final works are being completed and other adjustments to ensure the Council meets all of the scheme requirements in terms of average spend per property. For HUG, a request to realign the target numbers (from 75 to 47) was accepted recently by the Combined Authority and so this will reduce the funding associated with this scheme to be carried over into 2023/24 financial year.

12.3 Economic Growth & Housing

12.3.1 Crosby Lakeside (£0.207m)

The underspend on the project is due to the delay in starting the bunk barn works. This delay was due to difficulties in appointing the full project team and also due to having to move cabling that had not been fitted correctly as part of the original project.

12.3.2 Transformations De Southport (£0.153m)

Programme implementation has been put back to Autumn 2023 following business consultation and a request to defer works until after summer season to minimise disruption. Some initial work has been completed under the Highways Capital Programme.

12.3.3 Bootle Canalside Business Plan (0.470m)

A design review process has been undertaken on the project during 2022/23 and infrastructure works could not commence until this work was completed.

12.4 Education Excellence

12.4.1 The existing capital programme is made up of over 70 individual school's schemes at various stages of the delivery programme. Delays in delivering key schemes results from contractors' availability, staff resource limitations and site restrictions all of which will have a direct impact on the delivery timescales. Schemes may also have been impacted by delays resulting from material availability and final accounts settlement. It is also important to note that some of the identified resources (underspend) has been set aside for future years schemes, along with savings made due to academisation.

Agenda Item 11

12.5 Highways and Public Protection

12.5.1 Delays to the progress of schemes are encountered as detailed design and consultation is undertaken, and approvals sought. Consequently, some schemes are not able to be progressed within the timescales originally proposed. Constraints due to sourcing materials and contractors have also contributed to an underspend on the 2022/23 Highways Capital Programme.

12.5.2 Priority was given to projects where spend was required to be completed/ committed in 2022/23, particularly Local Growth Fund projects and those funded through the City Region Sustainable Transport Settlement (CRSTS) programme. Due to delays and programming constraints a number of schemes have been unable to be completed within 2022/23 and this has resulted in a re-phasing of committed projects. A summary of the key allocations carried forward is provided below.

| | |
|--|-----------------|
| Transport Block | |
| Local Transport Block/ CRSTS Carried forward due to delays to projects, owing to changes required following consultation, conflicting roadworks and to complete ongoing construction projects including land payments. | £770,970 |
| Emergency Active Travel Fund Carried forward with approval of the Combined Authority and DfT to complete Active Travel Improvements on the Formby Bypass | £593,625 |
| Pipeline Development Fund Carried forward to complete ongoing Major Scheme Business Cases | £628,203 |

| | |
|---|-----------------|
| Maintenance Block | |
| Carriageway Maintenance Block Carried forward to complete 2022/23 Carriageway resurfacing programme | £418,890 |
| KRN Resurfacing – Carried forward to complete 2022/23 Carriageway resurfacing programme | £361,584 |
| Drainage Carried forward to complete 2022/23 Drainage Improvement programme owing to difficulties procuring contractor. | £193,181 |
| Street Lighting Carried forward to support ongoing LED replacement programme | £26,824 |
| Highway Structures – Carried forward to owing to schemes being completed within budget | £164,474 |

| | |
|---|-----------------|
| UTC LED Signal Head replacement – Project delayed following consultation with Combined Authority, owing to difficulties procuring contractor, works now scheduled to be undertaken in 2023/24-2024/25 | £660,049 |
|---|-----------------|

12.5.3 LED Replacement Programme

An underspend of £0.468m was experience during the year. The contractor has continued to undertake work as efficiently and effectively as possible. With more and more people working from home however, this has in some cases slowed delivery of the project due to parked vehicles with re-visits needing to be arrange and managed accordingly. This is alongside a difficulty in retaining skilled staff in the sector. To support this the main contractor has brought in a sub-contractor to assist in the delivery of LED unit installations and electrical tests. A decision was also made in light of rising energy costs, to reprofile the delivery programme and aim to deliver high wattage units as soon as practical, this is ongoing for 2023-24.

12.6 Operational In-House Services

12.6.1 Refuse & Recycling Collection (0.345m)

In November 2021, the government adopted the ‘Environment Act’ which concerns environmental governance, waste and resource efficiency, air quality, water, nature and biodiversity. The impact upon local authorities will mean a change to the collection regimes from households to include a food waste offer. The exact details of frequency and implementation requirements are yet to be announced by DEFRA. A strategic Waste Partnership has been created across the LCR with representation from LA’s, the CA and MRWA to seek consistency of collection arrangements where possible across the region. Whilst the details continue to be finalised it would be remiss to have procured waste receptacles that may not meet the criteria required, hence the re-profiling of capital monies to future financial years.

13 Capital Outturn 2022/23 - Conclusion

13.1 The capital programme continues to be a key element of the Council’s approach to meeting its core purpose. During the year expenditure has directly contributed to the delivery of key service priorities and services to residents and communities. The Executive Director Corporate Resources and Customer Services will continue to manage the financing of the capital programme to ensure that capital funding arrangements secure the maximum financial benefit to the Council in future years.

14 Corporate Performance 2022/23

14.1 The Council has recognised that in considering its financial performance it should also provide details at year end of performance across a range of its services in order that it can demonstrate how outcomes that will drive the delivery of the core purpose relate to the budget.

Agenda Item 11

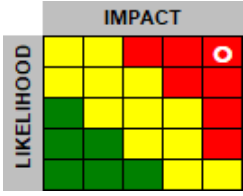
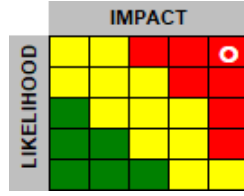
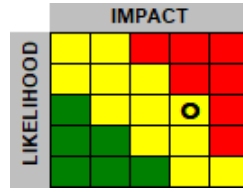
14.3 As a result, the Council's Corporate Performance Report for 2022/23 is attached as Appendix B1 and B2 (together with the latest Corporate Risk Register - Appendix A) and provides: -

- An introduction and contextual statement from the Leader of the Council and the Cabinet Member for Regulatory, Compliance and Corporate Services.
- A detailed narrative on how the delivery of each element of the Council's core purpose has progressed during the year; and,
- A comprehensive suite of performance measures for key Council activities for 2022/23 and how these compare to 2021/22.

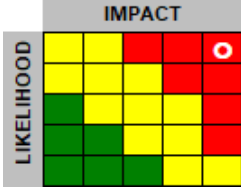
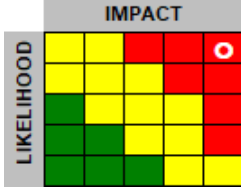
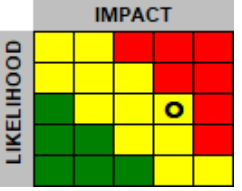
14.4 It is acknowledged that when reporting various Council activities on a year-on-year basis that there will be a degree of subjectivity within some areas, that a lot of Council activity is driven via demand from residents and businesses for which it has no direct control, and the external economic environment also impacts upon core activity. Those areas that are reported provide a clear view of the range of Council activity that is undertaken in supporting residents, communities and business across the Borough and how they support the core purpose.

14.5 Over this year the Council has strengthened performance reporting with regular quarterly reporting to Cabinet. Officers will continue to build upon this and it is to be noted that this year considerable progress has been made to strengthen performance reporting with the development of the Data Warehouse and implementation of Power BI (Business Intelligence).

Appendix A Corporate Risk Register July 2023

| Risk Description | Previous risk score | Current risk score | Target risk score |
|---|---|---|---|
| Financial sustainability beyond 2022/23 |  |  |  |
| Causes | <p>The national economy, taking into account inflation and direct government funding which has been reflected in the financial settlement for 2023/24 and planning assumptions for 2024/25 and the demand for services, will place substantial strain on the Council's overall medium-term budget. As a result, significant budget and cost reductions will be required. Due to the scale of budget reductions made since 2010 there is a risk that further suitable cost-saving / income generating measures will be difficult to identify. The impact on the financial sustainability of the Council is therefore a key risk.</p> | | |
| Result | <ul style="list-style-type: none"> The council will need to identify substantial sustainable savings to meet the funding gap that arises from inflation, potential government grant reductions and increased demand for services. The budget reductions could have an adverse impact on residents and communities. The reputation of the Council may be compromised. Financial sustainability could be compromised. During 22/23 with the impact of the pay award, inflation on energy and costs in children's services a remedial budget plan of over £20m has been implemented but there remains inherent risk in the ability to deliver a balanced budget in year without additional government support. This will have a longer-term impact on the council's finances as these pressures will need to be permanently funded from 2023/24 | | |
| Current treatment and controls | <ul style="list-style-type: none"> The council will set a budget for 2023/24 at its meeting on 2 March 2023. Substantial investment has been made into ASC, CSC, and home to school transport as part of this and this is where the financial risk exists- robust financial management and monitoring will be required for the delivery of the budget within this approved budget. If there are any variations to the approved budget remedial plans will need to be put in place. The council does have an appropriate level of general fund reserves however these do not offer the scope to address a budget gap similar to that experienced in 2022/23 indeed there is no scope to support an overspend from reserves at all. Within that budget report the key issues that need to be addressed within the next MTFP are identified and work will commence from May 23 on refining these assumptions and the potential budget gap for these next 3 years- work will commence on bridging this gap as part of the next budget planning timetable and will be reported to Members. This is key to the financial sustainability of the council with the key risk remaining - Children's Services. This has been mitigated for 23/24 by all budget assumptions having been agreed with the DCS but that risk remains | | |
| Risk owner | Executive Director Corporate Resources & Customer Services | | |
| Proposed actions | <ul style="list-style-type: none"> Key financial risk for 2023/24 is delivery of savings and Children's Social Care delivering services within budget agreed with DCS - regular and rigorous financial management, monitoring and reporting is required. Work to commence from April 2023 on next 3-year MTFP- if a budget gap is forecast, identification of savings will be required | | |

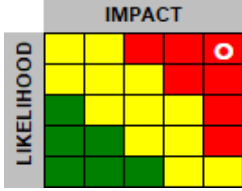
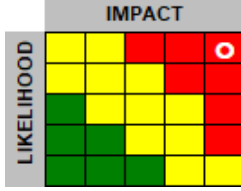
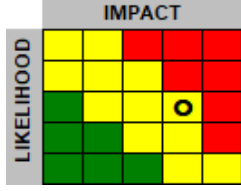
Appendix A Corporate Risk Register July 2023

| Risk Description | Previous risk score | Current risk score | Target risk score |
|---|--|---|---|
| <p>Dedicated Schools Grant High Needs Funding for Special Educational Needs is inadequate to meet requirements.</p> |  |  |  |
| <p>Causes</p> | <ul style="list-style-type: none"> • High Needs budgets are under considerable pressure from increasing numbers of children being diagnosed with complex and life-long SEND related issues. • National funding allocations are not increasing annually at a rate to reflect increases in local population demand and so any additional commissioned places need to be financed from within existing budget envelope. • The number and value of requests from mainstream schools for "top-up" funding (for children with SEND) continues to increase year on year as schools face financial pressures to meet the first £6k of any SEN Support. • Maintained special school provision is full and more children are being placed in independent provision which is more expensive. Whilst this issue is being addressed through extra In-house provision, there remain risks that external placements may continue at high additional cost. • Central Government have advocated parental preference for SEND provision - which has added to the number of children being placed in independent provision - with no additional funding. • The current accounting override whereby the HNF deficit is ringfenced will continue until April 2026, but the increasing accumulative deficit poses a significant financial risk to the council. | | |
| <p>Result</p> | <ul style="list-style-type: none"> • Sefton's High Needs cumulative budget deficit is currently estimated at £19m at the end of 22/23. • The estimated deficit on the high needs block continues to be held on the Council's Balance Sheet. Whilst the current DfE regulations do not expect the Local Authority's General Fund to cover accumulated deficits, this is still only on a temporary basis until 2026. • This is a significant risk to the council and quarterly monitoring statements will continue to be reported to cabinet throughout the 2023/24 financial year. | | |
| <p>Current treatment and controls</p> | <ul style="list-style-type: none"> • Report to Cabinet on work program, time scales and objectives. • Engagement with Sefton's Executive Director of Children's Social Care and Education, Assistant Head of Education, and the SEN team Managers on how costs can be contained. • Sufficiency statement produced that will drive future strategy and financial sustainability. • Lobbying and engagement of both DfE and MCCLG on financial impact and the need for increased support • 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. • Review of place and top up levels of funding. • In addition, further work is being undertaken on alleviating the barriers to inclusivity within mainstream settings and assessment | | |

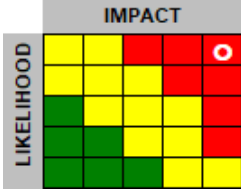

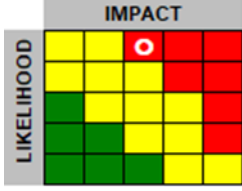
Appendix A Corporate Risk Register July 2023

| | |
|-------------------------|--|
| | <p>of effectiveness of capital spend to maximise mainstream settings for children and young people.</p> <ul style="list-style-type: none"> • Council now part of DfE Delivering Better Value Program • Comprehensive quarterly reports to be presented to Cabinet on sufficiency, in house provision, funding and deficit to provide rigor, transparency and inform decision making |
| Risk owner | Assistant Director Children's Services (Education) |
| Proposed actions | <ul style="list-style-type: none"> • Through the High Needs Review, the LA has been working on two specific workstreams with School representatives working on a number of key areas: • Developing a new funding model to support children with EHCPs. • Clarifying high needs funding outside of the EHCP process. • Reviewing provision and placement sufficiency. • Considering new ways of working with SEN children in schools, making them more cost effective and with good outcomes. • Review of the graduated response and supporting SEN leadership in schools. • Sefton has been working in partnership with the DfE since December 2022 to develop solutions to bring the High Needs budget into a more financially secure position going forward and help to reduce the accumulative deficit over a set period. The signing off of the High Needs Deficit action plan through the Delivering Better Value Program is expected in June 2023 and then a work program of planned improvements and changes in SEN support for HN children will commence in September 2023 which should reduce projected deficit but also improve outcome for SEN children in Sefton. |

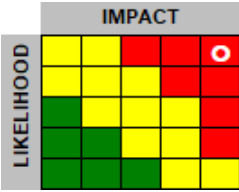
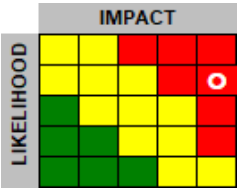
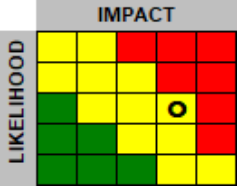
Appendix A Corporate Risk Register July 2023

| Risk Description | Previous risk score | Current risk score | Target risk score |
|---|--|---|---|
| Financial sustainability beyond 2022/23 |  |  |  |
| Causes | The Council has a wholly owned Housing Development Company- due to the prevailing economic conditions at present, there is a risk that the value and timing of the dividend from phase 1 maybe the subject of change and the timing of the capital receipt is later than previously forecast. | | |
| Result | Due to the national economic conditions at present, there is a risk that housing completions (driven by interest rates and potential inflation) will reduce from current levels. This could result in a delay to the completion of Phase 1 of company activity. This delay could reduce the dividend and it's timing together with the timing of the capital receipts and debt repayment due to the Council. | | |
| Current treatment and controls | <ul style="list-style-type: none"> The Council, in December 2022, received a detailed update report on all aspects of the Company's activities including building programmes, grant funding and financial implications. This report including changes to timing of dividend and timing and value of receipt was approved by members. Within that report members will be provided with a comprehensive update on the business plan and financial projections that reflect the latest estimates on the build, completion and sales program and the current risks driven by the national economic picture, especially rising interest rates and recession. The report focused on the progress on the first 2 sites for which sales are progressing and the 3rd site for which construction has yet to commence. The Company will utilize the Council's internal audit team to undertake a work program during 22/23 An update on governance arrangements for the company was approved by Cabinet in July 2022. An annual report was presented to Overview and Scrutiny management board in November 2022 and was then considered by the service O&S meeting in January 2023 A self-assessment against the local partnership's guidance re management of wholly owned companies is currently underway by the Council's monitoring officer | | |
| Risk owner | Chief Executive Officer/Executive Director Corporate Resources & Customer Services | | |
| Proposed actions. | <ul style="list-style-type: none"> Due to prevailing market conditions and the volatility that exists, the housing market is currently seeing substantial change within it - this includes the cost of construction, house prices and the cost of mortgages, all of which could impact sales, completions, and the performance of the phase 1 business plan. These risks will need to be managed by the company but as a number of these are outside of its control, close working with the Council will be required to inform effective decision making that protects the Council's financial interests and supports the original objectives of the company. The governance arrangements and current controls will be continually updated - there is a lot of coverage nationally in respect of the management of wholly owned companies and as the guidance and best practice is updated on how these should be governed and managed is published, this will be taken into account by the council. | | |


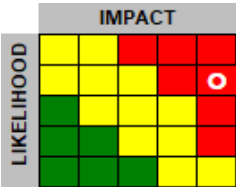
Appendix A Corporate Risk Register July 2023

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

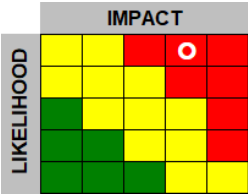
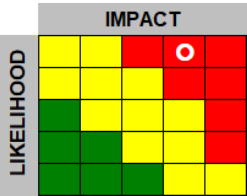
Appendix A Corporate Risk Register July 2023

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

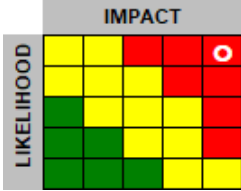

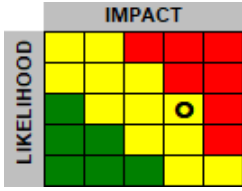
Appendix A Corporate Risk Register July 2023

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

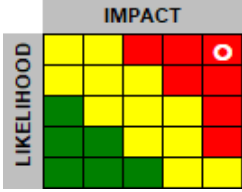
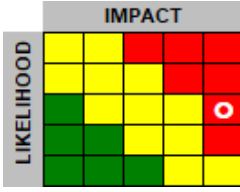
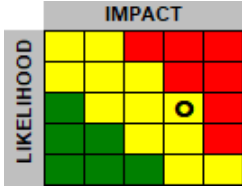
Appendix A Corporate Risk Register July 2023

| Risk Description | Previous risk score | Current risk score | Target risk score |
|--|---|---|-------------------|
| <p>Failure to Comply with Sections 1 and 10 of the Freedom of Information Act 2000</p> |  |  | |
| <p>Causes</p> | <ul style="list-style-type: none"> • A person requesting information from a public authority has a right, subject to exemptions, to be informed by the public authority in writing whether it holds the information and to have that communicated to him, if the public authority holds it (section1 of the Freedom of Information Act 2000). Section 10 (1) specifies that public authorities must respond to requests within 20 working days. • A public authority that fails to comply with any of the requirements of Part 1 of the FOIA may be served by a notice from the Information Commissioner (referred to as an ‘enforcement notice’) requiring the authority ‘to take within such time as may be specified in the notice, such steps as may be so specified for complying with those requirements’ (Section 52 (1)). | | |
| <p>Result</p> | <ul style="list-style-type: none"> • Failure to comply with legal requirements. • Enforcement action by the Information Commissioner’s Office • Damage to the Council’s reputation • Loss of public confidence • Diversion of resource and financial consequences | | |
| <p>Current treatment and controls</p> | <ul style="list-style-type: none"> • Information management and governance, including compliance with the Freedom of Information Act is overseen by the Information Management and Governance Executive Group (IMGEG), which consists of officers with lead responsibilities for key aspects of information compliance (i.e. Data Protection Officer / IG Lead, Senior Information Risk Owner and Chief legal and Democratic officer) supported by other officers with key roles relating to IMG. • Each service is responsible for the handling and management of FOIA requests made to their respective service area. • Each service has designated Information Asset Owners and Information Asset Administrators. • Policies, procedures, processes, and issues are communicated to these officers through the Information Management and Governance Operational group. • Support, co-ordination, advice, and guidance is provided corporately. • The council has implemented policies, procedures, and processes to assist the management of FOIA requests made to the council. | | |
| <p>Risk owner</p> | <p>All Assistant Directors</p> | | |
| <p>Proposed actions</p> | <p>Appropriate resourcing, prioritization and focus on information management and governance across the council include the following.</p> <ul style="list-style-type: none"> • Monthly reporting to Heads of Service of a list of any outstanding FOIA requests to ensure appropriate action across their service. • Regular monitoring and review by IMGEG of compliance with statutory timescales associated with requests and numbers outstanding. • Set targets to ensure compliance with ICO recommendations (95% or more of requests are responded to within 20 working days = good, 90 – 95% of requests are responded to within 20 working days = adequate, fewer than 90% = unsatisfactory) • Regular reporting by IMGEG to SLB and Audit and Governance Committee, as necessary, as to the council’s compliance with the FOIA. • Maximize the opportunities from the council’s ICT Transformation to increase and embed effective information management and governance. | | |

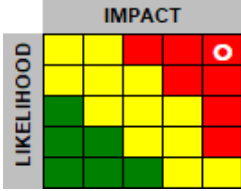
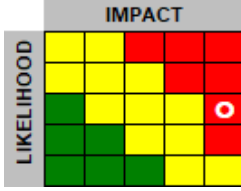
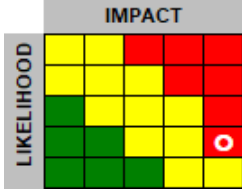
Appendix A Corporate Risk Register July 2023

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

Appendix A Corporate Risk Register July 2023

| Risk Description | Previous risk score | Current risk score | Target risk score |
|---|--|---|---|
| Data breach resulting in the wrongful release of personal and/or sensitive information. |  |  |  |
| Causes | 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 | | |
| Result | 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. | | |
| Current treatment and controls | <ul style="list-style-type: none"> 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. Each service has designated Information Asset Owners and Information Asset Administrators. Policies, procedures, processes, and issues are communicated to these officers through the Information Management and Governance Tactical Group. Support, co-ordination, advice, and guidance is provided corporately, and appropriate training/refresher training is in place. The Council has implemented policies, procedures, and processes to prevent, manage and respond to potential and actual data breaches. | | |
| Risk owner | All Assistant Directors | | |
| Proposed actions | <ul style="list-style-type: none"> Appropriate resourcing, prioritisation and focus on information management and governance across the Council include the following: Regular monitoring and review by IMGEG of policies, procedures, and processes to prevent, manage and respond to potential and actual data breaches. 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. Ongoing education of staff and monitoring of activity by IAOs and IAAs to identify and prevent areas of human error. Regular review of information contained to ensure information is accurate and any information that should be removed is removed. Regular reporting by IMGEG to SLB and Audit and Governance Committee, as necessary. Maximise the opportunities from the Council's ICT Transformation to increase and embed effective information management and governance. | | |

Appendix A Corporate Risk Register July 2023

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



Corporate Performance Report 2022/23

CONTENTS

| | |
|--------------------------------------|----|
| Foreword | 1 |
| Core Purpose | 3 |
| A Stronger Community | 4 |
| A Borough for Everyone | 8 |
| Living, Working and Having Fun | 11 |
| Visit, Explore and Enjoy | 15 |
| Clean, Green and Beautiful | 16 |
| On the Move | 18 |
| Open for Business | 20 |
| Ready for the Future..... | 22 |
| Focus on Delivery | 24 |
| Focus on Performance | 26 |

FOREWORD



Welcome to our Annual Performance report for 2022/23.

Since we published our last report safeguarding children, with our partners, has been our highest priority and improving services for children and their families has been at the heart of everything we do. We know that we still have much work to do in this area and this is recognised in our Corporate Plan 2023 – 26.

The actions in our Improvement Plan identify the steps we are taking with our partners to make the required changes. We want our all of our services to enable and support every child, young person and family to reach their full potential.

A key priority area is also Adult Social Care who provide long term care and support to over 4000 residents and carers per year. Last year saw confirmation that the Care Quality Commission would, from April 2023, be responsible for assessing the performance and quality of Adult Social Care.

Key to the Council's activity is the requirement and clear objective to deliver and maintain financial sustainability, make every pound count, invest wisely and creatively. Delivering Value for money for our residents is critical and this report sets out the Council's Performance in a number of key areas and should be considered in conjunction with the Council's Financial Outturn.

The Cost-of-Living Crisis has hit our communities hard, people and local businesses across Sefton are living with and facing so many challenges in light of the this. The combination of changes to the welfare system, energy and fuel prices, rising prices in the shops due to inflation has hit households and businesses hard, leaving many struggling to make ends meet. I am proud of the work that we have done with our partners to support local people and businesses.

I would like to thank all our staff, all ward councillors, volunteers, trade unions and our partners for their hard work over the year which has helped to achieve the many successes outlined in this report, and I look forward to working together over the next 12 months.

Cllr. Ian Maher
Labour Leader, Sefton Council.



I'm pleased to introduce our Annual Performance report which aligns to the Council's Core Purpose and our contribution to achieving the partnership Vision 2030. The report highlights some of what we have achieved, where we have improvements to make and how we are approaching this, how we have managed the funding we received, and should be considered alongside our Corporate Plan which outlines our priorities looking forward. This year we have continued to develop and strengthen performance reporting and robust scrutiny with quarterly reporting to Cabinet alongside this Annual Report.

The energy and commitment of our workforce, partners and Sefton's many volunteers has continued to be second to none. I would like to echo the Leader's thanks to all our staff, all ward councillors, volunteers, trade unions and our partners for their hard work over the year.

We believe that we are well placed to continue to support our communities as together we face the challenges of funding, the cost-of-living crisis, climate change and health inequalities.

Paulette Lappin

Cllr. Paulette Lappin

Cabinet Member for Regulatory, Compliance and Corporate Services, Sefton Council.



Core Purpose

The Council's role in delivering the 2030 vision.

Protect the most vulnerable: i.e., those children and adults who have complex care needs with no capacity to care for themselves and no other networks to support them. For those who are the most vulnerable we will have a helping role to play, we will challenge others to ensure we all protect the most vulnerable children and adults and where we need to, we will intervene to help improve lives.

Facilitate confident and resilient communities: the Council will be less about doing things to and for residents and communities and more about creating the capacity and motivation for people to get involved, do it for themselves and help one another. We will create an environment in which residents are less reliant

Commission, broker and provide core services: the Council will directly deliver fewer services but will act as a broker and commissioner of services which meet the defined needs of communities, are person-centred and localised where possible.

Place-leadership and influencer: making sure what we and what others do are in the best interests of Sefton and its residents and has a contributing role to the 2030 vision of the borough. The Council will use data and feedback from our communities, children and young people in shaping plans. The Council will demonstrate strong leadership and influence partner organisations to

- work towards common goals
- deliver the best opportunities and outcomes for the children in young people in and leaving our care by being good Corporate Parents
- deliver the best opportunities and outcomes for residents and every child in Sefton

- ensure Sefton is a child, older person and disability friendly place

- and build pride in the borough.

Drivers of change and reform: the Council will play a key role in leading change and reform to improve outcomes for Sefton residents, every child's future and continuously improve the borough.

Facilitate sustainable economic prosperity: that is, people having the level of money they need to take care of themselves and their family; creating the conditions where relatively low unemployment and high income prevail, leading to high purchasing power; opportunities for future generations and having enough money to invest in infrastructure.

Generate income for social reinvestment: the Council will develop a commercial nature and look to what it can do either by itself or with others to generate income and profit that can be reinvested into delivering social purpose and preparing for the future.

Cleaner and Greener: the Council will work with others to act as guardians and protect and maintain Sefton's natural beauty and ensure that its many assets can be enjoyed by everyone and future generations and provide a contribution to Sefton's economy, peoples wellbeing and the achievement of the 2030 Vision.



TOGETHER A STRONGER COMMUNITY

At the beginning of the year the Council and Sefton's Voluntary, Community & Faith Sector worked together to refresh the New Realities collaborative agreement. Originally launched in 2015, this agreement strengthens relationships and helps to 'get things done' whilst making the most of all resources available.

This has been another year where Sefton's communities have demonstrated their generosity, giving their time and talents to support each other and care for the place they live. Sefton's crowdfunding programme celebrated its third birthday, since it began in 2019 twenty-three projects have been supported by this platform, raising over £119,000. Projects have varied widely and they have demonstrated that they can improve health or have an environmental and social wellbeing impact for communities across Sefton.

In January 2023 Council approved the refreshed Consultation and Engagement



Framework. Our communities have had, and continue to have, the opportunity to influence major projects for example within the Growth Programme through extensive, meaningful consultation and engagement. Valuing the voices of local people and children and ensuring they are engaged actively in the plans and changes happening in Sefton is key to our future.

In January Liverpool University Hospitals NHS Foundation Trust and Southport and Ormskirk NHS Trust, as well as Alder Hey Children's NHS Foundation Trust and Mersey Care NHS Foundation Trust, were awarded the Honorary Freedom of the Borough by Sefton Council for everything that they did to care for our community during the pandemic.



in Children's Services and the Council and partners are committed to delivering what is needed, so that all of our services enable and support every child, young person and their families to reach their full potential.

This year with our partners at Waterloo Community Centre and the Plaza Community Cinema we hosted Christmas



Throughout the year the Council has worked closely with partners throughout the year to build strong foundations to deliver the changes needed in children's safeguarding. At times the pace of progress has not been as quick as is needed and the Council and partners have taken several steps to address this including the creation of a dedicated Improvement Team.

Recruitment of Social Workers has been a significant challenge and to help address this the Council has created a Children's Social Work Academy which will see graduates in 2023 and commenced the recruitment of over 20 international Social Workers.

There remains a significant amount of work to do to deliver the required change

events for cared for children and care experienced young people. Care experienced young people enjoyed a full Christmas experience including Christmas dinner, quizzes and games, great raffle prizes and a personalised gift bought for them by businesses signed up to our Caring Business Charter.

Over the year the Council has worked closely with partners to develop the local offer for care experienced young people, with young people being involved in the redesign of the website and other supporting materials.

In July 2022 the Clinical Commissioning Groups ceased to exist and following the joint appointment of an integrated NHS Place Director responsible for health and social care planning and commissioning



in Sefton the Sefton Partnership was established. This Partnership includes the NHS and Sefton Council, along with NHS Cheshire and Merseyside Integrated Care Board (ICB) who have agreed to work together to respond to the health, care and wellbeing needs of the people of Sefton. The partnership has already made significant progress, with achievements including being shortlisted for two prestigious national awards, launching innovative new services that are already making a real difference to transforming the lives of local people of all ages. These include jointly funded services through the Sefton Partnership Board:

- New joint funding with health for our baby attachment and bonding service (BABS), which provides specialist mental health support for new mums during pregnancy and in the postnatal period, helping them to secure attachments and loving bonds with their babies
- The launch of the Crisis Cafés in Southport and Crosby that provide a safe space for anyone experiencing a mental health crisis, with 1:1 support available to help manage crisis situations. This service is jointly funded with the local NHS.

- A new two-hour urgent community response service that has been highly effective in reducing the need for our most vulnerable patients to be admitted to hospital.

A requirement of the NHS is to develop a local Place Plan which responds to the priorities in the Health and Wellbeing Strategy and JSNA. This has been developed through a series of workshops involving a wide set of partners organisations and has been received by the Health and Wellbeing Board. Progress on delivering the Sefton Place Plan will be monitored through the Sefton Partnership Board.

The Adult Social Care team began preparing for the new Assurance Framework to oversee and assess Adult Social Care Performance. The Care Quality Commission (CQC) working with the Department for Health and Social Care (DHSC) will carry out regulatory visits of Adult Social Care from April 2023 similar to an Ofsted inspection. Workshops have taken place with staff, partners and people with lived experience to codesign our plan for the future of Social Care in Sefton. In preparation for the new framework, Adult Social Care took part in a Peer Review Challenge by the Local Government Association as part of ADASS'

programme of sector led improvement. The peer challenge included an assessment of current achievements and recommendations of how further improvements can be made. An action plan has been developed and this now forms part of the assurance preparation plan.

A co-production framework has been developed and partners are committed to seeing co-production with people who have lived experience of using care and support services.

This year saw the establishment of the Sefton Safeguarding Adults Board (replacing the Merseyside Safeguarding Adults Board) which is a statutory body with a responsibility to protect adults with care and support needs from abuse, harm and neglect in Sefton. It is a partnership set up to ensure that safeguarding arrangements are in place and services in Sefton are high-quality and safe. The partnership consists of local organisations including representatives from Merseyside Police, Sefton Council, Merseyside Fire & Rescue, the Probation Service, NHS agencies and several voluntary sector groups. Together, the partners have created a brand-new website at <https://seftonsab.org.uk>

Community Resilience Grants provide funds to individuals, groups and organisations. Over 180 organisations have been supported through the Grant Rounds equating to over £280k funding distributed across Sefton. Since 2020 it is estimated that the grants enabled community groups to impact upon approximately 10,758 individuals through their projects.

Activities funded have ranged from wellbeing focus sessions and Post Traumatic Stress Disorder support groups through our mental health round, to improving facilities and providing support packs as part of community resourcefulness to outdoor activities and preparing healthy meals to support our obesity agenda.



A BOROUGH FOR EVERYONE

Feeling safe, supported and free from discrimination and harm is important to our communities. Throughout the year the Council has worked with partners to highlight the support available to people experiencing anti-social behaviour and the work taking place in Sefton to prevent and tackle it. The Sefton Safer Communities Partnership has continued to fund many activities throughout the year that offer diversionary activities to help reduce Anti-Social behaviour.

As **Place Leader** the Council the Council has continued to demonstrate its commitment to driving forward the equality agenda, as an employer, service provider and as a partner both locally and regionally. The Council was once again awarded the Navajo Charter Mark for displaying good practice and commitment towards its LGBT+ staff and community at the annual Navajo Awards Ceremony. Over the year the Corporate Equalities Group worked with colleagues and partners to develop the [Equalities, Diversity and Inclusion Strategy](#) which was agreed by Council in April 2023.

August saw Council teams join the Pride celebrations in Liverpool. In partnership with Mersey Rail, Council staff decorated a train carriage for their journey into Liverpool city centre. Sefton's 'Pride Train' then travelled throughout Sefton, stopping at stations including Southport, Crosby and Bootle, picking up march attendees in the special carriage including the LGBTQIA+ Sefton Youth Group, New Beginnings, staff from Sefton@Work and foster parents. A huge celebration was enjoyed by all.



Black History Month, was an opportunity to celebrate the incredible history and contributions of our Black and ethnically diverse communities. In The Strand Shopping Centre, The Atkinson and Crosby Library the Council hosted art installations as part of The World Reimagined project. These are beautiful globes that tell the public about racial equality and black history. Events also took place in conjunction with groups such as Southport Against Racism, with talks and performances by musicians and poets. Our libraries were also involved in an extensive creative writing programme called Different Voices Shared Lives. In this, members of our ethnically diverse communities came together to work with professional writers to take part in creative workshops to write their stories about their background and experiences.

In January the Council made ‘care experienced’ a protected characteristic, putting it on equal footing with race and gender when it comes to fighting discrimination and ensuring equal opportunity for all. This is just one of the changes aimed at strengthening the voice and needs of cared for and care experienced children and young people in Sefton and strengthens the Council’s role as a corporate parent.

In line with our One Council values, we have continued to develop our staff networks. These contribute to addressing and solving problems right across the Council. Our staff networks offer a place for staff to come together, share experiences and facilitate learning and development. The staff networks include:

- Sefton Council Christian Workplace Group

- Sefton’s Black and Ethnically Diverse Staff Group
- Sefton LGBT+ Staff Network
- Sefton Disability Staff Network
- Sefton Women’s Network

This year over 75% of staff completed the mandatory Equality & Diversity training and over 200 attended a high-quality bespoke race equality training, developed with City Region colleagues, with the aim of building a collective level of racial literacy and inclusivity. The course has had a significant impact on those who attended with many recommending attendance to their colleagues.

The libraries joined a handful of library services in the UK to be awarded ‘Library of Sanctuary’ status. The award recognises and celebrates libraries that go above and beyond in welcoming refugees, people seeking asylum, or anyone in need of a safe place. Sefton’s libraries were recognised by the network for their work in supporting those seeking sanctuary and for their Human Libraries programme.

In November 2022 the Council supported the national White Ribbon campaign’s 16 Days of action to help eradicate domestic abuse across the borough. Following the consultation that took place in March 2022 the Council worked with partners to develop the Domestic and Sexual Abuse Strategy which was agreed by Council in March 2023 along with the Safer Sefton Together Strategy.

In March Ofsted gave Springbrook Short Breaks Home a rating of ‘Good.’ The Report cited the overall experiences and progress of children and how well they are helped and protected. It also notes the effectiveness of leaders and managers

Agenda Item 11

in making continuous improvements and providing a high quality service to our families.

The Education Strategy was launched this year, setting out what we want to achieve for our young people and reflecting our aspirational ambitions for young people in Sefton, not just educationally but in terms of their health, wellbeing and preparedness for adult life.

Over 500 people attended events across Sefton to learn more about Technology Enabled Care Solutions. The roadshows showcased a range of assistive technology that people can use to remain independent at home. They also provided information on how to access the equipment.

Ageing in Sefton was the theme of this year's annual report by the Council's Director of Public Health. The Report

points out that senior adults have an indispensable role to play in shaping strategic changes that meet their varied needs and benefit the wider community.

Adult Social Care also launched the third round of Care Home Improvement Grants to help improve care home facilities across the Borough. The Grant programme gives care homes the opportunity to develop projects that will improve outdoor or communal areas within care homes making them more dementia friendly to allow for more social interaction and activities. Projects also include the use of technological equipment that can improve residents' quality of life and digital solutions to support a greener carbon footprint and energy.





LIVING, WORKING & HAVING FUN

This year saw so many in our communities impacted by the Cost of Living Crisis benefitting from the work of our partners and so many volunteers. Their dedication and generosity and willingness to work with the Council meant that many were able to access much needed support locally.

As part of its **Place Leadership** role the Council ensured that people could access information and advice via the Council website and Sefton Directory. The Sefton Support Hub at www.sefton.gov.uk/seftonsupporthub continues to be a digital One Stop Shop where local people can find help, advice and guidance, as well as financial and social support. The Council also used its social media accounts to share signposting information to the community and amplifying the messages of Sefton CVS and other community groups that may be able to provide advice and support. The same information was made available in non digital formats to elected members and partners to share locally.

The Council also continued to support families throughout the year with over 9000 families who were eligible for free school meals receiving vouchers to help them over the school holiday periods and delivering Keep Warm Keep well events.

Working alongside voluntary, community and social enterprise organisations and in we established a network of Welcome Spaces across Sefton. These included community centres, community hubs and other places offering a warm welcome and free to use for anyone feeling lonely or struggling with the cost of living. So many people have accessed these facilities and found them invaluable as they have supported them to access available support and create new friendships.

The Council and its partners are committed to increasing opportunity in employment and education and supporting the most vulnerable members of its communities. This year the Child Poverty Strategy was agreed, focusing on reducing the numbers of children living in

Agenda Item 11

poverty, families with no qualifications or skills training, young people aged 16-17 who are not in education, employment, or training and families who are unemployed and in receipt of out of work benefits. It also aims to reduce the impact of fuel poverty on families, increase the amount of affordable housing across the Borough and raise average household incomes.

This year has seen many new, much needed homes being built in Sefton. In May the Council approved the Business Case for the first new properties to be used as council housing for since 2006, with properties for rent and shared ownership being made available. In November a revised Housing Strategy was agreed setting out the vision, key themes and strategic housing priorities for Sefton over the next five years. The Housing Strategy looks at ensuring that housing needs are met over the next 5 years, with the right type of housing in the right locations.

Work has continued to develop the exciting medium and long-term vision for growth at the heart of Bootle. This year saw the business case for the development of Bootle Canalside approved with an exciting programme of events and new branding of Salt & Tar agreed. The site has already hosted several trial events which have established widespread community support and an eagerness for more – more events, wider breadth, more development and more engagement. All of these are in train. A recent Comedy Festival with a number of national headlining comics (including Jo Caulfield, Chris McCausland and Jason Byrne) was exceedingly well received, well attended and will be back again next year. Bootle Music Festival has been headlined by the Lathoms, Cast and Red Rum Club,

sold out and brought over 9,000 into Bootle town centre. This is the early phases of regeneration plans which will build on the acquisition of Bootle Strand, the emerging repurposing and investment plans, the £20m Levelling Up funding and the commitment of support by the Combined Authority.

Sandway Homes the Council's wholly owned Housing Development Company, continued with the build out at its first 2 sites at Meadow Lane and Bartons Close and saw the first residents move in- at the start of this build sales of these houses were being conducted as soon as they were available but completions have slowed with the impact of the volatility and adverse conditions in the national economy, however expectations remain high for the success of this first phase.



Work on the Southport Marine Lake Events Centre project has continued which will bring local jobs, fun and exciting events for local people to enjoy plus thousands of visitors to the town each year and provide a boost to the local economy. This is a £73m scheme which includes a 1200

seated flexible theatre space/auditorium alongside a conference and events facility, and the largest permanent water and light show in the UK which will sit within the adjacent Marine Lake. It is expected to generate £18m to the town's economy annually, will generate 600,000+ visitors and is the centre piece of the Town Deal.

Over the year Public Health team has been working with colleagues and partners to develop Happy 'n' Healthy Sefton consists of a range of public health commissioned partners working collaboratively to improve children and young people's health and wellbeing by promoting a holistic approach, whilst reducing health inequalities. This will be achieved by facilitating strong partnership working, integration, co-production and co-delivery between the six children and young people's Public Health commissioned services (0-19 Healthy Child Programme, Kooth, Active Sefton, Change, Grow Live, ABL and sexual health).

The name Happy 'n' Healthy Sefton was co-produced with children and young people with further follow-up work completed in schools to ensure children and young people could choose their favourite branding.

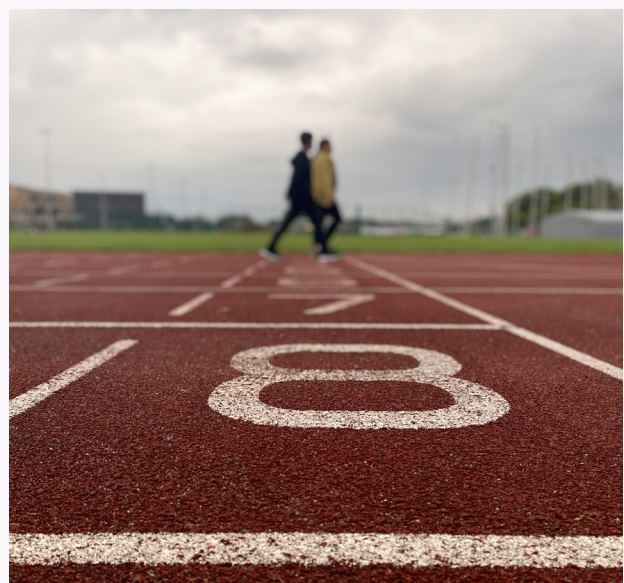
As a universal offer, Happy 'n' Healthy will provide support with:

- Healthy weight and nutrition
- Mental health and well-being
- Physical activity
- Sexual health
- Smoking
- Substance use
- Wider, universal healthy child support

Once launched in July 2023, Happy 'n' Healthy Sefton will also act as a point of contact for the public and wider professionals.

Since the pandemic the mental health of our children and young people has worsened, which is reflected in the continual increase in referrals received by the 1-2-1 programme. During 2021-2022, there were a total of 213 referrals, an average of 16 per month. This has increased to 246 and an average of 19 per month in 2022-23, with a further increase to 26 referrals per month in 2023-24.

1-2-1 is a physical activity programme designed to build positive mental and physical health and wellbeing of Sefton's young people (aged 11-19). The project offers weekly physical activity sessions in Secondary Schools and the community, using Development Officers as mentors. This approach builds a relationship, which allows the young person to feel able to engage in dialogue about issues that may be affecting them. The programme is bespoke to individual needs and utilises a variety of positive activities and techniques to motivate the young person and break down barriers, allowing them to feel supported.



Agenda Item 11

191 young people engaged in the programme, an increase of **23%** (155) compared to the previous year. **89%** of children and young people accessing the programme demonstrated improved mental wellbeing, a vast improvement on **66%** from the previous year, as evidenced by formal wellbeing assessment. From the 32 children and young people classed as having a low mental wellbeing pre intervention, **72%** had a positive improvement, progressing to either average or good mental wellbeing.

Change, Grow, Live began providing the commissioned drug and alcohol treatment and recovery services in Sefton in 2022. Public health commissioners work closely with CGL and other partners,

including probation, the NHS, police and social care to ensure improvements in services for local people. During the year 237 new people entered non-structured treatment and 1042 new people entered structured treatment. This exceeded the targets set for Sefton by national funding bodies and public health monitoring authorities. Of those entering structured treatment 304 people had never accessed services before. As of quarter four the programmes achieved 74.3% continuity of care from prison so increasingly close to the 3yr Office for Health Improvement and Disparities (OHID) target of 75% in only the first year. This is one of the highest in the country.





VISIT, EXPLORE & ENJOY

During the year many people and visitors have enjoyed The Lake House and Southport Market. November saw the Council agree a new business plan for Sefton Hospitality Operations Limited. The company also successfully developed the White House Café which opened its doors in May 2023 providing another venue for local people and visitors to enjoy.

Southport Market has continued to go from strength to strength and after serving nearly half a million meals and drinks during 2022, the traders took a well-deserved two week holiday in January.

The Council commissioned a 22ft mural celebrating Bootle and England football legend Alex Greenwood to sit in pride of place on the busy Bootle town centre thoroughfare and this has been seen and enjoyed by thousands of schoolchildren, shoppers and commuters every day. Alex was also the first woman to be awarded the Freedom of Sefton.

So many friends and families enjoyed the Cinderella pantomime at the Atkinson. Once again children from across the borough enjoyed the partnership that sees the pantomime join up with Southport Eco Centre's Christmas campaign that helps to spread some Christmas cheer and some important eco messages about how we can all reduce, reuse and recycle over the festive period.

The Tourism Team deliver 3 major events throughout the year, the Southport Air Show, the Southport Food and Drink Festival and the National Fireworks Competition. All of which are extremely popular with our residents and bring tens of thousands of visitors to the Borough, supporting local businesses and town centre investments.

Over the year lots of people have enjoyed the golf facilities across Sefton with many polishing up their skills at the driving ranges in Bootle and Southport.



CLEAN, GREEN & BEAUTIFUL

Sefton's coastline, an internationally protected 'nature reserve', is stunning, and we understand why people want to visit. The coast again saw many visitors throughout the year. This year Green Sefton introduced a new campaign, "Give Birds A Break", to highlight the need for visitors not to disturb migrant birds as they rest on our natural coast. Many of the bird species that are seen along Sefton's coast have travelled from the arctic and take a much-needed break to rest, feed and build up fat and energy levels before continuing their migration south.

At both Ainsdale and Formby, there were Paws for Thought pop-ups from Dynamic Dunescape and Green Sefton who were on site raising awareness about dog walking on our coast. The Paws for Thought campaign encouraged visitors and their furry friends to enjoy our beautiful landscapes while also helping us make these habitats a safer home for the wildlife that relies on it.

Following extensive consultation a three year Coastal and Visitor Area Public Space

Protection Order (PSPO) was put in place at locations across Sefton. The order will help ensure the coastline and town centres can be enjoyed by everyone.

In March the Council launched a campaign to tackle the epidemic of fly-tipping that is affecting communities across Sefton. #CrimeNotToCare, was run in partnership with environmental charity Keep Britain Tidy, aiming to educate householders about the right thing to do with their rubbish and to reduce the amount of household waste that is fly-tipped by rogue traders who offer to take people's waste away for money and then dump it.





King's Gardens in Southport retained its Green Flag and a number of Green Flag Community Awards were awarded to: Botanic Gardens Community Association (Fernery and bedding), Friends of Rotten Row, South Park Community Garden, Queensway Allotments and North Park Community Garden.

Once again the Green Sefton team were bowled over by the determination and commitment of our green-fingered community groups and volunteers, who once again were recognised for their green-fingered expertise for the 2022 North West in Bloom competition.



The Council has made further progress towards a net zero carbon target of 2030. The street lighting LED replacement project has already saved a whopping 2.8 million kwh electricity. Which is enough to power 979 homes for a year!





ON THE MOVE

In 2022/23, the council invested more than £14m in its highway infrastructure, maintaining and improving the network.

This year, we have started the development of a Low Carbon Transport Strategy. Transport is a major contributor to carbon emissions, whether that be emissions from motor vehicles or the materials used to build and maintain our highways. The strategy will confirm our baseline carbon footprint and set out our route to net-zero. The strategy will also lay the groundwork for how we adapt our transport infrastructure for climate change, including improving drainage systems, and introducing more sustainable drainage, and managing our highway landscaped areas differently, to provide more sustainable drainage, carbon capture, and increased biodiversity.

Work has also started on our strategy for E-mobility/Electric Vehicle Charging Infrastructure. This will pave the way for an improved network of Electric Vehicle charging, enabling people to make the switch to cleaner, electric vehicles.

Cycling and walking will be an important part of future transport, reducing carbon emissions and pollution, and providing a healthier and cheaper means of transport. To support this we have started work on our Local Cycling and Walking Infrastructure Plan, which will outline our plans for walking and cycling infrastructure for the next 5-10 years. Excellent work has continued with young people at 3 high schools in the borough, with the young people leading the way in the development of safer and active travel friendly changes to the areas immediately outside their schools. As a result, Sefton's first 2 School Streets will be launched in early summer 2023.

Temporary "pop-up" cycle lanes were introduced in 2021, in Bootle and Southport town centres, to help people get about more safely at the height of the Covid-19 pandemic. These lanes have continued to be used since, as has monitoring and evaluation of their use and impact. A decision will be taken in 2023 whether to retain, modify or remove them.



Work also continued on the development and design of major schemes to improve transport connections to key facilities, services and employment sites, with permission granted for Les Transformation des Southport, phase 1, and significant progress on the Southport Eastern Access and Bootle Maritime Corridor schemes, along with plans to improve cycling and walking along the A59 through Maghull.

Our Network Management Team continued to perform well, managing and minimising the disruption caused by people digging on the highway, promptly issuing permits and effectively monitoring them to ensure works are completed on time, with less than 1% overrunning.

Once again Sefton welcomed thousands of visitors to the borough as part of the Aintree Grand National Festival, golf events, the Air Show and so many more great events. As always the Highways team worked alongside Merseyside Police, Merseytravel and several other partners, the Council’s traffic management team helps coaches, cars, limousines and even horse boxes get to the right place at the right time.

Throughout the year the Highways and Communications team have worked closely together to advise people how they can avoid the queues particularly when travelling to Sefton’s beautiful beaches, in the good weather. The Communications team even came up with some in car sounds for people who did and who did not take its advice.





OPEN FOR BUSINESS

This year the Council sought views on the Economic Strategy from everyone living or working in Sefton, as well as business owners, organisations, entrepreneurs, and investors. Over 200 people provided detailed feedback on the Economic Strategy and contributions were received from a range of business and community organisations at consultation events.

The Economic Strategy was approved by Cabinet in November 2022 focusing on four key strategic objectives-Business Growth & Investment; Employment and access to work, Regenerated Places and Social Inclusion and access for all. The Council is now developing actions against each of these objectives.

The InvestSefton team has been busy all year supporting new and existing businesses and encouraging inward investment. The team met or exceeded its external funded contracts resulting in some notable achievements and outcomes:

- Responded to 1,323 business enquiries via phone/email/website
- www.investsefton.com had a total of 65,872 unique sessions from individuals, businesses and inward investors from both UK and overseas markets including USA, India, France and Italy
- Received the North West award for best Local Authority response to supporting businesses during Covid from the Federation of Small Businesses
- Established two new business networks-Sefton Huddle supporting Sefton's Digital & Technology businesses and Professional Sefton (Business, Professional & Financial services) involving over 50 Sefton businesses
- Supported new inward investment in Mersey Reach including an SME training company and a UK distribution site for European electric car component supplier who have recently taken leases on new units creating over 30 new jobs

- InvestSefton led the response working alongside teams from Business Rates, Risk & Audit, Sefton@work, Tourism, Early Intervention and Social Care & Wellbeing resulting in the following outcomes:

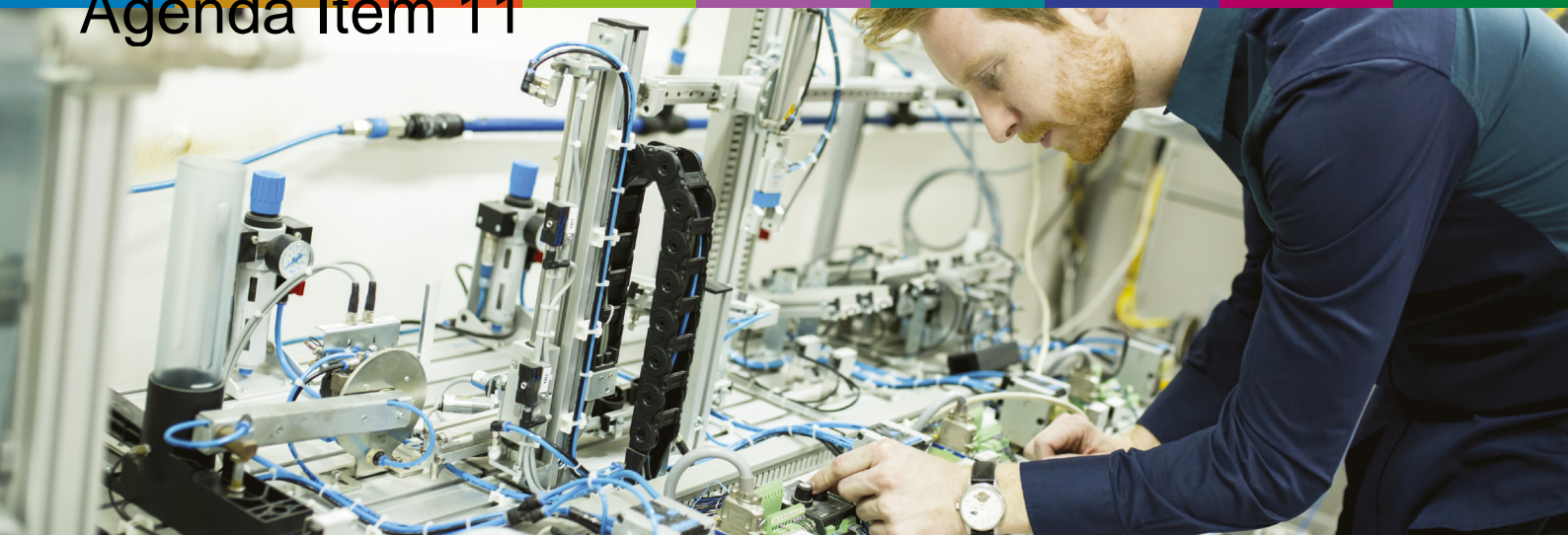


- Delivered 8 x business events, roundtables and workshops (including a Sandway Meet the Buyer session) which, in total, was attended by 276 individual businesses
- Delivered two Sefton Economic Forum events attended by over 200 delegates including a marketplace of business support providers and an array of speakers such as the Bank of England; Dept for Business & Trade; Export Academy; Business & Intellectual Property office and many more

In March many businesses enjoyed the ‘Health is Wealth’ workshop focusing on mental health wellbeing. The event provided ‘food for thought’ and highlighted practices that Sefton’s business leaders could incorporate to create a positive impact in their personal and professional lives and on their companies and workforces.

In a first for the North West, the Council launched the Caring Business Charter alongside local businesses, partners and care experienced young people – with 60 potential employers signed up. The Charter aims to improve visibility and access for care experienced young people to employment, training, apprenticeship, work experience and mentoring opportunities. Many cared for and care experienced young people are already benefitting from this in many ways including employment and taster days.





READY FOR THE FUTURE

The Council supports its workforce to develop new skills and this year saw 36 new apprentices employed and a further 31 members of the Council's workforce take up the opportunity to take up an apprenticeship. In November a care experienced young person was an apprentice in the winning team for the Local Government Apprentice of the Year 2022.

We have made good progress delivering our Digital Strategy which outlines our vision to become a place connected by people, supported by technology, with connected communities that thrive; with support for local people and businesses that are empowered to take advantage of the opportunities afforded by digital technology. We are all living in a time of unprecedented change; the growth of consumer technology is changing the way we all live, work and play and we will work hard to ensure that local people and business are empowered to take advantage of innovative technology to support both personal and economic growth.

The usage of Ask SARA has continued to grow, this is an online self-assessment tool and guidance tool for Adults, to allow people to browse a range of products and services to suit their needs and help them to live independently for longer. It is part of our Technology Enabled Care Strategy to support people to remain independent and as an additional offer to aids, adaptations and equipment.



The Council has maintained an excellent record with regard to financial management over the last 12 years, a period that has seen it experience substantial funding reductions and navigate its way through the covid pandemic and the resulting impact. This has continued to be predicated on medium term financial planning that enables effective planning of service delivery and the inevitable transformation activity. During recent years the Council's financial position has been impacted by the volatility within the Children's Services budget and has required substantial investment over the last

3 years including in year investment as pressure from staffing requirements and placement costs increase substantially.

There is full recognition of the demand on Childrens Services and the need to ensure that the Medium-Term Financial Plan is aligned to the Improvement Plan for the service and associated partnership work. This was a recommendation from the Commissioner and this work has been completed.

We have a 3-year medium term financial plan that will support services delivery, however, the management of the Council's finances over this period will rely, as with all local authorities, on the receipt of appropriate funding from central government. Adults' and Children's Services will continue to face significant budget pressure during this time and present the greatest risk to financial sustainability in addition to the High Needs Budget. The Council will also review its reserves strategy during this time.



FOCUS ON DELIVERY

279,231

Total Sefton Population

This includes:

0-17 year olds **52,998** (19%).

National average England is 21%

18-64 year olds **161,467** (58%)

National average England is 61%

65 years and above **64,766** (23%)

The national average in England is 18%



4,000+

Long-term service users



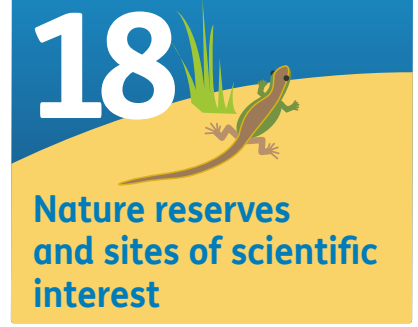
607

miles of roads



18

Nature reserves and sites of scientific interest



1,400+

Children are safeguarded



8

Leisure Centres



6

Libraries



5,000+

Children with special educational needs and disabilities



600+

Number of children in our care:



26

Main parks

140

Other parks and green spaces






Adult Social Care
£110.40m



Safeguarding Children
£69.4m



Children, young people and families
£31.3m



Cleaning your streets
£4.3m



Emptying your bins
£8m



Getting rid of your rubbish
£15.8m



Libraries
£1.4m



Sport and Leisure Centres
£1.8m



Neighbourhood management
£2.2m



Keeping your roads safe
£9m



Buses, trains and ferries - helping you get around
£20.1m



The Atkinson and Tourism
£2.1m



Skills & Jobs
£2.4m



Coast, Parks & Open Spaces
£5.2m



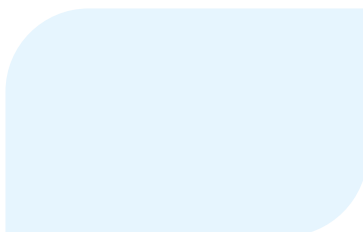
Protecting your Health & Wellbeing
£21.9m



Other Council Services
£10.3m



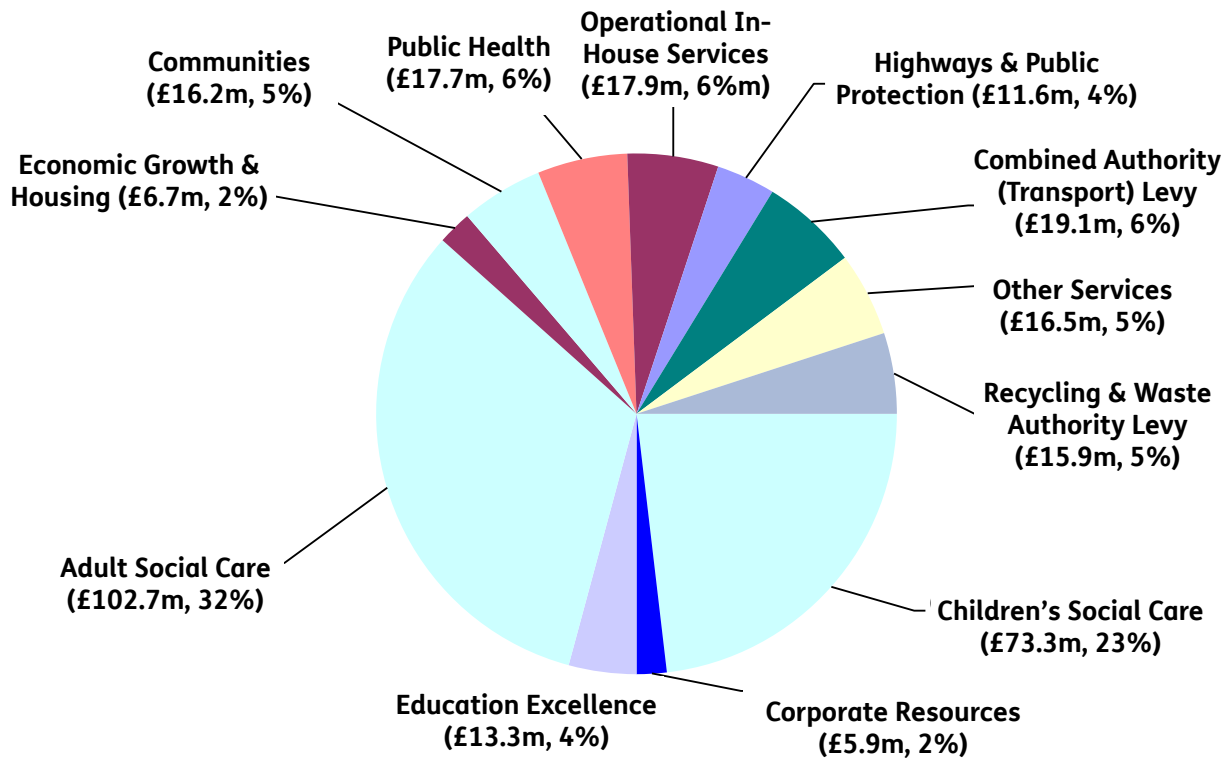
Planning, Building Control and Housing
£5.6m



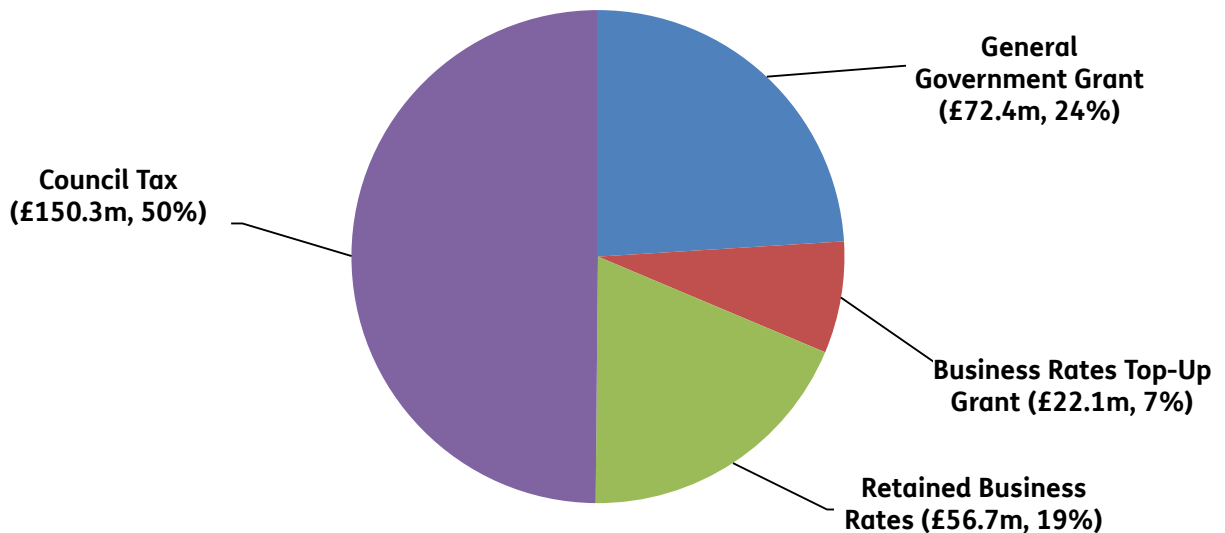
FOCUS ON PERFORMANCE

Analysis of General Fund Expenditure and Income 2022/2023

Service Expenditure 2022/2023

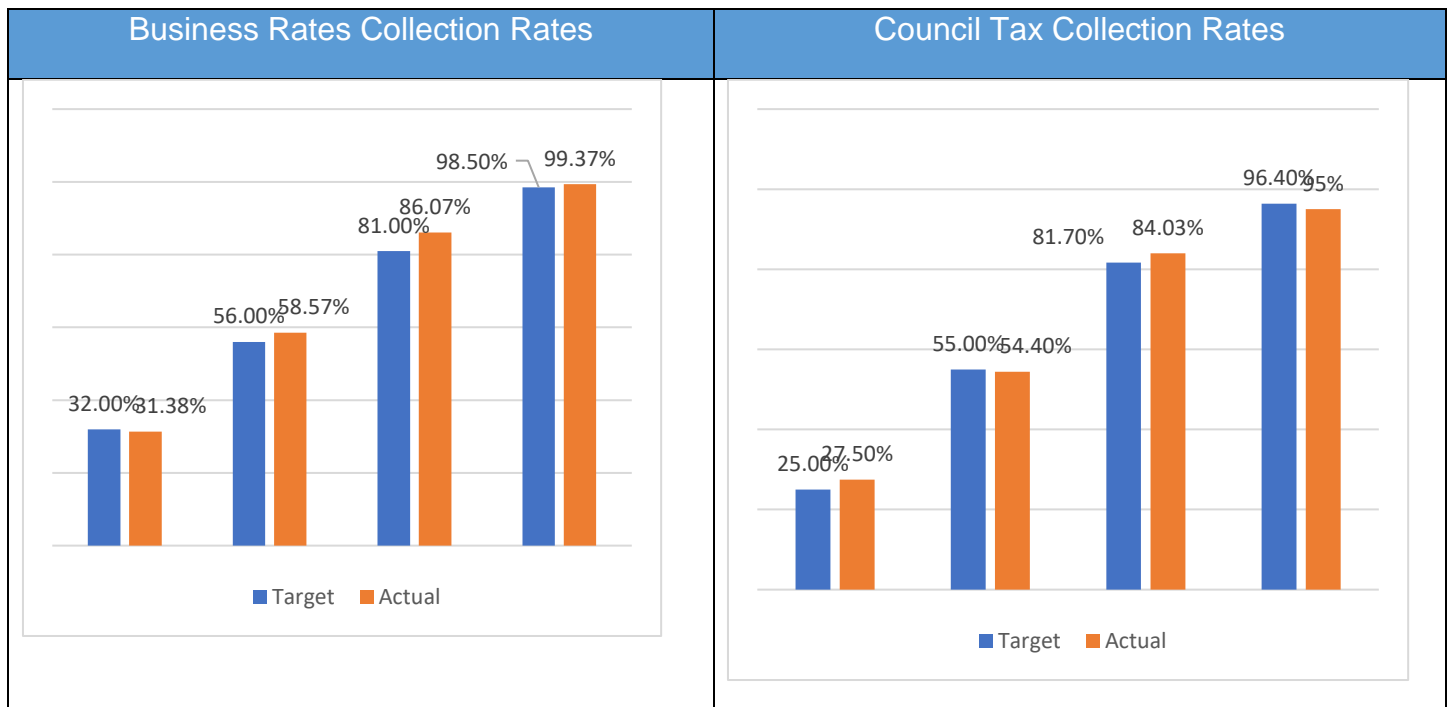


Sources of Funding for 2022/2023 Budget Requirement



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Performance



Business Rates collection performed well despite inflationary and other challenges faced by many businesses, and collection to 31 March 2023 showed an increase on the previous year.

Council Tax collection performed well despite the cost of living challenges faced by many households, and collection to 31 March 2023 represented a slight increase on the previous year.

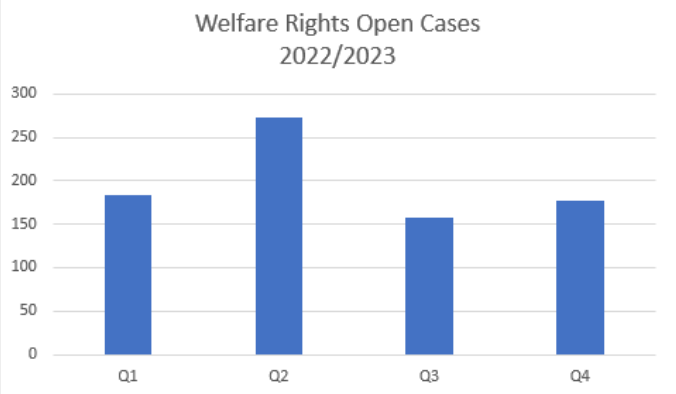
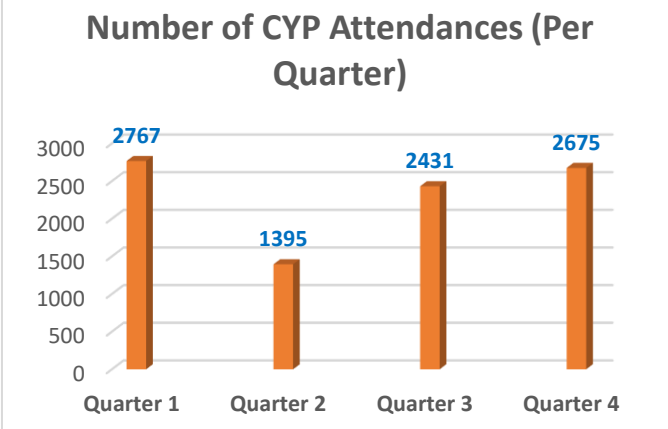
To assist with the increased cost of living the team has issued: -

- 109,691 Energy Rebates worth £150 per household with a total value of £16,453,650
- Distributed a further discretionary Energy Rebate fund worth £700,082 to 25,659 households. This included top-up payments to the main rebate worth up to an extra £30 for those on the lowest incomes.
- 235 Grants worth up to £400 for the Energy Bill Support Scheme to households who were not eligible to receive a discount directly from their energy suppliers.
- 17,693 households on the lowest incomes have benefitted from a Council Tax discount worth up to £25 off their Council Tax, with a total value to date of £439,456

Exceptional Hardship relief worth £259,480 was distributed to 1477 households in 2022-23 with a further £51,834 distributed to 259 households up to 31 May 2023.

In Customer Services, the Contact Centre handled over 29,000 telephone calls offering advice and assistance to customers enquiring about the Government Energy Rebate payment, Household Support Fund payment or an ELAS award. They also assisted a high volume of customers in extending their Council Tax instalments to the end of the financial year and claiming Discretionary Hardship Payments and Exceptional Hardship Payments. In the One Stop Shops digital support was provided to over 1,100 residents to claim the Energy Rebate payment or to complete an ELAS application.

Agenda Item 11

| Emergency Limited Assistance Scheme | Welfare Rights Open Cases | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--------------|-----------|------|-----------|------|-----------|------|-----------|------|--|---------|----------|----------|-----|------|-----|------|-----|------|-----|------|-----|------|-----|------|---|---------|------------|----|-----|----|-----|----|-----|----|-----|
|  <table border="1"> <caption>Emergency Limited Assistance Scheme - Monthly Applications</caption> <thead> <tr> <th>Month</th> <th>Applications</th> </tr> </thead> <tbody> <tr><td>April</td><td>1000</td></tr> <tr><td>May</td><td>1300</td></tr> <tr><td>Jun</td><td>1000</td></tr> <tr><td>Jul</td><td>1000</td></tr> <tr><td>Aug</td><td>900</td></tr> <tr><td>Sept</td><td>1100</td></tr> <tr><td>Oct</td><td>1100</td></tr> <tr><td>Nov</td><td>1200</td></tr> <tr><td>Dec</td><td>1500</td></tr> <tr><td>Jan</td><td>1750</td></tr> <tr><td>Feb</td><td>1450</td></tr> <tr><td>Mar</td><td>1350</td></tr> </tbody> </table> | Month | Applications | April | 1000 | May | 1300 | Jun | 1000 | Jul | 1000 | Aug | 900 | Sept | 1100 | Oct | 1100 | Nov | 1200 | Dec | 1500 | Jan | 1750 | Feb | 1450 | Mar | 1350 |  <table border="1"> <caption>Welfare Rights Open Cases 2022/2023 - Quarterly</caption> <thead> <tr> <th>Quarter</th> <th>Open Cases</th> </tr> </thead> <tbody> <tr><td>Q1</td><td>180</td></tr> <tr><td>Q2</td><td>270</td></tr> <tr><td>Q3</td><td>155</td></tr> <tr><td>Q4</td><td>175</td></tr> </tbody> </table> | Quarter | Open Cases | Q1 | 180 | Q2 | 270 | Q3 | 155 | Q4 | 175 |
| Month | Applications | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| April | 1000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May | 1300 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jun | 1000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jul | 1000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug | 900 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sept | 1100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct | 1100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nov | 1200 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec | 1500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan | 1750 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb | 1450 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mar | 1350 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Quarter | Open Cases | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q1 | 180 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 | 270 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q3 | 155 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 | 175 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>The Council received 15,078 applications between the 1st April 2022 to 31st March 2023; this is 54% more than the amount (9,812) received at the same period last year.</p> <p>There have been 5,206 food vouchers provided, which is an increase of 41% from the same point last year and utility awards have increased by 42% with a total of 8,111 awards being made.</p> | <p>Total income generated by the Welfare Rights Team for 2022/2023 was £1,189,909.01 which is money that has gone back into the community and benefited the residents of Sefton through income maximisation, challenges and tribunals.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Number of attendances through Children and Young People Health and Wellbeing Offer | Early Help (EH) cases held & EH case closed with positive outcomes achieved | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  <table border="1"> <caption>Number of CYP Attendances (Per Quarter)</caption> <thead> <tr> <th>Quarter</th> <th>Attendances</th> </tr> </thead> <tbody> <tr><td>Quarter 1</td><td>2767</td></tr> <tr><td>Quarter 2</td><td>1395</td></tr> <tr><td>Quarter 3</td><td>2431</td></tr> <tr><td>Quarter 4</td><td>2675</td></tr> </tbody> </table> | Quarter | Attendances | Quarter 1 | 2767 | Quarter 2 | 1395 | Quarter 3 | 2431 | Quarter 4 | 2675 |  <table border="1"> <caption>Episodes Ended - Aims Achieved 22/23</caption> <thead> <tr> <th>Quarter</th> <th>Children</th> <th>Families</th> </tr> </thead> <tbody> <tr><td>Q1</td><td>387</td><td>173</td></tr> <tr><td>Q2</td><td>412</td><td>161</td></tr> <tr><td>Q3</td><td>406</td><td>200</td></tr> <tr><td>Q4</td><td>380</td><td>183</td></tr> </tbody> </table> | Quarter | Children | Families | Q1 | 387 | 173 | Q2 | 412 | 161 | Q3 | 406 | 200 | Q4 | 380 | 183 | | | | | | | | | | | |
| Quarter | Attendances | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Quarter 1 | 2767 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Quarter 2 | 1395 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Quarter 3 | 2431 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Quarter 4 | 2675 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Quarter | Children | Families | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q1 | 387 | 173 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 | 412 | 161 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q3 | 406 | 200 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 | 380 | 183 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Representative of access to MOVE IT (Weight Management), 121 Programme (mental wellbeing) and Active Schools Service. There was a further 362 attendances through the Community delivery of February half term Be Active sessions.</p> | <p>Aims Achieved (both categories – Fully Met and Partially Met) accounted for 40% of the overall total (1585 children and 717 families) of Episodes Ended in 22/23.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

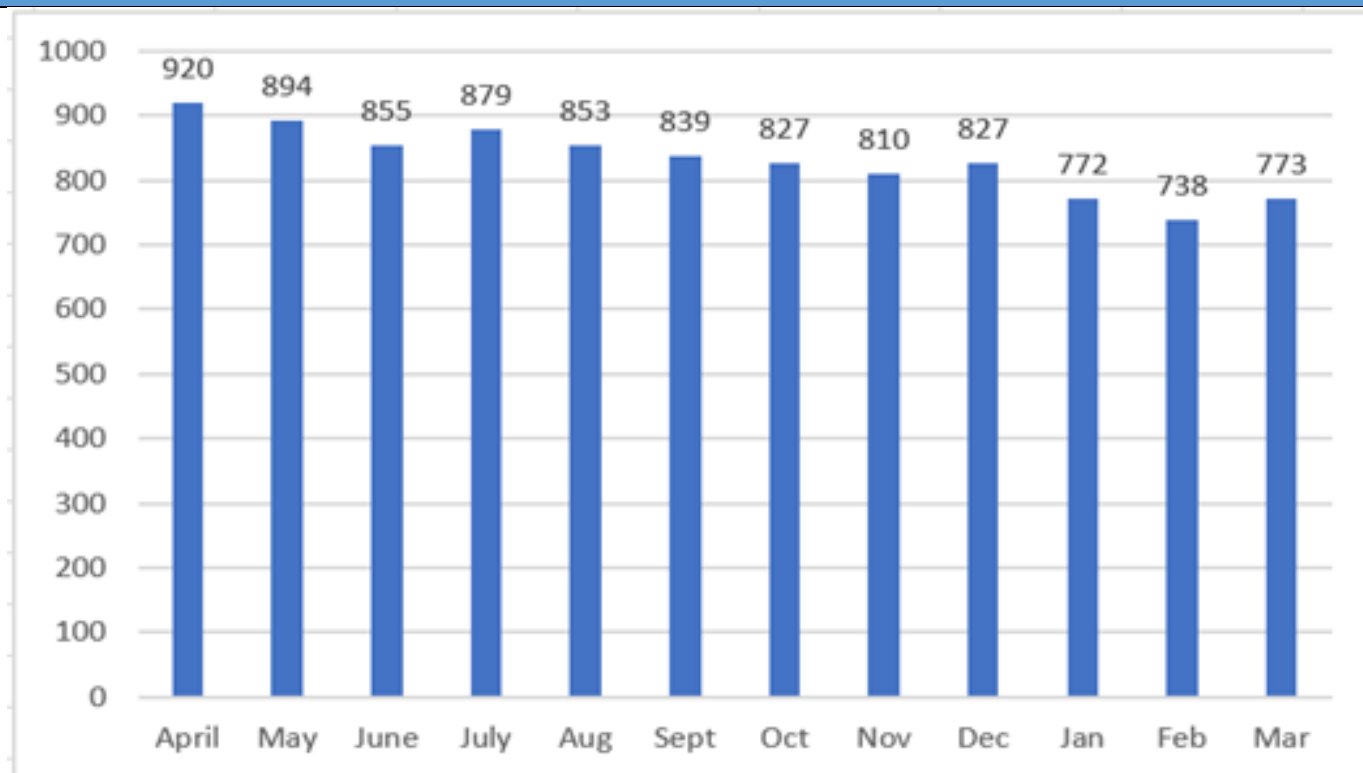
SEND Education Health & Care Plans % completed within 20 Weeks

| Calendar Month | New Agreed Referrals in Month | Plans Finalised in Month | Plans Finalised in Month Within 20 Weeks | % Plans Finalised in Month Within 20 Weeks |
|----------------|-------------------------------|--------------------------|--|--|
| 2022-01 | 25 | 15 | 1 | 6.7% |
| 2022-02 | 39 | 18 | 3 | 16.7% |
| 2022-03 | 69 | 19 | 2 | 10.5% |
| 2022-04 | 21 | 20 | 1 | 5.0% |
| 2022-05 | 41 | 40 | 4 | 10.0% |
| 2022-06 | 44 | 63 | 13 | 20.6% |
| 2022-07 | 68 | 43 | 6 | 14.0% |
| 2022-08 | 15 | 28 | 4 | 14.3% |
| 2022-09 | 32 | 36 | 7 | 19.4% |
| 2022-10 | 54 | 36 | 3 | 8.3% |
| 2022-11 | 68 | 36 | 14 | 38.9% |
| 2022-12 | 55 | 35 | 13 | 37.1% |
| Total | 531 | 389 | 71 | 18.3% |

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 year there was 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. The numbers of completions within timescale increased from September. 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.

Agenda Item 11

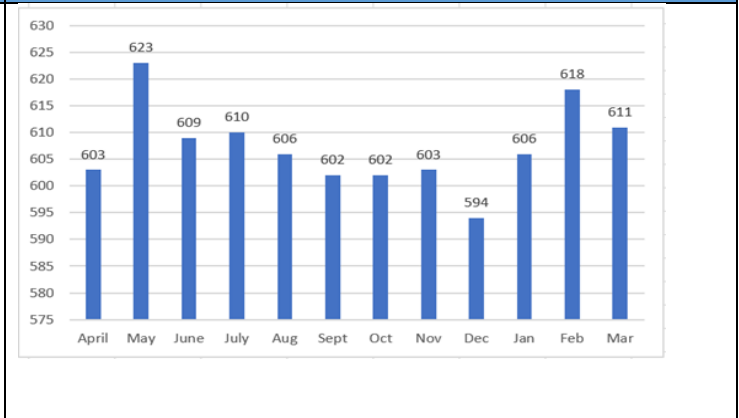
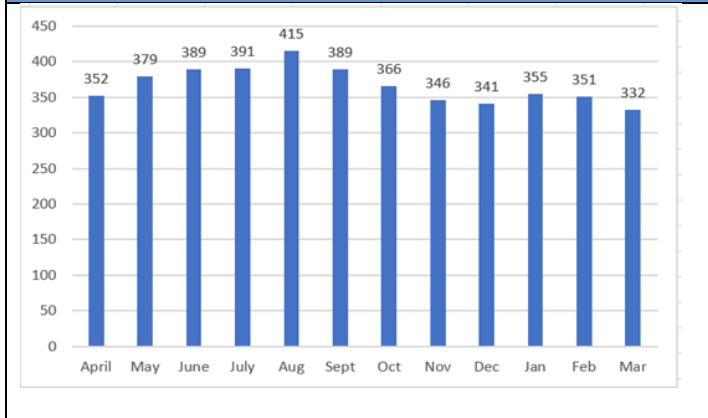
Number of Children on a Children In Need Plan



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 needing 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 495. 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 367/10,000. The rate of children in need aged 0-17 in Sefton has been above the national rate since 2016, but despite a peak of 920 in April 2022, the number continues to show a steady decline, falling to 773 by the end of March 2023.

Number of Children on a Child Protection Plan

Open Episodes of Cared for Children



At the end of March 2023 there were 332 children who are the subject to a child protection plan, which represents a rate of 57/10,000 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 Q4 (March 2023) was 63/10,000, 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, and the numbers have shown a slight increase in Jan 2023 with a steady decline in the last two months.

At the end of March 2023, there were 611 cared for children (CLA) with an open episode of care, which represents a rate of 115/10,000 children under 18yrs in Sefton. Using the most recent comparative RIG data, the rate of children looked after in Sefton at the end Q4 (March 2023) was 116/10,000 aged under 18yrs, compared with the Northwest rate of 97.8/10,000. Between 2013 and 2023 the rate of children cared for in Sefton has been broadly consistent with the rates seen across the Northwest and statistical neighbours, but above the national rate. However, since 2020, the rate of children cared for in Sefton has been above the Northwest and statistical neighbours and significantly above the national rate. At the end of financial year 2023 Sefton's rate of cared for children was 115/10,000 children under 18yrs, compared with 97/10,000 in the Northwest, 91/10,000 across statistical neighbours and 70/10,000 across England. Whilst actual numbers have fluctuated slightly over recent months, the trend is still showing an increase, which represents a sustained demand on Council services and resources.

Adult Social Care:

The annual Adult Social Care client survey consists of 50 questions and is sent out in February each year to a random selection of clients, some of the answers are captured below.

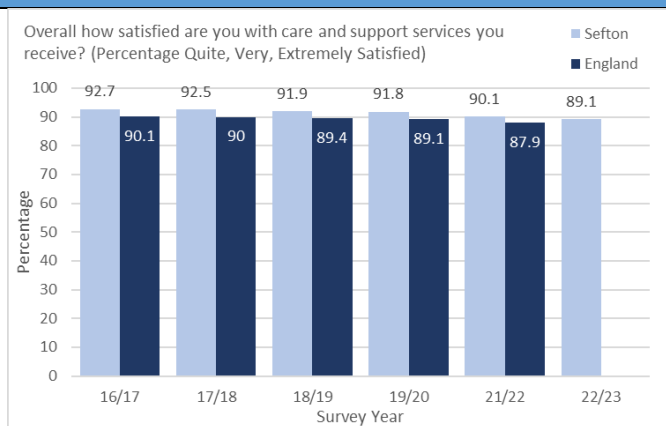
The Adult Social Care Outcomes Framework (ASCOF) measures nationally how well care and support services achieve the outcomes that matter most to people. The three metrics are included for Adult Social Care are part of the ASCOF.

Between April 2022 and March 2023 Sefton's Adult Social Care service: received well over twenty-five thousand contacts; completed some four thousand initial assessments; and undertook some

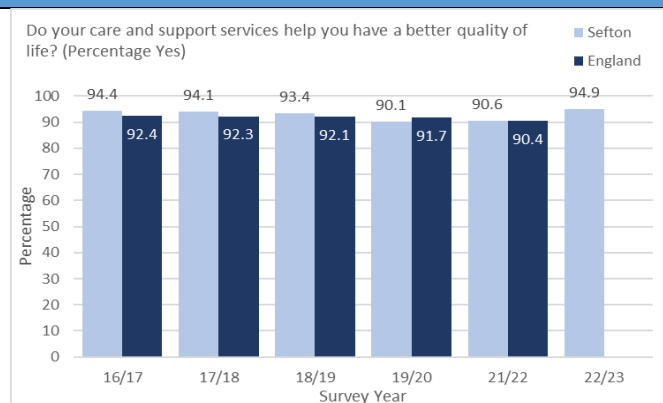
Agenda Item 11

six thousand reviews and re-assessments. Just under seven thousand clients and four hundred carers were in receipt of short or long term services at some stage in the year.

Overall satisfaction of survey respondents with the care and support services they receive. Percentage quite, very, or extremely satisfied.



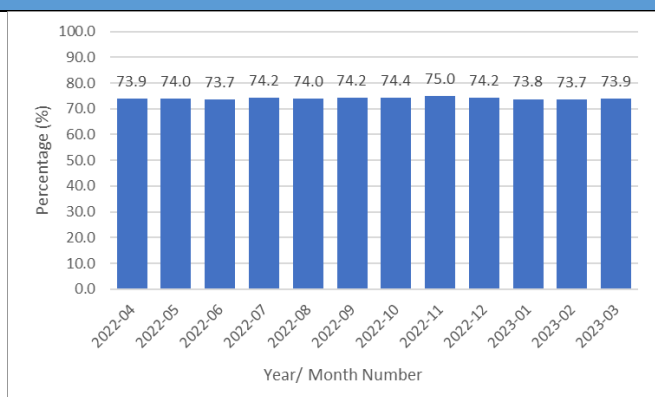
Overall proportion of respondents stating their services help them have a better quality of life. Percentage 'Yes'.



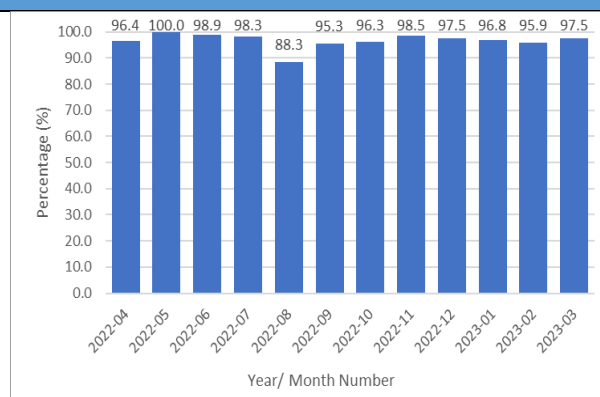
This question looks at the overall service satisfaction. Sefton's results have consistently been above the national average, although both Sefton and national survey results suggest a slight downward pattern, especially during the 'Covid-19' period.

The Annual Adult Social care client survey consists of 50 questions and is sent out in February each year to a random selection of clients. This question looks at the level of respondents who think their services have a better quality of life. Sefton's results have generally been at or around the national average. This year we have had an improvement to levels last seen 6 years ago in the latest survey. Again, the 'Covid-19' period had a slight detrimental impact both locally and nationally.

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



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



Wherever 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 need long term services, this measure specifically shows the proportion

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

Agenda Item 11

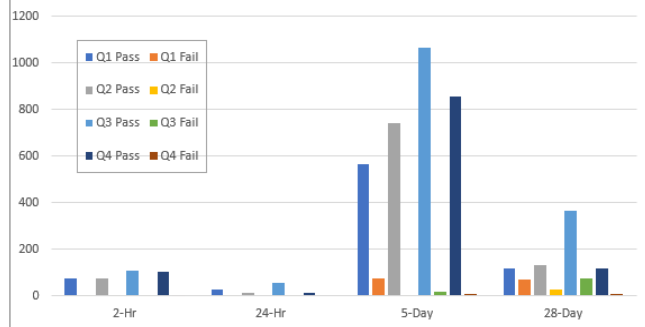
of people whose short-term service resulted in a reduced, or no ongoing, need for support. A key responsibility of Adult Social care is to ensure early help and intervention, helping people to delay the need for long term services. In 22/23 Sefton displayed consistent performance, with around 74% of short-term service clients not going into long-term services.

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 individual's desired outcomes to be achieved, this is a key aspect of our safeguarding work. MSP outcomes in 22/23 have remained consistent and were above 95% for significant portion of the year.

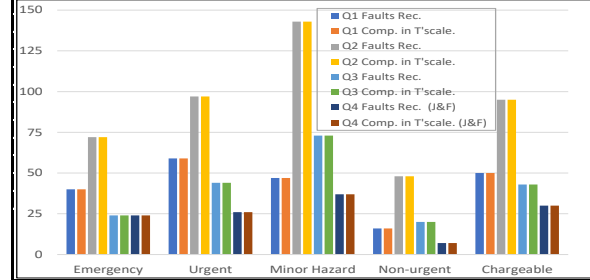
Street Lighting – response to notified faults

Urban Traffic Control – response to notified faults

| Resp Time | Q1 Pass | Q1 Fail | Q2 Pass | Q2 Fail | Q3 Pass | Q3 Fail | Q4 Pass | Q4 Fail | Totals |
|-----------|---------|---------|---------|---------|---------|---------|---------|---------|--------|
| 2-Hr | 75 | 1 | 77 | 2 | 111 | 2 | 104 | 2 | 374 |
| 24-Hr | 27 | 2 | 16 | 0 | 59 | 2 | 16 | 0 | 122 |
| 5-Day | 566 | 77 | 742 | 3 | 1063 | 19 | 854 | 7 | 3331 |
| 28-Day | 118 | 69 | 135 | 26 | 365 | 78 | 117 | 9 | 917 |



| | Q1 Faults | Q1 Comp in Time | Q2 Faults | Q2 Comp in Time | Q3 Faults | Q3 Comp in Time | Q4-Jan & Feb only | Q4 Comp in Time | All Total |
|------------|-----------|-----------------|-----------|-----------------|-----------|-----------------|-------------------|-----------------|-----------|
| Emergency | 40 | 40 | 72 | 72 | 24 | 24 | 24 | 24 | 160 |
| Urgent | 59 | 59 | 97 | 97 | 44 | 44 | 26 | 26 | 226 |
| Minor | 47 | 47 | 143 | 143 | 73 | 73 | 37 | 37 | 300 |
| Non-urgent | 16 | 16 | 48 | 48 | 20 | 20 | 7 | 7 | 91 |
| Chargeable | 50 | 50 | 95 | 95 | 43 | 43 | 30 | 30 | 218 |

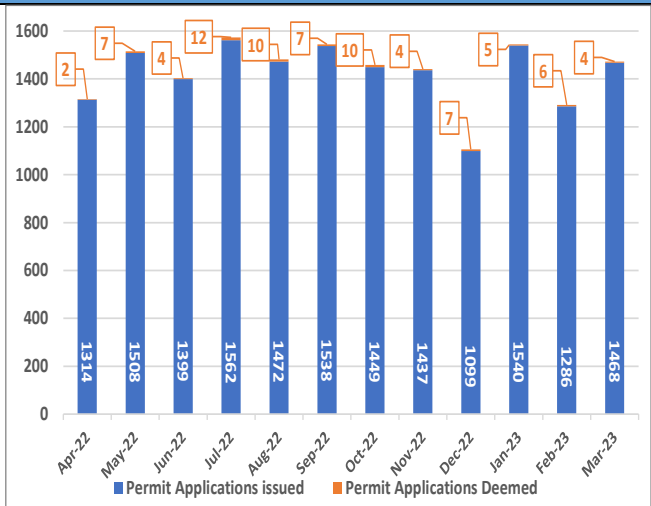


The Council has approximately 37,000 streetlights on its highways and recognises the importance of keeping them working well. When we are notified of faults, we assess the urgency of repair (e.g. 2-hours; 24 hours, 5 days etc.) allocate a target time for repair and pass it on to our appointed Contractor. 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.

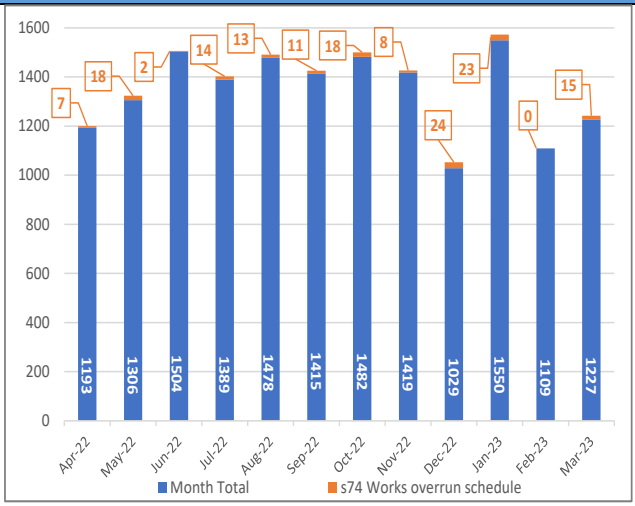
Urban Traffic Control (UTC) refers to our connected network of Traffic Lights and signal controlled pedestrian crossings. Keeping these working well is essential for keeping people safe and the highway network flowing. When we are notified of faults, we assess the urgency of repair (e.g. emergency; urgent; 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.

Agenda Item 11

Network Management Permit Approvals



Network Management Permit Overruns

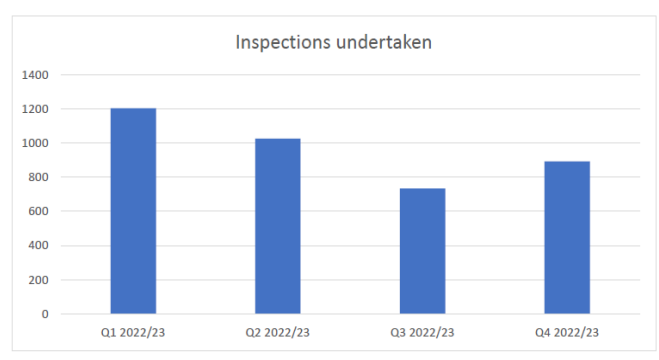


Minimising disruption caused by works on the highway is important for managing the network and keeping traffic moving. For this reason, anyone wishing to excavate part of the highway requires permission and a permit for the work. We have a set time to deal with requests (the time period differs depending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

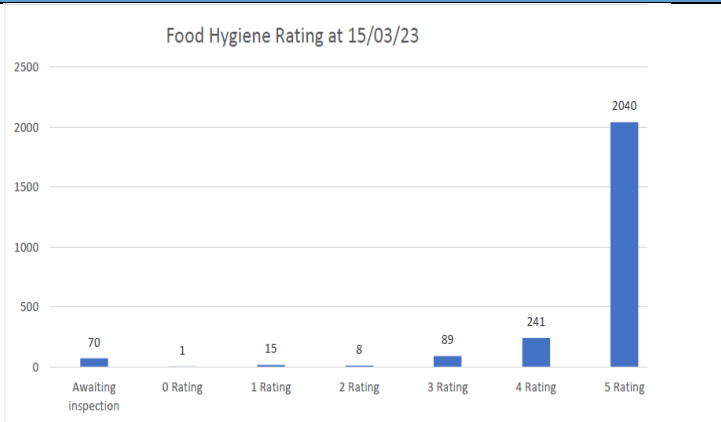
Anyone wishing to excavate part of the highway requires permission and a permit for the work. When we issue a permit, it allows a set time to complete the works and remove the obstruction. We monitor compliance with the permits and charge companies if they overrun the time allowed. This helps to minimise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

Public Protection Inspections Undertaken

| | Q1 2022/23 | Q2 2022/23 | Q3 2022/23 | Q4 2022/23 | Grand Total |
|------------------------|------------|------------|------------|------------|-------------|
| Inspections undertaken | 1204 | 1025 | 734 | 893 | 3856 |



Food Hygiene Rating Scores



The Public Protection service undertakes a range of Food Safety, Health and Safety,

After inspecting a business, our officers use the national Food Hygiene Rating Scheme to award

Agenda Item 11

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 . 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.

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.

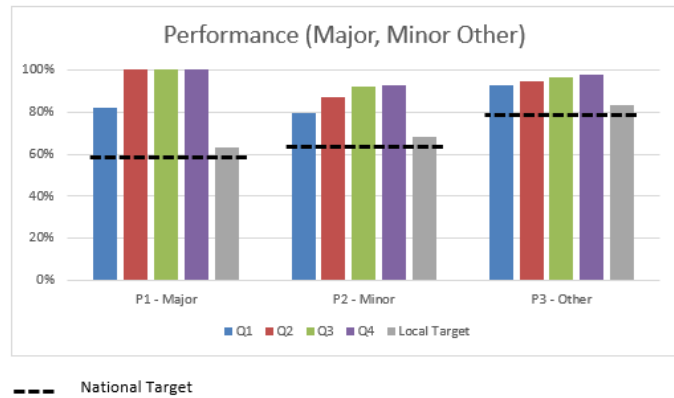
% of Planning Decisions Approved

Planning Decisions Made on Target

Percentage of planning applications approved: April 2022 – March 2023



Key performance against national targets for speed and quality of decision making: April 2022 – March 2023



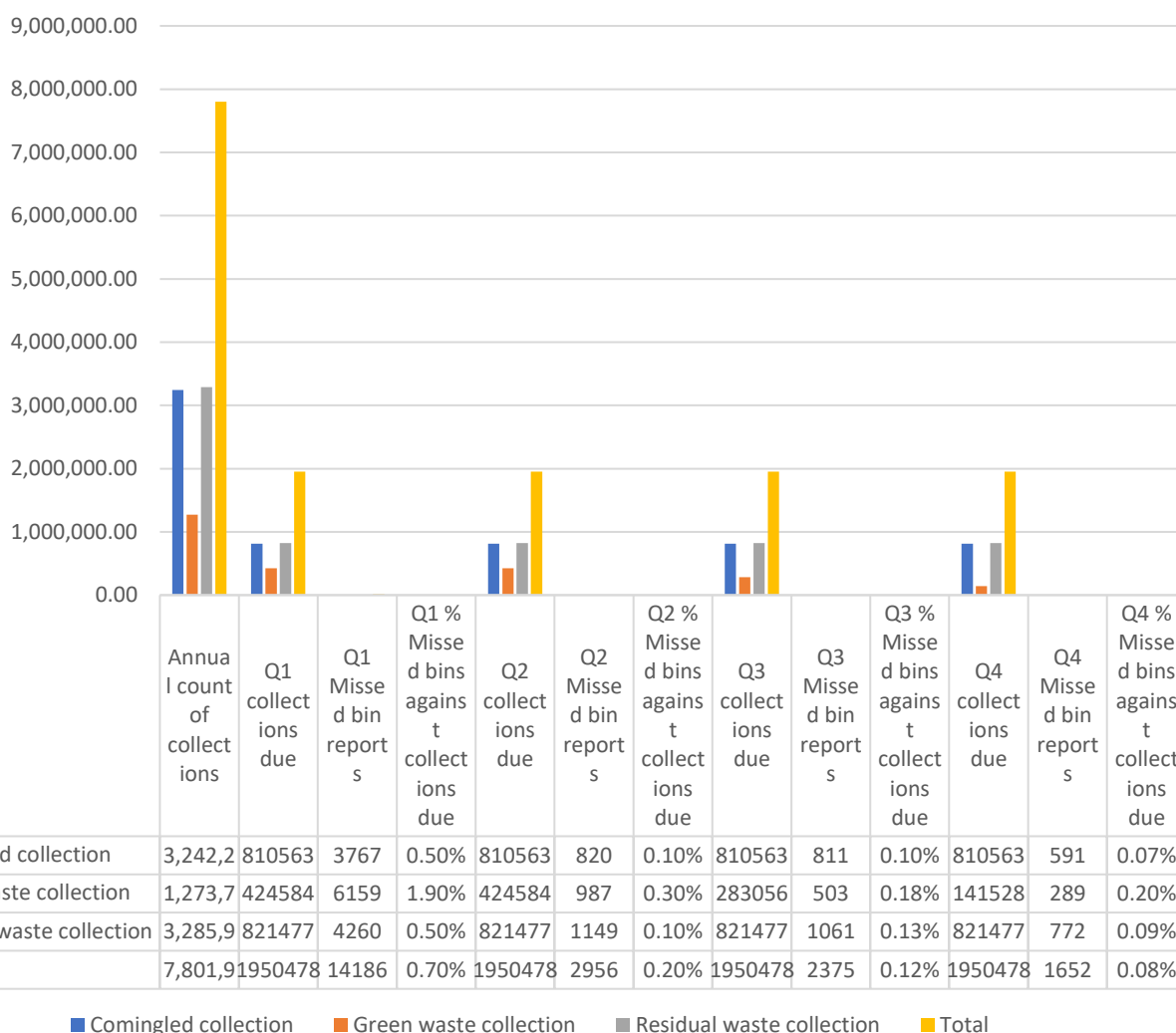
Despite much misplaced criticism and misconceptions of the planning system (holding back development) being played out in the media nationally, at a local level it can be seen that most developments which are submitted as planning applications to Sefton are approved. The Council has committed to ensure that there are sufficient resources deployed in the LPA to ensure that schemes can be negotiated, and resources deployed in securing acceptable schemes, when not all will be submitted in a form which can be accepted originally. Without this ability and resource to negotiate, the above rates of approval would be significantly lower. And in turn the pace of delivery, the impacts on the local economy, on supply chains and the ability of residential and commercial property owners to continue to adapt and change and respond to domestic and market trends

Government judge the performance of a LPA primarily on the speed of determination of decisions. In this regard, Sefton is above the national and our higher local targets for the last financial year. In certain categories and quarters for 22/23 performance has been exceptional.

Agenda Item 11

respectively would be lost. This commitment to resources was also a major factor (alongside staff dedication and endeavour) to the securing of the RTPI NW Planning Authority of the year earlier this month.

Bins Collected



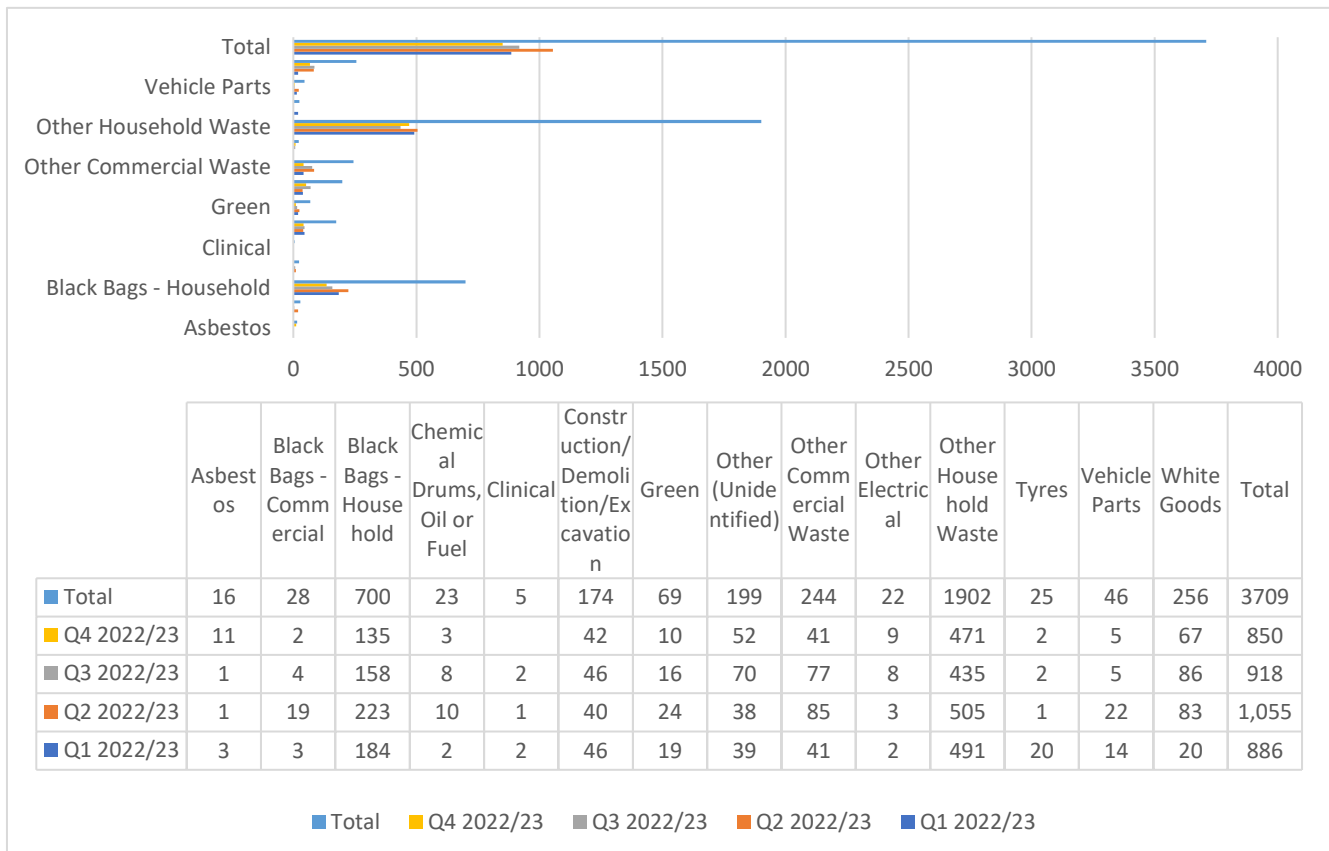
The Council has approximately 130,000 residential properties where collections of both residual and recycling waste are undertaken, predominately on an alternative weekly collection model. Of those properties, approximately 110,000 also participate in green waste collections, which is a non-statutory collection provision.

The Council understand the value of a robust and effective waste collection service however, on occasions collections are delayed by traffic, inclement weather conditions or unforeseen

Agenda Item 11

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.

Fly Tipping Reports by Waste Type



The Council is working hard with our partners to eradicate the crime of fly tipping which blights communities. This includes

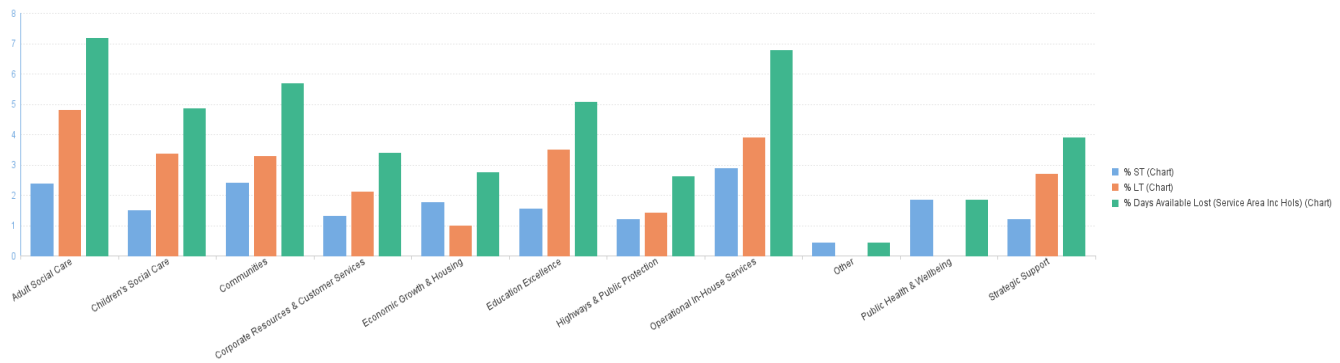
- ensuring the environment is right, wherever possible, to ensure residents are able to dispose of their refuse in the appropriate way
- checking that residents and businesses are fully informed of the various methods of waste disposal including our bulky waste collection
- undertaking enforcement action where possible to prosecute offenders.

Where fly tipping is undertaken on land that is not owned by the Council officers will recoup the costs of cleaning up areas where necessary.

Agenda Item 11

Sickness Absence

Sefton Council Sickness Absence 01/04/2022 - 31/03/2023



Short term sickness continues to be below the indicative target set by the council. As has been reported there are higher levels of sickness within Adult Social Care, Communities, Education Excellence and Operational In House Services. Some of this reflects the nature of some services e.g. operational in house services and some will require further work during the next year- Sickness levels, causes and required action is reported to both senior officer meetings and Overview and Scrutiny Committee.

Agenda Item 12

| | | | |
|--------------------------------------|--|----------------------------------|---------------------------------------|
| Report to: | Cabinet Council | Date of Meeting: | 7 September 2023 14 September 2023 |
| Subject: | Financial Management 2023/24 to 2026/27 - Revenue and Capital Budget Update 2023/24 – September Update | | |
| Report of: | Executive Director of Corporate Resources and Customer Services | Wards Affected: | (All Wards); |
| Portfolio: | Cabinet Member - Regulatory, Compliance and Corporate Services | | |
| Is this a Key Decision: | Yes | Included in Forward Plan: | Yes |
| Exempt / Confidential Report: | No | | |

Summary:

To inform **Cabinet** of:

- 1) The current position relating to the 2023/24 revenue budget.
- 2) The current forecast on Council Tax and Business Rates collection for 2023/24.
- 3) The monitoring position of the Council's capital programme to the end of July 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 2023/24.

Recommendation(s):

Cabinet is recommended to:

Revenue Budget

- 1) Note the current position relating to the 2023/24 revenue budget.
- 2) Note the actions being taken to refine forecasts and identify mitigating efficiencies to ensure each service achieves a balanced position.
- 3) Recognise the financial risks associated with the delivery of the 2023/24 revenue budget and acknowledge that the forecast outturn position will continue to be reviewed, and remedial actions put in place, to ensure a balanced forecast outturn position and financial sustainability can be achieved.
- 4) Recommend to Council the approval of a supplementary revenue estimate for

Agenda Item 12

£2.319m for Adult Social Care funded from the Market Sustainability Improvement Fund (MSIF): Workforce Fund.

- 5) Approve that decisions on the use of the Market Sustainability Improvement Fund (MSIF): Workforce Fund be delegated to the Executive Director of Adult Social Care and Health, in consultation with the Cabinet Member - Adult Social Care.
- 6) Approve a supplementary revenue estimate of £782,414 (2023/24 £360,745 and 2024/25 £421,669) for Place Based Business Support, to be fully funded by the grant allocation from the Liverpool City Region Combined Authority funded from the UK Shared Prosperity Funding (UKSPF).
- 7) Recommend to Council the approval of a supplementary revenue estimate for £1.000m for Education Excellence funded from the Delivering Better Value in SEND Programme grant.

Capital Programme

- 8) Note the spending profiles across financial years for the approved capital programme (paragraph 8.1).
- 9) Note the latest capital expenditure position as at 31 July 2023 of £7.195m (paragraph 8.16); the latest full year forecast is £63.999m (paragraph 8.17).
- 10) Recommend to Council the approval of a supplementary capital estimate for £1.300m for the Local Authority Housing Fund funded by grant from DLUHC.
- 11) Approve a supplementary capital estimate for £0.628m for the Local Transport Capital Block Funding – Pothole Fund funded by grant from the Liverpool City Region Combined Authority.
- 12) Approve a supplementary capital estimate for £0.242m for the UK Shared Prosperity Fund (UKSPF) funded by grant from DLUHC.
- 13) Approve a virement of £0.375m from the previously approved revenue budget for the UKSPF to the capital programme.
- 14) Note that the Council will procure an updated Stock Condition Survey for Crosby Library.
- 15) Note that capital resources will be managed by the Executive Director Corporate Resources and Customer Services to ensure the capital programme remains fully funded and that capital funding arrangements secure the maximum financial benefit to the Council (paragraphs 8.21-8.23).

Performance

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

Council is recommended to:

Revenue Budget

- 17) Approve a supplementary revenue estimate for £2.319m for Adult Social Care funded from the Market Sustainability Improvement Fund (MSIF): Workforce Fund.
- 18) Approve a supplementary revenue estimate for £1.000m for Education Excellence funded from the Delivering Better Value in SEND Programme grant, subject to final approval from the Department for Education.

Capital Programme

- 19) Approve a supplementary capital estimate for £1.300m for the Local Authority

Housing Fund funded by grant from DLUHC.

Reasons for the Recommendation(s):

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

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

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

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

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

To ensure Cabinet are informed of key performance information.

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

None

What will it cost and how will it be financed?

(A) Revenue Costs

The report indicates that for 2023/24 an overspend position of £6.782m is currently forecast and that further work is being undertaken to refine forecasts and identify mitigating efficiencies to ensure each service achieves a balanced position. Further mitigating actions may be required to ensure the Council returns to a balanced forecast outturn position-if these actions are not available within the approved budget, existing reserves and balances may need to be used.

(B) Capital Costs

The Council's capital budget in 2023/24 is £64.106m. As at the end of July 2023 expenditure of £7.195m has been incurred and a full year outturn of £63.999m is currently forecast.

Implications of the Proposals:

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

Currently an overspend position of £6.782m is currently forecast for 2023/24, pending further work to refine forecasts and identify mitigating efficiencies. Further mitigating actions may be required to ensure the Council returns to a balanced forecast outturn position. However, it should be noted that significant pressure and risk remains in a number of areas, particularly relating to Children's Social Care. If budgets experience further demand and inflationary pressure during the remainder of the year further

Agenda Item 12

corresponding savings or financial contributions will need to be identified and approved by members.

Legal Implications:

None

Equality Implications:

There are no equality implications.

Impact on Children and Young People: Yes

The report highlights the current financial position relating to services provided for Children and Young People.

Climate Emergency Implications:

The recommendations within this report will

| | |
|---|-----|
| Have a positive impact | No |
| Have a neutral impact | Yes |
| Have a negative impact | No |
| The Author has undertaken the Climate Emergency training for report authors | No |

The allocations of capital funding outlined in section 8 may be spent on projects that will have a high climate change impact as they could relate to new build, rebuild, refurbishment, retrofit and demolition proposals. Environmental consideration will be taken into account when specific projects are designed and tendered – which will help to mitigate negative impacts.

Contribution to the Council's Core Purpose:

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

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

| |
|--|
| <u>Facilitate sustainable economic prosperity:</u> See comment above |
| <u>Greater income for social investment:</u> See comment above |
| <u>Cleaner Greener:</u> See comment above |

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources & Customer Services is the author of the report (FD 7348/23)

The Chief Legal and Democratic Officer has been consulted and has no comments on the report (LD 5548/23).

(B) External Consultations

N/A

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting and immediately following the Council meeting.

| | |
|-------------------------|---------------------------|
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Appendices:

The following appendix is attached to this report:

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

APPENDIX B – Performance Information 2023/24 – Quarter 1

Background Papers:

There are no background papers available for inspection.

Agenda Item 12

1. Introduction

- 1.1 On 2 March 2023, Members approved the Budget for the financial year 2023/24. This budget was developed throughout the preceding nine months and took account of all known issues. Within that report, and as with previous years, the inherent financial risk within the budget, especially with respect to Children's Services, was identified. This was further reflected within the reserves' strategy for the Council, as reported in the Robustness Report also presented to Budget Council.
- 1.2 This report is the second of the Council's monthly budget monitoring reports and updates the revenue forecast outturn position for all services, including the initial pressures that have materialised since the budget was set.
- 1.3 The report also outlines the current position regarding key income streams for the Authority, namely Council Tax and Business Rates. Variations against expected receipts in these two areas will also affect the Council's financial position in future years.
- 1.4 The capital section of the report informs Members of the latest estimate of capital expenditure for 2023/24 and forecast expenditure for 2024/25 and 2025/26. The capital budget to date is presented in paragraph 8.1. Paragraphs 8.2 to 8.20 review progress of the capital programme, including additional capital schemes. Finally, paragraphs 8.21 to 8.23 confirm that there are adequate levels of resources available to finance the capital programme.
- 1.5 As previously reported, this report will include performance information and key risk management areas on a quarterly basis. Due to the timing of the previous Committee, the performance information for the first quarter of 2023/24 was not yet available so is included within this report. The Corporate Risk Register areas at the end of the first quarter were presented to Cabinet in July within the Financial and Corporate Performance 2022/23 report.

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

- 2.1 Members are provided with updates of the Council's forecast financial revenue position each month during the financial year from July.
- 2.1 It is acknowledged that this is only the second full budget monitoring report of the year so forecasts will include a number of assumptions on anticipated expenditure and income for the remainder of the year that will invariably be the subject of change. Forecasts will continue to be refined and a full review of all budgets and assumptions will be undertaken to refine the forecasts further for the Mid-Year update report that will be presented Cabinet in November. In addition, that report will outline remedial actions to be implemented to ensure a balanced forecast outturn position, potentially including the adoption of financial principles used in previous years.
- 2.2 As at the end of July 2023, the forecast outturn shows a net overspend of **£6.782m**, the majority of which relates to potential additional pressure within Children's Social

Agenda Item 12

Care and the potential impact of the local government pay award. It should be noted that the majority of services are reporting a balanced position or are implementing local remedial actions to return a balanced position at this stage. As with all organisations at this time, the Council is operating in a very challenging financial environment. However, it is vital that the Council achieves a balanced forecast outturn position to ensure its financial sustainability. Proposed actions to meet any forecast overspend will be reported to future Cabinet meetings.

2.3 The table below highlights the variations across services that make up the £6.782m forecast overspend:

| | Budget | Forecast Outturn | Variance | Variance to June |
|---|----------------|-------------------------|---------------------|-------------------------|
| | £m | £m | £m | £m |
| Services | | | | |
| Strategic Management | 3.906 | 3.941 | 0.068 | 0.033 |
| Adult Social Care | 110.598 | 110.598 | 0.000 | 0.000 |
| Children's Social Care | 80.081 | 85.042 | 4.791 | -0.170 |
| Communities | 11.551 | 11.551 | 0.000 | 0.000 |
| Corporate Resources | 5.972 | 5.972 | 0.000 | 0.000 |
| Economic Growth & Housing | 6.409 | 6.409 | 0.000 | 0.000 |
| Education Excellence | 15.305 | 15.629 | 0.376 | 0.052 |
| Health & Wellbeing | 19.620 | 19.620 | 0.000 | 0.000 |
| Highways & Public Protection | 10.672 | 10.672 | 0.000 | 0.000 |
| Operational In-House Services | 16.160 | 16.840 | 0.530 | -0.150 |
| Energy Costs | 4.200 | 4.200 | 0.000 | 0.000 |
| Additional Pay Award Provision | 4.333 | 5.833 | 1.500 | 0.000 |
| Total Service Net Expenditure | 288.807 | 296.307 | 7.265 | -0.235 |
| Council Wide Budgets | 14.203 | 13.872 | -0.483 | -0.152 |
| Levies | 36.193 | 36.193 | 0.000 | 0.000 |
| General Government Grants | (84.086) | (84.086) | 0.000 | 0.000 |
| Total Net Expenditure | 255.117 | 262.286 | | |
| <u>Forecast Year-End Deficit</u> | | | <u>6.782</u> | <u>-0.387</u> |

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

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

Agenda Item 12

2023/24 budget plus additional ones to meet the additional budgetary pressures arising from the increases in provider fees approved at Cabinet meetings in June 2023. The achievement of these savings will be carefully monitored throughout the year.

- **Children's Social Care** – The current forecast for the service shows a potential overspend of £4.791m. However, there are a number of significant assumptions and uncertainties that could impact on this position before the year-end.

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

The current forecast for staffing is that it will broadly remain within budget as the impact of the initiatives above start to have an impact. This will require robust monitoring through the year. There are a clear set of assumptions driving this forecast in terms of when expensive managed / project teams will leave the Council as new staff are onboarded from the International Social Worker cohort and the academy. If these assumptions change then the forecast will be revised.

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

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

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

An update on these reviews, and their impact on the forecast, will be provided to the next Cabinet meeting. In considering this forecast, work will also be undertaken to determine if any of this pressure is temporary or permanent in nature and needs reflecting in future budget setting processes.

- **Corporate Resources** – At first quarter review the service is forecasting a balanced position. Based on the latest information, functions within the service are forecasting an underspend of £0.497m. However, there is pressure within the ICT budget from inflation on contracts that is in excess of the provision made and a loss of income from School SLAs as a result of a change in the contractual arrangement enforced by the provider for which the Council has no control. These two pressures amount to £0.600m, meaning an initial pressure of £0.103m exists. As stated, all services are underspent, and additional cost control will be required between now and the year end to deliver that balanced position and this position will be updated at mid-year review.
- **Economic Growth and Housing** – The service is showing a balanced position. However, based on the latest information, functions within the service are forecasting an overspend of £0.611m, although the service are currently examining forecasts. Additional cost control will be required between now and the year end to deliver that balanced position and this position will be updated at mid-year review.
- **Education Excellence** – The current forecast shows a potential net overspend of £0.376m, which relates to the provision of additional SEND staff. The service are reviewing all forecasts to identify areas that may be able to offset this additional pressure and this position will be updated at mid-year review.
- **Operational In-House Services** The current forecast shows a potential overspend of £0.530m. This relates to a number of areas across the Service, but mainly in Catering and the security service. The service is reviewing all forecasts to identify areas that may be able to offset these additional pressures, including from recharging additional costs being incurred, and this position will be updated at mid-year review.
- **Additional Pay Award Provision** – The approved Base Budget included a provision for the 2023/234 pay award of around 4.5%. This was line with most other local authorities who had budgeted for similar amounts. The offer from the National Employers for local government services body is for a fixed increase of £1,925, with a minimum of 3.5% (similar to the increase in 2022/23). For Sefton, this equates to an increase in the pay bill of about 6.0% or an additional £1.500m above the amount included in the 2023/24 budget. It should be noted that this offer has been rejected by trade unions who have balloted their members on whether to undertake strike action.

3. Revenue Budget Summary 2023/24

- 3.1 An overspend of **£6.782m** is currently forecast. However, as mentioned in section 2, this is a forecast early in the financial year based on a number of uncertainties and assumptions. Additional work will be undertaken across service areas to refine the forecasts and identify mitigating efficiencies to ensure each service achieves a balanced budget position. In Children's Social Care forecasts will be refined to take into account the improvements in practice that have seen children being placed in

Agenda Item 12

more appropriate settings, as well as the anticipated reduction in the number of Looked After Children.

- 3.2 As mentioned, the Council must achieve an overall balanced position to ensure its financial sustainability. Once forecasts have been refined, if an overall forecast overspend remains a remedial action plan to meet the residual balance will need to be produced and presented to members for approval. This may include measures previously used by the Council to reduce budget pressures.

4. **Additional Revenue Grant Funding**

Market Sustainability Improvement Fund (MSIF): Workforce Fund

- 4.1 On 28 July 2023, the government announced it is providing a further £570 million of ringfenced funding across 2023/24 and 2024/25 to local authorities to improve and increase adult social care provision, with a particular focus on workforce pay. The Market Sustainability Improvement Fund (MSIF): Workforce Fund will total £365m in 2023/24 and £205m in 2024/25.
- 4.2 Sefton will receive £2.319m from in 2023/24 with a potential to receive £1.493m in 2024/25 if allocated on the same basis. It should be noted that these are one-off amounts with no indication any funding will be available beyond 2024/25.
- 4.3 The funding has a particular focus on workforce pay. It is expected that this additional funding is used to support more workforce and capacity within the adult social care sector, including to help ensure that appropriate short-term and intermediate care is available to reduce avoidable admissions and support discharge of patients from hospital when they are medically fit to leave.
- 4.4 However, the additional funding is designed to have the same flexibility as the original MSIF (included in the Adult Social Care Base Budget for 2023/24) to meet local pressures, and so local authorities can choose to use the funding to:
- Increase fee rates paid to adult social care providers, particularly as we continue to prepare for the implementation of charging reform.
 - Increase adult social care workforce capacity and retention.
 - Reduce adult social care waiting times.
- 4.5 Services in scope for the funding have been expanded to include all care home categories and Supported Living.
- 4.6 There are grant conditions associated with the funding, which in summary are that:
- Local Authorities must allocate their full funding allocation from the grant on adult social care, as part of a substantial increase in planned adult social care spending. Local authorities must confirm that this has been added to their existing ASC budgets.
 - Local Authorities must evidence improvement in at least one of the target areas using Department of Health and Social Care (DHSC) performance metrics. The

target areas chosen should support the most pressing needs in the local authority area.

- Local Authorities must provide a final report in May 2024 on spend and progress. This must record all DHSC target area metrics: workforce recruitment and retention, reducing waiting times and increasing fee rates.

4.7 Cabinet is therefore requested to recommend to Council the approval of a supplementary revenue estimate for £2.319m in 2023/24 funded from the grant. It is proposed that, in line with delegated authority for decisions on use of previous similar funding, that decisions on the use of the funding are delegated to the Executive Director of Adult Social Care and Health, in consultation with the Cabinet Member - Adult Social Care.

UK Shared Prosperity Fund - Place Based Business Support

4.8 The Council has been allocated a revenue grant of £782,414 from the Liverpool City Region Combined Authority funded from the UK Shared Prosperity Fund (UK SPF) for the 2023/24 (£360,745) and 2024/25 (£421,669) financial years. This funding is provided to deliver Place Based Business Support. This will focus on activities such as: supporting existing businesses; supporting business start-up; job creation; advice and guidance; brokerage into national and UKSPF programmes, including innovation signposting; and key account and relationship management of SMEs and larger businesses companies.

4.9 Cabinet is therefore requested to approve a supplementary revenue estimate of £782,414 (2023/24 £360,745 and 2024/25 £421,669) for Place Based Business Support, to be fully funded by the grant allocation from the Liverpool City Region Combined Authority funded from the UK Shared Prosperity Funding (UKSPF).

5. Council Tax Income – Update

5.1 Council Tax income is shared between the billing authority (Sefton Council) and the three major precepting authorities (the Fire and Rescue Authority, the Police and Crime Commissioner and the Combined Authority – Mayoral Precept) pro-rata to their demand on the Collection Fund. The Council's Budget included a Council Tax Requirement of £160.236m for 2023/24 (including Parish Precepts), which represents 84% of the net Council Tax income of £191.139m.

5.2 The forecast outturn for the Council at the end of July 2023 is a surplus of -£0.015m. This variation is primarily due to: -

- The surplus on the fund at the end of 2022/23 being higher than estimated (-£0.314m).
- Gross Council Tax Charges in 2023/24 being higher than estimated (-£0.300m).
- Exemptions and Discounts (including a forecasting adjustment) being higher than estimated (+£0.599m).

Agenda Item 12

- 5.3 Due to Collection Fund regulations, the Council Tax surplus will not be transferred to the General Fund in 2023/24 but will be carried forward to be recovered in future years.
- 5.4 A forecast surplus of £2.045m was declared on the 17 January 2023 of which Sefton's share is £1.716m (83.9%). This is the amount that will be recovered from the Collection Fund in 2023/24. Any additional surplus or deficit will be distributed in 2024/25 and future years.

6. **Business Rates Income – Update**

- 6.1 Since 1 April 2017, Business Rates income has been shared between the Council (99%) and the Fire and Rescue Authority (1%). The Council's Budget included retained Business Rates income of £62.388m for 2023/24, which represents 99% of the net Business Rates income of £63.018m. Business Rates income has historically been very volatile making it difficult to forecast accurately.
- 6.2 The forecast outturn for the Council at the end of July 2023 is a surplus of -£11.199m on Business Rates income. This is due to:
- The surplus on the fund at the end of 2023/24 being higher than estimated (-£9.916m).
 - Increase in the gross charge on rateable properties (-£0.141m).
 - A number of reliefs announced for 2023/24 were assumed in the NNDR1 return with the loss of income as a result of these reliefs covered by Section 31 grant payments. It is now forecast that the value of these reliefs will be less than anticipated (-£1.008m).
 - Adjustments relating to prior years (-£0.134m)
- 6.3 When taking into account the lower Section 31 grants due on the additional reliefs, a net surplus of £10.493m is forecast.
- 6.4 Due to Collection Fund regulations, a Business Rates deficit will not be transferred to the General Fund in 2023/24 but will be carried forward to be recovered in future years.
- 6.5 A forecast surplus of £12.836m was declared in January 2023. Sefton's share of this is £12.708m. This is the amount that will be distributed from the Collection Fund in 2023/24. Any additional surplus or deficit will be distributed in 2024/25 and future years.

7. **High Needs Budget**

- 7.1 Cabinet and Council have agreed to receive quarterly reports from the Executive Director of Children's Social Care and Education and the Assistant Director of Children's Services (Education) with regard to the High Needs budget and the changes that are proposed, details of sufficiency planning, the Council's engagement on the Delivering Better Value Programme and the current high needs

deficit and the risk around future central government decision making in respect of this deficit.

- 7.2 The latest quarterly report was presented to Cabinet in July, providing detail on the current monitoring position relating to the High Needs budget.
- 7.3 As part of the Delivering Better Value in SEND programme, the Council has provided an implementation plan to the Department for Education (DfE) which included a grant application for additional funding to support the changes required. The Council has now received confirmation from the DfE that their DBV Programme Board has given indicative approval of the implementation plan which they say, “demonstrates an aspiration to deliver significant improvements to services for children and young people with SEND alongside significant financial benefits over the next five years”. Sefton is due to receive £1.000m of funding from the DfE, subject to final approval by the DBV Programme Board. Cabinet is therefore requested to recommend to Council the approval of a supplementary revenue estimate for £1.000m in 2023/24 funded from the grant.

8. Capital Programme 2023/24 – 2025/26

Capital Budget

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

| | |
|----------------|-----------------|
| 2023/24 | £64.106m |
| 2024/25 | £58.986m |
| 2025/26 | £17.659m |

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

- **Adult Social Care** – the Cabinet Member for Adult Social care has, under delegated authority, approved revised budgets for the Wider Social Care programme and Community Equipment Stores funded from the Better Care Fund – Disabled Facilities Grant (DFG). The total amount approved was £4.935m for Adult Social Care and £0.762m for Children’s Social Care.
- **Communities** – £0.074m has been added to the budget under delegated authority for a scheme to create tech rooms at Sefton’s Libraries funded by grant from the Library Improvement Fund.
- **Economic Growth & Housing** – £0.221m has been phased into 2024/25 for the Enterprise Arcade Project which will now start on site in quarter three due to the time needed to complete contractor procurement.
- **Education Excellence** – £0.500m has been phased into 2024/25 for a building alterations scheme at Litherland Moss pending the transfer of the school building back to Local Authority control.

Agenda Item 12

- 8.3 The following block capital grant allocations were approved by Council in March following recommendation by Cabinet for inclusion in the Capital Programme 2023/24:

| <u>Capital Grant</u> | 2023/24 £ |
|--|---------------------|
| Education Excellence | |
| Schools Condition Allocation | 2,207,934 |
| Highways and Public Protection | |
| City Region Sustainable Transport Settlement | 8,154,000 |

- 8.4 Authority has been delegated to Cabinet Member to assign funding to individual capital schemes up to a value of £1m for Highways and the Schools block allocation listed above. The list of schemes for 2023/24 has been fully developed and will be presented to the individual Cabinet Members for approval noting that schemes in excess of £1m have already been approved by Council in July. A full list of the approved capital schemes will be presented in future reports to Cabinet.

Local Authority Housing Fund

- 8.5 Sefton has been granted funding under round two of the Local Authority Housing Fund (LAHF). This fund helps UK councils to provide accommodation to families with housing needs who have arrived in the UK through Afghan resettlement and relocation schemes and who are accessing bridging hotel accommodation. The intention of the LAHF round two is to address immediate pressures as well as increasing the stock of affordable homes for the future.
- 8.6 The total funding available to Sefton is £1,300,000 to purchase a minimum additional 12 family sized homes and one family sized temporary accommodation to families currently residing in bridging accommodation.
- 8.7 DLUHC have confirmed that it is prepared to enter into a Memorandum of Understanding with the Council to release the funding. Cabinet is therefore requested to recommend to Council the approval of a supplementary capital estimate for £1.3m to include the scheme in the capital programme for 2023/24.

Local Transport Capital Block Funding – Pothole Fund

- 8.8 The Liverpool City Region Combined Authority (LCRCA) has received additional grant funding from the Department of Transport to be spent on highways maintenance and improvement within the Liverpool City Region in 2023/24. This funding is in addition to the City Region Sustainable Transport Settlement block allocation reported to Cabinet and Council in March 2023.
- 8.9 The LCRCA proposes to make a total sum of £628,487 available to Sefton to spend exclusively on improvements to and maintenance of roads within the borough. The payment of grant will be made pending the signing of a Grant Funding Agreement.
- 8.10 Cabinet is therefore recommended to approve a supplementary capital estimate for the Pothole Fund for inclusion in the Highways capital programme subject to the acceptance and signing of the Grant Funding Agreement with the Combined Authority.

UK Shared Prosperity Fund

- 8.11 Following Government approval of the Investment Plan for the UK Shared Prosperity Fund (UKSPF) allocations to the Liverpool City Region, a report outlining the initial allocations of funding to Sefton Council for local authority led elements of that Investment Plan was presented to Cabinet in January 2023.
- 8.12 Formal grant agreements for the UKSPF were issued in March 2023 and following this there has been an increase to the amount of funding allocated and a split in the funding between revenue and capital elements for delivery of projects under each workstream. A breakdown of the revised amounts is shown below.

| Revised Allocations | Capital £ | Revenue £ |
|---------------------------------------|----------------------|----------------------|
| Green, Resilient and Safe Communities | 423,819 | 218,382 |
| Local cultural arts and heritage | 134,317 | 268,634 |
| Town Centres | 58,764 | 193,080 |
| UK SPF Programme Management | - | 140,518 |
| | 616,900 | 820,614 |

- 8.13 Sefton has therefore been awarded an additional amount of £241,744 giving a total allocation of £1,437,514 compared to the original amount of £1,195,770 reported in January to Cabinet and then approved by Council.
- 8.14 A delayed start to the UKSPF programme as a whole has resulted in delays for some local authorities to get mobilised and consequently LCRCA have asked all local authorities to review their projects and associated spend profiles for the remainder of the programme until March 2025. LCRCA have asked for a Change Control to be submitted for any variances and to consider any proposed changes. Sefton has reviewed the above programme (all projects and spend profiles) and whilst there are some small adjustments, most of the projects are spending as anticipated and within the threshold shown. A Change Control is still required and has been submitted to the LCRCA and is awaiting approval.
- 8.15 In order to add these revised allocations to the capital programme Cabinet is therefore recommended to approve a supplementary capital estimate of £241,744 for the additional grant and a budget virement from revenue of £375,156 to correctly allocate a total budget of £616,900 in the capital programme funded by the UKSPF pending acceptance of the Change Control by the LCRCA.

Crosby (Waterloo) Library

- 8.16 The Council recently announced that Cabinet had given consideration as to how refurbishment of the existing Crosby Library in Waterloo could be included in the Crosby Village project. It was announced that both schemes would be progressed as separate schemes - continuing to deliver the Crosby Village scheme whilst at the same time retaining the existing library in Waterloo. Cabinet is therefore asked to note that the Council will procure an updated Stock Condition Survey for the existing library in Waterloo.

Agenda Item 12

Budget Monitoring Position to July 2023

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

| | Budget to July | Actual Expenditure to July | Variance to July |
|-------------------------------|-----------------------|-----------------------------------|-------------------------|
| | £m | £m | £m |
| <u>Services</u> | | | |
| Adult Social Care | 1.521 | 1.536 | 0.015 |
| Children's Social Care | 0.106 | 0.106 | - |
| Communities | 0.257 | 0.253 | -0.004 |
| Corporate Resources | 0.578 | 0.585 | 0.007 |
| Economic Growth & Housing | 2.258 | 2.217 | -0.041 |
| Education Excellence | 0.449 | 0.460 | 0.011 |
| Highways & Public Protection | 1.882 | 1.882 | - |
| Operational In-House Services | 0.156 | 0.156 | - |
| <u>Total Programme</u> | 7.208 | 7.195 | -0.013 |

Capital Programme Forecast Outturn 2023/24

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

| | Budget 2023/24 | Forecast Outturn | Variance | Budget 2024/25 | Budget 2025/26 |
|-------------------------------|-----------------------|-------------------------|-----------------|-----------------------|-----------------------|
| | £m | £m | £m | £m | £m |
| <u>Services</u> | | | | | |
| Adult Social Care | 8.026 | 7.919 | -0.106 | 2.094 | 1.847 |
| Children's Social Care | 0.662 | 0.662 | - | 0.100 | - |
| Communities | 0.754 | 0.795 | 0.041 | 0.106 | - |
| Corporate Resources | 2.620 | 2.627 | 0.007 | - | - |
| Economic Growth & Housing | 24.279 | 24.276 | -0.003 | 40.607 | 14.592 |
| Education Excellence | 8.902 | 8.855 | -0.047 | 5.474 | - |
| Highways & Public Protection | 15.452 | 15.452 | - | 6.343 | 0.322 |
| Operational In-House Services | 3.412 | 3.412 | - | 4.262 | 0.898 |
| <u>Total Programme</u> | 64.106 | 63.999 | -0.107 | 58.986 | 17.659 |

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

8.19 The current 2023/24 budgeted spend is £64.106m with a budgeted spend to July of £7.208m. The full year budget includes exceptional items such as £20.142m for

Growth and Strategic Investment projects, £1.096m for the Brownfield Housing Development fund, £0.760m for Sustainable Warmth Schemes, £2.000m for a Highways project at Millers Bridge, a £3.041m project for Southport Pier Decking, and a scheme to upgrade to LED Street Lighting (£3.606m).

- 8.20 Typically, on an annual basis the capital programme spends in the region of £25-30m. Given this typical annual level of spend it is likely that reprofiling of spend into 2024/25 will occur as the year progresses.

Programme Funding

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

| <u>Source</u> | £m |
|---------------------------------------|---------------|
| Grants | 49.152 |
| Prudential Borrowing | 8.936 |
| Capital Receipts | 3.511 |
| Contributions (including Section 106) | 2.507 |
| <u>Total Programme Funding</u> | 64.106 |

- 8.22 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.

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

9. Performance

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

- 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 in Appendix B.

Agenda Item 12

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

| <u>Capital Scheme</u> | Budget | | |
|--|----------------------------|----------------------------|----------------------------|
| | 2023/24 £ | 2024/25 £ | 2025/26 £ |
| Adult Social Care | | | |
| Disable Facilities Grants – Core Grants (DFGs) | 3,000,000 | - | - |
| Occupational Therapy Support for DFGs | 663,774 | - | - |
| ICT Development & Transformation | 1,129,007 | 34,591 | - |
| ICT Connectivity in Care Homes and Support Living | 100,000 | - | - |
| Fall Prevention Schemes | 45,000 | - | - |
| Care Home Improvements | 475,449 | 200,000 | - |
| Changing Places | 51,327 | - | - |
| Integrated Health and Wellbeing on the High Street | - | 400,000 | - |
| Short Term Assessment Unit | 860,000 | 860,000 | 1,847,000 |
| New Directions Programme Development | 206,038 | 195,000 | - |
| Technology Enabled Care | 464,383 | - | - |
| Community Equipment Provision | 400,000 | - | - |
| Double to Single Handed Care Equipment Provision | 150,000 | - | - |
| Community Equipment – Specialist Projects | 232,435 | - | - |
| Community Equipment Stores Improvements | 65,000 | - | - |
| Programme Support | 122,922 | - | - |
| Digitising Social Care | 50,000 | 405,000 | - |
| Community Based Falls Equipment | 10,200 | - | - |
| Children’s Social Care | | | |
| Support for Fostering Placements | 99,370 | 100,000 | - |
| Community Equipment Provision | 270,000 | - | - |
| ICT Development & Transformation | 193,545 | - | - |
| Springbrook Refurbishment | 28,923 | - | - |
| Springbrook Vehicle | 70,000 | - | - |
| Communities | | | |
| Leisure Centres – Essential Works | 396,748 | - | - |
| Libraries – Centres of Excellence | 172,176 | 105,843 | - |
| Sefton Libraries Live | 30,000 | - | - |
| Library Improvement – Tech Rooms | 73,857 | - | - |
| Neighbourhoods Projects | 80,886 | - | - |
| Corporate Resources | | | |
| Council Wide Essential Maintenance | 1,785,785 | - | - |
| Sustainable Warmth Schemes | 760,092 | - | - |
| ICT Transformation | 73,812 | - | - |
| Economic Growth & Housing | | | |
| Cambridge Road Centre Redevelopment | 57,069 | - | - |
| Crosby Lakeside Redevelopment | 707,154 | - | - |
| Strategic Acquisitions – Ainsdale | 39,880 | 836,423 | - |
| Marine Lake Events Centre | 15,483,014 | 37,792,340 | 14,517,367 |
| The Strand – Maintenance and Improvements | 40,000 | 375,000 | 75,000 |
| Enterprise Arcade | 1,239,692 | 387,077 | - |

Agenda Item 12

| | 2023/24 £ | 2024/25 £ | 2025/26 £ |
|--|-------------------|-------------------|-------------------|
| Transformations de Southport | 1,425,000 | 1,075,000 | - |
| Bootle Canal Side Business Plan | 470,392 | - | - |
| The Strand – Repurposing Programme | 680,000 | - | - |
| Housing Investment | - | 33,960 | - |
| Social Housing Allocations Scheme | 13,590 | - | - |
| Brownfield Fund for Housing Development | 1,082,336 | - | - |
| Southport Pier | 3,040,588 | 107,679 | - |
| Education Excellence | | | |
| General Planned Maintenance | 245,605 | 30,249 | - |
| Schools Programme | 3,070,170 | 4,853,883 | - |
| Sporting Betterment of Schools | 1,583,215 | - | - |
| Special Educational Needs & Disabilities | 4,002,706 | 590,000 | - |
| Highways and Public Protection | | | |
| Highways Programme | 6,146,662 | 1,411,500 | 322,000 |
| Highway Maintenance | 3,700,000 | - | - |
| LED Street Lighting Upgrade | 3,605,580 | 3,662,630 | - |
| Millers Bridge | 2,000,000 | - | - |
| Transport Growth Programme | - | 1,268,620 | - |
| Operational In-House Services | | | |
| Coastal Erosion and Flood Risk Management | 1,285,195 | 1,916,883 | 898,000 |
| Countryside Stewardship | 11,659 | - | - |
| Crosby Marine Lake Improvements | 10,803 | - | - |
| Parks Schemes | 64,409 | 833,569 | - |
| Tree Planting Programme | 108,885 | 19,769 | - |
| Golf Driving Range Developments | 2,197 | 280,280 | - |
| Ainsdale Coastal Gateway | - | 866,175 | - |
| Green Sefton – Vehicles, Plant & Machinery | 149,487 | - | - |
| Refuse Collection & Recycling | - | 345,000 | - |
| Vehicle Replacement Programme | 1,779,494 | - | - |
| <u>Total Programme</u> | 64,105,511 | 58,986,471 | 17,659,367 |

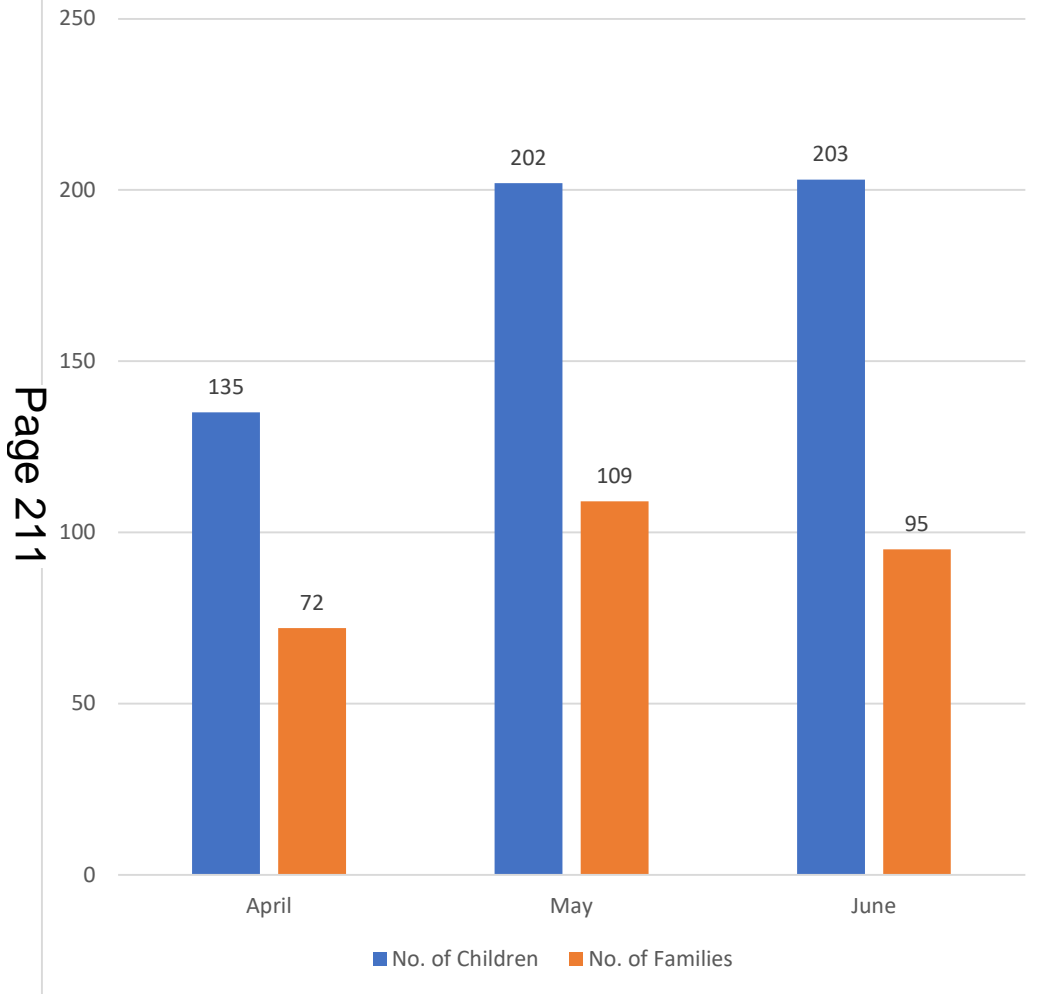
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Q1 April to June 2023

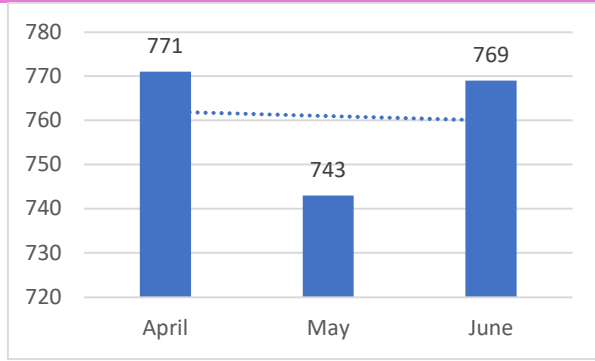
Children & Young People - Improving outcomes for children and their families

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 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.

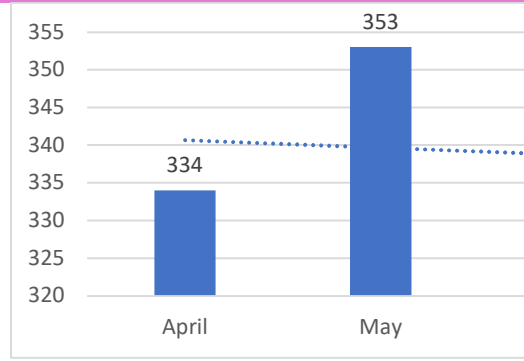


Number of Children on a Children In Need Plan



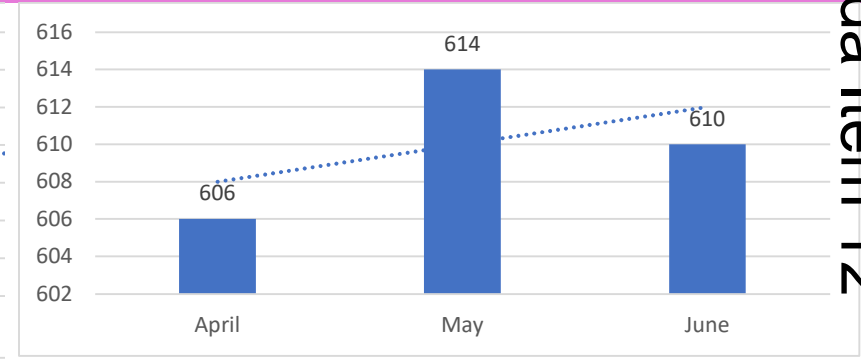
There are no direct performance comparators with other Local Authorities as then number of children in need with a plan is not published nationally or regionally. However, despite the trend showing a slight decline in the number of children in need (0-17yrs) with a child in need plan, the number is significant 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 495. Using the most recent comparative data, the rate in 2022 was 494/10,000, which was above the national rate of 321/10,000 and the statistical neighbour rate of 334/10,000. The rate of children in need aged 0-17 in Sefton has been above the national rate since 2016, but despite a peak of 920 in April 2022, the numbers show a downward trend over the last three months.

Number of Children on a Child Protection Plan



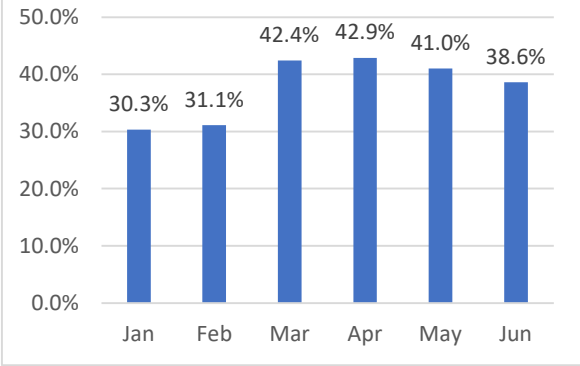
At the end of June 2023 there were 332 children who are the subject to a Child Protection Plan, which represents a rate of 61.4/10,000 children aged 0-17yrs in Sefton. Using the most recent comparative RIG data, the rate of children aged 0-17 on a Child Protection Plan in Sefton at the end Q4 (March 2023) was 63/10,000, 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, and despite a slight increase in Jan 2023, the numbers continue to show a downward trend over the last three months.

Open Episodes of Cared for Children

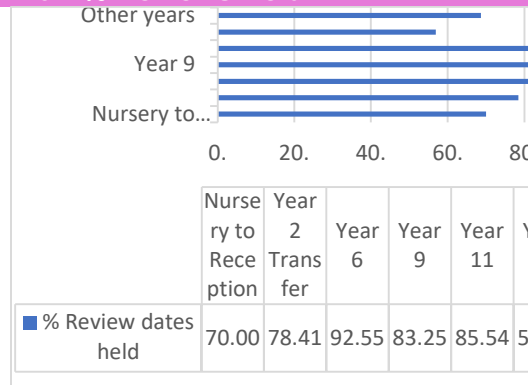


There are currently 624 cared for children (CLA) with an open episode of care, which represents a rate of 115.4/10,000. Using the most recent comparative RIG data, the rate of children looked after in Sefton at the end Q4 (March 2023) was 116/10,000 aged under 18yrs, compared with the Northwest rate of 97.8/10,000. Between 2013 and 2023 the rate of children cared for in Sefton has been broadly consistent with the rates seen across the Northwest and statistical neighbours, but above the national rate. However, since 2020, the rate of children cared for in Sefton has been above the Northwest and statistical neighbours and significantly above the national rate. At the end of financial year 2022/3 Sefton’s rate of cared for children was 115/10,000 children under 18yrs, compared with 97/10,000 in the Northwest, 91/10,000 across statistical neighbours and 70/10,000 across England. Whilst actual numbers have fluctuated slightly over recent months, the trend is still showing a slight increase over the last three-month period, which represents a sustained demand on Council services and resources.

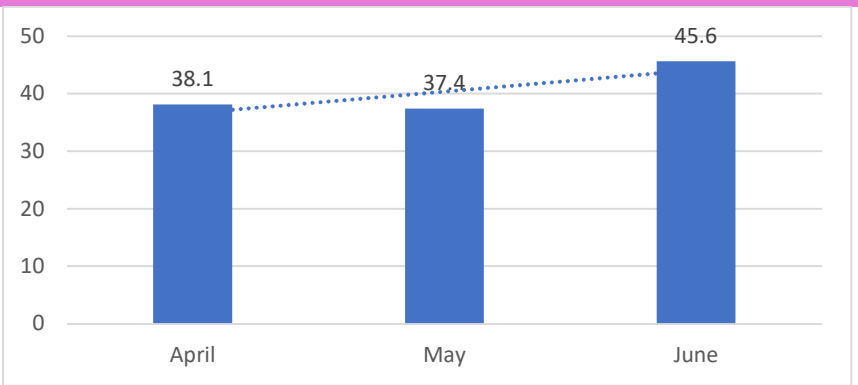
SEND Education, Health & Care Plan % Plans completed in 20 weeks



SEND Education, Health & Care Plan % Reviews Held



% of Care Experienced Young People In Education



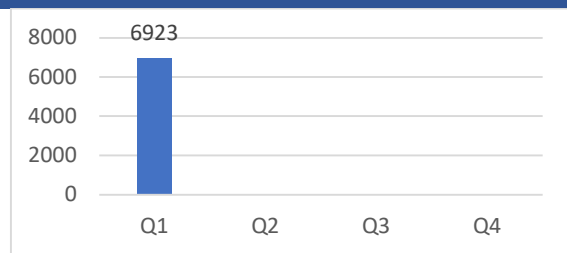
An education, health and care (EHC) plan is for children and young people aged up to 25 who need additional support from education, health and/or social care. Local authorities have 20 weeks from the date they receive the request for the assessment to give a family the final EHC plan. Performance on this is reported to government for a calendar year period. A review of a child’s or young person’s EHC plan checks their progress. A plan is in place to improve performance in this area, with additional programme management capacity in place. Immediate actions include –

- Improve Social Care advice into EHCP – all outstanding assessments to be completed in next 6 weeks.
- Improving the Local Offer – a review has commenced.
- Implementation of system changes by the end of September which will improve case management and progress tracking.
- Barnardo’s have been commissioned to deliver the SENDIASS service from November 2023.

The percentage of care leavers (cared experienced) aged 19-21yrs who are in Education, Employment, or Training is 46.8%. This performance is slightly below the 2022 performance average of 48%, and behind the Northwest and National averages of 52% and 55% respectively. However, the increasing performance trend is positive.

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

Access to adult based targeted Active Sefton Services



Representative of access to:

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

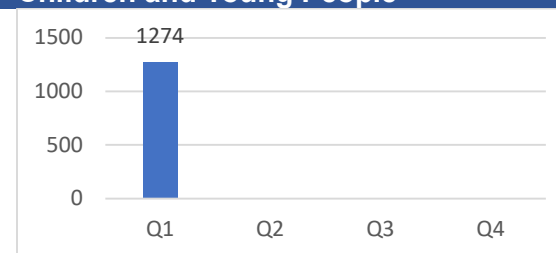
IHS Health Checks - a statutory programme delivered by the Active Lifestyles team to eligible adults aged 40-74, which is designed to detect early signs of stroke, heart and kidney disease, type II diabetes and dementia.

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

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

There was a reduction in access during Q1 of 172 people compared to the previous quarter, which was the result of less Active Workforce events over the winter months.

Number of children and young people supported through Children and Young People



Representative of access to:

MOVE IT (Weight Management) - a community-based weight management service for children aged 5-18 and their families, who are above their ideal weight or need help with weight maintenance.

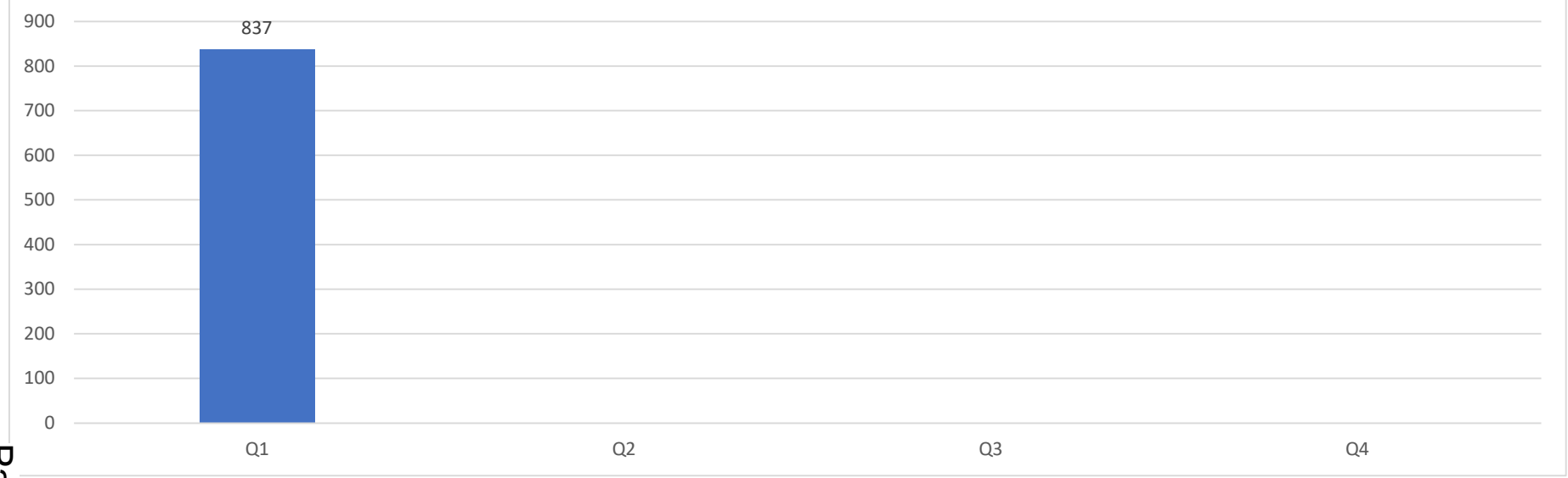
1-2-1 Programme (mental wellbeing) - a physical activity programme designed to build positive mental and physical health and wellbeing of Sefton’s young people (aged 11-19) who may need support. The project offers weekly physical activity or sport sessions using Development Officers as mentors.

Active Schools - a universal programme of support for all primary schools to be health promoting, equipping pupils and their families with the knowledge, skills, and motivation to be physically active and follow healthier eating choices.

There was a further **715** attendances through the Community delivery of Easter half-term and May half-term Be Active sessions.

There was a reduction of 1, 056 children and young people who accessed targeted and community programmes during Q1 as a result of a reduction in the Active Schools Programme due to i) 3 weeks of school holidays and ii) a staff vacancy within the Active Schools Team, which has since been filled.

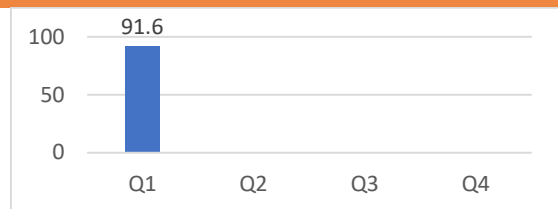
Public Protection Inspect Public Protection Inspections Undertaken



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.

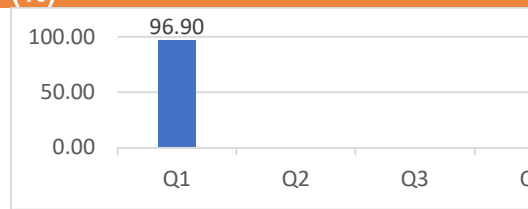
Adult Social Care - Empowering people to live an independent life, exercise choice and control, and be fully informed

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



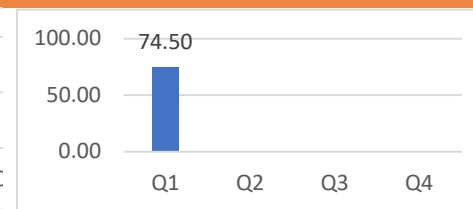
The Adult Social Care Outcomes Framework (ASCOF) measures nationally how well care and support services achieve the outcomes that matter most to most people. The three metrics included for Adult Social Care are part of the ASCOF. Supporting people to return home and regain their independence after a 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. The proportion of clients aged over 65 who are still at home 91 days after hospital discharge into reablement stood at nearly 92% at the end of Q1, is 12 percentage points higher than the rate at the end of Q4 22/23. The Council has now moved to the top quartiles both nationally and in the North West for this measure. Capacity within this area does however remain challenging.

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



Adult Social Care has a responsibility to safeguard vulnerable people who have care and support needs. Making Safeguarding Personal (MSP) is a national initiative' aiming to encourage an outcome focused and a person-centred approach in safeguarding work. We ask those involved in a safeguarding episode what their preferred outcome would be, MSP indicates the percentage of people who had their preferred outcome fully or partially met. Whilst specific circumstances may mean that it is not always possible for an individuals desired outcomes to be achieved this is a key aspect of our safeguarding work. In Q1, the proportion of safeguarding enquiries where the preferred outcome has been fully or partially met, stood at nearly 97%. A thematic audit of safeguarding cases is planned for Q2 as part of ongoing quality monitoring.

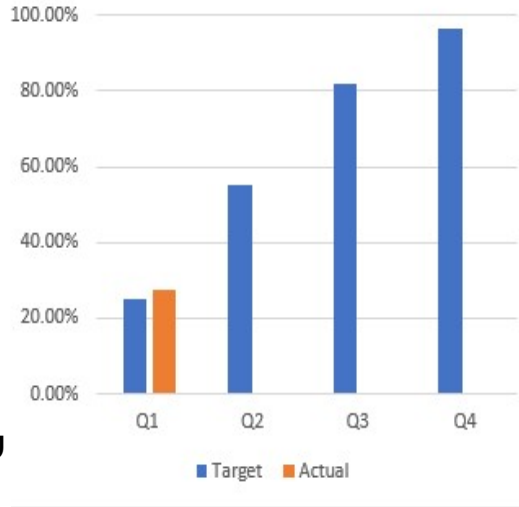
Proportion of people whose initial service was short term who did not go on to long term services (%)



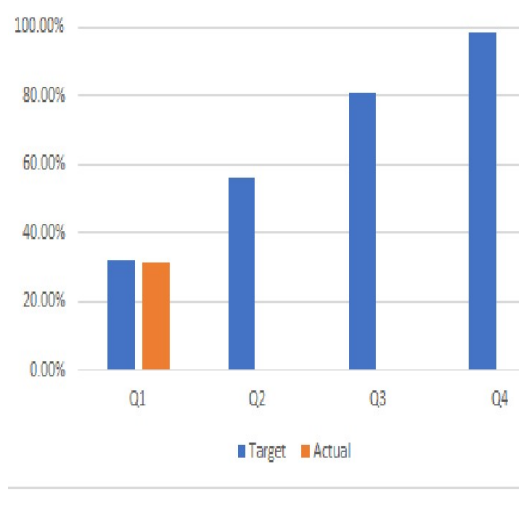
Where ever possible Adult Social Care aim to support people to be as independent as possible, living at home and having strong links with their communities. Whilst it is recognised that some people may well need long term services, this measure specifically shows the proportion of people whose short-term 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.

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

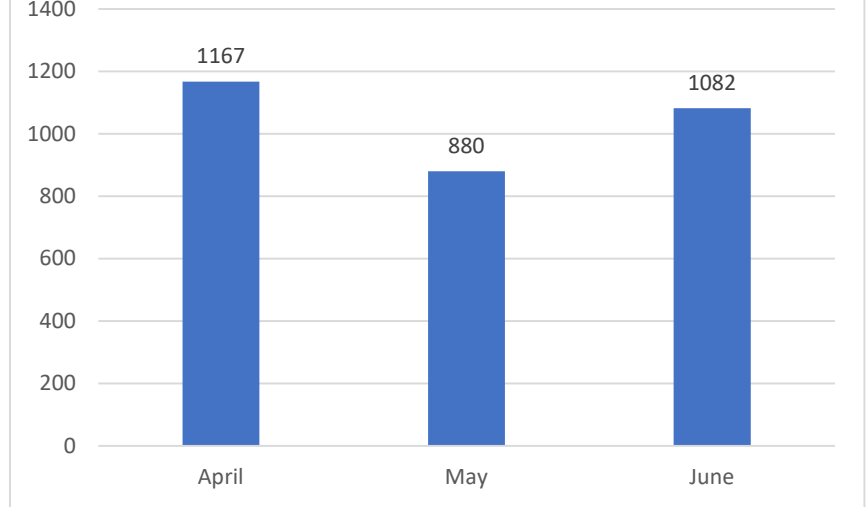
Council Tax Collection Rates %



Business Rates Collection Rates %



Number of Emergency Limited Assistance Claims

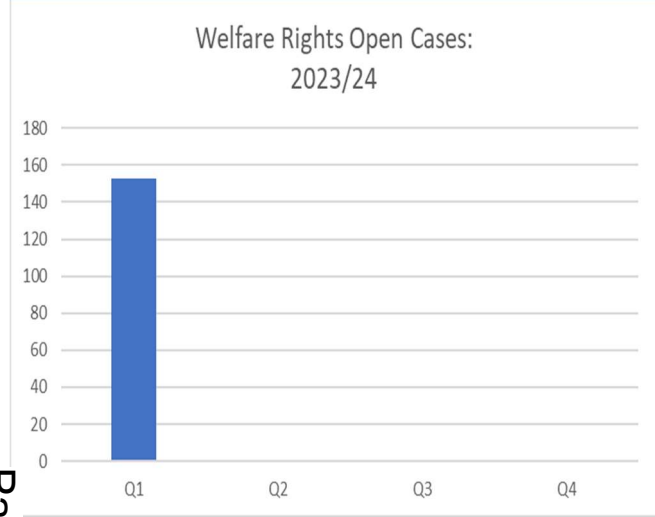


Page 217

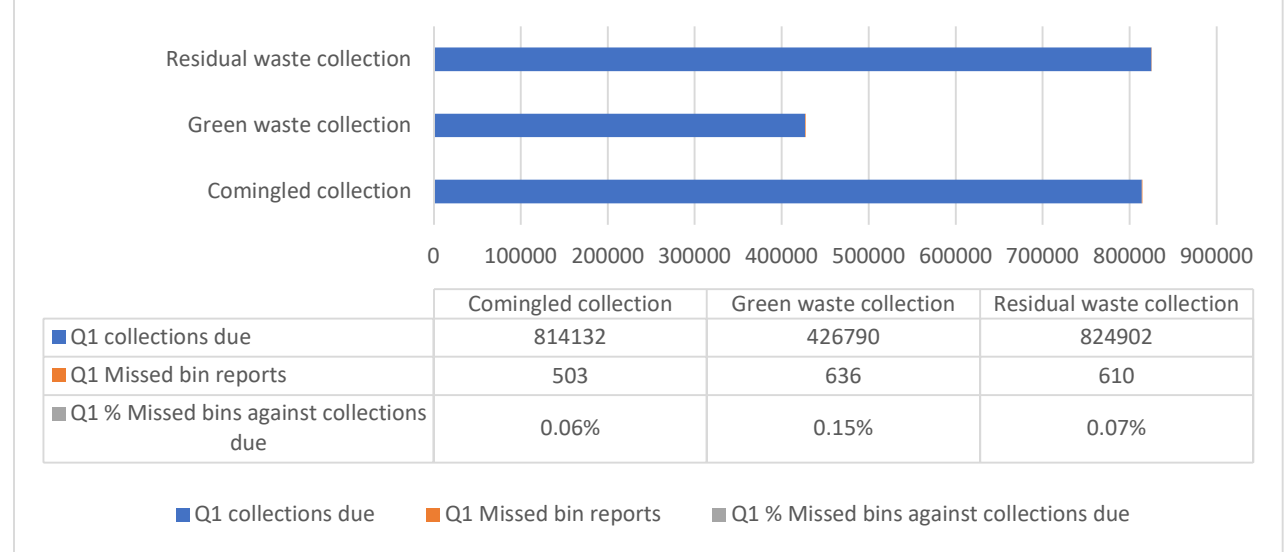
Council Tax and Business Rates collection, which is so critical to the Council, has started well in the first 3 months of the financial year. This builds on the position that was experienced in 2022/23 when despite the cost of living crisis, collection rates were maintained at budgeted for levels.

Sefton's Emergency Limited Assistance Scheme (ELAS) is available to support local people. This is for those experiencing severe hardship, a disaster or emergency. The number of ELAS claims continues to be high and this is prioritised across the service-monthly reports are provided to members and in the current economic climate the number of enquiries and rate of expenditure is forecast to continue through the year.

Welfare Rights Open Cases



Bins Collected



Page 218

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

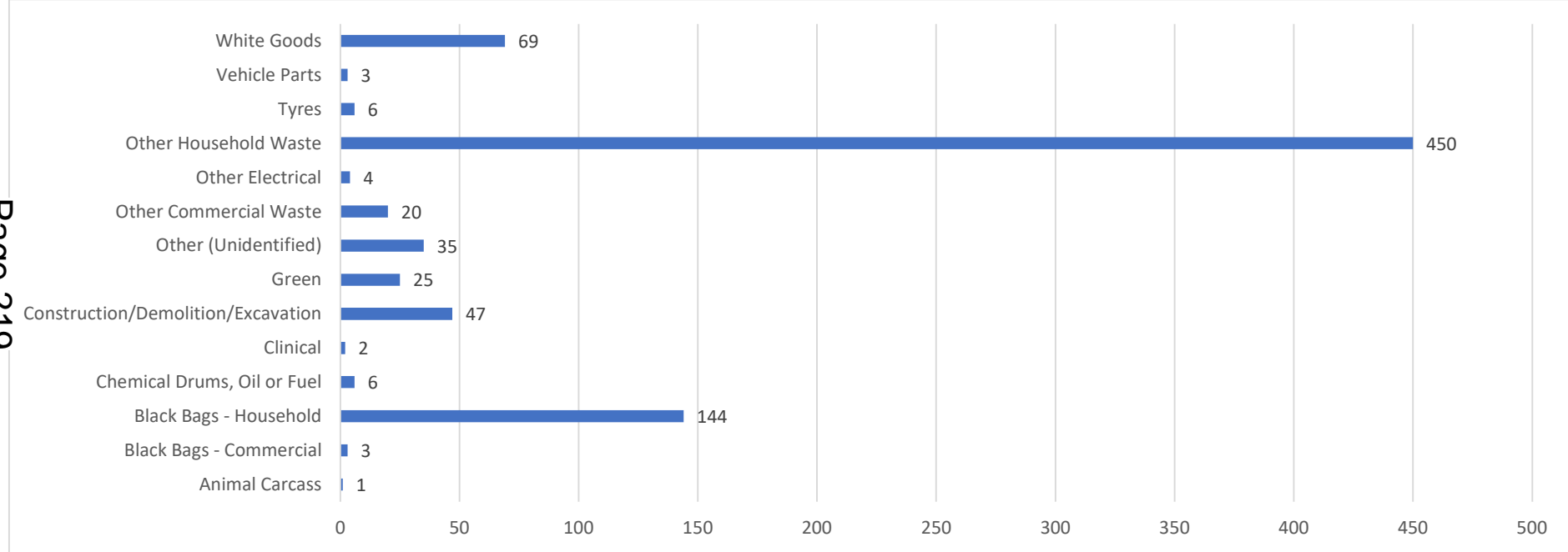
- Advice on claiming appropriate benefits.
- Help to complete benefit claim forms.
- Assistance to challenge Benefit decisions, including tribunal representation where appropriate.

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

- Advice regarding back to work benefits and better off calculations.

Welfare Rights received 723 contacts through the advice line in Q1 which is a 1 % decrease from Q4 and have worked on 153 open cases.

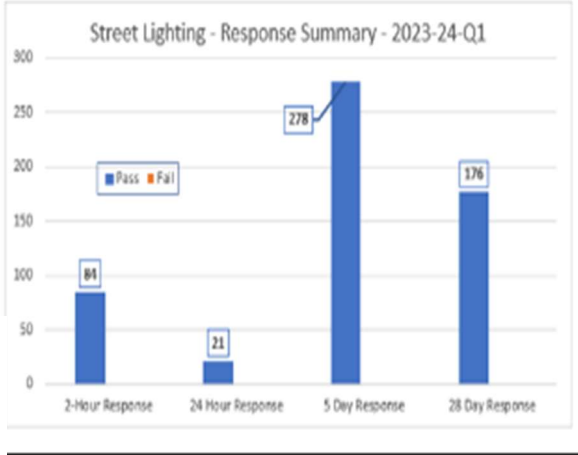
Flytipping



Fly tipping is defined as "the illegal deposit of any waste onto land that does not have a licence to accept it" as defined by the Keep Britain Tidy Group. Within Sefton, fly tipping continues to be an on-going issue and a blight on the Borough. The Council offer a Bulky Household Waste Collection Service at a competitive rate for residents to utilise for the correct disposal of household waste. Members of the public can report incidents of fly tipping via the Council's website at <https://www.sefton.gov.uk/bins-and-recycling/bins-and-recycling/litter-and-fly-tipping/fly-tipping/> Further education is required to assist members of the public to act correctly when disposing of waste. Fly tipping is a national problem and the government publish data regarding the volume of fly tipping incidents. Latest figures are available at [Fly-tipping statistics for England, 2021 to 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/fly-tipping-statistics-for-england-2021-to-2022)

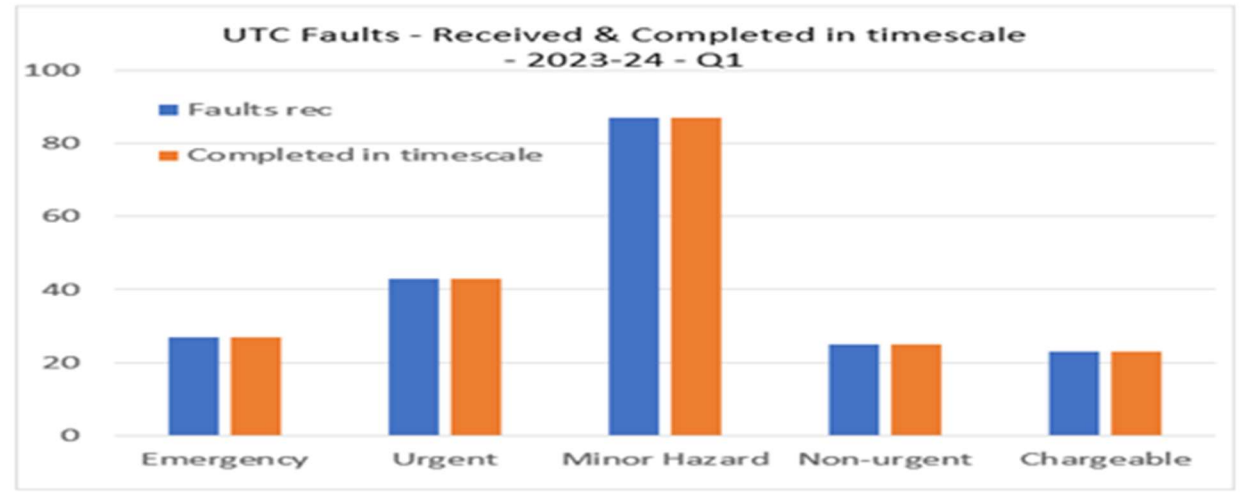
Street Lighting – response to notified faults

| | Q1 Pass | Q1 Fail |
|------------------|---------|---------|
| 2-Hour Response | 84 | 0 |
| 24 Hour Response | 21 | 0 |
| 5 Day Response | 278 | 0 |
| 28 Day Response | 176 | 0 |



Urban Traffic Control – response to notified faults

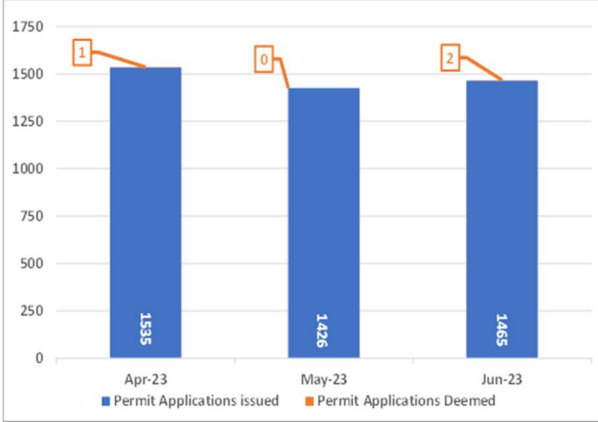
| | Q1 Faults | Q1 Comp in Time |
|--------------|-----------|-----------------|
| Emergency | 27 | 27 |
| Urgent | 43 | 43 |
| Minor Hazard | 87 | 87 |
| Non-urgent | 25 | 25 |
| Chargeable | 23 | 23 |



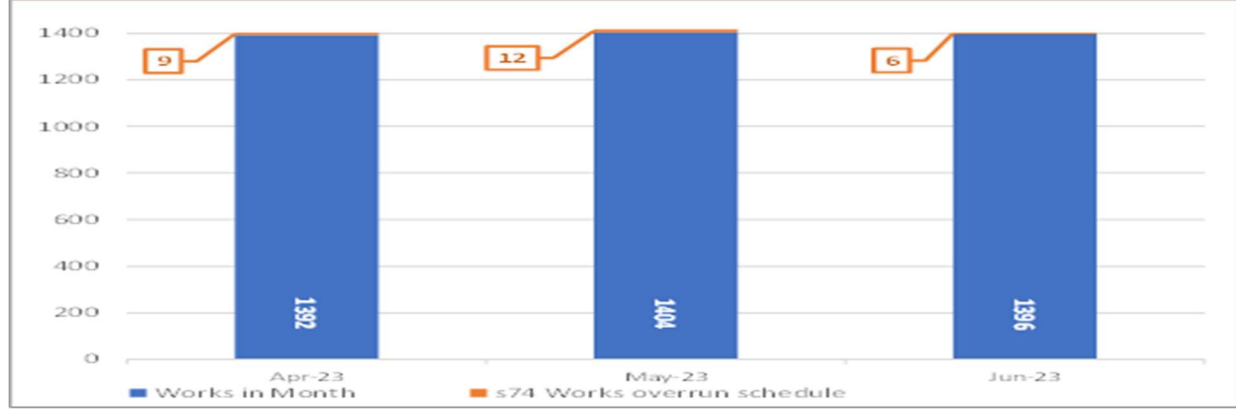
The Council has approximately 37,000 streetlights on its highways and recognises the importance of keeping them working well. When we are notified of faults, we assess the urgency of repair (e.g., 2-hours; 24 hours, 5 days etc.) allocate a target time for repair and pass it on to our appointed Contractor. 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.

Network Management Permit Approvals



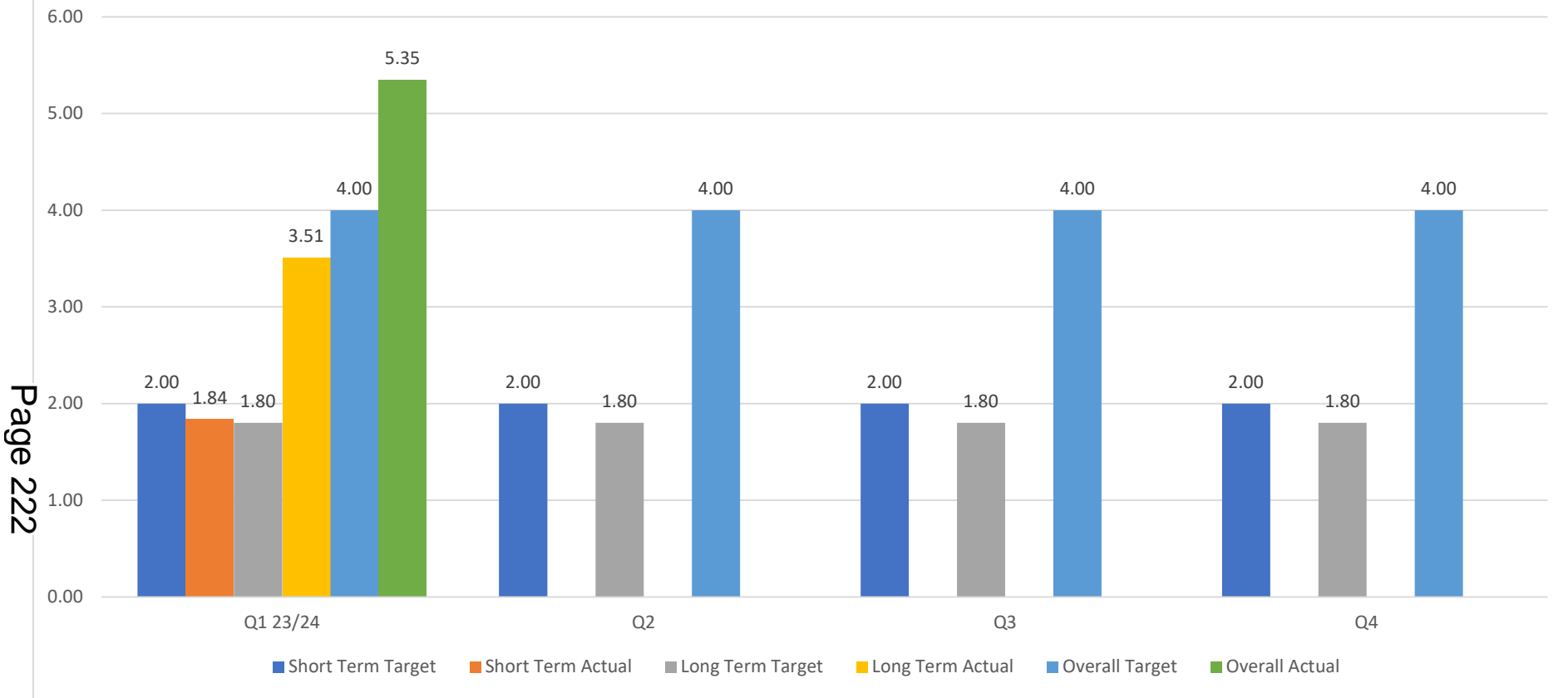
Network Management Permit Overruns



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

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

% Sickness Absence



Page 222

The Council continues to monitor sickness absence and work with employees to ensure a healthy return to work.

Inclusive Growth - Creating more and better jobs for local people

Planning

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

Business Growth & Investment (InvestSefton)

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

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

| Tourism | | | | | |
|-----------|--|--|----------------|----------------|--|
| Indicator | Government Target | Local Target | Target 2022/23 | Actual 2022/23 | |
| T2 | A swift recovery back to 2019 levels of tourism volume and visitor expenditure | Increase Visitor Economy economic impact by 2.5% year on year, | £440m | | Actual Annual figures will be for next report. |
| T3 | A swift recovery back to 2019 levels of tourism volume and visitor expenditure | Increase Visitor Economy total employment by 2% year on year, | 4795 | | |

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

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

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Agenda Item 13

| | | | |
|--------------------------------------|---|----------------------------------|---------------------------------------|
| Report to: | Cabinet Council | Date of Meeting: | 7 September 2023 14 September 2023 |
| Subject: | Financial Management 2023/24 to 2026/27 – Medium Term Financial Plan 2024/25 to 2026/27 | | |
| Report of: | Executive Director of Corporate Resources and Customer Services | Wards Affected: | (All Wards); |
| Portfolio: | Cabinet Member - Regulatory, Compliance and Corporate Services | | |
| Is this a Key Decision: | Yes | Included in Forward Plan: | Yes |
| Exempt / Confidential Report: | No | | |

Summary:

To inform **Cabinet** and **Council** of: -

1. The update to the Medium-Term Financial Plan (MTFP) for 2024/25 to 2026/27 taking account of all currently available information.
2. To provide an update on other areas that informs financial decision making including the Council's reserves position, its growth programme, its position on its wholly owned council companies and the High Needs budget as these are all interlinked with the MTFP.

Recommendation(s):

Cabinet is recommended to: -

- 1) Note the updated Medium-Term Financial Plan for 2024/25 to 2026/27 and any assumptions made.

Council is recommended to: -

- 1) Approve the updated Medium-Term Financial Plan for 2024/25 to 2026/27 and any assumptions made.

Reasons for the Recommendation(s):

In March 2023 Council approved a one-year budget plan for 2023/24. As part of this report, an indicative budget gap of £18.5m for 2024/25 to 2025/26 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 13

year to 2026/27. 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 **£44.245m** is currently forecast for the period 2024/25 to 2026/27, 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 in 2025/26 and 2026/27.

(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:

| | |
|---|-----|
| Resource Implications (Financial, IT, Staffing and Assets): | |
| None | |
| Legal Implications: | |
| None | |
| Equality Implications: | |
| There are no equality implications. | |
| Impact on Children and Young People: Yes | |
| The report highlights the additional resources included within the Medium-Term Financial Plan relating to services provided for Children and Young People. | |
| Climate Emergency Implications: | |
| The recommendations within this report will | |
| Have a positive impact | No |
| Have a neutral impact | Yes |
| Have a negative impact | No |
| The Author has undertaken the Climate Emergency training for report authors | No |
| The allocations of capital funding outlined in section 7 may be spent on projects that will have a high climate change impact as they could relate to new build, rebuild, refurbishment, retrofit and demolition proposals. Environmental consideration will be taken into account when specific projects are designed and tendered – which will help | |

to mitigate negative impacts.

Contribution to the Council’s Core Purpose:

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

| |
|--|
| <p><u>Protect the most vulnerable:</u> See comment above</p> |
| <p><u>Facilitate confident and resilient communities:</u> See comment above</p> |
| <p><u>Commission, broker and provide core services:</u> See comment above</p> |
| <p><u>Place – leadership and influencer:</u> See comment above</p> |
| <p><u>Drivers of change and reform:</u> See comment above</p> |
| <p><u>Facilitate sustainable economic prosperity:</u> See comment above</p> |
| <p><u>Greater income for social investment:</u> See comment above</p> |
| <p><u>Cleaner Greener:</u> 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 7345/23)

The Chief Legal and Democratic Officer has been consulted and has no comments on the report (LD 5545/23).

(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.

Agenda Item 13

| | |
|-------------------------|-----------------------------------|
| Contact Officer: | Stephan Van Arendsen |
| Telephone Number: | Tel: 0151 934 4082 |
| Email Address: | Stephan.VanArendsen@sefton.gov.uk |

Appendices:

There are no appendices to this report.

Background Papers:

There are no background papers available for inspection.

1. Introduction

- 1.1 The Medium-Term Financial Plan (MTFP) is presented to Members each year with a view to outlining the strategic approach that the Council will take to managing its financial matters. As with previous years, this plan will need to take account of the significant change that is being experienced within Local Government both in terms of the manner and level of funding that is made available to councils and also the roles and responsibilities that it is required to fulfil.
- 1.2 As such this report sets out the specific financial challenges facing the Council over the next three years and how it plans to meet these. The approach to setting the Council's three-year revenue budget for the period 2024/25 -2026/27 and all other key financial issues that require consideration are also set out in the report.
- 1.3 There has been great uncertainty and change in the last 12 months with regard to the Central government funding that would be made available to local government and the financial parameters that councils should work within. The local government finance settlement for 2023/24 provided a good indication of funding that will be made available for 2024/25 and although there is risk around some of the assumptions, that is much less than in previous years. Beyond that point there is little information available to support financial planning, but it is critical that the Council makes estimates of the position that it could be in and develops a three-year budget package that can be updated as it progresses. During this period, a general election will be held and naturally the outcome of this will inform not only the financial resources available to the Council but will also define its roles, responsibilities and policies that are to be followed. As with previous years the full detail of the Local Government Finance Settlement for 2024/25 is expected at council level just before Christmas 2023.
- 1.4 A MTFP update for future years was included within the Budget report at March 2023 and this report provides Members with the latest information available to support 2024-25 to 2026-27 budget planning.

2. Approach to Budget Planning and Financial Sustainability

Financial Management Context

- 2.1 The Council has effective financial management arrangements which has enabled the delivery of significant savings over the last 13 years that has enabled the Council to set robust, deliverable and sustainable budgets while delivering priority services. Financial sustainability has been at the heart of this approach and this needs to continue over this three-year budget cycle.
- 2.2 In this approach the Council needs to be cognisant that the complexity and range of issues that it will need to address is becoming ever wider. In addition to the normal General Fund Budget setting, it is critical that there is a full financial understanding that informs decision making of the Council's reserves position, its growth programme, its position on its wholly owned council companies and the High Needs budget as these are all interlinked.

Agenda Item 13



- 2.3 In 2023/24 the Council continues to face significant challenges driven by the conditions in the national economy, especially high levels of inflation and the continued pressure within the demand led budgets of Adult Social Care and Children's Services including social care and home to school transport. These are being managed at the same time as an agreed savings programme is being delivered in the wider Council. The first budget monitoring report for 2023/24, considered these in detail with Children's Services and the impact of pay inflation again being prominent and key pressures during the year.
- 2.4 The challenges facing the Council over the coming three years are likely to be equally as significant. There is no indication that the Council will be in receipt of substantially more funding over this period and the demand for services is likely to increase. At present over 70% of the Council's revenue budget is allocated to Adults and Children's Services plus Home to School Transport. This means there is less than 30% of the budget for all remaining services. At a time of increased demand led growth it is essential that a three-year budget strategy is developed in order to support not only financial sustainability but also these services who for a number of years have had no growth in budget size, have contributed significant savings and at times worked within a vacancy freeze in order to support short term savings. This context as stated is critical for both budget planning but also service delivery and the delivery of the Corporate Plan.
- 2.5 The next three-year budget planning cycle will also take place at the same time as the Council's Children's Service Improvement Plan is delivered - this is the priority for the Council. As Members will be aware, a recommendation in the Commissioner's report was that the MTFP should be aligned with that Improvement Plan for a period of five years. That process was conducted and reflected in the budget report of March 2023, and this will again be a key feature of this MTFP. Substantial ongoing work is continuing on this budget, with the Chief Executive, s151 officer and Director of Children's Services working collaboratively on the management of the in-year position and longer-term budget plan. This service is now showing signs of stability in terms of financial management with the Council

understanding the key cost drivers of each aspect within the service. These will be developed over the course of this budget planning process and will continue to be aligned to the Improvement Plan and the view of the service around future demand in order to inform the three-year budget plan. This will in turn inform budget allocation, budget realignment in the service as required and how this will influence other budgets across the Council and longer-term investment opportunities.

- 2.6 The sections that follow in this report will therefore set out the national challenges facing all councils, the Council's forecast position and the steps taken to set a budget for the next three years.

Local Government Financial Environment

- 2.7 This Medium-Term Financial Plan sits against a continued backdrop of financial uncertainty and challenge for local authorities. The Local Government Financial Settlement for 2023/24 provided a degree of certainty to support financial planning for 2024/25 but as would be expected in light of current economic conditions and the forthcoming general election there is little information available to inform decision making beyond that point.

- 2.8 Whilst the funding that will be made available from central government remains difficult to forecast the financial environment the Council operates within is at present equally difficult to navigate is extremely volatile. This is reflected in:

- Significant inflationary pressures. The UK is currently experiencing higher than average inflation levels. The Consumer Price Index (CPI) is currently at 6.8%, and the Retail Price Index (RPI) is at 9.0% (although the rates were around 10% and 13% respectively for most of 2022/23). This is directly impacting on the costs of providing services and capital investment of all councils as well as having an impact on the wider economy and the cost of living for residents.
- Continued cost pressures relating to Adult Social Care and Children's Services including Social Care. The demand for, and cost of, social care and home to school transport continues to increase across both adults and children.
- The longer-term impacts of Covid-19 and the financial impacts of economic recovery including the role of councils in supporting the recovery process.
- The long-awaited Review of Relative Needs and Resources (formerly the Fair Funding Review) was due to review and reset councils' funding baselines according to local need. It has been delayed for several years by Central Government and had been expected to be the subject of consultation in Spring 2022 but there has been no progress and it is now unlikely that there will any change in this three-year budget planning period.
- As part of the Review of Relative Needs and Resources the Council would expect the Business Rates Retention gains the Council has made since the last reset would be lost. In addition, 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. It is unclear what will happen to Business Rates Pilot schemes if the Review does not go ahead.
- The level at which the Council Tax referendum limit will be set over this financial planning period was confirmed in 2022. The policy is that council tax can increase by 2.99% per annum and a further 2% can be levied for Adult Social Care each year. This will be reflected in the Spending Power calculation for each council. There is uncertainty however as to whether this policy will continue after the next general election.

Agenda Item 13

- Health Integration – This integration is intended to bring together key functions such as social care, mental health services and public health advice, to deliver ‘joined up care’ for its local population, improve people's health & wellbeing and reduce health inequalities.

2.9 The level of uncertainty nationally makes planning ahead for the medium-term very difficult and makes it one of the most difficult years to be setting a budget. As such it is important that councils ensure they are appropriately prepared for a range of outcomes.

The Sefton Approach

2.10 As previously mentioned, the Council has over the last 13 years had a commitment to making all key decisions that would deliver financial sustainability. This is becoming increasingly difficult to maintain and the range of issues and functions that need to be considered and addressed continues to increase. This was also compounded by the unprecedented issues within the Children’s Services budget in 2022/23.

2.11 The Budget Report approved in March 2023 set out an estimated net funding gap over the period 2024/25 to 2025/26 of £18.535m, excluding any potential increases in Council Tax. In developing this Medium-Term Financial Strategy, the Council has sought to update this overall financial position based upon the latest information available. Central to this exercise has been a review of all assumptions underpinning the funding shortfall including all funding streams, both centrally allocated and locally generated, and all inflationary and demand led cost pressures.

2.12 As with any financial forecast the assumptions contained within it will be continually updated as additional information becomes available or assumptions are confirmed. Particular consideration must be given to the impact on future year budget requirements of demand increases, the pressures emerging in year linked to inflation and the delivery of savings. Members will be informed at regular intervals of the budget setting process as to the impact of any of these changes.

2.13 Some of the areas that will be the subject of continued review during this period will include the financial impact arising from:

- Inflation, including the impact of workforce shortages in some areas on pay levels.
- Pay awards.
- Level of contingencies required.
- Use of reserves.
- Capital financing.
- Trading position of Council companies.
- Demand led pressures relating to Adult Social Care and Children’s Social Care; and
- Impact of regeneration and other Council sponsored major developments.

2.14 Taking into account the latest available information relating to funding, and having considered and refreshed all other planning assumptions, the estimated overall gross funding gap facing the Council over the next three years is in the region of £44m (excluding any potential increases in Council Tax). This is summarised in the following table:

Agenda Item 13

Table 1: overall funding shortfall over MTFP period 2024/25 to 2026/27

| | 2024/25 | 2025/26 | 2026/27 |
|--|---------------|---------------|---------------|
| | £'m | £'m | £'m |
| Investment: | | | |
| CSC – Accommodation Costs | 2.000 | 2.000 | 2.000 |
| CSC – Additional Legal Support | 0.150 | 0.000 | 0.000 |
| ASC – from additional funding below | 3.268 | 0.000 | 0.000 |
| Home to School Transport- growth in demand | 0.400 | 0.400 | 0.400 |
| Southport Pier | 0.180 | 0.000 | 0.000 |
| Marine Lake Event Centre* | 0.000 | 0.000 | 0.700 |
| Strand redevelopment* | 0.000 | 1.100 | 0.000 |
| Crosby Village Centre* | 0.000 | 0.000 | 0.410 |
| (* Indicative net additional costs and phasing) | | | |
| Total Investment | 5.998 | 3.500 | 3.510 |
| | | | |
| Inflationary Pressures: | | | |
| Provisions for Pay, Contract Inflation, etc. | 8.700 | 6.400 | 6.400 |
| Assumed increase in Care Provider costs re. ASC | 7.500 | 5.500 | 5.500 |
| Assumed increase in Care Provider costs re. CSC | 2.000 | 1.250 | 1.250 |
| Assumed increase in Home to School Transport | 0.500 | 0.300 | 0.300 |
| Total Inflationary Pressures | 18.700 | 13.450 | 13.450 |
| | | | |
| Other MTFP Changes: | | | |
| Council Tax Base | -1.050 | -0.500 | -0.500 |
| Impact of Budget Decisions in Previous Years | 0.200 | 0.200 | 0.200 |
| Impact of Budget Savings agreed March 2023 | 0.455 | -0.800 | 0.000 |
| Total Other MTFP Changes | -0.395 | -1.100 | -0.300 |
| | | | |
| Additional Funding: | | | |
| Social Care Grant | -4.100 | 0.000 | 0.000 |
| ASC Market Sustainability and Improvement Funding (funding investment above) | -1.798 | 0.000 | 0.000 |
| Adult Social Care Discharge Fund (funding investment above) | -1.470 | 0.000 | 0.000 |
| Settlement Funding Assessment / Business Rates Baseline | -2.600 | -2.600 | 0.000 |
| | -9.968 | -2.600 | 0.000 |
| | | | |
| Revised MTFP Funding Gap excluding Council Tax and budget savings | 14.335 | 13.250 | 16.660 |
| | | | |
| Total MTFP Funding Gap | | | 44.245 |

2.15 It should be noted that this position assumes that no rightsizing of budgets will be required on an annual basis.

Agenda Item 13

2.16 Within this position it can be seen that there are £55m of Council wide cost pressures across the three years (excluding ASC investment funded by additional Government funding) including the following:

- Children’s Social Care – additional resources of £10.650m, including funding for inflationary pressures (£4.500m) and potential increases in demand for accommodation (£6.000m).
- Home to School Transport - additional resources of £2.300m to fund inflationary pressures (£1.100m) and potential increases in demand for the service (£1.200m).
- Adult Social Care – additional resources of £18.500m to fund the net cost of inflationary provider fee increases.
- Other Inflationary Pressures – additional resources of £21.500m relating to the additional costs of funding pay awards, pension contributions, contract inflation and levy increases.
- Growth Programme – additional resources of £2.390m to fund investment in Council assets.

2.17 The funding gap presented of £44m is **before** taking into consideration any additional locally generated income in the form of Council Tax which would be expected to raise an additional £25.2m subject to Member approval (and assuming the referendum principles from 2023/24 and 2024/25 remain in place).

2.18 A 2.99% increase in the Council Tax rate would be in line with Central Government’s national planning assumptions for 2024/25, and the figures presented include a refreshed council taxbase reflecting forecast housing growth, collection rates and the anticipated cost of the Council Tax Reduction Scheme. The resources a Council Tax increase could potentially generate, including the impact of a 2% Adult Social Care Precept is shown below:

Table 2: Potential Resources generated from Council Tax Increases 2024/25 to 2026/27

| | 2024/25 £'m | 2025/26 £'m | 2026/27 £'m | Total £'m |
|-----------------------------------|----------------|----------------|----------------|---------------|
| Core increase (2.99%) | 4.800 | 5.040 | 5.280 | 15.120 |
| Adult Social Care Precept (2.00%) | 3.200 | 3.360 | 3.520 | 10.080 |
| Total | 8.000 | 8.400 | 8.800 | 25.200 |

2.19 The growth in business rates reflects an annual increase in the nationally set Multiplier which is directly linked to the Consumer Price Index. In recent years businesses have been protected from these inflationary increases and Central Government has reimbursed councils via a grant for the lost income and it is assumed that this will continue to be the case.

2.20 As stated previously, forecasts will continue to be refined as further government announcements are made and clarity received on funding streams and cost pressures.

2.21 In light of the anticipated funding gap over the MTFP period, the Council is developing strategies in order to meet the challenges faced. Given the financial

uncertainty the focus will be on developing a balanced and sustainable budget for the next three years to provide some stability to the organisation.

- 2.22 As discussed earlier in this report, the Council has a demonstrable track record in developing deliverable budget packages that facilitate the delivery of sustainable services to the residents of the Borough, and ensure effective and efficient financial management, but this is becoming increasingly challenging. As such, in approaching this budget cycle, the Council will once again require a comprehensive approach to developing a budget package as the size of the financial challenge is significant, especially when considered against the scale of reduction experienced over the last 13 years. As part of this three-year budget cycle, it will also be important that the Council can demonstrate how it continually demonstrates that it achieves value for money in the delivery of services. The use of comparative data can sometimes generate debate; however the Council will identify key themes, trends and analysis which will be used to inform budget decisions over the three-year period.
- 2.23 The scale of the financial challenge facing the Council over the next three years will require key long term policy decisions to be made at the earliest opportunity if the Council is to remain financially well managed.
- 2.24 The Council's Corporate Plan for the period 2023 to 2026 set out the Borough's key challenges, which will guide the development of the budget package to ensure it is closely aligned to these priorities. These are:
- Children & Young People - Improving outcomes for children and their families.
 - Health & Wellbeing - Improving the health and wellbeing of everyone in Sefton and reduce inequality.
 - Adult Social Care - Empowering people to live an independent life, exercise choice and control, and be fully informed.
 - Working for Our Communities Every Day - Working together to deliver affordable services which achieve the best possible outcomes for our communities.
 - Inclusive Growth - Creating more and better jobs for local people.
 - Financial Sustainability
- 2.25 The process must, as always, remain a careful balance between balancing the budget in the short term whilst still maintaining prudent financial management over the longer term.

3. **Climate Emergency**

- 3.1 As Members will be aware, the Council has declared a climate emergency with the aim of being net zero at 2030. Progress on the project has been positive to date and firm progress towards this goal has been made and is on target. Over the course of this MTFP period, the remaining activities that will deliver on this net zero aim include the replacement of fleet and decarbonisation of a number of buildings including all Leisure Centres. Decarbonisation plans are in place and the Council clearly understands what is required to meet this target, however the estimated cost of the required fleet, boilers, etc., is estimated at £30m. If borrowed this would amount to around £1.5m additional cost per annum. This figure is currently not in

Agenda Item 13

the MTFP calculations as the Council seeks to determine what grants / funding will be made available from central government. This is a key feature of this MTFP.

4. **Member Engagement in the Budget Setting Process**

4.1 In order to facilitate the development of a budget package the Council will utilise a clear budget planning process involving key officers. A series of engagement and update sessions will be held throughout the budget cycle with the outcome being reported to Cabinet Members, on a collective basis, and in advance of February 2024 Budget Council in order that a progressive and informed budget package is developed.

4.2 The final budget package is scheduled in the committee diary to be considered by Overview and Scrutiny (Regulatory, Compliance and Corporate Services) Committee on 6 February 2024, Cabinet on 8 February 2024, and Council on 29 February 2024.

5. **Public Consultation**

5.1 The Council will ensure that as a budget is developed, appropriate consultation, engagement and communication takes place on the proposals for 2024/25 to 2026/27 in the final quarter of 2023.

5.2 Feedback will be shared with members and inform the budget package put forward to be agreed by Council on 29 February 2024.

6. **Financial Resilience**

6.1 The financial resilience of councils is something that has gained a higher profile in recent years, with an increasing number of councils now facing financial difficulties. In addition to the continued uncertainty surrounding Local Government funding and the pressures facing social care services for both adults and children, the current cost of living crisis and increasing inflationary pressures, has the potential to impact further on the financial resilience of many councils.

6.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) publish a Financial Resilience Index that measures the financial resilience of councils. The latest results were announced in May 2023 based on data from financial year 2021/22.

6.3 From this work there are two key issues for the Council. Firstly, when updated for the 2023/24 budget the Council will move from a period of medium risk to one of high risk due to the high amount (in percentage terms) of its budget it spends on demand led services, e.g., Adults Social Care and Children's Services. This is considered high risk as if spending pressures increase either in this area or other areas there is little flexibility to meet this pressure. As reported earlier there is approximately 70% of the Council's budget spent in these areas and this budget cycle needs to have this as a primary consideration, not only due to this risk but also as the Council has a large number of other services it needs to provide. A further increase in the proportion of the budget allocated to these demand led areas will increase the financial risk the Council faces and compromise financial sustainability.

- 6.4 The second key issue is around the level of reserves the Council holds. The Council's Reserves Strategy aids longer-term financial stability and mitigates the potential impact of future events or developments which may cause financial difficulty. The Council has a low level of total reserves compared to other councils.
- 6.5 As detailed later in this report, the Council ensures it has sufficient resources in General Fund Balances but has a much lower level of Earmarked Reserves to fund costs that will arise as a result of existing plans and commitments compared to others. These reserves are not relied upon to fund routine Council expenditure. General Balances and Earmarked Reserves are a key measure of the financial resilience of the Council. Any use of General Fund Balances would need to be reimbursed over the medium-term planning period to ensure that the Council continues to hold a level of Balances within the risk assessed range. Further information on the current level of reserves is set out later in this report.
- 6.6 The Council closely monitors its finances with routine reports being considered by Members on a monthly basis, with quarterly reports including comprehensive performance and risk sections. Remedial action is taken whenever required to offset emerging budget pressures. All savings proposals are regularly reviewed for deliverability and are risk assessed by officers throughout the year. The Council also undertakes regular reviews of its balance sheet risks and takes appropriate action as necessary.
- 6.7 As such the Council has a very strong record of sound financial management and has continued to deliver budget savings each year throughout the last 13 years. These have ensured that it has been able to protect core service provision and remain in a strong position financially.
- 6.8 Planning ahead for the medium-term enables the Council to make strategic and well considered decisions in relation to its finances and service provision. There continues to be uncertainty about the future funding levels for the Council going forward alongside the significant impact caused by the current cost of living crisis and increased inflation and the pressure and Improvement Plan with Children's Services making this approach more important than ever.
- 6.9 The Council does not underestimate the significant challenges faced both nationally by the Local Government sector as well as locally and recognises that dealing with these challenges is becoming increasingly difficult against a backdrop of uncertainty around economic recovery and Central Government support.

7. Capital Programme

- 7.1 In addition to developing a revenue budget package the Council also needs a Capital Programme that continues to invest in both existing operational assets and the development of larger infrastructure projects that will enhance facilities for everyone within the Council's boundaries in addition to the Borough's economy.
- 7.2 As part of the budget package agreed in March 2023 an indicative Capital Programme for the next three years was approved and this aligned with the Council's Capital Strategy. The Council has a Growth Programme now in delivery

Agenda Item 13

that includes the Southport Town Deal programme and investment in Bootle via the government Levelling Up Programme. This total Programme will need robust financial management to ensure it remains affordable and deliverable and in particular that:

- the Capital Programme is set within Prudential borrowing limits and in line with the Council's Capital Financing Strategy as approved by Members in March 2023.
- That capital plans, funding strategies and affordability is continually reviewed as a result of the current and forecast economic issues that exist such as high inflation and supply chain issues; and
- the investment supports the delivery of the Council's corporate Plan.

7.3 In 2023/24, the Authority is planning capital expenditure of £64.106m. The table below identifies the scale of planned Capital expenditure over the medium-term.

Table 3: Estimate of Capital Expenditure over MTFP period 2024/25 to 2026/27

| Capital Expenditure | | | | | |
|----------------------------|---------|---------|----------|----------|----------|
| | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| | £m | £m | £m | £m | £m |
| | Actual | Actual | Estimate | Estimate | Estimate |
| TOTAL | 32.536 | 38.705 | 64.106 | 58.986 | 17.659 |

7.4 The estimated levels of expenditure above represent those elements approved by Council and which have been included within the Capital Programme. A summary of the Council's current Capital Programme was included as part of the Council's main budget report and was published alongside the Capital Strategy document. This continues to be updated as future capital decisions are made. These updates are reported as part of the monthly budget monitoring reports presented to Cabinet.

7.5 One of the fundamental requirements and drivers to maintain and continually update the Council's Capital Strategy is the greater emphasis on locally generated income (e.g., Council Tax and Business Rates) to support local government funding. The reliance on this income to support the delivery of frontline services means that it is important that the Council, working with its partners, optimises the opportunity. As a result, development of economic growth is important in ensuring that financial sustainability for the Council is achieved, and the ambitions as set out in Vision 2030 are met.

7.6 Funding for the Capital Programme is derived from variety of sources including external grants, contributions and capital receipts.

7.7 Capital receipts are generated in accordance with the Council's approved Asset Management Strategy and Disposal policy. There are currently approximately £30m of capital receipts either received or in the pipeline of activity which are being used to support the Growth Programme.

7.8 The Southport Town Deal projects – which were approved by the Department for Levelling Up, Housing and Communities (DLUHC) – have been included within the

estimates of capital expenditure above. Southport is set to receive £37.5m in government grant funding for a range of projects across the town centre and seafront following the successful bid and the award represents one of the largest Town Deals that the government has agreed nationally and across 101 towns.

- 7.9 Additional funding of £20m for Bootle has also been provided as part of the government's Levelling Up Programme which will support the regeneration of the town centre.

8. **Council Wholly Owned Companies**

- 8.1 The Council wholly owns three companies who provide services on its behalf. These are Sandway Homes Limited, Sefton Hospitality Operations Limited and Sefton New Directions.

- 8.2 While they operate at arms-length from the Council, the Council remains at least partially responsible for their performance and can be impacted by financial pressures they face and risks they carry. As such it is prudent for the Council to recognise potential cost pressures the companies face in its financial scenario, to the extent that they may affect the Council's future budgets.

- 8.3 Within the current financial environment of the UK there are two sectors that are under substantial financial pressure- the adult social care market and the housing sector. The main risks over the current financial planning period therefore relate to Sefton New Directions and Sandway Homes Limited. Sefton New Directions is facing financial challenges around staff costs, inflation and providing care, whilst Sandway Homes is being impacted by cost of construction, supply chain issues and the timing and pace of sales of homes due to interest rate increases.

- 8.4 A report on Sefton New Directions was presented to Cabinet in July and this outlined the comprehensive review of the business model for the Company - the outcome from this review will be considered at October Cabinet. Elsewhere on this agenda an updated Phase 1 Business Plan for Sandway Homes Limited is included together with the financial issues and implications that are arising.

- 8.5 In respect of Sefton New Directions despite losses in 2022/23 and forecast losses in the current year, reserves of £1.8m are forecast to be available to the Company at 31 March 2024. With a full review of the operating model being undertaken at present it is not anticipated that there will be an impact on the wider Council's finances.

- 8.6 In respect of Sandway Homes Limited, the latest business plan forecast for Phase 1 states that the dividend to be received will be £0.300m with the timing of financial returns in respect of peak debt, dividend and capital receipts being as previously reported. The Company continually updates the key aspects of what an exit strategy would look like but at this stage it is not forecast that there will be an impact on the Council's wider finances, however this will be kept under continual review.

- 8.7 The Council continues to work closely with all of its companies' experiencing income or cost pressures so that it can consider any actions that may need to be taken.

Agenda Item 13

9. Next Steps / Timetable

- 9.1 Given the period of this Medium-Term Financial Plan the intention is to set a three-year budget covering this period. The key next steps are as follows:
- Budget planning sessions to be held to refine the budget package and bridge the funding gap.
 - Continue to review and refine the financial scenario in light of the latest information available.
 - Budget engagement.
 - Consider the budget package in light of the Provisional Local Government Financial Settlement expected in December 2023; and
 - Finalise a budget package with the draft Budget Report to be considered by Overview and Scrutiny Committee and Cabinet before full Council.

10. General Balances and Earmarked Reserves

10.1 As part of its financial management process, the Council ensures it has set aside resources in General Fund Balances to fund unforeseen costs that may arise. In addition, the Council also holds Earmarked Reserves which have been provided for, for specific existing plans and commitments. The Council's approach to managing these balances and reserves was set out in the Budget Report approved by Council in March 2023.

10.2 Following the risk assessment undertaken at that time it was considered an appropriate level of General Balances for the Council would be in the region of 6.5% of the net revenue budget. Allowing some flexibility around this figure for changing circumstances, General Fund Balances between £15.9m and £17.9m would be considered prudent as a target for March 2024.

10.3 As at 31 March 2023 the Council held General Balances of £11.991m and Earmarked Reserves of £51.790m (£22.475m of which relates to unutilised Revenue Grants and Contributions). The budget for 2023/24 included a contribution to General Balances of £4.423m so balances are budgeted to increase to £16.414m by 31 March 2024. This amount of General Balances is within the risk assessed range at this time, however the risks facing the Council continue to increase, therefore it is likely that this sum will also need to increase. It is suggested that a sum of £23.00m should be the level of General Fund Balances that should be reached during this MTFP period (and importantly if any are used then they should be replenished in the same period). This higher level also reflects that unlike some other councils, Sefton does not have a historically high level of Earmarked Reserves that it could call on should there be an immediate or unforeseen financial shock.

10.4 In May 2023 DLUHC provided an update on levels of reserves and balances held by councils and whilst the Council's General Fund Balances were slightly higher than the median level across the country which is positive (at 6.13% vs 5.93%), as stated the Council has Earmarked Reserves that are substantially lower than the same comparator local authorities. The Council has always taken the view that Earmarked Reserves should only be held for a specific purpose, hence the continual review, however this level does mean that the flexibility reduces if an adverse situation develops that could require the redirection of resources. From

the current analysis it is estimated that £12m of Earmarked Reserves could be redirected to support the Council's wider budget position should a financial shock be experienced - this includes £9m in respect of the Environmental Warranty reserve which has been held for over 17 years and is currently the subject of review to determine its future. As such it is important that the General Fund Balances are at a level that compensates for this lower level of Earmarked Reserves.

- 10.5 As part of the in-year monthly monitoring that is undertaken and reported to Cabinet, Members will be aware that a surplus is forecast in respect of Business Rates. This is mainly due to changes in the Appeals Provision as a significant number of appeals were settled by the end of 2022/23. This position does not impact on the 2023/24 budget position but a one-off surplus of £4.8m could be available in 2024/25, depending on the amount that is required to be set-aside for future appeals against the latest Business Rates revaluation. If added to the current General Fund Balances of the Council, this would increase the level of Balances held to £21.214m on 1 April 2024.
- 10.6 In moving to this position, it is also recommended that consideration be given to an annual contingency being set up in respect of Children's Social Care to manage any cost pressure that arises between setting the budget (usually based on information as at end November) and the end of the financial year. This budget has increased from £39.2m in 2018/19 to £80.1m in 2023/24, but despite this and the forensic work that has taken place to inform each annual budget, it has overspent each year - this puts pressure on using General Fund Balances and also on other services to underspend to balance the in-year position, therefore it is considered that this is a specific risk that should be addressed in this MTFP period. If in discussions between senior officers, it is considered that the service is stabilising and this pressure will no longer materialise and the forecasting is more robust, this would not be required.
- 10.7 As part of this budget setting process the Council will review all of its Earmarked Reserves with due regard being given to the impact of any emerging issues and any other strategic financial decisions that will be made over the next four years.

11. **High Needs Deficit**

- 11.1 Win addition to the Council's General Fund Balances and Earmarked Reserves there are also those in respect of the Dedicated Schools Grant. As has been reported continually over recent years, the key issue and risk within this is the deficit balance in respect of the High Needs Budget. This has grown gradually since system reform in 2013. Up until 2019/20 the growth in the deficit was £1m-£2m per year so that the total was £5.4m at the end of 2019/20. This rate of increase however has grown significantly since that point with the deficit increasing by £6.2m in 2022/23 and forecast to increase by a further £6.6m in 2023/24. The deficit will therefore be in the region of £25.3m by the end of 2023/24. This has been driven by the number of EHCP's increasing from 1,765 at the start of 2020 to 2,857 at the end of June 2023.
- 11.2 With this being an issue for a number of councils across England the Council has been part of the Delivering Better Value programme. This programme estimates that without intervention the deficit on the High Needs Block will increase to over

Agenda Item 13

£100m by 2028. At the end of 2021/22 the deficits across England amounted to £2.5bn and are increasing by £0.5bn per year.

- 11.3 There is currently a statutory override in place until March 2026, that ringfences this deficit and the advice is that this should not impact on the General Fund of councils, however the risk is that when this override finishes the General Fund will have to fund the deficit. The Council has and will continue to lobby that this is a DSG issue, and the impact should either be met from the DSG or from central government funding or reform, however this risk is real and cannot be ignored.
- 11.4 When the deficit was increasing at a modest amount annually the Council could realistically have put in a recovery plan to meet this over, for example, a similar time period to which it has built up, e.g., a decade, but with annual increases of £5-£7m this is not possible. Therefore, engagement is required across the sector and with central government departments on how this will be addressed post 2026.

12. Insurance Fund

- 12.1 The Council holds an Insurance Fund on its Balance Sheet that provides the financial resources required to cover existing and future claims. This Fund is externally reviewed every other year to ensure that the Fund is sufficient to meet future liabilities. This is informed by the level of insurance claims received, estimated claims based on events that will have happened, but claims have not been made, and potential claims in future years.
- 12.2 During the current year the Council has conducted a procurement exercise in respect of its insurance cover. This has led to an increase in the premiums to be paid of 34%. This has a direct impact on the Insurance Fund, reducing the resources available to fund the costs of claims. This will also need to feed into the next review of the Fund in April 2024 and the potential implications will need to be reflected in this next three-year budget plan.

13. Debt/Borrowing

- 13.1 Members will recall from the Treasury Management Strategy approved in March 2023 that over the last decade, due to the prevailing market conditions, the Council has chosen not to undertake any long-term borrowing to support its capital expenditure. This is with the exception of the purchase of the Strand Shopping Centre and some other nominal amounts. The Council has instead chosen to temporarily fund capital expenditure by internally borrowing resources from its cash balances.
- 13.2 When long term interest rates (which determine interest payable on new long-term loans) are significantly higher than short-term interest rates, and this situation is expected to prevail for the foreseeable future, then a policy of internal borrowing is appropriate as it minimises the net cost of interest payable by the revenue budget over the medium-term. A policy of internal borrowing also reduces the credit risk faced by the Council.
- 13.3 When the Council's cash balances have reduced to levels such that it can no longer internally borrow (and this will be impacted by the High Needs Deficit), the Council will need to take advice from its treasury management advisor, Arlingclose, on the appropriate borrowing strategy. This will be reported to Budget Council and Audit and Governance Committee.

- 13.4 At 31 March 2023 the Council had £133.694m of external borrowing (loans advanced from the Public Works Loan Board (PWLB)) and in the region of £90m of internal borrowing.
- 13.5 The advice from Arlingclose is that the Council should continue with its existing policy of internally borrowing rather than undertaking significant new long-term borrowing to repay the internal borrowing for as long as it is possible. The capital financing budget for the Council will therefore reflect this policy. Officers will, however, continue to liaise with Arlingclose on this issue and should the advice received change Members will be advised accordingly.

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COUNCIL – 14 SEPTEMBER 2023

REPORT OF THE LEADER OF THE COUNCIL

COUNCIL CONSTITUTION – RULE 46 (WAIVING CALL-IN) PROVISIONS

I wish to report that the Chair of the Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) gave her consent, under Rule 46 (Waiving Call-In) of the Access to Information Procedure Rules set out in the Council's Constitution. The report was in relation to the Pre-procurement report: Supply of Fruit & Vegetables and it was not subject to call-in on the basis that the decision could not be reasonably deferred because a new Fresh Fruit & Vegetables supplier needed to be in place for the start of the new school term in September as our current supplier had ceased trading.

CABINET – 27 JULY 2023

43. Pre-Procurement Report : Supply of Fruit & Vegetables

The Cabinet considered the report of the Assistant Director People (Operational In-House Services) seeking approval to commence a mini competition procurement exercise for the Supply of Fruit and Vegetables via the University Catering Organisation (TUCO) framework agreement, of which the Council was a member.

Decision(s) Made:

That

- (1) a mini competition procurement exercise for the Supply of Fruit & Vegetables for the Catering Service via the TUCO framework agreement, of which the Council is a member, be approved; and

Rule 46

- (2) it be noted that the Leader of the Council and the Chair of the Overview and Scrutiny Committee (Regeneration and Skills) had given their consent under Rule 46 of the Overview and Scrutiny Procedure Rules for this decision to be treated as urgent and not subject to "call in" on the basis that it cannot be reasonably deferred because a new Fresh Fruit and Vegetable supplier needs to be in place for the new school term in September. The current supplier of Fresh Fruit & Vegetables has stated that the company will cease to trade in the near future and will not be able to supply the service from September onwards.

Reasons for the Decision(s):

To comply with The Council's Contract Procedure Rules 2023, Cabinet approval was required prior to the commencement of the procurement exercise with a value exceeding the Public Contracts Regulations Spend Threshold (i.e. £533,691.00 for goods/services).

Agenda Item 14

The Framework was compliant with the Public Contract Regulations and Officers from the Council's procurement section were satisfied that it could be used for this purpose.

The Assistant Director People (Operational In-House Services) had delegated authority to award, negotiate and enter into the contract that arose from the procurement exercise.

Alternative Options Considered and Rejected:

None.

COUNCIL – 14 SEPTEMBER 2023

REPORT OF THE LEADER OF THE COUNCIL

COUNCIL CONSTITUTION – RULE 46 (WAIVING CALL-IN) PROVISIONS

I wish to report that the Chair of the Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) gave her consent, under Rule 46 (Waiving Call-In) of the Access to Information Procedure Rules set out in the Council's Constitution. The report was in relation to the Disposal of Meadows and ATC Site, Ainsdale, and it was not subject to call-in on the basis that the decision could not be reasonably deferred because of the need to facilitate the completion of the land sale transfer with The Riverside Group as soon as practically possible, which will allow the demolition of existing buildings to commence. The site has been a target for anti-social behaviour with youths causing damage to buildings and nuisance to local residents. It is essential that the buildings are removed as swiftly as possible to remove this public health risk.

CABINET – 27 JULY 2023

54. Disposal of Ainsdale ATC and Meadows Site, Sandbrook Road, Ainsdale

The Cabinet considered the report of the Executive Director of Corporate Resources and Customer Services requesting approval to complete the asset disposal of the Meadows/Sandbrook ATC site in Ainsdale to Registered Provider, The Riverside Group. Following the disposal, the site would be redeveloped to provide affordable housing, an extra-care housing scheme, and a learning disabilities and autism short-term assessment unit (STAU), the latter to be owned by the Council.

The report set out the background to the matter and site plans were attached to the report.

Decision(s) Made:

That

- (1) the sale of the Council's freehold interest in land at Sandbrook Road, Ainsdale, shown edged red on the plan within Appendix 2 of the report, to The Riverside Group on the basis of the Heads of Terms detailed within Appendix 1 of the report, be approved;
- (2) the transfer of the relevant section of the existing highway land, as detailed in Section 4.2 of the report, from The Sovini Group to the Council at a nominal value, which will in turn form part of the wider land sale transfer to The Riverside Group, be approved;
- (3) a supplementary capital estimate in the Adult Social Care capital budget programme of £0.987m to deliver the STAU be approved. This is in addition to the £2.580m that was previously approved by the Council following a recommendation from the Cabinet in September 2021 and is funded by the Better Care Fund – Disabled Facilities Grant (DFG). This development is

Agenda Item 14

within the conditions of the DFG grant that permit the Local Authority to expend a proportion of its allocation on other social care projects;

- (4) the deduction of up to 4% of the eventual capital receipt to cover the professional fees and incidental costs of disposal as set out in Capital Accounting Regulations, be approved;
- (5) authority be delegated to the Executive Director of Adult Social Care and Health, in consultation with the Cabinet Member – Adult Social Care, to approve any design changes to the STAU during the delivery phase and associated cost increases as a result of varying the contract;
- (6) the Chief Legal and Democratic Officer be authorised to complete the necessary legal formalities for the transfer of the section of highway land from The Sovini Group to the Council and in turn dispose of the land shown edged red on the plan within Appendix 2 of the report to The Riverside Group;
- (7) the Chief Legal and Democratic Officer be authorised to complete the necessary legal formalities in relation to the development agreement for The Riverside Group to construct the STAU, on the Council's retained land shown edged red on the plan within Appendix 3 of the report;
- (8) the fact that The Riverside Group's contractor partner will commence site works immediately, and the new Short Term Assessment Unit is anticipated to be fully operational by July 2026, be noted; and

Rule 46

- (9) it be noted that the Leader of the Council and the Chair of the Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) had given their consent under Rule 46 of the Overview and Scrutiny Procedure Rules for this decision to be treated as urgent and not subject to "call in" on the basis that it cannot be reasonably deferred because of the need to facilitate the completion of the land sale transfer with The Riverside Group as soon as practically possible, which will allow the demolition of existing buildings to commence. The site has been a target for anti-social behaviour with youths causing damage to buildings and nuisance to local residents. It is essential that the buildings are removed as swiftly as possible to remove this public health risk.

Reasons for the Decision(s):

This property transaction ensured delivery of a new Short Term Assessment Unit and a 90-unit extra care housing scheme that would support strategic aims of Adult Social Care. This project had already been approved by the Cabinet on 29 July 2021.

Alternative Options Considered and Rejected:

- (i) Option 1 – “*Do nothing*”: do not dispose of the site to Riverside. This would result in no new autism care facility on the site. The Council would continue to utilise current provision and out-of-Borough placements which did not meet its needs and were financially unsustainable. There were also holding costs attached to the vacant assets on the site as well as ongoing anti-social behaviour which required constant review, management and revenue expenditure.

Risk: a continuation of current out-of-Borough placements would mean that the Council continued to incur substantial revenue costs.

- (ii) Option 2 – “*Redevelop the Meadows site for alternative use*”: this might generate a higher capital receipt but leave the Council with having to use existing building-based provision – this had been explored and discounted as an option as refurbishment and redevelopment of several existing care facilities would be at a higher cost and the technology and space standards could not be integrated due to age of buildings. In addition, there would be a need to identify alternative services/placements whilst this happened for an extended period.

Risk: higher capital cost to the Council and refurbishment of older buildings may not meet the stringent care quality standards set by wider NHS partners.

- (iii) Option 3 – “*Design and build of the STAU solely by the Council*”: would have an additional capital impact of £0.75m. By pursuing a partnership approach, the Council would be benefiting from the economies and capacity to deliver the scheme as part of the larger build contract.

Risk: higher capital costs to the Council and there would be additional resourcing requirements. A professional team would need to be procured to lead on technical design and the procurement of building contractor.

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COUNCIL MOTION

14 September 2023

Proposed by: Mike Prendergast

Seconded by: Sir Ron Watson

Title: Members' Allowances

The Leader of the Council will know that those Elected Members who resigned the Labour Whip and sat for a period as Independents refused to participate in the full workings of the Council by deciding not to accept positions on the Council's Committees.

Committee work is a critical part of the responsibilities of all Councillors and there is no precedent in the history of Sefton for Members taking the position that has been outlined.

Whilst those concerned at the time were prepared to undertake what can best be described as 'Ward work' deciding to absent themselves from a clear element of responsibility can best be described as a dereliction of duty and is not in the best interests of their constituents.

One element of Members' Allowances clearly reflects the need to play a full part in the work of a Councillor and in these circumstances would the Leader of the Council agree to make representations to the Local Government Association to give Local Authorities the authority to reduce the Members' allowance in cases such as this to reflect the concern at the lack of full involvement in the responsibilities Members should accept when elected.

There is no current provision within the regulations set nationally to allow this level of local discretion based on circumstances such as those outlined which is why representations to the LGA represents the best way forward in terms of granting Councils the ability to make their own decisions in this area.

Therefore, this Council resolves:

- to ask the Leader of the Council to make representations to the Local Government Association that they raise this issue at a national level.
- To ask the Leader of the Council to write to the Secretary of State to request a review of the current regulations around Member's Allowances so that Local Authorities have greater discretion in being able to reduce payments to those Members who have been allocated committee places but refuse to take them up.

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COUNCIL MOTION

14 September 2023

PROPOSED BY: Sir Ron Watson

SECONDED BY: Mike Prendergast

TITLE: Vehicle Parking Dukes Ward

Whilst it is accepted that Notices of Motion should normally be submitted when they have some bearing on the policy and/or strategic direction of the Council but there are occasions when a longstanding ward issue for Members who represent the area reach the stage where they need a higher level of senior involvement at both Member and Officer level.

Dukes Ward in Birkdale is the site of the Smedley Hydro complex.

The Smedley site provides a very important public service and employs not insignificant numbers of the local population in the Borough and on those two criteria alone it is an asset.

However, a complex of this size would not now be granted planning permission and it is no exaggeration to say that there has been a constant problem for decades over the vexed issue of car parking for Smedley employees.

Whilst the Council has made serious efforts to resolve some of the issues it remains a contentious problem and the adjoining residential roads and avenues suffer as a result as far as local residents and visitors are concerned. The attempts made so far have to a large degree simply moved the problem from one area to another.

Whilst it was hoped that the move towards home working would alleviate the problem it does not seem to have made any discernible difference.

Ward Councillors have attempted to have the Highways Department, in conjunction with other agencies such as the Police, undertake a thorough overall review but Councillors have been advised that the resources required to do such an in-depth study are not available and this financial aspect is one reason why wider consideration needs to be given to helping resolve the difficulties.

The Council therefore resolves to:

1. Initiate and undertake a thorough review of parking in the area affected and as part of this process invite other interested parties.

Agenda Item 17

2. Smedley Hydro management should be asked to provide senior managerial input as part of this process.

3. As there is involvement by the Home Office on a national basis in addition to the representations already made the Member of Parliament should form an integral part of the issues to be addressed.

4. The Southport & Birkdale Cricket Club should also be included as they had previously provided, by agreement with Smedley Hydro, car parking facilities for Smedley Hydro staff.

5. Residents of the area should be consulted and the appropriate documentation provided to enable them to have their own individual input.

Such a process now remains the only viable option and what is outlined in terms of recommendations would in itself help mitigate the continual and growing concern from reasonable residents whose lives are often blighted by this situation.

COUNCIL MOTION

14 September 2023

PROPOSED BY: Councillor Lloyd-Johnson

SECONDED BY: Councillor Pugh

TITLE: Two Child Benefits Cap

We read with great sadness that Government figures for 2020-21 show that in Sefton 9501 (16%) of children and young people aged 0-19 were living in relative poverty¹. Relative poverty is defined by the Joseph Rowntree Foundation as, “where households have less than 60% of contemporary median income².”

The Department for Work and Pensions puts the 60% figure at just £202 per week for a lone parent with one child or £367 per week for a couple with 2 children³.

We believe that this situation is unsustainable, particularly as economic turmoil continues in the United Kingdom. We are in a cost-of-living crisis and the Government should be acting to protect those in society who are most vulnerable. There can be few more vulnerable than children born into homes who simply do not have enough income to pay for the most basic items and services.

The two-child benefit cap prevents parents from claiming child tax credit or universal credit for any third or subsequent child born after April 2017⁴. It has affected an estimated 1.5 million children⁵.

We believe the two-child benefit cap is economically misguided, societally damaging and immoral.

This Council notes;

House of Commons Library data shows that if the cap was removed it would lift 270,000 households out of poverty at a cost of £1.4 billion⁶.

Poverty in childhood has been strongly linked to detrimental effects in later life. Those born into poverty are proportionally more likely to suffer homelessness, addiction issues and family breakdown⁷.

This Council resolves to;

Put on record its support for the removal of the two-child benefit cap.

¹ <https://www.sefton.gov.uk/media/6096/childhood-poverty-strategy-2022.pdf>

² <https://www.jrf.org.uk/about-us/what-is-poverty>

³ <https://trustforlondon.org.uk/data/poverty-thresholds/>

⁴ <https://www.theguardian.com/society/2023/jul/16/two-child-benefit-cap-explainer>

⁵ <https://www.theguardian.com/society/2023/jul/16/two-child-benefit-cap-explainer>

⁶ <https://edm.parliament.uk/early-day-motion/61220/the-twochild-benefit-cap>

⁷ <https://www.jrf.org.uk/about-us/what-is-poverty>

Agenda Item 18

Ask the Council's Chief Executive to write to the Chancellor and Shadow Chancellor expressing these views and making them aware of the Sefton Child Poverty Strategy.

Ask the Council's Chief Executive to write to each of the Members of Parliament representing areas within the borough, expressing the Council's support for the scrapping of the two-child benefit cap.

Release, through the Council's existing press mechanisms, a public statement that makes clear that councillors have resolved that they support the removal of the two-child benefit cap.