

HALTON BOROUGH COUNCIL



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

22 February 2022

**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 - Town Hall, Runcorn on Wednesday, 2 March 2022 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
	a) 9 December 2021	
	b) 20 January 2022	
	c) 17 February 2022	
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 2022-23 (EXB68 refers)	1 - 28

Executive Board considered the attached report.

RECOMMENDED: That

- 1) Council be recommended to adopt the resolution set out in Appendix A, which includes setting the budget at £113.891m, the Council Tax requirement of £57.174m (before Parish, Police, Fire and LCR Combined Authority precepts) and the Band D council Tax for Halton of £1,595.67;
 - 2) the recommendations in the report relating to the setting of the 2022/23 budget, set out in Appendix B and Capital Programme set out in Appendix F, be supported and recommended to Full Council for approval, with the exception of the proposal contained therein in relation to the closure of Runcorn Swimming Pool;
 - 3) the proposal to close Runcorn Swimming Pool be put on hold for a period, no longer than six months, to allow time to see if an alternative delivery model can be identified by giving the opportunity for a third party to come forward with a costed and sustainable business plan to take over the running of the baths. That opportunity would be widely advertised to attract potential interest;
 - 4) any proposal must cover both the capital and revenue costs of running the pool in the future;
 - 5) if no such proposal is submitted that meets the above criteria within that six month period then the closure of the pool would proceed at that point; and
 - 6) the subsequent gap this causes in the budget currently recommended by officers be met by increasing the amount of reserves and balances being utilised to set a legal budget for 2022/23.
- b) Treasury Management Strategy Statement 2022-23 (EXB 69 refers)

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Executive Board considered the attached report.

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

<p>c) Capital Strategy 2022-23 (EXB 70 refers)</p> <p>Executive Board considered the attached report.</p> <p>RECOMMENDED: That Council be recommended to approve the 2022/23 Capital Strategy, as presented in the Appendix.</p>	<p>53 - 68</p>
<p>d) 2021/22 Revised Capital Programme</p> <p>RECOMMENDED: That the revisions to the Council’s 2021/22 capital programme set out in paragraph 3.2 be approved.</p>	<p>69 - 78</p>
<p>e) Calendar of Meetings 2022-23 (EXB 71 refers)</p> <p>Executive Board considered the attached report.</p> <p>RECOMMENDED: That Council approve the Calendar of Meetings for the 2022/32 Municipal Year, as appended.</p>	<p>79 - 82</p>
<p>f) Adoption of the Halton Delivery and Allocations Local Plan (DALP) including consequential deletion of specific Core Strategy policies and the deletion of saved Unitary Development Plan policies – (Appendix A to follow)</p>	<p>83 - 88</p>

RECOMMENDATION: That Council be recommended to:

- 1) accept the findings of the Planning Inspector's report into the soundness of the submitted Halton Delivery and Allocations Local Plan including the Main Modifications that are necessary for the document to be sound (Appendix A);
- 2) adopt the Halton Delivery and Allocations Local Plan (Appendix B) and supporting Local Plan Policies Map (Appendix C), including the Inspector's Main Modifications and Council's Minor Changes as part of the Development Plan for Halton, to be used for development management purposes;
- 3) authorise the Operational Director for Policy, Planning and Transportation in consultation with the Portfolio Holder, to make final editorial amendments to the Halton Delivery and Allocations Local Plan prior to final publication. These amendments will be restricted to correcting minor errors and formatting text and shall not alter the meaning of the Delivery and Allocations Local Plan;
- 4) note that a number of saved policies in the Core Strategy (as listed in Appendix C of the DALP) will be deleted and replaced by policies in the Delivery and Allocations Local Plan, and the saved policies of the Halton Unitary Development Plan will be deleted; and
- 5) withdraw the following Supplementary Planning Documents:

- Affordable Housing SPD

g) Members' Allowance Scheme - Tri-annual Review

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RECOMMENDED: That Council consider the

- 1) recommendations of the Independent Members' Allowances Panel as set out in Paragraph 6 of this report; and
- 2) having regard to the Panel's recommendations, determine the Members' Allowance Scheme to be effective from April 2022 for a 3 year period.

10. MINUTES OF THE POLICY AND PERFORMANCE BOARDS AND THE AUDIT AND GOVERNANCE BOARD

SEE MINUTE BOOK

a) Children, Young People and Families

- b) Employment, Learning and Skills, and Community
- c) Health
- d) Safer
- e) Environment and Urban Renewal
- f) Corporate Services
- g) Audit & Governance Board

11. COMMITTEE MINUTES

- a) Development Management
- b) Appointments
- c) Taxi Licensing Sub

12. RECOMMENDATION FROM MAYORAL COMMITTEE

The Mayoral Committee considered a Part II item making a recommendation on the appointment of Mayor and Deputy Mayor for the 2022/23 Municipal Year.

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

- 1) Councillor Mark Dennett be appointed as the Mayor; and
- 2) Councillor Valerie Hill be appointed as the Deputy Mayor.

13. NOTICE OF MOTION - SEXUAL HARASSMENT, SEXUAL VIOLENCE AND BULLYING IN SCHOOL

SEE MINUTE BOOK

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REPORT TO: Executive Board

DATE: 17 February 2022

REPORTING OFFICER: Operational Director – Finance

SUBJECT: Budget 2022/23

PORTFOLIO: Resources

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To recommend to Council the revenue budget, capital programme and council tax for 2022/23.

2.0 RECOMMENDATION: That;

- (i) **Council be recommended to adopt the resolution set out in Appendix A, which includes setting the budget at £113.891m, the Council Tax requirement of £57.174m (before Parish, Police, Fire and LCR Combined Authority precepts) and the Band D Council Tax for Halton of £1,595.67;**
- (ii) **Council be recommended to approve the revenue budget proposals for 2022/23 set out in Appendix B and capital programme set out in Appendix F;**

3.0 SUPPORTING INFORMATION

Medium Term Financial Strategy

3.1 The Executive Board approved the Medium Term Financial Strategy (MTFS) at its meeting on 18 November 2021. In summary, funding gaps of around £12.0m in 2022/23, £4.2m in 2023/24 and £2.6m in 2024/25 were identified. The Strategy had the following objectives:

- Deliver a balanced and sustainable budget
- Prioritise spending towards the Council's priority areas
- Avoid excessive Council Tax rises
- Achieve significant cashable efficiency gains
- Protect essential front line services and vulnerable members of the community
- 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 2021/22 Budget

- 3.4 The Executive Board receives regular reports summarising spending in the current year against the budget. The latest report indicates that spending is forecast to be over budget in the current year by approximately £3.0m against a net budget of £111.5m. The most significant budget pressure for the Council continues to be Children's Social Care costs, and in particular residential care costs, where the Council are experiencing both growth in the number of residential placements and in terms of cost per placement. Overall costs are being controlled where possible and income being maximised as well as making use of all available grant funding.
- 3.5 The financial impact of Covid is still a very real presence. The position has been reviewed as at 31 December 2021 and it is currently estimated that Covid spend and loss of income for the financial year will be £1.467m higher than available grant for the year. In setting the Council's 2022/23 budget, and in the absence of any available information, there is an expectation that Government will not provide any further Covid grant or income compensation beyond the current year. It is likely there may continue to be Covid costs and income pressures across Council services post 31 March 2022. This will be something that will continue to be monitored in detail.
- 3.6 The Council are continuing to take measures to mitigate the impact of these pressures and bring net spending back in line with budget as far as possible. A review of earmarked reserves is also being undertaken to identify options which might assist with funding the overspend. The general reserve balance is currently £6.4m, equivalent to approximately 5.7% of the net budget for 2021/22, which is considered a prudent level. Any overspend would reduce the level of the general reserve, however the actions being taken should help to mitigate the impact.

2022/23 Revenue Budget

- 3.7 The proposed revenue budget totals £113.891m. 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.

- 3.8 A total of £1.783m of savings were approved by Council on 8 December 2021. Included at Appendix B are further proposed budget savings for 2022/23 of £0.564m.
- 3.9 The proposed budget incorporates the grant figures announced in the Local Government Finance Settlement. It includes £0.851m for the New Homes Bonus grant. This is inclusive of additional grant of £0.181m for 2022/23, which will be paid for one year only rather than a four year legacy payment which had been the case prior to the 2020/21 financial year. Government are expected to announce a replacement for the New Homes Bonus Scheme in 2022/23 following the release of a consultation last year.
- 3.10 The budget includes Better Care Funding (BCF) of £6.982m, an increase of 3% from the 2021/22 allocation.
- 3.11 Additional funding for Adult and Children's Social Care was announced as part of the provisional settlement. It was announced that the £5.213m 2021/22 Social Care Grant will also be received in 2022/23, along with an additional allocation of £1.829m. This funding will be included in the Council budget to help to fund existing pressures within Social Care services. An additional £0.4m grant will be received in 2022/23 as part of the Market Sustainability and Fair Cost of Care Fund. This will be used to fund the additional costs arising from the new burdens placed on Local Authorities by the Government's Health and Social Care Plan.
- 3.12 Government have confirmed the continuation of the 100% Business Rates Retention pilot within the Liverpool City Region for 2022/23. The pilot comes with a no detriment guarantee from Government that no authority will be worse off than had they not been in the pilot.
- 3.13 Pay rates for 2021/22 and 2022/23 have not yet been agreed. A 2% rise on all pay bands has been assumed in the budget for 2022/23.
- 3.14 Inflation of 2% has been applied to contractual (non-controllable) budgets for 2022/23. Additional inflation has been applied to social care contract costs which will increase at above normal inflation rates due to the increase of 6.6% in National Living Wage rates from April 2022, and to energy budgets where costs are increasing at rates well above general inflation.
- 3.15 The risk to the Council's budget continues over the next year due to increasing service demand pressures. To mitigate this risk, budgets have been increased in 2022/23 to help manage the current departmental budget overspends, inclusive of £3.1m across Adults' and Children's Social Care.

- 3.16 It is considered prudent for the budget to include a general contingency of £0.5m. At this stage, it is considered sufficient to cover the potential for price changes and increases in demand led budgets, as well as a general contingency for uncertain and unknown items. An additional £3.7m has been included in the contingency budget for 2022/23 to enable the estimated 2021/22 budget overspend to be funded on a permanent basis.
- 3.17 It is proposed that £7.8m of reserves will be used to fund the 2022/23 budget and will therefore be unavailable for use in future years. This presents a risk to future years' budgets, as permanent savings will need to be made to replace this funding over the medium term. A robust process for identifying such savings will be developed and implemented over the coming year, in order to establish budget plans by 31st March 2023 which will cover the three financial years from 2023/24 to 2025/26.
- 3.18 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 2022/23 revenue budget, capital programme and council tax. Balances and reserves should provide sufficient resilience to meet the financial consequences of any unforeseen events.

Local Government Finance Settlement

- 3.19 The Government announced the provisional Local Government Finance Settlement on 16 December 2021. At the time of writing the report, the final settlement is still to be announced. In addition, the Council are waiting on confirmation of some 2022/23 grant allocations, including the Public Health grant.
- 3.20 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 that 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% national scheme. The pilot will result in additional business rates being retained by the Council, although offset by Revenue Support and Better Care Fund grants no longer being received.
- 3.21 It was anticipated that the Business Rates Retention Scheme would be rolled out on a national basis from April 2021, with the level of retained rates for each Council being set at 75%. In conjunction with this, Government had stated their intention to undertake a review of needs and resources of Local Government, the first review since April 2013,

and also reconsider the business rate “baselines” for each council. These funding reforms have been delayed due to the disruption caused by Covid-19, although it is expected that consultation on an updated funding model will be released in Spring 2022.

- 3.22 For 2022/23, the Council’s total Government Settlement Funding Allocation is £52.924m. This is made up of £46.857m Business Rates Baseline Funding and Top-Up grant of £6.067m. Excluding the rolled in Better Care Funding grant, the increase to the Settlement Funding Assessment from 2021/22 is 0.6%.
- 3.23 The Government’s Spending Power analysis (the total of business rates, council tax and Government grant funding available to each council) calculates that over the period 2011/12 to 2022/23, in cash terms there has been a reduction in funding for Halton of 1.1% compared with inflation of approximately 30% over the same period.
- 3.24 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 £49.463m for 2022/23.
- 3.25 As far as non-domestic premises are concerned, the business rates multiplier rate is fixed centrally by Government and then applied to each premises’ rateable value. For 2022/23 the multiplier rate has been frozen at 51.2p in the pound and 49.9p in the pound for small businesses. This is unchanged from 2021/22. The cost of freezing the multiplier is met by Central Government through additional grant funding to the Council.
- 3.26 In 2016/17 the Council set an Adult Social Care council tax 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 and 2018/19 the Council set Adult Social Care precept levels of 3% in each of the years. For 2020/21, the Adult Social Care council tax precept was set at 2% and increased to 3% in 2021/22.
- 3.27 The Government Spending Review published 27 October 2021 confirmed that a further Adult Social Care council tax precept of 1% can be applied for 2022/23.
- 3.28 As part of the Local Government Finance Settlement, allocation increases were made to several grant funding streams for 2022/23. Halton’s Social Care grant has been increased by £1.829m and the Better Care Fund has been increased by £0.205m, whilst the Lower Tier Services Grant has also seen a small increase of £0.011m to its 2021/22 allocation. There were two new grants announced at the Settlement. The Market Sustainability and Fair Cost of Care Fund,

worth £0.431m for Halton, is due to be distributed from the new National Insurance Health and Social Care Levy and is to be used to fund new burdens related to increasing the rates paid to social care providers and the new cap on the cost of care. The Services Grant is a new un-ringfenced grant for 2022/23, with Halton receiving an allocation of £2.489m. The cost of funding the increase to National Insurance rates is included within this grant, but has not been separately identified by Government. This grant is to be received for one year only. The New Homes Bonus scheme is currently being wound down, leading to a reduction in funding to Halton of £0.852m.

Budget Outlook

3.29 Beyond 2022/23 there is great uncertainty regarding the funding of Local Government, due to the potential impact of a number of changes to the Local Government funding regime and the ongoing impact of Covid-19 on social care services and income streams. There is therefore further continued uncertainty regarding the Council's funding resources in 2023/24.

3.30 The impact of the following developments will have to be assessed when considering the 2023/24 budget and beyond. Further information will be known as we progress through the coming year:

- Fair Funding Review – A review of how cumulative Local Government funding should be apportioned between Councils. The last review was in April 2013 and since then reductions made to Local Government funding have been made on a percentage basis. This has had the impact of protecting those authorities less reliant on Government grant funding, whilst those councils who are more reliant (such as Halton) have had to deal with larger reductions in funding on a per capita basis. It is anticipated that a consultation on a new method of apportioning Local Authority funding will be issued in Spring 2022. It is not yet clear whether changes will be implemented for the 2023/24 financial year or if they will be further delayed into 2024/25.
- New Homes Bonus – The scheme in its current form is being wound down, with legacy payments being removed from 2020/21 onwards. The 2022/23 allocation is for one year only and will include the final legacy payment from 2019/20. A consultation on the future of the New Homes Bonus Scheme was released in Spring 2021, but the findings of this have not yet been reported.
- Business Rate Retention – Government have indicated that they are unlikely to move towards the percentage share of retained rates at a local level being increased to 75%. It is unclear whether pilot authorities, such as Halton, will continue with 100% business rates retention as part of devolution deals, or will return to 49%.
- Business Rates Baseline Reset – It is proposed that there will be a reset of the business rates baseline, which could work against Halton and similar authorities that have seen significant growth in business rates since the current baseline was set in 2013. It is not yet known if

there will be a transition process put in place to protect authorities from excessive losses in funding from an increase to the baseline position. The reset was originally due to take place in 2020 but has been delayed due to Brexit preparations and the Covid-19 pandemic.

- Health and Social Care Plan – The Government announced its Health and Social Care Plan in September 2021 which introduced a new lower cap on care costs, changes to the thresholds at which care costs are paid by users and new duties for councils to pay increased rates to social care providers. The Association of Directors of Adult Social Services have expressed doubts that the additional funding allocated will be insufficient to cover the costs of these new burdens and could lead to further pressures on council budgets. These new measures fall well short of the complete review of the social care system that was promised by the Government meaning that further reform is possible in the future.
- 3.31 The Medium Term Financial Strategy has been updated to take into account the 2022/23 Local Government Finance Settlement and multi-year allocations and saving measures already agreed or proposed. It includes a number of assumptions for 2023/24 including:

- Settlement Funding Assessment as per 2022/23 plus 2% inflation.
- Pay, prices and income growth of 2%.
- Reversal of 2022/23 one-off savings proposals.

- 3.32 The resulting funding gap over the subsequent three financial years (2023/24 to 2025/26) is forecast to be in the region of £23.3m.

Halton's Council Tax

- 3.33 The Government no longer operates 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.
- 3.34 The Government have confirmed the council tax referendum threshold at 2% for 2022/23.
- 3.35 On 12 December 2018 the Council's Executive Board agreed council tax premiums for empty properties be applied as follows:
- From 01 April 2019, 100% premium in addition to the full council tax charge for each dwelling unoccupied and unfurnished for more than two years.
 - From 01 April 2020, 100% premium in addition to the full council tax charge for each dwelling unoccupied and unfurnished between two and five years, and 200% premium for dwellings unoccupied for more than five years.

- From 01 April 2021, 100% premium in addition to the full council tax charge for each dwelling unoccupied and unfurnished between two and five years, 200% for dwellings unoccupied between five and ten years, and 300% for properties unoccupied for more than ten years.
- 3.36 The number of long-term empty properties in Halton is currently 126. The number of properties empty for between five and ten years, and therefore billed at a 200% premium, is currently 22, and the number of properties empty for over ten years and billed at a 300% premium, is 28.
- 3.37 The tax base (Band D equivalent) for the Borough has been set by Council at 35,831.
- 3.38 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 £1,595.67 (equivalent to £30.69 per week), in order to deliver a balanced budget for 2022/23 as required by statute. This is an increase of 2.99% (£46.33 per annum or £0.89 per week) over the current year.

Parish Precepts

- 3.39 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	47,500	3,776	8.64%	71.54	1,667.21
Daresbury	6,962	262	3.91%	37.43	1,633.10
Moore	6,070	445	7.91%	18.23	1,613.90
Preston Brook	19,427	6,427	49.44%	52.79	1,648.46
Halebank	39,460	375	0.96%	75.02	1,670.69
Sandymoor	41,220	2,647	6.86%	29.09	1,624.76

Average Council Tax

- 3.40 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 £1,600.15, an increase of £46.64 per annum.

Police Precept

- 3.41 The Cheshire Police and Crime Commissioner has set the precept on the Council at £8.436m, which is £235.44 for a Band D property, an increase of £10.00 or 4.44%. The figures for each Band are shown in Recommendation 5 in Appendix A.

Fire Precept

- 3.42 The Cheshire Fire Authority has set the precept on the Council at £2.955m, which is £82.48 for a Band D property, an increase of £1.61 or 1.99%. The figures for each Band are shown in Recommendation 6 in Appendix A.

Liverpool City Region Mayoral Precept

- 3.43 The Liverpool City Region Combined Authority has set the precept on the Council at £0.681m which is £19.00 for a Band D property, an increase of £0.00. The figures for each Band are shown in Recommendation 7 in Appendix A.

Total Council Tax

- 3.44 Combining all these figures will give the Total Council Tax for 2022/23 and these are shown in Recommendation 8 in Appendix A. The total Band D Council Tax (before Parish precepts) is £1,932.59, an increase of £57.94 or 3.09%. The inclusion of parish precepts means the increase in Hale is 3.23%, in Daresbury is 3.03%, in Moore is 3.11%, in Preston Brook is 3.89%, in Halebank is 2.97%, and in Sandymoor is 3.04%.
- 3.45 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 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.
- 3.46 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

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

	2022/23	2023/24	2024/25
	£000	£000	£000
<u>Spending</u>			
Scheme Estimates	30,496	15,222	8,162
Slippage Between Years	-646	3,055	1,412
	29,850	18,277	9,574
<u>Funding</u>			
Borrowing and Leasing	18,397	10,807	2,747
Grants and External Funds	8,867	2,346	2,346
Direct Revenue Finance	0	0	0
Capital Receipts	3,232	2,069	3,069
Slippage Between Years	-646	3,055	1,412
	29,850	18,277	9,574

3.48 The committed Capital Programme is shown in Appendix F.

3.49 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 capital financing costs.

Prudential Code

3.50 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
- there is accountability through providing a clear and transparent framework.

3.51 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

- 3.52 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 National Funding Formula introduced in 2018/19.
- 3.53 Schools Block pupil numbers in mainstream primary and secondary schools have decreased from 18,285 for 2021/22 to 18,235 for 2022/23. Funding for mainstream primary and secondary schools is based on the pupil cohort on the October 2021 census. The DSG settlement was announced on 20 December 2021 giving a total of £102.18m for the Schools Block for 2022/23. This is an increase of £3.1m on the 2021/22 allocation. The way in which Business Rates are being paid is changing for 2022/23, so the actual amount to be devolved through the funding formula is £101.39m with the balance of £0.788m being passed directly from the Department for Education to the Business Rates billing authority.
- 3.54 The Central Schools Services Block (CSSB) was split from the Schools Block for the first time in 2018/19, following the introduction of the ring-fenced requirement for the Schools Block to be wholly passed to primary and secondary schools, with the exception any agreed transfer to the High Needs Block. 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 schools are asked to contribute a higher amount
- 3.55 The Early Years Block indicative allocation for 2022/23 is £9.35m. This is a reduction of £0.5m and is due to the numbers of children receiving provision. The hourly rate the Council are funded at for 3 and 4 year old provision, as opposed to the hourly rate we pay providers, is remaining the same at £5.12 per hour. Halton is one of nine local authorities for whom the hourly rate for 3 and 4 year old provision has not be increased as we have transitional protection to prevent the hourly rate reducing significantly. The hourly rate the Council are funded at for 2 year old provision has increased from £5.44 per hour to £5.65 per hour.
- 3.56 The High Needs Block for 2021/22 was £18.33m after recoupment by the Department for Education for commissioned places in special academies and independent special schools. For 2022/23 the High Needs Block is £19.87m, again after recoupment which is an increase of £1.54m.

- 3.57 The Minimum Funding Guarantee has been agreed by Schools Forum at plus 1.29%. This is within the range allowed by the Department of Education of 0.5% to 2.0%.
- 3.58 The Department for Education has also announced Supplementary Schools Funding for 2022/23 which will be rolled into the main National Funding Formula for 2023/24 onwards. This is to provide support for the costs of the Health and Social Care Levy and is payable to public sector employers only. For 2022/23 the estimated total for Halton mainstream schools is £3.1m. The Council will also receive an estimated £0.864m of additional funding for the High Needs Block to fund public sector employers within the High Needs area.
- 3.59 The Pupil Premium Grant rates have increased to £1,385 per Primary pupil and £985 per Secondary pupil who are or have been eligible for Free School Meals in the last six years. Children who have been adopted from care and children who leave care under a special guardianship order or residence order will be funded at £2,410 per pupil. Eligibility for the Service Children Premium will be funded at £320 per pupil. The amount for Looked after Children which comes to the Council for distribution is £2,410 per pupil.

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 will help to mitigate the risks.

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) 2022/23	Financial Management Halton Stadium	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 2022/23.

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 02 March 2022.

APPENDIX A

**DRAFT RESOLUTION FOR SUBMISSION TO THE COUNCIL
AT ITS MEETING ON 02 March 2022**

RECOMMENDATION: that the Council adopt the following resolution:

1. The policies outlined in this paper be adopted, including the budget and council tax for 2022/23, 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 8 December 2021 the Council agreed the following:
 - (a) The Council Tax Base 2022/23 for the whole Council area is 35,831 (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	664
Daresbury	186
Moore	333
Preston Brook	368
Halebank	526
Sandymoor	1,417

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 2022/23 (excluding Parish precepts) is £57,174,452.
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 2022/23 and agreed as follows:
 - (a) £443,841,572 – 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) £386,506,481– being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £57,335,091 – 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) £1,600.15 – 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) £160,639 – 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	47,500
Daresbury	6,962
Moore	6,070
Preston Brook	19,427
Halebank	39,460
Sandymoor	41,220

- (f) £1,595.67 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	71.54
Daresbury	37.43
Moore	18.23
Preston Brook	52.79
Halebank	75.02
Sandymoor	29.09

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	1,111.47	1,088.73	1,075.93	1,098.97	1,113.79	1,083.17	1,063.78
B	1,296.72	1,270.19	1,255.26	1,282.14	1,299.43	1,263.70	1,241.08
C	1,481.96	1,451.64	1,434.58	1,465.30	1,485.06	1,444.23	1,418.37
D	1,667.21	1,633.10	1,613.90	1,648.46	1,670.69	1,624.76	1,595.67
E	2,037.70	1,996.01	1,972.54	2,014.78	2,041.95	1,985.82	1,950.26
F	2,408.19	2,358.92	2,331.19	2,381.11	2,413.22	2,346.88	2,304.86
G	2,778.68	2,721.83	2,689.83	2,747.43	2,784.48	2,707.93	2,659.45
H	3,334.42	3,266.20	3,227.80	3,296.92	3,341.38	3,249.52	3,191.34

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 2022/23 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	156.96
B	183.12
C	209.28
D	235.44
E	287.76
F	340.08
G	392.40
H	470.88

6. It is further noted that for the year 2022/23 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	54.99
B	64.15
C	73.32
D	82.48
E	100.81
F	119.14
G	137.47
H	164.96

7. It is further noted that for the year 2021/23 the Liverpool City Region Combined 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	12.67
B	14.78
C	16.89
D	19.00
E	23.22
F	27.44
G	31.67
H	38.00

8. That, having calculated the aggregate in each case of the amounts at 4h, 5, 6 and 7 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 2022/23 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	1,336.09	1,313.35	1,300.55	1,323.59	1,338.41	1,307.79	1,288.40
B	1,558.76	1,532.23	1,517.30	1,544.18	1,561.47	1,525.75	1,503.12
C	1,781.46	1,751.14	1,734.07	1,764.79	1,784.55	1,743.73	1,717.87
D	2,004.13	1,970.02	1,950.82	1,985.38	2,007.61	1,961.68	1,932.59
E	2,449.50	2,407.81	2,384.34	2,426.58	2,453.75	2,397.61	2,362.06
F	2,894.85	2,845.58	2,817.84	2,867.76	2,899.87	2,833.53	2,791.51
G	3,340.22	3,283.37	3,251.37	3,308.97	3,346.02	3,269.47	3,220.99
H	4,008.26	3,940.04	3,901.64	3,970.76	4,015.22	3,923.36	3,865.18

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.
9. The Operational Director Finance be authorised at any time during the financial year 2022/23 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 on an individual bank account (£0.5m net across all bank accounts) as the Council may temporarily require.

APPENDIX B

	DIVISION / SERVICE	DESCRIPTION OF THE BUDGET PROPOSAL	ANNUAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM / TEMP (P/T)
				2022/23 £'000	2023/24 £'000	
1	Independent Living Services	<p>The cost of certain staff posts involved with the delivery of Disabled Facilities Grants (DFGs) are able to be funded from the overall DFG grant.</p> <p>A review has identified that the total staffing cost currently being charged to the grant is understated, as it has not been increased since 2016/17. It does not therefore reflect the full cost of the staff involved in dealing with DFGs.</p> <p>Increasing the costs charged against the grant will provide a budget saving against the Council's core budget and ensure the cost of staff involved is fully recovered.</p> <p>The total Disabled Facilities Grant funding for 2021/22 is £1.99m which was an increase of £236,000 from the previous year. It is anticipated that a similar grant allocation will be received for 2022/23. Approximately £1m of this grant is allocated to DFG schemes and the rest is used for Adult Social Care capital schemes, as permitted under the terms of the grant.</p> <p>Applications for DFG schemes has remained at a similar level over recent years, despite the increase in available grant funding. In most years the grant allocation is underspent and the balance is carried forward to be spent the following year.</p> <p>It is considered that increasing the charge against the overall grant by £10,000, to reflect the full cost of staff involved with delivering DFGs will not affect the number of DFG schemes delivered each year.</p>	111	10	0	P

	DIVISION / SERVICE	DESCRIPTION OF THE BUDGET PROPOSAL	ANNUAL BUDGET	ESTIMATED BUDGET SAVING		PERM / TEMP (P/T)
			£'000	2022/23 £'000	2023/24 £'000	
2	Revenues & Financial Management Division	<p>Given the anticipated long term impact of Covid-19 upon bus passenger numbers and in particular those passengers entitled to concessionary travel, it is proposed to reduce the concessionary travel budget by 10%.</p> <p>During 2021/22 in order to help support the bus operators through the pandemic, concessionary travel costs have continued to be paid to bus operators on the basis of pre-covid passenger numbers rather than actual numbers.</p> <p>Despite paying operators at pre-covid levels, total expenditure on concessionary travel in 2021/22 is likely to be under budget by over £400,000.</p> <p>Even allowing for 5% growth to operator reimbursement costs for 2022/23, this would still leave a budget underspend of approximately £360,000.</p> <p>If the proposed reduction in budget is approved, it is estimated that there will still remain around £150,000 of headroom within the budget. This would be sufficient to fund in the region of 120,000 (or 10%) extra concessionary passenger journeys above pre-covid levels.</p> <p>The reduction in the concessionary travel budget relates to the funding available in order to reimburse the bus operators. It would not affect the number of passengers entitled to concessionary travel or their ability to make journeys.</p>	2,103	210	0	P

	DIVISION / SERVICE	DESCRIPTION OF THE BUDGET PROPOSAL	ANNUAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM / TEMP (P/T)
				2022/23 £'000	2023/24 £'000	
3	Logistics	<p>A number of the supported bus contracts are due for re-tendering during 2022/23. It is anticipated that the retendering of these contracts will achieve cost savings in the region of £50,000 in total.</p> <p>Retendering of these bus support contracts will not have any impact upon individual bus routes or services provided to passengers.</p> <p>It is therefore considered that a budget saving of £50,000 can be achieved through the retendering process, without any impact upon the delivery of bus services across the Borough.</p>	534	50	0	P
4	Logistics	<p>It is proposed to reduce the Council's contribution to Halton Community Transport by £30,000 (50%).</p>	60	30	0	P

	DIVISION / SERVICE	DESCRIPTION OF THE BUDGET PROPOSAL	ANNUAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM / TEMP (P/T)																																					
				2022/23 £'000	2023/24 £'000																																						
5	Leisure Services	<p>It is proposed to close Runcorn Swimming Pool due to the high running costs and low levels of usage, which results in high levels of subsidy cost per user visit.</p> <p>Runcorn Swimming Pool was used to 43% of its capacity in the last independent review (2018) compared to 60% for Kingsway Leisure Centre swimming pool and 100% for Brookvale Recreation Centre swimming pool.</p> <p>The following table presents the running costs, income and net operating costs for Runcorn Swimming Pool over the past four years. The figures are clearly affected by Covid-19 particularly during 2020/21, therefore, the 2018/19 figures reflect a normal year's operations.</p> <table border="1"> <thead> <tr> <th>Runcorn Swimming Pool</th> <th>2018/19</th> <th>2019/20</th> <th>2020/21</th> <th>2021/22 Forecast Outturn</th> </tr> <tr> <td></td> <td>£</td> <td>£</td> <td>£</td> <td>£</td> </tr> </thead> <tbody> <tr> <td>Total Operating Costs</td> <td>467,261</td> <td>323,507</td> <td>257,904</td> <td>356,317</td> </tr> <tr> <td>Total Income</td> <td>133,850</td> <td>80,371</td> <td>1,611</td> <td>28,330</td> </tr> <tr> <td>Net Cost / Subsidy</td> <td>333,411</td> <td>243,136</td> <td>256,293</td> <td>327,987</td> </tr> </tbody> </table> <p>The table below is taken from usage data provided for the purpose of performance benchmarking through the APSE Performance Network. The net cost to the Council for each user visit was £7.14 in 2018/19 and £14.85 in 2019/20.</p> <table border="1"> <thead> <tr> <th>Runcorn Swimming Pool</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>Average Number of Users Per Hour</td> <td>10.35</td> <td>5.31</td> </tr> <tr> <td>Net Cost / Subsidy Per Opening Hour</td> <td>£73.95</td> <td>£78.86</td> </tr> <tr> <td>Net Cost / Subsidy Per User</td> <td>£7.14</td> <td>£14.85</td> </tr> </tbody> </table>	Runcorn Swimming Pool	2018/19	2019/20	2020/21	2021/22 Forecast Outturn		£	£	£	£	Total Operating Costs	467,261	323,507	257,904	356,317	Total Income	133,850	80,371	1,611	28,330	Net Cost / Subsidy	333,411	243,136	256,293	327,987	Runcorn Swimming Pool	2018/19	2019/20	Average Number of Users Per Hour	10.35	5.31	Net Cost / Subsidy Per Opening Hour	£73.95	£78.86	Net Cost / Subsidy Per User	£7.14	£14.85	120	120	0	P
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			2022/23 £'000	2023/24 £'000																								
	<p>By way of comparison the following tables show the net cost to the Council for each swimming user at Brookvale Recreation Centre and Kingsway Leisure Centre.</p> <table border="1"> <thead> <tr> <th>Brookvale Recreation Centre</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>Average Number of Users Per Hour</td> <td>40.11</td> <td>32.67</td> </tr> <tr> <td>Net Cost / Subsidy Per Opening Hour</td> <td>£54.58</td> <td>£62.38</td> </tr> <tr> <td>Net Cost / Subsidy Per User</td> <td>£1.36</td> <td>£1.91</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Kingsway Leisure Centre</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>Average Number of Users Per Hour</td> <td>45.01</td> <td>45.32</td> </tr> <tr> <td>Net Cost / Subsidy Per Opening Hour</td> <td>£77.40</td> <td>£81.95</td> </tr> <tr> <td>Net Cost / Subsidy Per User</td> <td>£1.72</td> <td>£1.81</td> </tr> </tbody> </table> <p>As can be seen from the above tables, swimming usage per hour at both Kingsway Leisure Centre and Brookvale Recreation Centre is considerably higher than at Runcorn Swimming Pool and this reflects upon the net cost / subsidy per user visit.</p>	Brookvale Recreation Centre	2018/19	2019/20	Average Number of Users Per Hour	40.11	32.67	Net Cost / Subsidy Per Opening Hour	£54.58	£62.38	Net Cost / Subsidy Per User	£1.36	£1.91	Kingsway Leisure Centre	2018/19	2019/20	Average Number of Users Per Hour	45.01	45.32	Net Cost / Subsidy Per Opening Hour	£77.40	£81.95	Net Cost / Subsidy Per User	£1.72	£1.81			
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	DIVISION / SERVICE	DESCRIPTION OF THE BUDGET PROPOSAL	ANNUAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM / TEMP (P/T)
				2022/23 £'000	2023/24 £'000	
6	Audit, Procurement & Operational Finance Division	It is proposed to delete a vacant part-time (0.54fte) Income Control Assistant post. Following the introduction of IT based processes and changes to procedures in recent years, it is considered that the Income Control team will be able to manage their workloads without replacing the vacant post.	14	14	0	P
7	Economy Enterprise and Property	It is proposed to charge the Sci-Tech Daresbury Joint Venture Board a management fee, in order to recover the cost of Council staff involved in supporting the Board with the ongoing development of Sci-Tech Daresbury.	N/A	70	0	P
8	Civic Catering	Closure of the Municipal Building and Runcorn Library Building catering facilities, with a vending service to be operated at each location instead.	60	60	0	P
GRAND TOTAL				564	0	p

APPENDIX C

DEPARTMENTAL OPERATIONAL BUDGETS

£000

People Directorate

Children and Families Service	28,378
Education, Inclusion & Provision	5,988
Adult Social Care including Complex Care Pool	47,491
Public Health & Public Protection	157
	<hr/>
	82,014

Enterprise, Community & Resources Directorate

Finance	7,145
Policy, Planning & Transportation	9,502
ICT & Support Services	8,576
Legal & Democratic Services	1,969
Policy, People, Performance & Efficiency	2,143
Community and Environment	16,006
Economy, Enterprise and Property	4,935
	<hr/>
	50,276

Departmental Operational Budgets**132,290**

Corporate and Democracy

-18,399**Total Operational Budget**

113,891

APPENDIX D

2022/23 BUDGET – REASONS FOR CHANGE

	£000
2021/22 Approved Budget	111,466
Add Back One-Off Savings	419
	<hr/> 111,885
<u>Policy Decisions</u>	
Capital Programme	53
<u>Inflation and Service Demand Pressures</u>	
Pay (including Increments)	3,362
Prices	2,662
Income	-644
Existing Service Demand Pressures	4,059
Removal of 4 Days Unpaid Leave	1,026
<u>Other</u>	
Net Adjustment to Specific Grants	3,917
Contingency Increase	4,200
Social Care Grant	-1,800
2022/23 Services Grant	-2,489
Reserves	-9,993
Base Budget	<hr/> 116,238
Less Savings (as agreed by Council)	-1,783
Less Savings (proposed in Appendix B)	-564
Total 2022/23 Budget	<hr/> 113,891 <hr/>

APPENDIX E

MEDIUM TERM FINANCIAL FORECAST

	2023/24 £000	2024/25 £000	2025/26 £000
Spending			
Previous Year's Budget	113,891	116,114	119,636
Add back one-off savings	1,201	0	0
<u>Inflation</u>			
Pay	1,444	1,473	1,502
Prices	1,722	1,757	1,792
Income	-636	-652	-666
<u>Other</u>			
Service Demand Pressures	2,461	1,716	0
Contingency	1,000	2,000	2,000
Reduction to New Homes Bonus Grant	851	0	0
Reverse Use of Reserves	3,396	2,200	5,000
Reverse One-Off Grant Funding	2,489	0	0
Budget Forecast	127,816	124,608	129,266
Resources			
Baseline Business Rates Funding and Top-Up Grant	56,641	57,773	58,928
Council Tax	59,473	61,863	63,713
	116,114	119,636	122,641
Funding Gap	-11,702	-4,972	-6,624

APPENDIX F

COMMITTED CAPITAL PROGRAMME 2022/25

SCHEME	2022/23 £000	2023/24 £000	2024/25 £000
Schools Capital Projects	2,694	-	-
ALD Bungalows	199	-	-
Disabled Facilities Grant	600	600	600
Stairlifts	270	270	270
Adapted Properties	270	270	270
Purchase of Adapted Properties	358	-	-
Care Home Refurbishment	1,550	-	-
People Directorate	5,941	1,140	1,140
Stadium Minor Works	30	30	30
Halton Leisure Centre	8,600	10,000	3,000
Children's Playground Equipment	65	65	65
Landfill Tax Credit Schemes	340	340	340
Crow Wood Park Play Area	5	-	-
Open Spaces Schemes	600	600	600
Runcorn Town Park	300	300	300
Litter Bins	20	20	20
IT Rolling Programme	700	700	700
3MG	126	-	-
Murdishaw Redevelopment	32	-	-
Equality Act Improvement Works	417	300	300
Property Improvements	200	200	200
Runcorn Town Centre Development	750	-	-
Street Lighting - Structural Maintenance	860	200	200
Street Lighting – Upgrades	2,545	-	-
Sustainable Urban Development	232	-	-
East Runcorn Connectivity – Pre-Development	1,484	-	-
Risk Management	474	120	120
Fleet Replacements	5,407	1,207	1,147
Silver Jubilee Bridge Lighting	468	-	-
Early Land Acquisition Mersey Gateway	900	-	-
Economy, Community & Resources Directorate	24,555	14,082	7,022
Total Capital Programme	30,496	15,222	8,162
Slippage between years	-646	3,055	1,412
GRAND TOTAL	29,850	18,277	9,574

REPORT TO: Executive Board

DATE: 17 February 2022

REPORTING OFFICER: Operational Director – Finance

PORTFOLIO: Corporate Services

TITLE: Treasury Management Strategy Statement 2022/23

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 2022/23.

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 (2022/23). Its production and submission to Council is a requirement of the CIPFA Prudential Code and the CIPFA Treasury Management Code.

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.

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	Halton Stadium	
CIPFA Prudential Code		

HALTON BOROUGH COUNCIL
TREASURY MANAGEMENT STRATEGY
STATEMENT

2022/23

Revenues and Financial Management Division
Finance Department
February 2022

TREASURY MANAGEMENT STRATEGY STATEMENT 2022/23

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

Capital Strategy

The CIPFA 2017 Prudential and Treasury Management Codes requires all local authorities to prepare, a capital strategy report, which will provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this capital strategy is to ensure that Council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

Treasury Management Reporting

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 2022/23

The strategy for 2022/23 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, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG 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 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 2022/23 – 2024/25

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.

Table 1 shows planned capital spend by directorate and 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

	2020/21 Actual £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Capital Expenditure:					
People	3,709	2,952	5,941	1,140	1,140
Enterprise, Community & Resources	23,053	24,314	24,555	14,082	7,022
	26,762	27,266	30,496	15,222	8,162
Financed By:					
Capital receipts	(4,456)	(2,077)	(3,232)	(2,069)	(3,069)
Capital grants	(14,266)	(19,220)	(8,867)	(2,346)	(2,346)
Revenue	(729)	(22)	-	-	-
Net financing need for the year	7,311	5,947	18,397	10,807	2,747

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

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, and so charges the economic consumption of capital assets as they are used.

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

	2020/21 Actual £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Capital Financing Requirement	613,236	610,824	607,133	606,940	606,753
Movement in CFR due to:					
Net financing need for the year	7,311	5,947	18,397	10,807	2,747
PFI / finance leases	-	-	-	-	-
Use of Reserves to reduce MRP liability	(502)	(511)	(8,735)	(551)	(564)
Less Minimum Revenue Provision	(9,221)	(9,127)	(9,855)	(10,443)	(11,218)
Increase / (Decrease) in CFR	(2,412)	(3,691)	(193)	(187)	(9,035)

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).

MHCLG regulations require 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.

One exception to the above is expenditure that the Council has incurred on the construction of the Mersey Gateway Bridge. As this debt will be repaid from future toll income the Council will not charge any MRP on this expenditure until the income is received. When received, MRP payments will be matched with income received thus having little impact on the Council's revenue budget.

The MRP relating to PFI schemes, finance leases and Mersey Gateway unitary charge payments 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	2020/21 Actual £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Council's net budget	114,035	111,466	113,891	116,114	119,636
Finance Costs					
Net interest costs	4,721	5,086	5,224	5,562	5,575
Minimum Revenue Provision	2,377	2,130	2,531	2,502	2,079
	7,098	7,216	7,755	8,064	7,654
	6.2%	6.5%	6.8%	6.9%	6.4%

The MRP and Interest cost relating to PFI schemes and finance leases have been excluded from the figures above as they have no impact on the revenue budget.

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 overall treasury management portfolio as at 31 March 2021 and the position as at 31 December 2021 are shown in Table 4 for borrowing and investments.

Table 4 – Current Portfolio Position

	31st March 2021		31st December 2021	
	£000	%	£000	%
Treasury Investments				
UK banks and building societies	39,445	40%	64,597	46%
Non-UK banks	-	0%	5,000	4%
Local authorities	55,000	55%	60,700	43%
Money market funds	-	0%	-	0%
Property funds	5,000	5%	10,000	7%
Total	99,445	100%	140,297	100%
Treasury External Borrowing				
Local authorities	-	0%	-	0%
Public Works Loans Board (PWLB)	(162,000)	94%	(162,000)	94%
Other long term borrowoing	(10,000)	6%	(10,000)	6%
Total	(172,000)	100%	(172,000)	100%
Net treasury investments / (borrowing)	(72,555)		(31,703)	

The Council's treasury portfolio position at 31 March 2021, with forward projections are summarised in Table 5. 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

	2020/21 Actual £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
External debt					
Borrowing					
Debt at 1 April	172,000	172,000	172,000	172,000	192,000
Expected change in debt	-			20,000	-
Debt at 31 March	172,000	172,000	172,000	192,000	192,000
Other long-term liabilities					
Debt at 1 April	374,519	367,676	360,679	353,355	345,413
Expected change in debt	(6,843)	(6,997)	(7,324)	(7,942)	(9,139)
Debt at 31 March	367,676	360,679	353,355	345,413	336,274
Total external debt at 31 March	539,676	532,679	525,355	537,413	528,274
Capital Financing Requirement	613,236	610,824	607,133	606,940	606,753
Under / (over) borrowing	73,560	78,145	81,778	69,527	78,479

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 2022/23 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.

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

	2021/22	2022/23	2023/24	2024/25
	Estimate	Estimate	Estimate	Estimate
Operational boundary	£000	£000	£000	£000
Debt	192,000	192,000	192,000	212,000
Other long term liabilities	367,676	360,679	353,355	345,413
Operational boundary	559,676	552,679	545,355	557,413
Total external debt at 31 March	539,676	532,679	525,355	537,413
Estimated headroom	20,000	20,000	20,000	20,000

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

	2021/22	2022/23	2023/24	2024/25
	Estimate	Estimate	Estimate	Estimate
Authorised limit	£000	£000	£000	£000
Capital Financing Requirement	610,824	607,133	606,940	606,753
Contingency	20,000	20,000	20,000	20,000
Total	630,824	627,133	626,940	626,753
Total external debt at 31 March	539,676	532,679	525,355	537,413
Estimated headroom	91,148	94,454	101,585	89,340

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. Table 8 and supporting narrative 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
Mar-22	0.25	1.5	1.7	1.9	1.7
Jun-22	0.50	1.5	1.8	2.0	1.8
Sep-22	0.50	1.6	1.8	2.1	1.9
Dec-22	0.50	1.6	1.9	2.1	1.9
Mar-23	0.75	1.7	1.9	2.2	2.0
Jun-23	0.75	1.8	2.0	2.2	2.0
Sep-23	0.75	1.8	2.0	2.2	2.0
Dec-23	0.75	1.8	2.0	2.3	2.0
Mar-24	1.00	1.9	2.1	2.3	2.1
Jun-24	1.00	1.9	2.1	2.4	2.2
Sep-24	1.00	1.9	2.1	2.4	2.2
Dec-24	1.00	2.0	2.2	2.5	2.3
Mar-25	1.25	2.0	2.3	2.5	2.3

Interest Rates

Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut the Bank Rate to 0.10%, it left the Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021.

As shown in the forecast table above, the forecast for the Bank Rate now includes four increases, one in December 2021 to 0.25%, then quarter 2 of 2022 to 0.50%, quarter 1 of 2023 to 0.75%, quarter 1 of 2024 to 1.00% and, finally, one in quarter 1 of 2025 to 1.25%.

Forecasts for Bank Rate

It is not expected that Bank Rate will go up fast after the initial rate rise as the supply potential of the economy is not likely to have taken a major hit during the pandemic: it should, therefore, be able to cope well with meeting demand after supply shortages subside over the next year, without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the spike up to around 5%. But due to a number of uncertainties such as Covid, labour and supply shortages, and possible

complications surrounding UK/EU trade agreements, it is expected that the forecasts will be revised again during the year.

It should also be borne in mind that Bank Rate being cut to 0.25% and then to 0.10%, were emergency measures to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away such emergency cuts on no other grounds than they are no longer warranted, and as a step forward in the return to normalisation. In addition, any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

Gilt yields / PWLB Rates

Since the start of 2021, we have seen a lot of volatility in gilt yields, and hence PWLB rates. As the interest forecast table for PWLB certainty rates above shows, there is forecast to be a steady, but slow, rise in both Bank Rate and gilt yields during the forecast period to March 2025. Though there will doubtless be a lot of unpredictable volatility during this forecast period due to a number of factors such as the correlation between gilt yields and US treasury gilt yields and the impact of inflationary pressures in the US and UK.

Investment and borrowing rates

- **Investment returns** are expected to improve in 2022/23. However, while markets are pricing in a series of Bank Rate hikes, actual economic circumstances may see the MPC fall short of these elevated expectations.
- **Borrowing interest rates** fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England and still remain at historically low levels. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years.
- **Borrowing for capital expenditure.** The long-term (beyond 10 years), forecast for Bank Rate is 2.00%. As some PWLB certainty rates are currently below 2.00%, there remains value in considering long-term borrowing from the PWLB where appropriate. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive as part of a balanced debt portfolio.

3.4 Borrowing Strategy

The Council is currently maintaining an under-borrowed position which 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 2022/23 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 borrowing rates, then borrowing will be postponed.
- If it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, perhaps arising from an acceleration 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. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

3.5 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.

3.6 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 following:

- MGCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

The Council's investment priorities will be security first, liquidity second, then yield.

The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
2. **Other information:** 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 achieve this consideration 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.
3. **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.
4. The Council has defined the list of **types of investment instruments** that the treasury management team are authorised to use. These are split into specified and non-specified investments, as detailed 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 local authorities
- 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 can be used, subject to the credit quality of the institution:

- Term deposits – UK Government (maturities over 1 year)
 - Term deposits – Other local authorities (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
5. Non-specified investments limit. The Council has determined that it will limit the maximum total exposure to non-specified investments as being 40% of the total investment portfolio at the time of investing.
 6. Lending limits, (amounts and maturity), for each counterparty will be set through applying the creditworthiness policy detailed in 4.2, and the Counterparty Limits detailed in 4.4.
 7. The Council will set a limit for the amount of its investments which are invested for longer than 1 year, (see paragraph 4.4).
 8. Investments will only be placed with counterparties from countries with a specified minimum sovereign rating, (see paragraph 4.3).
 9. The Council has engaged external consultants, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
 10. All investments will be denominated in sterling.
 11. The Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund (IFRS9).

4.2 Creditworthiness Policy

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 counties

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 equivalents) 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 2022/23

The Council has set the following counterparty limits for 2022/23, and will invest in line with the creditworthiness policy detailed in 4.2.

Table 11 – Counterparty limits

	Maximum limit per institution £m
UK Government	40
UK banks/building societies with:	
- Minimum rating of AAA	30
- Minimum rating of AA	25
- Minimum rating of A	20
- Minimum rating of BBB	10
Foreign banks in countries with a sovereign rating of AAA and:	
- Minimum rating of AAA	25
- Minimum rating of AA	20
- Minimum rating of A	10
Money market funds	
- Minimum rating of AAA	20
Local authorities	40
Property fund	10
Note: No more than 25% of the total portfolio will be placed with one institution at the time of investing, except where balances are held for cash-flow purposes	

Due to the current high level of investments, the limits for foreign AAA rated banks have been increased for 2022/23. This will be reviewed annually to ensure the levels remain appropriate.

4.5 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). Where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable
- Conversely, if it is thought that Bank Rate is likely to fall within this time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

Investment return expectations

Base Rate forecasts for financial year ends (March) are shown below:

- 2021/22 0.25%
- 2022/23 0.75%
- 2023/24 1.00%
- 2024/25 1.25%

Investment treasury indicator and limit – Total principal funds invested for greater than 1 year

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

Upper limit for principal sums invested for longer than 1 year	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Upper limit of principal sums invested for longer than 1 year	40,000	40,000	40,000	40,000
Current investments in excess of 1 years outstanding at year-end'	25,700	25,700	-	-

4.6 Investment rate benchmarking

The Council will use an investment benchmark to assess the investment performance of its investment portfolio of 7 days, 1, 3, 6, 12 month LIBID un compounded.

4.7 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. This guidance was updated in February 2018.

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 2022/23 and future years

In order to determine its MRP for 2022/23 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 the unitary payments for the Mersey Gateway, the MRP charge will equal the principal repayment elements of the payments made.
- 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 charge.
 - 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: Executive Board

DATE: 17 February 2022

REPORTING OFFICER: Operational Director – Finance

PORTFOLIO: Corporate Services

TITLE: Capital Strategy 2022/23

WARDS: Borough-wide

1.0 PURPOSE OF REPORT

1.1 To consider the Council's Capital Strategy for 2022/23 and recommend it's approval by Council.

2.0 RECOMMENDATION: That Council be recommended to approve the 2022/23 Capital Strategy, as presented in the Appendix.

3.0 SUPPORTING INFORMATION

3.1 The revised 2017 Prudential and Treasury Management Code of Practice has required since 2019-20 that all councils prepare annually a Capital Strategy, which will provide the following:

- a high-level, long term overview of how capital expenditure, capital financing and treasury management activity will contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

3.2 The aim of the Capital Strategy is to ensure that the Council understands the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

3.3 The Capital Strategy should be read in conjunction with the Treasury Management Strategy Statement, found elsewhere on the Agenda, which details the expected activities of the treasury management function and incorporates the Annual Investment Strategy and the Minimum Revenue Provision (MRP) policy for 2022/23.

4.0 POLICY IMPLICATIONS

4.1 The successful delivery of the Capital Strategy will assist the Council in planning and funding its capital expenditure over the next three years, enabling the Council to use capital expenditure to assist in delivering the Council's priorities and managing the revenue cost implications.

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 This report, along with the Treasury Management Strategy ensure that the Council operates within the guidelines set out in the Prudential Code. The aim at all times is to operate in an environment where risks are clearly identified and managed.

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	Halton Stadium	
CIPFA Prudential Code		

HALTON BOROUGH COUNCIL

CAPITAL STRATEGY

2022/23

Revenues and Financial Management Division
Finance Department
February 2022

CAPITAL STRATEGY STATEMENT 2022/23**1 Background**

- 1.1 The Capital Strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It is written in an accessible style to assist understanding of these, sometimes technical, areas.

2 Capital Expenditure and Financing

- 2.1 Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion as to what is treated as capital expenditure, for example assets costing below £35,000 are not capitalised and are charged to revenue in year. Further detail on how the Council differentiates between revenue and capital spend is shown in the Capital Guidance included at Appendix 1.
- 2.2 All capital expenditure must be financed, either from external sources (Government grants and other contributions), the Council's own resources (revenue, reserves or capital receipts) or debt (borrowing, leasing or Private Finance Initiative).
- 2.3 Capital expenditure and financing for 2020/21 is shown below, along with estimates for 2021/22 and the following three years:

Table 1 – Capital Expenditure and Funding

	2020/21 Actual £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Capital Expenditure:					
People	3,709	2,952	5,941	1,140	1,140
Enterprise, Community & Resources	23,053	24,314	24,555	14,082	7,022
	26,762	27,266	30,496	15,222	8,162
Financed By:					
Capital receipts	(4,456)	(2,077)	(3,232)	(2,069)	(3,069)
Capital grants	(14,266)	(19,220)	(8,867)	(2,346)	(2,346)
Revenue	(729)	(22)	-	-	-
Net financing need for the year	7,311	5,947	18,397	10,807	2,747

3 Governance

- 3.1 The Council maintains a three year rolling programme of capital schemes (The Capital Programme). A summary of the three year Capital Programme is included in the Budget Report approved annually by Council. In addition a more detailed capital programme report is approved in June of each year, this contains detail of all known grant funded capital projects.
- 3.2 In line with Finance Standing Orders specific capital schemes are reported throughout the year to Executive Board with a recommendation for Council to subsequently approve. Changes to the Capital Programme during the year are reported quarterly to Council.
- 3.3 Capital project managers must complete a capital project form (Appendix 2) giving details of the financial impact of their capital schemes. The form will be completed in conjunction with Financial Management and will help to evaluate whether capital schemes are fully, correctly and effectively funded, that consideration has been given to contingency costs within the project and known future revenue costs are fully budgeted for. The project form should be included with reports to Executive Board by way of evidencing that the financial implications of schemes have been fully addressed.

4 Repayment of Borrowing:

- 4.1 Debt is only a temporary source of finance, since loans and leases must be repaid. This is therefore replaced over time by other financing, usually from revenue which is known as the Minimum Revenue Provision (MRP). Planned MRP payments are shown in the table below:

Table 2 – Minimum Revenue Provision

	2020/21 Actual £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Minimum Revenue Provision					
General Fund	2,377	2,130	2,531	2,502	2,079
Leases and PFI Schemes	534	479	558	616	628
Mersey Gateway unitary charge	6,310	6,518	6,766	7,325	8,511
Net financing need for the year	9,221	9,127	9,855	10,443	11,218

- 4.2 The table above includes MRP payable for finance leases, PFI schemes and the Mersey Gateway unitary charge. For accounting purposes these schemes are classed as borrowing and the annual payments are split between an interest charge and repayment of borrowing, which is shown as MRP above. It should be noted that leases, PFI schemes and Mersey Gateway unitary repayments have no impact on the Council's General Fund.

The Council's MRP statement is included as an appendix to the Treasury Management Strategy which should be read in conjunction with this report.

5 Outstanding Debt – Capital Financing Requirement

- 5.1 The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP. The table below shows the Council's Capital Financing Requirement for 2020/21 and how this is expected to change in 2021/22 and over the following three years.

Table 3 – Capital Financing Requirement

	2020/21 Actual £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Capital Financing Requirement	613,236	610,824	607,133	606,940	606,753
Movement in CFR due to:					
Net financing need for the year	7,311	5,947	18,397	10,807	2,747
PFI / Finance Leases	-	-	-	-	-
Use of Reserves to reduce MRP liability	(502)	(511)	(8,735)	(551)	(564)
Less Minimum Revenue Provision	(9,221)	(9,127)	(9,855)	(10,443)	(11,218)
Increase / (Decrease) in CFR	(2,412)	(3,691)	(193)	(187)	(9,035)

6 Asset Management

- 6.1 To ensure that capital assets continue to be of long-term use, the Council has an asset management plan in place. This summarises how the Council manages its land and property assets and sets out the Council's strategy to ensure that these assets can make the maximum contribution to achieving the aims and the objectives of the organisation.
- 6.2 The Council's Asset Management Plan comprises a number of sections including the accommodation plans; assets disposal plan and maintenance programme which are presented to the Asset Management Working Group, on a quarterly basis.

7 Asset Disposals

- 7.1 When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or the repayment of debt relating to the asset sold. The level of the Council's capital receipts reserve, the expected sales and planned expenditure is shown in the table below:

Table 4 – Capital Receipts Reserve

	2020/21 Actual £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Capital Receipts - 1st April	(5,639)	(2,082)	(1,476)	(3,452)	(6,883)
Asset Sales	(1,399)	(1,982)	(13,942)	(6,037)	(3,626)
Use of Capital Receipts					
- New Capital Expenditure	4,456	2,077	3,232	2,069	3,069
- Repayment of debt	500	511	8,734	537	551
Capital Receipts - 31st March	(2,082)	(1,476)	(3,452)	(6,883)	(6,889)

8 Treasury Management

- 8.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 8.2 The Treasury Management Strategy, elsewhere on the Agenda, details all aspects of the Treasury Management function and the associated risks as detailed below.
- Borrowing strategy
 - Investment strategy
 - Capital Financing Requirement
 - Capital Prudential Indicators
 - Treasury Indicators – Operational Boundary and Authorised Limit
 - Prospects for interest rates
 - MRP Policy

9 Knowledge and Skills

9.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions:

- The Operational Director - Finance is a CIPFA qualified accountant with over 35 years' experience in local government finance
- The Operational Director – Economy, Enterprise and Property has over 20 years' experience in Regeneration
- The Treasury Manager is a CIMA qualified accountant with 15 years' experience in local government finance and treasury management.
- The Council ensures all staff receive appropriate training for their roles including formal training and courses to support their development.
- The Council currently employs Link Asset Services to provide treasury management services in order to access specialist skills, advice and resources

CAPITAL GUIDANCE

1. Background & Purpose

- 1.1 The difference between capital and revenue expenditure is by no means simple to establish. In recent years it has become even more difficult, with the increasingly multi-funded and complex nature of many of the Council's services.
- 1.2 There is now an increased focus on the treatment of capital and revenue expenditure from Government and other funding bodies, along with the external auditor who have previously identified and reported upon capital transactions which had been incorrectly categorised. It is therefore essential to ensure the correct accounting treatment of capital and revenue transactions.
- 1.3 This Guidance is intended to clarify the difference between capital and revenue expenditure. It will also assist those involved in managing capital projects or processing capital transactions, to ensure the correct approval, accounting treatment, coding, monitoring, control and funding of capital expenditure.

2. Introduction

- 2.1 Capital expenditure is fundamentally different in its nature, funding and methods of control from revenue expenditure. It is therefore important that expenditure is correctly treated in terms of whether it constitutes capital or revenue expenditure and is correctly coded as such within the Agresso system. In addition, both revenue and capital expenditure must be accounted for correctly in order to comply with statutory accounting regulations.

3. Capital Definition

- 3.1 All costs must be treated as revenue expenditure, unless it is correct and proper to treat them as capital expenditure.
- 3.2 Capital expenditure is defined as expenditure on the acquisition of an asset (eg. land, property, plant, equipment, vehicles) or expenditure which adds to (rather than merely maintains) the value of an existing asset, or considerably extends the life of the asset. The asset must also provide benefit to the Council for more than one year.
- 3.3 For example, the construction of a Council office building will be treated as capital expenditure. Whereas, the on-going annual running costs for that building (eg. staffing, heating, lighting, contracts, supplies) will be treated as revenue expenditure.

4. What Constitutes Capital Expenditure?

- 4.1 In order to be included in the Council's Capital Programme, capital schemes must have a total estimated cost of at least £10,000 in respect of land, property and infrastructure and £5,000 in respect of equipment, plant and vehicles. Schemes having a total cost of less than these values must be treated as revenue expenditure.

- 4.2 Directly attributable costs incurred after a capital scheme has been formally approved in detail by Council, should be treated as capital expenditure.
- 4.3 Preparatory or feasibility costs incurred “prior” to the formal approval of a capital scheme must initially be treated as revenue expenditure, as these costs may prove abortive if the scheme does not ultimately go ahead and so may not ultimately result in the creation of an asset. However, once the scheme has been formally approved and will therefore proceed, the related preparatory or feasibility costs may be treated as part of the capital scheme costs.
- 4.4 The cost of providing an extension to a building should be treated as capital expenditure, as it is likely to increase the value of the building.
- 4.5 Major structural maintenance costs such as re-roofing, re-wiring, re-plumbing, boiler replacement, full window replacement etc., which are considered to considerably extend the life of a property, should also be treated as capital expenditure.
- 4.6 However, day-to-day building maintenance and repair costs such as roof repairs, electrical and plumbing repairs, decorating, building and window repairs must be treated as revenue expenditure.
- 4.7 Individual expenditure transactions of less than £1,000 should usually be treated as revenue expenditure, unless they form part of a larger capital cost which meets the capital definition eg. the balance of capital contract payments, monthly recharges of capital fees, invoices for specific elements of capital works.
- 4.8 Professional fees in respect of Valuers, Highway Engineers, Landscape Architects, and Regeneration staff are considered to add value to the assets they deal with and may therefore be charged to the relevant capital schemes. However, it is important to ensure that sufficient capital allocation exists to fund these costs. All other staffing costs must be treated as revenue expenditure.
- 4.9 Project support and implementation costs such as room hire, printing, hospitality, training, advertising, publicity etc. must be treated as revenue expenditure.
- 4.10 Expenditure on the initial, one-off purchase of computer software may be capitalised as an intangible asset. However, the on-going cost of annual software licences, support contracts, implementation consultancy and system training must be treated as revenue expenditure.
- 4.11 Where capital schemes are part or fully externally funded, the definition of what constitutes capital expenditure applied by the external funding body may differ to that presented in this Guidance and therefore the requirements of the external funding body should take precedence.

5. The Council’s Capital Programme

Scheme Approval

- 5.1 The Council maintains a three year rolling programme of capital schemes (The Capital Programme). A summary of the three year Capital Programme is included in the Budget Report approved annually by Council. In addition a more detailed capital programme report is approved by Executive Board in June of each year, this contains detail of all known grant funded capital projects. In line with Finance Standing Orders specific capital schemes are reported throughout the year to Executive Board with a recommendation for Council to subsequently approve. Proposed new capital starts will be considered and

prioritised in the light of the Council's Medium Term Financial Strategy, the Asset Management Plan, and delivery of the Council's corporate priorities.

- 5.2 Reports seeking approval for individual capital schemes should include the following financial information;
- (i) the gross cost of each scheme before any external contributions, reimbursements, or capital grants;
 - (ii) the estimated cashflows over the life of the scheme;
 - (iii) the expected revenue expenditure consequences of the scheme and how these will be funded;
 - (iv) details of any specific funding attributable to the scheme such as from capital grants, external contributions and other reimbursements.
- 5.3 The Operational Director, Finance will ensure that the estimated capital financing costs of the approved Capital Programme are incorporated within the annually set revenue budget.
- 5.4 Once a detailed scheme has been formally approved the designated Project Manager should contact the Revenues and Financial Management Division, providing details of the approval, in order for the appropriate capital accounting codes to be set-up to enable orders to be raised and expenditure incurred against the scheme.

Variations to the Capital Programme

- 5.5 Variations to the Capital Programme may be addressed by transfers (virements) between capital schemes within the Programme. This must be with the written approval of the Operational Director, Finance, and may only be up to 10% on schemes costing less than £5m or up to £500,000 on schemes costing more than £5m, as set out in the Council's Standing Orders Relating to Finance.
- 5.6 Any variations in excess of £500,000 must be reported for approval by Council. The report should include the reasons for the variation, details of how the variation might be contained or mitigated, revised cost estimates profiled over the life of the scheme, and the impact upon the scheme of the potential cost overrun.

Year-end Carry Forward / Slippage

- 5.7 Where total expenditure by year-end is less than the total capital allocation approved for a particular capital scheme, due to delays, slippage, or other exceptional circumstances, the Operational Director, Finance may choose to approve the carry forward of allocation into the following financial year. All applications for carry forward, including full details of the circumstances, must be made in writing to the Operational Director, Finance by 31st March each year.

6. Funding the Capital Programme

- 6.1 Capital expenditure may be funded from a variety of sources including capital receipts, capital grants, prudential borrowing, and revenue contributions. The Operational Director, Finance shall arrange for the financing of the Capital Programme as considered appropriate.

Capital Receipts

- 6.2 Where capital assets are sold the resulting income is termed capital receipts. Capital receipts can be used to fund additional capital expenditure or to repay outstanding capital financing debt, but they cannot be used for revenue purposes.

Capital Grants

- 6.3 Capital grants are provided with the specific purpose of funding capital expenditure. This will be stated within the grant conditions and therefore they cannot be used for revenue purposes.
- 6.4 Where funding agencies indicate that capital grants may be utilised for expenditure which does not meet the capital definition or constitute capital expenditure as per Sections 3 and 4 above, then the funding agency should be asked to re-assign part of the capital grant as a revenue grant.

Prudential Borrowing

- 6.5 The Council is able to borrow funds from approved external institutions. However, this must be in accordance with the Prudential Borrowing Code of Practice (The Prudential Code).
- 6.6 The fundamental requirements for compliance with the Prudential Code is that the Council must be able to demonstrate that its borrowing is prudent, affordable and sustainable ie. that it is able to repay the annual financing costs (principal and interest) over the life of the loan.

Revenue Contributions

- 6.7 The Council may decide to make a contribution from the revenue budget to assist with funding a capital scheme. It is “not” however possible to use capital funding for the purposes of meeting revenue expenditure.

External Contributions and Reimbursements

- 6.8 External contributions or reimbursements from partner organisations or other bodies may be received towards the funding of capital schemes.
- 6.9 Where capital schemes are part or fully funded from external funding sources, the “gross” rather than “net” cost of the scheme must be included within the Council’s Capital Programme. All approval limits etc. will then apply to the gross expenditure total for the scheme.
- 6.10 Any external funding should be claimed regularly and as early as possible, in order to minimise the cash flow costs associated with schemes.
- 6.11 Where funding organisations indicate that their contribution may be utilised for expenditure which does not meet the capital definition or constitute capital expenditure as per Sections 3 and 4 above, then the funding organisation should be asked to re-assign part of their contribution as revenue funding.

7. Capital Expenditure Controls

- 7.1 Full narrative descriptions must be input on the Agresso system in respect of all capital transactions, to support their correct accounting treatment and to assist with reporting.
- 7.2 In order to ensure that all capital expenditure is correctly treated within the accounts, the Revenues and Financial Management Division will periodically check that all transactions charged to capital schemes meet the definition of capital expenditure outlined above.
- 7.3 Where transactions are identified which do not meet the capital expenditure definition they will be transferred to the revenue account.

- 7.4 All capital expenditure must be incurred in accordance with the Council's Procurement Standing Orders.

8. Capital Monitoring and Reporting Requirements

- 8.1 Comments should be sought from the Operational Director, Finance on all draft reports to Management Team or Members regarding capital proposals, spending and funding.
- 8.2 It is the responsibility of each designated Capital Project Manager to monitor expenditure for their schemes, in order to ensure they remain within the approved Capital Programme allocations.
- 8.3 Where expenditure is anticipated to exceed allocation, Capital Project Managers should liaise with their Finance Officer at the earliest opportunity, in order to agree the corrective action required to bring the scheme back in line with the Capital Programme.
- 8.4 Capital Project Managers are required to provide the Revenues and Financial Management Division with estimated quarterly expenditure profiles for each of their capital schemes, by 31 May each year. Any significant revisions to the profiles should also be notified to the Revenues and Financial Management Division during the year. The profiles will be used to monitor the Capital Programme and to provide quarterly Councilwide reports to Executive Board
- 8.5 The Revenues and Financial Management Division will provide access to appropriate financial reports, to assist Capital Project Managers with monitoring expenditure for each of their capital schemes.

9. Accounting for Capital Expenditure

- 9.1 Where capital expenditure does not increase the value of an asset or considerably extend its life, then at year-end the expenditure will be deemed "impaired" and certified as such by a Valuer. The impaired expenditure will then be charged against the Council's revenue budget.
- 9.2 The Council operates a five year rolling programme of land and property re-valuations, whereby a fifth of the land and property assets are re-valued each year. Changes in valuation arising from this exercise are then reflected in the value of assets held on the Council's balance sheet at year-end.
- 9.3 Changes in the valuation of assets are required by accounting regulations to be recorded and maintained as a historic record for each individual asset. This is to enable revaluations and impairments to be identified and accounted for on an individual asset basis.

APPENDIX 2

Capital Project Financial Assessment Form

Division	
Responsible Officer	
Project Name	
Brief Description of project	
Intended purpose of scheme (eg regeneration, operational, investment, maintenance of asset)	
Outcomes hoped to be achieved	
Projected total cost	
How funded (eg grant, S106, capital receipts, borrowing, revenue, other)	
Value of contingency within project costs	
Ongoing annual revenue costs	
Estimated Life of asset (in years)	
Projected start date	
Projected end date	
Sensitivity analysis (for invest to save schemes)	

Notes for completion of form

Responsible Officer	This should be the name of the officer responsible for implementing the project.
Brief description of project	Describe what the capital monies will be spent on e.g. building new commercial property to be rented out to bring in income, purchase nursing home, prepare land for sale etc.
Outcomes hoped to be achieved	describe the reason for the scheme e.g. to retain nursing beds, to generate future revenue savings, to prolong life of existing asset etc.
Projected cost	This should be the total estimated cost to complete the capital project including capitalised salary costs, landscaping the area after completion (if required) and should include a contingency for unexpected costs.
How funded	For each different funding stream state exactly where the funding is coming from and how much e.g. for grants state which grant, for S106 monies state the agreement number, if borrowing state how the borrowing is to be repaid (i.e. cost centre savings will be coming from and over what period), if revenue state cost centre, if other state exactly where funds are coming from i.e area forum (state cost centre), developer - state who. Note that the total of 'how funded' should equal the 'projected cost'.
Ongoing annual revenue costs	e.g if purchasing a nursing home what would be the annual net cost of running the home, if building a new building what would be the costs of utilities, repairs etc.
Estimated life of asset	How long do you think the asset will last. E.g a vehicle may be 5yrs or may be 7 yrs, a building in good repair may be 60yrs. For a capital project to develop land for resale this may not be applicable.
Projected start & end date	When is it proposed the project will commence and if everything goes to plan when is the project expected to be complete so that the building can be used, the land can be sold, savings can be achieved etc.
Sensitivity analysis	This is required only for those schemes where the purpose of the scheme is to generate future income and may require input from your finance officer. You should state how long it would take for the scheme to break given the assumptions you have made, and how long it would take for the scheme to break given if those assumptions where different. Eg. if the scheme was to generate future income from solar energy and you have assumed future income will increase @ 3% per year how long would it take to break even if the increase was only 2% per year, or if it was 4% per year.

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REPORT TO: Council

DATE: 2 March 2022

REPORTING OFFICER: Operational Director – Finance

PORTFOLIO: Resources

SUBJECT: 2021/22 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 2021/22 capital programme.

2.0 RECOMMENDED: That the revisions to the Council's 2021/22 capital programme set out in paragraph 3.2 below, be approved.

3.0 SUPPORTING INFORMATION

3.1 On 17 February 2022 Executive Board received a report of spending against the Council's revenue budget and capital programme as at the end of December 2021. A number of revisions to the 2021/22 capital programme were recommended for approval by Council as outlined below.

3.2 It is proposed to revise the Council's 2021/22 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. Asset Management Data
2. Capital Repairs
3. Asbestos Management
4. Schools Access Initiative
5. Basic Needs Projects
6. Fairfield Primary School
7. Kitchen Gas Safety
8. Small Capital Works
9. SEND allocation
10. Healthy Pupil Capital Fund
11. Chesnut Lodge
12. Ashley at The Heath
13. Woodside KS2 Resource Base
14. Millbrow Care Home
15. St Lukes

16. Orchard House
17. Stadium Decarbonisation Scheme
18. Landfill Tax Credit Schemes
19. Halton Leisure Centre
20. 3MG
21. Murdishaw redevelopment
22. Equality Act Improvement Works
23. Broseley House
24. Halton Lea TCF
25. Runcorn Town Centre Fund
26. Integrated Transport
27. Street Lighting - Structural Maintenance
28. Street Lighting - Upgrades
29. Widnes Loops
30. SUD Green Cycle / Walk Corridors
31. Risk Management
32. Fleet Replacements
33. Silver Jubilee Bridge - Decoupling / Runcorn Station Quarter
34. Silver Jubilee Bridge - Lighting

- 3.3 Capital spending at 31 December 2021 totalled £13.331m, which is 96% of the planned spending of £13.864m at this stage. This represents 61% of the total Capital Programme of £21.811m (which assumes a 20% slippage between years).

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 2021/22 budget and capital programme, a register of significant financial risks was prepared which has been updated as at 31 December 2021.

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 Programme as at 31 December 2021

Directorate/Department	2021/22 Capital Allocation	Allocation to Date	Actual Spend to 31 December 2021	Total Allocation Remaining		2022/23 Capital Allocation	2023/24 Capital Allocation
	£'000	£'000	£'000	£'000		£'000	£'000
PEOPLE DIRECTORATE							
Asset Management Data	31	23	15	16		0	0
Capital Repairs	963	870	870	93		667	0
Asbestos Management	40	30	11	29		0	0
Schools Access Initiative	105	78	26	79		0	0
Basic Needs Projects	13	0	0	13		570	0
Fairfield Primary School	7	5	0	7		0	0
Kitchen Gas Safety	37	34	34	3		0	0
Small Capital Works	103	77	34	69		0	0
SEND allocation	200	150	35	165		553	0
Healthy Pupil Capital Fund	0	0	0	0		0	0
Chesnut Lodge	4	4	4	0		0	0
Ashley at The Heath	16	16	16	0		0	0
Woodside KS2 Resource Base	2	2	2	0		0	0
ALD Bungalows	0	0	0	0		199	0
Grants – Disabled Facilities	650	450	387	263		600	600
Stair Lifts	250	180	131	119		270	270
Joint Funding RSL Adaptations	200	150	82	118		270	270

Capital Programme as at 31 December 2021...continued

Directorate/Department	2021/22 Capital Allocation	Allocation to Date	Actual Spend to 31 December 2021	Total Allocation Remaining	2022/23 Capital Allocation	2023/24 Capital Allocation
	£'000	£'000	£'000	£'000	£'000	£'000
Millbrow Care Home	100	50	37	63	1,350	0
Madeline McKenna	100	20	11	89	0	0
St Lukes	40	10	3	37	200	0
St Patricks	50	20	11	39	0	0
Purchase of 2 adapted properties	0	0	0	0	358	0
Orchard House	40	32	32	8	0	0
TOTAL PEOPLE DIRECTORATE	2,951	2,201	1,741	1,210	5,037	1,140
ENTERPRISE, COMMUNITY & RESOURCES DIRECTORATE						
Stadium Minor Works	30	20	19	11	30	30
Stadium Decarbonisation Scheme	1,678	1,250	1,222	456	0	0
Children's Playground Equipment	65	12	12	53	65	65
Landfill Tax Credit Schemes	10	0	0	10	340	340
Upton Improvements	13	0	0	13	0	0
Crow Wood Park	50	1	1	49	5	0
Peelhouse Lane Cemetery	22	22	31	-9	0	0
Runcorn & Widnes Cemetery Storage	3	3	4	-1	0	0
Runcorn Town Park	280	10	9	271	300	300

Capital Programme as at 31 December 2021...continued

Directorate/Department	2021/22 Capital Allocation	Allocation to Date	Actual Spend to 31 December 2021	Total Allocation Remaining		2022/23 Capital Allocation	2023/24 Capital Allocation
	£'000	£'000	£'000	£'000		£'000	£'000
Open Spaces Schemes	650	220	217	433		600	600
Litter Bins	20	0	0	20		20	20
Brookvale Pitch Refurbishment	577	210	209	368		0	0
Halton Leisure Centre	400	300	286	114		8,600	10,000
Widnes Cremator	200	0	0	200		0	0
IT Rolling Programme	700	417	417	283		700	700
Covid IT Capital Costs	0	0	46	-46		0	0
3MG	73	23	23	50		126	0
Murdishaw redevelopment	6	0	0	6		32	0
Equality Act Improvement Works	133	113	113	20		417	300
Widnes Market Refurbishment	44	30	30	14		0	0
Broseley House	215	190	190	25		0	0
Solar Farm Extension	146	131	131	15		0	0
Foundary Lane Residential Area	1,682	84	84	1,598		0	0
Kingsway Learning Centre Improved Facilities	37	0	0	37		0	0
Kingsway Learning Centre Equipmen	8	8	8	0		0	0
Halton Lea TCF	904	312	312	592		0	0

Capital Programme as at 31 December 2021...continued

Directorate/Department	2021/22 Capital Allocation	Allocation to Date	Actual Spend to 31 December 2021	Total Allocation Remaining	2022/23 Capital Allocation	2023/24 Capital Allocation
	£'000	£'000	£'000	£'000	£'000	£'000
Property Improvements	200	23	23	177	200	200
Astmoor Regeneration	110	89	89	21	0	0
Runcorn Town Centre Fund	300	11	11	289	750	0
Bridge and Highway Maintenance	4,910	1,216	1,216	3,694	0	0
Integrated Transport	3,629	367	367	3,262	0	0
STEP Schemes	0	1	1	-1	0	0
Street Lighting - Structural Maintenance	50	27	27	23	860	200
Street Lighting - Upgrades	200	153	153	47	2,545	0
Widnes Loops	147	147	147	0	0	0
Runcorn East Connectivity	900	406	406	494	1,484	0
SUD Green Cycle / Walk Corridors	50	7	7	43	232	0
Windmill Hill flood Risk Management Scheme	212	200	200	12	0	0
Risk Management	50	9	9	41	474	120
Fleet Replacements	1,000	515	515	485	5,407	1,207
Silver Jubilee Bridge - Major Maintenance Scheme	320	0	0	320	0	0
Silver Jubilee Bridge - Decoupling / Runcorn Station Quarter	3,759	4,783	4,783	-1,024	0	0
Silver Jubilee Bridge - Lighting	25	17	17	8	468	0
MG Land Acquisitions	255	150	138	117	900	0
MG Development costs	100	75	55	45	0	0

Capital Programme as at 31 December 2021...continued

Directorate/Department	2021/22 Capital Allocation	Allocation to Date	Actual Spend to 31 December 2021	Total Allocation Remaining		2022/23 Capital Allocation	2023/24 Capital Allocation
	£'000	£'000	£'000	£'000		£'000	£'000
MG Additional Signage	50	36	6	44		0	0
MG Handback Land	100	75	56	44		0	0
TOTAL ENTERPRISE, COMMUNITY & RESOURCES DIRECTORATE	24,313	11,663	11,590	12,723		24,555	14,082
TOTAL CAPITAL PROGRAMME	27,264	13,864	13,331	13,933		29,592	15,222
Slippage (20%) Carried Forward	-5,453					-5,918	-3,044
Slippage Brought Forward						5,453	5,918
TOTAL	21,811	13,864	13,331	8,480		29,126	18,096

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REPORT TO:	Executive Board
DATE:	17 February 2022
REPORTING OFFICER:	Strategic Director – Enterprise, Community and Resources
PORTFOLIO:	Corporate Services
SUBJECT:	Calendar of Meetings – 2022/23
WARDS:	Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1 To approve the Calendar of Meetings for the 2022/23 Municipal Year attached at Appendix 1 (NB 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 2022/23 Municipal Year.

3.0 SUPPORTING INFORMATION

- 3.1 Members are asked to consider and recommend approval of the calendar of meetings for the 2020/21 Municipal Year.

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 required 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 2022	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN 2023	FEB	MARCH	APR	MAY
M	2 Early May Bank Holiday			1 Dev Manage Com		3 Dev Manage Com			2 New Year Bank Holiday			3 Dev Manage Com	1 Early Spring Bank Holiday
T	3			2		4	1 Corporate PPB		3			4	2
W	4	1		3		5	2		4	1	1 Regulatory	5	3
T	5 Local Elections	2 Bank Holiday		4	1	6	3	1	5	2	2	6	4 Local Elections
F	6	3 Bank Holiday	1	5	2	7	4	2	6	3	3	7 Good Friday	5
S	7	4	2	6	3	8	5	3	7	4	4	8	6
S	8	5	3	7	4	9	6	4	8	5	5	9	7
M	9 Dev Manage Com	6 Dev Manage Com	4 Dev Manage Com	8	5 Dev Manage Com	10	7 Dev Manage Comm	5	9 Dev Manage Com	6 Dev Manage Com	6	10 Easter Monday	8 Dev Manage Com (prov)
T	10	7 Corporate PPB	5 SEMINAR	9 SEMINAR	6 Corporate PPB	11 SEMINAR	8 Safer PPB	6 Dev Manage Com	10	7 Safer PPB	7 Dev Manage Com	11	9
W	11	8	6 HWB Board A&G Board	10	7 SEMINAR	12 HWB Board Regulatory	9	7 COUNCIL	11 Regulatory	8 Mayoral Com	8 COUNCIL	12	10
T	12	9	7	11	8	13	10	8 Executive Board	12	9	9	13	11
F	13	10	8	12	9	14	11	9	13	10	10	14	12
S	14	11	9	13	10	15	12	10	14	11	11	15	13
S	15	12	10	14	11	16	13	11	15	12	12	16	14
M	16	13 CYP&F PPB	11	15	12CYP&FPPB	17	14 CYP&F PPB	12	16	13	13 SEMINAR	17	15
T	17 Exec Board Select Com	14	12	16	13 Safer PPB	18	15	13	17 SEMINAR	14 Health PPB	14	18	16 Exec Board Select Com (prov)
W	18	15 Schools Forum	13 COUNCIL	17	14	19 Schools Forum COUNCIL	16 Environment PPB	14	18 HWB Board Schools Forum	15 Environment PPB - Schools Forum	15	19	17
T	19	16 Executive Board	14 Executive Board	18	15 Executive Board	20 Executive Board	17 Executive Board	15	19 Executive Board	16 Executive Board	16 Executive Board	20 Executive Board	18
F	20 Annual Council	17	15	19	16	21	18	16	20	17	17	21	19 ANNUAL COUNCIL (prov)
S	21	18	16	20	17	22	19	17	21	18	18	22	20
S	22	19	17	21	18	23	20	18	22	19	19	23	21
M	23	20 ELS&C PPB	18	22	19 ELS&C PPB	24	21 ELS&C PPB	19	23 CYP&F PPB	20	20	24	22
T	24	21 Safer PPB	19	23	20	25	22	20	24 Corporate PPB	21	21	25	23
W	25	22 Environment PPB	20	24	21 Environment PPB	26	23 A&G Board	21	25	22	22 HWB Board A&G Board	26	24
T	26	23	21	25	22	27	24	22	26	23	23	27	25
F	27	24	22	26	23	28	25	23	27	24	24	28	26
S	28	25	23	27	24	29	26	24	28	25	25	29	27
S	29	26	24	28	25	30	27	25 Xmas Day	29	26	26	30	28
M	30	27	25	29 Summer Bank Holiday	26	31	28	26 Box Day	30 ELS&C PPB	27	27		29 Spring Bank Holiday
T	31	28 Health PPB	26	30	27 Health PPB		29 Health PPB	27 Bank Holiday	31	28	28		30
W		29 Regulatory	27	31	28 A&G Board		30 Regulatory	28 Bank Holiday			29		31
T		30	28		29			29			30		1
F			29		30			30			31		2
S			30		1			31			1		
S			31		2			1			2		

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REPORT TO:	Council
DATE:	2 March 2022
REPORTING OFFICER:	Strategic Director – Enterprise, Community and Resources
PORTFOLIO:	Environment and Urban Renewal
SUBJECT:	Adoption of the Halton Delivery and Allocations Local Plan (DALP) including consequential deletion of specific Core Strategy policies and the deletion of saved Unitary Development Plan policies
WARDS:	Boroughwide

1. PURPOSE OF THE REPORT

- 1.1. This report invites Council to formally adopt the Halton Delivery and Allocations Local Plan. This follows receipt of the Planning Inspectors Report of Examination, into the soundness of the plan (Appendix A), which has concluded that the Plan as proposed to be modified is ‘sound’ and can be formally adopted.

2. RECOMMENDATION: That Council be recommended to:

- (1) Accept the findings of the Planning Inspector’s report into the soundness of the submitted Halton Delivery and Allocations Local Plan including the Main Modifications that are necessary for the document to be sound (Appendix A).**
- (2) Adopt the Halton Delivery and Allocations Local Plan(Appendix B) and supporting Local Plan Policies Map (Appendix C), including the Inspector’s Main Modifications and Council’s Minor Changes¹ as part of the Development Plan for Halton, to be used for development management purposes.**
- (3) Authorise the Operational Director for Policy, Planning and Transportation in consultation with the Portfolio Holder, to make final editorial amendments to the Halton Delivery and Allocations Local Plan prior to final publication. These amendments will be restricted to correcting minor errors and formatting text and shall not alter the meaning of the Delivery and Allocations Local Plan.**
- (4) Note that a number of saved policies in the Core Strategy (as listed in Appendix C of the DALP) will be deleted and replaced by policies**

¹ Minor Changes produced in December 2021 have already been approved by Council and through delegated powers as part of the December 2021 Full Council meeting, seeking approval for consultation on the modifications to the Delivery and Allocations Local Plan.

in the Delivery and Allocations Local Plan, and the saved polices of the Halton Unitary Development Plan will be deleted.

(5) Withdraw the following Supplementary Planning Documents

- **Affordable Housing SPD**

3. SUPPORTING INFORMATION

Delivery and Allocations Local Plan

- 3.1. The Halton Delivery and Allocation Local Plan is a key corporate document and the principal planning policy document for the future of Halton, setting out the development framework for the period 2014-2037. Officers commenced production of the DALP after adoption of the Core Strategy Local Plan in 2013, and the Plan has undergone five formal periods of public consultation during its evolution;
- Scoping, approved by Executive Board 09-01-2014
 - Revised Scoping, approved by Executive Board 10-12-2015
 - Publication draft, approved by Executive Board 16-11-2017
 - Proposed Submission draft, approved by Council 14-03-2019 and
 - Proposed Modifications, approved by Council 08-12-2021.
- 3.2. The DALP was submitted to the Secretary of State on the 5th March 2020 for formal Examination. Planning Inspectors, Caroline Mulloy BSc (Hons) DipTP MRTPI and David Troy BSc (Hons) MA MRTPI, were appointed on behalf of the Secretary of State to examine the Plan. Following an initial delay to allow further progress on the LCR Recreation Mitigation Strategy, the Inspectors issued a number of 'Matters, Issues and Questions' before proceeding to public hearing sessions over a 5 weeks across March 2021 – June 2021 to consider representation into the 'soundness' of the plan. Due to ongoing Covid restrictions the hearing sessions were held online and made available on YouTube.
- 3.3. The Inspectors formally wrote to the Council on the 01st October 2021 indicating that they considered that a number of changes known as 'Main Modifications' were required to make the Plan capable of being found 'sound' and suitable for adoption.

Main Modifications

- 3.4. Council approved a number of Main Modifications to the submitted DALP for public consultation together with other minor changes known as 'Additional Modifications' that do not affect 'soundness' at its meeting on the 8th December 2021. The public consultation ran between 9th December and 21st January 2022. All representations received were then considered by the Inspectors.
- 3.5. The consultation identified the following issues affecting the policies map that did not go to soundness and could be rectified through 'Further Additional Modifications',

- Agreed change of part of SG11 to green space
- Boundary amendment to site GT6
- Notation on Halebank playing field

At the Inspectors direction, a short consultation with key interested parties was undertaken from 7th February.

Inspector's Report

- 3.6. The Council has now received the Inspectors Report (Appendix A) on the Examination of the Halton Delivery and Allocations Local Plan. The report concludes that the Plan, as proposed to be modified (Dec'21) has met the duty to cooperate and "satisfies the requirements referred to in Section 20(5)(a) of the 2004 Act and is sound".
- 3.7. Receipt of a satisfactory report completes the Examination process and allows the Council to proceed to adopt the Plan as the main development plan document for Halton. A copy of the Written Statement accompanies this report as Appendix B and the Policies Map as Appendix C. Please see link below:

<https://www3.halton.gov.uk/Documents/council%20and%20democracy/meeting%20documents>

Halton's Development Plan

- 3.8. Following the adoption of the Delivery and Allocations Local Plan, Halton's development plan consists of two documents;
- (1) Delivery and Allocations Local Plan (incorporating saved policies from the Halton Core Strategy Local Plan (2013))
 - (2) Joint Merseyside and Halton Waste Local Plan (2013)

4. POLICY IMPLICATIONS

- 4.1. The Delivery and Allocations Local Plan is a key corporate document and the central policy document within Halton's Statutory Development Plan / Local Plan. The DALP is more than a planning document: it is a significant corporate policy document and as such, it will have widespread policy implications for the Council and its partners. The DALP has been in production since 2013 and therefore it is highly important that the Council presents a document that the Inspectors find capable of recommending for adoption. This will enable the Council to progress other documents within the Local Development Scheme, having the DALP as the long term planning policy basis for Halton.

5. OTHER IMPLICATIONS

- 5.1. No other implications to the Council have been identified.

6. IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

Children and Young People in Halton

- 6.1. A significant component of the content of the DALP is aimed at supporting raising aspirations of younger people, and supporting the provision of opportunities for them to enter further education or employment. The Plan also addresses the need to encourage and provide opportunities for children and younger people to access and participate in physically active, healthy lifestyles.

Employment, Learning and Skills in Halton

- 6.2. One of the main thrusts of the DALP is to support the enhancement of the Borough's economy and hence deliver economic growth. The DALP also aims to consolidate and enhance linkages to the wider sub-region and deliver the economic benefits of Halton's advantageous geographic location.

A Healthy Halton

- 6.3. The DALP contains a number of policies intended to directly or indirectly contribute to addressing the Borough's health problems across a number of policies, including through the maintenance of well-designed places and spaces, support for accessible sustainable travel options and through the provision of a healthy, green local environment. The DAP includes policy CS(R) 22: Health and Well-being which specifically looks to support healthy environments and lifestyles in the Borough.

A Safer Halton

- 6.4. Making Halton safer is a key consideration for the DALP, which aims to ensure that Halton's communities, businesses and visitors enjoy access to a safe and sustainable physical environment with natural and man-made risks and hazards being minimised. A number of policies seek to create and sustain safer environments, which are well designed, well built, well maintained and valued by all members of society.

Halton's Urban Renewal

- 6.5. The DALP key urban regeneration areas highlight areas which will be subject to concentrated renewal. The other policies in the Plan seek to support the renewal and/or enhancement of the Borough's green and built environment, with a particular focus on housing areas, employment land and the Borough's town centres.

7. RISK ANALYSIS

- 7.1. As the Planning Inspectors have found the Halton Delivery and Allocations Local Plan to be sound, it is capable of being adopted. The Council must advertise its decision to adopt the DALP, thereby allowing any person aggrieved by the adoption to apply to the High Court for permission to apply for a judicial review of the decision. Any such application to the High Court must

be made within a six week period from the date of adoption and must be made on the grounds that:

- The document is not within the appropriate power; or
- A procedural requirement has not been complied with.

No such challenges are anticipated and the Council believe that the DALP has been prepared in accordance with the relevant legislation.

8. EQUALITY AND DIVERSITY ISSUES

- 8.1. It is not foreseen that the adoption of the DALP will have a differential negative impact on the protected characteristics of the communities of Halton. Equality Impact Assessments have previously been undertaken on the DALP at the Proposed Submission and Revised Proposed Submission stages. No significant foreseeable impacts were identified at any of these stages.

9. REASON(S) FOR DECISION

- 9.1. A considerable amount of time and resources have been invested in the production of the DALP since work commenced on the document in 2013. Officers from across the Council and Members from across all parties have been involved in the production of the document since its inception. It is therefore recommended that the Delivery and Allocations Local Plan be adopted to form part of the Development Plan for Halton.

10. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 10.1. The Inspector has concluded that by making the main modifications appended to his report, the Halton Delivery and Allocations Local Plan satisfies the requirements of Section 20 (5) of the 2004 Planning and Compulsory Purchase Act and meets the criteria for soundness in the National Planning Policy Framework.
- 10.2. The only alternative option available to the Council is to not proceed to adoption and to formally abandon the Delivery and Allocations Local Plan. This would have a set of negative consequences including, not having an up-to-date development plan resulting in the application of the 'tilted balance' in favour of all development proposals, potential 'planning by appeal' and risks the Council's planning function being placed in 'special measures' by the Secretary of State, or being directed to adopt the Plan by the Secretary of State.

11. IMPLEMENTATION DATE

- 11.1. The policies of the Halton Delivery and Allocations Local Plan have been used as a material consideration in development management decisions since the Council resolved to submit the document to the Secretary of State in March 2020. It is proposed that the Halton Delivery and Allocations Local Plan be formally adopted as part of the Development Plan for the Borough and as such,

planning applications must be determined in accordance with the development plan from the date of this decision, unless material considerations indicate otherwise.

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

Document	Place of Inspection	Contact Officer
Delivery and Allocations Local Plan	Municipal Building, Widnes	Alasdair Cross
Delivery and Allocations Local Plan Policies Map	Municipal Building, Widnes	Alasdair Cross
Halton Local Development Scheme 2021	Municipal Building, Widnes	Alasdair Cross
Sustainability Appraisal 2019	Municipal Building, Widnes	Alasdair Cross
Habitat Regulations Assessment (AECOM) 2020	Municipal Building, Widnes	Alasdair Cross
The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended)	Municipal Building, Widnes	Alasdair Cross
Planning and Compulsory Purchase Act 2004	Municipal Building, Widnes	Alasdair Cross
National Planning Policy Framework (2019)	Municipal Building, Widnes	Alasdair Cross
Halton Core Strategy Local Plan (2013)	Municipal Building, Widnes	Alasdair Cross
Waste Local Plan (2013)	Municipal Building, Widnes	Alasdair Cross
Examination Library, including; <ul style="list-style-type: none"> ○ Submission Documents ○ Post Submission Documents ○ Matters Statements ○ Examination Documents 	Municipal Building, Widnes	Alasdair Cross

REPORT TO: Council

DATE: 2 March 2022

REPORTING OFFICER: Independent Members' Allowance Panel

SUBJECT: Members' Allowance Scheme – Tri-annual Review

WARDS: Borough wide

1.0 PURPOSE OF REPORT

To invite Council to consider the proposals of the Independent Members' Allowances Panel and to approve a Scheme of Allowances for Members with effect from April 2022.

2.0 RECOMMENDATION: That Council consider the

- 1) recommendations of the Independent Members' Allowances Panel as set out in Paragraph 6 of this report; and**
- 2) having regard to the Panel's recommendations, determine the Members' Allowance Scheme to be effective from April 2022 for a 3 year period.**

3.0 SUPPORTING INFORMATION

- 3.1 Under the Local Authority's (Members' Allowances) Regulations 2003 the Scheme of Members' Allowances, which was approved in March 2019, is due for review. It must be reviewed tri-annually.
- 3.2 As reported to Council at its last meeting, in consultation with the Leader, the Chief Executive invited three independent and respected private sector representatives to sit as an Independent Panel (the Panel) to review the Council's Scheme of Members' Allowances and to make recommendations to the Council with regard to the matters to be included in the scheme. The Panel members were identified as having private sector experience and also a strong understanding of the public sector, having worked closely with the public sector on numerous projects and partnerships. All three are independent of the Council.

The Panel consists of the following

Rachael Owen – Chief Executive, Halton Chamber

John Downes – MD, Langtree

John Lewis –MD SOG Ltd

4.0 BACKGROUND

- 4.1 The Panel were provided with, and appraised of, the Council's current scheme of allowances. This recognises the time and commitment of all Councillors as well as incidental costs incurred such as use of their vehicles, homes, internet and telephone for Council business.
- 4.2 Private use of mobile phones (etc.) is excluded and is met personally by Councillors.
- 4.3 All Councillors receive a Basic Allowance. Special Responsibility Allowances are paid in addition to Basic Allowances. Special Responsibility Allowances are paid to reflect the additional work involved in undertaking certain roles and taking on additional responsibilities within the Council's Constitution.
- 4.4 The current scheme also makes provision for payment of allowances in respect of the cost of child care or care for dependents incurred by Members in carrying out their duties.
- 4.5 Travel and Subsistence Allowances are payable for approved duties which are detailed in the current scheme on the production of relevant receipts. The current scheme permits co-optees reimbursement of travel and subsistence and childcare and dependent care allowance on the same basis as Members of the Council.
- 4.6 From 1 April 2014 Elected Members in England are unable to join the LGPS. Those Elected Members in England who were in the scheme on the 31 March 2014 can remain in the scheme until the end of their current term of office. Elected Members in England will not be able to rejoin the LGPS in any subsequent term of office in which they serve. The allowances of Elected Members of the Council currently admitted in to a Local Government Pension Scheme are treated as amounts in respects of which pensions are payable.
- 4.7 At the present time the allowances in the scheme are increased each year by the same percentage increase (or increases) as the NJC pay award for Local Government employees. Where different increases are awarded to different sections of the NJC workforce the percentage increase applicable at spinal column 29 applies. Increases apply on the same date as the pay award and are backdated where appropriate. Full details of the current scheme are attached as Appendix 1 to this report. It should be noted that the present allowances are still at the 2020 level, as the pay claim has not yet been settled. They will be backdated in due course.
- 4.8 To enable the Panel to consider the appropriateness of the existing

scheme, details of neighbouring authority schemes were collated and was made available to the Panel. This information is available on request.

- 4.9 The Panel invited the Leaders of the three political groups on the Council to share with them their thoughts on the current Members Allowance Scheme and any changes they would wish to see.
- 4.10 The Panel also invited all Members to share with them any thoughts they had on the current allowance scheme and any changes they would wish to see.
- 4.11 The Panel were advised by the Chief Executive, the Operational Director (Legal) and the Operational Director (Finance) on matters relating to the work of Elected Members, the law and other matters relating to Members' Allowances.

5.0 PANEL FINDINGS

- 5.1 The Independent Panel met once and also corresponded on a number of occasions. The Panel received a briefing provided by the Chief Executive and considered the papers that were provided in advance of their meeting. The Panel commented that this information was both informative and comprehensive and has helped the Panel to provide an informed and considered view on the current Members' Allowance Scheme.
- 5.2 After a thorough review of the current scheme, consideration of the comparative data, reviewing the comments and representations received from Elected Members and a detailed discussion the Panel concluded as follows ;

The Panel noted the major financial pressures currently facing the Council.

- It was noted Members Allowances currently account for **less than 0.5%** of the Council Budget.
- The Panel were of the view the current scheme of Members Allowances offers the community of Halton **good value for money**, given the time commitment given by Elected Members to a variety of representative roles and the local advocacy undertaken by Councillors in Halton.
- The majority of the Allowances in Halton are generally about 90% on average of those in similar roles when compared with neighbouring authorities.
- It was noted Halton continues to be recognised as a high performing Council with Members at the heart of its activities.

Public satisfaction levels are also generally in the upper quartile and the Auditor has consistently reported a good “value for money” finding.

The conclusion of the Panel is that current scheme of Members Allowances is still, “fit for purpose” and does not require any major changes or amendments.

However, the Panel noted that some of the Allowances have fallen below 90% on average, of those in similar roles when compared with neighbouring authorities.

The Panel’s RECOMMENDATIONS are:-

- (1) That - the current scheme of Members Allowances is still, “fit for purpose” and does not require any major changes or amendments.
- (2) That - all Allowances should be not less than 90% on average of those in similar roles when compared with neighbouring authorities (namely, the 5 LCR LAs and the 3 Cheshire & Warrington LAs) - on 1st April each year.

5.3 If accepted by the Council this would see a small increase in some of the Allowances.

6.0 RECOMMENDATION

It is recommended THAT

6.1 the current Members’ Allowance Scheme is fit for purpose and should remain largely unaltered, subject to consideration of the Panel’s comments above that all Allowances as set out in the scheme should be not less than 90% on average of those in similar roles when compared with neighbouring authorities (namely the 5 Liverpool City Region authorities and the 3 Cheshire & Warrington authorities.

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

Current Members Allowance Scheme.

Information on Members Allowance Schemes for neighbouring local authorities.

Comments from members.

Chapter 6

SCHEME OF MEMBERS' ALLOWANCES

This scheme of Members' Allowances has been set by the Council having regard to a report of an Independent Panel made up of non Councillors. The scheme came into effect from 1 April 2019 and will continue in force for three years.

1. Basic Allowance

The following basic allowance shall be paid to each Member of the authority to cover Councillors' incidental expenses such as heating, lighting, telephone, stationery and postage:

£9,011 per annum (as at 1 April 2020*)

Where a Councillor's term of office begins or ends part way through the year to which the allowance relates the amount of the basic allowance shall be reduced pro rata.

2. Special Responsibility Allowances

These allowances are paid to reflect the additional work involved in undertaking certain roles and taking on additional responsibilities under the Council's Constitution. The Special Responsibility Allowances are as follows:

Position	Limitations	SRA (as at 1 April 2020*)
Leader		£23,235
Deputy Leader	To a maximum of 68% of the Leader's SRA	£15,800
Executive Board Members	To a maximum of 56% of the Leader's SRA	£13,012
Chairs – Boards & Committees	To a maximum of 33% of the Leader's SRA	£7,739
Vice Chairs – Boards & Committees	50% of the Chair's SRA	£3,869
Leader of Principal Opposition (can be split equally if there is parity in the Opposition Groups)	Equal to that of the Chair's SRA	£7,739
Scrutiny Co-Ordinator	Equal to that of the Chair's SRA	£7,739

Special Responsibility Allowances are paid in addition to Basic Allowance. No Member is paid more than one Special Responsibility Allowance at any one time and, in the event that a Member undertakes more than one Special Responsibility at a time, then the higher/highest Allowance will be paid.

APPENDIX 1

Where a Councillor does not hold the role giving rise to the entitlement to the Special Responsibility Allowance for the full year to which the allowance relates, the amount of the Special Responsibility Allowance shall be reduced pro rata.

(NB The Mayor will receive an allowance equivalent to the SRA of a Member of the Executive Board. The Deputy Mayor will receive an allowance equivalent to 50% of the SRA of a Member of the Executive Board. These allowances are not part of the scheme: this information is for completeness only.)

*Figures are subject to change in line with the employee cost of living rise (see item 7 below).

3. Child Care and Dependent Carer's Allowance

A Child Care and Dependent Carer's Allowance shall be payable based upon reimbursement of actual receipted costs subject to prior agreement with the Strategic Director – Enterprise, Community and Resources. The allowance is payable to any Member who incurs expenditure in respect of child or dependent relative care whilst undertaking the approved duties specified in paragraph 14 of this scheme.

4. Travel and Subsistence Allowances

Travel and subsistence allowances are payable for the approved duties set out in paragraph 14 of this scheme. Members are entitled to reimbursement of the full costs incurred (on production of the relevant receipts) subject to the following limits:

Car Mileage

Engine size	Up to 999cc	1000cc to 1199cc	1200cc and over
Pence per mile	34.6	39.5	48.5

Motorcycle Mileage

Engine size	Up to 149cc	150cc to 499cc	500cc and over
Pence per mile	8.5	12.3	16.5

Subsistence Allowances

Breakfast	Lunch	Dinner
£6.45	£8.65	£17.35

APPENDIX 1
Overnight Accommodation

Outside London	£100.52 per night
Inside London	£126.90 per night

The Strategic Director –Enterprise, Community and Resources may authorise reimbursement at a higher rate for overnight accommodation and subsistence where it is not reasonably practicable for the Member to keep costs incurred to the allowances set.

Cycle Allowance

Members to be entitled to a mileage allowance equivalent to that payable to officers for use of a cycle in carrying out approved duties.

Public Transport

Reimbursement of full cost on payment of receipts (subject to air and rail travel being booked through the authority).

In respect of overseas travel, Members may claim reimbursement for all expenditure reasonably incurred in respect of duties outside the country provided that the travel has been approved in advance by the Strategic Director – Enterprise, Community and Resources.

The Strategic Director – Enterprise, Community and Resources may make an advance to a Member in respect of the likely costs of travel and subsistence where he/she considers it appropriate, subject to any advance being deducted prior to payment of any subsequent claims. (Except as varied above, the additional rules approved by the Standards Committee for Members' Travel and Subsistence Payments remain in effect.)

5. Co-Optees

Any co-optees, as permitted by the Council's constitution, shall be entitled to claim Travel and Subsistence and Child Care and Dependent Carer's Allowances on the same basis as any Member of the Council

6. Pensions

All Members of the Council who qualify for admission to the Local Government Pension Scheme shall be eligible to join the Scheme and both Basic Allowance and Special Responsibility Allowance shall be treated as amounts in respect of which pensions are payable.

APPENDIX 1

7. Annual Increase

Any increase in Basic and Special Responsibility Allowances shall apply from the same date as the pay award is to take effect, and increases shall be backdated if necessary.

The allowances in this scheme shall be increased by the same percentage increase (or increases) as the NJC pay award for Local Government employees. Where different increases are awarded to different sections of the NJC workforce the percentage increase applicable at spinal column 29 shall apply.

8. Withholding of Allowances

Where a Member is suspended, or partially suspended, from their responsibilities or duties as a Member of the Council in accordance with Part III of the Local Government Act 2000, or regulations made thereunder, that part of any

- Basic Allowance
- Special Responsibility Allowance
- Travel and Subsistence Allowance

payable under this scheme in respect of the duties or responsibilities from which the Member is suspended may be withheld by the Council.

9. Payment of Allowances

Basic Allowance and Special Responsibility Allowance will be paid in 12 monthly instalments on the 20th of each month direct to a bank account. Other allowances will similarly be paid on the 20th of each month direct to a bank account subject to the relevant claims being submitted and approved in accordance with such procedures as may be set down by the Strategic Director – Enterprise, Community and Resources.

10. Repayment of Allowances

Where payment of any allowance has already been made in respect of any period during which the member concerned is

- (a) suspended or partially suspended from their responsibilities or duties as a member of the authority in accordance with Part III of the Local Government Act 2000 or regulations made under that Part;
- (b) ceases to be a Member of the authority; or
- (c) is in any other way not entitled to receive the allowance in respect of that period,

the Council may require that such part of the allowance as relates to any such period be repaid to the Council.

APPENDIX 1

11. Renunciation

Members may elect to forego any part of their entitlement to an allowance under this Scheme by giving notice in writing to the Strategic Director – Enterprise, Community and Resources.

12. Multiple Authorities

Where a Member of the Council is also a Member of another authority, that Member may not receive allowances from more than one authority in respect of the same duties.

For the avoidance of doubt, allowances may be paid for Co-opted Members of the Transport Committee (Merseytravel Committee) and its Sub-committees of the Liverpool City Region Combined Authority, and will be dealt with in accordance with the Merseyside Integrated Transport Authority Scheme.

13. Time limit for Claims

Claims for the following allowances:

(a) Child Care and Dependent Carer's Allowance;

(b) Travelling and Subsistence Allowance

must be made by the person to whom they are payable within one month of the end of the month in which the entitlement to the allowance arose. In the event that a claim is not made within this time limit the Strategic Director – Enterprise, Community and Resources shall have absolute discretion as to whether to pay the claim.

14. Approved Duties

The following duties are specified as approved duties for the purpose of Travel and Subsistence Allowances and Child Care and Dependent Carer's Allowance:

1. Any meeting of the Council, Executive Board or other Board, Committee or Sub-Committee meeting.
2. Any meeting of a Working Group, or Panel appointed by a Board or Committee.
3. Any formal meeting with other local authorities.
4. Meetings with Council officers on official business.
5. Training courses and seminars organised by the Council.
6. All meetings where Members are appointed as representatives of the Council on Outside Bodies excluding School Governing Bodies.

APPENDIX 1

7. All meetings, seminars and events attended by the Member where the Members' attendance is organised, requested or arranged by the Council.
8. Meetings of Local Area Forum Projects.
9. The carrying out of any other duty approved by the Chief Executive of the Authority, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the authority or of any of its Boards or Committees.

APPENDIX 2

Member comments:-

Cllr Peter Lloyd-Jones

If one ignored the current financial position of the Council, then there would seem to be an argument for a small increase in the basic allowance. The existing basic allowance is almost exactly 90% of the average.

I appreciate that 90% is considered by the panel to be acceptable, but should we not be aiming for 100%?

Maybe this is not the right time!

I have otherwise no comments. The two proposed increases are clearly fully justified.

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NOTICE OF MOTION

To be submitted to the meeting of Full Council to be held on: 2 March 2022

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in accordance with Standing Order Number 6.

	Name (in capitals)	Signature
Proposer:	Cllr KATHLEEN LOFTUS	KB Loftus
Seconder:	Cllr. Irene Bramwell.	I Bramwell.

Sexual Harassment, Sexual Violence and Bullying in Schools

A report was presented to the PPB of Children and Young People about Bullying, Sexual Harassment and Sexual Violence involving Students.

Within the report it was made clear to the members that the reporting of incidents of Sexual Harassment Sexual Violence and Bullying in schools was not being as open as it should be. The Members were informed that when schools stated that no incidents had happened it would be to assume the opposite because this is a national problem. It was this assumption that prompted me to propose this motion.

I propose that all Local Authority School Governor's ask for every school, Governor's Board to Debate these issues at their next meeting and report back to next meeting of the PPB of C&YP Board.

The issues that need to be addressed are as follows,

1. Education, Young Adults need to be made aware of the impact that incidents of Bullying Sexual Harassment or Sexual Violence has on both the victim and the perpetrator. For both the impact could be life changing. For the victims their self-worth could be undermined for life, for the perpetrator if convicted their aspirations for employment will be greatly reduced and the stigma will last for years.

2. Actions by the Schools, Recording of incidents and support for the victim is essential.

All complaints must be taken seriously and investigated thoroughly, Each year group should have a named adult that a child from that year group can talk to. This person will need to be able to support the young person throughout the investigation. If the incident involves a criminal act the Police should be involved from the start.

3. Bullying, Some Schools in Halton already allow girls to wear trousers in school but those girls are often bullied by people making assertions of their sexual identity.

With the change's to the rules governing school uniforms (Thanks to Mike Amesbury) this could be the opportune time to encourage schools to promote Gender Neutral Uniform's (including Gym Kits) from September. This will be very economically beneficial for those parents on limited incomes.

I hope all Members can agree with me that these steps need to be taken, when you vote.

We all need to remember that as Councillors we are corporate Parents.