

Public Document Pack



Executive Board

Thursday, 25 February 2016 2.00 p.m.
The Boardroom, Municipal Building

A handwritten signature in black ink, appearing to read 'David W R'.

Chief Executive

ITEMS TO BE DEALT WITH IN THE PRESENCE OF THE PRESS AND PUBLIC

PART 1

Item	Page No
1. MINUTES	
2. DECLARATION OF INTEREST	
Members are reminded of their responsibility to declare any Disclosable Pecuniary Interest or Other Disclosable Interest which they have in any item of business on the agenda, no later than when that item is reached or as soon as the interest becomes apparent and, with Disclosable Pecuniary interests, to leave the meeting during any discussion or voting on the item.	
3. LEADER'S PORTFOLIO	
(A) SYRIAN REFUGEE CRISIS	1 - 6

*Please contact Angela Scott on 0151 511 8670 or
Angela.scott@halton.gov.uk for further information.
The next meeting of the Committee is on Thursday, 10 March 2016*

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4. HEALTH AND WELLBEING PORTFOLIO	
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7. SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
PART II	
<p>In this case the Board has a discretion to exclude the press and public and, in view of the nature of the business to be transacted, it is RECOMMENDED that under Section 100A(4) of the Local Government Act 1972, having been satisfied that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.</p>	
8. RESOURCES PORTFOLIO	
(A) DISCRETIONARY BUSINESS RATES RELIEF REQUEST	62 - 82

In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.

REPORT TO: Executive Board
DATE: 25 February 2016
REPORTING OFFICER: Chief Executive
PORTFOLIO HOLDER: Leader
SUBJECT: Syrian Refugee Crisis
WARDS: Boroughwide

1.0 PURPOSE OF REPORT

1.1 The report sets out the situation in Syria and the current response from Central Government and at a local level. It also outlines the definition of refugees, and asylum seekers and what that means for Local Authorities.

1.2 Halton is working collaboratively with all the NW local authorities in respect of this agenda and is part of the Merseyside sub regional group. Locally the Council is developing measures to fully engage with communities, statutory and non-statutory agencies, including the faith and voluntary sector to improve the understanding of the refugee crisis and the implications this has for Halton and the wider NW.

2.0 RECOMMENDATION: That Council

- 1) support the COMPASS and VPR programme;**
- 2) work with all the North West local authorities to establish a robust operational mechanism to oversee and deliver the programme; and**
- 3) learn from the examples of best practice nationally, to ensure that Halton provides effective humanitarian support, which is measured and proportionate, and takes into account the needs of those relocated under the programme and Halton's existing communities.**

3.0 SUPPORTING INFORMATION

3.1 The UK Government have been taking part in the Syrian Resettlement Programme to offer support and assistance to refugees who have fled their home countries. Since 2011, the UK has granted humanitarian protection to almost 5,000 Syrians via the normal immigration procedures. A further 216 people have been

relocated under the Syrian Vulnerable Persons Application Scheme.

3.2 The following is detailed definition of refugee and asylum seeker status:

- **Refugee** A person owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, is outside the country of his nationality and unable to or unwilling to return due to the level of fear and persecution. In accordance with immigration process a person is officially a refugee when they have their claim for asylum accepted.
- **Asylum Seeker** A person who has left their country of origin and has formally applied for asylum within another country, which has not been concluded.

3.3 Central Government is looking to increase the number of Local Authorities participating in asylum dispersal and resettlement schemes.

All local authorities in the NW, including Halton, have intimated that, in addition to participating in the asylum dispersal process, they are willing to support an agreed and proportionate number of Syrian Refugees through the Syrian Vulnerable Persons Resettlement Scheme (VPR). The number of refugees who may be relocated to Halton is anticipated to be less than 100.

This report seeks authority to confirm Halton's formal agreement to participate.

There are two schemes that run parallel with one another.

The Asylum Dispersal Programme (COMPASS)

The existing asylum dispersal scheme is called COMPASS (Commercial and Operational Managers, Procuring Asylum Support Services) across the UK. The Home Office has contracted with one private sector provider Serco to provide asylum accommodation, transport and support.

Asylum seekers entering the country independently are required to seek asylum and undergo the immigration process. The appointed agent, Serco, manage the temporary accommodation and Urgent Care 24 the healthcare of this client group. The migrants are placed into temporary accommodation funded directly by the Home Office pending the immigration control decision on their application. These clients do not have recourse to public funds or services and are NOT the responsibility of the local authority.

3.4 The provider for the North West, Serco is required by the COMPASS contract to consult with Local Authorities on the

procurement of dispersal accommodation. The only exception to this is when temporary dispersal accommodation is needed and asylum seekers can be placed in a Borough, with no consultation with the Council.

3.5 There have been no placements within the Borough since January 2016.

3.6 **The Syrian Vulnerable Persons Resettlement Scheme (VPR)**

The expansion of this scheme will enable a further 20,000 Syrian refugees to be admitted to the UK by 2020. As part of Central Government commitment to take migrants directly from the effected Syrian camps and relocate to the United Kingdom. This client group will undergo the necessary health and immigration process prior to entering the country. This client group will be awarded five-year humanitarian protection.

3.7 All Local Authorities across the North West have intimated that they are prepared to make a commitment and confirmed their willingness to support the VPR programme. This report seeks authority to confirm Halton's formal agreement to participate.

The Home Office position remains that only refugees meeting the following criteria will be relocated to the UK through the above scheme:

- Refugees identified by the United Nation Refugee agency (UNHCR) will be eligible for relocation. These will be people who are within the refugee camps in countries outside of Syria and not the people who have left Syria and are presently within Europe.
- Survivors of torture and violence, women and children at risk and those in need of medical care will be prioritised.
- Individuals identified by UNHCR are allowed to bring their immediate families with them; this is limited to one spouse/partner and their minor dependent children under the age of 18. There is no provision for refugees to bring over age dependent relatives unless they meet the vulnerability criteria in their own right or the Home Office is satisfied that there is an existing dependency.
- Generally families will consist of between 4 – 6 people (including the head of the family) however, cases will also consist of single people and the occasional larger families.
- Individuals and families will be subject to immigration and visa checks within the camps and will only be eligible for relocation once this has been completed. They will then be granted humanitarian protection, giving them right to remain within the accepting country for a period of five years. Upon arrival in the country, this will give them full access to employment

opportunities, public funds and services.

- At the end of the five year period, if they have not been able to return to Syria, they may be eligible to apply for resettlement within the UK. Settlement may be refused if the person is convicted of a criminal offense and will be refused if they pose a danger to the public or national security.
- Medical reports will be submitted by the International Organisation for Immigration in advance of arrival. Following this assessment, and the consideration of broader needs, Local Authorities confirm with the Home Office whether or not they are able to accept the specific referral

3.8 The UK Government has indicated that concerted efforts will be made to place Syrian Refugees equitably across the country to ensure that no one Council is disproportionately affected. It expects Councils to take an innovative approach, working in close partnership with communities and voluntary sector. The Local Authorities will be responsible for sourcing accommodation and ensuring refugees are integrated into the community and/or helped to relocate back to their home country if circumstances change.

3.9 **The Role of the Local Authorities**

Each local authority in the NW will take the lead role to work with local partners to ensure that arrivals are provided with suitable accommodation and that the specific needs of this vulnerable group are met. This includes securing the prior sign up of local partners, the Clinical Commissioning Group and local NHS England area team, to facilitate access to primary and secondary healthcare providers, adult social care, education and housing. In Halton, the Council is also engaging with the voluntary, community and faith sector to help support refugees located in Halton.

3.10 There will be a requirement for all Local Authorities to have a multi-agency assessment panel to assess the capacity of the area to support the individuals and families identified by the Home Office as being suitable for relocation in the UK. The decision to take refugees is largely dependent upon the availability of Housing, school placements and appropriate services within each Local Authority district.

3.11 Councils can request a particular make up of cases from the Home Office, and it is likely that they will be given a minimum of 4-5 weeks' notice of new arrivals and longer for any cases with complex care needs. Halton is working as part of the NW local authority network. In the Liverpool City Region the local authorities are taking a collaborative approach with Liverpool City Council taking the lead, with David Parr as the Lead Chief Executive. Liverpool City Council will be the grant agreement holder with the Home Office and will put in place operating agreements with the other LCR authorities.

3.12 **Funding**

Central Government will meet the costs of the arrivals in terms of orientation, support, health and education costs for the first year, with reducing support in years 2 – 5. Staffing costs to cover administration of the scheme will also be met. However, it is not yet clear if a cap will be placed on the maximum amount of funding available for individual health, social and education needs. The financial support is expected for the list of requirements below:

- Reception and travel costs to the receiving area
- The actual costs of upto two months void costs when securing accommodation, plus the actual cost of adapting and furnishing properties where necessary.
- A one off cash and clothing allowance for new arrivals of upto £200 per person paid in advance of receipt of mainstream benefits.
- £600 per head for primary care costs plus first year secondary health costs, including any specialist services that are necessary.
- £4,500 per head for education costs for 5-18 year olds
- £2,250 per head for education costs for ages 3-5, plus any first year costs for specialist education costs incurred for the first year.
- The actual costs of providing one year's orientation support, including provision of English for speakers of other languages.
- Local Authorities will be expected to work with DWP in supporting the refugees to access employment opportunities. However, there is no information of work that has been carried out at a departmental level to ensure that DWP are able to respond and contribute to the effective resettlement of Syrian Refugees.
- £12,000 of funding is available from the Overseas Development Aid budget on a per person basis, starting at £8,520 in year one, tapering to £1,000 in year five.

3.13 There will also be support for education and health in years 2-5, which will be funded separately to the Local Authority tariff. Given the specific requirements of this group, this list is not definitive and is open to negotiation if Local Authorities consider there are other elements not covered above that would additional funding to administer an orientation programme of this kind.

4.0 **POLICY IMPLICATIONS**

4.1 Consideration will need to be given to the Council's existing policies and what, if any, impact there may be. Initial consideration suggests the impact will be minimal given the small number of refugees who may be relocated in Halton (less than 100) and the Council's population (126,000).

5.0 OTHER/FINANCIAL IMPLICATIONS

5.1 Central Government has outlined the level of funding to be made available to all participating Local Authorities to support the additional 20,000 Syrian refugees under the VPR programme. The LGA has confirmed the financial assistance available per person over a five year period.

5.2 The costs of providing asylum under Compass are met by the Government, as the asylum seekers do not have recourse to public funds prior to the immigration process being completed. There will however be resource implications if refugees are given a positive decision, whereby, Local Authorities will then have a statutory duty to assist.

6.0 RISK ANALYSIS

6.1 All risks will be assessed and mitigated where possible. However, it is difficult to quantify, as the refugees will be by definition vulnerable, but their individual situation and needs are unknown. The complexity of support will need to be defined, and the capacity of the community needs assessed to determine the level of infrastructure support needed. However, many of the refugees are well educated, professionals and will positively contribute to the community.

7.0 EQUALITY & DIVERSITY ISSUES

7.1 Due regard will be given to the requirements of the Equality Act.

It will be important to be sensitive and all action taken will be proportionate.

8.0 LIST OF BACKGROUND PAPRS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None under the meaning of the Act.

REPORT TO:	Executive Board
DATE:	25 February 2016
REPORTING OFFICER:	Strategic Director, People and Economy
PORTFOLIO:	Health and Well-Being
SUBJECT:	The National Living Wage – Care Provider Contracts
WARD(S)	Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To inform Executive Board on the planned introduction of the National Living Wage and the potential impact for the pooled budget for Health and Care Services in Halton.

2.0 RECOMMENDATION: That approval be given to actively enter into discussions with Care Providers, to agree how additional costs will be met, as set out in paragraphs 5.4.3 and 5.4.4 below.

3.0 SUPPORTING INFORMATION

3.1 The Government announced that from 1st April 2016, it will introduce a new mandatory National Living Wage (NLW) for workers aged 25 and above. Initially, it will be set at £7.20 an hour, with a target of it reaching more than £9 an hour by 2020. Part-time and full-time workers will benefit from it.

3.2 The National Minimum Wage (NMW) will remain in place, and the compulsory National Living Wage (NLW) will be a top-up for workers aged 25 and over.

The statutory definitions are:

- **National Minimum Wage (NMW)** – the statutory rate applicable to adults aged 21 years to 24.
- **National Living Wage (NLW)** – An enhanced statutory rate of pay, applicable to adults aged 25 years and above, which to be introduced from 1st April 2016.

3.3 The (NMW) minimum rates are as follows:

Year	21 and over	18 to 20	Under 18	Apprentice*
2015 (current Rate)	£6.70	£5.30	£3.87	£3.30
2014	£6.50	£5.13	£3.79	£2.73
2013	£6.31	£5.03	£3.72	£2.68

*This rate is for apprentices aged 16 to 18 and those aged 19 or over who are in their first year. All other apprentices are entitled to the National Minimum Wage at their age.

- 3.4 The Chancellor of the Exchequer has commented that in order to help businesses to afford the increases in wages he is cutting Corporation Tax by 2% to 18% by 2020. In addition employers will be able to reduce the amount of national insurance contributions (NIC's) they pay for their employees by 50% up to £3,000.
- 3.5 In 2014/15 over £20m was spent on the external provision of adult care and the top 10 providers accounted for half of this expenditure. Out of these providers, over 82% of care was provided by private limited companies who will therefore benefit from the cut in corporation tax. The other 18% of care was provided by registered charities. The majority of private limited companies provide residential care which accounts for 64% of their market, domiciliary care 28% and supported living 8%.
- 3.6 A Government spokesperson said: "The National Living Wage will benefit hundreds of thousands of care workers who will see their pay increase. The overall costs of providing social care will be considered as part of the spending review later this year and we are working with the care sector to understand how the changes will affect them."
- 3.7 In Halton there are currently 12 domiciliary care providers who work across the Borough and 29 care homes. Skills for Care (Jan 2015) have estimated that there are approximately 2,100 direct care workers within the Borough of which 92% are over the age of 25. The majority of the contracted organisations are stating that this will place economic challenges on their organisation and will impact their ability to remain economically viable in the future.

4.0 POLICY IMPLICATIONS

- 4.1 None identified.

5.0 FINANCIAL IMPLICATIONS

- 5.1 A finance model to establish the potential impact of the cost of the NLW has been designed and adopted by local authorities across the North West region. Although more detailed modelling is required to determine an accurate estimate of the potential impact, this initial analysis gives some indication of the costs involved for Halton.

Staff cost %	Cumulative Total Cost Per Year				
	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k	2020/21 £k
100%	1,345	2,564	3,779	4,994	6,209
90%	1,215	2,308	3,401	4,495	5,588
75%	1,012	1,923	2,834	3,745	4,656

- 5.2 The assumptions upon which the above model is based are as follows;
- Assumes a 50p increase from 2015/16 to 2016/17, followed by a 45p increase each following year.
 - It applies to staff over 25 years only. As the age profile of workers is unknown with any degree of certainty, the increase has been calculated on the workforce as a whole, then subsequently on 90% and 75% of the workforce.
 - No increase to client contributions has been accounted for. Any increase in contributions would reduce the costs above.
 - No incremental costs have been included e.g. the impact on supervisor salaries caused by junior staff rising to the same level of pay.
 - The increased cost does not account for changes in demand. It is based on expected spend for 2015/16. Demographic growth and inflation needs to be considered separately.
- 5.3 The tables below show the effect of the NLW on the unit cost of services for 2016/17 and 2017/18. The assumptions on which the unit costs are based are as follows:
- Annual inflation is 1% for Domiciliary & Direct Payments & 0.82% for Residential Care.
 - Indicative hourly/weekly rates includes the impact of NLW increase for 90% of the workforce.
 - Indicative Weekly Rate (Residential) average staff to service user ratio is 1:7 and is a 24/7 service provision.
 - This excludes any contribution to meet the NLW from the care providers through reduction in corporation tax and NI liabilities.

Service	2015/16		2016/17		2017/18		
	Average Hourly Rate £	Inflated Hourly Rate £	Indicative Hourly Rate £	Increase on Previous Year %	Inflated Hourly Rate £	Indicative Hourly Rate £	Cumulative Increase %
Domiciliary Care	11.65	11.77	12.22	3.82	11.88	12.74	7.19
Direct Payment: PA	9.64	9.74	10.19	4.62	9.83	10.69	8.69
Complex Agency	11.71	11.83	12.28	3.80	11.95	12.80	7.16
Complex Agency	11.45	11.56	12.01	3.89	11.68	12.54	7.32
NLW			7.20			7.65	

Service	2015/16		2016/17		2017/18		
	Weekly Rate £	Inflated Weekly Rate £	Indicative Weekly Rate £	Increase on Previous Year %	Inflated Weekly Rate £	Indicative Weekly Rate £	Cumulative Increase %
Residential Care	379.16	382.27	393.07	2.83	385.40	405.92	5.32
NLW			7.20			7.65	

Options Appraisal

- 5.4 The potential increase in costs identified in paragraph 5.1 above needs to be met from April 2016. Options to be considered are as follows;
- 5.4.1 Take no immediately action, see what costs the Care Providers can absorb and wait for them to approach the Council.
- 5.4.2 Pay full cost to the Care Providers on receipt of evidence of the additional financial burden.
- 5.4.3 Actively enter into discussions with Care Providers to agree how the additional costs will be met. The Medium Term Financial Forecast includes an additional £0.5m each year from 2016/17 towards the cost of the NLW. As referred to in paragraphs 3.4 and 3.5 above, it is assumed that at least 41% of the additional costs could be met from Care Providers via the increase in their retained profits due to the 2% reduction in corporation tax and the reduction in their National Insurance contributions. Taking the 90% cost of £1.215m in 2016/17, this would suggest £0.5m could be met by Care Providers and £0.5m met by the Council. The remaining funding gap would then be met by increased contributions

from Clients.

5.4.4 If any individual Care Providers were to subsequently demonstrate financial hardship, through providing the Council with full open-book access to their records and financial accounts, then the position regarding the impact of the NLW in respect of that particular Provider would be reviewed

Conclusion

5.5 It is recommended that the options outlined in paragraphs 5.4.3 and 5.4.4 above, be adopted. The £0.5m cost to the Council, in addition to the inflationary increase in contract prices already agreed (as per paragraph 5.3), would result in a total increase in the Council's costs for 2016/17 of 3.2%.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

None Identified.

6.2 Employment, Learning & Skills in Halton

None identified.

6.3 A Healthy Halton

The Adult Social Care budget supports the delivery of services which contribute towards this priority.

6.4 A Safer Halton

None.

6.5 Halton's Urban Renewal

None.

7.0 RISK ANALYSIS

7.1 The options identified in 6.0 above have a number of risks associated with them and consideration needs to be given to the following:

- Taking no action may destabilise the care market as businesses are no longer sustainable as a going concern due to increased costs.
- The burden of the additional full cost on the authority will result in further efficiencies having to be made as no additional funding has been made available from government.
- Sharing the financial burden with care providers will also share the risk, however, the position would need to be reviewed annually through open book accounting and increased information sharing and transparency with providers.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 None.

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

9.1 There are none under the meaning of the Act.

REPORT TO:	Executive Board
DATE:	25 February 2016
REPORTING OFFICER:	Strategic Director – Community & Resources
PORTFOLIO:	Transportation
SUBJECT:	Mersey Gateway Bridge Project – Progress Update
WARDS:	All

1.0 PURPOSE OF THE REPORT

- 1.1 To provide an update on progress with the Mersey Gateway Bridge project and the performance of the Mersey Gateway Crossings Board Limited (MGCB) for the period June to December 2015, against the criteria set out in the MGCB Governance Agreement.

2.0 RECOMMENDATION: That

- 1) the progress with the Mersey Gateway Bridget project as set out in the report, be noted; and**
- 2) the performance of the Mersey Gateway Crossings Board Ltd in monitoring the Project Company’s performance as set out in the report, be noted.**

3.0 SUPPORTING INFORMATION

3.1 Background

3.1.2 The Mersey Gateway Crossings Board Ltd (the Board) is a special purpose vehicle established by Halton Borough Council with the delegated authority to deliver the Mersey Gateway Bridge project and to administer and oversee the construction, maintenance and tolling of the new tolled crossings including the tolling of the existing Silver Jubilee Bridge.

3.1.3 The Board’s terms of reference and delegated authority are expressed in a Governance Agreement with the Council, set to last for sixty years. The Board are commissioned to deliver the project on behalf of the Council and operate as a commercial (though not for profit) organisation on an arm’s length basis.

3.1.4 The Board is working closely with the Project Company – Merseylink - on a day to day basis to ensure that all aspects of their policies are

adhered to ranging from PR and Communications, environment, traffic management to local employment and skills.

3.1.5 This report provides an update on the progress of the Project and the performance of the Board in monitoring the Project as required under the Governance Agreement.

3.2 Construction Progress (Construction sections shown in Appendix 1)

3.2.1 Key Construction events

• Completion North Pylon Inner Cofferdam	25/03/2015
• UU sewer diversion at Victoria Junction	06/08/2015
• Mobile Scaffold System (MSS) assembled	12/10/2015
• Completion of Pylon Foundations	04/11/2015
• Completion of Bridge Pylons	06/09/2016
• Concrete Works to North Approach Viaduct	30/09/2016
• Deck Completion	03/04/2017
• Waterproofing to MG	27/06/2017

3.2.2 Construction - Main Crossing (Update on progress to December 2015)

Approach Viaducts

- Removal of the sheet piles at Pier 8.
- Installation of the sheet piles for the temporary MSS bases at Pier 4
- Completion of the MSS supporting pile caps Pier 2 – Pier 4.
- Installation of secant piling at Pier 17 and Pier 18.
- Installation of dewatering at Pier 18.
- Complete excavation of cofferdams at Pier 9 and Pier 16.
- Installation of sheet piling on Pier 15, Pier 14 and Pier 13.

Main Bridge

- Trestle: Finger trestle beside south cofferdam.
- North Cofferdam: Removed dewatering pumps and pipes.
- Central cofferdam: Removed waling beams.
- South cofferdam: Form traveller foundation.
- Excavation and backfill for Form Traveller foundation.
- Removed dewatering pumps and pipes.
- North pylon : Hammer head Lift
- Central pylon: Spread footing. Lower pylon 1st lift.
- South Pylon : Hammer head Lift

3.2.3 Construction - Landside & Highways (Update)

- Utilities diversions around Ditton Roundabout ongoing.
- Sewer diversion under construction.
- Ditton utilities diversions ongoing.
- Bunds for earthworks arising's.

- Platform for soil mixing at MSS area.
- Road Works for Section 1 ongoing.
- Trial embankments under construction.
- Ditton Bridge: Pile caps, abutments and piers under construction.
- Widnes Victoria viaduct: Pile caps, abutment and piers under construction.

3.2.4 **Most recent activities on site** (November/December 2015):

- Pile caps for Ditton Junction Bridge and Victoria Viaduct.
- Abutments and piers for Ditton Junction Bridge and Victoria Viaduct.
- Arrival of pre-cast Beams for Ditton Junction Bridge and Victoria Viaduct.
- Recommence ground improvement works at former S. Evans site.
- Removal of the sheet piles at Pier 16.
- Installation of the sheet piles for the temporary MSS bases Piers 5 & 6.
- Completion of the MSS supporting pile caps Pier 2 – Pier 6.
- Complete excavation of cofferdams at Pier 15 and Pier 14.
- Construction of Clifton Retaining Wall. Section 8
- Construction of ID4 Living Retaining Wall. (Section 5)
- Construction of Lodge Lane Footbridge ramps and installation of Footbridge. (Section 5)
- Works to Brookeplace South Footbridge, Halton Lodge Busway Bridge. (Section 5)
- Works to Beechwood Road and Rail Bridges. (Section 6)
- Works to Rocksavage Viaduct. (Section 7)

3.2.5 **Programmed activities for January 2016**

- Continue construction of deck slab for new Ditton Junction Bridge.
- Highway and utilities works at Ditton Roundabout and Moor Lane.
- Continue abutment and pier construction for Widnes and Victoria Viaduct.
- Pour deck box of first span of North Approach Viaduct.
- Construction of hammerhead for central pylon
- Construction of deck slab for Astmoor and Bridgewater Viaduct
- Complete construction of approach ramps for Lodge Lane North footbridge.
- Continue highway works at M56 Junction 12 north roundabout.

3.2.6 Given the scale and nature of the project, from time to time it is necessary to modify the planned methods of construction. In particular the variable ground conditions encountered and challenging tidal effects in the estuary have led to revisions and adaptations to the techniques and working practices. This can be clearly seen in the different methodology used in the construction of the Central Pylon Cofferdam compared to that of the North and South Pylon Cofferdams.

Merseylink also introduced additional resources and increased working hours following consultation with the appropriate regulators.

3.2.7 PR and communications is vital to ensure that drivers in and around Halton are aware of traffic management changes. The Project website is a vital tool to communicate changes and utilises innovative interactive maps which highlight works across the Project route. Weekly traffic updates are issued to local press and in instances of works which may cause significant change or disruption, specific detailed press releases are issued along with letters to affected residents and, where appropriate, public meetings are conducted.

3.2.8 Merseylink uses dedicated computer software called Freshdesk to electronically capture all complaints and enquiries. All complaints and enquiries are to be responded to within 10 working days or formally acknowledged if a full response is expected to take longer to answer. The Mersey Gateway Crossings Board monitors compliance of this monthly.

3.2.9 The project remains on programme for the main bridge and approach roads to be commissioned and trafficked in autumn 2017 as set out in the Project Agreement.

3.3 Compensation Event¹ – Specifically defined in Project Agreement and Demand Management Participation Agreement.

3.3.1 None to report at this stage.

3.4 Relief Event² – Specifically defined in Project Agreement and Demand Management Participation Agreement.

3.4.1 None to report at this stage.

3.5 Health and Safety

3.5.1 Merseylink acknowledges the importance of Health and Safety, it is a key driver in their site inductions for new starters and visitors and they have also introduced random on site drug and alcohol testing. To date, **3,037** workplace safety inductions have taken place with attendees including site workers, consultants, Sub-contractors.

3.5.2 As an exemplar of good practice, on returning to work following the 2 week 2015 Christmas close down, all Merseylink employees (no exceptions), were required to attend a 'Return to Work' seminar to remind staff of the importance of Health & Safety awareness at work.

¹ A breach by the Board/Council of its obligations (could result in financial penalty)

² Failure by any Statutory Undertaker, Utility Company or Local Authority or other like body to carry out the works or provide services (could provide Merseylink with vindication for failures under the contract)

- 3.5.3 From the start of the project to December 2015 the accident figures are low (**89** accident book entries) with no notifiable events and no major injuries. Number of near misses and learning events reported to date is **45**. There have only been 2 RIDDOR incidents; HSE reports have been completed with preventative measures identified. Both were service (underground cable) strikes and these resulted in a 'Permit to Dig Authoriser' being recruited and changes made to the site working procedures. Since this has been implemented there have only been very minor underground service difficulties.
- 3.5.4 The Board carried out an impromptu follow up H&S audit on 14th August to confirm compliance with audit findings and 'close out' of minor issues and observations raised in an earlier audit carried out on the 7th May.
- 3.5.5 The findings from the impromptu visit recognised positive changes have been implemented within the audited areas. As this was an unannounced early morning visit it was clear that the daily working practice had improved greatly and there had been a positive change in the site supervision and safety management.

3.6 Key Performance Indicators (KPI)

- 3.6.1 In general the Board do not measure Merseylink's construction phase performance through KPIs. Contractually, the majority of KPI's relate to the demand management, which only becomes live during the operational phase. These are set out in Schedule 1 of the DMPA and will be used to determine the performance of the Revenue Collection Services and any additional measures specified in the Roadside Tolling Equipment Specification. They will also measure Safety Performance.
- 3.6.2 Key performance indicators and measurements are used to monitor the Project Company's performance and that of its Key-Subcontractors against each of the Employment and Skills Delivery Plan objectives.
- 3.6.3 Statutory Authority Performance Indicators: The Project Company are required to report data in connection with current national indicators during the contract period.
- 3.6.4 Although not monitored as a KPI, the Merseylink monthly progress report, submitted to the Board, is an effective method of monitoring progress as the report incorporates; Design and Construction; Service; Management; Monthly Payment; and the Data Reports. Also included within the monthly report are all accident, incident, enquires, complaints and traffic management data. This report is monitored by the Board and issues to be addressed are logged in the minutes of the monthly management meeting.
- 3.6.5 There are currently **878** people working on the project (figure reported in Merseylink's December 2015 Project update) across sites in

Runcorn and Widnes. They are made up of 32 people engaged by the Mersey Gateway Crossings Board, 262 people employed by the three partners (Kier, Samsung, FCC) in the Merseylink construction joint venture including 105 people recruited directly for the project and 584 people supplied by labour suppliers or sub-contractors working on different elements of work across the site.

3.6.6 Merseylink Time Bank scheme which aims to help local groups and organisations by providing professional services for community projects has saved the local community £35,000 having supplied consultation, labour and other services to around 16 successful applicants.

3.6.7 The Mersey Gateway visitors centre in Widnes at Catalyst Science and Discovery Centre opened in February 2015 and so far has had **5,639** visitors. A visitor's centre based in Runcorn is in development stage. In October 2015 an outdoor environmental trail opened at Wigg Island, Runcorn.

3.7 Risk

3.7.1 Current progress on the actions/risks accepted by the Council/Board at Financial Close is as follows:

- The procurement of the necessary enforcement powers for the collection of the tolls on the new bridge and on the Silver Jubilee Bridge. The period for representations to the Secretary of State (SoS) closed on 14th May 2015 by which time 3 (three) objections had been received. All three were from individuals who reside in Halton and none related directly to the content of the proposed Modification Order placed before the SoS but rather to imposition of tolls. An attempt to persuade all three objectors to withdraw their objections proved to be unsuccessful. The SoS made a decision on how to proceed with the application on 11 June 2015. The SoS decided that this would be by written representation. The Council was required to submit representations relating to all three objections by 9 July 2015: they were actually delivered to the SoS on 26 June 2015. The SoS forwarded these to the objectors on 30 June 2015. By the required date of 21 July 2015 the SoS received only 1 communication from an objector which did not require further response from the Board.
 - **Update:** The DfT Orders Unit and the Board's legal advisors last exchanged correspondence on 13th October 2015 in relation to detailed drafting of the Modification Order. The DfT were last contacted on 17th December 2015 for an update on progress and the Board were told that the matter had left the Department's lawyers and was now under consideration at 'decision stage'. At this time we are unable to advise as to when the SoS will confirm the Modification Order but will continue to 'prompt' the DfT. *(There is no*

prescribed timescale for this stage of the process and as at 31st December the SoS has now taken 22 weeks).

- Bye-laws – An initial draft of the bye-laws has been prepared and Merseylink has now been consulted. Merseylink's drafting comments are currently being considered internally by the Board.

3.7.2 Risk Register

3.7.2.1 The Board has developed a comprehensive Risk Register to identify those risks associated with the Project, to ensure that the retained and contractual risks are effectively managed and any potential impact is mitigated.

3.7.2.2 The Risk Register is a standing item on the agenda of both the Board's Audit Committee, whose membership includes the Council's Head of Internal Audit, and the monthly Board of Directors Meeting, whose membership includes Cllr Polhill and Cllr Wharton as the duly appointed Council Non-executive Directors.

3.7.2.3 As reported to full Council (Dec 2013) under the Project Agreement the Project Company take the risk of any cost or programme overrun but the Council is exposed to some cost risk during construction (specifically associated with sharing the cost of dealing with contamination in exceptional circumstances). The DMPA Co is responsible for the collection risk associated with the tolls.

3.7.2.4 The principle risk retained by the Council and DfT relates to toll revenue which is a function of the toll charge and the volume of traffic using the bridges.

3.7.2.5 Although appearing numerous, the risks identified in the Risk Register predominately relate to contractual risks associated with any major infrastructure project.

3.7.2.6 The Risk Register is available for inspection at the Board's offices.

3.8 Business Plan

3.8.1 Under the Governance Agreement there is a requirement for the Board to produce an Annual Business Plan, the requirements of this plan predominately relate to the project during the operational period.

3.8.2 The Board have produced and supplied to the Council a business plan which is more suited to the operations of the Board during the construction period.

3.8.3 The Business Plan is available for inspection at the Board's offices.

4.0 POLICY IMPLICATIONS

- 4.1 The Project is a key priority for the Council which will deliver benefits locally and across the wider region.

5.0 FINANCIAL IMPLICATIONS

- 5.1 All substantive implications are reported in the Mersey Gateway Monthly Financial Report to the MGCB.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

Mersey Gateway provides an opportunity to improve accessibility to services, education and employment for all.

6.2 Employment, Learning and Skills in Halton

878 jobs (December 2015 figures) have been created for the Mersey Gateway so far and matters are in hand designed to ensure the local community continues to have access to these job opportunities through the Employment and Skills Working Group. In the longer term, several thousand jobs are forecast to be created in the sub-region due to the wider economic impact of the project.

6.3 A Healthy Halton

The Mersey Gateway provides an opportunity to improve accessibility to services, education and employment for all, including improved cycling and walking facilities.

6.4 A Safer Halton

The Mersey Gateway Project will provide much needed environmental improvements to the immediate areas. Removal of cross river congestion will enhance response times for emergency services.

6.5 Halton's Urban Renewal

The Mersey Gateway Project is a priority project in the Urban Renewal Programme.

7.0 RISK ANALYSIS

- 7.1 The project structure supported by the proposed delegation and decision authority will reduce the risk of delay and improve the quality of the project control.

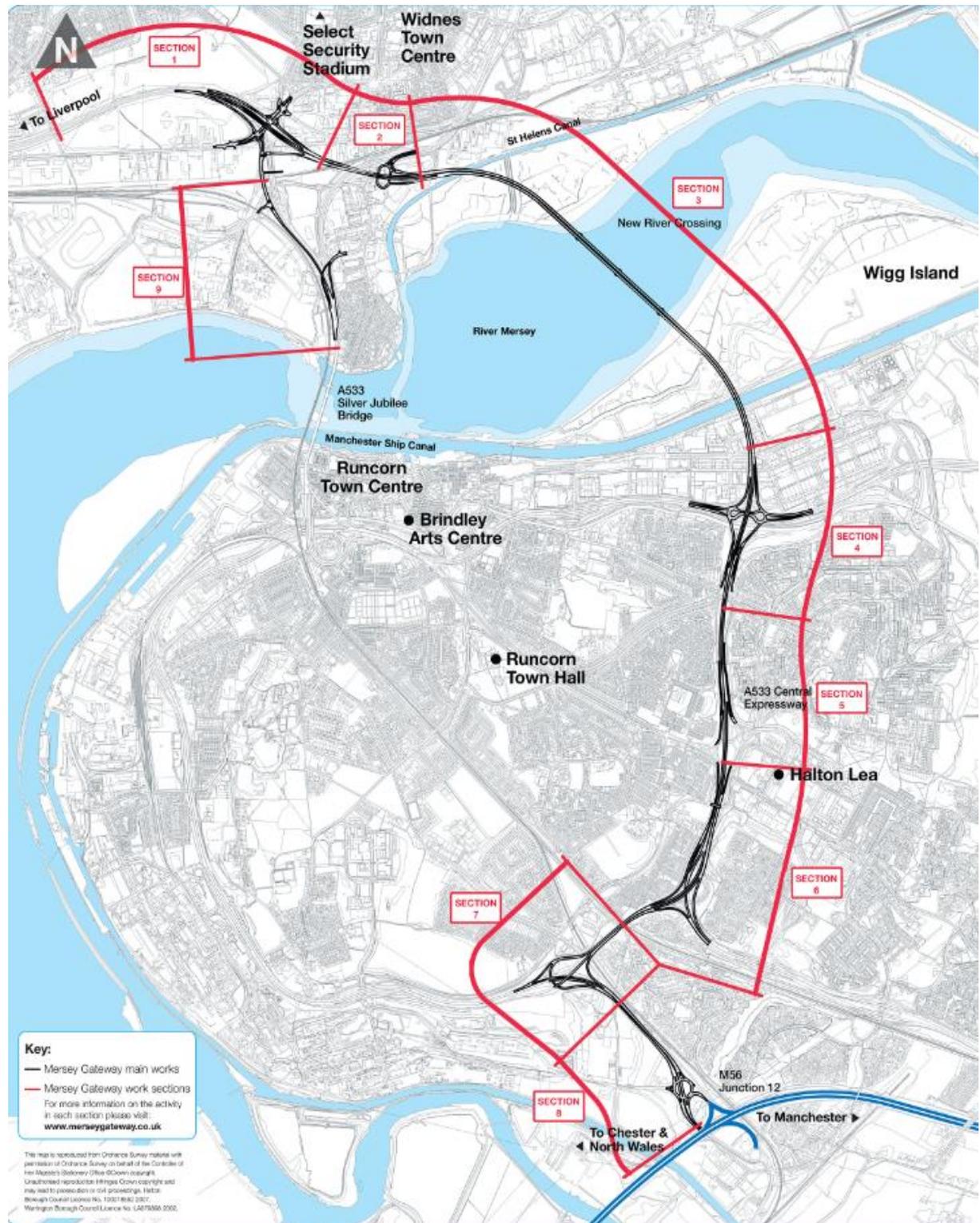
8.0 EQUALITY AND DIVERSITY ISSUES

8.1 The Mersey Gateway provides an opportunity to improve accessibility to services, education and employment for all.

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

9.1 None under the meaning of the Act.

Appendix 1 - Construction sections



REPORT TO: Executive Board

DATE: 25 February 2016

REPORTING OFFICER: Strategic Director – People and Economy

PORTFOLIO: Resources

SUBJECT: The Establishment, Victoria Square, Widnes

WARDS: Riverside

1.0 PURPOSE OF THE REPORT

1.1 To report on the proposed sale of the Council's reversionary freehold interest in The Establishment (Former Halton Business Forum)

2.0 RECOMMENDATION: That

- 1) Members approve the disposal of the Freehold Interest on the basis set out in the report; and**
- 2) The Operational Director for Economy Enterprise and Property, be authorised to arrange for all required documentation to be completed to the satisfaction of the Operational Director, Legal and Democratic Services.**

3.0 SUPPORTING INFORMATION

- 3.01 The former Halton Business Forum, now known as The Establishment and shown edged red on the plan (Appendix 1) is currently leased to SJL Leisure Ltd for a term of 150 years from 7th November 2008. A premium was paid on completion and the lease is subject to a peppercorn rental.
- 3.02 The original proposal was for the leaseholder to develop the site for a hotel and a substantial two storey extension was built at the rear of the original listed building to facilitate this.
- 3.03 Due to the downturn in the economy at the time the original proposal never came to fruition and the rear of the ground floor and the whole of the first floor of the building have remained unoccupied, with the new extension still a shell. The only area of the building that is being used is the ground floor bar.

- 3.04 The leaseholder does not consider it financially viable to go ahead with the original hotel proposal, despite the economy showing signs of improvement, there is now greater competition in the area with the development of the Premier Inn at The Hive, which is to be extended this year to provide a further 27 bedrooms.
- 3.05 Alternatively he would now like to develop the vacant areas to provide office space and currently there is interest from a firm of solicitors who wish to occupy part of the building.
- 3.06 Since the closure of both Moor Lane and Waterloo Business Centres there has been a lack of office accommodation close to Widnes Town Centre suitable for small and medium enterprises, it is considered that the proposal will help to redress this as well as bringing a prominent building into full use.
- 3.07 In order to facilitate this proposal the leaseholder has enquired whether the Council would be prepared to dispose of its Freehold Interest in the site. This would give him a clean title which would be a more attractive asset for financial institutions to lend against.
- 3.08 There is only nominal value in the Freehold Interest in view of the length and terms of the lease, however, the leaseholder has agreed to pay £20,000 to the Council plus our professional costs in recognition that he will have an unencumbered title, this is to be paid as follows:
- 35% to be paid on exchange of contracts
 - 35% plus professional fees to be paid on completion
 - 30% to be paid within 2 months of completion subject to interest at 4% above base rate on any late payment and a charge being placed against the title.

4.0 **POLICY AND FINANCIAL IMPLICATIONS**

- 4.01 The proposal will bring a capital receipt to the Council of £20,000
- 4.02 The proposal will reduce the Council's management liabilities.

5.0 **OTHER IMPLICATIONS**

- 5.01 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

It is anticipated that the proposal would create employment opportunities.

6.3 A Healthy Halton

None

6.4 A Safer Halton

None

6.5 Halton's Urban Renewal

It is hoped that the environment around the building will be enhanced by its further development and use.

7.0 RISK ANALYSIS

7.01 The risks associated with the proposal are:

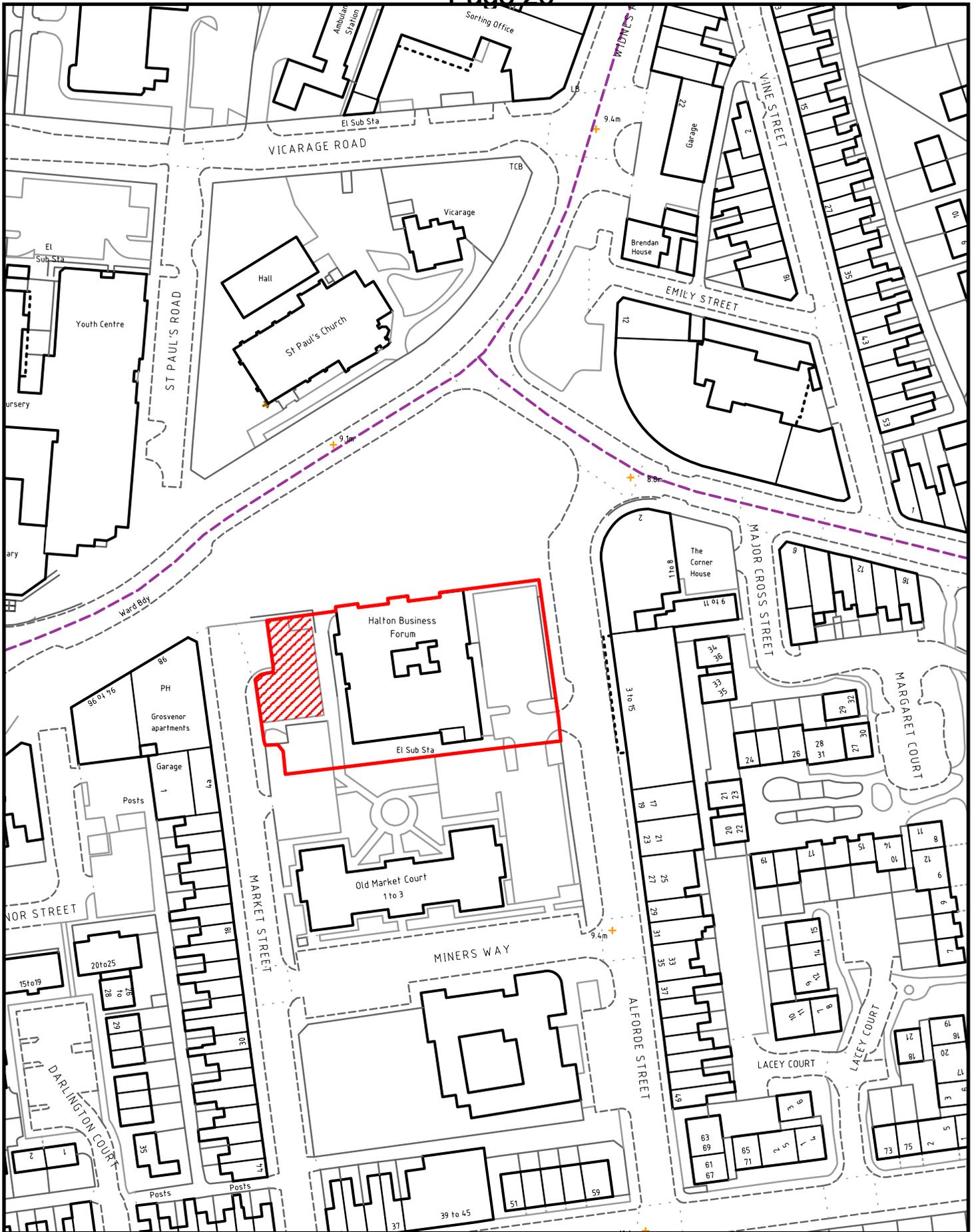
7.02 The Council would lose a degree of control over the future use of the building although this will continue to be monitored under the Planning Regulations and by Historic England in respect of the listed elements of the building.

8.0 EQUALITY AND DIVERSITY ISSUES

None

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

None.



FORMER BUSINESS FORUM, OLD TOWN HALL, WIDNES

Date : 03/02/2016
Scale : 1:1250 on A4



REPORT TO: Executive Board

DATE: 25 February 2016

REPORTING OFFICER: Operational Director – Finance

PORTFOLIO: Resources

SUBJECT: 2016/17 Quarter 3 Spending

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To report the Council's overall revenue and capital spending position as at 31 December 2015.

2.0 RECOMMENDED: That

- 1) all spending continues to be limited to the absolutely essential;**
- 2) Strategic Directors ensure overall spending at year-end is within their total operational budget; and**
- 3) Council approve the revised Capital Programme as set out in Appendix 3.**

3.0 SUPPORTING INFORMATION

Revenue Spending

- 3.1 Appendix 1 presents a summary of spending against the revenue budget up to 31 December 2015, along with individual statements for each Department. In overall terms revenue expenditure is £39,000 below the budget profile for the year to date. Whilst the budget profile is only a guide to eventual spending, spend to date shows a very marginal position and careful monitoring of the budget through to year-end is required to ensure spend is within the overall set budget. In balancing the budget for 2016/17, saving proposals totalling £11.5m have already been approved by Council, early implementation of these proposals will help manage overall spend for the last three months of the financial year. Nevertheless Directorates should continue to limit all spending to the absolutely essential to ensure that each Directorate's spending at year-end is within its total operational budget.
- 3.2 Total spending on employees is £0.930m below budget profile at the end of the quarter. Vacant posts exist within a number of Departments which has helped generate the favourable variance to date. Whilst certain vacant posts will need to be filled, a number will be deleted from the staffing structure as approved budget saving proposals for 2016/17.

- 3.3 Included within the employees budget is a staff turnover savings target of 2.6% which reflects the saving made between a member of staff leaving a post and the post being filled. The target for the quarter has been achieved for all departments with the exception of the Economy, Enterprise & Property, Community & Environment and Planning & Transportation Departments due to low levels of staff turnover.
- 3.4 Expenditure on general supplies and services is £0.427m below budget as at 31 December 2015, a number of approved saving proposals for 2016/17 include reductions to supplies and services budgets. Supplies & Services expenditure for the remainder of the year will continue to be restricted in a number of Departments to offset against other budget pressures.
- 3.5 The Children and Families Department is continuing to experience budget pressures and is significantly over the profiled budget to date. There is still high demand for a number of services within the Department including residential placements, direct payments, out-of-borough fostering, special guardianship orders and in-house foster carer placements. The outturn position for the Department is estimated to show spend will be approximately £2.7m over the budget for the year. Spend continues to be restricted where possible across the rest of the Directorate to help offset this spending pressure.
- 3.6 Spending on employees within the Children and Families Department is £0.118m over the profiled budget to date. This variance can be largely attributed to the use of agency staff. The variance position for the past quarter has only seen a slight increase from quarter 2 which demonstrates a positive impact from the Department's new staffing structure beginning to take shape.
- 3.7 Net expenditure within the Economy, Enterprise & Property Department is currently £0.433m over the profiled budget to date. A savings target of £1.0m was set against surplus property assets for the current year, which will not be fully achieved by year-end. Whilst an action plan has been implemented, the time period required to rationalise property assets and thereby realise budget savings, means the full amount of the target will not be achieved until 2016/17 at the earliest. It is therefore estimated that the Department will be over budget by around £0.6m at year-end.
- 3.8 The net spend position for the Complex Care Pooled Budget is £18,000 below the budget to date. Appendix 2 provides a summary of spending against the Pool budget.
- 3.9 The Community & Environment Department is currently £0.170m over the budget to date. This is largely due to shortfalls in various income areas and not yet fully achieving the staff turnover target.
- 3.10 Capital financing costs for the year to date are lower than budgeted due to favourable rates secured for borrowing compared to forecasts and the Council receiving higher returns on investments.

- 3.11 The collection rate for council tax for the quarter is 83.4%, which is 0.22% lower than at this stage last year. The collection rate for business rates is 82.2% for the quarter which is down by 0.38% from this point last year. The forecast retained element of business rates is in line with the estimate used when setting the 2015/16 budget. However, the forecasting of retained business rates is currently made difficult due to the high number of valuation appeals lodged by businesses with the Valuation Office Agency prior to 31 March 2015.
- 3.12 The Council's overall net spending is only marginally below the budget profile at 31 December 2015. Given a number of budget pressures being felt across all Departments it is important that budget managers continue to closely monitor and control spending and income. In the current financial climate budget underspends will be required to keep the Council's overall spending within budget, therefore spending should continue to be limited to the absolutely essential.

Capital Spending

- 3.13 The capital programme has been revised to reflect a number of changes in spending profiles and funding as schemes have developed. These are reflected in the capital programme presented in Appendix 3. The schemes which have been revised within the programme are as follows;
1. Former Fairfield Site Demolition
 2. Peelhouse Lane Cemetery Enabling Works
 3. Peelhouse Lane Cemetery
 4. Peelhouse Lane Roundabout & Cemetery Access
 5. Equality Act Improvement Works
 6. Fairfield Primary School
 7. Ditton Primary School
 8. St Bede's Junior School
 9. Capital Repairs – Schools
 10. Runcorn Hill Park
 11. Open Spaces Schemes
 12. Grangeway Court Refurbishment
 13. Former Crosville Site
 14. Street Lighting
 15. Travellers' Site Warrington Road
 16. Leisure Management
 17. Signage - The Hive
 18. Advertising Screen - The Hive
 19. Mersey Gateway Land Acquisition, Development costs, Loan Interest
During Construction
 20. Fleet Replacement
 21. Sci Tech Daresbury – Tech Space

- 3.14 Capital spending at 31 December 2015 totalled £19.896m, which is slightly ahead of the planned spending of £19.431m at this stage. This represents 65% of the total Capital Programme of £30.478m (which assumes a 20% slippage between years).

Balance Sheet

- 3.15 The Council's Balance Sheet is monitored regularly in accordance with the Reserves and Balances Strategy which forms part of the Medium Term Financial Strategy. The key reserves and balances have been reviewed and are considered prudent and appropriate at this stage in the financial year and within the current financial climate.

4.0 POLICY AND OTHER IMPLICATIONS

- 4.1 None.

5.0 FINANCIAL IMPLICATIONS

- 5.1 The financial implications are as set out within the report and appendices.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

6.2 Employment, Learning & Skills in Halton

6.3 A Healthy Halton

6.4 A Safer Halton

6.5 Halton's Urban Renewal

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 There are a number of financial risks within the budget. However, the Council has internal controls and processes in place to ensure that spending remains in line with budget.

- 7.2 In preparing the 2015/16 budget, a register of significant financial risks was prepared which has been updated as at 31 December 2015.

8.0 EQUALITY AND DIVERSITY ISSUES

- 8.1 None.

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

9.1 There are no background papers under the meaning of the Act.

APPENDIX 1

Summary of Revenue Spending to 31 December 2015

Directorate / Department	Annual Budget £'000	Budget to Date £'000	Expenditure to Date £'000	Variance to Date (overspend) £'000
Children and Families Services	19,233	14,427	16,508	(2,081)
Education, Inclusion and Provision	15,149	5,054	4,614	440
Economy, Enterprise & Property	3,226	-81	352	(433)
Commissioning & Complex Needs	12,659	10,686	10,638	48
Adult Social Services and Prevention & Assessment	26,036	11,292	11,250	42
People & Economy	76,303	41,378	43,362	(1,984)
Policy, People, Performance & Efficiency	-148	-271	-369	98
Planning & Transportation	16,409	6,246	6,217	29
Legal & Democratic Services	525	338	216	122
Finance	4,554	7,435	6,879	556
ICT & Support Services	0	-833	-1,091	258
Public Health & Public Protection	1,018	13	9	4
Community & Environment	24,273	13,238	13,408	(170)
Community & Resources	46,631	26,166	25,269	897
Corporate & Democracy	-21,521	2,228	1,102	1,126
Mersey Gateway	39	331	331	0
Net Total	101,452	70,103	70,064	39

PEOPLE & ECONOMY DIRECTORATE

Children & Families Services Department

	Annual Budget £'000	Budget to Date £'000	Expenditure to Date £'000	Variance to Date (overspend) £'000
<u>Expenditure</u>				
Employees	8,731	6,721	6,839	(118)
Premises	339	239	237	2
Supplies & Services	961	606	600	6
Transport	8	6	9	(3)
Direct Payments / Individual Budgets	252	184	390	(206)
Commissioned Services	342	248	268	(20)
Residential Placements	3,371	2,564	3,412	(848)
Out of Borough Adoption	80	20	20	0
Out of Borough Fostering	457	398	547	(149)
In house Adoption	235	216	258	(42)
Special Guardianship	527	433	920	(487)
In House Foster Carer Placements	1,753	1,317	1,507	(190)
Care Leavers	154	89	92	(3)
Family Support	117	59	84	(25)
Capital Financing	6	0	0	0
Total Expenditure	17,333	13,100	15,183	(2,083)
<u>Income</u>				
Adoption Placements	-43	-32	-32	0
Fees & Charges	-114	-116	-121	5
Dedicated Schools Grant	-75	-56	-56	0
Reimbursements & Other Income	-638	-467	-464	-3
Transfer from Reserves	-80	-80	-80	0
Total Income	-950	-751	-753	2
Net Operational Expenditure	16,383	12,349	14,430	(2,081)
<u>Recharges</u>				
Premises Support Costs	288	216	216	0
Transport Support Costs	72	47	47	0
Central Support Service Costs	2,446	1,815	1,815	0
Asset Rental Support Costs	44	0	0	0
Total Recharges	2,850	2,078	2,078	0
Net Expenditure	19,233	14,427	16,508	(2,081)

Education, Inclusion and Provision Department

	Annual Budget £'000	Budget to Date £'000	Expenditure to Date £'000	Variance to Date (overspend) £'000
<u>Expenditure</u>				
Employees	7,008	5,015	4,682	333
Premises	437	94	79	15
Supplies & Services	3,891	2,097	1,995	102
Transport	5	3	3	0
School Transport	922	590	706	(116)
Commissioned Services	2,877	1,792	1,730	62
Agency Related Expenditure	1,176	885	859	26
Independent School Fees	1,541	1,522	1,522	0
Inter Authority Special Needs	252	39	39	0
Pupil Premium	174	39	39	0
Nursery Education Payments	2,995	2,813	2,813	0
Schools Contingency	1,194	276	276	0
Special Education Needs Contingency	539	395	395	0
Capital Finance	3	0	0	0
Total Expenditure	23,014	15,560	15,138	422
<u>Income</u>				
Fees & Charges	-425	-146	-147	1
Rent	-100	-100	-113	13
HBC Support Costs	-79	-79	-79	0
Transfer to / from Reserves	-1,078	-921	-921	0
Dedicated Schools Grant	-9,083	-8,367	-8,367	0
Government Grant Income	-2,038	-1,230	-1,230	0
Reimbursements & Other Income	-1,564	-993	-990	(3)
Sales Income	-46	0	0	0
Inter Authority Income	-578	0	0	0
Schools SLA Income	-246	-239	-246	7
Total Income	-15,237	-12,075	-12,093	18
Net Operational Expenditure	7,777	3,485	3,045	440
<u>Recharges</u>				
Premises Support Costs	205	155	155	0
Transport Support Costs	295	136	136	0
Central Support Service Costs	1,855	1,278	1,278	0
Asset Rental Support Costs	5,017	0	0	0
Total Recharges	7,372	1,569	1,569	0
Net Expenditure	15,149	5,054	4,614	440

Economy, Enterprise & Property Department

	Annual Budget £'000	Budget to Date £'000	Expenditure to Date £'000	Variance to Date (overspend) £'000
<u>Expenditure</u>				
Employees	4,259	3,138	3,175	(37)
Repairs & Maintenance	2848	1,936	1,930	6
Premises	45	43	43	0
Energy & Water Costs	656	384	366	18
NNDR	533	513	506	7
Rents	431	397	391	6
Marketing Programme	22	7	7	0
Promotions	8	4	4	0
Supplies & Services	1,404	641	616	25
Agency Related Expenditure	3	3	3	0
Grants to Non Voluntary Organisations	352	339	339	0
Surplus Property Assets	-685	-514	0	(514)
Revenue Contrib'n to / from Reserves	175	175	175	0
Total Expenditure	10,051	7,066	7,555	(489)
<u>Income</u>				
Fees & Charges	-496	-338	-351	13
Rent - Markets	-766	-574	-585	11
Rent - Industrial Estates	-614	-452	-465	13
Rent – Investment Properties	-655	-447	-456	9
Transfer to / from Reserves	-676	-676	-676	0
Government Grant - Income	-1,806	-1,355	-1,355	0
Reimbursements & Other Income	-265	-260	-269	9
Recharges to Capital	-227	-47	-37	(10)
Schools SLA Income	-486	-481	-492	11
Total Income	-5,991	-4,630	-4,686	56
Net Operational Expenditure	4,060	2,436	2,869	(433)
Premises Support Costs	1,924	1,452	1,452	0
Transport Support Costs	32	21	21	0
Central Support Service Costs	1,824	1,378	1,378	0
Asset Rental Support Costs	2,543	0	0	0
Repairs & Maint. Rech. Income	-2,558	-1,919	-1,919	0
Accommodation Rech. Income	-2,763	-2,072	-2,072	0
Central Supp. Service Rech. Income	-1,836	-1,377	-1,377	0
Total Recharges	-834	-2,517	-2,517	0
Net Expenditure	3,226	-81	352	(433)

Commissioning & Complex Needs Department

	Annual Budget £'000	Budget To Date £'000	Expenditure To Date £'000	Variance To Date (overspend) £'000
<u>Expenditure</u>				
Employees	7,533	5,322	5,202	120
Premises	243	185	165	20
Supplies & Services	2,102	1,630	1,627	3
Carers Breaks	427	347	351	(4)
Transport	187	140	140	0
Contracts & SLAs	90	68	77	(9)
Payments To Providers	3,531	2,273	2,273	0
Emergency Duty Team	93	14	14	0
Other Agency Costs	640	592	613	(21)
Total Expenditure	14,846	10,571	10,462	109
<u>Income</u>				
Sales & Rents Income	-218	-186	-175	(11)
Fees & Charges	-176	-132	-110	(22)
CCG Contribution To Service	-360	-237	-207	(30)
Reimbursements & Grant Income	-536	-391	-393	2
Transfer From Reserves	-620	0	0	0
Total Income	-1,910	-946	-885	(61)
Net Operational Expenditure	12,936	9,625	9,577	48
<u>Recharges</u>				
Premises Support	174	108	108	0
Transport	450	337	337	0
Central Support Services	1,516	1,136	1,136	0
Asset Charges	62	47	47	0
Internal Recharge Income	-2,479	-567	-567	0
Total Recharges	-277	1,061	1,061	0
Net Expenditure	12,659	10,686	10,638	48

Adult Social Services and Prevention & Assessment Department

	Annual Budget	Budget To Date	Expenditure To Date	Variance To Date (overspend)
	£'000	£'000	£'000	£'000
<u>Expenditure</u>				
Employees	6,816	4,960	4,881	79
Other Premises	113	55	62	(7)
Supplies & Services	399	263	265	(2)
Aids & Adaptations	113	61	88	(27)
Transport	17	8	8	0
Food Provision	28	12	15	(3)
Other Agency	22	18	18	0
Transfer to Reserves	1,874	0	0	0
Contribution to Complex Care Pool	17,330	6,011	5,993	18
Total Expenditure	26,712	11,388	11,330	58
<u>Income</u>				
Fees & Charges	-302	-210	-206	(4)
Reimbursements & Grant Income	-196	-132	-120	(12)
Transfer from Reserves	-940	-46	-46	0
Capital Salaries	-121	-91	-91	0
Government Grant Income	-300	-300	-300	0
Other Income	-5	-5	-5	0
Total Income	-1,864	-784	-768	(16)
Net Operational Expenditure	24,848	10,604	10,562	42
<u>Recharges</u>				
Premises Support	331	248	248	0
Asset Charges	175	0	0	0
Central Support Services	2,193	1,572	1,572	0
Internal Recharge Income	-1,560	-1,162	-1,162	(1)
Transport Recharges	49	32	31	1
Total Recharges	1,188	689	689	0
Net Expenditure	26,036	11,292	11,250	42

Policy, People, Performance & Efficiency

	Annual Budget £'000	Budget To Date £'000	Expenditure To Date £'000	Variance To Date (overspend) £'000
<u>Expenditure</u>				
Employees	2,080	1,577	1,522	55
Employee Training	133	49	49	0
Supplies & Services	131	95	69	26
Agency Related	23	23	23	0
Total Expenditure	2,367	1,744	1,663	81
<u>Income</u>				
Fees & Charges	-106	-95	-111	16
Reimbursements & Other Grants	-31	-25	-26	1
School SLA's	-381	-381	-381	0
Transfers from Reserves	-70	-70	-70	0
Total Income	-588	-571	-588	17
Net Operational Expenditure	1,779	1,173	1,075	98
<u>Recharges</u>				
Premises Support	104	78	78	0
Transport Recharges	5	4	4	0
Central Support Recharges	906	680	680	0
Support Recharges Income	-2,942	-2,206	-2,206	0
Total Recharges	-1,927	-1,444	-1,444	0
Net Expenditure	-148	-271	-369	98

	Annual Budget £'000	Budget To Date £'000	Expenditure To Date £'000	Variance To Date (overspend) £'000
<u>Expenditure</u>				
Employees	4,561	3,462	3,500	(38)
Other Premises	228	77	76	1
Hired & Contracted Services	214	92	100	(8)
Supplies & Services	299	182	160	22
Street Lighting	2,085	813	813	0
Highways Maintenance	2,333	1,972	1,968	4
Bridges	98	4	4	0
Fleet Transport	1,397	733	733	0
Lease Car Contracts	516	282	282	0
Bus Support – Hopper Tickets	180	80	80	0
Bus Support	525	497	497	0
Out of Borough Transport	51	16	16	0
Finance Charges	406	177	177	0
Grants to Voluntary Organisations	68	68	68	0
Direct Revenue Financing	14	14	14	0
NRA Levy	60	45	45	0
Total Expenditure	13,035	8,514	8,533	(19)
<u>Income</u>				
Sales	-372	-203	-213	10
Planning Fees	-531	-493	-493	0
Building Control Fees	-201	-179	-179	0
Other Fees & Charges	-469	-310	-345	35
Rents	-8	-6	-6	0
Grants & Reimbursements	-559	-185	-185	0
Efficiency Savings	-60	0	0	0
School SLAs	-40	-40	-42	2
Recharge to Capital	-312	0	0	0
Transfer from Reserves	-217	0	0	0
Total Income	-2,769	-1,416	-1,463	47
Net Operational Expenditure	10,266	7,098	7,070	28
<u>Recharges</u>				
Premises Support	642	515	515	0
Transport Recharges	629	460	512	(52)
Asset Charges	7,791	0	0	0
Central Support Recharges	1,935	1,455	1,455	0
Departmental Support Recharges	393	292	292	0
Departmental Support Recharges Income	-491	-368	-368	0
Support Recharges Income – Transport	-3,734	-2,612	-2,665	53
Support Recharges Income	-1,022	-594	-594	0
Total Recharges	6,143	-852	-853	1
Net Expenditure	16,409	6,246	6,217	29

Legal & Democratic Services Department

	Annual Budget £'000	Budget To Date £'000	Expenditure To Date £'000	Variance To Date (overspend) £'000
<u>Expenditure</u>				
Employees	1,919	1,443	1,418	25
Supplies & Services	337	266	195	71
Civic Catering & Functions	27	3	3	0
Mayoral Allowances	22	16	18	(2)
Legal Expenses	215	101	104	(3)
Total Expenditure	2,520	1,829	1,738	91
<u>Income</u>				
Land Charges	-101	-76	-69	(7)
License Income	-251	-218	-218	0
Schools SLA's	-55	-55	-76	21
Government Grants	-34	-34	-35	1
Other Income	-73	-70	-86	16
Transfers from Reserves	-10	0	0	0
Total Income	-524	-453	-484	31
Net Operational Expenditure	1,996	1,376	1,254	122
<u>Recharges</u>				
Premises Support	132	99	99	0
Transport Recharges	26	20	20	0
Central Support Recharges	425	319	319	0
Support Recharges Income	-2,054	-1,476	-1,476	0
Total Recharges	-1,471	-1,038	-1,038	0
Net Expenditure	525	338	216	122

	Annual Budget	Budget To Date	Expenditure To Date	Variance To Date (overspend)
	£'000	£'000	£'000	£'000
<u>Expenditure</u>				
Employees	7,258	5,486	5,071	415
Supplies & Services	560	435	416	19
Other Premises	86	77	50	27
Insurances	1,614	1,104	1,104	0
Concessionary Travel	2,127	1,201	1,201	0
Rent Allowances	53,700	39,736	39,736	0
Non HRA Rebates	66	47	47	0
Discretionary Housing Payments	387	233	233	0
Local Welfare Payments	150	86	86	0
Total Expenditure	65,948	48,405	47,944	461
<u>Income</u>				
Fees & Charges	-190	-112	-112	0
SLA to Schools	-747	-747	-747	0
NNDR Administration Grant	-166	0	0	0
Hsg Ben Administration Grant	-782	-521	-521	0
Council Tax Admin Grant	-208	-208	-208	0
Rent Allowances	-52,700	-35,186	-35,186	0
Clerical Error Recoveries	-998	-378	-378	0
Non HRA Rent Rebates	-66	-52	-52	0
Discretionary Housing Payments Grant	-387	-344	-344	0
Reimbursements & Other Grants	-319	-282	-332	50
Liability Orders	-421	-421	-466	45
Transfer from Reserves	-803	0	0	0
Total Income	-57,787	-38,251	-38,346	95
Net Operational Expenditure	8,161	10,154	9,598	556
<u>Recharges</u>				
Premises	396	297	297	0
Transport	24	18	18	0
Asset Charges	19	0	0	0
Central Support Services	3,494	2,621	2,621	0
Support Services Income	-7,540	-5,655	-5,655	0
Total Recharges	-3,607	-2,719	-2,719	0
Net Expenditure	4,554	7,435	6,879	556

	Annual Budget	Budget to Date	Expenditure to Date	Variance to Date (Overspend)
	£'000	£'000	£'000	£'000
<u>Expenditure</u>				
Employees	5,607	4,159	4,012	147
Supplies & Services	682	416	315	101
Computer Repairs & Software	641	515	506	9
Communications Costs	332	319	319	0
Other Premises	23	22	23	(1)
Capital Financing	372	293	288	5
Transfers to Reserves	75	0	0	0
Total Expenditure	7,732	5,724	5,463	261
<u>Income</u>				
Fees & Charges	-551	-253	-246	(7)
Reimbursements & Other Grants	-176	-176	-176	0
Internal Billing	-12	-12	-18	6
Transfers from Reserves	-211	-61	-61	0
SLA to Schools	-556	-515	-513	(2)
Total Income	-1,506	-1,017	-1,014	(3)
Net Operational Expenditure	6,226	4,707	4,449	258
<u>Recharges</u>				
Premises	397	298	298	0
Transport	27	20	20	0
Asset Charges	1,161	0	0	0
Central Support Services	1,121	841	841	0
Support Service Income	-8,932	-6,699	-6,699	0
Total Recharges	-6,226	-5,540	-5,540	0
Net Expenditure	0	-833	-1,091	258

	Annual Budget	Budget To Date	Expenditure To Date	Variance To Date (overspend)
	£'000	£'000	£'000	£'000
<u>Expenditure</u>				
Employees	2,989	2,220	2,213	7
Supplies & Services	341	157	172	(15)
Other Agency	21	21	17	4
Contracts & SLA's	5,269	2,924	2,924	0
Total Expenditure	8,620	5,322	5,326	(4)
<u>Income</u>				
Other Fees & Charges	-109	-46	-34	(12)
Sales Income	-52	-52	-45	(7)
Reimbursements & Grant Income	-59	-51	-78	27
Government Grant	-9,565	-7,196	-7,196	0
Transfer from Reserves	-167	-137	-137	0
Total Income	-9,952	-7,482	-7,490	8
Net Operational Expenditure	-1,332	-2,160	-2,164	4
<u>Recharges</u>				
Premises Support	166	125	125	0
Central Support Services	2,163	2,037	2,037	0
Transport Recharges	21	11	11	0
Total Recharges	2,350	2,173	2,173	0
Net Expenditure	1,018	13	9	4

	Annual Budget £'000	Budget To Date £'000	Expenditure To Date £'000	Variance To Date (overspend) £'000
<u>Expenditure</u>				
Employees	12,058	9,522	9,582	(60)
Other Premises	1,182	913	878	35
Supplies & Services	1,585	949	879	70
Book Fund	142	106	107	(1)
Hired & Contracted Services	1,152	753	766	(13)
Food Provisions	629	469	459	10
School Meals Food	2,077	1,320	1,300	20
Transport	54	52	59	(7)
Other Agency Costs	674	145	60	85
Waste Disposal Contracts	5,160	2,667	2,708	(41)
Leisure Management Contract	1,496	1,075	1,136	(61)
Grants To Voluntary Organisations	317	268	257	11
Grant To Norton Priory	222	222	229	(7)
Rolling Projects	38	38	38	0
Capital Financing	9	7	0	7
Total Expenditure	26,795	18,506	18,458	48
<u>Income</u>				
Sales Income	-2,207	-1,655	-1,526	(129)
School Meals Sales	-2,180	-1,585	-1,606	21
Fees & Charges Income	-3,272	-2,576	-2,501	(75)
Rents Income	-235	-234	-277	43
Government Grant Income	-1,202	-1,179	-1,168	(11)
Reimbursements & Other Grant Income	-548	-426	-453	27
Schools SLA Income	-79	-79	-83	4
Internal Fees Income	-120	-83	-106	23
School Meals Other Income	-2,270	-1,791	-1,800	9
Meals On Wheels	-196	-134	-96	(38)
Catering Fees	-225	-154	-78	(76)
Capital Salaries	-53	-33	-17	(16)
Transfers From Reserves	-50	-23	-23	0
Total Income	-12,637	-9,952	-9,734	(218)
Net Operational Expenditure	14,158	8,554	8,724	(170)
<u>Recharges</u>				
Premises Support	1,947	1,472	1,472	0
Transport Recharges	2,390	1,223	1,223	0
Departmental Support Services	9	0	0	0
Central Support Services	3,146	2,379	2,379	0
Asset Charges	3,005	0	0	0
HBC Support Costs Income	-382	-390	-390	0
Total Recharges	10,115	4,684	4,684	0
Net Expenditure	24,273	13,238	13,408	(170)

	Annual Budget	Budget To Date	Actual Expenditure	Variance To Date (overspend)
	£'000	£'000	£'000	£'000
<u>Expenditure</u>				
Employee Related	392	311	309	2
Interest Payments	2,481	1,821	1,178	643
Members Allowances	777	583	578	5
Supplies & Services	163	83	83	0
Contracted Services	63	60	59	1
Contingency	500	0	0	0
Precepts & Levies	179	179	171	8
Capital Financing	2,341	2,306	2,128	178
Transfers to Reserves	1,744	343	343	0
Bank Charges	77	57	60	(3)
Audit Fees	140	62	62	0
Total Expenditure	8,857	5,805	4,971	834
<u>Income</u>				
External Interest	-840	-616	-908	292
Government Grants	-4,988	-3,915	-3,915	0
Fees & Charges	-109	-98	-98	0
Reimbursements & Other Grants	-25	-22	-22	0
Transfers from Reserves	-6,030	0	0	0
Total Income	-11,992	-4,651	-4,943	292
Net Operational Expenditure	-3,135	1,154	28	1,126
<u>Recharges</u>				
Premises	7	5	5	0
Transport	3	2	2	0
Asset Charges	151	0	0	0
Central Support Services	1,840	1,380	1,380	0
Support Services Income	-20,387	-313	-313	0
Total Recharges	-18,386	1,074	1,074	0
Net Expenditure	-21,521	2,228	1,102	1,126

	Annual Budget	Budget To Date	Actual To Date	Variance To Date (overspend)
	£'000	£'000	£'000	£'000
<u>Expenditure</u>				
Other Premises	86	65	65	0
Hired & Contracted Services	18	13	22	(9)
Supplies & Services	0	0	8	(8)
MGCB Ltd	3,438	691	513	178
Finance Charges	148	148	147	1
Total Expenditure	3,690	917	755	162
<u>Income</u>				
Grants & Reimbursements	-976	-615	-456	-159
Recharge to Capital	-2714	0	0	0
Contribution from Reserves				
Total Income	-3,690	-615	-456	-159
Net Operational Expenditure	0	302	299	3
<u>Recharges</u>				
Central Support Services	39	29	32	(3)
Total Recharges	39	29	32	(3)
Net Expenditure	39	331	331	0

Complex Care Pooled Budget

Note – Halton BC's net contribution towards the Complex Care Pooled Budget is included within the Adult Social Services & Prevention and Assessment Department statement shown in Appendix 1.

	Annual Budget	Budget To Date	Expenditure To Date	Variance To Date (overspend)
	£'000	£'000	£'000	£'000
<u>Expenditure</u>				
Intermediate Care Services	3,561	2,053	2,046	7
End of Life	192	184	213	(29)
Sub Acute	1,743	1,248	1,226	22
Urgent Care Centres	615	615	615	0
Joint Equipment Store	810	270	270	0
Contracts & SLA's	1,197	520	542	(22)
Intermediate Care Beds	596	447	466	(19)
BCF Schemes	2,546	1,405	1,405	0
Adult Care:				
Residential & Nursing Care	20,960	12,967	12,823	144
Domiciliary & Supported Living	9,569	8,381	8,378	3
Direct Payments	3,706	4,427	4,472	(45)
Day Care	463	292	303	(11)
Contingency	518	0	0	0
Total Expenditure	46,476	32,807	32,758	49
Income				
Residential & Nursing Income	-5,018	-3,709	-3,700	(9)
Community Care Income	-1,583	-990	-956	(34)
Direct Payments Income	-193	-185	-204	19
Income from other CCGs	-114	-86	-79	(7)
BCF Income	-9,451	-9,009	-9,009	0
Contribution to Pool	-12,166	-12,166	-12,166	0
ILF Income	-571	-428	-428	0
Other Income	-225	-223	-223	(0)
Total Income	-29,146	-26,796	-26,765	(31)
Net Expenditure	17,330	6,011	5,993	18

Capital Expenditure to 31 December 2015

Directorate/Department	Actual Expenditure to Date £'000	2015/16 Cumulative Capital Allocation		Capital Allocation 2016/17 £'000	Capital Allocation 2017/18 £'000
		Quarter 3 £'000	Quarter 4 £'000		
People & Economy Directorate					
Schools Related					
Asset Management Data	3	3	5	5	0
Fire Compartmentation	52	52	62	38	0
Capital Repairs - Schools	982	982	1,013	730	0
Asbestos Management	10	10	20	20	0
Schools Access Initiative	39	39	75	70	0
Education Programme (General)	33	33	70	84	0
Basic Need Projects	0	0	0	936	71
School Modernisation Projects	354	354	460	375	0
Inglefield	0	0	12	0	0
St Bede's Junior School	4	4	4	0	0
Ashley School	12	12	12	0	0
Early Education for 2 Year Olds	107	107	183	0	0
Universal Infant School Meals	1	1	2	0	0
Halebank School	2	2	30	40	0
Responsible Bodies Bids	221	221	475	0	0
St Edwards Catholic Primary	6	6	35	0	0
Fairfield Primary School	67	67	179	1,133	853
Hale Primary School	0	0	10	113	3
Ditton Primary School	0	0	25	0	0

Directorate/Department	Actual Expenditure to Date £'000	2015/16 Cumulative Capital Allocation		Capital Allocation 2016/17 £'000	Capital Allocation 2017/18 £'000
		Quarter 3 £'000	Quarter 4 £'000		
Economy, Enterprise & Property					
Castlefields Regeneration	117	120	635	0	0
3MG	324	320	3,493	0	0
Widnes Waterfront	0	0	200	800	0
Johnsons Lane Infrastructure	137	120	450	0	0
Decontamination of Land	0	0	6	0	0
SciTech Daresbury – Tech Space	9	9	965	10,000	0
Former Crosville Site	161	161	200	2,618	0
Former Fairfield Site Demolition	1	1	6	0	0
Police Station Site	30	30	342	8	0
Travellers' Site Warrington Road	1,352	1,362	1,362	0	0
Widnes Town Centre Initiative	6	8	21	0	0
Lowerhouse Lane Depot - Upgrade	17	17	24	0	0
Equality Act Improvement Works	18	25	50	300	300
Signage - The Hive	0	0	5	95	0
Advertising Screen – The Hive	0	0	0	100	0
Widnes Market Refurbishment	0	0	0	1,433	0
Prevention & Assessment					
Disabled Facilities Grant	310	375	500	0	0
Stairlifts (Adaptations Initiative)	181	188	250	0	0
RSL Adaptations (Joint Funding)	86	150	200	0	0
Community Meals Oven	0	0	10	0	0
Commissioning & Complex Care					
ALD Bungalows	1	1	200	100	100
Halton Carers Centre Refurbishment	34	34	34	0	0
Grangeway Court Refurbishment	9	9	75	325	0
Lifeline Telecare Upgrade	0	0	100	0	0
Social Care Capital Grant	0	0	0	413	0
The Halton Brew	16	16	16	0	0
Total People & Economy	4,702	4,839	11,816	19,736	1,327

Directorate/Department	Actual Expenditure to Date £'000	2015/16 Cumulative Capital Allocation		Capital Allocation 2016/17 £'000	Capital Allocation 2017/18 £'000
		Quarter 3 £'000	Quarter 4 £'000		
<u>Community & Resources Directorate</u>					
ICT & Support Services					
ICT Rolling Programme	1,497	1,289	1,719	1,100	1,100
Planning & Transportation					
Local Transport Plan					
Bridge & Highway Maintenance	813	815	2,228	2,373	2,311
Integrated Transport & Network Management	258	260	908	908	908
Street Lighting	756	755	1,050	2,550	1,700
STEPS Programme	90	95	664	540	0
Surface Water Management	9	10	122	0	0
Local Pinch Point – Daresbury Expressway	72	80	943	0	0
S106 Schemes	0	0	314	0	0
Peelhouse Lane Roundabout & Cemetery Access	5	5	54	66	0
Mersey Gateway					
Land Acquisitions	4,467	4,467	5,388	5,667	919
Development Costs	1,535	1,535	2,244	3,474	2,649
Loan Interest During Construction	2,700	2,700	3,596	3,917	1,773
Construction Costs	0	0	0	70,000	32,500
Mersey Gateway Liquidity Fund	0	0	0	0	10,000
Other					
Risk Management	95	95	120	120	120
Fleet Replacements	651	650	1,174	2,940	624
Brookvale Biomass Boiler	9	9	9	0	0
Community and Environment					
Stadium Minor Works	31	30	42	280	30
Widnes Recreation Site	573	600	741	0	0
Leisure Management	0	0	225	50	0
Norton Priory	680	700	2,843	920	529

Directorate/Department	Actual Expenditure to Date £'000	2015/16 Cumulative Capital Allocation		Capital Allocation 2016/17 £'000	Capital Allocation 2017/18 £'000
		Quarter 3 £'000	Quarter 4 £'000		
Norton Priory Biomass Boiler	0	0	107	0	0
Open Spaces Schemes	97	100	160	0	0
Children's Playground Equipment	96	96	138	65	65
Upton Improvements	0	0	13	0	0
Crow Wood Play Area	0	2	4	9	0
Runcorn Hill Park	521	138	138	0	0
Runcorn Cemetery Extension	0	0	9	0	0
Widnes Crematorium Cremators	188	109	109	0	0
Peelhouse Lane Cemetery – Enabling Works	20	20	65	0	0
Peelhouse Lane Cemetery	12	12	1,020	336	70
Landfill Tax Credit Schemes	0	0	340	340	340
Litter Bins	19	20	20	20	20
Total Community & Resources	15,194	14,592	26,507	95,675	55,658
TOTAL CAPITAL PROGRAMME	19,896	19,431	38,323	115,411	56,985
Slippage (20%)			-7,665	-9,082	-4,897
				7,665	9,082
TOTAL	19,896	19,431	30,658	113,994	61,170

REPORT TO: Executive Board

DATE: 25 February 2016

REPORTING OFFICER: Operational Director – Finance

PORTFOLIO: Resources

TITLE: Treasury Management Quarter 3 2015/16

WARDS: Borough-wide

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to provide an update regarding activities undertaken on the money market as required by the Treasury Management Policy.

2.0 RECOMMENDED: That the report be noted.

3.0 SUPPORTING INFORMATION

Economic Outlook

3.1 The following analysis of the economic situation has been provided by Capita Asset Services, the Council's treasury management advisors.

3.2 During the quarter ended 31 December 2015:

- The economic recovery regained some momentum during Q4 2015 after a disappointing Q3 2015
- Household spending growth strengthened
- Wage growth slowed despite further falls in unemployment
- The UK came out of its brief dip into deflation
- The prospect of a rate hike before mid-2016 remained unlikely
- The Federal Reserve made a start in raising interest rates, and the European Central Bank (ECB) loosened policy
- The Chancellor smoothed out his fiscal austerity plans over the term of this Parliament

3.3 The economic recovery was shown to have slowed by more than previously thought, with real Gross Domestic Product (GDP) growth decelerating from 0.5% in quarter 2 to 0.4% in quarter 3. The annual growth rate in quarter 3 was also revised down from 2.3% to 2.1%. The revisions were driven largely by weaker contributions from investment expenditure.

- 3.4 The latest survey evidence and official monthly data suggest that the recovery picked up pace again during the final quarter of 2015. In addition to the CBI's Composite Growth Indicator pointing to greater economic expansion in quarter 4 of 2015, the Markit/CIPS composite Purchasing Managers Indicators (PMI) are consistent with quarterly GDP growth strengthening to about 0.6%, which would imply 2.2% GDP growth in 2015 as a whole. Quarter 3's unusually weak contribution of construction output to overall GDP is also likely to have been reversed by the end of 2015.
- 3.5 Consumer spending will probably have provided a significant boost, given that retail sales experienced what was almost certainly their strongest quarter this year. Spending off the high street looks to have fared well too, in part owing to consumer confidence remaining high. Survey measures such as the CBI's consumer services business volumes balance indicate that annual growth in real household spending on consumer services could have risen in the quarter, from 1.6% to as much as 3%.
- 3.6 The jobs recovery pressed on, as employment rose by 176,000, and by a further 91,000 in October, pushing the employment rate up to a record-high. Consequently, the International Labour Organisation (ILO) unemployment rate was driven down for four successive months between July and October, from 5.6% to 5.2% – a level not far above some estimates of its natural rate. However, by taking a wider perspective on labour market slack, we do not believe the labour market is as tight as these data alone suggest. First, impressive jobs growth reflected large increases in self-employment, as well as significant numbers of new part-time jobs, rather than conventional full-time placements. Moreover, the percentage of those in part-time work wanting to work extra hours in a full-time role saw the largest upturn for 2½ years in October, and the proportion of temporary workers wanting permanent positions has been on the rise throughout the second half of the year. Meanwhile, employer surveys have shown that recruitment difficulties have either held steady or eased recently. It is, therefore, not too surprising that pay growth has weakened so much of late. Annual growth in regular pay (ex. bonuses) reduced to 1.9%, in contrast to 2.5% in the previous quarter.
- 3.7 These labour market figures will have reassured the Monetary Policy Committee (MPC) doves that inflationary pressures remain muted, thereby reinforcing expectations that a rate rise is still some way off. Only recently the newest MPC member, stressed that he needs to see a decisive acceleration of wage growth before considering voting for a rate hike. And weak inflationary pressures from the labour market have been compounded by renewed falls in the energy prices in reinforcing the case to keep rates on hold for a while yet.

The sterling price of Brent Crude fell below £24 per barrel in December, and wholesale gas and electricity prices fell further too. While it looks like the UK's brief flirtation with deflation in 2015 came to an end in November – CPI inflation nudged back into positive territory at 0.1% – inflation will remain below target for a long while yet. Despite these disinflationary pressures, inflation will pick up in coming months as the previous, (sharper), falls in oil prices will drop out of the calculation of the annual figure.

- 3.8 Turning to the public finances, the Chancellor delivered his Spending Review and Autumn Statement in November. Due to the OBR “finding” another £27bn of savings over the forecast period, from changing various forecasts and modelling assumptions, Mr Osborne was allowed to reverse his tax credits cuts, and to pursue a more balanced path of consolidation over the parliament. But while the profile and pace of cuts have eased a little, the intensity of the consolidation package as a whole is not that different to the one presented in July's Budget, and remains far more austere than those faced in other advanced economies. The OBR forecasts that Mr Osborne will achieve a £10bn budget surplus in 2019-20 and that net debt as a percentage of GDP will fall in every year of the Parliament.
- 3.9 However, November's public finance figures now indicate that an overshoot of the borrowing target for this fiscal year is likely. On the other hand, since we think the OBR is too cautious about the scope for productivity and GDP growth to bounce back, it is quite possible that the Chancellor actually ends up reaching his £10bn budget surplus earlier than the current OBR forecast.
- 3.10 Finally, the FTSE 100 rose by 3% between end-Q3 and end-Q4. However, UK equity prices were still down by 5% over the year as a whole. By comparison, global equities rose over 4% and fell by 4.5% over 2015 as a whole. Meanwhile, on a trade-weighted basis, sterling weakened by around 0.4%. This left it around 3% higher than the start of the year.

Interest Rate Forecast

3.11 The following forecast has been provided by Capita Asset Services.

	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
Bank rate	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.50%	1.50%	1.75%	1.75%	2.00%	2.00%	2.00%
5yr PWLB rate	2.40%	2.60%	2.70%	2.80%	2.80%	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%
10yr PWLB rate	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%
25yr PWLB rate	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.30%	4.30%	4.40%	4.40%	4.40%	4.50%
50yr PWLB rate	3.60%	3.70%	3.80%	3.90%	4.00%	4.00%	4.10%	4.20%	4.20%	4.30%	4.30%	4.30%	4.40%

Short Term Borrowing Rates

3.12 The bank base rate remained at 0.50% throughout the quarter.

	Start	Oct		Nov		Dec	
		Mid	End	Mid	End	Mid	End
	%	%	%	%	%	%	%
Call Money (Market)	0.48	0.48	0.48	0.48	0.48	0.48	0.45
1 Month (Market)	0.51	0.51	0.51	0.51	0.50	0.50	0.50
3 Month (Market)	0.58	0.58	0.58	0.57	0.57	0.58	0.59

Longer Term Borrowing Rates

	Start	Oct		Nov		Dec	
		Mid	End	Mid	End	Mid	End
	%	%	%	%	%	%	%
1 Year (Market)	1.04	1.02	1.04	1.03	1.03	1.06	1.07
10 Year (PWLB)	2.62	2.60	2.78	2.83	2.69	2.74	2.85
25 Year (PWLB)	3.30	3.35	3.46	3.49	3.37	3.38	3.50

3.13 Market rates are based on LIBOR rates published at the middle and end of each month. PWLB rates are for new loans based on principal repayable at maturity.

Borrowing and InvestmentsTurnover During the Period

	No of deals	Turnover £m
Short Term Borrowing	-	-
Short Term Investments	4	30

Position at Month End

	Oct £m	Nov £m	Dec £m
Total Borrowing	168	168	168
Total Investments	(183)	(183)	(183)
Call Account Balance	(23)	(25)	(18)

Investment Benchmarking

Benchmark	Benchmark Return %	Performance Oct - Dec %	Investment Interest Earned £000
7 day	0.36	0.48	28
1 month	0.38	0.00	-
3 month	0.45	0.87	33
6 month	0.61	0.72	97
12 month	0.92	0.76	216
Total			374

- 3.14 This shows the Council has over achieved the benchmark for most maturities for the last quarter. Due to the Council's strict treasury management guidelines only Counterparties with a very high credit score can be used for 12 months investments. For this reason returns are not as high as the benchmark return.

Budget Monitoring

Net Interest at 31st December 2015				
	Budget Year to Date £000	Actual Year to Date £000	Variance (o/spend) £000	Actual inc M Gateway £000
Investment	(291)	(566)	275	(1,153)
Borrowing	1,145	1,178	(34)	4,470
Total	854	612	242	3,317

- 3.15 As the borrowing and investments in relation to the Mersey Gateway scheme are to be capitalised they will have no effect on the revenue budget and have therefore been excluded from the budget monitoring figures above.

New Long Term Borrowing

- 3.16 No new loans have been taken in this quarter.

Policy Guidelines

- 3.17 The Treasury Management Strategy Statement (TMSS) for 2015/16, which includes the Annual Investment Strategy, was approved by the Council on 04 March 2015. It sets out the Council's investment priorities as being:

- Security of capital;
- Liquidity; and
- Yield

- 3.18 The Council will also aim to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity. In the current economic climate and the heightened credit concerns it is considered appropriate to keep the majority of investments short term and to ensure all investments are in line with Sector's credit rating methodology.

Treasury Management Indicators

- 3.19 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators were set out in the Treasury Management Strategy Statement and are reviewed in Appendix 1.

Debt Rescheduling

- 3.20 No debt rescheduling was undertaken during the quarter.

4.0 POLICY IMPLICATIONS

4.1 None.

5.0 FINANCIAL IMPLICATIONS

5.1 The financial implications are as set out in the report.

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 main risks with Treasury Management are security of investment and volatility of return. To combat this, the Authority operates within a clearly defined Treasury Management Policy and annual borrowing and investment strategy, which sets out the control framework

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 None.

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

9.1 There are no background papers under the meaning of the Act.

Treasury and Prudential Indicators – 2015/16 - Quarter 3

Prudential Indicators	2014/15	2015/16	
	Full Year Actual £000	Original Estimate £000	Quarter 3 Estimate £000
Capital Expenditure	32,157	40,202	47,987
Net Financing Need for the Year <i>(Borrowing Requirement)</i>	3,787	23,404	17,179
Increase / (Decrease) in CFR <i>(Capital Financing Requirement)</i>	853	20,208	14,354
Ratio of Financing Costs to Net Revenue Stream <i>(Proportion of cost of borrowing to Council's net revenue)</i>	2.9%	3.4%	2.9%
Incremental Impact on band D Council Tax (£) <i>(net cost of borrowing compared to tax base)</i>	8.19	17.21	2.07
External Debt	183,000	153,000	153,000
Operational Boundary <i>(Limit of which external debit is not expected to exceed)</i>	252,600	255,313	255,313
Authorised Limit <i>(Limit beyond which external debit is prohibited)</i>	270,000	270,000	270,000

Upper Limit for Interest Rate Exposure	Exposure Limit %	2014/15 Actual %	2015/16 Estimate %
Fixed Rate	100	100	88
Variable Rate	30	-	12

Maturity Structure of Fixed Rate Borrowing	Exposure Limit %	2014/15 Actual %	2015/16 Estimate %
Under 12 months	40	16	15
12 months to 24 months	40	5	6
24 months to 5 years	40	5	0
5 years to 10 years	40	0	0
10 years and above	100	73	79

Maximum Principal invested > 365 days	Investment	2014/15	2015/16
	Limit £000	Actual £000	Estimate £000
Principal Sums Invested over 365 days	30,000	10,000	10,000

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