

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	Thursday 2 February 2023
<b>Subject:</b>	Financial Management 2022/23 to 2024/25 and Framework for Change 2020 - Revenue and Capital Budget Update 2022/23 – February Update and Three-Quarter Review		
<b>Report of:</b>	Executive Director of Corporate Resources and Customer Services	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Leader of the Council		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No		

### Summary:

To inform **Cabinet** of:

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

### Recommendation(s):

**Cabinet** is recommended to:

#### Revenue Budget

- 1) Note the current position relating to the 2022/23 revenue budget.
- 2) Note the actions being taken to offset the budget pressures being faced in 2022/23.
- 3) Recognise the financial risks associated with the delivery of the 2022/23 revenue budget and acknowledge that the forecast outturn position will continue to be reviewed, and remedial actions put in place, to ensure a balanced forecast outturn position and financial sustainability can be achieved.
- 4) Note the current position relating to the High Needs budget and that officers are

currently reviewing all options available to the Council to mitigate the additional pressure and to make the overall High Needs budget financially sustainable.

### **Capital Programme**

- 5) Note the spending profiles across financial years for the approved capital programme (paragraph 8.1).
- 6) Note the latest capital expenditure position as at 31 December 2022 of £24.208m (paragraph 7.6); the latest full year forecast is £46.707m (paragraph 7.8).
- 7) Approve a supplementary capital estimate for £0.500m for the Crosby Lakeside Development project fully funded by grant from the Combined Authority (paragraph 7.5).
- 8) Note that capital resources will be managed by the Executive Director Corporate Resources and Customer Services to ensure the capital programme remains fully funded and that capital funding arrangements secure the maximum financial benefit to the Council (paragraphs 7.14-7.16).

### **Performance**

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

### **Risk Management**

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

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

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

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

To keep members informed of the progress of the Capital Programme against the profiled budget for 2022/23 and agreed allocations for future years.

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

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

To ensure Cabinet are information of key performance information and risk management areas.

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

None

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

### (A) Revenue Costs

The report indicates that for 2022/23 an overspend position of £3.467m is currently forecast and that further mitigating actions will 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 be used.

### (B) Capital Costs

The Council's capital budget in 2022/23 is £47.378m. As at the end of December 2022 expenditure of £24.208m has been incurred and a full year outturn of £46.707m is currently forecast.

## Implications of the Proposals:

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

Currently an overspend position of £3.467m is forecast for 2022/23. Therefore, further mitigating actions will be required to ensure the Council returns to a balanced forecast outturn position. However, it should be noted that significant pressure and risk remains, particularly relating to Children's Social Care and energy costs. If these budgets experience further demand and inflationary pressure during the remainder of the year further corresponding savings or financial contributions will need to be identified and approved by members.

### Legal Implications:

None

### Equality Implications:

There are no equality implications.

### Climate Emergency Implications:

The recommendations within this report will

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

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.

<b><u>Protect the most vulnerable:</u></b> See comment above
<b><u>Facilitate confident and resilient communities:</u></b> See comment above
<b><u>Commission, broker and provide core services:</u></b> See comment above
<b><u>Place – leadership and influencer:</u></b> See comment above
<b><u>Drivers of change and reform:</u></b> See comment above
<b><u>Facilitate sustainable economic prosperity:</u></b> See comment above
<b><u>Greater income for social investment:</u></b> See comment above
<b><u>Cleaner Greener:</u></b> 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 7104/23)

The Chief Legal and Democratic Officer has been consulted and has no comments on the report (LD 5304/23).

**(B) External Consultations**

N/A

**Implementation Date for the Decision**

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

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**Appendices:**

The following appendix is attached to this report:

APPENDIX A – Capital Programme 2022/23 to 2024/25

**Background Papers:**

There are no background papers available for inspection.

## 1. **Introduction**

- 1.1 On 3 March 2022, Members approved the Budget for the financial year 2022/23. This budget was developed throughout the preceding nine months and took account of all known issues. Within that report, and as with previous years, the inherent financial risk within the budget, especially with respect to Children's Services, was identified. This was further reflected within the reserves' strategy for the Council.
- 1.2 A report to June's Cabinet and Council on 14 July, provided an update for Members of the financial position with the Council for events that had materialised since the budget was approved in March, including the increased cost of providing Children's Services and the increase in energy costs affecting the Council from global price increases. A remedial action plan was presented in the report and approved by Council.
- 1.3 The report to July's Cabinet outlined that those pressures continued across a number of service areas, that an overspend in the region of £2.2m was forecast. The report to September's Cabinet outlined that pressures had increased further, primarily as a result of the impact of the initial offer for the local government pay award and further pressure within Children's Social Care. A further remedial action plan was presented in the report and approved by Council. This took the total value of pressure that had been met in year to in excess of £20m.
- 1.4 This report includes the latest Council budget monitoring report as at December and thereby updates the revenue forecast outturn position for all services, including the pressures previously identified in the previous reports. It is this position that also informs next year's budget setting process in terms of financial issues that will continue into the next year and need to be addressed.
- 1.5 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.
- 1.6 The capital section of the report informs Members of the latest estimate of capital expenditure for 2022/23 and forecast expenditure for 2023/24 and 2024/25. The capital budget to date is presented in paragraph 7.1. Paragraphs 7.9 to 7.13 review progress of the capital programme. Finally, paragraphs 7.14 to 7.16 confirm that there are adequate levels of resources available to finance the capital programme.
- 1.7 The report to Cabinet in November outlined that as part of the outcome of the Local Government Association Peer Review Revisit that took place in April 2022, the peers had recommended "a combined three-pronged approach which routinely enables an understanding of risk, performance and finance is key." As a result, the report presented a Mid-Year Review of finance, performance and risk and it was proposed that this approach is followed at each quarter. Therefore, this report also includes key performance information and key risk management areas to develop a comprehensive three-quarter year position.

2. **Revenue Budget 2022/23 – Forecast Outturn Position as at the end of December 2022**

- 2.1 Members are provided with updates of the Council’s forecast financial revenue position each month during the financial year from July.
- 2.2 The report to Cabinet in June 2022 highlighted the significant financial pressures being faced by the Council relating to Children’s Social Care and energy costs that were unforeseen at the time of setting the budget. A remedial action plan was approved to meet these estimated costs during 2022/23. These are included in the forecast outturn position below.
- 2.3 The report to Cabinet in July 2022 outlined that pressures had continued in several service areas and a net overspend of £2.197m was forecast. The report to September’s Cabinet outlined that pressures had increased further, primarily as a result of the impact of the initial offer for the local government pay award and Children’s Social Care. A forecast overspend of £7.743m was reported. A further remedial action plan was approved to meet these estimated costs during 2022/23. At this point the total value of these remedial plans is in excess of £20m for the year. However, it was acknowledged that pressures might increase further, particularly relating to assumptions around high-cost accommodation charges and the cost of agency staffing within Children’s Social Care which required further financial modelling in order that a further accurate figure could be provided. It was also outlined that if these pressures materialised additional remedial actions would need to be implemented to ensure a balanced forecast outturn position, potentially including the adoption of financial principles used in previous years.
- 2.4 Since September’s monitoring, there has been a worsening of the position relating to Adult Social Care and Children’s Social Care but a reduction in forecast energy costs as well as savings across a number of other service areas. As at the end of December 2022, the forecast outturn shows a net overspend of **£3.467m**. As with all organisations at this time, the Council is operating in a very challenging financial environment. However, it is vital that the Council achieves a balanced forecast outturn position to ensure its financial sustainability. Proposed actions to meet this forecast overspend are outlined in paragraphs 2.8 to 2.11.
- 2.5 The table below highlights the variations across services that make up the £3.467m forecast overspend:

	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Variance</b>	<b>Variance to November</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	
<b><u>Services</u></b>				
Strategic Management	4.024	4.029	0.005	-0.003
Adult Social Care	102.090	103.490	1.400	0.000
Children's Social Care	52.069	70.269	17.900	0.923
Communities	17.591	16.625	-0.966	0.000
Corporate Resources	5.559	4.932	-0.627	-0.033

Economic Growth & Housing	6.583	6.423	-0.160	-0.122
Education Excellence	11.299	12.902	1.603	-0.019
Health & Wellbeing	19.349	18.626	-0.723	0.011
Highways & Public Protection	11.214	10.822	-0.392	0.007
Operational In-House Services	15.013	15.592	0.579	-0.089
Energy Costs	0.000	2.100	2.100	0.000
Additional Pay Award Provision	0.000	4.100	4.100	0.000
<b>Total Service Net Expenditure</b>	<b>244.791</b>	<b>269.610</b>	<b>24.819</b>	<b>0.675</b>
Council Wide Budgets	0.076	-1.076	-1.152	0.000
Levies	35.222	35.222	0.000	0.000
General Government Grants	(72.356)	(72.356)	0.000	0.000
Remedial Action Plan - June	0.000	-12.500	-12.500	0.000
Remedial Action Plan – September	0.000	-7.700	-7.700	0.000
<b>Total Net Expenditure</b>	<b>207.733</b>	<b>211.200</b>		
<b><u>Forecast Year-End Deficit</u></b>			<b><u>3.467</u></b>	<b><u>0.675</u></b>

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

- **Adult Social Care** – Previous forecasts have assumed that the Adult Social Care budget will break-even during 2022/23. However, it was reported in December that there are some significant financial pressures arising due to increases in numbers of clients in nursing and residential as well as overspends in Supported Living and Day Care. Additional pressures including agency and consultancy costs are also being seen. It is currently forecast that there will be a net overspend of £1.400m. Further work is being undertaken to refine the forecasts, including around client numbers and associated income levels, as well as the achievement of savings from the Demand Management programme.
- **Children’s Social Care** – The current forecast for the service shows a potential overspend of £17.900m, an increase in the figure reported to Cabinet in December of £0.923m.

This increase since last month has been driven by the following:-

1. £0.573m increase in Family Support Packages – this is as a result of new placements; and,
2. £0.322m increase in the costs of managed teams and agency staff.

The service continues to see rising demand and further investigatory work is ongoing with partner agencies with the aim of addressing this. Overall, the overspend is 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,
- Since the July report 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 £7.5m. Since the budget was set in March there has been an increase in Independent Residential Placements from 69 to 75. In addition, there are now more cases requiring high-cost accommodation and support than previously, and the costs of these have also risen significantly. Some new cases are now initially costing substantial amounts per week.

Members will be familiar from previous reports 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 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 and from this a remedial plan is anticipated to be completed next month.

- **Education Excellence** – The current forecast shows a potential net overspend of £1.603m, with an overspend of £1.769m relating to Home to School Transport forecast. There has been an increase in the number of children being transported, especially relating to out of borough placements. In addition, there has been an increase in the cost of providing the transport, particularly from September.
- **Operational In-House Services** The current forecast shows a potential overspend of £0.579m. This relates to a number of areas across the Service, including forecast shortfalls in income on Burials and Cremations, Catering, Green Sefton activities (mainly golf courses) and vehicle maintenance.
- **Energy Costs** – As reported in June, the global increase in energy prices is having a significant impact on the Council's energy and fuel costs. As reported last month, the Council has received updated information from the Council's framework providers on the fees being paid, as well as the potential benefit from the energy price cap for organisations. It is estimated that the net impact will be £2.100m. This will continue to be closely monitored as more information becomes available, including impact of the energy price cap. It should be noted that energy is a national issue affecting all local authorities. However, the Government have advised that no additional funding will be made available for local government, despite representations made both nationally and locally.
- **Additional Pay Award Provision** – The approved Base Budget included a provision for the 202/23 pay award of 3%. This was in line with most other local authorities who had budgeted for between 2.5% and 3% (and when the Spending

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 equates to an increase in the pay bill of about 6.5% or an additional £4.100m above the amount included in the 2022/23 budget. As previously mentioned for energy costs, this is a national issue for local government however Government have made it clear that no additional funding will be made available.

From the above it can be seen that additional pressures of about £25.1m are being experienced and this mainly reflects the pressure in Children's Social Care and that experienced from energy costs and the additional pay award. Although many of the causes of pressures on children services are being seen nationally, there are many which are Sefton specific e.g., increases in numbers of Looked After Children and increases in accommodation and agency costs), however the energy and pay award pressures of £6.2m are impacting on all local authorities. These costs were not reflected in the funding provided as part of the Local Government Finance Settlement for 2022/2023 and the Government has made it clear than no additional funding will be made available, meaning the Council needs to make remedial plans to meet these pressures.

It can be seen from the Cabinet reports presented each month that the forecast overspend position on Children's Social Care has increased each month. The information provided in this report is based on the latest information provided by the service, however in light of the month on month increase this year there is a significant risk that this position will worsen further in the remaining three months of the year. Work has been done within the service to ensure that the decision-making controls are robust and effective to support financial control around agency expenditure and accommodation costs and it is essential that these are maintained and continually reviewed due to the unprecedented position that the service and the council is in. Work is being undertaken by the service to determine if further financial pressure is anticipated and this will be reflected in the next monitoring exercise that takes place.

### **Proposed Remedial Actions**

- 2.7 As reported in the last three months, given there is still a forecast deficit it is proposed to undertake a number of remedial actions, including the adoption of financial principles used in previous years, to enable a balanced forecast outturn position to ensure its financial sustainability. The proposed / implemented actions are:

#### **Recruitment Freeze**

- 2.8 The Council has introduced a recruitment freeze until the end of the financial year. This will apply to all services across the Council with the exception of Adult Social Care, Children's Social Care, Cleansing, Early Help and Special Educational Needs and Disability. Savings from non-recruitment of current vacant posts are now built into the forecast outturn position. Savings from the non-recruitment to posts as they become vacant across the remainder of the year will be built into future forecasts.

### No Further Overspend in any Service

- 2.9 All services must manage their budgets to ensure that their forecast outturn position does not worsen from that currently reported.

### No Further Growth Items or Additionality

- 2.10 All services to pause any requests for growth or additionality, even if it could be funded from current forecast underspends or further underspends compared to the current forecast position. This will ensure that any further underspends can be used to contribute to mitigating the Council's overall financial position. This doesn't apply to expenditure that can be fully met from external funding received by the Council.

### Non-Essential Expenditure

- 2.11 A full review is currently being undertaken of all budgets across the Council to identify any areas of non-essential spend that could be stopped. This includes reviewing progress on spending in all areas to identify options for where additional expenditure commitments could be paused. This will identify further underspends that can be used to contribute to mitigating the Council's overall financial position. These options / areas of non-essential expenditure identified to date include:

- Health and Wellbeing – the forecast underspend currently reported excludes potential underspends on various contracts agreed for the year. These will be evaluated to assess the potential in-year savings, but it is anticipated this could be in the region of £0.750m.
- Agile / Hybrid Working – the Council set aside resources to fund changes to office accommodation for the move towards Agile / Hybrid working. As the works are nearly complete it is anticipated that some of these resources can be credited back to the revenue budget – current estimate is that £0.300m can be released.
- New Burdens funding – the Council has received new burdens funding relating to activity it has been asked to undertake on the Government's behalf. Whilst some has been required to fund additional costs incurred, some is effectively to fund activity undertaken by existing staff. Therefore, £0.100m is available to offset the existing forecast outturn position.
- Energy Reductions – given the additional pressures relating to energy costs the Council is reviewing various measures to reduce its energy consumption.

### Summary 2022/23

- 2.12 After the implementation of the previously agreed remedial actions, an overspend of **£3.467m** is currently forecast. The proposed actions in paragraphs 2.8 to 2.11 will continue to be fully evaluated and at this stage their financial impact is anticipated to meet a proportion of the current forecast overspend, with a balance estimated at up to £2.3m remaining to be funded. However, this represents the current position that has been forecast to the year end- in the event that further pressure is experienced, particularly in respect of Children's Social Care, further remedial action or off-setting measures will be required. As a result of using the options previously approved in June and September, there is no flexibility left for the use of general balances in year- as a result this and any further pressure, will

need to be met from within the existing Council budget and delivery monitored carefully and reported to Cabinet.

- 2.13 Should there still be a residual overspend at year end, this will need to be funded by earmarked reserves or general balances and as part of the budget process for 2023/24 the Council will need increase these back to the previous level taking into account the risks faced by the Council and the assessment of their adequacy as described in the S151 Officer's Robustness report. As stated, further work will be carried out on the remedial plan and a detailed position will be reported in the next cycle.

### **3. Medium Term Financial Planning**

- 3.1 The report to Cabinet in June / Council in July highlighted that the pressures in Children's Social Care, as well as increased Energy costs, would have a significant ongoing impact on the Council's budget in 2023/24 and 2024/25. Whilst some of this pressure was considered to be temporary, much would be permanent.
- 3.2 The report also highlighted that there would be additional pressures from 2023/24 as a result of potential increases in the National Living Wage and the impact that this would have on both the Council pay structure as well as external providers, particularly in Adult Social Care. In addition, the current high levels of inflation would lead to significant pressure on many areas of the Council.
- 3.3 The ongoing impact of the current 2022/2023 pay award offer will now also need to be met in 2023/24 given it has been funded from one-off resources in 2022/23. In addition, the Council will need to assess the ongoing impact of the additional pressures reported this month in Children's Social Care as well as other service areas.
- 3.4 Based on all of these issues, the Council's Medium-Term Financial Plan (MTFP) has been refined and updated with the potential scale of the funding gap, in the absence of any further central government funding for this year being clear based on the information in this report. As a result, based on this update, budget proposals will need to be developed for implementation from April 2023 (pending further Central Government advice on future funding levels) in order that the Council maintains financial sustainability. This will not be easy with extremely tight financial constraints being in existence and demand for Council services increasing continually (and councils being asked to carry out more functions); however, it is essential that this planning commences from this point. The annual comprehensive Medium-Term Financial Plan update was presented to Cabinet and Council in November 2022.

### **4. Council Tax Income – Update**

- 4.1 Council Tax income is shared between the billing authority (Sefton Council) and the three major precepting authorities (the Fire and Rescue Authority, the Police and Crime Commissioner and the Combined Authority – Mayoral Precept) pro-rata to their demand on the Collection Fund. The Council's Budget included a Council Tax Requirement of £150.008m for 2022/23 (including Parish Precepts), which represents 84% of the net Council Tax income of £178.590m.

- 4.2 The forecast outturn for the Council at the end of December 2022 is a surplus of -£2.480m. This variation is primarily due to: -
- The surplus on the fund at the end of 2021/22 being higher than estimated (-£0.517m).
  - Gross Council Tax Charges in 2022/23 being higher than estimated (-£0.382m).
  - Exemptions and Discounts (including a forecasting adjustment) being lower than estimated (-£1.581m).
- 4.3 Due to Collection Fund regulations, the Council Tax surplus will not be transferred to the General Fund in 2022/23 but will be carried forward to be recovered in future years.
- 4.4 A forecast surplus of £2.022m was declared on the 15 January 2022 of which Sefton's share is £1.699m (84.1%). This is the amount that will be recovered from the Collection Fund in 2022/23. Any additional surplus or deficit will be distributed in 2023/24 and future years.

## **5. Business Rates Income – Update**

- 5.1 Since 1 April 2017, Business Rates income has been shared between the Council (99%) and the Fire and Rescue Authority (1%). The Council's Budget included retained Business Rates income of £56.664m for 2022/23, which represents 99% of the net Business Rates income of £57.236m. Business Rates income has historically been very volatile making it difficult to forecast accurately.
- 5.2 The forecast outturn for the Council at the end of December 2022 is a surplus of -£4.898m on Business Rates income. This is due to:
- The deficit on the fund at the end of 2022/23 being lower than estimated (-£0.091m).
  - Increase in the gross charge on rateable properties (-£0.563m).
  - A number of reliefs announced for 2022/23 were assumed in the NNDR1 return with the loss of income as a result of these reliefs covered by Section 31 grant payments. It is now forecast that the value of these reliefs will be less than anticipated (-£5.141m).
  - Adjustments to the Appeals Provision relating to prior years (+£0.897m)
- 5.3 When taking into account the lower Section 31 grants due on the additional reliefs, a net surplus of £0.530m is forecast.
- 5.4 Due to Collection Fund regulations, a Business Rates deficit will not be transferred to the General Fund in 2022/23 but will be carried forward to be recovered in future years.
- 5.5 A forecast deficit of £18.702m was declared in January 2022. Sefton's share of this is £18.515m. This is the amount that will be distributed from the Collection Fund in

2022/23. Any additional surplus or deficit will be distributed in 2023/24 and future years.

## 6. **High Needs Budget**

- 6.1 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.
- 6.2 In light of these factors, the SEND green paper, the commencement of the Delivering Better Value Programme and the potential changes to accounting treatment of these high needs deficits that exist in a substantial number of councils in England, it was proposed that a monthly financial forecast be presented to Cabinet that reflects financial performance against budget and remedial planning - this would be considered alongside the wider quarterly performance report that will be presented to Cabinet and Council.
- 6.3 The High Needs Quarterly Update report presented to Cabinet in July outlined that the overspend on the High Needs budget in 2021/2022 was £4.2m resulting in an accumulated deficit of £12.5m at the end of 2021/22. The report also highlighted that a deficit for 2022/23 was forecast to be between £2.3m - £4.0m.
- 6.4 Given continued increases in the number of children requesting Education Health and Care Plans (EHCP's) and SEND placements in December 2022, the current forecast overspend will be at least £5.6m, despite the creation of additional in-house places at Sefton schools from September. Between April and December, there was an increase of 52 children placed at Sefton specialist schools / SEND resource units and 319 additional EHCPs (total now 2,584 with 325 in progress). The number of requests for EHCP assessments in 2022 was 726, compared to 602 in 2021 and 412 in 2020.
- 6.5 The approved pay awards for 2022/23 were also significantly higher than used for the new SEND Funding Model that the Council supported in 2022/23. Initial calculations show that the new pay awards have added at least an additional £0.900m cost pressure across specialist SEND placements and although no additional funding has been allocated to schools in the 2022/23 funding formula to reflect this increase it is something that has been raised by schools as a significant costs pressure facing providers going forward. As part of the Chancellor's Autumn Statement announcement in November 2022 Sefton will receive an increase to its High Needs DSG for 2023/24 of £1.8m through a new Supplementary Grant allocation, this funding is to be used to support the higher cost prices and pay awards providers that have arisen during 2022/23 that were not anticipated in the Government's original DSG settlement.
- 6.6 The approved NJC pay award for 2022/23 has also increased cost pressures on non-specialist 1:1 provision in all primary and secondary schools in Sefton. Any additional pay uplift costs should be met from the increase to the High Needs

budget from the above Supplementary Grant funding in 2023/24 as schools are only required to make a fixed contribution per qualifying pupil.

- 6.7 The accumulative deficit position on the High Needs budget is estimated to be of £18.1m based on the current SEND numbers but these continue to increase.
- 6.8 In light of the current position officers are reviewing all options available to the Council to mitigate this additional pressure during the current year and to reduce the impact on the High Needs deficit. This will include accelerating the proposals reported to members in the July Cabinet paper and determining new proposals to improve sufficiency. In addition, discussions as part of the Council's participation in the Delivering Better Value Programme will be assessed as to their impact on the forecast deficit position. An update will be provided to Cabinet as a separate report in March 2023.
- 6.9 In August the Council responded to central government's call for evidence on how High Needs deficits should be considered going forward, especially in respect of the potential for the ringfence of this deficit to the Dedicated Schools Grant (DSG) to come to an end from April 2023. The Government has now announced that the statutory override will continue for another three years to March 2026.
- 6.10 Due to the substantial increase in the High Needs deficit over the last two financial years, the level of the deficit is now a real risk to the financial sustainability of the Council. As stated, the government has announced that the statutory override will continue for a further three years and whilst the participation in the Deliver Better Value Programme will allow the Council to access additional expertise and source best practice in relation to High Needs budget management, similar increases in future years are not sustainable. As previously reported, central government has always stated that these deficits should not be met from a council's General Fund and the extension of the statutory override continues that principle however the risk remains, and indeed is increasing, in that a solution to meeting this deficit is required. There is no indication that central government will fund these deficits and the Council's general balances are not sufficient to meet this either. The Council has always supported the statutory override alongside the demand for sufficient government funding for the high needs block of the DSG that is based on data and demand. This continues to be the case, but in the event that central government decide in 2026 that this is wider than a DSG issue this would present a substantial risk to financial sustainability within the Council.
- 6.11 This issue will be detailed in the forthcoming budget report for 2023/24.

## **7. Capital Programme 2022/23 – 2024/25**

### **Capital Budget**

- 7.1 The Capital Budget and profile of expenditure for the three years 2022/23 to 2024/25 is as follows:

<b>2022/23</b>	<b>£47.378m</b>
<b>2023/24</b>	<b>£52.386m</b>
<b>2024/25</b>	<b>£45.190m</b>

7.2 The updates listed below have been made to the Capital Programme budget since the previous budget reported to Cabinet in January:

- **Corporate Resources** – £0.861m has been added to the budget for Sustainable Warmth Schemes following approval by Cabinet in January.
- **Education Excellence** – the following school schemes have been updated:
  - £0.069m for Linacre Primary outdoor play canopy and main hall improvements has been rephased to 2023/24 when the work is due go out to tender.
- **Communities:**
  - £0.209m has been rephased to 2023/24 for a replacement roof at Bootle Leisure Centre due to time required to secure a contractor to carry out the work.
  - £0.033m has been added for parks schemes funded by Section 106 contributions and approved under delegated authority.
- **Operational In-House Services:**
  - £0.120m has been rephased to 2023/24 for Coastal Erosion and Flood Risk Management schemes
  - £0.540m has been added to the budget for Ainsdale Coastal Gateway following approval by Council in January.

### **Crosby Lakeside Development Project**

7.3 Council approved a supplementary capital estimate of £3.1m in January 2020 for the Crosby Lakeside Redevelopment Project which was fully funded by an external contribution from the Combined Authority.

7.4 As reported previously, completion of the project was subsequently delayed as a result of the failure of the main contractor to progress the works regularly and diligently. This, combined with other pressures around inflation, has meant that the budget for the project has increased beyond the initial £3.1 million. As a result, the Combined Authority have agreed to increase the funding by £0.5m to £3.6m.

7.5 Therefore, Cabinet is recommended to approve a supplementary capital estimate of £0.5m for inclusion within the Capital Programme which will be fully funded by the additional grant from the Combined Authority.

### **Budget Monitoring Position to December 2022**

7.6 The current position of expenditure against the budget profile to the end of December 2022 is shown in the table below. It should be noted that budgets are profiled dependent upon the timing of when works are to be carried out and the anticipated spend over the financial year. The budget to date in the table below reflects the profiles of each individual scheme.



Service Area	Budget to Dec-22	Actual Expenditure to Dec-22	Variance to Dec-22
	£m	£m	£m
<b>Adult Social Care</b>	2.622	2.372	-0.250
<b>Children's Social Care</b>	0.179	0.181	0.002
<b>Communities</b>	0.588	0.668	0.080
<b>Corporate Resources</b>	4.237	4.264	0.027
<b>Economic Growth &amp; Housing</b>	6.398	5.695	-0.703
<b>Education Excellence</b>	2.808	2.771	-0.037
<b>Highways &amp; Public Protection</b>	7.252	7.380	0.128
<b>Operational In-House Services</b>	0.889	0.877	-0.012
<b>Total Programme</b>	<b>24.972</b>	<b>24.208</b>	<b>-0.764</b>

7.7 A significant variance has been experienced against the Economic Growth and Housing budget as a result of a shortfall in expenditure against the profiled spend for the Marine Lake Events Centre project. Works are continuing to programme however, and it is expected the full capital allocation will be met as per the programme. The reason for the discrepancy is due to timings of monthly invoices being submitted and the required detailed checks with the Council's appointed cost consultants.

#### **Capital Programme Forecast Outturn 2022/23**

7.8 The current forecast of expenditure against the budget profile to the end of 2022/23 and the profile of budgets for future years is shown in the table below:

Service Area	Full Year Budget 2022/23	Forecast Out-turn	Variance to Budget	Full Year Budget 2023/24	Full Year Budget 2024/25
	£m	£m	£m	£m	£m
<b>Adult Social Care</b>	4.898	4.770	-0.128	4.101	1.610
<b>Children's Social Care</b>	0.450	0.430	-0.020	0.100	-
<b>Communities</b>	1.239	1.246	0.007	0.468	-
<b>Corporate Resources</b>	7.440	6.924	-0.516	1.548	-
<b>Economic Growth &amp; Housing</b>	10.431	10.575	0.144	22.284	38.585
<b>Education Excellence</b>	3.957	3.785	-0.172	12.109	0.007
<b>Highways &amp; Public Protection</b>	16.989	17.004	0.015	6.241	3.663
<b>Operational In-House Services</b>	1.974	1.974	-	5.534	1.326
<b>Total Programme</b>	<b>47.378</b>	<b>46.708</b>	<b>-0.671</b>	<b>52.386</b>	<b>45.190</b>

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

7.9 A significant variance has been experienced against the Corporate Resources budget as a result of a shortfall in forecast expenditure against the profiled spend for Sustainable Warmth projects. The underspend is entirely related to Home Upgrade Grants (HUG) that can only be spent on properties that are without gas central heating, have low income and a low EPC rating.

- 7.10 There is a £6.651m programme to deliver Sustainable Warmth Schemes over 2021/22 and 2022/23 and of this £5.651m relates to the Green Homes Grant Local Authority Delivery (LAD). 100% of LAD funding will be spent by year end and will result in 332 properties being supported.
- 7.11 £1m relates to HUG and the target is to support 72 properties and to date 27 are complete. There are 45 homes to complete with a value of £0.5m and extensive targeting is still being undertaken to identify suitable homes as the eligibility means that expenditure can only be incurred on those with no central heating and low income and low EPC rating. The Combined Authority have requested a 3 or 6 month extension to the programme and it is hoped that The Department for Business Energy and Industrial Strategy (BEIS) will respond by the end of January 2023. If the extension is granted the funding can roll forward into next financial year and enable more local properties to receive funding. However, if the request is denied and the funding is not fully allocated, any surplus funds will be returned to BEIS via the Combined Authority.
- 7.12 The current total programme budgeted spend for 2022/23 is £47.378m with a budgeted spend to December of £24.972m. The full year budget includes exceptional items such as £6.299m for Green Homes and Sustainable Warmth schemes, £9.472m for Growth and Strategic Investment projects, previously approved amounts for essential repairs and maintenance (£1.164m) and a significant scheme to upgrade to LED Street Lighting (£3.887m).
- 7.13 The current advice from project managers is that the above projects will be fully delivered in 2022/23 and budget managers have confirmed the current forecast out-turn position shown above. In a typical year however, the capital programme spends in the region of £25m. Given this typical annual level of spend it is likely that reprofiling of spend into 2023/24 will occur as the year progresses.

### **Programme Funding**

- 7.14 The table below shows how the capital programme will be funding in 2022/23:

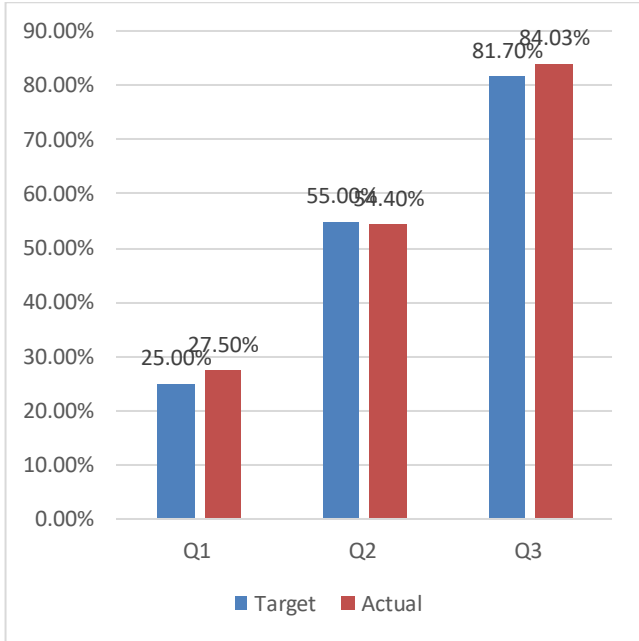
<b>Source</b>	<b>£m</b>
Grants	37.272
Prudential Borrowing	5.703
Capital Receipts	1.735
Contributions (incl. Section 106)	2.668
<b>Total Programme Funding</b>	<b>47.378</b>

- 7.15 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.
- 7.16 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.

## 8. **Performance**

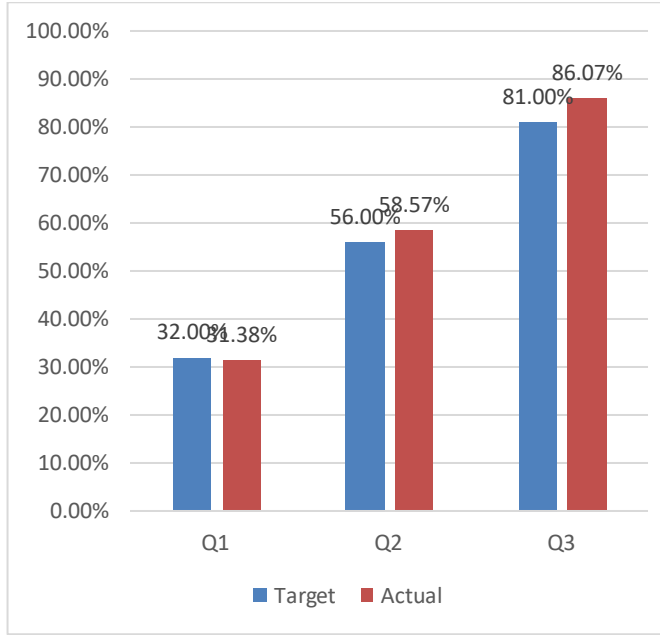
- 8.1 As stated earlier, the Council recognises the importance of performance management and service areas report regularly to Cabinet Members, Health & Wellbeing Board and Overview and Scrutiny on service-related performance and key corporate activity.
- 8.2 Members will also be aware that a detailed, comprehensive Corporate Performance is reported annually to Cabinet in July as part of the Financial Outturn report. Such an approach is the basis for reporting quarterly performance to Members as set out as follows:

### Council Tax Collection Rates %



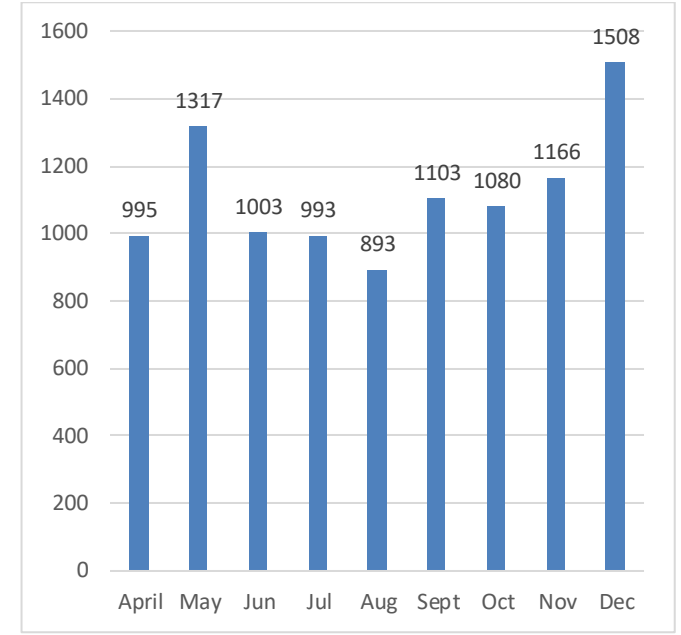
Council Tax collection is performing well when compared to same point last year despite current cost of living challenges faced by many households.

### Business Rates Collection Rates %



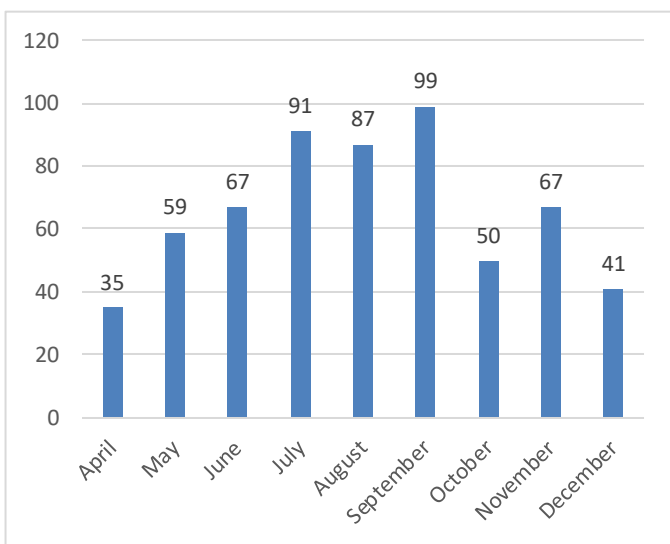
Business Rates collection is performing well when compared to same point last year despite inflationary and other challenges faced by many businesses.

### Number of Emergency Limited Assistance Claims



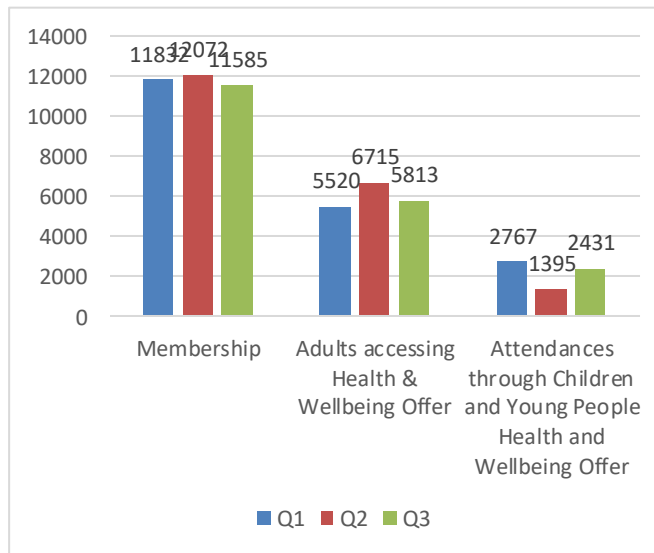
Sefton's Emergency Limited Assistance Scheme (ELAS) is available to support local people. This is for if those experiencing severe hardship, a disaster or emergency. As at 31<sup>st</sup> December 2022, the volume of ELAS applications received is 71% higher than at the same point in 2021/22.

### Welfare Rights Open Cases



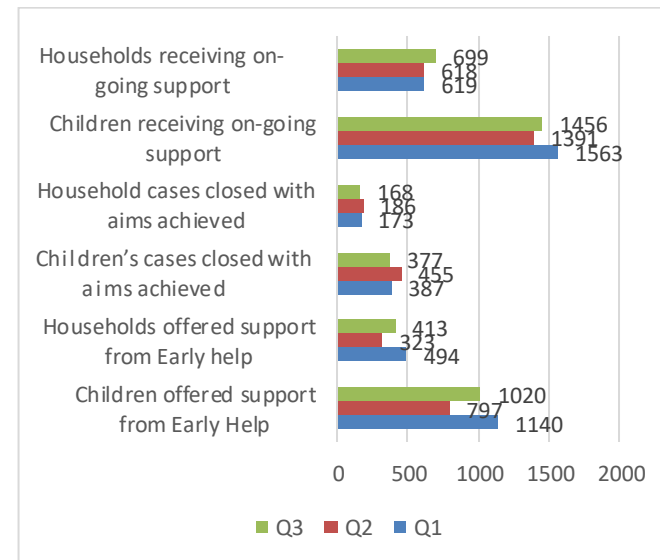
The Welfare Rights Team provide advice and guidance for people who live or work in Sefton to access welfare benefits. Welfare Rights received 700 referrals in Q3 which is a 12% decrease from Q2, however Christmas will have impacted this and referral volumes into the service remain high.

### Leisure Memberships/ Number of Adults accessing leisure’s health and wellbeing offer /Number of attendances across Children and Young People Programmes



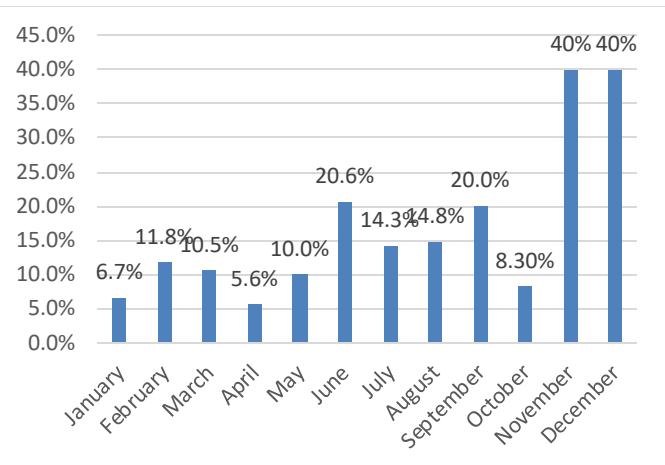
Active Sefton is the brand name used to describe Sefton’s Leisure Centres and health & wellbeing programmes. Membership rates and associated direct debit collection began to decrease at the end of Qu. 3, particularly December 2022, with the main cancellation reason cited being relating to the cost-of-living crisis.

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

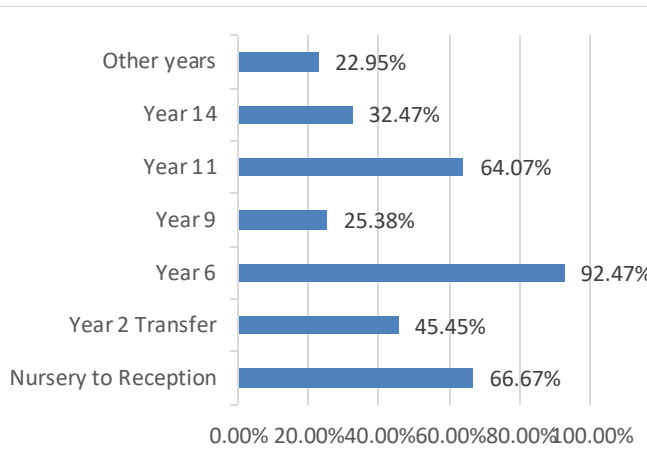


Early Help is a partnership approach to supporting children and families as soon as the need for help is identified. Based upon information gained through an assessment process, the right professionals work with the children and families to improve outcomes. Plans are put in place and reviewed regularly 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.

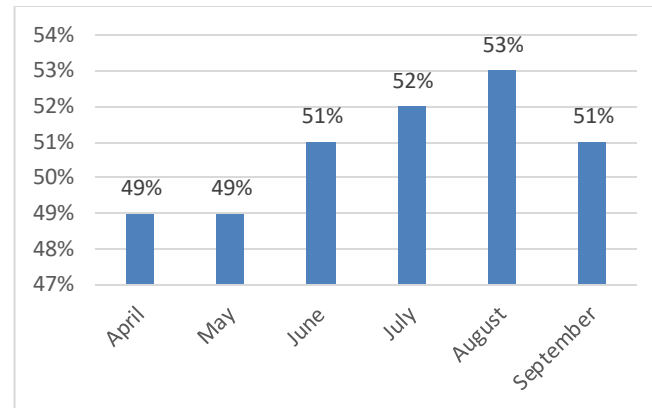
### SEND Education Health & Care Plans % completed within 20 Weeks



### SEND Education, Health & Care Plan Reviews



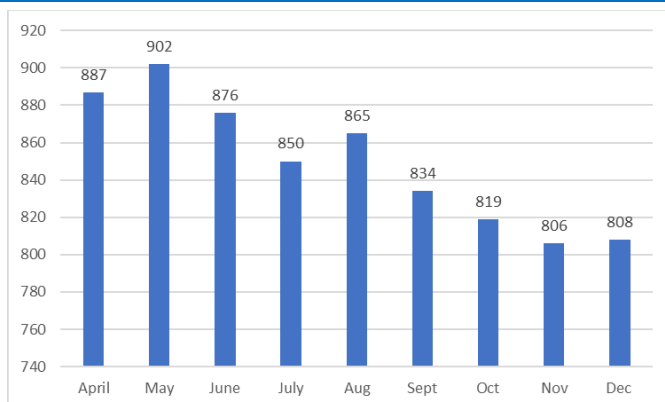
### % of Care Experienced Young People In Education, Employment or Training



An education, health and care (EHC) plan is for children and young people aged up to 25 who need additional support from education, health and/or social care. Over the last year there has been an exponential increase in the number of EHCP requests, coupled with staffing issues this has resulted in a decline in EHCPs being finalised within the 20-week time frame. A new interim Service Manager started in September and has reviewed and reorganised the team as well as driving recruitment. The numbers of completions within timescale have increased since then. Over the last year there has been a greater focus on completing reviews for children and young people especially in the transition years. As a result, the numbers of reviews being completed has risen and is now in line with national.

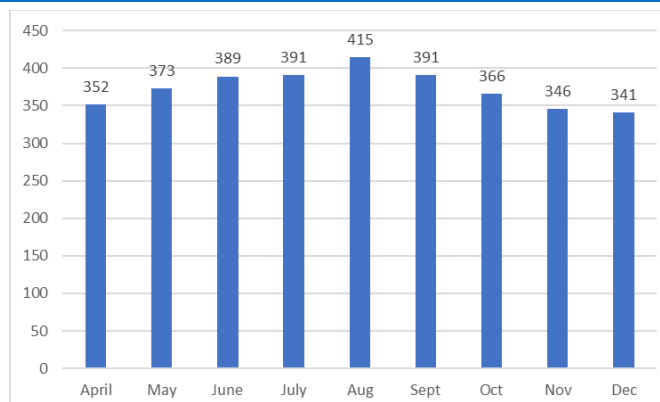
The percentage of care leavers (cared experienced) aged 19-21yrs who are in Education, Employment, or Training is 51%. Using the the most recent comparative data, this is an improvement on the percentage in 2021, which was 43%, below the statistical neighbour and northwest performances of 50% and the national performance of 52%.

## Number of Children on a Children In Need Plan



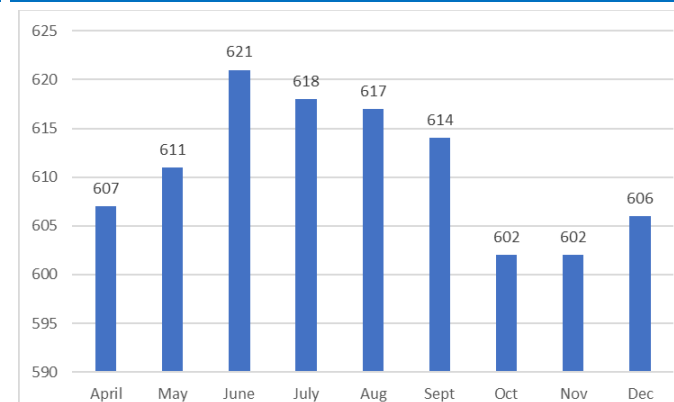
There are no direct performance comparators with other Local Authorities as the number of children in need with a plan is not published nationally or regionally. However, despite the trend showing a slight decline in the number of children in need (0-17yrs) with a child in need plan, the number is significant with consideration to caseloads and resources. A child in need is one who has been assessed by children's social care as being in need of services, including family support, leaving care support, adoption support or disabled children's services. Typically, we would compare the rate of children in need with other LAs at a national and regional level. The rate of children in need per 10,000 children aged 0-17yrs in Sefton is 433. Using the most recent comparative data, the rate in 2021 was 400/10,000, which was above the national rate of 321/10,000 and the statistical neighbour rate of 360/10,000. The rate of children in need aged 0-17 in Sefton has been above the national rate since 2016, but despite a peak of 920 in April 2022, the number continues to show a steady decline, falling to 808 by the end of December 2022.

## Number of Children on a Child Protection Plan



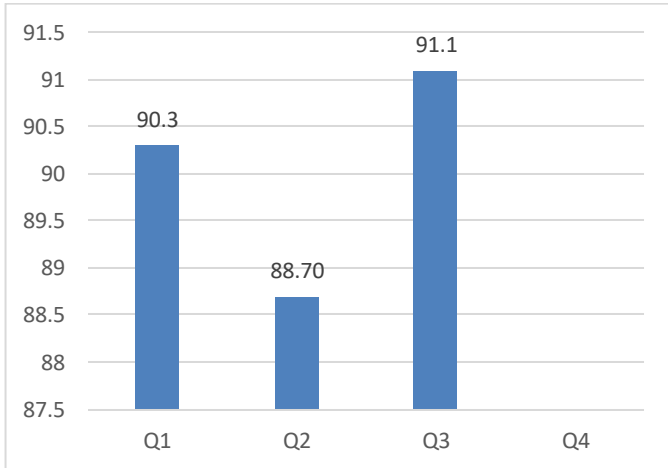
At the end of December 2022 there were 341 children who are the subject to a child protection plan, which represents a rate of 64/10,000 children aged 0-17yrs in Sefton. Using the most recent comparative RIG data, the rate of children aged 0-17 on a Child Protection Plan in Sefton at the end Q1 (June 2022) was 66.4/10,000, compared with the Northwest rate of 48.2/10,000. Since 2013 the rate of children who are the subject of a child protection plan in Sefton has been marginally above the national comparable rate, but below the rates seen across statistical neighbours and LA's in the Northwest, and the numbers have shown a steady decline in the last three months.

## Open Episodes of Cared for Children



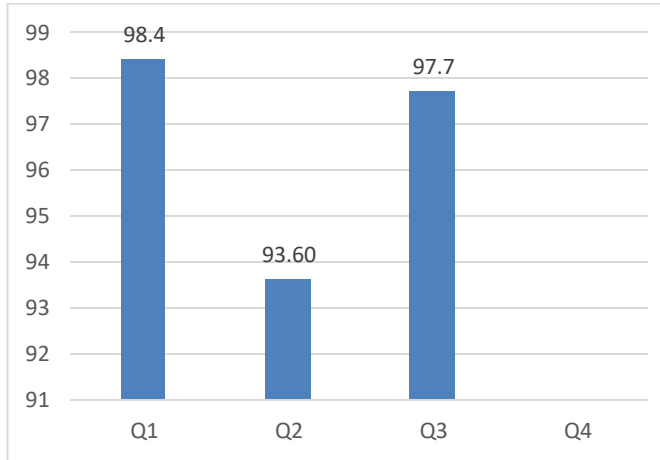
There are currently 606 cared for children (CLA) with an open episode of care, which represents a rate of 114/10,000 children under 18yrs in Sefton. Using the most recent comparative RIG data, the rate of children looked after in Sefton at the end Q1 (June 2022) was 116.1/10,000 aged under 18yrs, compared with the Northwest rate of 97.8/10,000. Between 2013 and 2019 the rate of children cared for in Sefton has been broadly consistent with the rates seen across the Northwest and statistical neighbours, but above the national rate. However, since 2020, the rate of children cared for in Sefton has been above the Northwest and statistical neighbours and significantly above the national rate. At the end of 2021 Sefton's rate of cared for children was 113/10,000 children under 18yrs, compared with 97/10,000 in the Northwest, 88.7/10,000 across statistical neighbours and 67/10,000 across England. Whilst actual numbers have fluctuated slightly over recent months, the trend is still showing an increase, which represents a sustained demand on Council services and resources.

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



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.

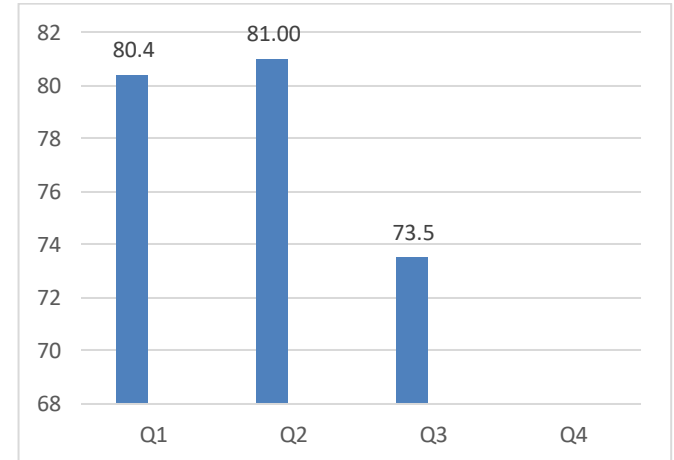
**Proportion of Adult Social Care Safeguarding Enquiries concluded where people's preferred stated outcomes were fully or partially met (%)**



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.

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

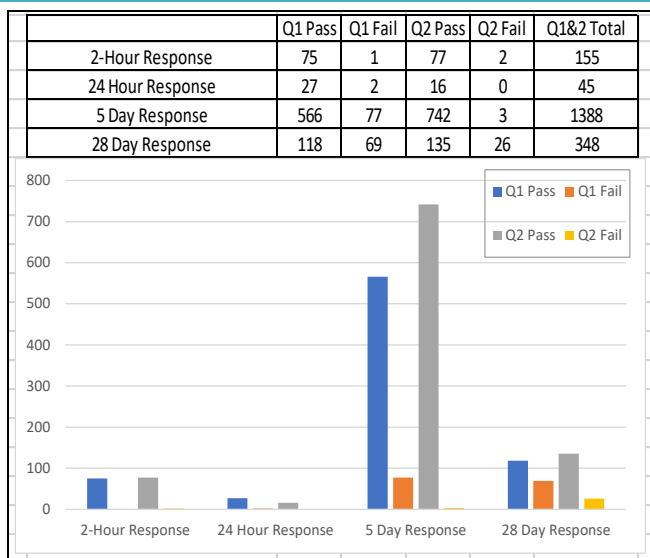


Where ever possible Adult Social Care aim to support people to be as independent as possible, living at home and having strong links with their communities.

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.

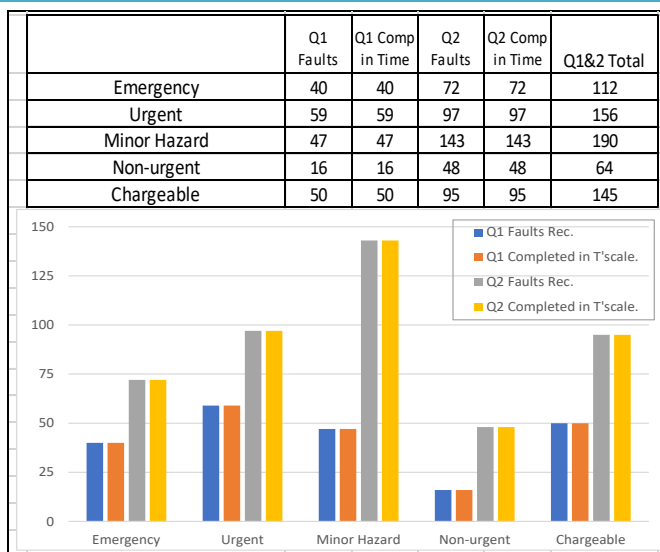


## Street Lighting – response to notified faults



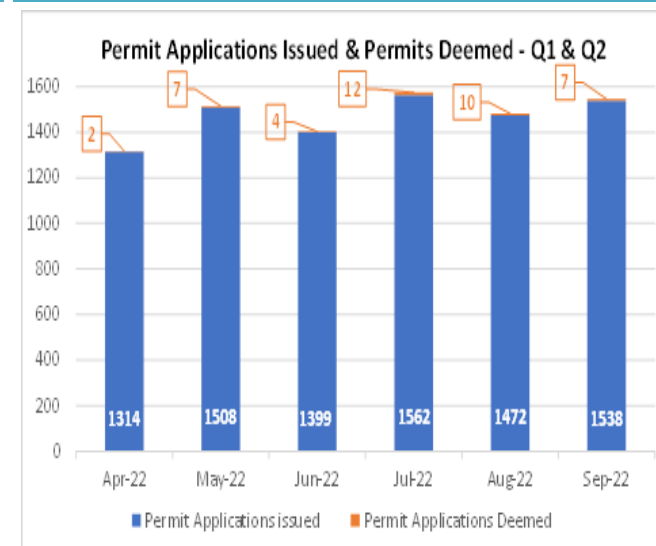
The Council has approximately 37,000 streetlights on its highways and recognises the importance of keeping them working well. When we are notified of faults, we assess the urgency of repair (e.g. 2-hours; 24 hours, 5 days etc.) allocate a target time for repair and pass it on to our appointed Contractor.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

## Urban Traffic Control – response to notified faults



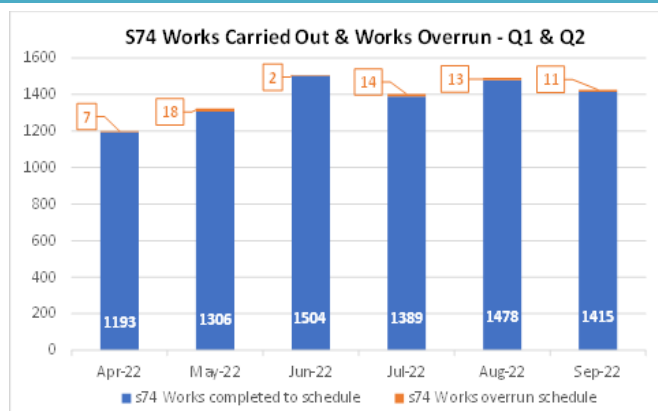
Urban Traffic Control (UTC) refers to our connected network of Traffic Lights and signal-controlled pedestrian crossings. Keeping these working well is essential for keeping people safe and the highway network flowing. When we are notified of faults, we assess the urgency of repair (e.g. emergency; urgent;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



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

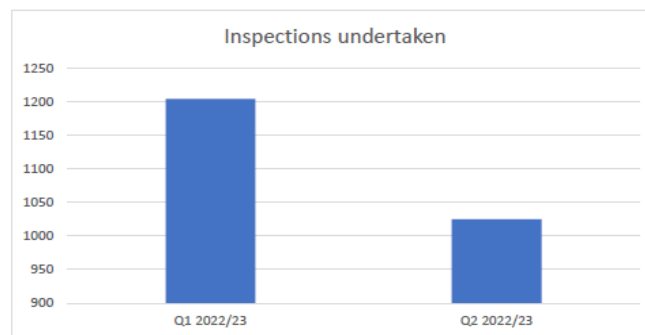
## Network Management Permit Overruns



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

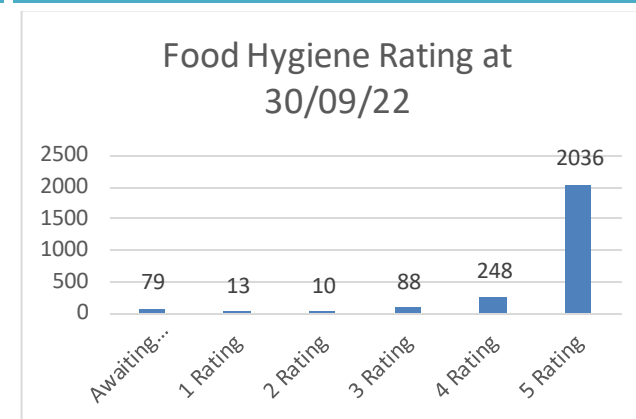
## Public Protection Inspections Undertaken

	Q1 2022/23	Q2 2022/23	Grand Total
Inspections undertaken	1204	1025	2229



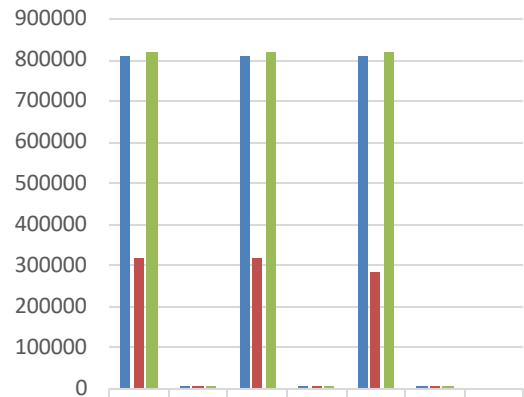
The Public Protection service undertakes a range of Food Safety, Health and Safety, Pollution Control, Trading Standards and Licensing inspections. These inspections enable us to monitor businesses, provide them with advice and guidance on legal requirements, and to take enforcement action when necessary.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

## Food Hygiene Rating Scores



After inspecting a business, our officers use the national Food Hygiene Rating Scheme to award them a rating. The business must display this rating for customers to see and it is also published on the Food Standards Agency website. This provides potential customers with a simple way of understanding the businesses' hygiene standards. The ratings range from 0 (urgent improvement is required) to 5 (hygiene standards are very good), with 3 indicating that hygiene standards are generally satisfactory. Whilst the food business is ultimately responsible for the standards they maintain, the Council's monitoring, advice and enforcement activities play a crucial role, and enable customers to make informed choices about where to shop and eat.

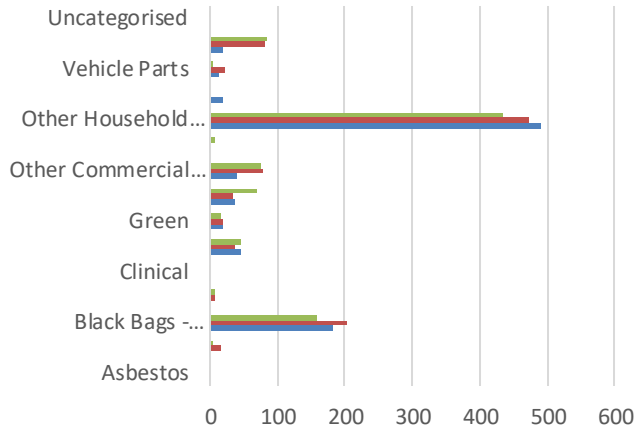
### Bins Collected



	Q1 Collections due	Q1 Missed bin reports	Q2 Collections due	Q2 Missed bin reports	Q3 collections due	Q3 Missed bin reports	Q3 % Missed bins against collections due
■ Comingled collection	810563	37678	810563	820	810563	811	0.10%
■ Green waste collection	318438	61593	318438	987	283056	503	0.18%
■ Residual waste collection	821477	42608	821477	11498	821477	1061	0.13%

■ Comingled collection    ■ Green waste collection  
 ■ Residual waste collection

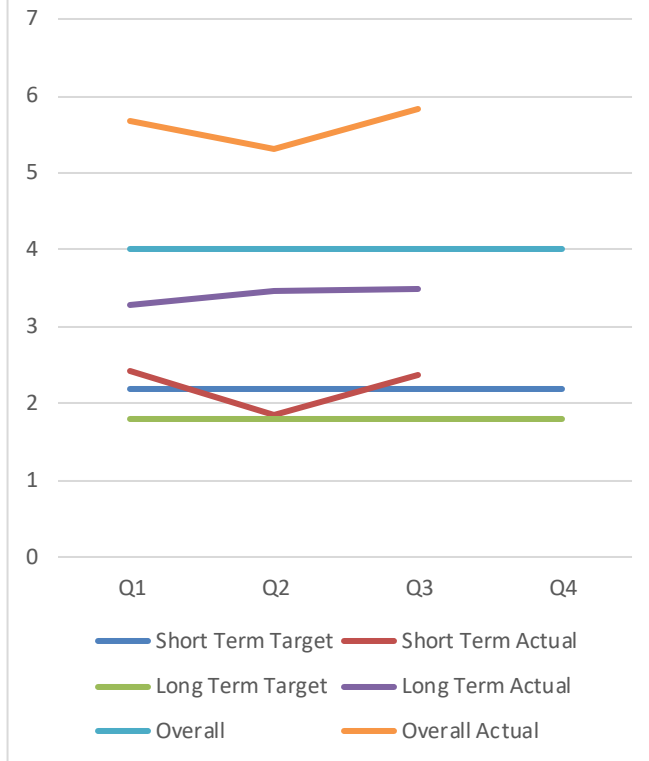
### Fly Tipping Reports by Waste Type



	Asbestos	Black Bags - Commercial	Black Bags - Household	Chemical Drums, Oil or Fuel	Clinical	Construction/ Demolition/ Excavation	Green (Unidentified)	Other Commercial Waste	Other Electrical Waste	Other Household Waste	Tyres	Vehicle Parts	Whiteline Goggles	Uncategorised	
■ Q3	1	4	158	8	2	45	16	70	77	8	435	2	5	86	1
■ Q2 2022/23	1	18	202	8	1	39	21	36	78	3	472	1	22	83	0
■ Q1 2022/23	3	3	184	2	2	46	19	39	41	2	491	20	14	20	0

■ Q3    ■ Q2 2022/23    ■ Q1 2022/23

### Sickness Absence Rates (%)

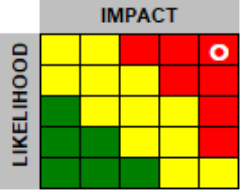
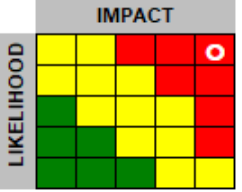
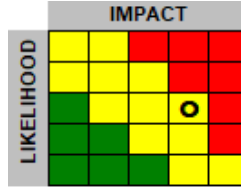


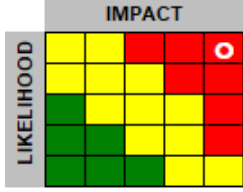
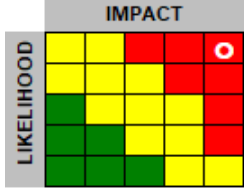
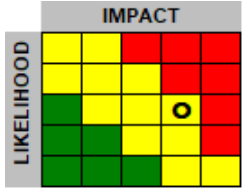
— Short Term Target    — Short Term Actual  
 — Long Term Target    — Long Term Actual  
 — Overall    — Overall Actual



## 9. **Corporate Risk Management**



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

Risk Description	Previous risk score	Current risk score	Target risk score
Financial sustainability beyond 2022/23			
<b>Causes</b>	<p>The national economy, taking into account inflation and direct government funding which have been reflected in the financial settlements for 2023/24 and 2024/25 and the demand for services, especially Children's Services will place substantial strain on the Council's overall medium-term budget.</p> <p>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>		
<b>Result</b>	<ul style="list-style-type: none"> <li>• 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</li> <li>• The budget reductions could have an adverse impact on residents and communities</li> <li>• The reputation of the Council may be compromised</li> <li>• Financial sustainability could be compromised</li> <li>• During 2022/23 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.</li> </ul>		
<b>Current treatment and controls</b>	<ul style="list-style-type: none"> <li>• The financial sustainability of the Council in the next two-year period after 2022/23 will be driven by the support offered by central government via the spending review and subsequent local government financial settlements.</li> <li>• The local government financial settlement was received in December 2022 with proposed sums detailed for 23/24 and sufficient information being available to inform planning for 24/25. As a result, the Council's financial assumptions have been revised and work continues to develop a robust and sustainable budget package for 23/24</li> <li>• As part of the budget cycle, the MTFP for the next three-year period will be updated. This will need to be supplemented in the first 3-4 months of the next financial year by detailed planning for both Adults and Children's Services that sets out the demand and resource requirements for the next 3-5 years, the sufficiency and workforce requirements and efficiency and transformation activity that will be undertaken. The work on Children's Services will align with one of the recommendations made by the DfE commissioner.</li> </ul>		
<b>Risk owner</b>	Executive Director of Corporate Resources & Customer Services		
<b>Proposed actions</b>	<ul style="list-style-type: none"> <li>• Deliver the Councils Budget Plan for 2022/23 that was approved on 3 March 2022</li> <li>• Respond to all consultations in respect of the reform of local government finance and lobby for the best possible financial outcome for the Council - using the latest information from these consultations all three-year budget assumptions will be updated accordingly.</li> <li>• Ensure the rigorous approach to budget monitoring continues through 2022/23</li> <li>• Work will continue within the budget cycle to identify proposals that will meet the budget gap- this work will focus on the next two financial years, i.e., the last two years of the Spending Review period. These will be presented to Budget Council in March 2023.</li> </ul>		

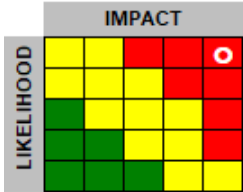
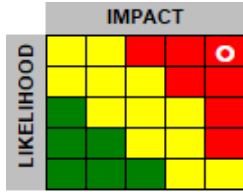
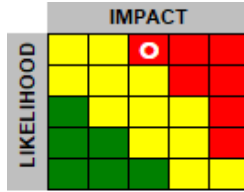
Risk Description	Previous risk score	Current risk score	Target risk score
<p>Dedicated Schools Grant High Needs Funding for Special Educational Needs is inadequate to meet requirements.</p>			
<p><b>Causes</b></p>	<ul style="list-style-type: none"> <li>• High Needs budgets are under considerable pressure from increasing numbers of children being diagnosed with complex and life-long SEND related issues.</li> <li>• National funding allocations are not increasing annually at a rate to reflect increases in local population demand and so any additional commissioned places need to be financed from within existing budget envelope.</li> <li>• The number and value of requests from mainstream schools for "top-up" funding (for children with SEND) continues to increase year on year as schools face financial pressures to meet the first £6k of any SEN Support.</li> <li>• Maintained special school provision is full and more children are being placed in independent provision which is more expensive. Whilst this issue is being addressed through extra In-house provision, there remain risks that external placements may continue at high additional cost.</li> <li>• Central Government have advocated parental preference for SEND provision - which has added to the number of children being placed in independent provision - with no additional funding.</li> <li>• The current accounting override, has been extended for a further 3 years however with an existing £12.4m deficit that is due to increase by a further £5.6m at the end of 22/23 major intervention work is required to deliver financial sustainability.</li> </ul>		
<p><b>Result</b></p>	<ul style="list-style-type: none"> <li>• Sefton's High Needs cumulative budget deficit is forecast to be £18m at the end of 2022/23.</li> </ul>		
<p><b>Current treatment and controls</b></p>	<ul style="list-style-type: none"> <li>• Report to Cabinet on work programme, timescales, and objectives</li> <li>• Engagement with Sefton's Executive Director of Children's Social Care and Education, Assistant Director of Education and the SEN Team Managers on how costs can be contained.</li> <li>• Sufficiency statement produced that will drive future strategy and financial sustainability</li> <li>• Lobbying and engagement of both DfE and MHCLG on financial impact and the need for increased support</li> <li>• Engagement with special schools actively working with individual schools to review impact of any proposed changes to their funding, reviewing three-year financial plans, identifying any strategic savings to mitigate high calls on DSG High Needs funding.</li> <li>• Review of place and top up levels of funding.</li> <li>• In addition, further work is being undertaken on alleviating the barriers to inclusivity within mainstream settings and assessment of effectiveness of capital spend to maximise mainstream settings for children and young people.</li> <li>• Council now part of DfE Delivering Better Value Programme</li> </ul>		


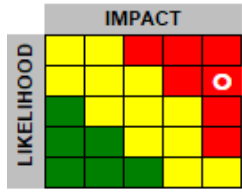
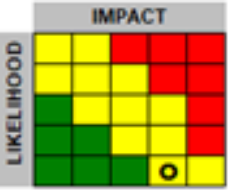
	<ul style="list-style-type: none"> <li>Comprehensive quarterly reports to be presented to Cabinet on sufficiency, in house provision, funding and deficit in order to provide rigour, transparency and inform decision making</li> </ul>
<b>Risk owner</b>	Assistant Director Children's Services (Education)
<b>Proposed actions</b>	<ul style="list-style-type: none"> <li>Lobbying of Government has been successful, and Sefton will be working in partnership with the DfE in Dec 2022 to develop solutions to bring the High Needs Budget into a more financially secure position going forward and help to reduce the accumulated deficit over a set period.</li> <li>Through the High Needs Review the LA has been working on two specific workstreams with School representatives working on a number of key areas: <ul style="list-style-type: none"> <li>Developing a new funding model to support children with EHCPs.</li> <li>Clarifying high needs funding outside of the EHCP process.</li> <li>Reviewing provision and placement sufficiency.</li> <li>Considering new ways of working with SEN children in schools, making them more cost effective and with good outcomes.</li> <li>Review of the graduated response and supporting SEN leadership in schools.</li> </ul> </li> </ul>

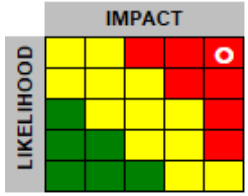
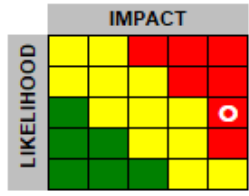
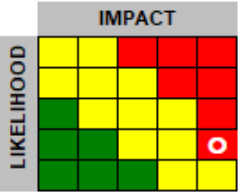


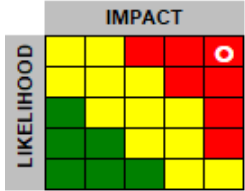
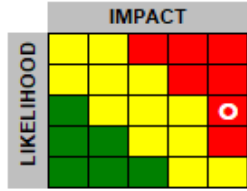
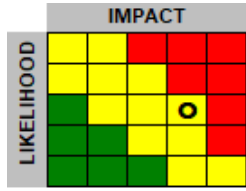
Risk Description	Previous risk score	Current risk score	Target risk score
<p>The Provision of Children’s Social Care is not Financially Sustainable</p>			<p>TBC</p>
<p><b>Causes</b></p>	<ul style="list-style-type: none"> <li>• Reduction in government funding</li> <li>• Lack of national response to the Independent Review of Children’s Social Care and report by the Competition and Markets Authority calling for action on the children’s social care market</li> <li>• Unprecedented demand</li> <li>• Increased placement costs in Children’s Social Care not included in Medium Term Financial Plan.</li> <li>• Numbers of children in care remain high</li> <li>• Insufficient local provision.</li> <li>• Inflation - Cost of placements continue to increase.</li> <li>• Commissioning capacity not sufficient to undertake effective market development.</li> <li>• Placements are not effectively reviewed</li> </ul>		
<p><b>Result</b></p>	<ul style="list-style-type: none"> <li>• Impact on outcomes for children and young people</li> <li>• Lack of availability of suitable placements</li> <li>• Placements do not meet needs of children and young people.</li> <li>• Placements costs increase</li> <li>• Quality and sufficiency of placements decreases.</li> <li>• Children placed out of borough and unregulated placements.</li> <li>• Budget overspend</li> </ul>		
<p><b>Current treatment and controls</b></p>	<ul style="list-style-type: none"> <li>• Children’s Service MTFP agreed by DCS and s151 in line with DfE Advisor recommendations</li> <li>• Joint Strategic Needs Assessment and supporting Children’s Chapters</li> <li>• Increased Leadership capacity in Children’s Services</li> <li>• Regular review of MTFP and Budget Monitoring</li> <li>• Joint Commissioning Strategy</li> <li>• Sufficiency Strategy</li> <li>• Market engagement and development including regional collaboration</li> <li>• LCR framework to coordinate the commissioning of independent residential and foster placements.</li> <li>• Marketing campaign to increase the number of in-house placements for children and young people.</li> <li>• Service Manager for Residential provision in post.</li> <li>• Fortnightly Placement Panel to monitor placement costs.</li> </ul>		

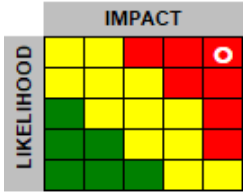
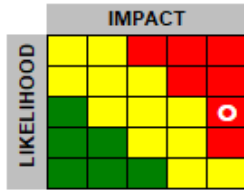
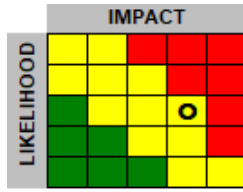
	<ul style="list-style-type: none"> <li>• Monthly multi agency panels to review high-cost placements.</li> </ul>
<b>Risk owner</b>	Executive Director Children's Services
<b>Proposed actions</b>	<ul style="list-style-type: none"> <li>• Budget to be rightsized for 2023</li> <li>• Any additional expenditure required or requested will need the formal approval of Cabinet due to the wider Council budget pressures</li> <li>• Develop a Market Position Statement for approval at Executive Commissioning Group.</li> <li>• Reopen existing in-house provision</li> <li>• Develop a business case for inhouse provision.</li> <li>• Continue marketing activity to recruit inhouse foster carers</li> <li>• Continue to collaborate across LCR and develop market including Independent Fostering Agency Forum and Residential Care Forum (January 2023)</li> </ul>

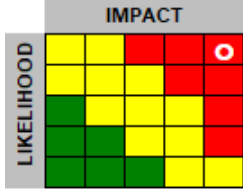
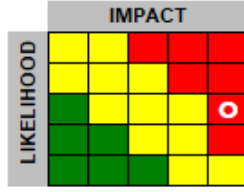
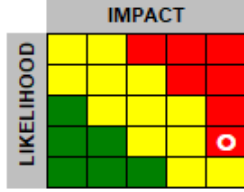
Risk Description	Previous risk score	Current risk score	Target risk score
Financial sustainability beyond 2022/23 – Housing Development Company			
<b>Causes</b>	The Council has a wholly owned Housing Development Company- due to the prevailing economic conditions at present, there is a risk that the value 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.		
<b>Result</b>	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.		
<b>Current treatment and controls</b>	<ul style="list-style-type: none"> <li>• The Council in October 2021, received a detailed update report on all aspects of the Company's activities including building programmes, grant funding and financial implications. The new financial implications received by members were subsequently approved at Cabinet in December 2021 following the receipt from the company of an updated exit strategy. The annual update of the business plan was reported to Cabinet in December 2022.</li> <li>• Within that report members were provided with a comprehensive update on the business plan and financial projections that reflect the latest estimates on the build completion and sales programme, and which will discuss the current risks driven by the national economic picture, especially interest rates and potential recession.</li> <li>• A focus on the report will be placed on the progress on the first 2 sites for which sales are progressing and the 3<sup>rd</sup> site for which construction has yet to commence.</li> <li>• The Company has utilised the Council's internal audit team to undertake a work programme during 2021/22</li> <li>• An update on governance arrangements for the company was approved by Cabinet in July 2022.</li> <li>• An annual report was presented to Overview and Scrutiny management board in November 2022 and was then presented to the service O&amp;S meeting in January 2023.</li> <li>• A self-assessment against the local partnerships' guidance re. management of wholly owned companies will be completed</li> </ul>		
<b>Risk owner</b>	Chief Executive Officer/Executive Director Corporate Resources & Customer Services		
<b>Proposed actions</b>	<ul style="list-style-type: none"> <li>• 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</li> <li>• 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.</li> </ul>		

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

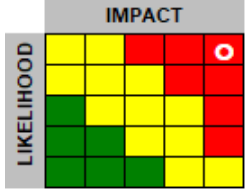
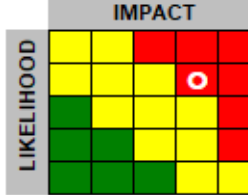
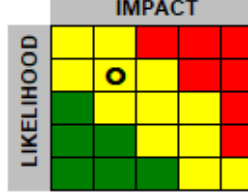
Risk Description	Previous risk score	Current risk score	Target risk score
The Council is the victim of a cyber-attack.			
<b>Causes</b>	Malware, ransomware, or another virus infects the Council's systems.		
<b>Result</b>	<ul style="list-style-type: none"> <li>Services will not have access to systems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

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


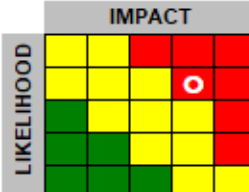
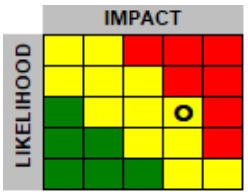
Risk Description	Previous risk score	Current risk score	Target risk score
Data breach resulting in the wrongful release of personal and/or sensitive information			
<b>Causes</b>	Policies and processes coordinated by Information Management and Governance Executive Group are not adhered to, resulting in a higher incidence of breaches caused by human error System error occurs		
<b>Result</b>	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.		
<b>Current treatment and controls</b>	<ul style="list-style-type: none"> <li>Information management and governance, including data breaches and actions to prevent data breaches, is overseen by the Information Management and Governance Executive Group (IMGEG), which consists of Heads of Service with lead responsibilities for key aspects of IMG (i.e., Data Protection Officer/IG Lead, Senior Information Risk Owner, and Lead officer for ICT infrastructure) supported by other officers with key roles relating to IMG.</li> <li>Each service has designated Information Asset Owners and Information Asset Administrators. Policies, procedures, process, and issues are communicated to these officers through the Information Management and Governance Tactical Group.</li> <li>Support, co-ordination, advice, and guidance is provided corporately, and appropriate training/refresher training is in place.</li> <li>The Council has implemented policies, procedures, and processes to prevent, manage and respond to potential and actual data breaches.</li> </ul>		
<b>Risk owner</b>	All Assistant Directors		
<b>Proposed actions</b>	<ul style="list-style-type: none"> <li>Appropriate resourcing, prioritisation and focus on information management and governance across the Council include the following:</li> <li>Regular monitoring and review by IMGEG of policies, procedures, and processes to prevent, manage and respond to potential and actual data breaches.</li> <li>Ongoing review of information systems to ensure no inappropriate or unforeseen data linkages exist within systems or reports.</li> <li>Review of systems ahead of updates to identify any unintended changes.</li> <li>Ongoing education of staff and monitoring of activity by IAOs and IAAs to identify and prevent areas of human error.</li> <li>Regular review of information contained to ensure information is accurate and any information that should be removed is removed.</li> <li>Regular reporting by IMGEG to SLB and Audit and Governance Committee, as necessary.</li> <li>Maximise the opportunities from the Council's ICT Transformation to increase and embed effective information management and governance.</li> </ul>		


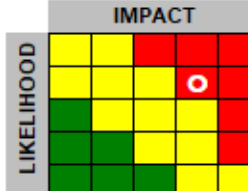
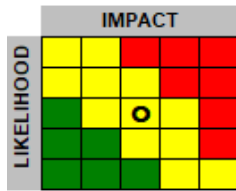
Risk Description	Previous risk score	Current risk score	Target risk score
<p>Inadequate capability to prepare for and respond effectively to a major incident affecting the Council or occurring in Sefton as per the Council's responsibilities under the Civil Contingencies Act 2004.</p>			
<b>Causes</b>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

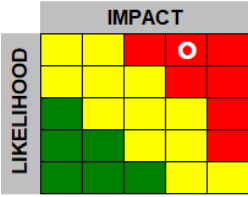
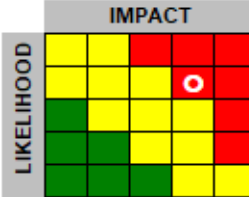


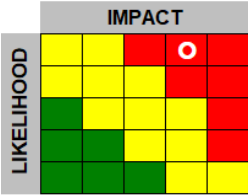
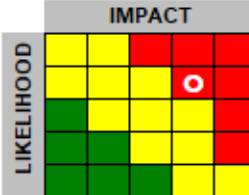
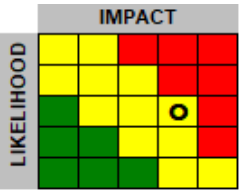
Risk Description	Previous risk score	Current risk score	Target risk score
Market failure of Social Care provision across Adult and Children's			
<b>Causes</b>	<ul style="list-style-type: none"> <li>• Capability and capacity of the available workforce to provide domiciliary care</li> <li>• Lack of diversity of supply in the market to provide choice and control</li> <li>• Impact of Covid-19 and need for mandatory vaccination</li> <li>• Capability and capacity of the available workforce within the care home market</li> </ul>		
<b>Result</b>	<ul style="list-style-type: none"> <li>• Inability to provide packages of care for service users and fulfil statutory duty of care</li> <li>• Lack of alternative providers able to support social care</li> <li>• Poor quality service provision and high costs</li> <li>• Significant increase in unmet needs of service users due to a fragile market that is not developing</li> <li>• Inability to meet sufficiency duty</li> <li>• Growing number of children placed out of borough with more LA's placing young people within Borough, placing additional pressure on ASC markets linked to transitions</li> </ul>		
<b>Current treatment and controls</b>	<ul style="list-style-type: none"> <li>• Market Position Statement and refresh of Children's Sufficiency strategy 22-25</li> <li>• Strengthen governance - Executive Commissioning Group/Strategic Commissioning Group</li> <li>• Strategic Commissioning Team - increased interim capacity</li> <li>• Commissioning priorities reset and improvement plan in place</li> <li>• Health and Wellbeing Strategy 2020-2025</li> <li>• Winter Planning/checklist</li> <li>• Robust supply chain review undertaken</li> <li>• Demand Management Programme in adults and children's</li> <li>• Local Dynamic Purchasing system - approved by Cabinet</li> <li>• Cost of Care exercise now in process and on track to meet national reporting requirements</li> <li>• Re-procurement framework development has now commenced</li> <li>• Extension of arrangements for block purchasing of hours in place to support hospital discharge and other opportunities to adopt similar arrangement being explored in the South</li> <li>• Fees 22/23 report completed and implemented</li> <li>• Weekly escalation meetings with HOS and to DASS in place</li> <li>• Market position for ASC reporting now embedded into system calls</li> <li>• Links maintained across C&amp;M DASS group with key areas of focus on Market Sustainability, Home First and Discharge</li> <li>• LGA Peer challenge completed in July 2022 that considered market oversight and sustainability</li> </ul>		

<b>Risk owner</b>	ED ASC&H, ED CSC&E
<b>Proposed actions</b>	<ul style="list-style-type: none"> <li>• Strengthened oversight of Quality Assurance with dedicated Senior Manager support will add the ability to refocus quality assurance resources on identified areas of risk in the market and gather intelligence to inform risks and ensure resilience and capacity.</li> <li>• Continue to focus on strategic plans to current contracts to ensure Value for Money and objectives are met.</li> <li>• Development of new opportunities through Sefton Place Based Partnership development</li> <li>• Children's High Risk/High-Cost Project, Commissioning priorities and full work plan in progress with extension</li> <li>• Recruitment for Senior Commissioning Leadership post in process</li> <li>• Recruitment campaign developed with Market with ongoing input from Sefton at Work</li> <li>• Development of contingency plans for provider failure - risk escalation process</li> <li>• Cost of care exercises for care homes (65+) and Domiciliary Care (18+) concluded in line with DHSC requirements and outcomes were submitted to DHSC on 14 Oct 2022.</li> <li>• links maintained with LCR on key market risks (capacity, workforce, cost of living, ceasing of covid funding, demand)</li> <li>• New Procurement for Domiciliary Care agreed at June 2022 Cabinet. To commence in Feb 2023 (with new framework in place from August 2023).</li> <li>• LGA Peer challenge completed in July 2022 which will consider market oversight and sustainability</li> <li>• Integrated commission arrangements will develop via new place arrangement.</li> <li>• Market Sustainability Plan and Fair Cost of Care Exercise to be sent to Central Government mid-October.</li> <li>• National Government Market Sustainability funding applied to Dom Care and care homes 65+</li> <li>• Winter planning continues and work to mobilise a rapid and reablement expansion continues</li> </ul>

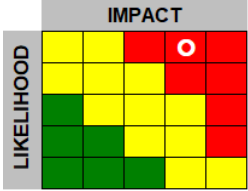
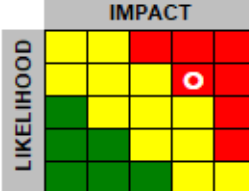
Risk Description	Previous risk score	Current risk score	Target risk score
Climate Emergency - Failure to meet the targets set out in the Council's declared climate emergency			
<b>Causes</b>	The Council has declared a climate emergency with a view to becoming a net zero contributor by 2030- the aim of this declaration is to improve the lives of residents, make the Borough a more attractive place to live and work, contribute to addressing the global impact of climate change contribute to stopping the deterioration of the Sefton environment.		
<b>Result</b>	<ul style="list-style-type: none"> <li>• Further deterioration in air quality</li> <li>• Extensive Coastal Erosion</li> <li>• Further deterioration in overall Sefton Environment</li> <li>• Sefton fails to support the drive to reduce carbon emissions that are having a significant impact on climate change</li> <li>• Reduced life expectancy</li> <li>• Reputational damage having declared an emergency and agreed a strategy and implementation plan</li> </ul>		
<b>Current treatment and controls</b>	<ul style="list-style-type: none"> <li>• Council has declared a climate emergency</li> <li>• Council has agreed the Strategy to meet this Declaration</li> <li>• Initial activities all completed</li> <li>• 3-year implementation place agreed by Council</li> <li>• Pathway to net zero articulated in latest annual report including residual amount that maybe left and financial support that will be required from central government for decarbonisation</li> <li>• Annual Reports track progress and are reported to Cabinet and Council</li> <li>• Initial projects in 3-year period include- move to agile working for staff, street lighting energy scheme, decarbonation work at Bootle and Southport Town Halls and procurement of 100% renewable electricity</li> </ul>		
<b>Risk owner</b>	ED CR&CS and ED People		
<b>Proposed actions</b>	<ul style="list-style-type: none"> <li>• Introduce 100% renewable electricity</li> <li>• Ensure completion of initial 3-year implementation place</li> <li>• Identify and bid for external funding to support change initiatives as without such financial support this will compromise the Council's ability to meet its target</li> <li>• Work with Combined Authority on communication strategy and leverage the CA to identify external funding and align with their programme of works</li> <li>• Work with the voluntary sector who have also declared a climate emergency - this will support delivery of schemes, external funding generation and community engagement for both organisations. Work on-going with Multi Agency Partnership to galvanise alignment with Partners activity in this area and influence delivery in line with Sefton's Strategy.</li> </ul>		

Risk Description	Previous risk score	Current risk score	Target risk score
Demand and Cost of Home to School Transport – Impact on the Financial Sustainability of the Council			
<b>Causes</b>	<p>Increasing expenditure is being driven by:</p> <ul style="list-style-type: none"> <li>• The rising number of children and young people with an Education Health and care plan.</li> <li>• The rising number of children and young people whose needs are not met in local mainstream provision and placed in educational provision outside the local area</li> <li>• The rising cost of fuel and living</li> <li>• Driver and escort shortages, competing for scarce resources</li> </ul>		
<b>Result</b>	<ul style="list-style-type: none"> <li>• Supply unable to match demand</li> <li>• Increased waiting time for users, impact on school attendance</li> <li>• Financial and reputational risks, financial sustainability of council could be compromised, budget pressure cannot be contained</li> <li>• Capacity of the workforce to meet this demand</li> <li>• Potential for poor service delivery</li> <li>• Negative socio-economic impact</li> <li>• High level of media and public interest in the council's actions</li> <li>• Loss of reputation</li> </ul>		
<b>Current treatment and controls</b>	<ul style="list-style-type: none"> <li>• Report to Leadership Team and Cabinet</li> <li>• Engagement with SEND on how demand can be contained</li> <li>• Review of In-House Fleet and post 16 charging policy</li> <li>• Monthly finance reports</li> <li>• On-going review of all provision</li> <li>• Personal travel budgets</li> </ul>		
<b>Risk owner</b>	Assistant Director of Education Excellence		
<b>Proposed actions</b>	<ul style="list-style-type: none"> <li>• Expand personal travel budget programme</li> <li>• Explore expansion of in-house fleet</li> <li>• Engagement with SEND on how demand can be contained</li> <li>• Review of travel solutions, focus on Post 16, out of borough, single occupancy and personal assistants</li> </ul>		

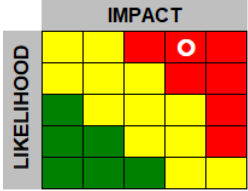
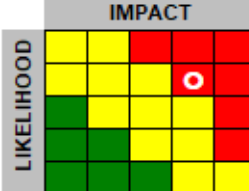
Risk Description	Previous risk score	Current risk score	Target risk score
Market Failure of Social Care Provision across Adults and Children's			TBC
<b>Causes</b>	<ul style="list-style-type: none"> <li>• Lack of national response to the Independent Review of Children's Social Care and report by the Competition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

Risk Description	Previous risk score	Current risk score	Target risk score
Inflation and cost of care impact on budget availability			
<b>Causes</b>	<ul style="list-style-type: none"> <li>National Care Crisis reflected at regional and local level</li> <li>Increasing provider costs – CPI etc / Impact of national decisions such as increase to National Living Wage</li> <li>Increased pressure to implement Real Living Wage – including to mirror approach adopted by other regional Local Authorities</li> <li>Workforce issues – recruitment, retention, pay and conditions/ Affordability</li> </ul>		
<b>Result</b>	<ul style="list-style-type: none"> <li>Budgetary impact / Council overspend</li> <li>Failure to meet statutory obligations</li> <li>Provider failure</li> <li>Needs of the population being unmet</li> <li>Contracts being handed back – leading to potential increased use of non-contracted Providers</li> <li>Reputational damage</li> </ul>		
<b>Current treatment and controls</b>	<ul style="list-style-type: none"> <li>Cost of Care exercise commissioned externally, and completed in line with DHSC requirements</li> <li>Market management by strategic commissioning re increased efficiencies</li> <li>Establishment of Local Framework Agreements to manage costs in process</li> <li>Establishment of Strategic Partnerships with providers</li> <li>Utilisation of workforce grants to support the market</li> <li>Involvement with regional forums e.g., NW ADASS Operational Commissioners Group to ensure collaborative approach, updates on key developments</li> <li>Collaborative fee setting exercise complete- paper to cabinet June 2022</li> <li>LGA Peer Review completed July 2022</li> <li>Strategic review of budget in process as part of Sector Led Improvement offer</li> </ul>		
<b>Risk owner</b>	ED ASC&H		
<b>Proposed actions</b>	<ul style="list-style-type: none"> <li>Cost of Care Exercise completed in line with DHSC requirements</li> <li>Use of bespoke cost of care tools to calculate costs</li> <li>Implementation of Local Frameworks to control costs and commissioning activity (in process)</li> <li>Benchmarking with regional authorities</li> <li>Enhance pooled budget arrangements with Health in development in line with Place arrangements</li> <li>Integrated approach to commissioning further enhanced (Intermediate care, market sustainability)</li> <li>Transformation programme – realignment / redistribution of expenditure across service sectors to reflect actual/desired changes in demand</li> </ul>		

- Care Cap reform work commenced – paper submitted to ELT – However, implementation now postponed by Government to October 2025

Risk Description	Previous risk score	Current risk score	Target risk score
Failure to Manage Increasing Demand for Services			TBC
<b>Causes</b>	<ul style="list-style-type: none"> <li>• Lack of national response to the Independent Review of Children’s Social Care and report by the Competition and Markets Authority calling for action on the children’s social care market</li> <li>• Increase in the number of children needing a Social Care intervention across the spectrum of need.</li> <li>• Lack of common understanding of spectrum of need.</li> <li>• Budget pressures</li> </ul>		
<b>Result</b>	<ul style="list-style-type: none"> <li>• Increased safeguarding risks</li> <li>• Poor outcomes for children in Sefton</li> <li>• Inability to cope with demand</li> <li>• Reputational damage</li> </ul>		
<b>Current treatment and controls</b>	<ul style="list-style-type: none"> <li>• Joint Strategic Needs Assessment and supporting Children's Chapters</li> <li>• People Strategy and Action Plan</li> <li>• Sefton Stronger Together Partnership</li> <li>• Level of Need document shared across partnership</li> <li>• Recruitment campaign for in house foster carers</li> <li>• Quality Assurance Framework</li> <li>• Practice Standards</li> <li>• Monthly Senior Management Performance Management meetings</li> <li>• Regular audit of cases, scrutiny of data and understanding of cohort to predict future demand (needs analysis).</li> <li>• Greater emphasis on the right response at the right time to enable intervention more swiftly and avoid drift and delay.</li> <li>• Budget monitoring</li> <li>• Increased scrutiny on the decision to bring a child and the exploration of safe alternatives.</li> </ul>		
<b>Risk owner</b>	Executive Director and Assistant Director of Children’s Services		
<b>Proposed actions</b>	<ul style="list-style-type: none"> <li>• Transfer of Early Help into Children's Services</li> <li>• Embed performance culture</li> <li>• Review of Safeguarding Partnership</li> <li>• Review of existing kinship care placements with a view to making these into SGO arrangements.</li> <li>• Develop channels to gain family feedback and incorporate into service delivery.</li> </ul>		



Risk Description	Previous risk score	Current risk score	Target risk score
Impact of Regulatory Framework Outcomes			TBC
<b>Causes</b>	<ul style="list-style-type: none"> <li>Ofsted Monitoring Visits</li> <li>Further inspection of services under the ILAC framework</li> </ul>		
<b>Result</b>	<ul style="list-style-type: none"> <li>Services are found to not adequately safeguard children</li> <li>Reputational damage to the Council and Statutory partners</li> <li>Loss of confidence in partnership arrangements</li> </ul>		
<b>Current treatment and controls</b>	<ul style="list-style-type: none"> <li>Improvement board established under DfE improvement notice</li> <li>DfE Advisor supporting Improvement Programme</li> <li>Phase 1 Improvement Plan progressing</li> <li>Regular reports to Overview &amp; Scrutiny</li> <li>Self-evaluation has been refreshed and updated</li> <li>Performance dashboard</li> <li>Quality Assurance Framework.</li> </ul>		
<b>Risk owner</b>	Executive Director and Assistant Director of Children's Services		
<b>Proposed actions</b>	<ul style="list-style-type: none"> <li>Continue with Improvement Board oversight</li> <li>Scrutineer to join Improvement Board</li> <li>Progress recommendations made by Children's Commissioner</li> <li>Report progress and risk to Overview &amp; Scrutiny</li> <li>Develop Phase 2 of Improvement Plan</li> <li>Review Quality Assurance Framework</li> <li>Continue with Audit regime.</li> </ul>		



## APPENDIX A – Capital Programme 2022/22 to 2024/25

Capital Project	Budget		
	2022/23 £	2023/24 £	2024/25 £
<b>Adult Social Care</b>			
Digitising Social Care	50,000	405,000	-
Core DFG Programme	2,000,000	-	-
Occupational Therapy Support for DFGs	603,774	-	-
ICT Development & Transformation	535,705	392,851	-
Care Home Improvements	437,559	550,000	-
Changing Places	92,507	-	-
Retail Model within Health and Wellbeing Hubs	-	450,000	-
Extra Care Housing	-	750,000	750,000
Short Term Assessment Unit	-	860,000	860,000
New Directions Programme	10,962	379,038	-
Technology Enabled Care	270,806	163,750	-
Sefton Carers Centre	30,000	-	-
Community Equipment Provision	300,000	-	-
Double to Single Handed Care Equipment	150,000	-	-
Community Equipment Stores	250,000	100,000	-
Programme Support	166,625	50,000	-
<b>Children's Social Care</b>			
Support for Fostering Placements	100,000	100,000	-
Community Equipment – Children's	250,000	-	-
Springbrook Refurbishment	100,000	-	-
<b>Communities</b>			
Dunes Splashworld – Essential Repairs	546,226	43,781	-
Dunes Splashworld – Health and Safety Works	270,000	-	-
Bootle Leisure Centre – Lift Replacement	38,000	-	-
Bootle Leisure Centre – Roof Replacement	-	209,000	-
Netherton Activity Centre – New Fencing	103,000	-	-
Libraries - Centres of Excellence	90,000	188,019	-
Section 106 Funded Projects	191,957	26,861	-
<b>Corporate Resources</b>			
Council Wide Essential Maintenance	485,838	1,547,897	-
STCC Essential Maintenance	54,650	-	-
Victoria Baths Essential Works	76,960	-	-
Bootle & Southport Town Hall Retrofit Energy Saving	29,950	-	-
Green Homes Grant Sustainable Warmth Schemes	6,299,479	-	-
ICT Transformation	493,281	-	-
<b>Economic Growth &amp; Housing</b>			
Strategic Acquisitions - Bootle	17,620	-	-
Cambridge Road Centre Development	53,930	-	-
Crosby Lakeside Development	1,715,913	-	-
Town Centre Commission Bootle Canal Side	240,263	-	-
Bootle Canal Side Business Plan	556,862		

	2022/23 £	2023/24 £	2024/25 £
Southport Market Redevelopment	47,335	-	-
Strategic Acquisitions - Ainsdale	90,600	836,423	-
Marine Lake Events Centre	6,369,392	13,268,773	37,948,199
Enterprise Arcade	187,500	1,245,000	61,500
Transformations De Southport	153,000	1,847,000	500,000
Strand Business Plan	40,000	375,000	75,000
Strand Repurposing Project	-	680,000	-
Housing Investment	33,960	-	-
Brownfield Fund for Housing Development	537,790	1,032,281	-
Social Housing Allocations Scheme	65,000	-	-
Southport Pier	321,822	3,000,000	-
<b>Education Excellence</b>			
Schools Programme	3,115,581	9,371,282	7,055
Planned Maintenance	429,902	50,000	-
Special Educational Needs & Disabilities	411,607	2,688,090	-
<b>Highways and Public Protection</b>			
Accessibility	989,402	-	-
Healthy Lifestyles	790,000	-	-
Road Safety	120,000	-	-
A565 Route Management Strategy	1,571,027	778,014	-
A59 Route Management Strategy	250,000	589,000	-
Strategic Planning	1,510,634	-	-
Traffic Management & Parking	55,000	-	-
Highway Maintenance	5,600,454	-	-
Bridges & Structures	517,921	-	-
Drainage	337,340	-	-
Street Lighting Maintenance	327,400	-	-
LED Street Lighting Upgrade	3,886,920	3,605,580	3,662,630
Urban Traffic Control	902,830	-	-
Transport Growth Schemes	-	1,268,620	-
Completing Schemes / Retentions	130,000	-	-
<b>Operational In-House Services</b>			
Burials & Cremation Service – Vehicles & Equipment	47,713	-	-
Coastal Erosion and Flood Risk Management	788,473	2,372,701	1,306,000
Parks Schemes	223,149	110,919	-
Tree Planting Programme	134,505	19,769	19,769
Golf Driving Range Developments	9,988	280,280	-
Ainsdale Coastal Gateway	27,712	840,000	-
Crosby Marine Lake Improvements – Phase 1	30,339	-	-
Green Sefton – Plant & Machinery	-	131,152	-
Vehicle Replacement Programme	366,835	1,779,494	-
Wheeled Bins	345,000	-	-
<b>TOTAL PROGRAMME</b>	<b>47,377,998</b>	<b>52,385,575</b>	<b>45,190,153</b>