

# Public Document Pack



## Executive Board

Thursday, 16 February 2023 2.00 p.m.  
Boardroom - Municipal Building, Widnes

S. Young

Chief Executive

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

#### PART 1

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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.	
<b>3. LEADER'S PORTFOLIO</b>	
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*Please contact Gill Ferguson 0151 511 8059 or  
gill.ferguson@halton.gov.uk for further information.  
The next meeting of the Committee is on Thursday, 16 March 2023*

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<b>PART II</b>	
<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 <b>RECOMMENDED</b> 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(s) 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>	
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***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.***

## EXECUTIVE BOARD

*At a meeting of the Executive Board on Thursday, 19 January 2023 in the Boardroom -  
Municipal Building, Widnes*

Present: Councillors Wharton (Chair), Harris, M. Lloyd Jones, J. Lowe,  
T. McInerney, Nelson, Nolan, Thompson and Wright

Apologies for Absence: None

Absence declared on Council business: None

Officers present: G. Cook, S. Young, M. Vasic, M. Reaney, E. Dawson,  
S. Wallace-Bonner and G. Ferguson

Also in attendance: None

### ITEMS DEALT WITH UNDER POWERS AND DUTIES EXERCISABLE BY THE BOARD

EXB60 MINUTES

*Action*

The Minutes of the meeting held on 8 December 2022, were taken as read and signed as a correct record.

#### LEADER'S PORTFOLIO

EXB61 TRANSFORMATION PROGRAMME AND BUDGET  
PROPOSALS 2023/24 TO 2025/26

The Board considered a report of the Operational Director, Finance, which outlined a recommendation to Council in respect of the budget savings proposals and the implementation of a transformation programme for the three year period 2023/24 to 2025/26.

The Board was advised that the Medium Term Financial Strategy (MTFS), approved at its meeting on 17 November 2022, had identified funding gaps for the Council over the next three years. The latest MTFS forecast a total budget funding gap of around £25m over the next three years, with a gap of £17m for 2023/24.

Appendix 1 outlined proposed budget savings

totalling £6.881m over the three year period 2023/24 to 2025/26. Given the significant forecast budget gap for 2023/24, further work would be undertaken to review the assumptions within the forecast and to identify further saving proposals and the scope to use one-off reserves to deliver a balanced budget for 2023/24.

In order to identify sufficient savings to bridge the forecast budget gaps, a more fundamental approach was required to transform delivery via the implementation of a three year Transformation Programme as outlined in Section 5 of the report.

The Board considered the proposal to close both Warrington Road and Ditton Daycare Centres. Further information was provided on the significant financial losses made at both sites for a number of years, proposals to provide places for 2 to 4 year olds within the current nursery setting at the same site, communication with staff, parents and Trade Unions and a letter from Derek Twigg - Halton Member of Parliament.

RESOLVED: That

- 1) the Council's latest financial position and forecast budget gaps, as outlined within the section three of the report, be noted;
- 2) Council be recommended to approve the budget savings proposals for 2023/24 to 2025/26 presented in Appendix 1; and
- 3) Council be recommended to approve the three year transformation programme and funding arrangements, as outlined within section five of the report.

Operational  
Director - Finance

## **CHILDREN AND YOUNG PEOPLE PORTFOLIO**

### **EXB62 SCHOOL ADMISSION ARRANGEMENTS 2024 - KEY DECISION**

The Board received a report of the Executive Director – Children's Services, which requested the approval of the School Admissions Policy, Admission Arrangements and Co-ordinated Schemes, for admission to primary and secondary schools, including Academy, Free School and Voluntary Controlled schools for the September 2024 intake.

The Board was advised that in October 2022, the

Local Authority issued a statutorily required consultation on the proposed admission arrangements and co-ordinated admission schemes for the September 2024 intake for primary and secondary schools (attached as appendices 1 and 2 respectively). The primary scheme also included the proposed oversubscription criteria for community and voluntary controlled schools for whom the Local Authority was the admission authority.

The report provided details of the consultation, which ran until 11 November 2022; no responses to the consultation were received. Additionally, no amendments to the oversubscription criteria were suggested, as these worked well and met the requirements of the Department for Education's School Admissions Code.

It was noted that all Halton's secondary schools were either academies, free schools or voluntary aided and were therefore their own admission authorities, with responsibility for consulting and determining their own admissions criteria and their own Published Admission Number (PAN).

#### Reason(s) for Decision

The decision was statutorily required.

#### Alternative Options Considered and Rejected

Other options considered and rejected included the allocation of places to community and voluntary controlled schools through random allocation (lottery), as this method could be seen as arbitrary and random.

#### Implementation Date

The Policy and co-ordinated schemes would apply for the September 2024 academic intake.

RESOLVED: That the Board approves the School Admissions Policy, Admission Arrangements and Co-ordinated Schemes, for admission to primary and secondary schools for the 2024/25 academic year.

Executive Director  
Children's  
Services

EXB63 CAPITAL PROGRAMME - 2023/24 - KEY DECISION

The Board considered a report of the Executive Director – Children's Services, which provided a summary of the capital funding received by the Council from central Government to support Schools Capital Programmes for 2023/24.

The Board was advised that the Department for Education (DfE) had not announced the School Condition Allocation Capital Grant for 2023/24 however, given the timescales for some of the proposed capital projects, there was a requirement to present this report, so it was compiled using the 2022/23 allocation, which was £747,836.

The report set out details of the indicative funding available to support capital projects across the schools estate and also explained how the School Condition Allocation would be utilised.

Reason(s) for Decision

To deliver and implement the Capital Programmes.

Alternative Options Considered and Rejected

None.

Implementation Date

Capital Programmes for 2023/24 would be implemented with effect from 1 April 2023.

RESOLVED: That

- 1) the position regarding capital funding from the Department for Education for 2023/24 be noted;
- 2) the proposals to be funded from the School Condition Capital Allocation be approved; and
- 3) the capital allocations are put forward for inclusion in the budget report to full Council be approved.

Executive Director  
Children's  
Services

EXB64 CHILDREN AND YOUNG PEOPLE'S SPEECH AND LANGUAGE THERAPY SERVICES: RECOMMISSIONING IN PARTNERSHIP WITH NHS CHESHIRE AND MERSEYSIDE ICB - KEY DECISION

The Board considered a report of the Executive Director – Children's Services, which requested authorisation to recommission Children and Young People's Speech and Language Therapy services in partnership with NHS Cheshire and Merseyside Integrated Care Board (ICB), with the new contract to start in August 2023.

A comprehensive consultation with a broad range of stakeholders on the requirements of the new service was

currently taking place and the service specification for the new contract would be costed following conclusion of the consultation exercise.

RESOLVED: That the Board approves the recommissioning of the service in partnership with NHS Cheshire and Merseyside ICB.

Executive Director  
Children's  
Services

### **ADULT SOCIAL CARE PORTFOLIO**

#### **EXB65 ADULT SOCIAL CARE (ASC) DISCHARGE FUND**

The Board received a report of the Executive Director – Adult Services, which presented the Adult Social Care Discharge Fund Plan, 2022/23. Although the national fund was announced on 22 September 2022, Local Authority allocations were not notified until 18 November 2022. It was noted that the funding was being provided in two tranches with the first (40%) in December 2022 and the second (60%) by the end of January 2023 for those areas that had provided a planned spending report, fortnightly activity data and had met the associated grant conditions.

Halton's spending plan submission had been summarised and was attached as Appendix 1.

RESOLVED: That the Board note the contents of the report and associated appendix.

Executive Director  
of Adult Services

#### **EXB66 ADULT SOCIAL CARE ANNUAL REPORT FOR 2021/22**

The Board considered a report of the Executive Director – Adult Services, requesting agreement of the Adult Social Care Annual Report for 2021/22, which was appended to the report. The period incorporated both responding to the Covid-19 pandemic and the re-opening of services as restrictions were lifted.

The Adult Social Care Annual Report was now an embedded part of the reporting cycle for the Council and whilst not a mandatory requirement, it remained supported as good practice by the Association of Directors of Adult Social Services (ADASS).

It was also noted that the Annual Report, also known as the 'Local Account', allowed the service to take stock and reflect on how services had developed and delivered throughout the period and the impact this had on adults in the borough who have care and support needs.



The Board thanked Officers for an informative report.

RESOLVED: That the contents of the report and appendices be noted.

Executive Director  
of Adult Services

**ENVIRONMENT AND URBAN RENEWAL PORTFOLIO**

EXB67 UK SHARED PROSPERITY FUND (UKSPF) DELIVERY PLAN HALTON

The Board considered a report of the Operational Director Economy, Enterprise and Property, that provided an overview of Halton’s Delivery Plan against the UKSPF allocation for Halton under the following three strands:

- Green, Safe, Resilient Communities - £301,059;
- Local Culture, Arts, Heritage - £188,900; and
- Town Centres - £118,063.

Operational  
Director -  
Economy,  
Enterprise &  
Property

RESOLVED: That the Board approve in principle the Delivery Plan proposals.

**ENVIRONMENT AND URBAN RENEWAL PORTFOLIO AND EMPLOYMENT, LEARNING AND SKILLS, LEISURE, COMMUNITY PORTFOLIO**

EXB68 RUNCORN SWIMMING POOL

The Board considered a report which outlined the approach the Council had taken to seek a third party who would take on the future operation of Runcorn Swimming Pool. It was noted that the opportunity to operate the pool had been advertised on the Chest on 22 March and on the Council’s website, news update, social media and business newsletters including a trade advert in Leisure Opportunities. Following advertisement of the opportunity, the Council had received no expressions of interest.

As some interest to use the building was expressed by community groups, the Council had ran a further procurement round. This time it sought expressions of interest for alternative uses for the building. The opportunity was advertised from 20 September to 14 October and no expressions of interest were received.

Subsequently, the Council had reviewed the site and the current budgetary position meant that it could not afford the significant investment needed to maintain the building. It was therefore proposed that the building would be declared surplus to requirements and the Council would place the

building on the open market for sale.

RESOLVED: That

- 1) the report be noted;
- 2) the placing of the asset on the Council's Asset Disposal register be approved; and
- 3) approval is given to the Operational Director – Economy, Enterprise and Property, in consultation with the Portfolio Holders for Environment and Urban Renewal and Employment, Learning and Skills and Community, to place the property on the open market for sale.

Operational  
Director -  
Community &  
Environment

EXB69 SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

The Board considered:

- 1) whether Members of the press and public should be excluded from the meeting of the Board during consideration of the following item of business in accordance with Section 100A (4) of the Local Government Act 1972 because it was likely that, in view of the nature of the business to be considered, exempt information would be disclosed, being information defined in Section 100 (1) and paragraph 3 of Schedule 12A of the Local Government Act 1972; and
- 2) whether the disclosure of information was in the public interest, whether any relevant exemptions were applicable and whether, when applying the public interest test and exemptions, the public interest in maintaining the exemption outweighed that in disclosing the information.

RESOLVED: That as, in all the circumstances of the case, the public interest in maintaining the exemption outweighed that in disclosing the information, members of the press and public be excluded from the meeting during consideration of the following items of business in accordance with Section 100A (4) of the Local Government Act 1972 because it was likely that, in view of the nature of the business, exempt information would be disclosed, being information defined in Section 100 (1) and paragraph 3 of Schedule 12A of the Local Government Act 1972.

**DEPUTY LEADER PORTFOLIO**

**EXB70 DISPOSAL OF LAND AT LOWLANDS ROAD RUNCORN**

The Board considered a report of the Operational Director, Economy, Enterprise and Property, which requested approval for the disposal of land at Lowlands Road, Runcorn.

RESOLVED: That the Executive Board

- 1) approves the disposal of the freehold interest in land at Lowland Road behind Picow Engineering on the terms reported in section 3.4; and
- 2) authorises the Operational Director for Economy, Enterprise and Property to arrange for all required documentation for the transactions to be completed to the satisfaction of the Operational Director, Legal and Democratic Services, in consultation with the Portfolio Holder – Leader’s.

Operational Director -  
Economy, Enterprise & Property

**EXB71 RUNCORN TOWN DEAL (PROGRAMME UPDATE)**

The Board considered a report of the Operational Director, Economy, Enterprise and Property, which provided an update on the Runcorn Town Deal Programme.

RESOLVED: That

- 1) the report be noted;
- 2) the Operational Director – Legal and Democratic Services is authorised to:

Commission preparatory work and engage appropriate advisors to enable Halton Borough Council to be in a position to make a Compulsory Purchase Order, pursuant to section 226 of the Town and Country Planning Act 1990, for land in Runcorn Old Town if required.

Operational Director -  
Economy, Enterprise & Property

**ENVIRONMENT AND URBAN RENEWAL PORTFOLIO**

**EXB72 HIGHWAYS TERM MAINTENANCE CONTRACT**

The Board considered a report of the Operational Director, Policy, Planning and Transportation, on the procurement exercise to award a new contract for Highway

Maintenance to commence on 1 June 2023 for an initial period of six years, with options to extend it for up to 4 further years.

RESOLVED: That the award of the Highway Term Maintenance Contract to the successful bidder be approved.

Operational  
Director - Policy,  
Planning and  
Transportation

**MINUTES ISSUED: 24 January 2023**

**CALL-IN: 31 January 2023 at 5.00 pm.**

**Any matter decided by the Executive Board may be called in no later than 5.00pm on 31 January 2023.**

*Meeting ended at 3.18 p.m.*

**REPORT TO:** Executive Board

**DATE:** 16 February 2023

**REPORTING OFFICER:** Operational Director – Finance

**PORTFOLIO:** Leader

**SUBJECT:** Budget 2023/24

**WARD(S):** Borough-wide

### **1.0 PURPOSE OF REPORT**

1.1 To recommend to Council the revenue budget, capital programme and council tax for 2023/24.

### **2.0 RECOMMENDATION: That Council be recommended;**

- (i) To adopt the resolution set out in Appendix A, which includes setting the budget at £140.880m, the Council Tax requirement of £60.714m (before Parish, Police, Fire and LCR Combined Authority precepts) and the Band D Council Tax for Halton of £1,675.29;
- (ii) To approve the capital programme set out in Appendix E;
- (iii) To approve the introduction of a Council Tax Premium of 100% to properties where there is no resident and which are substantially furnished (typically referred to as second homes) from 01 April 2024, subject to legislation being enacted;
- (iv) To approve the Use of Capital Receipts Strategy as set out in Appendix F.

### **3.0 SUPPORTING INFORMATION**

#### **Medium Term Financial Strategy**

3.1 The Board approved the Medium Term Financial Strategy (MTFS) at its meeting on 17 November 2022. In summary, funding gaps of around £21.1m in 2023/24, £1.9m in 2024/25 and £2.0m in 2025/26 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 2022/23 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 £7.1m against a net budget of £111.7m. 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 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 to help balance the overspend position. The general reserve balance is currently £5.1m, equivalent to approximately 4.6% of the net budget for 2022/23, this is considered to be a minimum level at which the general reserve balance should be held.

## **2023/24 Revenue Budget**

- 3.7 The proposed revenue budget totals £140.880m. The departmental analysis of the budget is shown in Appendix B and the major reasons for change from the current budget are shown in Appendix C.
- 3.8 A total of £2.830m of savings were approved by the Council on 01 February 2023.
- 3.9 The proposed budget incorporates the grant figures announced in the Local Government Finance Settlement. It includes £0.009m for the New Homes Bonus grant, a reduction of £0.842m from 2022/23. New

Homes Bonus allocations are now received for one year only, with no legacy payments available. It is unclear whether the scheme will continue beyond 2023/24.

- 3.10 The budget includes Better Care Funding (BCF) of £6.982m which is unchanged from 2022/23.
- 3.11 Additional funding for Adult's and Children's Social Care was announced as part of the provisional settlement. It was announced that the £7.042m 2022/23 Social Care Grant will also be received in 2023/24, along with an additional allocation of £3.863m. This funding will be included in the Council budget to help to fund existing pressures within Social Care services. From 2023/24, £0.656 from the former Independent Living Fund Grant will be rolled in with the main Social Care Support Grant. £1.497m will be received in 2023/24 from the Adult Social Care Market Sustainability and Improvement Fund. £0.431m of this funding has been rolled forward from the 2022/23 Market Sustainability and Fair Cost of Care Grant, with an additional £1.066m being made available due to the delay in the introduction of Adult Social Care charging reform. This will be used to fund increases in the rates paid to providers within Adult Social Care.
- 3.12 Government have confirmed the continuation of the 100% Business Rates Retention pilot within the Liverpool City Region for 2023/24. 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 Local Government pay rates for 2023/24 have not yet been agreed. A 4% rise on all pay bands has been assumed in the budget for 2023/24.
- 3.14 Inflation of 5% has been applied to contractual (non-controllable) budgets for 2023/24. Additional inflation has been applied to social care contract costs which will increase at above normal inflation rates due to the increase of 9.7% in National Living Wage rates from April 2023. An additional £2.788m has been included in the 2023/24 budget to meet the anticipated increase in energy costs.
- 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 2023/24 to help manage the current departmental budget overspends, inclusive of £5.179m 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 £3.0m has been included in the contingency budget for 2023/24, to assist with funding the estimated 2022/23 budget overspend on a permanent basis.

- 3.17 It is proposed that £8.422m of reserves will be used to fund the 2023/24 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. The Transformation Programme approved by Council on 01 February 2023, will provide the means for identifying such savings in order to place the Council's budget on a long-term, sustainable basis.
- 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 2023/24 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 19 December 2022. 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 2023/24 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 beyond the end of this Parliament and will not happen before 2025/26 at the earliest.
- 3.22 For 2023/24, the Council's total Government Settlement Funding Allocation is £55.488m. This is made up of £52.169m Business Rates Baseline Funding and Top-Up grant of £3.319m. Excluding the rolled-in



Better Care Funding grant, the increase to the Settlement Funding Assessment from 2022/23 is 4.84%.

- 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 2010/11 to 2023/24, in cash terms there has been a reduction in funding for Halton of 3.1% and in real terms (ie. allowing for inflation), a cut of 28.8%.
- 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 £57.336m for 2023/24.
- 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 2023/24 the multiplier rate has been frozen at 51.2p in the pound and 49.9p in the pound for small businesses. The cost of freezing the multiplier is fully met by Central Government, through the provision of 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. A 1% precept was applied to council tax in 2022/23.
- 3.27 The Autumn Statement published on 17 November 2022 confirmed that a further Adult Social Care council tax precept of 2% can be applied for 2023/24.
- 3.28 As part of the Local Government Finance Settlement, allocation changes were made to several grant funding streams for 2023/24. Halton's Social Care Grant has been increased by £3.863m, whilst the £0.431m Market Sustainability and Fare Cost of Care Grant has been re-purposed into the Adult Social Care Market Sustainability and Improvement Grant along with an increase in allocation of £1.066m. Halton's Services Grant allocation will reduce by £1.087m in 2023/24. Some of this reduction is due to the reversal of the National Insurance increase during 2022/23, and part of this grant has been repurposed to increase funding for the Supporting Families programme. The £0.215m Lower Tier Services Grant has been removed for 2023/24. The New Homes Bonus grant scheme is continuing in 2023/24 although no legacy payments will be received going forwards. Due to a low number of new homes being completed in the Borough over the

past year, Halton's New Homes Bonus grant allocation has fallen by £0.842m for 2023/24.

### **Budget Outlook**

- 3.29 Indicative control totals for overall Local Government funding have been provided for 2024/25, but the distribution of that funding between different grant streams is still uncertain. It has been confirmed that major reforms to funding, which would lead to significant distributional changes between local authorities, has been postponed until after the end of this Parliament in 2024/25.
- 3.30 The impact of the following developments will have to be assessed when considering the 2024/25 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 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 was confirmed at the Autumn Statement in November 2022 that this review will not take place during the current parliament, although Government remains committed to the principal of updating the funding methodology for Local Government. The earliest these changes could feasibly be implemented would be the 2025/26 financial year, but a later date is more likely.
  - New Homes Bonus – The scheme in its current form is being wound down, with legacy payments being removed from 2020/21 onwards. The 2023/24 allocation is for one year only and for the first time will not include any legacy payments. 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 Rates 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%. The provisional Local Government Finance Settlement stated that the 100% pilots would continue for another year but offered no certainty beyond 2023/24.
  - 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 who 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 suffered several delays and is now anticipated to take place in 2025/26.

- 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 expressed doubts that the additional funding allocated would have been insufficient to cover the costs of these new burdens and could have caused further pressures on council budgets. These changes have now been postponed until after the end of the current Parliament in 2024/25, and the funding allocated has been repurposed towards existing Adult Social Care pressures. It is unclear whether further funding will be provided once the new measures are finally introduced, or whether councils will be expected to use the grant funding already provided.
- 3.31 The Medium Term Financial Strategy has been updated to take into account the 2023/24 Local Government Finance Settlement and multi-year allocations and savings measures already agreed or proposed. It includes a number of assumptions for 2024/25 including:
- Settlement Funding Assessment as per 2023/24 plus 2% inflation.
  - Pay, prices and income growth of 2%.
  - Reversal of 2023/24 one-off saving proposals.
- 3.32 The resulting total funding gap over the subsequent three financial years (2024/25 to 2026/27) is forecast to be in the region of £24.095m.

### **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 that the general council tax referendum threshold has increased from 2% to 3% for 2023/24.
- 3.35 The Levelling-Up and Regeneration Bill, published on 11 May 2022 introduced legislation which will allow authorities to increase the council tax payable on a dwelling where there is no resident, and which is substantially furnished (typically referred to as second homes), by up to 100%. The determination to apply the charge must be made at least one year before the beginning of the financial year in which the charge will be applied. It is therefore proposed that the 100% premium will be

introduced in Halton on 01 April 2024, subject to the relevant legislation being enacted.

- 3.36 The tax base (Band D equivalent) for the Borough has previously been set by Council at 36,241.
- 3.37 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 £1,675.29 (equivalent to £32.22 per week), in order to deliver a balanced budget for 2023/24 as required by statute. This is an increase of 4.99% (£79.62 per annum or £1.53 per week) over the current year.

### Parish Precepts

- 3.38 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	xx,xxx	x,xxx	x.xx%	xx.xx	x,xxx.xx
Daresbury	8,006	1,044	15.00%	43.04	1,718.33
Moore	6,125	55	0.91%	18.23	1,693.52
Preston Brook	xx,xxx	x,xxx	xx.xx%	xx.xx	x,xxx.xx
Halebank	39,610	150	0.38%	75.02	1,750.31
Sandymoor	42,849	1,629	3.95%	29.09	1,704.38

### Average Council Tax

- 3.39 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 £xxxx.xx, an increase of £xx.xx per annum.

### Police Precept

- 3.40 The Cheshire Police and Crime Commissioner has set the precept on the Council at £9.076m, which is £250.44 for a Band D property, an increase of £15.00 or 6.37%. The figures for each Band are shown in Recommendation 5 in Appendix A.

### Fire Precept

- 3.41 The Cheshire Fire Authority has set the precept on the Council at

£x.xxxm, which is £xx.xx for a Band D property, an increase of £x.xx or x.xx%. The figures for each Band are shown in Recommendation 6 in Appendix A.

### **Liverpool City Region Mayoral Precept**

- 3.42 The Liverpool City Region Combined Authority has set the precept on the Council at £0.689m 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**

- 3.43 Combining all these figures will give the Total Council Tax for 2023/24 and these are shown in Recommendation 8 in Appendix A. The total Band D Council Tax (before Parish precepts) is £1,675.29, an increase of £79.62 or 4.99%. The inclusion of parish precepts means the increase in Hale is x.xx%, in Daresbury is 5.22%, in Moore is 4.93%, in Preston Brook is x.xx%, in Halebank is 4.77%, and in Sandymoor is 4.90%.
- 3.44 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.
- 3.45 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

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

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	£000	£000	£000
<u>Spending</u>			
Scheme Estimates	54,550	27,077	16,646
Slippage Between Years	-3,705	5,494	2,111
	<u>50,845</u>	<u>32,571</u>	<u>18,757</u>
<u>Funding</u>			
Borrowing and Leasing	22,865	13,576	4,544
Grants and External Funds	26,185	12,101	10,702
Direct Revenue Finance	100	0	0
Capital Receipts	5,400	1,400	1,400
Slippage Between Years	-3,705	5,494	2,111
	<u>50,845</u>	<u>32,571</u>	<u>18,757</u>

3.47 The committed Capital Programme is shown in Appendix E.

3.48 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

3.49 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.

3.50 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

- 3.51 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.
- 3.52 Schools Block pupil numbers in mainstream primary and secondary schools have decreased from 18,236 for 2022/23 to 18,061 for 2023/24. Funding for mainstream primary and secondary schools is based on the pupil cohort on the October 2022 census.
- 3.53 The 2023/24 DSG settlement was announced on 16 December 2022 allocating Halton a total of £143.393m, which is broken down into £106.745m for the Schools Block, £0.738m for the Central Schools Services Block, £26.135m for the High Needs Block, and £9.775m for the Early Years Block. In addition, Halton has received £4.796m as part of the recent £2bn commitment for education from the Chancellor's 2022 Autumn Statement. The amount relating to mainstream schools and academies, which will be provided in addition to the formula funding determinations for schools, is £3.741m. The balance of £1.055m is provided to support the High Needs block.
- 3.54 The Minimum Funding Guarantee has been agreed by Schools Forum at plus 0.5%. This is the maximum protection allowed by the Department for Education.
- 3.55 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, the de-delegated funds are reduced, unless schools are asked to contribute a higher amount.
- 3.56 The Early Years Block indicative allocation for 2023-24 is £9.775m which is £0.498m greater than 2022-23 although this is likely to decrease in line with the current demographic trends. The 2023-24 allocation remains indicative until after the January 2023 early years headcount has been collated, validated and used by the Department for Education to inform Halton's actual Early Years Block allocation for 2023/24. The hourly rate the Council are funded at for 3 and 4 year old provision, as opposed to the hourly rate we pay providers, has

increased from £5.12 for 2022/23 to £5.20 per hour for 2023/24. The hourly rate the Council are funded at for 2 year old provision has increased from £5.65 per hour to £5.71 per hour.

3.57 The High Needs Block for 2022/23 was £22.945m before recoument by the Department for Education for commissioned places in special academies, and independent special schools. For 2023/24 the High Needs Block is £25.080m, which is an increase of £2.135m. Further conditions of grant funding in respect of High Needs have been introduced for 2023/24 which require all authorities to pass on a minimum guaranteed increase to their specialist provision settings.

3.58 The Pupil Premium Grant rates have increased by 5% to £1,455 per primary pupil and £1,035 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 £2,530 per pupil. Eligibility for the Service Children Premium will be funded at £335 per pupil. The amount for Looked after Children which comes to the Council for distribution is £2,530 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 CLIMATE CHANGE IMPLICATIONS**

9.1 No impact on the environment

## **10.0 REASON FOR THE DECISION**

10.1 To seek approval for the Council's revenue budget, capital programme and council tax for 2023/24.

## **11.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

## **12.0 IMPLEMENTATION DATE**

12.1 08 March 2023.

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

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Local Government Finance Report (England) 2023/24	Financial Management Halton Stadium	Steve Baker

## APPENDIX A

**DRAFT RESOLUTION FOR SUBMISSION TO THE COUNCIL  
AT ITS MEETING ON 08 March 2023**

**RECOMMENDATION:** that the Council adopt the following resolution:

1. The policies outlined in this paper be adopted, including the budget and council tax for 2023/24 and the Capital Programme set out in Appendix E.
2. That it be noted that at the meeting on 7 December 2022 the Council agreed the following:
  - (a) The Council Tax Base 2023/24 for the whole Council area is 36,241 (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	668
Daresbury	186
Moore	336
Preston Brook	370
Halebank	528
Sandymoor	1,473

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 2023/24 (excluding Parish precepts) is £60,714,185.
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) £xxx,xxx,xxx – 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) £xxx,xxx,xxx– being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £xx,xxx,xxx – 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) £x,xxx.xx – 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) £xxx,xxx – 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	xx,xxx
Daresbury	8,006
Moore	6,125
Preston Brook	xx,xxx
Halebank	39,610
Sandymoor	42,849

- (f) £1,675.29 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	xx.xx
Daresbury	43.04
Moore	18.23
Preston Brook	xx.xx
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		1,145.55	1,129.01		1,166.87	1,136.25	1,116.86
B		1,336.48	1,317.18		1,361.35	1,325.63	1,303.00
C		1,527.40	1,505.35		1,555.83	1,515.00	1,489.15
<b>D</b>		<b>1,718.33</b>	<b>1,693.52</b>		<b>1,750.31</b>	<b>1,704.38</b>	<b>1,675.29</b>
E		2,100.18	2,069.86		2,139.27	2,083.13	2,047.58
F		2,482.03	2,446.20		2,528.23	2,461.88	2,419.86
G		2,863.88	2,822.53		2,917.18	2,840.63	2,792.15
H		3,436.66	3,387.04		3,500.62	3,408.76	3,350.58

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 2023/24 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	166.96
B	194.79
C	222.61
<b>D</b>	<b>250.44</b>

E	306.09
F	361.75
G	417.40
H	500.88

6. It is further noted that for the year 2023/24 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	xx.xx
B	xx.xx
C	xx.xx
<b>D</b>	<b>xx.xx</b>
E	xx.xx
F	xx.xx
G	xx.xx
H	xx.xx

7. It is further noted that for the year 2023/24 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
<b>D</b>	<b>19.00</b>
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 2023/24 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							
B							
C							
<b>D</b>							
E							
F							
G							
H							

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 2023/24 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

## DEPARTMENTAL OPERATIONAL BUDGETS

	£000
<b>Adult Services Directorate</b>	<b>56,720</b>
<b>Children's Services Directorate</b>	
Children's Social Care	29,127
Education, Inclusion & Provision	9,213
	<u>38,340</u>
<b>Public Health Directorate</b>	<b>1,365</b>
<b>Environment &amp; Regeneration Directorate</b>	
Community & Greenspace	26,525
Economy, Enterprise & Property	2,819
Policy, Planning and Transportation	9,350
	<u>38,694</u>
<b>Chief Executive's Directorate</b>	
Finance	4,493
ICT & Support Services	-632
Legal & Democratic Services	571
Policy, People, Performance & Efficiency	-71
	<u>4,361</u>
<b>Departmental Operational Budgets</b>	<b><u>139,480</u></b>
Corporate and Democracy	1,400
	<u>1,400</u>
<b>Total Operational Budget</b>	<b><u>140,880</u></b>

## APPENDIX C

## 2023/24 BUDGET – REASONS FOR CHANGE

	<b>£000</b>
2022/23 Approved Budget	111,719
Add Back One-Off Savings	1,351
	<hr/> 113,070
<u>Policy Decisions</u>	
Capital Programme	318
<u>Inflation and Service Demand Pressures</u>	
Pay (including Increments)	7,307
Prices	4,316
Income	-2,672
Existing Service Demand Pressures	3,020
Additional Energy Costs	2,788
<u>Other</u>	
Net Adjustment to Specific Grants	8,239
Contingency Increase	3,500
Social Care Grant	-3,865
2023/24 Services Grant	1,087
Use of Reserves	6,602
<b>Base Budget</b>	<hr/> <b>143,710</b>
Less Savings (as agreed by Council 01 February 2023)	-2,830
<b>Total 2022/23 Budget</b>	<hr/> <b>140,880</b> <hr/>



## APPENDIX D

## MEDIUM TERM FINANCIAL FORECAST

	2024/25 £000	2025/26 £000	2026/27 £000
<b>Spending</b>			
Previous Year's Budget	140,880	139,992	144,092
Add Back One-Off Savings	120	0	0
<u>Inflation</u>			
Pay	2,011	2,048	2,089
Prices	1,975	2,015	2,055
Income	-707	-721	-735
<u>Other</u>			
Service Demand Pressures	2,650	3,870	1,500
Contingency	1,000	2,000	2,000
Reverse Use of Reserves	8,422	0	0
Replenish Reserves	2,000	2,000	0
Estimated Savings Proposals	-2,702	-1,349	0
Budget Forecast	155,649	149,855	151,001
<b>Resources</b>			
Baseline Business Rates Funding and Top-Up Grant	75,611	77,123	78,665
Council Tax	64,381	66,969	69,661
	139,992	144,092	148,326
<b>Funding Gap</b>	-15,657	-5,763	-2,675

## APPENDIX E

## COMMITTED CAPITAL PROGRAMME 2023/26

SCHEME	2023/24 £000	2024/25 £000	2025/26 £000
Schools Capital Projects	4,311	20	0
ALD Bungalows	199	0	0
Disabled Facilities Grant	600	600	600
Stairlifts	540	540	540
Purchase of Adapted Properties	358	0	0
Care Home Refurbishment	2,550	1,200	0
<b>People Directorate</b>	<b>8,558</b>	<b>2,360</b>	<b>1,140</b>
Stadium Minor Works	30	30	30
Halton Leisure Centre	15,000	11,285	0
Children's Playground Equipment	65	65	65
Landfill Tax Credit Schemes	340	340	340
Open Spaces Schemes	600	600	600
Runcorn Town Park	310	310	280
Spike Island / Wigg Island	964	964	0
Litter Bins	20	20	20
IT Rolling Programme	700	700	700
Equality Act Improvement Works	400	300	300
Foundry Lane Residential Area	2,117	0	0
Property Improvements	200	200	200
Runcorn Town Centre Development	7,436	7,436	10,228
Runcorn Station Quarter	420	0	0
Waterloo Building	100	0	0
Bridge and Highway Maintenance	1,873	0	0
Street Lighting – Structural Maintenance	200	200	200
Street Lighting – Upgrades	1,000	0	0
Runcorn East Connectivity	4,069	0	0
Risk Management	120	120	120
Fleet Replacements	4,466	1,147	1,423
Silver Jubilee Bridge Lighting	562	0	0
Transformation Programme	5,000	1,000	1,000
<b>Economy, Community &amp; Resources Directorate</b>	<b>45,992</b>	<b>24,717</b>	<b>15,506</b>
<b>Total Capital Programme</b>	<b>54,550</b>	<b>27,077</b>	<b>16,646</b>
<b>Slippage between years</b>	<b>-3,705</b>	<b>5,494</b>	<b>2,111</b>
<b>GRAND TOTAL</b>	<b>50,845</b>	<b>32,571</b>	<b>18,757</b>

## APPENDIX F

### Flexible Use of Capital Receipts Strategy

#### 1.0 Introduction

- 1.1 On 01 February 2023 Council approved the three year transformation programme and funding arrangements. The report set out the Council's approach to transformation, shape of the programme and how it will be resourced.
- 1.2 It was agreed that the Council adopt an approach, commonly adopted by other Councils, whereby this investment in transformation is regarded as one-off expenditure in order to deliver a long-term, sustainable, financial position. On 02 August 2022 Government issued a direction which gives local authorities the continued freedom to use capital receipts from the sale of their own assets, to help fund the revenue costs of transformation projects and thereby deliver savings.
- 1.3 The current direction is in place for financial years 2022/23, 2023/24 and 2024/25 only. It is assumed a further direction will be issued by Government in later years, to provide flexibility on capital receipts to cover 2025/26 (the third year of this strategy). Expired directions have been in place since 2016.
- 1.4 In order to use capital receipts to fund the Transformation Programme, the Council needs to approve a Flexible Use of Capital Receipts Strategy. The Strategy is required to list each project which will make use of the capital receipts flexibility and on a project-by-project basis should detail the expected savings/service transformations to be delivered. The Strategy should also report the impact upon the local authority's Prudential Indicators for the forthcoming year and subsequent years.

#### 2.0 Qualifying Expenditure

- 2.1 Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years. It is for individual local authorities to decide whether or not a project qualifies for the flexibility and such decisions will be reviewed by the Council's External Auditor.
- 2.2 The common theme of the Council's Transformation Programme is that it can be used as the catalyst for change internally and externally. It is proposed that the Programme is known as "Re-imagining Halton" in reference to the principles that will enable the Council to successfully

re-design services and deliver a sustainable financial position going forward. Work will be undertaken with Members, staff, partners and residents to “re-imagine” how services are delivered.

- 2.3 An estimate of the savings to be delivered by each of the Programme themes over the next three years, is provided in Table A. These amounts are initial estimates and will be updated regularly over the next three years, as the Programme is implemented. Changes to these estimates will be reported to Executive Board and Council during the period of the programme and annual reports will present the level of actual savings achieved against estimates. A more detailed analysis of themes within the Transformation Programme is included at the end of this document.

**TABLE A – Estimated Savings per Programme Theme.**

Programme Theme	2023/24 (£)	2024/25 (£)	2025/26 (£)
Adults / Adults with Learning Difficulties	1,034,802	4,139,208	5,174,010
Children Services	301,959	1,207,835	1,509,793
Special Educational Needs	100,000	400,000	500,000
Accelerating Development & Growth Income & Asset Realisation	100,000	400,000	500,000
Optimised Services	463,239	1,852,957	2,316,197
<b>Totals</b>	<b>2,000,000</b>	<b>8,000,000</b>	<b>10,000,000</b>

### 3.0 Qualifying Asset Disposals

- 3.1 For the purposes of the strategy, a qualifying disposal is an asset sale made within the period for which the Strategy applies, by the Council to an entity outside the Council’s group structure.
- 3.2 Capital receipts which are to be used by the Council under the flexibilities afforded by the Direction, should be from genuine disposals of assets. Where the Council still retains some control of the assets, directly or indirectly, and retains exposure to the risks and rewards from those assets, the disposal does not give rise to a capital receipt that can be used in accordance with the Direction.

### 4.0 Forecast Costs

- 4.1 It is estimated that a maximum budget for the Transformation Programme delivery resource be set at £7m over the three year period. It is currently estimated that the majority of these costs will be incurred in the first year of the programme.

- 4.2 Capital receipts to fund these costs have been identified and will be earmarked to fund future costs.

## **5.0 Prudential Indicators**

- 5.1 The impact upon the Council's treasury management prudential indicators is included within the Council's Treasury Management Strategy which is recommended for approval by Council, elsewhere on the Agenda.

## **6.0 Next Steps**

- 6.1 Once approved, the Strategy will be shared with the Department for Levelling Up, Housing and Communities in accordance with the requirements of the Government Direction. In addition, the Strategy will be shared with the Council's External Auditor Grant Thornton.
- 6.2 The Strategy will be updated regularly over the coming year and reported to Executive Board and Council, as further information becomes available regarding the level of savings and costs for each area of the Transformation Programme.

		ACTIVITY			
Programme Summaries		FY22/23	FY23/24	FY24/25	FY25/26
<b>Adults/ Adults with Learning Difficulties</b>					
1	Appropriate identification, submission and award of Continuing Health Care Funding to support health needs of adults in care				
2	Review of existing Supported Living arrangements and design a new strategy and delivery plan for a revised service offer to promote independence including new accommodation solutions				
3	Options appraisal and optimisation of Day Care delivery model to maximise impact and independence across the service				
4	Review the incidence of multiple care package recipients to re-align provision and promote independence.				
5	Increased employment opportunities for individuals with learning difficulties including remodelling support offer, business alignment, training, and work readiness				
6	Review transitions service and needs assessments to redesign service and prevent needs escalation with individuals who do not qualify for support under the Care Act				
7	Introduction of technology to aid hospital discharge, promote independence, improve safeguarding and re-model service delivery				
<b>Childrens Services</b>		FY22/23	FY23/24	FY24/25	FY25/26
8	Re-design Front Door to enhance multi agency offer, new panel arrangements, embracing Systemic Practice principles				
9	Implement Systemic Practice methods of working across the organisation to improve quality				
10	Implement High Cost placement panel and review all high cost placements, and integrate into BAU				
11	Commission Family Group Conference Contract				
12	Analyse potential benefits of PAUSE and commission PAUSE services				
13	Organisational review to establish new organisational design and roles consistent with Systemic Practice model				
14	Develop Digital solutions of social work				
15	Develop outreach work to support prevention in outreach placement work				
16	Develop 16+ housing offer				
17	Implement Juno				
18	Revised residential commissioning arrangement in place				
19	Review therapeutic model with CAHMS				
20	Develop vulnerable adolescent service complimentary to Edge of Care service				
<b>Special Educational Needs</b>		FY22/23	FY23/24	FY24/25	FY25/26
21	Redesign SEN Transport system to include re-designing pathway, re-training staff, improved partnership working, redesigned parent information including web site, re-negotiated contracts				
22	Deliver projects to create additional in-borough SEN provision and reduce out of authority placements				
23	Review needs analysis of children, develop enhance preventative solutions with parents, communities and schools to reduce escalation of needs, evolving relationship with schools and enhancing school inclusion				
<b>Accelerating Development &amp; Growth Income and Asset Rationalisation</b>		FY22/23	FY23/24	FY24/25	FY25/26
24	Identify short term critical posts to initiate acceleration in delivering the Local Plan and recruit				
25	Conduct detailed options appraisal to assess optimum model to accelerate income and reduce revenue risk to the Council				
26	Implement preferred approach to accelerating delivery of the Local Plan				
27	Develop review of Council assets and determine project to rationalise accommodation, improve usage and reduce costs				
<b>Optimised Services</b>		FY22/23	FY23/24	FY24/25	FY25/26
28	Review successful approaches to household waste reduction and increasing recycling. Design new campaign to achieve peer average performance for waste and recycling, and implement sustained campaign				
29	Review other services waste services, review contractual arrangements with Merseyside waste authority, assess joint working potential, designing new and sustainable waste delivery model				
30	Review parks and open spaces delivery models at other LA's, assess opportunities for greater community involvement, determine options for alternative maintenance arrangements				
31	Review commercial arrangements for Stadium, determine commercial strategy and implement with new offers and revised arrangements with users				
32	Develop and delivery new medium term leisure strategy to increase participation and reduce operating costs in advance of new leisure centre opening including alternative provision considerations.				
33	Build new corporate capacity to support development and sustainability of the Council in adapting to future changes and opportunities including policy, performance management, data insight, communications, organisational development, etc.				
34	Implement new corporate Operating Model to streamline processes, reposition administrative support, drive transparent performance management, create unified "front door" arrangements for residents with partners				
35	Implement new HR systems and processes and reduce reliance on agency staff, simplify administration processes, speed up recruitment and reposition Council in employee market				

**REPORT TO:** Executive Board

**DATE:** 16 February 2023

**REPORTING OFFICER:** Operational Director – Finance

**PORTFOLIO:** Leader

**TITLE:** Capital Strategy 2023/24

**WARDS:** Borough-wide

### **1.0 PURPOSE OF REPORT**

1.1 To consider the Council's Capital Strategy for 2023/24 and recommend it's approval by Council.

**2.0 RECOMMENDATION: That Council be recommended to approve the 2023/24 Capital Strategy, as presented in the Appendix.**

### **3.0 SUPPORTING INFORMATION**

3.1 The 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 2023/24.

### **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 FINANCIAL IMPLICATIONS**

5.1 There are a number of financial implications discussed, the current capital programme and how it is financed is shown in 2.3, and details of the Minimum Revenue Provision (MRP), the revenue cost to the capital schemes, is shown in 4.1.

## **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 CLIMATE CHANGE IMPLICATIONS**

9.1 None

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

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Working Papers	Financial Management	Matt Guest
CIPFA TM Code	Halton Stadium	
CIPFA Prudential Code		



**HALTON BOROUGH COUNCIL**

**CAPITAL STRATEGY**

**2023/24**

**CAPITAL STRATEGY STATEMENT 2023/24****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 2021/22 is shown below, along with estimates for 2022/23 and the following three years:

**Table 1 – Capital Expenditure and Funding**

	<b>2021/22 Actual £000</b>	<b>2022/23 Estimate £000</b>	<b>2023/24 Estimate £000</b>	<b>2024/25 Estimate £000</b>	<b>2025/26 Estimate £000</b>
<b>Capital Expenditure:</b>					
People	2,364	4,578	8,008	2,360	1,140
Enterprise, Community & Resources	18,955	37,475	42,222	24,777	12,774
	<b>21,319</b>	<b>42,053</b>	<b>50,230</b>	<b>27,137</b>	<b>13,914</b>
<b>Financed By:</b>					
Capital receipts	(2,833)	(488)	(5,400)	(1,400)	(1,400)
Capital grants	(9,339)	(32,482)	(25,111)	(11,671)	(9,457)
Revenue	(124)	(221)	-	-	-
<b>Net financing need for the year</b>	<b>9,023</b>	<b>8,862</b>	<b>19,719</b>	<b>14,066</b>	<b>3,057</b>

### 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**

	2021/22 Actual £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000
<b>Minimum Revenue Provision</b>					
General Fund	2,406	2,580	3,151	2,735	3,641
Leases and PFI Schemes	479	558	615	628	724
Mersey Gateway unitary charge	6,518	6,766	7,326	8,511	9,450
<b>Net financing need for the year</b>	<b>9,403</b>	<b>9,904</b>	<b>11,092</b>	<b>11,874</b>	<b>13,815</b>

- 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 2021/22 and how this is expected to change in 2022/23 and over the following three years.

**Table 3 – Capital Financing Requirement**

	2021/22 Actual £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000
<b>Capital Financing Requirement</b>	<b>614,330</b>	<b>606,305</b>	<b>614,395</b>	<b>615,850</b>	<b>604,528</b>
<b>Movement in CFR due to:</b>					
Net financing need for the year	9,023	8,862	19,719	14,066	3,057
PFI / Finance Leases	-	-	-	-	-
Use of Reserves to reduce MRP liability	(511)	(6,983)	(537)	(737)	(564)
Less Minimum Revenue Provision	(9,403)	(9,904)	(11,092)	(11,874)	(13,815)
<b>Increase / (Decrease) in CFR</b>	<b>(891)</b>	<b>(8,025)</b>	<b>8,090</b>	<b>1,455</b>	<b>(11,322)</b>

## 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**

	<b>2021/22 Actual £000</b>	<b>2022/23 Estimate £000</b>	<b>2023/24 Estimate £000</b>	<b>2024/25 Estimate £000</b>	<b>2025/26 Estimate £000</b>
<b>Capital Receipts - 1st April</b>	<b>(2,082)</b>	<b>(1,061)</b>	<b>(9,430)</b>	<b>(9,657)</b>	<b>(9,932)</b>
Asset Sales	(2,323)	(15,839)	(6,164)	(2,226)	(2,564)
Use of Capital Receipts					
- New Capital Expenditure	2,833	488	5,400	1,400	1,400
- Repayment of debt	511	6,982	537	551	564
<b>Capital Receipts - 31st March</b>	<b>(1,061)</b>	<b>(9,430)</b>	<b>(9,657)</b>	<b>(9,932)</b>	<b>(10,532)</b>

## 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 16 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 31<sup>st</sup> 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.

**REPORT TO:** Executive Board

**DATE:** 16 February 2023

**REPORTING OFFICER:** Operational Director – Finance

**PORTFOLIO:** Leader

**SUBJECT:** 2022/23 Spending as at 31 December 2022

**WARD(S):** Borough-wide

## **1.0 PURPOSE OF REPORT**

1.1 To report the Council's overall revenue net spending position as at 31 December 2022 together with a forecast outturn position.

## **2.0 RECOMMENDED: That;**

- (i) All spending continues to be limited to only absolutely essential items;**
- (ii) Strategic Directors take urgent action to identify areas where spending could be reduced or suspended for the remainder of the current financial year;**
- (iii) Council be requested to approve the revisions to the Capital Programme as set out in paragraph 3.16.**

## **3.0 SUPPORTING INFORMATION**

### **Revenue Spending**

- 3.1 Appendix 1 presents a summary of spending against the operational revenue budget up to 31 December 2022 and Appendix 2 provides detailed figures for each individual Department. In overall terms, net Council spending as at 31 December 2022 is £4.947m over budget. The outturn forecast for the year estimates that net spend will be over the approved budget by £7.098m.
- 3.2 The forecast position is lower than the figure of £7.586m forecast at 30 September 2022, largely as a result of increases in the forecast of interest receivable, but there are also other movements in the departmental forecasts from that presented at the end of September. The estimate at quarter three is based on current service demand and forecasts of future costs and income levels.
- 3.3 There is continued uncertainty regarding both with the inflationary impact upon costs and demand pressures upon Council services going forward.

Inflation is currently running at 10.5% for CPI and 13.4% for RPI. There is some evidence that the Council is seeing increases in cost reflective of the high inflation figures, this remains a concern over the short term as contract and service prices are reviewed as the Council approach the new financial year.

- 3.4 Included within the departmental figures is the cost of the 2022/23 pay award. This has been agreed and back dated payments were made in November 2022, all staff will receive a flat pay award of £1,925, for those on the lower end of the pay scale this award is the equivalent of approximately 10%, significantly higher than the 2% included within the Council 2022/23 base budget. The cost of the pay award across all departments is forecast at £3.232mm over what has been allowed in the current year budget, this takes into account of on-costs as well as the flat rate award. This forecast additional cost will be funded directly from reserves and is not included within the forecast overspend against budget for the year.
- 3.5 The pay award and high inflation rates will all have a serious negative impact upon the Council's financial position. Whilst the 2023/24 provisional grant settlement was marginally better than expected, it by no means addresses the increased in costs from inflationary and demand pressures, especially in the current year. As such there continues to be a real urgency for all departments to cut any non-essential spending and to implement any proposed efficiencies as soon as possible.
- 3.6 Other than the above pressures, there are continued strains within some departmental services. These continue to be evident within children and adults social care and within school transport. Demand and inflationary cost pressures are having a detrimental impact on net spend for these areas which are significantly higher than the approved budget.

### **Revenue - Operational Spending**

- 3.7 Operational net spending for the first nine months of the year is higher than the budget to date by £4.947m. Based on current forecasts it is estimated net spend will be over the approved budget for the year by £7.098m as at 31 March 2023, if no corrective action is taken.
- 3.8 Within the overall budget forecast position for the quarter, the key budget variances are as follows;

- (i) **Children and Families Department:-**

The projected outturn forecast is for the Department to overspend by £10.070m against a net budget of £27.901m.

### Staffing

Employee costs are £1.522m above budget at the end of quarter 3. The continued long term reliance on agency staff is primarily the cause of this overspend. Social worker recruitment is still proving difficult due to an extremely competitive market and highly inflated agency payment rates.

Spend on agency staff at the end of quarter 3 is £4,533m or 50% of the total employee budget to date. There is further pressure on the budget from the costs of the Innovate managed agency team which was brought in as a result of the Ofsted inspection. This team was originally allocated £1m of funding from reserves, however, the contract was extended for a further 6 months at an additional cost of £0.9m funded from reserves.

Since quarter 2 the Innovate contract has been further extended for a maximum of three months at a cost of up to £0.212m.

The final outturn for employee costs is expected to be £2.333m over budget.

### Supplies & Services

Supplies and Services expenditure is £0.759m above budget at the end of quarter 3 and is anticipated to be £1.104m over budget at the end of the financial year. A large proportion of this spend is due to increased court costs, currently forecast at £0.490m for the full year. Expenditure in relation to independent assessments is also high with spend at quarter 3 of £0.272m.

Consultancy costs also contribute largely to this overspend and are expected to be £0.248m at the end of the financial year. The majority of these costs relate to the continuing work undertaken in relation to the in-house fostering project. This however, has been extremely successful, having increased the numbers of in-house foster carers and continuing to maintain high retention levels of existing carers.

### Out of Borough Residential Care

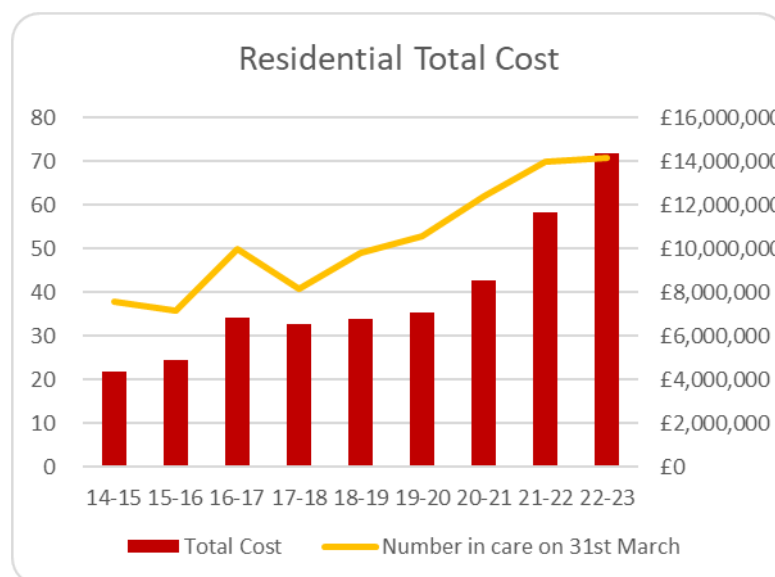
Out of Borough Residential Care continues to be the main budget pressure for the Children and Families Department as the costs of residential care have continued to rise year on year. This budget was given an additional growth of £1m for this financial year to alleviate the pressure. However, residential care is £3.614m overspent at the end of quarter 3 with an anticipated outturn of £4.721m over budget at the end of the financial year.

The table below breaks down the current residential placements based on costs and placement type:



Provision	Weekly Costs	31st December 2022		30th September 2022	
		No. Placed	Estimated cost for the year	No. Placed	Estimated cost for the year
Residential	£2000 - £3000	3	383,836	5	662,535
Residential	£3001 - £4000	10	2,142,370	13	2,635,774
Residential	£4001 - £5000	9	2,186,163	8	1,685,973
Residential	£5001 - £10276	20	5,747,363	19	5,813,443
Secure	£6397 - £9675	1	379,458	1	343,422
Leaving Care	£443 - £8225	22	2,612,248	25	2,410,167
Parent & Child	£2000 - £4500	6	954,698	6	995,092
<b>Total:</b>		<b>71</b>	<b>14,406,136</b>	<b>77</b>	<b>14,546,406</b>

The graph below illustrates the rising costs of Residential Care, for consistency this does not include the costs of UASC as these costs were not included previous years.



(ii) **Adult Social Care Department:-**

Community Care

Community care expenditure is over budget profile at the end of quarter 3 by £0.792m and is forecast to be overspent by circa £1.130m at the end of the financial year. Pressures on the budget continue from the previous financial year

Residential & Nursing Care

The net costs for residential and nursing care are forecast to exceed the approved annual budget by £0.450m at financial year end.

There are currently 498 residents (including joint funded) in permanent residential/nursing care as at the end of December 2022 compared to 463 residents in April 2022. This is an increase of 7.5%. The average cost of a package of care has increased since April from £742.71 to £775.36, an increase of 4.4%. There are currently 66 service users with a package of care costing more than £1,000 per week, albeit some of those are jointly funded with Health. Of those 37 are placed outside the Borough.

### Direct Payments

The demand for a Direct Payment is slowly decreasing. It is forecast that costs for the year will exceed the approved annual budget by £0.997m.

Reduced demand may be linked to day services reopening after the pandemic closure. As at the end of December there are 568 service users (including joint funded) in receipt of a direct payment compared with 574 in April, which is a 1.05% decrease. However, even with this small decrease costs will continue to exceed budget with demand at current levels.

### Domiciliary Care & Supported Living

The above budget pressures are mitigated by spend on domiciliary care being forecast to be £0.495m below budget by year-end. Currently there are 690 service users (including joint funded) receiving a package of care at home. In April 2022 it was 682, therefore an increase of 1.17%. The average cost of a package of care has decreased from £468.17 to £453.81, a reduction of 3.1%.

### Care Homes

Spend across the Division is above the budget profile by £1.321m for the second quarter. The forecast to the end of the financial year is for net spend to be £1.497m over budget.

The main issue driving the increased costs relates to the difficulties with recruitment of staff, which has resulted in the use of expensive agency staff and overtime to cover vacancies. Due to pressures with recruitment and retention in the sector, heavy reliance is being placed on agency staff. A proactive rolling recruitment process is taking place across the care homes which has already led to an increase in the number of permanent staff.

There is continued pressure relating to increases in utility costs, supplies and services and food provision, this will continue to cause significant budget pressures across the care homes.

**(iii) Education, Inclusion and Provision**

Schools Transport is the main budget pressure for Education, Inclusion and Provision, as the Council has a statutory responsibility to provide Special Educational Needs (SEN) pupils with transport. The demand for the School Transport service is increasing in line with the increasing number of pupils with SEN within the Borough.

At present there are 491 service users in this financial year, the majority of which attend schools within the Borough, 378 compared to 113 out of the Borough.

The cost of transport has risen sharply in the current year with average prices increasing by 17% mainly from September 2022. Schools transport spend is forecast to be £0.928m over the approved budget at year end if current demand continues.

Core funded employee expenditure is forecast to be £0.417m under budget at year end. As was the case in 2021/22 there have been a number of vacant positions across the Department during the year. The most notable of these was the Operational Director's position. This has only recently been filled which leaves a vacant Divisional Manager position. The vacant position is currently being acted-up into until end of August 23. It has been forecast that the majority of vacancies will be filled by the end of this financial year which results in a one-off saving.

**(iv) Corporate and Democracy:-**

To date Corporate and Democracy net spend is £3.499m under the budget to date and it is currently forecast that net spend for the year will be below the approved budget by £4.772m.

Included within the above figures are both general and specific contingency budgets. This includes a contingency for known budget pressures within social care services and recognises that efforts to control and reduce spending within these areas is part of a longer term plan.

Interest rate rises by the Bank of England have increased the amount of interest which the Council is able to generate from its cash investments. It is currently forecast that by year-end the Council will be able to generate an additional £1.454m in interest receipts than was forecast at budget setting.

**Collection Fund**

- 3.9 Council tax collection for the third quarter of the year is 80.69%, down by 0.56% on this point last year. Cash collection for the year to date is £60.3m, this includes £1.6m collected in relation to previous year debt.

- 3.10 Business rates collection for the first quarter of the year is 83.16%, up by 2.68%% on this point last year. Cash collected for the year to date is £46.1m. The in-year collection rate has been helped by credits placed against accounts following the awarding of 2021/22 rate reliefs funded by the Government's Covid Additional Relief Fund

### Review of Reserves

- 3.11 As at 31 March 2022 the Council's General Reserve was £5.147m, which represents 4.6% of the Council's total net budget. This is considered to be a reasonable level.
- 3.12 As at the end of the current financial year it is forecast the balance of the Council's earmarked reserves will stand at £97.017m. This balance is after the additional cost of the 2022/23 pay award and cost of the Innovate contract for Children and Family Services have been taken into account.
- 3.13 Detailed below is the forecast of earmarked reserves as at 31 March 2023, categorised into the reasons for which they are held

Category	Balance 31 March 2023 £'000s
Future Revenue Commitment	11,746
Contractual	73,063
Grants	5,800
Capital	2,469
Risk	2,324
Other	1,615
<b>Total</b>	<b>97,017</b>

- 3.14 Contractual reserves include those reserves for Mersey Gateway which are largely earmarked to be returned to the Department for Transport.
- 3.15 The value of reserves available for future revenue commitments will need to be utilised in funding the balance of any overspend against the 2022/23 budget and also in help addressing the deficit on the 2023/24 budget. The value of the reserve is a concern given the issues which have previously been mentioned in the report i.e. high inflation, service demand pressures and future public spending reductions

### Capital Spending

- 3.16 The Capital Programme has been revised to reflect a number of changes in spending profiles and funding as schemes have developed and these are reflected in the Capital Programme presented in Appendix 3. The schemes which have been revised within the programme are as follows;
- i. Schools Access Initiative

- ii. Cavendish School Extension
- iii. Disabled Facilities Grants
- iv. Stair Lifts
- v. Millbrow Care Homes
- vi. St Luke's Care Homes
- vii. St Patricks Care Home
- viii. Halton Leisure Centre
- ix. Equality Act Improvement Works
- x. Runcorn Town Centre Fund
- xi. Runcorn Station Quarter
- xii. SUD Green Cycle / Walk Corridors
- xiii. Silver Jubilee Bridge Decoupling
- xiv. Widnes Loops
- xv. Transformation Programme

3.17 Capital spending at 31 December 2022 totalled £18.516m, which represents 102% of the planned spending of £18.174m at this stage. This represents 64% of the total Capital Programme of £28.818m (which assumes a 20% slippage between years).

#### **4.0 CONCLUSIONS**

4.1 As at 31 December 2022, net revenue spend (including the net impact of Covid) is £4.947m over the budget to date.

4.2 The forecast outturn currently estimates that spending will be £7.098m over budget for the year, which would have a severe impact upon the Council's reserves.

4.3 To address day to day operational budget pressures Departments should ensure that all spending continues to be restricted and tightly controlled throughout the year, to ensure that the forecast outturn overspend is minimised as far as possible

#### **5.0 POLICY AND 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 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 A budget risk register of significant financial risks is maintained and has been updated.

**8.0 EQUALITY AND DIVERSITY ISSUES**

8.1 None.

**9.0 CLIMATE CHANGE IMPLICATIONS**

9.1 None

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

10.1 There are no background papers under the meaning of the Act



## Summary of Revenue Spending to 31 December 2022

## APPENDIX 1

Directorate / Department	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance (Overspend) £'000	Forecast Outturn (Overspend)
Community & Environment	24,029	17,658	17,702	(44)	346
Economy, Enterprise & Property	2,282	1,804	1,925	(121)	(164)
Finance	4,107	6,853	6,570	283	284
ICT & Support Services	-1,040	-1,576	-1,520	(56)	(51)
Legal & Democratic Services	502	458	487	(29)	(44)
Planning & Transportation	9,000	3,814	3,684	130	203
Policy, People, Performance & Efficiency	19	-98	-153	55	67
<b>Enterprise, Community &amp; Resources</b>	<b>38,899</b>	<b>28,913</b>	<b>28,695</b>	<b>218</b>	<b>641</b>
Adult Social Care (inc Care Homes & Community Care)	48,021	36,384	38,360	(1,975)	(2,627)
Children & Families	27,901	18,673	25,928	(7,255)	(10,070)
Complex Care Pool	4,501	-668	-1,113	445	614
Education, Inclusion & Provision	8,806	3,931	3,912	19	(571)
Public Health & Public Protection	253	190	88	102	143
<b>People</b>	<b>89,482</b>	<b>58,510</b>	<b>67,175</b>	<b>(8,664)</b>	<b>(12,511)</b>
<b>Corporate &amp; Democracy</b>	<b>-16,662</b>	<b>-19,090</b>	<b>-22,589</b>	<b>3,499</b>	<b>4,772</b>
<b>Mersey Gateway</b>	<b>0</b>	<b>-19,049</b>	<b>-19,049</b>	<b>0</b>	<b>0</b>
<b>Total Operational Net Spend</b>	<b>111,719</b>	<b>49,284</b>	<b>54,232</b>	<b>(4,947)</b>	<b>(7,098)</b>





## Community &amp; Environment Department

	Annual Budget £'000	Budget to Date £'000	Actual £'000	Variance (Overspend) £'000	Forecast Outturn £'000
<b>Expenditure</b>					
Employees	16,052	11,949	11,148	801	1,038
Premises	2,543	1,799	1,838	(39)	(100)
Supplies & Services	1,398	1,263	1,314	(51)	(99)
Hired & Contracted Services	890	121	243	(122)	(136)
Book Fund	146	125	114	11	14
Food Provisions	404	306	264	42	57
School Meals Food	1,872	1,568	1,406	162	216
Miscellaneous Transport Costs	115	86	81	5	6
Other Agency Costs	156	125	119	6	(69)
Other Expenditure	0	2	6	(4)	(6)
Waste Disposal Contracts	6,538	5,207	5,207	0	500
Grants to Voluntary Organisations	67	50	49	1	42
Grant to Norton Priory	172	173	174	(1)	(1)
Rolling Projects	0	5	20	(15)	(20)
Capital Financing	0	4	4	0	0
<b>Total Expenditure</b>	<b>30,353</b>	<b>22,783</b>	<b>21,987</b>	<b>796</b>	<b>1,442</b>
<b>Income</b>					
Sales Income	-1,309	-1,064	-924	(140)	(187)
School Meals Sales	-4,957	-3,530	-3,260	(270)	(380)
Fees & Charges Income	-5,546	-4,544	-4,501	(43)	(57)
Rental Income	-205	-157	-131	(26)	(35)
Government Grant Income	-359	-404	-404	0	45
Reimbursements & Other Grant Income	-597	-245	-242	(3)	(4)
Catering Fees	-88	-77	-55	(22)	(29)
Internal Fees Income	-247	-180	-100	(80)	(106)
Capital Salaries	-173	-120	-51	(69)	(93)
Transfers From Reserves	-747	-512	-512	0	0
<b>Total Income</b>	<b>-14,228</b>	<b>-10,833</b>	<b>-10,180</b>	<b>(653)</b>	<b>(846)</b>
<b>Net Operational Expenditure</b>	<b>16,125</b>	<b>11,950</b>	<b>11,807</b>	<b>143</b>	<b>596</b>
<b>Recharges</b>					
Premises Support	1,496	1,122	1,122	0	0
Transport	2,324	1,632	1,819	(187)	(250)
Central Support	4,449	3,337	3,337	0	0
Asset Rental Support	146	0	0	0	0
HBC Support Costs Income	-511	-383	-383	0	0
<b>Net Total Recharges</b>	<b>7,904</b>	<b>5,708</b>	<b>5,895</b>	<b>(187)</b>	<b>(250)</b>
<b>Net Departmental Expenditure</b>	<b>24,029</b>	<b>17,658</b>	<b>17,702</b>	<b>(44)</b>	<b>346</b>

## Economy, Enterprise &amp; Property Department

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employee Related Expenditure	4,898	4,210	4,103	107	143
Pay Award	195	0	0	0	0
Repairs & Maintenance	2,347	1,631	1,681	(50)	(67)
Premises	92	90	90	0	0
Energy & Water Costs	895	500	594	(94)	(126)
NNDR	549	549	633	(84)	(84)
Rents	177	141	141	0	0
Economic Regeneration Activities	37	13	0	13	17
Security	486	329	345	(16)	(22)
Supplies & Services	618	434	430	4	5
Supplies & Services - Grant	1,284	574	574	0	0
Grants to Voluntary Organisations	130	103	103	0	0
Capital Finance	30	30	30	0	0
Transfer to Reserves	190	187	187	0	0
<b>Total Expenditure</b>	<b>11,928</b>	<b>8,791</b>	<b>8,911</b>	<b>(120)</b>	<b>(134)</b>
<b>Income</b>					
Fees & Charges Income	-773	-386	-386	0	0
Rent - Commercial Properties	-837	-517	-431	(86)	(115)
Rent - Investment Properties	-53	-43	-43	0	0
Rent - Markets	-796	-604	-583	(21)	(21)
Government Grant	-803	-803	-803	0	0
Reimbursements & Other Grant Income	-1,206	-726	-726	0	0
Schools SLA Income	-381	-381	-362	(19)	(19)
Recharges to Capital	-243	-71	-71	0	0
Transfer from Reserves	-1,883	-1,451	-1,576	125	125
<b>Total Income</b>	<b>-6,975</b>	<b>-4,982</b>	<b>-4,981</b>	<b>(1)</b>	<b>(30)</b>
<b>Net Operational Expenditure</b>	<b>4,953</b>	<b>3,809</b>	<b>3,930</b>	<b>(121)</b>	<b>(164)</b>
<b>Recharges</b>					
Premises Support	1,474	1,106	1,106	0	0
Transport Support	27	20	20	0	0
Central Support	2,082	1,562	1,562	0	0
Asset Rental Support	4	0	0	0	0
Recharge Income	-6,258	-4,693	-4,693	0	0
<b>Net Total Recharges</b>	<b>-2,671</b>	<b>-2,005</b>	<b>-2,005</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>2,282</b>	<b>1,804</b>	<b>1,925</b>	<b>(121)</b>	<b>(164)</b>

## Finance Department

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	6,155	4,569	4,387	182	243
Premises	0	0	14	(14)	(14)
Insurances	894	722	811	(89)	(119)
Supplies & Services	450	410	460	(50)	(112)
Rent Allowances	35,500	22,802	22,820	(18)	(24)
Non HRA Rent Rebates	70	50	42	8	11
Discretionary Social Fund	106	106	139	(33)	(18)
Household Support Fund	1,890	1,890	1,890	0	0
Discretionary Housing Payments	300	187	187	0	0
Covid Isolation Scheme	0	0	-9	9	0
Concessionary Travel	1,898	1,065	736	329	439
LCR Levy	2,241	2,241	2,241	0	0
Transfer to Reserves	17	0	0	0	17
Bad Debt Provision	77	0	0	0	(78)
<b>Total Expenditure</b>	<b>49,598</b>	<b>34,042</b>	<b>33,718</b>	<b>324</b>	<b>345</b>
<b>Income</b>					
Clerical Error Recovery	-400	-117	-117	(0)	0
Rent Allowances	-34,900	-20,216	-19,912	(304)	(406)
Other Fees & Charges	-264	-197	-228	31	41
Non HRA Rent Rebate	-70	-53	-74	21	28
Burdens Grant	-60	-67	-90	22	29
Dedicated Schools Grant	-111	0	0	(0)	0
Discretionary Housing Payment Grant	-300	-280	-280	0	0
Housing Benefits Admin Grant	-515	-386	-386	(0)	0
Universal Credits	-5	-5	-5	0	0
Council Tax Admin Grant	-204	-206	-211	5	7
Household Support Fund Grant	-1,890	-144	-144	(0)	0
Council Tax Liability Order	-501	-381	-396	15	20
Business Rates Admin Grant	-155	0	0	0	0
VEP Grant	-9	-9	-9	(0)	0
Council Tax Rebate Scheme Admin Gra	0	0	-79	79	79
Covid Isolation Grant Income	0	0	36	(36)	(29)
Schools SLAs	-278	-279	-280	2	3
LCR Reimbursement	-2,241	-2,241	-2,241	0	0
Reimbursements & Other Grants	-111	-29	-94	65	86
Internal Income	0	0	0	0	0
CCG McMillan Reimbursement	-82	-56	-41	(15)	(20)
Transfer from Reserves	-387	-266	-343	76	101
<b>Total Income</b>	<b>-42,483</b>	<b>-24,933</b>	<b>-24,892</b>	<b>(41)</b>	<b>(61)</b>
<b>Net Operational Expenditure</b>	<b>7,115</b>	<b>9,109</b>	<b>8,826</b>	<b>283</b>	<b>284</b>
<b>Recharges</b>					
Premises Support	227	170	170	(0)	0
Central Support	2,518	1,888	1,888	(0)	0
Recharge Income	-5,753	-4,315	-4,315	(0)	0
<b>Net Total Recharges</b>	<b>-3,008</b>	<b>-2,256</b>	<b>-2,256</b>	<b>(0)</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>4,107</b>	<b>6,853</b>	<b>6,570</b>	<b>283</b>	<b>284</b>

## ICT &amp; Support Services Department

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employee	7,773	5,734	5,844	(110)	(146)
Supplies & Services Expenditure	1,012	669	661	8	10
Capital Finance	78	56	35	21	28
Computer Repairs & Software	1,258	1,237	1,213	24	33
Communication Costs	13	13	83	(70)	(71)
Premises Expenditure	99	80	100	(20)	(27)
Transport Expenditure	3	2	1	1	0
Agency Related Expenditure	0	0	0	0	0
Transfer from Reserves	15	0	0	0	0
Other Expenditure	0	0	3	(3)	(3)
<b>Total Expenditure</b>	<b>10,251</b>	<b>7,791</b>	<b>7,940</b>	<b>(149)</b>	<b>(176)</b>
<b>Income</b>					
Fees & Charges	-624	-124	-258	134	179
Schools SLA Income	-565	-547	-500	(47)	(61)
Reimbursements & Other Grant Income	0	0	-6	6	7
Transfer From Reserves	-485	-364	-364	0	0
<b>Total Income</b>	<b>-1,674</b>	<b>-1,035</b>	<b>-1,128</b>	<b>93</b>	<b>125</b>
<b>Net Operational Expenditure</b>	<b>8,577</b>	<b>6,756</b>	<b>6,812</b>	<b>(56)</b>	<b>(51)</b>
<b>Recharges</b>					
Premises Support	389	292	292	0	0
Transport Support	19	17	17	0	0
Central Support	1,593	1,194	1,194	0	0
Asset Rental Support	1,494	0	0	0	0
Recharge Income	-13,112	-9,835	-9,835	0	0
<b>Net Total Recharges</b>	<b>-9,617</b>	<b>-8,332</b>	<b>-8,332</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>-1,040</b>	<b>-1,576</b>	<b>-1,520</b>	<b>(56)</b>	<b>(51)</b>

## Legal &amp; Democratic Services Department

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	1,942	1,552	1,712	(160)	(213)
Supplies & Services	322	198	201	(3)	(4)
Civic Catering & Functions	39	23	5	18	25
Legal Expenses	218	218	296	(78)	(104)
Transport Related Expenditure	10	10	12	(2)	(2)
<b>Total Expenditure</b>	<b>2,531</b>	<b>2,001</b>	<b>2,226</b>	<b>(225)</b>	<b>(298)</b>
<b>Income</b>					
Land Charges	-84	-60	-55	(5)	(7)
School SLA's	-85	-84	-82	(2)	(3)
Licence Income	-263	-185	-207	22	29
Government Grant	0	0	-21	21	21
Fees & Charges Income	-65	-61	-61	0	0
Transfer from Reserves	-46	-39	-199	160	213
<b>Total Income</b>	<b>-543</b>	<b>-429</b>	<b>-625</b>	<b>196</b>	<b>254</b>
<b>Net Operational Expenditure</b>	<b>1,988</b>	<b>1,572</b>	<b>1,601</b>	<b>(29)</b>	<b>(44)</b>
<b>Recharges</b>					
Premises Support	58	44	44	0	0
Central Support Recharges	351	263	263	0	0
Support Recharge Income	-1,895	-1,421	-1,421	0	0
<b>Net Total Recharges</b>	<b>-1,486</b>	<b>-1,114</b>	<b>-1,114</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>502</b>	<b>458</b>	<b>487</b>	<b>(29)</b>	<b>(44)</b>

## Planning & Transportation Department

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	4,974	3,737	3,741	(4)	(5)
Efficiency Savings	-100	-100	-100	0	0
Premises	174	132	100	32	43
Hired & Contracted Services	319	203	297	(94)	(126)
Supplies & Services	207	203	338	(135)	(180)
Street Lighting	2,457	644	644	0	0
Highways Maintenance - Routine & React	1,619	789	992	(203)	(271)
Highways Maintenance - Programmed Works	1,512	864	832	32	51
Fleet Transport	1,383	1,136	1,136	0	0
Bus Support - Halton Hopper Tickets	50	15	15	0	0
Bus Support	498	491	432	59	79
Capital Financing	0	0	0	0	0
Grants to Voluntary Organisations	31	31	31	0	0
NRA Levy	69	69	69	0	0
LCR Levy	882	661	661	0	0
Contribution to Reserves	409	0	0	0	17
<b>Total Expenditure</b>	<b>14,484</b>	<b>8,875</b>	<b>9,188</b>	<b>(313)</b>	<b>(392)</b>
<b>Income</b>					
Sales & Rent Income	-93	-60	-36	(24)	(32)
Planning Fees	-563	-486	-744	258	344
Building Control Fees	-224	-168	-161	(7)	(10)
Other Fees & Charges	-929	-708	-779	71	95
Grants & Reimbursements	-262	-204	-204	0	0
Government Grant Income	-128	-80	-80	0	0
Halton Hopper Income	-50	-15	-11	(4)	(5)
School SLA's	-46	-46	-43	(3)	(3)
Recharge to Capital	-317	-125	-33	(92)	(122)
LCR Levy Reimbursement	-882	-661	-661	0	0
Contribution from Reserves	-755	-698	-706	8	11
<b>Total Income</b>	<b>-4,249</b>	<b>-3,251</b>	<b>-3,458</b>	<b>207</b>	<b>278</b>
<b>Net Operational Expenditure</b>	<b>10,235</b>	<b>5,624</b>	<b>5,730</b>	<b>(106)</b>	<b>(114)</b>
<b>Recharges</b>					
Premises Recharges	534	402	402	0	0
Transport Recharges	662	497	517	(20)	(22)
Asset Charges	1,099	0	0	0	(2)
Central Recharges	1,581	1,188	1,188	0	0
Transport Recharge Income	-4,240	-3,244	-3,500	256	341
Central Recharge Income	-871	-653	-653	0	0
<b>Net Total Recharges</b>	<b>-1,235</b>	<b>-1,810</b>	<b>-2,046</b>	<b>236</b>	<b>317</b>
<b>Net Departmental Expenditure</b>	<b>9,000</b>	<b>3,814</b>	<b>3,684</b>	<b>130</b>	<b>203</b>

## Policy, People, Performance &amp; Efficiency Department

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	2,234	1,658	1,583	75	99
Employees Training	123	123	134	(11)	(7)
Apprenticeship Levy	300	237	240	(3)	(16)
Supplies & Services	144	112	126	(14)	(19)
Transport Related Expenditure	0	0	0	0	0
Agency Related Expenditure	11	1	3	(2)	(3)
Other Expenditure	0	1	1	0	0
Capital Financing	0	0	0	0	0
<b>Total Expenditure</b>	<b>2,812</b>	<b>2,132</b>	<b>2,087</b>	<b>45</b>	<b>54</b>
<b>Income</b>					
Fees & Charges	-132	-116	-120	4	5
Reimbursements & Other Grants	0	-1	-4	3	4
Schools SLA	-448	-448	-451	3	4
Transfer from Reserves	-70	-57	-57	0	0
<b>Total Income</b>	<b>-650</b>	<b>-622</b>	<b>-632</b>	<b>10</b>	<b>13</b>
<b>Net Operational Expenditure</b>	<b>2,162</b>	<b>1,510</b>	<b>1,455</b>	<b>55</b>	<b>67</b>
<b>Recharges</b>					
Premises Support	72	54	54	0	0
Central Support	1,037	777	777	0	0
Recharge Income	-3,252	-2,439	-2,439	0	0
<b>Net Total Recharges</b>	<b>-2,143</b>	<b>-1,608</b>	<b>-1,608</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>19</b>	<b>-98</b>	<b>-153</b>	<b>55</b>	<b>67</b>



### Adult Social Care Department (incl Care Homes and Community Care)

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn (Overspend)
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	16,122	11,904	11,781	123	140
Premises	311	242	247	(5)	0
Supplies & Services	849	644	648	(4)	0
Aids & Adaptations	38	26	27	(1)	0
Transport	187	170	203	(33)	(50)
Food Provision	187	117	115	2	0
Agency	617	471	473	(2)	0
Supported Accommodation and Services	1,463	1,273	1,269	4	0
Emergency Duty Team	105	78	94	(16)	(20)
Contacts & SLAs	567	465	460	5	0
				0	
Housing Solutions Grant Funded Schemes					
LCR Immigration Programme	300	242	243		0
Homelessness Prevention	356	200	68	132	0
Rough Sleepers Initiative	150	50	49	1	0
<b>Total Expenditure</b>	<b>21,252</b>	<b>15,882</b>	<b>15,677</b>	<b>206</b>	<b>70</b>
<b>Income</b>					
Fees & Charges	-761	-550	-535	(15)	(20)
Sales & Rents Income	-420	-279	-319	40	40
Reimbursements & Grant Income	-1,575	-1,292	-1,292	0	0
Capital Salaries	-121	-91	-89	(2)	0
Housing Schemes Income	-806	-792	-792	0	0
Transfer From Reserves	-1,392	-428	-428	0	0
<b>Total Income</b>	<b>-5,075</b>	<b>-3,432</b>	<b>-3,455</b>	<b>23</b>	<b>20</b>
<b>Net Operational Expenditure Excluding Homes and Community Care</b>	<b>16,177</b>	<b>12,450</b>	<b>12,222</b>	<b>229</b>	<b>90</b>
Care Homes Net Expenditure	8,324	6,266	7,587	-1,321	-1,497
Community Care Expenditure	18,975	14,303	15,095	-792	-1,130
<b>Net Operational Expenditure Including Homes and Community Care</b>	<b>43,476</b>	<b>33,019</b>	<b>34,904</b>	<b>(1,884)</b>	<b>(2,537)</b>
<b>Recharges</b>					
Premises Support	460	345	345	0	0
Transport Support	587	440	531	(91)	(90)
Central Support	3,563	2,672	2,672	0	0
Asset Rental Support	57	0	0	0	0
Recharge Income	-122	-92	-92	0	0
<b>Net Total Recharges</b>	<b>4,545</b>	<b>3,365</b>	<b>3,456</b>	<b>(91)</b>	<b>(90)</b>
<b>Net Departmental Expenditure</b>	<b>48,021</b>	<b>36,384</b>	<b>38,360</b>	<b>(1,975)</b>	<b>(2,627)</b>

**Care Homes Division**

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
<b>Madeline Mckenna</b>					
Employees	508	383	557	(174)	(228)
Other Premises	53	40	63	(23)	(34)
Supplies & Services	13	7	15	(8)	(10)
Food	40	31	29	2	1
<b>Total Madeline Mckenna Expenditure</b>	<b>614</b>	<b>461</b>	<b>664</b>	<b>(203)</b>	<b>(271)</b>
<b>Millbrow</b>					
Employees	1,588	1,191	1,517	(326)	(364)
Other Premises	79	60	80	(20)	(36)
Supplies & Services	45	33	25	8	(1)
Food	63	47	55	(8)	(17)
<b>Total Millbrow Expenditure</b>	<b>1,775</b>	<b>1,331</b>	<b>1,677</b>	<b>(346)</b>	<b>(418)</b>
<b>St Luke's</b>					
Employees	2,415	1,837	2,045	(208)	(359)
Other Premises	105	79	101	(22)	(49)
Supplies & Services	39	23	23	0	(9)
Food	112	84	86	(2)	(9)
Donation			-1	1	1
<b>Total St Luke's Expenditure</b>	<b>2,671</b>	<b>2,023</b>	<b>2,254</b>	<b>(231)</b>	<b>(425)</b>
<b>St Patrick's</b>					
Employees	1,505	1,136	1,645	(509)	(591)
Other Premises	94	71	84	(13)	(29)
Supplies & Services	33	20	31	(11)	(17)
Food	102	77	88	(11)	(24)
<b>Total St Patrick's Expenditure</b>	<b>1,734</b>	<b>1,304</b>	<b>1,848</b>	<b>(544)</b>	<b>(661)</b>
<b>Care Homes Divison Management</b>					
Employees	220	166	163	3	(9)
Proposed Pay Award 2022/23	287	0	0	0	287
Supplies & Services	72	72	72	0	0
Transfer from Reserves	-365	-78	-78	0	0
<b>Care Home Divison Management</b>	<b>214</b>	<b>160</b>	<b>157</b>	<b>3</b>	<b>278</b>
<b>Net Operational Expenditure</b>	<b>7,008</b>	<b>5,279</b>	<b>6,600</b>	<b>(1,321)</b>	<b>(1,497)</b>
<b>Recharges</b>					
Premises Support	324	243	243	0	0
Central Support	992	744	744	0	0
<b>Net Total Recharges</b>	<b>1,316</b>	<b>987</b>	<b>987</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>8,324</b>	<b>6,266</b>	<b>7,587</b>	<b>(1,321)</b>	<b>(1,497)</b>

**COMMUNITY CARE BUDGET**

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn (Overspend)
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Residential & Nursing	14,000	9,752	10,344	(592)	(864)
Domiciliary Care & Supported living	12,215	7,885	7,543	342	495
Direct Payments	10,569	8,530	9,230	(700)	(997)
Day Care	335	190	311	(121)	(173)
Consultancy	62	59	59	0	0
<b>Total Expenditure</b>	<b>37,181</b>	<b>26,416</b>	<b>27,487</b>	<b>(1,071)</b>	<b>(1,539)</b>
<b>Income</b>					
Residential & Nursing Income	-10,069	-6,525	-6,841	316	414
Community Care Income	-2,446	-1,477	-1,437	(40)	(54)
Direct Payments Income	-886	-538	-508	(30)	(42)
ILF Grant	-656	-328	-328	0	(0)
Income from other CCGs	-225	-194	-194	0	0
Other Income	-392	-451	-484	33	91
Market sustainability & FCC Grant	-431	-324	-324	0	0
Adult Social Care Support Grant	-3,035	-2,276	-2,276	0	0
War Pension Disregard Grant	-67	0	0	0	0
<b>Total Income</b>	<b>-18,206</b>	<b>-12,113</b>	<b>-12,392</b>	<b>279</b>	<b>409</b>
<b>Net Departmental Expenditure</b>	<b>18,975</b>	<b>14,303</b>	<b>15,095</b>	<b>(792)</b>	<b>(1,130)</b>

## Children &amp; Families Department

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	12,207	9,275	10,797	(1,522)	(2,333)
Other Premises	329	178	189	(11)	(16)
Supplies & Services	891	622	1,381	(759)	(1,104)
Transport	113	45	120	(75)	(104)
Direct Payments	940	635	609	26	35
Commissioned services to Vol Orgs	233	150	120	30	40
Residential Care	10,277	6,836	10,450	(3,614)	(4,721)
Out of Borough Adoption	89	67	0	67	79
Out of Borough Fostering	2,673	1,818	2,124	(306)	(418)
In House Adoption	427	243	250	(7)	(9)
Special Guardianship Order	1,780	1,369	1,624	(255)	(345)
In House Foster Carer Placements	2,337	1,802	2,087	(285)	(372)
Lavender House	219	146	146	0	0
Home Support & Respite	3	3	167	(164)	(279)
Care Leavers	249	173	136	37	50
Family Support	53	28	49	(21)	(30)
Contracted services	3	2	2	0	0
Early Years	203	102	371	(269)	(358)
Emergency Duty	118	12	38	(26)	(38)
Youth Offending Services	261	61	103	(42)	(68)
Capital Finance	0	0	0	0	0
<b>Total Expenditure</b>	<b>33,405</b>	<b>23,567</b>	<b>30,763</b>	<b>(7,196)</b>	<b>(9,991)</b>
<b>Income</b>					
Fees & Charges	-24	-5	-1	(4)	(6)
Sales Income	-4	-1	0	(1)	(1)
Rents	-58	-36	-38	2	2
Reimbursement & other Grant Income	-707	-562	-506	(56)	(74)
Transfer from reserve	-1,936	-1,790	-1,790	0	0
Dedicated Schools Grant	-50	0	0	0	0
Government Grants	-5,833	-4,830	-4,830	0	0
<b>Total Income</b>	<b>-8,612</b>	<b>-7,224</b>	<b>-7,165</b>	<b>(59)</b>	<b>(79)</b>
<b>Net Operational Expenditure</b>	<b>24,793</b>	<b>16,343</b>	<b>23,598</b>	<b>(7,255)</b>	<b>(10,070)</b>
<b>Recharges</b>					
Premises Support	178	134	134	0	0
Transport	18	12	12	0	0
Central Support Recharges	3,036	2,277	2,277	0	0
Internal Recharge Income	-124	-93	-93	0	0
<b>Net Total Recharges</b>	<b>3,108</b>	<b>2,330</b>	<b>2,330</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>27,901</b>	<b>18,673</b>	<b>25,928</b>	<b>(7,255)</b>	<b>(10,070)</b>

## Complex Care Pool

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Intermediate Care Services	6,403	4,351	3,896	455	633
Oakmeadow	1,165	903	949	(46)	(63)
Community Home Care First	1,300	708	708	0	0
Joint Equipment Store	815	543	543	0	0
Development Fund	662	0	0	0	0
Halton Integrated Care & Frailty Service	3,541	1,740	1,313	427	580
Contracts & SLA's	3,262	942	909	33	44
Carers Breaks	428	364	274	90	123
Carers centre	377	282	282	0	0
Residential Care	1,121	852	852	0	0
Domiciliary Care & Supported Living	2,556	1,894	1,959	(65)	(87)
<b>Total Expenditure</b>	<b>21,630</b>	<b>12,579</b>	<b>11,685</b>	<b>894</b>	<b>1,230</b>
<b>Income</b>					
BCF	-12,079	-9,058	-9,058	0	0
CCG Contribution to Pool	-2,831	-2,123	-2,123	0	0
ASC Discharge Grant	-213	-213	-213	0	0
Oakmeadow Income	-613	-459	-456	(3)	(3)
Transfer from reserve	-700	-700	-700	0	0
Ageing Well	-694	-694	-694	0	0
<b>Total Income</b>	<b>-17,129</b>	<b>-13,247</b>	<b>-13,244</b>	<b>(3)</b>	<b>(3)</b>
<b>Net Expenditure</b>	<b>4,501</b>	<b>-668</b>	<b>-1,559</b>	<b>891</b>	<b>1,227</b>
CCG Contribution Share of Surplus	0	0	446	(446)	(613)
<b>Adjusted Net Departmental Expenditure</b>	<b>4,501</b>	<b>-668</b>	<b>-1,113</b>	<b>445</b>	<b>614</b>

## Education, Inclusion &amp; Provision Department

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
<b>Core Funded</b>					
Employees	3,741	2,806	2,473	333	417
Premises	3	2	0	2	3
Supplies & Services	689	676	660	16	19
Transport	43	32	28	4	2
Schools Transport	1,311	984	1,297	(313)	(928)
Commissioned Services	1,840	531	533	(2)	(4)
Grants to Voluntary Organisations	35	4	1	3	(62)
Capital Financing	1	1	1	0	0
<b>Grant Funded</b>					
Employees	3,747	2,321	2,321	0	0
Premises	24	6	6	0	0
Supplies & Services	22	14	14	0	0
Transport	6,728	4,686	4,686	0	0
Independent School Fees	1,589	1,159	1,159	0	0
Inter Authority Special Needs	604	173	173	0	0
Pupil Premium Grant	183	80	80	0	0
Nursery Education Payment	6,000	4,097	4,097	0	0
Grants to Voluntary Organisations	1,442	973	973	0	0
<b>Total Expenditure</b>	<b>28,002</b>	<b>18,545</b>	<b>18,502</b>	<b>43</b>	<b>(553)</b>
<b>Income</b>					
Fees & Charges	-93	-89	-124	35	36
Government Grant	-1,513	-1,135	-1,135	0	0
Reimbursements & Other Grant Income	0	0	-46	46	46
Schools SLA Income	-358	-269	-283	14	67
Transfer to/from Reserves	-991	-941	-941	0	0
Dedicated Schools Grant	-18,566	-13,924	-13,924	0	1
Inter Authority Income	-544	-408	-393	(15)	(29)
<b>Total Income</b>	<b>-22,065</b>	<b>-16,766</b>	<b>-16,846</b>	<b>80</b>	<b>121</b>
<b>Net Operational Expenditure</b>	<b>5,937</b>	<b>1,779</b>	<b>1,656</b>	<b>123</b>	<b>(432)</b>
<b>Recharges</b>					
Premises Support	127	95	95	0	0
Transport Support	439	329	433	(104)	(139)
Central Support	2,308	1,731	1,731	0	0
Asset Rental Support	17	13	13	0	0
Recharge Income	-22	-16	-16	0	0
<b>Net Total Recharges</b>	<b>2,869</b>	<b>2,152</b>	<b>2,256</b>	<b>(104)</b>	<b>(139)</b>
<b>Net Departmental Expenditure</b>	<b>8,806</b>	<b>3,931</b>	<b>3,912</b>	<b>19</b>	<b>(571)</b>

## Public Health &amp; Public Protection Department

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	4,270	3,216	3,151	65	96
Premises	5	0	0	0	0
Supplies & Services	452	242	216	26	33
Contracts & SLA's	7,130	4,638	4,638	0	0
Transport	15	13	12	1	1
Other Agency	21	21	21	0	0
Transfer to Reserves	79	29	29	0	0
<b>Total Expenditure</b>	<b>11,972</b>	<b>8,159</b>	<b>8,067</b>	<b>92</b>	<b>130</b>
<b>Income</b>					
Fees & Charges	-268	-247	-257	10	13
Reimbursements & Other Grants	-365	-353	-353	0	0
Government Grants	-11,537	-8,075	-8,075	0	0
Transfer from Reserves	-545	-43	-43	0	0
<b>Total Income</b>	<b>-12,715</b>	<b>-8,718</b>	<b>-8,728</b>	<b>10</b>	<b>13</b>
<b>Net Operational Expenditure</b>	<b>-743</b>	<b>-559</b>	<b>-661</b>	<b>102</b>	<b>143</b>
<b>Recharges</b>					
Premises Support	126	95	95	0	0
Transport Support	28	22	22	0	0
Central Support	1,324	993	993	0	0
Recharge Income	-482	-361	-361	0	0
<b>Net Total Recharges</b>	<b>996</b>	<b>749</b>	<b>749</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>253</b>	<b>190</b>	<b>88</b>	<b>102</b>	<b>143</b>

	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn (Overspend)
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	342	256	263	(7)	0
Contracted Services	38	28	20	8	0
Supplies & Services	129	116	237	(121)	(121)
Premises Expenditure	5	5	17	(12)	(12)
Transport Costs	0	0	17	(17)	0
Members Allowances	901	676	670	6	0
Interest Payable - Treasury Management	1,099	824	835	(11)	(14)
Interest Payable - Other	303	227	22	205	274
Bank Charges	137	103	130	(28)	0
Audit Fees	135	101	101	0	0
Contingency	3,698	2,774	0	2,774	3,698
Capital Financing	1,941	1,941	1,940	1	1
Contribution to Reserves	4,332	0	0	0	0
Debt Management Expenses	20	15	10	5	0
Precepts & Levies	210	105	105	0	0
<b>Total Expenditure</b>	<b>13,290</b>	<b>7,172</b>	<b>4,368</b>	<b>2,804</b>	<b>3,826</b>
<b>Income</b>					
Interest Receivable - Treasury Management	-1,124	-843	-1,835	992	1,454
Interest Receivable - Other	0	0	0	0	(119)
Other Fees & Charges	-119	-89	-92	3	0
Grants & Reimbursements	-1,811	-415	-115	(300)	(376)
Government Grant Income	-11,751	-10,821	-10,821	(0)	(13)
Transfer from Reserves	-13,292	-13,292	-13,292	(0)	0
<b>Total Income</b>	<b>-28,095</b>	<b>-25,460</b>	<b>-26,155</b>	<b>695</b>	<b>946</b>
<b>Net Operational Expenditure</b>	<b>-14,805</b>	<b>-18,288</b>	<b>-21,787</b>	<b>3,499</b>	<b>4,772</b>
<b>Recharges</b>					
Premises Recharges	4	3	3	0	0
Central Recharges	1,297	973	973	0	0
Support Services Income	-3,158	-1,778	-1,778	0	0
<b>Net Total Recharges</b>	<b>-1,857</b>	<b>-802</b>	<b>-802</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>-16,662</b>	<b>-19,090</b>	<b>-22,589</b>	<b>3,499</b>	<b>4,772</b>



	Annual Budget	Budget to Date	Actual	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Premises	91	70	63	7	84
Hired & Contracted	0	0	5	(5)	7
Unitary Charge	40,225	26,817	26,313	504	39,474
DMPA Fee	9,303	6,202	7,593	(1,391)	10,817
Supplies & Services	0	0	76	(76)	114
MGCB Ltd	1,920	1,280	1,036	244	1,554
Insurances	715	0	0	0	715
MGET	303	203	174	29	273
Bus Support	250	192	38	154	113
External Interest	5,305	3,034	3,021	13	5,292
Finance Charges	161	161	160	1	160
Direct Revenue Financing	288	0	0	0	72
Transfer to Reserves	9,747	0	446	(446)	10,758
<b>Total Expenditure</b>	<b>68,307</b>	<b>37,959</b>	<b>38,925</b>	<b>(966)</b>	<b>69,433</b>
<b>Income</b>					
Toll Income	-45,267	-33,951	-34,946	995	(46,220)
Grants & Reimbursements	-22,940	-22,940	-22,940	0	(22,940)
Transfer from Reserves	-215	-203	-174	(29)	(273)
<b>Total Income</b>	<b>-68,422</b>	<b>-57,094</b>	<b>-58,060</b>	<b>966</b>	<b>(69,433)</b>
<b>Net Operational Expenditure</b>	<b>-115</b>	<b>-19,135</b>	<b>-19,135</b>	<b>0</b>	<b>0</b>
<b>Recharges</b>					
Central Support	115	86	86	0	0
<b>Net Total Recharges</b>	<b>115</b>	<b>86</b>	<b>86</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>0</b>	<b>-19,049</b>	<b>-19,049</b>	<b>0</b>	<b>0</b>

## Capital Programme as at 31 December 2022

## Appendix 3

Directorate/Department	2022/23 Capital Allocation	Allocation to Date	Actual Spend to 31 December 2022	Total Allocation Remaining	2023/24 Capital Allocation	2024/25 Capital Allocation
	£'000	£'000	£'000	£'000	£'000	£'000
<b>PEOPLE DIRECTORATE</b>						
Asset Management Data	6	2	2	4	0	0
Capital Repairs	1,155	972	972	183	294	0
Asbestos Management	29	17	17	12	0	0
Schools Access Initiative	36	19	19	17	0	0
Basic Needs Projects	0	0	0	0	278	0
Fairfield Primary School	20	0	0	20	283	20
Kitchen Gas Safety	1	1	1	0	0	0
Small Capital Works	124	57	57	67	0	0
SEMH Free School	237	231	231	6	232	0
Cavendish School Extension	469	33	33	436	23	0
High Need Provision unallocated	0	0	0	0	3,201	0
Grants – Disabled Facilities	580	435	429	151	600	600
Stair Lifts	220	165	168	52	270	270
Joint Funding RSL Adaptations	300	225	221	79	270	270
ALD Bungalows	0	0	0	0	199	0
Purchase of 2 adapted Properties	0	0	0	0	358	0
Millbrow Care Home	180	110	104	76	220	0
Madeline McKenna	100	100	104	-4	0	0
St Lukes	20	10	9	11	1,080	0
St Patricks	150	100	100	50	1,250	1,200
Care Homes Refurbishment	0	0	0	0	0	0
Telehealthcare Upgrade	400	100	100	300	0	0
<b>TOTAL PEOPLE DIRECTORATE</b>	<b>4,027</b>	<b>2,577</b>	<b>2,567</b>	<b>1,460</b>	<b>8,558</b>	<b>2,360</b>

## Capital Programme as at 31 December 2022...continued

Directorate/Department	2022/23 Capital Allocation	Allocation to Date	Actual Spend to 31 December 2022	Total Allocation Remaining	2023/24 Capital Allocation	2024/25 Capital Allocation
	£'000	£'000	£'000	£'000	£'000	£'000
<b>ENTERPRISE, COMMUNITY &amp; RESOURCES DIRECTORATE</b>						
Stadium Minor Works	37	10	9	28	30	30
Stadium Decarbonisation Scheme	0	0	117	-117	0	0
Open Spaces Schemes	450	157	157	293	600	600
Upton Improvements	13	0	0	13	0	0
Crow Wood Park	39	25	27	12	0	0
Brookvale Pitch Refurbishment	70	38	71	-1	0	0
Halton Leisure Centre	3,296	1,200	1,359	1,937	15,000	11,285
Children's Playground Equipment	80	5	3	77	65	65
Landfill Tax Credit Schemes	340	0	0	340	340	340
Runcorn Town Park	256	150	164	92	310	310
Widnes Crematorium						
Replacement Cremator	200	200	242	-42	0	0
Spike Island / Wigg Island	60	5	1	59	964	964
Litter Bins	20	0	0	20	20	20
IT Rolling Programme	700	296	296	404	700	700
3MG	164	18	18	146	0	0
Murdishaw redevelopment	31	2	2	29	0	0
Equality Act Improvement Works	200	53	53	147	400	300
Widnes Market Refurbishment	6	6	6	0	0	0
Broseley House	21	7	7	14	0	0
Solar Farm Extension	11	0	0	11	0	0
Foundary Lane Residential Area	2,117	2,075	2,075	42	2,117	0
Directorate/Department	2022/23 Capital Allocation	Allocation to Date	Actual Spend to 31 December 2022	Total Allocation Remaining	2023/24 Capital Allocation	2024/25 Capital Allocation
	£'000	£'000	£'000	£'000	£'000	£'000
Kingsway Learning Centre						
Improved Facilities	36	0	0	36	0	0
Halton Lea TCF	388	353	353	35	0	0
Property Improvements	213	169	169	44	200	200
Astmoor Regeneration	14	14	14	0	0	0
Runcorn Town Centre Fund	2,000	1,346	1,346	654	7,436	7,436
Woodend, Unit 10 Catalyst	500	79	79	421	0	0
St Paul's Mews	500	500	515	-15	0	0
Runcorn Station Quarter	110	60	60	50	420	0
Waterloo Building	0	0	0	0	100	0
Bridge and Highway Maintenance	2,448	716	716	1,732	1,873	0
Integrated Transport	1,553	543	543	1,010	0	0
EATF Runcorn Busway	1,546	1,252	1,252	294	0	0
CRSTS Funded Schemes	3,306	1,292	1,292	2,014	0	0
Street Lighting - Structural						
Maintenance	853	178	178	675	200	200
Street Lighting - Upgrades	530	101	101	429	1,000	0
SUD Green Cycle / Walk Corridors	517	517	517	0	0	0
Runcorn East Connectivity	1,500	729	729	771	4,069	0
Risk Management	495	33	33	462	120	120
Fleet Replacements	2,500	658	658	1,842	4,467	1,147
Silver Jubilee Bridge - Major						
Maintenance Scheme	321	0	0	321	0	0
Silver Jubilee Bridge - Decoupling /						
Runcorn Station Quarter	275	275	275	0	0	0
Widnes Loops	17	17	17	0	0	0
Silver Jubilee Bridge - Lighting	469	16	16	453	562	0
LCWIP (Local cycling and walking						
infrastructure plan) / Dukesfield	2,750	2,434	2,434	316	0	0
MG Land Acquisition	904	0	-20	924	0	0
MG Development Costs	40	0	-3	43	0	0
MG Handback Land	100	68	68	32	0	0
Transformation Programme	0	0	0	0	5,000	1,000
<b>TOTAL ENTERPRISE, COMMUNITY &amp; RESOURCES DIRECTORATE</b>	<b>31,996</b>	<b>15,597</b>	<b>15,949</b>	<b>16,047</b>	<b>45,992</b>	<b>24,717</b>

## Capital Programme as at 31 December 2022...continued

Directorate/Department	2022/23 Capital Allocation	Allocation to Date	Actual Spend to 31 December 2022	Total Allocation Remaining		2023/24 Capital Allocation	2024/25 Capital Allocation
	£'000	£'000	£'000	£'000		£'000	£'000
<b>TOTAL CAPITAL PROGRAMME</b>	<b>36,023</b>	<b>18,174</b>	<b>18,516</b>	<b>17,507</b>		<b>54,550</b>	<b>27,077</b>
Slippage (20%) Carried Forward	-7,205					-10,910	-5,415
Slippage Brought Forward						7,205	10,910
<b>TOTAL</b>	<b>28,818</b>	<b>18,174</b>	<b>18,516</b>	<b>10,302</b>		<b>50,845</b>	<b>32,571</b>





<b>REPORT TO:</b>	Executive Board
<b>DATE:</b>	16 February 2023
<b>REPORTING OFFICER:</b>	Operational Director – Finance
<b>PORTFOLIO:</b>	Leader
<b>SUBJECT:</b>	Treasury Management Strategy Statement 2023/24
<b>WARD(S)</b>	Borough-wide

## 1.0 PURPOSE OF THE 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 2023/24.

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 (2023/24). 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 **FINANCIAL IMPLICATIONS**

5.1 Treasury Management can have a major impact on the financial position of the Council. The strategy enables the Council maximise its financial yield whilst keeping within the principals of security and liquidity as set out in the prudential code.

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

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 quarterly basis to the Executive Board.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 None

9.0 **CLIMATE CHANGE IMPLICATIONS**

9.1 The Treasury Management Code states that to consider the Environmental, social and governance (ESG) when considering their counterparties, but this is secondary to the fundamental principals of Security, Liquidity and Yield when considering counterparties.

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

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Working Papers	Financial Management	Matt Guest
CIPFA TM Code	Halton Stadium	
CIPFA Prudential Code		



**HALTON BOROUGH COUNCIL**

**TREASURY MANAGEMENT STRATEGY  
STATEMENT**

**2023/24**

**Revenues and Financial Management Division  
Finance Department  
January 2023**

## TREASURY MANAGEMENT STRATEGY STATEMENT 2023/24

### 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.

The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

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 2021 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.

**Quarterly Reports** - In addition to the three major reports detailed above, from 2023/24 quarterly reporting (end of June/end of December) is also required. However, these additional reports do not have to be reported to Full Council but do require to be adequately scrutinised. This role is undertaken by Executive Board and the reports, specifically, should comprise updated Treasury/Prudential Indicators.

## **1.3 Treasury Management Strategy for 2023/24**

The strategy for 2023/24 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, training was last undertaken by Members in February 2018, a further training session will be arranged over the forthcoming year. 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 2023/24 – 2025/26**

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**

	<b>2021/22 Actual £000</b>	<b>2022/23 Estimate £000</b>	<b>2023/24 Estimate £000</b>	<b>2024/25 Estimate £000</b>	<b>2025/26 Estimate £000</b>
<b>Capital Expenditure:</b>					
People	2,364	4,578	8,008	2,360	1,140
Enterprise, Community & Resources	18,955	37,475	37,222	23,777	11,774
	<b>21,319</b>	<b>42,053</b>	<b>45,230</b>	<b>26,137</b>	<b>12,914</b>
<b>Financed By:</b>					
Capital receipts	(2,833)	(3,304)	(2,069)	(3,069)	(2,069)
Capital grants	(9,339)	(32,482)	(25,111)	(11,671)	(9,457)
Revenue	(124)	(221)	-	-	-
<b>Net financing need for the year</b>	<b>9,023</b>	<b>6,046</b>	<b>18,050</b>	<b>11,397</b>	<b>1,388</b>

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**

	2021/22 Actual £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000
<b>Capital Financing Requirement</b>	<b>614,330</b>	<b>603,489</b>	<b>609,910</b>	<b>608,696</b>	<b>595,705</b>
<b>Movement in CFR due to:</b>					
Net financing need for the year	9,023	6,046	18,050	11,397	1,388
PFI / finance leases	-	-	-	-	-
Use of Reserves to reduce MRP liability	(511)	(6,983)	(537)	(737)	(564)
Less Minimum Revenue Provision	(9,403)	(9,904)	(11,092)	(11,874)	(13,815)
<b>Increase / (Decrease) in CFR</b>	<b>(891)</b>	<b>(10,841)</b>	<b>6,421</b>	<b>(1,214)</b>	<b>(12,991)</b>

### 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.

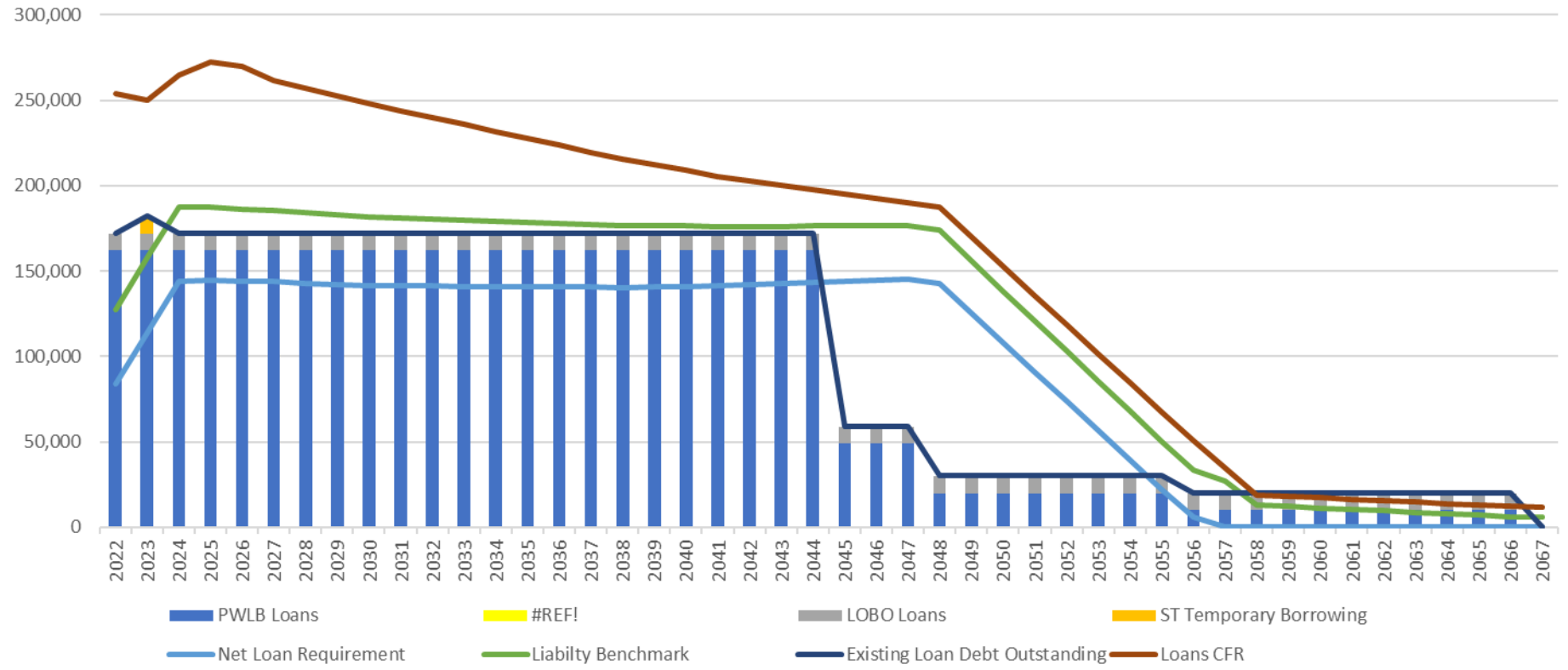
## 2.4 Liability Benchmark

A new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum, but has decided to show the full debt maturity profile, up to 31<sup>st</sup> March 2067.

There are four components to the LB: -

1. Existing loan debt outstanding: the Authority's existing loans that are still outstanding in future years.
2. Loans CFR: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. Net loans requirement: this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. Liability benchmark (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

### Halton Borough Council Liability Benchmark





## 2.5 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.

## 2.6 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	2021/22 Actual £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000
<b>Council's net budget</b>	<b>111,593</b>	<b>111,719</b>	<b>140,880</b>	<b>139,992</b>	<b>144,092</b>
<b>Finance Costs</b>					
Net interest costs	5,111	3,933	2,982	3,685	4,200
Minimum Revenue Provision	2,406	2,580	3,151	2,735	3,641
	<b>7,517</b>	<b>6,513</b>	<b>6,133</b>	<b>6,420</b>	<b>7,841</b>
	<b>6.7%</b>	<b>5.8%</b>	<b>4.4%</b>	<b>4.6%</b>	<b>5.4%</b>

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 2022 and the position as at 31 December 2022 are shown in Table 4 for borrowing and investments.

**Table 4 – Current Portfolio Position**

	31st March 2022		31st December 2022	
	£000	%	£000	%
<b>Treasury Investments</b>				
UK banks and building societies	46,449	35%	31,099	25%
Non-UK banks	20,000	15%	30,000	24%
Local authorities	55,700	42%	51,700	42%
Money market funds	-	0%	-	0%
Property funds	10,000	8%	10,000	8%
<b>Total</b>	<b>132,149</b>	<b>100%</b>	<b>122,799</b>	<b>100%</b>
<b>Treasury External Borrowing</b>				
Local authorities	-	0%	(15,000)	9%
Public Works Loans Board (PWLB)	(162,000)	94%	(162,000)	94%
Other long term borrowoing	(10,000)	6%	(10,000)	6%
<b>Total</b>	<b>(172,000)</b>	<b>100%</b>	<b>(172,000)</b>	<b>100%</b>
<b>Net treasury investments / (borrowing)</b>	<b>(39,851)</b>		<b>(64,201)</b>	

The Council's treasury portfolio position at 31 March 2022, 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

	2021/22 Actual £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000
<b>External debt</b>					
<b>Borrowing</b>					
Debt at 1 April	172,000	172,000	182,000	202,000	202,000
Expected change in debt	-	10,000	20,000	-	-
<b>Debt at 31 March</b>	<b>172,000</b>	<b>182,000</b>	<b>202,000</b>	<b>202,000</b>	<b>202,000</b>
<b>Other long-term liabilities</b>					
Debt at 1 April	367,676	360,679	353,355	345,413	336,274
Expected change in debt	(6,997)	(7,324)	(7,942)	(9,139)	(10,175)
<b>Debt at 31 March</b>	<b>360,679</b>	<b>353,355</b>	<b>345,413</b>	<b>336,274</b>	<b>326,099</b>
<b>Total external debt at 31 March</b>	<b>532,679</b>	<b>535,355</b>	<b>547,413</b>	<b>538,274</b>	<b>528,099</b>
<b>Capital Financing Requirement</b>	<b>614,330</b>	<b>603,489</b>	<b>609,910</b>	<b>608,696</b>	<b>595,705</b>
<b>Under / (over) borrowing</b>	<b>81,651</b>	<b>68,134</b>	<b>62,497</b>	<b>70,422</b>	<b>67,606</b>

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**

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Operational boundary</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Debt	192,000	202,000	222,000	222,000
Other long term liabilities	360,679	353,355	345,413	336,274
<b>Operational boundary</b>	<b>552,679</b>	<b>555,355</b>	<b>567,413</b>	<b>558,274</b>
<b>Total external debt at 31 March</b>	<b>532,679</b>	<b>535,355</b>	<b>547,413</b>	<b>538,274</b>
<b>Estimated headroom</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>

**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**

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Authorised limit</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Capital Financing Requirement	603,489	609,910	608,696	595,705
Contingency	20,000	20,000	20,000	20,000
<b>Total</b>	<b>623,489</b>	<b>629,910</b>	<b>628,696</b>	<b>615,705</b>
<b>Total external debt at 31 March</b>	<b>532,679</b>	<b>535,355</b>	<b>547,413</b>	<b>538,274</b>
<b>Estimated headroom</b>	<b>90,810</b>	<b>94,555</b>	<b>81,283</b>	<b>77,431</b>

### 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-23	4.25	4.3	4.5	4.7	4.4
Jun-23	4.50	4.2	4.4	4.6	4.3
Sep-23	4.50	4.1	4.3	4.5	4.2
Dec-23	4.50	4.0	4.2	4.4	4.1
Mar-24	4.00	3.9	4.0	4.3	4.0
Jun-24	3.75	3.8	3.9	4.1	3.8
Sep-24	3.50	3.6	3.7	4.0	3.7
Dec-24	3.25	3.5	3.6	3.9	3.6
Mar-25	3.00	3.4	3.5	3.7	3.4
Jun-25	2.75	3.3	3.4	3.6	3.3
Sep-25	2.50	3.2	3.3	3.5	3.2
Dec-25	2.50	3.1	3.2	3.5	3.2

#### Interest Rates

Interest rates have increased seven times since the initial post Covid increase to 0.5% in February 2022 and reached 3.5% in December 2022.

As shown in the forecast table above, the Bank Rate is expected to peak at 4.5% in June 2023 before falling back down to 2.5% by September 2025. Additional details are given below.

#### Forecasts for Bank Rate

The forecast reflects a view that the Monetary Policy Committee will be keen to demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened throughout 2022, but the new Government's policy of emphasising fiscal rectitude will probably mean Bank Rate does not now need to increase further than 4.5%.

It is anticipated that the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures have lessened – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

The CPI measure of inflation will peak at close to 11% in Q4 2022. Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence

that wages are not spiralling upwards in what is evidently a very tight labour market. Wage increases, excluding bonuses, are currently running at 5.7%.

Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), this has started but will focus on the short to medium end of the curve for the present. This approach will prevent any further disruption to the longer end of the curve following on from the short-lived effects of the Truss/Kwarteng unfunded dash for growth policy.

In the upcoming months, the forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine. (More recently, the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.)

On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

### **Gilt yields / PWLB Rates**

Yield curve movements have become less volatile under the Sunak/Hunt government. PWLB 5 to 50 years Certainty Rates are, generally, in the range of 3.75% to 4.50%. The medium to longer part of the yield curve is currently inverted (yields are lower at the longer end of the yield curve compared to the short to medium end).

It is thought that the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the poor inflation outlook but markets are volatile and further whipsawing of gilt yields across the whole spectrum of the curve is possible.

### **Investment and borrowing rates**

- **Investment returns.** The Bank rate is expected to reach 4.5% in 2023/24. Short term investment returns (up to three months) are expected to fall to 3.30% in 2024/25, 2.60% in 2025/26, then 2.50% in 2026/27.
- **Borrowing for capital expenditure.** The long-term (beyond 10 years), forecast for Bank Rate is 2.50%. As all PWLB certainty rates are now above this level, borrowing strategies will need to be reviewed. Better value can generally be obtained at the shorter end of the curve, and shorter dated-fixed local authority to local authority monies should be considered.

## **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 medium and longer dated borrowing rates is expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy.

Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 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, 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**

There are currently no plans to reschedule any of the Council's current borrowing as there is still a large difference between premature redemption rates and new borrowing rates.

## 4 ANNUAL INVESTMENT STRATEGY

### 4.1 Investment Policy

The Council's investment policy has regard to the following:

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

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). Though it should be noted that there is currently a temporary statutory override to allow English local authorities time to adjust their portfolio of all pooled investments and to delay implementation of IFRS 9 for five years ending 31/03/23. At the current juncture it has not been determined whether a further extension to the over-ride will be agreed by Government.

## **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 countries

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

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

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

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

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

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

### 4.3 Country Limits

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

### 4.4 Counterparty Limits for 2023/24

The Council has set the following counterparty limits for 2023/24 and will invest in line with the creditworthiness policy detailed in 4.2.

**Table 11 – Counterparty limits**

	<b>Maximum limit per institution £m</b>
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	

### 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:

- 2022/23 4.25%
- 2023/24 4.00%
- 2024/25 3.00%
- 2025/26 2.50%

### **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**

<b>Upper limit for principal sums invested for longer than 1 year</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>
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'	11,700	6,700	-	-

#### **4.6 Investment rate benchmarking**

The Council will use an investment benchmark produced by Link to assess the investment performance of its investment portfolio of 7 days, 1, 3, 6, 12 months.

#### **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 31<sup>st</sup> 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 2023/24 and future years**

In order to determine its MRP for 2023/24 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

<b>REPORT:</b>	Executive Board
<b>DATE:</b>	16 February 2023
<b>REPORTING OFFICER:</b>	Operational Director – Legal and Democratic Services
<b>PORTFOLIO:</b>	Leader
<b>SUBJECT:</b>	Taxi Licensing Matter – proposed increase in the Hackney Carriage Table of Fares
<b>WARDS:</b>	Borough-wide

## **1 PURPOSE OF REPORT**

To receive a report from the Regulatory Committee recommending that the Executive Board approve a proposed increase to the Hackney Carriage Table of Fares.

## **2 RECOMMENDATION**

**It is recommended that the Executive Board**

- 1) agree the proposed increase to the Hackney Carriage Table of Fares; and**
- 2) authorise officers to commence the public notification and consultation in line with the statutory procedure as detailed in the report.**

## **3 INTRODUCTION**

3.1 A request has been received from members of the taxi trade to increase the current Hackney Carriage Table of Fares. The Council has the discretion to fix the fares for Hackney Carriages within the Borough and fares may be varied in accordance with the statutory procedure set out at paragraph 6 below. The table of fares sets out the maximum amount that can be charged by Hackney Carriage drivers, although a lower fare can be charged if drivers so wish. It is an offence to charge more than that set in the table of fares. The setting of the table of fares is an Executive function.

3.2 The last fare increase occurred in November 2021, following a request from the Hackney Carriage trade to increase the start rate of a journey by 60p across all tariffs due to the financial impact of the Covid pandemic. Prior to this, there had not been a fare increase since 2012. As there were no objections to the statutory consultation, the fare increase took effect on 2 November 2021 and the current Table of Fares



is set out at page 13 of the Regulatory Committee Report which is appended to this report at **Appendix 1**.

- 3.3 The increase has been requested due to the impact of the costs of living crisis on the trade over the last 12 months.
- 3.4 The trade have been consulted on whether 1) there should be an increase and 2) the method of that increase. Most of the trade (84%) were in favour of the increase and the proposal (54%) set out at paragraph 4.1 below. As there were objections from some members of the trade and several counterproposals, the matter was referred to the Regulatory Committee for full consideration. Details of the consultation and counterproposals are set out in the Regulatory Committee Report at pages 15 – 27.
- 3.5 Following publication of the Report, representatives for and against the proposal were invited to attend the Regulatory Committee meeting on 11 January 2023 to set out their respective cases. Neither attended but written submissions were received. These can be found at **Appendix 2**.

#### 4 THE PROPOSAL

- 4.1 The proposal is for a 30p increase to the start rate as well as a 10% reduction on the yardage figures (except for the first 440 yards used to calculate the start rate) on all tariffs. The yardage figure is reduced on Tariff 1 from 220 to 200 yards, on Tariff 2 from 165 to 150 yards and on Tariff 3 from 132 to 120 yards. The yardage unit price of 0.20p is to be maintained. It is also proposed that the waiting time be increased by £3.00 per hour. The table below sets out the proposed new rates.

T1	£3.30 for the first 440 yards (402 metres) then £0.20 for each 200 yards (182.9 metres) or part thereof
T2	£4.10 for the first 440 yards (402 metres) then £0.20 for each 150 yards (137.2 metres) or part thereof
T3	£4.90 for the first 440 yards (402 metres) then £0.20 for each 120 yards (109.7) or part thereof
Waiting Time	
The hirer will be charged £0.20 for the following periods or uncompleted part thereof	
<b>Tariff 1 – 48 seconds Tariff 2 – 34 seconds Tariff 3 – 27 seconds</b>	

- 4.2 Please note that there was a typographical error on the table set out at page 7 of the Regulatory Committee Report in that the 30p increase had not been added to the start price in the proposed new rates. This was highlighted to the Regulatory Committee at the meeting and the table above reflects the correct position.
- 4.3 Officers have compared the cost of a 2 and 10 mile journey under the current Table of Fares and the proposed new table of fares and these figures for each tariff are set out in the Regulatory Committee Report at page 27. The new rates show there would be a 10% monetary increase. For example, under Tariff 1 of the current table of fares, the cost of a 2 mile journey would be £5.80 and the cost of a 10 mile journey would be £20.73. In contrast, under the same tariff of the proposed new table of fares, a 2 mile journey would cost £6.38 and a 10 mile journey would cost £22.81.
- 4.4 As for the waiting time, it would cost £15 per hour under the proposed new table of fares as opposed to £12 per hour currently charged. This is a 25% increase.

## **5. SUMMARY OF DISCUSSION & ANALYSIS**

- 5.1 The Council has the discretion to vary the table of fares and the case law has confirmed that the Council must be satisfied that fares are reasonable for the public to pay for an available service bearing in mind the overriding objective of the Licensing regime is the protection the public.
- 5.2 The Department for Transport's "Taxi and Private Hire Vehicle Licensing: Best Practice Guidance" published in March 2010 also provides the following guidance:-
- "in reviewing fares authorities should pay particular regard to the needs of the travelling public, with reference both to what is reasonable to expect people to pay but also to the need to give taxi drivers sufficient incentive to provide a service when it is needed. There may well be a case for higher fares at times of higher demand."*
- 5.3 The Council must therefore ensure that any proposed increase strikes the right balance between the needs of the fare-paying public, the requirements for affordable transport and the needs of the taxi drivers to make a fair living.
- 5.4 Officers have assessed the proposed increase and consider that it is reasonable and proportionate. There is no doubt that the cost of living has increased significantly as shown by the Consumer Prices Index which rose by 11.1% in the 12 months up to October 2022. The cost of fuel remains high which adds to the increasing overheads for drivers and proprietors. The UK national minimum wage, DWP benefits and the basic and new state pensions are all set to rise from April 2023 by around 10% and so the proposed increase is in line with inflation.

5.5 Furthermore, the proposed table of fares is consistent with that charged by neighbouring authorities in the City Region. For further details on this analysis, Members are referred to pages 7-9 of the Regulatory Committee report.

5.6 Officers have also considered the proposed increase in light of the Council's Public Sector Equality Duty as statistics show that the elderly and people with disabilities are more reliant on public transport, particularly the bus and on taxis, than younger adults and non-disabled adults.

5.7 Age and disabilities groups will be consulted on the proposal. However, given that a 10% fare increase is proposed and the basic and state pension together with Disability Living Allowance is set to rise by 10% by April 2023, any negative impact will be short lived and there will negligible impact from April 2023.

## 6. LEGAL PROCEDURE

6.1 If it is resolved that there is to be a fare increase, the Council must publish a notice, detailing the proposed variations in a local newspaper the duration of which shall not be less than fourteen days from the date of the first publication of the notice. A copy of the notice is also to be made available on the Council's website and the Halton Direct Links.

6.2 If no objections to the variation are duly made within the period specified in the notice or if all objections are withdrawn, the variation shall come into operation on the date of the expiration of the period specified in the notice or the date of withdrawal of the objections or, if more than one, the last objection, whichever date is the later.

6.3 If objections are received, the Council must consider the objections and then bring into force the table of fares with or without modifications within two months of the expiry of the objection period.

## 7. OPTIONS

7.1 The options available to the Committee at the meeting on the 11 January 2023 were to **recommend** to the Executive Board:

1. the proposed amendments to the current table of fares;
2. modification to the proposed amendments;
3. refusal of a fare increase.

7.2 The Regulatory Committee recommends that the Executive Board agrees to the first option that is to approve the proposed fare increase.

## 8. POLICY IMPLICATIONS

8.1 There are no implications to the Council's current licensing policies.

## **9. FINANCIAL IMPLICATIONS**

9.1 Other than the financial cost of advertising the fare increase which would be around £120, there are no other financial implications for the Council.

## **10. IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **10.1 Children and Young People in Halton**

N/A

### **10.2 Employment Learning and Skills in Halton**

N/A

### **10.3 A Healthy Halton**

N/A

### **10.4 A Safer Halton**

N/A

### **10.5 Halton's Urban Renewal**

N/A

## **11. RISK ANALYSIS**

11.1 If the recommendation is to refuse the fare increase, there is a risk that drivers will leave the trade due to increasing costs and not being able to breakeven. This may have a negative impact on the supply of taxis in the area

Equally, setting a fare too high may have a negative impact on vulnerable users of this essential service.

## **12. EQUALITY AND DIVERSITY ISSUES**

12.1 There is a potential short-lived impact on the elderly and those with disabilities. This is discussed in the report.

## **13. CLIMATE CHANGE IMPLICATIONS**

13.1 As the fare increase is in line with inflation, it is unlikely to have an impact on the demand for taxis. As such, the recommendations are

likely to maintain the status quo in respect of emissions and have no effect on the environment.

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

See list set out in the Regulatory Committee Report.

## APPENDIX 1

<b>REPORT:</b>	Regulatory Committee
<b>DATE:</b>	11 January 2023
<b>REPORTING OFFICER:</b>	Operational Director – Legal and Democratic Services
<b>PORTFOLIO:</b>	Resources
<b>SUBJECT:</b>	Taxi Licensing Matter
<b>WARDS:</b>	Borough-wide

### 1 PURPOSE OF REPORT

To consider a request to increase to the Hackney Carriage fares.

### 2 RECOMMENDATION

It is recommended that Members:

1. make a recommendation to the Executive Board on whether to accept the proposed fare increase; and
2. if in favour, recommend that the Executive Board authorise officers to commence the public consultation in accordance with the statutory procedure.

### 3 INTRODUCTION AND BACKGROUND INFORMATION

3.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 (“the Act”) provides that the Council may fix the rate or fares for Hackney Carriages within the Borough and all other charges in connection with the hire of a vehicle. This is done by way of a table of fares which represents the maximum amount that can be charged by Hackney Carriage Proprietors (“Proprietors”), although a lower fare can be charged if Proprietors so wish. It is an offence to charge more than that set in the table of fares.

3.2 The Council has exercised this discretionary power and the current table of fares is set out at **Appendix A**. This comprises of 3 tariffs – T1, T2 and T3 - and the length of journey, the time of day and whether it is a

bank holiday dictates which tariff applies. For each tariff, there is a start rate and mileage/ yardage rate and there are a number of other charges such as for waiting and foulage.

3.3 The table of fares may be varied in accordance with the statutory procedure set out at paragraph 6 below. The last variation occurred in 2021, following a request by the Hackney Carriage trade (“the trade”) to increase the start rate of a journey by 60p across all tariffs due to the financial impact of the Covid pandemic. This represented a 25% increase in the tariff rate. Prior to this, fares had not been increased since 2012. As there were no objections to the statutory consultation, the fare increase took effect on 2 November 2021.

3.4 At a meeting of the Taxi Consultative Group on 7 September 2022, some Members of the Trade requested a further fare increase to take account of the rising cost of living and fuel prices since 2021. The proposal, which can be found at **Appendix B**, was for the start rate to remain the same but there be an increase in the mileage/yardage rate.

3.5 The Council has consulted the rest of the trade on 1) whether there should be an increase and 2) the proposed method of the increase. There were 117 responses to the consultation, 84% of which were in favour of the increase and 16% were against it. The responses of the consultation are at **Appendix C**. The majority of those who were in favour of the increase were also in favour of the proposed method of increase. However, there were 3 counterproposals which are also set out at **Appendix B**.

3.6 To ensure that the trade had been fully consulted, the original proposal was put to them again together with the 3 counter proposals and they were asked to vote on their preferred method of increase. Out of the 158 responses, only 11% were in favour of the original proposal. The majority (59%) were in favour of proposal D. The responses of this consultation is set out at **Appendix D**. Given the clear majority, this was taken to be the proposal of the Trade, although there is nothing preventing the Committee from considering the other proposals.

## 4 THE PROPOSAL

4.1 The proposal is a 30p increase to the start rate as well as the 10% reduction on the yardage figures. The unit price of 0.20p on the yardage is to be maintained. For example, on T1 £0.20p will be charged for each 200 yards instead of 220 yards. It is also proposed that the waiting time

be increased by £3.00 per hour. The table below sets out the proposed new rates.

T1	£3.00 for the first 440 yards (402 metres) then £0.20 for each 200 yards (182.9 metres) or part thereof
T2	£3.80 for the first 440 yards (402 metres) then £0.20 for each 150 yards (137.2 metres) or part thereof
T3	£4.60 for the first 440 yards (402 metres) then £0.20 for each 120 yards (109.7) or part thereof
Waiting Time	
The hirer will be charged £0.20 for the following periods or uncompleted part thereof	
<b>Tariff 1 – 48 seconds Tariff 2 – 34 seconds Tariff 3 – 27 seconds</b>	

4.2 By way of comparison, we have worked out the costs for a 2 mile and 10 mile journey across all tariffs under the current table of fares and the proposed new table of fares (as well as for the original proposal and other counter proposals). This is appended at **Appendix E**. Under Tariff 1 of the current table of fares, the cost of a 2 mile journey would be £5.80 and the cost of a 10 mile journey would be £20.73. Under the same tariff of the proposed new table of fares, a 2 mile journey would cost £6.38 and a 10 mile journey would cost £22.81. This is a 10% monetary increase.

4.3 As for the waiting time, it would cost £15 per hour under the proposed new table of fares as opposed to £12 per hour currently charged. This is a 25% increase.

## 5 DISCUSSION

5.1 As Members will be well aware, the cost of living has increased significantly over the last 12 months. According to the Office for National Statistics, the Consumer Prices Index (CPI) rose by 11.1% in the 12 months up to October 2022. The biggest contributors to this were the rising costs of electricity and gas as well as food.

5.2 In transport, the annual inflation rate has decreased in recent months but prices are still significantly higher compared to 2021. In fact, the average petrol and diesel prices stood at 163.6 and 183.9 pence per litre, respectively, in October 2022, compared with 138.6 and 142.2



pence per litre a year earlier. Furthermore, whilst petrol prices may have fallen, diesel prices have risen by 2.3 pence per litre in October 2022. This has resulted in a notable 20.3 pence per litre difference between diesel and petrol prices. Significantly, out of 267 licensed hackney carriage vehicles in Halton, 217 are diesel.

5.3 For Proprietors who employ drivers, the UK national minimum wage increased in April 2022 to £9.50 from the previous rate of £8.91 an increase of 6.6%. The National Insurance contributions per employee also rose from April 2022 to include a 1.25% levy to directly support the NHS. All of this adds to the cost of running a business in addition to the licence fees charged by the Council which rose by 1% in April 2022.

5.4 As the UK national minimum wage has only increased by 6.6%, a fare increase by 10% would impact the public. However, the national minimum wage is set to increase to £10.42 from 1 April 2023. This would amount to a further 9.68% increase.

5.5 Furthermore, DWP benefits that are linked to inflation and the basic and new state pensions are set to rise by 10.1% from April 2021 in line with the CPI rate of inflation in September 2022. Inflation-linked tax credit elements and benefits administered by the HMRC are also expected to rise by 10.1% according to a House of Commons research briefing paper titled "Benefits Uprating 2023/24".

5.6 Numerous Local Authorities throughout the country have undergone fare increases this year, including all those in the Liverpool City Region. In fact, all but Halton and Sefton have had a fare increase this year.

5.7 According to the Private Hire Taxi Monthly magazine which publishes "league tables" for fares throughout England and Wales, the national average fare for a 2 mile journey under Tariff 1, in December 2022, is £6.26. The Council's current fare of £5.80 places at position 276 out of 320 local authorities surveyed meaning it is one of the cheaper rates. The proposed fare would be slightly above the national average and increase the Council's position to around position 211.

5.8 The table below shows the current fares for the same 2 mile journey across the City Region. If the fare increase went ahead, the Council would have the third highest fare and would be 58p higher than Sefton Council whose fare is comparable with the Council's current fare rate. That said, it is to be noted that Sefton's last fare increase took place in December 2021 around the same time as the Council's last fare increase. As such, this would have been based on last year's economic climate and financial figures.

<b>Council</b>	<b>Date of last fare increase</b>	<b>Cost of 2 mile journey under T1</b>	<b>Waiting Time charges on T1</b>
Wirral	7 October 2022	£6.80	£18 per hour
Liverpool	29 March 2022	£6.50	£12 per hour
Knowsley	18 April 2022	£6.00	£12 per hour
Halton	2 November 2021	£5.80	£12 per hour
Sefton	1 December 2021	£5.80	£15 per hour
St Helens	5 August 2022	£5.70	£18 per hour

5.9 The table also shows that the average charge for waiting time is £15 per hour. The proposed waiting charge increase would therefore be in line with the average rate.

## **6 LEGAL IMPLICATIONS**

### **Decision Making**

6.1 The Council has the discretion to vary the table of fares. However, it should exercise its decision making powers in accordance with public law principles, in particular the principle of reasonableness.

6.2 The overriding objective of the licensing regime is the protection of the public and the case of *Rostron v Guildford Borough Council [2017] EWHC 3141* confirms that the purpose of section 65 of the Act is to protect consumers by ensuring that the fares are reasonable for the public to pay for an available service.

6.3 The Department for Transport's "Taxi and Private Hire Vehicle Licensing: Best Practice Guidance" published in March 2010 also provides the following guidance:-

*"in reviewing fares authorities should pay particular regard to the needs of the travelling public, with reference both to what is reasonable to expect people to pay but also to the need to give taxi drivers sufficient incentive to provide a service when it is needed. There may well be a case for higher fares at times of higher demand."*

6.4 The Council must therefore ensure that any proposed increase strikes the right balance between the needs of the fare-paying public, the

requirements for affordable transport and also the needs of the taxi drivers to make a fair living.

6.5 As discussed above, there has been a significant rise in the cost of living since the fare increase last year. Although the proposed table of fares would be one of highest in the City Region, it is in line with inflation. Therefore, officers consider it to represent a fair and proportionate balance between the public interest and the interest of taxi drivers.

### **Public Sector Equality Duty**

6.6 Any decision must take account of the Council's public sector equality duty under section 149 of the Equality Act 2010. This requires the Council to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups.

6.7 The elderly and people with disabilities appear to be more reliant on public transport, particularly the bus and on taxis, than younger adults and non-disabled adults. According to statistics obtained from the Department of Transport, disabled adults made, on average 55% more trips by taxi/minicab in 2019 and these trips tended to be shorter on average than for adults without a disability, 3.6 miles per trip compared with 5.5. Therefore, although a fare increase would affect the public at large, it may have a disproportionate impact on the elderly and people with disabilities.

6.8 Age and disabilities groups will be consulted on the proposal. However, given that a 10% fare increase is proposed and the basic and state pension together with Disability Living Allowance is set to rise by 10% by April 2023, any negative impact will be short lived and there will negligible impact from April 2023.

### **Legal Procedure**

6.9 If it is resolved that there is to be a fare increase, the Council must publish a notice, detailing the proposed variations in a local newspaper the duration of which shall not be less than fourteen days from the date of the first publication of the notice. A copy of the notice is also to be made available on the Council's website and the Halton Direct Links.

6.10 If no objections to the variation are duly made within the period specified in the notice or if all objections are withdrawn, the variation shall come into operation on the date of the expiration of the period specified in the notice or the date of withdrawal of the objections or, if more than one, the last objection, whichever date is the later.

6.11 If objections are received, the Council must consider the objections and then bring into force the table of fares with or without modifications within two months of the expiry of the objection period.

6.12 Notably, the setting or variation of fares is an Executive function as it is not specified in the Local Authorities (Function and Responsibilities) (England) Regulations 2000. As such, the Regulatory Committee may only act in the capacity of an advisory committee and the decision whether to approve the fare increase is to be made by the Executive Board.

## **7. OPTIONS**

7.1 The options available to the Committee are to **recommend** to the Executive Board:

- the proposed amendments to the current table of fares;
- modification to the proposed amendments;
- refusal of a fare increase.

## **8. POLICY IMPLICATIONS**

8.1 There are no implications to the Council's current licensing policies.

## **9. OTHER IMPLICATIONS**

9.1 Other than the financial cost of advertising the fare increase which would be around £120, there are no other implications.

## **10. IMPLICATIONS FOR THE COUNCILS PRIORITIES**

10.1 **Children and Young People in Halton**

N/A

10.2 **Employment Learning and Skills in Halton**

N/A

10.3 **A Healthy Halton**

N/A

10.4 **A Safer Halton**

N/A

10.5 **Halton's Urban Renewal**

N/A

## 11. RISK ANALYSIS

There is no risk implications with this report as the Committee is acting in its capacity as an advisory Committee to the Executive Board.

If the recommendation is to refuse the fare increase and this is subsequently approved, there is a risk that drivers will leave the trade due to increasing costs and not being able to breakeven. This may have a negative impact on the supply of taxis in the area.

Equally, setting a fare too high may have a negative impact on vulnerable users of this essential service.

## 12. EQUALITY AND DIVERSITY ISSUES

There is a potential short-lived impact on the elderly and those with disabilities. This is discussed further at paragraphs 6.5 – 6.7 above.

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

Document	Place of Inspection	Contact Officer
1. Taxi Consultative Group Agendas	Licensing Section	Kim Hesketh
2. Taxi Fare Consultation File	Licensing Section	Kim Hesketh
3. Private Hire and Taxi Monthly accessed at: <a href="https://www.phtm.co.uk/newspaper/taxi-fares-league-tables">https://www.phtm.co.uk/newspaper/taxi-fares-league-tables</a>		
4. House of Commons research briefing paper titled “Benefits Uprating 2023/24 accessed at:- <a href="https://commonslibrary.parliament.uk/research-briefings/cbp9680/#:~:text=DWP%20benefits%20that%20are%20linked,expected%20to%20rise%20by%2010.1%25.https://www.gov.uk/government/publications/the-national-minimum-wage-in-2022">https://commonslibrary.parliament.uk/research-briefings/cbp9680/#:~:text=DWP%20benefits%20that%20are%20linked,expected%20to%20rise%20by%2010.1%25.https://www.gov.uk/government/publications/the-national-minimum-wage-in-2022</a>		
5. The Office for National Statistics Statistical Bulletin on Consumer Price Inflation, UK: October 2022 accessed at:- <a href="https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/october2022">https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/october2022</a>		
6. The Department for Transport Statistical Release on Transport: Disability and Accessibility Statistics, England 2019/20 accessed at <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/972438/transport-disability-and-accessibility-statistics-england-2019-to-2020.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/972438/transport-disability-and-accessibility-statistics-england-2019-to-2020.pdf</a>		

# Hackney Carriage Table of Maximum Fares

2<sup>nd</sup> November 2021

<b>Tariff 1</b>	<b>£3.00</b> for the first 440 yards (402 meters) then <b>£0.20</b> for each 220 yards (201 meters) or part thereof
<b>Tariff 2</b>	<b>£3.80</b> for the first 440 yards (402 meters) then <b>£0.20</b> for each 165 yards (151 meters) or part thereof
<b>Tariff 3</b>	<b>£4.60</b> for the first 440 yards (402 meters) then <b>£0.20</b> for each 132 yards (121 meters) or part thereof

**Where 5 or more passengers are carried the above tariffs will increase by 50% becoming tariffs 4, 5 and 6**

### Waiting Time

The hirer will be charged £0.20 for the following periods or uncompleted part thereof

**Tariff 1 - 60 seconds**

**Tariff 2 - 40 seconds**

**Tariff 3 - 30 seconds**

1. Tariff 1 applies at all times when neither tariff 2 nor Tariff 3 applies
2. Tariff 2 shall apply (where Tariff 1 would otherwise apply) for any journey at and beyond six miles from the commencement of the journey
2. Except when Tariff 3 applies, Tariff 2 applies for hirings between 11.00pm and 6.00am, all day on Bank and Public Holidays, Easter Sunday, and between midday to 11.00pm Christmas Eve and New Year's Eve
3. Tariff 3 applies for hirings between:
  - a) 11.00pm Christmas Eve and 6.00am Boxing Day
  - b) 11.00pm New Year's Eve and 6.00am New Year's Day
4. If any journey ends outside the Borough boundary the fare should be agreed in advance with the driver otherwise the Table of Fares must be applied
5. Only mileage and waiting time charges will appear on the taximeter. Other charges will be charged separately
6. Taximeters are calibrated in yards and metric equivalents are approximate only

### Extra Charges

**Luggage** - For each article of luggage outside the passenger compartment **£0.20**

**Fouling** - The cost to the hirer of cleaning the vehicle when fouled by them **£50.00**

**Bridge Crossing** - For a passenger journey involving a crossing of the River Mersey within the Borough the toll for that crossing may be charged at the rate for the time being in force for the vehicle

## Appendix B

### **Proposal A (original proposal from the trade)**

Tariff 1 0.20p every 200 yards

Tariff 2 0.20p every 150 yards

Tariff 3 0.20p every 120 yards

The starting price on all tariffs are to remain the same. However, the waiting time for Tariffs 1, 2 and 3 are to be increased by a further £3.00 per hour.

### **Proposal B**

As per Proposal A, however, on Tariff 1 the 6 miles is to be reduced to 5 miles. In other words, T2 is to apply from 5 miles.

### **Proposal C**

As per Proposal A but Tariff 3 will apply from 6 am on Boxing Day until 6 am following day i.e. 27 December.

### **Proposal D**

As per Proposal A, however, 30p to be added to the start price.

## APPENDIX C

## Fare Increase – agreed trade

No	Comments
1	That is perfect
2	I'd like to support the idea of a fare increase to reflect the current increase in fuel costs, especially relevant for cabs which are less efficient than cars.
3	I agree that due to the current financial situation the tariff increase should be implemented as soon as possible
4	Yep I'll have a bit of that thanks
5	Im not working at the moment, but I agree the fares need to be in line with everything else.
6	Yes I agree to the proposed increase
7	Further to the email regarding the tariff increase I think its desperately needed in this current crisis and also something put in place for tariffs to increase with inflation year on year
8	I agree with any increases
9	With regards to the fare increase I'm in favour of this
10	Yes 100% needed
11	Fine by me all helps
12	I can only add that the proposed increase in the fare tariff is certainly needed
13	I agree with the proposed changes
14	Yes with fuel costs still high I agree to the increase
15	I agree with the proposed rise
16	Yes I agree with the rise if that's okay
17	I agree to the pay increase
18	Yes this increase is needed
19	Thank you for the proposal, I would like to agree to this price rise
20	Wow how fast are you, firstly I think you know I'm all in favour of the overdue increase and this seems absolutely fine
21	I agree with pay rise as things r continuing to increase and times r hard
22	Yes
23	Yes
24	We agree with the tariff increase
25	We agree with the tariff increase
26	Yes I think there should be a tariff fare increase
27	Yes
28	Yes
29	Fare yes
30	Good idea
31	Yes
32	Yes I agree with the tariff fare increase
33	I would be in agreement of the proposed increases
34	I am happy with the proposal
35	Yes that change seems fine
36	Thank you for your email regarding a tariff care increase. Yes I would welcome an increase as proposed in your email
37	Hi I agree with the proposed increase in fares
38	Yes



39	That's a yes from me
40	I am in favour of a tariff increase
41	I agree with price increase
42	In reply to your email regarding a tariff change I would be in favour of the increase as my running costs have increased
43	Seems to be in the best interest for all drivers with the financial climate being the way it is and showing no decline
44	I would like to say yes to the increase
45	The rise is fine by me
46	Yes we should have a pay rise
47	I agree with the rise
48	Yes tariff increase please
49	I just wanted to say I am a favour of the increase
50	I'm in favour of increase
51	I would welcome the increase. This will help with the ever increasing costs to running and maintaining our taxis along with the cost of living increases
52	Regarding the increase on fares and waiting times I would welcome the increase and at the moment in time is really needed
53	I'm in agreement with the proposed new tariff
54	I'm more than happy for the tariff to go up the average price of diesel is now about £1.80 per litre. Tyres have gone up road tax has had a increase and so has parts and labour on getting work done on the taxis to keep them up to a good standard. Some drivers moan and say know its ok for the odd few that try and take the moral high ground who don't have kids and young families. If other drivers want to keep it the same that's ok if the government decides to cut fuel duty more and road tax etc. Sorry to grumble on I think a fair increase would be welcome on my behalf
55	I would like to agree to the increase
56	Yes please
57	Yes I agree to the rise
58	I agree to the tariff rise
59	Agree
60	The proposal sounds great. I'm in favour of the tariff increase
61	I would welcome the increase given the current financial climate
62	Yes I agree with the rise
63	I'm in favour of the increases proposed
64	Yes I agree with these changes
65	Yes agree to all of the email
66	It is definitely needed every little helps
67	Totally agree that a fare hike is needed. Fuel is up prices of tyres and servicing vehicle as gone up
68	I'm happy with whatever pay increase you set
69	I feel that it is about time we had a tariff increase because we haven't had a proper increase for a decade not counting the 60p increase last year which was negated in no time at all because of the rocketing price in fuel that happened shortly after. So I believe that this can be considered a cost of living tariff increase which is am fully in support of. I do believe that the taxi trade in the Borough have made a rod for its own back by not having a tariff increase every 1 or 2 years so I do feel that the council could not object to this increase that will be gratefully received by the majority of the trade if accepted. I feel the public will come to terms with this increase in no time at all and feel that any

	objections received by yourselves by them would not be justified purely on the grounds of the length of time that has passed since the last increase
70	I'm in favour of the pay rise
71	I write in support of the proposed increase
72	I strongly agree with a rate rise
73	I'm in favour with the pay rise
74	Considering the current state of affairs/cost of living increases it would make sense to increase the tariffs as you suggest above
75	Due to currant cost of living I agree to increase
76	Yes that seems good
77	I would be in favour of all the tariffs and waiting time increases from the proposals that have been put forward that have been set out below
78	Driver could not reply to email so call via telephone and confirmed that he agrees to the pay rose
79	I agree with the tariff increase
80	Short and sweet I say yes to the tariff increase
81	I fully agree with the recent request for an increase in the Hackney Carriage tariff. I feel with the current economic conditions and the many inflationary costs we are having to cope with there is no sensible option. Apart from the obvious increase in fuel, garages charges, spare parts, insurance and many other prices have risen, some quite sharply. In the last two years the price of tryes of my vehicle have doubled
82	Any increase in tariff would be welcome
83	Yes I am happy with the increase
84	This driver originally objected to the tariff rise but has since withdraw the objection and agrees
85	I agree there needs to be an increase yes
86	This driver originally objected to the tariff rise but has since withdraw the objections and agrees
87	This driver originally objected to the tariff rise but has since withdraw the objection and agrees

## Fare Increase – against trade

No	Comments
1	Raising the fares at the moment not a good idea as people are struggling enough to get taxis in the current economic climate, plus the way that the proposal has been set out, I personally don't think it is fare on the customer who is travelling future
2	I am against the tariff increase, I think it could end up having a detrimental effect on the taxis as people are truly struggling, yes I do agree its hard for us too, but I think all taxi drivers should be looking at the bigger picture on trying to keep customer & not sending them away due to tariff increase
3	I still don't think the increase in fares should be done at this time. It is likely to discourage taxi use at a time when everyone is struggling and I would rather keep thing as they are, at least for the time being
4	At this moment in time I'm personally against a tariff rise because there is such uncertainty how things are going to be financially for everybody we have already seen a slight drop in customers in the trade and with electricity and gas jumping next month people won't be able to use taxis I think we will lose those that still need to use them
5	I know times are hard for everyone and other places are getting pay rises. But in the taxi trade its better to keep customers rather than push them away. Fuel has dropped a bit, but I think stay as we are. So it's a no to a pay rise from me
6	I don't think there should be a rise in the tariffs, the price of fuel has come back down over the last few weeks and with the high cost of living at the moment, I think it would be the wrong time to put the tariffs up and would just mean less people getting taxis meaning driver would be worse off
7	Personally I don't think there is a need to raise the fares as I would say 95% of customers leave a tip anyway, so in theory we are already getting paid an increase. I think by increasing the fares to would push people more towards using the buses more
8	I am against a fare increase at this time. This decision should be made by Halton Borough taxis drivers only and no other taxi firms from outside the borough
9	No
10	There are many reasons for a pay increase, but I am against this tariff change. As it penalizes the more lucrative longer distance fares more so than shorter fares
11	Not at this moment in time for me
12	With the current economic situation & customers having less money, I don't think a rise is justified at this time
13	<p>I disagree with the proposal.</p> <p>Whilst I feel we have had very, very little support through the pandemic and the current crisis unlike other forms of transport despite the trade carrying the same per cent-age of passengers as the buses (past UDP document) and our trade colleagues in other areas I don't think now is the right time to increase fares by 80p+ per mile (T1) and more on T2/T3.</p> <p>The bus industry has just launched the £2 capped fare on a trial basis, with financial support I might add, so I believe we should await the outcome of this and look at an increase in February 2023 for an April implementation. We can of course review the situation sooner if the economy dictates.</p> <p>I think the trade would get more relief from a reduction in the fees paid and a review of the requirement of the test frequency. The inspection (test) was introduced because of the deterioration in standards when the trade used the old FX4 cab. Today, and has been the case for a number of years, certainly in excess of ten, the taxi fleet is one that has been said to be one that the authority is proud.</p>

	<p>We are currently paying nearly £300 on admin fees and £63 for a test which the same garage charges £40 to the public and less for employees. The testing should be opened up to other garages. To continue as we are is causing problems because of the lack of appointments and I do wonder if a 'closed shop' approach is indeed lawful.</p>
14	<p>I personally feel that a fare increases wouldn't go down well with the public at this time</p>
15	<p>Personally I think this is a bad idea, mainly because the majority of people who use cabs are those complaining about the cost of living eg shoppers, commuters etc and any increase would just drive them away. Also the high price of feuel is already beginning to drop which will (eventually) see a drop in prices (wars not included) and finally the cap on bus fares at £2.00 is surely going to have an impact</p>
16	<p>I believe it is still not the right time to be doing the fare increase. Although I agree that with the price increase in fuel and other bills this is a difficulty time for us, but if we increase fares its only going to discourage customers from using the service altogether</p>
17	<p>After reading the proposal for the tariff increase. I am writing to say that would not support this proposal. As I think, despite the current financial situation, this type of increase is far to much.</p> <p>The tariff 1 increase of every 20p every 200 yards, would add £1.76 per mile, this alone, I would struggle to justify with our customers and can only see an increase of this size, as having a detrimental affect on the trade in general and especially Halton Borough Taxi Drivers</p>

**Fare Increase – Queries**

No	Comments
1	We could seriously do with the tariff 3 period increasing time wise. There's little incentive to work boxing day when tariff 2 kicks in at 6am. I believe Warrington get T3 every bank holiday and doubt the public would resent paying the extra 25% (from T2 to T3) In comparison we must get the shortest T3 person of any taxi service in the country
2	I agree to the tariff changes but I also think the start price should be increased by at least 30 pence
3	Yes we need this rise badly also I would like to see the 6 miles reduced 5 miles

## APPENDIX D

### Consultation for Fare Increase – November 2022

Number	A	B	C	D	Against	Comments
1						I vote yes
2				√		
3				√		
4	√					
5				√		
6				√		But C is needed to in my opinion
7		√				
8	√					
9					√	As previously stated I object to any fare increase at this time
10				√		
11	√					
12		√				
13				√		
14			√			
15	√					
16			√			
17				√		
18					√	I would like to vote for option E! No increase at all. Why is this not an option?? Why are the council insisting on giving us a rise. I don't want a rise. If I or other drivers need more money we can work a few extra hours or an extra day. Why go to the public in these uncertain times?? Its no skin of the councils nose if we don't have an increase.
19				√		
20	√					
21		√				
22			√	√		
23				√		

24	√					
25	√					
26		√				
27	√					
28	√					
29		√				
30				√		
31				√		
32	√					
33				√		
34				√		
35				√		
36				√		
37				√		
38				√		
39				√		
40	√					
41		√				
42			√			
43				√		
44			√			
45			√			
46				√		
47		√				I am not really sure what the difference in the proposals are to be honest but I go for proposal B
48			√			
49				√		
50				√		
51			√			
52				√		
53			√			
54			√			

55		√				
56			√			
57				√		
58				√		
59			√			
60			√			
61			√			I just think another fare increase will not be beneficial for ourselves or customers with the current climate
62				√		
63				√		I am happy to go with the majority if it helps implement an increase
64				√		
65				√		In the future can this be done every other year without forums/quorums and extra votes etc... this should be out of our hands and somehow index linked with the price of fuel and cost of living factor thrown in
66				√		
67				√		
68	√					
69			√			
70				√		
71					√	Thank you for the information regarding the tariff increase, personally I would like to have been given another option and that is no increase. I'm not sure how to go about this because the option isn't available but that is how I'd like to register my vote
72		√				
73				√		
74				√		
75		√				
76		√				
77		√				
78					√	I would like to thank you for the time and effort you have put into this exercise but have to say I am opposed to any increase whatsoever.



						With the current financial situation I believe it will only add to the inflation problems that currently exist and considering the country is in recession I find it hard to believed many of our most vulnerable customers will be able to afford the increase.
79				√		
80				√		
81				√		
82		√				
83				√		
84		√				
85		√				
86	√					
87				√		
88				√		
89		√				
90				√		
91				√		
92				√		
93				√		
94	√					
95			√			
96				√		
97				√		
98				√		
99				√		
100				√		
101				√		
102				√		
103				√		
104				√		
105				√		
106				√		

107				√		
108				√		
109				√		
110				√		
111				√		
112				√		
113				√		
114				√		
115				√		
116				√		
117				√		
118				√		
119				√		
120				√		
121				√		
122				√		
123				√		
124				√		
125				√		
126				√		
127				√		
128				√		
129			√			Despite still having no desire for a rise because it will leave halton licence hackneys at a real disadvantage, epically with the lack of enforcement of rules on ph and other boroughs vehicles picking up in this Borough and even on council ranks and the station I will vote under duress
130				√		
131				√		
132	√					
133				√		
134				√		

135				√		
136			√			
137				√		With also the reduction of 6 miles to 5 on tariff 1
138		√				
139			√			
140		√				
141				√		On another note I also think the extra tariff 3 on boxing day should be applied to all the proposals
142			√			
143				√		
144				√		
145				√		
146				√		
147				√		
148				√		
149	√					
150				√		
151	√					
152			√			
153			√			
154		√				I would be more in favour of proposal B but would also agree that Boxing Day tariff 3 should run from 6am on Boxing Day until 6 am following day i.e 27 December
155			√			
156				√		
157				√		
158			√			
TOTAL	17	19	24	94	4	

**APPENDIX E****Current table of fares**

Tariff	2 Mile journey	10 Mile journey
1	£5.80	£20.73
2	£7.53	£24.60
3	£9.27	£30.60

**Proposal A (original proposal sent in email dated 26 September)**

Tariff 1 0.20p every 200 yards

Tariff 2 0.20p every 150 yards

Tariff 3 0.20p every 120 yards

The starting price on all tariffs are to remain the same. However, the waiting time for Tariffs 1, 2 and 3 are to be increased by a further £3.00 per hour.

Tariff	2 Mile journey	10 Mile journey
1	£6.08 (+5%)	£22.51 (+9%)
2	£7.91 (+5%)	£26.68 (+9%)
3	£9.73 (+5%)	£33.20 (+9%)

**Proposal B**

As per Proposal A, however, on Tariff 1 the 6 miles is to be reduced to 5 miles.

Tariff	2 Mile journey	10 Mile journey
1	£6.08 (+5%)	£23.09 (+11%)
2	£7.91 (+5%)	£26.68 (+9%)
3	£9.73 (+5%)	£33.20 (+9%)

**Proposal C**

As per Proposal A but Tariff 3 will apply from 6 am on Boxing Day until 6 am following day i.e. 27 December.

**Proposal D**

As per Proposal A but an additional 30p to be applied on the start price.

Tariff	2 Mile journey	10 Mile journey
1	£6.38 (10%)	£22.81 (10%)
2	£8.21 (9%)	£26.98 (10%)
3	£10.03 (8%)	£33.50 (10%)

## APPENDIX 2

### Fare Increase – comments from 2 drivers

#### Driver for the fare increase

*We feel the proposed rise is long overdue and falls in line or slightly behind the rates of inflation in most other things related to the running costs of being a self employed taxi driver*

*Fuel, insurance, cost of vehicles, repairs are leading factors as all of these have risen excessively of late*

*The Job is becoming a profession where you work to cover your overheads without earning an average wage with drivers leaving, we feel any objection to this needed rise may impact the trade further with drivers potentially earning more money elsewhere without the many stresses of being self employed*

#### Driver against the fare increase

*I have voted for a no increase to the current fare tariff as I believe this would impact our ability to maintain our current customer base.*

*My thoughts are that if we were to increase the fares, the amount of people using taxis would decrease as we are all aware people are tightening their belts due to the current pressures of the cost of living crisis.*

*My belief is that increasing the current rate would only add pressure to peoples already tight budgets, Whilst I appreciate we have increased costs ourselves , I'm sure with a bit of self management we could make the current tariffs work.*

<b>REPORT TO:</b>	Executive Board
<b>DATE:</b>	16 February 2023
<b>REPORTING OFFICER:</b>	Chief Executive
<b>PORTFOLIO:</b>	Leader's
<b>SUBJECT:</b>	Calendar of Meetings – 2023/24
<b>WARDS:</b>	Borough wide

### **1.0 PURPOSE OF THE REPORT**

- 1.1 To approve the Calendar of Meetings for the 2023/24 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 2023/24 Municipal Year.**

### **3.0 SUPPORTING INFORMATION**

- 3.1 Members are asked to consider and recommend approval of the calendar of meetings for the 2023/24 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 CLIMATE CHANGE IMPLICATIONS**

9.1 None

## **10.0 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 2023	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN 2024	FEB	MARCH	APR	MAY
M	1 <b>Early May Bank Holiday</b>		31			30			1 <b>New Year Bank Holiday</b>			1 <b>Bank Holiday</b>	
T	2			1		31			2			2	
W	3			2			1		3			3	1
T	4 <b>Local Elections</b>	1		3			2		4	1		4	2 <b>Local Elections</b>
F	5	2		4	1		3	1	5	2	1	5	3
S	6	3	1	5	2		4	2	6	3	2	6	4
S	7	4	2	6	3	1	5	3	7	4	3	7	5
M	8 <b>Bank Holiday</b>	5 Dev Manage Com	3 Dev Manage Com	7 Dev Manage Com	4 Dev Manage Com	2 Dev Manage Com	6 Dev Manage Com	4	8 Dev Manage Com	5 Dev Manage Com	4	8 Dev Manage Com	6 <b>Early Spring Bank Hol</b>
T	9 Dev Manage Com	6 Corporate PPB	4 <b>SEMINAR</b>	8 <b>SEMINAR</b>	5 Corporate PPB	3	7 Corporate PPB	5 Dev Manage Com	9	6 Safer PPB	5 Dev Manage Com	9	7 Dev Manage Com
W	10	7	5 HWB Board A&G Board	9	6 <b>SEMINAR</b>	4	8	6 COUNCIL	10 Regulatory	7 Mayoral Committee	6 COUNCIL	10	8
T	11	8	6	10	7	5	9	7 Executive Board	11	8	7	11	9
F	12	9	7	11	8	6	10	8	12	9	8	12	10
S	13	10	8	12	9	7	11	9	13	10	9	13	11
S	14	11	9	13	10	8	12	10	14	11	10	14	12
M	15	12 CYP&F PPB	10	14	11 CYP&F PPB	9	13 CYP&F PPB	11	15	12	11 <b>SEMINAR</b>	15	13
T	16 Exec Board Selection Com	13	11	15	12 Safer PPB	10 <b>SEMINAR</b>	14 Safer PPB	12	16 <b>SEMINAR</b>	13	12	16	14 Exec Board Select Com (prov)
W	17	14 Schools Forum	12	16	13	11 HWB Board Regulatory Schools Forum	15 Environment PPB	13	17 HWB Board Schools Forum	14	13 Regulatory	17	15
T	18	15 Executive Board	13 Executive Board	17	14 Executive Board	12	16 Executive Board	14	18 Executive Board	15	14 Executive Board	18 Executive Board	16
F	19 ANNUAL COUNCIL	16	14	18	15	13	17	15	19	16	15	19	17 ANNUAL COUNCIL (prov)
S	20	17	15	19	16	14	18	16	20	17	16	20	18
S	21	18	16	20	17	15	19	17	21	18	17	21	19
M	22	19 ELS&C PPB	17	21	18 ELS&C PPB	16	20 ELS&C PPB	18	22 CYP&F PPB	19	18	22	20
T	23	20 Safer PPB	18	22	19	17	21	19	23 Corporate PPB	20 Health PPB	19	23	21
W	24	21 Environment PPB	19 COUNCIL	23	20 Environment PPB	18 COUNCIL	22 A&G Board	20	24	21 Environment PPB – Schools Forum	20 HWB Board A&G Board	24	22
T	25	22	20	24	21	19 Executive Board	23	21	25	22 Executive Board	21	25	23
F	26	23	21	25	22	20	24	22	26	23	22	26	24
S	27	24	22	26	23	21	25	23	27	24	23	27	25
S	28	25	23	27	24	22	26	24	28	25	24	28	26
M	29 <b>Bank Holiday</b>	26	24	28 <b>Summer Bank Holiday</b>	25	23	27	25 <b>Xmas Day</b>	29 ELS&C PPB	26	25	29	27 <b>Bank Holiday</b>
T	30	27 Health PPB	25	29	26 Health PPB	24	28 Health PPB	26 <b>Box Day</b>	30	27	26	30	28
W	31	28 Regulatory	26	30	27 A&G Board	25	29 Regulatory	27	31	28	27		29
T		29	27	31	28	26	30	28		29	28		30
F		30	28		29	27		29			29 <b>Bank Holiday</b>		31
S			29		30	28		30			30		1
S			30			29		31			31		2



<b>REPORT TO:</b>	Executive Board
<b>DATE:</b>	16 <sup>th</sup> February 2023
<b>REPORTING OFFICER:</b>	Executive Director, Adults
<b>PORTFOLIO:</b>	Adult Social Care
<b>SUBJECT:</b>	Home Based Respite Care Service in Halton
<b>WARD(S):</b>	Borough-wide

## 1.0 **PURPOSE OF THE REPORT**

- 1.1 To seek a Waiver in compliance with Procurement Standing Order 1.14.4 (iv) of Part 3 of Procurement Standing Orders for the granting of a direct award to support the continuation of the provision of the Home Based Respite Care Service in Halton, to be delivered by Crossroads Care North West for the period from 1st April 2023 to 31st March 2025, plus an option to extend for a further one-year period.

## 2.0 **RECOMMENDATION: That Executive Board**

- 1) **note the contents of the report; and**
- 2) **in compliance with Procurement Standing Order 1.14.4 (iv), Executive Board approve a Waiver of Part 3 of Procurement Standing Orders, for a direct award to support the continuation of the provision of the Home Based Respite Care Service in Halton delivered by Crossroads Care North West for a two year period from 1st April 2023 to 31st March 2025, plus an option to extend for a further one-year period.**

## 3.0 **SUPPORTING INFORMATION**

- 3.1 Crossroads Care North West is currently commissioned, until 31<sup>st</sup> March 2023, to provide a planned Home Based Respite Care Service in Halton.

Home Based Respite care provides practical help, personal care and emotional support to people in their own homes, replacing the care normally provided by their informal carer and allowing that carer to have respite from their caring. The Service therefore supports carers and the cared for to help them remain independent for as long as possible.

The service aims to support both the carer and the cared for in enabling regular carers respite. This will allow carers to have time away from their role as informal carer, whilst maintaining a safe and consistent level of support to the individual.

- 3.2 Respite is often used as an umbrella term, referring to a broad spectrum of activities encompassing home based services. It is generally acknowledged that respite varies

according to its nature, circumstances of provision, who it is provided by, or to and when it is available. For the purposes of this contract the service:

- is for planned respite;
- offers flexibility in service provision and service delivery ;
- supports carers of people who live at home with a long-term condition that restricts their ability to get out of their home on their own;
- is delivered to Halton residents;
- is available to adults over 18; and
- is for any adult carer who is identified as having a need.

3.3 As well as being registered with the Care Quality Commission for the provision of personal care, to ensure that the service delivered is of the necessary quality, we have robust contract management arrangements in place, which consists of the quarterly provision of both quantitative and qualitative information and half-yearly monitoring meetings with the provider.

3.4 A waiver in compliance with Procurement Standing Order 1.14.4 (iv) of part 3 of Procurement Standing Orders is sought to award Crossroads Care North West a contract for a two-year period from 1st April 2023 to 31st March 2025, plus an option to extend for a further one-year period.

#### 4.0 **POLICY IMPLICATIONS**

4.1 Continuing this service supports the Council in its development of out of hospital services with NHS Cheshire & Merseyside and in respect to the One Halton placed based approach. It also supports our commitment to providing breaks for carers in line with local and national targets and to assist people to live in their own homes and remain independent for as long as possible.

4.2 As well as providing high quality care support services, Crossroads are able to offer additional support through their expertise and experience of supporting Carers. In the past they have also been able to support Carers and families in the Halton area, who have been suffering financial hardship. Most recently in December 2022, they provided free food hampers to the most vulnerable clients and all their care support staff were issued with a £25 gift voucher.

Crossroads use asset based approaches, maximising use of community space wherever possible such as room hire for recruitment and training. This not only generates income for these organisations but also raises awareness of other services, which could benefit staff, volunteers and service users.

Crossroads Care North West are committed to recruiting locally, raising the living standards of local residents through employing a local workforce.

4.3 Retendering this contract could result in the Council foregoing a clear benefit in developing out of hospital services with NHS Cheshire & Merseyside and may result in the Council awarding the contract to another provider, which would result in a risk to continuity of care and support to a vulnerable client group. It is preferred to remain with the existing provider to continue to achieve positive outcomes for the existing

client base, and new clients, through well-established relationships that they have with health, social care and the local voluntary and community sector.

**5.0 FINANCIAL IMPLICATIONS**

5.1 Waiver in compliance with Standing Order 1.14.4 of part 3: Non-Emergency Procedures (exceeding a value threshold of £100,000) on the basis that a full tender process would result in the Council having to forego a clear financial or commercial benefit (1.14.4 iv).

5.2 Awarding a contract to the existing provider would support continuity of care for a vulnerable client cohort.

5.3 The waiver would be effective for the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2025, plus option to extend for a further one year.

5.4 The total financial cost to the pooled budget is £113,929 per annum; total contract value over the two-year term is £227,858; £341,787 including the option to extend for a further one year.

The cost of this contract will be met within existing Better Care Fund budget allocations and be subject to an inflationary uplift which will not increase the cost of the contract but will be met via revising the hours of respite care being delivered over the contract period.

5.5 Home Based Respite Care is usually provided on a regular weekly basis for between 1 - 4 hours. The actual amount of hours that are delivered to an individual will be based on need. This figure will be determined as part of the development of the individuals care plan, this can be completed through an agreed assessment and may be required at evenings/weekends and in some circumstances may require sleeping/waking nights.

Based on the contract value, during 2023/4 there would be expectation that Crossroads would provide 5,696 hours of respite.

**6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

**6.1 Children & Young People in Halton**

N/A

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

N/A

**6.3 A Healthy Halton**

This service makes an important contribution to the health and social care system in Halton.

**6.4 A Safer Halton**

N/A

6.5 **Halton's Urban Renewal**

N/A

7.0 **RISK ANALYSIS**

7.1 This contract falls below the current EU Light Touch Regime threshold of £663,540 and subsequently the risk of challenge will be negligible.

7.2 The Service will continue to be monitored to ensure that the Council, NHS Cheshire & Merseyside and Halton residents receive value for money.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 None identified.

9.0 **CLIMATE CHANGE IMPLICATIONS**

9.1 There are no environmental or climate implications as a result of this report.

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

10.1 None identified.

**REPORT TO:** Executive Board

**DATE:** 16 February 2023

**REPORTING OFFICER:** Director of Public Health

**PORTFOLIO:** Health and Wellbeing

**SUBJECT:** 0 – 19 Healthy Child Programme,  
Bridgewater Community Health NHS  
Foundation Trust – KEY DECISION

**WARDS:** Borough Wide

### **1.0 PURPOSE OF THE REPORT**

To inform members of the Executive Board on the request to extend the 0 – 19 Healthy Child Service (up to 25 for those with additional or complex needs) Bridgewater Community Health NHS Foundation Trust Contract; this paper is requesting the utilisation of the first extension that was approved as part of the original 2017 agreement. **This is the first request to utilise one of the agree 12 x month extensions.**

### **2.0 RECOMMENDATION: That the Board**

- 1) approve the implementation of the first one year extension, for the year April 2023 to March 2024, for the 0-19 Healthy Child Programme contract which is provided for within the original contract which was approved and implemented in 2018; and**
- 2) approve the commencement of a full procurement exercise including service reviews in the year 2023-2024 with a view to award a new contract at the end of March 2024.**

### **3.0 SUPPORTING INFORMATION**

In February 2017, in accordance with Standing Orders, the Executive Board authorised the Director of Public Health to commence a procurement exercise to determine the most economically advantageous and effective organisation to deliver public health services for children, young people and families. It was agreed that the contract would be awarded for a period of 5 years with the option for two additional one-year contracts.

In April 2018 it was agreed that the 0 – 19 Healthy Child Service for Halton contract was awarded to Bridgewater Community Health NHS Foundation Trust for the agreed period of 5 years with the option for two additional one-year contracts.

The Service Specification is based upon the National Specification for the delivery of an integrated 0-19 (25) Public Health Service and on feedback from service users, staff and other partners. The service will continue to lead and deliver the universal Healthy Child Programme to all children and young people and will aim to ensure that every child gets the good start they need to lay the foundations for a healthy life.

The Service will continue to provide seamless support up to the young person's 19th birthday (up to 25 for young people with a disability or complex health care need), and is described in a number of discrete elements of the specification:

- Health Visitor Service for 0 - 5 years
- Family Nurse Partnership (First time Pregnancy in Teenagers)
- School Nursing Services for 5 - 19 years
- Reception Age Hearing and Vision Screening
- National Child Measurement Programme Services.

Performance data is submitted regularly on a quarterly basis. Recent discussions regarding current indicators have taken place and there will be some adjustments to enable the service to fully reflect the service that is being provided.

The 12-month plus one extension will provide the time required to fully procure the service anew (which was not possible to start a full procurement exercise and engagement in the past one-year due to covid). **This is the first request to utilise one of the agree 12 x month extensions.**

#### **4.0 POLICY IMPLICATIONS**

The Procurement process is being followed; a contract extension will be submitted via the procurement portal.

#### **5.0 FINANCIAL IMPLICATIONS**

Financial provision for the Service is contained within the Public Health ring fenced grant. The contract was awarded for 5 years with the option for two additional one-year contracts.

The current budget for 2021/22 is £3,645,960.

The budget for 2023/24 is £3,724,040 which includes a 5% increase to the current year spend.

#### **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

##### **6.1 Children and Young People in Halton**

To ensure that in Halton children and young people are safeguarded, healthy and happy and receive their entitlement of high-quality services that are sensitive to need, inclusive and accessible to all.

The Government's aim is to enable local services to meet local needs, and the Healthy Child programme is a critical component in giving every child in Halton 'the best start in life'. Improving child development is a priority for Halton which will be supported by an effective and efficient service that supports both national and local strategies and action plans to meet the needs of children and their families.

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

To create an economically prosperous Borough that encourages investment, entrepreneurship, enterprise and business growth, and improves the education, skills and employment prospects of our residents and workforce so they can share in all the opportunities Halton affords.

Employment, Learning and Skills is a key determinant of health and wellbeing and is therefore a key consideration when developing strategies to address health inequalities. This service will support children and their families in reducing the impact of ill health on their life chances and encourage and support "school readiness", with regards to speech, language and communication.

## **6.3 A Healthy Halton**

To create a healthier community and work to promote well-being, a positive experience of life with good health (not simply an absence of disease) and offer opportunities for people to take responsibility for their health with the necessary support available.

Universal and specialist public health services for children are important in promoting the health and wellbeing of all children and reducing inequalities through targeted intervention for vulnerable and disadvantaged children and families.

## **6.4 A Safer Halton**

None

## **6.5 Halton's Urban Renewal**

None

## **7.0 RISK ANALYSIS**

Previous Impact Assessment undertaken.

Robust service monitoring should provide early warning of any performance issues.

**8.0 EQUALITY AND DIVERSITY ISSUES**

Aligns with E&D legislation

**9.0 CLIMATE CHANGE IMPLICATIONS**

9.1 None

**10.0 REASON(S) FOR DECISION**

- a) Result in the local authority incurring expenditure which is significant.
- b) Impact in terms of its effects on communities if contract does not continue.

**11.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

N/A

**12.0 IMPLEMENTATION DATE**

1<sup>st</sup> April 2023

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

<b>List of Background Papers</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
<b>Bridgewater Community Healthcare NHS Foundation Trust – Signed Contract Dated 14.4.2018 – 31.3.2023</b>	<b>Documents available upon request</b>	<b>Leigh Hammad</b>
<b>Notice Of Procurement Executive Board Report Key Decision Dated 16.3.2017</b>	<b>Documents available upon request</b>	<b>Leigh Hammad</b>
<b>Award of Contract Executive Board Report Dated 16.11.2017</b>	<b>Documents available upon request</b>	<b>Leigh Hammad</b>





<b>REPORT TO:</b>	Executive Board
<b>DATE:</b>	16 February 2023
<b>REPORTING OFFICER:</b>	Operational Director, Community & Greenspace - Environment & Regeneration Directorate
<b>PORTFOLIO:</b>	Employment, Learning Skills and Community
<b>SUBJECT:</b>	Variation of the non-statutory fees of Halton Registration Service from 1 <sup>st</sup> April 2023
<b>WARD(S)</b>	Borough Wide

### 1.0 **PURPOSE OF THE REPORT**

- 1.1 To seek the approval of the Board to vary the non-statutory fees offered by Halton Registration Service from 1<sup>st</sup> April 2023.

### 2.0 **RECOMMENDATION: That**

**The Board approves the variations to the non-statutory fees of Halton Registration Service as set out in Appendix 1.**

### 3.0 **SUPPORTING INFORMATION**

- 3.1 The Marriage Act 1995 and the Civil Partnership Act 2005 allows local authorities to set fees for ceremonies in approved premises. In January 2011, the Executive Board Sub Committee agreed to set these non-statutory fees; outside the usual timeframe for setting fees due to ceremonies being planned up to two years in advance.
- 3.2 The proposed fee structure: Appendix 1 is for 2023/2024 and 2024/2025 which has been determined by taking account of inflationary increases. In addition, where possible market research of neighbouring registration districts has also been carried out - to ensure that our fees are both competitive and reflect the high standard of our venue and facilities.
- 3.3 The early setting of the fees for 2023/2024 and 2024/2025 is necessary as ceremonies are arranged up to two years in advance. Therefore, we must have a published fee structure in place so that customers understand the amount they will be required to pay. The early setting of the fees will also enable the Service to forward plan more effectively to achieve its income targets.

4.0 **POLICY IMPLICATIONS**

4.1 The above proposals are in line with the Authority's new governance arrangements for delivery of registration services as outlined in the White Paper "Civil Registration: Vital Change" (2002), which enables the authority to have the freedom to make policy decisions locally without recourse to the General Register Office.

5.0 **FINANCIAL IMPLICATIONS**

5.1 The proposed fees will take effect from 1 April 2023 and should assist the Service with meeting its allocated budget.

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**

None identified.

6.4 **A Safer Halton**

None identified.

6.5 **Halton's Urban Renewal**

None identified.

7.0 **RISK ANALYSIS**

7.1 There are no anticipated risks associated with these recommendations.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 An Equality Impact Assessment of 8<sup>th</sup> May 2012 found that there were no equality or diversity issues in the setting of the Registration Service fees, against any of the protected characteristic groups.

9.0 **CLIMATE CHANGE IMPLICATIONS**

9.1 The implementation of the recommendation will have no effect on the environment.

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

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
New governance arrangements for the Halton Registration Service, Executive Board Sub Committee (29 March 2007)	Halton Register Office	Registration Service Manager Superintendent Registrar

## Appendix 1 - Halton Registration Service Price List 2023/2024

Marriage, Civil Partnership and other non-statutory ceremonies (For venues under the 1994 / 2004 Acts)

Venue	2020/22	2023/2024	2024/2025
<b>Boston Suite and Lounge</b>			
Monday to Thursday	240.00	300.00	350.00
Friday	285.00	360.00	410.00
Saturday	325.00	410.00	460.00
Sunday (11am to 1pm)	410.00	460.00	510.00
Bank Holiday	510.00	560.00	610.00
<b>Civic Suite, Runcorn Town Hall</b>			
<del>Monday to Thursday (Deleted)</del>	355.00	Deleted	Deleted
<del>Friday (Deleted)</del>	365.00	Deleted	Deleted
Monday to Friday		410.00	460.00
Saturday	410.00	460.00	510.00
Sunday (11am to 1pm)	460.00	510.00	560.00
Bank Holiday	550.00	610.00	660.00
<b>Leiria or Members Room, Runcorn Town Hall</b>			
<del>Monday to Thursday (Deleted)</del>	325.00	Deleted	Deleted
<del>Friday (Deleted)</del>	335.00	Deleted	Deleted
Monday to Friday		360.00	410.00
Saturday	355.00	410.00	460.00
Sunday (11am to 1pm)	420.00	460.00	510.00
Bank Holiday	520.00	560.00	610.00
<b>Council Chamber, Runcorn Town Hall and Approved Premises</b>			
<del>Monday to Thursday (Deleted)</del>	440.00	Deleted	Deleted
<del>Friday (Deleted)</del>	460.00	Deleted	Deleted
Monday to Friday		520.00	570.00
Saturday	520.00	580.00	630.00
Sunday	620.00	680.00	730.00
Bank Holidays	720.00	780.00	830.00
<b>Reservation Fee, Pre- Ceremony Interview Fee, Certificate Package Fee</b>			
<del>Reservation Fee (Deleted)</del>	52.00	Deleted	Deleted
<del>Pre-Ceremony Interview Fee (Deleted)</del>	30.00	Deleted	Deleted
<del>Certificate Package Fee (Deleted)</del>	18.00	Deleted	Deleted
New Combined Ceremony Reservation Fee to include: Reservation, Ceremony Interview and Certificate Package Fee		100.00	100.00

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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