

Public Document Pack



Executive Board

Thursday, 22 February 2024 2.00 p.m.
The Boardroom, Municipal Building

S. Young

Chief Executive

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

PART 1

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2. DECLARATION OF INTEREST	
Members are reminded of their responsibility to declare any Disclosable Pecuniary Interest or Other Disclosable Interest which they have in any item of business on the agenda, no later than when that item is reached or as soon as the interest becomes apparent and, with Disclosable Pecuniary interests, to leave the meeting during any discussion or voting on the item.	
3. LEADER'S PORTFOLIO	
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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, 14 March 2024*

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PART II	
<p>In this case the Board has a discretion to exclude the press and public and, in view of the nature of the business to be transacted, it is RECOMMENDED that under Section 100A(4) of the Local Government Act 1972, having been satisfied that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, the press and public be excluded from the meeting for the following item(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, 18 January 2024 in The Boardroom, Municipal Building

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

Apologies for Absence: Councillor T. McInerney

Absence declared on Council business: None

Officers present: G. Cook, S. Young, M. Reaney, E. Dawson, S. Wallace-Bonner, G. Ferguson, J. Farrell and P. Wright

Also in attendance: None

ITEMS DEALT WITH UNDER POWERS AND DUTIES EXERCISABLE BY THE BOARD

EXB71 MINUTES

The Minutes of the meeting held on 7 December 2023 were taken as read and signed as a correct record.

LEADER'S PORTFOLIO

EXB72 URGENT DECISIONS

The Executive Board received a report from the Chief Executive, which provided information on the urgent decisions taken since the last meeting of the Board.

It was noted that the Council's Constitution gave authority to the Chief Executive to take urgent decisions, in consultation with the Leader of the Council and the Operational Director Finance and/or the Operational Director Legal and Democratic Services, where necessary.

One urgent decision had been made since the last meeting of the Board and full details were published on the Council's website.

RESOLVED: That the urgent decision taken since

Action

the last meeting of the Executive Board be noted.

DEPUTY LEADER'S PORTFOLIO

EXB73 TERM MAINTENANCE CONTRACTS

The Board considered a report of the Executive Director – Environment and Regeneration, which sought approval to proceed with a procurement process with regards to the provision of term maintenance and minor works contracts for mechanical, electrical and building elements for use across the Borough. The current maintenance and minor works term contracts would come to an end on 31 December 2024 and it was proposed that the new arrangements would be set up for a 3 year period with the potential for up to a 1 year extension, subject to satisfactory performance.

It was noted that based on previous expenditure, it was anticipated that the total annual value of the contract could be up to £2m a year.

RESOLVED: That the Board approve that the procurement process be entered into via the Chest with the purpose of securing term maintenance and minor works contracts for mechanical, electrical and building elements for use across corporate and school buildings Borough-wide.

Executive Director
Environment &
Regeneration

EXB74 TERMS OF REFERENCE WIDNES TOWN CENTRE PANEL

The Board considered a report of the Executive Director – Environment and Regeneration, that set out the proposed Terms of Reference for the Widnes Town Centre Panel. The Terms of Reference included the role of the Panel, Panel Membership, possible future arrangements for key stakeholders to be invited to attend meetings and details for quarterly meetings.

RESOLVED: That the proposed Terms of Reference outlined in Section 3 of the report be approved.

Executive Director
Environment &
Regeneration

CHILDREN AND YOUNG PEOPLE PORTFOLIO

EXB75 SCHOOL ADMISSION ARRANGEMENTS 2025/26 - 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 2025 intake.

The Board was advised that on 2 October 2023, the Local Authority issued a statutorily required consultation on the proposed admission arrangements and co-ordinated admission schemes for the September 2025 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 10 November 2023. One response was received which was outside the remit of the consultation and had been responded to separately. Additionally, no amendments to the oversubscription criteria were suggested, as these reflected the criteria which are considered good practice and acceptable by the Department for Education.

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

Local Authorities as the admission authority for community and voluntary schools are required to consult and then determine their admission arrangements annually, and are also required to determine coordinated schemes for primary and secondary admission rounds that apply to all schools.

Alternative Options Considered and Rejected

None

Implementation Date

The implementation date is September 2024 which is when the timetabled process for the September 2025 intake commences.

RESOLVED: That the Board approves the Coordinated Scheme for Admission to Primary Schools – which also contains the Local Authority's admission criteria

Executive Director
Children's
Services

to community and voluntary controlled schools, and approves the Co-ordinated Scheme for admission to secondary schools, both of which will apply to the September 2025 intake.

EXB76 SCHOOLS CAPITAL PROGRAMME – 2024/25 - 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 capital works and programmes within schools for 2024/25.

The Board was advised that the Department for Education (DfE) had not announced the School Condition Allocation Capital Grant for 2024/25 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 2023/24 allocation, which was £748,583.

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 agree funding for capital works across Halton’s educational establishments.

Alternative Options Considered and Rejected

None.

Implementation Date

Any works to be undertaken from the funding detailed in the report would be implemented with effect from 1 April 2024.

RESOLVED: That

- 1) the position regarding capital funding from the Department for Education for 2024/25 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.

Executive Director
Children's
Services

ADULT SOCIAL CARE PORTFOLIO

EXB77 ADULT SOCIAL CARE COMMISSIONING STRATEGY FOR CARE AND SUPPORT 2023-2026 - KEY DECISION

The Board considered a report of the Executive Director – Adult Services, which presented the draft Adult Social Care Commissioning Strategy for Care and Support 2023 – 2026 for approval. The Strategy document outlined the Council's Commissioning intentions over the next three years which would aim to support residents, unpaid carers and their families to have access to the right services, information, advice and guidance in order to make good decisions about the care and support they need.

Reason(s) for Decision

The priorities and commissioning intentions identified within the Strategy will not only aim to support addressing key local challenges identified but will prioritise approaches that reduced or delayed the need for care and support, building on the strengths of people's existing support networks and also ensured we adhere to our duties under the Care Act 2014.

Alternative Options Considered and Rejected

The commissioning intentions and associated actions listed within the Strategy have been carefully considered and it is felt that they present the best options available to promote health and wellbeing and deliver services which lead to positive outcomes for people.

Implementation Date

This is a three-year strategy which takes effect from 1 April 2023 and runs to 31 March 2026.

RESOLVED: That

- 1) contents of the report and associated Appendix be noted; and
- 2) the draft Strategy be approved.

Executive Director
of Adult Services

EXB78 PRELIMINARY PROCUREMENT NOTIFICATION - PROPOSED TENDER OF A FLOATING SUPPORT SERVICE

The Board considered a report of the Executive

Director – Adult Services, which provided an update on the procurement process for the supply of a Floating Support Service. It was noted that due to unforeseen circumstances, a three-month delay to the proposed contract commencement date was required in order to undertake the tender process and allow for the required three-month mobilisation period. The revised mobilisation period was now scheduled to take place from 1 April 2024 to 30 June 2024.

The proposed new contract commencement date was 1 July 2024 and would be for an initial three years until 30 June 2027. Officers would seek to extend the current contract with the current provider for the three-month duration of the mobilisation period, allowing for continuity of the current service delivery before the new contract commenced on 1 July 2024.

RESOLVED: That the contents of the report be noted.

Executive Director
of Adult Services

EXB79 PRELIMINARY PROCUREMENT NOTIFICATION -
PROPOSED TENDER OF A DOMICILIARY CARE
SERVICE - KEY DECISION

The Board considered a report of the Executive Director – Adult Services, which sought approval to commence a new tender procedure for the supply of a Domiciliary Care Service in compliance with Procurement Standing Order 1.3.5, as the contract value will exceed £1m in value. The report also sought approval for a second pre-determined contract extension period commencing 2 April 2024 up to a period of 12 months as the contract value would exceed £5m.

Reason(s) for Decision

- the decision is statutorily required;
- the contract value is £5m; and
- the decision impacts on all wards and communities within the Borough.

Alternative Options Considered and Rejected

There are no alternative options. The Council must commence a new tender procedure for the supply of a Domiciliary Care Service in compliance with Procurement Standing Order 1.3.5 to ensure continuity of Service once the current contract ceases.

Implementation Date

The proposed contract will be for an initial five years commencing 2 October 2024 until 1 October 2029 with an option to extend by 2 x 12-month periods, 2 October 2029 until 1 October 2030 and 2 October 2030 until 1 October 2031.

RESOLVED: That

- 1) the contents of the report be noted;
- 2) the Preliminary Estimates Report to commence a new tendering procedure for a Domiciliary Care Service in compliance with Procurement Standing Order 1.3.5 be approved;
- 3) in order to undertake the new tendering procedure in compliance with Procurement Standing Order 1.15.3, the second available pre-determined contract extension period of the current Domiciliary Care Service be approved; and
- 4) in relation to recommendation 3 above, approval be given to the Executive Director – Adult Services, in consultation with the Portfolio Holder Adult Social Care, to agree the contract extension period with the incumbent Provider up to a maximum of 12 months from 2 April 2024.

Executive Director
of Adult Services

COMMUNITY SAFETY PORTFOLIO

EXB80 PUBLIC SPACES PROTECTION ORDER - DOG CONTROL

The Board considered a report of the Executive Director – Environment and Regeneration, which requested approval of a Public Spaces Protection Order for Dog Control to help tackle dog fouling and other forms of irresponsible dog ownership. A copy of the proposed Order was attached as Appendix 1.

The Board was advised that the Council had previously introduced a Public Spaces Protection Order in 2019. The Order enabled Officers to use enforcement powers to hold those responsible for irresponsible dog ownership covered by the Order, accountable. Consultation on the proposed 2024 Order had taken place between August and September 2023 and it was noted that those who had responded to the consultation agreed with the Council's proposal. Following the consultation process, there

were no material changes to the 2019 Order in the proposed 2024 Order.

RESOLVED: That

- 1) approval be given for the Dog Control Public Spaces Protection Order attached as Appendix 1 to be made;
- 2) the Dog Control Public Spaces Protection Order comes into effect as of 1 February 2024; and
- 3) delegated authority be granted to the Executive Director – Environment & Regeneration, in consultation with the Portfolio Holder for Community Safety, to make variations to the Dog Control Public Spaces Protection Order, but only to the extent of varying where the Dogs on Leads and Dog Exclusion Provisions of the Dog Control Public Spaces Protection Order shall apply, and only in such circumstances where appropriate consultation has been carried out which provides support for any proposed variation.

Executive Director
Environment &
Regeneration

EXB81 REFUGEE RESETTLEMENT CONTRACT - REQUEST FOR A ONE-YEAR WAIVER

The Board considered a request for a waiver in compliance with Procurement Standing Order 1.14.4 v of Part 3 of Procurement Standing Orders in relation to the Resettlement Contract with Plus Dane which was due to expire 31 March 2024. A one-year waiver would extend the contract with the existing provider to 31 March 2025. This approach would enable Officers to appraise a range of commissioning/delivery options for the future delivery of the service.

RESOLVED: That the

- 1) contents of the report be noted; and
- 2) request for a one-year waiver to the Resettlement Contract in compliance with Procurement Standing Order 1.14.4v be approved

Executive Director
Environment &
Regeneration

CLIMATE CHANGE PORTFOLIO

N.B. Councillor J. Lowe declared a Disclosable Other Interest in the following item of business as she has a family member employed at St Lukes Care Home.

EXB82 ST LUKE'S & ST PATRICK'S DECARBONISATION PROJECTS

The Board considered a report which sought approval in respect of the provision of capital funding to support the decarbonisation schemes at St Luke's and St Patrick's Care Homes, following the submission of a bid to the Public Sector Decarbonisation Scheme (PSDS).

In line with the Council's commitment to be carbon neutral by 2040, and in accordance with the Climate Change Action Plan 2022-27, funding had been sought for undertaking decarbonisation works at both St Luke's and St Patrick's Care Homes by submitting a bid to the PSDS. The outcome of the bid should be announced by the end of January 2024. A second bid had been submitted covering 3 Corporate sites and this would be subject to a further report in due course should the bid be successful.

It was proposed that should the bid be successful, the works to both Care Homes would be undertaken by Sure Group, Sure Maintenance, who are the Council's main mechanical term contractor working in conjunction with Eric Wright Construction.

RESOLVED: That

- 1) the provision of £1.609m of capital funding over a 2 year period, subject to the PSDS bid being successful, or £2.98m if the bid is unsuccessful, be agreed, to enable the decarbonisation works to proceed at both St Luke's & St Patrick's Care Homes; and
- 2) Council be asked to approve this scheme for inclusion within the 2024/25 capital programme.

Executive Director
Environment &
Regeneration

MINUTES ISSUED: 23 January 2024

CALL-IN: 30 January 2024 at 5.00 pm.

Any matter decided by the Executive Board may be called in no later than 5.00pm on 30 January 2024.

Meeting ended at 2.38 p.m.

'REPORT TO:	Executive Board
DATE:	22 February 2024
REPORTING OFFICER:	Corporate Director, Chief Executive's Delivery Unit
PORTFOLIO:	Leader's
SUBJECT:	The Corporate Plan
WARD(S)	Borough Wide

1.0 **PURPOSE OF THE REPORT**

1.1 To share with Executive Board an overview of the new Council Corporate Plan, and to outline the next steps to ensure that this will take effect from April 2024.

2.0 **RECOMMENDED: That**

- 1) **the report be noted; and**
- 2) **that Executive Board recommends to Council that the new Corporate Plan is approved.**

3.0 **Supporting Information**

3.1 Background

Following the Big Conversation analysis, the 6 priorities were established – 5 via positive feedback and agreement, and the 6th formed as a result of amalgamating the top 3 responses from our stakeholders.

The January 17th session with Management Team and Executive Board members collectively identified qualifying statements linked to each priority.

Consultation with our stakeholders immediately thereafter was extremely positive and reinforced the agreed 6 priorities.

4.0 **Format of the Corporate Plan:**

4.1 This will take the form of 3 versions, each designed to meet a specific target audience:

- a) Corporate Plan 'at a glance' – 1 page document outlining the

6 priorities, each complete with a qualifying statement.

- b) Corporate Plan (external use) – Contents page / Foreword page (Chief Executive/Leader) / Overview diagram / one page per priority / one page for the resilient & reliable organisation / one page outlining the consultation success
- c) Detailed Corporate Plan (internal use) – attached to each priority will be the KPI`s, with links to relevant key strategies and policies, and how we will measure success on a yearly basis.

4.2 Our 6 key priorities will be underpinned by a “Resilient and Reliable Organisation”, which will be primarily linked to our emerging Values Framework, which consists of:

- Continuous Improvement
- Working Together
- Personal Growth
- Inspiring Leadership
- Personal Accountability

5.0 **Launch and promotion of the new Corporate Plan:**

This will be linked specifically to our initial Stakeholder analysis and the best method(s) identified to communicate the Plan to them.

- Elected Members: All 3 formats, as well as more formal to Executive Board and Full Council
- Staff: All 3 formats, but also via video message, promotional workshops and events, posters, etc
- Residents: primarily the ‘external use’ plan, but reinforced by press releases, social media, Inside Halton magazine, etc
- Partners: as above

The key message at all times will be that it’s a new plan, a living and breathing document and a new way of working which will require everyone to work collectively to meet the challenges presented by the 6 key priorities.

6.0 **Timeline:**

- February - March 2024: Corporate Plan finalised and approved at key forums
- March - April 2024: the New Corporate Plan is publicised and launched

7.0 POLICY IMPLICATIONS

7.1 A new contemporary and relevant Halton Borough Council Corporate Plan (2024 -2029) will be a core policy document for the Council.

8.0 FINANCIAL IMPLICATIONS

8.1 The development of the new Corporate Plan has been delivered within existing budget and resource provision.

9.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

9.1 The Corporate Plan will be Halton Borough Council's key strategic document. This plan will set out the main vision, themes and values of the Council for the next 5 years.

10.0 RISK ANALYSIS

10.1 If the Council had continued with the same priorities that were in place in previous years, given the socio-demographic and economic changes that have taken place over the last few years, there was a significant risk that the previous Corporate Plan would have lost its relevance.

10.2 That would have led to the Council failing to maintain engagement with the people of Halton, and its workforce, around where resources are best targeted in the contemporary environment.

11.0 EQUALITY AND DIVERSITY ISSUES

11.1 Equality and Diversity will be an integral part of the new Corporate Plan under the priority '*Tackling inequality and helping those who are most in need.*'

11.2 The Big Conversation consultation process was fully inclusive in terms of consulting a wide and varied range of stakeholders, which covered the 9 protected characteristics in the Equality Act 2010.

11.3 An Equality Impact Assessment will be undertaken as part of the Corporate Plan development process.

12.0 CLIMATE CHANGE IMPLICATIONS

12.1 There is a specific priority around climate change, with this receiving full support under the Corporate Plan priority of '*Working towards a greener future*'.

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

None under the meaning of the Act.

Appendix 1: Corporate Plan – 'plan on a page' draft

Appendix 2: Corporate Plan (external) draft



Halton Borough Council Corporate Plan 2024 – 2029

Our Community, Our Priorities, Our Future

Plan on a page





Front Cover

Design Brief:

- Bold Typeface
- Bright Colours
- Simple Design
- Striking Image/ Graphic

Contents Page

- Foreword from the Leader and Chief Executive
- 'Plan on a Page' (*Appendix 1 – Not included in this draft version*)
- Consultation Success (The Big Conversation)
- Priority One: Improving Health, Promoting Wellbeing and Supporting Greater Independence
- Priority Two: Building a Strong, Sustainable Local Economy
- Priority Three: Supporting Children, Young People and Families
- Priority Four: Tackling Inequality and Helping Those Who Are Most In Need
- Priority Five: Working Towards a Greener Future
- Priority Six: Valuing and Appreciating Halton and Our Community
- The Core: A Resilient and Reliable Organisation

Foreword from the Leader & Chief Executive

This Corporate Plan sets out our priorities and ambitions of what we want to achieve for the residents, communities, and businesses of Halton between 2024 and 2029. It is Halton Borough Council's key strategic document.

Halton Borough Council continues to face many significant challenges, such as large and unprecedented cuts to funding from the Government, increased demand for services, changing public expectations and new ways of working.

If we are to continue to deliver quality services to the people who live and work in the Borough there must be change.

The old ways of working cannot be sustained with the Council taking the lead, and the days of assuming that the Council can provide services for everyone, regardless of the financial implications, are no longer.

Instead, we must embrace a joint approach with our businesses, partners, and the whole community to do what is best for our residents, addressing shared challenges and doing more with limited resources.

In order to achieve this new way of working we need to empower residents to help us to achieve our priorities through a new relationship - this change cannot be achieved alone and was one of the key messages behind the Big Conversation.

The Big Conversation was a success and led us to establish a set of agreed priorities which will help us collectively to meet these challenges and make the most of the opportunities these changes will bring.

To aid us on this journey, we have embarked on a Transformation Project, which will be integral to 'Reimagine Halton' and highlights the importance of working collaboratively with our partners to deliver better outcomes for everyone.

The Plan will be reviewed annually, allowing us to adapt to any future events that may occur.

Every member of our organisation, from Elected Members to Council officers, together with you, the residents of Halton, have a vital role to play in achieving the priorities set out in this Plan.

Appendix 2 - DRAFT



Mike Wharton:
Leader of the Council

Signature



Stephen Young:
Chief Executive

Signature

Consultation Success!

The Big Conversation took place for 4 months during 2023. The main goal was to engage with every person who lives and works in Halton – for them to provide their views and experiences to shape the priorities of the Borough going forward.

Equality Act (2010) - Protected Characteristics

We consulted with a range of people in a variety of ways – from print and social media, to face-to-face conversations in libraries, family hubs and community groups.

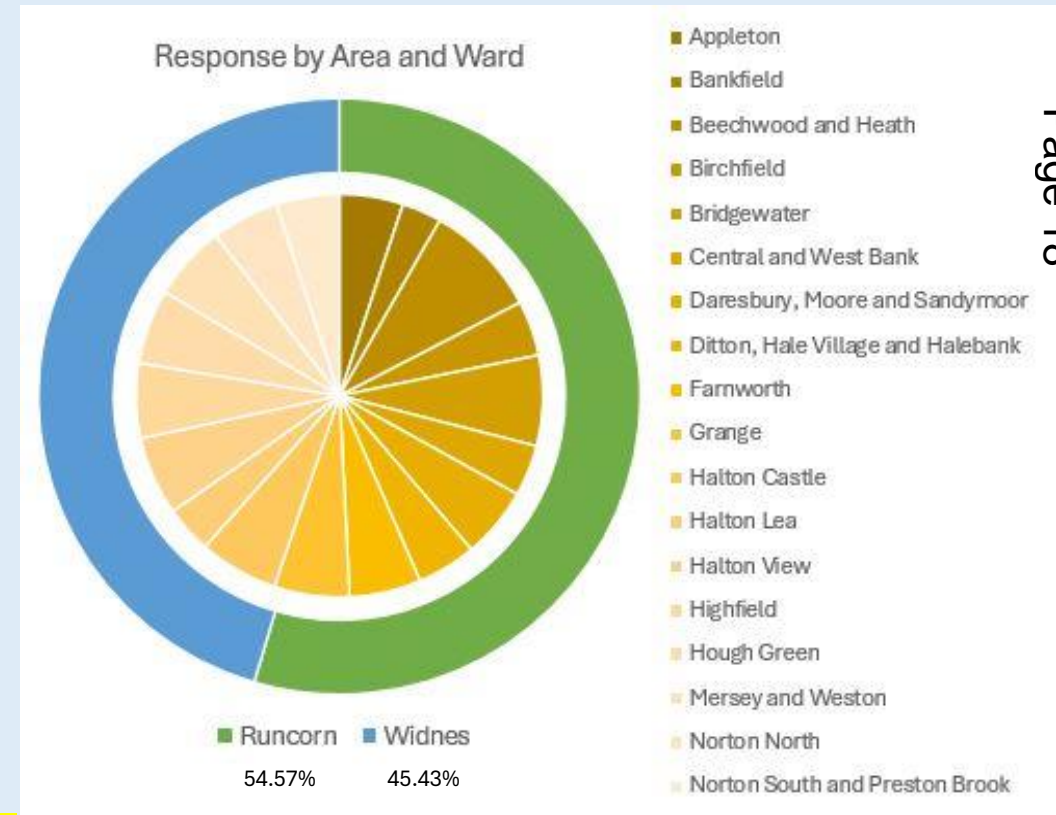
Extra attention was paid to individuals and groups that were harder to reach, ensuring our consultation and engagement were as accessible as possible. This equitable approach led to a set of responses that were representative of our borough.

Outcomes

We received overwhelming support in response to our initially suggested 5 themes, which established the priorities for the next 5 years.

We also listened to your feedback and created a new priority based on your comments around place and community, entitled *'Valuing and appreciating Halton and our community'*

Engagement and Consultation



PRIORITY ONE:

Improving health, promoting wellbeing and supporting greater independence

Encouraging good quality health, well-being and social care, by involving everyone in our community. To support the people of Halton to feel safe, be active, happy and lead their best lives.

INSERT IMAGE/GRAPHIC HERE



What Halton will do:

- Offer easily accessible and integrated health care, advice and services from birth.
- Encourage preventative care and healthy lifestyles for the people of Halton throughout their lives.
- Introduce new care technology and support for our ageing population.
- Support mental health services and tackle elderly isolation in Halton.
- Provide tailored wellbeing advice to all carers.

What Halton will look like:

- Halton's children and families will feel supported and have the best start in life.
- People will have individual control over health and an independent lifestyle that allows them to live longer, happier and healthier lives.
- People will age well and be able to live in their own homes for longer.
- Improved mental wellbeing in Halton, whilst preventing loneliness in our community.
- All carers will benefit from a variety of local, community-based support which will improve their quality of life.

What Halton will do:

- Work with businesses to make them more competitive and productive.
- Deepen Halton's talent pool by developing, upskilling and reskilling our residents.
- Halton will shop locally to support the regeneration of our town centres for the benefit of local people.
- Build stronger and long-term relationships with partners and businesses to bring greater investment to the Borough.
- Continue to work closely with our Liverpool City Region partners.

What Halton will look like:

- Halton will have a sustainable and diverse economy, where residents have access to good jobs.
- Halton will have a strong, positive environment for business creation and growth.
- Our town centres will be vibrant and welcoming places with a culture and atmosphere to which people of all ages are drawn.
- Businesses will invest in and give back to our community.
- Be part of a connected wider City Region that continues to grow and benefit Halton's local economy.

PRIORITY TWO:

Building a Strong, Sustainable Local Economy

Fostering a strong, diverse local economy where there is access to good jobs and successful businesses in our community, providing opportunities for all.

INSERT IMAGE/GRAPHIC HERE

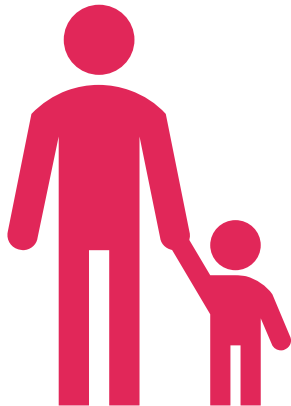


PRIORITY THREE:

Supporting Children, Young People and Families

Supporting families to nurture and protect every child and young person and raise their aspirations. We will invest in Early Years, education and youth provision to ensure they reach their full potential and help Halton families flourish.

INSERT IMAGE/GRAPHIC HERE



What Halton will do:

- We will work to ensure that positive opportunities and effective help are available at the earliest opportunity.
- Provide the right support in the right place at the right time, through a stable workforce with a strong skillset.
- We will seek to break the cycle of dependence on services, promoting independence in Halton.
- Improve communication between the Council, key partners and families.
- Encourage the creation of youth groups and invest in youth services in our Borough.

What Halton will look like:

- Children, young people and their families will be able to make choices that mean they can thrive and achieve.
- Children and young people will feel heard and have a positive experience of their time growing up in Halton, and be supported in their family network to realise their aspirations.
- Where children and families do need to access services, they will be responsive, of a high quality and focused on achieving self-reliance.
- Children and young people will grow in a stable and settled environment.
- Young people will have positive experiences of growing up in Halton and be equipped for adult life.

What Halton will do:

- Strengthen families and communities and provide on-going support to people who are more likely to experience poverty, inequality and vulnerability.
- Help people access the internet and improve their digital skills so everyone can benefit from its uses.
- Recognise the diverse needs of the people of Halton and tackle discrimination, harassment and victimisation ensuring that everyone respects and values each other.
- Continue to remove barriers to education and employment.

What Halton will look like:

- More people will have the opportunity to achieve their aspirations and ambitions through upskilling Halton.
- Digital inclusion for all where everyone has the tools, skills and confidence to thrive in the digital era.
- Halton will be a diverse and inclusive place where all residents have access to public activities and spaces and are able to participate fully in the community.
- People will be more content to live and work in the Borough and have pride in Halton.

PRIORITY FOUR:

Tackling inequality, helping those who are most in need

Addressing inequalities by helping the people of Halton to receive the good quality and accessible advice, information and services that they need to achieve their aspirations and ambitions.

INSERT IMAGE/GRAPHIC HERE



PRIORITY FIVE:

Working towards a greener future

Working with everybody to keep our neighbourhoods clean and tidy and create a sustainable environment for current and future generations.

INSERT IMAGE/GRAPHIC HERE



What Halton will do:

- Work with communities to keep neighbourhoods clean and tidy.
- We will make it easier for people to play their part through the choices they make about their home, transport and waste.
- 'The Big Halton Forest' initiative will continue to work towards the goal of planting a tree for every person in Halton by 2030.
- Further develop our Solar Farm, increasing our use of renewable energy.
- Continue our electric vehicle roll out, alongside investment in electric vehicle charging points.
- Invest in new cycling routes and walkways across the borough.
- Aim to achieve net-zero by 2040.

What Halton will look like:

- Halton will have cleaner and tidier places that everyone can enjoy.
- People of all ages will have a greater awareness of recycling and live more environmentally friendly lives.
- Parks and open spaces will have healthy green foliage that protects wildlife and promotes biodiversity.
- We will be less reliant on non-renewable energy sources.
- Halton will have more available electric vehicle charging points.
- More people walking, cycling, and making better use of public transport.

What Halton will do:

- Ensure that a proportion of new housing is affordable, and there are sufficient amenities.
- Increase the delivery of suitable homes that meet residents needs throughout their lives.
- Prevent and tackle homelessness and rough sleeping.
- Empower community and voluntary groups to continue to make a difference in Halton.
- Build upon our cultural strategy which ensures Halton is a place where culture and creativity thrives.

What Halton will look like:

- Local homes for residents that provide a safe, supportive and enabling environment.
- Halton will be a more desirable place to live and work, and a place to be proud of.
- Long-term solutions in place for those who find themselves without safe accommodation.
- Thriving community and voluntary groups that are valued and listened to.
- More events and activities for the whole community to appreciate and enjoy. Supported by new Halton Leisure Centre, alongside improved access and facilities at the Brindley Theatre.

PRIORITY SIX:

Valuing and appreciating Halton and our community

Supporting Halton's residents to live in decent and affordable homes, surrounded by safe and thriving communities.

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Resilient and Reliable Organisation

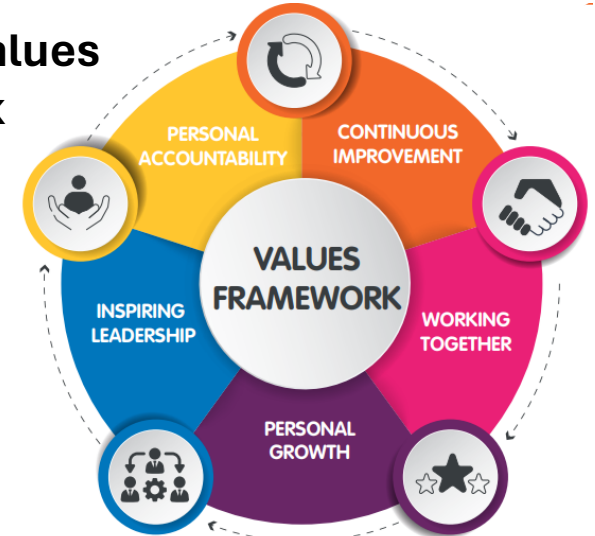
As councils have to change the way they work, workforce resilience is going to be more important than ever in ensuring that we continue to deliver a reliable and efficient service for current and future generations.

This value will underpin the Corporate Plan's 6 priorities.

Will listen and work with our residents and partners to identify areas for improvement and ensure that the council remains responsive to the needs of the community.

This will also require significant behaviour change by everyone who lives and works in Halton.

Halton's Values Framework



Halton Borough Council aims to provide you with the opportunities to flourish and achieve your potential.

Learning is a life-long process and can be achieved through a variety of routes. Our aim is to provide or signpost as many of those routes as we possibly can to ensure the continued success of both yourself and the Council in delivering against its objectives.

REPORT TO:	Executive Board
DATE:	22 February 2024
REPORTING OFFICER:	Chief Executive
PORTFOLIO:	Leader's
SUBJECT:	Calendar of Meetings – 2024/25
WARDS:	Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1 To approve the Calendar of Meetings for the 2024/25 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 2024/25 Municipal Year.

3.0 SUPPORTING INFORMATION

- 3.1 Members are asked to consider and recommend approval of the calendar of meetings for the 2024/2 Municipal Year.

4.0 POLICY IMPLICATIONS

None.

5.0 OTHER IMPLICATIONS

None.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

None.

6.2 Employment, Learning and Skills in Halton

None.

6.3 A Healthy Halton

None.

6.4 A Safer Halton

None.

6.5 Halton's Urban Renewal

None.

7.0 RISK ANALYSIS

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

8.0 EQUALITY AND DIVERSITY ISSUES

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

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

None under the meaning of the Act.

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

	MAY 2024	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN 2025	FEB	MARCH	APR	MAY
M			1 Dev Manage Com					2					
T			2 SEMINAR			1		3 Dev Manage Com				1	
W	1		3 A&G Board			2		4 COUNCIL	1 New Year Bank Holiday			2	
T	2 Local Elections		4	1		3		5	2			3	1
F	3		5	2		4	1	6	3			4	2
S	4	1	6	3		5	2	7	4	1	1	5	3
S	5	2	7	4	1	6	3	8	5	2	2	6	4
M	6 Early May Bank Holiday	3 Dev Manage Com	8	5 Dev Manage Com	2 Dev Manage Com	7 Dev Manage Com	4 Dev Manage Com	9	6 Dev Manage Com	3 Dev Manage Com	3	7 Dev Manage Com	5 Early Spring Bank Holiday
T	7 Dev Manage Com	4 Corporate PPB	9	6 SEMINAR	3 Corporate PPB	8	5 Corporate PPB	10	7	4 Safer PPB	4 Dev Manage Com	8	6 Dev Manage Com
W	8	5 Schools Forum	10 HWB Board COUNCIL	7	4 SEMINAR	9 HWB Board Regulatory	6	11	8 Regulatory	5 Mayoral Committee	5 COUNCIL	9	7
T	9	6	11 Executive Board	8	5	10 SEMINAR	7	12 Executive Board	9	6	6	10	8
F	10	7	12	9	6	11	8	13	10	7	7	11	9
S	11	8	13	10	7	12	9	14	11	8	8	12	10
S	12	9	14	11	8	13	10	15	12	9	9	13	11
M	13	10 CYP&F PPB	15	12	9 CYP&F PPB	14	11 CYP&F PPB	16	13	10	10	14	12
T	14 Exec Board Selection Com	11 Safer PPB	16	13	10 Safer PPB	15	12	17	14 SEMINAR	11 Health PPB	11 SEMINAR	15	13 Exec Board Select Com (prov)
W	15	12	17	14	11	16 Schools Forum	13 Environment PPB	18	15 HWB Board	12 Environment PPB	12 HWB Board Regulatory	16	14
T	16	13 Executive Board	18	15	12 Executive Board	17	14 Executive Board	19	16 Executive Board	13 Executive Board	13 Executive Board	17 Executive Board	15
F	17 ANNUAL COUNCIL	14	19	16	13	18	15	20	17	14	14	18 Bank Holiday	16 ANNUAL COUNCIL (prov)
S	18	15	20	17	14	19	16	21	18	15	15	19	17
S	19	16	21	18	15	20	17	22	19	16	16	20	18
M	20	17 ELS&C PPB	22	19	16 ELS&C PPB	21	18 ELS&C PPB	23	20 CYP&F PPB	17	17	21 Bank Holiday	19
T	21	18	23	20	17	22	19 Safer PPB	24	21 Corporate PPB	18	18	22	20
W	22	19 Environment PPB	24	21	18 Environment PPB	23 COUNCIL	20 A&G Board	25 Xmas Day	22 Schools Forum	19	19 A&G Board	23	21
T	23	20	25	22	19	24 Executive Board	21	26 Box Day	23	20	20	24	22
F	24	21	26	23	20	25	22	27	24	21	21	25	23
S	25	22	27	24	21	26	23	28	25	22	22	26	24
S	26	23	28	25	22	27	24	29	26	23	23	27	25
M	27 Bank Holiday	24	29	26	23	28	25	30	27 ELS&C PPB	24	24	28	26 Bank Holiday
T	28	25 Health PPB	30	27	24 Health PPB	29	26 Health PPB	31	28	25	25	29	27
W	29	26 Regulatory	31	28	25 A&G Board	30	27 Regulatory		29	26 Schools Forum	26	30	28
T	30	27		29	26	31	28		30	27	27		29
F	31	28		30	27		29		31		28		30
S		29		31	28		30				29		31
S		30			29						30		

REPORT TO:	Executive Board
DATE:	22 February 2024
REPORTING OFFICER:	Operational Director – Finance
PORTFOLIO:	Corporate Services
SUBJECT:	Treasury Management Strategy Statement 2024/25
WARD(S)	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 2024/25.

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 (2024/25). 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**

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

HALTON BOROUGH COUNCIL
TREASURY MANAGEMENT STRATEGY
STATEMENT
2024/25

Revenues and Financial Management Division
Finance Department
January 2024

TREASURY MANAGEMENT STRATEGY STATEMENT 2024/25

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, 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 2024/25

The strategy for 2024/25 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 2024/25 – 2026/27

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

	2022/23 Actual £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000
Capital Expenditure:					
Adult Services	1,592	2,850	2,539	1,140	1,140
Childrens Services	1,433	5,814	749	-	-
Public Health	-	-	-	-	-
Enviornment and Regeneration	24,031	51,848	35,683	7,231	2,875
Chief Executive	493	3,700	14,700	1,700	700
	27,549	64,212	53,671	10,071	4,715
Financed By:					
Capital receipts	(1,470)	(3,406)	(3,611)	(1,400)	(500)
Capital grants	(25,752)	(39,681)	(17,548)	(5,979)	(2,046)
Revenue	(145)	(144)	-	-	
Net financing need for the year	182	20,981	32,512	2,692	2,169

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

	2022/23 Actual £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000
Capital Financing Requirement	604,079	607,330	627,532	616,146	603,888
Movement in CFR due to:					
Net financing need for the year	182	20,981	32,512	2,692	2,169
PFI / finance leases	-	-	-	-	-
Use of Reserves to reduce MRP liability	(526)	(6,996)	(737)	(564)	(578)
Less Minimum Revenue Provision	(9,904)	(10,734)	(11,573)	(13,514)	(13,849)
Increase / (Decrease) in CFR	(10,248)	3,251	20,202	(11,386)	(12,258)

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.

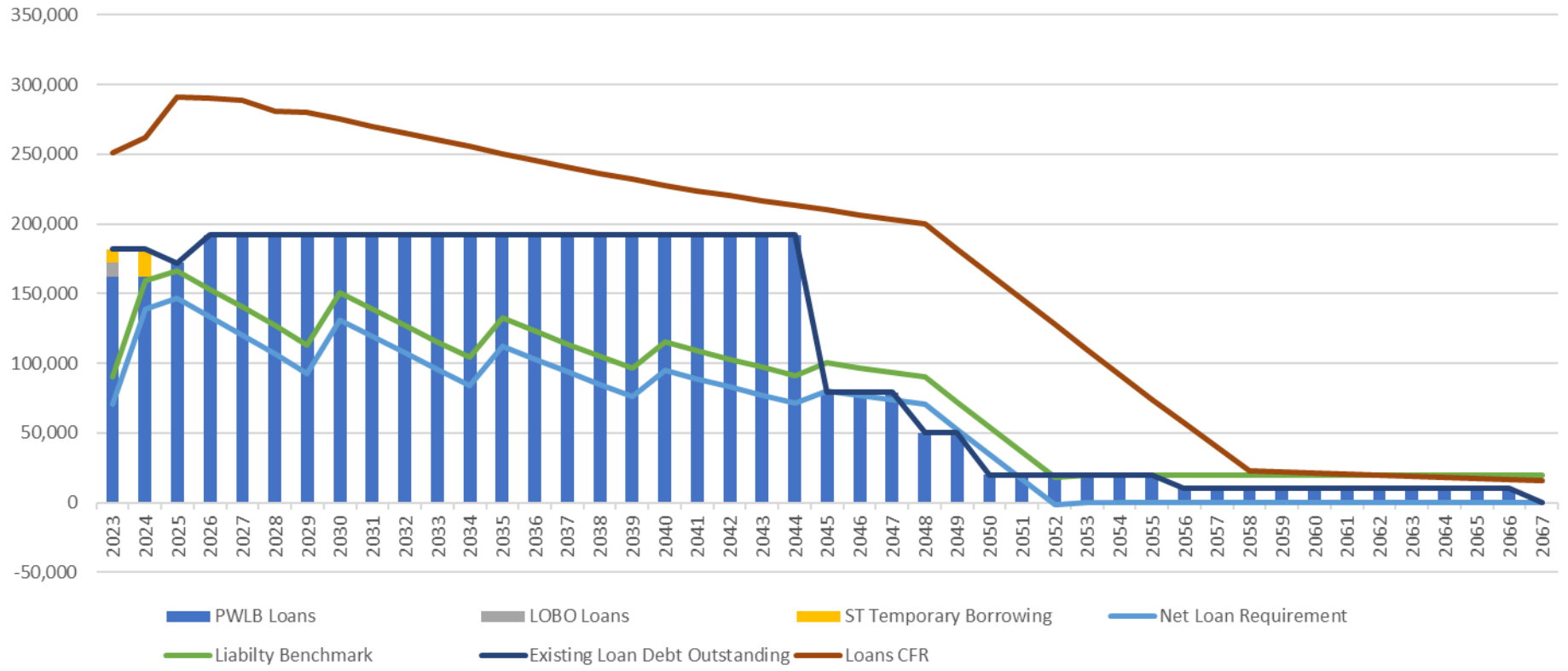
2.4 Liability Benchmark

The Authority is required to estimate and measure the Liability Benchmark 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 31st 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	2022/23 Actual £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000
Council's net budget	111,719	140,880	148,917	150,929	155,293
Finance Costs					
Net interest costs	4,319	1,021	2,662	3,377	3,390
Minimum Revenue Provision	2,580	2,793	2,434	3,340	3,268
	6,899	3,814	5,096	6,717	6,658
	6.2%	2.7%	3.4%	4.5%	4.3%

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 2023 and the position as at 31 December 2023 are shown in Table 4 for borrowing and investments.

Table 4 – Current Portfolio Position

	31st March 2023		31st December 2023	
	£000	%	£000	%
Treasury Investments				
UK banks and building societies	34,818	34%	26,756	25%
Non-UK banks	20,000	20%	15,000	14%
Local authorities	36,700	36%	48,700	46%
Money market funds	-	0%	5,550	5%
Property funds	10,000	10%	10,000	9%
Total	101,518	100%	106,006	100%
Treasury External Borrowing				
Local authorities	(15,000)	8%	(10,000)	5%
Public Works Loans Board (PWLB)	(162,000)	87%	(162,000)	89%
Other long term borrowing	(10,000)	5%	(10,000)	5%
Total	(187,000)	100%	(182,000)	100%
Net treasury investments / (borrowing)	(85,482)		(75,994)	

The Council's treasury portfolio position at 31 March 2023, 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

	2022/23 Actual £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000
External debt					
Borrowing					
Debt at 1 April	172,000	187,000	182,000	202,000	202,000
Expected change in debt	15,000	(5,000)	20,000	-	-
Debt at 31 March	187,000	182,000	202,000	202,000	202,000
Other long-term liabilities					
Debt at 1 April	360,679	353,355	345,413	336,274	326,099
Expected change in debt	(7,324)	(7,942)	(9,139)	(10,175)	(10,581)
Debt at 31 March	353,355	345,413	336,274	326,099	315,518
Total external debt at 31 March	540,355	527,413	538,274	528,099	517,518
Capital Financing Requirement	604,079	607,330	627,532	616,146	603,888
Under / (over) borrowing	63,724	79,917	89,258	88,047	86,370

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 2023/24 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. Please note that £20m cash flow borrowing has been added in addition to the estimated debt levels as shown below.

Table 6 – Operational Boundary

	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000
Operational boundary				
Debt	192,000	212,000	212,000	212,000
Other long term liabilities	345,413	336,274	326,099	315,518
Operational boundary	537,413	548,274	538,099	527,518
Total external debt at 31 March	517,413	528,274	518,099	507,518
Estimated headroom	20,000	20,000	20,000	20,000

The authorised limit for external debt

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

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

Table 7 – Authorised Limit

	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000
Authorised limit				
Capital Financing Requirement	607,330	627,532	616,146	603,888
Contingency	20,000	20,000	20,000	20,000
Total	627,330	647,532	636,146	623,888
Total external debt at 31 March	517,413	528,274	518,099	507,518
Estimated headroom	109,917	119,258	118,047	116,370

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

	Bank rate %	PWLB borrowing rates %			
		(including certainty rate adjustment)			
		5 year	10 year	25 year	50 year
Mar-24	5.25	4.5	4.7	5.2	5.0
Jun-24	5.25	4.4	4.5	5.1	4.9
Sep-24	4.75	4.3	4.4	4.9	4.7
Dec-24	4.25	4.2	4.3	4.8	4.6
Mar-25	3.75	4.1	4.2	4.6	4.4
Jun-25	3.25	4.0	4.1	4.4	4.2
Sep-25	3.00	3.8	4.0	4.3	4.1
Dec-25	3.00	3.7	3.9	4.2	4.0
Mar-26	3.00	3.6	3.8	4.2	4.0
Jun-26	3.00	3.6	3.7	4.1	3.9
Sep-26	3.00	3.5	3.7	4.1	3.9
Dec-26	3.00	3.5	3.7	4.1	3.9

Interest Rates

Interest rates have increased three times in this financial year, increasing from 4.25% in March 2023 to 5.25% in August 2023.

As shown in the forecast table above, the Bank Rate is expected to drop to 4.75% in September 2024, before falling to a level of 3.00% by September 2025. Additional details are given below.

Forecasts for Bank Rate

The forecast reflects a view that the Monetary Policy Committee would be keen to demonstrate its anti-inflation credentials by keeping base rate at 5.25% until at least Quarter 2 of 2024. Rates are expected to be cut once both CPI inflation and wage/employment data are supportive of this action, and when there is a likelihood of the overall economy enduring at least a slowdown or mild recession over the coming months.

The change in rates will not only be guided by economic data, MPC monetary policies and the Government over fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

Gilt yields / PWLB Rates

The short and medium part of the gilt curve has rallied since the start of November as markets price in a quicker reduction in Bank Rate through 2024 and 2025. This reflects market confidence in inflation falling back in a similar manner to that already seen in the US and the Euro-zone.

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, as inflation continues to fall through 2024.

Investment and borrowing rates

- **Investment returns.** The Bank rate is expected to drop to 3.0% in 2025/26. Short term investment returns (up to three months) are expected to fall from 4.55% in 2024/25, to 3.1% in 2025/26, then to 3.00% in 2026/27.
- **Borrowing for capital expenditure.** The long-term (beyond 10 years), forecast for Bank Rate is 3.00%. As all PWLB certainty rates are currently well above this level so 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, that is, bank rate remains elevated through to the second half of 2024.

Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 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.

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 2024/25

The Council has set the following counterparty limits for 2024/25 and will invest in line with the creditworthiness policy detailed in 4.2.

Table 11 – Counterparty limits

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

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). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate having peaked in the second half of 2023 and possibly reducing as early as the second half of 2024 so an agile investment strategy would be appropriate to optimise returns.

Accordingly, while most cash balances are required in order to manage the ups and downs of cash flow, 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.

Investment return expectations

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

- 2024/25 5.25%
- 2025/26 3.75%
- 2026/27 3.00%
- 2027/28 3.00%

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

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

Table 12 – Maximum principal sums invested over 365 days

Upper limit for principal sums invested for longer than 1 year	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Upper limit of principal sums invested for longer than 1 year	40,000	40,000	40,000	40,000
Current investments in excess of 1 years outstanding at year-end'	16,700	15,000	-	-

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 31st March 2008 which requires that a Statement on the Council's policy for its annual MRP should be submitted to the full Council for approval before the start of the financial year to which the provision will relate. This guidance was updated in February 2018.

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

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

Option 1: Regulatory Method

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

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

Option 2: Capital Financing Requirement Method

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

Option 3: Asset Life Method

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

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

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

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

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

Option 4: Depreciation Method

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

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

Date of implementation

The previous statutory MRP requirements ceased to have effect after the 2006/07 financial year. Transitional arrangements included within the guidance no longer apply for

the MRP charge for 2009/10 onwards. Therefore, options 1 and 2 should only be used for Supported Capital Expenditure (SCE). Authorities are however reminded that the DCLG document remains as guidance and authorities may consider alternative individual MRP approaches, as long as they are consistent with the statutory duty to make a prudent revenue provision.

Strategy Adopted for 2024/25 and future years

In order to determine its MRP for 2024/25 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.

REPORT TO: Executive Board

DATE: 22 February 2024

REPORTING OFFICER: Operational Director – Finance

PORTFOLIO: Corporate Services

TITLE: Capital Strategy 2024/25

WARDS: Borough-wide

1.0 PURPOSE OF REPORT

1.1 To consider the Council's Capital Strategy for 2024/25 and recommend it's approval by Council.

2.0 RECOMMENDATION: That Council be recommended to approve the 2024/25 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 2024/25.

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

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

HALTON BOROUGH COUNCIL

CAPITAL STRATEGY

2024/25

CAPITAL STRATEGY STATEMENT 2024/25**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 2022/23 is shown below, along with estimates for 2023/24 and the following three years:

Table 1 – Capital Expenditure and Funding

	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Capital Expenditure:					
Adult Services	1,592	2,850	2,539	1,140	1,140
Childrens Services	1,433	5,814	749	-	-
Public Health	-	-	-	-	-
Enviornment and Regeneration	24,031	51,848	35,683	7,231	2,875
Chief Executive	493	3,700	14,700	1,700	700
	27,549	64,212	53,671	10,071	4,715
Financed By:					
Capital receipts	(1,470)	(3,406)	(3,611)	(1,400)	(500)
Capital grants	(25,752)	(39,681)	(17,548)	(5,979)	(2,046)
Revenue	(145)	(144)	-	-	-
Net financing need for the year	182	20,981	32,512	2,692	2,169

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

	2022/23 Actual £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000
Minimum Revenue Provision					
General Fund	2,580	2,793	2,434	3,340	3,268
Leases and PFI Schemes	558	615	628	724	819
Mersey Gateway unitary charge	6,766	7,326	8,511	9,450	9,762
Net financing need for the year	9,904	10,734	11,573	13,514	13,849

- 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 2022/23 and how this is expected to change in 2023/24 and over the following three years.

Table 3 – Capital Financing Requirement

	2022/23 Actual £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000
Capital Financing Requirement	604,079	607,330	627,532	616,146	603,888
Movement in CFR due to:					
Net financing need for the year	182	20,981	32,512	2,692	2,169
PFI / Finance Leases	-	-	-	-	-
Use of Reserves to reduce MRP liability	(526)	(6,996)	(737)	(564)	(578)
Less Minimum Revenue Provision	(9,904)	(10,734)	(11,573)	(13,514)	(13,849)
Increase / (Decrease) in CFR	(10,248)	3,251	20,202	(11,386)	(12,258)

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

	2022/23 Actual £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000
Capital Receipts - 1st April	(1,061)	(2,790)	(5,556)	(5,637)	(8,312)
Asset Sales	(3,725)	(13,154)	(4,229)	(4,626)	(1,464)
Use of Capital Receipts					
- New Capital Expenditure	1,470	3,406	3,611	1,400	500
- Repayment of debt	526	6,982	537	551	564
Capital Receipts - 31st March	(2,790)	(5,556)	(5,637)	(8,312)	(8,712)

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 17 years' experience in local government finance and treasury management.
- The Council ensures all staff receive appropriate training for their roles including formal training and courses to support their development.
- The Council currently employs Link Asset Services to provide treasury management services in order to access specialist skills, advice and resources

CAPITAL GUIDANCE

1. Background & Purpose

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

2. Introduction

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

3. Capital Definition

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

4. What Constitutes Capital Expenditure?

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

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

5. The Council’s Capital Programme

Scheme Approval

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

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

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

Variations to the Capital Programme

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

Year-end Carry Forward / Slippage

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

6. Funding the Capital Programme

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

Capital Receipts

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

Capital Grants

6.3 Capital grants are provided with the specific purpose of funding capital expenditure. This will be stated within the grant conditions and therefore they cannot be used for revenue purposes.

6.4 Where funding agencies indicate that capital grants may be utilised for expenditure which does not meet the capital definition or constitute capital expenditure as per Sections 3 and 4 above, then the funding agency should be asked to re-assign part of the capital grant as a revenue grant.

Prudential Borrowing

6.5 The Council is able to borrow funds from approved external institutions. However, this must be in accordance with the Prudential Borrowing Code of Practice (The Prudential Code).

6.6 The fundamental requirements for compliance with the Prudential Code is that the Council must be able to demonstrate that its borrowing is prudent, affordable and sustainable ie. that it is able to repay the annual financing costs (principal and interest) over the life of the loan.

Revenue Contributions

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

External Contributions and Reimbursements

6.8 External contributions or reimbursements from partner organisations or other bodies may be received towards the funding of capital schemes.

6.9 Where capital schemes are part or fully funded from external funding sources, the “gross” rather than “net” cost of the scheme must be included within the Council’s Capital Programme. All approval limits etc. will then apply to the gross expenditure total for the scheme.

6.10 Any external funding should be claimed regularly and as early as possible, in order to minimise the cash flow costs associated with schemes.

6.11 Where funding organisations indicate that their contribution may be utilised for expenditure which does not meet the capital definition or constitute capital expenditure as per Sections 3 and 4 above, then the funding organisation should be asked to re-assign part of their contribution as revenue funding.

7. Capital Expenditure Controls

7.1 Full narrative descriptions must be input on the Agresso system in respect of all capital transactions, to support their correct accounting treatment and to assist with reporting.

7.2 In order to ensure that all capital expenditure is correctly treated within the accounts, the Revenues and Financial Management Division will periodically check that all transactions charged to capital schemes meet the definition of capital expenditure outlined above.

7.3 Where transactions are identified which do not meet the capital expenditure definition they will be transferred to the revenue account.

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

8. Capital Monitoring and Reporting Requirements

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

9. Accounting for Capital Expenditure

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

APPENDIX 2

Capital Project Financial Assessment Form

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

Notes for completion of form

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

REPORT TO: Executive Board

DATE: 22 February 2024

REPORTING OFFICER: Operational Director – Finance

PORTFOLIO: Corporate Services

SUBJECT: 2023/24 Spending as at 31 December 2023

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To report the Council's overall revenue and capital net spending position as at 31 December 2023 together with a 2023/24 forecast outturn position.

2.0 RECOMMENDED: That

- (i) All spending continues to be limited to only absolutely essential items;**
- (ii) Executive Directors continue the urgent action to identify areas where spending can be reduced or suspended for the remainder of the current financial year, or additional funding secured;**
- (iii) Council be requested to approve the revisions to the Capital Programme as set out in paragraph 3.24; and**
- (iv) A review of outstanding sundry debts is undertaken as outlined in paragraph 3.31, particularly within Adults and Community & Greenspaces, to facilitate debt collection, reduce the level of outstanding debt, and avoid increasing the bad debt provision.**

3.0 SUPPORTING INFORMATION

Revenue Spending

3.1 Appendix 1 presents a summary of spending against the operational revenue budget up to 31 December 2023 and Appendix 2 provides detailed figures for each individual Department. In overall terms, net Council spending as at 31 December 2023 is £5.593m over budget. The outturn forecast for the year estimates that net spending will be over budget by £7.144m.

- 3.2 The forecast position continues to show overspend positions across the majority of departments. The figures reflect a prudent yet realistic view of spend and income levels through to the end of the year.
- 3.3 The quarter 3 position shows an improvement on that reported at quarter 2. The forecast outturn at that point was an estimated overspend against budget of £8.108m.
- 3.4 The largest pressure on the budget continues to be within the Children & Families Department, where forecast net spend for the year has increased by £1.586m over the past three months. This is predominantly as a result of increased spend against residential care and out of borough fostering.
- 3.5 Offsetting this increase, is a forecast gain in interest receivable through to 31 March 2024. The Council's capital cash reserves continue to be in a strong position. The estimate of cash held is greater than expected at this point, which has allowed the Council to invest with favourable interest rates. As a result, net interest income generated within Corporate & Democracy has increased by £1.152m. In addition, forecast net spend within Community & Greenspaces has decreased by £0.893, mainly because forecasts for staffing and premises costs have reduced significantly.
- 3.6 Details for all these areas are shown within Appendix 2.
- 3.7 As previously reported the level of available revenue reserves which the Council holds (see paragraph 3.16) is low and insufficient to meet such a significant overspend position. Action must therefore continue within all departments to reduce the Council's cost base.
- 3.8 Included within the departmental figures is the cost of the 2023/24 pay award. This was settled in November 2023 at an increase of £1,925 (excl on-costs) for all staff, with the exception of senior officers where a pay award of 3.5% was previously agreed. The £1,925 equates to a 6% pay increase on average.
- 3.9 The use and cost of agency staff continues to be one of the main contributing factors to the forecast overspend position for the year. This is most evident within the Children & Families Department and the Care Homes Division. Initiatives and support from the Transformation Programme are ongoing to reduce reliance upon agency staff. However, given the level of spend to date, the changes must be introduced as quickly as possible to avoid this becoming an unaffordable issue in the next financial year.
- 3.10 Analysis of agency spend for the first three quarters of the year, together with comparative analysis of 2022/23 costs, is included in the table below. This shows an increase in costs over the three quarters of the year. It suggests that total agency costs for the year will be similar to 2022/23, unless prompt remedial action is taken.

	2023/24				2022/23
	Q1 £'000	Q2 £'000	Q3 £'000	Total £'000	Total £'000
Adult Social Care	1,176	1,339	1,486	4,001	5,677
Chief Executives Delivery Unit	118	114	122	354	23
Children & Family Services	1,395	1,506	1,731	4,632	6,315
Community & Greenspace	44	75	98	217	130
Economy, Enterprise & Property	92	71	89	252	452
Education, Inclusion & Provision	107	102	76	285	31
Finance	18	23	0	41	31
ICT & Support Services	0	1	6	7	0
Legal & Democratic Services	193	182	202	577	473
Planning & Transportation	45	48	50	143	225
Public Health & Public Protection	0	1	5	6	249
Total	3,188	3,462	3,865	10,515	13,605

3.11 Inflation as at December 2023 is running at 4.0% for CPI and 5.2% for RPI. Both are significant reductions from those reported at quarter 2, but are still high in comparison to Government 2.0% target. High inflation will continue to have a detrimental impact upon the Council's cost base moving into 2024/25.

3.12 Forecasts for inflation remain varied, with 2024 rates suggested to be around 3.0% (average view), but with estimates ranging from 1.7% to 4.2%. Longer term it is expected to be 2025 before inflation comes down to the 2.0% Government target. Forecasted rates will be reflected in the Council's medium term financial forecast.

3.13 The pay award, high inflation rates, increasing service demands and use of agency staff, continue to have a serious negative impact upon the Council's financial position. As such there continues to be a real urgency for all departments to stop any non-essential spending and to implement any proposed efficiencies as soon as possible.

Revenue - Operational Spending

3.14 Operational net spending for the first nine months of the year is higher than the budget to date by £5.593m Based on current forecasts it is estimated net spend will be over budget for the year by £7.144m if no further corrective action is taken.

3.15 Within the overall budget forecast position for the quarter, the key budget variances are as follows;

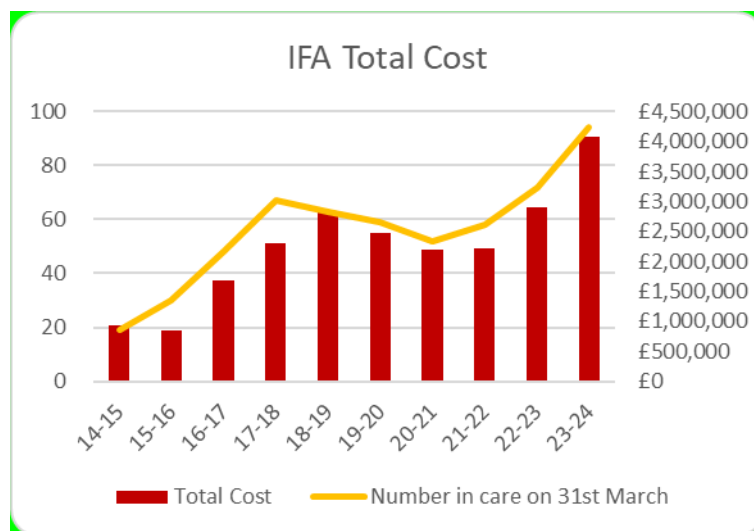
(i) Children and Families Department

Employee costs are £2.830m above budget profile at the end of quarter three. There continues to be a heavy reliance on agency staff to fill vacancies across the structure including Social Worker and Practice Lead positions. This combined with a number of agency staff recruited in addition to the current staffing structure is the cause of this overspend. Social Worker recruitment is proving difficult due to an extremely competitive market and highly inflated agency payment rates. Spend on agency staff at the end of quarter three is £4.598m or 54% of employee

budget to date. The final outturn for employee costs is expected to be £3.616m overspent. This is £0.177m more than was forecast at quarter two and is due to the increased numbers of agency staff and the agreed pay award for 2023/24 being higher than had been initially budgeted.

Supplies and Services expenditure is £0.928m above budget profile at the end of quarter three with a forecast outturn of £1.185m. Additional growth was provided of £0.314m to cover the increase in court costs and related legal spend. However, supplies and services is diverse and high levels of spend relating to a number of areas including nursery fees, consultancy, translation costs, equipment and travel are adding pressure to this budget. The outturn position has increased by £0.163m since quarter two.

Increasing numbers of children in care and insufficient in-house fostering provision has meant increased reliance on IFA. Higher numbers of children placed within IFA provision and increased IFA rates has resulted in an outturn forecast overspend of £1.024m. There have been an additional 16 children entering IFA placements between Q2 and Q3 which has increased the forecast overspend within this area.



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 £4.052m for this financial year to alleviate the pressure, however residential care is £2.672m overspent at the end of quarter three with an anticipated outturn of £3.563m over budget at the end of the year.

The high increase in spend can be attributed to the rise in costs of individual packages and the increase in numbers of children that are accommodated in residential care. The table below illustrates the trend towards numbers of children accommodated in residential care and the cost of packages.

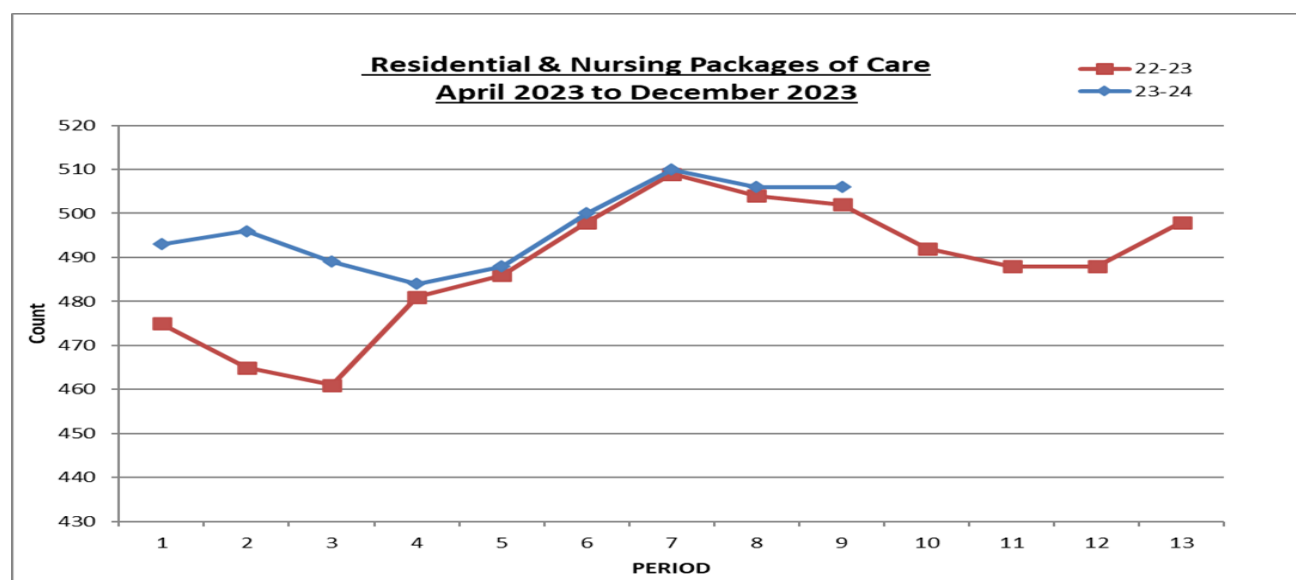
Provision	Weekly Costs	31 December 2023		30 September 2023	
		No. Placed	Estimated cost for the year	No. Placed	Estimated cost for the year
Residential	£2000 - £3000	6	853,613	4	768,400
Residential	£3001 - £4000	11	1,959,602	9	1,606,255
Residential	£4001 - £5000	6	1,473,015	7	1,549,874
Residential	£5001 - £13720	30	10,611,463	29	10,381,554
Secure	£6397 - £8137	0	0	0	0
Leaving Care	£443 - £7175	17	1,922,334	16	1,750,828
Parent & Child	£2000 - £5500	6	562,071	5	393,882
Total:		76	17,382,099	70	16,450,793

(ii) **Adult Social Care Directorate**

Community Care

At the end of the third quarter of the current financial year, expenditure on community care services is over budget profile by £0.978m and is anticipated to be overspent by £1.116m at the end of the financial year. The recovery plan group meet on a regular basis and to date have achieved savings of approximately £2.3m. However, some of those savings have been offset by an increase in demand for service and also increases in complex care packages, an example being the use of 1 to 1 care. Further reductions are required to bring the budget back in line and the group will continue to actively look for those savings where appropriate.

Residential & Nursing Care

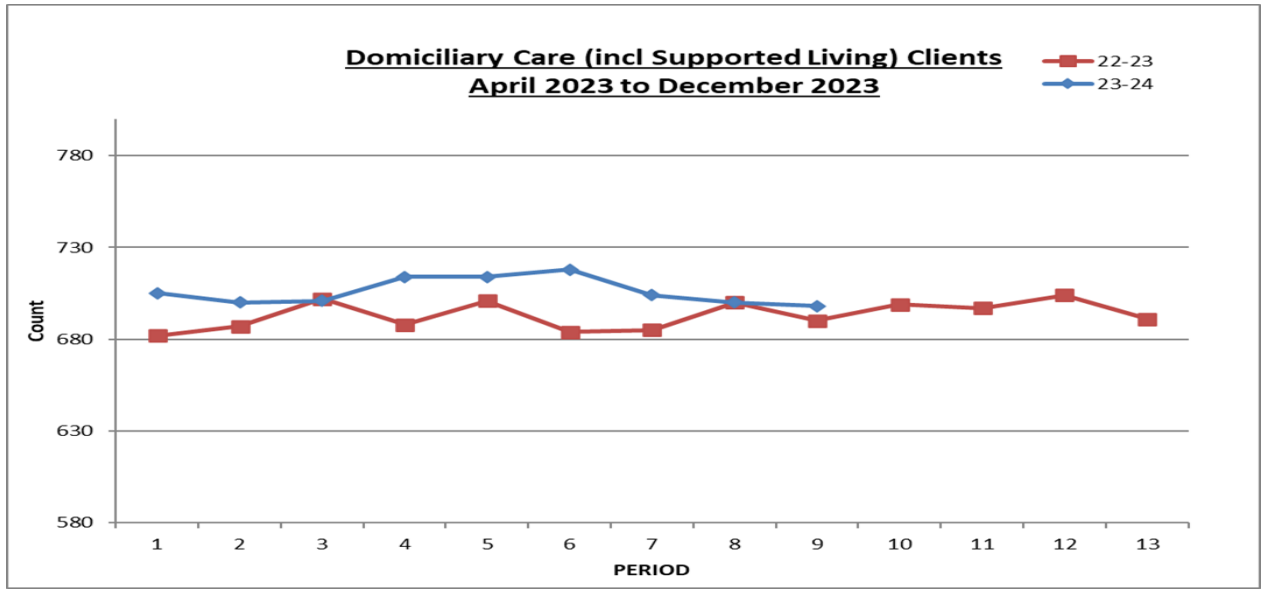


Numbers of residential & nursing placement continued to rise during October but started to reduce in November and December.

There are currently 506 placements compared to the average for the year of 497.

The average cost of a package of care has increased 10% from £864 in April to £954 in December suggesting an increase in the complexity of care packages.

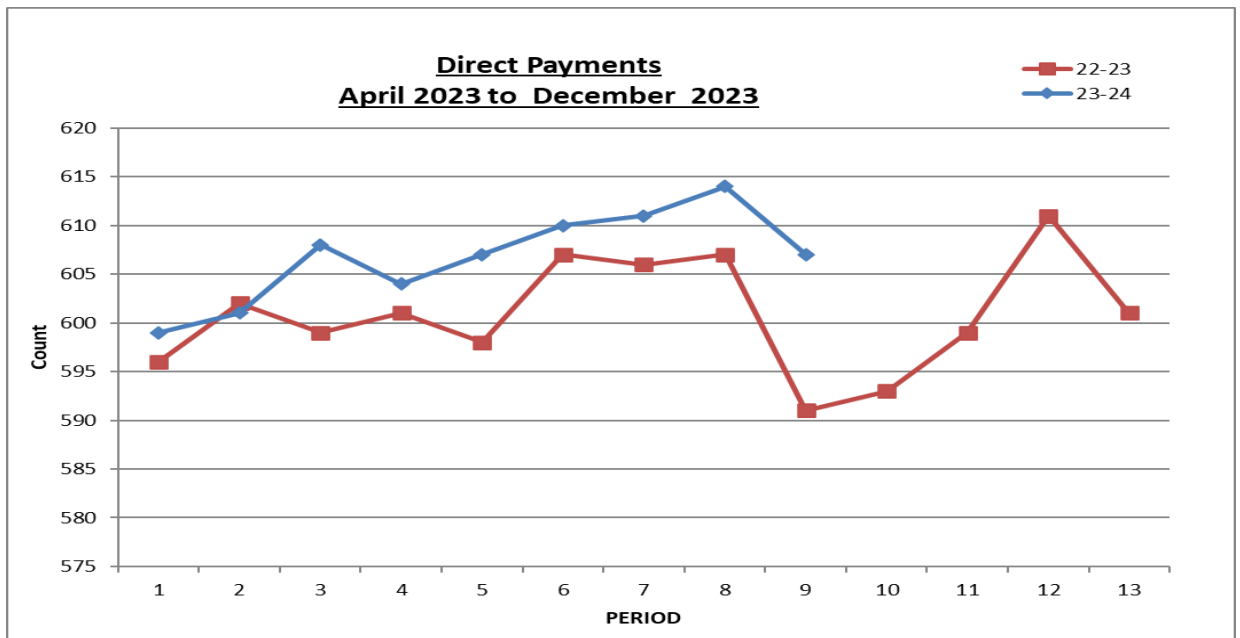
Domiciliary Care & Supported Living



There are currently 698 service users receiving a package of care at home compared to 705 in April, a small reduction of 0.9%.

The average cost of a package of care has increased from £417 in April to £472 in December, an increase of 12.9%.

Direct Payments



There has been a slight reduction in the demand for Direct Payments from 610 at September to 607 currently. However, this service continues to be a pressure as it is often used as a default position due to the current domiciliary provider being unable to pick up additional care packages.

Care Homes

The outturn position for Q2 was £1.466m over budget. Based on the estimated outturn position for Q3, there is an expectation that the outturn overspend will be £0.196m lower than the previous quarter. The reduction of £0.196m largely relates to a reduction in Agency spend.

Employee related expenditure is over budget profile at the end of Q3 by £0.729m with the expected outturn position of employee related expenditure to be £1.120m over budget.

Recruitment and retainment of staff is a continued pressure across the care homes and is therefore reliant on the use of overtime and agency staff to cover vacancies. At the end of Q3 total agency spend across the care homes reached £2.2m, the cost of this has partially been offset by staff vacancies. Progress has been made during Q3 with both St Lukes and St Patricks now using Matrix to source agency staff helping to reduce the overall cost.

A proactive rolling recruitment exercise is ongoing within the care homes and is supported by HR and the Transformation team

(iii) Education, Inclusion and Provision

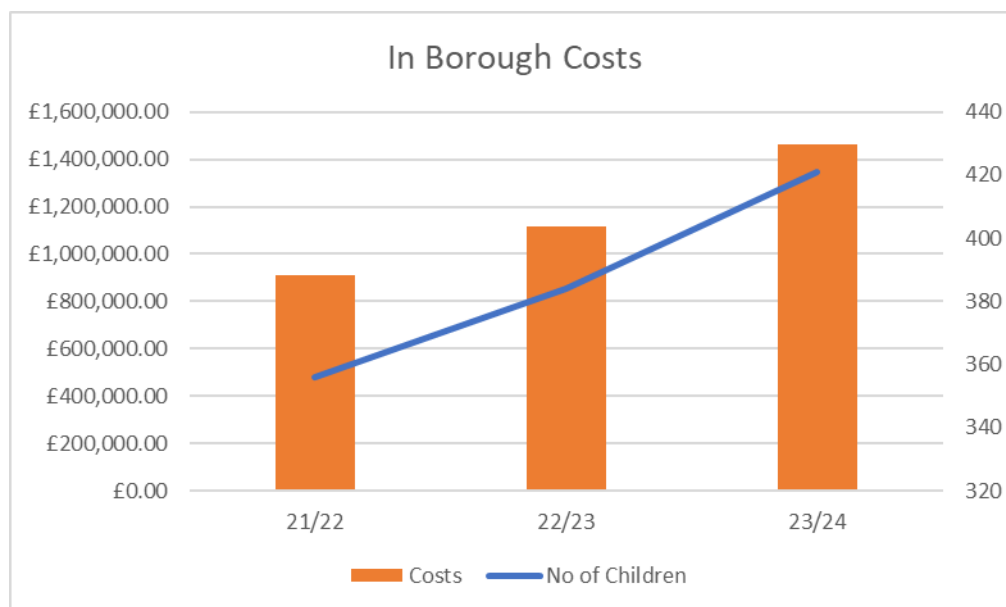
The net Departmental expenditure is £0.120m over budget at the end of quarter three, based on available information. However, the forecast outturn for 2023/24 is currently estimating an overspend against budget of £0.785m. This is broadly in line with the forecast overspend of £0.767m estimated at Q2.

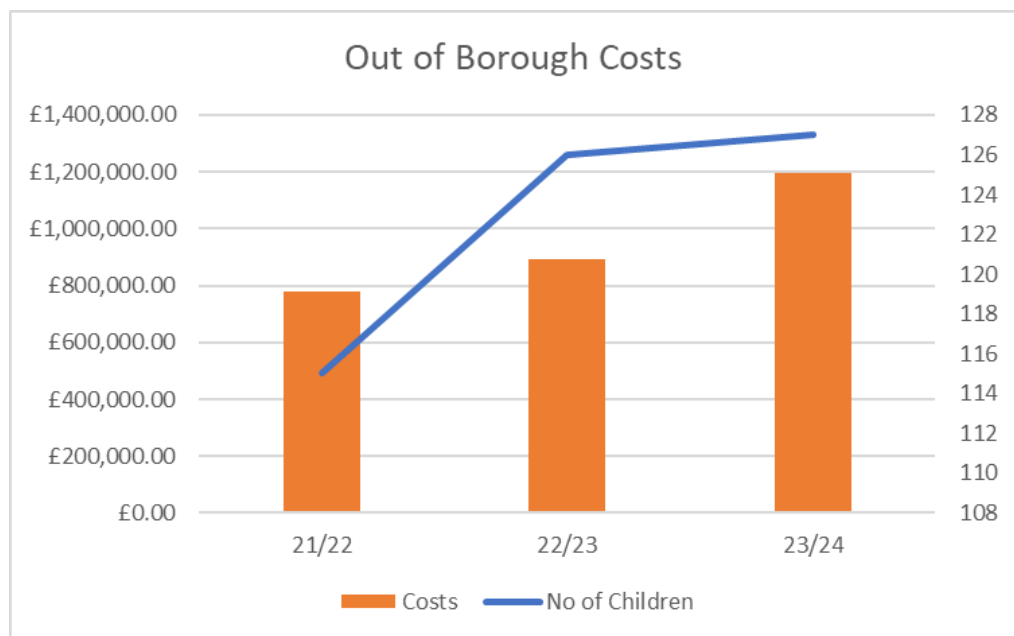
Schools Transport is the main budget pressure for Education, Inclusion and Provision. The Council has a statutory responsibility to provide Special Educational Needs (SEN) pupils with transport. The budget can be split into two main areas: between SEN pupils attending schools within the borough and those attending out of borough schools.

The table below breaks down the split between the different areas, and how each area spend compares to budget.

	2023-24 as at Q3				
Area	No. of Users	Budget £'000	Projected Spend £'000	Variance £'000	Average Cost per User
In Borough	421	1,104	1,465	(361)	£3,480
Out of Borough	127	426	1,195	(769)	£9,409
Total	548	1,530	2,660	(1,130)	

At Q3 there are currently 548 service users, an increase of 30 from Q2. The majority of which attend schools within the Borough, 421 compared to 127 out of the Borough. As can be seen both areas are overspending compared to budget. However, the out of borough forecast overspend is far greater than that for in-borough. The demand for the School Transport service is increasing in line with the increasing number of pupils with SEN within the Borough. The graphs below show that the number of SEN children using this service has increased year on year, which has driven the cost up.





(iv) **Community and Greenspaces**

The net department spend is £0.191m under budget at the end of Quarter 3 and the estimated outturn underspend against budget for 2023/24 is £0.332m.

This represents a significant improvement on the forecast outturn overspend of £0.564m estimated at the end of Qtr2. The variance between the two quarters is largely attributed to employee and premises costs over the year to date being lower than expected.

Net employee spend is estimated to be under the approved budget at the end of the financial year by £0.820m. This is due to the number of vacancies within leisure services and reduced casual usage in line with 2022/23 actual data. The costs included within the report now take account of all 2023.24 pay awards being agreed and paid to employees.

Utility budgets for 2023/24 were inflated due to the expected rise in energy costs, however, the actual charges to date have not been as high as forecasted. There has also been a considerable saving on crematorium gas charges as the new cremator is more efficient. Gas usage at the Stadium has been reduced due to using heat source pumps. Energy costs for the year are under review and a prudent approach has been taken in estimates.

Sales income for the year is expected to underachieve compared to the budgeted income target. Shortfalls in income at the stadium, school meal sales plus a reduction in room hire at Community Centres and Libraries are forecast to contribute towards lower income levels. This shortfall against the income target is mitigated by reduced employee costs and casual usage at these establishments.

(v) **Corporate and Democracy**

To date Corporate and Democracy net spend is £4.274m under the budget to date and it is currently forecast that net spend for the year will be below the approved budget by £5.869m. The forecast underspend for the year has increased by approximately £1.1m since the reported position at the end of September due to higher levels of cash held than forecast with continued high investment returns

Included within the above figures are both general and specific contingency budgets. This includes a contingency for continuing 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. It is currently forecast contingency of £3.215m will help support overspending areas elsewhere within the budget but this is pending further calls on the contingency budget.

Interest rate rises by the Bank of England (5.25% - November 2023) has 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 £1.689m in interest receipts than was forecast at budget setting. This position is helped by the Council maintaining higher cash reserves than expected at the time the budget was set.

Collection Fund

- 3.16 Council tax collection for the year to 31 December 2023 is 80.26%, down 0.43% on this point last year. Cash collection for the year to date is £63.2m, this includes £1.8m collected in relation to previous year debt.
- 3.17 Business rates collection for the first half of the year is 82.25%, up by 0.91% on this point last year. Cash collected for the year to date is £50.2m, this includes £0.9m collected in relation to previous year debt.

Review of Reserves

- 3.18 As at 31 March 2023 the Council's General Reserve was £5.147m, which represents 3.6% of the Council's total net budget. This is considered to be a minimum prudent level.
- 3.19 As at 31 December 2023, the balance of Council earmarked reserves stood at £21.915m, excluding £73.524m set aside for Mersey Gateway.
- 3.20 The Mersey Gateway (MG) reserve has recently been part of a five year review of the MG Project by the Department for Transport (DfT). Ministerial approval has now been given to share part of the reserve between the DfT (85%) and the Council (15%), in accordance with the MG Funding Agreement. The value of the Council's share is still to be confirmed but is expected to be in the region of £7.5m.

- 3.21 An exercise has been undertaken to review all earmarked reserves and depending upon their purpose and level of contractual commitment, determine whether they can be released in part or in full to assist with funding the Council's current financial challenges, recognising that this only provides one-year solutions.
- 3.22 A summary breakdown of the earmarked reserves is presented in the table below. It provides information on the value of reserves held and what could potentially be released to help fund the current year overspend and assist with providing a balanced 2024/25 budget, with notes below regarding those reserves proposed for release.

Summary of Earmarked Reserves		
Reserve	Value of Reserve £m	Available for Release £m
Corporate:		
Transformation Fund	1.882	1.882
Capital Reserve	1.144	1.144
Insurance Reserve	1.355	0.355
Specific Projects:		
Adult Social Care	2.204	1.204
Financial Systems Development	0.322	0.150
Fleet Replacement	0.881	0.000
Discretionary Support Fund	0.250	0.250
Area Forums	0.103	0.000
Community & Environment	0.139	0.000
Mersey Valley Golf Club	0.483	0.000
One Halton	0.381	0.000
Various Other	0.917	0.000
Grant Related:		
Building Schools for the Future	6.918	0.000
Public Health	1.350	0.000
Troubled Families Performance Payments	0.745	0.500
Children's & Education	0.745	0.000
Domestic Abuse	0.877	0.000
Various Other	1.219	0.000
Total Earmarked Reserves	21.915	5.485

- £1.882m Transformation Fund – set aside to provide funding for a range of potential spending commitments in future years, such as redundancy costs following restructure.
- £1.144m Capital Reserve – to support the funding of particular capital schemes. If this reserve is released in full then future capital costs will be funded from borrowing. Any revenue financing costs associated with capital schemes will have to be found in full by departments.

- £1.355m Insurance Reserve – held to cover outstanding insurance claims which are largely self-funded by having high excess levels. There is a risk in releasing this reserve if there were increased insurance claims with insufficient funds to cover excess amounts, hence part will be retained.
- £2.204m Adult Social Care – to provide for increased demand for community care. Growth has been provided in the 2024/25 budget to cover existing demands.
- £0.322 Finance Systems Development – to cover future costs for Northgate and Agresso system developments. An element of the reserve has been retained to cover known commitments.
- £0.250m Discretionary Support Fund – accumulated unspent funding for the Discretionary Support Scheme unused for a number of years. The demand for support is fully covered by the base budget, so the reserve can be released without any impact.
- £0.745m Troubled Families – a proportion of the TF performance payments has been held back in case of potential grant withdrawal. Government have committed to continue the Supported Families Programme and therefore £0.500m can be released to help support budget balancing.

3.23 In total it is considered that £5.485m of earmarked reserves could be released to assist with meeting the current year outturn overspend and balancing the 2024/25. This will not be sufficient to meet the forecast outturn overspend for the year, which is a major concern, however, a share of Mersey Gateway reserve will help with this. Therefore, it is essential that work continues across all Departments to reduce spending further before year-end in order to minimise the forecast outturn overspend, the impact upon reserves, and to bring future spending in line with available budget.

Capital Spending

3.24 The Council approved the 2023/24 Capital Programme 8 March 2023. Since then the capital programme has been revised to reflect a number of changes in spending profiles and funding as schemes have developed. Appendix 3 brings all the separate elements together and report on the Council's total planned capital programme expenditure over the next three years. The schemes which have been revised within the programme are as follows:

- i. Asset Management Data
- ii. Schools Capital Repairs
- iii. Asbestos Management
- iv. Small Capital Works
- v. Oakfield Primary

- vi. The Brow Primary
- vii. Victoria Road Primary
- viii. Woodside Primary
- ix. Stairlifts
- x. RSL Adaptations
- xi. Street Lighting
- xii. Lighting Upgrades
- xiii. Silver Jubilee Bridge - Lighting
- xiv. Risk Management
- xv. Fleet Vehicles
- xvi. 3MG
- xvii. Property Improvements
- xviii. Runcorn Station Building Development
- xix. UK Shared Prosperity Fund
- xx. Town Deal

3.25 Capital spending at 31 December 2023 totalled £31.472m, which represents 93.7% of the planned spending of £33.575m at this stage. This represents 51.2% of the total Capital Programme of £61.488m (which assumes a 20% slippage between years).

Approved Savings

3.26 On 02 February 2023, Council approved saving measures against the budget for the three year period 01 April 2023 to 31 March 2026. Appendix 4 lists those savings, together with RAG rated information on progress to date with developing and implementing the target savings.

Outstanding Sundry Debts

3.27 A review of aged debt outstanding as at January 2024, shows an increase in overdue sundry debts of £1.387m or 8.0%. The total balance outstanding and currently overdue is now £18.712m.

3.28 The increase in outstanding debt is most notable within Adult Social Care, where the total outstanding debt has increased since March 2023 by £2.343m or 18.2% to now £12.875m. Of the total debt, £9.690m has been outstanding for over 43 days, a further £2.481 has been overdue between 22 and 42 days. It is currently estimated the increase in older debt will result in a cost of £1.3m required to increase the bad debt provision at year-end, if total outstanding debt is not reduced. This additional cost will need to be found from already depleted reserves.

3.29 For the majority of Council departments overdue debt is lower at January 2024 than it was at March 2023. This also applies to the Community & Greenspaces department, however, within the total figure there has been an increase in longer term debt overdue by 43 days or more, the current

amount being £0.793m. It appears this is largely due to outstanding debt within the School Meal Service.

3.30 It should be noted that the profile of aged debt is a snapshot taken at a point in time and there is constant work being undertaken to recover outstanding debt.

3.31 Higher debt levels result in missed opportunities for the Council given the high level of return the Council can currently obtain on cash investments. For every £1m of debt, the Council is missing the opportunity to generate £50,000 to £60,000 per annum in interest income. Therefore, it is imperative that additional work is undertaken to analyse the debt in more detail to enable more prompt recovery action to be taken.

4.0 CONCLUSIONS

4.1 As at 31 December 2023, net revenue spend is £5.593m over the budget to date.

4.2 The forecast outturn currently estimates that spending will be £7.144m over budget for the year, which will have a severe impact upon the Council's reserves.

4.3 Departments must ensure that all spending continues to be restricted and tightly controlled throughout the remainder of the year, to ensure that the forecast outturn overspend is minimised as far as possible and future spending is brought in line with budget.

4.4 Earmarked reserves totalling £5.485m have been identified which will need to be released to help fund the outturn overspend. This may have implications for the delivery of certain services going forward and will mean the Council has very limited scope to fund future overspends.

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 as far as possible.

7.2 A budget risk register of significant financial risks is maintained and reviewed on a quarterly basis.

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 2023

APPENDIX 1

Directorate / Department	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance (Overspend) £'000	Q3 Forecast Outturn (ospend) £'000	Q2 Forecast Outturn (ospend) £'000
Adult Social Care	22,382	16,396	16,691	(295)	(450)	(451)
Care Homes	9,785	6,530	7,327	(797)	(1,270)	(1,466)
Community Care	20,290	15,726	16,704	(978)	(1,116)	(1,173)
Complex Care Pool	4,661	-426	-454	28	339	682
Adults Directorate	57,118	38,226	40,268	(2,042)	(2,497)	(2,408)
Finance	4,488	4,518	4,620	(102)	(156)	(248)
Legal & Democratic Services	1,749	1,320	1,485	(165)	(130)	(90)
ICT & Support Services	1,985	1,138	1,511	(373)	(290)	(260)
Chief Executives Delivery Unit	-1,527	-1,409	-1,416	7	42	57
Chief Executives Directorate	6,695	5,567	6,200	(633)	(534)	(541)
Children & Families	32,072	20,613	28,329	(7,716)	(10,146)	(8,560)
Education, Inclusion & Provision	8,585	8,532	8,652	(120)	(785)	(767)
Childrens Directorate	40,657	29,145	36,981	(7,836)	(10,931)	(9,327)
Community & Greenspace	26,409	11,575	11,384	191	332	(564)
Economy, Enterprise & Property	1,920	1,270	983	287	397	204
Planning & Transportation	8,271	4,506	4,390	116	154	(385)
Environment & Regeneration Directorate	36,600	17,351	16,757	594	883	(745)
Corporate & Democracy	-1,663	-760	-5,034	4,274	5,869	4,717
Public Health Directorate	1,473	1,117	1,067	50	66	196
Total Operational Net Spend	140,880	90,646	96,239	(5,593)	(7,144)	(8,108)

Adult Social Care

APPENDIX 2

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	15,849	11,825	12,030	(205)	(310)
Premises	575	442	451	(9)	(15)
Supplies & Services	898	750	729	21	30
Aids & Adaptations	0	0	0	0	0
Transport	228	170	262	(92)	(120)
Food Provision	201	150	149	1	5
Agency	678	507	511	(4)	(5)
Supported Accommodation and Services	1,357	1,058	1,059	(1)	0
Emergency Duty Team	110	82	83	(1)	(10)
Transfer To Reserves	357	0	0	0	0
Capital Financing	44	0	0	0	0
Contacts & SLAs	577	489	467	22	30
Housing Solutions Grant Funded Schemes					
Homelessness Prevention	357	0	0	0	0
Rough Sleepers Initiative	121	72	72	0	0
Total Expenditure	21,352	15,545	15,813	(268)	(395)
Income					
Fees & Charges	-804	-603	-568	(35)	(50)
Sales & Rents Income	-453	-368	-380	12	15
Reimbursements & Grant Income	-1,727	-1,201	-1,316	115	140
Capital Salaries	-121	-90	-90	0	0
Housing Schemes Income	-591	-422	-422	0	0
Total Income	-3,696	-2,684	-2,776	92	105
Net Operational Expenditure	17,656	12,861	13,037	(176)	(290)
Recharges					
Premises Support	583	437	437	0	0
Transport Support	575	431	550	(119)	(160)
Central Support	3,667	2,750	2,750	0	0
Asset Rental Support	13	0	0	0	0
Recharge Income	-112	-83	-83	0	0
Net Total Recharges	4,726	3,535	3,654	(119)	(160)
Net Departmental Expenditure	22,382	16,396	16,691	(295)	(450)

Care Homes

	Annual Budget £'000	Budget to Date £'000	Actual £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
<u>Madeline Mckenna</u>					
Employees	668	468	569	(101)	(116)
Other Premises	122	81	81	0	(4)
Supplies & Services	16	7	9	(2)	(6)
Food Provison	43	32	32	0	(2)
Total Madeline Mckenna Expenditure	849	588	691	(103)	(128)
<u>Millbrow</u>					
Employees	2,034	1,498	1,641	(143)	(239)
Other Premises	151	104	129	(25)	(34)
Supplies & Services	43	33	38	(5)	(20)
Food Provison	75	56	57	(1)	(5)
Reimbursements & Other Grant Income	-29	-29	-29	0	0
Total Millbrow Expenditure	2,274	1,662	1,836	(174)	(298)
<u>St Luke's</u>					
Employees	2,725	1,966	2,083	(117)	(249)
Other Premises	208	122	127	(5)	(10)
Supplies & Services	46	28	36	(8)	(19)
Food Provison	118	48	64	(16)	(9)
Total St Luke's Expenditure	3,097	2,164	2,310	(146)	(287)
<u>St Patrick's</u>					
Employees	1,759	1,125	1,505	(380)	(547)
Other Premises	191	133	110	23	9
Supplies & Services	43	25	36	(11)	(23)
Food Provison	112	47	64	(17)	(26)
Total St Patrick's Expenditure	2,105	1,330	1,715	(385)	(587)
<u>Care Homes Divison Management</u>					
Employees	285	198	186	12	31
Supplies & Services	0	0	1	(1)	(1)
Care Home Divison Management	285	198	187	11	30
Net Operational Expenditure	8,610	5,942	6,739	(797)	(1,270)
<u>Recharges</u>					
Premises Support	285	143	143	0	0
Transport Support	0	0	0	0	0
Central Support	890	445	445	0	0
Asset Rental Support	0	0	0	0	0
Recharge Income	0	0	0	0	0
Net Total Recharges	1,175	588	588	0	0
Net Departmental Expenditure	9,785	6,530	7,327	(797)	(1,270)

Community Care

	Annual Budget	Budget to Date	Actual Spend	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Residential & Nursing	18,532	12,323	12,731	(408)	(560)
Domiciliary Care & Supported living	12,119	8,790	8,420	370	511
Direct Payments	11,610	9,635	10,754	(1,119)	(1,449)
Day Care	375	206	337	(131)	(173)
Total Expenditure	42,636	30,954	32,242	(1,288)	(1,671)
Income					
Residential & Nursing Income	-12,059	-8,048	-8,032	(16)	(20)
Community Care Income	-2,141	-1,248	-1,412	164	219
Direct Payments Income	-957	-569	-586	17	23
Market Sustainability & Improvement Grant	-1,497	-1,122	-1,122	0	0
Market Sustainability Workforce Grant	-972	-972	-972	0	0
Adult Social Care Support Grant	-4,357	-3,268	-3,268	0	0
War Pension Disregard Grant	-67	0	0	0	0
LA UEC Grant	-155	-155	-155	0	0
Other Income	-141	-78	-223	145	333
Total Income	-22,346	-15,460	-15,770	310	555
Net Operational Expenditure	20,290	15,494	16,472	(978)	(1,116)
Recharges					
Premises Support	0	0	0	0	0
Transport	0	0	0	0	0
Central Support	0	0	0	0	0
Asset Rental Support	0	0	0	0	0
HBC Support Costs Income	0	0	0	0	0
Net Total Recharges	0	0	0	0	0
Net Departmental Expenditure	20,290	15,494	16,472	(978)	(1,116)

Complex Care Pool

	Annual Budget	Budget to Date	Actual Spend	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Intermediate Care Services	5,096	3,700	3,582	118	170
Oakmeadow	1,715	1,253	1,294	(41)	(50)
Community Home Care First	1,530	426	822	(396)	(569)
Joint Equipment Store	829	622	622	0	0
Development Fund	622	0	0	0	622
HICafs	3,258	2,274	2,155	119	141
Contracts & SLA's	3,320	746	693	53	92
Carers Breaks	450	314	245	69	91
Carers Centre	354	177	177	0	0
LilyCross	193	144	9	135	184
Residential Care	1,874	1,369	1,369	0	0
Domiciliary Care & Supported Living	3,335	2,460	2,460	0	0
Total Expenditure	22,576	13,485	13,428	57	681
Income					
BCF	-12,762	-9,572	-9,572	0	0
CCG Contribution to Pool	-2,864	-2,149	-2,149	0	0
ASC Discharge Grant	-1,921	-1,676	-1,676	0	0
Transfer from reserve	-193	-193	-193	0	0
LA UEC Grant	-144	-144	-144	0	0
Oakmeadow Income	-6	-4	-1	(3)	(4)
Other Income	-25	-25	-27	2	2
Cfwd from 2022/23	0	-148	-148	0	0
Total Income	-17,915	-13,911	-13,910	(1)	(2)
Net Operational Expenditure	4,661	-426	-482	56	679
Recharges					
Premises Support	0	0	0	0	0
Transport	0	0	0	0	0
Central Support	0	0	0	0	0
Asset Rental Support	0	0	0	0	0
HBC Support Costs Income	0	0	0	0	0
Net Total Recharges	0	0	0	0	0
ICB Contribution Share of Surplus			28	(28)	(340)
Net Departmental Expenditure	4,661	-426	-454	28	339

	Annual Budget	Budget to Date	Actual Spend	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Employees	6,500	4,868	4,765	103	134
Insurances	1,044	980	977	3	10
Supplies & Services	359	290	309	(19)	(28)
Rent Allowances	35,500	22,167	22,167	0	0
Concessionary Travel	1,748	1,050	982	68	76
Non HRA Rent Rebates	70	36	36	0	0
Discretionary Social Fund	106	30	6	24	33
Discretionary Housing Payments	300	169	169	0	0
Household Support Fund Expenditure	1,487	1,487	1,487	0	0
Energy Bills Support	41	41	41	0	0
LCR Levy	2,241	1,681	1,681	0	0
Transfer to Reserves	17	0	0	0	17
Bad Debt Provision	77	0	0	0	0
Total Expenditure	49,490	32,799	32,620	179	242
Income					
Other Fees & Charges	-344	-256	-236	(20)	(36)
Burdens Grant	-60	-60	-94	34	34
Dedicated schools Grant	-123	0	0	0	0
Council Tax Liability Order	-541	-500	-535	35	44
Business Rates Admin Grant	-157	0	0	0	0
Schools SLAs	-295	-295	-311	16	6
LCR Reimbursement	-2,241	-1,681	-1,681	0	0
HB Overpayment Debt Recovery	-400	-119	-119	0	0
Rent Allowances	-34,800	-21,500	-21,136	(364)	(478)
Non HRA Rent Rebate	-70	-40	-51	11	27
Discretionary Housing Payment Grant	-300	-279	-279	0	0
Housing Benefits Admin Grant	-515	-386	-393	7	5
Universal Credits	-5	0	0	0	0
Council Tax Admin Grant	-204	0	0	0	0
Household Support Fund Grant	-1,487	-892	-892	0	0
Energy Bills Support	-41	-36	-36	0	0
Alternative Fuel	-57	-20	-20	0	0
Transfer from Reserves	-134	0	0	0	0
Reimbursements & Other Grants	-153	-140	-140	0	0
CCG McMillan Reimbursement	-82	0	0	0	0
Total Income	-42,009	-26,204	-25,923	(281)	(398)
Net Operational Expenditure	7,481	6,595	6,697	(102)	(156)
Recharges					
Premises Support	268	193	193	0	0
Transport	0	0	0	0	0
Central Support	2,069	1,508	1,508	0	0
Asset Rental Support	0	0	0	0	0
HBC Support Costs Income	-5,330	-3,778	-3,778	0	0
Net Total Recharges	-2,993	-2,077	-2,077	0	0
Net Departmental Expenditure	4,488	4,518	4,620	(102)	(156)

Legal Services

	Annual Budget	Budget to Date	Actual Spend	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Employees	1,436	1,106	1,048	58	77
Agency Costs (Locums)	0	0	577	(577)	(757)
Supplies & Services	164	128	154	(26)	(28)
Civic Catering & Functions	26	19	6	13	11
Legal Expenses	218	163	399	(236)	(271)
Transport Related Expenditure	11	8	7	1	4
Total Expenditure	1,855	1,424	2,191	(767)	(964)
Income					
School SLA's	-92	-92	-78	(14)	(14)
Licence Income	-284	-213	-205	(8)	42
Reimbursement & Other Grants	0	0	-25	25	25
Fees & Charges Income	-70	-54	-57	3	5
Transfer from Reserves	0	0	-596	596	776
Total Income	-446	-359	-961	602	834
Net Operational Expenditure	1,409	1,065	1,230	(165)	(130)
Recharges					
Premises Support	58	43	43	0	0
Transport	0	0	0	0	0
Central Support	282	212	212	0	0
Asset Rental Support	0	0	0	0	0
HBC Support Costs Income	0	0	0	0	0
Net Total Recharges	340	255	255	0	0
Net Departmental Expenditure	1,749	1,320	1,485	(165)	(130)

	Annual Budget	Budget to Date	Actual Spend	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Employee Expenditure	8,126	6,094	6,382	(288)	(372)
Supplies & Services Expenditure	950	909	916	(7)	(28)
Capital Finance	78	58	36	22	28
Computer Repairs & Software	1,333	1,020	1,131	(111)	(82)
Communication Costs	13	10	84	(74)	(81)
Premises Expenditure	175	142	111	31	39
Transport Expenditure	3	2	1	1	1
Total Expenditure	10,678	8,235	8,661	(426)	(495)
Income					
Fees & Charges	-996	-50	-107	57	209
Schools SLA Income	-610	-610	-606	(4)	(4)
Total Income	-1,606	-660	-713	53	205
Net Operational Expenditure	9,072	7,575	7,948	(373)	(290)
Recharges					
Premises Support	557	418	418	0	0
Transport	16	12	12	0	0
Central Support	1,797	1,348	1,348	0	0
Asset Rental Support	1,494	0	0	0	0
HBC Support Costs Income	-10,951	-8,215	-8,215	0	0
Net Total Recharges	-7,087	-6,437	-6,437	0	0
Net Departmental Expenditure	1,985	1,138	1,511	(373)	(290)

Chief Executives Delivery Unit

	Annual Budget	Budget to Date	Actual Spend	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Employees	2,795	2,045	2,042	3	4
Employees Training	117	62	59	3	5
Apprenticeship Levy	300	125	139	(14)	(19)
Supplies & Services	303	290	263	27	68
Total Expenditure	3,515	2,522	2,503	19	58
Income					
Fees & Charges	-211	-135	-124	(11)	(15)
Schools SLA	-533	-533	-532	(1)	(1)
Total Income	-744	-668	-656	(12)	(16)
Net Operational Expenditure	2,771	1,854	1,847	7	42
Recharges					
Premises Support	117	88	88	0	0
Transport	0	0	0	0	0
Central Support	1,023	768	768	0	0
Asset Rental Support	53	0	0	0	0
HBC Support Costs Income	-5,491	-4,119	-4,119	0	0
Net Total Recharges	-4,298	-3,263	-3,263	0	0
Net Departmental Expenditure	-1,527	-1,409	-1,416	7	42

Children & Families

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	11,469	8,539	11,369	(2,830)	(3,616)
Other Premises	476	342	231	111	147
Supplies & Services	1,085	830	1,758	(928)	(1,185)
Transport	113	18	214	(196)	(261)
Direct Payments	1,016	705	696	9	12
Commissioned services to Vol Orgs	224	116	105	11	15
Residential Care	13,704	9,588	12,260	(2,672)	(3,563)
Out of Borough Adoption	30	23	0	23	30
Out of Borough Fostering	3,148	1,834	2,603	(769)	(1,024)
In House Adoption	461	252	243	9	12
Special Guardianship Order	2,221	1,580	1,781	(201)	(269)
In House Foster Carer Placements	2,670	1,961	1,943	18	24
Lavender House	230	146	146	0	0
Home Support & Respite	394	397	368	29	39
Care Leavers	286	209	209	0	0
Family Support	53	40	63	(23)	(32)
Contracted services	3	2	3	(1)	0
Early Years	275	297	476	(179)	(239)
Emergency Duty	124	0	20	(20)	(89)
Youth Offending Services	255	107	153	(46)	(66)
Total Expenditure	38,237	26,986	34,641	(7,655)	(10,065)
Income					
Fees & Charges	-31	-430	-377	(53)	(4)
Sales Income	-4	-7,720	-7,720	0	(3)
Rents	-76	-56	-53	(3)	(4)
Reimbursement & other Grant Income	-594	0	0	0	(70)
Transfer from reserve	-47	-4	-1	(3)	0
Dedicated Schools Grant	-50	-4	-2	(2)	0
Government Grants	-7,883	-47	-47	0	0
Total Income	-8,685	-8,261	-8,200	(61)	(81)
Net Operational Expenditure	29,552	18,725	26,441	(7,716)	(10,146)
Recharges					
Premises Support	339	254	254	0	0
Transport Support	15	10	10	0	0
Central Support	3,290	2,467	2,467	0	0
Asset Rental Support	0	0	0	0	0
Recharge Income	-1,124	-843	-843	0	0
Net Total Recharges	2,520	1,888	1,888	0	0
Net Departmental Expenditure	32,072	20,613	28,329	(7,716)	(10,146)

Education, Inclusion & Provision

	Annual Budget	Budget to Date	Actual Spend	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Employees	7,495	5,239	5,079	160	160
Premises	28	21	9	12	0
Supplies & Services	1,218	650	638	12	18
Transport	64	48	32	16	0
Schools Transport	1,530	1,148	1,563	(415)	(1,130)
Commissioned Services	1,654	526	454	72	72
Grants to Voluntary Organisations	10	0	0	0	10
Independent School Fees	6,756	5,074	5,074	0	0
Inter Authority Special Needs	604	453	453	0	0
Pupil Premium Grant	215	162	162	0	0
Nursery Education Payments	7,467	4,500	4,500	0	0
Capital Financing	1	0	0	0	0
Total Expenditure	27,042	17,821	17,964	(143)	(870)
Income					
Fees & Charges Income	-101	-154	-200	46	119
Government Grant Income	-856	-428	-428	0	0
Schools SLA Income	-445	-319	-319	0	66
Reimbursements & Grant Income	0	0	-40	40	40
Transfer from Reserves	-192	-94	-94	0	0
Dedicated Schools Grant	-18,728	-9,364	-9,364	0	0
Inter Authority Income	-483	-207	-207	0	0
Total Income	-20,805	-10,566	-10,652	86	225
Net Operational Expenditure	6,237	7,255	7,312	(57)	(645)
Recharges					
Premises Support	281	140	140	0	0
Transport Support	441	330	393	(63)	(140)
Central Support	1,609	807	807	0	0
Asset Rental Support	17	0	0	0	0
Recharge Income	0	0	0	0	0
Net Total Recharges	2,348	1,277	1,340	(63)	(140)
Net Departmental Expenditure	8,585	8,532	8,652	(120)	(785)

Community & Greenspaces

	Annual Budget	Budget to Date	Actual Spend	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Employees	17,085	12,606	11,991	615	820
Premises	3,817	2,200	2,048	152	274
Supplies & Services	1,609	1,307	1,372	(65)	(86)
Hired & Contracted Services	607	413	637	(224)	(299)
Book Fund	140	108	113	(5)	(7)
Food Provisions	371	158	268	(110)	(147)
School Meals Food	1,965	1,474	1,540	(66)	(88)
Miscellaneous Transport Costs	117	77	96	(19)	(25)
Other Agency Costs	601	490	429	61	81
Other Expenditure	0	0	9	(9)	(9)
Waste Disposal Contracts	6,885	1,146	1,077	69	91
Grants to Voluntary Organisations	67	48	16	32	43
Grant to Norton Priory	172	172	174	(2)	(1)
Capital Financing	201	180	118	62	83
Total Expenditure	33,637	20,379	19,888	491	730
Income					
Sales Income	-3,962	-3,098	-2,292	(806)	(1,075)
Fees & Charges Income	-5,752	-4,691	-5,113	422	564
Rental Income	-221	-149	-182	33	43
Government Grant Income	-827	-3,244	-3,434	190	252
Reimbursements & Other Grant Income	-676	-445	-496	51	67
SLA Income	-2,391	-2,321	-2,139	(182)	(242)
Internal Fees Income	-592	-158	-275	117	156
Capital Salaries	-173	-106	-73	(33)	(43)
Transfers From Reserves	-20	51	51	0	2
Total Income	-14,614	-14,161	-13,953	(208)	(276)
Net Operational Expenditure	19,023	6,218	5,935	283	454
Recharges					
Premises Support	1,825	1,369	1,369	0	0
Transport	2,046	1,504	1,592	(88)	(117)
Central Support	3,856	2,893	2,897	(4)	(5)
Asset Rental Support	199	0	0	0	0
HBC Support Costs Income	-540	-409	-409	0	0
Net Total Recharges	7,386	5,357	5,449	(92)	(122)
Net Departmental Expenditure	26,409	11,575	11,384	191	332

Economy, Enterprise & Property

	Annual Budget	Budget to Date	Actual Spend	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Employees	5,491	4,195	4,118	77	103
Repairs & Maintenance	1,980	1,453	1,464	(11)	(14)
Premises	123	110	116	(6)	(6)
Energy & Water Costs	1,782	1,057	860	197	262
NNDR	763	702	639	63	84
Rents	175	167	165	2	2
Economic Regeneration Activities	27	3	3	0	0
Security	501	331	372	(41)	(55)
Supplies & Services	430	300	267	33	44
Supplies & Services - Grant	772	356	356	0	0
Grants to Voluntary Organisations	264	120	120	0	0
Capital Finance	44	44	44	0	0
Transfer to Reserves	40	40	40	0	0
Total Expenditure	12,392	8,878	8,564	314	420
Income					
Fees & Charges Income	-860	-488	-562	74	98
Rent - Commercial Properties	-908	-566	-528	(38)	(50)
Rent - Investment Properties	-44	-34	-30	(4)	(5)
Rent - Markets	-852	-644	-609	(35)	(47)
Government Grant	-1,387	-614	-614	0	0
Reimbursements & Other Grant Income	-585	-633	-643	10	13
Schools SLA Income	-299	-294	-258	(36)	(36)
Recharges to Capital	-282	-114	-119	5	7
Transfer from Reserves	-1,270	-1,229	-1,229	0	0
Total Income	-6,487	-4,616	-4,592	(24)	(20)
Net Operational Expenditure	5,905	4,262	3,972	290	400
Recharges					
Premises Support	2,006	1,505	1,505	0	0
Transport	23	16	19	(3)	(3)
Central Support	1,710	1,283	1,283	0	0
Asset Rental Support	4	0	0	0	0
HBC Support Costs Income	-7,728	-5,796	-5,796	0	0
Net Total Recharges	-3,985	-2,992	-2,989	(3)	(3)
Net Departmental Expenditure	1,920	1,270	983	287	397

Planning & Transportation Department

	Annual Budget	Budget to Date	Actual Spend	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Employees	5,149	3,833	3,849	(16)	(21)
Efficiency Savings	-100	-100	-100	0	0
Premises	211	165	109	56	74
Hired & Contracted Services	115	85	177	(92)	(123)
Supplies & Services	163	179	227	(48)	(63)
Street Lighting	1,766	997	758	239	319
Highways Maintenance - Routine & Reactive	1,583	752	1,014	(262)	(350)
Highways Maintenance - Programmed Works	1,712	890	549	341	454
Fleet Transport	1,410	1,058	1,107	(49)	(67)
Bus Support - Halton Hopper Tickets	52	39	5	34	45
Bus Support	458	387	387	0	0
Grants to Voluntary Organisations	31	30	30	0	0
NRA Levy	73	71	71	0	2
LCR Levy	1,059	750	750	0	0
Contribution to Reserves	359	359	359	0	0
Total Expenditure	14,041	9,495	9,292	203	270
Income					
Sales & Rents Income	-101	-78	-34	(44)	(59)
Planning Fees	-738	-554	-396	(158)	(210)
Building Control Fees	-242	-182	-125	(57)	(76)
Other Fees & Charges	-932	-704	-731	27	36
Grants & Reimbursements	-179	-220	-220	0	0
Government Grant Income	-197	-196	-196	0	0
Halton Hopper Income	-54	-40	-14	(26)	(35)
Recharge to Capital	-317	-163	-14	(149)	(198)
LCR Levy Reimbursement	-1,059	-750	-750	0	0
Contribution from Reserves	-520	-520	-520	0	0
Total Income	-4,339	-3,407	-3,000	(407)	(542)
Net Operational Expenditure	9,702	6,088	6,292	(204)	(272)
Recharges					
Premises Support	509	382	382	0	0
Transport	591	444	495	(51)	(69)
Central Support	1,432	1,074	1,074	0	0
Asset Rental Support	686	0	0	0	0
HBC Support Costs Income	-885	-664	-664	0	0
Transport Recharge Income	-3,764	-2,818	-3,189	371	495
Net Total Recharges	-1,431	-1,582	-1,902	320	426
Net Departmental Expenditure	8,271	4,506	4,390	116	154

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	361	271	274	(3)	0
Contracted Services	39	29	6	23	20
Supplies & Services	131	118	121	(3)	0
Premises Expenditure	5	5	8	(3)	0
Transport Costs	1	1	14	(13)	(13)
Members Allowances	946	709	711	(2)	0
Interest Payable - Treasury Management	1,099	824	841	(17)	(17)
Interest Payable - Other	271	203	85	118	135
Bank Charges	144	108	183	(75)	(100)
Audit Fees	342	256	256	0	0
Contingency	3,215	2,411	0	2,411	3,215
Capital Financing	2,259	2,259	2,793	(534)	(534)
Contribution to Reserves	4,332	4,332	4,332	0	0
Debt Management Expenses	20	15	1	14	13
Precepts & Levies	221	0	0	0	(30)
Total Expenditure	13,386	11,541	9,625	1,916	2,689
Income					
Interest Receivable - Treasury Management	-4,077	-3,064	-4,331	1,267	1,689
Interest Receivable - Other	0	0	-9	9	12
Other Fees & Charges	-153	-153	-582	429	429
Grants & Reimbursements	-255	0	0	0	397
Government Grant Income	-1,469	-1,102	-1,102	0	0
Transfer from Reserves	-7,156	-7,156	-7,809	653	653
Total Income	-13,110	-11,475	-13,833	2,358	3,180
Net Operational Expenditure	276	66	-4,208	4,274	5,869
Recharges					
Premises Support	8	6	6	0	0
Transport Support	0	0	0	0	0
Central Support	870	690	690	0	0
Asset Rental Support	0	0	0	0	0
Recharge Income	-2,817	-1,522	-1,522	0	0
Net Total Recharges	-1,939	-826	-826	0	0
Net Departmental Expenditure	-1,663	-760	-5,034	4,274	5,869

Public Health

	Annual Budget	Budget to Date	Actual Spend	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Employees	4,629	3,287	3,251	36	48
Premises	6	0	0	0	0
Supplies & Services	255	192	189	3	5
Contracts & SLA's	7,006	5,064	5,048	16	10
Transport	4	3	1	2	2
Other Agency	23	23	23	0	0
Total Expenditure	11,923	8,569	8,512	57	65
Income					
Fees & Charges	-71	-155	-147	(8)	0
Reimbursements & Grant Income	-44	-219	-220	1	1
Transfer from Reserves	-1,242	0	0	0	0
Government Grant Income	-11,117	-8,581	-8,581	0	0
Total Income	-12,474	-8,955	-8,948	(7)	1
Net Operational Expenditure	-551	-386	-436	50	66
Recharges					
Premises Support	156	117	117	0	0
Transport	20	1,747	1,747	0	0
Central Support	2,330	15	15	0	0
Asset Rental Support	0	0	0	0	0
HBC Support Costs Income	-482	-376	-376	0	0
Net Total Recharges	2,024	1,503	1,503	0	0
Net Departmental Expenditure	1,473	1,117	1,067	50	66

Capital Programme as at 31 December 2023

Appendix 3

Directorate/Department	2023/24 Capital Allocation	Allocation to Date	Actual Spend to 31 Dec 2023	Total Allocation Remaining	2024/25 Capital Allocation	2025/26 Capital Allocation
	£'000	£'000	£'000	£'000	£'000	£'000
CHILDRENS DIRECTORATE						
Asset Management Data	6	6	6	0	0	0
Capital Repairs	1,089	701	701	388	0	0
Asbestos Management	17	0	0	17	0	0
Schools Access Initiative	44	9	9	35	0	0
Small Capital Works	139	79	79	60	0	0
Basic Needs Projects	601	0	0	601	0	0
Cavendish School	605	223	223	382	0	0
Astmoor Primary	300	175	174	126	0	0
Ashley School	500	37	37	463	0	0
Kingsway Academy	30	0	0	30	0	0
Oakfield Primary	352	303	303	49	0	0
St Basils Primary	250	0	0	250	0	0
St Peter & Paul High School	356	0	0	356	0	0
The Brow Primary	103	89	89	14	0	0
Victoria Road Primary	268	133	133	135	0	0
Westfield Primary	220	190	190	30	0	0
Woodside Primary	350	176	176	174	0	0
SEMH Free School	239	239	239	0	0	0
Brookfields School	300	0	0	300	0	0
SCA unallocated	21	0	0	21	0	0
TOTAL CHILDRENS DIRECTORATE	5,790	2,360	2,359	3,431	0	0
ADULT DIRECTORATE						
Disabled Facilities Grant	650	500	494	156	600	600
Stair lifts (Adaptations Initiative)	300	200	190	110	270	270
RSL Adaptations (Joint Funding)	200	120	101	99	270	270
Telehealthcare Digital Switchover	300	80	80	220	0	0
Millbrow Refurbishment	200	40	40	160	0	0
Madeline McKenna Refurb.	1,000	20	17	983	0	0
St Luke's Care Home	100	25	45	55	0	0
St Patrick's Care Home	100	50	47	53	1,200	0
TOTAL ADULTS DIRECTORATE	2,850	1,035	1,014	1,836	2,340	1,140
ENVIRONMENT and REGENERATION DIRECTORATE						
Total Bridge & Highway Maintenance	3,133	662	662	2,471	0	0
Integrated Transport	549	0	0	549	0	0
CRSTS	7,140	1,705	1,705	5,435	0	0
SJB – Decoupling	0	0	0	0	0	0
Runcorn Busway	239	347	347	-108	0	0
East Runcorn Connectivity (ERC)	1,577	1,832	1,832	-255	0	0
A56 Reconstruction	947	0	0	947	0	0
Dukesfield ATL (Waterloo Bridge)	0	1,493	1,493	-1,493	0	0
LCWIP Phase 2 Daresbury	5,783	1,468	1,468	4,315	0	0
ATF3 Murdishaw to Whitehouse	3,000	154	154	2,846	0	0
ATF4 Widnes Town Centre Accessibility	122	0	0	122	0	0
SUD Green Cycle	0	2	2	-2	0	0
Street Lighting	50	7	7	43	1,026	200
Lighting Upgrades	300	208	208	92	969	0
Silver Jubilee Bridge - Lighting	0	0	0	0	531	0
Risk Management	100	17	17	83	598	120
Fleet Vehicles	2,500	1,324	1,324	1,176	4,927	1,423
Mersey Gateway - Land Acquisition	839	55	55	784	0	0
Mersey Gateway - Crossings Board	33	30	30	3	0	0
Mersey Gateway - Handback Land	23	23	72	-49	0	0

Capital Programme as at 31 December 2023...continued

Directorate/Department	2023/24 Capital Allocation	Allocation to Date	Actual Spend to 31 Dec 2023	Total Allocation Remaining	2024/25 Capital Allocation	2025/26 Capital Allocation
	£'000	£'000	£'000	£'000	£'000	£'000
Widnes Loops	0	84	84	-84	0	0
Stadium Minor Works	34	20	18	16	30	30
Brookvale Pitch Refurbishment	28	14	13	15	0	0
Halton Leisure Centre	15,056	12,600	12,550	2,506	15,285	0
Open Spaces Schemes	851	200	150	701	600	600
Children's Playground Equipment	105	20	20	85	65	65
Upton Improvements	13	0	0	13	0	0
Crow Wood Park Play Area	12	1	1	11	0	0
Landfill Tax Credit Schemes	340	0	0	340	340	340
Runcorn Town Park	284	120	117	167	310	280
Spike Island / Wigg Island	1,023	35	32	991	964	0
Pickerings Pasture Café	520	0	0	520	0	0
Litter Bins	20	0	0	20	20	20
3MG	24	14	14	10	127	0
Murdishaw	30	8	8	22	0	0
Equality Act Improvement Works	282	230	230	52	300	300
Foundry Lane Residential Area	2,634	1,308	1,308	1,326	0	0
Police Station Demolition	406	406	406	0	0	0
Kingsway Learning Centre Improved Facilities	36	0	0	36	0	0
Roof Top Garden	35	0	0	35	0	0
Property Improvements	254	210	210	44	200	200
Woodend - Former Unit 10 Catalyst Trade Park	200	234	234	-34	0	0
Runcorn Station Building Development	80	30	30	50	435	0
Waterloo Building	93	1	1	92	0	0
UK Shared Prosperity Fund	82	20	20	62	126	0
Runcorn Waterfront Residential Development	291	18	18	273	0	0
Changing Places	212	180	180	32	0	0
Town Deal	2,240	825	825	1,415	9,042	3,654
TOTAL ENVIRONMENT and REGENERATION DIRECTORATE	51,520	25,905	25,845	25,675	35,895	7,232
CHIEF EXECUTIVE DIRECTORATE						
ICT Rolling Capital Project	700	525	287	413	700	700
Halton Smart Microgrid	11,000	0	0	11,000	0	0
Transformation Programme	5,000	3,750	1,967	3,033	1,000	1,000
TOTAL CHIEF EXECUTIVE DIRECTORATE	16,700	4,275	2,254	14,446	1,700	1,700
TOTAL CAPITAL PROGRAMME	76,860	33,575	31,472	45,388	39,935	10,072
Slippage (20%) Carried Forward	-15,372				-7,987	-2,014
Slippage Brought Forward					15,372	7,987
TOTAL	61,488	33,575	31,472	30,016	47,320	16,045

Progress Against Agreed Savings

APPENDIX 4

Adult Social Care

	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value			Current Progress	Comments
				23/24 £'000	24/25 £'000	25/26 £'000		
ASC1	Housing Solutions	474	Remodel the current service based on good practice evidence from other areas.	0	0	125	✓	Expected to be achieved in 2025/26 budget year
ASC2	Telehealthcare	680	Explore alternative funding streams such as Health funding or Disabled Facilities Grants.	0	170	0	✓	Expected to be achieved in 2024/25 budget year
			Increase charges / review income.	0	170	0		
			Cease the key safe installation service.	0	15	0		
ASC11	Dorset Gardens Care Services	471	Cease onsite support and transfer to the domiciliary care contract.	275	0	0	U	To be achieved in current year, but only effective from September 2023 onwards
ASC17/18	Quality Assurance Team	395	Review the activities of the Quality Assurance Team, given there are fewer providers for domiciliary care and the transfer of four care homes into the Council.	35	0	0	✓	Current year savings achieved, and 2024/25 savings on target
			Merge the service with the Safeguarding Unit.	0	50	0		







ASC12	Meals on Wheels	33	Increase charges to ensure full cost recovery. A procurement exercise will also be completed for the provision of food.	33	0	0	<input checked="" type="checkbox"/>	Charge increase implemented
ASC16	Shared Lives (Adult Placement Service)	115	Engage with an external agency currently operating Shared Lives to take over the running of this service. It is anticipated that this would provide an improved service.	0	58	0	<input checked="" type="checkbox"/>	Expected to be achieved in 2024/25 budget year
ASC19	Voluntary Sector Support	N/A	Review the support provided by Adult Social Care and all other Council Departments, to voluntary sector organisations. This would include assisting them to secure alternative funding in order to reduce their dependence upon Council funding. A target saving phased over two years has been estimated.	0	200	100	<input checked="" type="checkbox"/>	Expected to be achieved in the relevant budget years
ASC4	Positive Behaviour Support Service	349	Increase income generated in order to ensure full cost recovery, through increased service contract charges to other councils.	0	100	0	<input checked="" type="checkbox"/>	Expected to be achieved in 2024/25 budget year

			Review the Integrated Care Board contribution for Adults, to ensure the full recovery of related costs.	0	150	0		
ASC6	Bridge Builders	250	Restructure and incorporate within the Care Management front door service, introducing the services currently offered by Bridge Builders to all new referrals.	120	0	0	u	To be achieved in current year, although full-year savings not realised
ASC5	Mental Health Outreach Team	376	Streamline the service and focus on higher needs requiring joint funding from the Integrated Care Board.	140	0	0	x	Currently under review, it does not seem probable that the savings will be achieved this year
ASC21	Mental Health Team Carers Officer	38	Commission the Carers Centre to complete all Carers assessments or undertake the function through the Initial Assessment Team.	38	0	0	x	Currently under review, it does not seem probable that the savings will be achieved this year

ASC15	Learning Disability Nursing Team	424	Cease provision of this service. The service is a Health related function rather than Adult Social Care, but this is a historical arrangement. The Integrated Care Board would need to consider how they want to provide this function.	0	424	0	<input checked="" type="checkbox"/>	Expected to be achieved in 2024/25 budget year
ASC14	Care Management Community Care Budget	18,982	Attract £500k investment from the pooled budget (BCF) from 2024/25. Undertake work in years 1 and 2 to reduce reliance upon contracted services from 2025/26. Services are currently in the process of being redesigned on a "Strengths Based Approach" ie. focused upon prevention.	0	500	1,000	<input checked="" type="checkbox"/>	Expected to be achieved in the relevant budget years
Total Adult Social Care Department				641	1,837	1,225		

Finance

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value			Current Progress	Comments
				23/24 £'000	24/25 £'000	25/26 £'000		
F1	Client Finance	109	Increase by £3 per week the charge to clients for the Appointeeships Service to ensure full cost recovery.	45	0	0	<input checked="" type="checkbox"/>	Implemented in April 2023 and income budget increased accordingly
F6	Income Control	118	Removal of payment kiosks which are now significantly under-utilised and in need of replacement. The ceasing of annual rental and licence costs will provide a saving. Residents can instead make payments for council tax etc. via the numerous Paypoint outlets across the Borough.	20	0	0	<input checked="" type="checkbox"/>	Implemented April 2023 and expenditure budgets reduced accordingly
F8	Insurance	1,043	Reduction in the insurance budgets, following a review of claims history over recent years with advice from the Council's insurance broker. The majority of claims are provided for via self-insurance, with external policies providing cover for exceptional or potentially high cost claims.	135	0	0	<input checked="" type="checkbox"/>	Implemented April 2023 and expenditure budgets reduced accordingly

F9	Internal Audit	300	Restructure in light of potential retirements over the next two years within the Internal Audit Team.	0	0	50		Planned restructure to take place during 2024/25 and to be implemented 1 April 2025
F11	Purchase to Pay	27	Increase in the target income budgets for the Early Payment Scheme (£15k) and the Corporate Card Programme rebate (£15k)	30	0	0		Implemented 2023/24 income budgets increased accordingly
F12	Benefits Processing & Administration	216	Deletion of a 1.0fte vacant Housing Benefit Officer Post and a 0.5fte vacant Visiting Officer Post.	55	0	0		These two vacant posts accepted for a saving in 2023/24 and can be deleted from the structure.
F13	Discretionary Support Scheme	221	Review the roles, procedures and structure of the team.	0	25	0		A review of the DSS structure will be undertaken in 2024/25.
F15	Business Rates	-26	Increase the charge to Halton Chamber of Commerce for providing billing and collection of Business Improvement District (BID) income.	2	0	0		2023/24 operating agreement between the Council and Halton Chamber of Commerce still to be agreed.
F16	Concessionary Travel	1,892	Due to a decrease in passenger numbers following Covid, it is considered that the budget for concessionary travel costs can be reduced. The budget was underspent by £421k (20%) in 2021/22. A reduction in this	150	0	0		On Target

			budget will not prevent any eligible concessionary passenger from still being able to travel.					
F17	Council Tax	84	Increase the charges applied when a court summons is issued by 30% (£23), to achieve full cost recovery over the three year period.	40	40	40	<input checked="" type="checkbox"/>	On target, summons cost increased for 2023/24
F17 Cont.	Council Tax	N/A	Establish a new post dedicated to reviewing council tax exemptions. It is considered at least a 3% reduction in Single Person Discount awards could be achieved, generating approximately £150k of additional council tax income, less the cost of the new post.	116	0	0	<input checked="" type="checkbox"/>	Post appointed to and review of exemptions to commence over the next quarter.
F18	Financial Management - Treasury Management	1,152	Closer management of medium- to long-term cash balances will give greater opportunity to invest in higher interest bearing accounts due to increasing interest rates.	300	0	0	<input checked="" type="checkbox"/>	Interest payable on target to achieve increased target.
Total Finance Department				893	65	90		



Legal and Democratic Services

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value			Current Progress	Comments
				23/24 £'000	24/25 £'000	25/26 £'000		
L4	Marketing, Design and Communications	45	Review the frequency of production of Inside Halton, as part of the wider consideration of the Council's communications strategy required for the Transformation Programme	0	15	0	U	The marketing and communications team has now moved within the Chief executives Delivery Unit so that they can review the frequency of production.
L5	Mayoral Services	102	Review the various budgets comprising the Mayoral function, with a target to achieve a 20% savings across these.	20	0	0	U	Looking at alternative ways to run the events and bring operations in line with other local authorities who have more independent/self-funded events. The savings should be on track to be met by the end of the year.
Total Legal Services Department				20	15	0		

ICT and Support Services

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value			Current Progress	Comments
				23/24 £'000	24/25 £'000	25/26 £'000		
ICT3	External Clients	N/A	Recharge the Youth Offending Services for the full cost of ICT services which are hosted by Halton, but have not thus far been recharged. This approach has been agreed by the Cheshire and Warrington partner councils.	232	0	0	U	Final figure still to be agreed with partner councils.
Total ICT and Admin Department				232	0	0		

Chief Executives Delivery Unit




Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value			Current Progress	Comments
				23/24 £'000	24/25 £'000	25/26 £'000		
PPPE1	Apprenticeships	198	Reduce the budget which provides for apprenticeship salaries by 50%. More apprenticeships will therefore be attached to vacant posts which are already budgeted for. This may particularly help to fill vacancies in areas where recruitment is difficult.	99	0	0		Reflected within the 2022/23 budget.
PPPE4	Organisational Development & Performance	383	Explore whether Organisational Development / Learning and Development activities could be rationalised and restructured to reduce cost, given there is currently a vacant post within the team.	65	0	0		Restructures to the team are currently being considered to help develop and change the way Organisational Development/Learning is carried out.
Total PPPE Department				164	0	0		



Children and Families

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value			Current Progress	Comments
				23/24 £'000	24/25 £'000	25/26 £'000		
C1	Ditton and Warrington Road Daycare Centres	52	Closure of Ditton and Warrington Road daycare centres, given the significant on-going net losses at both centres. Sufficient alternative provision exists nearby, as well as in the adjoining nursery schools.	26	26	0	<input checked="" type="checkbox"/>	The daycare centres closed in August 23. The daycare centres will continue to be overspent in 23-24, however the savings should be realised in 24/25.
C2	Children's Centres	1,293	Reduce the opening hours of Children's Centres.	12	0	0	<input type="checkbox"/>	Initial indicators suggest saving unlikely to be made, but awaiting further clarification from Divisional Manager
			Review the operation of Windmill Hill Children's Centre, where there is the potential to save on premises and staffing costs.	0	0	22	<input type="checkbox"/>	Initial indicators suggest saving unlikely to be made, but awaiting further clarification from Divisional Manager
			Target to generate at least 5% additional income by increasing a range of charges at Children's Centres.	20	0	0	<input checked="" type="checkbox"/>	



C3	Children with Disabilities and Inglefield	858	Explore the potential for selling Inglefield and then purchase two bungalows within the community to provide a more appropriate setting.	0	112	0	U	Initial indicators suggest saving unlikely to be made, but awaiting further clarification from Divisional Manager
Total Children & Families Department				58	138	22		

Education, Inclusion and Provision

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value			Current Progress	Comments
				23/24 £'000	24/25 £'000	25/26 £'000		
EIP1	Education Psychology Service	339	There is excess demand from schools for the Education Psychology Service. The service is valued and there is opportunity to expand our offer and generate additional income.	0	52	0		On target to be achieved
EIP2	SEN Assessment Team	82	Consideration will be given to funding the full service costs from the High Needs Block of the Dedicated Schools Grant.	0	80	0		To be reviewed
EIP5	Commissioning	148	Review with Health colleagues how the Emotional Health and Wellbeing Service for Children in Care, Care Leavers and Carers could instead be provided by Child and Adolescent Mental Health Services (CAMHS) as they are commissioned by the Integrated Care Board.	0	148	0		To be reviewed





EIP5	Commissioning	291	Additional funding for Youth Grants has been confirmed for three years from the DfE Holiday Activity and Food Programme grant, therefore core budget can be released.	40	0	0		On target to be achieved
EIP9	Education Welfare Service	396	There has been increased buy-back of this service from schools and as a result the income budget can be increased.	60	0	0		On target to be achieved
Total Education, Inclusion and Provision Department				100	280	0		

Community and Greenspace

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value			Current Progress	Comments
				23/24 £'000	24/25 £'000	25/26 £'000		
COMM1	The Brindley Theatre	64	Reduce Box Office opening hours from 10am-5pm Monday-Friday to 10am-2pm. Currently 80% of tickets are purchased online or by telephone and this is increasing each year.	10	0	0		Box Office core opening hours were reduced to 5 hours (Mon – Fri) 10am – 3pm. They will be realigned to 4 hours daily 11am – 3.00pm (Mon – Fri) from 1 September onwards.
			Replace all non-LED lighting in the building. This is estimated to reduce on-stage energy costs by 75%.	10	0	0		No LED lighting has yet been installed but is planned for later in the financial year.
COMM3	Sport & Recreation	471	Restructuring the roles and responsibilities of the Sports Development Team	0	36	0		On track to meet savings identified for 2024/25.
COMM4	Stadium & Catering Services	751	Franchise the concourse only catering services to an external operator.	50	0	0		
			An organisational restructure is currently being implemented for Stadium & Catering Services to reflect recent service changes.	40	0	0		






Ref.	Service Area	Net	Description of Saving Proposal	Savings Value			Current	Comments
COMM6	Area Forums	170	Reduce the base budget provision to £50k temporarily for one year, with all unspent monies in 2022/23 (currently £120k) being carried forward to be spent by the relevant Area Forums in 2023/24. The base budget position will then be reviewed for 2024/25.	120	-120	0	<input checked="" type="checkbox"/>	Implemented in 2023/24 budget setting.
COMM5	Stadium & Catering Services – School Meals	12	Cease to deliver the school meals service, which has made significant losses of over £200,000 for a number of years and is forecast to make a similar loss by year-end. Work would be undertaken with schools over the next two years to support them to secure an alternative means of delivery, whether in-house or via an external provider.	0	0	12	<input checked="" type="checkbox"/>	Work underway in school meals being delivered through alternative means
Total Community & Environment Department				230	-84	12		

Economy, Enterprise and Property

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value			Current Progress	Comments
				23/24 £'000	24/25 £'000	25/26 £'000		
EEP1	Capital Works Team	N/A	Increase the level of fee income by increasing the percentage charged or charging by time, including those works not currently charged for.	10	0	0		On target.
EEP4	Cleaning Services – Council Buildings	580	Review cleaning arrangements, with a focus on only emptying bins and cleaning toilets daily.	0	100	0		Until the accommodation review is complete, only limited savings will be made in 2024/25
EEP2	Caretaking & Security Services	641	A review and restructuring of caretaking arrangements.	0	52	0		Restructure will take place in 24/25. It is anticipated the full saving will not be met in year.
			Reduce security cover at Halton Lea to provide opening/closing and then static guarding 7.00am to 7.30pm Monday to Friday, and 9.30am to 3.00pm on Saturdays to cover the opening hours of Halton Direct Link.	35	0	0		Cannot achieve savings for security due to anti-social behaviour in Halton Lea. Police have advised security is kept on site until this is resolved.

EEP5	Corporate Buildings	927	Generate additional rental income by providing additional office space for external organisations at Rutland House, by letting out the remaining three floors.	120	0	0	<input checked="" type="checkbox"/>	Reflected in 2023/24 budget.
EEP6	Facilities Management	165	Restructure the team in light of an expression of interest for retirement.	44	0	0	<input checked="" type="checkbox"/>	Reflected in 2023/24 budget.
EEP8	Technical Support & Market Team	392	Restructuring of the team	98	0	0	<input checked="" type="checkbox"/>	Reflected in 2023/24 budget.
Total Economy, Enterprise & Property Department				307	152	0		

Policy, Planning and Transportation

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value			Current Progress	Comments
				23/24 £'000	24/25 £'000	25/26 £'000		
PPT1	Fleet Management & Maintenance	400	Reduction in the annual contribution to the Fleet Replacement Reserve.	40	0	0		Budget has already been removed and saving will be met in full
PPT2	Transport Coordination	484	Reduction in the provision of subsidised bus grants. Currently, 14 bus services are subsidised through contracts where there are no commercial services. Passenger utilisation of routes would be assessed to see where reductions can be applied with the least impact upon services.	50	0	0		Budget has already been removed but the expenditure is expected to see a significant rise as mentioned in the Q1 report. However, this is being met by a contribution from Mersey Gateway.
PPT4	Schemes and Maintenance	1,056	Reduction of 6% in the programmed road maintenance budget.	60	0	0		Budget has already been removed and saving will be met in full
PPT5	School Crossings	70	Approach the Schools Forum to seek a contribution of at least 50% towards funding the school crossing patrol service, which is a non-statutory service.	35	0	0		Still waiting to take a report to Schools Forum to discuss further action
PPT6	Traffic	N/A	Consider introducing civil traffic enforcement for traffic violations. Employ private sector civil enforcement	0	150	0		This is a complex piece of work to take forward, it requires DfT to grant powers to Halton. The

			<p>officers to issue fines and generate income. It would take 12 months to apply for powers from the DFT and put the scheme in place. The Environment & Urban Renewal Policy & Performance Board will consider this via a Topic Group.</p>					<p>project also needs resourcing, and the department is still awaiting capacity from the Accelerated Growth project. No savings were eligible for 23/24 financial year.</p>
Total Policy, Planning & Transportation Department				185	150	0		

REPORT TO: Executive Board

DATE: 22 February 2024

REPORTING OFFICER: Operational Director – Finance

PORTFOLIO: Corporate Services

SUBJECT: Budget 2024/25

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To recommend to Council the revenue budget, capital programme and council tax for 2024/25.

2.0 RECOMMENDATION: That Council be recommended;

- 1) To adopt the resolution set out in Appendix A, which includes setting the budget at £149.496m, the Council Tax requirement of £64.039m (before Parish, Police, Fire and LCR Combined Authority precepts) and the Band D Council Tax for Halton of £1,758.89;**
- 2) To approve the capital programme set out in Appendix F;**
- 3) 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 2025, subject to legislation being enacted; and**
- 4) To approve the Use of Capital Receipts Strategy set out in Appendix H.**

3.0 SUPPORTING INFORMATION

Medium Term Financial Strategy

3.1 The Board approved the Medium Term Financial Strategy (MTFS) at its meeting on 16 November 2023. In summary, funding gaps of £3.743m in 2024/25, £0.495m in 2025/26 and £1.347m in 2026/27 were identified. These figures were calculated based on the assumption that the £20m savings proposed by the Transformation Programme, and the £4.051m of savings approved during the 2023/24 budget setting process are achieved in full. Any shortfall in these savings will

increase the reported funding gaps. 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 2023/24 Budget

- 3.4 The Executive Board receives regular reports detailing 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 £7.144m against a net budget of £140.880m. 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 £5.147m, equivalent to approximately 3.6% of the net budget for 2023/24, this is considered to be a minimum level at which the general reserve balance should be held.

2024/25 Revenue Budget

- 3.6 The proposed revenue budget totals £149.496m. The departmental analysis of the budget is shown in Appendix B, along with a breakdown of these changes in Appendix C, and the major reasons for the change from the current budget in Appendix D. The departmental budgets provided at the time of writing this report are subject to change pending

any further alterations to funding and the recalculation of the Council's central recharges.

- 3.7 A total of £2.702m of savings to be achieved in 2024/25 were approved by the Council on 01 February 2023. These savings are detailed in Appendix G. Further savings of £4m from the Transformation Programme are included in the budget for 2024/25.
- 3.8 The proposed budget incorporates the grant figures announced in the Local Government Finance Settlement. It includes £0.124m for the New Homes Bonus grant, an increase of £0.115m from 2023/24. 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 2024/25.
- 3.9 The budget includes Better Care Funding (BCF) of £6.982m which is unchanged from 2023/24.
- 3.10 Additional funding for Adult's and Children's Social Care was announced as part of the provisional grant settlement. The £11.561m 2023/24 Social Care Grant will also be received in 2024/25, with an additional allocation of £2.134m. Additional funding for Social Care, primarily intended for Children's Services, worth £500m nationally, was announced on 23 January 2024. Individual authority allocations will not be confirmed until the final grant settlement is published, but it is estimated that Halton will receive £1.332m. This funding will be included in the Council budget to help to fund existing pressures within Social Care services. £2.796m will be received in 2024/25 from the Adult Social Care Market Sustainability and Improvement Fund and the Workforce Fund. This will be used to fund increases in the rates paid to providers within Adult Social Care.
- 3.11 The value of the Services Grant to Halton has decreased significantly for 2024/25. This grant was first introduced in 2022/23 and represents non-ringfenced funding which is distributed on a basis which takes relative need into account. In the initial year of the grant, Halton received £2.5m of funding, reducing to £1.460m in 2023/24. In 2024/25, this funding will decrease further, by £1.230m (84%) to just £0.230m. Government have used this 84% national reduction in grant, primarily to fund the additional Social Care grant allocations referred to in paragraph 3.10 above.
- 3.12 Government have confirmed the continuation of the 100% Business Rates Retention pilot within the Liverpool City Region for 2024/25. 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 2024/25 have not yet been agreed. A 4% rise on all pay bands has been assumed in the budget for 2024/25. Budget provision has not been included in 2024/25 for the extra cost of

agency staffing to cover staff sickness, vacancies, and demand pressures. The additional costs incurred for agency staffing are expected to be covered from within existing departmental budgets.

- 3.14 Inflation of 2% has been applied to contractual (non-controllable) expenditure budgets for 2024/25. Additional inflation of 10% has been applied to social care contract costs which will increase at above normal inflation rates due to the increase of 9.8% in National Living Wage rates from April 2024. Electricity and gas budgets have been reduced by 12% and 30% respectively due to prices decreasing from their peak in 2023/24.
- 3.15 In order to reduce the budget gap in 2024/25, reductions of 10% have been applied to non-contractual supplies and services, property repairs and maintenance, and street lighting and highway maintenance budgets. The value of these budget reductions is £1.545m.
- 3.16 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 2024/25 to help manage the current departmental budget overspends. These increases are based on the 2023/24 full-year expenditure projections, excluding agency staffing pressures, reported in the Council-wide Spending Report elsewhere on the Agenda. This should provide realistic, sustainable departmental budgets for the 2024/25 financial year. The increases provided for the departmental budgets are detailed in Appendix C.
- 3.17 It is considered prudent for the budget to include a general contingency of £1.379m. 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.
- 3.18 Given the diminishing level of reserves held by the Council, within the MTFS there is provision for £2m per annum to be used to replenish reserves balances in 2025/26 and 2026/27.
- 3.19 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 2024/25 revenue budget, capital programme and council tax. Balances and reserves should provide sufficient resilience to meet the financial consequences of any unforeseen events.
- 3.20 Whilst this budget should provide the Council with sufficient resources to meet its anticipated spending needs, it is essential that work continues in-year to reduce reliance upon agency staff in particular and to ensure all spending remains within budget by year-end. In addition,

all approved savings must be delivered on schedule to avoid creating further spending pressures. Any significant overspend at 31 March 2025 will have a detrimental impact upon the Council's limited, remaining reserves and will also make it difficult to deliver a balanced budget for 2025/26.

Local Government Finance Settlement

- 3.21 The Government announced the provisional Local Government Finance Settlement on 18 December 2023. At the time of writing the report, the final settlement is still to be announced.
- 3.22 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.
- 3.23 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.
- 3.24 For 2024/25, the Council will receive Top-Up Grant funding of £4.519m, representing the difference between Halton's baseline funding need, as assessed by Government, and the amount that can be generated from business rates. The Top-Up Grant allocation is split between £3.940m for 2024/25, and an additional one-off amount of £0.579m relating to 2023/24.
- 3.25 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 2024/25, in cash terms there has been an increase in funding for Halton of just 3.3% and in real terms (ie. allowing for inflation), a cut of 26.6%. This real terms cut equates to a reduction in funding of £919.02 per dwelling within the Borough.
- 3.26 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 £63.091m for 2024/25. This is higher than was forecast in

the MTFs, primarily due to new properties being added to the rating list, worth approximately £1.4m in business rates per year.

- 3.27 The business rates multiplier is fixed centrally by Government and then applied to each premises' rateable value. For 2024/25 the small business rates multiplier will be frozen at 49.9p whereas the standard rate multiplier will be increased by 6.7%, from 51.2p to 54.6p. The cost of freezing the small business rates multiplier is fully met by Central Government, through the provision of additional grant funding to the Council.
- 3.28 The level of Adult Social Care council tax precept levied by the Council in each year since its introduction is detailed in Table A below.

Table A – Adult Social Care Precept Levels

Financial Year	Adult Social Care Precept
2016/17	2%
2017/18	3%
2018/19	3%
2019/20	0%
2020/21	2%
2021/22	3%
2022/23	1%
2023/24	2%

- 3.29 The Autumn Statement published on 17 November 2022 confirmed that the maximum permitted Adult Social Care precept for 2024/25 will be an increase of 2%. The Provisional Grant Settlement includes an assumption that councils will adopt the maximum 2% Adult Social Care precept.

Budget Outlook

- 3.30 No information about Local Government funding has been provided by Central Government beyond 2024/25. As a general election will take place during 2024/25, it is highly likely that the 2025/26 Local Government Finance Settlement will cover one year only.
- 3.31 The impact of the following developments will have to be assessed when considering the 2025/26 budget and beyond. Further information will hopefully 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 2026/27 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 removed from 2020/21 onwards. The 2024/25 allocation is for one year only and 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 2024/25.
- 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 it is not clear when, or even if, this will now take place.
- 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 sufficient 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.

- 3.32 The Medium Term Financial Strategy has been updated to take into account the 2024/25 Local Government Finance Settlement and multi-year allocations and savings measures already agreed or proposed. It includes a number of assumptions for 2025/26 including:
- Settlement Funding Assessment as per 2024/25 plus 2% inflation.
 - Pay, prices and income growth of 2%.

3.33 The resulting total funding gap over the subsequent three financial years (2025/26 to 2027/28) is forecast to be in the region of £10.482m. This assumes that the previously approved three-year savings plan of £6.646m and the £20m Transformation Programme savings are achieved in full. Any shortfall in these savings will increase the funding gap.

Halton's Council Tax

- 3.34 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.
- 3.35 The Government have confirmed that the general council tax referendum threshold will remain at 3% for 2024/25, with an additional 2% Adult Social Care precept increase permitted. The Provisional Grant Settlement includes an assumption that councils will adopt the maximum Adult Social Care precept and general council tax increase.
- 3.36 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 2025, subject to the relevant legislation being enacted.
- 3.37 The tax base (Band D equivalent) for the Borough has previously been set by Council at 36,409.
- 3.38 As at March 2024 it is estimated that there will be a surplus amount of £0.234m against the council tax element of the Collection Fund. This has been used as one-off funding in helping to balance the 2024/25 budget.
- 3.39 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 £1,758.89 (equivalent to £33.82 per week), in order to deliver a balanced budget for 2024/25 as required by statute. This is an increase of 4.99% (£83.60 per annum or £1.60 per week) over the current year.

Parish Precepts

- 3.40 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:

Table B – Parish Precept Levels 2024/25

	Precept	Precept Increase		Additional Council Tax	Basic Council Tax
	£	£	%	£	£
Hale	xx,xxx	x,xxx	xx.xx%	xx.xx	x,xxx.xx
Daresbury	9,680	1,674	20.91%	45.66	1,804.55
Moore	6,216	91	1.49%	18.23	1,777.12
Preston Brook	52,445	13,482	59.36%	141.74	1,900.63
Halebank	40,060	450	1.14%	75.02	1,833.91
Sandymoor	46,718	3,869	9.03%	29.09	1,787.98

Average Council Tax

- 3.41 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 £x,xxx.xx, an increase of £xx.xx per annum.

Police Precept

- 3.42 The Cheshire Police and Crime Commissioner has set the precept on the Council at £x.xxxm, which is £xxx.xx for a Band D property, an increase of £xx.xx or x.xx%. The figures for each Band are shown in Recommendation 5 in Appendix A.

Fire Precept

- 3.43 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

- 3.44 The Liverpool City Region Combined Authority has set the precept on

the Council at £0.692m 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

- 3.45 Combining all these figures will give the Total Council Tax for 2024/25 and these are shown in Recommendation 8 in Appendix A. The total Band D Council Tax (before Parish precepts) is £x,xxx.xx, an increase of £xx.xx or x.xx%. The inclusion of parish precepts means the increase in Hale is x.xx%, in Daresbury is x.xx%, in Moore is x.xx%, in Preston Brook is x.xx%, in Halebank is x.xx%, and in Sandymoor is x.xx%.
- 3.46 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.
- 3.47 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

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

Table C – Capital Programme 2024/25 – 2026/27

	2024/25	2025/26	2026/27
	£000	£000	£000
<u>Spending</u>			
Scheme Estimates	53,671	10,071	4,715
Slippage Between Years	-3,621	5,367	1,007
	<u>50,050</u>	<u>15,438</u>	<u>5,722</u>
<u>Funding</u>			
Borrowing and Leasing	32,512	2,692	2,169
Grants and External Funds	17,548	5,979	2,046
Direct Revenue Finance	0	0	0
Capital Receipts	3,611	1,400	500
Slippage Between Years	-3,621	5,367	1,007
	<u>50,050</u>	<u>15,438</u>	<u>5,722</u>

- 3.49 The committed Capital Programme is shown in Appendix F.
- 3.50 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

- 3.51 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.
- 3.52 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

- 3.53 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 (NFF) introduced in 2018/19.
- 3.54 The 2024/25 DSG settlement was announced on 19 December 2023 allocating Halton a total of £154.497m, which is broken down as £111.188m for the Schools Block, £0.747m for the Central Schools Services Block, £27.007m for the High Needs Block, and £15.554m for the Early Years Block.
- 3.55 Schools Block pupil numbers in mainstream primary and secondary schools have decreased from 18,061 for 2023/24 to 17,830 for 2024/25. Funding for mainstream primary and secondary schools is based on the pupil cohort on the October 2023 census.

- 3.56 The Minimum Funding Guarantee has been agreed by Schools Forum at plus 0.5%. This is in line with the maximum protection allowed by the Department for Education (DfE).
- 3.57 The Schools Block of £111.188m includes the Mainstream Schools Additional Grant (MSAG) that was provided in-year for 2023/24 and has now been rolled into the DSG with effect from 1 April 2024. The School's Block has increased by £0.996m when compared to 2023/24 inclusive of MSAG. The School's Block is distributed to schools and academies in accordance with Schools' Forum recommendations and in compliance with the National Funding Formula (NFF) requirements.
- 3.58 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 of 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.
- 3.59 The Early Years Block indicative allocation for 2024/25 is £15.554m which is £5.903m greater than 2023/24. Reasons for the increase include an increase in the hourly rate for 3 and 4 year olds, an increase in the hourly rate for 2 year olds, and an entitlement covering disadvantaged 2 year olds which now includes 2 year olds with working parents and disadvantaged children under 2 years old. The 2024/25 allocation remains indicative until after the January 2024 early years headcount has been collated, validated and used by the DfE to inform Halton's actual Early Years Block allocation for 2024/25.
- 3.60 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 £5.20 per hour for 2023/24 to £5.72 per hour for 2024/25. The hourly rate the Council are funded at for 2 year old provision has increased from £5.71 per hour to £8.20 per hour and the hourly rate for the expansion to include provision for under 2 year olds is £11.18 per hour.
- 3.61 The High Needs Block for 2023/24 was £25.080m before recoupment by the DfE for commissioned places in special academies and further education. This was increased in-year for the special schools equivalent of MSAG to provide a total High Needs block for 2023/24 of £26.135m. For 2024/25 the High Needs Block is £27.007m, which is an increase of £0.872m or 3.2%. Further Conditions of Grant in respect to High Needs have been continued for 2024/25 which require all Authorities to pass on a minimum guaranteed increase to their specialist provisions.

3.62 The Pupil Premium Grant (PPG) rates have increased by 1.7% to £1,480 per Primary pupil, and 1.5% to £1,050 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 £2,570 per pupil. Eligibility for the Service Children Premium will be funded at £340 per pupil. The amount for Looked after Children which comes to the Council for distribution is £2,570 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 There is no impact upon 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 2024/25.

11.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

12.0 IMPLEMENTATION DATE

12.1 06 March 2024.

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

Document	Place of Inspection	Contact Officer
Local Government Finance Report (England) 2024/25	Financial Management Halton Stadium	Steve Baker

APPENDIX A

**DRAFT RESOLUTION FOR SUBMISSION TO THE COUNCIL
AT ITS MEETING ON 06 MARCH 2024**

RECOMMENDATION: that the Council adopt the following resolution:

1. The policies outlined in this paper be adopted, including the budget and council tax for 2024/25 and the Capital Programme set out in Appendix E.
2. That it be noted that at the meeting on 6 December 2023 the Council agreed the following:
 - (a) The Council Tax Base 2024/25 for the whole Council area is 36,409 (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	667
Daresbury	212
Moore	341
Preston Brook	370
Halebank	534
Sandymoor	1,606

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 2024/25 (excluding Parish precepts) is £64,039,426.
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 2024/25 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	9,680
Moore	6,216
Preston Brook	52,444.60
Halebank	40,060
Sandymoor	46,718

- (f) £1,758.89 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	45.66
Moore	18.23
Preston Brook	141.74
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	x,xxx.xx	1,203.03	1,184.75	1,267.09	1,222.61	1,191.99	1,172.59
B	x,xxx.xx	1,403.54	1,382.20	1,478.27	1,426.37	1,390.65	1,368.03
C	x,xxx.xx	1,604.04	1,579.66	1,689.45	1,630.14	1,589.32	1,563.46
D	x,xxx.xx	1,804.55	1,777.12	1,900.63	1,833.91	1,787.98	1,758.89
E	x,xxx.xx	2,205.56	2,172.04	2,322.99	2,241.45	2,185.31	2,149.75
F	x,xxx.xx	2,606.57	2,566.95	2,745.35	2,648.98	2,582.64	2,540.62
G	x,xxx.xx	3,007.58	2,961.87	3,167.72	3,056.52	2,979.97	2,931.48
H	x,xxx.xx	3,609.10	3,554.24	3,801.26	3,667.82	3,575.96	3,517.78

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 2024/25 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	xxx.xx
B	xxx.xx
C	xxx.xx
D	xxx.xx
E	xxx.xx
F	xxx.xx
G	xxx.xx
H	xxx.xx

6. It is further noted that for the year 2024/25 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
D	xx.xx
E	xxx.xx
F	xxx.xx
G	xxx.xx
H	xxx.xx

7. It is further noted that for the year 2024/25 the Liverpool City Region Combined Authority have stated the following amounts in precepts issued to the Council, in accordance with the Local Government Act 2003 for each of the categories of dwellings shown below:

	£
A	12.67
B	14.78
C	16.89
D	19.00
E	23.22
F	27.44
G	31.67
H	38.00

8. That, having calculated the aggregate in each case of the amounts at 4h, 5, 6 and 7 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2024/25 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	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx
B	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx
C	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx
D	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx
E	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx
F	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx
G	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx
H	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx

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 2024/25 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

Adult Services Directorate**60,501****Children's Services Directorate**

Children's Services

38,957

Education, Inclusion & Provision

9,495

48,452**Public Health Directorate****1,413****Environment & Regeneration Directorate**

Community & Greenspace

26,260

Economy, Enterprise & Property

1,868

Policy, Planning and Transportation

8,380

36,508**Chief Executive's Directorate**

Finance

5,144

ICT & Support Services

-366

Legal & Democratic Services

1,786

Chief Executive's Delivery Unit

-953

5,611**Departmental Operational Budgets****152,485**

Corporate and Democracy

-2,989

Total Operational Budget**149,496**

KEY COMPONENTS IN DEVELOPING THE DEPARTMENTAL OPERATIONAL BUDGETS

	Adult Social Care	Children's Services	Education, Inclusion & Provision	Public Health	Community & Greenspace	Economy, Enterprise & Property	Policy, Planning & Transportation	Finance	ICT & Support Services	Legal & Democratic Services	Chief Executive's Delivery Unit	Corporate & Democracy	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2023/24 Base Budget	57,098	32,072	8,493	1,474	26,408	1,916	8,272	4,511	1,964	1,750	-1,528	-1,550	140,880
MTFS Adjustments:													
Growth in MTFS	-2,355	-1,089	0	0	0	0	50	277	0	0	190	4,312	1,385
Savings Agreed February 2023	-1,837	-138	-280	-149	84	-152	-150	-65	0	0	-15	0	-2,702
Salary Inflation	1,985	803	344	401	1,451	276	282	447	723	74	244	50	7,080
Price and Income Inflation	1,610	793	2	-4	-769	-344	87	-34	-83	-24	-39	35	1,230
10% Reduction in Supplies and Maintenance	-116	-113	-17	-2	-409	-206	-476	-63	-91	-5	-17	-26	-1,541
Existing Budget Pressures:													
Demographic Pressures	1,625	0	0	0	0	0	0	0	0	0	0	0	1,625
Children's Residential Care	0	1,514	0	0	0	0	0	0	0	0	0	0	1,514
Schools Transport	0	0	700	0	0	0	0	0	0	0	0	0	700
Prior Year Unachieved Savings	0	112	0	0	0	0	0	0	307	0	0	0	419
Other	90	248	0	0	249	68	43	41	0	0	22	0	761
New Pressures:													
Care Cost Inflation	1,140	4,856	0	0	0	0	0	0	0	0	0	0	5,996
Contract Inflation	24	51	0	0	5	82	0	0	349	0	0	0	511
Increase in Staffing Structure	0	213	0	0	0	0	0	0	0	0	147	0	360
Changes to Income / Grants	357	-1,524	-230	-364	-767	0	-4	-27	0	0	-3	1,114	-1,448
Further Energy Cost Reductions	-41	-12	0	0	-94	-62	-3	0	-5	0	0	0	-217
Other	-59	-429	88	7	-20	80	208	57	32	-9	-149	21	-173
Use of Contingency	0	0	0	0	0	0	0	0	0	0	0	-6,884	-6,884
Transfers Between Departments	980	1,600	395	50	122	210	71	0	-3,562	0	195	-61	0
2024/25 Base Budget	60,501	38,957	9,495	1,413	26,260	1,868	8,380	5,144	-366	1,786	-953	-2,989	149,496

APPENDIX D

2024/25 BUDGET – REASONS FOR CHANGE

	£000
2023/24 Approved Budget	140,880
Add Back One-Off Savings	0
	<hr/> 140,880
<u>Policy Decisions</u>	
Capital Programme	150
<u>Inflation and Service Demand Pressures</u>	
Pay (including Increments)	7,137
Prices	3,284
Income	-2,057
Existing Service Demand Pressures	5,902
<u>Other</u>	
Net Adjustment to Specific Grants	-1,414
Contingency Increase	1,395
Social Care Grant	-3,465
2024/25 Services Grant	1,230
Net Reserves Movements	3,156
Base Budget	<hr/> 156,198
Less Savings (as agreed by Council 01 February 2023)	-2,702
Less Transformation Programme Savings	-4,000
Total 2024/25 Budget	<hr/> 149,496 <hr/>

APPENDIX E

MEDIUM TERM FINANCIAL FORECAST

	2025/26 £000	2026/27 £000	2027/28 £000
Spending			
Previous Year's Budget	149,496	150,929	155,293
<u>Inflation</u>			
Pay	2,201	2,245	2,290
Prices	2,957	3,016	3,076
Income	-855	-872	-890
<u>Other</u>			
Service Demand Pressures	5,818	2,316	2,500
Contingency	2,000	2,000	2,000
Reverse Use of Reserves	0	4,332	0
Replenish Reserves	2,000	2,000	0
Estimated Savings Proposals	-9,349	-8,000	0
Budget Forecast	154,268	157,966	164,269
Resources			
Baseline Business Rates Funding and Top-Up Grant	84,315	86,002	87,722
Council Tax	66,614	69,291	72,077
	150,929	155,293	159,799
Funding Gaps	-3,339	-2,673	-4,470

APPENDIX F

COMMITTED CAPITAL PROGRAMME 2024/27

SCHEME	2024/25 £000	2025/26 £000	2026/27 £000
Schools Capital Projects	749	0	0
Childrens Directorate	749	0	0
ALD Bungalows	199	0	0
Disabled Facilities Grant	600	600	600
Stairlifts	540	540	540
Care Home Refurbishment	1,200	0	0
Adults Directorate	2,539	1,140	1,140
Stadium Minor Works	30	30	30
Halton Leisure Centre	15,200	0	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	280	0
Spike Island / Wigg Island	964	0	0
Litter Bins	20	20	20
3MG	127	0	0
Equality Act Improvement Works	300	300	300
Property Improvements	200	200	200
Runcorn Town Centre Development	9,041	3,653	0
Runcorn Station Quarter	435	0	0
Street Lighting – Structural Maintenance	1,026	200	200
Street Lighting – Upgrades	969	0	0
Risk Management	598	120	120
Fleet Replacements	4,927	1,423	1,000
Silver Jubilee Bridge Lighting	531	0	0
Environment & Regen Directorate	35,683	7,231	2,875
IT Rolling Programme	700	700	700
Halton Smart Microgrid	11,000	0	0
Transformation Programme	3,000	1,000	0
Chief Executive Directorate	14,700	1,700	700
Total Capital Programme	53,671	10,071	4,715
Slippage between years	-3,621	5,367	1,007
GRAND TOTAL	50,050	15,438	5,722

APPENDIX G

PREVIOUSLY APPROVED BUDGET SAVINGS 2023/24 – 2025/26

ADULT SOCIAL CARE DEPARTMENT

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		
				23/24 £'000	24/25 £'000	25/26 £'000
ASC1	Housing Solutions	474	Remodel the current service based on good practice evidence from other areas.	0	0	125
ASC2	Telehealthcare	680	Explore alternative funding streams such as Health funding or Disabled Facilities Grants.	0	170	0
			Increase charges / review income.	0	170	0
			Cease the key safe installation service.	0	15	0
ASC11	Dorset Gardens Care Services	471	Cease onsite support and transfer to the domiciliary care contract.	275	0	0
ASC17/18	Quality Assurance Team	395	Review the activities of the Quality Assurance Team, given there are fewer providers for domiciliary care and the transfer of four care homes into the Council.	35	0	0
			Merge the service with the Safeguarding Unit.	0	50	0
ASC12	Meals on Wheels	33	Increase charges to ensure full cost recovery. A procurement exercise will also be completed for the provision of food.	33	0	0
ASC16	Shared Lives (Adult Placement Service)	115	Engage with an external agency currently operating Shared Lives to take over the running of this service. It is anticipated that this would provide an improved service.	0	58	0

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		
				23/24 £'000	24/25 £'000	25/26 £'000
ASC19	Voluntary Sector Support	N/A	Review the support provided by Adult Social Care and all other Council Departments, to voluntary sector organisations. This would include assisting them to secure alternative funding in order to reduce their dependence upon Council funding. A target saving phased over two years has been estimated.	0	200	100
ASC4	Positive Behaviour Support Service	349	<p>Increase income generated in order to ensure full cost recovery, through increased service contract charges to other councils.</p> <p>Review the Integrated Care Board contribution for Adults, to ensure the full recovery of related costs.</p>	0	100	0
				0	150	0
ASC6	Bridge Builders	250	Restructure and incorporate within the Care Management front door service, introducing the services currently offered by Bridge Builders to all new referrals.	120	0	0
ASC5	Mental Health Outreach Team	376	Streamline the service and focus on higher needs requiring joint funding from the Integrated Care Board.	140	0	0
ASC21	Mental Health Team Carers Officer	38	Commission the Carers Centre to complete all Carers assessments or undertake the function through the Initial Assessment Team.	38	0	0
ASC15	Learning Disability Nursing Team	424	Cease provision of this service. The service is a Health related function rather than Adult Social Care, but this is a historical arrangement. The Integrated Care Board would need to consider how they want to provide this function.	0	424	0

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		
				23/24 £'000	24/25 £'000	25/26 £'000
ASC14	Care Management Community Care Budget	18,982	Attract £500k investment from the pooled budget (BCF) from 2024/25. Undertake work in years 1 and 2 to reduce reliance upon contracted services from 2025/26. Services are currently in the process of being redesigned on a "Strengths Based Approach" ie. focused upon prevention.	0	500	1,000
Total Adult Social Care Department				641	1,837	1,225

CHILDREN AND FAMILIES DEPARTMENT

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		
				23/24 £'000	24/25 £'000	25/26 £'000
C1	Ditton and Warrington Road Daycare Centres	52	Closure of Ditton and Warrington Road daycare centres, given the significant on-going net losses at both centres. Sufficient alternative provision exists nearby, as well as in the adjoining nursery schools.	26	26	0
C2	Children's Centres	1,293	Reduce the opening hours of Children's Centres.	12	0	0
			Review the operation of Windmill Hill Children's Centre, where there is the potential to save on premises and staffing costs.	0	0	22
			Target to generate at least 5% additional income by increasing a range of charges at Children's Centres.	20	0	0

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		
				23/24 £'000	24/25 £'000	25/26 £'000
C3	Children with Disabilities and Inglefield	858	Explore the potential for selling Inglefield and then purchase two bungalows within the community to provide a more appropriate setting.	0	112	0
Total Children & Families Department				58	138	22

EDUCATION, INCLUSION AND PROVISION DEPARTMENT

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		
				23/24 £'000	24/25 £'000	25/26 £'000
EIP1	Education Psychology Service	339	There is excess demand from schools for the Education Psychology Service. The service is valued and there is opportunity to expand our offer and generate additional income.	0	52	0
EIP2	SEN Assessment Team	82	Consideration will be given to funding the full service costs from the High Needs Block of the Dedicated Schools Grant.	0	80	0
EIP5	Commissioning	148	Review with Health colleagues how the Emotional Health and Wellbeing Service for Children in Care, Care Leavers and Carers could instead be provided by Child and Adolescent Mental Health Services (CAMHS) as they are commissioned by the Integrated Care Board.	0	148	0
EIP5	Commissioning	291	Additional funding for Youth Grants has been confirmed for three years from the DfE Holiday Activity and Food Programme grant, therefore core budget can be released.	40	0	0

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		
				23/24 £'000	24/25 £'000	25/26 £'000
EIP9	Education Welfare Service	396	There has been increased buy-back of this service from schools and as a result the income budget can be increased.	60	0	0
Total Education, Inclusion and Provision Department				100	280	0

PUBLIC HEALTH DEPARTMENT

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		
				23/24 £'000	24/25 £'000	25/26 £'000
PH2	Health Improvement Team	2,071	Consolidate the Ageing Well element of the service with the Sure Start to Later Life Service.	0	149	0
Total Public Health Department				0	149	0

COMMUNITY AND GREENSPACE DEPARTMENT

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		
				23/24 £'000	24/25 £'000	25/26 £'000
COMM1	The Brindley Theatre	64	Reduce Box Office opening hours from 10am-5pm Monday-Friday to 10am-2pm. Currently 80% of tickets are purchased online or by telephone and this is increasing each year.	10	0	0
			Replace all non-LED lighting in the building. This is estimated to reduce on-stage energy costs by 75%.	10	0	0
COMM3	Sport & Recreation	471	Restructuring the roles and responsibilities of the Sports Development Team	0	36	0

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		
				23/24 £'000	24/25 £'000	25/26 £'000
COMM4	Stadium & Catering Services	751	Franchise the concourse only catering services to an external operator.	50	0	0
			An organisational restructure is currently being implemented for Stadium & Catering Services to reflect recent service changes.	40	0	0
COMM6	Area Forums	170	Reduce the base budget provision to £50k temporarily for one year, with all unspent monies in 2022/23 (currently £120k) being carried forward to be spent by the relevant Area Forums in 2023/24. The base budget position will then be reviewed for 2024/25.	120	-120	0
COMM5	Stadium & Catering Services – School Meals	12	Cease to deliver the school meals service, which has made significant losses of over £200,000 for a number of years and is forecast to make a similar loss by year-end. Work would be undertaken with schools over the next two years to support them to secure an alternative means of delivery, whether in-house or via an external provider.	0	0	12
Total Community & Environment Department				230	-84	12

FINANCE DEPARTMENT

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		
				23/24 £'000	24/25 £'000	25/26 £'000
F1	Client Finance	109	Increase by £3 per week the charge to clients for the Appointeeships Service to ensure full cost recovery.	45	0	0
F6	Income Control	118	Removal of payment kiosks which are now significantly under-utilised and in need of replacement. The ceasing of annual rental and licence costs will provide a saving. Residents can instead make payments for council tax etc. via the numerous Paypoint outlets across the Borough.	20	0	0
F8	Insurance	1,043	Reduction in the insurance budgets, following a review of claims history over recent years with advice from the Council's insurance broker. The majority of claims are provided for via self-insurance, with external policies providing cover for exceptional or potentially high cost claims.	135	0	0
F9	Internal Audit	300	Restructure in light of potential retirements over the next two years within the Internal Audit Team.	0	0	50
F11	Purchase to Pay	27	Increase in the target income budgets for the Early Payment Scheme (£15k) and the Corporate Card Programme rebate (£15k)	30	0	0
F12	Benefits Processing & Administration	216	Deletion of a 1.0fte vacant Housing Benefit Officer Post and a 0.5fte vacant Visiting Officer Post.	55	0	0

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		
				23/24 £'000	24/25 £'000	25/26 £'000
F13	Discretionary Support Scheme	221	Review the roles, procedures and structure of the team.	0	25	0
F15	Business Rates	-26	Increase the charge to Halton Chamber of Commerce for providing billing and collection of Business Improvement District (BID) income.	2	0	0
F16	Concessionary Travel	1,892	Due to a decrease in passenger numbers following Covid, it is considered that the budget for concessionary travel costs can be reduced. The budget was underspent by £421k (20%) in 2021/22. A reduction in this budget will not prevent any eligible concessionary passenger from still being able to travel.	150	0	0
F17	Council Tax	84	Increase the charges applied when a court summons is issued by 30% (£23), to achieve full cost recovery over the three year period.	40	40	40
F17 Cont.	Council Tax	N/A	Establish a new post dedicated to reviewing council tax exemptions. It is considered at least a 3% reduction in Single Person Discount awards could be achieved, generating approximately £150k of additional council tax income, less the cost of the new post.	116	0	0
F18	Financial Management - Treasury Management	1,152	Closer management of medium- to long-term cash balances will give greater opportunity to invest in higher interest bearing accounts due to increasing interest rates.	300	0	0
Total Finance Department				893	65	90

ICT SERVICES DEPARTMENT

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		
				23/24 £'000	24/25 £'000	25/26 £'000
ICT3	External Clients	N/A	Recharge the Youth Offending Services for the full cost of ICT services which are hosted by Halton, but have not thus far been recharged. This approach has been agreed by the Cheshire and Warrington partner councils.	232	0	0
Total ICT Services Department				232	0	0

LEGAL AND DEMOCRATIC SERVICES DEPARTMENT

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		
				23/24 £'000	24/25 £'000	25/26 £'000
L4	Marketing, Design and Communications	45	Review the frequency of production of Inside Halton, as part of the wider consideration of the Council's communications strategy required for the Transformation Programme	0	15	0
L5	Mayoral Services	102	Review the various budgets comprising the Mayoral function, with a target to achieve a 20% savings across these.	20	0	0
Total Legal Services Department				20	15	0

POLICY, PLANNING AND TRANSPORTATION DEPARTMENT

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		
				23/24 £'000	24/25 £'000	25/26 £'000
PPT1	Fleet Management & Maintenance	400	Reduction in the annual contribution to the Fleet Replacement Reserve.	40	0	0
PPT2	Transport Coordination	484	Reduction in the provision of subsidised bus grants. Currently, 14 bus services are subsidised through contracts where there are no commercial services. Passenger utilisation of routes would be assessed to see where reductions can be applied with the least impact upon services.	50	0	0
PPT4	Schemes and Maintenance	1,056	Reduction of 6% in the programmed road maintenance budget.	60	0	0
PPT5	School Crossings	70	Approach the Schools Forum to seek a contribution of at least 50% towards funding the school crossing patrol service, which is a non-statutory service.	35	0	0
PPT6	Traffic	N/A	Consider introducing civil traffic enforcement for traffic violations. Employ private sector civil enforcement officers to issue fines and generate income. It would take 12 months to apply for powers from the DFT and put the scheme in place. The Environment & Urban Renewal Policy & Performance Board will consider this via a Topic Group.	0	150	0
Total Policy, Planning & Transportation Department				185	150	0

CHIEF EXECUTIVE'S DEPARTMENT

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		
				23/24 £'000	24/25 £'000	25/26 £'000
PPPE1	Apprenticeships	198	Reduce the budget which provides for apprenticeship salaries by 50%. More apprenticeships will therefore be attached to vacant posts which are already budgeted for. This may particularly help to fill vacancies in areas where recruitment is difficult.	99	0	0
PPPE4	Organisational Development & Performance	383	Explore whether Organisational Development / Learning and Development activities could be rationalised and restructured to reduce cost, given there is currently a vacant post within the team.	65	0	0
Total Chief Executive's Department				164	0	0

ECONOMY, ENTERPRISE AND PROPERTY DEPARTMENT

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		
				23/24 £'000	24/25 £'000	25/26 £'000
EEP1	Capital Works Team	N/A	Increase the level of fee income by increasing the percentage charged or charging by time, including those works not currently charged for.	10	0	0
EEP4	Cleaning Services – Council Buildings	580	Review cleaning arrangements, with a focus on only emptying bins and cleaning toilets daily.	0	100	0

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		
				23/24 £'000	24/25 £'000	25/26 £'000
EEP2	Caretaking & Security Services	641	A review and restructuring of caretaking arrangements.	0	52	0
			Reduce security cover at Halton Lea to provide opening/closing and then static guarding 7.00am to 7.30pm Monday to Friday, and 9.30am to 3.00pm on Saturdays to cover the opening hours of Halton Direct Link.	35	0	0
EEP5	Corporate Buildings	927	Generate additional rental income by providing additional office space for external organisations at Rutland House, by letting out the remaining three floors.	120	0	0
EEP6	Facilities Management	165	Restructure the team in light of an expression of interest for retirement.	44	0	0
EEP8	Technical Support & Market Team	392	Restructuring of the team	98	0	0
Total Economy, Enterprise & Property Department				307	152	0

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 December 2023 the Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC) announced a call for views inviting local authorities, sector representatives and other stakeholders to provide views on a set of options with respect to capital flexibilities and borrowing, to be managed locally, that could be used to encourage and enable local authorities to invest in ways that reduce the cost of service delivery and provide more local levers to manage financial resources. The proposals are summarised as follows:
 - Extending capitalisation flexibilities to include a wider set of eligible costs, in particular general revenue costs.
 - Extending the flexible use of capital receipts to allow authorities to borrow for the revenue costs of invest-to-save projects.
 - Allowing additional flexibilities for the use of the proceeds of selling investment assets.
 - Introducing a reduced interest rate for borrowing from the Public Works Loans Board for invest-to-save projects.
- 1.5 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. The Transformation 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 is being 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. It is expected that 2023/24 savings will be achieved by March 2024 with estimates provided for the following two years. Saving estimates will be updated on a regular basis over the next two years as the programme gathers pace. 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.
- 2.4 Total estimated savings within the below table are forecast to deliver savings of £13.4m. This is short of the overall programme target of £20m, the balance of savings will be updated through the next year as more projects are brought within scope of the Transformation Programme.
- 2.5 Up to March 2024 it is expected forecast savings for the year will be in the region of £589,000 which is lower than the £2m forecast at this point last year. The delay in achieving the higher savings target was as a result of the additional time required to have the programme to a position to publish Delivery Plans against each project, which provide a high-level overview of identified problems, future visions and delivery strategies for meeting the agreed financial targets.

TABLE A – Estimated Savings per Programme Theme

Programme Theme	2023/24	2024/25	2025/26
Environment & Regeneration			
Waste & Recycling	0	66,000	0
Accelerated Growth	0	0	500,000
Total Environment & Regeneration	0	66,000	500,000
Adults with Learning Disabilities			
Residential Care Provision	0	105,000	450,000
Supported Living	0	245,000	920,000
ISF Pilot	10,000	200,000	150,000
SITT Pilot	0	40,000	70,000
Day Service Provision	0	40,000	490,000
Specialist Services	0	40,000	40,000
Nursing Care Provision	0	0	25,000
Respite Care Provision	0	30,000	120,000
Total Adults with Learning Disabilities	10,000	700,000	2,265,000
Children's Services			
Children's Social Care Workforce	300,000	1,227,000	1,419,000
Provisions, Services & Placements	0	1,200,000	2,340,000
SEND Home to School Transport	0	206,000	411,000
Total Children's Services	300,000	2,633,000	4,170,000
Corporate Services			
Disaggregation of Admin Services	179,000	0	0
Onboarding Agency Contracts	100,000	400,000	0
Reduction in Sickness Absence	0	660,000	528,000
Management of Agency/Casual Resources	0	53,000	805,000
Total Corporate Services	279,000	1,113,000	1,333,000
Total Transformation Programme Estimated Savings	589,000	4,512,000	8,268,000

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 A budget for the Transformation Programme delivery resource has been set at £7m over the three year period. The current estimated costs for the programme are shown in the table below.

TABLE B – Estimated Costs

	2023/24	2024/25	2025/26
Programme Running Costs	2,000,000	2,250,000	2,250,000
Allowable Severance Costs	500,000	0	0
Total Transformation Programme Costs	2,500,000	2,250,000	2,250,000

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

4.3 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.

REPORT TO:	Executive Board
DATE:	22 February 2024
REPORTING OFFICER:	Corporate Director Chief Executive's Delivery Unit
PORTFOLIO:	Corporate Services
SUBJECT:	Pensions Discretions Statement 2024/25.
WARD(S)	Borough-wide

1.0 PURPOSE OF THE REPORT

- 1.1 The Council is required to publish a Pensions Discretion Statement annually, to advise the discretions it intends to exercise under the Local Government Pension Scheme (LPGS).
- 1.2 This report accompanies the proposed statement for 2024/25.

2.0 RECOMMENDATION: That the Board approve the Pensions Discretions Statement for 2024/25.

3.0 SUPPORTING INFORMATION

- 3.1 The Pensions Discretion Statement for 2024/25 is based upon the statement for 2023/24, which was approved by Executive Board in March 2023.
- 3.2 No new discretions have been added
- 3.3 There have been no material changes to the Local Government Pension Scheme Regulations 2013 that would result in a change to the statement. Regulation 60 of those regulations sets out what the statement should contain, and the statement is compliant.

4.0 POLICY IMPLICATIONS

- 4.1 The Council is required to publish a written policy statement on how it will exercise its discretions provided by the scheme. The policies adopted seek to achieve the correct balance between cost to the council tax payer, good employee relations and staff recruitment and retention

5.0 FINANCIAL IMPLICATIONS

5.1 There are financial implications for the Council in considering the application of these discretions. Each case will be different, and a business case will be required when such a discretion is exercised, balancing the interests of the Council with the interests of the individual.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

None

6.2 Employment, Learning & 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

7.1 The statement complies with the Local Government Pension Scheme Regulations 2013, and enables the Council to make balanced decisions taking into account all risks.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 The recommendations will apply equally to all staff who are members of the LGPS. Employees have a right of appeal if they feel they have been treated incorrectly/unfairly.

8.2 In the first instance, appeals are made to the Head of HR Operations, who acts in the capacity of the Independent Person for

the Independent Disputes and Resolution Procedure.

9.0 CLIMATE CHANGE IMPLICATIONS

9.1 No climate change implications.

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

Document	Place of Inspection	Contact Officer
The Local Government Pension Scheme Regulations 2013 (Statutory Instrument 2013 No. 2356)	Municipal Building, Kingsway, Widnes	Hayley Hamlett Head of HR Operations

PENSIONS DISCRETIONS STATEMENT 2024/25

HALTON BOROUGH COUNCIL

Introduction

This statement is prepared and published in accordance with the requirements of Regulation 60 (1) of the Local Government Pension Scheme Regulations 2013, which states that;

A Scheme employer must prepare a written statement of its policy in relation to the exercise of its functions under regulations –

- (a) 16(2)(e) and 16(4)(d) (funding of additional pension);
- (b) 30(6) (flexible retirement);
- (c) 30(8) (waiving of actuarial reduction); and
- (d) 31 (award of additional pension),

and an administering authority must prepare such a statement in relation to the exercise of its functions under regulation 30(8) in cases where a former employer has ceased to be a Scheme employer. This statement fulfils that requirement.

There are no material changes to the discretions contained within this statement for 2024/25.

Where relevant, monetary amounts used within the explanations of discretions have been revised as appropriate.

This document is confirmed as the Council's Pensions Discretions Statement for the financial year 2024/25.

The discretions will be exercised by the appropriate Executive Director, in consultation with the Portfolio Holder for Corporate Services, and Operational Director Finance. (In the case of applications from Executive Directors or the Chief Executive, the discretions will be exercised by the Chief Executive, in consultation with the Portfolio Holder for Corporate Services and Corporate Director – Chief Executive's Delivery Unit).

Any questions relating to this statement should be directed to:

Pay & Pensions Team (HR Operations)
HR Operations Division,
Chief Executives Directorate,
Halton Borough Council,
Municipal, Building,
Kingsway,
Widnes, WA8 7QF
e-mail: payandpensions@halton.gov.uk

**COMPULSORY POLICY STATEMENTS IN ACCORDANCE WITH LOCAL GOVERNMENT
PENSION SCHEME REGULATIONS 2013**

Regulation 16 (2) (e) & 16 (4) (d)

Ability to contribute to a shared cost additional pension contribution (APC) scheme.

Explanation:

Where an active scheme member wishes to purchase extra annual pension of up to £7,579 (2023/24 rate) by making an Additional Pension Contribution (APC) the employer may voluntarily contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).

HBC decision:

All APC contracts will be funded in full by the member.

Regulation 30 (6)

Ability to award Flexible Retirement

Explanation:

A member who is aged 55 or over and with their employers consent reduces their hours/or grade, can then, but only with the agreement of the employer, make an election to the administering authority to receive all or part payment of their accrued benefits without having retired from that employment.

HBC decision:

The Council will adopt this discretion and will assess applications from those employees aged 55 and over who reduce their hours by 25% (not for a grade reduction). Applications will be considered on the basis of future service provision and cost. The decision to release benefits will be taken by the appropriate Executive Director.

Regulation 30 (8)

Waiving of Actuarial Reduction on Flexible Retirement and early retirement (age 55+)

Explanation:

Employers can elect to waive some or all of the reduction on benefits if a member chooses to take flexible retirement and take their benefits before Normal Pension Age (NPA)

HBC decision:

HBC will only waive actuarial reduction on flexible retirement in exceptional circumstances.

Transitional Protections – Regulation 1 (1) (c) Schedule 2

Power of the Employing Authority to “switch on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.

Explanation:

A member who meets the 85 year rule and elects to draw their pension benefits from age 55 will no longer require their employers consent if they retire after 31st March 2014. However, certain members will lose some 85 year rule protections if they wish to draw their pension between age 55 and 60.

An employer may decide to “switch on” protection to the 85 year rule for a member who voluntarily retires from age 55 but before age 60 and meet any additional cost of the retirement.

HBC decision:

In exceptional circumstances, where this is in the interest of the Council and the costs of allowing such requests are considered against the benefits to the Council, the Council will pay the additional cost of an unreduced pension.

Regulation 31

Ability to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency.

Explanation:

An employer may decide to award a member additional pension up to a limit of £7,579 per year (or revised amount as stated in the scheme rules) payable from the same date as their pension is payable.

HBC decision:

The Council will not award additional pension.

NON COMPULSORY DISCRETIONS

Regulation 9 (3)

Contributions Payable by an Active Member.

Explanation:

Employers must assess the appropriate rate of contribution band, in a reasonable and consistent manner and review the contribution bands on any material change in pay.

HBC decision:

The Council will review contribution bands annually or at a significant change, unless an employee exercises their right to appeal their band allocation when the review may be conducted earlier.

Regulation 22 (7) & (8)

Re-employed and Re-joining Deferred Members

Explanation:

This provision permits an employer the discretion to extend the statutory 12 month window within which a scheme member can elect to aggregate deferred LGPS benefits into their current employment.

HBC decision:

The Council will not normally extend the time limit beyond 12 months.

Regulation 100 (6)

Inward Transfer of Pension Rights

Explanation:

This provision allows an employer the discretion to extend the statutory 12 month window within which a scheme member can elect to transfer benefits from another scheme into their current scheme.

HBC decision:

The Council will not normally extend the time limit beyond 12 months.

Regulation 30 (5)

Ability to Waive Actuarial Reduction on Compassionate Grounds

Explanation:

This regulation provides for early payment of retirement benefits, reduced by the amount shown in actuarial guidance issued by the Secretary of State for Local Government, in relation to an employment, for a scheme member who is not an employee in local government service in that employment, and has not attained normal pension age, but is aged over 55 years.

HBC Decision:

The Council will consider, on a case by case basis, exercising its discretion to waive some or all of the reduction. This will be where it is felt to be in the best interests of the Council as well as the employee (deferred member) and the costs of allowing such requests will be considered against the benefits to the Council.

**Discretion under the
Local Government (Early Termination of Employment) (Discretionary Compensation)
(England and Wales) Regulations 2006.**

The Council is required to formulate, publish and keep under review a statement of policy on how it will exercise its discretion under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006. Such a statement is contained in the Councils Staffing Protocol. It is reproduced here for completeness.

By virtue of regulation 7 (1) of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 Scheme employers are required to formulate a Statement of Policy on whether it intends to base a redundancy payment on an employee's actual weeks' pay where this exceeds the statutory weeks' pay limit and whether to make a termination payment (inclusive of any redundancy payment) of up to a maximum of 104 weeks' pay (regulation 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.

The Council will pay a redundancy payment based on actual weeks' pay where this exceeds the redundancy payment and will enhance payments in line with the multiplier applicable at that time and contained in the Councils Staffing Protocol. The multiplier has been set at 1.4, effective from 1st April 2016.

REPORT TO:	Executive Board
DATE:	22 February 2024
REPORTING OFFICER:	Executive Director Children
PORTFOLIO:	Children & Young People
SUBJECT:	Family Hubs Digital Solution
WARD(S)	Borough Wide

1.0 **PURPOSE OF THE REPORT**

- 1.1 The purpose of the report is to provide an update on how the Halton Family Hubs Programme is progressing in meeting the Department for Education's ambition to implement a Digital / Virtual Family Hub by March 2025

2.0 **RECOMMENDATION:**

- 1) **note the contents of the report; and**
- 2) **to seek approval from the Executive Board for a Waiver request in compliance with Procurement Standing Order 1.14.(iv) and 1.14.(v) to the purchase of the Family Hub Digital Solution**

3.0 **SUPPORTING INFORMATION**

- 3.1 The Government's 2019 Manifesto pledged to champion Family Hubs across England. In December 2020 the then Minister for Children, Vicky Ford, outlined plans to create a National Centre of Excellence for Family Hubs, funded by the Department for Education (DfE). The Best Start for Life Review: A Vision for the 1,001 Critical Days outlined a programme of work to ensure the best support during those crucial first 1001 days, setting babies up to maximise their potential for lifelong emotional and physical wellbeing.

The DfE and DHSC announced in April 2022 the 75 local authorities who would become pilot areas for the Family Hubs and best start in life scheme. Halton was part of this selection and since December 22 we have been working hard to develop the principles of the Family Hub Model

- 3.2 "Family hub" is a system-wide model of providing high-quality, joined-up, whole-family support services. Hubs deliver these services from conception, through a child's early years until they

reach the age of 19 (or 25 for young people with special educational needs and disabilities).

- 3.3 Family hubs aim to make a positive difference to parents, carers and their children by providing a mix of physical and virtual spaces, as well as outreach, where families can easily access non-judgmental support for the challenges they may be facing. Family Hubs will provide a universal 'front door' to families, offering a 'one-stop shop' of family support services across their social care, education, mental health and physical health needs, with a comprehensive Start for Life offer for parents and babies at its core.
- 3.4 Each family hub is bespoke to the local community it serves and should adhere to the three key delivery principles that underlie all family hubs, Access, Relationships, and Connections. Government (DHSC & DFE) have set out their expectations on delivery of family hubs which include: (1) Face to face at a family hub; (2) through the family hub but received elsewhere in the network and (3) Virtually through the family hub, including static online information and/or interactive virtual / digital service
- 3.5 The DFE Guidance references the word 'digital' 21 times and 'virtual' 43 times within their policy document,
- 3.6 Halton Family Hubs have been working with an organisation called Beebot AI over the last 5 months on a Proof of Concept (POC) to assist us in the evaluation of an Intelligent Automation Platform solution as part of our Family Hubs Digital support strategy. This was achieved through the delivery of an evaluation environment with representative digital tools, configured to demonstrate support for certain key Family Hubs support processes. The goal of the POC was to assist us in evaluating options for the use of conversational AI, robotic process automation and associated analytics delivered via a modern, intuitive, device independent progressive web/mobile application interface in support of our Family Hub initiative.
- 3.7 Beebot Family Hubs Support is a digital automation solution that delivers a digital Family Hubs experience accessible to the entire community. It consolidates all national and local content and services in an engaging way into one application in only a few clicks helping families self-serve their own support. Family Hubs Support offers a single point of access via any device, 24/7 on-demand.
- 3.8 Beebot has understood the need for a more progressive approach to unlock the full potential of the Family Hub initiative. Acting in conjunction with a council's "physical hub" services, Beebot has developed an exciting digital solution utilising conversational AI, robotic process automation and associated analytics delivered via a modern, intuitive, device independent progressive web/mobile

application interface that provides a digital “front-door” to promote and access a consolidated range of Family Hub support services.

- 3.9 As part of the Halton Council proof of concept Beebot conducted research and solution testing sessions with a diverse range of families, residents, and professionals. The group included people from all ethnic backgrounds who were at various stages in life and have different levels of education. The aim was to gain feedback and opinion from a range of demographics and job roles across Halton. 31% of parents and professionals stated that they often found it difficult to access information and services.
- 3.10 Families and professionals were given the opportunity to preview early stages of the new Family Hub Digital Solution. 42% of people stated that they never get notified or updated about new content in their area. Therefore, the feature that interested those people the most was the ‘personalised communication’ feature of the solution which involves ‘push notifications’.
- 3.11 Various research and feedback from different stakeholders inform us,
- Family Experience: Parents have told us that they don’t know what information and support is available or how to access/navigate it.
 - Accessibility: There is a lack of a consistent point for access / navigation of family services across the myriad of needs (maternity services, support for SEND, childcare, health, mental health, housing, parental support debt advice etc).
 - Engagement/reach: Activity and take up of services need to be improved, there is a desire to drive reach and engagement to ensure the right outcomes.
 - Quality: Is not always evidence-informed, consistent, up to date or engaging.
 - Analytics: “We don’t know the impact of Family Hubs initiatives”. There is a requirement to measure this, end-to-end, that requires the need to bring multiple data points together.
 - Partner Integration: Partners in the local area can take some of the pressure off Family Hubs but only if properly integrated and promoted.
 - Professional Support: The ability for a professional to easily signpost or sign up a parent or carer to services, or an automated care programme, is required.
- 3.12 As a result of a successful proof-of-concept exercise, that included extremely positive stakeholder workshop feedback and support for the solution approach from both parent and professional service providers, Beebot were asked to provide a fully costed proposal.
- 3.13 The proposal enables the council to meet and exceed its priority Annex F: Family Hub Service Expectations for the governments Family Hubs and Start for Life Programme requirements.

Our local requirements priorities will be confirmed through the implementation process

4.0 POLICY IMPLICATIONS

4.1 The Family hub model works alongside National Policies such as the Children's social care data and digital strategy, Children's Social Care: Stable Homes, Built on Love, Children's Social Care Independent Review, Supporting Families agenda, Reducing Parental Conflict, Best Start for Life, a vision for 1001 critical days and the Healthy Child Programme 0-19.

5.0 FINANCIAL IMPLICATIONS

5.1 The estimated cost of a 3 year licence is £194,000 funded through the Department for Education Family Hubs and Start for Life Programme

5.2 Waiver: In compliance with Standing Order 1.14.(iv) and 1.14.(v): Executive board approval

5.3 The provider is a specialist in delivery of this type of solution

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

Family Hubs will contribute and complement to all existing strategies and aims and objectives in improving outcomes for all children and young people and families in Halton.

6.2 Employment, Learning & Skills in Halton

The digital solution can help to promote opportunities for children and young people that aim to improve the education, skills and employment prospects

6.3 A Healthy Halton

The digital solution will contribute to creating a healthier community that promotes wellbeing. As part of the Beebot AI Family Hubs platform there are integrations to the NHS content. This content is updated on a regular basis by the NHS and can be available for families to access via their family hubs platform.

6.4 A Safer Halton

None identified at this stage

6.5 **Halton's Urban Renewal**

None identified at this stage

7.0 **RISK ANALYSIS**

7.1 The risk in not supporting the proposal provided could result in not meeting the DFE funding and implementation timelines

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 None identified at this stage

9.0 **CLIMATE CHANGE IMPLICATIONS**

9.1 None identified at this stage

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

'None under the meaning of the Act.'

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

Document is Restricted

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