

HALTON BOROUGH COUNCIL



*Municipal Building,
Kingsway,
Widnes.
WA8 7QF*

27 February 2018

**TO: MEMBERS OF THE HALTON
BOROUGH COUNCIL**

You are hereby summoned to attend an Ordinary Meeting of the Halton Borough Council to be held in the Council Chamber, Runcorn Town Hall on Wednesday, 7 March 2018 commencing at 6.30 p.m. for the purpose of considering and passing such resolution(s) as may be deemed necessary or desirable in respect of the matters mentioned in the Agenda.

A handwritten signature in black ink, appearing to read 'David W R', is positioned above the title 'Chief Executive'.

Chief Executive

-AGENDA-

Item No.		Page No.
1.	COUNCIL MINUTES	SEE MINUTE BOOK
2.	APOLOGIES FOR ABSENCE	
3.	THE MAYOR'S ANNOUNCEMENTS	
4.	DECLARATIONS OF INTEREST	
5.	LEADER'S REPORT	
6.	MINUTES OF THE EXECUTIVE BOARD	SEE MINUTE BOOK
7.	MINUTES OF THE HEALTH AND WELLBEING BOARD	SEE MINUTE BOOK
8.	QUESTIONS ASKED UNDER STANDING ORDER 8	
9.	MATTERS REQUIRING A DECISION OF THE COUNCIL	
a)	Budget 2018/19 - KEY DECISION (Minute EXB 111 refers) Executive Board considered the attached report. RECOMMENDED: That Council adopt the resolution set out in Appendix A attached to the report, which includes setting the budget at £109.227m, the Council Tax requirement of £47.447m (before Parish, Police and Fire precepts) and the Band D Council Tax for Halton of £1,377.88.	1 - 24
b)	Treasury Management Strategy Statement 2018/19 (Minute EXB 112 refers) Executive Board considered the attached report. RECOMMENDED: That Council adopt the policies, strategies, statements, prudential and treasury indicators outlined in the report.	25 - 48
c)	2017/18 Revised Capital Programme (Minute EXB 113 refers) Executive Board considered the attached report. RECOMMENDED: That Council approve the revised Capital Programme as set out in paragraph 3.2 of the report.	49 - 56

<p>d) Runcorn De-Linking of the Silver Jubilee Bridge - KEY DECISION (EXB 84 refers)</p> <p>Executive Board considered the attached report.</p> <p>RECOMMENDED: That Council approve a variation to the Capital Programme to cover the costs as outlined in Section 5.3 of the report.</p>	<p>57 - 68</p>
<p>e) Widnes Loops to West Bank Link Road (Minute EXB 110 refers)</p> <p>Executive Board considered the attached report.</p> <p>RECOMMENDED: That Council approve a variation to the Capital Programme to cover the costs, as outlined in paragraph 5.1 of the report.</p>	<p>69 - 82</p>
<p>f) Capital Programme 2018-19 - KEY DECISION (Minute EXB 89 refers)</p> <p>Executive Board considered the attached report.</p> <p>RECOMMENDED: That Council approve the Capital Allocations for inclusion in the Budget report.</p>	<p>83 - 90</p>
<p>g) Calendar of meetings for 2018/19 (EXB 114 refers)</p> <p>Executive Board considered the attached report.</p> <p>RECOMMENDED: That Council approve the calendar of meetings for the 2018/19 Municipal year, as appended to the report.</p>	<p>91 - 94</p>
<p>h) Mersey Gateway</p>	<p>95 - 116</p>
<p>i) Recommendation from Mayoral Committee (MYR 2 refers)</p>	

The Mayoral Committee considered a Part II item making a recommendation on the appointment of Mayor and Deputy Mayor for the 2018/19 Municipal Year.

Council is requested to note the following recommendations, formal confirmation of which will be sought at Annual Council.

- 1) Councillor John Bradshaw be appointed as the Mayor
- 2) Councillor Margaret Horabin be appointed as the Deputy Mayor.

10. MINUTES OF THE POLICY AND PERFORMANCE BOARDS AND THE BUSINESS EFFICIENCY BOARD

SEE MINUTE BOOK

- a) Children, Young People and Families
- b) Employment, Learning, Skills and Community
- c) Health
- d) Corporate Services
- e) Business Efficiency Board

11. COMMITTEE MINUTES

SEE MINUTE BOOK

- a) Development Control
- b) Regulatory
- c) Standards

12. NOTICE OF MOTION - TYRED CAMPAIGN

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REPORT TO: Executive Board

DATE: 22 February 2018

REPORTING OFFICER: Operational Director – Finance

SUBJECT: Budget 2018/19

PORTFOLIO: Resources

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To recommend to Council the Budget, Capital Programme and Council Tax for 2018/19.

2.0 RECOMMENDATION:

- (i) **That Council be recommended to adopt the resolution set out in Appendix A, which includes setting the budget at £109.227m, the Council Tax requirement of £47.447m (before Parish, Police and Fire precepts) and the Band D Council Tax for Halton of £1,377.88.**

3.0 SUPPORTING INFORMATION

Medium Term Financial Strategy

3.1 The Executive Board approved the Medium Term Financial Strategy (MTFS) at its meeting on 16 November 2017. In summary, funding gaps of around £5.6m in 2018/19, £13.2m in 2019/20 and £3.3m in 2020/21 were identified. The Strategy had the following objectives:

- Deliver a balanced and sustainable budget
- Prioritise spending towards the Council's five priority areas
- Avoid excessive Council Tax rises
- Achieve significant cashable efficiency gains
- Protect essential front line services
- Deliver improved procurement

Budget Consultation

- 3.2 The Council uses various consultation methods to listen to the views of the public and Members' own experience through their ward work is an important part of that process.
- 3.3 Individual consultations are taking place in respect of specific budget proposals and equality impact assessments will be completed where necessary.

Review of the 2017/18 Budget

- 3.4 The Executive Board receives regular reports summarising spending in the current year against the budget. The latest report indicates that spending will be over budget in the current year by approximately £3.5m against a net budget of £103.2m. A main reason for the projected overspend is as a result of the continued significant pressure in respect of children social care and adult social care costs. Work is underway to consider how the budget can be brought back in line as much as possible during the final three months of the year. In addition a review of reserves will be undertaken to consider options to fund the expected overspend. It is anticipated that general reserve balances at 31 March 2018 will be around £4.0m, equivalent to approximately 4.0% of the net budget for 2018/19, it is not considered prudent for reserves to drop below this level.

2018/19 Budget

- 3.5 On 06 December 2017 Council approved initial budget savings for 2018/19 totalling £2.2m and further proposed savings are shown in Appendix B.
- 3.6 The proposed budget totals £109.227m. The departmental analysis of the budget is shown in Appendix C and the major reasons for change from the current budget are shown in Appendix D.
- 3.7 The proposed budget incorporates the grant figures announced in the Provisional Grant Settlement. It includes £2.152m for the New Homes Bonus 2018/19 grant. This is a reduction of £0.262m from the grant level for 2017/18 due to a change in formula from 2017/18 in how the grant is calculated. It also includes Improved Better Care Funding (IBCF) of £3.045m; this is the second year of IBCF funding, it is an increase of £2.497m from the first year and funded through the Liverpool City Region pilot scheme for business rate retention. There is additional Better Care Funding of £1.827m included in the budget which was announced as part of the 2017 Spring Budget. This is reduced funding paid over three years and the financial forecast does not expect this to continue beyond 2019/20. Like the IBCF this will be funded through business rate retention.

- 3.8 Pay rates for 2018/19 have yet to be agreed, the budget has sufficient funding to cover a 2% increase with increased amounts for the bottom tiers of the pay spine.
- 3.9 In addition to pay and price inflation built into the budget, an additional £3m has been set aside to help manage the service pressures within the Children & Families Department and an additional £0.5m within Adult Social Care to help manage the cost of the increasing National Living Wage for care providers. Funding is also included to help bring some income targets back in line with actual receipts.
- 3.10 It is considered prudent for the budget to include a general contingency of £0.6m. At this stage it is considered sufficient to cover the potential for price changes, increases in demand led budgets, as well as a general contingency for uncertain and unknown items.
- 3.11 The Local Government Act 2003 places a requirement on the Chief Financial Officer to report on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides. In my view the budget setting process and the information provided should be sufficient to allow the Council to come to an informed view regarding the 2018/19 budget, capital programme and council tax. Balances and reserves should provide sufficient resilience to meet the financial consequences of any unforeseen events.
- 3.12 In order to support the 2018/19 transitional Mayoral requirements of the Liverpool City Region Combined Authority, the six constituent councils will make contributions totalling £6.2m into the Single Investment Fund, of which the Council's contribution will be £0.513m. This is an investment in the future of the City Region and a demonstration of each Council's commitment to the Single Investment Fund. Through this approach it is anticipated that each of the constituent Councils in the City Region will benefit from future economic returns arising directly and indirectly from the application of the Single Investment Fund.

Local Government Finance Settlement

- 3.13 The Government announced on 06 February 2018 the Final Local Government Finance Settlement for 2018/19; this was broadly in line with the Provisional Settlement announced on 19 December 2017. The main change was the announcement of a one-off Adult Social Care Support Grant for 2018/19, the allocation for the Council is to the value of £0.399m. No information has yet been published to determine if any conditions are attached to the funding.
- 3.14 As part of the Liverpool City Region, the Council will continue to participate in a pilot scheme of 100% business rates retention. Government have reiterated the pilot scheme will operate under a No-Detriment policy, in that no Council operating as part of the pilot will see a reduction in their funding in comparison to what it would have

received under the 49% headline scheme. The pilot will result in additional business rates being retained by the Council although offset by Revenue Support and Better Care Funding grants no longer being paid.

- 3.15 It is expected from 2020/21 that the Business Rates Retention Scheme will be amended on a national basis, with the level of retained rates for each Council being set at 75%. In conjunction with this Government will undertake a review of needs and resources of Local Government, the first review since April 2013 and will reconsider the business rate baselines for each Council.
- 3.16 For 2018/19 the Council's total Government Settlement Funding Allocation is £52.683m. This is made up of £45.214m Business Rates Funding and Top-Up grant of £7.469m.
- 3.17 The above Settlement Funding Allocation includes additional Better Care funding for the first time and therefore it is difficult to compare year-on-year. Government have also produced headline Settlement Funding Allocations, based on all Councils continuing to retain 49% of business rates. This shows the allocation to Halton being to the value of £47.811m, a reduction of £2.696m (5.6%) from 2017/18.
- 3.18 The Council is required to provide an annual forecast of business rates to Government by the end of January of the preceding year. The forecast has been undertaken and the Council expect net collectable rates to be £49.456m for 2018/19. This is before allowing £2.602m set aside to fund the cost of any potential deficit which may exist within the Liverpool City Region business rate pilot scheme.
- 3.19 As far as non-domestic premises are concerned, the rate is fixed centrally by Government. For 2018/19 the rate has been set at 49.3p in the pound and 48.0p in the pound for small businesses.
- 3.20 The 2015 Spending Review announced that for the rest of the current Parliament, local authorities responsible for Adult Social Care will be given the flexibility to place a precept on council tax, to be used towards the funding shortfall for Adult Social Care. This was offered in recognition of increased pressure on Council budgets due to adult social care demographic changes and cost increases such as the National Living Wage.
- 3.21 In 2016/17 the Council set an Adult Social Care precept level of 2%. For the three years from 2017/18 to 2019/20 Government extended the flexibility in order that councils could apply a further precept of up to 6% over the period, with a limit of 3% being in place for the first two years and a limit of 2% for 2019/20. In 2017/18 the Council set an Adult Social Care precept level of 3%.

Budget Outlook

- 3.22 As part of the Local Government Finance Settlement for 2016/17 Government published indicative Settlement Funding Allocations for the following three years, up to and including 2019/20. Government made an offer to Councils that they would provide the indicative figures as a multi-year settlement. In return local authorities were asked to produce and publish an efficiency plan setting out their forecast budget position through to 2019/20 and the efficiency measures they have in place or propose to implement to achieve annual balanced budget positions. The Council's efficiency plan was published 14 October 2016.
- 3.23 The Government intention of the efficiency plan and multi-year settlement was a way of providing funding certainty and stability to local authorities, together with strengthening financial management and efficiency. Approximately 97% of Councils accepted the Government's offer.
- 3.24 The Medium Term Finance Settlement has been updated to take into account the 2018/19 finance settlement, multi-year allocations and saving measures already agreed or proposed.
- 3.25 The resultant funding gap over the subsequent three financial years (2019/20 to 2021/22) is forecast to be in the region of £23.040m. The approach to finding these savings will be the continuation of the budget strategy of:
- Progressing the Efficiency Programme.
 - Reviewing the portfolio of land and assets, including the use of buildings, in accordance with the Accommodation Strategy.
 - Continuing to seek improved procurement.
 - Reviewing terms and conditions of staff (subject to negotiation).
 - Offering staff voluntary early retirement and voluntary redundancy under the terms of the Staffing Protocol.
 - Reducing the cost of services either by reducing spend through greater efficiency or increasing income.
 - Partnership working, collaboration and sharing of services with other councils and other organisations.
 - Ceasing to deliver certain lower priority services.
 - Increase the level of the council tax and business rate base position.
- 3.26 There is great uncertainty with regards to local government finances from 2020/21. No indication has been given by Government on continuation of the austerity programme on public finances. In addition there will be changes to business rate baselines, top-up grants and the introduction of outcomes from the Fair Funding Review.

Halton's Council Tax

- 3.27 The Government no longer operate council tax capping powers, but instead there is a requirement for councils to hold a local referendum if they propose to increase council tax by more than a percentage threshold prescribed by the Government.
- 3.28 The Government have confirmed the council tax referendum threshold at 3% for 2018/19, this includes an additional limit of 3% precept for Adult Social Care costs mentioned in para 3.21.
- 3.29 The tax base (Band D equivalent) for the Borough has been set by Council at 34,435.
- 3.30 The combined effect of the budget proposals presented within this report, Government grant support, business rate retention and the council tax base, requires the Council to set a Band D council tax for Halton of £1,377.88 (equivalent to £26.50 per week), in order to deliver a balanced budget for 2018/19 as required by statute. This is an increase of 5.0% (£65.61 per annum or £1.26 per week) over the current year.

Parish Precepts

- 3.31 The Parish Councils have set their precepts for the year as shown below, with the resultant additional Council Tax for a Band D property in these areas being as follows:

	Precept	Precept Increase		Additional Council Tax	Basic Council Tax
	£	£	%	£	£
Hale	43,225	16,975	64.7%	65.00	1,442.88
Daresbury	4,700	104	2.3%	27.33	1,405.21
Moore	4,526	0	0.0%	13.80	1,391.68
Preston Brook	11,330	330	3.0%	33.52	1,411.40
Halebank	17,108	1,498	9.6%	32.34	1,410.22
Sandymoor	29,115	3,187	12.3%	26.18	1,404.07

Average Council Tax

- 3.32 In addition, it is also necessary to calculate the average Council Tax for the area as a whole. This is the figure required by Government and used for comparative purposes. For a Band D property the figure is £1,381.08, an increase of £66.21 per annum.

Police Precept

- 3.33 The Cheshire Police and Crime Commissioner has set the precept on the Council at £6.076m which is £176.44 for a Band D property, an increase of £12.00 or 7.3%. The figures for each Band are shown in Recommendation 5 in Appendix A.

Fire Precept

- 3.34 The Cheshire Fire Authority has set the precept on the Council at £2.599mm which is £75.48 for a Band D property, an increase of £2.19 or 2.99%. The figures for each Band are shown in Recommendation 6 in Appendix A.

Total Council Tax

- 3.35 Combining all these figures will give the Total Council Tax for 2018/19 and these are shown in Recommendation 7 in Appendix A. The total Band D Council Tax (before Parish precepts) is £1,629.80 an increase of £79.80 or 5.20%. The inclusion of parish precepts means the increase in Hale is 6.20%, in Daresbury is 4.87%, in Moore is 4.86%, in Preston Brook is 4.82%, in Halebank is 4.95% and in Sandymoor is 4.86%.
- 3.36 It is expected that Halton's total council tax will continue to be amongst the lowest in the North West. Given that nearly half of all properties in the Borough are in Band A, and also 82% of properties are in Bands A-C, most households will pay less than the "headline" figure. In addition, many households will receive reduced Council Tax bills through discounts, and these adjustments will be shown on their bills.
- 3.37 A complex set of resolutions, shown in Appendix A, needs to be agreed by Council to ensure that the Budget and Council Tax level are set in a way which fully complies with legislation, incorporating changes required under the Localism Act 2012.

Capital Programme

- 3.38 The following table brings together the existing capital programme spend and shows how the capital programme will be funded.

	2018/19	2019/20	2020/21
	£000	£000	£000
<u>Spending</u>			
Scheme estimates	36,552.7	4,752.7	1,780.0
Slippage between years	2,112.6	6,360.0	594.5
	<u>38,665.3</u>	<u>11,112.7</u>	<u>2,374.5</u>
<u>Funding</u>			
Borrowing and Leasing	21,461.5	1,317.0	0.0
Grants and External Funds	9,734.2	1,255.7	0.0
Direct Revenue Finance	141.0	14.0	0.0
Capital Receipts	5,216.0	2,166.0	1,780.0
Slippage between years	2,112.6	6,360.0	594.5
	<u>38,665.3</u>	<u>11,112.7</u>	<u>2,374.5</u>

3.39 The committed Capital Programme is shown in Appendix F.

3.40 As the Capital Programme is fully committed, there are no funds available for new capital schemes unless external funding is available or further savings are identified to cover financing costs.

Prudential Code

3.41 The Local Government Act 2003 introduced the Prudential Code which provides a framework for the self-regulation of capital expenditure. The key objectives of the Code are to ensure that the Council's:

- capital expenditure plans are affordable;
- external borrowing is within prudent and sustainable levels;
- treasury management decisions are taken in accordance with good professional practice; and
- is accountable by providing a clear and transparent framework.

3.42 To demonstrate that councils have fulfilled these objectives, the Prudential Code sets out a number of indicators which must be used. These are included in the Treasury Management Strategy report elsewhere on the Agenda. The prudential indicators are monitored throughout the year and reported as part of the Treasury Management monitoring reports to the Executive Board.

School Budgets

3.43 Schools are fully funded by Government Grants, primarily the Dedicated Schools Grant (DSG) which is mainly used to fund the Individual School Budgets. DSG is now allocated in four blocks;

Schools Block, Central Schools Services Block, Early Years Block and High Needs Block. The funding is allocated to schools by way of a formula in accordance with the new National Funding Formula being introduced for 2018/19 with transitional protection.

- 3.44 Schools Block pupil numbers in mainstream primary and secondary schools have increased from 17,791 for 2017/18 to 17,957 for 2018/19. Funding for mainstream primary and secondary schools is based on the pupil cohort on the October census. Overall funding for the Schools Block has increased from £81.820m to £83.897m. With the exception of an allowed transfer of 0.5% to the High Needs Block, the remainder of the Schools Block allocation is now ring-fenced and must be passed on to primary and secondary schools.
- 3.45 The Central Schools Services Block (CSSB) is split from the Schools Block for the first time in 2018/19, following the introduction of the ring-fenced requirement for Schools Block to be wholly passed to primary and secondary schools, with the exception of the 0.5% to High Needs. There are regulations in place which limit what the CSSB grant can be used for and limit budgets to the same level as previous years. The CSSB includes budgets that are de-delegated from maintained schools. As more schools convert to academy status, so the de-delegated funds are reduced, unless we ask schools to contribute a higher amount.
- 3.46 The Early Years Block allocation for 2017/18 was £9.077m and the indicative Early Years Block grant for 2018/19 is £9.479m. The hourly rate the Council are funded at, as opposed to the hourly rate we pay providers, is reducing from £5.40 per hour to £5.13 per hour. This reduction is because the transitional protection applied to funding for 2017/18 with the introduction of the Early Years National Funding Formula is no longer applied to funding for 2018/19. This drop in funding levels is likely to be a reduction of £0.400m to £0.450m in actual grant received.
- 3.47 The High Needs Block for 2017/18 was £15.788m increases to £16.189m for 2018/19. However, from this figure the Council will have a minimum of £1.666m recouped by the Department for Education for commissioned places in independent special schools, leaving £14.523m available.
- 3.48 Despite reductions in budgets over the past few years, the level of funding required for the High Needs Block without further reductions for 2018/19 is £16.547m, approximately £2m higher than funding. By moving 0.5% of the Schools Block allocation, this is reduced to £1.6m and further savings totalling £0.986m have been identified to date. At the point of writing, we have a deficit of £0.616m and forecasting to carry forward a DSG balance of £0.446m from 2017/18. Further work is underway to identify additional reductions, in conjunction with schools and Schools Forum.

3.49 The Minimum Funding Guarantee has been agreed by Schools Forum to continue at minus 1.5% as in previous years.

3.50 The Pupil Premium remains at £1,320 per Primary pupil who are or have been eligible for Free School Meals in the last six years. For Secondary pupils this remains at £935 per pupil. Children who have been adopted from care and children who leave care under a special guardianship order or residence order will be funded at £2,300 per pupil which is an increase from the 2017/18 level of £1,900. Eligibility for the Service Children Premium remains at £300 per pupil. The amount for Looked after Children which comes to the Council for distribution also increases from £1,900 to £2,300 per pupil. The Pupil Premium will be added to school budgets on top of the Minimum Funding Guarantee.

4.0 POLICY IMPLICATIONS

4.1 The Council's budget will support the delivery of all of the Council's services.

5.0 FINANCIAL IMPLICATIONS

5.1 The financial implications relating to the Council's budget are as set out within the report and appendices.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

The budget will support the Council in achieving the aims and objectives set out in the Community Strategy for Halton and the Council's Corporate Plan and has been prepared in consideration of the priorities listed below.

6.1 **Children and Young People in Halton**

6.2 **Employment, Learning and Skills in Halton**

6.3 **A Healthy Halton**

6.4 **A Safer Halton**

6.5 **Halton's Urban Renewal**

7.0 RISK ANALYSIS

7.1 The budget is prepared in accordance with detailed guidance and timetable to ensure the statutory requirements are met and a balanced budget is prepared that aligns resources with corporate objectives.

7.2 A number of key factors have been identified in the budget and a detailed risk register has been prepared. These will be closely monitored throughout the year and the Contingency and the Reserves and Balances Strategy should help mitigate the risk.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 Equality Impact Assessments will be undertaken in relation to the individual savings proposals as required.

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

Document	Place of Inspection	Contact Officer
Local Government Finance Report (England) 2018/19	Financial Management Kingsway House	Steve Baker

10.0 REASON FOR THE DECISION

10.1 To seek approval for the Council's revenue budget, capital programme and council tax for 2018/19.

11.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

11.1 In arriving at the budget saving proposals set out in Appendix B, numerous proposals have been considered, some of which have been deferred pending further information or rejected.

12.0 IMPLEMENTATION DATE

12.1 7 March 2018.

APPENDIX A

**DRAFT RESOLUTION FOR SUBMISSION TO THE COUNCIL
AT ITS MEETING ON 07 March 2018**

RECOMMENDATION: that the Council adopt the following resolution:

1. The policies outlined in this paper be adopted, including the budget and council tax for 2018/19, the savings set out in Appendix B and the Capital Programme set out in Appendix F.
2. That it be noted that at the meeting on 06 December 2017 the Council agreed the following:
 - (a) The Council Tax Base 2018/19 for the whole Council area is 34,435 (item T in the formula in Section 31B(3) of the Local Government Finance Act 1992, as amended (the Act) and
 - (b) For dwellings in those parts of its area to which a Parish precept relates, be set out as follows:

Parish	Tax Base
Hale	665
Daresbury	172
Moore	328
Preston Brook	338
Halebank	529
Sandymoor	1,112

being the amounts calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amounts of its Council Tax Base for the year for dwellings in those parts of its area to which special items relate.

3. Calculate that the Council Tax requirement for the Council's own purposes for 2018/19 (excluding Parish precepts) is £47,447,298.
4. In accordance with the relevant provisions of the Local Government Finance Act 1992 (Sections 31 to 36), the following amounts be now calculated by the Council for the year 2018/19 and agreed as follows:
 - (a) £379,669,949 – being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the said Act, taking into account all precepts issued to it by Parish Councils.

- (b) £332,112,647– being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £47,557,302 – being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year (item R in the formula in Section 31A(4) of the Act).
- (d) £1,381.08– being the amount at 3(c) above (item R), all divided by item T (2 above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) £110,004– being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act, each individual Parish precept being:

	£
Hale	43,225
Daresbury	4,700
Moore	4,526
Preston Brook	11,330
Halebank	17,108
Sandymoor	29,115

- (f) £1,377.88 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by item T (2(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.
- (g) Part of the Council's Area

	£
Hale	65.00
Daresbury	27.33
Moore	13.80
Preston Brook	33.52
Halebank	32.34
Sandymoor	26.18

being the amounts given by adding to the amounts at 3(e) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 2(b) above, calculated by the

Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings of its area to which one or more special items relate.

(h) Part of the Council's Area

Band	Hale	Daresbury	Moore	Preston Brook	Halebank	Sandymoor	All other Parts of the Council's Area
	£	£	£	£	£	£	£
A	961.92	936.81	927.79	940.94	940.15	936.04	918.59
B	1,122.24	1,092.94	1,082.41	1,097.75	1,096.83	1,092.04	1,071.68
C	1,282.56	1,249.07	1,237.05	1,254.58	1,253.53	1,248.05	1,224.78
D	1,442.88	1,405.21	1,391.68	1,411.40	1,410.22	1,404.07	1,377.88
E	1,763.52	1,717.48	1,700.95	1,725.05	1,723.61	1,716.08	1,684.08
F	2,084.16	2,029.75	2,010.21	2,038.69	2,036.98	2,028.09	1,990.27
G	2,404.80	2,342.02	2,319.47	2,352.34	2,350.37	2,340.10	2,296.47
H	2,885.76	2,810.42	2,783.36	2,822.80	2,820.44	2,808.12	2,755.76

being the amounts given by multiplying the amounts at 3(f) and 3(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

5. It is further noted that for the year 2018/19 the Cheshire Police and Crime Commissioner has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings shown below:

	£
A	117.63
B	137.23
C	156.84
D	176.44
E	215.65
F	254.86
G	294.07
H	352.88

6. It is further noted that for the year 2018/19 the Fire Authority have stated the following amounts in precepts issued to the Council, in accordance with the Local Government Act 2003 for each of the categories of dwellings shown below:

	£
A	50.32
B	58.71
C	67.09
D	75.48
E	92.25
F	109.03
G	125.80
H	150.96

7. That, having calculated the aggregate in each case of the amounts at 4h, 5 and 6 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2018/19 for each of the categories of dwellings shown below:

Band	Hale	Daresbury	Moore	Preston Brook	Halebank	Sandymoor	All other Parts of the Council's Area
	£	£	£	£	£	£	£
A	1,129.87	1,104.76	1,095.74	1,108.89	1,108.10	1,103.99	1,086.54
B	1,318.18	1,288.88	1,278.35	1,293.69	1,292.77	1,287.98	1,267.62
C	1,506.49	1,473.00	1,460.98	1,478.51	1,477.46	1,471.98	1,448.71
D	1,694.80	1,657.13	1,643.60	1,663.32	1,662.14	1,655.98	1,629.80
E	2,071.42	2,025.38	2,008.85	2,032.95	2,031.51	2,023.98	1,991.98
F	2,448.05	2,393.64	2,374.09	2,402.58	2,400.87	2,391.98	2,354.16
G	2,824.67	2,761.89	2,739.34	2,772.21	2,770.24	2,759.97	2,716.34
H	3,389.60	3,314.26	3,287.20	3,326.64	3,324.28	3,311.96	3,259.60

being satisfied that:

- (a) The total amount yielded by its Council Taxes for the said financial year will be sufficient, so far as is practicable, to provide for items mentioned at 4(a) to (c) above; and, to the extent that they are not, to be provided for by any other means.
 - (b) Those amounts which relate to a part only of its area will secure, so far as is practicable, that the precept or portion of a precept relating to such part will be provided for only by the amount yielded by such of its Council Taxes as relate to that part.
8. The Operational Director, Finance be authorised at any time during the financial year 2018/19 to borrow on behalf of the Council by way of gross bank overdraft such sums as he shall deem necessary for the purposes of this paragraph, but not such that in any event the said overdraft at any time exceeds £10m (£0.5m net) as the Council may temporarily require.

APPENDIX B

SAVINGS PROPOSALS – 2nd SET

	DEPARTMENT/ DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM/ TEMP (P/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2018/19 £'000	2019/20 £'000		
ENTERPRISE, COMMUNITY & RESOURCES DIRECTORATE							
INCOME GENERATION OPPORTUNITIES							
1	Community & Environment Dept / School Meals	Increase the cost of a standard school meal by 10p (for the first time in two years) and increase the cost of less healthy products in high schools above inflation.	1,825	125	0	P	M
2	Community & Environment Dept / The Brindley	Increase the booking fee at the Brindley from £1 to £2 per ticket (subject to a maximum fee of £10 per booking).	30	30	0	P	D
EFFICIENCY OPPORTUNITIES							
3	Economy, Enterprise & Property Dept / Property Services Operations Div	Reduction in the building maintenance budget, to reflect the continuing rationalisation of the Council's property portfolio.	2,064	100	0	P	D

	DEPARTMENT/ DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM/ TEMP (P/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2018/19 £'000	2019/20 £'000		
OTHER BUDGET SAVINGS							
4	Finance Dept / Revenues and Financial Management Div	Additional New Homes Bonus (NHB) grant generated following a review of long-term empty residential properties, to establish where properties are now occupied and meet the NHB criteria of being brought back into use.	2,332	100	0	P	D
TOTAL PERMANENT				355	0		Page 18
TOTAL TEMPORARY (ONE-OFF)				0	0		
GRAND TOTAL				355	0		

	DEPARTMENT/ DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM TEMP (P/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2018/19 £'000	2019/20 £'000		
PEOPLE DIRECTORATE							
INCOME GENERATION OPPORTUNITIES							
5	Children & Families Dept/ Children's Services	Increase in Health Service funding contribution towards Children in Care and Children's Continuing Health Care costs.	N/A	100	200	P	M
PROCUREMENT OPPORTUNITIES							
6	Children & Families Dept / Children in Care Division	Target for reductions in cost over the next two years through procurement savings, from a review of Children's residential care placements and provider contracts.	4,082	250	350	P	M
EFFICIENCY OPPORTUNITIES							
7	Education Inclusion & Provision Dept / 0-25 Inclusion Division	Deletion of a vacant HBC7 Education Welfare Officer post.	358	41	0	P	D

	DEPARTMENT/ DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM TEMP (P/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2018/19 £'000	2019/20 £'000		
8	Children & Families Dept / Children in Care Division	Review of Early Help and Early Intervention Services, through rationalisation of management costs, improved integration, reducing demand and better commissioning of the services. The target saving is a reduction in costs over two years but with improved service delivery outcomes.	467	100	150	P	D
9	Children & Families Dept/ Children in Care Division	Increase in-Borough foster care provision resulting in reduced cost of external placements	612	45	135	P	M
OTHER BUDGET SAVINGS							
10	Education Inclusion & Provision Dept / Children's Organisation & Provision Division	Increase in payment by results funding from the Troubled Families programme.	828	50	0	P	M
TOTAL PERMANENT				586	835		
TOTAL TEMPORARY (ONE-OFF)				0	0		
GRAND TOTAL				586	835		

APPENDIX C

DEPARTMENTAL OPERATIONAL BUDGETS

£000

People Directorate

Children and Families Service	20,505
Education, Inclusion & Provision	5,647
Adult Social Care	38,195
Public Health & Public Protection	(95)
	<hr/>
	64,252

Enterprise, Community & Resources Directorate

Finance	7,669
Policy, Planning & Transportation	9,366
ICT & Support Services	5,782
Legal & Democratic Services	1,859
Policy, People, Performance & Efficiency	1,823
Community and Environment	13,101
Economy, Enterprise and Property	4,573
	<hr/>
	44,173

Departmental Operational Budgets**108,425**

Corporate and Democracy

802

Total Operational Budget**109,227**

APPENDIX D

2018/19 BUDGET – REASONS FOR CHANGE

	£000
2017/18 Approved Budget	103,249
Add back One-Off savings	2,468
	<hr/> 105,717
<u>Policy Decisions</u>	
Capital Programme	-140
<u>Inflation and Service Demand Pressures</u>	
Pay (including Increments)	3,029
Prices	2,818
Income	-286
<u>Other</u>	
Net Adjustment to Specific Grants	-2,391
Contingency	600
Business Rates Retention Scheme	-1,337
Children and Families Service Pressures	3,000
Contribution From Reserves	-500
Additional Better Care Fund	1,827
Base Budget	<hr/> 112,337
Less Savings	-3,110
Total 2018/19 Budget	<hr/> 109,227 <hr/>

APPENDIX E

MEDIUM TERM FINANCIAL FORECAST

	2019/20 £000	2020/21 £000	2021/22 £000
Spending			
Previous Year's Budget	109,227	103,338	100,435
Add back one-off savings	1,980	0	0
<u>Inflation</u>			
Pay	2,908	1,144	1,167
Prices	1,451	1,480	1,510
Income	-559	-570	-581
<u>Other</u>			
Contingency	1,500	2,000	2,500
National Living Wage – Ext Service Providers	500	0	0
Additional Better Care Fund	-923	-904	0
Reduction to New Homes Bonus Grant	40	112	112
Use of Reserves	0	500	0
Budget Forecast	116,124	107,100	105,143
Resources			
Retained Business Rates	50,445	47,454	48,483
Top Up Funding	4,497	4,585	4,675
Council Tax	48,396	48,396	48,396
	103,338	100,435	101,554
Funding Gaps	12,786	6,665	3,589

APPENDIX F

COMMITTED CAPITAL PROGRAMME 2018/21

SCHEME	2018/19 £000	2019/20 £000	2020/21 £000
Schools Capital Projects	2,103.0	449.7	-
People Directorate	2,103.0	449.7	-
IT Rolling Programme	1,100.0	1,100.0	1,110.0
3MG	105.0	-	-
Widnes Waterfront	1,000.0	-	-
Linnets Club House	249.0	-	-
Former Crosville Depot	234.2	-	-
Hive Signage & Advertising	100.0	-	-
Equality Act Improvement Works	300.0	300.0	300.0
Widnes Market	1,204.6	-	-
Solar Farm	1,237.8	-	-
Silver Jubilee Major Maintenance	8,286.4	-	-
Silver Jubilee Deck Reconfiguration	600.0	-	-
Silver Jubilee Decoupling	9,610.0	-	-
Street Lighting – Structural Maintenance	200.0	200.0	200.0
Street Lighting – Upgrades	3,206.2	-	-
Fleet Replacements	555.5	1,317.0	-
Risk Management	120.0	120.0	120.0
Mersey Gateway Land Acquisition	4,039.0	-	-
Stadium Minor Works	30.0	30.0	30.0
Stadium Pitch Replacement	300.0	-	-
Children’s Playground Equipment	571.0	410.0	-
Peelhouse Lane Cemetery	750.0	296.0	-
Phoenix Park	11.0	-	-
Victoria Park Glasshouse	120.0	10.0	-
Sandymoor Playing Fields	500.0	500.0	-
Litter Bins	20.0	20.0	20.0
Community & Resources Directorate	34,449.7	4,303.0	1,780.0
Total Capital Programme	36,552.7	4,752.7	1,780.0
Slippage between years	+ 9,423.1 - 7,310.5	+ 7,310.5 - 950.5	+ 950.5 -356.0
GRAND TOTAL	38,665.3	11,112.7	2,374.5

REPORT TO: Executive Board

DATE: 22 February 2018

REPORTING OFFICER: Operational Director – Finance

PORTFOLIO: Resources

TITLE: Treasury Management Strategy Statement 2018/19

WARDS: Borough-wide

1.0 PURPOSE OF REPORT

1.1 To consider the Treasury Management Strategy Statement which incorporates the Annual Investment Strategy (AIS) and the Minimum Revenue Provision (MRP) Strategy for 2018/19.

2.0 RECOMMENDATION: That Council be recommended to adopt the policies, strategies, statements, prudential and treasury indicators outlined in the report.

3.0 SUPPORTING INFORMATION

3.1 This Treasury Management Strategy Statement (TMSS) details the expected activities of the treasury function in the forthcoming financial year (2018/19). Its production and submission to Council is a requirement of the CIPFA Code of Practice on Treasury Management.

3.2 The Local Government Act 2003 requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

3.3 The Act requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy; this sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

3.4 Government guidance notes state that authorities can combine the Treasury Strategy Statement and Annual Investment Strategy into one report. The Council has adopted this approach and the Annual Investment Strategy is therefore included as section 4.

3.5 The Council is also required to produce a Minimum Revenue Provision (MRP) Policy Statement. There is a formal statement for approval detailed in paragraph 2.3 and the full policy is shown in Appendix A

3.6 On 10th November 2017 the Ministry of Housing, Communities and Local Government issued a consultation on 'Proposed Changes to the Prudential

Framework of Capital Finance' suggesting future changes to the Prudential Code. Nothing further has yet been issued regarding the outcome of the consultation, therefore the Treasury Management strategy Statement has been written in line with previous year's Prudential Code. However, based upon the questions posed in the consultation, any update to the Prudential Code would not result in any fundamental changes to Halton's Treasury Management Strategy Statement.

4.0 POLICY IMPLICATIONS

4.1 The successful delivery of the Strategy will assist the Council in meeting its budget commitments.

5.0 OTHER IMPLICATIONS

5.1 None.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 There are no direct implications, however, the revenue budget and capital programme support the delivery and achievement of all the Council's priorities.

7.0 RISK ANALYSIS

7.1 The Authority operates its treasury management activity within the approved code of practice and supporting documents. The aim at all times is to operate in an environment where risk is clearly identified and managed. This strategy sets out clear objectives within these guidelines.

7.2 Regular monitoring is undertaken during the year and reported on a half-yearly basis to the Executive Board.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 None.

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

Document	Place of Inspection	Contact Officer
Working Papers	Financial Management	Matt Guest
CIPFA TM Code	Kingsway House	
CIPFA Prudential Code		

HALTON BOROUGH COUNCIL

**TREASURY MANAGEMENT STRATEGY
STATEMENT**

2018/19

**Financial Management Division
Finance Department
February 2018**

1 INTRODUCTION

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

CIPFA defines treasury management as:

“The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

1.2 Reporting requirements

The Council is required to receive and approve the following reports each year, which incorporate a variety of policies, estimates and actuals.

Prudential and treasury indicators and treasury strategy (this report) - which covers:

- The capital plans (including prudential indicators)
- A minimum revenue provision (MRP) policy - how residual capital expenditure is charged to revenue over time
- The treasury management strategy – how the investment and borrowing are organised, including treasury indicators
- An investment strategy – the parameters of how investments are to be managed

A mid-year treasury management report – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether any policies require revision.

An annual treasury report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Executive Board.

1.3 Treasury Management Strategy for 2018/19

The strategy for 2018/19 covers two main areas:

Capital issues

- the capital plans and the prudential indicators
- the minimum revenue provision (MRP) policy

Treasury Management Issues

- The current treasury position
- Treasury indicators which limit the treasury risk and activities of the Council
- Prospects for interest rates
- The borrowing strategy
- Policy on borrowing in advance of need
- Debt rescheduling
- The investment strategy
- Creditworthiness policy
- Policy on use of external service providers

These elements cover the requirement of the Local Government Act 2003, the CIPFA Prudential Code, CLG MRP Guidance, the CIPFA Treasury Management Code and CLG Investment Guidance.

1.4 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny and therefore training was undertaken by Members in February 2018. The training needs of treasury management officers are periodically reviewed.

1.5 Treasury management consultants

The Council uses Link Asset Services (previously known as Capita Asset Services) as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

2 THE CAPITAL PRUDENTIAL INDICATORS 2018/19 – 2020/21

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 Capital Expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle.

The table below summarises how these plans are being financed by capital or revenue resources, any shortfall of resources results in the need to borrow.

Table 1 – Capital Expenditure

	2016/17 Actual £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000
Capital Expenditure:					
People	5,074	5,660	2,103	450	-
Enterprise, Community & Resources	79,673	118,955	34,150	4,303	1,780
	84,747	124,615	36,253	4,753	1,780
Financed By:					
Capital receipts	(5,548)	(9,159)	(5,216)	(2,166)	(1,780)
Capital grants	(19,681)	(17,655)	(9,735)	(1,256)	-
Revenue	(759)	(878)	(141)	(14)	-
Net financing need for the year	58,759	96,923	21,161	1,317	-

The above financing need excludes other long term liabilities such as PFI and leasing arrangements which already include borrowing instruments.

The majority of additional borrowing during 16/17 and 17/18 and subsequent increase in the Capital Financing Requirement, is mainly as a result of Council investment in the Mersey Gateway. This additional borrowing will be repaid from future toll incomes and will be at no cost to the Council.

2.2 The Council's borrowing need – The Capital Financing Requirement

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially

a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with the life of each asset.

The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes.

Table 2 – Capital Financing Requirement

	2016/17 Actual £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000
Capital Financing Requirement	111,606	167,975	262,051	280,325	278,736
Movement in CFR due to:					
Net financing need for the year	58,759	96,923	21,161	1,317	-
PFI / Finance Leases	81	100	100	100	100
Less Minimum Revenue Provision	(2,471)	(2,947)	(2,987)	(3,006)	(2,922)
Increase / (Decrease) in CFR	56,369	94,076	18,274	(1,589)	(2,822)

2.3 Minimum revenue provision (MRP) statement

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge called the Minimum Revenue Provision (MRP).

CLG regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The full statement is detailed in Appendix A.

The Council is recommended to approve the following MRP Statement.

For capital expenditure incurred before 1 April 2008 the MRP policy will be to follow Option 1 (regulatory method), which will be charged on a 2% straight line basis.

For all unsupported borrowing since 1 April 2008, the MRP policy will be Option 3 (Asset Life Method) and is based on the estimated life of the assets. This will usually be charged using the equal instalment method, but the annuity method may also be used.

The MRP relating to PFI schemes and finance leases will be based on the annual lease payment, and will have no direct impact on the Council's revenue budget.

2.4 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances.

2.5 Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing net of investment income) against the net revenue stream.

Table 3 – Ratio of financing costs to net revenue stream

Ratio of Finance Costs to Net Revenue Stream	2016/17 Actual £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000
Council's Net Budget	98,460	103,249	102,795	97,020	98,960
Finance Costs					
Net Interest Costs	790	400	379	379	379
Minimum Revenue Provision	1,536	2,193	2,127	2,232	2,247
	2,326	2,593	2,506	2,611	2,626
	2.4%	2.5%	2.4%	2.7%	2.7%

Interest costs relating to the Mersey Gateway project and have been excluded from the above estimates as these will not be a cost on the Council's revenue budget. The MRP and Interest cost relating to PFI schemes and finance leases do not add any additional cost to the revenue budget, so have also been excluded.

2.6 Incremental impact of capital investment decisions on council tax

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period. For this table it has been assumed that the tax base will remain the same for the following three years.

Table 4 – Impact of capital investment decisions on Council Tax

Incremental Impact of capital investment decisions on band D Council Tax	2016/17 Actual £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000
Net cost of additional borrowing	265	984	86	907	-
Council Tax Base	32,948	33,818	34,435	34,435	34,435
Impact on Band D (£)	8.04	29.10	2.50	26.34	0.00

3 BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 Current portfolio position

The Council's treasury portfolio position at 31 March 2017, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

Table 5 – External Debt

	2016/17 Actual £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000
External Debt					
Borrowing					
Debt at 1 April	153,000	153,000	172,000	172,000	172,000
Expected Change in Debt	-	19,000	-	-	-
Debt at 31 March	153,000	172,000	172,000	172,000	172,000
Other long-term liabilities					
Debt at 1 April	21,883	21,029	20,374	19,704	19,029
Expected Change in Debt	(854)	(655)	(670)	(675)	(675)
Debt at 31 March	21,029	20,374	19,704	19,029	18,354
Total External Debt at 31 March	174,029	192,374	191,704	191,029	190,354
Capital Financing Requirement	167,975	262,051	280,325	278,736	275,914
Under / (over) borrowing	(6,054)	69,677	88,621	87,707	85,560

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2018/19 and the following two financial years.

This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The table above shows that the Council was in an over-borrowed position at the end of 2016/17. This was relating to the borrowing in advance of need that was done in respect to the Mersey Gateway project. Further detail is given in 3.5.

3.2 Treasury Indicators: limits to borrowing activity

The operational boundary

This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Table 6 – Operational Boundary

	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000
Operational boundary				
Debt	233,100	192,000	192,000	192,000
Other Long Term Liabilities	21,064	20,500	20,000	19,500
Total	254,164	212,500	212,000	211,500
Total External Debt at 31 March	192,374	191,704	191,029	190,354
Estimated Headroom	61,790	20,796	20,971	21,146

Following the completion of the Mersey Gateway, the operational boundary has been adjusted downwards to keep the boundary in line with the Council's current levels of debt.

The authorised limit for external debt

A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

Table 7 – Authorised Limit

	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000
Authorised limit				
Debt	250,000	262,000	280,000	279,000
Other Long Term Liabilities	20,000	20,500	20,000	19,500
Total	270,000	282,500	300,000	298,500
Total External Debt at 31 March	192,374	191,704	191,029	190,354
Estimated Headroom	77,626	90,796	108,971	108,146

Following the completion of the Mersey Gateway, the Authorised Limits has been adjusted to be in line with the Council's Capital Financing Requirement as shown in Table 2.

3.3 Prospects for Interest Rates

The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives their central view:

Table 8 – Interest rate forecast

Quarter Average	Bank Rate %	PWLB Borrowing Rates %			
		(including certainty rate adjustment)			
		5 year	10 year	25 year	50 year
Dec-17	0.50	1.5	2.1	2.8	2.5
Mar-18	0.50	1.6	2.2	2.9	2.6
Jun-18	0.50	1.6	2.3	3.0	2.7
Sep-18	0.50	1.7	2.4	3.0	2.8
Dec-18	0.75	1.8	2.4	3.1	2.9
Mar-19	0.75	1.8	2.5	3.1	2.9
Jun-19	0.75	1.9	2.6	3.2	3.0
Sep-19	0.75	1.9	2.6	3.2	3.0
Dec-19	1.00	2.0	2.7	3.3	3.1
Mar-20	1.00	2.1	2.7	3.4	3.2
Jun-20	1.00	2.1	2.8	3.5	3.3
Sep-20	1.25	2.2	2.9	3.5	3.3
Dec-20	1.25	2.3	2.9	3.6	3.4
Mar-21	1.25	2.3	3.0	3.6	3.4

Overview

The Monetary Policy Committee (MPC) delivered a 0.25% increase in Bank Rate at its meeting on 2 November. This removed the emergency cut in August 2016 after the EU referendum. The MPC also gave forward guidance that they expected to increase Bank rate only twice more by 0.25% by 2020 to end at 1.00%.

The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. It has long been expected, that at some point, there would be a more protracted move from bonds to equities after a historic long-term trend, over about the last 25 years, of falling bond yields.

The action of central banks since the financial crash of 2008, in implementing substantial Quantitative Easing, added further impetus to this downward trend in bond yields and rising bond prices. Quantitative Easing has also directly led to a rise in equity values as investors searched for higher returns and took on riskier assets. The sharp rise in bond yields since the US Presidential election in November 2016 has called into question whether the previous trend may go into reverse, especially now the Federal Reserve has taken the lead in reversing monetary policy by starting, in October 2017, a policy of not fully reinvesting proceeds from bonds that it holds when they mature.

Until 2015, monetary policy was focused on providing stimulus to economic growth but has since started to refocus on countering the threat of rising inflationary pressures as stronger economic growth becomes more firmly established. The Federal Reserve has started raising interest rates and this trend is expected to continue during 2018 and 2019. These increases will make holding US bonds much less attractive and cause their prices to fall, and therefore bond yields to rise. Rising bond yields in the US are likely to exert some upward pressure on bond yields in the UK and other developed economies. However, the degree of that upward pressure is likely to be dampened by how strong or weak the prospects for economic growth and rising inflation are in each country, and on the degree of progress towards the reversal of monetary policy away from quantitative easing and other credit stimulus measures.

From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis and emerging market developments. Such volatility could occur at any time during the forecast period.

Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts (and MPC decisions) will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

The overall balance of risks to economic recovery in the UK is probably to the downside, particularly with the current level of uncertainty over the final terms of Brexit.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Bank of England monetary policy takes action too quickly over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.
- A resurgence of the Eurozone sovereign debt crisis, possibly Italy, due to its high level of government debt, low rate of economic growth and vulnerable banking system.
- Weak capitalisation of some European banks.
- Rising protectionism under President Trump
- A sharp Chinese downturn and its impact on emerging market countries

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include:

- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly

within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.

- UK inflation returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.
- The Federal Reserve causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed. Funds Rate and in the pace and strength of reversal of Quantitative Easing, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.

Investment and borrowing rates:

- Investment returns are likely to remain low during 2018/19 but to be on a gently rising trend over the next few years.
- Borrowing interest rates increased sharply after the result of the general election in June and then also after the September Monetary Policy Committee meeting when financial markets reacted by accelerating their expectations for the timing of Bank Rate increases. Apart from that, there has been little general trend in rates during the current financial year. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when authorities may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt
- There will remain a cost of carry to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost – the difference between borrowing costs and investment returns.

3.4 Borrowing Strategy

Following the spend on the Mersey Gateway during 2017/18, the Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is relatively high.

Against this background and the risks within the economic forecast, caution will be adopted with the 2018/19 treasury operations. The Operational Director - Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- If it was felt that there was a significant risk of a sharp fall in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be

postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.

- If it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.

3.5 Treasury management limits on activity

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

Table 9 – Upper limit for interest exposure

Upper Limit for Interest Rate Exposure	2018/19 %	2019/20 %	2020/21 %
Fixed Rate	100	100	100
Variable Rate	30	30	30

Table 10 – Maturity structure of fixed rate borrowing

Maturity Structure of Fixed Rate Borrowing	2018/19	
	Lower	Higher
Under 12 months	0%	40%
12 months to 24 months	0%	40%
24 months to 5 years	0%	40%
5 years to 10 years	0%	40%
10 years and above	0%	100%

3.6 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Due to very favourable interest rates available from the PWLB, the Council borrowed £113m in advance of need during 2014/15 to fund the Mersey Gateway Project. The final payments were made during 2017/18 and the Council is no longer in an over-borrowed position.

3.7 Debt Rescheduling

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and/or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

4 ANNUAL INVESTMENT STRATEGY

4.1 Investment Policy

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then yield.

In accordance with the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also

enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Investment instruments identified for use in the financial year are listed below and are split between ‘specified’ and ‘non-specified’ investment categories. These will be used in line with the Creditworthiness Policy, and Counterparty List detailed in 4.2 and 4.4 below:

Specified investments

These are sterling denominated with maturities up to a maximum of 1 year and include the following:

- Debt Management Agency Deposit Facility
- UK Government Gilts
- Bonds issued by an institution guaranteed by the UK Government
- Term Deposits – UK Government
- Term Deposits – Other LAs
- Term Deposits - Banks and Building Societies
- Certificates of deposit with banks and building societies
- Money Market Funds (rated AAA)

Non-specified investments

These are Investments that do not meet the specified investment criteria. A variety of investment instruments will be used, subject to the credit quality of the institution:

- Term deposits – UK Government (maturities over 1 year)
- Term deposits – Other LAs (maturities over 1 year)
- Term deposits – Banks and Building Societies (maturities over 1 year)
- Certificates of deposit with banks and building societies (maturities over 1 year)
- Property Funds

At the time of investing, no more than 30% of the Council’s portfolio will be held in non-specified investments

4.2 Creditworthiness Policy

This Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit ratings agencies
- CDS spreads to give early warning of likely changes in credit ratings
- Sovereign ratings to select counterparties from only the most creditworthy countries

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow 5 years
- Purple 2 years
- Blue 1 year (only applies to nationalised and part nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No Colour May not be used

Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalent) of F1 and a Long Term rating of BBB. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored whenever new lending takes place. The Council is alerted to changes to ratings of all three agencies through its use of Link's creditworthiness service.

- If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data, market information, and information on any external support for banks to help support its decision making process.

4.3 Country Limits

Other than the United Kingdom, the Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AAA from Fitch or equivalent.

4.4 Counterparty Limits for 2018/19

The Council has set the following counterparty limits for 2018/19, and will invest in line with the creditworthiness policy detailed in 4.2.

Table 11 – Counterparty limits

	Maximum Limit per institution £m
UK Government	30
Nationalised and Part Nationalised Banks with:	
- Minimum rating of A	20
- Minimum rating of BBB	10
UK Banks/Building Societies with:	
- Minimum rating of AAA	30
- Minimum rating of AA	20
- Minimum rating of A	10
- Minimum rating of BBB	5
Foreign Banks in countries with a sovereign rating of AAA and:	
- Minimum rating of AAA	20
- Minimum rating of AA	10
- Minimum rating of A	5
Money Market Funds	
- Minimum rating of AAA	20
Local Authorities	20
Property Fund	10
Note: No more than 25% of the total portfolio will be placed with one institution, except where balances are held for cash-flow purposes	

Due to the high level of investments the Council holds in relation to the Mersey Gateway project, the Counterparty limits were increased in 2015/16 to ensure the Council is able to obtain the best rates available. These levels have been reviewed and reduced as shown above.

4.4 Investment strategy

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Bank Rate is forecast to remain unchanged at 0.5% until starting to rise from December 2018. Bank Rate forecasts for financial year ends (March) are:

- 2018 0.50%
- 2019 0.75%
- 2020 1.00%

There are downside risks to these forecasts (i.e. start of increases in Bank Rate occurs later) if economic growth weakens. However, should the pace of growth quicken, there could be an upside risk.

Investment treasury indicator and limit – Total principal funds invested for greater than 365 days

These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

Table 12 – Maximum principal sums invested over 365 days

Maximum principal sums invested > 365 days	2018/19 £000	2019/20 £000	2020/21 £000
Principal sums > 365 days	20,000	20,000	20,000

4.5 End of year investment report

At the end of the financial year, the Council will report on its investment activities as part of its Annual Treasury Report

Minimum Revenue Provision

Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. It would be impractical to charge the entirety of such expenditure to revenue in the year in which it was incurred therefore such expenditure is spread over several years in order to try to match the years over which such assets benefit the local community through their useful life. The manner of spreading these costs is through an annual Minimum Revenue Provision, which was previously determined under Regulation, and will in future be determined under Guidance.

Statutory duty

Statutory Instrument 2008 no. 414 s4 lays down that:

- “A local authority shall determine for the current financial year an amount of minimum revenue provision that it considers to be prudent.”
- The above is a substitution for the previous requirement to comply with regulation 28 in S.I. 2003 no. 3146 (as amended).
- There is no requirement to charge MRP where the Capital Financing Requirement is nil or negative at the end of the preceding financial year.
- The share of Housing Revenue Account CFR is not subject to an MRP charge.

Government Guidance

Along with the above duty, the Government issued guidance which came into force on 31st March 2008 which requires that a Statement on the Council's policy for its annual MRP should be submitted to the full Council for approval before the start of the financial year to which the provision will relate.

The Council is legally obliged to “have regard” to the guidance, which is intended to enable a more flexible approach to assessing the amount of annual provision than was required under the previous statutory requirements. The guidance offers four main options under which MRP could be made, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. The requirement to ‘have regard’ to the guidance therefore means that: -

1. although four main options are recommended in the guidance, there is no intention to be prescriptive by making these the only methods of charge under which a local authority may consider its MRP to be prudent.
2. it is the responsibility of each authority to decide upon the most appropriate method of making a prudent provision, after having had regard to the guidance.

Option 1: Regulatory Method

Under the previous MRP regulations, MRP was set at a uniform rate of 4% of the adjusted CFR (i.e. adjusted for “Adjustment A”) on a reducing balance method (which in effect meant that MRP charges would stretch into infinity). From the 2016/17 financial year the Council changed this to a 2% straight line as the new method:

- will aid forecasting as option 1 MRP will remain unchanged each year and enable the Council to link additional MRP costs to specific assets
- will ensure that option 1 MRP is paid off by 2065. If the reducing balance method was used, there would still be a balance of £5.4m by this date

Option 2: Capital Financing Requirement Method

This is a variation on option 1 which is based upon a charge of 4% of the aggregate CFR without any adjustment for Adjustment A, or certain other factors which were brought into account under the previous statutory MRP calculation. The CFR is the measure of an authority’s outstanding debt liability as depicted by their balance sheet.

Option 3: Asset Life Method

This method may be applied to most new capital expenditure, including where desired that which may alternatively continue to be treated under options 1 or 2.

Under this option, it is intended that MRP should be spread over the estimated useful life of either an asset created, or other purpose of the expenditure. There are two useful advantages of this option: -

- longer life assets e.g. freehold land can be charged over a longer period than would arise under options 1 and 2
- no MRP charges need to be made until the financial year after that in which an item of capital expenditure is fully incurred and, in the case of a new asset, comes into service use (this is often referred to as being an ‘MRP holiday’). This is not available under options 1 and 2

There are two methods of calculating charges under option 3: -

- a. equal instalment method – equal annual instalments
- b. annuity method – annual payments gradually increase during the life of the asset

Option 4: Depreciation Method

Under this option, MRP charges are to be linked to the useful life of each type of asset using the standard accounting rules for depreciation (but with some exceptions) i.e. this is a more complex approach than option 3.

The same conditions apply regarding the date of completion of the new expenditure as apply under option 3.

Date of implementation

The previous statutory MRP requirements ceased to have effect after the 2006/07 financial year. Transitional arrangements included within the guidance no longer apply for the MRP charge for 2009/10 onwards. Therefore, options 1 and 2 should only be used for Supported Capital Expenditure (SCE). Authorities are however reminded that the DCLG document remains as guidance and authorities may consider alternative individual MRP

approaches, as long as they are consistent with the statutory duty to make a prudent revenue provision.

Strategy Adopted for 2018/19 and future years

In order to determine its MRP for 2018/19 and taking into consideration the available options the Council has applied the following strategy:

- For all capital expenditure incurred before 2009/10 and for all capital expenditure funded via supported borrowing MRP to be calculated using Option 1 – The Regulatory Method, calculated using a 2% straight-line charge.
- For all capital expenditure incurred from 2009/10 financed by prudential borrowing MRP to be calculated using Option 3 the Asset Life Method, with the MRP Holiday option being utilised for assets yet to come into service use.
- For Mersey Gateway expenditure the options above will not be used. The MRP Holiday option will be utilised until the Council receives toll income to repay outstanding capital expenditure. MRP payments will then be matched with income received.
- For credit arrangements such as on-balance sheet leasing arrangements (finance leases) the MRP charge will be equal to the principal element of the annual rental.
- For on balance sheet PFI contracts MRP charge will be equal to the principal element of the annual rental.
- For assets that have an outstanding balance in the Capital Adjustment Account at the time of disposal, the Council have the option of using the capital receipts raised from the sale to repay the balance. Although this will not affect the MRP charge in year (this will be a direct charge from Capital Receipts Reserve to the Capital Adjustment Account) this will reduce an MRP charge for future years. Please note:
 - If the sale of the asset does not raise sufficient receipts to repay the outstanding balance the council has the option to use the Capital Receipts Reserve to make the repayment
 - If the Council choose not to use the methods detailed above, the MRP should be repaid over a period that is considered prudent

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REPORT TO: Council

DATE: 7 March 2018

REPORTING OFFICER: Operational Director – Finance

PORTFOLIO: Resources

SUBJECT: 2017/18 Revised Capital Programme

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To seek approval to a number of revisions to the Council's 2017/18 capital programme.

2.0 RECOMMENDED: That the revisions to the Council's 2017/18 capital programme set out in paragraph 3.2 below, be approved.

3.0 SUPPORTING INFORMATION

3.1 On 22 February 2018 Executive Board received a report of spending against the Council's revenue budget and capital programme as at 31 December 2017. A number of revisions to the 2017/18 capital programme were recommended for approval by Council as outlined below.

3.2 It is proposed to revise the Council's 2017/18 capital programme, to reflect a number of changes in spending profiles and funding as schemes have developed. These are reflected in the revised capital programme presented in Appendix 1. The schemes which have been revised within the programme are as follows

1. Children's Playground Equipment
2. Runcorn Hill Park
3. Linnets Clubhouse
4. Widnes Market Refurbishment
5. Equality Act Improvement Works
6. Development Costs – Mersey Gateway
7. Loan Interest During Construction – Mersey Gateway
8. Bridge & Highway Maintenance
9. Street Lighting Structural Maintenance & Upgrades
10. Silver Jubilee Bridge Major Maintenance & Reconfiguration
11. Upgrade PNC
12. Grangeway Court Refurbishment
13. Bredon Reconfiguration
14. Vine Street Reconfiguration
15. Disabled Facilities Grant
16. Millbrow Nursing Home

17. Capital Repairs – Schools
18. Schools Access Initiative
19. Basic Need Projects
20. School Modernisation Projects
21. Fairfield Primary School
22. Weston Point Primary School
23. Small Capital Works - Schools
24. The Bridge School Vocational Centre

4.0 POLICY AND OTHER IMPLICATIONS

- 4.1 None.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

- 5.1 There are no direct implications; however, the capital programme supports the delivery and achievement of all the Council's priorities.

6.0 RISK ANALYSIS

- 6.1 There are a number of financial risks within the capital programme. However, the Council has internal controls and processes in place to ensure that spending remains in line with budget.
- 6.2 In preparing the 2017/18 budget and capital programme, a register of significant financial risks was prepared which has been updated as at 31 December 2017.

7.0 EQUALITY AND DIVERSITY ISSUES

- 7.1 None.

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1072

- 8.1 There are no background papers under the meaning of the Act.

Capital Expenditure to 31 December 2017

Directorate/Department	Actual Expenditure to Date	2017/18 Cumulative Capital Allocation		Capital Allocation 2018/19	Capital Allocation 2019/20
		Quarter 3	Quarter 4		
	£'000	£'000	£'000	£'000	£'000
<u>Enterprise Community & Resources Directorate</u>					
Community and Environment					
Stadium Minor Works	10	10	30	30	30
Brindley Café Extension	0	0	80	0	0
Norton Priory	65	100	348	0	0
Norton Priory Biomass Boiler	0	0	107	0	0
Open Spaces Schemes	315	400	602	0	0
Children's Playground Equipment	77	50	100	65	65
Upton Improvements	0	0	0	13	0
The Glen Play Area	0	0	25	18	0
Runcorn Hill Park	106	100	125	75	0
Crow Wood Play Area	21	150	450	60	5
Runcorn Cemetery Extension	11	9	9	0	0
Peelhouse Lane Cemetery	110	120	350	750	296
Peelhouse Lane Cemetery – Enabling Works	0	30	33	0	0
Pheonix Park	2	10	110	11	0
Victoria Park Glass House	0	0	150	120	10
Sandymoor Playing Fields	102	300	600	500	500
Widnes Recreation	10	0	0	0	0
Landfill Tax Credit Schemes	5	20	160	340	340
Litter Bins	10	10	20	20	20

Directorate/Department	Actual Expenditure to Date	2017/18 Cumulative Capital Allocation		Capital Allocation 2018/19	Capital Allocation 2019/20
	£'000	Quarter 3 £'000	Quarter 4 £'000	£'000	£'000
ICT & Support Services					
ICT Rolling Programme	565	825	1,100	1,100	1,100
Economy, Enterprise & Property					
Castlefields Regeneration	0	0	0	0	0
3MG	4,496	4,496	4,966	105	0
Widnes Waterfront	0	0	0	1,000	0
Johnsons Lane Infrastructure	0	0	66	0	0
Decontamination of Land	4	4	50	0	0
SciTech Daresbury – EZ Grant	0	0	483	0	0
Venture Field	5,959	5,959	6,000	0	0
Linnets Clubhouse	1,126	1,126	1,173	249	0
The Croft	0	0	30	0	0
Former Crosville Site	926	926	1,150	234	0
Signage at The Hive	87	87	87	0	0
Advertising Screen at The Hive	0	0	0	100	0
Widnes Market Refurbishment	80	80	100	1,205	0
Widnes Land Purchases	235	235	235	0	0
Former Simms Cross Caretakers House	7	7	14	0	0
Equality Act Improvement Works	107	107	120	300	300
Broseley House	0	0	690	0	0
Murdishaw Regeneration	0	0	46	0	0
Solar Farm	1	1	60	1,238	0

Directorate/Department	Actual Expenditure to Date	2017/18 Cumulative Capital Allocation		Capital Allocation 2018/19	Capital Allocation 2019/20
	£'000	Quarter 3 £'000	Quarter 4 £'000	£'000	£'000
Mersey Gateway					
Land Acquisitions	6,093	6,093	6,355	4,039	0
Development Costs	1,078	1,078	1,689	0	0
Loan Interest During Construction	2,197	2,197	2,197	0	0
Construction Costs	67,500	67,500	67,500	0	0
Mersey Gateway Liquidity Fund	10,000	10,000	10,000	0	0
Other					
Risk Management	17	20	155	120	120
Fleet Replacements	339	500	1,500	556	1,317
Policy, Planning & Transportation					
Bridge & Highway Maintenance	1,199	1,150	5,513	1,546	0
Integrated Transport & Network Management	165	200	460	0	0
Street Lighting – Structural Maintenance & Upgrades	109	150	500	3,406	200
STEPS Programme	353	350	978	0	0
Silver Jubilee Bridge Major Maintenance & Reconfiguration	763	800	2,440	7,340	0
Silver Jubilee Bridge decoupling				9,610	0
Total Enterprise Community & Resources	104,250	105,200	118,956	34,150	4,303

	£'000	Quarter 3 £'000	Quarter 4 £'000	£'000	£'000
Schools Related					
Asset Management Data	1	1	5	0	0
Capital Repairs	441	441	692	123	0
Asbestos Management	12	12	38	0	0
Schools Access Initiative	2	2	15	35	0
Basic Need Projects	0	0	0	271	283
School Modernisation Projects	67	67	67	0	0
Lunts Heath Primary School	174	174	200	5	0
Universal Infant School Meals	2	2	2	0	0
Early Education for 2yr olds	8	8	8	0	0
Hale Primary	3	3	3	0	0
Fairfield Primary School	760	760	760	30	0
Weston Point Primary School	137	137	140	4	0
Kitchen Gas Safety	0	0	50	0	0
Small Capital Works	48	48	101	0	0
SEND Capital allocation	0	0	0	167	167
The Bridge School Vocational Centre	0	0	15	345	0
Total People Directorate	3,608	3,647	5,661	980	450
TOTAL CAPITAL PROGRAMME	107,858	108,847	124,617	35,130	4,753
Slippage (20%)			-9,423	-7,026	-951
				9,423	7,026
TOTAL	107,858	108,847	115,194	37,527	10,828

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REPORT TO: Executive Board

DATE: 14 December 2017

REPORTING OFFICER: Strategic Director Enterprise, Community and Resources.

PORTFOLIO: Physical Environment and Transportation

SUBJECT: Runcorn De-Linking of the Silver Jubilee Bridge

WARD(S) Mersey

1.0 PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to present to Members options for delivering the de-linking of the Silver Jubilee Bridge (SJB) in Runcorn.
- 1.2 The report also seeks approval to allocate financial resources to progress the delinking work as quickly as possible.

2.0 RECOMMENDATION: That

- 1) Members agree to the development of the option as outlined in section 5.2 of the report;**
- 2) Members recommend to Full Council a variation to the capital programme to cover the costs as outlined in section 5.3 of the report; and**
- 3) The Strategic Director Enterprise, Community and Resources be authorised, in consultation with the Portfolio Holders for Physical Environment and Transportation to take the necessary steps to ensure value for money through the appropriate procurement processes.**

3.0 SUPPORTING INFORMATION

- 3.1 Members will recall that a 10-15 year vision document for Runcorn Town Centre has been produced and was approved at the Executive Board in September 2017. Runcorn Town Centre is one of 8 key impact areas contained within the Council's Mersey Gateway Regeneration Plus Plan, which was considered and approved by the Executive Board in March 2017.
- 3.2 The opening of the new bridge and temporary closure of the Silver

Jubilee Bridge presents a unique opportunity to redefine the existing road infrastructure in the area of the Runcorn Town Centre which is in close proximity to Runcorn Main-Line station and support the development of the Runcorn Station Quarter concept and the Town Centre. (Plan Attached as Appendix 1).

- 3.3 It is proposed that changes to the road layout and removal of certain structures would not only improve the visibility of the town centre and its connectivity to and from Runcorn station, but would also make it easier to create and release new sites for future development.
- 3.4 In developing a Masterplan for the area, an approach which was approved by the Executive Board in October 2017, it will be necessary to assemble and prepare sites for development; engage with existing land owners; and proactively market the benefits that a developed station quarter will bring to the wider Runcorn Town Centre.
- 3.5 The closure of the Silver Jubilee Bridge will make it easier to do this work and, therefore, resources would be required to commence the de-linking and redesign of the road infrastructure as quickly as possible.
- 3.6 The Council commissioned a delinking report which set out options for promoting positive access and movement in regard to the SJB, Expressway and Station Quarter. Both options also took into account the aspiration to 'unlock the locks' in Runcorn. For information, the 'Unlocking the Locks initiative seeks the restoration of the first of the two lines of locks which were constructed in Runcorn to connect the Bridgewater Canal, originally to the River Mersey and later to the Manchester Ship Canal.
- 3.7 Having considered the delinking report, a preferred option has been identified and is recommended for approval. Section 5 of this report summarises the other available options. The preferred option has considered costs and technical feasibility, but also focuses on the best option for releasing the longer-term economic regeneration benefits of the station quarter and surrounding area. It proposes a new major Gateway to Runcorn being formed around a junction, located at the bottom of a two-way eastern slip. The new junction would tie the SJB, Expressway and Greenway road into one junction. The new junction would also connect to Devonshire Place. (See Appendix 2).
- 3.8 It was felt that this scheme would also significantly boost accessibility into the retail core by car. Station Quarter traffic would be served through a new link to connect Greenway Road, south of the proposed new junction.
- 3.9 Further assessment work has also been undertaken to determine

how this preferred option could be taken forward. Clearly, there are a number of permutations and choices associated with this. Further information is provided in section 5.0 below.

4.0 POLICY IMPLICATIONS

4.1 The Runcorn Vision document sets out the Council's ambition and priorities to shape Runcorn's future. It also illustrates the interconnectivity between key opportunity sites and could be used to inform policy decisions that the Council will take regarding future investment in the area.

5.0 OTHER/FINANCIAL IMPLICATIONS

5.1 The main elements of the proposed works are:

1. To demolish Runcorn Approach Viaduct West (RAVW) and other associated structures along the length of highway known as Trumpet Loop.
2. To construct a new cantilever edge and parapet to Runcorn Approach Viaduct following demolition of RAVW
3. To construct a new roundabout which will link to both directions of the Expressway, Runcorn Approach Viaduct and a link towards the proposed station quarter site.

5.2 The estimated cost of undertaking these works are:

Roundabout Junction £6.1m
Parapet Replacement £1.9m
Full Demolition and Earthworks £1.61m
TOTAL: £9.61m

5.3 These costs would need to be tested through a formal tendering process and also through the existing 'Balvac Scape' Procurement Framework.

5.4 Other options that were considered included the following:

- i) 'A Do Minimum Option' which results in the construction of 3-way traffic signals onto Greenway Road only (£777k); parapet replacement (£1.9m) and demolition of the RAVW (£310k), TOTAL £2.99m
- ii) 'A Do Minimum Plus option which results in the construction of a 3 way traffic signal junction onto Greenway Rd with Runcorn Approach Viaduct, with emergency/ad hoc provision to the eastbound Expressway

carriageway (£1m); Parapet replacement (£1.9m); Demolition (£1.61m), TOTAL £4.51m.

- iii) 'A do nothing' option'. This option acknowledges that the Council's budget is under significant pressure and funding is required to deliver other services across the Council. However, a do nothing option will still require funding of between £1.49m and £2.6m to maintain the existing structures and road network in the project area. For example, a recent inspection report dated August 2014 made several recommendations for repairs and refurbishment. The document reported heavy corrosion of the disc bearings on the south abutment which were suspected to have seized. Further remedial work such as deck drainage and reapplication of a paint protection system would be required.

5.5 There are a number of advantages to proceeding with the preferred option. Firstly, it releases more land for development within the station quarter; secondly it is more likely to draw people from the station to the town centre, and thirdly, it reaffirms the operation of the SJB as a bridge for local usage.

5.6 The project would be financed by prudential borrowing and would require the Council to vary its capital programme to accommodate this.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

There are no specific implications arising from this report.

6.2 Employment, Learning & Skills in Halton

It is anticipated that new jobs will be created through the undertaking of the works, but in the long-term it is hoped that new jobs will be created as a result of an enhanced leisure, business, retail and cultural offer in Runcorn town centre.

6.3 A Healthy Halton

There are no specific implications arising from this report.

6.4 A Safer Halton

There are no specific implications arising from this report.

6.5 Halton’s Urban Renewal

The proposals present a number of Urban Renewal opportunities:

- The creation of a new gateway into Runcorn
- A high quality arrival and destination point, in the town
- The improvement of links to Runcorn Town Centre
- The release of development land and improvement of existing sites.

7.0 RISK ANALYSIS

7.1 The proposed works will require planning permission. In addition, a stopping up order will be required, as well as, substantial earthworks removal and demolition. Consequently, key risks to the programme could be costs over-run and delays in the completion of the works. To mitigate these risks, a detailed project plan outlining a project timeline has been developed. The Council has also commissioned Mott McDonald to formulate the high-level costs for the advanced works as identified in this report. Whilst the costs are estimates at this stage a tendering exercise will seek to ensure that best value is secured.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 There are no immediate Equality and Diversity issues arising from this report.

9.0 REASON(S) FOR DECISION

9.1 To unlock sites for development in and around the Runcorn Station Quarter.

10.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

10.1 The options considered and rejected are outlined in section 5 of this report.

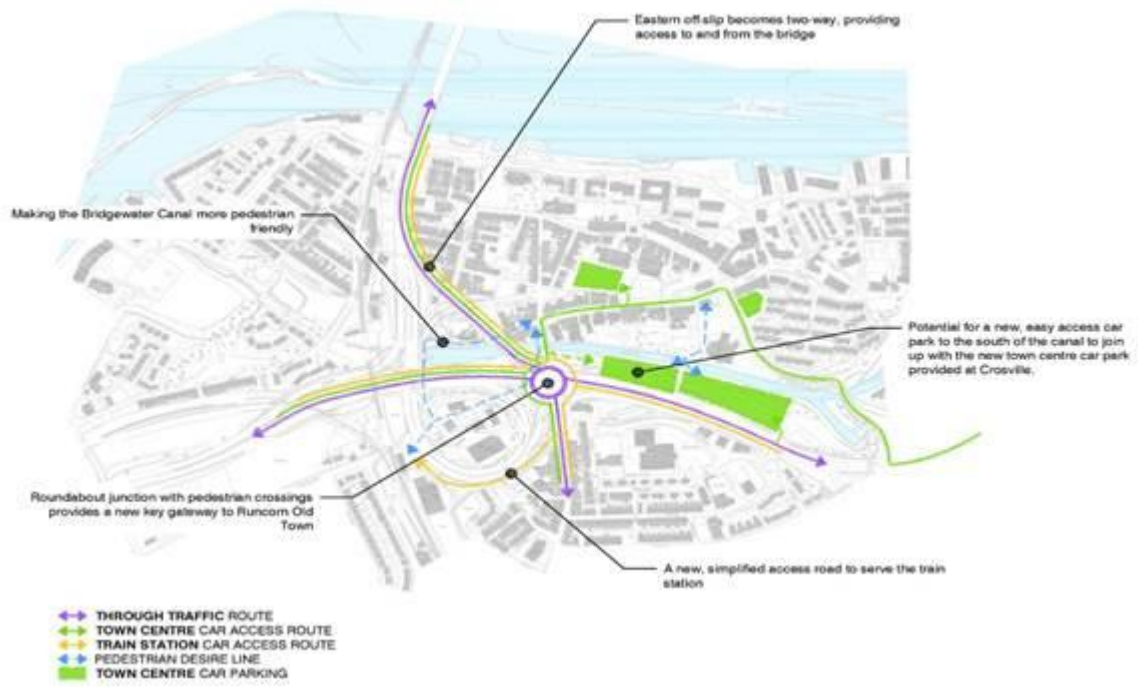
11.0 IMPLEMENTATION DATE

11.1 March 2018.

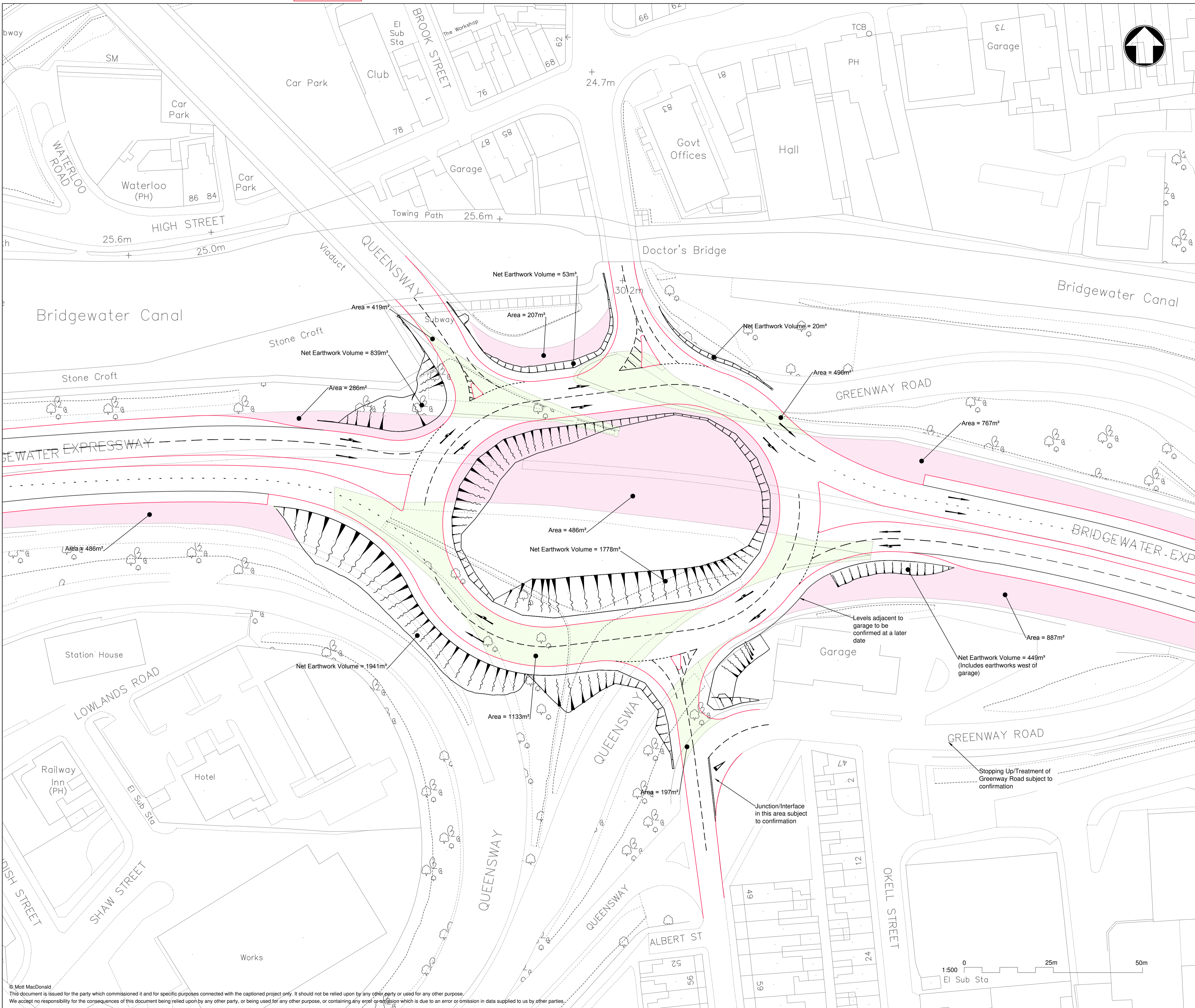
12.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
SJB De-linking Advance Works Report	5 th Floor Municipal Building	Ian Jones

Runcorn Vision Document	5 th Floor Municipal Building	Wesley Rourke
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- Notes
1. Outline design based on LIDAR data available. Confirmation of existing levels subject to completion of local topographical survey.
 2. All units are in metres unless specified.
 3. All earthworks slopes shown at 1 in 3. Earthworks profile may be reduced subject to ground conditions. See Note 1.
 4. Indicative road markings are shown. Lane allocation and road marking layout to be developed at a later date.
 5. Redundant areas of former carriageway to be broken out

Key to symbols

- Top of Embankment
- Bottom of Embankment
- New Carriageway
- Redundant Carriageway

Reference drawings

P1	26-04-17	PA	For Information	SH	MB
Rev	Date	Drawn	Description	Ch'kd	App'd

MOTT MACDONALD

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33 Stamford Street
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W mottmac.com

Client
**Halton Borough Council
Policy, Planning and
Transportation Department
Municipal Building, Widnes
WA8 7FQ**

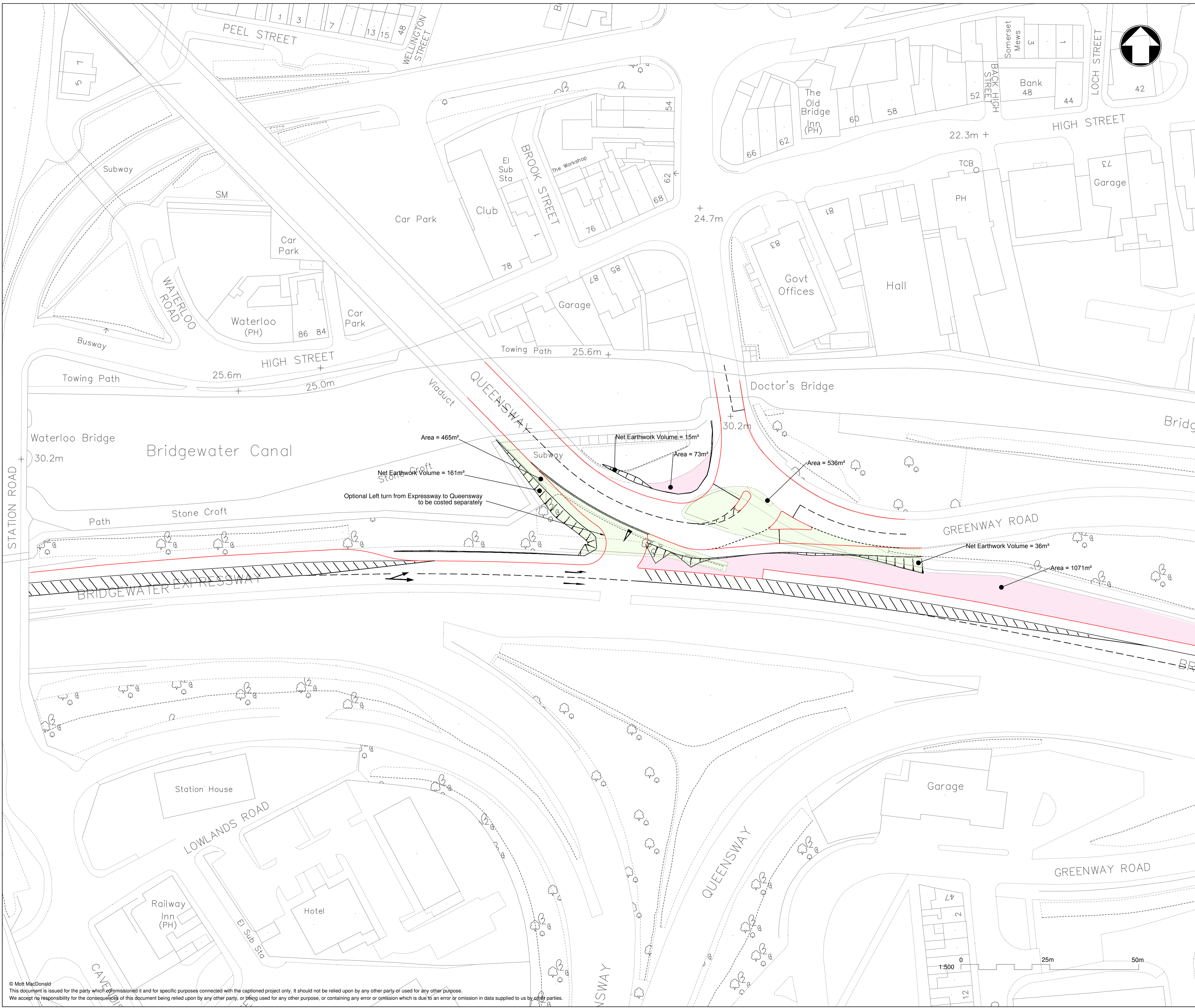
Title
**Silver Jubilee Bridge
Runcorn De-Linking Advanced Works
General Arrangement
Sketch 1 of 2**

Designed	P Allotey	PA	Eng check	P Whittaker	PW
Drawn	P Allotey	PA	Coordination	I Towler	IT
Dwg check	S Horsfall	SH	Approved	M Basting	MB
Scale at A1	Status	Rev	Security		
1:500	PRE	P1	STD		

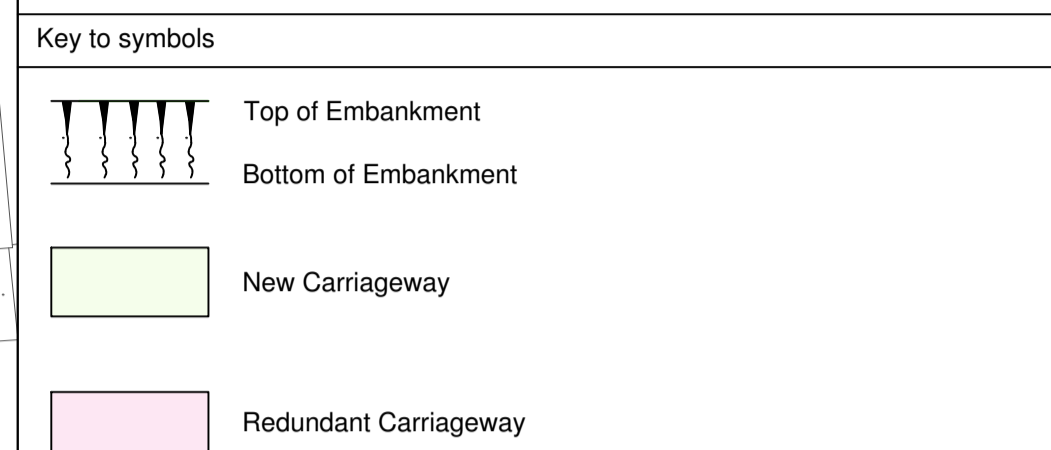
Drawing Number
MMD-384250-C-SK-00-ZZ-0001

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- Notes
1. Outline design based on LIDAR data available. Confirmation of existing levels subject to completion of local topographical survey.
 2. All units are in metres unless specified.
 3. All earthworks slopes shown at 1 in 3. Earthworks profile may be reduced subject to ground conditions. See Note 1.
 4. Indicative road markings are shown. Lane allocation and road marking layout to be developed at a later date.



Reference drawings

P1	26-04-17	PA	For Information	SH	MB
Rev	Date	Drawn	Description	Ch'k'd	App'd

M M
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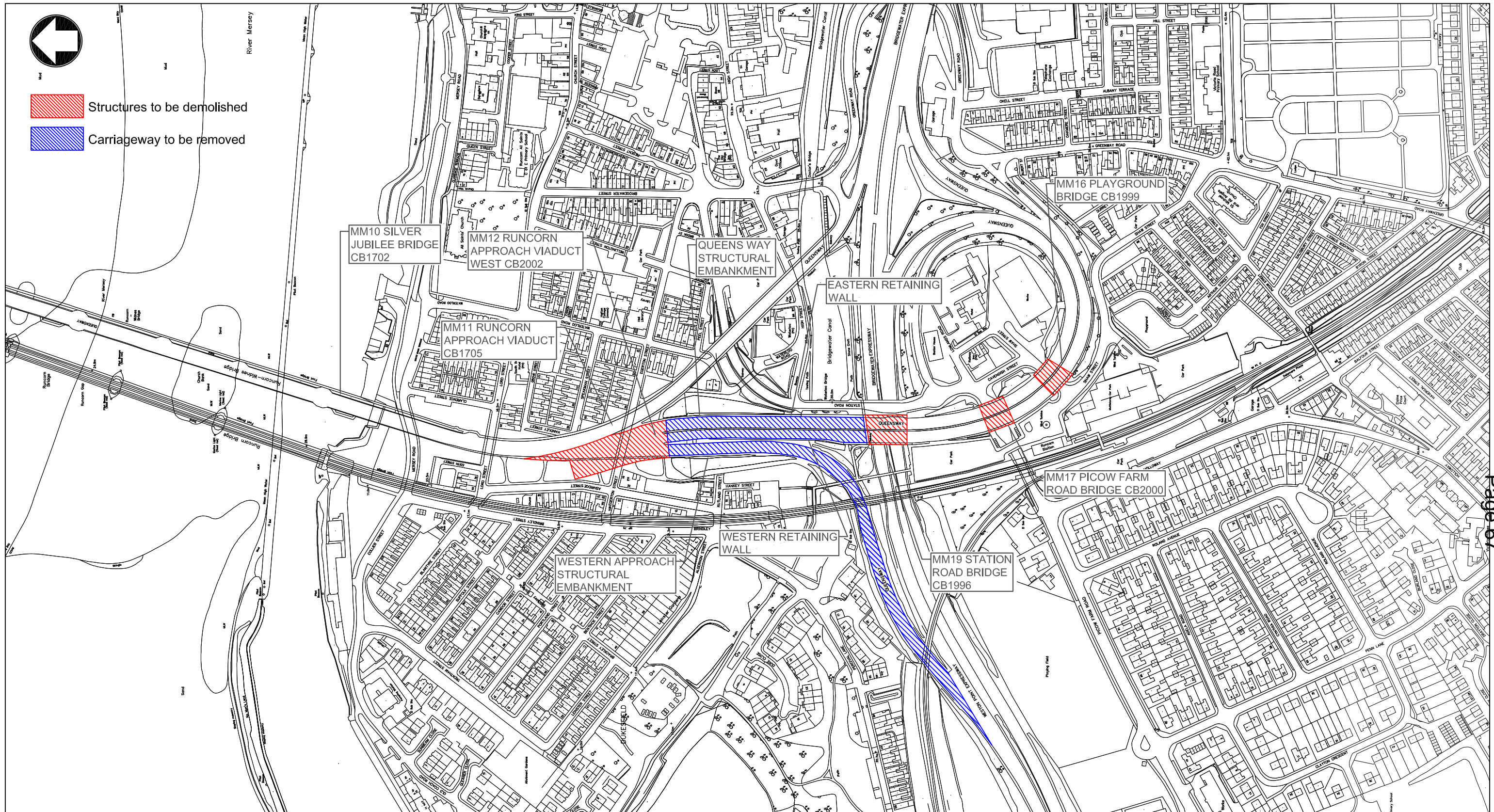
Client
Halton Borough Council
 Policy, Planning and
 Transportation Department
 Municipal Building, Widnes
 WA8 7FQ

Title
Silver Jubilee Bridge
Runcorn De-Linking Advanced Works
General Arrangement
Sketch 2 of 2

Designed	P Allotey	PA	Eng check	P Whittaker	PW
Drawn	P Allotey	PA	Coordination	I Towler	IT
Dwg check	S Horfall	SH	Approved	M Basting	MB
Scale at A1	Status	Rev	Security		
1:500	PRE	P1	STD		
Drawing Number	MMD-384250-C-SK-00-ZZ-0002				

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	Spring Bank House 33 Stamford Street Altrincham Cheshire, WA14 1ES T +44 (0)161 926 4000 F +44 (0)161 926 4100 W mottmac.com	Client Halton Borough Council Policy, Planning and Transportation Department Municipal Building, Widnes WA8 7FQ	Rev	Date	Drawn	Description	Ch'k'd	App'd	Title	Drawn	T Wilkinson	04/05/17
			P01	13-04-17	TW	Preliminary Issue	DM	IT	Silver Jubilee Bridge Runcorn De-Linking Advanced Works Demolition Plan	Checked	D Miller	04/05/17
										Approved	I Towler	04/05/17
			Location Plan - Sheet 1 of 1									Scale at A3 1:300
Drawing Number MMD-384250-C-SK-00-ZZ-0003									Security	Status	Rev	
									STD	PRE	P01	

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REPORT TO: Executive Board

DATE: 22 February 2018

REPORTING OFFICER: Strategic Director, Enterprise, Community and Resources

PORTFOLIO: Transportation and Physical Environment

SUBJECT: Widnes Loops to West Bank Link Road

WARD(S) Riverside

1.0 PURPOSE OF THE REPORT

1.1 To present design options for a new permanent link road between the Mersey Gateway Bridge and West Bank; and, to seek financial approval and other necessary authorisations to progress delivery of the new link road in a timely manner.

2.0 RECOMMENDATION: That

- 1) Members agree to the development of the recommended Option 5b, as outlined in section 3.7 of the report;**
- 2) Members approve formal engagement of the Mersey Gateway Crossings Board and Merseylink to enable delivery of the Widnes Loops to West Bank Link Road;**
- 3) Members recommend to Full Council a variation to the capital programme to cover the costs as outlined in section 5.1 of the report;**
- 4) the Strategic Director, Enterprise, Community and Resources be authorised, in consultation with the Portfolio Holders for Physical Environment and Transportation, to take the necessary actions to ensure value for money through the appropriate procurement processes; and**
- 5) the Strategic Director, Enterprise, Community and Resources be authorised, in consultation with the Portfolio Holders for Physical Environment and Transportation, to take any other actions necessary to enable timely delivery of the new link road.**

3.0 SUPPORTING INFORMATION

3.1 Background

In March 2017, Executive Board approved the Mersey Gateway Regeneration Plan *Plus*. Focussed on eight 'Regeneration Impact Areas', the Plan sets out a cohesive package of development opportunities and identifies the key infrastructure and enabling projects to complement and support growth.

The Plan identifies a new link road between the Mersey Gateway Bridge and West Bank Impact Area as a priority 'connectivity' infrastructure project. The approximate alignment is proposed to be between the new 'Widnes Loops' Bridge Junction and the intersection of Victoria Road, Hutchinson Street and Waterloo Road (see location plan at Appendix A)

3.2 Construction of this new link road will contribute to regeneration and economic development objectives; as well as provide a more resilient and connected transport network. The main anticipated benefits being:

- Improves connectivity for residential and business communities of West Bank and helps tackle its 'sense of isolation';
- 'Open up' development opportunities and visitor potential of West Bank Impact Area, including approximately 10 hectares (24 acres) of residual project 'hand back' land;
- Provides improved strategic road access to Viking Park logistics hub (3MG East), avoiding height restrictions to the Railway Bridge on Victoria Road; and
- Helps alleviate future pressure on Ditton Junction.

3.3 Whilst not delivered as part of the Mersey Gateway Project, the formal Project Agreement provides safeguards which allows for future provision of a West Bank Link by the Council, including:

- Future addition of up to 2 junctions, with a minimum link length of 50m between the channel of Waterloo/Victoria Road and the stop lines/give way at the Widnes Loops Junction; and
- Future additional signalisation on the circulatory road / roundabout, junctions and sliproad.

In allowing for a West Bank link and associated traffic signals to Widnes Loops, the Project Agreement also provides criteria, such as journey and queuing times, which the design of the new link must meet.

3.4 It was clear from preliminary discussions with the Mersey Gateway Crossing Board (MGCB) that in addition to the standard traffic modelling of the effect of the new link on wider road network traffic

flows, a specific and specialist assessment of impact on traffic flows on the Mersey Gateway Bridge route would be required. Any design solution (and approach to construction) would have to demonstrate to Merseylink and the MGCB acceptable impact upon the Mersey Gateway Project route and journey times, before delivery could be progressed.

3.5 **Feasibility Study Summary**

In August 2017, a feasibility study was commissioned to undertake the necessary initial design, traffic modelling and costing work to enable the Council to make an informed decision on a potential scheme. This included assessing impact of the new link design options on:

- Mersey Gateway Bridge flows and the journey time targets;
- Wider Highway network, such as need to minimise traffic directed to the Silver Jubilee Bridge;
- Impact on the Silver Jubilee Bridge Sustainable Transport Corridor, a proposed high quality walking and cycling route connecting Runcorn and Widnes Town centres, which will likely be routed along Waterloo Road and Victoria Road.

The study is therefore also intended as a means to engage with MGCB and Merseylink to enable delivery.

3.6 The initial feasibility study is expected to be finalised in early March 2018. As part of the iterative process of design and modelling a series of options have been considered for the configuration of the new link road and associated junction at the intersection of Victoria Road, Hutchinson Street and Waterloo Road. (These are summarised in Appendix B). Following a technical review process and traffic modelling exercise the following options were rejected:

Options 1 & 2

It was quickly concluded that a one-way link between Widnes Loops and West Bank (in either option direction) would not meet the objectives of local businesses or regeneration aspirations.

Options 3 & 4

Both options allow for a two-way link between Widnes Loops and West Bank. These options cater for an all movements signalised junction to Waterloo Road, Victoria Road and Hutchinson Street. Options were subjected to further detailed junction modelling and both were found to result in significant queuing back to the Widnes Loops Junction which could result in delays to traffic exiting the Mersey Gateway bridge, and would therefore be unacceptable.

3.7 Interim advice, prior to publication of the final study, is that three options remain:

Options 5a & 5b

Similar in design to option 3, but both have right turns banned from the new link and Hutchinson Street to Victoria Road and Waterloo Road respectively. Banning these small numbers of movements improves junction performance and thereby overcomes the queuing issues to Widnes Loops Junction associated with options 3 and 4. These limited vehicular movements would need to take an alternative route.

The difference between 5a and 5b is the pedestrian crossing over the new link is either two or three stages, with three stages resulting in better overall junction performance.

Option 6

Provides an all movement roundabout at the intersection of Waterloo Road, Victoria Road and Hutchinson Street. Whilst the junction performs adequately for traffic, walking and cycling provision is reduced. Adding a signalised pedestrian crossing may result in queues back to the Mersey Gateway and this is being investigated further. This analysis will form part of the final feasibility study.

Of the three remaining options, interim advice recommends option 5b as the preferred option to take forward. This is because option 5b performs best, meeting the broad objectives for the link road and requirements in terms of balancing the needs of vehicle and pedestrian movements. As a strategic entry point into the Borough, the incorporation of an appropriate landscape scheme will be required to complement and extend the quality corridor provided by the Mersey Gateway Project.

- 3.8 With all three shortlisted options it is possible that the current one-way access into Wellington Street (from the intersection of Waterloo Road, Victoria Road and Hutchinson Street) may not be able to be retained. This is due to the safety implications of adding an additional manoeuvre to the new junction. It is possible that Wellington Street would need to become a cul-de-sac with adequate vehicle turning provision made. This would require a Traffic Regulation Order which may require further authorisations which could add delays to delivery of the link road. Whilst the one-way movements into Wellington Street are minimal the preference is that it should be retained if possible. It will only be at detailed design and safety audit stage that a final approach can be determined.

3.9 Next Steps

The proposed programme for delivery of this project is:

Action	When
--------	------

In principle approval of MGCB / Merseylink	April - May 2018
Full design, costing, project risk assessment, safety audit and value for money assessment	May 2018 - September 2018
Planning approval / formal MGCB approval	September - November 2018
Procurement of contractor	October - November 2018
Start on site, including utility diversions	December 2018

3.10 This is an ambitious programme that works towards a start on site by the end of 2018; although every effort will be made to secure a more expedient delivery programme. The next step is to formally engage with the MGCB and Merseylink to present the final analysis and recommendations of the feasibility study and agree in principle the acceptability of option 5b (subject to final study report) as a preferred design for the new link road. Discussions would also need to establish any legal implications of construction of the link on the Project Agreement.

3.11 Once this has been agreed, the Council, liaising closely with MGCB, can move to full design of the preferred option. It would be at this point a comprehensive costing would be able to undertaken, and the scheme would move to formal planning and procurement.

4.0 **POLICY IMPLICATIONS**

4.1 Delivery of the Widnes Loops to West Bank link road is in accordance with the Mersey Gateway Regeneration Plan *Plus*. The link road will help maximise the regeneration, economic and transport benefits of the Mersey Gateway Project.

4.2 In April 2017, a temporary link was opened between Widnes Loop and West Bank as part of a diversion to enable construction of the Widnes approach roads. This temporary link was not constructed to an adoptable standard or with any sense of permanency. It was closed upon the opening of the new Bridge, in accordance with the Project Agreement. Ward Councillor feedback is that the residential and business communities of West Bank found this an attractive route that they would like to see reinstated on a permanent basis. Link road delivery will help improve the quality of life for West Bank communities and provide a further opportunity for access and egress.

4.3 As a significant infrastructure investment, the delivery of the project is a statement of the Council's commitment and ambition for West Bank as a regeneration area. It helps build trust and confidence, laying the foundations for the Council to work with the local residents

and businesses and other stakeholders to develop a longer term masterplan and delivery strategy for West Bank. It is also a strong signal to potential investors and developers.

5.0 OTHER/FINANCIAL IMPLICATIONS

5.1 As part of interim advice a preliminary cost estimate has been undertaken. This has been based on measured values from a limited design, based on the 2-dimensional design for Option 5b. Interim advice recommends an initial budget allocation of £1.1m. However, given a number of assumptions and exclusions it is recommended that a re-costing exercise should be undertaken following Detailed Design.

As such, to enable timely delivery of the new link road it is recommended that a variation to the capital programme is sought for £2 Million.

5.2 To enable timely delivery of the new link road, without the need to refer back to Executive Board, it is recommended that the Strategic Director - Enterprise, Community and Resources be authorised, in consultation with the Portfolio Holders for Physical Environment and Transportation, to take any necessary actions including:

- To consider and determine the outcome of the Traffic Regulation Order process;
- Procurement; and
- Minor land acquisitions.

5.3 In terms of return on investment of Council capital expenditure, this scheme will help unlock development and investment within West Bank, including on 'hand back' land, increase the potential development opportunities which in turn lead to greater business rate returns.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

West Bank is home to one primary school, Widnes Academy. This project will help make West Bank a more attractive place to live and to build new homes, helping to support the viability of this provision.

6.2 Employment, Learning & Skills in Halton

This project will help stimulate investment and new job opportunities within the West Bank.

6.3 A Healthy Halton

A key consideration as part of the options design appraisal was the need to encourage walking and cycling along Waterloo Road and Victoria Road and thereby complement proposals for the Silver Jubilee Bridge Sustainable Transport Corridor.

6.4 **A Safer Halton**

Link road delivery will help provide a more resilient transport network and in particular reduce the likelihood of high-sided vehicles striking the low railway bridge over Victoria Road.

6.5 **Halton’s Urban Renewal**

Link road delivery forms part of the Mersey Gateway Regeneration Plan *Plus* and has been identified as a priority connectivity project to help secure the regeneration and renewal of West Bank.

7.0 **RISK ANALYSIS**

7.1 As set out in para 3.9, delivery of this scheme requires a number of formal authorisations, including approval of the MGCB, Planning Permission and possibly a Traffic Regulation Order. Consequently, key risks to the programme could be costs over-run and delays in delivery. To mitigate these risks a detailed project plan and risk assessment will be produced prior to the detailed design stage. This will include early engagement with appropriate third parties including MGCB, utility providers and the Local Planning Authorities.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 There are no immediate Equality and Diversity issues arising from this report

9.0 **REASON(S) FOR DECISION**

Delivery of the Widnes Loops to West Bank link road will help maximise the regeneration, economic and transport benefits of the Mersey Gateway Project.

10.0 **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

The options considered and rejected are outlined in paragraph 3.5 - 3.7 of this report.

11.0 **IMPLEMENTATION DATE**

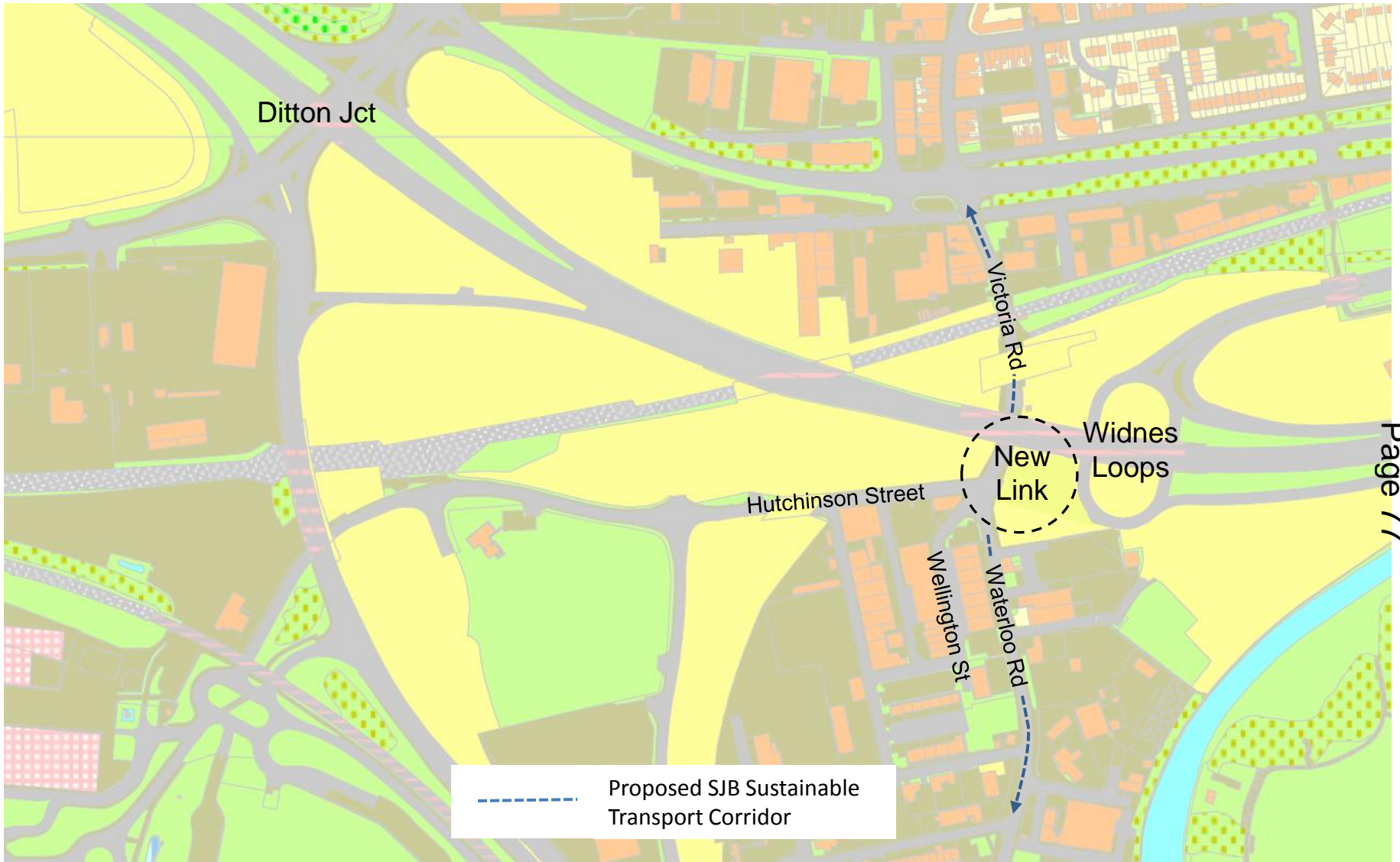
April 2018

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

Document	Place of Inspection	Contact Officer
Mersey Gateway Regeneration Plan <i>Plus</i>	http://runcorn-widnes.com/docs/mgplan.pdf	Wesley Rourke

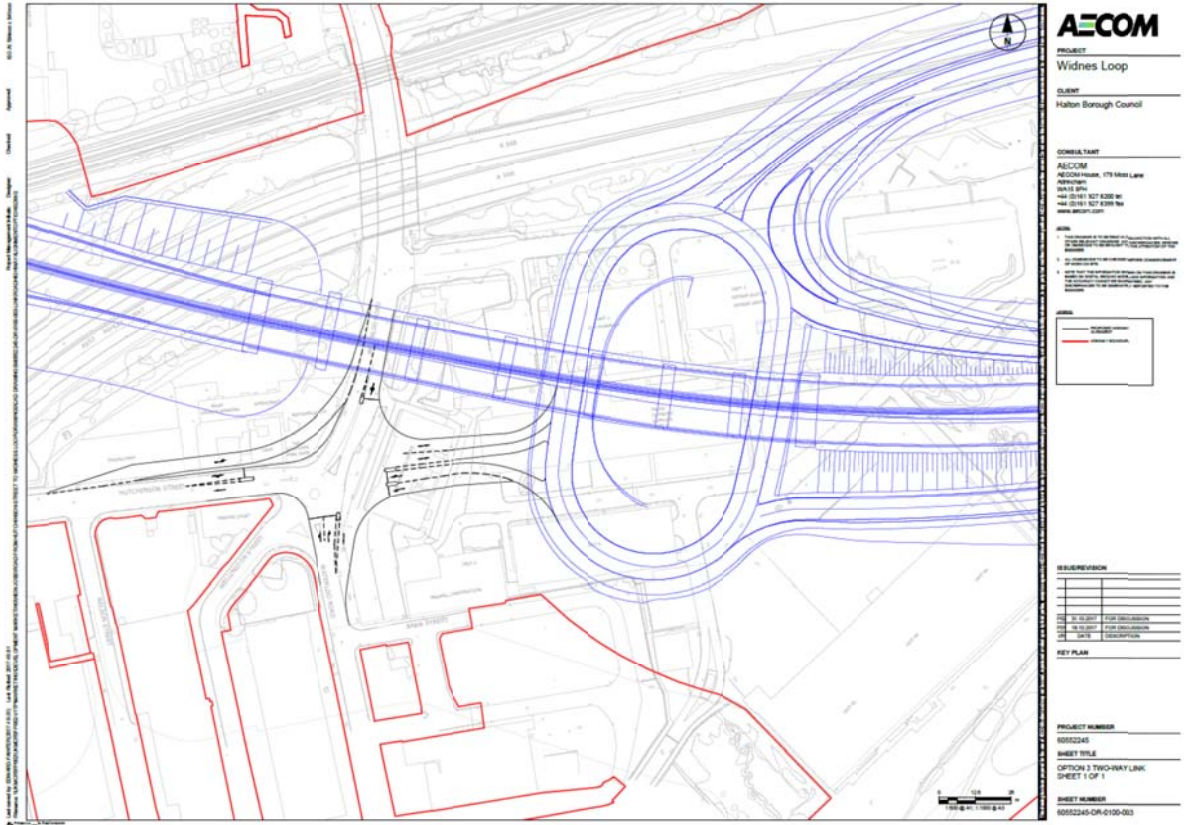
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Appendix A – Location Plan

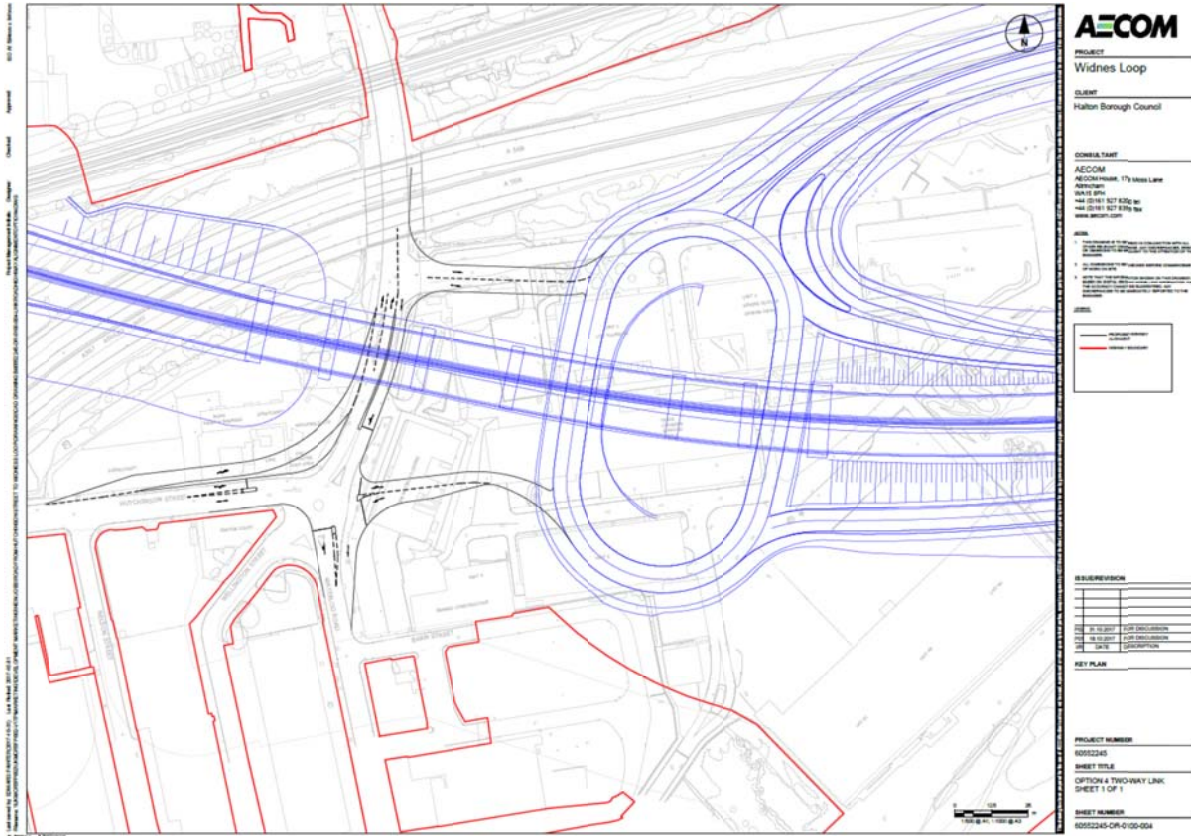


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Option 3: Two way link

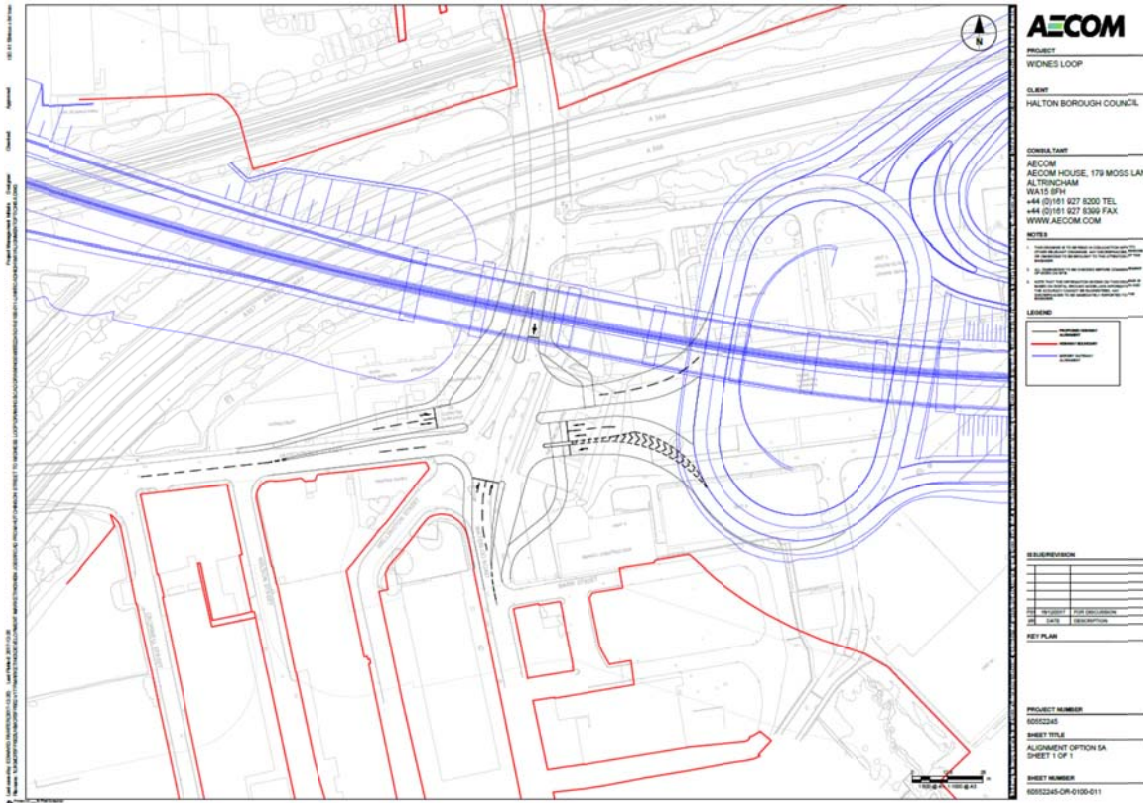


Option 4: Two way link, junction split either side of Mersey Link

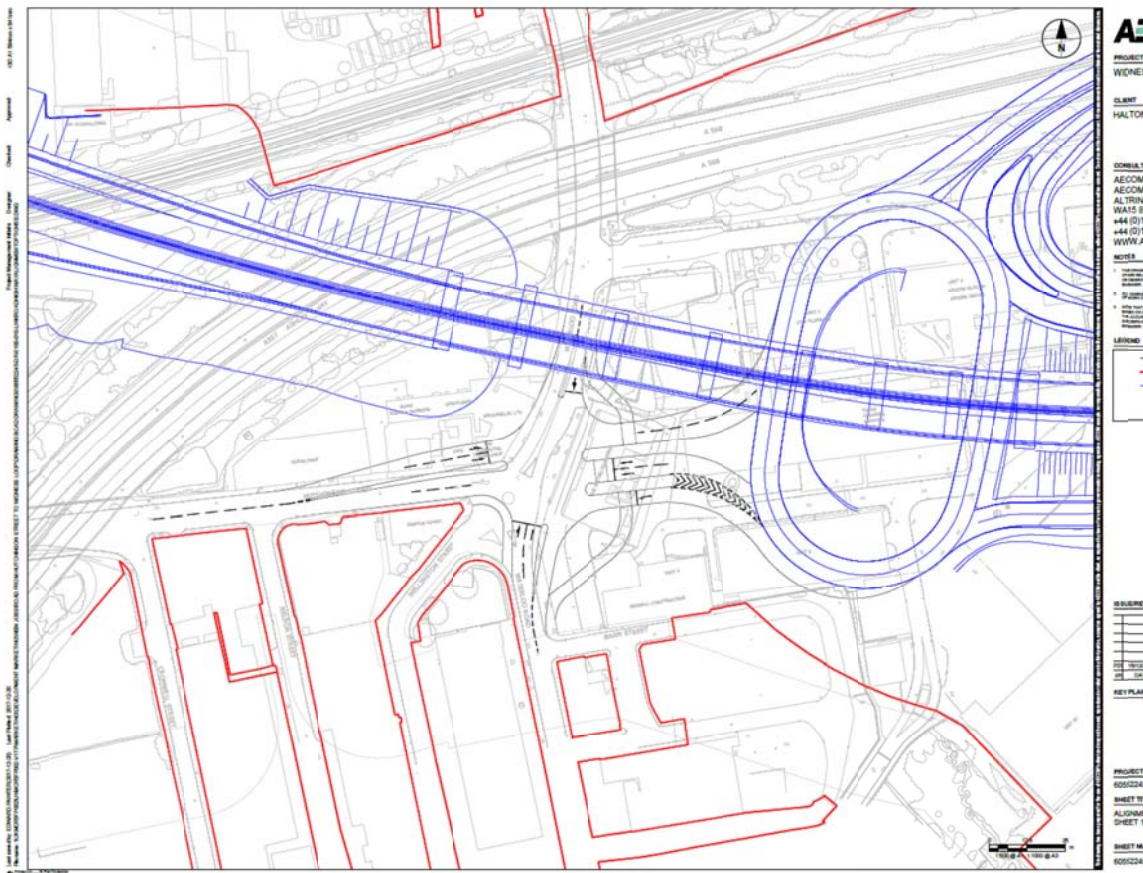


Short List Design Options (Interim - Subject to further refinement and modelling, including Wellington St access)

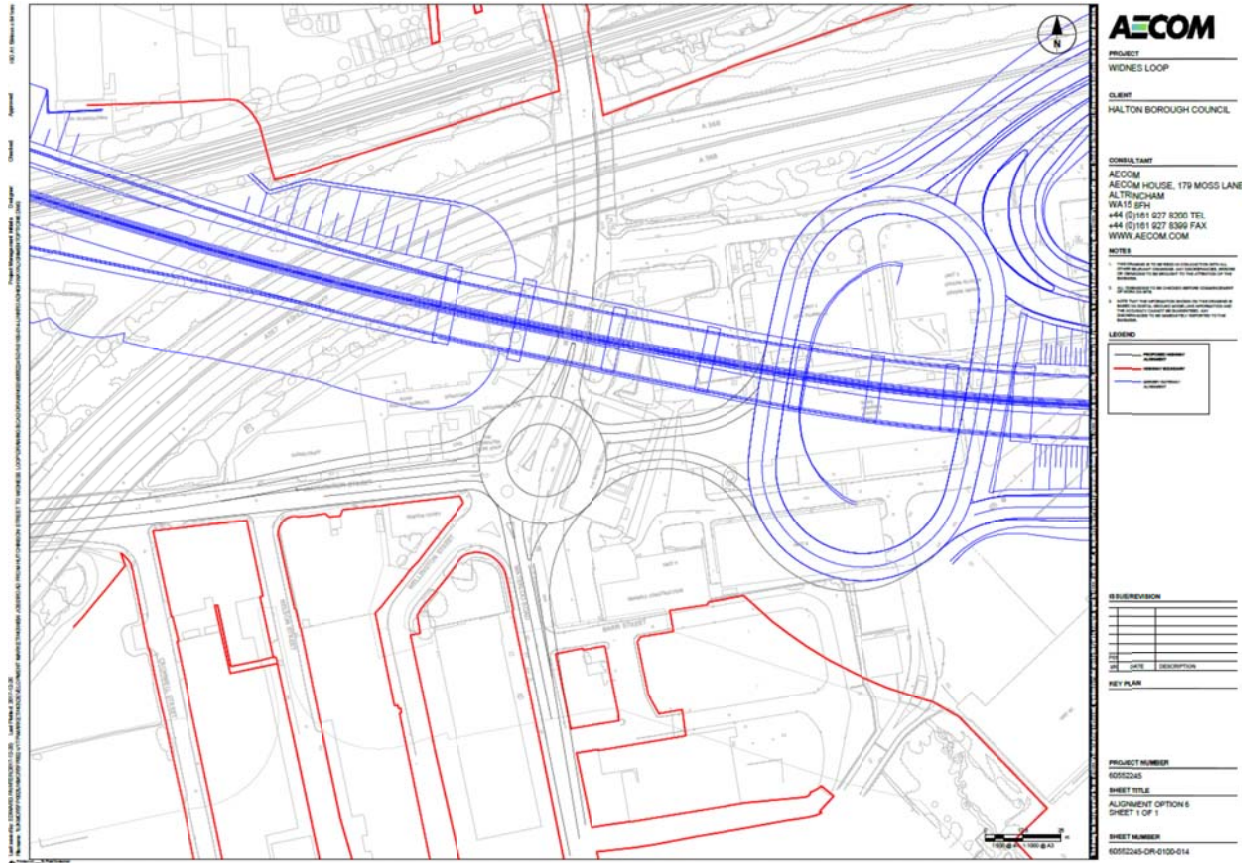
Option 5a: Two way link, signal controlled, no right turns on East/West movement, two stage pedestrian crossing



Option 5b: Two Way link signal controlled, no right turns on East/West Movement three stage pedestrian crossing



Option 6: Roundabout



REPORT TO: Executive Board

DATE: 18 January 2018

REPORTING OFFICER: Strategic Director – People

PORTFOLIO: Children, Young People and Families

SUBJECT: Capital Programme – 2018/19

WARD(S): Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 This report provides a summary of the capital programmes for 2018/19 for the People Directorate.

2.0 RECOMMENDATION: That

- 1) The capital funding available for 2018/19 is noted;**
- 2) The proposals to be funded from School Condition Capital Allocation are approved;**
- 3) The capital allocations are put forward for inclusion in the Budget report to full Council.**

3.0 SUPPORTING INFORMATION

3.1 In October 2017 the Department for Education announced the schools Capital grant allocations for 2018/19 and confirmed that there will be no change in the methodology used in 2017/18 for 2018/19, therefore Halton should receive the same amount as in 2017/18 i.e. £1,086,031.

3.2 Halton will also receive Healthy Pupils Capital Funding in 2018/19, which is as a result of £100m of revenue generated from the Soft Drinks Industry Levy. This funding is for one financial year only and is intended to improve access to facilities such as kitchens, dining facilities, changing rooms, playgrounds and sports facilities. Details of the amount that Halton will receive has not yet been announced, and an update will be provided once the allocation has been confirmed.

3.3 The Department for Education have also announced Special Provision Capital Funding for local authorities to invest in provision for children and young people with Special Educational Needs and Disabilities aged 0-25 to improve the quality and range of provision available to the Local Authority. The funding is for a range of provision types where this benefits children and young people with education, health and care (EHC) plans aged between 0 and 25 and will commence in 2018/19. The total funding allocation across all

local authorities is £215M and Halton's allocation over a 3 year period is £500,000 (three payments of £166,666 each year if approved). Officers are reviewing current provision and identifying areas of potential need, and once this review has been undertaken the Local Authority will be consulting with relevant stakeholders including parents, carers, and educational institutions which offer special educational provision, and will determine how best to invest the capital funding over the three year period to maximise the benefit of provision. The Local Authority is then required to complete and publish its plan on the Council's Local Offer page by 14th March 2018, with continued updates in March 2019, March 2020, and March 2021. The Council's Executive Board will consider any capital expenditure proposals in a report during Spring 2018.

- 3.4 Detailed in the table below is the funding available to support capital projects across the school estate:

GOVERNMENT FUNDING	
School Condition Allocation – Local Authority maintained schools (INDICATIVE FIGURE) Allocated to fund condition and suitability projects at Local Authority maintained schools.	£1,086,031
School Condition Allocation – Voluntary Aided maintained schools (INDICATIVE FIGURE) Allocated to fund condition and suitability projects at Voluntary Aided schools.	£849,061
Healthy Pupils Capital Funding Allocated to fund improvements to facilities such as kitchens, dining facilities, changing rooms, playgrounds and sports facilities.	TBC
Special Provision Capital Fund - 2018/19 allocation Allocated to fund new places and improvements to existing facilities for children and young people with Education Health Care (EHC) Plans. Total 3 year allocation is £500,000.	£166,667
Devolved Formula Capital – Local Authority maintained schools (INDICATIVE FIGURE) Allocated directly to Local Authority maintained schools for their own use to address school building and Information Communication Technology needs.	£245,495
Devolved Formula Capital – Voluntary Aided maintained schools (INDICATIVE FIGURE) Allocated directly to Voluntary Aided maintained schools for their own use to address school building and Information Communication Technology needs.	£160,034

4.0 School Condition Allocation funding.

4.1 The table below details how the School Condition funding will be allocated.

Description	Estimated costs	Description
Computer Aided Design Plans	£2,500	Used to update plans of school buildings where improvement works have been carried out.
Kitchen gas safety / ventilation	£45,000	A rolling programme to address gas safety issues in school kitchens
Asbestos Management	£20,000	Annual update of asbestos surveys and undertaking of resulting remedial works.
Access Initiative Projects	£75,000	Fund that schools can bid for to resolve accessibility issues within school buildings.
Contingency	£83,540	Used for emergency and health and safety works that arise during the year.
Capital Repairs	£897,204	The detailed capital repairs programme for 2018/19 can be found in Appendix 1.
Total	£1,123,244	

The total amount of £1,123,244 detailed above comprises £1,086,031 School Condition Allocation, together with a required total contribution from schools of circa £37,213. The figures are based at this time on current budget costs for the works.

5.0 POLICY IMPLICATIONS

5.1 The programme of works will allow the Council to continue to meet its requirement to enhance the environments through capital projects, and to ensure the Council has sufficient school places.

6.0 FINANCIAL IMPLICATIONS

6.1 In October 2017 the DfE announced indicative capital allocations for 2018/19. The indicative capital allocation of funding for 2018/19 (£1,086,031) is the same as 2017/18. In the event that the allocation is reduced, the amount of funding available for elements of the programme will be reduced accordingly.

7.0 OTHER IMPLICATIONS

7.1 The Capital Repairs Programme will contribute to Halton's Carbon Management Programme by producing more energy efficient buildings.

8.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

8.1 Children and Young People in Halton.

The Capital Programme will address condition and suitability issues within school buildings and will improve the learning environment for children and young people.

8.2 Employment, Learning & Skills in Halton

N/A

8.3 A Healthy Halton

N/A

8.4 A Safer Halton

N/A

8.5 Halton's Urban Renewal

N/A

9.0 RISK ANALYSIS

9.1 Capital Repairs

It is current practice for schools to contribute towards the cost of works. Whilst schools are aware of the proposed works, consultation with schools on their contribution to the proposed works will take place following the Council's consideration of the budget report in March 2018. If schools cannot or are not willing to contribute, any proposed projects will not be carried out in 2018/19.

10.0 EQUALITY AND DIVERSITY ISSUES

10.1 The Access Initiative Programme provides funding to improve the accessibility of mainstream schools for pupils with disabilities and the wider community. Consideration to access issues is given in all building projects. The capacity of schools to meet the needs of children with more complex needs and disabilities will be developed further through building works at schools.

11.0 REASON(S) FOR DECISION

11.1 To deliver and implement the capital programmes.

12.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

12.1 Not applicable.

13.0 IMPLEMENTATION DATE

13.1 Capital Programmes for 2018/19 to be implemented with effect from 1 April 2018.

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

Document	Place of Inspection	Contact Officer
Schools Capital Funding Allocations 2018/19 Department for Education 19/10/2017.	People Directorate	Catriona Gallimore

Capital Repairs Programme 2018/19

Appendix 1

School	Works
Retentions	Various from 2017/18
Brookfields School	Roofing works
Brookvale Primary School	Electrical work (lighting & power wiring)
Castleview Primary School	Boiler replacement
Fairfield Primary School	M&E Contribution towards main capital works
Farnworth CE Primary School	Roofing works
Hallwood Park Primary	Windows
Halton Lodge Children Centre	Windows
Moore Primary School	Windows
Simms Cross Primary School	Roofing works
Simms Cross Primary School	Electrical work (lighting & power wiring)
Simms Cross Primary School	Windows
Spinney Avenue CE Primary School	Electrical work (lighting & power wiring)
The Bridge School	Electrical work (lighting & power wiring)
Victoria Road Primary School	Roofing works
Weston Point Primary	Roofing works
Woodside Primary School	Replacement pipework

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REPORT TO: Executive Board

DATE: 22 February 2018

REPORTING OFFICER: Strategic Director – Enterprise, Community
and Resources

SUBJECT: Calendar of Meetings – 2018/19

WARDS: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To approve the Calendar of Meetings for the 2018/2019 Municipal Year attached at Appendix 1 (N.B. light hatched areas indicate weekends and Bank Holidays, dark hatched areas indicate school holidays).

2.0 RECOMMENDATION: That Council be recommended to approve the Calendar of Meetings for the 2018/2019 Municipal Year, attached at Appendix 1.

3.0 SUPPORTING INFORMATION

None.

4.0 POLICY IMPLICATIONS

None.

5.0 OTHER IMPLICATIONS

None.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

None.

6.2 Employment, Learning and Skills in Halton

None.

6.3 A Healthy Halton

None.

6.4 A Safer Halton

None.

6.5 Halton's Urban Renewal

None.

7.0 RISK ANALYSIS

Should a Calendar of Meetings not be approved, there will be a delay in publishing meeting dates. This would result in practical difficulties in respect of the necessary arrangements to be made and the planning process regarding agenda/report timetables.

8.0 EQUALITY AND DIVERSITY ISSUES

Once a Calendar of Meetings has been approved the dates will be published, hence assisting public involvement in the democratic process.

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

None under the meaning of the Act.

NB Lightly shaded areas indicate weekends and Bank Holidays; dark shaded areas indicate school holidays.

	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN 2019	FEB	MARCH	APR	MAY	
M			2 Development Control Cttee		3 Dev Control Cttee	1 Dev Control Cttee		3 Dev Control Cttee			4	1		
T	1		3		4 Corporate PPB	2		4	1 New Year's Day Bank Holiday		5 Dev Control Cttee	2		
W	2		4 H W Board Regulatory	1	5	3 HW Board Regulatory Cttee		5	2		6 COUNCIL	3	1	
T	3 Local Elections		5 SEMINAR	2	6 SEMINAR	4 SEMINAR	1	6	3		7	4	2 (Elections - Local)	
F	4	1	6	3	7	5	2	7	4	1	8	5	3	
S	5	2	7	4	8	6	3	8	5	2	9	6	4	
S	6	3	8	5	9	7	4	9	6	3	10	7	5	
M	7 Early Spring Bank Holiday	4 Development Control Cttee	9	6 Development Control Committee	10 CYP&F PPB	8		5 Dev Control Cttee	10 SEMINAR	7 Dev Control Cttee	4 Dev Control Cttee	11	8 Dev Control Cttee	6 Early Spring Bank Holiday
T	8	5 Corporate PPB	10	7	11 Safer PPB	9	6 Corporate PPB	11	8	5	12	9	7	
W	9	6	11 COUNCIL	8	12	10 Schools Forum	7	12 COUNCIL	9	6 Standards Committee	13 Regulatory	10	8	
T	10	7 SEMINAR	12	9 SEMINAR	13	11	8	13 Executive Board	10 SEMINAR	7 SEMINAR	14 Executive Board	11 Executive Board	9	
F	11	8	13	10	14	12 SEMINAR	9	14	11	8	15	12	10	
S	12	9	14	11	15	13	10	15	12	9	16	13	11	
S	13	10	15	12	16	14	11	16	13	10	17	14	12	
M	14 Development Control Cttee	11 CYP&F PPB	16	13	18	15	12 CYP&F PPB	17	14	11	18	15	13 Dev Control (prov)	
T	15 Executive Board (Selection Committee)	12 Safer PPB	17	14	18 Health PPB	16	13	18	15	12	19	16	14 Exec Bd Selection Cttee (prov)	
W	16	13 Schools Forum	18	15	19 Environment PPB	17 COUNCIL	14 Environment PPB	19	16 H W Board Schools Forum Regulatory Cttee	13	20 Schools Forum	17	15	
T	17	14 Executive Board	19 Executive Board	16	20 Executive Board	18 Executive Board	15 Executive Board	20	17 Executive Board	14	21	18	16	
F	18 ANNUAL COUNCIL	15	20	17	21	19	16	21	18	15	22	19 GOOD FRIDAY	17 Annual Council (prov)	
S	19	16	21	18	22	20	17	22	19	16	23	20	18	
S	20	17	22	19	23	21	18	23	20	17	24	21	19	

M	21	18	23	20	24 ELS&C PPB	22	19 ELS&C PPB	24	21	18 ELS&C PPB	25	22 EASTER MONDAY	20
T	22	19 Health PPB	24	21	25	23	20 Safer PPB	25 Christmas Day	22	19 Safer PPB	26	23	21
W	23	20	25 Business Efficiency Board	22	26 Business Efficiency Board	24	21 Business Efficiency Board	26 Boxing Day	23	20 Mayoral Committee	27 HW Board/ Business Efficiency Board	24	22
T	24	21	26	23	27	25	22	27	24	21 Executive Board	28	25	23
F	25	22	27	24	28	26	23	28	25	22	29	26	24
S	26	23	28	25	29	27	24	29	26	23	30	27	25
S	27	24	29	26	30	28	25	30	27	24	31	28	26
M	28 Spring Bank Holiday	25 ELS&C PPB	30	27 Summer Bank Holiday		29	26	31	28 CYP&F PPB	25		29	27 Spring Bank Holiday
T	29	26	31	28		30	27 Health PPB		29 Corporate PPB	26 Health PPB		30	28
W	30	27 Environment PPB		29		31	28 Regulatory Cttee		30	27Environment PPB			29
T	31	28		30			29		31	28			30

REPORT TO: Council

DATE: 7 March 2018

REPORTING OFFICER: Operational Director – Legal & Democratic Services

PORTFOLIO: Transportation

SUBJECT: Mersey Gateway

1.0 EXECUTIVE SUMMARY

- 1.1 Mersey Gateway Bridge opened to traffic on the 14th October, 2017. As at the 20th February 7.8m vehicles have used the bridge. Traffic movements are in line with projections in the business case.
- 1.2 Mersey Gateway Bridge is a tolled crossing and will remain a tolled crossing until the bridge and associated highway network are paid for.
- 1.3 Since Mersey Gateway opened, the Council has received a number of comments and observations from elected members, MPs, users, the general public and others including DfT, Treasury and the Traffic Penalty Tribunal, in respect of the operation of Mersey Gateway, the Tolling Orders and the tolling regime.
- 1.4 This report seeks to consider and respond to the issues raised.
- 1.5 This report asks the Council –
 - 1.5.1 To make a Road User Charging Order Scheme (RUCSO).
 - 1.5.1.1 Revoking the current RUCSO and replacing it with an updated order.
 - 1.5.1.2 Restating the charges that are levied in the updated RUCSO (“tolls”) in relation to Mersey Gateway Bridge and Silver Jubilee Bridge (together, the “Bridges”).
 - 1.5.2 To amend the Halton Local User Discount (LUDS) Economic Hardship Scheme (to be known henceforward as the Halton Local User Discount Support Scheme - HLUSS).
 - 1.5.3 To note and confirm the signage arrangements in place.
 - 1.5.4 To invite Government to fund the journeys over the Bridges of eligible Halton residents who live in Council Tax Band G and H properties and who are currently excluded from the LUDS.
 - 1.5.5 To consider a number of other associated matters.

2.0 RECOMMENDATIONS: That the Council should

- 1) consult on making an updated RUCSO in the form (or substantially the same form) as that in Appendix 1 on the basis prescribed in this report;**
- 2) after giving full and proper consideration to any comments received, make the updated RUCSO in the form (or substantially the same form) as that in Appendix 1 and delegate to the Operational Director (Legal & Democratic Services) the authority to make any non-material or consequential amendments as are necessary to give it effect;**
- 3) authorise the Operational Director (Legal & Democratic Services) to take all necessary steps to bring the RUCSO into effect, provided that any material amendments or considerations shall be considered by the Council before the RUCSO is brought into effect;**
- 4) leave toll charges unchanged - as specified in the draft updated RUCSO;**
- 5) amend the LUDS Hardship Scheme as proposed in paragraph 4.5 of the report so as to become the HLUDDS and address the anomaly in respect of disabled Halton residents as proposed in paragraph 4.6;**
- 6) invite Government to meet the cost of the journeys over the Bridges undertaken by eligible Halton residents living in Council Tax Bands G and H who are currently excluded from the LUDS;**
- 7) leave administration Fees in respect of registering with Mersey Gateway/ Merseyflow unchanged; and**
- 8) invite Merseylink to review the charges and current arrangements in respect of breakdowns.**

3.0 BACKGROUND

3.1 At a special meeting of the Council on 18th March 2015 (“Special Meeting”), its Members (by a unanimous decision of those present, who comprised a majority of all its Members), agreed that an application should be made to the Secretary of State for Transport for an Amendment Order which would have the effect of amending the 2011 Order so as to allow:

3.1.1 A RUCSO to be made in relation to the Bridges; and

3.1.2 The application of the Road User Charging Scheme (Penalty Charges, Adjudication and Enforcement) (England) Regulations 2013 (“Enforcement Regulations”) to tolls collected by the Council under the 2011 Order.

3.2 Before making that decision, Members at the meeting received and duly

considered a detailed report and a further, supplemental report explaining the reasons for making the Application and the process for doing so. The Application was made to the Secretary of State on 26 March 2015, including all necessary supporting documentation.

- 3.3 On 11th June 2015 the Secretary of State informed the Council that it had decided that it was not necessary to hold an inquiry or hearing in respect of the Application. Instead, the Secretary of State decided that none of the objectors had a statutory right to be heard and that the issues raised by, and the objections to, the Application could be adequately presented and examined by him through the written representations procedure.

The Secretary of State made the Amendment Order on 18 August 2016. The form of the Amendment Order, submitted with the Application was modified by the Secretary of State in making the Amendment Order.

This Order was The Mersey Gateway Bridge – River Mersey (Mersey Gateway Bridge) Order 2011 as modified by the River Mersey (Mersey Gateway Bridge) (Amendment) Order 2016.

- 3.4 At a meeting of Council on the 14th September 2016 the Council unanimously made the Mersey Gateway Bridge and A533 (Silver Jubilee Bridge) Road User Charging Scheme Order 2017 (the “2017 Order”) and delegated to the Operational Director (Legal and Democratic Services) the authority to make any non-material or consequential amendments to the Order as were necessary to give it effect and to take all necessary actions to bring it into effect.

The Order was dated on the 9th March 2017.

- 3.5 The Operational Director exercised his delegations.

- 3.6 It is this 2017 Order that currently regulates the tolling and enforcement arrangements that have applied to Mersey Gateway since it opened on the 14th October 2017.

4.0 MATTERS FOR CONSIDERATION

4.1 Further Exemptions

4.1.1 Since coming into operation the Council and the Mersey Gateway Crossings Board have received a number of representations suggesting anomalies in the tolling regime or improvements to that regime. In response to these it is proposed to add further exceptions to the list of vehicles exempt from tolls.

4.1.2 Proposed additional groups to be capable of registration for exemption from tolls –

- Further vehicles registered by the emergency services when being

used for the purpose of delivering these services, whether or not marked and not already covered by exemptions.

- Further ambulance vehicles whether carrying patients or not and registered by the ambulance service.
- Agricultural tractors.

4.1.3 It is proposed that Motor Homes be designated as vehicles in Class 2, the same classification as applies to private cars.

4.2 **Toll Charges**

4.2.1 **It is not proposed to increase the actual tolls charged.**

4.2.2 To clarify any uncertainty that may be considered to exist, the actual toll charges will be specified in the RUCSO and also published in the press and on the Merseyflow and other appropriate websites.

4.2.3 From now on, any change in the toll level will require a revision of the RUCSO. Whilst this may entail a consultation each time that it is required, it will provide enhanced certainty and transparency as to the amount of toll payable from time to time.

4.2.4 The Council is not in a position to reduce tolls, because of the arrangements contained in the funding letter from the Department for Transport relating to the Mersey Gateway Bridge project.

4.3 **RUCSO**

4.3.1 The proposed amendments to the 2017 Order will be achieved by the revocation of the 2017 Order and by making of an updated RUCSO to replace that order.

4.3.2 The following process will be applied when considering, making and bringing into effect the RUCSO.

4.3.2.1 Following this meeting a consultation will be commenced, which will be advertised in the local newspapers and on the Council's website. The consultation will run for three weeks in March 2018.

4.3.2.2 After the close of consultation, the output will be reported to the Council at a meeting to be scheduled, but expected to take place in early April.

4.3.2.3 If the Council is satisfied, it will resolve to make the updated RUCSO, taking the product of the consultation into account, which will then be sealed.

4.3.2.4 Once the updated RUCSO has been made, it is intended that it will

have immediate effect, since it does not change the tolls payable, and it will be advertised.

4.4 **Signage**

- 4.4.1 The signage in respect of Mersey Gateway is comprehensive and has been designed in accordance with relevant guidance and standards, and (where appropriate) has been subject to specific approval on behalf of the Secretary of State for Transport.
- 4.4.2 The signage used on the Mersey Gateway has been developed in accordance with applicable standards and, where it deviates from the standards, this is subject to approval by the relevant authorities at the Department of Transport (“DfT”) under ss64 and 65 Road Traffic Regulation Act 1984. The regime operated by the DfT accepts that there will be certain circumstances where ‘the designs and conditions of use for traffic signs to be lawfully placed on or near roads in England, Scotland and Wales’ may require adaptation in order to accommodate and respond to those circumstances. This is particularly in respect of any unusual or scheme-specific information, which needs to be conveyed to the road user.
- 4.4.3 The formal approval procedure confirms acceptability of the size, colour, nature of content and location of any signage which is outside the scope of the standard signs, but operates for the purpose of ensuring its intelligibility to the road user. The DfT approval ensures consistency across highways in the presentation of signs, and minimising the prospect of signs being illegible or difficult to understand. Therefore, it is to be assumed that signs approved by the DfT for Mersey Gateway will be legible and easy to understand.
- 4.4.4 The Council has received feedback that websites or telephone numbers should be included in signage. However, to do so would not be appropriate since regulations do not permit the inclusion of such information since it could be distracting to motorists, and including such information would not secure approval by the DfT.
- 4.4.5 It is considered the signage deployed on the Bridges is appropriate, although the Council continues to review its effectiveness and the feedback that it receives in relation to the signage.
- 4.4.6 A map showing the extent and nature of the Signage is provided at (Appendix 2).

4.5 **LUDS Economic Hardship Scheme**

- 4.5.1 To assist Halton residents who are not eligible for the LUDS because they have homes in Council Tax Bands G and H the Council has developed an Economic Hardship Scheme.

4.5.2 It is proposed to amend this scheme as follows:

4.5.2.1 The Scheme to be renamed the “Halton Local User Discount Support Scheme” (HLUDSS).

4.5.2.2 To introduce the special circumstance of any person undertaking an apprenticeship scheme, recognised by the Apprenticeship Service, who is otherwise ineligible for LUDS solely by virtue of living in a Council Tax band G or H property, so that they shall be eligible for LUDS if they meet the LUDS criteria.

4.5.2.3 To introduce the special circumstance of any person undertaking full time education¹ who is otherwise ineligible for LUDS by virtue solely of living in a Council Tax band G or H property shall be eligible for LUDS if they meet the LUDS criteria.

4.6 **Disability**

4.6.1 The majority of Halton residents with a disability who have a Blue Badge can benefit from the free usage of Mersey Gateway if they register for an exemption and pay a small registration fee. However, some Halton residents with a disability may not be eligible for a Blue Badge and their disability prevents them from driving. This is a relatively small number of Halton residents, but also a potentially vulnerable group.

4.6.2 It is proposed to address this anomaly as follows:

4.6.2.1 To introduce the special circumstance of any disabled person who is a resident of Halton and in receipt of one of the following:

4.6.2.1.1 The higher rate mobility component of Disability Living Allowance;

4.6.2.1.2 Attendance Allowance;

4.6.2.1.3 Enhanced rate of the mobility component of the Personal Independence Allowance; and/or

4.6.2.1.4 The War Pensioners Mobility Supplement.

-
- ¹ Enrolled for the purpose of attending a university or college course which lasts for at least one academic year, normally requires attendance of at least 24 weeks a year and involves on average at least 21 hours of study, tuition or work experience per week during term time; or
 - Under the age of 20 and studying for at least 12 hours per week on a course which lasts for more than three months for any qualification up to A level, ONC or OND standard (correspondence courses, evening classes or courses taken in connection with a person's job, such as on day release, are not included).

4.6.3.1 To enable these Halton residents to register a vehicle;
and

4.6.3.2 That the registered vehicle benefit from exemption from
tolls when they are travelling in the vehicle.

4.7 Council Tax **Band G and H**

4.7.1 The legal framework that applies to LUDS excludes Halton residents
living in Council Tax Band G and H properties.

4.7.2 It is not proposed to seek to amend the LUDS to provide exemptions
for these groups, as it already provides unlimited travel to over 99% of
eligible residents for an annual £10 administration fee.

4.7.3 However, it does not meet the Council's aspiration that **all** Halton
residents can have unlimited travel over Mersey Gateway.

4.7.4 It is estimated the annual cost to fund the journeys over the Bridges of
Halton residents living in Council Tax Bands G and H is within a range
currently estimated to be between £250,000 and £500,000 per annum.
This is not a cost the Council can meet from within its budget, which
has been significantly reduced by austerity measures.

4.7.5 It is proposed the Council support the lobbying currently under way
through Derek Twigg MP and Mike Amesbury MP to invite the
Government to meet the annual cost of funding journeys over the
Bridges for Halton residents living in Council Tax Bands G and H who
are currently excluded from LUDS.

4.8 **Administrative Fees**

4.8.1 Currently, Administration Fees are charged when registering with
Merseyflow.

4.8.2 It is proposed the Administration Fee remain unchanged.

4.9 **Towing Fees and Arrangements**

4.9.1 Concern has been expressed about the cost of towing broken down
vehicles off Mersey Gateway and associated arrangements.

4.9.2 The current arrangements and fees are regulated by The Removal,
Storage and Disposal of Vehicles (Prescribed Sums and Charges)
Regulations 2008, which set out the current charges in relation to
vehicle removal. These arrangements are authorised, by virtue of the
Road Traffic Regulation Act 1984 and applied by the Mersey Gateway
Bridge Byelaws 2016.

4.9.3 It is proposed to invite Merseylink to review the charges and current

arrangements in respect of breakdowns.

5.0 RESOURCE IMPLICATIONS

The resource implications associated with these proposals will be met from the MG Project Account and not from general Council funds.

6.0 RISK

The cost of proposed amendments to the 2017 Order and the Hardship Scheme can be met from the MG Project Account and not from general Council funds.

The Council cannot fund unlimited travel for journeys over the Bridges by Halton residents living in Council Tax Bands G and H properties from its current budgets and is seeking support from Government to fund this case as identified in the report.

The Orders regulate the tolling regime and enforcement arrangements.

If there is a shortfall in revenues this would need to be rectified through a higher toll/charge. This is not currently envisaged as traffic flows are in line with the business case.

7.0 EQUALITY AND DIVERSITY

Other than the matters identified in the report there are no implications for equality and diversity.

8.0 CONCLUSION

In light of the information contained in this report, the Council is asked to make the resolutions detailed at paragraph 2.0 of this Report.

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

All existing Orders and LUDS referred to in this report are public documents, hence there are no Background Papers as described in the Act.

TRANSPORT ACT 2000**The A 533 Mersey Gateway Bridge and the A557 (Silver Jubilee Bridge) Roads User Charging Scheme Order 2018**

Made - - - - [April 2018]

Coming into force - - [April 2018]

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SCHEDULE 3	— Halton Borough Council's General Plan for Applying the Net Proceeds of this Scheme During the Opening 10 Year Period	10

Halton Borough Council (the "Council") makes the following Order, which contains a road user charging scheme, in exercise of the powers conferred by sections 163(3)(a), 164, 168(1) and (2), 170, 171(1) and 172(2) of the Transport Act 2000^(a) and by regulations 4, 5, 22, 23, 24, 25 and 27 of the Road User Charging Schemes (Penalty Charges, Adjudication and Enforcement) (England) Regulations 2013^(b).

Appropriate persons have been consulted in accordance with section 170(1A) and (1C) of the Transport Act 2000.

Preliminary

Citation and commencement

1.—(1) This Order may be cited as The A533 Mersey Gateway Bridge and the A557 (Silver Jubilee Bridge) Roads User Charging Scheme Order 2018.

(2) The scheme set out in the Schedules to this Order shall have effect.

(3) The Council shall publish notice of the making of this Order in the London Gazette and in at least one newspaper circulating in the Borough of Halton.

*Scheme for imposing charges in respect of the use of The Mersey Gateway Bridge
and The Silver Jubilee Bridge*

Interpretation

2.—(1) In this Order—

“the 2000 Act” means the Transport Act 2000;

“appointed day” means the date of this Order;

"authorised person" means the Council or any person so authorised by the Council under article 14(1) to exercise any one or more of the powers in articles 15 to 19;

“concession agreement” means a legally binding arrangement which may be comprised within one or more documents that makes provision for the design, construction, financing, refinancing, operation and maintenance of either the Silver Jubilee Bridge and the scheme roads or a new road crossing over the River Mersey or any of them;

“concessionaire” means any person with whom the Council enters into a concession agreement from time to time together with the successors and assigns of any such person;

“Council” means the Council of the Borough of Halton;

“custodian” means a person authorised in writing by the Council to perform the functions of a custodian described in Part 6 of the Enforcement Regulations;

“deposited plans” means the plans numbered 61034234/RUCO/01, 61034234/RUCO/02, 61034234/RUCO/03, 61034234/RUCO/04 and 61034234/RUCO/05 deposited at the offices of the Council at Municipal Building, Kingsway, Widnes WA8 7QF signed by the Chief Executive of the Council;

“Enforcement Regulations” means the Road User Charging Schemes (Penalty Charges, Adjudication and Enforcement) (England Regulations) 2013;

(a) 2000 c.38. There are amendments to section 167, 168, 171 and 172 which are not relevant to this Order.

(b) S.I. 2013/1783.

“new crossing” means the bridge and other roads and structures built pursuant to the River Mersey (Mersey Gateway Bridge) Order 2011(a);

“register” means the register of vehicles being exempt from charges pursuant to the scheme maintained by the Council under article 9;

“scheme” means the scheme for imposing charges for the use or keeping of a vehicle on the scheme roads pursuant to this Order;

“scheme roads” means that part of (i) the road that approaches and crosses the new crossing and (ii) the A533 road that approaches and crosses the Silver Jubilee Bridge as are shown on the deposited plans.

“website” means the website maintained by the Mersey Gateway Crossings Board Ltd containing information about the operation of the scheme(b).

Revocation

3. The Mersey Gateway Bridge and the A533 (Silver Jubilee Bridge) Road User Charging Scheme Order 2017 is hereby revoked.

Duration of the Order

4. This Order shall remain in force indefinitely.

Designation of scheme roads, vehicles and charges

The scheme roads

5. The roads in respect of which this Order applies are the scheme roads.

Imposition of charges

6.—(1) A charge is to be imposed in respect of a vehicle where—

- (a) the vehicle has been used or kept on the scheme roads; and
- (b) the vehicle falls within a class of vehicles in respect of which a charge is imposed by this Order.

(2) The charge imposed is determined by reference to column 2 of the table below.

<i>Column 1</i>	<i>Column 2</i>
<i>Class of vehicle</i>	<i>Charge for each vehicle each time it is used or kept on the scheme roads</i>
Class 1 vehicles	Free
Class 2 vehicles	£2.00
Class 3 vehicles	£6.00
Class 4 vehicles	£8.00

(3) The classification of vehicles or classes of vehicles in respect of which charges may be levied under this Order shall be those set out in Schedule 1.

(4) Where any vehicle would fall within the definition of more than one classification of vehicles or class of vehicles it shall be deemed to fall in the class of vehicles bearing the highest number in Schedule 1.

(a) S.I. 2011/41.

(b) www.merseygateway.co.uk

Payment of charges

7.—(1) Subject to paragraphs (7) and (15) a charge imposed by this scheme, the amount of which is specified in article 6 paragraph (2) (imposition of charges), shall be paid by a means and by such method as may be specified by the Council on the website or in a document available on application from the Council or such other means or method as the Council may in the particular circumstances of the case accept.

(2) Subject to such regulations as the Secretary of State may make pursuant to section 172(1) of the 2000 Act, the Council may waive charges (or any part of such charges) and may suspend the charging of charges in whole or in part.

(3) The Council or its agent may enter into an agreement (“composition agreement”) under which persons compound, on such terms as may be provided by the agreement, for the payment of charges in respect of the use of the scheme roads by them, by other persons or by any vehicles.

(4) A composition agreement may relate to use on such number of occasions or during such period as may be provided by the agreement.

(5) Any composition agreement entered into prior to the appointed day shall have effect for the purposes of bringing charges into effect from that day and nothing in this scheme shall render a composition agreement entered into other than during the currency of this scheme invalid.

(6) Without prejudice to the generality of paragraph (1) above, save where the Council elects in accordance with paragraph (7) below charges may be payable:

- (a) when demanded by a person authorised by the Council or its agent at a place designated by the Council for the collection of charges; or
- (b) by inserting the appropriate payment for a charge at an appropriate collection point.

(7) Where the condition applies the Council may elect that instead of any other means or method of payment charges shall be payable by means of entering into a composition agreement in which case the Council may require that method to apply exclusively.

(8) Where the Council has elected pursuant to paragraph (7) that the exclusive method of paying charges shall be by means of entering a composition agreement, such a composition agreement may be entered into—

- (a) on the day concerned, the first day concerned, or (when it relates to a single journey) the day of the journey concerned;
- (b) on a day falling within the period of 64 days immediately preceding the day concerned, the first day concerned, or (when it relates to a single journey) the day of the journey concerned; or
- (c) on the day after the day concerned, the first day concerned, or (where it relates to a single journey) the day of the journey concerned.

(9) Without prejudice to the generality of paragraph (3), a composition agreement may be entered into for such of the following periods as the Council may agree:

- (a) the duration of a single journey;
- (b) a number of single journeys specified in the composition agreement;
- (c) a single day or any number of single days;
- (d) a period of 5 or 7 consecutive days;
- (e) a period of a single month; or
- (f) a period of one year.

(10) The following provisions shall apply to composition agreements—

- (a) a composition agreement shall be specific to a particular vehicle;
- (b) that vehicle shall be identified by its registration mark; and
- (c) a person entering into a composition agreement with the Council shall specify to the Council or its agent the registration mark of the vehicle to which the composition agreement relates.

(11) Where a composition agreement is entered into or purported to be entered into, and payment is to be made to the Council otherwise than in cash, and payment is not received by the Council or its agent (whether because a cheque is dishonoured or otherwise), the charge or charges to which the composition agreement relates shall be treated as not paid and the composition agreement may be voided by the Council.

(12) The Council may require a vehicle that is subject to a composition agreement to display a document in that vehicle or to carry in or fix equipment to that vehicle.

(13) Where a composition agreement provides for a discount or waiver of any charge or part of any charge and is calculated solely by reference to the use of the scheme roads—

- (a) for a number of journeys; or
- (b) for any period

a user or prospective user of the scheme roads shall not be prevented from entering into such a composition agreement by reason of their place of residence or business.

(14) Where any scheme of discount or waiver is proposed in respect of charges payable or prospectively payable under this scheme the Council shall have regard to the most appropriate means of providing the benefit of such a scheme to those socio-economic groups within the Borough of Halton least able to afford the full price of charges in deciding to apply any such scheme.

(15) The Council may impose such reasonable conditions upon the making of a composition agreement as it considers appropriate including in relation to the transfer of the benefit of composition agreements or the refund of payments.

(16) The condition referred to in paragraph (7) is fulfilled when the method of payment for use of the scheme roads is not secured by the use of barriers preventing vehicles from proceeding until a charge is paid.

Classification of vehicles

8. Schedule 1 to this Order, which sets out the classification of vehicles in respect of which a charge is imposed by this scheme, shall have effect.

Vehicles exempt from charges

9.—(1) Subject to and to the extent not inconsistent with, such regulations as the Secretary of State may make pursuant to section 172(1), Part 1 of Schedule 2 to this Order which sets out the vehicles exempt from charges, shall have effect.

(2) The exemptions from the charges set out in this scheme shall have effect subject to the particulars of the vehicle in respect of which an exemption is claimed being entered upon the register.

(3) The Council may require a vehicle exempt from charges to display a document in that vehicle or to carry in or fix equipment to that vehicle.

(4) The provisions of Part 2 of Schedule 2 shall apply.

10 year plan for net proceeds

10. Schedule 3 to this Order constitutes the general plan of the Council under paragraph 10(1)(a) of Schedule 12 to the 2000 Act for applying the net proceeds of this scheme during the period which begins with the date on which this Order comes into force and ends with the tenth financial year that commences on or after that date.

Detailed programme for net proceeds

11. Schedule 4 to this Order constitutes the detailed programme of the Council under paragraph 10(1)(b) of Schedule 12 to the 2000 Act for applying the net proceeds of this scheme during the

period which begins with the date on which this Order comes into force and ends at the time by which the Council's local transport plan is next required to be replaced.

Penalty charges

Penalty charges

12.—(1) A penalty charge is payable in respect of a vehicle upon which a charge has been imposed under this Order and where such charge has not been paid in full at or before 23:59 hours on the day immediately following the day on which the charge was incurred.

(2) Where a penalty charge has become payable in respect of a vehicle under paragraph (1), the penalty charge rate applicable shall be the rate corresponding to the class of vehicle into which the vehicle falls, in accordance with the table of penalty charge rates displayed on the website.

(3) A penalty charge payable under paragraph (1) is—

- (a) payable in addition to the charge imposed under article 6;
- (b) to be paid in full within the period of 28 days beginning with the date on which a penalty charge notice relating to the charge that has not been paid in full is served;
- (c) reduced by one half provided it is paid in full prior to the end of the fourteenth day of the period referred to in sub-paragraph (3)(b);
- (d) increased by one half if not paid in full before a charge certificate to which it relates is served by or on behalf of the Council (as the charging authority) in accordance with regulation 17 of the Enforcement Regulations.

Additional penalty charges where powers exercised in respect of vehicles

13.—(1) An additional penalty charge in accordance with the table of penalty charge rates displayed on the website will be payable under the charging scheme for the—

- (a) release of a motor vehicle immobilised in accordance with article 18;
- (b) removal of a motor vehicle in accordance with article 19(1);
- (c) storage and release from storage of a vehicle so removed; and
- (d) disposal of a vehicle in accordance with article 19(2).

(2) Any penalty charge payable under paragraph (1) is payable in addition to the charge imposed under article 6.

Powers in respect of motor vehicles

Powers in respect of motor vehicles

14.—(1) The Council may authorise in writing a person to exercise any one or more of the powers in articles 15 to 19.

(2) An authorised person under this Order is an authorised person within the meaning of regulation 21 of the Enforcement Regulations.

Examination of vehicles

15. An authorised person may examine a motor vehicle whilst it is on a road to ascertain if any of the circumstances described in regulation 22 of the Enforcement Regulations exists.

Entering vehicles

16. An authorised person may enter a vehicle whilst it is on a road where the authorised person has reasonable grounds for suspecting that any of the circumstances described in regulation 23(1) of the Enforcement Regulations exists provided that the condition referred to in regulation 23(2) of those Regulations is met.

Seizure

17. An authorised person may seize anything (if necessary by detaching it from a vehicle) as provided for in regulation 24 of the Enforcement Regulations provided that the condition referred to in regulation 24(2) of those Regulations is met.

Immobilisation of vehicles

18. Provided—

- (a) none of the circumstances in paragraph (2) of regulation 25 of the Enforcement Regulations apply; and
- (b) the conditions in paragraph (3) of that regulation do apply,

an authorised person may immobilise a vehicle in accordance with paragraphs (4) and (5) of that regulation.

Removal, storage and disposal of vehicles

19.—(1) Provided regulation 27(1) (a) or (b) of the Enforcement Regulations is satisfied, an authorised person may remove a vehicle and deliver it to a custodian for storage.

(2) The custodian may dispose of the vehicle and its contents in the circumstances described in regulation 28 of the Enforcement Regulations.

THE COMMON SEAL of the **COUNCIL OF THE BOROUGH OF HALTON** was hereunto

affixed the [**] day of April 2018 in the presence of



Authorised Signatory

SCHEDULES

SCHEDULE 1

Article 6

Classification of Vehicles for the Purposes of Charges

<i>Class of Vehicle</i>	<i>Classification</i>
“class 1 vehicle”	means a moped falling within classifications A(a) and A(b); motorcycles falling within classifications B(a) and B(b); motor tricycles falling within classifications C(a) and C(b); and quadricycles falling within classifications D(a), D(b), E(a) and E(b).
“class 2 vehicle”	means motor caravans falling within classifications L(a) and L(b); motor vehicles with at least four wheels, used for the carriage of passengers falling within classifications M ₁ (a) and M ₁ (b); and motor vehicles with at least four wheels used for the carriage of goods falling within classifications N ₁ (a) and N ₁ (b).
“class 3 vehicle”	means motor vehicles with at least four wheels used for the carriage of passengers falling within classifications M ₂ (a) and M ₂ (b); and motor vehicles with at least four wheels used for the carriage of goods falling within classifications N ₂ (a) and N ₂ (b).
“class 4 vehicle”	means motor vehicles with at least four wheels used for the carriage of passengers falling within classifications M ₃ (a) and M ₃ (b); and motor vehicles with at least four wheels used for the carriage of goods falling within classifications N ₃ (a) and N ₃ (b).

Reference to “classifications” in this Schedule 1 are references to the classes of motor vehicles contained or referred to in Part II of the Schedule to the Road User Charging and Work Place Parking Levy (Classes of Motor Vehicles) (England) Regulations 2001(a).

SCHEDULE 2

Article 9

PART 1

Vehicles Exempt from Charges

1. Charges may not be levied in respect of—

- (a) a vehicle whose details have been recorded on the exemptions register in accordance with Part 2 of this Schedule and, in the case of those listed in sub-paragraphs 3(a) to (d) of Part 2 of this Schedule, being used in the execution of duty; or
- (b) a vehicle being used in connection with—
 - (i) the collection of charges; or
 - (ii) the maintenance, improvement or renewal of, or other dealings with, the Silver Jubilee Bridge or the new crossing or any structure, works or apparatus in, on, under or over any part of the new crossing or Silver Jubilee Bridge; or

(a) S.I. 2001/2793.

- (c) a vehicle which, having broken down on the Silver Jubilee Bridge or the new crossing while travelling in one direction, is travelling in the opposite direction otherwise than under its own power; or
- (d) a military vehicle, that is, a vehicle used for army, naval or air force purposes, while being driven by persons for the time being subject to the orders of a member of the armed forces of the Crown.

PART 2

The Register of Vehicles Exempt from Charges

2. The Council shall maintain the register in respect of exempt vehicles for the purposes of the provisions of this Schedule which requires particulars of a vehicle to be entered in the register.

3. Vehicles falling within the following descriptions of motor vehicles shall be eligible to be entered upon the exemptions register—

- (a) a police vehicle, identifiable as such by writing or markings on it or otherwise by its appearance, or being the property of the Service Authority for the Serious Organised Crime Agency or notified to the Council by reference to its registration mark;
- (b) a fire engine as defined by paragraph 4(2) of Schedule 2 to the Vehicle Excise and Registration Act 1994(a);
- (c) a vehicle which is kept by a fire authority as defined by paragraph 5 of that Schedule;
- (d) an ambulance as defined by paragraph 6(2) or a vehicle falling within paragraph 7 of that Schedule and shall also include vehicles used for the transport of blood, plasma or human organs;
- (e) a vehicle being used for the transport of a person who has a disabled person's badge and which displays a current disabled person's badge issued under—
 - (i) section 21 of the Chronically Sick and Disabled Persons Act 1970(b), or
 - (ii) section 14 of the Chronically Sick and Disabled Persons (Northern Ireland) Act 1978(c); or
- (f) an omnibus being used for a local service as defined by section 2 of the Transport Act 1985 crossing the Silver Jubilee Bridge(d); or
- (g) an agricultural tractor as defined by paragraph 20B of Schedule 2 to the Vehicle Excise Registration Act 1994.

4. Registration of a vehicle upon the exemptions register, and the use to which that vehicle must be put to qualify as exempt from charges, shall be subject to the imposition of such further conditions as the Council may reasonably impose.

5. The Council may require that an application to enter particulars of a vehicle on the exemptions register or to renew the registration of a vehicle—

- (a) shall include all such information as the Council may reasonably require; and
- (b) shall be made by such means as the Council may accept.

6. Where the Council receives an application that complies with paragraph 4 to enter particulars of a vehicle on the exemptions register, or to renew the registration of a vehicle and the vehicle falls within the descriptions set out in paragraph 2 of this Part it shall enter the particulars of that vehicle upon the exemptions register within twenty working days of receiving such an application.

7. The Council shall remove particulars of a vehicle from the exemptions register—

(a) 1994 c.22.
(b) 1970 c.44.
(c) 1978 c.53.
(d) 1985 c.67.

- (a) in the case of a vehicle registered in relation to the holder of a disabled person's badge, when that person ceases to be an eligible person for the purposes of sub-paragraph 3(e) of this Part;
- (b) in the case of any vehicle at the end of the period of 7 consecutive days beginning with the day on which a change in the keeper of the vehicle occurred, unless the Council renews the registration for a further period on application to it by or on behalf of the new keeper.

8. Where the registered keeper of a vehicle is aware that the vehicle has ceased or will cease to be a vehicle eligible to be entered on the exemptions register, the keeper shall notify the Council of the fact and the Council shall remove the particulars of the vehicle from the exemptions register as soon as reasonably practicable or from the date notified to the Council as the date on which it will cease to be a vehicle eligible to be entered on the exemptions register.

9. If the Council is no longer satisfied that a vehicle is an exempt vehicle it shall—

- (a) remove the particulars of a vehicle from the exemptions register; and
- (b) notify the registered keeper.

10. Nothing in this paragraph shall prevent the making of a fresh application under Schedule 2 for particulars of a vehicle to be entered in the exemptions register after they have been removed from it in accordance with any provision of this Part of this Schedule 2.

SCHEDULE 3

Article 10

Halton Borough Council's General Plan for Applying the Net Proceeds of this Scheme During the Opening 10 Year Period

11. Road user charging under this scheme is due to start in 2018. Paragraph 10(1)(a) of Schedule 12 to the Transport Act 2000 applies to the period that is covered partly by the current Local Transport Plan that fully supports the implementation of the scheme.

12. The net proceeds of the road user charging scheme in the ten year period following the start of the charging scheme will be applied, in such proportions to be decided, towards:

- (a) paying the costs and expenses incurred in designing, constructing, managing, operating and maintaining the new crossing and in managing, operating and maintaining the Silver Jubilee Bridge and the scheme roads or any costs associated with financing any or both;
- (b) providing such funds as are or are likely to be necessary to discharge the obligations of the Council or a concessionaire pursuant to a concession agreement;
- (c) paying the interest on, and repaying the principal of, monies borrowed in respect of the new crossing;
- (d) making payment into any maintenance or reserve fund provided in respect of the Silver Jubilee Bridge and the scheme roads or the new crossing;
- (e) making payments to the Council's general fund for the purpose of directly or indirectly facilitating the achievement of policies relating to public transport in its local transport plan; and
- (f) providing funds for, meeting expenses incurred in, or the cost of securing any necessary authority or consent for, constructing or securing the construction, maintenance and operation of the new crossing or securing the maintenance and operation of the Silver Jubilee Bridge and the scheme roads.

SCHEDULE 4

Article 11

Halton Borough Council's Detailed Programme for Applying the Net Proceeds of this Scheme

13. Road user charging on the Mersey Gateway Bridge began in 2017 to coincide with the opening of the Mersey Gateway Bridge for use by the public. The existing third Local Transport Plan (LTP3) runs from 2011/12 to 2025/26. Therefore, paragraph 10(1)(b) of Schedule 12 to the Transport Act 2000 relates to the second LTP3. The Mersey Gateway Bridge is a key element of the LTP3 as it addresses—

- (a) the worst congestion in Halton - on the approaches to the Silver Jubilee Bridge and on the Weston Point Expressway approach to M56 Junction 12;
- (b) demand management to establish and maintain free flow traffic conditions on the Mersey Gateway Bridge and the Silver Jubilee Bridge; and
- (c) transport resilience to enhance cross-Mersey linkages.

14. The expenditure plans for receipts from the scheme will complement the current LTP3 programme and contribute towards achieving the following LTP3 objectives—

- (a) tackling congestion;
- (b) delivering accessibility;
- (c) securing safer roads; and
- (d) achieving better air quality.

15. Priorities for the scheme revenue expenditure are—

- (a) paying the costs and expenses incurred in designing, constructing, managing, operating and maintaining the Mersey Gateway Bridge and the new crossing and in managing, operating and maintaining the Silver Jubilee Bridge and the scheme roads or any costs associated with financing any or both of them;
- (b) providing such funds as are or are likely to be necessary to discharge the obligations of the Council or a concessionaire pursuant to a concession agreement;
- (c) paying the interest on, and repaying the principal of, monies borrowed in respect of the new crossing;
- (d) making payment into any maintenance or reserve fund provided in respect of the Silver Jubilee Bridge and the scheme roads or the Mersey Gateway Bridge and the new crossing;
- (e) making payments to the Council's general fund for the purpose of directly or indirectly facilitating the achievement of policies relating to public transport in LTP3; and
- (f) providing funds for, meeting expenses incurred in, or the cost of securing any necessary authority or consent for, the constructing or securing the construction, maintenance and operation of the Mersey Gateway Bridge and the new crossing or securing the maintenance and operation of the Silver Jubilee Bridge and the scheme roads.

EXPLANATORY NOTE

(This note is not part of the Order)

Sections 163(3)(a) and 164 of the Transport Act 2000 authorise the Council of the Borough of Halton to make a charging scheme in respect of roads for which it is the traffic authority. The scheme roads described in paragraph (1) of Schedule 1 comprises the Mersey Gateway Bridge and the Silver Jubilee Bridge. Charges are currently levied in respect of the latter under the Mersey Gateway Bridge and the A533 (Silver Jubilee Bridge) Road User Charging Scheme Order 2017.

This Order revokes the 2017 Order. It imposes charges for use of either the Mersey Gateway Bridge or the Silver Jubilee Bridge, and contains enforcement provisions.

Article 1 (citation and commencement) deals with preliminary matters.

Article 2 (interpretation) contains interpretation provisions including definitions of the “scheme roads”. It also refers to the Road User Charging Schemes (Penalty Charges, Adjudication and Enforcement) (England) Regulations 2013 (SI 2013/1783) (the “Enforcement Regulations”) which make provision for or in connection with the imposition and payment of charging scheme penalty charges.

Article 3 (revocation) revokes the 2017 Order.

Article 4 (duration of the Order) provides that the Order remains in force indefinitely.

Article 5 (the scheme roads) contains that the scheme roads are the roads to which charges, penalty charges and enforcement provisions apply.

Article 6 (imposition of charges) describes the event by reference to the happening of which a charge is imposed, namely, a vehicle being used or kept on the scheme roads. It also contains the charges imposed upon using or keeping a vehicle on the scheme roads.

Article 7 (payment of charges) provides that the Council may specify how a charge should be paid. It also provides that payments may be under an agreement relating to a number of journeys or a number of days. It also provides that payment under such an agreement may be mandatory if “open road” tolling is used and that displaying a permit may be required. Paragraph (14) of article 7 continues the existing arrangement relating to scheme discounts.

Article 8 (classification of vehicles) specifies classes of vehicles to which the scheme applies, set out in Schedule 1 of this Order.

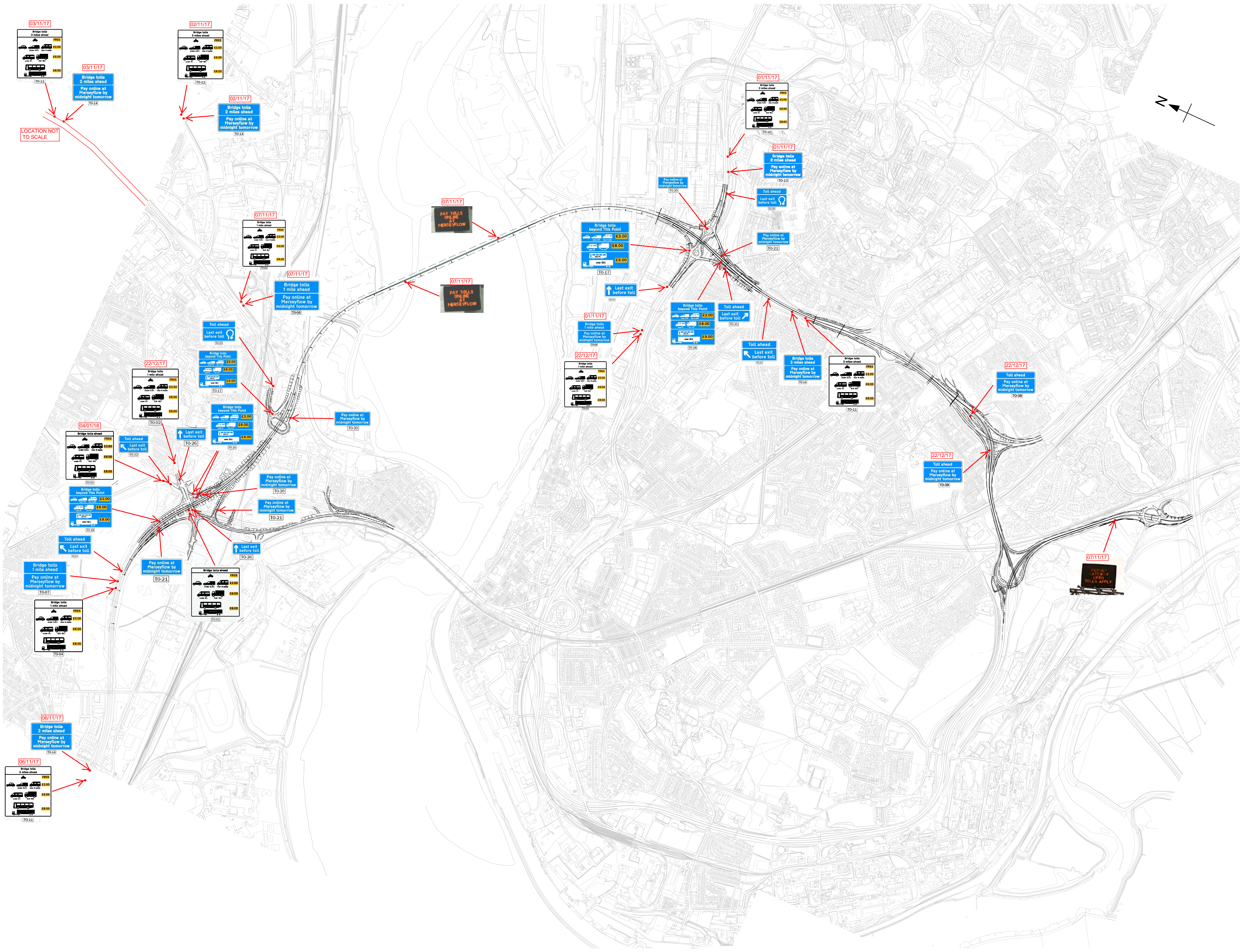
Article 9 (vehicles exempt from charges) provides for the exemption of certain vehicles from paying the charge provided conditions are met, set out in Schedule 2.

Articles 10 and 11 explain to what purposes the charges recovered may be applied.

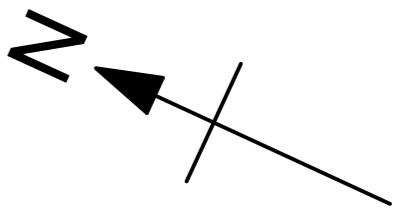
Article 12 deals with the civil enforcement of unpaid charges through the imposition of penalty charges. Paragraph 12(1) imposes a penalty charge where the charge for using the crossing is not paid in full by midnight on the day after it is imposed. The penalty charge rates are displayed on the project website. Paragraph 12(3)(a) explains that the penalty charge is payable in addition to the charge imposed. Paragraphs 12(3)(b) to (d) explain that the penalty charge is payable within 28 days of the penalty charge notice relating to it being served, that the amount of the charge is reduced by half if paid within 14 days or is increased by half if not paid before a charge certificate is served in accordance with regulation 17 of the Enforcement Regulations.

Article 13 imposes additional penalty charges of the amounts set out on the project website where the powers in respect of vehicles described in paragraphs 18 and 19 are exercised.

Articles 14 to 19 contain powers that can be exercised in respect of motor vehicles. These powers are to examine vehicles (article 15), enter vehicles (article 16), seize items (article 17), immobilise vehicles (article 18) and remove, store and dispose of vehicles (article 19). The exercise of those powers must be in accordance with the Enforcement Regulations. In particular the power to immobilise a vehicle or remove a vehicle that has not been immobilised can only be exercised where none of the circumstances in regulation 25(2) of the Enforcement Regulations apply and the conditions in paragraph 25(3) of those regulations do apply.



LOCATION NOT TO SCALE



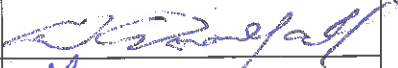

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NOTICE OF MOTION

To be submitted to the meeting of Full Council to be held on:

Wednesday 7th March 2018

in accordance with Standing Order Number 6.

	Name (in capitals)	Signature
Proposer:	BILL WOOLFALL	
Seconder:	GEOFF ZYGADLLO	

TYRED CAMPAIGN MOTION

On Monday 10 September 2012 a coach bound for Liverpool carrying 53 people from the Bestival music festival on the Isle of Wight, left the road and crashed into a tree instantly killing Michael Molloy (18), Kerry Ogden (23) and the coach driver, Colin Daulby (63), and left others with life changing injuries. The inquest into the crash found that the front nearside tyre which was actually older than the coach itself, at 19 years, was responsible for the crash. In 2014, Liverpool City Council unanimously agreed a motion in support of Michael's mother Frances calling for a change in the law requiring a ban on tyres older than six years on commercial vehicles. Despite the wide spread public and political support for this campaign, no change in the law has been made, shamefully leaving others are risk from faulty and dangerous tyres.

Council notes that Frances Molloy has launched "Tyred" – the official campaign to pressure Government – to change the law to ban the use of tyres older than ten years on commercial vehicles.

Council wholeheartedly supports "Tyred" and instructs the Leader of the Council to write to the Prime Minister and Leader of the Opposition to call together cross-party support for a change in the law.

Council further resolves to support the "Tyred" campaign until such a change in the law is achieved and to draw the attention of the Local Government Association, especially its Environment and Transport Board, to this Council's view that the concerns should be fully addressed.

Finally, Council asks the Chief Executive to write to all schools in the Borough asking them to require coach and bus operators they use for school trips etc, to adhere to the provisions set out in the Tyred campaign. Council should also ask officers to look at our own procurement procedures with a view to inserting an appropriate clause in any contracts with commercial operators and to also ensure that this standard applies to our own vehicle fleet.

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