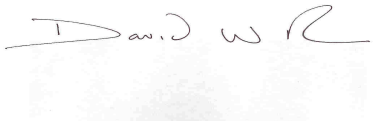
Public Document Pack

Executive Board

Thursday, 2 November 2006 2.00 p.m.
Marketing Suite, Municipal Building



Chief Executive

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

PART 1

Please contact Lynn Cairns on 0151 471 7529 or e-mail lynn.cairns@halton.gov.uk for further information.

The next meeting of the Committee is on Thursday, 16 November 2006

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

Agenda Item 3a

REPORT TO: Executive Board

DATE: 2 November 2006

REPORTING OFFICER: Strategic Director, Children & Young People

SUBJECT: Children's Centres Phase 2 Developments

1.0 PURPOSE OF REPORT

1.1 To update Members on the second phase of Children's Centre Developments; and

1.2 To propose sites for the development of 3 new Children's Centres to be completed by March 2008.

2.0 RECOMMENDED that

2.1 The proposed sites for the new Children's Centres are approved (3.7) and that capital development schemes are progressed within the available funding.

2.2 The proposal for inclusion of the virtual children's centre opportunity as part of phase 2 developments is endorsed (3.8).

3.0 SUPPORTING INFORMATION

3.1 In phase 1 of the children's centre strategy, Halton was given an indicative target of 9 new children's centres to complete by September 2006. The capital build element of 8 of the 9 will be complete within this time frame. Five of the centres are already formally designated and the other three will be designated as they start to deliver the full core offer of services in the Autumn of 2006. The final centre (Halton Brook) has had formal approval to be carried forward as an additional element of phase 2 (Appendix 1).

3.2 For Phase 2 developments the number of new children's centres to be created in the period April 2006 – March 2008 is 3, with a reach target of 1,860 under 5's. For children's centres development, Local Authorities (LA's) must plan capital investments and phase capital programmes so that all children living in the 30% most disadvantaged areas, as measured by Super Output Areas, have access to the core children's centre offer of services by March 2008. A summary of the core children's centre offer to be provided in the 30% most disadvantaged areas is attached as Appendix 2.

3.3 In line with Government guidance, children's centres will ensure that families with young children will have easy access to these services. Where possible Children's Centres will be developed from existing

settings, including primary schools as well as other early years settings which have benefited from the Government's recent significant investment such as Sure Start programmes.

3.4 In November 2005, Executive Board agreed that feasibility studies should be carried out with a view to developing children's centres in Castlefields Ward, Hough Green Ward, and Appleton Ward. A number of issues and obstacles to the development of a site within the Appleton area were raised, and a subsequent feasibility study has led to a revised proposal based on needs analyses for children's centre developments in Castlefields, Mersey and Hough Green wards.

3.5 Needs Analysis

The needs analysis (Appendix 3) is an abstract, specific to children's centre core services, drawn from the wider work being undertaken for advice on service need for area networks (Halton Needs Analysis 2006/09). There are key issues for the three wards studied. These are listed within the appendix supplementary to the ward needs analysis information. An analysis of all proposed sites has been carried out resulting in the following proposals for Phase 2 developments:

3.6 Proposed sites

Castlefields ward:
It is proposed that a children's centre campus model is created comprising

- Acorn Lifelong Learning Centre,
- Acorn Community Nursery,
- Astmoor Primary School,
- the Park Primary School, and
- Inglefields Centre which has already benefited from significant Sure Start investment.

This campus would enable the provision of the full core offer of services including full day childcare. The campus would also be located within short distance of local health and community centres, Woodlands Play Centre and the Braemar Centre, which is due for imminent development.

Hough Green ward:
It is proposed that an extension is built onto All Saints Upton CE Voluntary Controlled Primary School to facilitate the provision of core offer services. Childcare is already available at this site. The proposed centre at All Saints school would work in close partnership with:

- St Basil's School,
- Upton Community Centre, and

- Ditton library, which currently operates as an outreach site for Ditton Children's Centre.

Mersey ward:
It is proposed that a children's centre is developed at Runcorn All Saints CE Primary and that existing provision within the school is developed to provide facilities for the core offer. Childcare is available in the immediate locality allowing for this element of the core offer to be developed in partnership with private and voluntary provision.

A map of all existing children's centres completed as part of Phase 1 developments and the prospective children's centres to be developed as part of Phase 2 developments is attached as Appendix 4.

3.8 Proposed Virtual Children's Centre Opportunity

The establishment of new Children's Centres creates the opportunity to provide an alternative and additional method of service provision through the borough's proposal to develop a virtual children's centre. This would enable disadvantaged and vulnerable communities to access interactive service provision via cutting edge technology methods. This area is currently being explored in conjunction with AIMES and 4Children and will be presented in greater detail at a later date.

4.0 FINANCIAL IMPLICATIONS

4.1 Following Executive approval, the local authority is required to create each capital project on the Government web-site: SureStart-on, and enter the required information details for each project. For building capital projects, submission should be at RIBA stage D which reflect costings submitted as part of the cost breakdown. The capital project information will then be reviewed and a decision will be made on the capital

Funding is available for the development of Children's centres through the Sure Start Capital Grant. In the 2006/08 spending round authorities have been given discretion and flexibility of how the capital allocation is spent. Authorities can decide based on local need to allocate part or all of their capital allocation to:

- Children's Centres
- Extended Schools
- Sustainability projects
- Integration projects (combination of the above).

In doing so authorities must ensure that they meet all their set targets related to this capital allocation.

The capital allocation for Halton is:

- 2006/2007 £490,051
- 2007/2008 £995,865

5.0 RISK ANALYSIS

5.1 There is a need to gain approval for the development of Children's Centres on the proposed sites as a matter of priority, in order to avoid any delay in securing government approval for the capital developments. The local authority is required to enter each stage of the capital project onto the Sure Start-on web-site, and the government architectural consultant will monitor progress of the project towards completion. Funding allocated for capital projects during 2006-2008 cannot be carried forward.

5.2 In the period 2006-2008 the revenue costs of Children's Centres can be met through the General Sure Start Grant, which includes a Children's Centre Revenue allocation. Future funding levels will be determined during the Comprehensive Spending Review in Autumn 2007.

6.0 EQUALITY & DIVERSITY ISSUES

6.1 Children Centre developments are central to all wider policies covering social exclusion.

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

DOCUMENT	PLACE OF INSPECTION	CONTACT OFFICER
Main Capital Funding Guidance	Grosvenor House	G Derby
Ten Year Strategy for Childcare	Grosvenor House	G Derby

Appendix

1. Phase 1 Capital Profile
2. Core offer for Children's Centres in 30% most disadvantaged areas
3. Needs Analysis
4. Map of existing and prospective children's centres

Appendix 1

Phase 1 Capital Profile

Children Centre Capital Budget Projections/Costs 2004/2006

		Funding Source					
Children's Centre	**Total Building Cost**	**Children's Centre**	**SSLP**	**BIG Lottery Fund/NNI**	**ERDF**	**Other**	**Comments**
Kingsway	£1,540,000	£0	£500,000	£340,000	£100,000	£600,000	Operational 2005
Brookvale	£905,726	£0	£735,726	£120,000	£50,000	£0	Operational 2005
Ditton	£838,000	£0	£300,000	£150,000	£60,000	£328,000	Operational 2005
Halton Lodge	£976,051	£0	£619,051	£107,000	£250,000	£0	Operational 2005
Warrington Road	£1,940,587	£1,033,560	£361,800	£0	£69,700	£475,527	Due for completion by November 2006
Windmill Hill	£469,562	£200,562	£269,000	£0	£0	£0	Project complete June 2006
Halton Brook	£200,000	£176,700	£0	£0	£0	£23,300	Carried forward to 2006/2007
Palacefields	£468,409	£230,409	£238,000	£0	£0	£0	Project complete June 2006
Our Lady's	£150,000	£150,000	£0	£0	£0	£0	Due for completion by 30 September 2006
Total	**£7,488,335**	**£1,791,231**	**£3,023,577**	**£717,000**	**£529,700**	**£1,426,827**	

* Halton Brook £200,000 contribution from Sure Start/Nursery project to total Kingsway projects
* Our Lady's £150,000 revised costings re delivery in phase 2

Appendix 2

‘Core Offer’ for Children’s Centres in 30% most disadvantaged wards

What must children's centres offer in the 30% most disadvantaged areas?

These following services must be offered in the 30% most disadvantaged areas (Super Output Areas):

Early Years Provision

- Integrated early learning and childcare for babies and children until they are five years old.
- Childcare suitable for working parents/carers for a minimum of 5 days a week, 48 weeks a year, 10 hours a day.
- Childcare places will be open to all, with a priority around disadvantaged families, but not just families in the immediate area (admission and fee policies will be determined locally).
- Support for childminders.
- Early identification of children with sp4ecial needs and disabilities with inclusive services and support for their families.
- Links to local schools (extended schools and Healthy Schools) and out-of-school activities (holiday play schemes, before/after-school play and learning).

Family Support and Parental Outreach

- Visits to all families in the catchments area within two months of the child's birth (through the Child Health Promotion Programme or agreed local arrangements).
- Information for parents/carers about the range of family support services and activities available in the area.
- Support and advice on parenting including support at significant transition points for the family (e.g. pre-birth, early days, settling into childcare).
- Access to specialist, targeted services for those families which need them, e.g. support for parents/carers of disabled children.
- Activities, which increase parents/carers understanding of their child's development.
- Specific strategies and activities, which increase the involvement of fathers.

Child and family health services

- Antenatal advice and support for parents/carers.
- Child Health Promotion Programme.
- Information and guidance on breastfeeding, hygiene, nutrition and safety.
- Promoting positive mental health and emotional well being, including identification, support and care for those suffering from maternal depression, antenatally and postnatally.
- Speech and language and other specialist support.
- Support for healthy lifestyles.
- Help in stopping smoking.

Parental involvement

- Consultation and information sharing with parents/carers, including fathers, on what services are needed and systems to get user feedback on services.

- Ongoing arrangements in place to ensure parents/carers have a voice e.g. parents forums.

Links with Jobcentre Plus

- Centres will link with Jobcentre Plus to encourage and support parents/carers who wish to consider training and employment.

Appendix 3

Needs Analysis

Runcorn Castlefields ward

Demographic information

Castlefields ward is located in Runcorn and for the delivery of integrated and co-ordinated children's services the ward is located in Children and Young People Area Network 5.

Castlefields ward has been identified as the 3rd most deprived wards out of the total 21 wards in Halton. It falls at 2nd in the league of employment deprivation, 6th in education deprivation and 2nd in the deprivation league for health.

Population

The total population in Castlefields ward is **6,427**.
93 residents are from black or ethnic minority heritage
By age the distribution is as follows:

0-4 years	354
5-15 years	832
16-24 years	828
25-44 years	1,782
45-64 years	1,726
65-74 years	499
75+ years	406

Childcare

Within Castlefields ward there are:
163 0-4 FTE childcare paces
50 after school childcare places
50 holiday childcare places

Housing

Residents of Castlefields ward are accommodated in 3,371 dwellings. The majority of these are flats and maisonettes with the reaming terraced and semi detached homes. Flats and maisonettes account for 43% of the housing within the ward.

Unemployment

Halton Census atlas identifies 362 residents of Castlefields ward as unemployed, 134 young people between the ages of 16 and 24 are also unemployed with 16 young people not in education, employment or training.
42% of Castlefields residents have no formal qualifications.

Permanently sick and disabled / Long term life limiting illness.

The Halton Census atlas 2001 identifies 28% of Castlefields ward as having a life limiting long-term illness whilst 12% are permanently sick and disabled.

Lone Parents

278 households in Castlefields ward are headed by a lone parent. This is 8 % of the total number of households within the ward.

Education

There are **5** primary schools located within Castlefields ward.
751 children aged 5 – 11 years attend these schools.
An average of **35%** (Range 20% - 52%) of these children are from families eligible for a Free School Meal.
School attendance at school in Castlefields ward averages at **93.6%**
38 children attending these schools have a statement of Special Educational Need.
0 children from schools within Castlefields ward were excluded during the school year 2005/06.

Health

Substance misuse:

44 children in Castlefields ward live in families affected by parental substance misuse.
10 families are receiving support from ARCH

MMR uptake

It is estimated that **100%** of eligible children within this cohort attending the GP practice within Castlefields ward received the MMR vaccination

Breast screening

It is estimated that **56%** of eligible women attended Castlefields ward GP practice between the ages of 50 and 64 years attended for breast screening when invited to do so.

Cervical screening

It is estimated that **78%** of eligible women attended Castlefields ward GP practice between the ages of 25 and 64 years attended for cervical screening when invited to do so,

Decayed Missing and Filled teeth

NHS live project reports that **36%** of children living in Castlefields ward have decayed missing or filled teeth at 3 years of age.

Family Support

23 families from Castlefields ward were referred to Branches Family support service during 2005.

Teenage Pregnancy

Castlefields ward residents are reported as having a higher than the Halton average number of teenage conceptions.

Children's Social Care

54 referrals to Children's Social care were made during 2005/06
20 children were removed from the ward into the care of the local authority during the same period
21 children were placed with foster carers during 2005/06

Key issues identified in Castlefields ward (Halton Needs analysis 2006/09)

- High number of residents from BME background in Castlefields
- High proportion of families without access to a car
- High number of residents with life limiting long term illness or permanently sick and disabled in Castlefields
- High number of households headed by lone parent
- Higher than the Halton average number of teenage conceptions
- Highest proportion of unemployed residents
- High numbers of children with statements of Special Educational Need
- High proportion of residents with no formal qualifications
- High proportion of FSM claimants
- Low attainment in Castlefields SOA
- High number of referrals to Children's Social Care
- High number of children removed from Castlefields into the care of the local authority
- High number of children in care of foster cares in Castlefields
- High proportion of dependant children living in flats or maisonettes
- Castlefields has the most deprived SOA in terms of the indices of deprivation employment domain
- Castlefields SOA has the lowest KS2 L5 attainment in English, Maths and Science
- Highest use of amphetamines and the lowest use of glues or solvents in Castlefields
- Low number of children with disability living with the ward (1)
- Low uptake of breast screening
- Highest rate per 100 of suicide/ death from an undetermined cause

Widnes Hough Green ward

Demographic information

Hough Green ward is located in Widnes and for the delivery of integrated and co-ordinated children's services the ward is located in Children and Young People Area Network 1.

Hough Green ward has been identified as the 12th most deprived ward out of the total 21 wards in Halton. It falls at 13th in the league of employment deprivation, 11th in education deprivation and 12th in the deprivation league for health.

Population

The total population in Hough Green ward is **7,067**
66 residents are from black or ethnic minority heritage
By age the distribution is as follows:

0-4 years	456
5-15 years	1,102
16-24 years	805
25-44 years	2,076
45-64 years	1,691
65-74 years	542
75+ years	395

Childcare

Within Hough Green ward there are currently
89 0-4 FTE childcare places

80 after school childcare places
0 holiday childcare places

Housing

Residents of Hough Green ward are accommodated in 3,094 dwellings. The majority of these are terraced properties with the remaining detached and semi detached homes. Flats and maisonettes account for 13% of the housing within the ward.
32% of Hough Green households have no access to a car

Unemployment

Halton Census atlas identifies **269** residents of Hough Green ward as unemployed, **81** young people between the ages of 16 and 24 are also unemployed with **21** young people not in education, employment or training.
35% of Hough Green residents have no formal qualifications.

Permanently sick and disabled / Long term life limiting illness.

The Halton Census atlas 2001 identifies **22%** of Hough Green ward as having a life limiting long-term illness whilst **7%** are permanently sick and disabled.

Lone Parents

355 households in Hough Green ward are headed by a lone parent. This is 11 % of the total number of households within the ward.

Education

There are **2** primary schools located within Hough Green ward.
545 children aged 5 – 11 years attend these schools.
An average of **27%** of these children are from families eligible for a Free School Meal.
School attendance at school in Hough Green ward averages at **94%**
3 children attending these schools have a statement of Special Educational Need.
0 children from schools within Hough Green ward were excluded during the school year 2005/06.

Health

Substance misuse:

30 children in Hough Green ward live in families affected by parental substance misuse.

30 families are receiving support from ARCH
3 families are receiving support from TCAC teams
5 families are receiving support from the Community Alcohol Team

MMR uptake

It is estimated that **70%** of eligible children within this cohort attending the GP practice within Hough Green ward received the MMR vaccination

Breast screening

It is estimated that **76%** of eligible women attended Hough Green ward GP practice between the ages of 50 and 64 years attended for breast screening when invited to do so.

Cervical screening

It is estimated that **83%** of eligible women attended Hough Green ward GP practice between the ages of 25 and 64 years attended for cervical screening when invited to do so,

Decayed Missing and Filled teeth

NHS live project reports that **50%** of children living in Hough Green ward have decayed missing or filled teeth at 3 years of age.

Family Support

19 families from Hough Green ward were referred to Branches Family support service during 2005.

Teenage Pregnancy

Hough Green ward residents are reported as **not** having a higher than the Halton average number of teenage conceptions.

Children's Social Care

53 referrals to Children's Social care were made during 2005/06
4 children were removed from the ward into the care of the local authority during the same period
4 children were placed with foster carers during 2005/06

Key issues identified in Hough Green ward (Halton Needs analysis 2006/09)

- Hough Green has higher number of residents from BME background
- High number of residents with no access to a car
- High number of lone parent households (11%)
- High unemployment figures including youth unemployment and NEET
- Low school attainment in Hough Green SOA
- Low uptake of MMR, breast and cervical screening
- High number of children with DMFT at 3 years
- High number of overweight children
- High number of children living in families affected by substance misuse

Runcorn Mersey ward

Demographic information

Mersey ward is located in Runcorn and for the delivery of integrated and co-ordinated children's services the ward is located in Children and Young People Area Network 4.
Mersey ward has been identified as the 10th most deprived ward out of the total 21 wards in Halton. It falls at 9th in the league of employment deprivation, 13th in education deprivation and 11th in the deprivation league for health.

Population

The total population in Mersey ward is **6,146**.
99 residents are from black or ethnic minority heritage
By age the distribution is as follows:

0-4 years	408
5-15 years	928
16-24 years	652
25-44 years	1,894
45-64 years	1,293
65-74 years	488
75+ years	483

Childcare

Within Mersey ward there are:
41 0-4 FTE childcare paces
21 after school childcare places
21 holiday childcare places

Housing

Residents of Mersey ward are accommodated in 2,837 dwellings. The majority of these are terraced properties with the reamaing flats and semi detached homes.

Unemployment

Halton Census atlas identifies 231 residents of Mersey ward as unemployed, 71 young people between the ages of 16 and 24 are also unemployed with 19 young people not in education, employment or training.
36% of Mersey residents have no formal qualification.

Permanently sick and disabled / Long term life limiting illness.

The Halton Census atlas 2001 identifies **22%** of Mersey ward as having a life limiting long-term illness whilst **7%** are permanently sick and disabled.

Lone Parents

288 households in Mersey ward are headed by a lone parent. This is 10.5 % of the total number of households within the ward.

Education

There are 4 primary schools located within Mersey ward.
607 children aged 5 – 11 years attend these schools.
An average of **21%** (Range 11% - 33%) of these children are from families eligible for a Free School Meal.
School attendance at school in Mersey ward averages at **94.2%**
16 children attending these schools have a statement of Special Educational Need.
0 children from schools within Mersey ward were excluded during the school year 2005/06.

Health

Substance misuse:

12 children in Mersey ward live in families affected by parental substance misuse.
8 families are receiving support from ARCH

MMR uptake

It is estimated that **91%** of eligible children within this cohort attending the GP practice within Mersey ward received the MMR vaccination

Breast screening

It is estimated that **69%** of eligible women attended Mersey ward GP practice between the ages of 50 and 64 years attended for breast screening when invited to do so.

Cervical screening

It is estimated that **83%** of eligible women attended Mersey ward GP practice between the ages of 25 and 64 years attended for cervical screening when invited to do so,

Decayed Missing and Filled teeth

NHS live project reports that **54%** of children living in Mersey ward have decayed missing or filled teeth at 3 years of age.

Family Support

10 families from Mersey ward were referred to Branches Family support service during 2005.

Teenage Pregnancy

Mersey ward residents are reported as having a higher than the Halton average number of teenage conceptions.

Children's Social Care

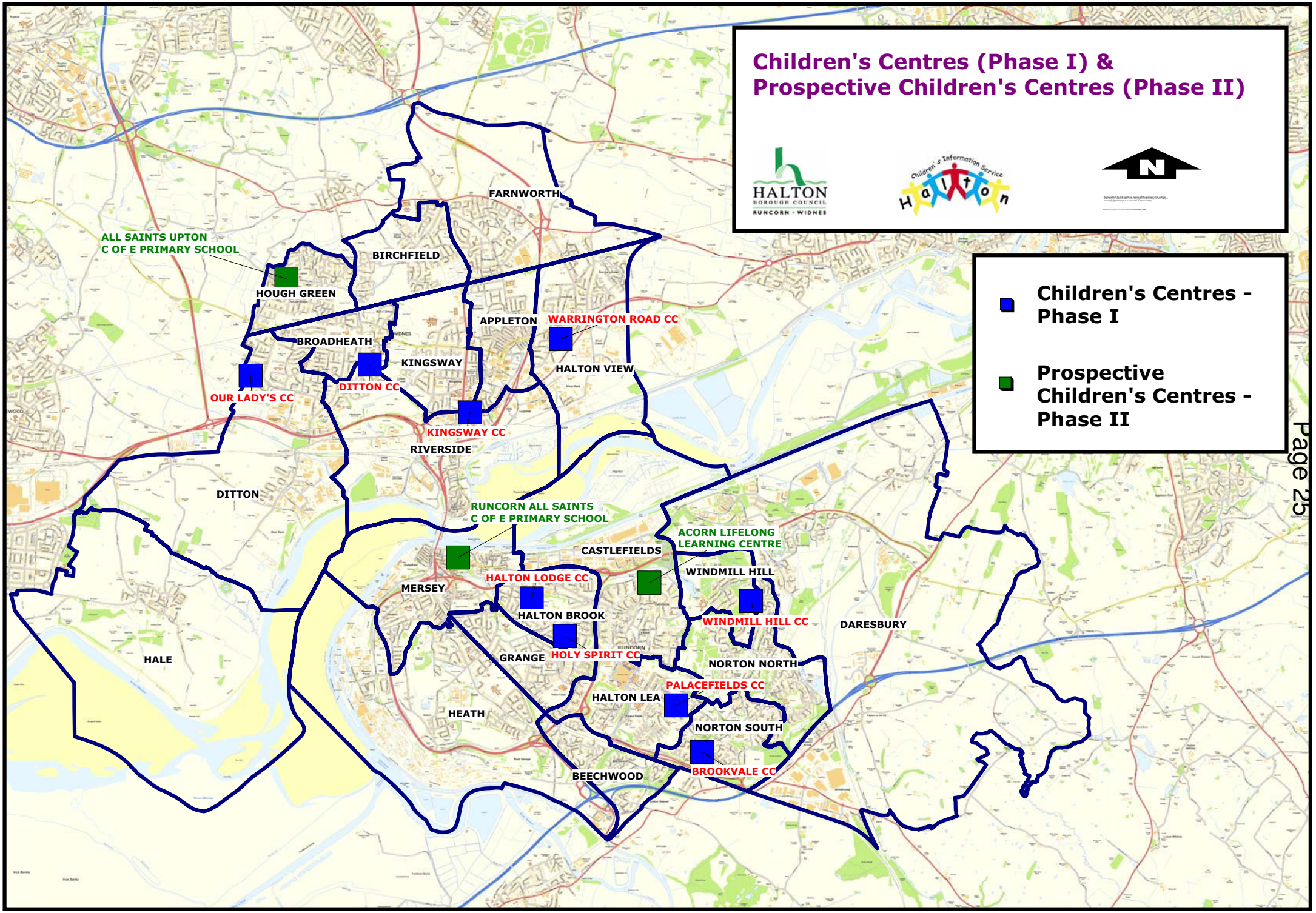
8 referrals to Children's Social care were made during 2005/06
8 children were removed from the ward into the care of the local authority during the same period
1 child was placed with foster carers during 2005/06

Key issues identified in Mersey ward (Halton Needs analysis 2006/09)

- Mersey ward has the highest number of 0-4 year olds in CYPAN 4
- There are low numbers of link clubs and after school provision in Mersey ward
- Mersey ward has the highest number of residents from BME backgrounds in Halton
- The highest number of households headed by a lone parent in CYPAN 4 are in Mersey ward
- Mersey ward has higher than the Halton average of teenage parents
- Mersey ward has the highest unemployment, youth unemployment and NEET figures in CYPAN 4
- Low school attendance in Mersey ward
- Mersey ward has the highest number of children with DMFT at 3 years in CYPAN4

Appendix 4

Map of existing and prospective children's centres


Children's Centres (Phase I) &
Prospective Children's Centres (Phase II)
HALTON BOROUGH COUNCIL
RUNCORN · WIDNES
Children's Information Service
Halton
Children's Centres - Phase I
Prospective Children's Centres - Phase II
ALL SAINTS UPTON C OF E PRIMARY SCHOOL
HOUGH GREEN
BIRCHFIELD
FARNWORTH
APPLETON
WARRINGTON ROAD CC
HALTON VIEW
BROADHEATH
KINGSWAY
DITTON CC
OUR LADY'S CC
KINGSWAY CC
RIVERSIDE
DITTON
RUNCORN ALL SAINTS C OF E PRIMARY SCHOOL
ACORN LIFELONG LEARNING CENTRE
CASTLEFIELDS
WINDMILL HILL
MERSEY
HALTON LODGE CC
HALTON BROOK
WINDMILL HILL CC
DARESBURY
HALE
GRANGE
HOLY SPIRIT CC
NORTON NORTH
PALACEFIELDS CC
HALTON LEA
HEATH
NORTON SOUTH
BROOKVALE CC
BEECHWOOD

REPORT TO: Executive Board

DATE: 2 November 2006

REPORTING OFFICER: Operational Director – Financial Services

SUBJECT: Medium Term Financial Forecast

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To set out the findings of the Medium Term Financial Forecast.

2.0 RECOMMENDED: That

(1) the Medium Term Financial Forecast be noted;

(2) the base budget be prepared on the basis of the underlying assumptions set out in the Forecast; and

(3) further reports be considered by the Executive Board on the areas for budget savings and cost increases to maintain existing service levels or service enhancements.

3.0 BACKGROUND

3.1 The Medium Term Financial Forecast sets out a three-year projection of resources and revenue spending. The implications of the forecast in terms of the need for budget savings in 2007/08 onwards are then considered, and the scope for increased costs to maintain or enhance services.

3.2 The Forecast has been based on information that is currently available but there is information yet to be received and revisions will need to be made as new information becomes available. As a result, the projections must be treated with caution, but they do provide initial guidance to the Council on its revenue position into the medium term.

4.0 POLICY IMPLICATIONS

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

5.0 OTHER IMPLICATIONS

5.1 The Forecast shows that the spending required to maintain existing policies and programmes is expected to increase at a faster rate than the resources available to support it. Consequently there is a requirement to make significant efficiency gains and budget savings.

5.2 The Government remains committed to capping excessive council tax increases. Two Local Authorities had notional budgets set by the Government this year, and Government pressure to minimise Council Tax increases remains. Higher Council Tax increases will certainly result in budgets being capped by the Government.

5.3 Given the need to avoid capping, levels of additional spending will need to be kept to the absolute minimum and compensating budget savings will need to be identified.

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

Document	Place of Inspection	Contact Officer
Formula Grant 2006/07	Municipal Building	Nick Finnan
Provisional Formula Grant 2007/08	”	”

MEDIUM TERM FINANCIAL FORECAST

2007/08 TO 2009/10

Financial Services
September 2006

1.0 INTRODUCTION

1.1 The Medium Term Financial Forecast sets out a three-year projection of resources and revenue spending. The implications of the Forecast in terms of the need for budget savings in 2007/08 onwards and the scope for increased costs to maintain or enhance services are then considered.

1.2 The projections made within the Forecast must be treated with caution and require continuous updating as the underlying assumptions behind them become clearer. There is more certainty surrounding the level of formula grant funding this year, however, further information and final allocations are yet to be received. Nevertheless the projections do provide initial guidance to the Council on its revenue position into the medium term.

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

2.0 COMPREHENSIVE SPENDING REVIEW / MULTI-YEAR SETTLEMENTS

2.1 The last Spending Review was the 2004 Spending Review (SR2004), which set out the Government's planned public sector spending for the three-year period to 2007/08

2.2 The SR2004 set the control totals used in the Formula Spending Share (FSS) methodology, which distributed Revenue Support Grant (RSG) to Local Authorities. However, this methodology was replaced in 2006/07 by the so-called 4-Block Model, which no longer reconciles back to the SR2004 control totals.

2.3 The next Spending Review was due in 2006 but this was postponed until 2007. The Chancellor had announced the Governments intention of producing 3-year finance settlements in the SR2004, with 2006/07 scheduled as being the first year when 3-year settlements were to be made. However, in January 2006, the Government announced final allocations for 2006/07 and indicative allocations for 2007/08 only. From 2008/09 the Government intends to announce settlements for three years at a time, in line with the Comprehensive Spending Review timetable.

3.0 FORECAST OF EXTERNAL SUPPORT

3.1 From 2006/07, the Government introduced a new Formula Grant Distribution Methodology, replacing the FSS methodology with the 4-Block Model. FSS was made up of FSS block and sub-block control

totals that reconciled back to the SR2004 allowing resources to be targeted to specific services. In the past, FSS was used to provide Authorities with a proxy spending level, or "spending target", for each of their main services, and also provided a figure for Assumed National Council Tax (ANCT). The 4-Block Model allocates formula grant over three blocks: Relative Needs; Relative Resources; and Central Allocation, then uses a Damping block to ensure that all Authorities receive at least a minimum increase – the "Floor". No upper limit, or "ceiling", is set as this was removed from the grant system in 2004/05. The control totals within the new system do not reconcile back to the SR2004, no longer provide a "spending target", and also obscures the calculation of an ANCT figure.

3.2 The Relative Needs block uses existing FSS formulae as a basis for calculating Relative Needs Formulae (RNF) for each sub block which are designed to reflect the relative needs of individual Authorities in providing services. The difference between FSS and RNF is that FSS were expressed in monetary amounts but RNF's are expressed as a decimal number – or ratio. They are not intended to measure the actual amount needed by the Authority to provide local services, but to simply recognise the various factors that affect Local Authorities' costs locally. They do not relate to the actual monetary amount of grant that a council needs for providing services for its residents.

3.3 The Relative Resources Amount is a negative figure reflecting the Authority's ability to raise its own revenue via Council Tax. The negative amount is balanced against the positive proportion calculated in the Relative Needs Amount.

3.4 The Central Allocation then shares an amount of money left in the grant pool out on a per head basis. Following the calculations in the previous three blocks, the amount of grant allocated is subject to Damping. The Government uses Damping to protect Authorities from detrimental grant changes by setting a "floor". The Government first introduced "floors" to the RSG process in 2001/02 to ensure that no Authority received less than a minimum increase in grant. To meet the floor, grant increases above the floor are scaled back. The floor was set at 2.0% in 2006/07 and will remain in 2007/08 at 2.7%.

3.5 Halton was below the floor in 2006/07, and the indicative figures put the Authority slightly above the floor in 2007/08. The level, and continued existence, of the floor in future years is unknown. However, the forecast assumes that the floor will remain and it has been set at 2%. It also assumes that Halton will be at the floor for the remaining years of the forecast.

3.6 The introduction of the 4-Block Model was accompanied by the provision of a Revenue Support Grant (RSG) allocation for 2006/07 and a indicative allocation for 2007/08. It also removed schools funding from the formula grant system's RSG, to funding direct from the DfES

via a ring fenced Dedicated Schools Grant (DSG). No additional funding was made available to finance DSG as it was top-sliced from RSG. The DfES now have the responsibility for determining the size of each authority's DSG.

3.7 The level of external funding received also reflects amending reports to past settlements, the transfer of functions in and out of Local Government control and any changes in funding arrangements. No transfers have yet been announced, therefore, the forecast assumes no transfers of function over the three years.

3.8 The estimated increase in the level of external support based on these assumptions is shown in Table 1 below:

Table 1 – External Funding Forecast 2007/08 to 2009/10

	2007/08 £'000's	**2008/09 £'000's**	**2009/10 £'000's**
Indicative Formula Grant (RSG)	56,025		
RSG	**56,025**	**56,025**	**57,145**
RSG Floor Increase @ 2%		1,120	1,143
Adj Formula Grant RSG	**56,025**	**57,145**	**58,288**
Estimated Increase in Formula Grant	1,354	1,120	1,143

4.0 COUNCIL TAX FORECAST

4.1 The Government retains the right to control "excessive" Council tax increases and has used these powers in successive years since 2004/05 to cap Local Authorities. In 2006/07 two Local Authorities had notional 2006/07 budgets set by the Government.

4.2 For 2006/07 the Council Tax for a Band D property is £1,004.28 (excluding police, fire and parish precepts), which will generate income of £37.1m.

4.3 Following the transfer of Education funding into DSG, Council Tax income now funds 40% of the Net Revenue Budget. A 1% increase in budget would require a 2.5% increase in Council Tax, this is known as the gearing effect and places practical constraints on the budget that can be set because of the implications this has on Council Tax rises.

4.4 When setting Council Tax levels it is clear that higher increases enable more growth in spending and/or reduce the requirement to make savings. However, there are a wide number of factors that need to be considered when determining the appropriate increase in Council Tax. These factors include:

- Halton has the 3rd lowest Council Tax level in the North West and the 27th lowest in England,

- Halton's Council Tax is £94.48 (7.5%) below the average Council Tax set by Local Authorities in England.

- Halton's increase in Council Tax of 4.5% in 2006/07 was in line with the national average increase in Council Tax for 2006/07.

- The Government's inflation target is 2% per year,

4.5 Table 2 below estimates the net amount of Council Tax income that will be produced for a given increase in Halton's Band D Council Tax for the next 3 years.

Table 2 – Council Tax Income for 2007 to 2010

Projected Increases in Council Tax Income (£'000)	2007/08	2008/09	2009/10
2.0%	742	757	772
3.0%	1,113	1,146	1,181
5.0%	1,855	1,948	2,045
7.0%	2,597	2,779	2,973

4.6 The Government had announced its intention to carry out a ten-year cycle of council tax revaluations in England, leading to Council Tax bills based on updated property values from 2007 onwards. However, the government postponed Council Tax revaluation and, instead, extended Sir Michael Lyons Inquiry (The Lyons Review) so that he can consider the wider functions of Local Government and its future role. The Lyon's Review is scheduled to be reported to ministers in December 2006.

5.0 OTHER RESOURCES

5.1 The Council has balances of £6.5m at the beginning of the year. This includes the balance of the £1.75m relating to the commutation adjustment and the Council has agreed to release at £350,000 each year for five years to 2009/10. Further use of balances is not advised.

5.2 The Local Government Act 2003 provides for Local Authorities to share in increases in business rates above a threshold through the Local Authority Business Growth Incentive (LABGI) Scheme. The future of LABGI beyond 2007/08 is uncertain, however, Halton is not expected to gain from the current scheme, and therefore, no income has been brought into the Forecast.

6.0 SPENDING FORECAST

6.1 The Spending Forecast estimates the increases in revenue expenditure that will be required over the next three years in order to maintain existing policies and programmes. In effect this represents an early estimate of the standstill budget requirement using the information that is currently available.

6.2 The scope of the Forecast covers General Fund revenue activities that are financed through Revenue Support Grant, Non Domestic Rates and the Council Tax. The Forecast does not directly consider schools funding as this now operates under a separate system and is funded by ring-fenced DSG. The transfer of the housing stock to Halton Housing Trust means that the Housing Revenue Account will be closed at the end of this year.

6.3 Pay and price inflation is the single most costly factor in the Forecast, and is projected to increase the spending requirement by £2.2m in 2007/08. The current year (2006/07) was the final year of the three-year pay settlement. It has been assumed that pay awards will be 2.5% for each year of the forecast. There is no change to the employer's national insurance contributions for 2007/08 though there will be increases in the employer's superannuation contributions. The Cheshire Superannuation Fund was subject to a triennial review in 2004 and the employer's contribution rate will increase to 20.5% by 2008/09. The Forecast has accounted for the increased costs in the pay and prices inflation.

6.4 Inflation continues at historically very low levels and in 2004 many items of supplies and services expenditure were cash limited. The Forecast assumes that cash limiting will continue. However, it would not be prudent to cash limit certain types of expenditure. Where appropriate a rate will be used in the budget that more accurately reflects the true picture of future prices. For example, utilities and fuel oil have been inflated to take account of the large worldwide increases in oil prices. The Forecast assumes that income from fees and charges and other sources will increase by 2.5% per year.

6.5 This year, the Forecast has provided for the cost of increments by putting £0.5m in each year of the forecast.

6.6 A key assumption that has been used in constructing the Forecast is that total spending in 2006/07 is kept within the overall budget. In other words it is anticipated that there will be no issues arising in the current year that will have a budgetary impact in later years. In particular it can be difficult to control 'demand led' budgets such as children in care and care in the community. The Forecast assumes any budgetary pressures in the demand for services or match funding will be addressed through the growth process.

6.7 In this context it is important to consider the contingency for uncertain and unexpected items. The forecast includes a budget for contingency of £1.0m in 2007/08, and assumes that this budget will be fully allocated during the year. A contingency of £1.25m and £1.5m is made for 2008/09 and 2009/10 respectively.

6.8 Also included in each year of the Forecast is the planned increase to the Revenue Priorities Fund of £0.5m. The Forecast also includes £1m in 2007/08 for one-off savings included in the 2006/07 budget, and accounts for the full year effect of 2005/06 growth items.

6.9 Single Status is a difficult area on which to be precise, but all the evidence from those Authorities that have dealt with this issue is that additional costs will be incurred. The forecast has allocated a further £0.5m in 2007/08 to cover these.

6.10 Waste disposed of using a landfill site is subject to Landfill Tax paid on top of landfill fees. From 1st April 2005, the standard rate for Landfill Tax was set at £18 per tonne, and will increase by £3 per tonne in subsequent years to a rate of £35 per tonne by 2010. The extra costs arising from this increase are provided for with £180,000 in each year of the forecast.

6.11 Table 3 outlines the Spending Forecast, which highlights likely increases of 7.3% in 2007/08, 6.2% in 2008/09, and 5.0% in 2009/10

Table 3 – General Fund Medium Term Spending Forecast

Increase in Spending required to maintain existing policies and services	Year on year change (£'000)		
	2007/08	**2008/09**	**2009/10**
Pay and price inflation	2,223	2,982	2,036
Salary Increments	500	513	525
Contingency	1,000	1,250	1,500
Single Status	500	0	0
One-Off Items in 2006/07 Budget	1,050	185	0
Full Year Effect of 2005/06 Growth	60	0	0
Priorities Fund	500	500	500
Landfill Tax	180	180	180
Capital Programme	750	479	455
TOTAL INCREASE	**6,763**	**6,090**	**5,195**
FORECAST INCREASE (%)	***7.3%***	***6.2%***	***5.0%***

6.14 Supporting People grant is currently subject to a Government review that is expected to change allocations. However, the potential outcome of the review is still unclear and the effects are not included in the forecast.

6.15 The Government have set targets for both recycling waste and limits to biodegradable municipal waste. Failure to meet these targets will

result in financial penalties and to respond to these targets will require considerable investment. Reliable cost estimates are not yet known and are excluded from the forecast.

6.16 The Gershon Review requires all Local Authorities to achieve efficiency savings of 2.5% of their 2004/05 baseline budget over each of the next three years, with a further requirement that at least half of these are 'cashable'. The result of this is that Halton will be required to make budget savings of £1.25m. However, specific proposals are still to be made, and therefore, Gershon efficiency savings are not accounted for in the forecast.

7.0 CAPITAL PROGRAMME

7.1 The system of capital controls changed in 2004/05 with prudential borrowing replacing credit approvals. Guideline spending allocations continue to be set by Government. These guideline allocations will be combined to give the single capital pot and the Forecast assumes that there will be new capital spending equivalent to the total of the single capital pot. The cost of borrowing for this new spending is estimated to be £0.75m in 2007/08, and £0.4m in each of the next two years, and is included in the forecast.

7.2 In addition, the Council contributes £750,000 each year to the Capital Priorities Fund to fund capital expenditure that helps to meet the Council's priorities.

7.3 The Local Government Act 2003 has provision to allow Local Authorities to take out additional borrowing provided they could afford these commitments without extra Government support. This level of additional borrowing will be guided by the Prudential Code. At this stage it is assumed that the Authority will only support additional capital schemes that cover the cost of the additional borrowing within existing budget levels.

7.4 There is no provision in the revenue consequences of any capital expenditure. Any such costs will need to be addressed through the growth process.

8.0 SUMMARY

8.1 There is more certainty in the Medium Term Financial Forecast regarding the level of grant to be received in 2007/08, however, there is still uncertainty surrounding future years. However, it is clear that in 2007/08 and the following years, the spending required to maintain existing policies and programmes is expected to increase at a faster rate than the resources available to support it. Consequently there is a requirement to make budget savings, and further budget savings are required to meet the cost increases required to maintain existing service levels or service enhancements.

8.2 Levels of growth and savings will therefore be directly influenced by the decisions made concerning Council Tax increases. Higher Council Tax increases will reduce the level of savings that are required although the Government has repeated that it will use its reserve capping powers to limit Council Tax increases in 2007/08.

8.3 The Medium Term Financial Forecast has been based on information that is currently available. Revisions will need to be made as new developments take place and new information becomes available.

REPORT: Executive Board

DATE: 2nd November 2006

REPORTING OFFICER: Strategic Director, Environment

SUBJECT: Renewal of Refuse Collection Vehicle Fleet

WARD: Borough Wide

1. PURPOSE OF REPORT

1.1 This report requests agreement to the procurement of 10 new refuse collection vehicles via direct purchase funded from the Council's capital budget rather than through the lease arrangements used currently. Procurement is proposed to be undertaken through a partnership with an established framework and an amendment to the 2006/07 capital programme is sought.

2. RECOMMENDED: that

i) The full Council be recommended to amend the 2006/07 Capital Programme to provide a sum of up to £1.2m through prudential borrowing to fund the purchase of 10 new refuse collection vehicles, and subject to full Council agreeing to amend the Capital programme to make the purchase;

ii) The Operational Director for Highways and Transportation, in consultation with the Executive Board Member for Environment, Leisure and Sport, be authorised to procure 10 new refuse collection vehicles through direct purchase;

iii) Procurement be undertaken through partnership working with an established framework of an appropriate Procurement Organisation;

iv) Procurement Standing Orders 2.1 to 2.6 and 2.8 to 2.14 be waived for the reason that insufficient time is available to undertake a procurement process in compliance with the statutory procurement procedures.

3. SUPPORTING INFORMATION

3.1 The Council currently operates a core fleet of 10 refuse collection vehicles. These vehicles were procured in 1999 through an operating lease arrangement that expires on 12 December 2006.

3.2 A new Council Waste Management Strategy has been in development over the past year and in order to provide time for this work to be

completed it was agreed that the renewal of the lease arrangement would be deferred until 31 March 2007.

3.3 It was determined that the most cost effective way of continuing with the current vehicles until 31 March 2007 was through purchase from the lease company. This was agreed for a total cost of £45,000.

3.4 An alternative procurement approach has been explored in which the refuse collection vehicles would be purchased from capital funds secured through prudential borrowing. This approach would yield an estimated net revenue saving of £100,000 per year over the annual cost of a seven-year contract hire arrangement. This is based on the procurement of ten vehicles. These represent the core fleet and those in need of the most urgent replacement. A further three vehicles, used mainly for recycling collections, are on contract hire agreements that continue to 2009 and 2010.

3.5 Whilst there is an existing contract in place that could be used for a new operating lease or contract hire, capital purchase would be governed by European procurement rules as the capital cost of the ten vehicles is expected to reach £1.2m. Under the European procurement procedures contracts have to be advertised in the OJEC for specific extended periods. It would not be possible to meet the proposed delivery date of 1 April 2007 and delivery could be delayed by up to six months.

3.6 A number of local authorities have set up Procurement Organisations that have established vehicle procurement frameworks that fully comply with the European Procurement Contract Regulations 2006. For a small administration fee these organisations will procure vehicles for other local authorities.

3.7 One such organisation is Eastern Shires, which has been used successfully by a number of authorities including Warrington Borough Council. Initial contacts with Eastern Shires indicate that their terms would be acceptable and subject to final legal checks would provide an appropriate procurement route.

3.8 It is proposed that the Operational Director Highways and Transportation, in consultation with the Executive Board Member for Environment, Leisure and Sport, be authorised to agree terms with the most suitable Procurement Organisation for the procurement of the ten refuse collection vehicles. The results of the procurement will be reported to the Executive Board Sub-Committee.

4. POLICY IMPLICATIONS

4.1 The Partnering Arrangement would be in line with the Council's Procurement Standing Order 1.15 and with Key Objective 2 of the corporate Procurement Strategy: *"Deliver consistent and significantly better quality services that meet the identified needs of individuals and*

groups within Halton and develop mixed economy, through strategic partnerships, framework agreements and collaboration with a range of public, private and voluntary suppliers".

4.2 It will be necessary however for Procurement Standing Orders 2.1 to 2.6 and 2.8 to 2.14 to be formally waived for the reason that insufficient time is available to undertake a procurement process in compliance with the statutory procurement procedures.

5. RISK ANALYSIS

5.1 The main risks for the Council would arise from not having the new vehicles in operation by 1 April 2007. This would result in high maintenance costs and an unreliable refuse collection service.

6. OTHER IMPLICATIONS

6.1 There are no additional financial implications associated with this report. The current operating lease arrangement provides for the Council to maintain the vehicles and this would continue under the proposed direct purchase. Continuity from the existing vehicle contract, as extended by the short-term purchase described above, is essential to ensure maintenance of service levels to the public.

7. EQUALITY AND DIVERSITY ISSUES

7.1 There are no specific issues that will not be addressed by following the approved and established procurement processes.

8. LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None.

REPORT TO: Executive Board

DATE: 2 November 2006

REPORTING OFFICER: Strategic Director Corporate & Policy

SUBJECT: Application for Twinning Grant

WARD(S): Boroughwide

1.0 **PURPOSE OF REPORT**

1.1 The purpose of this report is to give details of 1 application being made to the Twinning Grant Fund.

2.0 RECOMMENDED THAT:

2.1 the following grant be awarded:

(a) £2000 to the Halton Swimming Club.

3.0 **SUPPORTING INFORMATION**

3.1 In April 1996, Halton Borough Council set up a Grant Fund to assist in enabling all members of the community to access and gain benefit from the Council's International Links.

3.2 Since 1996, a number of groups have accessed the fund to undertake exchange visits to Marzahn-Hellersdorf in Germany; Leiria in Portugal; Usti-nad-Labem in the Czech Republic; and Tongling City in China, including the Halton Youth Service; PHAB; St. Chad's School, Halton Junior Football Team and Fairfield High School who have hosted teachers and pupils from Tongling previously. These links have resulted in a number of reciprocal visits from each town.

3.3 Participants in previous exchanges have found that the benefits of learning about another culture and language are immense. A wide range of activity in the Borough has been facilitated by the provision of grant aid and has given an opportunity to those who would not otherwise be able to participate.

3.4 The application received from Halton Swimming Team, requests support for 25 members to visit Usti nad Labem between the 10th – 13th November 2006.

3.5 During the visit the members will compete in a swimming competition in the Ing. Vilem Protschke swimming pool in Usti nad Labem. A return

visit from the swim team in Usti nad Labem is being planned for August/September 2008. The applicant has identified total costs of £6825. This is broken down into travel costs of £3875; accommodation costs of £2250; insurance costs of £300 and other cost of £400. The applicant has requested £3000 from the town-twining budget. The applicant has secured match funding for the visit.

3.6 If Members were to approve the project the grant will be offered subject to the following conditions:

- that the Halton Swimming Team host a reciprocal event in Halton.
- that the Halton Swimming Team ensure each of the members involved in the visit had adequate travel insurance.
- that the Halton Swimming Team complete a risk assessment for the visit.
- that the Halton Swimming Team supply copies of the most recent financial statements or accounts.

4.0 POLICY IMPLICATIONS

4.1 The application is in line with the draft Halton European Strategy, in particular the promotion of international links, which seeks to offer the opportunity to participate to the whole population of Halton.

4.2 The application will also make a major contribution to the Healthy Halton Local Strategic Partnership key priority.

5.0 RISK ANALYSIS

5.1 Measures are in place to minimise risks to the delivery of the project. For example, the as part of the terms and conditions of grant applicants are required to complete a risk assessment proforma.

6.0 EQUALITY & DIVERSITY ISSUES

6.1 The project focuses on promoting transnational relations with 2 of Halton's Twin Towns.

7.0 REASONS FOR DECISION

7.1 The grant requested is below the maximum that can be awarded. The applicant has a good track record in developing similar projects.

8.0 ALTERNATIVE OPTIONS CONSIDERED

8.1 The option to reduce the grant was considered. However, the applicant is offering reasonable value for money and has identified match funding to support the application.

9.0 **IMPLEMENTATION DATE**

9.1 10 – 13 November 2006

10.0 **BACKGROUND PAPERS**

10.1 N/A

REPORT TO: Executive Board

DATE: 2nd November 2006

REPORTING OFFICER: Strategic Director – Health & Community and Strategic Director - Children & Young People

SUBJECT: Consultation on Royal Liverpool Children's NHS Trust application for Foundation Status.

WARD(S): Boroughwide

1.0 PURPOSE OF REPORT

1.1 To agree on the key issues and concerns in response to the application for Foundations status by the Royal Liverpool Children's NHS Trust.

2.0 RECOMMENDATION: That

(1) HBC seeks clarity and reassurance as to what Foundation Status will actually mean for the residents and families of Halton in receipt of patient care;

(2) reassurance is sought that high cost and low caseload interventions will not be under threat in the context of a market driven by choice and competition;

(3) clarification should be sought as to whether the funding arrangements, assessment of need, nature of the workforce and the range of provision will change as a result Foundation status;

(4) the Trust should make clear their policy on generating income;

(5) clarification should be sought with respect to the composition of the council of governors and the process for selecting representatives; and

(6) the impact of this policy (i.e. to foster innovation and change in acute hospitals) on the ability of PCTs to invest in preventive, primary, community and intermediate care should be carefully monitored by the Healthy Halton Policy and Performance Board (PPB).

3.0 SUPPORTING INFORMATION

3.1 Under Health & Social Care Act 2003, the Royal Liverpool Children's

NHS Trust has applied to become an NHS Foundation Trust. The consultation period of 12 weeks commenced Monday 31 July 2006 and ends on Monday 23 October 2006.

3.2 Foundation Trusts will be at the cutting edge of a wider programme of public sector reform with the intention of offering more diversity and patient choice, enabling leadership, innovation and initiative to flourish as part of the local health economy, and replacing central control from Whitehall with accountability to the local community. There been a lot of national debate about what the policy really means and what impact it might have, not only for health care provision, but for NHS structures and NHS principles. What is clear, is that they will differ from NHS Trusts in three distinct areas:

- Governance arrangements;
- Performance management arrangements;
- Financial freedoms and flexibilities.

3.3 The general context of this proposal is complex. Primary Care Trusts (PCTs) as a whole are having to cope with a huge number of demands, including the introduction of an internal market under Patients' Choice and Payment by Results, Practice based Commissioning and Agenda for Change. Within this context, PCTs will be severely challenged in order manage this huge agenda of reform.

3.4 Patients' Choice and Payment by Results may also challenge attempts to provide care on an equitable basis because of the re-introduction of the internal market. Similarly, there may be a risk to partnership working, as a result of the freedoms and privileges associated with Foundation Trust status combined with the potential perverse incentives arising from Payment by Results.

3.5 . When an organisation becomes a Foundation Trust, it will:

- Have more autonomy in making decisions about services provided.
- Be accountable to members (staff, patients and local people) rather than directly to the Secretary of State.
- Remain part of the NHS.
- Be accountable to NHS Commissioners through legally binding contracts.
- Be approved by the Independent Regulator 'Monitor' (which authorises and monitors NHS Foundation Trusts).

3.6 The key questions which arise from any application for Foundation status are as follows:

- . How will local people benefit?

- Will local people have more say in the way services are provided?
- What are the risks and benefits for the local health and social care economy?
- How can equity of access, high clinical standards and planning to meet local needs be assured?
- Does the capacity exist to deliver the changes required?
- What aspects of Foundation Trust applications and implementation require further scrutiny?

3.7 The consultation document provides very limited details of their intentions to develop services in community settings and to improve hospital premises. The composition of the council of governors also requires further consideration. In particular, it is unclear why 2 places have been allocated to universities and the geographical coverage is limited. Furthermore the process for selecting representatives on the council of governors is unclear.

3.8 A small but significant number of Halton residents receive specialized and expensive treatment. In some cases the level of care increases as the child gets older and the condition develops. Where choice and competitiveness are to be the key drivers for change, there is a concern that it may these very interventions which are cut given the high costs and low numbers involved. In such a scenario, for local residents to have to travel further would highly detrimental.

3.9 Children's Services are in the process of further developing a pooled budget for a wide range of services affecting children and young people. This will entail a single referral, assessment, plan and review. It is unclear if the funding arrangements, assessment of need and the range of provision will change as a result Foundation status.

3.10 The opportunity to generate income is clearly an attractive one. These benefits could be undermined, however, if clear parameters are not established around what is appropriate within an environment populated by vulnerable and impressionable people.

3.11 The following link is provided to the relevant Trust's webpage and to the consultation document: (Appendix 1 http://www.alderhey.com/RLCH/FT_introduction.asp).

3.12 This report has been to a special PPB on 4 October comprising the Healthy Halton and Children & Young People PPBs.

4.0 POLICY AND OTHER IMPLICATIONS

4.1 The Trust's continued drive to make further improvements to local services through the greater autonomy and freedoms associated with

Foundation Trust status will undoubtedly create incentives for change and accelerate the pace of modernisation across the wider health economy.

Whilst the services provided by the Trust are clearly of value and of huge benefit to the patients involved, this is at the expense of monies which could be spent on low-level intervention.

5.0 OTHER IMPLICATIONS

5.1 None

6.0 RISK ANALYSIS

6.1 Failure to influence could result in users from Halton being disadvantaged, hence putting more pressure on social services either as children or later on life.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 None associated with this report.

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972.

8.1 Attached Appendices.

Tony Bell
Chief Executive
The Royal Liverpool Children's NHS Trust
Liverpool
L12 2AP

Ann Gerrard/
Tom McInerney

10th October 2006

ann.gerrard@halton.gov.uk
tom.mcinerney@halton.gov.uk

Dear Tony

Re: HBC's response to the consultation of Royal Liverpool Children's Hospital NHS Trust's application for Foundation Status: "Your Alder hey Have Your Say"

In responding to this consultation, we welcome the Trust's commitment to improving services through seeking Foundation status. The statutory requirements around financial balance will clearly be a key priority for the Trust and this forms the basis for the majority of our concerns.

In achieving financial balance we recognise the difficulties faced by the Trust with the introduction of Payment by Results. Receiving an average payment for treatment of an average patient clearly disadvantages a Trust such as Alder Hey where the majority of patients have complex conditions. Whilst we are reassured that Department of Health recognises the need to adjust the tariff for specialist children's hospitals, we remain concerned that the shortfall under PbR for Alder Hey seems disproportionately large relative to other children's' trusts (i.e. in alder Hey's case £11.03m). We would be grateful for clarification on this matter.

Whilst Halton residents comprise a small percentage of total number of patients utilising Alder Hey, they are all the same highly significant; not least because of their complex needs. Given the specialised and expensive nature of the health interventions for these young people we are concerned that the services involved may be a target for cuts. Halton has a disproportionate number of people on benefits or in receipt of a low income and hence to travel further would be highly detrimental to their welfare and family cohesion.

As you may be aware, Halton has established a directorate for Children & Young People. This directorate is in the process of further developing pooled budgets for a wide range of services affecting children and young people. This will entail a single referral, assessment, plan and review. Given these developments, we are concerned to know whether funding arrangements, assessment of need, nature of the workforce and the range of provision will change as a result of Foundation status.

The increased flexibilities inherent to foundation status provide scope for generating income. We are interested to learn more on the policy to be adopted in this respect. Given the age of your clients, many are likely to be impressionable and the fact that all of your clients will be in receipt of some kind of health intervention they are likely to be vulnerable. Careful consideration will therefore need to given to which organisations can promote their interests, as well as their marketing and publicity.

Finally, whilst we recognise that careful consideration has being given to membership and accountability, we would appreciate clarification on the process for selecting representatives on the council of governors.

I hope you find our response constructive and helpful and look forward to your response.

Yours sincerely

Cllr. Ann Gerrard
Executive Board Member for Health & Social Care &

Cllr. Tom McInerney
Executive Board Member for Children & Young People

REPORT TO: Executive Board

DATE: 2 November 2006

REPORTING OFFICER: Strategic Director – Health & Community

SUBJECT: Scrutiny and commissioning issues across the Halton/St Helens footprint

WARD(S) Borough-wide

1.0 **PURPOSE OF REPORT**

1.1 To consider the implications of the reconfigured Halton & St Helens PCT with respect to Halton Borough Council.

2.0 **RECOMMENDED THAT THE EXECUTIVE BOARD:**

i) Note and comment on the report;

ii) Agree to receive a further report in 2007 on proposals to establish a Joint Public Health Unit;

iii) Continue with the existing Scrutiny arrangements (but with the emphasis refined to take into account the points raised in 3.6.2 and 3.6.4).

3.0 **SUPPORTING INFORMATION**

3.1 **PCT Commissioning**

3.2 The policy context arising from the White Paper is dominated by patient choice, Practice Based Commissioning (PBC), Payment by Results (PBR) and the overriding requirement to achieve financial balance. The key issues that emerging from the policy context are:

- the absolute necessity of achieving financial balance in the current financial year
- the relative directorial role to be taken by the new Strategic Health Authorities (SHA's) – increased freedoms may be devolved to the coal face but within a strong accountability framework
- the importance placed on PBC, albeit countered by increasing restrictions on its over-enthusiastic implementation
- an increasing emphasis on the involvement of the public, directly or through local authorities

3.3 Whilst the functions arising from the above are critical to achieving the government's objectives for a reformed NHS, the commissioning role of PCTs remains complex. Learning the lessons of the private sector, the critical nature of PCTs is demonstrated by ways in which it can add value by:

- reducing overall system operating costs (e.g. through effective service planning)
- reducing and managing the level risk (e.g. by promoting co-operation between suppliers) driving down unit costs (e.g. by encouraging competition)
- ensuring service and clinical quality improving the influence of patients' perspectives on service provision.

3.4 Within this context, PCTs are expected to act as a system intermediary. As such their goal is to help customers achieve their objectives rather than those of the organisation itself. The Council will, therefore, need to consider its future joint commissioning arrangements with the PCT and build upon the work already established within the Children's Services Directorate.

3.5 **Joint Public Health Unit**

3.5.1 The reconfiguration of the footprint for PCTs has raised a fundamental question about the appropriate structure for the delivery of public health (as well as child protection, prescribing, workforce planning and development). The reintroduction of a market through the White Paper: Our Health, Our Care, Our Say also raises issues about public health role and processes.

3.5.2 The shift in focus towards public health and prevention along with better integration of health and social care are central to the White Paper. The shift in resource from secondary to primary and community care will help address the below average spend in the UK spend on prevention (compared to that of other advanced countries).

3.5.3 The White Paper makes a commitment to strengthening "….the role of the Director of Public Health so that public health resources are brought to bear across the public sector to promote health and well-being for the whole community, ensuring a clear and strong focus on tackling health inequalities…". To achieve this aim the commissioning and joint working need to be improved which will partly be achieved through the defining and strengthening the roles of Directors of Public Health (DPHs), Directors of Children's Services (DCS) and Directors of Adult Social Services (DASSs). Joint DPH appointments are also seen as a positive development; an approach already in place in Halton. There are, however, a number of areas which remain unclear and potential cause for concern:

- Practice Based Commissioning has raised the status and influence of GP Consortia, in particular, to "take responsibility for the wider public health of their registered population". Their role is therefore essential to deliver some elements of the Public Health agenda.

- The introduction of a market in community services through the recent reforms may lead to competitive tensions which could mitigate shared innovation, collaboration and partnership. In particular, a more fragmented service could adversely impact on the most vulnerable.

- Currently there is ambiguity around the level of risk sharing in public health between SHA, PCT and GP Practice Consortia. Within the context of a market-based approach it will be essential that public health initiatives are joined up to deliver a co-ordinated health improvement.

3.5.4 However, the introduction of a joint Public Health Unit could deliver the following outcomes:

- Develop capacity to see the broader picture across health and communities and reduce health inequalities;
- Focus on outcomes drawing in the prevention and well-being agenda and encouraging people to take responsibilities for their own health;
- Opportunities to consolidate and modernise on areas where there are nationally recognised areas of good or excellent performance;
- A clear Public Health Commissioning Strategy underpinned by needs assessments.

3.5.5 The new PCT are keen to address these areas and a report will be prepared in the New Year to identify how the PCT and Council intends to address these areas.

3.6 **Arrangements for Scrutiny of Health**

3.6.1 The powers bestowed to local authorities to scrutinise health issues and services came in to force on 1 January 2003 and enabled health scrutiny committees to:

- review or scrutinise Strategic Health Authorities, Primary Care Trusts or NHS Trust decisions or consultations
- make reports or recommendations to the Executive Board in respect of policy development and review.

3.6.2 The reconfiguration of PCTs creates an opportunity to review current arrangements especially given the enlarged footprint of the

PCT. In terms of function, the most significant change with respect to scrutiny arising this reconfiguration was for health scrutiny to focus on the commissioning process. More specifically, this means the development of health scrutiny should entail the following:

- Consideration of the inequities in service provision, access and outcomes.
- Ensuring there is an effective interface between health scrutiny and the new public involvement structures.
- Scrutiny of health impacts in the most deprived areas.
- Building of positive relationships with public health teams, networks and observatories.
- Supporting achievement of local performance on health inequalities.
- Building of a mutually beneficial collaborative relationship with the voluntary and community sectors.

3.6.3 The creation of a larger footprint has also raised an issue of form in that an area of potential development is to make increased use of joint committees. The initial legislation and guidance "ensure maximum flexibility for a local authority to make the suitable arrangements to meet local circumstances whilst ensuring the NHS bodies are not burdened by multiple scrutiny exercise in one year". Hence, whilst there is no requirement to establish joint committees consideration, should be given to when it would appropriate and effective to do so.

3.6.4 The overriding factor in establishing a joint scrutiny committee will be the extent to which a given issue either affects a wider population or the service is commissioned across more than one borough council (e.g. mental health, acute care). However other criteria, which could be used to inform this, decision-making process are as follows:

- The logistics of organising across a larger footprint including consideration of respective protocols and procedures.
- The need for a cohesive and consistent approach given the diversity of members and communities.
- The added influence of a joint submission to the PCT.
- The potential gain of using learning and resources across multiple organisations.
- Maximising the benefit of there being a joint Director of Public Health.

3.6.5 In conclusion, the establishment of Halton and St. Helens PCT does not enforce any changes on health scrutiny; on the contrary, combined with the new changes to public and involvement structures there are new opportunities for enhancing the connection between local government and the public. The existing arrangements for Scrutiny should therefore continue, subject to

some refinement of the emphasis of such scrutiny as detailed in 3.6.2 and 3.6.4.

4.0 POLICY IMPLICATIONS

4.1 There is a risk of the role of the Borough Council being pre-determined as a knock-on effect of the shifting power bases not least of which are the practice based consortia and the emergent Foundation Trusts. Furthermore, these developments are dominated by the medical model and may potentially eclipse the social care model in the future. Hence, a proactive approach should be adopted which in the first instance might include:

- Developing more user-led/ user-managed services as well as increasing the number of social enterprises.
- The development of partnerships with health, education and housing.
- A thorough analysis of the needs of the local population.
- Ensuring contestability is not just about choice but also about control and flexibility and promoting independence (social enterprises will be key to the realisation of this holistic approach).
- The incorporation of early intervention and prevention in to strategic commissioning plans.
- The development of procurement and contract management processes.
- The inclusion of preventative or enabling services in strategic commissioning plans.

Key to the success of this approach will be to ensure these developments are linked to corporate priorities.

5.0 FINANCIAL IMPLICATIONS

5.1 At this stage, there are no specific financial implications, however, we should recognise that there will need to be additional training for Members of the Health PPB who perform the Scrutiny role as the agenda become more complex.

6.0 RISK ANALYSIS

6.1 Failure to modernise all these areas could lead to deteriorating health in the community and performance.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 These will need to be developed within the context of the Commissioning and Public Health functions.

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

Document	Place of Inspection	Contact Officer
Commissioning a Patient Led NHS Executive Board 16 March 2006	Municipal Building Widnes	Dwayne Johnson Strategic Director Health & Community
Halton and St Helens Directorate and Accountability Structures from October 2006	Municipal Building Widnes	Dwayne Johnson Strategic Director Health & Community

REPORT TO: Executive Board

DATE: 2 November 2006

REPORTING OFFICER: Strategic Director – Health & Community

SUBJECT: Transport arrangements post reconfiguration of North Cheshire Hospitals Trust

WARD(S) Borough-wide

1.0 **PURPOSE OF REPORT**

1.1 To highlight issue of transport between Halton and Warrington Hospitals.

2.0 **RECOMMENDATION: That**

i) Halton & St Helens PCT is asked to consider conducting a feasibility study to assess the potential of providing a shuttle service with scheduled stops (e.g. Runcorn Old Town, Widnes town centre, etc.).

ii) Clarification is sought as to when the shuttle bus will be fully accessible to all.

3.0 **SUPPORTING INFORMATION**

3.1 In the meeting of the Executive Board of the 22 June 2006 agenda item EXB15 addressed the reconfiguration proposals put forward by North Cheshire Hospitals NHS Trust. At this meeting members recommended that:

"the Trust guarantees that transport services will be put in place and funded to support patients without the means or ability to get to and from Halton and Warrington Hospitals prior to the introduction of the clinical model proposed"

3.2 At a subsequent meeting of the Healthy Halton Policy & Performance Board on the 12 September 2006, minute HEA16 states that:

"In relation to EXB15 the Board expressed concern that there was little evidence that North Cheshire Hospitals NHS Trust had sought to provide transport services to support patients without the means or ability to get to and from Halton and Warrington Hospitals" …and resolved that: "the concerns raised be referred to the Executive Board".

3.3 Recent developments would suggest that the concerns relating to provision of this service have been alleviated. As stated in the Leader's Brief of 20 October 2006:

"The bus service will start from mid-November and will involve 11 journeys a day and is free to all patients, staff and visitors".

3.4 Concerns remain, however, with respect to other aspects of accessibility.

3.5 In the first instance, the route taken by the shuttle bus between the two hospitals will be via Daresbury. This will disadvantage Widnes residents who will have to travel to Halton Hospital to pick up the service.

3.6 A second issue of concern is that the shuttle bus will not initially be accessible to those unable to use steps. This is particularly significant, given most users of the shuttle bus will be in receipt hospital care and are therefore more likely to have limiting condition.

4.0 POLICY IMPLICATIONS

4.1 There are potential cost and resource implications for HBC if people make reduced use of acute care when there is need for a referral or a follow-up appointment.

5.0 RISK ANALYSIS

5.1 Failure to provide an effective transport service could create difficulties for some of our most vulnerable people in the community.

6.0 EQUALITY AND DIVERSITY ISSUES

6.1 The service is not available to all as people unable to use steps will have to use taxis. It has not been made clear when accessible transport will be introduced.

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

Document	Place of Inspection	Contact Officer
Better Care, Sustainable Services, North Cheshire Hospitals NHS Trust Proposals – Exec Board 22.06.06	Municipal Building Widnes	Dwayne Johnson Strategic Director Health & Community