

Corporate Policy and Performance Board– Priority Based Monitoring

Reporting Period: **Quarter 2 – 1st July 2020 to 30th September 2020**

1.0 Introduction

- 1.1 This report provides an overview of issues and progress against key service objectives/milestones and performance targets, during the second quarter of 2019/20 for service areas within the remit of the Corporate Policy and Performance Board.
- 1.2 It covers key priorities for development or improvement in the various functional areas reporting to the Board in relation to the Council's priority of Corporate Effectiveness and Business Efficiency i.e.:
- Financial Services
 - Human Resources, Organisational Development, Policy, Performance and Efficiency
 - ICT Infrastructure
 - Legal and Democracy
 - Catering, Stadium and Registration Services
 - Property Services
- 1.3 The emergence of the global COVID19 pandemic early in 2020 has had a significant and unavoidable impact upon Council services the full extent of which is yet to become known. The Council, along with key partner agencies, has prioritised its resources upon mitigating the serious risks to public health, the protection of vulnerable residents, and the social cohesion of the local community. In developing appropriate responses to emerging national and local priorities this situation is likely to remain the case for the foreseeable future.
- 1.4 The way in which traffic light symbols have been used to reflect progress to date is explained within Section 8 of this report.

2.0 Key Developments

- 2.1 There have been a number of developments during the period which include:-

Financial Services

Revenues and Financial Management

- 2.2 For the financial year to 30 September 2020, overall Council operational net spending (Excl Covid) was £36.6m against a budget of £36.0m, resulting in an overspend position to date against budget of £0.6m. The forecast position for the year to 31 March 2021 is an overall estimated overspend of £2.4m.
- Spending on capital schemes for the same period totalled £15.1m, representing 35.6% of the total capital programme of £42.4m.
- 2.3 Additionally net COVID related expenditure to 30 September 2020 is £6.2m, with a further £3.0m from lost income and at this stage these costs will be funded from Government Grant. There is limited funding

support available for Covid costs and it is currently forecast there will be a net annual shortfall of £2.4m comparing costs to available funding.

The Council has to date received grant funding of £26.3m towards funding the local cost of the pandemic, of this £13.5m is ring-fenced towards specific spending with £12.8m for general spending

- 2.4 The Council has, and continues, to support businesses through the pandemic by making Government funded business support grant payments to eligible businesses. During the first national lockdown, grants totalling £17.5m were paid to 1,196 small businesses and a further 312 grants paid to those in retail, leisure and hospitality sectors.

Grants also continue to be paid to support businesses forced to close during both current local and national lockdown periods and to date £0.662m has been paid to 458 eligible businesses.

- 2.5 The Council has offered support during the period of the pandemic to taxpayers who have suffered hardship. There have been approximately 4,000 accounts where payment deferrals have been approved to provide support to taxpayers.

Audit, Procurement and Operational Finance

- 2.6 There are approximately 300 appointeeship and deputyship clients for whom the Council manages their financial affairs. For those individuals living in the community they previously collected daily or weekly personal allowances in cash from the Halton Direct Link offices. As a result of the lockdown in March 2020, new arrangements were needed so that these individuals had access to funds for day to day expenses.

- 2.7 Over 200 of the clients, or their carers, were issued with prepaid cards. They operate like a debit card and allow individuals to make payments by card and to withdraw cash from ATMs. They also allow the Council greater flexibility to 'top up' the cards as required. This arrangement has worked extremely well and has now become the default means by which clients are provided with access to their funds.

- 2.8 A Service Level Agreement has been agreed with the Halton Clinical Commissioning Group (CCG) for the Council to provide a direct payments service to clients who are fully funded by the CCG and this will provide an income stream for the Council. There are presently over 800 individuals who choose to purchase their own care and support through a direct payment. During the pandemic, the Direct Payments team has continued to support and advise these clients as required. This has included delivering supplies of Personal Protective Equipment to those individuals that require it.

- 2.9 The Council has recently contracted with Pay Point to provide customers with more options as to how they can pay their Council Tax, sundry debtor invoices and Business Rates. There are approximately 30 Pay Point outlets in the borough and this will provide customers with more choice and flexibility over where and what time they make payments to the Council. This will be particularly beneficial for those residents who choose to pay by cash and will also strengthen the Council's business continuity arrangements should there be a need to temporarily close the Halton Direct Link offices again in the future. Implementation work is presently underway and the system is expected to go live by the end of the current financial year.

- 2.10 The Council recently received some positive publicity when the Principal Finance Support Services Officer was announced Purchase to Pay Manager of the year by the Purchase to Pay Network. This is a significant achievement as a lot of large organisations compete for this award and other previous winners have included M&S, the Guinness Partnership, Veolia and Burberry. To win the award is a major achievement and reflects really well on the work of the entire Purchase to Pay team.

Benefits

- 2.11 From the 28th September 2020 central government introduced a new duty on individuals to self-isolate if someone tests positive or is identified as a contact by NHS Test and Trace. As part of this initiative a new Self-Isolation Support payment of a £500 lump sum will be made to those on low incomes who meet the necessary criteria, to support them if they cannot work during their self-isolation period.
- 2.12 An online claim application, along with details of eligibility criteria, will be made available to residents via the Council's website as of 12th October 2020 at <https://halton.me/self-isolation-payment-form/>.
- 2.13 The number of people claiming Universal Credit in Halton rose to 16,090 in September from a figure of 10,918 in March 2020 and this likely reflects the impact of national lockdown policies and the negative impact of COVID pandemic upon businesses.

Human Resources, Organisational Development, Policy, Performance and Efficiency

Recruitment and Organisational Development

- 2.14 The Department continues to support the wider Council in the response to COVID-19. HR services are supporting the management of staffing scenarios related to absence, working practices, and restrictions and the resourcing of priority service activity such as Public Health and Social Care continues.
- 2.15 In conjunction with the Council's trade unions, HR procedures related to disciplinary, grievance, capability, job evaluation and restructuring have been adapted to operate virtually with no face to face contact.
- 2.16 As a consequence of the COVID pandemic a policy framework has been developed that would enable the safe return to physical premises and workspaces. A multi-disciplinary 'Reset Group' of Officers and managers from around the organisation, alongside trade union colleagues, was established to successfully implement the framework, accompanied by a robust risk-assessment procedure to ensure adherence to the government COVID-secure standards. By the end of September, the application of this process had seen the safe re-opening of all the facilities that service areas had determined needed to be re-opened.
- 2.17 Learning & Development activity has been moved on-line, with all face-to-face delivery suspended. A dedicated COVID-secure room at Grangeway Community Centre is in use to enable L&D colleagues to deliver training virtually. There has been significant take up of e-learning during the pandemic.
- 2.18 It is clear that the COVID pandemic has changed how, where and when people work. What could have been several years of change and evolution in the workplace has been compressed into a matter of months. The Council has demonstrated that it has a very able and agile workforce, and service provision has continued with fluidity and consistency. The underpinning ICT infrastructure was mature enough to enable a rapid change in working practices when it became necessary. In workforce planning terms, the Council is now in a position to consider its options around how employee capability, working practices, premises and technology can be combined to ensure an effective organisation for the future.
- 2.19 To support this thinking a staff survey has been undertaken to capture views and experiences on the working arrangements that evolved so rapidly in early 2020, with a view to establishing the key elements of what future working arrangements at the Council may look like. 902 responses have been received and these will be analysed during Quarter 3.

- 2.20 The Council's Apprenticeship Policy Framework has been updated and refreshed to reflect the latest guidance. Work is ongoing to identify service areas where it may be beneficial to set up apprenticeships in the next financial year, with a view to the development of a business case to demonstrate potential return on investment.
- 2.21 This financial year has also seen the establishment of 8 apprenticeship conversions in Halton schools (those for which the Council is required to administer the Levy), and the setting up of 3 new apprenticeship posts. This is a positive development, as it has been extremely difficult for schools to support and resource apprentices given the relatively low level of Levy funding that is attributed to each individual school – in most cases it is insufficient to meet the whole cost of training. Support from this department, as well as LCR has led to constructive agreements being secured around the 'pooling' of Levy from a number of schools to enable a school to draw down enough Levy funding to meet training costs.

ICT Infrastructure

ICT Developments

- 2.22 In light of the emergent situation regarding the COVID 19 pandemic and subsequent need for remote working the demand for ICT support has been significant during the first half-year period. The investment in the development of a resilient and agile ICT infrastructure has proved invaluable in facilitating a successful migration from office based to home-working for a significant part of the Council's workforce and has supported the successful and continued delivery of services to the community.
- 2.23 The Council has also successfully initiated software solutions and interfaces that have facilitated online meetings to support the delivery of services and further facilitate collaboration internally between staff and also in regards to meetings of the Council's various Boards and Committees.
- 2.24 The Halton Cloud continues to support all 2600 desktop users with an average of 1800 concurrent users connected into services at any one time, system uptime over this period has been excellent, whilst accommodating a considerable number of changes and adaptations to the requirements profile of our user base over this extended period of the pandemic.
- 2.25 Teams within Schools: Teams is currently under trial within a primary school and will be released along with other variants of conferencing solutions once the trial and security configurations are completed over the next few weeks. All laptop devices are now with schools and children with over 760 devices and 140 mobile routers being deployed.
- 2.26 Social Care data matching is currently underway integrating Halton Social Care Data Sets with NHS Data Sets through a solution known as Graphnet. One of the Halton developers has now completed the 1st of personal data extracts from within the NHS systems literally a couple of days ago. We will be working on the reverse extracts from within our systems. Given the scale of the request this is a considerable piece of work and complex – In the main this will be utilised for Tracking and Tracing but will allow further benefits down the line, such as integration and the development of the One Halton Care Record.

Contact Centre / One Stop Shops

- 2.27 During the period of lockdown all of the One Stop Shop teams are working from home supporting the contact centre and many of the schemes in place to identify and support all Shielded and Vulnerable residents within the borough.

- 2.28 Additionally Over 50% of the Contact Centre team are now working from home effectively and will continue to do so in line with the current restrictions and guidelines.
- 2.29 The Council has offered extended opening hours of contact facilities to support and remain accessible to the local community and business and provide support for a range of local services. . To offer some scale to the level of contact and support being given across this period the average cost of monthly outbound calls within the authority, which is normally approximately £5'000, rose to over £15'000 per month over this period.

Catering, Stadium and Registration Services

- 2.30 The school meals service continues to quickly adapt to the evolving situation, for example by preparing hampers for children who are entitled to a free school meal and who have been unable to attend school premises or sending in packed lunches to schools where appropriate.
- 2.31 In addition the service has continued to provide hot meals within the schools where this has been possible and whilst the pandemic has resulted in some catering staff testing positive for the virus appropriate interventions have been arranged to maintain service provision.
- 2.32 The Coronavirus Act 2020 mandated a number of changes to the service. During Q1 there was a postponement of all Registration Services apart from Death Registrations and Marriages and Civil Partnerships by Registrar General's Licence. Substantial changes were made to the Death Registration process which included documentation from certifying doctors being received by email and registration conducted by telephone. Documents for funeral directors, cremation or burial authorities are scanned and emailed – increasing the time of a registration from 30 minutes to 45 minutes to an hour depending on the complexity of the registration.
- 2.33 During the second quarter of the year all registration duties were allowed to resume with some restrictions in place. As from 4 July Marriage and Civil Partnership ceremonies were allowed to resume with a limit of 30 people and we performed the first ceremony in the country one minute after midnight; which resulted in national /international media coverage. Further restrictions were put in place as from 24 September 2020 restricting the number of people to 15. These restrictions and uncertainties have led to many cancellations and postponements. Throughout the period officers in the service worked closely with colleagues to ensure website content was up to date.

Legal and Democracy

- 2.34 During the period a return to formal meetings of various Council Boards and Committees has been successfully implemented on a remote basis. This has been a significant undertaking and a major challenge which has been successfully delivered with the active support and engagement of Members, Officers and ICT colleagues.

Property Services

- 2.24 Phase 1 of the refurbishment of Millbrow Care Home, at an estimated cost of £1.5M, has now been put on hold in light of current circumstances around COVID-19
- 2.25 The refurbishment and remodelling of the Adult Learning provision at Kingsway Learning Centre is currently on site and progressing well. Handover is due w/c 19th October, the lift replacement and some glazing work will not be completed until slightly later however due to long lead in times.

- 2.26 Works to convert Orchard House, a large domestic bungalow, into 2 separate units for adults with substantial learning disabilities are now substantially complete, with just a few additional works having been identified.
- 2.26 The 2020/21 Education maintenance programme consists of 14 separate projects at a total cost of circa £800k. The majority of the projects within the programme were completed across the summer period, and whilst there are still a few projects yet to complete it is anticipated that this will be by year-end.
- 2.27 In addition the 2020/21 corporate maintenance programme has been agreed and various projects are progressing and will mainly be complete by year end. The budget has been revised in year as a result of necessary saving requirement, as such some projects may have to be deferred to 2021/22 due to budget pressures.
- 2.28 Design development work has been continuing in respect of the Crow Wood Lane supported living development. The proposal will see 2 supported living residential units developed with associated accommodation for staff. Site investigation survey work is continuing, it is hoped we will be in a position to tender the work as soon as funding is confirmed.

3.0 Emerging Issues

- 3.1 A number of emerging issues have been identified during the period that will impact upon the work of services including:-

Financial Services

Revenues and Financial Management

- 3.2 The draft accounts to 31 March 2020 were published on the Council's website on 28 August 2020. The External Auditor (Grant Thornton LLP) are in the process of auditing the accounts and due to report on this and Value for Money arrangements to the Business Efficiency Board on 24 March 2021.
- 3.3 Work is underway on developing the Council's net budget for the year 2021/22. The Medium Term Financial Strategy was reported to Executive Board on 19 November 2020 and identified a budget deficit of £15.2m for the year.

Government will confirm the final Local Government settlement position in January 2021, this together with a review of reserves and proposed budget efficiencies will be vital in helping the Council to achieve a balanced budget position.

Audit, Procurement and Operational Finance

- 3.4 As a contracting authority, the Council has legal obligations to publish certain notices in relation to public procurements. For procurements which are launched after 23:00 on 31 December 2020, the Council will be required to publish notices relating to those procurements on the Find a Tender Service (FTS) instead of OJEU/TED. Appropriate arrangements have been put in place for the Council to comply with the new requirements and existing legal and policy requirements for the Council to advertise on other platforms such as Contracts Finder will remain in place.

Benefits

- 3.5 The Department for Works and Pensions (DWP) are to launch the Housing Benefit (HB) Award Accuracy Initiative from 5th October 2020, which involves local authorities (LA) undertaking activities to identify unreported changes of circumstances. LAs are being given funding to carry out specific activities to proactively identify unreported changes and make sure that the right amount of Housing Benefit is paid to the right person at the right time. The DWP will send a list of claims every month to LAs that it has assessed as high risk, and the LA will carry out a full case review to validate the claim. The HB Award Accuracy Initiative will continue for the remainder of 2020/21 and into 2021/22.

Human Resources, Organisational Development, Policy, Performance and Efficiency

- 3.6 The COVID pandemic has sharply highlighted a shortage of candidates for technical and professional roles across local government. Areas of particular concern are public health roles, nursing roles, environmental health and trading standards. These have been areas of concern for some time, recognised within professional networks as areas requiring attention. The current situation has magnified that and in the post-pandemic analysis, local government in conjunction with regional employers and the LGA need to consider how such roles can be developed for the future to ensure that the labour market can meet the required capacity.
- 3.7 The engagement of agency workers to meet increased service demand in areas such as adult social care continues. The HR service was supporting operational areas to plan restructuring of services that were TUPE'd inwards and have been areas of high usage, with a view to establishing a more stable permanent staff structure. The advent of the pandemic has delayed this process, which, combined with additional demand in these operational areas, has kept usage at a high level. In the circumstances, it's an unavoidable situation. Work will be picked up as soon as priorities and resources allow – likely to be into the spring of 2021 if the pandemic is brought under control.
- 3.8 A recent court judgement will result in some retrospective changes to public sector pension schemes, including LGPS being required. The McCloud judgement refers to the Court of Appeal's ruling that public sector pension reforms implemented by government in recent years (2014 for LGPS) unlawfully treated existing members differently based upon their age on the 1 April 2012. In light of the judgement, the government has confirmed there will be changes to all main public sector schemes to remove this age discrimination and new legislation enacted. It is therefore likely that a significant amount of work will be required on the part of employers to confirm pay details for specified periods for what could be a large number of employees.

ICT Infrastructure and Administration

- 3.9 From a technical perspective the coming months will be an extremely busy time with the upgrade of key server hardware solutions to accommodate the redevelopment of the infrastructure that supports all desktop, telephony and server-based systems. This is a major project that as of the start of December has completed the 1st phase of the development allowing the considerable task of upgrading the Virtual Desktop infrastructure, this upgrade will allow major developments such as the release of Teams and the Office 365 Suite within this virtual environment to compliment the use of Skype and the delivery of other conferencing mechanisms to enable the further development of home and remote working.
- 3.10 Following the relaxation of lockdown the One Stop Shops are now open to the public with extended opening hours resumed. Footfall within the key Town Centre areas has increased and Halton is the only authority within the region to open and continually support the ongoing delivery of such face-to-face services.

3.11 The central administration service again continues to support and adapt to key demands with staff within building where necessary and with others working from home supporting new systems, process and services as the pandemic evolves and the need for support changes almost daily.

Legal and Democracy

3.12 Work is continuing on the review of Committee structures, and the annual review of the constitution will shortly commence.

3.13 The local elections scheduled to take place in May 2021 will be the first following the completion of the boundary review and there will also be Police & Crime Commissioning Metro Mayor and Parish elections.

Property Services

3.14 A number of our maintenance contracts are coming to an end as such in conjunction with Procurement we are now working on procuring new contracts where necessary. The contracts include Water Hygiene, Asbestos Management, Security, CCTV & Intruder Alarm maintenance. All will be procured so that new contracts are in place when the existing ones expire.

3.15 £1bn of grant funding is being made available to support energy efficiency and heat decarbonisation projects where up to 100% of the capital costs may be available. The scheme is being run by SALIX and Halton are looking to put a bid together in order to try and secure funding for such projects. The deadline for bids is Jan 11th January 2021.

4.0 Risk Control Measures

4.1 Risk control forms an integral part of the Council's Business Planning and Performance Monitoring arrangements. As such Directorate Risk Registers were updated in tandem with the development of the 2020 – 21 Business Plans.

4.2 Progress concerning the implementation of all high-risk mitigation measures is included as Appendix 1 to this report.

5.0 High Priority Equality Actions

5.1 Equality issues continue to form a routine element of the Council's business planning and operational decision making processes. Additionally the Council must have evidence to demonstrate compliance with the Public Sector Equality Duty (PSED) which came into force in April 2011.

5.2 The Council's latest annual progress report in relation to the achievement of its equality objectives is published on the Council website and is available via:

<http://www4.halton.gov.uk/Pages/councildemocracy/Equality-and-Diversity.aspx>

6.0 Performance Overview

- 6.1 The following information provides a synopsis of progress for both milestones and performance indicators across the key business areas that have been identified by the Directorate.
- 6.2 It should be noted that given the significant and unrelenting downward financial pressures faced by the Council there is a requirement for Departments to make continuous in-year adjustments to the allocation of resources in order to ensure that the Council maintains a balanced budget.
- 6.3 Whilst every effort continues to be made to minimise any negative impact of such arrangements upon service delivery they may inevitably result in a delay in the delivery of some of the objectives and targets contained within this report.

Financial Management

Key Objectives / milestones

Ref	Milestones	Q2 Progress
FS 01a	Report 2020-23 Medium Term Financial Strategy to Executive Board - November 2020.	
FS 01b	Report 2020/21 revenue budget, capital programme and council tax to Council - March 2021.	
FS 02c	Provide quarterly monitoring reports on the overall budget to Executive Board.	
FS 03a	Publish the Statement of Accounts following external audit by 31st July 2020.	
FS 04a	Establish Treasury Management Policy and report to Council - March 2020.	
FS 05a	Establish and report prudential indicators to Council - March 2020.	

Supporting Commentary

Medium Term Financial Strategy (MTFS) will be reported to Executive Board on 19 November 2020. The financial forecast is being regularly updated. Revenue budget, Capital Programme and Council Tax on track to be reported on 03 March 2021.

2020/21 Q2 overall budget information will be reported to Executive Board on 19 November 2020. It will present an overspend to date excluding Covid19 of £576k and forecast an outturn overspend of £2.4m, with a number of service demand areas highlighted which are causing the overspend.

As a result of the Covid19 pandemic the deadline for completion of the audit of accounts was deferred to 30 November 2020. The draft Statement of Accounts was provided to the External Auditor on schedule on 28 August 2020. However, the External Auditor will inform the Business Efficiency Board on 18 November 2020 that due to lack of staff resources on their part, the audit would not be reported to Business Efficiency Board until 24 March 2021.

The 2019/20 Treasury Management Policy was approved by Council on 04 March 2020 and the half-year report will be presented to Executive Board on 19th November.

Key Performance Indicators

Ref	Measure	19/20 Actual	20/21 Target	Q2 Actual	Q2 Progress	Direction of travel
FS LI 01	Receive an unqualified external audit opinion on the accounts.	Yes	Yes	n/a		n/a
FS LI 02	Receive positive comment (annually) from the External Auditor relating to the financial standing of the Council and the systems of internal financial control.	Yes	Yes	n/a		n/a
FS LI 03	Proportion of Council Tax that was due that was collected	TBA	TBA	53.89%		
FS LI 04	The percentage of Business Rates which should have been received during the year that were received	TBA	TBA	53.60%		
FS LI 05	Average time for processing new claims (Housing Benefit & Council Tax Reduction)	TBA	TBA	18.37		
FS LI 06	Average time for processing notifications of changes in circumstances	TBA	TBA	4.51		

Supporting Commentary

Audit of 2019 / 20 statement of accounts remains ongoing and the Audit Findings relating to the 2019-20 financial statements have yet to be published.

Council Tax collection is down by 1.16% as at the same period in 2019/20. The impact of Covid and payment deferral of approximately 4,000 accounts leads to uncertainty in the 2020/21 target being achieved. It is possible the collection reduction will result in a lower than forecast cash receipt position for the year.

Additionally the collection of business rates has fallen by 3.8% when compared to the same period last year and the position reflects that referred to above.

Whilst the processing of new claims is not as good as the same period last year it remains within target and has reduced at quarter 2 from 21 days in April 2020.

Key Objectives / milestones

Ref	Milestones	Q2 Progress
PPPE 01a	Promote and take forward the delivery of actions identified within the Organisational Development Strategy May 2019	
PPPE 01c	Regular engagement with service managers to identify areas of challenge and develop appropriate bespoke solutions April, September, December 2020, and March 2021.	
PPPE 01d	Full implementation of Leadership and Management Development Programme September 2020.	
PPPE 02b	Establish 20 new existing employee apprenticeships to enable up-skilling in a range of business areas, compliant with the requirements of apprenticeship legislation March 2021	
PPPE 04b	Implement resourcing plans with service management in appropriate areas September 2020.	
PPPE 04c	Ongoing monitoring of agency usage and spend April, September, December 2020, and March 2021.	

Supporting Commentary

The actions identified within the Organisational Development Strategy forms the basis of the workplan for the year and a new Organisational Development Strategy for 2020 – 23 has been approved by Executive Board.

Regular engagement with Service Managers continues and a range of interventions have now been delivered or are in progress to meet operational requirements. Broader COVID-19 related issues are being addressed through increased mental health focused training / signposting.

The delivery of the Leadership and Management Development Programme continues with Cohort 1 (MBA) commenced in Sept 2019 with 10 delegates working with Liverpool John Moores University, funded via Apprenticeship Levy. Cohort 2 (MSc) has commenced in September 2020, on the same basis

9 new apprenticeship ‘conversions’ have been established in the period since 1st April 2020.

HR services working with services most affected by COVID-19 pandemic to support resourcing decisions in a post-pandemic environment and additional detail regarding agency usage is provided in the table below.

Key Performance Indicators

Ref	Measure	19/20 Actual	20/21 Target	Q2 Actual	Q2 Progress	Direction of travel
PPPE LI 01	The number of working days / shifts lost due to sickness (Corporate)	11.66	10	3.94		

Ref	Measure	19/20 Actual	20/21 Target	Q2 Actual	Q2 Progress	Direction of travel
PPPE LI 03	Percentage of Employees without sickness	66.28	70	83.4		
PPPE LI 04	Total Full Time Equivalent Staffing Establishment	3,431	For information Only	3,353	For information Only	For information Only
PPPE LI 05	Total Staff (head count)	4,575		4,276		
PPPE LI 06	Total Agency Worker Usage (number of placements – year to date)	655	650	439		
PPPE LI 07	Total Agency Worker Cost (gross cumulative cost – year to date)	£2.216 M	£1.5M	£1.48M		
PPPE LI 10	The percentage of top 5% of earners that are: ¹					
	a) Women	61.78	55	63.4		
	b) from BME communities	3.45	2.0	2.87		
	c) with a disability	0.9	8.0	0.88		
PPPE LI 13	Average time to recruit (Applicant Tracking System reported figure)	15 days	15 days	12 days		

Supporting Commentary

Paradoxically, the impact of COVID-19, and changes to working patterns and practices had a positive impact on absence levels. The average number of FTE days lost at the end of Q2 stands at 3.94 (contrasting with 5.16 at the end of Q2 2019). This includes COVID related absence. A period of lockdown across Q1 will inevitably have meant that people were not mixing with others both in and outside of the workplace, reducing the incidence of many illnesses, as well as COVID infection.

Number of agency worker placements and spend has been unavoidably and adversely affected by the COVID situation and the need for additional resources. Please see the emerging issues section of this report for additional contextual information.

With regards to top 5% of earners there is positive movement on two of three component indicators (a) and (b), both of which are above target. Fluctuation exists in (c), due to turnover. It should be noted that recruitment in to 5% of earners is very limited, and as such scope for significant change is low.

Average time to recruit is presently within the expected range.

ICT and Administrative Support Services

Key Objectives / milestones

Ref	Milestones	Q1 Progress
ICT 01a	Continued Enhancement of the virtualization platform to enhanced or new technologies - March 2021.	
ICT 01b	Further development of Cloud Services Platform - March 2021.	
ICT 01c	SharePoint and Records Management enhancements - March 2021.	
ICT 01d	Interactive Web Services Enhancement and further SharePoint Integration - March 2021.	
ICT 02a	Continuing improvements, enhancements and commercial use of Cloud system - March 2021.	

Supporting Commentary

The extension of the new desktop facilities continues with over 2,600 Virtual Desktop users now utilising the RDSH Platform and this will continue over the coming months.

SharePoint and Records Management enhancements have been successfully implemented with software and hardware upgrades being deployed in both of the Council's data centres.

The development of the Cloud system has resulted in internal and external clients now utilising this solution and most recently the Council's Cemeteries system has successfully been deployed to a third party on a commercial basis.

Key Performance Indicators

Ref	Measure	19/20 Actual	20/21 Target	Q2 Actual	Q2 Progress	Direction of travel
ICT LI01	Average availability of the Council's operational servers (%).	99.5%	99.00%	100%		
ICT LI02	Average availability of the Councils WAN infrastructure (%).	100%	99.00%	100%		
ICT LI03	School Support SLA: % of calls responded to within <u>agreed</u> target*:					
	a) Priority 1	100%	85.00%	100%		
	b) Priority 2	99%	90.00%	100%		
	c) Priority 3	100%	95.00%	100%		

Ref	Measure	19/20 Actual	20/21 Target	Q2 Actual	Q2 Progress	Direction of travel
	d) Priority 4	100%	95.00%	100%		
ICT LI04	Average working days from delivery to completion of a new PC.	10 (Days)	10 (Days)	1 Day		

Supporting Commentary

All measures are showing a positive outturn at quarter 2. With regards to new PC's New procedures are in place, with the advent of a full VDi based workforce all desktop's can be replaced the same day – a process is also in place for home workers to drop off and collect a new device, again a same day service.

Legal & Democracy

Key Objectives / milestones

Ref	Milestones	Q2 Progress
LD 01	Review constitution - May 2019 .	
LD 02a	To ensure that all members have been given the opportunity of a having a MAP meeting where desired.	
LD 02b	To induct all new members by October 2019 .	

Supporting Commentary

The revised Constitution was approved at annual Council as planned and all Members have had the opportunity to have a MAP meeting and the cancellation of the 2020 Elections has meant that no new Members joined the Council.

Key Performance Indicators

Ref	Measure	19/20 Actual	20/21 Target	Q2 Actual	Q2 Progress	Direction of travel
LD LI 01	No. Of Members with Personal Development Plans (56 Total).	55 (98.21%)	56 (100.00%)	56 (100%)		
LD LI 03	Average Time taken to issue prosecutions from receipt of full instructions (working days).	10 (Days)	10 (Days)	10 (Days)		
LD LI 04	Average time taken to file application for Care proceedings at Court from receipt of all written evidence from client department (working days).	3 (Days)	3 (Days)	5 (Days)		

Ref	Measure	19/20 Actual	20/21 Target	Q2 Actual	Q2 Progress	Direction of travel
LD LI 05	% of Executive Board minutes published within 5 working days after the meeting.	100%	100%	100%		

Supporting Commentary

All indicators are showing positive performance at the half-year stage and there is no indication at this stage that annual targets cannot be achieved. With regards to care Proceedings existing constraints have meant that the position is presently slightly below target but additional support is now in place.

Community & Environment

Key Objectives / milestones

Ref	Milestones	Q2 Progress
CE 0 1a	Deliver a promotion and educational campaign (school meals) - September 2020 and January 2021 .	

Supporting Commentary

Given the current COVID pandemic no work is likely to be undertaken with schools during this financial year.

Key Performance Indicators

Ref	Measure	19/20 Actual	20/21 Target	Q2 Actual	Q2 Progress	Direction of travel
CE LI 01	% Take up of free school meals to those who are eligible - Primary Schools.	TBC	n/a	See comment	n/a	n/a
CE LI 02	% Take up of free school meals to those who are eligible - Secondary Schools.	TBC	n/a	See comment	n/a	n/a
CE LI 03	Take up of school lunches (%) – primary schools.	TBC	n/a	See comment	n/a	n/a
CE LI 04	Take up of school lunches (%) – secondary schools.	TBC	n/a	See comment	n/a	n/a

Supporting Commentary

The measures cannot be reported as a result of the present COVID situation.

Property Services

Key Objectives / milestones

Ref	Milestones	Q2 Progress
EEP 07a	Proposed new Leisure Centre at Moor Lane – commence works on-site by December 2021	
EEP 07b	Crow Wood Lane assisted living development – commence works on site by April 2021	
EEP 07 c/d	Deliver all annual corporate and schools programmed maintenance projects by March 2021	
EEP 07e	Millbrow refurbishment – commence works on site by July 2021	
EEP 07f	Complete refurbishment of 71 High Street, Runcorn by June 2019	

Supporting Commentary

The leisure centre development is presently on hold pending vacant possession of the site becoming more certain.

Design work is continuing on the Crow Wood Lane scheme with tender and procurement work to follow..

Programmed works continue and additional information is provided within the Key Developments section of this report.

Whilst the Millbrow refurbishment has had to be placed on hold due to the COVID situation works on the refurbishment of 71 High Street continue and a schedule of works is currently being prepared for pricing.

Key Performance Indicators

Ref	Measure	19/20 Actual	20/21 Target	Q2 Actual	Q2 Progress	Direction of travel
EEP LI 01	Greenhouse gas EEP(GHG) emissions indicator (Tonnes CO ₂ e).	TBA	TBA	11,354 tonnes CO ₂ e (actual 18/19)		
EEP LI 04	Occupancy rates of investment and commercial portfolio.	TBA	TBA	100% Investment and 90% Commercial		
EEP LI 05	Occupancy of Widnes Market Hall.	TBA	TBA	91%		

Supporting Commentary

The overall emissions for 2018/19 amounted to 14,730 tonnes. The emissions for 2019/20 are 11,354 tonnes which equates to a 3.2% overall reduction.

Energy consumption in buildings has gone up slightly, however as the kw/h-CO₂ conversion factor has been amended again to reflect the greater mix of renewable energy being generated, the overall CO₂ emissions from buildings have reduced slightly.

Emissions from street lighting have seen the biggest reduction, reducing by 17.9% from the previous year.

Occupancy rates at Widnes Market Hall remain positive and as expected at quarter 2 and unit costs of office accommodation will be reported at year-end.

The investment and commercial portfolio is likely to remain negatively affected by the COVID situation for the remainder of the current financial year.

Occupancy levels in the indoor Market remain very strong despite the 3 month closure due to COVID-19.

7.0 Financial Statements

FINANCE DEPARTMENT

Revenue Budget as at 30th September 2020

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn (Overspend)
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Employees	5,655	2,768	2,738	30	59
Supplies & Services	346	253	216	37	73
Insurances	1,038	526	528	(2)	(4)
Concessionary Travel	2,218	538	305	233	466
LCR Levy	2,241	2,241	2,241	0	0
Rent Allowances	35,500	16,816	16,816	0	0
Non HRA Rebates	70	33	33	0	0
Discretionary Housing Payments	528	239	239	0	0
Discretionary Social Fund	106	54	54	0	0
Bad Debt Provision	0	0	0	0	(131)
Total Expenditure	47,702	23,468	23,170	298	463
Income					
Fees & Charges	-229	-136	-129	(7)	(14)
SLA to Schools	-464	-464	-466	2	2
Business Rates Administration Grant	-156	0	0	0	0
Hsg Ben Administration Grant	-461	-230	-230	0	0
Rent Allowances	-35,500	-13,213	-12,935	(278)	(552)
New Burdens Grant	-67	-67	-208	141	141
Council Tax Admin Grant	-204	-204	-202	(2)	(2)
Non HRA Rent Rebates	-70	-36	-36	0	0
Reimbursements & Other Grants	-58	-1	-2	1	3
Liability Orders	-256	27	27	0	0
Transfer from Reserves	-31	-10	-10	0	0
Discretionary Housing Payments Grant	-528	-176	-176	0	0
Dedicated School Grant	-106	0	0	0	0
Universal Credits	-12	-12	-12	0	0
VEP Grant	0	0	-11	11	11
CCG McMillan Reimbursement	-80	-19	-21	2	2
LCR Reimbursement	-2,241	-2,241	-2,241	0	0
Total Income	-40,463	-16,782	-16,652	(130)	(409)
Net Operational Expenditure	7,239	6,686	6,518	168	54
Covid Costs					
Employees	0	0	5	(5)	(5)
Discretionary Social Fund	0	0	6	(6)	(6)
Supplies & Services	0	0	13	(13)	(13)
Covid Loss of Income					
Reimbursements & Other Grants	-31	-31	0	(31)	(46)
Liability Orders	-150	-150	0	(150)	(300)
Fees & Charges	-5	-5	0	(5)	(5)
Government Grant Income	0	0	-210	210	375
Net Covid Expenditure	-186	-186	-186	0	0
Recharges					
Premises Support	249	125	125	0	0
Central Support	2,311	1,156	1,156	0	0
Recharge Income	-5,031	-2,505	-2,505	0	0
Net Total Recharges	-2,471	-1,224	-1,224	0	0
Net Departmental Expenditure	4,582	5,276	5,108	168	54

Comments on the above figures

In overall terms net revenue spending at the end of quarter 2 is £0.054m under the profiled budget.

Employee spend is currently below budget profile and this is projected to continue for the remainder of the year. This is due to vacancies within Audit, Procurement and Operational Finance Division and the Revenues and Financial Management Division. Changes in staff hours and recharging staffing costs to outside grant funding and Ways to Work Programme has also had an impact on staffing costs.

In the last financial year insurance net spend was £0.279m lower than the available budget for the year. Insurance spend is dependent upon the amount of insurance claims received and excess paid. It is difficult to project the ongoing demand for insurance costs and therefore it is assumed spend will be in line with budget for the year but this will be monitored and assumptions reviewed.

Supplies and services spend is showing an underspend against budget profile due to tighter control across all divisions.

Concessionary travel is projecting a large underspend due to the effects of Halton Borough Transport no longer an operator following liquidation.

Bad Debt provision is a projection relating to increases in non-payment of Benefits overpayments in this financial year. It also includes projections in relation to council tax and business rates liability order non-payments.

Rent Allowance income is showing a significant shortfall. This is because there has been an increase in the costs of supported accommodation. Only 60% of supported accommodation is funded from housing benefits, 40% the council is obliged to pay.

Covid expenditure is as a result of staff overtime within Business Rates and Benefit teams. Other Costs are in relation to Pay Point system and additional Social fund payments which are as a result of pandemic.

Loss of Income is mainly due to council tax and business rates liability orders income. Other income losses are due to hold on fraud investigations penalties, loss of rebate for spend from councils card programme. Income has also been reduced due to suspension of early payment scheme. Although this scheme is back up and running if further restrictions come into place there will be continued losses.

Overall it is expected the department net spend position for the year will be marginally within the annual budget

POLICY, PEOPLE, PERFORMANCE & EFFICIENCY DEPARTMENT

Revenue Budget as at 30 September 2020

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn (Overspend)
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Employees	1,968	925	909	16	32
Employee Training	126	38	34	4	7
Supplies & Services	138	90	87	3	6
Apprenticeship Levy	300	115	111	4	7
Total Expenditure	2,532	1,168	1,141	27	52
Income					
Fees & Charges	-102	-38	-55	17	34
Reimbursement and Other Grants	0	0	-17	17	1
School SLAs	-456	-456	-392	(64)	(63)
Total Income	-558	-494	-464	(30)	(28)
Net Operational Expenditure	1,974	674	677	(3)	24
Covid Costs					
Employees	0	0	1	(1)	(1)
Covid Loss of Income					
Government Grant Income	0	0	-1	1	1
Net Covid Expenditure	0	0	0	0	0
Recharges					
Premises Support	91	45	45	0	0
Central Support	963	481	481	0	0
Recharge Income	-2,631	-1,327	-1,327	0	0
Net Total Recharges	-1,577	-801	-801	0	0
Net Departmental Expenditure	397	-127	-124	(3)	24

Comments on the above figures

As at 30 September 2020, the Policy, Performance, People and Efficiency Division is marginally above budget profile

The schools SLA income gap has arisen from a lower level of take up from schools, it is also compounded by a reduction of staffing numbers across schools. The charges are "per established post". A revised pricing will be needed next financial year as service is becoming unsustainable.

The underachievement in maintained schools SLA income has however been offset by an overachievement in fees and charges income in relation to SLA Academy charges for HR and payroll services.

Overall the department is forecast to underspend against the net budget at year end by approximately £0.024m.

ICT and Administration

Revenue Budget as at 30 September 2020

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn (Overspend)
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Employees	7,081	3,609	3,609	0	39
Supplies & Services	976	514	435	79	157
Computer Repairs & Software	958	958	1,014	(56)	(223)
Communications Costs	17	17	38	(21)	(36)
Other Premises	64	45	53	(8)	(15)
Capital Financing	78	0	-12	12	33
Transport Expenditure	3	1	0	1	0
Transfers to Reserves	15	0	0	0	15
Total Expenditure	9,192	5,144	5,137	7	(30)
Income					
Fees & Charges	-1,129	-365	-139	(226)	(433)
SLA to Shools	-543	-543	-456	(87)	(14)
Transfer from Reserves	-29	-29	-29	0	0
Total Income	-1,701	-937	-624	(313)	(447)
Net Operational Expenditure	7,491	4,207	4,513	(306)	(477)
Covid Costs					
Employees	0	0	8	(8)	(8)
Supplies & Services	0	0	577	(577)	(614)
Capital Costs	0	0	105	(105)	(643)
2020/21 Saving - Staff Efficiencies	-464	-464	0	(464)	(730)
Government Grant Income	0	0	-1,154	1,154	1,995
Net Covid Expenditure	-464	-464	-464	0	0
Recharges					
Premises Support	406	203	203	0	0
Transport Support	20	10	10	0	0
Central Support	1,213	607	607	0	0
Asset Rental Support	1,494	0	0	0	0
Recharge Income	-11,500	-5,749	-5,749	0	0
Net Total Recharges	-8,367	-4,929	-4,929	0	0
Net Departmental Expenditure	-1,340	-1,186	-880	(306)	(477)

Comments on the above figures

In overall terms spending is above the budget profile by £0.306m at the end of the second quarter.

The main areas for this outturn position are as follows:

Employee's costs are forecasting a small underspend against budget profile. These projections are based on present staffing structure and current vacancies. A significant restructure is planned to take place, but due to Covid cannot be implemented. The restructure had been proposed to generate efficiency savings which have been built into the 2020/21 staffing budget. These savings have been funded from Covid government grant due to lack of time and resource to implement.

Supplies and services costs underspend is mainly in relation to savings within ICT Corporate Services and Admin Divisions. Within the Admin Division costs are reduced across all supplies and services due to Covid and staff working from home. Costs in relation to printing, office equipment are lower than profiled.

Computer repairs and software expenditure is above budget profile, mainly due to increases in the cost of the Microsoft licence agreement and potential VMware costs. These costs are ongoing network costs which are linked to service requirements so not controllable.

Fees and charges income budget relates to external client income for traded services for Agresso implementation and continued support. This income is unlikely to be generated and is therefore a significant budget pressure for 2020/21.

It is forecast net spend will exceed the available budget by £0.477m at 31 March 2021.

Capital Projects as at 30 September 2020

Capital Expenditure	2020/21 Capital Allocation £'000	Allocation to Date £'000	Actual Spend £'000	Total Allocation Remaining £'000
ICT Rolling Capital Programme	700	133	133	567
Total Capital Expenditure	700	159	159	541

Comments on the above figures.

It is expected that this capital programme will fully spend by year end.

LEGAL & DEMOCRATIC SERVICES DEPARTMENT

Revenue Budget as at 30th September 2020

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn (Overspend)
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Employees	1796	874	834	40	81
Transport	8	7	6	1	2
Supplies & Services	272	108	83	25	51
Civic Catering & Functions	49	6	0	6	12
Legal Expenses	219	123	123	0	0
Total Expenditure	2,344	1,118	1,046	72	146
Income					
Land Charges	-47	-6	-6	0	0
License Income	-247	-97	-103	6	13
School SLA's	-82	-82	-79	(3)	(3)
Fees & Charges Income	-57	-12	-16	4	8
Reimbursements & Other Grant Income	0	0	-1	1	5
Government Grants	0	0	-6	6	6
Transfer from Reserves	-37	-37	-37	0	0
Bad Debt Provision	0	0	10	(10)	(10)
Total Income	-470	-234	-238	4	19
Net Operational Expenditure	1,874	884	808	76	165
Covid Costs					
Employees	0	0	7	(7)	(30)
Legal Expenses	0	0	10	(10)	(54)
Covid Loss of Income					
Land Charges	-2	-2	0	(2)	(2)
License Income	-8	-8	0	(8)	(8)
Government Grant Income	0	0	-27	27	94
Net Covid Expenditure	-10	-10	-10	0	0
Recharges					
Premises Support	61	31	31	0	0
Central Support	328	164	164	0	0
Recharge Income	-1,781	-891	-891	0	0
Net Total Recharges	-1,392	-696	-696	0	0
Net Departmental Expenditure	472	178	102	76	165

Comments on the above figures

In overall terms, spending is below budget profile at the end of second quarter.

With regards to expenditure, employee costs are below budget profile £0.040m, mainly due to cancellation of municipal elections, which has resulted in a reduction in staffing costs.

Supplies and services budgets are underspent mainly due to reduced advertising expenditure, this is an estimation at this point and could change towards the end of the financial year due to demand.

Legal expenses are dependent on the number of cases so cannot be projected accurately. Covid has resulted in increased workload and the overall annual effect cannot be confirmed until further into the financial year.

Land and license income is dependent on demand for property searches and license applications, so a volatile budget which difficult to project. Due to Covid, income levels were initially reduced but it is expected that income levels will now return to normal.

Government grant income relates to IER (individual Election Registration) monies. This grant is used in relation to costs relating to maintaining and updating Electoral registration records.

Covid expenditure related to staffing costs for the Communications Lead Officer whose hours increased due to pandemic. Other Covid costs relate to outsourcing of legal work. This was as a result of delays in recruitment for a solicitor post. Increased legal costs are also projected due to cancellation of Court hearings resulting in additional review meetings.

All 2020/21 budget savings budget will be achieved.

Overall although some costs are difficult to project at this point it is expected that the department will spend within budget for the year.

COMMUNITY & ENVIRONMENT DEPARTMENT

Revenue Budget as at 30 September 2020

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn (Overspend)
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Employees	13,636	6,570	6,165	405	493
Premises	2,176	1,314	924	390	463
Supplies & Services	979	491	475	16	9
Book Fund	155	40	40	0	0
Hired Services	541	155	66	89	179
Food Provisions	85	15	12	3	2
School Meals Food	1,384	154	134	20	0
Transport	157	86	91	(5)	(10)
Area Forum	210	34	34	0	0
Contribution to Archives	57	0	0	0	0
Levies	31	31	30	1	1
Waste Disposal Contract	6,188	0	0	0	136
Grants to Voluntary Organisations	84	0	0	0	65
Grant to Norton Priory	172	86	87	(1)	(1)
Capital Financing	0	0	50	(50)	(50)
Rolling Projects	0	0	86	(86)	(86)
Total Expenditure	25,855	8,976	8,194	782	1,201
Income					
Sales Income	-737	-450	-203	(247)	(325)
School Meals Sales	-1,274	-100	-86	(14)	(40)
Fees & Charges Income	-3,484	-2,281	-2,128	(153)	(345)
Rents Income	-78	-39	-28	(11)	(22)
Government Grant Income	-1,077	-1,077	-943	(134)	(134)
Reimbursements & Other Grant Income	-547	-108	-95	(13)	44
Schools SLA	-1,208	-1,208	-1,309	101	101
Internal Fees Income	-380	-166	-37	(129)	(320)
School Meals Other Income	-130	-22	2	(24)	(31)
Catering Fees	-14	-9	-9	0	0
Capital Salaries	-173	-60	-57	(3)	(7)
Transfers from Reserves	-133	-38	-38	0	18
Total Income	-9,235	-5,558	-4,931	(627)	(1,061)
Net Operational Expenditure	16,620	3,418	3,263	155	140

Covid Costs					
Community Development	0	0	1	(1)	(1)
Community Safety	0	0	9	(9)	(9)
Leisure & Recreation	0	0	7	(7)	(16)
Open Spaces	0	0	248	(248)	(299)
Schools Catering	0	0	19	(19)	(19)
Waste & Environmental Improvement	0	0	3	(3)	(592)
Shielding Hub	0	0	25	(25)	(25)
Avoided Costs					
Commercial Catering	98	24	0	24	98
Community Development	35	27	0	27	35
Leisure & Recreation	368	126	0	126	368
Open Spaces	712	245	0	245	712
Schools Catering	972	651	0	651	972
Stadium	451	92	0	92	451
Covid Loss of Income					
Commercial Catering	-110	-34	0	(34)	(110)
Community Development	-269	-147	0	(147)	(269)
Leisure & Recreation	-1,091	-653	0	(653)	(1,091)
Open Spaces	-1,263	-514	0	(514)	(1,263)
Schools Catering	-1,497	-954	0	(954)	(1,497)
Stadium	-682	-215	0	(215)	(682)
Waste & Environmental Improvement	-12	-12	0	(12)	(12)
Government Grant Income	0	0	-1,676	1,676	3,249
Net Covid Expenditure	-2,288	-1,364	-1,364	0	0
Recharges					
Premises Support	1,640	820	820	0	0
Transport Support	2,360	1,184	1,073	111	223
Central Support	4,170	2,085	2,085	0	0
Asset Rental Support	146	0	0	0	0
Recharge Income	-488	-244	-244	0	0
Net Total Recharges	7,828	3,845	3,734	111	223
Net Departmental Expenditure	22,160	5,899	5,633	266	363

Comments on the above figures

The net Department spend is £0.266m under the available budget at the end of Quarter 2 and the estimated outturn underspend for 2020/21 is £0.363m under budget.

The Department has been greatly affected by Covid-19 in the first half of 2020/21. Many services were halted for at least part of the first half of the year, whilst others have had to make changes to working methods and service delivery, all of which have had an impact on the Department's budgetary position. As such, the estimated Department outturn for 2020/21 has changed considerably from 2019/20, with the caveat that there are many uncertainties around when and how service provision can begin to return to normal. The assumptions used in preparing these figures are that The Brindley will remain closed for the rest of 2020/21; Kingsway Leisure Centre and Brookvale Recreation Centre will remain open for the rest of the financial year with reduced capacity; Runcorn Swimming Pool will remain closed until next year; functions at the Stadium will not be able to take place for the rest of the year and any matches staged will be behind closed doors; Community Centres and Libraries will remain open but will operate with restrictions on services in line with Tier 3 guidance; and a full School Meals service will continue to be offered from September, albeit with disruption caused by increased student absences and partial school closures. Any changes to these assumptions will result in major changes to the Department's financial position.

Employee expenditure is £0.405m under budget at the end of Quarter 2. The underspend relates to a large number of unfilled vacancies in the Leisure Centres, The Brindley and within Open Spaces. Site closures and reductions in service delivery have allowed vacancies across the Department to be held open for longer than usual which has also contributed to the underspend. As services are now beginning to resume, some of these vacancies have now been filled and it is not anticipated that an underspend of this scale will continue into Quarters 3 and 4. Savings on casual staff and overtime from sites that are currently closed have been classed as costs avoided due to Covid-19 and have been netted off reported Covid-19 income losses.

Premises costs are £0.390m under budget at the end of Quarter 2. Utilities and repair costs have reduced considerably whilst sites have been closed, although these will likely increase again now sites have started to reopen. The outturn position is currently projected to be £0.463m under budget due to ongoing closures at The Brindley and Runcorn Swimming Pool, a reduction in services offered at the Stadium and reduced energy usage at the Leisure Centres due to restricted capacity.

Spend on Supplies and Services is currently £0.016m under budget and spend on Hired Services is currently £0.089m under budget. This underspend has been generated by reduced spending on services that were temporarily halted, and spending is expected to return to normal once sites reopen.

No invoices have been received for the waste disposal contracts in 2020/21. Estimated expenditure has therefore been calculated based on the average cost per tonne in 2019/20. Any changes to these costs could have a large impact on the Department's outturn budget.

The overspend on Rolling Projects partially relates to emergency works to the Sankey Canal which have been necessitated by the closure of Fiddlers Ferry Power Station. Once the preliminary stages of the work are complete, a report will be taken to the Board which will set out options to fund the project.

An estimate of the income loss due to Covid-19 has been made based on the income received by the Department in 2019/20 and has been reported separately from the normal operational income. The underachievement of Sales Income of £0.247m at the end of Quarter 2 therefore relates to shortfalls in catering income from Commercial Catering and the Stadium which have been ongoing issues for many years.

Minimal income has so far been received for School Meals sales due to schools only being open for a very limited number of children in the summer term. It is extremely challenging to estimate the income which is likely to be received during the rest of the year as the service has been subject to considerable disruption since resuming fully in September, many schools have had to send large numbers of children home to self-isolate. Sales income will also be affected by the economic downturn due to a likely increase in free school meals numbers and possible reductions in the amount of household income available for discretionary spending. These factors mean that any projections relating to the School Meals service are subject to a high degree of uncertainty and could change considerably by the end of the 2020/21 financial year.

Fees & Charges Income is £0.153m under budget at the end of Quarter 2. This relates to historic shortfalls in income in the Leisure Centres and the Stadium, offset by an increase in income for Cemeteries, the Crematorium and green waste licences.

The shortfall in Government Grant income relates to the Universal Infants Free School Meals Grant.

The Department has incurred £0.312m of additional costs due to Covid-19 at the end of Quarter 2. £0.217m of these costs relate to the rental of the ice rink for use as a temporary morgue and the installation of a temporary cremator to cope with additional service demand. There were also £0.020m of additional costs incurred due to the School Meals service requiring to operate throughout the school holidays, and £0.015m of food costs relating to the Shielding Hub for distribution to vulnerable residents. The estimated additional costs for the whole of 2020/21 are £0.961m. The majority of the additional costs are in relation to waste disposal, caused by a significant increase in the amount of waste generated from households during lockdown. This has

increased considerably from the estimated cost at Quarter 1 due to the Liverpool City Region being subject to Tier 3 restrictions from October. It has now been determined that the temporary cremator will be required to be in place throughout the rest of 2020/21 at an additional cost of £0.020m. There are also additional costs being incurred relating to PPE and cleaning requirements in buildings which are open to the public.

Covid-19 related income losses across the Department in Quarter 2 are estimated at £2.529m, offset by £1.165m of avoided costs for casual and agency staff, overtime, food and bar provisions, and costs of artists performing at The Brindley.

It has been assumed that all additional costs and loss of external income that can be attributed to Covid-19 will be covered by government grant funding. This includes a grant of £0.231m awarded by the Arts Council to assist with the running costs of The Brindley, as well as to purchase equipment to enable the theatre to reopen safely in 2021/22. The only impact of Covid-19 which is shown as having an effect on the Department's financial position is therefore the loss of internal income which cannot be offset by grant funding. This loss of income will be offset by a reduction in expenditure across other Departments. This has the largest impact on the Stadium and the Community Centres, all of which receive significant income from internal room hire.

Transport recharges are currently £0.111m under budget, which is projected to increase to £0.223m at the end of 2020/21. This is consistent with the historical trend of reduced transport running and maintenance costs within the Department.

Capital Projects as at 30 September 2020

	2020/21 Capital Allocation £'000	Allocation to Date £'000	Actual Spend £'000	Total Allocation Remaining £'000
Stadium Minor Works	69	33	33	36
Children's Playground Equipment	120	20	20	100
Landfill Tax Credits	10	0	0	10
Upton Improvements	13	0	0	13
Crow Wood Play Area	90	6	6	84
Crow Wood Pavilion	1	1	1	0
Peelhouse Lane Cemetery	349	300	308	41
Victoria Park Glass House	25	20	20	5
Sandymoor Playing Fields	27	0	0	27
Town Park	246	20	14	232
Open Spaces	542	150	154	388
Bowling Greens	5	4	4	1
Widnes & Runcorn Cemeteries – Garage & Storage	3	3	3	0
Litter Bins	20	20	20	0
Brookvale Recreation Centre Pitch	488	0	0	488
Moor Lane Leisure Centre	4,986	984	984	4,002
Total	6,994	1,561	1,567	5,427

Comments on the above figures.

Stadium Minor Works – There have been major works carried out to modernise the Bridge Suite, including upgrading to energy efficient LED lighting.

Children’s Playground Equipment - This is an ongoing project which includes spend on improvements within the Borough’s playgrounds.

Crow Wood Park – The park building and the external works are substantially complete and the next phase of landscaping works is now under way.

Open Spaces Schemes – This covers spending on a variety of externally funded projects, including works to Sunnybank Park, Hale Lighthouse Approach, Birchfield Gardens and several projects in the Runcorn Hill area.

Peelhouse Lane Cemetery – The major hard landscaping is nearing completion. The final planting needed to complete the scheme will take place in the autumn.

Victoria Park Glass House – Works to the glass house are now complete. Works to the garden are currently being carried out.

Sandymoor Playing Fields – The main work has been completed and the site has now been handed over to the Parish Council. There will be some soft landscape establishment works to complete over the next year.

Widnes & Runcorn Cemeteries - Garage & Storage – Work at both sites has now been completed, with the exception of some final establishment works. There will be a retention payment due in 2020/21.

Town Park – The southern paths phase is nearing completion, with only reinstatement works remaining to be completed.

Bowling Greens – Works related to the removal of the bowling green is now substantially complete.

Moor Lane Leisure Centre – Works currently on hold due to potential compulsory purchase orders (CPO) on site.

ECONOMY ENTERPRISE & PROPERTY DEPARTMENT

Revenue Operational Budget as at 30 September 2020

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Employees	4,472	2,129	2,145	(16)	(31)
Repairs & Maintenance	2,205	995	895	100	200
Premises	76	64	64	0	0
Energy & Water Costs	694	252	234	18	33
NNDR	472	464	486	(22)	(22)
Rents	179	63	63	0	1
Economic Regeneration Activities	34	5	0	5	10
Security	471	168	168	0	0
Supplies & Services	260	212	197	15	15
Supplies & Services - Grant/External Funded	1,022	386	386	0	0
Grants to Voluntary Organisation	150	19	19	0	0
Covid-19 Discretionary Business Support Grants	831	831	831	0	0
Capital Financing	21	21	21	0	0
Transfer to Reserves	210	122	122	0	0
Total Expenditure	11,097	5,731	5,631	100	206
Income					
Fees & Charges	-876	-301	-301	0	(1)
Rent - Commercial Properties	-780	-319	-221	(98)	(216)
Rent - Investment Properties	-39	-17	-17	0	0
Rent - Markets	-570	-200	-198	(2)	(2)
Government Grant Income	-1,615	-1,012	-1,012	0	0
Reimbursements & Other Income	-1,044	-178	-178	0	0
Schools SLA Income	-440	-434	-434	0	0
Recharges to Capital	-206	-67	-67	0	0
Transfer from Reserves	-794	-244	-244	0	0
Total Income	-6,364	-2,772	-2,672	(100)	(219)
Net Operational Expenditure	4,733	2,959	2,959	0	(13)
Covid Costs					
Staffing	0	0	1	(1)	(1)
Repairs & Maintenance	0	0	26	(26)	(51)
Security	0	0	16	(16)	(16)
Supplies & Services	0	0	74	(74)	(84)
Covid Loss of Income					
Rent - Commercial Properties	-197	-197	0	(197)	(312)
Rent - Investment Properties	-5	-5	0	(5)	(5)
Rent - Markets	-209	-209	0	(209)	(235)
Covid Grant Funding	0	0	-528	528	704
Net Covid Expenditure	-411	-411	-411	0	0
Recharges					
Premises Support	1,777	888	888	0	0
Transport Support	28	14	14	0	0
Central Support	2,082	1,041	1,041	0	0
Asset Rental Support	4	0	0	0	0
Recharge Income	-6,592	-3,296	-3,296	0	0
Net Total Recharges	-2,701	-1,353	-1,353	0	0
Net Departmental Expenditure	1,621	1,195	1,195	0	(13)

Comments on the above figures

Finance continue to work closely with the Department to ensure that a balanced budget is achieved.

Whilst effective control over expenditure can be maintained, income remains a budget pressure, as the majority of the income is generated externally.

It is projected that the saving measures put forward by the Department for 2020/21 will be met.

However, future revenue savings are becoming increasingly hard to find, given the number of employees within respective business units. In addition, the department consists of 134.4 staff, of which 73 are externally funded, through grant/capital or external sources. There are three vacancies in the department at present. One vacancy is being recruited to whilst the remaining vacancy within the Investment & Development Division will not be filled and any savings will be used towards meeting the staff turnover saving target of £0.092m

The Repairs & Maintenance Programme is projected to be under budget this financial year. An assessment has been carried out to identify work that is not committed and which can be delayed until the next financial year to help balance the budget.

The negative variance in recent years for Energy & Water Costs was addressed at budget setting time. Due to the majority of staff now working from home the budget continues to show a positive variance this financial year. This may increase during the next few months depending on the working from home situation.

Some buildings have been acquired as part of a particular regeneration scheme and currently remain vacant. As a result, in the interim, operating costs will have to be funded internally until the buildings are demolished. This with the additional cost of NNDR on empty buildings is causing a significant budget pressure.

The report shows how much Grant/External Funding the Department receives for Supplies & Services. This highlights the difficulties the department is faced when making savings on controllable budgets.

Adult Learning Division has contributed £0.122m as match funding towards the Ways to Work Programme. During the last 4 year this has generated £1.808m in matched funding, creating an employment programme of £4.773.

Commercial Property rent continues to be the main budget pressure for the department. During the last few years, the Council has disposed of many properties, either in preparation for regeneration projects but also to generate capital receipts, which have been reinvested in Council services. This loss of rent has not been reflected in the future setting of income targets.

Capital grant conditions allowed the Council to recharge staff time to projects.

A balanced budget is forecast this financial year.

Covid Costs

The majority of the costs for COVID are related to loss of income. The market tenants and some commercial property tenants were given a three month rent free period in April. The department is forecasting that the Flea Market at Widnes Market will not open until at least January.

Additional costs for the department relate to the purchase of PPE equipment, adaptations to corporate buildings plus security on the Ice Rink whilst it was being used by the Council. It is also projected that additional cleaning will be required in the next few months.

Capital Projects as at 30 September 2020

	2020-21 Capital Allocation £'000	Allocation to Date £'000	Actual Spend £'000	Total Allocation Remaining £'000
3MG	72	21	21	51
Foundry Lane Residential Area	150	112	112	38
Equality Act Improvement Works	303	58	58	245
Widnes Market Refurbishment	149	88	88	61
Broseley House	24	20	20	4
Solar Farm	699	637	637	62
Solar Farm Extension	67	49	49	18
The Croft	30	0	0	30
Murdishaw Redevelopment	38	0	0	38
Kingsway Learning Centre Improved Facilities	470	321	321	149
Kingsway Learning Centre Equipment	281	10	10	271
Halton Lea TCF	721	8	8	713
Sci Tech Daresbury – Project Violet	6,389	128	128	6,261
Runcorn Town Centre Redevelopment	750	34	34	716
Total	10,143	1,486	1,486	8,657

Comments on the above figures.

Sci Tech Daresbury Project Violet- Project Violet commenced on site in August 2020 and the groundworks are commencing to schedule

Widnes Market - Evaporative cooler works completed. Initial redecoration works completed. Further phases of works planned for the remaining allocation

3MG -Alstom have confirmed they will expand on their existing site rather than purchase more land from the Council. CDP have confirmed they will acquire all the remaining land, including the public open space.

Solar Farm - All commissioning and testing has been completed. The system passed the Plant Performance Ratio test in September 2020 and the commissioning certificate was completed in August 2020.

The Council formally took over the site in September 2020.

Equality Act Improvement Works - The installation of a stair lift to improve access within Kingsway Learning Centre is currently on site and the Council is planning for various upgrade works to be undertaken later in the year following on from the various access audit reports carried out by consultants Cassidy & Ashton

Broseley House - Only one tenant now remains and notice has been served on them with a view to having them vacate the building when their lease expires in June 2021. Once vacated the building will be demolished and the site brought forward for redevelopment. Minimum works will be carried out until then so there should be little expenditure over the short term.

Kingsway Learning Centre Improved Facilities – Works are progressing well and on budget, phases 1 and 2 have been handed back to the end user, The Council have a delay on the lift installation and the sliding folding partition but the rest of the works are progressing well

Halton Lea TCF – The project for the Community Shop is near completion.

Foundry Lane – The Foundry Lane project relates to the regeneration of the Foundry Lane industrial estate in Halebank. Over the next 5-10 years, the aim is to regenerate the 8ha site from its current low quality/value industrial usage, to a thriving mixed tenure housing estate of approx. 400 units. The project is currently at procurement stage in order to appoint a long term Development Partner.

Murdishaw –The Council is awaiting confirmation of the masterplan in partnership with Onward Homes. Outcome delayed due to Covid. Currently liaising with Onward to agree priority schemes. Hope to identify quick win projects for delivery in Q3/4.

8.0 Application of Symbols

Symbols are used in the following manner:

Progress Symbols

<u>Symbol</u>	<u>Objective</u>	<u>Performance Indicator</u>
Green 	Indicates that the <u>objective is on course to be achieved</u> within the appropriate timeframe.	<i>Indicates that the annual target <u>is on course to be achieved</u>.</i>
Amber 	Indicates that it is <u>uncertain or too early to say at this stage</u> whether the milestone/objective will be achieved within the appropriate timeframe.	<i>Indicates that it is <u>uncertain or too early to say at this stage</u> whether the annual target is on course to be achieved</i>
Red 	Indicates that it is <u>highly likely or certain</u> that the objective will not be achieved within the appropriate timeframe.	<i>Indicates that the target <u>will not be achieved</u> unless there is an intervention or remedial action taken.</i>

Direction of Travel Indicator

Green 	Indicates that performance is better as compared to the same period last year.
Amber 	Indicates that performance is the same as compared to the same period last year.
Red 	Indicates that performance is worse as compared to the same period last year.
N / A	N / A
	Indicates that the measure cannot be compared to the same period last year.