LGA Corporate Peer Challenge

Halton Borough Council

3rd – 6th September 2024

Feedback report

Corporate Peer Challenge

Contents

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Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577
Chair: Councillor Louise Gittins **Chief Executive:** Joanna Killian **President:** Baroness Grey-Thompson

1. Introduction

Corporate Peer Challenge (CPC) is a highly valued improvement and assurance tool that is delivered by the sector for the sector. It involves a team of senior local government councillors and officers undertaking a comprehensive review of key finance, performance and governance information and then spending four days at Halton Borough Council to provide robust, strategic, and credible challenge and support.

CPC forms a key part of the improvement and assurance framework for local government. It is underpinned by the principles of Sector-led Improvement (SLI) put in place by councils and the Local Government Association (LGA) to support continuous improvement and assurance across the sector. These state that local authorities are: Responsible for their own performance, Accountable locally not nationally and have a collective responsibility for the performance of the sector.

CPC assists councils in meeting part of their Best Value duty, with the UK Government expecting all local authorities to have a CPC at least every five years.

Peers remain at the heart of the peer challenge process and provide a ‘practitioner perspective’ and ‘critical friend’ challenge.

This report outlines the key findings of the peer team and the recommendations that the council are required to action.

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2. Executive summary

Halton Borough Council has committed, hard-working and energetic members and officers who have a strong, resolute desire to do the best for Halton.

These characteristics have helped the council reach a number of achievements over many years. Examples of which include the delivery of major regeneration projects to support inclusive growth – such as the regeneration of Runcorn Town Centre, Daresbury Sci-Tech park and the Mersey Gateway Bridge project. With many other examples shown throughout this report from across the council.

These characteristics have also helped the council to largely manage significant budget reductions over 14 years, through a combination of savings programmes, temporary measures and the use of one-off funds, including the use of reserves.

Despite this, the council is now however, forecasting a £19.8m year-end overspend with only c. £11.5m left, available from reserves that can be used for bridging any year-end overspend in 2024/25.

The peer team therefore have a high level of concern about the council's financial resilience, which includes the immediate 2024/25 position.

This is now, the biggest budget challenge the council has ever faced.

The peer team call upon the council to take urgent action to deal with this in-year position. Whilst also taking the steps required to reset the approach and culture around budget planning, decision making, management and grip.

A clear finance improvement plan is needed across the immediate – mid-term, to give clear oversight and grip of the actions to deal with this challenge, the progress being made, any delays experienced and the implications of this.

The council has established a three-year transformation programme to redesign services in order to achieve £20m of savings, efficiencies and income through transformation and change between 2023/24 – 2025/26.

The transformation programme must now deliver at pace, so that the council can

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have a chance of meeting its immediate and medium term financial challenge.

Within this immediate operating context, a reset and repositioning of the transformation programme is required to strengthen the role of the programme and its positioning, so it can have a greater and speedier impact on the immediate term, whilst increasing its impact on the medium term also.

This includes sharpening the focus of the programme on the areas of greatest impact - the budget gap and the medium term position. The transformation programme will only be successful in this regard with the full support and leadership across the council.

The peer team received positive feedback on the visible and supportive leadership of the Leader and Chief Executive – with colleagues at the council highlighting a willingness from them to 'get involved' and provide support whenever needed. Senior officers at the council equally are seen as highly committed to delivering for Halton, with positive relationships between members and officers also evident. The council can demonstrate from all of this, many examples of good, cross-organisational working as well as a number of examples of innovative practice. For example the extension of the number of services available through Family Hubs and the level of access to this offer, including elements being available on a 24/7 basis. The council will need to draw on all of these strengths, in seeking to address this immediate financial challenge. There is an opportunity to further modernise service delivery within adult social care from some of the more traditional approaches currently present, which can also then help in supporting the council to bridge its budget gap. A single, clear, deliverable and commonly recognised plan will be required to do this. One example discussed with colleagues at the council, for inclusion within this, is that there is considerable investment in offering people services such as day care, which could be streamlined, to reduce cost whilst continuing to meet their needs. The LGA Partners in Care and Health Finance Review, the council received in October 2023 provides further examples of such potential modernisations.

Local government finance and therefore the financial picture facing the council now, can be highly complex to understand. To support an enhanced collective ownership of both the transformation programme and a Finance Improvement Plan, it is

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important that every effort is now made to make this picture as clear as possible to different stakeholders – including members and officers more widely. Doing this well, will help in growing ownership, credibility, confidence and trust.

Accompanying this, there are steps the council should take to enhance the quality of oversight and assurance. This includes developing the approach to risk management, performance management, Overview and Scrutiny (via the Policy and Performance Boards) as well as the Audit Committee. Steps the council can take in regards to each of these are detailed throughout this report.

The Halton Local Area Partnership received an Ofsted/CQC SEND Area Inspection in November which identified widespread and/or systemic failings across the partnership. The council also received a full Ofsted ILACS inspection of Children's Social Care in May, which returned an 'Inadequate' judgment across all areas. The inspection recognised that the newly appointed Director and Leadership Team *'have a solid understanding of many service weaknesses'*, with plans in place to tackle the issues either at an early stage or are yet to be actioned. This is an area which has received significant, additional corporate support recently - continuing to prioritise the improvement of Children's Social Care and SEND will remain an essential priority for the council throughout this period. This is reflected in the recently launched Corporate Plan (2024 – 2029) as one of the corporate priorities. More generally, members and officers clearly recognise it was the right move forward to develop the Corporate Plan and use this to improve the focus of the council.

There does however remain an opportunity for the council, in further developing its place shaping role. The council is well recognised as a full and active member of the Liverpool City Region (for example) and is getting the benefits from being involved. The council is regarded as particularly positive, proactive and pragmatic here. There may be learning from attaining this level of influence, that can help the council to further develop within its borough-wide place shaping role. This includes looking for ways to further develop how the council works in other partnerships (for example, the particularly large Integrated Care System locally). There is also scope for crafting a consistent, strategic proposition showing how Halton is changing, what opportunities this presents and the challenges that will need to be overcome, built from the

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examples of individual major projects (e.g. Reconnecting Runcorn). Developing further in this way, building on the examples of strong partnership working that exist, can help the community and council to move further forward in leading the delivery of the local vision of *'Our Community, Our Priorities, Our Future'.*

3. Recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

3.1 Take urgent action to address the highly significant 2024/25 budget overspend position.

3.2 Clearly communicate widely and on an ongoing basis the current, financial position of the council for 2024/25 and beyond. Ensuring that reports are suitably clear and succinct, reflecting the needs of different audiences, whilst also increasing the frequency of budget reporting.

3.3 Reset the budget setting culture, planning and grip to ensure the council has confidence that it can set a recurring, balanced budget.

3.4 Put in place quickly a finance improvement plan that can be monitored regularly by members and officers around the progress against the range of actions required.

3.5 Reset and reposition the Transformation Programme. Communicate its purpose and develop increased shared ownership across the council. Prioritise the work of the programme on the largest immediate and medium-term budget opportunities.

3.6 Ensure all transformation programmes have clearer delivery plans, including benefits realisation, and are in place which are signed-off by the finance team.

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3.7 Further develop oversight and accountability around finance and the transformation programme.

3.8 Take steps to support Policy and Performance Boards to have a greater impact, based on the considerations shown in this report.

3.9 Further develop the role of performance management at the council.

3.10 Further develop the role of risk management at the council.

3.11 Appoint independent persons to the Audit Committee and support the committee to grow the level of challenge it brings.

3.12 Use the lessons from the strength of partnership working in the Liverpool City Region that Halton demonstrates, to develop the council's place shaping role, strengthening Halton's voice in other partnerships. Doing this can support transformation, financial viability and efforts to meet the priorities for Halton.

3.13 Continue to prioritise the improvement of Children's Social Care and SEND corporately.

4. Summary of peer challenge approach

4.1 The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected by the LGA on the basis of their relevant expertise. The peers were:

- Lead Peer – **Will Godfrey** (Chief Executive – Bath and North East Somerset Council)
- Lead member – **Cllr Simon Henig CBE** (former Leader - Durham County

Council)

- **Cllr Darryl Smalley** (City of York Council)
- **Kathryn Rees** (Executive Director – Corporate and Support Services - Stockport Metropolitan Borough Council)
- **Julie Murphy** (Director of Corporate Services - Rochdale Borough Council)
- **Margaret Willcox** (LGA Care and Health Improvement Adviser)
- Peer Challenge Manager – **Dan Archer** (LGA)
- Shadow Peer – **Selena McGuinness** (LGA)

4.2 Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities? Is there an organisational-wide approach to continuous improvement, with frequent monitoring, reporting on and updating of performance and improvement plans?
2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management - Does the council have a grip on its** current financial position? Does the council have a strategy and a plan to address its financial challenges? What is the relative financial resilience of the council like?
5. **Capacity for improvement** - Is the organisation able to bring about the

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improvements it needs, including delivering on locally identified priorities? Does the council have the capacity to improve?

Within the above, the council asked for specific feedback on the approach to delivering the transformation programme as well as financial management, planning and resilience.

4.3 The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. This included a position statement prepared by the council in advance of the peer team's time on site. This provided a clear steer to the peer team on the local context at Halton Borough Council and what the peer team should focus on. It also included a comprehensive LGA Finance briefing (prepared using public reports from the council's website) and a LGA performance report outlining benchmarking data for the council across a range of metrics. The latter was produced using the LGA's local area benchmarking tool called LG Inform.

The peer team then spent four days onsite in Halton, during which they:

- Gathered evidence, information, and views from more than 40 meetings, in addition to further research and reading.
- Spoke to more than 100 people including a range of council staff together with members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

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5. Feedback

5.1 Local priorities and outcomes

Halton is a unitary authority which covers the towns of Runcorn and Widnes, and the parishes of Daresbury, Hale and Preston Brook, serving a population of approximately 128,694.

The council's previous Corporate Peer Challenge in September 2019 recommended that the council should work with partners and the community to co-produce and co-deliver a long term vision for Halton, which is then led by a place based system. In response to this, the council launched the 'Big Conversation' in August 2023, which became the 2nd largest consultation and engagement exercise in the borough's history with a total of 1,076 responses. The purpose of this exercise was to engage with all local stakeholders and establish the most pressing issues and priorities for those within the borough. This led to the production of a new Corporate Plan (2024 – 2029) which was launched earlier this year. Members and officers the team spoke with, clearly recognise the benefits from having the Corporate Plan and the focus this brings to the work of the organisation. It is important, building from this significant effort to engage, that the council continues to work on ensuring that these priorities are - and remain - used to further shape the direction of the council and its decision making. In doing this, there are clearly good examples of cross-organisational working, which the council can continue to build on as described elsewhere in this report. Whilst doing this it is also important to ensure that when cross-organisational commitments are made, they are followed through on consistently. Examples of which include actions around social value and to support corporate parenting.

Building from the efforts to hold the Big Conversation and to carry forward with this spirit of collective working, routinely engage communities and partners on all relevant plans, issues and opportunities. There are examples in place already, which partners have reflected on positively, such as the recent work to develop the SEND Improvement Plan. This follows the SEND Area Inspection which identified

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widespread and/or systemic failings across the partnership. An independently chaired improvement board is also now in place, with a revisit from CQC/Ofsted due to take place in 2025 to consider progress across the partnership.

The council has begun taking steps to enhance the role of equality, diversity and inclusion within the council. Staff involved in this work, feel the support of senior officers and are enthused by the direction of travel now being set out and the leadership support for this.

The council has some good examples of EDI practice now in place, which is being shared with neighbouring authorities. This includes the offer of reverse mentoring, with a number of the council's senior officers engaged in a reverse mentoring arrangement.

The council now has in place EDI objectives to help guide the next steps in its journey. To make further progress, ensure all of the essentials are consistently in place. This includes ensuring timely and considered Equality Impact Assessments are in place at the start of project design and policy development, rather than being left to a much later stage which is past the point of greatest influence.

The learning from similar organisations has shown that ensuring space for anonymised, regular staff feedback, for example through a regular pulse survey will help in securing an open and honest account of the experience of staff, to help inform the next steps in the council's journey. This may provide insights which substantiate the need for changes to the approach over time – for example, noting how and when the council may need to broaden the number / type of representative staff networks available, building from those that are now being established.

5.1.1 Performance

Strong performance management is a key aspect of any council's assurance and improvement framework. It has an essential role in effective prevention, early intervention and remediation and is a council wide responsibility.

The council recognise that further work is required to develop performance

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management, monitoring and analysis. To support this, further work to develop how performance, risk and audit act in a complementary way can further strengthen the overall approach to assurance and improvement.

Work has been done in recent months to bring a greater level of focus to performance reporting, to support decision making and accountability. Building on this, the council are encouraged to go further in focusing-in performance reporting. Producing even more succinct, clear, performance dashboards that enable improved and deeper dialogue around performance.

Following the work to launch the new Corporate Plan, the council should again review whether the metrics used in the performance reports, reflect the specific intent of the council – and the issues flagged within the Big Conversation - when setting these priorities. Equally ensuring all targets are relevant and robust and that benchmarking data is providing a robust, transparent comparison, can support the specificity of assurance and the quality of oversight possible.

Making the shift from narrative sections around performance and exceptions describing the numbers shown, to a narrative providing a clear description of the contextual challenges, confines and issues being faced and the remedial steps/options in light of this will also support enhanced wider engagement on performance improvement.

The council appears to have a strong understanding of place, the history of place and the needs of different communities. Staff also however recognise a need to strengthen the level of analysis and therefore the strength of evidence-based decision making possible. Doing so creates the opportunity for further informed 'deep dives' on key issues facing the council. A risk to the successful delivery of this, is that the council has limited core capacity for performance monitoring/reporting, which may need to be addressed when driving forward these improvements.

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5.2 Organisational and place leadership

Halton is a strong and active participant within the Liverpool City Region (LCR) Combined Authority. Over time, the council has established a strong voice in the LCR and is seen as a positive and proactive partner. In addition to its engagement within the LCR, Halton is also served by Cheshire Police and Cheshire Fire and Rescue Service. The council actively collaborates with the other councils in Cheshire also to reflect this and the distinct geography of the borough.

There may be learning from the council's own successes within the LCR, that can support the development of other partnership working. Supporting the council to develop further in its role as the strategic place lead for the borough. This includes whether and on what issues, the council could achieve more influence within the Integrated Care System (ICS) – which is a particular challenge given the size of the ICS here, which covers nine councils across the Liverpool City Region, Cheshire and Warrington.

Developing and communicating a clear and strong picture of the strategic ambitions for Halton, building from the number of projects the council has delivered and continues to deliver can support the council in its place shaping capacity. Helping more and more of the different stakeholders locally, regionally and nationally, to see the wider picture of how Halton is changing as a place, how it will change in future, the opportunities this will present and the difference this will mean.

There are also examples of good on the ground delivery between adult social care, public health and NHS partners evident locally. Relationships at this level appear very positive and collaborative. The council has an experienced and well regarded Director of Adult Social Care, who brings the benefits of those connections with regional colleagues.

The team met with Trade Union representatives who appear to have a generally positive relationship with the council, appreciating the accessible and visible leadership in place as well as the positive working relationship with members, officers and the HR team.

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The peer team also met with representatives of the voluntary and community sector over the course of the peer challenge. The relationship between the council and the voluntary and community sector has been challenging in recent months, with known differences of view around the provision of a pot of discretionary funding previously provided by the council, which is no longer available. A decision made in light of the very challenging financial position the council now faces. It is important that the council and voluntary and community sector partners are able to move on from this together, in support of the wider ambitions for the borough. The council and partners should continue to search for creative and pragmatic solutions with this in mind.

As the council moves forward into a period that requires significant change, putting in place routine engagement between the council and partners (e.g. health) around their respective financial positions, transformation plans and the interdependencies and consequences of these can support an enhanced view of any challenges or opportunities this may present system-wide.

5.3 Governance and culture

A desire to speed-up decision making was shared by a number of those the peer team spoke with, reflecting the budget challenge now being faced. Whilst seeking to do this, there are a number of steps the council should also take. Enhancing the depth of member engagement in decision making and the means of providing and demonstrating assurance should be strengthened, doing so can help the council in giving confidence to decision makers at the point of a decision being required.

Following the Ofsted ILACS inspection in May, the council has taken further steps to create more transparency around the delivery of children's social care. Officers from the service want to continue to grow this level of challenge, building on the steps already taken.

In terms of increasing the level of assurance within the council, External Audit made three key recommendations as part of their 2022/23 Audit letter. These included a need to ensure the transformation programme is sufficiently developed to meet the medium-term financial gap, to improve risk management and improve performance management arrangements. These recommendations will require further focussed action to bring about the improvements required.

The feedback provided earlier in this report around the approach to performance management is one area that will support the council in this regard. In addition to this, there are steps the council can take to enhance the use of risk management, moving from risk being used as an administrative tool, to more consistently being used as a key tool for identifying, managing and mitigating risk. This includes making greater use of the corporate risk register in this way, supported by enhanced engagement with and tracking of risk mitigations and their impact. Ensuring senior strategic ownership (and championing of) risk management will help the council in taking this step forward in its approach to managing risk. At a service level, there is more work to do to develop the monitoring and management of risks. For example, at present there is no clear, dedicated section for risk within the existing business plan template. Having this in place, will help to develop the attention around risks and consequently the quality of the mitigations in place, drawing these efforts and insights more into the corporate risk discussions and vica-versa.

Many of those the team spoke with, also wanted to see the impact that the Policy and Performance Boards (PPBs) have, being further developed. This is in the case of both providing challenge through scrutiny and support for policy development. The steps being taken to align the work of the PPBs to the newly developed Corporate Plan, can also help ensure that the PPBs are able to impact upon the most significant issues facing the borough and council. When doing this, reviewing the amount of work PPBs are asked to scrutinise and the time required for this may be beneficial, in light of the other methods of assurance locally. It is often the case that a smaller number of suitably focused items, may in fact mean the boards can provide a greater level of attention in their scrutiny, being able to delve deeper and as a result form different types of recommendations. With a more focused agenda, there may also then be opportunities for using other methods to help further bring scrutiny to life – including ‘rapid’ and ‘focused’ reviews.

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The council has recently taken steps to refresh its governance approach to the transformation programme. This has included putting in place a dedicated Transformation Programme Board, made up of Executive Board members. As the council moves forward with its transformation programme, and in making difficult decisions to deal with its financial pressure, there remains a need, within this governance approach to ensure a wide sense of engagement in budget setting and the progress and development of the transformation programme. This is to help ensure there are more effective levels of scrutiny around budget development, financial delivery and progress against the transformation programme.

The council's Audit Committee inevitably has a vitally important role in the council's assurance work. As such, it is essential that all members of the committee take a full role in this, the team heard how the committee is required to provide a greater level of challenge in its role than is currently the case. To support the committee to develop the level of challenge it is able to bring to council decision making, accelerating the planned recruitment of independent members to the Audit Committee should be addressed quickly, doing so will help ensure the council has a broader range of expertise available to the committee in providing effective challenge, in this vitally important assurance role. Having independent persons on the Audit Committee to aid the work of the committee in this regard would then also be consistent with CIPFA and LGA good practice guidance. Equally, there may also be scope for considering how internal audit capacity is deployed against the areas of greatest risk, when strengthening the assurance framework around council decision making.

These are positive steps the council can take to increase the level of local grip and accountability, in light of the difficult financial position and in the context of more limited press attention and scrutiny, compared to other councils. These steps should seek to complement activity taken more widely to ensure the culture of the organisation includes a more consistent level of internal challenge and transparency from across the council which in turn will support strong decision making.

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5.4 Financial planning and management

At the time of this peer challenge, the council's first, public budget monitoring report for 2024/25 was released (September 2024). This report forecasted a £19.8m year-end overspend, with only c. £11.5m left, available from reserves that could be used for bridging any year-end overspend that materialises.

Whilst the council has a higher level of earmarked reserves, the remaining amounts are held for specific, committed purposes. For example £65m of the council's earmarked reserves must be held for the Mersey Gateway Bridge project specifically. An exercise has already taken place in March to review the level of reserves the council holds, with £5.3m made available to cover previous overspends at that point.

With this context in mind, this period now, becomes the biggest budget challenge the council has faced.

The council should take urgent action to deal with this in-year position. This will include making spending reductions wherever possible with immediate effect (e.g. a recruitment freeze, stopping of non-essential spend, taking further action on overspends etc). Steps such as these were recommended to the management team internally in June and will now be included within the forthcoming September budget monitoring report to the Executive Board.

The strategic financial position and trajectory of any council can be complex to understand, a point that was felt when speaking to a number of members and officers at the council. Further work should be done to ensure a greater level of common understanding of the significance of the current financial position which differs to the financial challenges the council has managed previously. Enhance the level of visibility of the existing financial position and reduce the inconsistent readings of this situation, to support a greater degree of understanding. Following this, a stronger collective ownership of the steps required to address this challenge at pace will also be needed. Doing this will include using ways of communicating budget monitoring information as clearly and succinctly as possible, for different audiences. It would also be beneficial whilst under this level of financial pressure to increase the

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frequency of public budget monitoring reports.

As part of the 2024/25 – 2026/27 Medium Term Financial Strategy, the council had planned to replenish reserves in 2025/26 and 2026/27, which would now appear extremely difficult to achieve given the emerging expectations around the anticipated size of the larger budget gap in 2025/26.

Urgently developing a list of savings to help reduce this financial pressure is a vitally important step. This means including options of what to stop, asset rationalisation, contract opportunities, income opportunities and service reconfigurations and so forth. Including both options that can be achieved immediately and options that may require longer term transformation plans.

Further into this report, there is feedback given as to the council's existing transformation programme – an area the council requested specific feedback on as part of this CPC. Within this programme, a significant proportion of the savings required are from Adult Social Care. This reflects local benchmarking exercises which have shown that the average spend on Adult Social Care and Children's Social Care in Halton is significantly higher than the council's most similar neighbouring councils. The latest LGInform data on this provided to the peer team at the time of the peer challenge shows that 86.8% of core spending power in Halton was spent on the combination of adult and children's social care in 22/23 – compared to 69.1% as an average for the council's CIPFA nearest neighbour group. This equates to 17.7% of core spending power being spent here on adults and children's social care than is the case on average amongst the most similar councils to Halton. This difference alone equates to c. £24m in the annual budget. The proportion of core spending power spent on adult and children's social care has more than doubled in the last 5 years, from 42.6% of core spending power, in 2018/19.

A number of initiatives are in place to manage these pressures including (but not limited to) a high-cost placement panel, further work to recruit, retain and increase the skills of in-house foster carers and a 100% discount on Council Tax for all foster carers.

Further work is required to have in place a transformation programme for adult social

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care which is practical, achievable and is owned by the service. Further work with children's services is also required to develop plans for how cost reduction can be achieved and over what term, whilst bringing about the improvement required within children's social care and SEND.

The council appears to have agreed a budget for 24/25 that when examined further, does not appear appropriately balanced and has since contributed to the level of overspend now being seen. Examples of which include:

- a £4m transformation 'target' with limited delivery plans thus forming part of the £19.8m overspend for 24/25.
- Around £3.5m of agency staff pressure in 23/24 with no clear solution or funding and therefore resulting in a further overspend in 24/25.

Building on the steps identified above, and in dealing with the financial pressure the council faces across the short – medium term, there is a need to reset the approach and culture around budget planning, decision making, management and grip, in order to support the council in both setting and meeting a balanced budget moving forward. The need to do further work to develop the MTFP and set a balanced budget to meet the full gap echoes the feedback from a previous LGA Partners in Care and Health Finance Review in October 2023.

As part of this reset, ensuring consistent and direct input of the finance team into decision making must be improved, with all finance asks reviewed by the finance team to ensure these proposed decisions represent value for money and are accurately represented financially, prior to being presented to the leadership team and Executive Board.

To support progress and accountability around the steps required to address the financial position facing the council, a clear finance improvement plan, reported regularly to the Executive Board, PPBs and Audit should be put in place, reflecting the immediate and medium-term actions the council will take. This may also draw on the steps reflected elsewhere in this report (e.g. governance and transformation) to help ensure a holistic, clear view of the steps being taken in regards to financial improvement, the progress being made and any issues that may present themselves.

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5.5 Capacity for improvement

'Re-imagine Halton' is the council's transformation programme, which is aimed at creating savings of £20m over a three year period (from 2023/24 – 2025/26). Those savings are broken down across a number of workstreams including Adults/Adults with learning difficulties, Children's Services, Special Educational Needs, Accelerating Development and Growth and Optimised Services. The programme has been resourced through the flexible use of capital receipts, creating additional organisational capacity to realise the transformation and change required, for a fixed period of time, covering the three year period of the plan.

The creation of a transformation programme has been a positive step for supporting corporate improvement. The council now has in place a strong number of passionate and enthusiastic officers who can support the council to move forward in its wish for further transformation. There are examples where progress has been made within the transformation programme including the employer of choice workstream and the implementation of "celebrating success" and the income generation work.

However, many of the workstreams within the transformation programme are long term in nature, and at this stage appear to lack the type of clear milestones, deliverables and benefits realisation to support delivery and accountability to realise the scale of efficiencies the council seeks.

This has contributed to negative perceptions of the programme from a number of those the team spoke with. There appears to be a lack of clarity over how the savings against each programme were originally identified when the programme was established and how deliverable they are. There is as a result, not the full, collective ownership of the programme, which is required for its success across the council.

A reset and repositioning of the Transformation Programme is required to reach the pace of delivery the council now needs and enable a greater impact on the immediate budget gap and medium-term position. This work will need to be built from the perspective of the role of the Transformation Programme in filling the larger financial gap the council faces, beyond the £20m planned for the programme,

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reflecting both the key recommendation from the External Auditor and the feedback from the previous LGA Partners in Care and Health Adult Social Care Finance Review, in October 2023. This reset and re-positioning should include:

- Re-purposing the focus of the council's Transformation Delivery Unit – around addressing the immediate financial challenge the council faces through quick-win savings, efficiencies and income, as well as building the medium-term transformations needed, which are sharply focused on the size of the medium-term financial gap.
- Accelerating the work to re-prioritise the workload of the unit with this in mind. This will mean stopping and/or handing back work to others, which does not have the most significant impact on the immediate and longer-term budget position.
- Ensuring clear, deliverable, well communicated and trackable delivery plans are in place, which are developed with the service and appropriate finance support. Ultimately the anticipated savings for each workstream being signed off by the relevant service and finance team.
- Developing deeper, shared ownership across the council.
- Ensuring, clear, continuous engagement with both the Executive and wider member cohort is in place - through for example, the PPBs. To more clearly engage members more widely and more regularly in the development of plans and around the specific progress being made – supporting accountability.

This type of reset and repositioning will naturally require the council to then test whether the skills required for this revised journey are in place and to take the necessary steps required should this not be the case.

The council shared in detail the scale of the challenge faced from the financial pressure of a high use of agency staff. The council was required to spend £6.1m on agency staff in 2023/24 – 51% of the entire employee budget. This has therefore become one of the council's key areas of focus in both addressing the council's financial pressure and bringing about the improvements sought within children's social care. In regards to the latter, the peer team were told about the very early

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signs of a reduction in the number of agency workers in children's social care now starting to be seen, as well as a reduction in sickness absence. Both of which were linked to changes now being implemented within children's social care as part of the improvement programme. The high use of agency staff however remains a known, significant challenge which will require ongoing work to reduce to the levels sought.

The team were highly impressed with the adult learning service and its creative approaches to supporting residents with relevant learning opportunities and helping people into work. The peer team would encourage the council to reflect on whether this is a potential opportunity here, that could also help in addressing the workforce challenges faced corporately.

The council's work on 'employer of choice' has also been seen as a positive step forward. The Joint Venture the council has established and the work on 'time to hire' have the potential be useful and creative contributors to a solution, over time.

Across the council, throughout this peer challenge, the team were impressed by the level of commitment, the work-ethic and enthusiasm from both members and officers. Members and officers clearly have a strong desire to do the best for Halton, which provides great promise for the council to continue to work from against its improvement and transformation priorities. Earlier in this report, there has also been reflections of the positive way in which officers work across the corporate priorities. Another example of which being, the support received for colleagues in Adult Social Care in preparing for a pending CQC inspection, a level of support the service were really positive about. Having this culture in place, is a great asset for the council in bringing together the capacity needed to improve against the council's priority areas.

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6. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings. The LGA will continue to provide on-going support to the council. As part of the CPC, the council are also required to have a progress review and publish the findings from this within twelve months of the CPC. The LGA will also publish the progress review report on their website.

The progress review will provide space for a council's senior leadership to report to peers on the progress made against each of the CPC's recommendations, discuss early impact or learning and receive feedback on the implementation of the CPC action plan. The progress review will usually be delivered on-site over one day.

The date for the progress review at Halton Borough Council will take place in around June/July 2025 with the report from this published by no later than the 30th August 2025.

In the meantime, Claire Hogan, Principal Adviser for the North West, is the main contact between your authority and the Local Government Association. As outlined above, Claire is available to discuss any further support the council requires. claire.hogan@local.gov.uk.

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