

HALTON BOROUGH COUNCIL



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

25 February 2025

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

You are hereby summoned to attend an Ordinary Meeting of the Halton Borough Council to be held in the Council Chamber, Runcorn Town Hall on Wednesday, 5 March 2025 commencing at 6.30 p.m. for the purpose of considering and passing such resolution(s) as may be deemed necessary or desirable in respect of the matters mentioned in the Agenda.

A handwritten signature in black ink that reads 'S. Young'.

Chief Executive

-AGENDA-

Item No.		Page No.
1.	COUNCIL MINUTES	SEE MINUTE BOOK
2.	APOLOGIES FOR ABSENCE	
3.	THE MAYOR'S ANNOUNCEMENTS	
4.	DECLARATIONS OF INTEREST	
5.	LEADER'S REPORT	
6.	URGENT DECISIONS	1 - 2
7.	MINUTES OF THE EXECUTIVE BOARD	SEE MINUTE BOOK
	a) 12 December 2024	
	b) 16 January 2025	
8.	MINUTES OF THE HEALTH AND WELLBEING BOARD	SEE MINUTE BOOK
9.	QUESTIONS ASKED UNDER STANDING ORDER 8	
10.	MATTERS REQUIRING A DECISION OF THE COUNCIL	
	a) Calendar of Meetings 2025-2026	3 - 6
	Executive Board considered the attached report.	
	RECOMMENDED: That Council be recommended to approve the Calendar of Meetings for the 2025/26 Municipal Year.	
	b) Budget 2025/26 - Key Decision	7 - 48
	Executive Board considered the attached report.	
	RECOMMENDED: That Council be recommended	
	1) To adopt the resolution set out in Appendix A, which includes setting the budget at £183.052m, the Council Tax requirement of £68.208m (before Parish, Police, Fire and LCR Combined Authority precepts) and the Band D Council Tax for Halton of £1,846.66;	
	2) To approve the capital programme set out in Appendix E;	
	3) To approve the Use of Capital Receipts Strategy set out in Appendix H;	

- 4) To approve the budget savings set out in Appendix G;
- 5) To approve 100% Council Tax premium being applied to properties which have been unoccupied and unfurnished for a minimum period of 12 months; and
- 6) To note that Government have given provisional approval to the Council's application for Exceptional Financial Support, as outlined in section 3.7.

c) 2024/25 Spending as at 30 November 2024

49 - 108

Executive Board considered the attached report.

RECOMMENDED: That

- 1) All spending continues to be limited to essential items only;
- 2) Executive Directors continue to identify areas where they can further reduce their directorate's spending or generate income, in order to reduce the councilwide forecast outturn overspend position;
- 3) Executive Directors continue to implement the approved savings proposals for 2024/25 and 2025/26 as detailed in Appendix 4;
- 4) The updated forecast outturn position be shared with the Ministry of Housing, Communities & Local Government in support of the Council's application for Exceptional Financial Support;
- 5) Council be asked to approve the revisions to the capital programme set-out in paragraph 3.22 and incorporated within Appendix 3; and
- 6) This report be shared with each Policy and Performance Board, in order to ensure they have a full appreciation of the councilwide financial position, in addition to their specific areas of responsibility.

d) Treasury Management Strategy Statement 2025/26

109 - 134

Executive Board considered the attached report.

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

e) Capital Strategy

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RECOMMENDED: That Council be recommended to approve the 2025/26 Capital Strategy, as presented in the Appendix.

f) Absence of a Member

Under Section 85 of the Local Government Act 1972, permission is sought for:

- Councillor McDonough to be granted a period of absence from attending Council meetings for a period of 6 months, concluding on 5 September 2025, due to personal circumstances.

g) Members' Allowance Scheme - Review

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

SEE MINUTE BOOK

a) Children, Young People and Families

b) Health

c) Safer

d) Environment and Urban Renewal

e) Corporate Services

f) Audit & Governance Board

12. COMMITTEE MINUTES

SEE MINUTE BOOK

a) Development Management

b) Taxi Licensing Sub Committee

c) Regulatory Sub Committee

d) Appointments

13. MATTERS FOR NOTING

a) Recommendation from Mayoral Committee

The Mayoral Committee considered a Part II item making a recommendation on the appointment of Mayor and Deputy Mayor for the 2025/26 Municipal Year.

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

- 1) Councillor Martha Lloyd Jones be appointed as the Mayor; and
- 2) Councillor Pamela Wallace be appointed as the Deputy Mayor.

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REPORT TO: Council

DATE: 5 March 2025

REPORTING OFFICER: Chief Executive

PORTFOLIO: Leader

SUBJECT: Urgent Decisions

WARDS: Borough Wide

1.0 PURPOSE OF THE REPORT

1.1 To bring to the attention of Council urgent decisions taken since the last meeting of the Council.

2.0 RECOMMENDATION: That the report is noted.

3.0 SUPPORTING INFORMATION

3.1 The Council's Constitution gives authority to the Chief Executive to take urgent decisions which are required before the next formal meeting of Executive Board/Council.

These must be made in consultation with the Leader of the Council where practicable, and with the Director – Finance and/or Director – Legal and Democratic Services where necessary. They must also be reported for information to the next practically available meeting of the Board.

3.2 More information on each can be found on the Council's website here:

<http://councillors.halton.gov.uk/mgDelegatedDecisions.aspx?bcr=1>

3.3 The urgent decisions taken since the last meeting of Council:

Date Decision taken	Decision details
10 December 2025	Waiver for appointment of the Transformation Programme Lead for the Family Hub
10 January 2025	Taxi Matter

4.0 POLICY IMPLICATIONS

4.1 There are none other than the constitutional requirement to report urgent decisions for information.

5.0 RISK ANALYSIS

5.1 The report is for information, and there are no risk issues arising from it.

6.0 EQUALITY AND DIVERSITY ISSUES

6.1 None.

7.0 CLIMATE CHANGE IMPLICATIONS

None

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

8.1 No background papers were used in the preparation of this report. Further information on the decisions taken is available from the link in Paragraph 3.2.

REPORT TO:	Executive Board
DATE:	25 February 2025
REPORTING OFFICER:	Chief Executive
PORTFOLIO:	Leader's
SUBJECT:	Calendar of Meetings – 2025/26
WARDS:	Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1 To approve the Calendar of Meetings for the 2025/26 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 2025/26 Municipal Year.

3.0 SUPPORTING INFORMATION

- 3.1 Members are asked to consider and recommend approval of the calendar of meetings for the 2025/26 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 2025	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN 2026	FEB	MARCH	APR	MAY
M		2 Dev Manage Com						1			2		
T		3 Corporate PPB	1 SEMINAR					2 Dev Manage Com			3 Dev Manage Com		
W		4	2 Regulatory			1		3 COUNCIL			4 COUNCIL	1	
T	1	5	3			2		4	1 New Year Bank Holiday		5	2	
F	2	6	4	1		3		5	2		6	3 Bank Holiday	1
S	3	7	5	2		4	1	6	3		7	4	2
S	4	8	6	3		5	2	7	4	1	8	5	3
M	5 Early May Bank Holiday	9 CYP&F PPB	7	4 Dev Manage Com	1 Dev Manage Com	6 Dev Manage Com	3 Dev Manage Com	8	5 Dev Manage Com	2 Dev Manage Com	9	6 Bank Holiday	4 Early May Bank Holiday
T	6 Dev Manage Com	10 Safer PPB	8 Dev Manage Com	5 SEMINAR	2 Corporate PPB	7	4 Corporate PPB	9	6	3 Safer PPB	10 Seminar	7 Dev Manage Com	5 Dev Manage Com
W	7	11 Schools Forum	9 HWB Board COUNCIL	6	3 SEMINAR	8 HWB Board Regulatory	5	10	7 Regulatory	4 Mayoral Committee	11 HWB Board Regulatory	8	6
T	8	12 Executive Board	10 Executive Board	7	4	9 SEMINAR	6	11 Executive Board	8	5	12 Executive Board	9	7 Local Elections
F	9	13	11	8	5	10	7	12	9	6	13	10	8
S	10	14	12	9	6	11	8	13	10	7	14	11	9
S	11	15	13	10	7	12	9	14	11	8	15	12	10
M	12	16 ELS&C PPB	14	11	8 CYP&F PPB	13	10 CYP&F PPB	15	12	9	16	13	11
T	13 Exec Board Selection Com	17	15	12	9	14	11	16	13	10 Health PPB	17	14	12 Exec Board Select Com (prov)
W	14	18 Environment PPB	16	13	10 Environment PPB	15 Schools Forum	12 Environment PPB	17	14 HWB Board	11 Environment PPB	18 A&G Board	15	13
T	15	19	17	14	11 Executive Board	16	13 Executive Board	18	15 Executive Board	12 Executive Board	19	16 Executive Board	14
F	16 ANNUAL COUNCIL	20	18	15	12	17	14	19	16	13	20	17	15 ANNUAL COUNCIL (prov)
S	17	21	19	16	13	18	15	20	17	14	21	18	16
S	18	22	20	17	14	19	16	21	18	15	22	19	17
M	19	23	21	18	15 ELS&C PPB	20	17 ELS&C PPB	22	19 CYP&F PPB	16	23	20	18
T	20	24 Health PPB	22	19	16 Safer PPB	21	18 Safer PPB	23	20 Corporate PPB	17	24	21	19
W	21	25 A&G Board	23	20	17	22 COUNCIL	19 A&G Board	24	21 Schools Forum	18	25	22	20
T	22	26	24	21	18	23 Executive Board	20	25 Xmas Day	22	19	26	23	21
F	23	27	25	22	19	24	21	26 Box Day	23	20	27	24	22
S	24	28	26	23	20	25	22	27	24	21	28	25	23
S	25	29	27	24	21	26	23	28	25	22	29	26	24
M	26	30	28	25 Bank Holiday	22	27	24	29	26 ELS&C PPB	23	30	27	25 Bank Holiday
T	27		29	26	23 Health PPB	28	25 Health PPB	30	27	24	31	28	26
W	28		30	27	24 A&G Board	29	26 Regulatory	31	28	25 Schools Forum		29	27
T	29		31	28	25	30	27		29	26		30	28
F	30			29	26	31	28		30	27			29
S	31			30	27		29		31	28			30
S				31	28		30						31

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REPORT TO: Council

DATE: 5 March 2025

REPORTING OFFICER: Director of Finance

PORTFOLIO: Corporate Services

SUBJECT: Budget 2025/26

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To recommend to Council the revenue budget, capital programme and council tax for 2025/26.

2.0 RECOMMENDATION: That Council be recommended;

- (i) To adopt the resolution set out in Appendix A, which includes setting the budget at £183.052m, the Council Tax requirement of £68.208m (before Parish, Police, Fire and LCR Combined Authority precepts) and the Band D Council Tax for Halton of £1,846.66;**
- (ii) To approve the capital programme set out in Appendix E;**
- (iii) To approve the Use of Capital Receipts Strategy set out in Appendix H;**
- (iv) To approve the budget savings set out in Appendix G;**
- (v) To approve 100% Council Tax premium being applied to properties which have been unoccupied and unfurnished for a minimum period of 12 months;**
- (vi) To note that Government has granted provisional approval to the Council's application for Exceptional Financial Support, as outlined in section 3.7.**

3.0 SUPPORTING INFORMATION

3.1 Medium Term Financial Strategy

3.1.1 The Board approved the Medium Term Financial Strategy (MTFS) at its meeting on 14 November 2024. In summary, funding gaps of £38.1m in 2025/26, £14.5m in 2026/27, £7.3m in 2027/28, and £9.3m in 2028/29 were identified. The Strategy had the following objectives:

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

3.2 Budget Consultation

3.2.1 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.

3.2.2 Individual consultations are taking place in respect of specific budget proposals and equality impact assessments will be completed where necessary.

3.3 Review of the 2024/25 Budget

3.3.1 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 £20.757m against a net budget of £149.496m. The most significant budget pressure for the Council continue to be Children's Social Care costs, in particular residential care costs. Overall costs are being controlled where possible, and income being maximised, as well as making use of all available grant funding.

3.3.2 Given the scale of the financial challenges facing the Council, over the past year monitoring reports have been issued every other month to the Council's Senior Management Team and Executive Board. They present up to date information of the in-year financial position to enable urgent action to be taken wherever possible. Monthly financial focus groups are also held monthly with Executive Directors in order for decisions to be considered to mitigate the impact of the financial pressures and bring net spending back in line with the budget as far as possible.

3.3.3 The level of reserves held by the Council is also reviewed every other month and reported to Executive Board. The level of useable reserves is not sufficient to cover the scale of the Council's overspend position for the current year.

3.4 2025/26 Revenue Budget

3.4.1 The proposed revenue budget totals £183.052m. The departmental analysis of the budget is shown in Appendix B, along with a breakdown of these changes in Appendix C. 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 internal recharges.

- 3.4.2 The net budget is calculated as per Table A, taking into account the level of growth, savings, grant allocations, and collection fund estimated for 2025/26.

Table A – Net Budget Calculation

	2025/26 Base Budget Position (£m)
2024/25 Approved Revenue Budget	149.496
Less Increase in Government Grants as per Provisional Settlement (see Table B)	-11.827
Less Increase in Other Grants Outside Settlement	-0.939
Plus Increase in Net Costs (See Table C)	54.547
Less Agreed and Proposed Savings (see Appendices F and G)	-8.225
2025/26 Proposed Budget	183.052

3.5 Budget Savings Proposals

- 3.5.1 A total of £1.349m of savings to be achieved in 2025/26 were previously approved by Council on 01 February 2023. These savings are detailed in Appendix F.

- 3.5.2 Further savings of £6.876m have been proposed for the 2025/26 financial year and are detailed in Appendix G.

3.6 Funding of the 2025/26 Net Budget

- 3.6.1 Funding of the net budget traditionally comes from council tax and business rates, including top-up grant from Government.

- 3.6.2 Table B shows the forecast level of council tax and business rates for the next year and highlights the deficit between this and the proposed budget need for next year.

Table B – Funding of 2025/26 Budget

	2025/26 Base Budget Position (£m)
2025/26 Proposed Budget (Table A)	183.052
Funded by:	
2025/26 Council Tax Requirement (see Table G)	-68.208
2025/26 Forecast Income from Business Rates (see Table G)	-85.459
2025/26 Budget Deficit - To be Funded from Exceptional Financial Support	29.385

3.7 Exceptional Financial Support (EFS)

- 3.7.1 Table B above demonstrates the Council is in a position where it is unable to present a balanced 2025/26 budget without seeking Exceptional Financial Support (EFS) from Government. Receipts from Council Tax and Business Rates are insufficient to fund the forecast net spend for 2025/26.
- 3.7.2 The Government's EFS arrangement provides councils in financial difficulty with exceptional permission to capitalise annual revenue costs and then fund them from long term borrowing (usually over 25 years) from the Public Works Loans Board (PWLB). EFS provides permission to borrow and does not provide grant funding.
- 3.7.3 The Council's request for EFS seeks support from Government to provide alternative arrangements that would allow the Council to close the budget gap and set a balanced budget.
- 3.7.4 A capitalisation direction is a last resort for the Council to balance the 2025/26 budget. Government will only provide capitalisation support one year at a time. It is imperative the Council seeks to set out how it will aim to balance the budget in future without the need for ongoing capitalisation support. This can only be done through growing income receipts or looking to rationalise current levels of expenditure.
- 3.7.5 Table B forecasts the Council will have to borrow £29.385m in 2025/26 to provide a balanced budget. Without a credible savings plan being implemented over the next year, the unfunded deficit will roll forward to 2026/27.
- 3.7.6 On 04 December 2024, Council approved that an application for EFS be made to the Ministry of Housing, Communities and Local Government. The application was initially submitted on 13 December with an amended submission made post publication of the Provisional Local Government Financial Settlement. The submission includes an ask for EFS for 2024/25 of £20.8m and for 2025/26 of £32m. These values are higher than the budget gaps identified within the report as

they provide an element of contingency. The actual level of support required will be determined by the final deficit position.

3.7.7 On 20 February 2025, provisional approval was received from Government following the Council's application for EFS (see letter in Appendix I). It is expected to receive final approval of EFS in February 2026, following a review of the Council's financial position by the Chartered Institute of Public Finance and Accountancy (Cipfa) on behalf of the Ministry of Housing, Communities and Local Government (MHCLG).

3.8 2025/26 Local Government Grant Funding

3.8.1 The proposed budget incorporates the grant figures announced in the Local Government Finance Settlement. The provisional settlement was published on 18 December 2024 with the Final Settlement published on 03 February 2025.

3.8.2 Table C provides an updated position of grants announced at the settlement and how the allocation compares to 2024/25.

Table C – 2025/26 Grant Allocations

Funding	2024/25 Grant Funding (£m)	2025/26 Final Settlement (£m)	2025/26 Change in Funding (£m)
Funding Budgeted Spend			
Services Grant	0.252	0.000	-0.252
Recovery Grant	0.000	4.487	4.487
New Homes Bonus	0.124	0.181	0.057
National Insurance Contributions Compensation	0.000	1.604	1.604
Extended Producer Responsibility	0.000	3.134	3.134
Social Care Grant	15.026	17.744	2.718
Children's Social Care Prevention Grant	0.000	1.410	1.410
Children and Families Grant	1.404	1.404	0.000
Adult Social Care Market Sustainability and Improvement Fund	2.796	2.796	0.000
Adult Social Care Discharge Fund	1.631	0.000	-1.631
Ringfenced Grants			
Homelessness Prevention Grant	0.471	0.548	0.077
Rough Sleeping Prevention Grant	0.000	0.139	0.139
Domestic Abuse Safe Accommodation Grant	0.341	0.425	0.084
Total Government Grants	22.045	33.872	11.827

3.8.3 Government Grants include £0.181m for the New Homes Bonus grant, an increase of £0.057m from 2024/25. New Homes Bonus allocations

are now received for one year only, with no legacy payments available. Government have stated that 2025/26 will be the final year of New Homes Bonus payments. It has not been confirmed whether a new scheme aimed at rewarding housing growth will be implemented, or whether the funding will be redistributed elsewhere within the Settlement.

- 3.8.4 The budget includes Local Authority Better Care Grant (previously known as the Improved Better Care Fund) of £8.614m. This allocation includes £1.631m which was previously received separately as the Adult Social Care Discharge Fund. No inflationary increase has been provided for 2025/26. The Local Authority Better Care Grant is funded through retained business rates rather than received as a separate cash allocation.
- 3.8.5 Additional funding for Adult's and Children's Social Care was announced as part of the provisional grant settlement. The 2025/26 grant allocation of £17.744m is inclusive of an additional allocation of £2.718m awarded for the forthcoming year. This funding will be included in the Council budget to help to fund existing pressures within Social Care services.
- 3.8.6 £2.796m will be received in 2025/26 from the Adult Social Care Market Sustainability and Improvement Fund. There has been no change to this allocation from 2024/25. In previous years, this has been used to help fund increases in rates paid to social care providers. Given that there is no uplift to the allocation, it cannot be used to fund increases specifically for 2025/26.
- 3.8.7 The Children's Social Care Prevention Grant is new funding, worth £270m nationally. The grant has been distributed according to a new Children's Services needs-based formula and is worth £1.410m to Halton in 2025/26. It is intended that this grant will be used to fund early intervention and preventative services. Work is currently being undertaken to determine whether any of the additional spend proposed as part of the Children's Improvement Programme meets the funding criteria for this grant. Pending the completion of this work, £1.410m has been included within the Council's contingency budget to allow for any additional spending requirements.
- 3.8.8 A number of existing grants funded by the Department for Education have been consolidated into a Children and Families Grant, consisting of:
- Supporting Families
 - Supported Accommodation Reforms – New Burdens
 - Staying Put
 - Virtual Heads Extension for Previously Looked After Children
 - Leaving Care Allowance
 - Personal Advisors

The allocations for these grants have remained at their 2024/25 levels, although the payment by result conditions for the Supporting Families Grant has been ended, meaning that the full allocation is guaranteed for next year. This funding stream is outside of core spending power in 2025/26, but it is intended that this will be rolled in with the Children's Social Care Prevention Grant in 2026/27.

- 3.8.9 The non-ringfenced Services Grant, worth £0.252m to Halton in 2024/25, has been discontinued for 2025/26.
- 3.8.10 The Recovery Grant is a new, non-ringfenced, one-off grant worth £600m nationally, introduced for 2025/26. This funding is targeted at local authorities with high levels of need and demand for services and less ability to raise income through council tax. Halton has received a grant allocation of £4.487m for 2025/26.
- 3.8.11 Halton's allocation of Homelessness Prevention Grant and Rough Sleeping Prevention Grant has increased by £0.077m and £0.139m respectively, and there has been an increase to the Domestic Abuse Safe Accommodation Grant of £0.084m for 2025/26. These three funding streams are ringfenced, therefore the increase in funding is not available to support existing spending pressures.
- 3.8.12 At the provisional settlement, it was announced that £515m of funding will be distributed to local authorities to compensate for the direct impact of increases to employer National Insurance Contributions. Allocations were published as part of the final settlement, with Halton receiving £1.604m in 2025/26. It is anticipated that this will not be sufficient to fund the increase in direct staffing costs that are incurred through the increase in National Insurance Contributions. No compensation has been provided for increases in provider costs to the Council, which is likely to significantly impact on the cost of Adult Social Care contracts, and on agency staffing rates.
- 3.8.13 2025/26 will be the first year that local authorities will receive funding through the Extended Producer Responsibility Scheme. This funding is intended to cover the net efficient costs associated with collection and disposal of household packaging waste from kerbside and communal collections, and from waste deposited at Household Waste and Recycling Centres. This grant is distributed by the Department for Environment, Food & Rural Affairs (Defra) and is ultimately funded by a tax levied on the producers of packaging. Halton's estimated allocation for 2025/26 is £3.134m. Future year allocations are dependent on the collection of producer fees and will be subject to change, but for 2025/26 only, Government have guaranteed that authorities will receive at least their provisional allocation. £0.5m of additional expenditure has been included within the budget to fund preparatory work ahead of the changes to recycling legislation in 2026/27, with the remainder of the grant being used to fund existing recycling collection and disposal costs.

3.8.14 Government have confirmed the continuation of the 100% Business Rates Retention pilot within the Liverpool City Region for 2025/26. 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.

3.9 Estimated Price Increases

3.9.1 Since the MTFs was published in November 2024, the 2025/26 base budget position has been reviewed in detail. This included reviewing assumptions included within the MTFs and updating these within the base budget. Table D provides further information of the level of growth required to bring the budget to a position which funds existing services, inflation increases and service demand.

Table D – Estimated Price Increases

	Budget Position £m
General Spend Increase	
Salary Inflation and Increments	5.870
Price Inflation	5.033
Income Inflation	-0.853
Capital Programme	1.094
Other Known Additional Costs	3.455
Previously Approved Savings Unachieved	5.217
Adult Social Care Additional Budget Increase	
2024/25 Overspend – Adult Social Care	2.433
Social Care National Insurance Provider Uplift	1.770
Service Demand Pressures – Adult Social Care	2.382
Children’s Directorate Additional Budget Increase	
2024/25 Overspend – Children’s Services	11.300
2024/25 Overspend – Home to School Transport	0.294
Service Demand Pressures – Children’s Social Care	1.218
Service Demand Pressures – Home to School Transport	0.350
Children’s Improvement Funding	4.802
SEN Assessments and Psychology Services	0.997
Environment & Regeneration Additional Budget Increase	
Contingency – Extended Producer Responsibility	0.500
Corporate & Democracy Additional Budget Increase	
Treasury Management	4.124
Contingency	4.561
Total Increase in Costs	54.547

3.9.2 Local Government pay rates for 2025/26 have not yet been agreed. A 2% rise on all pay bands has been assumed in the budget for 2025/26, alongside the additional costs arising from the changes in National Insurance.

- 3.9.3 Inflation of 1.7% has been applied to contractual (non-controllable) expenditure budgets for 2025/26. Additional inflation of 6.4% has been applied to social care contract costs which will increase at above normal inflation rates due to the increase of 6.7% in National Living Wage rates from April 2025. Further inflation of 3.22% has been applied to Adult Social Care contract costs to reflect the increase in Employers' National Insurance costs. Electricity and gas budgets have been reduced by 15% and 20% respectively due to a forecast decrease in energy costs, whilst water budgets have been increased by 23%.
- 3.9.4 The risk to the Council's budget continues over the next year due to historical service demand pressures. To mitigate this risk, budgets have been increased in 2025/26 to reflect the current departmental budget overspends. These increases are based on the 2024/25 full-year expenditure projections. This should provide realistic, sustainable departmental budgets for the 2025/26 financial year. The increases provided for the departmental budgets are detailed in Appendix C.
- 3.9.5 It is prudent for the budget to include a general contingency of £1m. 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.
- 3.9.6 An additional contingency budget of £1.5m has been set aside to mitigate the potential impact of a proposed change to the accounting for pooled investment funds. A statutory override of the relevant accounting standard is currently in place to prevent changes in the fair value of these funds from impacting on the Council's General Fund, however this is due to expire on 31 March 2025. The Council has a £10m investment with the CCLA Property Fund that is currently valued at £8.576m. If the override were to end, and the value of the Council's investment remained the same at the end of the 2025/26 financial year, a £1.5m charge would need to be made to the General Fund, which would be covered by the contingency included within next year's budget. Gains or losses would then be charged to the Council's General Fund each year based on the changes in the value of the original investment. An estimate of the impact of this change has been included within the Council's consultation response to Government on the Provisional Local Government Finance Settlement. Government have since announced that the override will end on 31 March 2025 for all new pooled investments, but that further work will be undertaken to determine whether transitional arrangements for existing investments should be put in place. At the time of writing this report, no further announcement has been made, therefore it is considered prudent for the £1.5m provision to remain in the budget.

- 3.9.7 Additional funding has been included within the 2025/26 budget for increased demand within Adult's and Children's Social Care. The increase in estimated costs has been based on prior year demand increases.
- 3.9.8 During 2024/25, £4.2m of funding per year was approved by Council to drive improvement within Children's Services. This has been included within the budget for 2025/26 and uplifted to £4.8m to take into account the estimated increase in staffing costs from the Local Government Pay Award and the increase in National Insurance costs. It is anticipated that this programme will have a positive impact on reducing the demand for costly residential placements. A savings target of £1.5m has been included within the proposed savings in Appendix G to reflect this.
- 3.9.9 Following clarification from the Department for Education that the costs of special educational needs assessments and education psychology services can no longer be met from the Dedicated Schools Grant, an additional £0.997m has therefore been built into the base budget for 2025/26 to accommodate this.

3.10 Local Government Finance Settlement

- 3.10.1 The Government announced the provisional Local Government Finance Settlement on 18 December 2024, with the final Settlement published on 03 February 2025.
- 3.10.2 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 Grant and Local Authority Better Care Grant no longer being received.
- 3.10.3 Government has committed to a comprehensive review of its approach to distributing funding between local authorities, with the aim of introducing reforms to funding from 2026/27 onwards. The proposals that are currently subject to consultation are related to the objectives and principles of redistribution, with no indicative allocations provided. It is likely that this funding review will coincide with a reset of the business rates system, meaning that there is a risk that the LCR business rates retention pilot will end, with Halton losing the growth that has accumulated over the duration of the scheme.
- 3.10.4 For 2025/26, the Council will receive Top-Up Grant funding of £5.638m, 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 includes £1.631m for the Adult Social Care Discharge Grant which has been rolled in with the Local Authority Better Grant and included within the Council's increased business rates retention.

- 3.10.5 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 2025/26, in cash terms there has been an increase in funding for Halton of 13.4% and in real terms (i.e. allowing for inflation), a cut of 22.3%. This real terms cut equates to a reduction in funding of £791.40 per dwelling within the Borough.
- 3.10.6 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 £65.491m for 2025/26.
- 3.10.7 The business rates multiplier is fixed centrally by Government and then applied to each premises' rateable value. For 2025/26 the small business rates multiplier will be frozen at 49.9p whereas the standard rate multiplier will be increased by 1.7%, from 54.6p to 55.5p. 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.
- 3.10.8 The level of Adult Social Care council tax precept levied by the Council in each year since its introduction is detailed in Table E below.

Table E – 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%
2024/25	2%

- 3.10.9 The Policy Statement, published on 28 November 2024 confirmed that the maximum permitted Adult Social Care precept for 2025/26 will be an increase of 2%. The Settlement includes an assumption that councils will adopt the maximum 2% Adult Social Care precept.

3.11 Budget Outlook

3.11.1 The Final Local Government Finance Settlement, published on 03 February 2025, provided funding allocations for the 2025/26 financial year only.

3.11.2 Government has stated their intention to provide councils with a multi-year settlement for 2026/27 onwards, which will coincide with the planned introduction of reforms to the local government funding system.

3.11.3 Alongside the settlement, Government have issued a consultation seeking views on the objectives and principles of local government funding reform. There are no detailed proposals included within the consultation, although one of the stated aims of the reform is to target additional funding at areas with higher service needs and demands, and to recognise that authorities have a differing ability to raise revenue through council tax.

3.11.4 The Medium-Term Financial Strategy has been updated to take into account the 2025/26 Local Government Finance Settlement and multi-year allocations and savings measures already agreed or proposed. It includes a number of assumptions for 2026/27 including:

- Settlement Funding Assessment as per 2025/26 plus 2% inflation.
- Pay, prices and income growth of 2%.
- Social care contract growth of 4%.

3.11.5 The resulting total funding gap over the subsequent three financial years (2026/27 to 2028/29) is forecast to be in the region of £43.169m. This is in addition to the funding gap of £29.384m for 2025/26, giving a total funding gap of £72.553m over the next four financial years. This funding gap is inclusive of the estimated costs of Exceptional Financial Support up to the 2028/29 financial year.

3.12 Halton's Council Tax

3.12.1 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.

3.12.2 The Government have confirmed that the general council tax referendum threshold will remain at 3% for 2025/26, with an additional 2% Adult Social Care precept increase permitted. The Final Grant Settlement includes an assumption that councils will adopt the maximum Adult Social Care precept and general council tax increase.

3.12.3 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. The introduction of the 100% premium was approved by Council on 08 March 2023 and will come into effect on 01 April 2025.

3.12.4 The same Bill referred to in Para 3.51 also allowed authorities to apply the 100% premium to unfurnished and unoccupied properties bringing forward the minimum period from 2 years to 1 year. This will allow the Council to bring empty properties back into use at a quicker rate.

3.12.5 The tax base (Band D equivalent) for the Borough has previously been set by Council at 36,936.

3.12.6 As at March 2025 it is estimated that there will be a balanced position on the council tax element of the Collection Fund and there will therefore be no surplus available to contribute towards the 2025/26 budget.

3.12.7 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 £1,846.66 (equivalent to £35.51 per week). This is an increase of 4.99% (£87.77 per annum or £1.69 per week) over the current year.

3.13 Parish Precepts

3.13.1 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 F – Parish Precept Levels 2025/26

	Precept	Precept Increase		Additional Council Tax	Basic Council Tax
		£	%		
Hale	62,433	3,587	6.10%	92.63	1,939.29
Daresbury	14,430	4,750	49.07%	47.94	1,894.60
Moore	6,271	55	0.88%	18.23	1,864.89
Preston Brook	73,538	21,094	40.22%	197.15	2,043.81
Halebank	40,960	900	2.25%	75.02	1,921.68
Sandymoor	47,853	1,135	2.43%	29.09	1,875.75

3.14 Average Council Tax

3.14.1 In addition, it is also necessary to calculate the average Council Tax for the area as a whole. This is the figure required by Government and used for comparative purposes. For a Band D property the figure is £1,853.30, an increase of £88.54 per annum.

3.15 Police Precept

3.15.1 The Cheshire Police and Crime Commissioner has set the precept on the Council at £10.229m, which is £276.94 for a Band D property, an increase of £14.00 or 5.32%. The figures for each Band are shown in Recommendation 5 in Appendix A.

3.16 Fire Precept

3.16.1 The Cheshire Fire Authority has set the precept on the Council at £3.512m, which is £95.09 for a Band D property, an increase of £5.00 or 5.55%. The figures for each Band are shown in Recommendation 6 in Appendix A.

3.17 Liverpool City Region Mayoral Precept

3.17.1 The Liverpool City Region Combined Authority has set the precept on the Council at £0.886m which is £24.00 for a Band D property, an increase of £5.00, or 26.32%. The figures for each Band are shown in Recommendation 7 in Appendix A.

3.18 Total Council Tax

3.18.1 Combining all these figures will give the Total Council Tax for 2025/26 and these are shown in Recommendation 8 in Appendix A. The total Band D Council Tax (before Parish precepts) is £2,242.69, an increase of £111.77 or 5.25%. The inclusion of parish precepts means the increase in Hale is 5.24%, in Daresbury is 5.24%, in Moore is 5.20%, in Preston Brook is 7.36%, in Halebank is 5.07%, and in Sandymoor is 5.17%.

3.18.2 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.

3.18.3 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.

3.19 Business Rates

- 3.19.1 For 2025/26, a 1.7% inflationary increase has been applied to the business rates retention system. The impact for Halton is a 1.7% increase to top-up grant received, plus an additional £1.631m for the Adult Social Care Discharge Grant which will be included within the Liverpool City Region Business Rates Retention Pilot in 2025/26 instead of being received as a separate grant.
- 3.19.2 The standard business rates multiplier has been increased by 1.7p to 55.5p, with the small business rates multiplier again being frozen. Government have confirmed that authorities will be compensated for the freeze in the small business rates multiplier by an increase in the under-indexing compensation grant.
- 3.19.3 An estimate of Halton's anticipated business rates income for 2025/26 was provided to the Ministry of Housing, Communities and Local Government in January 2025.
- 3.19.4 The impact of the changes to Halton's Council Tax and Business Rates income is shown in Table G.

Table G – Council Tax and Business Rates Income 2025/26

	2024/25 Income £m	2025/26 Income £m	Change in Funding £m
Council Tax			
Council Tax Base Income	64.039	68.208	4.169
Council Tax Surplus / Deficit	0.234	0	-0.234
Total Income from Council Tax	64.273	68.208	3.935
Business Rates			
Net Rates Payable	63.091	65.491	2.400
Business Rates Surplus / Deficit	2.472	-0.116	-2.588
Section 31 Grants	17.851	17.328	-0.523
Under-Indexation Compensation	-2.710	-2.882	-0.172
Top-Up Grant	3.940	5.638	1.698
Top-Up Reconciliation	0.579	0	-0.579
Total Income from Business Rates	85.223	85.459	0.236
Total Council Income	149.496	153.667	4.171

3.20 Capital Programme

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

Table H – Capital Programme 2025/26 – 2027/28

	2025/26 £m	2026/27 £m	2027/28 £m
Spending			
Scheme Estimates	69.614	10.847	3.715
Funding			
Borrowing and Leasing	48.717	2,270	1.669
Grants and External Funds	19.497	8.177	2.046
Direct Revenue Finance	0.000	0.000	0.000
Capital Receipts	1.400	0.400	0.000
	69.614	10,847	3.715

3.20.2 The committed Capital Programme is shown in Appendix E.

3.20.3 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.

3.21 Prudential Code

3.21.1 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.

3.21.2 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.

3.22 School Budgets

3.22.1 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 allocated in four blocks: Schools Block, Central Schools Services Block, Early Years Block and High Needs Block. The funding is subsequently allocated to schools by way

of a formula, in accordance with the National Funding Formula (NFF) framework introduced in 2018/19.

- 3.22.2 The 2025/26 DSG settlement was announced on 18 December 2024, allocating Halton a total of £168.551m, which is broken down as £117.833m for the Schools Block, £0.765m for the Central Schools Services Block, £29.267m for the High Needs Block, and £20.686m for the Early Years Block. This last Block is, as usual, provisional, being based on the January 2024 Early Years census; it will be amended during the Summer to reflect January 2025 data.
- 3.22.3 Schools Block pupil numbers in mainstream primary and secondary schools have decreased from 17,830 for 2024/25 to 17,489 for 2025/26. Funding for mainstream primary and secondary schools is based on the pupil cohort on the October 2024 census.
- 3.22.4 The Schools Block of £117.833m includes the Mainstream Schools Additional Grant (MSAG), and is now added together with the similar mainstreaming of Teachers' Pay Additional Grant (TPAG), Teachers' Pension Employer Contribution Grant (TPECG), and the full-year effect of Core Schools Block Grant (CSBG, introduced as an addition during the current financial year). A small uplift of less than 1% has been added to formula funding values in recognition of inflationary pressures. The effect of all these is that the Schools Block has increased by £6.645m when compared to 2024/25. The Schools Block is distributed to schools and academies in accordance with Schools' Forum recommendations and in compliance with the National Funding Formula (NFF) requirements.
- 3.22.5 The Minimum Funding Guarantee (MFG) will be set, with Schools Forum agreement at 0.0%. This is in line with the greatest protection allowed in 2025-26 by the Department of Education, which suggests that because the full-year effect of CSBG 'bakes in' an increase to the baseline, a zero MFG still represents increased funding. By comparison, last year MFG of up to +0.5% was allowable, which Halton replicated.
- 3.22.6 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 Schools Forum-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 which 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.

- 3.22.7 The Early Years Block indicative allocation for 2025/26 is £20.686m which is £5.572m greater than the revised 2024/25 allocation. Reasons for the increase include an annualised increase in the hourly funding rates, and a presumed continued expansion in 2-year old and, particularly, pre-2-year old provision, with numbers expected to significantly increase from September 2025. The Block is presently indicative as its underpinning activity data is based on the Early Years Census taking place in January. Until the data from the January 2025 census can be validated, and allocations recalculated, during the Summer, the Block is provisional in nature.
- 3.22.8 The hourly rate the Council is funded at for 3 and 4 year old provision, (as opposed to the hourly rate we pay providers), has increased from £5.72 per hour for 2024/25 to £5.97 per hour for 2025/26. The hourly rate the Council is funded at for 2 year old provision has increased from £8.20 per hour to £8.52 per hour and also the hourly rate for the expansion to include under 2 year old provision is £11.60 per hour (up from £11.18).
- 3.22.9 The High Needs Block for 2024/25 was £27.079m before recoument by the Department for Education (DfE) for commissioned places in special academies and further education. For 2025/26, the High Needs Block before deductions is £29.267m, which is an increase of £2.188m or 8.1%. Further conditions of grant in respect to High Needs have been continued for 2025/26 which require all authorities to pass on a minimum guaranteed increase to their specialist provisions.
- 3.22.10 The Pupil Premium Grant (PPG) rates for school age children have not been increased compared to 2024/25, and so remain at £1,480 per primary pupils and £1,050 per secondary pupils 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. Early Years Pupil Premium, which forms part of the Early Years Block rather than sitting outside it as a separate grant, is increasing, from £388 to £570 (£1.00 per hour per child).

3.23 Section 25 Report

- 3.23.1 Section 25 of 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.

Robustness of Estimates

- 3.23.2 It is clear within the report the Council finds itself in an extremely challenging financial position. Regular financial monitoring reports have been shared with the Executive Board and Policy and Performance Boards over the past year, highlighting cost pressures and the impact of those being significantly higher than what has been allowed in the 2024/25 budget.
- 3.23.3 The 2025/26 budget setting process and the information provided should be sufficient to allow the Council to come to an informed view regarding the 2025/26 revenue budget, capital programme and council tax. Significant additional budget has been identified next year to cover the main 2024/25 overspending areas including, Children's Social Care, Adult Community Care, Internal Care Homes and Home to School Transport.
- 3.23.4 The impact of updated estimates around inflation, service demand and increasing complexities of care have been included within the forecast of costs over the next year.
- 3.23.5 It is considered the net budget position is sufficient to cover planned net expenditure over the next 12 months. The impact of updated estimates around inflation, service demand and increasing complexities of care have been included within the forecast of costs. Nevertheless as these form the greatest risk to the Council's budget position, the Council must be alert to these risks and immediate action must be taken throughout the financial year where it is identified costs and demand will exceed the available budget.
- 3.23.6 Greater risk is also identified within the planned 2025/26 savings. Failure to act and achieve these savings within the correct timeframe will have a detrimental impact on the Council's finances.
- 3.23.7 To help mitigate against the risk, regular reports will be received by Executive Board every other month to advise on the updated financial position, and these will also be shared with the Policy and Performance Boards. The Council's Financial Management team will work with all service leads to develop rigorous budget monitoring processes and identify immediately where spend is out of alignment against budget.
- 3.23.8 Similar to many councils, Halton is experiencing a significant deficit in respect of the cost of children with special educational needs and disabilities (SEND). It is forecast that this deficit may be £10.8m by the end of 2025/26. The Council is currently part of the Government's Delivering Best Value in SEND programme, to bring about changes in service delivery which will result in cost reductions.

3.23.9 Whilst this expenditure would normally be funded from the Dedicated Schools Grant (DSG), legislation requires that any deficit is funded from the Council's general fund. This would have a significant impact for the Council and require additional capitalisation under the Exceptional Financial Support arrangement. The previous Government introduced a statutory over-ride, whereby the SEND deficit can be carried forward each year-end as part of the DSG budget, but the statutory override expires at 31 March 2026. However, the Government are fully aware of the difficulties this would cause for councils and it is expected that clarification of the position going forward will be made as part of the Government's commitment to significant funding reform in 2026/27.

Adequacy of Reserves

3.23.10 The Council has for a number of years been reliant on Council reserves to help meet the level of cost pressures over and above available budget. As a result the Council is now in a position where useable reserves are insufficient to meet the current and future budget deficits. As a result the Council are in a position where they have no option but to seek Exceptional Financial Support through borrowing to fund day to day running costs.

3.23.11 The current level of general and earmarked reserves totals £54.8m, although only £11.4m of this is available for immediate need. The remaining balance of reserves are committed for specific purposes.

3.23.12 Within future budgets the Council must be committed to increasing the value of reserves held for general purposes. As part of the 2026/27 financial forecast, £2m growth has been applied to add to the value of the Council's General Reserve. It is assumed this will be applied year on year until such point where it is considered the level of reserves are suitably matched against future financial risk.

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

6.1 **Improving Health, Promoting Wellbeing and Supporting Greater Independence**

6.2 **Building a Strong, Sustainable Local Economy**

6.3 Supporting Children, Young People and Families

6.4 Tackling Inequality and Helping Those Who Are Most In Need

6.5 Working Towards a Greener Future

6.6 Valuing and Appreciating Halton and Our Community

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 above.

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 budget is prepared that aligns resources with corporate objectives.

7.2 A number of key factors and risks have been identified in the budget, these are provided mainly within the section covering the statutory Section 25 Report. Close monitoring and regular reporting of the updated outturn forecast will give the Council the best and most timely opportunity to correct the budget. Immediate action must be taken where and when overspends against budget are highlighted.

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 are no direct climate change issues.

10.0 REASON FOR THE DECISION

10.1 To seek approval for the Council's revenue budget, capital programme and council tax for 2025/26.

11.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

11.1 A number of alternative budget proposals have been considered by the Budget Working Group.

12.0 IMPLEMENTATION DATE

12.1 05 March 2025.

**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) 2025/26	Financial Management Halton Stadium	Steve Baker

APPENDIX A

**DRAFT RESOLUTION FOR SUBMISSION TO THE COUNCIL
AT ITS MEETING ON 05 MARCH 2025**

RECOMMENDATION: that the Council adopt the following resolution:

1. The policies outlined in this paper be adopted, including the budget and council tax for 2025/26 and the Capital Programme set out in Appendix E.
2. That it be noted that at the meeting on 4 December 2024 the Council agreed the following:
 - (a) The Council Tax Base 2025/26 for the whole Council area is 36,936.30 (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	674
Daresbury	301
Moore	344
Preston Brook	373
Halebank	546
Sandymoor	1,645

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 2025/26 (excluding Parish precepts) is £68,208,788.
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 2025/26 and agreed as follows:
 - (a) £569,046,615 – 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) £500,592,948 – being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £68,453,667 – being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year (item R in the formula in Section 31A(4) of the Act).
- (d) £1,853.30 – 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) £245,485.10 – 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	62,432.62
Daresbury	14,430.00
Moore	6,271.00
Preston Brook	73,538.48
Halebank	40,960.00
Sandymoor	47,853.00

- (f) £1,846.66 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	92.63
Daresbury	47.94
Moore	18.23
Preston Brook	197.15
Halebank	75.02
Sandymoor	29.09

being the amounts given by adding to the amounts at 3(e) above the amounts of the special item or items relating to dwellings in

those parts of the Council's area mentioned above divided in each case by the amount at 2(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings of its area to which one or more special items relate.

(h) Part of the Council's Area

Band	Hale	Daresbury	Moore	Preston Brook	Halebank	Sandymoor	All other Parts of the Council's Area
	£	£	£	£	£	£	£
A	1,292.86	1,263.07	1,243.26	1,362.54	1,281.12	1,250.50	1,231.11
B	1,508.34	1,473.58	1,450.47	1,589.63	1,494.64	1,458.92	1,436.29
C	1,723.81	1,684.09	1,657.68	1,816.72	1,708.16	1,667.33	1,641.48
D	1,939.29	1,894.60	1,864.89	2,043.81	1,921.68	1,875.75	1,846.66
E	2,370.24	2,315.62	2,279.31	2,497.99	2,348.72	2,292.58	2,257.03
F	2,801.20	2,736.64	2,693.73	2,952.17	2,775.76	2,709.42	2,667.40
G	3,232.15	3,157.67	3,108.15	3,406.35	3,202.80	3,126.25	3,077.77
H	3,878.58	3,789.20	3,729.78	4,087.62	3,843.36	3,751.50	3,693.32

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 2025/26 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	184.63
B	215.40
C	246.17
D	276.94
E	338.48
F	400.02
G	461.57
H	553.88

6. It is further noted that for the year 2025/26 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	63.39
B	73.96
C	84.52
D	95.09
E	116.22
F	137.35
G	158.48
H	190.18

7. It is further noted that for the year 2025/26 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	16.00
B	18.67
C	21.33
D	24.00
E	29.33
F	34.67
G	40.00
H	48.00

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 2025/26 for each of the categories of dwellings shown below:

Band	Hale	Daresbury	Moore	Preston Brook	Halebank	Sandymoor	All other Parts of the Council's Area
	£	£	£	£	£	£	£
A	1,556.88	1,527.09	1,507.28	1,626.56	1,545.14	1,514.52	1,495.13
B	1,816.37	1,781.61	1,758.50	1,897.66	1,802.67	1,766.95	1,744.32
C	2,075.84	2,036.11	2,009.70	2,168.74	2,060.18	2,019.36	1,993.50
D	2,335.32	2,290.63	2,260.92	2,439.84	2,317.71	2,271.78	2,242.69
E	2,854.27	2,799.65	2,763.34	2,982.02	2,832.75	2,776.61	2,741.06
F	3,373.24	3,308.69	3,265.77	3,524.21	3,347.80	3,281.46	3,239.44
G	3,892.20	3,817.72	3,768.20	4,066.40	3,862.85	3,786.30	3,737.82
H	4,670.64	4,581.26	4,521.84	4,879.68	4,635.42	4,543.56	4,485.38

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 Director - Finance be authorised at any time during the financial year 2025/26 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	71,206
Children's Services Directorate	
Children's Services	52,693
Education, Inclusion & Provision	11,231
	64,016
Public Health Directorate	1,479
Environment & Regeneration Directorate	
Community & Greenspace	22,585
Economy, Enterprise & Property	2,319
Policy, Planning and Transportation	9,196
	34,100
Chief Executive's Directorate	
Finance	6,301
ICT & Support Services	3,542
Legal & Democratic Services	-95
Chief Executive's Delivery Unit	1,340
	11,088
Departmental Operational Budgets	181,889
Corporate and Democracy	1,255
Total Operational Budget	183,052

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
2024/25 Base Budget	59,800	38,071	9,675	1,460	25,407	2,337	8,405	5,029	2,277	-571	1,215	-3,608	149,496
Staffing	2,294	562	504	441	854	126	200	338	189	166	136	-37	5,773
Care Contract Costs	9,768	13,502	0	0	0	0	0	0	0	0	0	0	23,270
Care Homes Expenditure	452	0	0	0	0	0	0	0	0	0	0	0	452
Children's Improvement Plan	0	4,601	0	0	0	0	0	0	87	114	0	0	4,802
SEN Costs Previously Funded from DSG	0	0	997	0	0	0	0	0	0	0	0	0	997
Schools Transport	0	0	682	0	0	0	0	0	0	0	0	0	682
Concessionary Travel	0	0	0	0	0	0	0	154	0	0	0	0	154
Other Transport	102	10	0	0	0	0	12	0	0	0	0	0	124
Additional Fleet Driver Posts	0	0	0	0	0	0	358	0	0	0	0	0	358
Environmental Consultancy	0	0	0	0	0	0	143	0	0	0	0	0	143
Premises Costs	-39	-34	0	0	-245	-126	-5	0	-21	0	0	0	-470
Software Costs	0	0	4	0	3	1	0	21	584	0	3	0	616
Postage Costs	0	0	0	0	0	0	0	0	228	0	0	0	228
Legal Expenses	0	0	0	0	0	0	0	0	0	204	0	0	204
Capital Costs	0	0	0	0	0	0	0	0	0	0	0	1,094	1,094
Interest Expenditure	0	0	0	0	0	0	0	0	0	0	0	4,124	4,124
Contingency	0	0	0	0	0	0	0	0	0	0	0	4,561	4,561
Other Costs	279	98	0	739	312	60	80	183	0	1	0	148	1,900
Reserves Movements	0	1,000	0	-1,000	0	0	0	0	0	0	0	0	0
Sales, Fees, Charges , and Other Income	-294	3	-55	-2	-258	-31	-46	-112	-34	-9	-14	-91	-943
Loss of Youth Justice Service Income	0	0	0	0	0	0	0	0	232	0	0	0	232
Rent Allowances Shortfall	0	0	0	0	0	0	0	100	0	0	0	0	100
Changes in Grant Funding	709	-3,220	-276	-114	-3,218	0	0	42	0	0	0	-5,885	-11,962
Prior Year Unachieved Savings	1,015	0	0	0	0	52	150	0	0	0	0	4,000	5,217
Savings Approved February 2023	-1,225	0	0	0	0	0	0	0	0	0	0	0	-1,225
Proposed Savings (See Appendix G)	-1,655	-1,900	-300	-45	-270	-100	-100	-100	0	0	0	-2,406	-6,876
Transfers Between Departments	0	0	0	0	0	0	0	646	0	0	0	-646	0
2025/26 Base Budget	71,206	52,693	11,231	1,479	22,585	2,319	9,196	6,301	3,542	-95	1,340	1,255	183,052
Total Growth from 2024/25 Budget	11,406	14,622	1,556	19	-2,822	-18	791	1,272	1,265	476	125	4,863	33,555

APPENDIX D

MEDIUM TERM FINANCIAL FORECAST

	2026/27 £000	2027/28 £000	2028/29 £000
Spending			
Previous Year's Budget	183,052	199,256	217,324
<u>Inflation</u>			
Pay	2,303	2,330	2,358
Prices	3,748	4,194	4,342
Income	-654	-670	-686
<u>Other</u>			
Service Demand Pressures	6,253	8,115	11,653
Contingency	1,500	2,000	2,000
End of Increased Business Rates Retention	2,099	2,099	2,099
Replenish Reserves	2,000	0	0
Budget Forecast	199,256	217,234	239,090
Resources			
Baseline Business Rates Funding and Top-Up Grant	87,287	29,032	90,813
Council Tax	70,950	73,802	76,769
	158,237	162,834	167,582
Cumulative Funding Gap	-42,064	-55,535	-72,553

APPENDIX E

COMMITTED CAPITAL PROGRAMME 2025/28

SCHEME	2025/26 £000	2026/27 £000	2027/28 £000
Schools Capital Projects	1,306	0	0
Children's Directorate	1,306	0	0
Disabled Facilities Grant	600	600	600
Stairlifts	540	540	540
Adult's Directorate	1,140	1,140	1,140
Stadium Minor Works	30	30	30
Children's Playground Equipment	65	65	65
Landfill Tax Credit Schemes	340	340	340
Upton Improvements	13	0	0
Crow Wood Park Play Area	12	0	0
Open Spaces Schemes	600	600	600
Runcorn Town Park	280	280	0
Spike Island / Wigg Island	1,889	0	0
Pickerings Pasture Café	491	0	0
Replacement Cremator Widnes	224	0	0
Litter Bins	20	20	20
3MG	134	0	0
Equality Act Improvement Works	300	300	300
Property Improvements	200	200	200
Runcorn Town Centre Development	7,190	0	0
Port of Weston	3,957	0	0
Sci-tech Daresbury Project Violet	2,200	0	0
Street Lighting – Structural Maintenance	200	200	200
East Runcorn Connectivity	5,852	5,852	0
Risk Management	120	120	120
Fleet Replacements	1,423	1,000	0
Environment & Regen Directorate	25,540	9,007	1,875
IT Rolling Programme	700	700	700
Halton Smart Microgrid	10,872	0	0
Transformation Programme	1,000	0	0
Exceptional Financial Support	29,056	0	0
Chief Executive Directorate	41,628	700	700
Total Capital Programme	69,614	10,847	3,715

APPENDIX F

PREVIOUSLY APPROVED BUDGET SAVINGS 2025/26

Adult Social Care Department

Ref.	Service Area	Net Budget £000	Description of Saving Proposal	2025/26 Savings Value £000
ASC1	Housing Solutions	474	Remodel the current service based on good practice evidence from other areas.	125
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.	100
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” i.e. focused upon prevention.	1,000
Total Adult Social Care Department				1,225

Children and Families Department

Ref.	Service Area	Net Budget £000	Description of Saving Proposal	2025/26 Savings Value £000
C1	Children's Centres	1,293	Review the operation of Windmill Hill Children's Centre, where there is the potential to save on premises and staffing costs.	22
Total Children and Families Department				22

Community and Greenspace Department

Ref.	Service Area	Net Budget £000	Description of Saving Proposal	2025/26 Savings Value £000
COMM5	Stadium and 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.	12
Total Community and Greenspace Department				12

Finance Department

Ref.	Service Area	Net Budget £000	Description of Saving Proposal	2025/26 Savings Value £000
F9	Internal Audit	300	Restructure in light of potential retirements over the next two years within the Internal Audit Team.	50
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
Total Finance Department				90

APPENDIX G

PROPOSED BUDGET SAVINGS 2025/26 – TO BE APPROVED

Item	Proposed Saving	Amount £000
	Corporate Items	
1	Purchase of Additional Leave – development of a voluntary scheme to enable staff to purchase additional annual leave.	100
2	Voluntary Severance Scheme – development of a policy whereby staff may be offered voluntary severance in appropriate circumstances, but without creating a significant pension strain liability.	200
3	Apprenticeships - implement an “Apprentice First” policy, with all appropriate vacant posts assessed initially to determine whether they might be suitable as an apprenticeship. This will build longer term resilience into the organisation’s workforce and provide short term cost savings by drawing down funding from the apprenticeship levy. The scheme will be co-ordinated by the newly appointed Apprenticeship Officer, funded and supported by the Transformation Delivery Unit.	200
4	Agency Staff Reduction – continuation of the work being co-ordinated by the Transformation Delivery Unit to reduce the reliance upon agency workers across the Council, in particular within Adults and Children’s Social Care. Target net savings of £1.7m for 2025/26, £1.3m for 2026/27 and £1.1m for 2027/28.	1,700
5	Review all existing contracts across the Council to re-consider their requirements and performance on the basis of outputs achieved.	200
	Environment & Regeneration Directorate	
6	Accelerate the lease or sale of surplus land, non-operational buildings, surplus space within building, etc. to either generate lease rentals or capital receipts to help fund capital schemes and thereby reduce future capital financing costs.	100
7	Green Waste – increase green waste charges from £43 to £50 per annum, to bring Halton onto a comparable basis with charges levied by neighbouring councils.	100
8	Area Forums – cease the funding for Area Forums.	170
9	LED Advertising Screens – install LED advertising screens at appropriate locations within the Borough in order to generate advertising revenue. The estimated annual income is the Council’s share of advertising revenue net of capital financing costs for the installations.	100
	Adults Directorate	
10	Community Wardens/Telecare Service – a review will be undertaken of the various options available for the future delivery	280

	of these services, with support from the Transformation Delivery Unit.	
11	Community Care – continuation of the work being undertaken to review care provided through the Community Care budget, in order to reduce the current overspend and ongoing costs.	1,000
12	Review of Service Delivery Options – reviews will be undertaken of the various service delivery options available for a number of areas including; Day Services, Halton Supported Housing Network, In-House Care Homes, Reablement Service and Oak Meadow.	375
Children’s Directorate		
13	Home to School Transport – undertake consultation with stakeholders and partners with regard to implementing a new Home to School and College Travel and Transport Policy for Children and Young People with Special Educational Needs and Disabilities.	300
14	Residential Placements – continuation of the work being undertaken to review residential placements, especially high cost placements, and identify opportunities to step-down placements or find alternatives, in order to reduce the current overspend and ongoing costs.	1,500
15	Independent Fostering Agencies and Out of Borough Fostering – continuation of the work being undertaken to review placements, to increase use of In-Borough foster carers wherever possible and thereby reduce costs, in order to reduce the current overspend and ongoing costs.	200
16	Court Costs – implementation of measures in conjunction with Legal Services, to reduce the backlog and ongoing number of Children’s cases going to court, thereby reducing the timescales involved and cost of court proceedings, in order to reduce the current overspend and ongoing costs.	200
Public Health Directorate		
17	Pest Control – increase charges for pest control on the basis of benchmarking data, to bring Halton onto a comparable basis with charges levied by neighbouring councils.	45
Chief Executive’s Directorate		
18	Deputy Mayor – cease provision of the Deputy Mayor’s allowance, whilst retaining a nominated Deputy Mayor.	6
19	Debt Management – undertake a review of debt management policies and procedures, in order to implement a more robust approach to debt management and debt recovery, considering options such as seeking payment in advance wherever possible, to improve cashflow and reduce the risk of non-recovery.	100
Total		6,876

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. In November 2024, as part of the policy statement on local government finance, Government signaled intentions to extend this through to 2030.
- 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 projects which will make use of the capital receipts flexibility and list 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.
- 2.4 Saving estimates will be updated on a regular basis over the next year as the programme gathers pace. Changes to future forecasted savings will be reported to Transformation Programme Board during the period of the programme and annual reports will present the level of actual savings made.
- 2.5 The cumulative savings to date and those forecast over the medium term are summarised at Table A, this will be updated over the next year
- 2.6 Savings have been broken down between actual savings against budget, cost reductions and income growth.

TABLE A – Actual and Estimated Savings

	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£m	£m	£m	£m	£m	£m
Budgeted Savings	0.000	0.099	2.091	3.336	1.215	6.741
Cost Reductions	0.511	0.161	0.166	0.000	0.000	0.838
Income Generation	0.000	0.000	0.066	0.143	0.000	0.209
Total	0.511	0.260	2.323	3.479	1.215	7.788

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
	£m	£m	£m
Programme Running Costs	1.941	2.360	2.427
Allowable Severance Costs	0.382	0	0
Total Transformation Programme Costs	2.323	2.360	2.317

- 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.

APPENDIX I



**Ministry of Housing,
Communities &
Local Government**

Jim McMahon OBE MP
*Minister of State for Local
Government and English
Devolution*
2 Marsham Street
London
SW1P 4DF

Councillor Mike Wharton
Leader of Halton Borough Council
By email

20 February 2025

Dear Councillor Wharton,

I am writing in relation to Halton Borough Council's request of 6 December 2024 for Exceptional Financial Support in respect of financial years 2024-25 and 2025-26.

The Exceptional Financial Support process exists to support those councils facing unmanageable financial pressures. This government understands that fragility in the system has left some councils in difficult positions and recognises that support is required in exceptional circumstances to balance budgets. Going forward, as set out as part of the Local Government Finance Settlement, we are clear that we will continue to work to support local services and put the system back on a sustainable footing.

We recognise however that these reforms will take time. I understand that this is a difficult time for the council and that difficult decisions have been taken locally before this request for support. I appreciate your engagement in this process whilst we move towards wider reform from 2026-27. The Deputy Prime Minister, as Secretary of State, has considered the council's position including all the measures that have been taken locally to support the continued delivery of sustainable services for residents, particularly for those who are most vulnerable.

This letter therefore sets out the department's current position but does not constitute a capitalisation direction.

With respect to the financial years 2024-25 and 2025-26, the Deputy Prime Minister is minded to approve a capitalisation direction of a total not exceeding £52.8 million. The total is broken down by each financial year as follows, as per your request:

- £20.8 million in 2024-25.
- £32 million in 2025-26.

I am keen that this government takes a collaborative approach to Exceptional Financial Support that recognises the challenges many local authorities are experiencing. However, this government continues to expect local authorities to spend resources effectively and deliver for residents. Therefore, consistent with those councils that have previously sought Exceptional Financial Support, in order for the department to provide a final capitalisation direction, the

council is required to undergo an external assurance review which will include, but will not be limited to, an assessment of the council's financial position and governance arrangements. The department reserves the right to extend the scope of the review to consider any other relevant issue that is deemed necessary. The department may make exception to this requirement where the council has already undertaken an independent review that is deemed acceptable by the department.

We will work with councils on how best we can support local authorities through these reviews, including how they might help local authorities to identify the action needed to recover and reform. My officials will confirm review scopes with you in due course.

Capitalisation directions may be subject to conditions, which would be set out in any directions should the Deputy Prime Minister decide to exercise her powers as Secretary of State under sections 16(2)(b) and 20 of the Local Government Act 2003. If the Deputy Prime Minister decides to give any directions, she is minded to attach the following conditions:

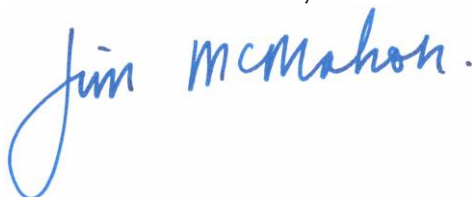
- i. The authority may only capitalise expenditure when it is incurred;
- ii. Where expenditure is capitalised, the authority shall charge annual MRP using the asset life method with a proxy 'asset life' of no more than 20 years.

If the Deputy Prime Minister gives any directions, she will confirm the final amount of capitalisation support and any conditions that will apply in due course. The approval of any capitalisation directions will also be contingent on the council reporting to the department the final amounts identified for which it requires capitalisation for each year, with the agreement of the council's external auditors.

If you are considering financing capitalisation support through capital receipts, I want to make clear at this stage that it is my expectation that councils should avoid the disposal of community heritage assets where possible to protect the public ownership of locally significant sites to ensure residents can continue to benefit from them.

Thank you for your continued support and the support of your officers whilst we have considered your request for Exceptional Financial Support. Officials will continue to closely support you through the next steps of the process.

Yours ever,



JIM MCMAHON OBE MP

Minster of State for Local Government and English Devolution

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REPORT TO: Executive Board

DATE: 16 January 2025

REPORTING OFFICER: Director of Finance

PORTFOLIO: Corporate Services

SUBJECT: 2024/25 Spending as at 30 November 2024

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To report the Council's overall revenue net spend position as at 30 November 2024 together with a 2024/25 forecast outturn position.

2.0 RECOMMENDED: That;

- 1) All spending continues to be limited to essential items only;**
- 2) Executive Directors continue to identify areas where they can further reduce their directorate's spending or generate income, in order to reduce the councilwide forecast outturn overspend position;**
- 3) Executive Directors continue to implement the approved savings proposals for 2024/25 and 2025/26 as detailed in Appendix 4;**
- 4) The updated forecast outturn position be shared with the Ministry of Housing, Communities & Local Government in support of the Council's application for Exceptional Financial Support;**
- 5) Council be asked to approve the revisions to the capital programme set-out in paragraph 3.22 and incorporated within Appendix 3;**
- 6) This report be shared with each Policy and Performance Board, in order to ensure they have a full appreciation of the councilwide financial position, in addition to their specific areas of responsibility.**

3.0 SUPPORTING INFORMATION

Revenue Spending

3.1 Appendix 1 presents a summary of spending against the operational revenue budget up to 30 November 2024 and Appendix 2 provides detailed figures for each individual Department. In overall terms, net Council

spending as at 30 November 2024 is £14.246m over budget. The outturn forecast for the year estimates that net spending will be over budget by £20.757m if no corrective action is taken.

- 3.2 The forecast outturn overspend has increased by approximately £100,000 from the amount reported on 14 November 2024. Whilst this is only a marginal increase, there has been significant movement within individual directorates' outturn positions. Further information regarding significant departmental variances is included within the report and departmental figures are included in Appendices 1 and 2.
- 3.3 The forecast position continues to be of great concern, as there is no evidence of a reduction in overall spending across the Council. In order to address the situation, financial focus workshops led by the Chief Executive are taking place with each Directorate's senior leadership team on a monthly basis. These workshops are looking for urgent ways to reduce or stop spending, or generate income. The aim is that initiatives identified in these workshops will help reduce the overall forecast overspend position for the year.
- 3.4 It is certain that available reserves will not be sufficient to cover the forecast overspend for the year. Therefore, on 04 December 2024 Council approved an application to the Ministry of Housing, Communities & Local Government (MHCLG) for Exceptional Financial Support (EFS). The Government's EFS arrangement provides councils with exceptional permission to capitalise annual revenue costs and fund them from long term borrowing (usually over 25 years) from the Public Works Loans Board (PWLb). EFS provides permission to borrow and does not provide grant funding. The Council submitted a draft EFS application on 13 December 2024. The application will be updated based on the information within this report and also following clarification of the 2025/26 provisional grant settlement.
- 3.5 The Council's available useable reserves (general and earmarked) total £11.484m. This is well below that required to help provide a balanced budget position given the forecast outturn overspend. Further detail on reserves is provided at paragraph 3.19.
- 3.6 The forecast outturn figures reflect a prudent yet realistic view of spend and income levels through to the end of the year. Work will continue to update the financial position as more information becomes available. Included within the forecast position is the 2024/25 pay award which was paid in November 2024.
- 3.7 The largest pressure on the Council's budget continues to be within the Children & Families Department, where net spend for the year is forecast to be £8.311m (16.5%) above 2023/24 actual spend. There continue to be significant cost pressures within the forecast relating to staffing costs, residential placements, and out of borough foster care.
- 3.8 On 24 October 2024 the Board approved additional revenue funding of £4.2m per year, to help develop a programme around the stabilisation and

redesign of Children's Social Care, following the Ofsted review. This investment is focused upon proactive early intervention and prevention systems. It is envisaged that this investment will help control and reduce costs within Children's Social Care over the next few years, and these cost reductions will be built into future year budget targets.

- 3.9 The use and cost of agency staff continues to be one of the main contributing factors to the overspend position for the year. This is mostly evident within the Children & Families Department and the Council's in-house Care Homes. Initiatives and support from the Transformation Programme are ongoing to reduce reliance upon agency staff.
- 3.10 Analysis of agency spend for the year, together with comparative analysis of 2023/24 costs, is included in the table below. Note information for Q3 only includes data for two months, October and November.

	2024/25				2023/24
	Q1 £'000	Q2 £'000	Q3 to Date £'000	Total £'000	Total £'000
Adult Social Care	1,341	1,656	806	3,803	5,927
Chief Executives Delivery Unit	132	179	154	465	0
Children & Family Services	1,283	1,432	940	3,655	6,157
Community & Greenspace	116	129	68	313	336
Economy, Enterprise & Property	86	105	78	269	343
Education, Inclusion & Provision	99	78	36	213	393
Finance	14	42	24	80	56
Legal & Democratic Services	253	274	137	664	814
Planning & Transportation	94	85	15	194	206
Public Health & Public Protection	11	10	1	22	21
Total	3,429	3,990	2,259	9,678	14,253

- 3.11 Within the approved budget for the year is a £4m savings target against the Transformation Programme. To date budget savings of £0.129m have been identified against this target. In addition, the Transformation Delivery Unit (TDU) have identified cost reductions and cost avoidance measures, although these will not lead to an overall reduction in the budgeted target. Progress against transformation savings is reported monthly to the Transformation Programme Board.
- 3.12 The forecast overspend is significantly above that which has been recorded in recent years. Whilst the current year net budget for the Council has increased by £7.7m (5.45%), this is well below the forecast increase in net costs, currently estimated as an increase of £22.952m (15.5%).

Revenue - Operational Spending

- 3.13 Operational net spending for the first eight months of the year is higher than the budget to date by £14.246m. Based on current forecasts it is estimated net spend will be over budget for the year by £20.757m if no further corrective action is taken.

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

(i) **Children and Families Department**

The overall forecast financial position at the end of 2024/25 has reduced by £0.631m since last reported at 30 September 2024.

Significant investment as part of a Children's Social Care improvement plan and redesign of the service, has been provided to support the improvement journey. Although, there has been a reduction in forecast overspend, It is important to recognise that the level of spend across the service remains a similar level. The reduction in forecast overspend is primarily due to the increased funding provided, as well as some reductions in other areas.

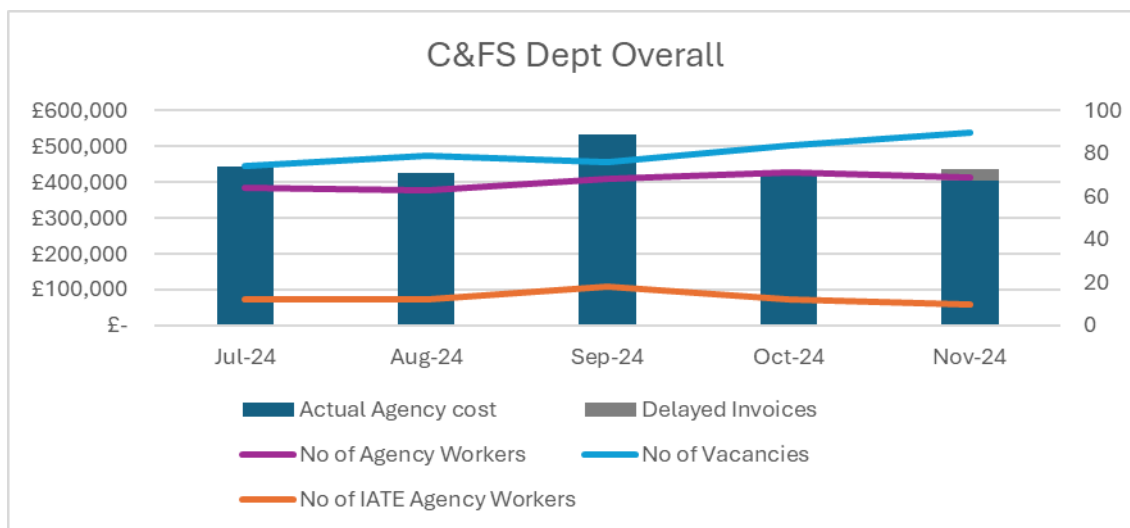
The Children's and Families Department forecast overspend continues to be an area of serious concern and the issues remain the same. These include the difficulty with recruitment of social workers and the subsequent high cost of agency staff, along with spiralling costs of residential placements. This has been an ongoing problem for a number of years.

Employee Expenditure

Employee costs are forecast to be over budget profile at the end of financial year 2024/25 by £2.618m, a reduction of £0.438m compared to the end of September 2024.

The reduction mainly relates to the approved additional investment within Children's Services which has resulted in the establishment of 33 new roles across the Department. Agency staff that were previously in addition to the establishment (IATE) are no longer considered as IATE. Additional in-year budget of £0.370m (funded from contingency) has been provided for some of the newly established posts which has helped reduce the overspend position.

The chart below analyses agency costs for the period April to November, for the Children and Families Department. These are based upon the period worked, the number of agency staff where an invoice has been received for each period, the number of vacancies, and the number of staff who are currently in addition to the establishment (IATE).



Residential Care

Out of Borough Residential Care costs continue to be the main budget pressure for the Children and Families Department, as the costs of residential care have continued to escalate year-on-year. The numbers of young people in residential placements remains high, complexity of care is increasing, and the cost of placements is rising significantly.

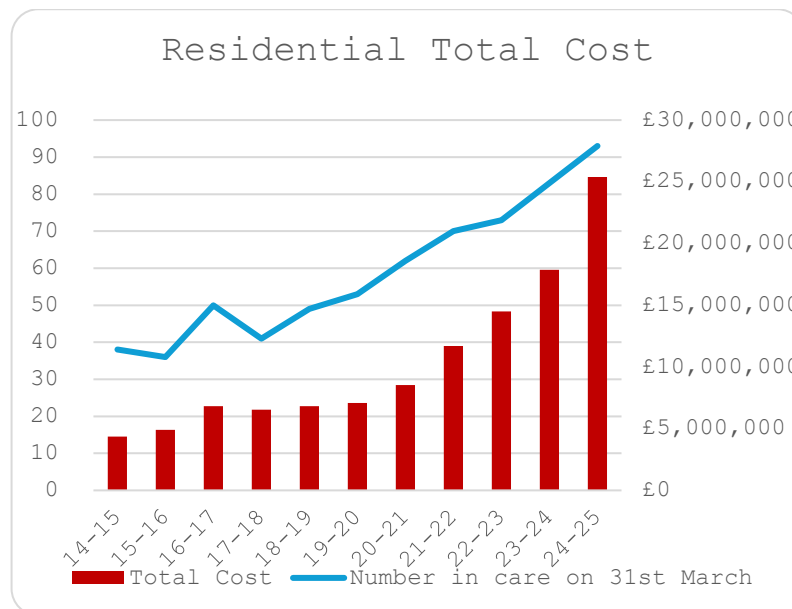
Provision	Weekly Costs	30-Nov-24		30-Sep-24	
		No. Placed	Estimated cost for the year	No. Placed	Estimated cost for the year
Residential	£1000 - £3000	4	476,360	3	425,275
Residential	£3001 - £5000	25	4,956,870	26	5,642,774
Residential	£5001 - £7000	26	7,413,389	27	7,989,196
Residential	£7001 - £15982	17	9,291,964	14	8,215,999
Secure	£6397 - £8137				
Leaving Care	£443 - £7175	14	2,341,056	18	2,643,101
Parent & Child	£2000 - £5500	7	913,562	6	715,298
Total:		93	25,393,201	94	25,631,643

The forecast overspend at the end of financial year is £7.194m for residential placements, which is a reduction of £0.200m since last reported.

Overall the cost of packages is increasing due to the complexity of support the young people require, as well as inflationary package cost increases. This is a national issue and market factors such as low supply and high demand have resulted in the costs of residential care packages rising significantly over the past year in particular, meaning that the level of spend is unsustainable at the current rate.

A number of initiatives are taking place to try and address the issue, including the operation of a High Cost Placement Panel, where high cost packages are individually scrutinised to ensure the placement is correct for the young person’s needs and is provided at the best available cost.

The graph below illustrates the rising costs of Residential Care, for consistency this does not include the costs of Unaccompanied Asylum-Seeking Children (UASC) as these costs were not included in previous years.



(ii) **Adult Social Care Directorate**

Community Care

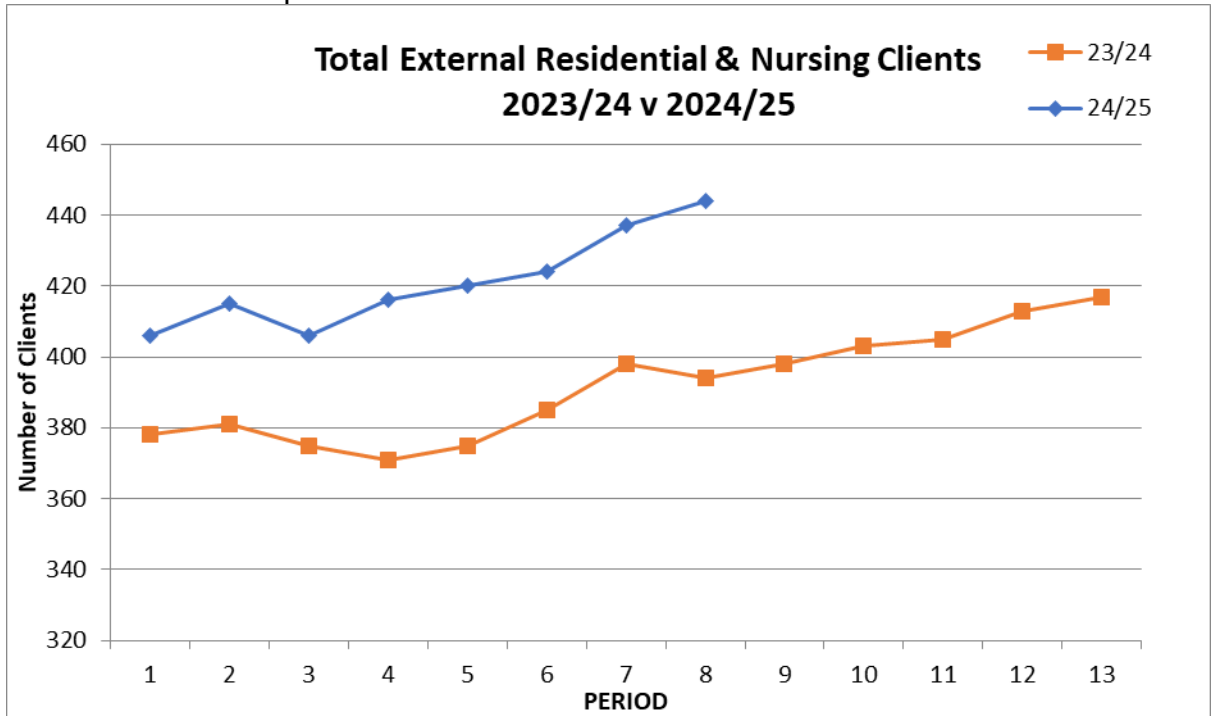
At the end of November 2024 expenditure on Community Care services is over budget profile by £1.569m. It is anticipated that at the end of the financial year it will be overspent by £2.951m. This is an increase of £0.518k from the previous forecast reported at the end of September. Note the September forecast was based upon August figures, hence this increase is over three months.

Residential & Nursing Care

There are currently 444 residents in permanent external residential/nursing care as at the end of November 2024 compared to 406 in April, an increase of 9.3%. Compared to the 2023/24 average of 390 this is an increase of 13.8%. The average cost of a package of care since April 2024 has increased from £866 to £873 a slight increase of 0.8%. Based on this average cost the 24 additional service users from August to November will cost approximately £0.491m to year-end. In addition, there are 92 residents placed within the Council’s in-house care homes.

The graph below illustrates the demand for permanent placements.

However, it is not only permanent placements that are increasing, as short-stay placements are also increasing fuelled by Pathway 3 Discharge to Assess. Health provide funding for four weeks, but generally when this funding ends the cost falls to the Council. Very few residents tend to qualify for Continuing Healthcare funding from Health. Short-stay placements have increased by £0.183m since last reported.



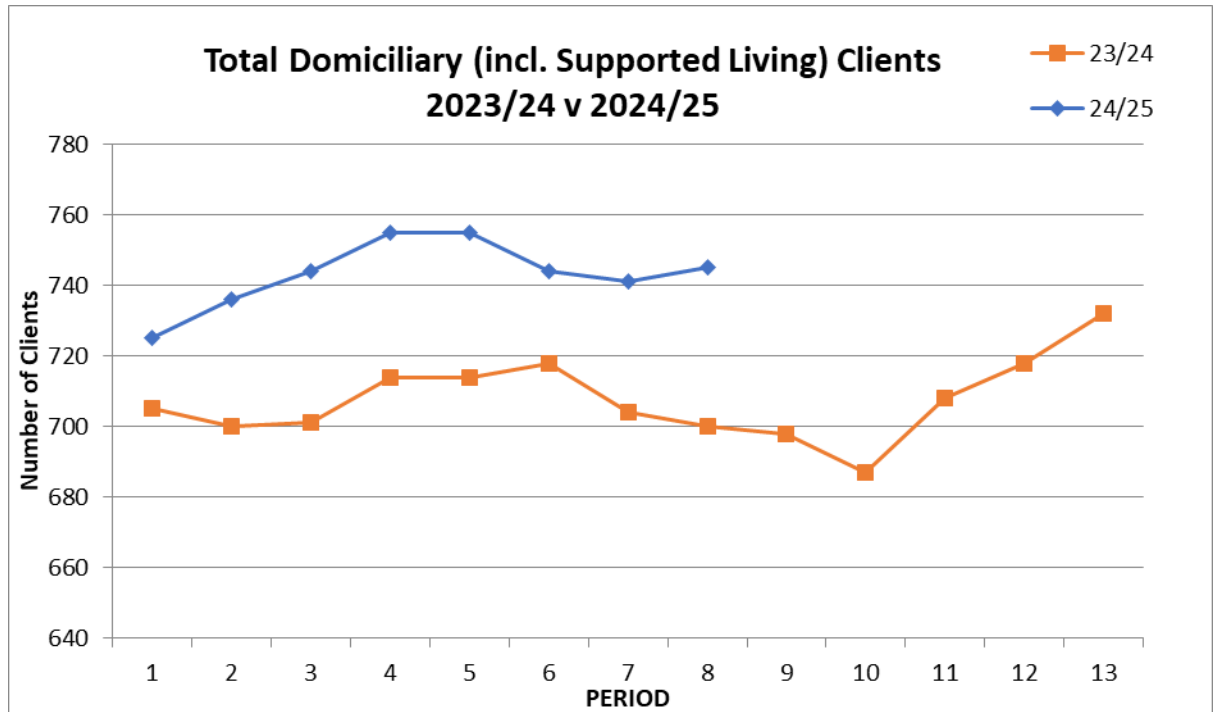
There are 25 external packages which charge top-up amounts currently costing £4,138 per week. The full year forecast spend is circa £0.159m.

Extra 1 to 1 hours in external care homes currently cost £8,339 per week and the forecast to year end for this is circa £0.492m. This is for 18 individuals to date. Last year 20 individuals received 1 to 1 care at a total cost of £0.255m. This suggests that either people are receiving more hours of care, or the rate is higher than last year.

Domiciliary Care & Supported Living

There are currently 745 service users receiving a package of care at home compared to 755 in August, a slight decrease of 1.3%. However, the average number of service users during 2023/24 was 707, so there has been an increase of 5.3% demonstrating that demand for the service has increased this financial year. The average cost of a package of care has increased by 3.5%, from £515 to £533.

The graph below illustrates the demand for the service from April 2023 to date.



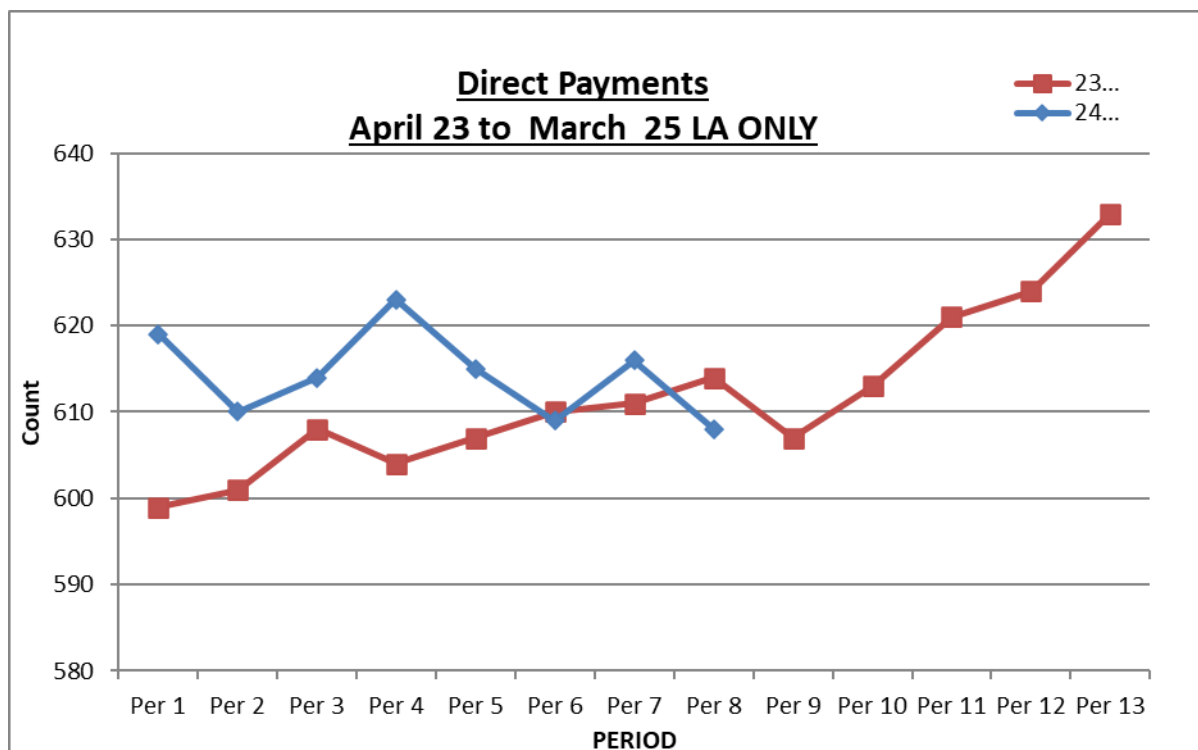
The average cost of a package of care is currently £533 compared with £491 in April, an increase of 8.6%.

Direct Payments

In November 2024, 608 clients received a Direct Payment (DP) compared with 619 in April 2024, a very slight decrease of 1.7%. However, the average number of DP's in 2023/24 was 591, therefore, there has been an increase of 2.8% on last year's average.

The average cost of a package of care has decreased since April 2024 from £529 to £472 in November 2024, a reduction of 10.7%.

The forecast position for Direct Payments assumes an amount of £1.4m will be recovered from users, following the ongoing audit process to seek assurance that the DP is spent in line with their care and support needs. Variations to the amount recovered will directly affect the forecast.



Care Homes

The spend to 30 November 2024 across the Division is over budget profile by £0.873m. The forecast for the end of 2024/25 financial year is an estimated outturn position of £1.245m over budget. This is assuming the level of agency staffing continues at a similar rate and includes higher spend assumptions later in the financial year due to winter pressures surrounding staffing and utilities.

Recruitment of staff is a continued pressure across the care homes, where there remains a high number of staff vacancies. A proactive rolling recruitment exercise is ongoing, supported by HR.

Due to pressures with recruitment and retention in the sector, heavy reliance is being placed on overtime and expensive agency staff to support the care homes. At the end of November 2024 total agency spend across the care homes reached £2.383m, the cost of which has partially been offset by staff vacancies.

(iii) Education, Inclusion and Provision

Schools Transport is the main budget pressure for the Education, Inclusion and Provision Department. The Council has a statutory responsibility to provide Special Educational Needs (SEN) pupils with transport. This is split into two main areas of SEN pupils attending In-Borough and Out-of-Borough Schools.

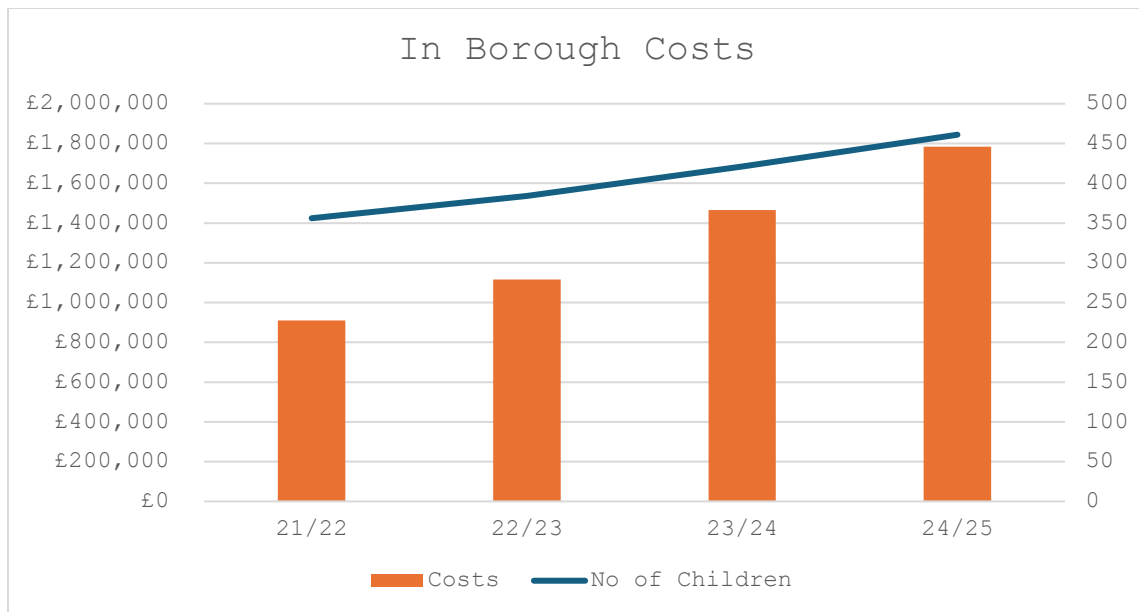
The table below illustrates the split between the two areas, and how each areas spend compares to the budget.

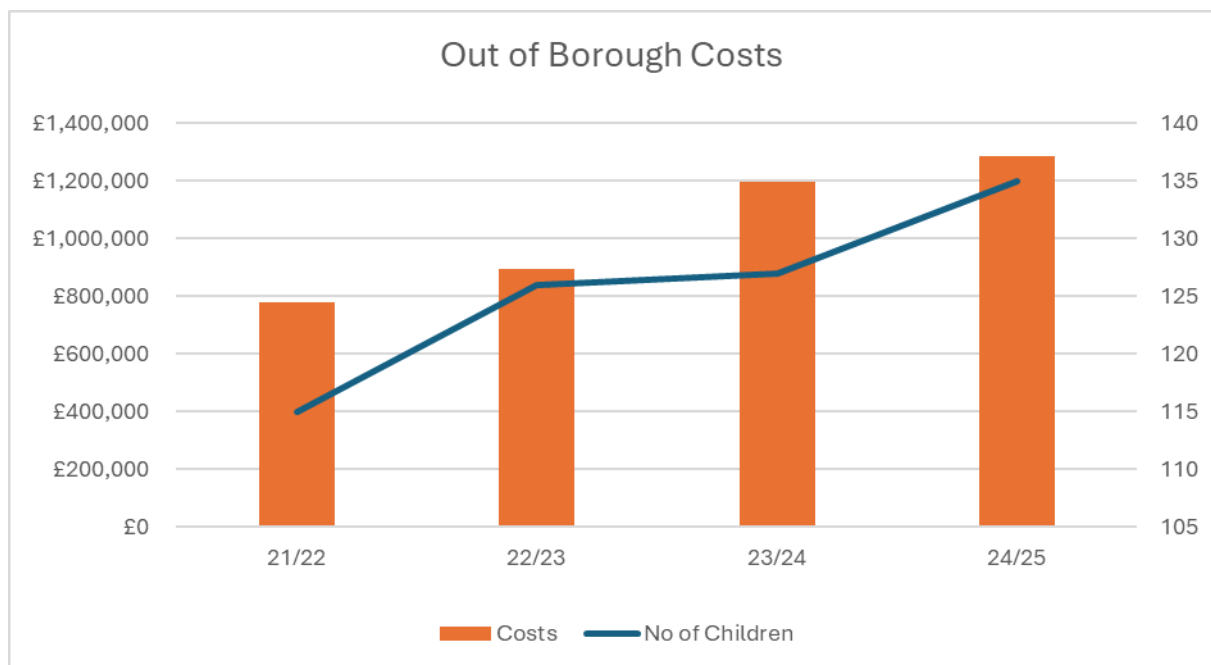
2024-25 as at Nov-24					
Area	Number of Users	Budget £000	Projected Spend £000	Variance £000	Average Cost per User
In Borough	461	1,826	1,783	43	£3,869
Out of Borough	135	489	1,286	(797)	£9,528
Total	596	2,315	3,070	(754)	

There are currently 596 service users, the majority of which attend schools within the Borough. The Out-of-Borough overspend has increased since the end of September 2024, to £0.852m.

During the current Academic year, it is anticipated that these figures will continue to rise, based upon historic information. The demand for the School Transport Service continues to increase in line with the increasing number of pupils with SEN within the Borough.

The graphs below show the trend in the number of SEN children using this service and the associated costs.





A further pressure on the departmental budget for the year relates to Psychology and SEN Assessment services provided to schools. For a number of years these costs have been funded by the Dedicated Schools Grant (DSG). The Department for Education have recently advised that these costs cannot be DSG funded as they are outside of scope in meeting the grant conditions. It is therefore currently assumed this cost will fall upon the Council's budget at a cost of £0.860m, until at such time other sources of funding are found.

(iv) **ICT Department**

At the end of the 2024/25 financial year it is forecasted that the ICT and Administration Department will be over the approved budget profile by £0.657m.

The main pressures faced by the ICT and Administration Department is in relation to the IT infrastructure, with the move to Microsoft 365, staff have been able to utilise much more efficient hardware. However, the software utilised by the new hardware is at a premium and will be a continuous pressure the Council will need to react to as prices fluctuate.

(v) **Community and Greenspaces Department**

The net departmental expenditure is forecast to be £0.616m under budget at the end of the 2024/25 financial year. This is an improved position from the expected £0.395m forecasted previously.

The largest contributor to the underspend is in relation to spend on Employees, which is currently forecast to be £1.012m under the approved budget profile by the end of the financial year. There are several restructures taking place across the Department, therefore,

in order to facilitate these a number of posts are currently being held vacant until the new structure is implemented. The most notable of these being the new structure being implemented when the new Halton Leisure Centre opens.

Collection Fund

- 3.15 The council tax collection rate through to the end of November 2024 is 71.43% which is 0.14% lower than the collection rate at the same point last year.

Debt relating to previous years continues to be collected, and the Council utilises powers through charging orders and attachment to earnings/benefits to secure debts. £1.811m (10.28%) has so far been collected this year in relation to previous years' debt.

- 3.16 Business rate collection through to the end of November 2024 is 76.03% which is 2.39% higher than the collection rate at the same point last year.

£1.694m has so far been collected this year in relation to previous years' debt.

Review of Reserves

- 3.17 As at 30 November 2024 the Council's General Reserve is unchanged from the previous period at £5.149m, which represents 3.44% of the Council's 2024/25 net budget. This is considered to be a minimum level.
- 3.18 There is a regular review of earmarked reserves undertaken to 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 funding solutions.

Reserves Summary

- 3.19 A summary breakdown of the Council's reserves is presented in the table below, showing the balance of reserves as at 30 November 2024.

Summary of General and Earmarked Reserves	
Reserve	Reserve Value £m
Corporate:	
General Fund	5.149
Transformation Fund	6.355
Capital Reserve	0.499
Insurance Reserve	1.000
Specific Projects:	
Adult Social Care	0.507
Fleet Replacement	0.418
Highways Feasibility Costs	0.102
Local Development Framework	0.494

Community & Environment	0.253
Mersey Valley Golf Club	0.483
Mersey Gateway	27.222
Various Other	0.554
Grants:	
Building Schools for the Future	6.529
Public Health	1.881
Supporting Families Performance Payments	0.534
Children's & Education	0.741
Domestic Abuse	1.186
Enterprise & Employment	0.115
Various Other	0.766
Total Earmarked Reserves	54.788

- 3.20 Held within the Transformation Reserve is £6.355m, set aside to help fund future balanced budgets, fund overspends, and meet a range of potential spending commitments in future years associated with delivering the Transformation Programme.
- 3.21 The above table shows the diminishing level of reserves available to assist with funding any future budget overspends and balancing future budgets. Only the £11.484m of the General Fund and Transformation Reserve could now be used for these purposes, as all remaining reserves are committed for specific purposes. Use of these reserves will help contribute towards reducing the Council's overall forecast overspend position and mitigate against the level of Exceptional Financial Support required.

Capital Spending

- 3.22 Council approved the 2024/25 Capital Programme on 6 March 2024. 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:
- a. Family Hubs & Start for Life
 - b. Joint Funding RSL Adaptations
 - c. Madeline McKenna Refurbishment
 - d. Runcorn Station Quarter
 - e. Mersey Gateway Handback Land
- 3.23 Capital spending at 30 November 2024 totalled £26.1m, which represents 37.5% of the total Capital Programme of £69.6m (which assumes a 20% slippage between years).

Approved Savings

- 3.24 On 02 February 2023, Council approved savings proposals against the budget for the three year period 01 April 2023 to 31 March 2026. Appendix 4 lists those savings covering 2024/25 and 2025/26, together with RAG rated information on progress to date with developing and implementing the target savings.

4.0 CONCLUSIONS

- 4.1 As at 30 November 2024, net revenue spend is forecast to be £20.757m over the budget for the year.
- 4.2 It is clear that Council reserves alone will not be sufficient to fund this pressure. As a result of this position and future budget challenges, the Council has applied to Government for Exceptional Financial Support (EFS).
- 4.3 Departments should continue to ensure that all spending continues to be limited to only what is absolutely essential 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. This will assist with minimising the ongoing cost of EFS borrowing.

5.0 POLICY IMPLICATIONS

- 5.1 None.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Improving Health, Promoting Wellbeing and Supporting Greater Independence

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

6.2 Building a Strong, Sustainable Local Economy

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

6.3 Supporting Children, Young People and Families

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

6.4 Tackling Inequality and Helping Those Who Are Most In Need

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

6.5 Working Towards a Greener Future

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

6.6 Valuing and Appreciating Halton and Our Community

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 has been prepared and is included at Appendix 5.

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 30 November 2024

APPENDIX 1

Directorate / Department	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance (Overspend) £'000	November 2024 Forecast Outturn (o'spend) £'000	September 2024 Forecast Outturn (o'spend) £'000
Adult Social Care	22,806	15,080	15,367	(287)	(456)	(335)
Care Homes	9,989	6,519	7,392	(873)	(1,245)	(1,198)
Community Care	16,460	12,980	14,549	(1,569)	(2,951)	(2,433)
Complex Care Pool	10,704	1,972	1,660	312	234	308
Adults Directorate	59,959	36,551	38,968	(2,417)	(4,418)	(3,658)
Finance	5,030	6,099	6,156	(57)	(162)	369
Legal & Democratic Services	-618	-360	447	(807)	(1,137)	(976)
ICT & Support Services	2,279	886	1,308	(422)	(657)	(588)
Chief Executives Delivery Unit	1,169	595	602	(7)	(14)	(63)
Chief Executives Directorate	7,860	7,220	8,513	(1,293)	(1,970)	(1,258)
Children & Families	38,745	21,153	29,602	(8,449)	(11,702)	(12,333)
Education, Inclusion & Provision	9,771	4,802	5,908	(1,106)	(1,598)	(1,642)
Children's Directorate	48,516	25,955	35,510	(9,555)	(13,300)	(13,975)
Community & Greenspace	25,370	15,065	14,840	225	616	395
Economy, Enterprise & Property	2,335	923	815	108	123	30
Planning & Transportation	8,405	4,099	3,545	554	528	102
Environment & Regeneration Directorate	36,110	20,087	19,200	887	1,267	527
Corporate & Democracy	-4,240	-3,659	-1,721	(1,938)	(2,418)	(2,380)
Public Health Directorate	1,291	-962	-1,032	70	82	102
Total Operational Net Spend	149,496	85,192	99,438	(14,246)	(20,757)	(20,642)

Adult Social Care

APPENDIX 2

	Annual Budget	Budget to Date	Actual Spend	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Employees	17,559	11,684	10,956	728	1,092
Agency- Covering Vacancies	0	0	796	(796)	(1,194)
Premises	482	360	334	26	40
Supplies & Services	637	452	588	(136)	(180)
Aids & Adaptations	37	25	34	(9)	(14)
Transport	242	161	245	(84)	(130)
Food & Drink Provisions	211	142	123	19	29
Supported Accommodation and Services	1,385	923	828	95	150
Emergency Duty Team	115	0	0	0	0
Transfer To Reserves	269	0	0	0	0
Contracts & SLAs	1,090	738	738	0	0
Housing Solutions Grant Funded Schemes					
Homelessness Prevention	471	150	151	(1)	0
Rough Sleepers Initiative	167	48	46	2	0
Trailblazer	100	50	43	7	0
Total Expenditure	22,765	14,733	14,882	(149)	(207)
Income					
Fees & Charges	-860	-574	-526	(48)	(70)
Sales & Rents Income	-480	-368	-378	10	10
Reimbursements & Grant Income	-2,195	-858	-905	47	47
Capital Salaries	-121	-61	-61	0	0
Transfer from Reseres	-49	-49	-49	0	0
Housing Schemes Income	-731	-731	-735	4	4
Total Income	-4,436	-2,641	-2,654	13	(9)
Net Operational Expenditure	18,329	12,092	12,228	(136)	(216)
Recharges					
Premises Support	529	353	353	0	0
Transport Support	582	402	553	(151)	(240)
Central Support	3,465	2,308	2,308	0	0
Asset Rental Support	13	0	0	0	0
Recharge Income	-112	-75	-75	0	0
Net Total Recharges	4,477	2,988	3,139	(151)	(240)
Net Departmental Expenditure	22,806	15,080	15,367	(287)	(456)

Care Homes

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Madeline Mckenna					
Employees	698	466	443	23	28
Agency - covering vacancies	0	0	87	(87)	(150)
Other Premises	101	65	65	0	(2)
Supplies & Services	20	10	17	(7)	(6)
Food Provison	48	28	33	(5)	(1)
Total Madeline Mckenna Expenditure	867	569	645	(76)	(131)
Millbrow					
Employees	2,057	1,271	853	418	782
Agency - covering vacancies	3	3	656	(653)	(1,077)
Other Premises	129	89	101	(12)	(35)
Supplies & Services	61	36	71	(35)	(36)
Food Provison	78	33	39	(6)	1
Total Millbrow Expenditure	2,328	1,432	1,720	(288)	(365)
St Luke's					
Employees	2,884	1,922	1,420	502	740
Agency - covering vacancies	250	250	931	(681)	(1,042)
Premises	172	104	164	(60)	(86)
Supplies & Services	60	33	64	(31)	(35)
Reimbursement & Grant Income	-103	-103	-103	0	0
Client Income	-44	-44	-44	0	0
Food Provison	120	80	88	(8)	(9)
Total St Luke's Expenditure	3,339	2,242	2,520	(278)	(432)
St Patrick's					
Employees	1,838	1,225	813	412	612
Agency - covering vacancies	42	42	709	(667)	(1,007)
Other Premises	157	95	95	0	(10)
Supplies & Services	64	38	37	1	5
Food Provison	122	82	70	12	14
Reimbursement & Grant Income	-21	-21	-21	0	0
Total St Patrick's Expenditure	2,202	1,461	1,703	(242)	(386)
Care Homes Divison Management					
Employees	306	184	170	14	73
Supplies & Services	0	0	3	(3)	(4)
Care Home Divison Management	306	184	173	11	69
Net Operational Expenditure	9,042	5,888	6,761	(873)	(1,245)
Recharges					
Premises Support	264	176	176	0	0
Transport Support	0	0	0	0	0
Central Support	683	455	455	0	0
Asset Rental Support	0	0	0	0	0
Recharge Income	0	0	0	0	0
Net Total Recharges	947	631	631	0	0
Net Departmental Expenditure	9,989	6,519	7,392	(873)	(1,245)

Community Care

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Residential & Nursing	13,715	9,941	11,428	(1,487)	(2,503)
Domiciliary Care & Supported living	12,890	8,564	8,574	(10)	(17)
Direct Payments	14,125	9,838	10,063	(225)	(570)
Day Care	648	377	366	11	19
Total Expenditure	41,378	28,720	30,431	(1,711)	(3,071)
Income					
Residential & Nursing Income	-13,138	-8,457	-8,039	(418)	88
Community Care Income	-2,270	-1,364	-1,459	95	35
Direct Payments Income	-1,014	-521	-624	103	8
Income from other CCGs	-466	-34	-396	362	0
Market sustainability & Improvement Grant	-2,796	-1,864	-1,864	0	0
Adult Social Care Support Grant	-5,167	-3,445	-3,445	0	0
War Pension Disregard Grant	-67	-55	-55	0	(11)
Total Income	-24,918	-15,740	-15,882	142	120
Net Operational Expenditure	16,460	12,980	14,549	(1,569)	(2,951)

Complex Care Pool

	Annual Budget	Budget to Date	Actual Spend	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Intermediate Care Services	5,220	3,087	3,243	(156)	(234)
Oakmeadow	1,831	1,192	1,259	(67)	(100)
Community Home Care First	2,111	1,196	1,124	72	107
Joint Equipment Store	871	553	553	0	0
Development Fund	191	77	0	77	115
Contracts & SLA's	3,171	586	586	0	0
Inglenook	127	85	66	19	28
HICafs	3,703	2,026	1,744	282	423
Carers Breaks	494	303	226	77	115
Carers centre	371	357	342	15	23
Residential Care	7,225	3,629	3,629	0	0
Domiciliary Care & Supported Living	4,227	2,113	2,113	0	0
Pathway 3/Discharge Access	391	0	0	0	0
HBC Contracts	72	54	58	(4)	(6)
Total Expenditure	30,005	15,258	14,943	315	471
Income					
BCF	-13,484	-8,990	-8,990	0	0
CCG Contribution to Pool	-2,865	-1,910	-1,910	0	0
Oakmeadow Income	-19	-16	-13	(3)	(4)
ASC Discharge Grant Income	-1,631	-1,088	-1,088	0	0
ICB Discharge Grant Income	-1,282	-1,282	-1,282	0	0
Other Income	-20	0	0	0	0
Total Income	-19,301	-13,286	-13,283	(3)	(4)
ICB Contribution Share of Surplus					(233)
Net Operational Expenditure	10,704	1,972	1,660	312	234

Finance Department

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	6,989	4,664	4,600	64	96
Insurances	975	566	362	204	306
Supplies & Services	417	261	441	(180)	(263)
Rent Allowances	35,500	20,669	20,669	0	0
Concessionary Travel	1,748	556	659	(103)	(154)
LCR Levy	1,748	0	0	0	0
Bad Debt Provision	77	0	97	(97)	(145)
Non HRA Rent Rebates	70	34	29	5	7
Discretionary Social Fund	106	75	11	64	96
Discretionary Housing Payments	300	146	134	12	18
Household Support Fund Expenditure	2,625	2,158	2,158	0	0
Total Expenditure	50,555	29,129	29,160	(31)	(39)
Income					
Fees & Charges	-335	-210	-214	4	6
Burdens Grant	-60	-62	-78	16	24
Dedicated schools Grant	-144	-13	0	(13)	(19)
Council Tax Liability Order	-581	-446	-547	101	152
Business Rates Admin Grant	-157	0	0	0	0
Schools SLAs	-312	-312	-307	(5)	(5)
LCR Reimbursement	-1,748	0	0	0	0
HB Overpayment Debt Recovery	-400	-264	-191	(73)	(109)
Rent Allowances	-34,700	-18,548	-18,287	(261)	(391)
Non HRA Rent Rebate	-70	-47	-49	2	2
Discretionary Housing Payment Grant	-300	-300	-93	(207)	(23)
Housing Benefits Admin Grant	-498	-332	-326	(6)	(9)
Housing Benefits Award Accuracy	0	0	-12	12	12
Universal Credits	-5	-3	0	(3)	(5)
Household Support Fund Grant	-2,625	0	-243	243	0
VEP Grant	0	0	-5	5	5
CCG McMillan Reimbursement	-87	-44	-48	4	5
Reimbursements & Grant Income	-185	-235	-390	155	232
Transfer from Reserves	-7	-7	-7	0	0
Total Income	-42,214	-20,823	-20,797	(26)	(123)
Net Operational Expenditure	8,341	8,306	8,363	(57)	(162)
Recharges					
Premises Support	377	251	251	0	0
Transport Support	0	0	0	0	0
Central Support	2,365	1,577	1,577	0	0
Asset Rental Support	0	0	0	0	0
Recharge Income	-6,053	-4,035	-4,035	0	0
Net Total Recharges	-3,311	-2,207	-2,207	0	0
Net Departmental Expenditure	5,030	6,099	6,156	(57)	(162)

Legal Services

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	1,511	1,104	1,099	5	7
Agency Related Expenditure	0	0	664	(664)	(914)
Supplies & Services	388	331	294	37	55
Civic Catering & Functions	23	12	4	8	13
Legal Expenses	218	122	281	(159)	(230)
Transport Related Expenditure	11	11	7	4	6
Other Expenditure	0	3	3	0	0
Total Expenditure	2,151	1,583	2,352	(769)	(1,063)
Income					
School SLA's	-98	-78	-77	(1)	(20)
Licence Income	-301	-205	-183	(22)	(33)
Government Grant	-42	-42	-42	0	0
Reimbursement & Other Grants	-164	-164	-164	0	0
Fees & Charges Income	-74	-52	-37	(15)	(21)
Transfer from Reserves	-27	-27	-27	0	0
Total Income	-706	-568	-530	(38)	(74)
Net Operational Expenditure	1,445	1,015	1,822	(807)	(1,137)
Recharges					
Premises Support	53	35	35	0	0
Transport Recharges	0	0	0	0	0
Central Support Recharges	275	184	184	0	0
Asset Rental Support Costs	0	0	0	0	0
Support Recharge Income	-2,391	-1,594	-1,594	0	0
Net Total Recharges	-2,063	-1,375	-1,375	0	0
Net Departmental Expenditure	-618	-360	447	(807)	(1,137)

ICT & Support Services Department

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	5,596	3,758	3,567	191	286
Supplies & Services	921	625	941	(316)	(475)
Capital Finance	100	67	12	55	80
Computer Repairs & Software	1,725	1,521	1,770	(249)	(374)
Communication Costs	13	0	100	(100)	(164)
Premises	159	101	88	13	19
Transport	3	3	1	2	0
Total Expenditure	8,517	6,075	6,479	(404)	(628)
Income					
Fees & Charges	-1,056	-529	-562	33	50
Schools SLA Income	-646	-599	-561	(38)	(59)
Reimbursements & Grant Income	0	7	20	(13)	(20)
Transfer from Reserves	-148	-148	-148	0	0
Total Income	-1,850	-1,269	-1,251	(18)	(29)
Net Operational Expenditure	6,667	4,806	5,228	(422)	(657)
Recharges					
Premises Support	550	367	367	0	0
Transport Support	19	15	15	0	0
Central Support	2,380	1,587	1,587	0	0
Asset Rental Support	1,494	0	0	0	0
Support Costs Income	-8,831	-5,889	-5,889	0	0
Net Total Recharges	-4,388	-3,920	-3,920	0	0
Net Departmental Expenditure	2,279	886	1,308	(422)	(657)

Chief Executives Delivery Unit

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	3,304	2,229	2,221	8	12
Employees Training	99	66	63	3	2
Apprenticeship Levy	300	187	193	(6)	(10)
Supplies & Services	391	267	240	27	41
Total Expenditure	4,094	2,749	2,717	32	45
Income					
Fees & Charges	-223	-146	-141	(5)	(8)
Schools SLA Income	-565	-548	-509	(39)	(56)
Transfer from Reserves	0	0	-5	5	5
Total Income	-788	-694	-655	(39)	(59)
Net Operational Expenditure	3,306	2,055	2,062	(7)	(14)
Recharges					
Premises Support	174	116	116	0	0
Transport	0	0	0	0	0
Central Support	1,209	806	806	0	0
Asset Rental Support	53	0	0	0	0
HBC Support Costs Income	-3,573	-2,382	-2,382	0	0
Net Total Recharges	-2,137	-1,460	-1,460	0	0
Net Departmental Expenditure	1,169	595	602	(7)	(14)

Children & Families

	Annual Budget	Budget to Date	Actual Spend	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Employees	15,544	9,828	11,607	(1,779)	(2,618)
Other Premises	415	199	227	(28)	(24)
Supplies & Services	1,725	1,612	1,966	(354)	(589)
Transport	360	210	176	34	44
Direct Payments	1,097	701	827	(126)	(206)
Commissioned services to Vol Orgs	224	134	134	0	0
Residential Care	17,727	9,509	14,895	(5,386)	(7,194)
Out of Borough Adoption	96	48	0	48	96
Out of Borough Fostering	4,253	2,336	3,051	(715)	(955)
In House Adoption	548	304	253	51	63
Special Guardianship Order	2,510	1,577	1,617	(40)	(59)
In House Foster Carer Placements	2,739	1,738	1,532	206	310
Lavender House Contract Costs	234	141	128	13	15
Home Support & Respite	340	177	224	(47)	(73)
Care Leavers	248	215	295	(80)	(130)
Family Support	53	27	39	(12)	(18)
Contracted services	3	2	2	0	0
Early Years	0	0	0	0	0
Emergency Duty	132	37	72	(35)	(51)
Youth Offending Services	321	124	169	(45)	(73)
Transfer to Reserves	8	0	0	0	0
Total Expenditure	48,577	28,919	37,214	(8,295)	(11,462)
Income					
Fees & Charges	-33	-9	0	(9)	(12)
Sales Income	-4	-3	0	(3)	(5)
Rents	-81	-41	-37	(4)	0
Reimbursement & other Grant Income	-787	-598	-506	(92)	(137)
Transfer from reserve	-82	-82	-82	0	0
Dedicated Schools Grant	-50	0	0	0	0
Government Grants	-10,528	-8,189	-8,143	(46)	(86)
Total Income	-11,565	-8,922	-8,768	(154)	(240)
Net Operational Expenditure	37,012	19,997	28,446	(8,449)	(11,702)
Recharges					
Premises Support	398	266	266	0	0
Transport	16	11	11	0	0
Central Support Recharges	2,274	1,516	1,516	0	0
Asset Rental Support	0	0	0	0	0
Internal Recharge Income	-955	-637	-637	0	0
Net Total Recharges	1,733	1,156	1,156	0	0
Net Departmental Expenditure	38,745	21,153	29,602	(8,449)	(11,702)

Education, Inclusion & Provision

	Annual Budget	Budget to Date	Actual Spend	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Employees	7,313	4,887	5,108	(221)	(283)
Agency - covering vacancies	0	0	199	(199)	(290)
Agency - addition to establishment	72	48	14	34	58
Premises	14	12	11	1	3
Supplies & Services	4,152	2,676	2,617	59	88
Independent School Fees	9,113	5,618	5,618	0	0
Schools Contingency	225	157	157	0	0
Transport	43	23	30	(7)	(10)
Schools Transport	2,341	1,033	1,536	(503)	(754)
Early Years Payments	10,372	6,995	6,995	0	0
Early Years Pupil Premium	154	94	94	0	0
Commissioned Services	1,719	890	1,090	(200)	(300)
Inter Authority Special Needs	1,175	795	795	0	0
Grants to Voluntary Organisations	182	84	77	7	10
Capital Financing	4,608	2,805	2,805	0	1
Total Expenditure	41,483	26,117	27,146	(1,029)	(1,477)
Income					
Fees & Charges Income	-424	-414	-414	0	(14)
Government Grant Income	-7,747	-5,300	-5,300	0	0
Dedicated Schools Grant	-23,331	-15,554	-15,554	0	0
Inter Authority Income	-366	-216	-216	0	0
Reimbursements & Other Grant Income	-1,779	-1,098	-1,098	0	0
Schools SLA Income	-473	-383	-399	16	24
Transfers from Reserves	-84	0	0	0	0
Total Income	-34,204	-22,965	-22,981	16	10
Net Operational Expenditure	7,279	3,152	4,165	(1,013)	(1,467)
Recharges					
Premises Support	344	229	229	0	0
Transport Support	528	352	445	(93)	(131)
Central Support	1,603	1,069	1,069	0	0
Asset Rental Support	17	0	0	0	0
Recharge Income	0	0	0	0	0
Net Total Recharges	2,492	1,650	1,743	(93)	(131)
Net Departmental Expenditure	9,771	4,802	5,908	(1,106)	(1,598)

Community & Greenspaces

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	17,435	11,470	10,795	675	1,012
Agency - covering vacancies	0	0	149	(149)	(224)
Agency - in addition to establishment	0	0	164	(164)	(246)
Premises	3,455	2,004	2,092	(88)	(90)
Supplies & Services	2,186	1,304	1,381	(77)	(115)
Hired & Contracted Services	623	623	623	0	0
Book Fund	128	96	96	0	0
Food Provisions	388	281	259	22	33
School Meals Food	1,960	972	1,025	(53)	(80)
Transport	117	52	74	(22)	(33)
Other Agency Costs	429	340	340	0	0
Other Expenditure	0	0	63	(63)	(64)
Waste Disposal Contracts	7,002	3,317	3,131	186	279
Grants to Voluntary Organisations	64	44	27	17	26
Grants to Norton Priory	172	172	172	0	0
Total Expenditure	33,959	20,675	20,391	284	498
Income					
Sales Income	-1,373	-991	-973	(18)	(26)
Fees & Charges Income	-5,490	-4,016	-4,122	106	158
Rental Income	-235	-135	-170	35	53
Markets Income	-910	-446	-437	(9)	(12)
Government Grant Income	-1,337	-1,337	-1,337	0	0
Reimbursements & Other Grant Income	-703	-361	-361	0	0
School SLA Income	-1,313	-564	-564	0	0
School Meals Income	-3,598	-1,942	-1,808	(134)	(200)
Internal Fees Income	-322	-135	-177	42	64
Capital Salaries	-173	-90	-34	(56)	(84)
Transfers From Reserves	-15	-15	-15	0	202
Total Income	-15,469	-10,032	-9,998	(34)	155
Net Operational Expenditure	18,490	10,643	10,393	250	653
Recharges					
Premises Support	1,675	1,115	1,116	(1)	0
Transport	2,257	1,491	1,515	(24)	(37)
Central Support	3,897	2,581	2,581	0	0
Asset Rental Support	199	0	0	0	0
HBC Support Costs Income	-1,148	-765	-765	0	0
Net Total Recharges	6,880	4,422	4,447	(25)	(37)
Net Departmental Expenditure	25,370	15,065	14,840	225	616

Economy, Enterprise & Property

	Annual Budget	Budget to Date	Actual Spend	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Employees	5,075	3,558	3,285	273	410
Agency - covering vacancies	0	0	198	(198)	(320)
Repairs & Mainenance	1,706	1,280	1,346	(66)	(99)
Premises	136	119	119	0	0
Energy & Water Costs	1,248	666	617	49	74
NNDR	690	691	660	31	31
Rents	173	94	89	5	7
Economic Regeneration Activities	21	0	0	0	0
Security	544	243	278	(35)	(53)
Supplies & Services	506	387	369	18	27
Supplies & Services - Grant	2,090	302	304	(2)	(3)
Grants to Voluntary Organisations	75	85	86	(1)	(1)
Capital Finance	0	0	0	0	0
Transfer to Reserves	185	186	185	1	1
Total Expenditure	12,449	7,611	7,536	75	74
Income					
Fees & Charges Income	-987	-405	-460	55	83
Rent - Commercial Properties	-872	-524	-511	(13)	(20)
Rent - Investment Properties	-38	-26	-26	0	0
Government Grant	-2,510	-1,157	-1,158	1	1
Reimbursements & Other Grant Income	-193	-403	-400	(3)	(5)
Schools SLA Income	-227	-208	-198	(10)	(15)
Recharges to Capital	-295	-214	-217	3	5
Transfer from Reserves	-1,120	-1,164	-1,164	0	0
Total Income	-6,242	-4,101	-4,134	33	49
Net Operational Expenditure	6,207	3,510	3,402	108	123
Recharges					
Premises Support	2,074	1,382	1,382	0	0
Transport Support	30	18	18	0	0
Central Support	1,947	1,298	1,298	0	0
Asset Rental Support	4	0	0	0	0
Recharge Income	-7,927	-5,285	-5,285	0	0
Net Total Recharges	-3,872	-2,587	-2,587	0	0
Net Departmental Expenditure	2,335	923	815	108	123

Planning & Transportation Department

	Annual Budget	Budget to Date	Actual Spend	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Employees	5,719	3,796	3,535	261	393
Agency - covering vacancies	110	84	120	(36)	(54)
Agency - in addition to establishment	24	22	68	(46)	(69)
Efficiency Savings	-150	-100	0	(100)	(150)
Premises	193	144	111	33	50
Hired & Contracted Services	59	0	96	(96)	(167)
Planning Appeal Decision	0	0	0	0	(300)
Supplies & Services	144	153	260	(107)	(161)
Street Lighting	1,662	502	494	8	12
Highways Maintenance - Routine & Reactive	1,772	946	1,010	(64)	(97)
Highways Maintenance - Programmed Works	1,908	932	718	214	321
Fleet Transport	1,455	978	908	70	105
Bus Support - Halton Hopper Tickets	23	20	15	5	8
Bus Support	498	569	569	0	0
Agency Related Expenditure	8	7	34	(27)	(27)
Grants to Voluntary Organisations	31	31	31	0	0
NRA Levy	74	73	73	0	2
LCR Levy	1,059	529	529	0	0
Contribution to Reserves	359	359	359	0	0
Total Expenditure	14,948	9,045	8,930	115	(134)
Income					
Sales & Rents Income	-97	-65	-111	46	70
Planning Fees	-826	-546	-350	(196)	(294)
Building Control Fees	-245	-163	-163	0	0
Other Fees & Charges	-908	-596	-910	314	472
Grants & Reimbursements	-206	-121	-121	0	0
Government Grant Income	-240	-253	-253	0	0
Halton Hopper Income	-24	-16	-7	(9)	(13)
Recharge to Capital	-467	-89	-89	0	0
LCR Levy Reimbursement	-1,059	-529	-529	0	0
Contribution from Reserves	-1,036	-1,036	-1,036	0	0
Total Income	-5,108	-3,414	-3,569	155	235
Net Operational Expenditure	9,840	5,631	5,361	270	101
Recharges					
Premises Recharges	560	373	373	0	0
Transport Recharges	749	511	509	2	4
Central Recharges	1,534	1,022	1,022	0	0
Asset Charges	851	0	0	0	0
HBC Support Costs Income	-5,129	-3,438	-3,720	282	423
Net Total Recharges	-1,435	-1,532	-1,816	284	427
Net Departmental Expenditure	8,405	4,099	3,545	554	528

Corporate & Democracy

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	412	275	235	40	0
Contracted Services	39	24	24	0	0
Supplies & Services	119	98	98	0	0
Premises Expenditure	5	5	7	(2)	0
Transport Costs	1	0	8	(8)	(9)
Members Allowances	983	656	659	(3)	0
Interest Payable - Treasury Management	1,341	894	1,305	(411)	(617)
Interest Payable - Other	115	77	143	(66)	(100)
Bank Charges	132	44	158	(114)	(100)
Audit Fees	348	174	15	159	0
Contingency	667	445	0	445	667
Capital Financing	2,288	2	2	0	301
Debt Management Expenses	20	13	3	10	0
Precepts & Levies	240	160	140	20	30
Transformation Efficiency Savings	-4,000	-2,667	0	(2,667)	(3,871)
Total Expenditure	2,710	200	2,797	(2,597)	(3,699)
Income					
Interest Receivable - Treasury Management	-4,152	-2,768	-3,405	637	956
Interest Receivable - Other	-19	-13	-13	0	0
Other Fees & Charges	-158	-99	-58	(41)	(50)
Grants & Reimbursements	-255	-85	-85	0	333
Government Grant Income	-377	-126	-189	63	42
Total Income	-4,961	-3,091	-3,750	659	1,281
Net Operational Expenditure	-2,251	-2,891	-953	(1,938)	(2,418)
Recharges					
Premises Support	21	14	14	0	0
Transport	0	0	0	0	0
Central Support	1,016	711	711	0	0
Asset Rental Support	0	0	0	0	0
HBC Support Costs Income	-3,026	-1,493	-1,493	0	0
Net Total Recharges	-1,989	-768	-768	0	0
Net Departmental Expenditure	-4,240	-3,659	-1,721	(1,938)	(2,418)

Public Health

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	4,762	3,095	3,085	10	20
Agency - covering vacancies	0	0	22	(22)	0
Premises	6	0	0	0	0
Supplies & Services	485	274	218	56	46
Contracts & SLA's	7,547	4,314	4,288	26	16
Transport	4	3	1	2	0
Transfer to Reserves	19	19	19	0	0
Other Agency	24	24	24	0	0
Total Expenditure	12,847	7,729	7,657	72	82
Income					
Fees & Charges	-102	-124	-121	(3)	0
Reimbursements & Grant Income	-349	-331	-332	1	0
Transfer from Reserves	-820	-65	-65	0	0
Government Grant Income	-12,174	-9,116	-9,116	0	0
Total Income	-13,445	-9,636	-9,634	(2)	0
Net Operational Expenditure	-598	-1,907	-1,977	70	82
Recharges					
Premises Support	149	75	75	0	0
Transport Support	22	11	11	0	0
Central Support	2,387	1,194	1,194	0	0
Asset Rental Support	0	0	0	0	0
Recharge Income	-669	-335	-335	0	0
Net Total Recharges	1,889	945	945	0	0
Net Departmental Expenditure	1,291	-962	-1,032	70	82

Capital Programme as at 30 November 2024

Appendix 3

Scheme Detail	2024/25 Original Allocation £000	2024/25 Revised Allocation £000	Q1 Spend £000	Q2 Spend £000	Q3 Spend £000	Q4 Spend £000	Total Spend £000	Allocation remaining £000	2025/26 Allocation £000	2026/27 Allocation £000
Childrens Directorate										
Capital Repairs	749.0	749.0	151.0	531.0	50.0		732.0	17.0		
Basic Need Projects	600.8	600.8	0.0	0.0	0.0		0.0	600.8		
SEND capital allocation	3,355.2	3,355.2	178.0	519.0	322.0		1,019.0	2,336.2		
SCA unallocated	255.6	448.0	0.0	0.0	0.0		0.0	448.0		
Family Hubs & Start for Life	53.2	110.4	1.3	54.1	10.0		65.4	45.1		
Childcare Expansion	314.8	314.8	0.0	0.0	0.0		0.0	314.8		
Directorate Total	5,328.6	5,578.2	330.3	1,104.1	382.0	0.0	1,816.4	3,761.9	0.0	0.0
Adults Directorate										
Halton Carers Centre Refurbishment	199.0	0.0	0.0	0.0	0.0		0.0	0.0		
Grants - Disabled Facilities	600.0	1,050.0	353.0	227.0	157.0		737.0	313.0	600.0	600.0
Stair Lifts	270.0	200.0	66.0	23.0	62.0		151.0	49.0	270.0	270.0
Joint Funding RSL Adaptations	270.0	200.0	53.0	24.0	81.0		158.0	42.0	270.0	270.0
Telehealthcare Digital Switchover	0.0	135.0	60.0	0.0	20.0		80.0	55.0		
Oakmeadow & Peelhouse Network Improvements	0.0	40.0	0.0	0.0	0.0		0.0	40.0		
Madeline McKenna Refurbishment	0.0	150.0	9.0	73	2.0		84.0	66.0		
Millbrow Refurbishment	0.0	50.0	26.0	8.0	0.0		34.0	16.0		
St Lukes Care Home	0.0	50.0	10.0	14.0	7.0		31.0	19.0		
St Patricks Care Home	1,200.0	50.0	14.0	16.0	-1.0		29.0	21.0		
Directorate Total	2,539.0	1,925.0	591.0	385.0	328.0	0.0	1,304.0	621.0	1,140.0	1,140.0

Capital Programme as at 30 November 2024 Continued

Scheme Detail	2024/25 Original Allocation	2024/25 Revised Allocation	Q1 Spend	Q2 Spend	Q3 Spend	Q4 Spend	Total Spend	Allocation remaining	2025/26 Allocation	2026/27 Allocation
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Environment & Regeneration Directorate										
Stadium Minor Works	30.0	30.0	7.9	7.7	0.0		15.6	14.4	30.0	30.0
Halton Leisure Centre	8,997.0	8,997.0	2,030.0	3,045.4	2,205.0		7,280.4	1,716.6		
Children's Playground Equipment	67.8	67.8	1.0	1.0	40.0		42.0	25.8	65.0	65.0
Landfill Tax Credit Schemes	340.0	340.0	0.0	0.0	0.0		0.0	340.0	340.0	340.0
Upton Improvements	13.0	13.0	0.0	0.0	0.0		0.0	13.0		
Crow Wood Park Play Area	12.0	12.0	0.0	0.0	0.0		0.0	12.0		
Open Spaces Schemes	600.0	600.0	130.0	154.4	86.0		370.4	229.6	600.0	600.0
Runcorn Town Park	468.6	468.6	0.0	6.8	0.0		6.8	461.8	280.0	280.0
Spike Island / Wigg Island	1,933.5	1,933.5	2.4	4.4	0.0		6.8	1,926.7		
Pickerings Pasture Cafe	503.0	503.0	0.0	0.0	0.0		0.0	503.0		
Replacement Cremator Widnes	308.0	308.0	0.0	77.3	6.0		83.3	224.7		
Litter Bins	20.0	20.0	0.0	0.0	0.0		0.0	20.0	20.0	20.0
3MG	134.5	134.5	0.0	0.0	0.0		0.0	134.5		
Murdishaw redevelopment	21.2	21.2	5.4	0.0	0.0		5.4	15.8		
Equality Act Improvement Works	293.2	93.2	8.7	17.6	59.6		85.9	7.3	300.0	300.0
Foundary Lane Residential Area	1160.0	1160.0	1.8	464.8	2.3		468.9	691.1		
Town Deal	11352.9	11552.9	174.9	261.8	940.0		1,376.7	10,176.2	7,190.4	
Property Improvements	360.2	460.5	4.3	131.1	286.6		422.0	38.5	200.0	200.0
Runcorn Station Quarter	484.7	76.0	0.0	60.5	15.5		76.0	0.0		
Waterloo Building	0.0	75.0	0.0	0.0	0.0		0.0	75.0		
UK Shared Prosperity Fund	178.2	178.2	0.0	0.0	12.2		12.2	166.0		
Runcorn Waterfront Residential Development	484.7	268.7	8.6	122.9	61.5		193.0	75.7		
Changing Places	24.1	24.1	2.5	0.1	1.6		4.2	19.9		
Sci-tech Daresbury Project Violet	2200.0	2200.0	0.0	0.0	0.0		0.0	2,200.0		
Port of Weston	0.0	3,960.0	0.0	1.3	1.7		3.0	3,957.0		
Kingsway Leisure Centre Demolition	0.0	749.5	0.0	30.7	0.0		30.7	718.8		
Bridge and Highway Maintenance	0.0	2,265.6	280.8	313.0	20.0		613.8	1,651.8		







Capital Programme as at 30 November 2024 Continued

Scheme Detail	2024/25 Original Allocation £000	2024/25 Revised Allocation £000	Q1 Spend £000	Q2 Spend £000	Q3 Spend £000	Q4 Spend £000	Total Spend £000	Allocation remaining £000	2025/26 Allocation £000	2026/27 Allocation £000
Runcorn Busway	0.0	0.0	227.4	80.0	371.0		678.4	-678.4		
ATF3 Murdishaw to Whitehouse	0.0	3,000.0	175.3	363.0	497.0		1,035.3	1,964.7		
ATF4 Widnes Town Centre Accessibility	0.0	114.5	0.0	0.0	0.0		0.0	114.5		
A56 Reconstruction (Delph Lane)	0.0	943.7	351.1	0.0	10.0		361.1	582.6		
Dukesfield ATL (Waterloo Bridge)	0.0	0.0	1.1	0.0	0.0		1.1	-1.1		
LCWIP Phase 2 Daresbury	0.0	3,861.7	629.3	56.0	15.0		700.3	3,161.4		
Additional Pothole Funding	0.0	429.1	0.0	0.0	0.0		0.0	429.1		
CRSTS	5,819.4	5,288.6	1,656.0	884.0	2,184.0		4,724.0	564.6		
Street Lighting - Structural Maintenance	1,025.6	1,025.6	0.0	37.0	94.0		131.0	894.6	200.0	200.0
Street Lighting - Upgrades	969.4	969.4	0.0	0.0	0.0		0.0	969.4		
East Runcorn Connectivity	5,851.7	5,851.7	452.5	207.0	810.0		1,469.5	4,382.1	5,851.7	5,851.7
Early Land Acquisition Mersey Gateway	212.4	212.4	0.0	16.4	99.2		115.6	96.8		
VAT										
deposit Jolly Brewer										
Land adj 44 Bower St										
falkirk Ave S106 funds included in sale proceeds for 14-15										
Directorate Total	49,390.3	63,773.5	7,237.7	6,826.1	8,086.6	0.0	22,150.4	41,623.1	16,620.4	8,006.7
Chief Executives Directorate										
IT Rolling Programme	1,026.9	1,026.9	27.7	668.2	12.7		708.6	318.3	700.0	700.0
Halton Smart Microgrid	11,000.0	11,000.0	0.0	0.0	128.0		128.0	10,872.0		
Transformation Programme	3,740.0	3,740.0	0.0	0.0	0.0		0.0	3,740.0	1,000.0	
Directorate Total	15,766.9	15,766.9	27.7	668.2	140.7	0.0	836.6	14,930.3	1,700.0	700.0
Grand Total	73,024.8	87,043.6	8,186.7	8,983.4	8,937.3	0.0	26,107.4	60,936.2	19,460.4	9,846.7



Progress Against Agreed Savings

Appendix 4

Adult Social Care




	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		Current Progress	Comments
				24/25 £'000	25/26 £'000		
ASC1	Housing Solutions	474	Remodel the current service based on good practice evidence from other areas.	0	125		Anticipated to be achieved, currently under review.
ASC2	Telehealthcare	680	Explore alternative funding streams such as Health funding or Disabled Facilities Grants.	170	0		Currently Under Review
			Increase charges / review income.	170	0		Charges were increased by 40% w.e.f. April 2024, so this should be achieved
			Cease the key safe installation service.	15	0		Service still being provided
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.	0	0		Saving implemented
			Merge the service with the Safeguarding Unit.	50	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.	58	0	u	Service currently still provided in-house, although a balanced budget will be attained for 2024/25 as a result of current temporary savings, and work is ongoing to ensure the 2025/6 structure can achieve the permanent savings target
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.	200	100	✓	Anticipated to be achieved
ASC4	Positive Behaviour Support Service	349	Increase income generated in order to ensure full cost recovery, through increased service contract charges to other councils.	100	0	✓	Contracts being re-costed on renewal, saving anticipated to be achieved
				150	0	u	ICB funding not secured, although a balanced budget will be attained for 2024/25 as a result of current temporary savings, and work is ongoing to ensure the 2025/6 structure can

			Review the Integrated Care Board contribution for Adults, to ensure the full recovery of related costs.				achieve the permanent savings target
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.	424	0		Costs now recharged to the ICB
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.	500	1,000		Position currently being reviewed.

Total Adult Social Care Department	1,837	1,225		
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Finance

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		Current Progress	Comments
				24/25 £'000	25/26 £'000		
F9	Internal Audit	300	Restructure in light of potential retirements over the next two years within the Internal Audit Team.	0	50		No official changes made yet
F13	Discretionary Support Scheme	221	Review the roles, procedures and structure of the team.	25	0		On track
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		On track
Total Finance Department				65	90		

Legal and Democratic Services

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		Current Progress	Comments
				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	15		<input checked="" type="checkbox"/>	Budget adjusted inline with the savings in the ICT department
Total Legal Services Department				15	0		

Children and Families

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		Current Progress	Comments
				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	0		Early Years has now closed and budget for 24/25 has been removed
C2	Children's Centres	1,293	Review the operation of Windmill Hill Children's Centre, where there is the potential to save on premises and staffing costs.	0	22		This is subject to further review as external factors are changing the original review parameters. Potential alternative funding also to be reviewed.
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.	112	0		Amount was removed at budget setting as will not be achieved
Total Children & Families Department				138	22		

Education, Inclusion and Provision


Ref	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		Current Progress	Comments
				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.	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.	80	0	✗	DSG funding removed as does not comply with grant conditions.
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.	148	0	u	To be reviewed.
Total Education, Inclusion and Provision Department				280	0		

Community and Greenspace

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		Current Progress	Comments
				24/25 £'000	25/26 £'000		
COMM3	Sport & Recreation	471	Restructuring the roles and responsibilities of the Sports Development Team	36	0	<input checked="" type="checkbox"/>	Restructure is currently underway
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	12	<input checked="" type="checkbox"/>	The cessation of the service is underway with the majority of schools ending their contracts by the end of the calendar year.
Total Community & Greenspace Department				36	12		

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		Current Progress	Comments
				24/25 £'000	25/26 £'000		
EEP4	Cleaning Services – Council Buildings	580	Review cleaning arrangements, with a focus on only emptying bins and cleaning toilets daily.	100	0	U	A review of the cleaning service is underway with some positions removed from the structure. The full savings will not be achieved until the accommodation review is complete.
EEP2	Caretaking & Security Services	641	A review and restructuring of caretaking arrangements.	52	0	U	The restructure can now take place following the retirement of a member of staff. The full saving will not be made until financial year 25/26
Total Economy, Enterprise & Property Department				152	0		

Policy, Planning and Transportation

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		Current Progress	Comments
				24/25 £'000	25/26 £'000		
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.	150	0		Not currently viable, therefore no income will be generated in the current year as the traffic enforcement will not be carried out.
Total Policy, Planning & Transportation Department				150	0		

Symbol

Objective



Indicates that the objective is on course to be achieved within the appropriate timeframe.



Indicates that it is uncertain or too early to say at this stage whether the milestone/objective will be achieved within the appropriate timeframe.



Indicates that it is highly likely or certain that the objective will not be achieved within the appropriate timeframe.

2024/25 Budget Risk Register as at 30 November 2024

Appendix 5

Risk No	Risk Identified	Impact	Likelihood	Risk Score	Risk Control Measures	Assessment of Residual Risk with Control Measures Implemented			Responsible Person	Timescale for Review	Progress Comments	Date Updated
						Impact	Likelihood	Risk Score				
1	<p>Pay costs</p> <ul style="list-style-type: none"> • Pay award • Staff Turnover Saving Target • Agency, casuals and overtime • National Living Wage • Pension Costs 	4	4	16	<ul style="list-style-type: none"> • Budget based upon individual staff members/vacancies • Budget monitoring • Contingency • Balances • Medium Term Forecast • Engage with Cheshire Pension Scheme and pension actuary • Recruitment and retention scheme children social care workers. • Social Care Academy for children social care workers • Connect to Halton 	3	3	9	ED/SB/Executive Directors	Monthly	<p>2024/25 pay offer accepted and implemented November 2024.</p> <ul style="list-style-type: none"> •£1290 on all pay points from 1st April •Equivalent to 5.77% on point 2 and 2.5% on point 43 •2.5% on all pay points above 43 and below chief officer level <p>Estimated 4% 2024.25 budget uplift will cover cost of pay award.</p> <p>Connect to Halton scheme went live September 2024, agency and casual appointments to be covered by the scheme.</p>	30/11/24

2	Redundancy and Early Retirements	3	3	9	<ul style="list-style-type: none"> • Benefits Tracking Process • Future savings to take into account cost of redundancy and early retirements. • Seek Government approval to use capital receipts to fund transformation costs. • Transformation Reserve 	2	3	6	ED/SB	Quarterly	Tracker created to monitor redundancy costs in current year. Transformation reserve created to cover costs but limited reserves will impact use of this. Look to capitalise compulsory costs where possible where evidence exists it creates in a longer term saving.	30/11/24
3	Savings not achieved	4	3	12	<ul style="list-style-type: none"> • Budget monitoring • Contingency • Reserves / Provisions • Rigorous process in approving savings. • Review of savings at departmental and directorate level • Monthly budget monitoring 	4	2	8	RR/ED/SB	Monthly	Savings for 2024/25 have been written into Directorate budgets. Budget savings monitored closely and if necessary offsetting savings sought. Transformation Programme Board meeting on monthly basis to discuss progress against programme.	30/11/24

					<ul style="list-style-type: none"> • Medium Term Financial Forecast • 2023/24 to 2025/26 savings agreed February 2023. • RAG monitoring of savings included in quarterly monitoring reports. • Transformation saving targets reported monthly through Transformation Programme Board. 							
4	Price inflation	3	3	9	<ul style="list-style-type: none"> • Prudent budget provision • Latest forecast information used eg. utilities • Budget monitoring • Contingency • Balances 	3	3	9	ED/SB	Monthly	CPI for November 2024 is 2.6% and RPI is 3.6%. Office of Budget Responsibility (OBR) forecast inflation to hit 3.5% in 2025 and 3.1% through to 2027. Rates are higher than forecast in September 2024	30/11/24

					<ul style="list-style-type: none"> • CPI/RPI monitoring • MTFS 						and remain above Governments 2% target.	
5	Review of LG Finance <ul style="list-style-type: none"> • Business rates retention – 100% Pilot and Review • Fair Funding Review • National Public Spending Plans • Social Care Green Paper 	4	4	16	<ul style="list-style-type: none"> • MPs • SIGOMA / LG Futures • Liverpool City Region & Merseyside Treasurers Group • Medium Term Financial Strategy • Member of business rate retention pilot region • Dialogue with DCLG 	3	3	9	ED/SB/NS/M W/MG	Weekly/ Monthly	Business rate retention pilot continues through to March 2026. New Government are committed to providing more certainty on LG Finances through multi year settlements. Provisional settlement announced 18 December 2024, funding is higher than within financial forecast but consideration still being undertaken on impact to Halton.	30/11/24

6	Treasury Management <ul style="list-style-type: none"> Borrowing Investment 	2	3	6	<ul style="list-style-type: none"> Treasury Management Strategy Link Asset Services advice Treasury Management planning and monitoring Attendance at Networking and Benchmarking Groups Officer Training 	1	3	3	ED/SB/MG	Daily / Quarterly	Investment rates continue to be high relative to last decade. BoE base rate at 4.75%, general thoughts are for this rate to be lowered towards the end of the financial year and further reductions beyond this. Impact of Exceptional Financial Support request to be assessed with regards to timing of future borrowing.	30/11/24
7	Demand led budgets <ul style="list-style-type: none"> Children in Care Out of borough fostering Community Care 	4	4	16	<ul style="list-style-type: none"> Budget monitoring Contingency Balances Review service demand Directorate recovery groups Monthly budget monitoring 	4	4	16	ED/SB/NS/MW	Monthly	Children in care, numbers and costs continue to exceed budget. Numbers of children in care and with protection plans reviewed on a weekly basis. Community care costs and numbers on increase,	30/11/24

											reviewed on a regular basis. Investment in Children Services following OFSTED inspection to be monitored with regard to control and reduction of future costs.	
8	Mersey Gateway Costs <ul style="list-style-type: none"> Costs Toll Income Funding Accounting treatment 	4	2	8	<ul style="list-style-type: none"> Regular monitoring with Crossing Board Capital reserve Government Grant Liquidity Fund 	2	1	2	ED/SB/MG	Quarterly	Arrangements in place to monitor spend and availability of liquidity fund.	30/11/24
9	Council Tax Collection	3	3	9	<ul style="list-style-type: none"> Council tax monitoring on monthly basis Review of Collection Rate Collection Fund Balance Provision for bad debts 	3	2	6	ED/PG/SB/P D/BH/MG	Monthly	Collection rate to 30 November 2024 was 71.43% which is marginally lower than the rate of 71.57% at the same point last year. It is uncertain at this point if collection	30/11/24

					<ul style="list-style-type: none"> Review recovery procedures Benchmarking 						for the year will be at the same level as for 2023/24. To 30 November 2024 £1.811m was collected in relation to old year debt.	
10	Business Rates Retention Scheme	3	3	9	<ul style="list-style-type: none"> Review and monitoring of latest business rates income to baseline and estimate for year. Prudent allowance for losses in collection Prudent provision set aside for losses from valuation appeals Regular monitoring of annual yield and baseline / budget position Benchmarking Groups Review recovery procedures 	3	1	3	ED/SB/LB/MG	Monthly	Collection rate to 30 November 2024 was 76.03% which is 2.39% higher than the rate at the same point last year. It is uncertain at this point if collection for the year will be at the same level as for 2023/24. To 30 November 2024 £1.694m was collected in relation to old year debt.	30/11/24
11	Income recovery <ul style="list-style-type: none"> Uncertainty to economy following 	3	3	9	<ul style="list-style-type: none"> Corporate charging policy Budget monitoring 	3	2	6	ED/MM/SB	Monthly	Income shortfalls identified and cause of increased concern in	30/11/24

	Brexit, cost of living and high inflation				<ul style="list-style-type: none"> Contingency Balances Income benchmarking 						certain areas are being closely monitored. Cost of living crisis adds to uncertainty over collection.	
13	Capital Programme <ul style="list-style-type: none"> Costs Funding Key Major Projects Clawback of Grant Availability and timing of capital receipts Cashflow Contractors 	4	3	12	<ul style="list-style-type: none"> Project Management Regular monitoring Detailed financial analysis of new schemes to ensure they are affordable Targets monitored to minimise clawback of grant. Contractor due diligence Dialogue with Government departments. 	3	2	6	Project Managers/ED /SB/LH	Quarterly	Capital receipts have been fully committed therefore new capital schemes need to bring own funding.	30/11/24
14	Academy Schools <ul style="list-style-type: none"> Impact of transfer upon Council budget Loss of income to Council Services 	2	4	8	<ul style="list-style-type: none"> Early identification of school decisions DfE Regulations Prudent consideration of financial transactions to facilitate transfer 	1	3	3	ED/SB/NS	Monthly	Consideration given in MTFS for loss of funding.	30/11/24

					<ul style="list-style-type: none"> • Services continue to be offered to academies • Transfer Protocol 							
15	Reserves <ul style="list-style-type: none"> • Diminishing reserves, used to balance budget, fund overspend positions. 	3	4	12	<ul style="list-style-type: none"> • Monitored on a quarterly basis, reported to Management Team and Exec Board • Benchmarking • Financial Forecast • Programme to replenish reserves. 	3	3	9	ED/SB	Quarterly	Monitored and reported on a regular basis. Council reserves at historic low levels. Reserves will need to be replenished within future budgets	30/11/24
16	Budget Balancing <ul style="list-style-type: none"> • Council has struggled to achieve a balanced budget position for a number of years. • Forecast for current year is an overspend position of £19m. • Reserves insufficient to balance current year budget. • Before transformation 	4	4	16	<ul style="list-style-type: none"> • Current year budgets monitored on a regular basis. • Forward forecasting through to March 2029 reported on a prudent basis. • Regular conversations with DHLUC re Council's financial position. 	4	4	16	ED/SB	Ongoing	Updated benchmarking to be reported to better inform Transformation Programme targets.	30/11/24

	targets, there is a forecast budget gap of £68.5m through to 2028/29.				<ul style="list-style-type: none"> • LGA to undertake a financial assurance review. • Transformation programme in place. 							

REPORT TO:	Executive Board
DATE:	25 February 2025
REPORTING OFFICER:	Operational Director – Finance
PORTFOLIO:	Corporate Services
SUBJECT:	Treasury Management Strategy Statement 2025/26
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 2025/26.

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 (2025/26). 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 to 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

6.1 Improving Health, Promoting Wellbeing and Supporting Greater Independence

6.2 Building a Strong, Sustainable Local Economy

6.3 Supporting Children, Young People and Families

6.4 Tackling Inequality and Helping Those Who Are Most In Need

6.5 Working Towards a Greener Future

6.6 Valuing and Appreciating Halton and Our Community

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 consideration should be given to 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

2025/26

Revenues and Financial Management Division
Finance Department
January 2025

TREASURY MANAGEMENT STRATEGY STATEMENT 2025/26

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 role of treasury management 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 Council 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 2025/26

The strategy for 2025/26 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. This especially applies to Members responsible for scrutiny. Training was last undertaken by Members in February 2018, a further training session has been arranged for February 2025. The training needs of treasury management officers are also reviewed periodically.

1.5 Treasury management consultants

The Council uses MUFG Corporate Markets (formally 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 2025/26 – 2027/28

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

	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Capital Expenditure:					
Adult Services	1,575	1,925	1,140	1,140	1,140
Childrens Services	3,224	5,578	1,306	-	-
Public Health	-	-	-	-	-
Enviornment and Regeneration	36,740	63,854	25,540	9,007	1,875
Chief Executive	2,663	27,642	41,628	700	700
	44,202	98,999	69,614	10,847	3,715
Financed By:					
Capital receipts	(3,238)	(4,848)	(1,400)	(400)	-
Capital grants	(19,656)	(47,214)	(19,497)	(8,177)	(2,046)
Revenue	(294)	(48)	-	-	-
Net financing need for the year	21,014	46,889	48,717	2,270	1,669

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

	2023/24 Actual £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000
Capital Financing Requirement	605,940	640,070	673,042	657,733	640,281
Movement in CFR due to:					
Net financing need for the year	21,014	46,889	48,717	2,270	1,669
PFI / finance leases	-	-	-	-	-
Use of Reserves to reduce MRP liability	(7,744)	(550)	(564)	(578)	(593)
Less Minimum Revenue Provision	(11,410)	(12,209)	(15,181)	(17,001)	(18,528)
Increase / (Decrease) in CFR	1,860	34,130	32,972	(15,309)	(17,452)

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.

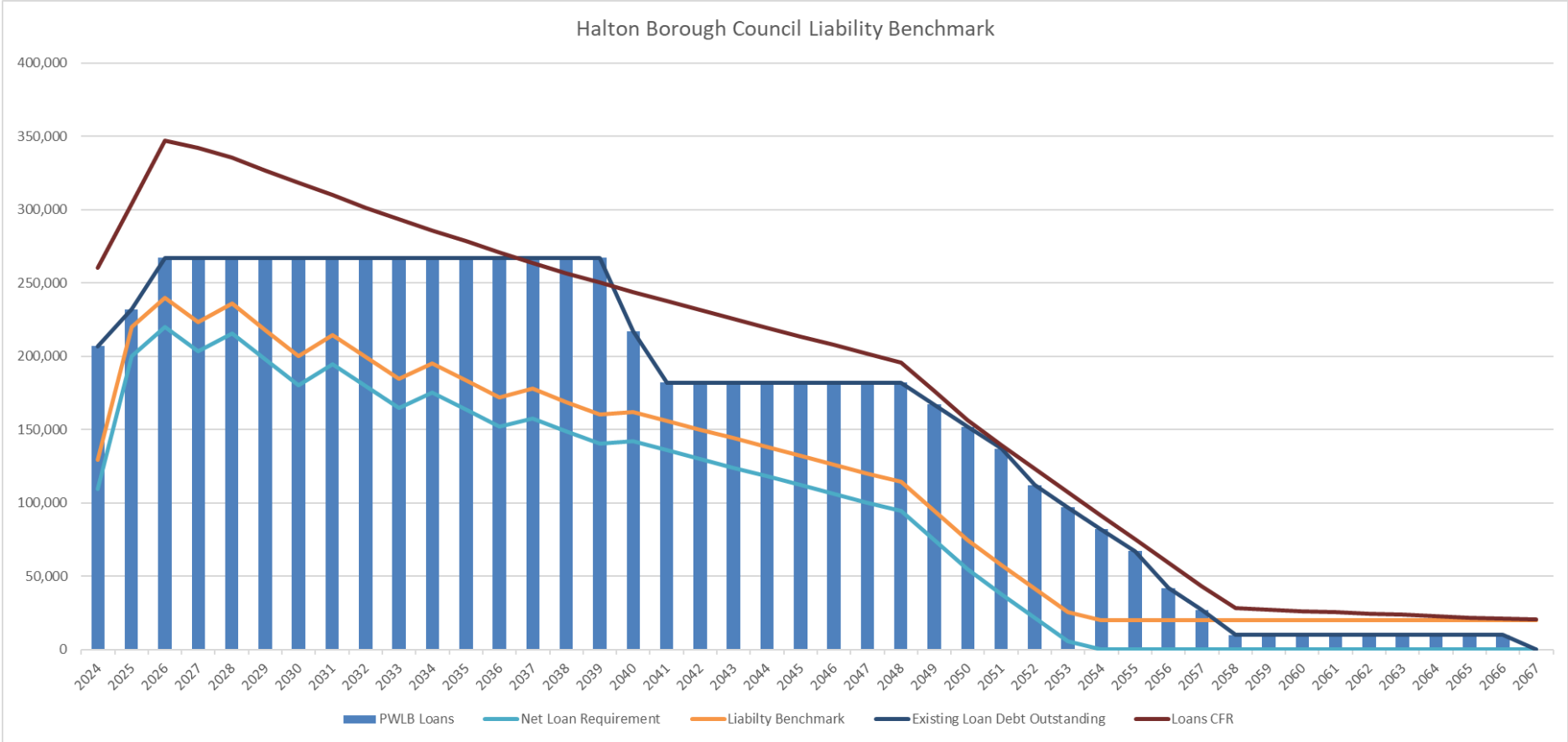
2.4 Liability Benchmark

The Authority is required to estimate and measure the Liability Benchmark (LB) for the forthcoming financial year and the following two financial years, as a minimum, but has decided to show the full debt maturity profile, up to 31st March 2067. See Chart A

There are four components to the LB: -

1. Existing loan debt outstanding: the Council'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.

Chart A – 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	2023/24 Actual £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000
Council's net budget	140,880	149,496	153,667	158,237	162,834
Finance Costs					
Net interest costs	1,136	2,953	7,002	7,015	7,079
Minimum Revenue Provision	3,468	3,069	5,006	6,420	7,759
	4,604	6,022	12,008	13,435	14,838
	3.3%	4.0%	7.8%	8.5%	9.1%

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. Net budget figure for 2025/26 excludes the impact of Exceptional Financial Support.

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 2024 and the position as at 31 December 2024 are shown in Table 4 for borrowing and investments.

Table 4 – Current Portfolio Position

	31st March 2024		31st December 2024	
	£000	%	£000	%
Treasury Investments				
UK banks and building societies	20,384	22%	8,977	15%
Non-UK banks	5,000	5%	-	0%
Local authorities	56,700	62%	42,000	69%
Money market funds	-	0%	-	0%
Property funds	10,000	11%	10,000	16%
Total	92,084	100%	60,977	100%
Treasury External Borrowing				
Local authorities	(35,000)	17%	(37,000)	18%
Public Works Loans Board (PWLB)	(172,000)	83%	(172,000)	82%
Other long term borrowing	-	0%	-	0%
Total	(207,000)	100%	(209,000)	100%
Net treasury investments / (borrowing)	(114,916)		(148,023)	

The Council's treasury portfolio position at 31 March 2024, 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

	2023/24 Actual £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000
External debt					
Borrowing					
Debt at 1 April	187,000	207,000	232,000	267,000	267,000
Expected change in debt	20,000	25,000	35,000	-	-
Debt at 31 March	207,000	232,000	267,000	267,000	267,000
Other long-term liabilities					
Debt at 1 April	353,355	345,413	336,274	326,099	315,518
Expected change in debt	(7,942)	(9,139)	(10,175)	(10,581)	(11,039)
Debt at 31 March	345,413	336,274	326,099	315,518	304,479
Total external debt at 31 March	552,413	568,274	593,099	582,518	571,479
Capital Financing Requirement	605,940	640,070	673,042	657,733	640,281
Under / (over) borrowing	53,527	71,796	79,943	75,215	68,802

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 2025/26 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

	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000
Operational boundary				
Debt	252,000	287,000	287,000	287,000
Other long term liabilities	336,274	326,099	315,518	304,479
Operational boundary	588,274	613,099	602,518	591,479
Total external debt at 31 March	568,274	593,099	582,518	571,479
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

	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000
Authorised limit				
Capital Financing Requirement	640,070	673,042	657,733	640,281
Contingency	20,000	20,000	20,000	20,000
Total	660,070	693,042	677,733	660,281
Total external debt at 31 March	568,274	593,099	582,518	571,479
Estimated headroom	91,796	99,943	95,215	88,802

3.3 Prospects for Interest Rates

The Council has appointed MUFG Corporate Markets (formally 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-25	4.50	4.9	5.1	5.5	5.3
Jun-25	4.25	4.8	5.0	5.4	5.2
Sep-25	4.00	4.6	4.8	5.3	5.1
Dec-25	4.00	4.5	4.8	5.2	5.0
Mar-26	3.75	4.5	4.7	5.1	4.9
Jun-26	3.75	4.4	4.5	5.0	4.8
Sep-26	3.75	4.3	4.5	4.9	4.7
Dec-26	3.50	4.2	4.4	4.8	4.6
Mar-27	3.50	4.1	4.3	4.7	4.5
Jun-27	3.50	4.0	4.2	4.6	4.4
Sep-27	3.50	4.0	4.2	4.5	4.3
Dec-27	3.00	3.9	4.1	4.5	4.3

Interest Rates

Interest rates have dropped twice in this financial year, falling from 5.25% to 5.00% in August 2024, and falling further to 4.75% in November 2024.

As shown in the forecast table above, the Bank Rate is expected to drop to 4.5% in March 2025, before falling to a level of 3.00% by December 2027. Additional details are given below.

Forecasts for Bank Rate

The forecast reflects a view that the next reduction in Bank Rate will be made in February 2025 and for a pattern to evolve whereby rate cuts are made quarterly and in keeping with the release of the Bank's Quarterly Monetary Policy Reports (February, May, August and November). Although it is predicted that rates will fall below 4%, this will be very much dependent on inflation data in the second half of 2025.

Gilt yields / PWLB Rates

The short to medium part of the yield curve is forecast to remain elevated over the course of the next year, and the degree to which rates moderate will be tied to the arguments for further Bank Rate loosening or otherwise. The longer part of the curve will be impacted by inflation factors also the additional concern that with other major developed economies such as the US and France are looking to run large budget deficits, so there could be a glut of government debt issuance which may increase rates.

The rates could also be impacted by other international factors, such as the re-election of Donald Trump and any impact on international trade, and any geo-political risks in Europe, the Middle East and Asia all of which could impact UK gilt yields.

Investment and borrowing rates

- **Investment returns.**

Short term investment returns (up to three months) are expected to fall from 4.25% in 2024/25, to 3.35% in 2025/26, then to 3.10% 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 still maintaining an under-borrowed position, meaning 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 have been utilised instead, but further borrowing will need to be utilised in the coming months and years.

Due to the level of capital funded from prudential borrowing in recent years, and the reported in year and future year overspends, the Council are expecting to borrow £50m from PWLB before 31st March 2025, and further borrowing will be planned to support the cash flow in 2025/26. This will be borrowed for 1 year only, hoping that long-term borrowing rates will fall over the next 12 months in line with the PWLB rate estimates provided by MUFG Corporate Markets, shown in 3.3. But caution will be adopted with the 2025/26 treasury operations and the Operational Director - Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

Due to the current cash need of the Council, it would not be possible to postpone borrowing due to economic conditions, but will use the duration of the borrowing to reduce the risk of falling or rising short or long-term rates accordingly.

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. This was originally for five years, but then extended for two years, and is due to end 31/03/25. 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 MUFG Corporate Markets. 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 equivalents) of F1 and a Long Term rating of BBB. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

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

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

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

4.3 Country Limits

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

4.4 Counterparty Limits for 2025/26

The Council has set the following counterparty limits for 2025/26 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 the risks are relatively balanced between Bank Rate staying higher for longer, if inflation picks up markedly through 2025 post the 30 October 2024 Budget, or it may be cut quicker than expected if the economy stagnates. The economy only grew 0.1% in Q3 2024, but the CPI measure of inflation is now markedly above the 2% target rate

set by the Bank of England's Monetary Policy Committee two to three years forward.

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 4.50%
- 2025/26 3.75%
- 2026/27 3.50%
- 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	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £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'	5,000	-	-	-

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 2025/26 and future years

In order to determine its MRP for 2025/26 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: 25 February 2025

REPORTING OFFICER: Operational Director – Finance

PORTFOLIO: Corporate Services

TITLE: Capital Strategy 2025/26

WARDS: Borough-wide

1.0 PURPOSE OF REPORT

1.1 To consider the Council's Capital Strategy for 2025/26 and recommend it's approval by Council.

2.0 RECOMMENDATION: That Council be recommended to approve the 2025/26 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 2025/26.

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 paragraph 2.3, and details of the Minimum Revenue Provision (MRP), the revenue cost to the capital schemes, is shown in paragraph 4.1.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Improving Health, Promoting Wellbeing and Supporting Greater Independence

6.2 Building a Strong, Sustainable Local Economy

6.3 Supporting Children, Young People and Families

6.4 Tackling Inequality and Helping Those Who Are Most In Need

6.5 Working Towards a Greener Future

6.6 Valuing and Appreciating Halton and Our Community

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

2025/26

Revenues and Financial Management Division
Finance Department
January 2025

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 2023/24 is shown below, along with estimates for 2024/25 and the following three years:

Table 1 – Capital Expenditure and Funding

	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Capital Expenditure:					
Adult Services	1,575	1,925	1,140	1,140	1,140
Childrens Services	3,224	5,578	1,306	-	-
Public Health	-	-	-	-	-
Enviornment and Regeneration	36,740	63,854	25,540	9,007	1,875
Chief Executive	2,663	27,642	41,628	1,700	700
	44,202	98,999	69,614	11,847	3,715
Financed By:					
Capital receipts	(3,238)	(4,848)	(1,400)	(400)	-
Capital grants	(19,656)	(47,214)	(19,497)	(8,177)	(2,046)
Revenue	(294)	(48)	-	-	-
Net financing need for the year	21,014	46,889	48,717	3,270	1,669

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

	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Minimum Revenue Provision					
General Fund	3,468	3,069	5,006	6,420	7,759
Leases and PFI Schemes	617	628	726	819	911
Mersey Gateway unitary charge	7,325	8,512	9,449	9,762	9,858
Net financing need for the year	11,410	12,209	15,181	17,001	18,528

- 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 2023/24 and how this is expected to change in 2024/25 and over the following three years.

Table 3 – Capital Financing Requirement

	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Capital Financing Requirement	605,940	640,070	673,042	657,733	640,281
Movement in CFR due to:					
Net financing need for the year	21,014	46,889	48,717	2,270	1,669
PFI / Finance Leases	-	-	-	-	-
Use of Reserves to reduce MRP liability	(7,744)	(550)	(564)	(578)	(593)
Less Minimum Revenue Provision	(11,410)	(12,209)	(15,181)	(17,001)	(18,528)
Increase / (Decrease) in CFR	1,860	34,130	32,972	(15,309)	(17,452)

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

	2023/24 Actual £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000
Capital Receipts - 1st April	(2,790)	(4,978)	(560)	(25)	(623)
Asset Sales	(13,170)	(981)	(1,429)	(1,576)	(1,405)
Use of Capital Receipts					
- New Capital Expenditure	3,238	4,848	1,400	400	-
- Repayment of debt	7,744	551	564	578	592
Capital Receipts - 31st March	(4,978)	(560)	(25)	(623)	(1,436)

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 18 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 MUFG Corporate Markets (formally 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 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. Director - Finance shall arrange for the financing of the Capital Programme as considered appropriate.

Capital Receipts

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

Capital Grants

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

Prudential Borrowing

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

Revenue Contributions

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

External Contributions and Reimbursements

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

7. Capital Expenditure Controls

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

8. Capital Monitoring and Reporting Requirements

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

9. Accounting for Capital Expenditure

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

APPENDIX 2

Capital Project Financial Assessment Form

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

Notes for completion of form

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

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REPORT TO: Council

DATE: 5 March 2025

REPORTING OFFICER: Independent Members' Remuneration Panel

SUBJECT: Members' Allowance Scheme – Review

WARDS: Borough wide

1.0 PURPOSE OF REPORT

To invite Council to consider the proposals of the Independent Members' Remuneration Panel and to approve a Scheme of Allowances for Members with effect from April 2025.

2.0 RECOMMENDATION: That Council consider the

- 1) recommendations of the Independent Members' Remuneration Panel as set out in Paragraph 6 of this report; and**
- 2) having regard to the Panel's recommendations, determine the Members' Allowance Scheme to be effective from April 2025 for a 3 year period.**

3.0 SUPPORTING INFORMATION

- 3.1 Under the Local Authority's (Members' Allowances) Regulations 2003 the Scheme of Members' Allowances, which was approved in March 2022, is due for review. It must be reviewed tri-annually.
- 3.2 As reported to Council at its last meeting, in consultation with the Leader, the Chief Executive invited three independent and respected private sector representatives to sit as an Independent Panel (the Panel) to review the Council's Scheme of Members' Allowances and to make recommendations to the Council with regard to the matters to be included in the scheme. The Panel members were identified as having private sector experience and also a strong understanding of the public sector, having worked closely with the public sector on numerous projects and partnerships. All three are independent of the Council.

The Panel consists of the following

Mary Murphy – Principal, Riverside College

John Downes – MD, Langtree

John Lewis – MD SOG Ltd

4.0 BACKGROUND

- 4.1 The Panel were provided with, and appraised of, the Council's current scheme of allowances. This recognises the time and commitment of all Councillors as well as incidental costs incurred such as use of their vehicles, homes, internet and telephone for Council business.
- 4.2 Private use of mobile phones (etc.) is excluded and is met personally by Councillors.
- 4.3 All Councillors receive a Basic Allowance. Special Responsibility Allowances are paid in addition to Basic Allowances. Special Responsibility Allowances are paid to reflect the additional work involved in undertaking certain roles and taking on additional responsibilities within the Council's Constitution.
- 4.4 The current scheme also makes provision for payment of allowances in respect of the cost of child care or care for dependents incurred by Members in carrying out their duties.
- 4.5 Travel and Subsistence Allowances are payable for approved duties which are detailed in the current scheme on the production of relevant receipts. The current scheme permits co-optees reimbursement of travel and subsistence and childcare and dependent care allowance on the same basis as Members of the Council.
- 4.6 From 1 April 2014 Elected Members in England are unable to join the LGPS. Those Elected Members in England who were in the scheme on the 31 March 2014 can remain in the scheme until the end of their current term of office. Elected Members in England will not be able to rejoin the LGPS in any subsequent term of office in which they serve. The allowances of Elected Members of the Council currently admitted in to a Local Government Pension Scheme are treated as amounts in respects of which pensions are payable.
- 4.7 At the present time the allowances in the scheme are increased each year by the same percentage increase (or increases) as the NJC pay award for Local Government employees. Where different increases are awarded to different sections of the NJC workforce the percentage increase applicable at spinal column 29 applies. Increases apply on the same date as the pay award and are backdated where appropriate. Full details of the current scheme are attached as Appendix 1 to this report. It should be noted that the present allowances are still at the 2024 level, as the pay claim has not yet been settled. They will be backdated in due course.
- 4.8 To enable the Panel to consider the appropriateness of the existing

scheme, details of neighbouring authority schemes were made available to the Panel.

- 4.9 The Panel invited all Members to share with them any thoughts they had on the current allowance scheme and any changes they would wish to see.
- 4.10 The Panel were advised by the Chief Executive and the Director – Legal & Democratic Services on matters relating to the work of Elected Members, the law and other matters relating to Members' Allowances.

5.0 PANEL FINDINGS

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

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

- It was noted Members Allowances currently account for **less than 0.7%** of the Council Budget.
- The Panel were of the view the current scheme of Members Allowances offers the community of Halton **good value for money**, given the time commitment given by Elected Members to a variety of representative roles and the local advocacy undertaken by Councillors in Halton.
- The majority of the Allowances in Halton are broadly comparable neighbouring authorities.

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

However, the Panel noted that one Special Responsibility Allowance had fallen below other authorities, and should be increased. The other SRAs should remain at current levels, subject to the annual cost of living

increase. It was noted that they are limited in the Scheme to a maximum percentage of the Leader's SRA and the Panel did not feel that they should be increased at this stage.

The Panel's RECOMMENDATIONS are:-

- (1) That - the current scheme of Members Allowances is still, "fit for purpose" and does not require any major changes or amendments.
- (2) That – the SRA of the Leader of the Council should be increased by 5%

6.0 RECOMMENDATION

It is recommended THAT

- 6.1 the current Members' Allowance Scheme is fit for purpose and should remain largely unaltered save that the Leader's SRA should be increased by 5%**

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

Current Members Allowance Scheme.

Information on Members Allowance Schemes for neighbouring local authorities.

Comments from members.

SCHEME OF MEMBERS' ALLOWANCES

This scheme of Members' Allowances has been set by the Council having regard to a report of an Independent Panel made up of non Councillors. The scheme will come into effect from 1 April 2022 and will continue in force for three years.

1. Basic Allowance

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

£10,637 per annum (as at 1 April 2024*)

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

2. Special Responsibility Allowances

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

Position	Limitations	SRA (as at 1 April 2024*)
Leader		£27,423
Deputy Leader	To a maximum of 68% of the Leader's SRA	£18,648
Executive Board Members	To a maximum of 56% of the Leader's SRA	£15,357
Chairs – Boards & Committees	To a maximum of 33% of the Leader's SRA	£9,132
Vice Chairs – Boards & Committees	50% of the Chair's SRA	£4,566
Leader of Principal Opposition (can be split equally if there is parity in the Opposition Groups)		£9,132
Scrutiny Co-Ordinator	Equal to that of the Chair's SRA	£9,132

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

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

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

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

3. Child Care and Dependent Carer's Allowance

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

4. Travel and Subsistence Allowances

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

Car Mileage

Engine size	Up to 999cc	1000cc to 1199cc	1200cc and over
Pence per mile	45	45	45

Motorcycle Mileage

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

Subsistence Allowances

Breakfast	Lunch	Dinner
£6.45	£8.65	£17.35

Overnight Accommodation

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

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

Cycle Allowance

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

Public Transport

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

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

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

5. Co-Optees

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

6. Pensions

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

7. Annual Increase

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

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

8. Withholding of Allowances

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

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

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

9. Payment of Allowances

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

10. Repayment of Allowances

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

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

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

11. Renunciation

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

12. Multiple Authorities

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

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

13. Time limit for Claims

Claims for the following allowances:

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

(b) Travelling and Subsistence Allowance

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

14. Approved Duties

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

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

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