

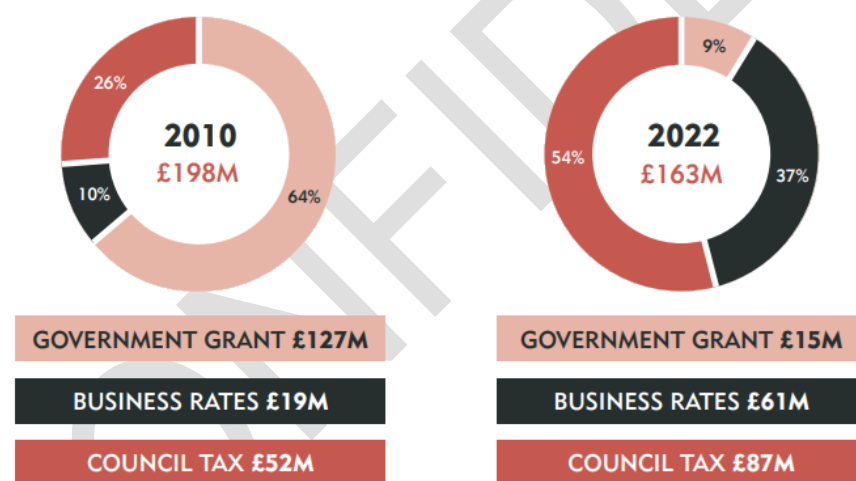
## The Financial Challenge

The financial challenge that St Helens Borough Council faces is significant. Since 2010, repeated cuts in central government funding have diminished Council budgets. The COVID-19 pandemic substantially reduced the Council's ability to generate revenue: income from Council Tax, business rates and charges for services has been severely impacted. At the same time, demand for Council services has never been higher.

The cost of living crisis is placing unprecedented pressure on residents. 42% of St Helens households are likely to be impacted by fuel poverty. Many will be experiencing food poverty and other types of economic hardship. Inflation is at a 40-year high, affecting residents' ability to afford accommodation, clothing and other essentials.

The Council's own finances are not immune from these pressures. The spiralling cost of energy makes it more expensive to heat buildings and keep streets lit. Rising interest rates make the financing of regeneration and infrastructure projects more costly. Soaring fuel costs make it more expensive to collect and empty bins. Sharp price increases from suppliers and providers mean it costs more to deliver social care and provide school meals. The Council's partners, too, are experiencing similar pressures.

In addition, the Council faces significant financial uncertainty, not least that surrounding the wider economic environment, but also around future levels of central government funding. Over the years, cuts in government funding have made the Council increasingly dependent on local revenues such as Council Tax. The charts below illustrate this:



## Difficult Decisions

Against this backdrop, the Council must prepare for some difficult decisions. Despite sound financial management, the Council is facing a significant budget gap over the next three years, primarily driven by inflationary factors outside of its control. The exact gap for 2023/24 will only be known once the Government announces the Council's funding settlement in late December. The lateness of this announcement makes financial planning challenging.

The Council has already approved savings totalling £5.3 million for 2023/24. Any remaining budget gap would need to be filled through a combination of service reductions, additional income generation and doing more with less. To this end, the Council has developed a range of further savings options. These options are outlined in more detail below.

## **Children and Young People's Services**

For 2022/23, the Children and Young People's Services net budget is £59.4 million: 37% of the Council's services budget.

The department focuses primarily on Priority 1 of the Council's six key priorities: to ensure children and young people have a positive start in life.

Key Children and Young People's services that the Council and its partners provide include:

- Children's social care and looked-after children
- Child protection
- Family support services
- Education and Special Educational Needs
- Support for disabled children
- Adoption and fostering services
- Children's centres and Early Help services

Like many local authorities, the Council is experiencing rising costs in relation to children's social care, primarily associated with increased service demand and inflated cost of external service provision. The most significant aspect of this is costs relating to children who are, or have been, in Council care. Total expenditure associated with placement costs for these children has been increasing annually. Despite these pressures, the Council must continue to achieve positive outcomes for children and young people. Potential savings options for 2023/24 include:

- Considering alternative delivery models for fostering and residential care, including insourcing, saving £884,000
- Fundamental review of Children's Centres and Early Help Services, saving £450,000
- Review of direct payments and contracts with Home Care and Holiday Play providers, saving £100,000
- Reduction of staffing and overhead costs, saving £198,000

## **Integrated Health and Social Care**

For 2022/23, the Council's Integrated Health and Social Care net budget is £56.5 million, which equates to 34% of the Council's services budget.

The directorate addresses Priority 2 of the Council's six priorities: to promote good health, independence and care across our communities.

Key Integrated Health and Social Care services that the Council provides include:

- Physical and sensory support
- Mental health support
- Learning disability support
- Support with memory and cognition

These services are provided in residential/nursing and community-based settings.

The Council continues to experience rising demand for care support. A significant area of pressure is within supported living services, for people requiring support for learning disabilities. Despite the challenges, the Council aims to deliver excellent services that promote good health and independence. Potential savings options for 2023/24 include:

- Review of commissioned services, to include retendering of some contracts and adoption of assistive technology across the care system, saving £1.4 million
- Review of day care services, saving £300,000
- Service redesign to reduce dependence on traditional care services, saving £279,000
- Charging some Disabled Facilities Adaptations costs to grants rather than Council budgets, saving £135,000
- Review of fees and charges, generating an additional £216,000

## **Public Health**

The Council's Public Health grant for 2022/23 is £15 million, and is ringfenced.

The Public Health department is focused on Priorities 1 and 2 of the Council's six key priorities: to ensure children and young people have a positive start in life, and to promote good health, independence and care across our communities.

The Council and its partners administer a range of services to improve the health and wellbeing of residents. These include:

- Sexual health services
- Obesity and weight management
- Smoking cessation
- Alcohol and substance misuse
- Children's public health, including the Healthy Child Programme
- Emotional health and wellbeing

One possible savings option for 2023/24 is to review contracts with providers for potential efficiencies and redesign, potentially saving up to £313,000.

## **Place Services**

The Council's 2022/23 Place Services net budget is £38.2 million. This is 23% of the Council's services budget.

The Place Services directorate addresses a number of the Council's six key priorities. These include Priority 3, to create safe and strong communities and neighbourhoods for all; Priority 4, to support a strong, thriving, inclusive and well-connected local economy; and Priority 5, to create green and vibrant places that reflect our heritage and culture.

The Council wants St Helens to be a welcoming borough for all, with thriving, resilient communities. Key Place Services functions include:

- Parking services
- Waste collection and recycling
- Street cleansing
- Highways, including street lighting and gritting
- Traffic management and road safety
- Parks and open spaces
- Crematorium and cemeteries
- Leisure centres, sports development and outdoor recreation
- Libraries, culture and heritage services
- Commercial premises and markets

- Homelessness and housing services
- Community safety
- Building control and planning services
- Environmental health
- Trading Standards and licensing

These services help keep the Borough attractive and clean, while addressing social challenges like homelessness and crime. The financial challenges are significant, though. It now costs twice as much as it did a year ago to light streets at night. The net cost of running the Borough's leisure facilities is now just under £2 million. The spiralling cost of food means it is becoming more and more expensive to feed schoolchildren at lunchtime. The Council will need to address these pressures. Potential savings options for 2023/24 include:

- Review of parking charges, including out-of-Town-Centre charging and removal of cash payment facilities, saving £240,000
- Consideration of further reductions to the Libraries service, saving up to £221,000
- Streamlining of Green Waste collection schedules, saving £120,000
- Switching off street lighting late at night where it is safe to do so, saving £50,000
- Increased income targets for highways developments, generating an additional £100,000
- Termination of the Councillor Improvement Fund, saving £100,000
- Charging of some Highways staffing costs to grant funding, saving £200,000
- Review of the Economy Service to reduce net cost, potentially saving £139,000
- Increased legal and surveyors' fees upon sale of surplus land and buildings, generating a further £60,000
- Increased rental income through lease renewals and extended lease terms, generating an additional £50,000
- Sale of commercial property, resulting in a one-off gain of £700,000
- Review of the Council's leasehold arrangements, moving services to alternative, Council-owned premises, and rationalisation of the Council's office space, saving £210,000
- Review of Supporting People contracts for potential reduction in capacity, saving £182,000
- Review of burial and cremation fees to bring charges in line with market averages, generating £69,000
- Charging for maintenance of leased land, to generate an additional £56,000
- Higher allotment fees to recover full costs, generating £48,000
- Further options, including increased focus on digitisation and potential reduction to cleansing regimes, to save a further £206,000

### **Corporate Services**

For 2022/23, the Council's Corporate Services net budget is £7.9 million, or 6% of the Council's services budget.

The department mainly focuses on Priority 6 of the Council's priorities: to be a responsible council.

The Corporate Services department provides integral support, such as human resources, finance, insurance, legal services and IT, to all Council services. Other services include:

- Registration of births, marriages and deaths
- Council Tax and benefits
- Contact Centre

- Elections
- Emergency planning
- Local welfare assistance schemes

Proposed savings options for 2023/24 include:

- Maximisation of opportunities to generate higher returns on investments, to generate an additional £500,000
- Pensions savings, including accessing discounts on employer pension contributions through prepayment arrangements, saving £290,000
- Anticipated savings of £100,000 from the move to “all-out” elections
- Increased project management fees for staff supporting the Council’s capital programme, saving £120,000
- Review of IT licences and use of electronic communications, saving £82,000
- Other options, to include increasing registration fees in line with neighbouring authorities and freezing of Members’ allowances, to save £68,000

In addition, a number of savings proposals are cross-cutting, spanning numerous Council departments. For 2023/24, these include:

- Introduction of compulsory unpaid leave for employees, saving £1.2 million
- Procurement and commissioning savings, through enhanced contract management and consideration of alternative options, saving £200,000
- Rationalisation of mailing and postage contracts, saving £69,000
- Taking a more commercial approach, by maximising lettings opportunities and trading more widely, to generate an additional £63,000 in 2023/24, with more ambitious targets in future years
- Streamlining of the Council’s internal stores and stock management functions, saving £50,000
- Review of staff printing facilities, saving £27,000
- Staffing budget reductions to reflect vacancy rates, saving £718,000

### **Capital and Revenue Budgets**

The Council’s capital budget, which funds long-term regeneration and infrastructure projects such as highways improvements and works to public buildings, comes predominantly from external grants and long-term borrowing, rather than Council Tax. In contrast, day-to-day Council services like social care, waste collection and street cleansing are funded by the revenue budget, which comes mainly from local taxation and central-government grants. It is important to note that this consultation exercise is on the revenue budget, on what the Council spends on services to the public.

The following video explains this in a little more detail:

<https://twitter.com/i/status/1496889836455837704>

### **Council Tax**

One of the most difficult decisions the Council faces is increasing Council Tax, which is one of the lowest in Merseyside. This is never easy, but it is especially tough at a time when household budgets are so stretched. It is more important now than ever that the Council remains committed to supporting residents and businesses through the cost of living crisis.

**For every 1% increase in Council Tax, the Council raises an extra £866,000 to spend on essential services and support those who are struggling the most.**

In this light, the Government is allowing councils to increase Council Tax by up to 3% from April 2023, along with an additional 2% precept to tackle adult social care pressures. This is well below the increases being applied to other household bills. Residents on the lowest incomes will continue to receive help through the Council Tax Reduction scheme.

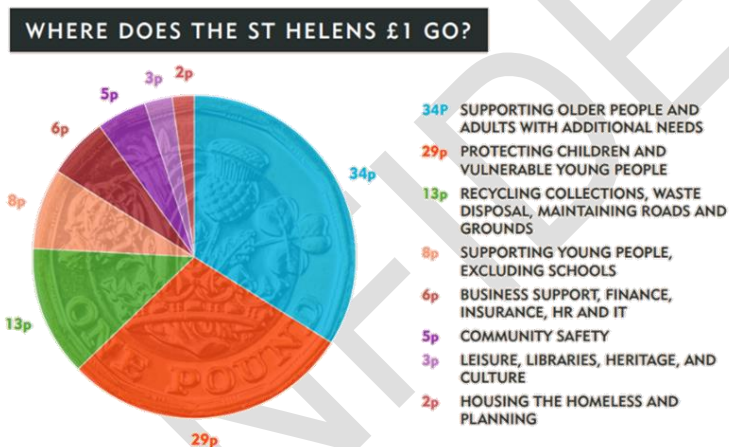
## **A Balanced Budget**

In March, the Council will set its budget for 2023/24, detailing how much it will have to spend on the services that matter to you. The Council is legally required to set a balanced budget.

**As part of this process, you are invited to provide your views on our savings options, and about where you would like spending prioritised.**

The Council must continue to provide and fund a number of statutory services, such as waste collection and social care. Statutory services are those which the Council is legally obligated to provide. In addition, it must also consider discretionary spending on services that are not statutory but which improve residents' lives, such as leisure centres and community safety initiatives.

The chart below sets out how much the Council currently spends, and where. For every £1 spent, this is what it is currently spent on:



**The public consultation will take place from Friday 16 December 2022 to Sunday 15 January 2023. You are invited to provide your responses to the survey below.**

We ask that in considering your responses, and the impact on you, your family or your business, you also reflect on the wider needs of St Helens Borough and its communities.

The responses will be analysed and a report summarising the outcome of the consultation, along with budget proposals for 2023/24, will be brought forward in early 2023.

## **Take Survey**

**1. Our St Helens Together Borough Strategy 2021-2030 is focused around six priorities. Please select the priority which is most important to you. (Please select one priority only)**

- Ensure children and young people have a positive start in life
- Promote good health and independence and care across our communities
- Create safe and strong communities and neighbourhoods for all
- Support a strong, thriving, inclusive and well-connected local economy
- Create green and vibrant places that reflect our culture and heritage
- Be a responsible council

**2. The Government is allowing councils to increase Council Tax by up to 3% from April 2023. The Council will decide what increase will apply when it sets the revenue budget for 2023/24 in March 2023.**

**Do you agree or disagree that we should protect vital services as much as we are able by potentially increasing Council Tax by an additional 3%?**

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- No preference

**Please provide any comments, thoughts or suggestions on the possible 3% increase that you feel we should consider.**

**3. The Government is allowing councils to increase Council Tax by an additional precept of 2%, to address adult social care pressures. Do you agree that we should support adult social care by increasing Council Tax by a possible additional 2% precept?**

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- No preference

**Please provide any comments, thoughts or suggestions on the possible 2% precept that you feel we should consider.**

The next few questions will outline the saving options in more detail under each of the six Council priorities.

**4. Priority 1 of the Council's six key Priorities is to ensure children and young people have a positive start in life. To what extent do you agree or disagree with the following possible savings options?**

	Strongly Agree	Agree	Disagree	Strongly Disagree	No Preference
Considering alternative delivery models for fostering and residential care, including insourcing, saving £884,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fundamental review of Children's Centres and Early Help Services, saving £450,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Review of direct payments and contracts with Home Care and Holiday Play providers, saving £100,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reduction of staffing and overhead costs, saving £198,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**5. Priority 2 of the Council's six key Priorities is to promote good health, independence and care across our communities. To what extent do you agree or disagree with the following possible savings options?**



	Strongly Agree	Agree	Disagree	Strongly Disagree	No Preference
Review of commissioned services, to include retendering of some contracts and adoption of assistive technology across the care system, saving £1.4 million	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Review of day care services, saving £300,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Service redesign to reduce dependence on traditional care services, saving £279,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Charging some Disabled Facilities Adaptations costs to grants rather than council budgets, saving £135,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Review of fees and charges, generating an additional £216,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Review of contracts with providers for potential efficiencies and redesign, saving £313,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**6. Priority 3 of the Council's six key Priorities is to create safe and strong communities and neighbourhoods for all. To what extent do you agree or disagree with the following possible savings options?**

	Strongly Agree	Agree	Disagree	Strongly Disagree	No Preference
Review of Supporting People contracts for potential reduction in capacity, saving £182,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Review of burial and cremation fees to bring charges in line with market averages, generating £69,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**7. Priority 4 of the Council's six key Priorities is to support a strong, thriving, inclusive and well-connected local economy. To what extent do you agree or disagree with the following possible savings options?**

	Strongly Agree	Agree	Disagree	Strongly Disagree	No Preference
Increased legal and surveyors' fees upon sale of surplus land and buildings, generating a further £60,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sale of commercial property, resulting in a one-off gain of £700,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Review of parking charges, including out-of-Town-Centre charging and removal of cash payment facilities, saving £240,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Review of the Economy Service to reduce net cost, potentially saving £139,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increased rental income through lease renewals and extended lease terms, generating an additional £50,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Review of the council's leasehold arrangements, moving services to alternative, council-owned premises, and rationalisation of the council's office space, saving £210,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**8. Priority 5 of the Council's six key Priorities is to create green vibrant places that reflect our heritage and culture. To what extent do you agree or disagree with the following possible savings options?**

Switching off street lighting late at night where it is safe to do so, saving £50,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increased income targets for highways developments, generating an additional £100,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Charging of some Highways staffing costs to grant funding, saving £200,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Strongly Agree	Agree	Disagree	Strongly Disagree	No Preference
Consideration of further reductions to the Library Service, saving up to £221,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Streamlining of Green Waste collection schedules, saving £120,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Higher allotment fees to recover full costs, generating £48,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increased focus on digitisation and potential reduction to cleansing regimes, to save a further £206,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Termination of the Councillor Improvement Fund, saving £100,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Charging for maintenance of leased land, to generate an additional £56,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**9. Priority 6 of the Council's six key Priorities is to be a responsible council. To what extent do you agree or disagree with the following possible savings options?**

	Strongly Agree	Agree	Disagree	Strongly Disagree	No Preference
Maximisation of opportunities to generate higher returns on investments, to generate an additional £500,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pensions savings, including accessing discounts on employer pension contributions through prepayment arrangements, saving £290,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Anticipated savings of £100,000 from the move to "all-out" elections	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Increased project management fees for staff supporting the council's capital programme, saving £120,000

Review of IT licences and use of electronic communications, saving £82,000

Increasing registration fees in line with neighbouring authorities and freezing of Members' allowances, to save £68,000

**10. In addition, a number of savings options are cross-cutting, spanning across all six Council Priorities. To what extent do you agree or disagree with the following possible saving options?**

Strongly Agree      Agree      Disagree      Strongly Disagree      No Preference

Introduction of compulsory unpaid leave for employees, saving £1.2 million

Procurement and commissioning savings, through enhanced contract management and consideration of alternative options, saving £200,000

Rationalisation of mailing and postage contracts, saving £69,000

Taking a more commercial approach, by maximising lettings opportunities and trading more widely, to generate an additional £63,000 in 2023/24, with more ambitious targets in future years

Streamlining of the council's internal stores and stock management functions, saving £50,000

Review of council printing facilities, saving £27,000

Staffing budget  
reductions to reflect  
vacancy rates, saving  
£718,000



**11. Do you agree or disagree that the savings options the Council is considering demonstrate careful planning and management of the financial challenges it is facing?**

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- No preference

**12. Are there any further savings options that you would propose?**

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