

HALTON BOROUGH COUNCIL



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

24 February 2026

**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, 4 March 2026 commencing at 6.30 p.m. for the purpose of considering and passing such resolution(s) as may be deemed necessary or desirable in respect of the matters mentioned in the Agenda.

A handwritten signature in black ink, appearing to read 'R. Roy', is positioned above the title 'Chief Executive'.

Chief Executive

-AGENDA-

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1.	COUNCIL MINUTES	SEE MINUTE BOOK
2.	APOLOGIES FOR ABSENCE	
3.	THE MAYOR'S ANNOUNCEMENTS	
4.	DECLARATIONS OF INTEREST	
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7.	MINUTES OF THE EXECUTIVE BOARD	SEE MINUTE BOOK
	a) 11 December 2025	
	b) 15 January 2026	
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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 2026-27 (EXB92 refers)	3 - 6
	Executive Board considered the attached report.	
	RECOMMENDED: That Council be recommended to approve the Calendar of Meetings for the 2026/27 Municipal Year.	
	b) Budget 2026-27 - Key Decision (EXB93 refers)	7 - 40
	Executive Board considered the attached report.	
	RECOMMENDED: That Council:	
	1) adopt the resolution set out in Appendix A, which includes setting the budget at £224.237m, the Council Tax requirement of £71.959m (before Parish, Police, Fire and LCR Combined Authority precepts) and the Band D Council Tax for Halton of £1,938.81;	

<p>2) approve the capital programme set out in Appendix D; and</p> <p>3) approve the budget savings set out in Appendix E.</p>	
<p>c) 2025/26 Spending as at 30 November 2025 (EXB83 refers) Executive Board considered the attached report.</p>	<p>41 - 114</p>
<p>RECOMMENDED: That</p>	
<p>1) Executive Directors continue to implement the approved 2025/26 saving proposals as detailed in Appendix 4;</p> <p>2) Executive Directors continue to identify areas where they can further reduce their directorate's spending or generate income, in order to ensure the council wide forecast outturn overspend position for the year remains within budget;</p> <p>3) 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;</p> <p>4) Council be asked to approve the revisions to the capital programme set-out in paragraph 3.31 and incorporated within Appendix 5; and</p> <p>5) the forecast position for High Needs set-out in Para 3.19 to 3.24 and Appendix 3, be noted.</p>	
<p>d) Treasury Management Strategy Statement 2026/27 (EXB95 refers)</p>	<p>115 - 140</p>
<p>Executive Board considered the attached report.</p>	
<p>RECOMMENDED: That Council be recommended to adopt the policies, strategies, statements, prudential and treasury indicators outlined in the report.</p>	
<p>e) Capital Strategy 2026/27 (EXB94 refers)</p>	<p>141 - 156</p>
<p>Executive Board considered the attached report.</p>	
<p>RECOMMENDATION: That Council be recommended to approve the 2026/27 Capital Strategy, as presented in the Appendix.</p>	
<p>f) Integration of HR and Payroll Module Into the Unit4 Finance System (EXB98 refers)</p>	<p>157 - 160</p>

Executive Board considered the attached report.

RECOMMENDED: That

the integration of the HR and Payroll Module into the Unit4 ERP Finance System, be approved; and

Council be requested to include the project within the Capital Programme at an estimated cost of £456,459 as outlined in paragraph 5.1.

- g) Public Sector Decarbonisation Fund - Picow Farm Road Depot (EXB102 refers)

161 - 164

Executive Board considered the attached report.

RECOMMENDED: That Council be asked to include £1,161,300 total estimated cost of the energy efficiency works at Picow Farm Road within the capital programme, to be funded by grant funding from the Public Sector Decarbonisation Fund and including a Council contribution of between £162,000 - £200,000.

- h) Absence of a Member

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

- Councillor Lowe to be granted a period of absence from attending Council meetings for a period of 3 months, concluding on 4 June 2026, due to personal circumstances.
- Councillor Stretch to be granted a period of absence from attending Council meetings for a period of 3 months, concluding on 4 June 2026, due to personal circumstances.

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

SEE MINUTE BOOK

- a) Children, Young People and Families
- b) Local Economy
- c) Health and Social Care
- d) Corporate and Inclusion

12. COMMITTEE MINUTES

SEE MINUTE BOOK

- a) Development Management

- b) Appointments
- c) Regulatory Sub Committee

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 2026/27 Municipal Year.

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

- 1) Councillor Pamela Wallace be appointed as the Mayor; and
- 2) Councillor Mike Wharton be appointed as the Deputy Mayor.

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

PART II

In this case the Board has a discretion to exclude the press and public and, in view of the nature of the business to be transacted, it is **RECOMMENDED** that under Section 100A(4) of the Local Government Act 1972, having been satisfied that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, the press and public be excluded from the meeting for the following item(s) of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.

15. DCBL STADIUM - PITCH REPLACEMENT - KEY DECISION (EXB90 REFERS)

165 - 170

Executive Board considered the attached Part II report:

RECOMMENDED: That

- 1) Members give approval to proceed with the works as identified in the report;
- 2) Executive Board approval is given for recommendation to Full Council for an adjustment to the capital programme of up to £546,000; and

- 3) Approval of the detailed costs and the option to be undertaken, be delegated to the Executive Director Environment and Regeneration, in consultation with the Portfolio Holder for Employment Learning, Skills and Community.

REPORT TO:	Council
DATE:	4 March 2026
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
14 November	Emergency Waiver sign off for provision of a SEND Mediation and Dispute Resolution Service
10 December	Delegation of enforcement and investigatory powers granted to the Council by the Renters Rights Act 2025 to the Director of Public Health

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:	12 February 2026
REPORTING OFFICER:	Interim Chief Executive
PORTFOLIO:	Leader's
SUBJECT:	Calendar of Meetings – 2026/27
WARDS:	Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1 To approve the Calendar of Meetings for the 2026/27 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 2026/27 Municipal Year.

3.0 SUPPORTING INFORMATION

- 3.1 Members are asked to consider and recommend approval of the calendar of meetings for the 2026/27 Municipal Year.

4.0 POLICY IMPLICATIONS

None.

5.0 OTHER IMPLICATIONS

None.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

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 2026	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN 2027	FEB	MARCH	APR	MAY
M		1 Dev Manage Com		3			2 Dev Manage Com			1 ELS&C PPB	1		3
T		2 Corporate PPB	SEMINAR	4	1 Corporate PPB		3	1 Dev Manage Com		2 Safer PPB	2 Dev Manage Com		4
W		3	1 Regulatory	5	2		4	2 COUNCIL		3	3 HWB Board Regulatory		5
T		4	2	6	3	1	5	3		4	4	1	6 Local Elections
F	1	5	3	7	4	2	6	4	1 New Year Bank Holiday	5	5	2 Bank Holiday	7
S	2	6	4	8	5	3	7	5	2	6	6	3	8
S	3	7	5	9	6	4	8	6	3	7	7	4	9
M	4 Early May Bank Holiday	8 CYP&F PPB	6	10 Dev Manage Com	7 Dev Manage Com	5 Dev Manage Com	9	7	4	8 Dev Manage Com	8	5 Bank Holiday	10 Early May Bank Holiday
T	5 Dev Manage Com	9 Safer PPB	7 Dev Manage Com	11 SEMINAR	8	6	10 Corporate PPB	8	5	9 Health PPB	9 Seminar	6 Dev Manage Com	11 Dev Manage Com
W	6	10 Schools Forum	8 COUNCIL	12	9 SEMINAR	7 HWB Board Regulatory	11 Environment PPB	9	6	10 Mayoral Committee	10 COUNCIL	7	12
T	7 Local Elections	11 Executive Board	9 Executive Board	13	10	8 SEMINAR	12	10 Executive Board	7	11	11	8	13
F	8	12	10	14	11	9	13	11	8	12	12	9	14
S	9	13	11	15	12	10	14	12	9	13	13	10	15
S	10	14	12	16	13	11	15	13	10	14	14	11	16
M	11	15 Local Economy PPB	13	17	14 CYP&F PPB	12	16 CYP&F PPB	14	11 Dev Manage Com	15	15	12	17
T	12	16	14	18	15	13	17	15	12	16	16	13	18 Exec Board Select Com prov)
W	13	17 Environment PPB	15 HWB Board	19	16 Environment PPB	14 Schools Forum	18 Health PPB	16	13 HWB Board Regulatory	17	17 A&G Board	14	19
T	14	18	16	20	17 Executive Board	15	19 Executive Board	17	14	18	18 Executive Board	15 Executive Board	20
F	15	19	17	21	18	16	20	18	15	19	19	16	21 Annual Council (prov)
S	16	20	18	22	19	17	21	19	16	20	20	17	22
S	17	21	19	23	20	18	22	20	17	21	21	18	23
M	18	22	20	24	21 Local Economy PPB	19	23 Local Economy PPB	21	18	22	22	19	24
T	19 Exec Board Selection Com	23 Health PPB	21	25	22 Safer PPB	20	24 Safer PPB	22	19 Corporate PPB	23	23	20	25
W	20 ANNUAL COUNCIL	24 A&G Board	22	26	23	21 COUNCIL	25 A&G Board	23	20 Schools Forum	24 Schools Forum Environment PPB	24	21	26
T	21	25	23	27	24	22 Executive Board	26 Regulatory	24	21 Executive Board	25 Executive Board	25	22	27
F	22	26	24	28	25	23	27	25 Xmas Day	22	26	26	23	28
S	23	27	25	29	26	24	28	26 Box Day	23	27	27	24	29
S	24	28	26	30	27	25	29	27	24	28	28	25	30
M	25 Spring Bank Holiday	29	27	31 Bank Holiday	28	26	30	28	25 CYP&F PPB		29	26	31 Bank Holiday
T	26	30	28		29 Health PPB	27		29	26		30	27	
W	27		29		30 A&G Board	28		30	27		31	28	
T	28		30			29		31	28			29	
F	29		31			30			29			30	
S	30					31			30				
S									31				

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REPORT TO: Executive Board
DATE: 12 February 2026
REPORTING OFFICER: Director of Finance
PORTFOLIO: Corporate Services
SUBJECT: Budget 2026/27
WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To recommend to Council the revenue budget, capital programme and council tax for 2026/27.

2.0 RECOMMENDATION: That Council be recommended;

- (i) To adopt the resolution set out in Appendix A, which includes setting the budget at £224.237m, the Council Tax requirement of £71.959m (before Parish, Police, Fire and LCR Combined Authority precepts) and the Band D Council Tax for Halton of £1,938.81;**
- (ii) To approve the capital programme set out in Appendix D;**
- (iii) To approve the budget savings set out in Appendix E;**

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 11 September 2025. In summary, cumulative funding gaps of £44.937m in 2026/27, £58.964m in 2027/28, £74.656m in 2028/29, £94.107m in 2029/30, and £118.613m in 2030/31 were identified.

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 2025/26 Budget

- 3.3.1 The Executive Board receives regular reports detailing spending in the current year against the budget. The latest report as at 30th November 2025 indicated that spending was forecast to be over budget in the current year by approximately £1.281m against a net budget of £183.052m. This was a much improved position than was the case earlier in the financial year. However, monitoring figures currently being prepared as at 31st January 2026 indicate that spending is anticipated to be significantly below budget by 31st March 2026. Although this is a much improved position to those reported in previous financial years, it is important to note that the 2025/26 budget was set using £29.385m of Exceptional Financial Support (EFS), however, any underspend by year-end will reduce the EFS requirement.
- 3.3.2 Forecast overspends within 2025/26 are driven by demand-led budgets for care packages within the Adult Social Care and Children and Families Departments, as well as home to school transport costs within the Education, Inclusion and Provision Department.
- 3.3.3 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 recovery 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.
- 3.3.4 The level of reserves held by the Council is also reviewed every other month and reported to Executive Board. It is considered that the balance of the Council's General Fund is at the minimum acceptable level, and is therefore unable to fund any in-year overspend in the 2025/26 financial year.

3.4 2026/27 Revenue Budget

- 3.4.1 The proposed revenue budget totals £224.237m. The departmental analysis of the budget is shown in Appendix B. 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 2026/27.

Table A – Net Budget Calculation

	2026/27 Base Budget Position (£m)
2025/26 Approved Revenue Budget	183.052
Plus Changes to Grant Funding (see Table F)	19.003
Plus Increase in Net Costs (See Table F)	27.340
Less Agreed and Proposed Savings (see Appendix E)	-5.158
2026/27 Proposed Budget	224.237

3.5 Budget Savings Proposals

3.5.1 Savings of £5.158m for 2026/27 have been proposed, and are detailed in Appendix E.

3.6 Funding of the 2026/27 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 2026/27 Budget

	2026/27 Base Budget Position (£m)
2026/27 Proposed Budget (Table A)	224.237
Funded by:	
2026/27 Council Tax Requirement and Surplus (see Table I)	-72.955
2026/27 Forecast Income from Business Rates (see Table I)	-117.409
2026/27 Budget Deficit - To be Funded from Exceptional Financial Support	33.873

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 2026/27 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 2026/27.

- 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 over 20 years from the Public Works Loans Board (PWLB). EFS provides permission to borrow and does not provide any 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 2026/27 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 £33.873m in 2026/27 to provide a balanced budget. Without a credible savings plan being implemented over the next year, the unfunded deficit will roll forward to 2027/28.
- 3.7.6 On 18th December 2025, an initial application for EFS for the 2026/27 financial year was submitted to the Ministry of Housing, Communities and Local Government (MHCLG). The submission included an ask for EFS for 2026/27 of £45.0m, alongside increased council tax flexibilities (see paragraph 3.10.4 for details). On 9th February 2026, the request for increased council tax flexibilities was rejected.
- 3.7.7 Following the publication of the 2026/27 Final Local Government Finance Settlement a revised EFS submission of £35m was made to MHCLG, in line with the funded EFS 2026/27 deficit plus a small amount of contingency. On 23 February 2026 MHCLG confirmed provisional approval of £35m EFS for 2026/27, to enable the Council to set a balanced budget for the year.

3.8 2026/27 Local Government Finance Settlement

- 3.8.1 The 2026/27 "Provisional" Local Government Finance Settlement, covering the 2026/27 – 2028/29 financial years, was published on the 17th December 2025 and was the first multi-year settlement since 2018/19. The Settlement represents the culmination of the Fair Funding Review, the first comprehensive review of Local Government funding in over a decade. The "Final" Local Government Finance Settlement was published on 9th February 2026.
- 3.8.2 The Settlement publishes the Government's estimate of the funding available for use by individual councils, known as Core Spending Power

(CSP). This consists of a Fair Funding Assessment, made up of a combination of Revenue Support Grant and Business Rates Baseline Funding, an estimate of Council Tax income, a small number of ringfenced grants, the Recovery Grant which remains at its 2025/26 cash value, and adjustments for transitional arrangements.

- 3.8.3 Several updates were made to Halton's CSP at the Final Local Government Final Settlement. Income received from the Mid-Mersey Business Rates Pool has now been included within Halton's 2025/26 baseline funding position, which has increased the funding to be received in 2026/27 and 2027/28 from transitional arrangements. A small uplift to the Homelessness, Rough Sleeping and Domestic Abuse Grant has been made to reflect new burdens arising from the Renters' Rights Act. Government have also announced a new Recovery Grant Uplift for authorities in receipt of Recovery Grant Funding that are due to see their CSP rise by less than the 17% national average over the three years covered by the Settlement. These changes are worth an additional £3.5m, £3.7m, and £4.7m to Halton in 2026/27, 2027/28, and 2028/29 respectively.
- 3.8.4 The Government stated that the aim of the Fair Funding Review is to target a greater proportion of grant funding towards the most deprived areas which are less able to generate funding from local taxation. These authorities have seen the greatest cuts to Council funding since 2010. This redistribution has been carried out by calculating each Council's funding requirement using a series of new Relative Needs Formulae, and adjusting for the revenue that is able to be raised through Council Tax.
- 3.8.5 A consultation regarding the Fair Funding Review was published in June 2025 which included initial versions of these Relative Needs Formulae. Modelling undertaken based on the information published alongside the consultation suggested that the outcome of the Fair Funding Review would be very positive for Halton, with an estimated rise in Core Spending Power of almost 20% over the three years covered by the Settlement.
- 3.8.6 Since the consultation was issued, Government have made several major changes to these Relative Needs Formulae, most notably by utilising the updated Indices of Multiple Deprivation (IMD) which give a much greater weighting to housing costs than previous versions of the dataset. The emphasis on housing costs means that Halton is now considered by the 31st most deprived local authority compared to the 25th most deprived in the 2019 version of the IMD. The inclusion of housing costs has fundamentally changed the national distribution of funding allocated using the Children and Young People's Relative Needs Formula, which includes approximately 23% un-ringfenced resources as well as the Family First Partnership element of the Children, Families and Youth Grant. This change to the formula has led to a redistribution of funding for Children's Services towards authorities within London and

away from authorities in the North. Halton's Children and Young People's Relative Needs Share has reduced by 14% between the 2025/26 formula, and the formula presented at the Settlement.

- 3.8.7 Based on modelling carried out in Summer 2025, it was anticipated that Halton's Core Spending Power (CSP) would increase by approximately 20% between 2025/26 and 2028/29. Changes made between the issuing of the consultation in June 2025 and the Provisional Settlement in December 2025 had reduced this increase to 10.22%, which was significantly below the average increase for England as a whole. The Final Settlement has provided an increased CSP of 12.2%, although this change means that Halton's CSP in 2028/29 will be approximately £13m lower than was anticipated in Summer 2025.
- 3.8.8 Authorities with social care responsibilities which were in receipt of the Recovery Grant in 2025/26 are guaranteed a 5% increase to CSP in 2026/27, and then further 1% increases in 2027/28 and 2028/29 through the new funding floor mechanism. Based solely on the new funding formulas, Halton's increase in CSP for 2026/27 would have been below 5%. £1.767m of new Recovery Grant Guarantee Funding will therefore be received in 2026/27. Government's CSP figures assume that authorities will utilise the full value of Council Tax flexibilities available in future years. These increases in Council Tax exceed the additional 1% of guaranteed funding in 2027/28 and 2028/29 meaning that no Recovery Grant Guarantee funding will be received beyond 2026/27.
- 3.8.9 In addition to assuming that full use of Council Tax flexibilities will be utilised, Government also assumes that the tax base will increase by an average of the increase in the previous four financial years. For 2026/27, Government have assumed 1.23% of growth to Halton's tax base, but actual growth will only reach 0.48%, which equates to a shortfall in Council Tax income of approximately £0.54m. Due to Council Tax income being included in the calculation of the 105% funding floor, this shortfall has a direct impact on the value of Recovery Grant Guarantee Funding received. If actual tax base data was used for 2026/27, Halton would have received an additional £0.54m of grant funding.
- 3.8.10 Alongside the scheduled revaluation, there has been a full reset of the business rates system, including a recalculation of each authority's Business Rates Baseline (the amount that Government estimates each authority is able to raise through business rates), and Baseline Funding Level (the amount of funding that Government deems an authority needs to raise from the business rates system). Authorities which have a lower Business Rates Baseline than Baseline Funding Level, such as Halton, will receive Top-Up Grant to the value of the difference. Halton's Top-Up Grant allocation for 2026/27 is £31.132m.
- 3.8.11 By resetting authorities' Business Rates Baselines, the growth in rates that has accumulated since the system was last reset in 2013/14 will be brought into system from 2026/27. Nationally, an estimated £2.38bn of

growth will be redistributed between authorities based on relative needs and resources. Previously accumulated business rates growth has been included within 2025/26 funding baselines, and is therefore included within funding protection mechanisms announced at settlement. As Halton is guaranteed an increase in funding of 5% in 2026/27, accumulated business rates growth is effectively retained over the period covered by the settlement, but there is a risk that this funding will be lost in 2029/30 unless additional transitional arrangements are introduced.

- 3.8.12 Due to the changes to the business rates retention system in 2026/27, Government have increased the safety net level to 100% for next year only, meaning that authorities are protected from funding losses if they collect less than their Business Rates Baseline. From 2027/28, this level of protection will reduce to 97% of Business Rates Baseline for authorities within the Liverpool City Region Business Rates Retention Pilot.
- 3.8.13 Government have confirmed the continuation of the 100% Business Rates Retention pilot within the Liverpool City Region for 2026/27. 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. If any authority within the pilot scheme falls below the safety net level, this will need to be funded by any growth achieved by the other pilot authorities. The 100% safety net in 2026/27 means that there is a high risk that any growth achieved next year will not be able to be retained, but will need to be used to fund safety net payments within the pilot scheme.
- 3.8.14 From 2026/27, any growth above the Baseline Funding Level will be subject to a levy, whereby a percentage of the growth must be repaid to Government. A levy of 10% will be charged on growth of to 10% above the baseline funding level, rising to 30% on growth of up to 100%, and 45% on any additional growth.
- 3.8.15 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 £80.090m for 2026/27.
- 3.8.16 Government have confirmed that there will be no change to the council tax referendum principles between 2026/27 and 2028/29, meaning that council tax can be raised by 2.99% without triggering a referendum. Authorities with responsibilities for adult social care are permitted to raise council tax by an additional 2% to contribute to funding these services. Table C shows the level of Adult Social Care Precept charged by Halton in previous years.

Table C – 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%
2025/26	2%

3.8.17 There have been significant changes made to the grants received by local authorities in 2026/27. Several grants have been rolled in with settlement and will no longer be paid separately to authorities, including some previously significant grants used to fund social care. A full list of grants rolled in, and their value to Halton, are shown in Table D:

Table D – Grants Rolled Into Settlement

Name of Grant	2026/27 Value £m
Biodiversity Net Gain Planning Requirement Grant	0.027
Employer National Insurance Contribution Grant	1.604
Homelessness Prevention Grant – Temporary Accommodation Element	0.279
Leaving Care Allowance Uplift	0.031
Local Reform and Community Voices – Deprivation of Liberty Safeguards Funding	0.014
Market Sustainability and Improvement Fund	2.796
New Burdens Funding	0.003
New Homes Bonus	0.181
Personal Advisers Extended Duty	0.027
Social Care Grant	17.744
Staying Put Grant	0.053
Supported Accommodation Reforms New Burdens	0.314
Virtual School Head Extension for Previously Looked After Children	0.030
Virtual School Head Extension to Children with a Social Worker and Children in Kinship Care	0.127
War Pensions Disregard	0.053
Total Grants Rolled In	23.283

3.8.18 Four new consolidated grants will be received as separate funding streams between 2026/27 and 2028/29. Many of these are further separated into separate funding elements, which have their own ringfence and may have their own distribution formula. Table E shows the value of these grants to Halton, alongside which 2025/26 grants they are replacing.

Table E –2026/27 – 2028/29 Consolidated Grant Funding Allocations

Consolidated Grant	2025/26 Grant Replaced	2026/27 Allocation (£m)	2027/28 Allocation (£m)	2028/29 Allocation (£)
Homelessness, Rough Sleeping and Domestic Abuse Grant:				
Homelessness Element	Homelessness Prevention Grant – Homelessness Element	0.642	0.750	0.914
Domestic Abuse Safe Accommodation	Domestic Abuse Accommodation Support	0.425	0.425	0.425
Uplift Announced at Final Settlement		0.123	0.082	0.053
Total Homelessness, Rough Sleeping and Domestic Abuse Grant		1.190	1.275	1.392
Public Health Grant:				
Public Health Main Grant	Public Health Grant	9.943	10.146	10.343
Smoking Cessation Ringfence	Local Stop Smoking Services and Support Grant	0.497	0.502	0.508
Drugs and Alcohol Ringfence	Drug and Alcohol Treatment and Recovery Grant	2.809	2.888	2.966
Total Public Health Grant		13.250	13.536	13.817
Crisis and Resilience Fund	Household Support Fund and Discretionary Housing Payments	2.605	2.639	2.581
Children, Families and Youth Grant				
Families First Partnership Programme Ringfence	Children’s Social Care Prevention and Supporting Families Grants	2.816	2.816	2.405
Holiday Activities and Food Ringfence	Holiday Activities and Food Programme	0.727	0.702	0.705
Post-16 Pupil Premium	Post-16 Pupil Premium	0.051	0.051	0.051
Total Children, Families and Youth Grant		3.595	3.569	3.158

3.8.19 The Extended Producer Responsibility (EPR) for packaging payment will remain outside of the Settlement. The estimated 2026/27 payment for Halton is £3.080m.

3.9 Estimated Price Increases

3.9.1 Since the MTFs was published in September 2025, the 2026/27 base budget position has been reviewed in detail. This included reviewing assumptions included within the MTFs and updating these within the base budget. Table F 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 F – Estimated Price Increases

	Budget Position £m
Salary Inflation and Increments	3.370
Price Inflation	4.503
Income Inflation	-1.070
Capital Programme	0.584
Capital Cost of Exceptional Financial Support	1.469
Interest Cost of Exceptional Financial Support	1.265
Interest Costs Of Dedicated Schools Grant Deficit	0.430
Contingency	1.550
Prior Year Savings Unachieved	1.800
Increased Demand – Adult Social Care	4.418
Increased Demand and Costs – Children’s Social Care	1.621
Increased Demand and Costs – School Transport	0.743
Transformation Programme	2.500
Other Known Cost Increases	4.157
Total Cost Increases	27.340
Changes to Grant Funding	19.003
Proposed Savings	-5.158
Total Increase	41.185

3.9.2 Local Government pay rates for 2026/27 have not yet been agreed. A 3% rise on all pay bands has been assumed in the budget for 2026/27.

3.9.3 Inflation of 2% has been applied to contractual (non-controllable) expenditure budgets for 2026/27. Additional inflation of 4% has been applied to social care contract costs which will increase at above normal inflation rates due to the increase of 4.1% in National Living Wage rates from April 2026. Electricity and gas budgets have been reduced by 5% and 9% respectively due to a forecast decrease in energy costs.

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.

3.10 Halton’s Council Tax

3.10.1 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.

3.10.2 The Government have confirmed that the general council tax referendum threshold will remain at 3% for 2026/27, with an additional 2% Adult Social Care precept increase permitted. The Final Local Government

Finance Settlement includes an assumption that councils will adopt the maximum Adult Social Care precept and general council tax increase.

3.10.3 Councils are able to apply for increased council tax flexibilities, allowing them to raise council tax above 2.99% without the need for a referendum. MHCLG will only grant permission for increased flexibilities in exceptional circumstances, and only to those authorities with a below-average Band D council tax.

3.10.4 Halton applied to MHCLG for permission to raise council tax in 2026/27 by 7.99% in total (5.99% general council tax increase, plus 2% adult social care precept), which would have raised Band D council tax to approximately the national average level. The additional flexibility requested was anticipated to generate £2.056m. On 9th February 2026, Government confirmed that they would not grant any additional council tax flexibility to Halton for 2026/27. It is therefore proposed that council tax will rise by 4.99% in 2026/27 in total (2.99% general council tax increase, plus 2% adult social care precept).

3.10.3 The tax base (Band D equivalent) for the Borough has previously been set by Council at 37,115.

3.10.4 As at January 2026 it is estimated that there will be a surplus on the Collection Fund relating to council tax which will contribute £0.996m of additional funding for the 2026/27 financial year.

3.10.5 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 £1,938.81 (equivalent to £37.28 per week). This is an increase of 4.99% (£92.15 per annum or £1.77 per week) over the current year.

3.11 Parish Precepts

3.11.1 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 G – Parish Precept Levels 2026/27

	Precept	Precept Increase		Additional Council Tax	Basic Council Tax
	£	£	%	£	£
Hale	64,216	1,783	2.86	95.13	2,033.94
Daresbury	21,520	7,090	49.13	50.75	1,989.56
Moore	6,271	0	0.00	18.55	1,957.36
Preston Brook	113,575	40,037	54.44	308.63	2,247.44
Halebank	50,635	9,675	23.62	93.77	2,032.58
Sandymoor	50,587	2,734	5.71	29.09	1,967.90

3.12 Average Council Tax

3.12.1 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 £1,947.07, an increase of £93.77 per annum.

3.13 Police Precept

3.13.1 The Cheshire Police and Crime Commissioner has set the precept on the Council at £10.965m, which is £295.44 for a Band D property, an increase of £18.50 or 6.68%. For 2026/27, MHCLG have granted additional flexibility which allows the Band D precept to be increased by £3.50 above the standard referendum limit of £15.00. The figures for each Band are shown in Recommendation 5 in Appendix A.

3.14 Fire Precept

3.14.1 The Cheshire Fire Authority has set the precept on the Council at £3.714m, which is £100.09 for a Band D property, an increase of £5.00 or 5.26%. The figures for each Band are shown in Recommendation 6 in Appendix A.

3.15 Liverpool City Region Mayoral Precept

3.15.1 The Liverpool City Region Combined Authority has set the precept on the Council at £0.891m which is £24.00 for a Band D property, an increase of £0.00. The figures for each Band are shown in Recommendation 7 in Appendix A.

3.16 Total Council Tax

3.16.1 Combining all these figures will give the Total Council Tax for 2026/27 and these are shown in Recommendation 8 in Appendix A. The total Band D Council Tax (before Parish precepts) is £2,358.34, an increase

of £115.65 or 5.16%. The inclusion of parish precepts means the increase in Hale is 5.06%, in Daresbury is 5.17%, in Moore is 5.13%, in Preston Brook is 9.31%, in Halebank is 5.80%, and in Sandymoor is 5.09%.

3.16.3 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.

3.16.4 The Council has operated a local Council Tax Reduction Scheme since 1st April 2013 under the provisions of the Local Government Finance Act 2012 and will maintain this scheme for 2026/27. The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2026 require the Council to make amendments to the existing scheme relating to annual uprating of allowances, premiums and applicable amounts, and also provide for particular income and capital to be disregarded in the Council Tax Reduction calculation.

3.17 Business Rates

3.17.1 For 2026/27, the business rates taxbase has been revalued, and the system as a whole has been reset, with Business Rates Baseline and Baseline Funding Levels being recalculated for each authority. Changes are also being made to the system of mandatory reliefs. Previously, local authorities were reimbursed for any mandatory reliefs introduced by Government through the receipt of Section 31 grant. This grant was income received into the General Fund, which led to timing differences between the receipt of the grant, and the relief being charged to the Collection Fund. From 2026/27 onwards, grants to compensate authorities for mandatory reliefs will be credited to the Collection Fund, removing this timing difference, and will therefore have no impact on the General Fund in-year.

3.17.2 Two new lower multipliers for Retail, Hospitality and Leisure (RHL) have been introduced for 2026/27, to be funded by the introduction of a High-Value Multiplier (HVM), bringing the total number of business rates multipliers to five. The 2026/27 multiplier are shown in Table H.

Table H – Business Rates Multipliers 2026/27

Multiplier	2025/26	2026/27
Small Business RHL Multiplier	N/A	38.2p
Standard RHL Multiplier	N/A	43p
National Small Business Multiplier	49.9p	43.2p
National Standard Multiplier	55.5p	48p
High-Value Multiplier	N/A	50.8p

3.17.3 An estimate of Halton's anticipated business rates income for 2026/27 has been provided to the Ministry of Housing, Communities and Local Government in January 2026.

3.17.4 As at January 2026 it is estimated that there will be a surplus on the Collection Fund relating to business rates which will contribute £5.062m of additional funding for the 2026/27 financial year.

3.17.4 Due to the increased safety net protections, and the new levy system, there are higher risks and lower potential rewards to business rates pooling in 2026/27. As such, the Mid-Mersey Business Rates will be dissolved, and no further gains from pooling will be achieved.

3.17.5 The impact of the changes to Halton's Council Tax and Business Rates income is shown in Table I. The significant increase in Top-Up Grant is due to the high value of grants which will no longer be received separately in 2026/27, detailed in Table D.

Table I – Council Tax and Business Rates Income 2026/27

	2025/26 Income £m	2026/27 Income £m	Change in Funding £m
Council Tax			
Council Tax Base Income	68.208	71.959	3.751
Council Tax Surplus / Deficit	0	0.996	0.996
Total Income from Council Tax	68.208	72.955	4.747
Business Rates			
Net Rates Payable	65.491		
Section 31 Grants	17.328		
Under-Indexation Compensation	-2.882		
Total Business Rates Baseline Income	79.937	80.091	0.154
Top-Up Grant	5.638	31.716	26.078
Business Rates Surplus / Deficit	-0.116	5.602	5.718
Total Income from Business Rates	85.459	117.409	31.950
Total Council Income	153.667	190.364	36.697

3.18 Capital Programme

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

Table J – Capital Programme 2026/27 – 2028/29

	2026/27 £m	2027/28 £m	2028/29 £m
Spending			
Scheme Estimates	44.833	8.337	7.353
Funding			
Borrowing and Leasing	21.428	4.983	4.585
Grants and External Funds	22.610	2.954	2.368
Direct Revenue Finance	0.395	0.000	0.000
Capital Receipts	0.400	0.400	0.400
	44.833	8.337	7.353

3.18.2 The committed Capital Programme is shown in Appendix D.

3.18.3 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.

3.19 Prudential Code

3.19.1 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.

3.19.2 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.

3.20 School Budgets

3.20.1 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.

3.20.2 The 2026/27 DSG settlement was announced on 17th December 2025, allocating Halton a total of £173.522m (£168.551m in 25/26), which is broken down as:

- £122.425m (prior year £117.833m) for the Schools Block
- £0.768m (prior year £0.765m) for the Central Schools Services Block
- £23.781m (£20.686m) for the Early Years Block
- £31.877m (£29.267m) for the High Needs Block

The Early Years Block is provisional, being based on the January 2025 Early Years census; it will be revised as new activity information becomes available.

3.20.3 Schools Block pupil numbers in mainstream primary and secondary schools have decreased again, from 17,489 for 2025/26 to 17,243 for 2026/27. Funding for mainstream primary and secondary schools is based on the pupil cohort on the October 2025 census.

3.20.4 An increase of the Schools Block of nearly £4.6m appears to be positive, however, as has been the case in recent years, some additional grants which were issued separately to schools have been mainstreamed into the core allocation. Some £3.56m of the increase is the annualised effect of including National Insurance contributions and the SBSG (Schools Budget Support Grant). This leaves merely £1.02m as actual growth in funding (or perhaps more accurately, protection against inflation). Taking account of the fall in pupils, this works out at an average increase in school budgets of just under 2.3%.

3.20.5 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 2026/27 by the Department of Education, which argues that because the full-year effect of grant mainstreaming is an increase to the baseline, a zero MFG still represents increased funding. This is the same restriction as last year. By comparison, in 2024/25, a MFG of up to +0.5% was allowable, which Halton replicated.

3.20.6 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.

- 3.20.7 The Early Years Block indicative allocation for 2026/27 is £23.781m, which is £3.095m greater than the 2025/26 equivalent. Reasons for this increase include an annualised increase in the hourly funding rates, and the full-year effect of the significant programme expansion in respect of 2 year olds and under, which started in September 2025. This block at this point in the calendar has always been indicative only. In years past, the allocation has been recalculated when the latest January census data were available and validated. Under normal circumstances, we would receive notification in the Summer of the effect on funding of January 2026 census data. However, from the start of the 2026/27 financial year, the department is moving to a termly funding approach to all early years entitlements (apart from the disability access fund, which remains an annual award).
- 3.20.8 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 £5.97 per hour for 2025/26 to £6.48 per hour for 2026/27. The hourly rate the Council is funded at for 2 year old provision has increased from £8.52 per hour to £8.96 per hour; and also the hourly rate for the new under-2 year old provision is £12.18 per hour (up from £11.60).
- 3.20.9 The High Needs Block for 2025/26 was £29.267m before recoupment by the Department for Education (DfE) for commissioned places in special academies and further education. For 2026/27 the High Needs Block before deductions is £31.877m, which is an increase of £2.610m, or 8.9%. As with the Schools Block, the majority of this increase comes from including the previously-separate grants for NI and the 2025/26 Core Schools Budget Grant (CSBG)
- 3.20.10 After a year in which the Pupil Premium Grant (PPG) rates for school age children remained unchanged, there will be increases for 2026/27. Premium for primary pupils will be £1,550, increased from £1,480, and £1,100 per secondary pupil, up £1,050 from last year. Children who have been adopted from care, and children who leave care under a special guardianship order or residence order will be funded at £2,690 per pupil, an increase of £120. Eligibility for the Service Children Premium will be funded at £360 per pupil – a £10 increase. The amount for Looked after Children which comes to the Council for distribution is likewise £2,690 per pupil.

DSG Deficit Position

3.20.11 As at 31 March 2025 the Council had a deficit on the Dedicated Schools Grant (DSG) reserve of £14.469m. This is as an impact of the increasing demand and costs of High Needs.

3.20.12 Forecasts over the medium term show an increasing deficit against DSG, this is detailed in Table K.

Table K – DSG Deficit Medium Term Forecast (£m)

Year	25/26	26/27	27/28	28/29	29/30
Cumulative Deficit	£27.2m	£36.2m	£46.5m	£72.9m	£90.3m

3.20.13 The DSG deficit currently has no impact on the Council's General Fund as Government have in place an override which allows the Council to carry the deficit on its balance sheet. The override is due to end at 31st March 2028 at which point the accrued DSG deficit will have to be funded from Council resources. On 9th February, it was announced that Government have committed to providing grant funding to authorities to cover 90% of their DSG deficits accrued on 31st March 2026, subject to DfE approval of a local SEND reform plan. No details were published on how SEND deficits accrued during 2026/27 and 2027/28 will be funded, after which responsibility for expenditure will transfer to Central Government.

3.20.14 There is a cost to the General Fund in managing the DSG deficit, this relates to the cashflow impact of a deficit position. The deficit position results in more borrowing costs for the Council which cannot be allocated against DSG and therefore are coded against the General Fund.

3.21 Section 25 Statement

3.21.1 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

3.21.2 It is clear within this 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 work being done to control costs and ensure they remain within the available budget for the year.

- 3.21.3 The 2026/27 budget setting process and the information provided should be sufficient to allow the Council to come to an informed view regarding the 2026/27 revenue budget, capital programme and council tax.
- 3.21.4 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.
- 3.21.5 Greater risk is also identified within the planned 2026/27 savings. Failure to act and achieve these savings within the correct timeframe will have a detrimental impact on the Council's finances.
- 3.21.6 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.

SEND Deficit

- 3.21.7 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 £27.2m 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.
- 3.21.8 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, thereby further increasing borrowing interest and principal repayments.
- 3.21.9 Government introduced a statutory over-ride, whereby the SEND deficit can be carried forward each year-end as part of the DSG budget, the statutory override expires at 31 March 2028.
- 3.21.10 Government are looking at plans for the reform of the SEND system and these are expected to be communicated to Local Government in early 2026. Ahead of this Government have announced responsibility for funding SEND services will transfer to Central Government from 2028.

This is a significant and welcome change however significant uncertainty remains on the associated deficit to 2028, which is currently forecast to be £46.5m to Halton.

3.21.11 On 9th February, it was announced that Government have committed to providing grant funding to authorities to cover 90% of their DSG deficits accrued on 31st March 2026, subject to DfE approval of a local SEND reform plan. No details were published on how SEND deficits accrued during 2026/27 and 2027/28 will be funded, after which responsibility for expenditure will transfer to Central Government. The SEND deficit is continued to be considered a significant risk to the Council until full details of the Government guarantee on DSG High Needs deficits are published and

Adequacy of Reserves

3.21.12 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 medium term Exceptional Financial Support through borrowing to fund day to day running costs.

3.21.13 The current level of general and earmarked reserves totals £54.9m, although only £5.4m of this is available for immediate need. The remaining balance of reserves are committed for specific purposes.

3.21.14 Within future budgets the Council must be committed to increasing the value of reserves held for general purposes. As part of the 2027/28 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.

Exceptional Financial Support

3.21.15 The Council has to ensure all decisions remain governed by the Prudential Code and ensure that capital and borrowing costs are affordable, prudent and sustainable. This applies to the Exceptional Financial Support (EFS) that has and will be applied to the 2026/27 budget and ensure the Council have sustainable plans in place to fund the financing costs of the EFS borrowing.

3.21.16 This report estimates £33.873m of Exceptional Financial Support will be required to balance the 2026/27 budget, which takes the forecast EFS borrowing figure to approximately £80m, to be re-paid over the next 20 years. On 23 February 2026 MHCLG confirmed provisional approval of £35m EFS for 2026/27 to enable a balanced budget to be set. The Council will publish a Financial Recovery Plan in 2026 setting out how it

will reduce reliance on Exceptional Financial Support and achieve a sustainable budget position over the short to medium term.

3.21.17 The Financial Recovery Plan must aim to be a robust document with proposed efficiencies fully stress tested to deliver reductions in the Council's cost base or deliver increases to revenue income. The Financial Recovery Plan will sit alongside the Medium Term Financial Strategy which will set out how the Council will tackle debt servicing costs under various interest and economic conditions.

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 2026/27.

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 12 February 2026.

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) 2026/27	Financial Management Halton Stadium	Steve Baker

APPENDIX A

**DRAFT RESOLUTION FOR SUBMISSION TO THE COUNCIL
AT ITS MEETING ON 04 MARCH 2026**

RECOMMENDATION: that the Council adopt the following resolution:

1. The policies outlined in this paper be adopted, including the budget and council tax for 2026/27 and the Capital Programme set out in Appendix E.
2. That it be noted that at the meeting on 3 December 2025 the Council agreed the following:
 - (a) The Council Tax Base 2026/27 for the whole Council area is 37,115 (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	675
Daresbury	424
Moore	338
Preston Brook	368
Halebank	540
Sandymoor	1,739

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 2026/27 (excluding Parish precepts) is £71,958,933.
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 2026/27 and agreed as follows:
 - (a) £626,998,207 – 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) £554,722,532 – being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £72,265,675 – 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) £1,947.07 – 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) £306,804 – 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	64,216.00
Daresbury	21,520.00
Moore	6,271.00
Preston Brook	113,575.00
Halebank	50,635.00
Sandymoor	50,587.00

- (f) £1,938.81 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	95.13
Daresbury	50.75
Moore	18.55
Preston Brook	308.63
Halebank	93.77
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	1,355.96	1,326.37	1,304.91	1,498.29	1,355.05	1,311.93	1,292.54
B	1,581.95	1,547.44	1,522.39	1,748.01	1,580.90	1,530.59	1,507.96
C	1,807.95	1,768.50	1,739.88	1,997.72	1,806.74	1,749.24	1,723.39
D	2,033.94	1,989.56	1,957.36	2,247.44	2,032.58	1,967.90	1,938.81
E	2,485.93	2,431.68	2,392.33	2,746.87	2,484.26	2,405.21	2,369.66
F	2,937.91	2,873.81	2,827.30	3,246.30	2,935.95	2,842.52	2,800.50
G	3,389.90	3,315.93	3,262.27	3,745.73	3,387.63	3,279.83	3,231.35
H	4,067.88	3,979.12	3,914.72	4,494.88	4,065.16	3,935.80	3,877.62

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 2026/27 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	196.96
B	229.79
C	262.61
D	295.44
E	361.09
F	426.75
G	492.40
H	590.88

6. It is further noted that for the year 2026/27 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	66.73
B	77.85
C	88.97
D	100.09
E	122.33
F	144.57
G	166.82
H	200.18

7. It is further noted that for the year 2026/27 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 2026/27 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	1,635.65	1,606.06	1,584.60	1,777.98	1,634.74	1,591.62	1,572.23
B	1,908.26	1,873.74	1,848.70	2,074.32	1,907.20	1,856.90	1,834.27
C	2,180.86	2,141.41	2,112.79	2,370.64	2,179.65	2,122.16	2,096.30
D	2,453.47	2,409.09	2,376.89	2,666.97	2,452.11	2,387.43	2,358.34
E	2,998.68	2,944.44	2,905.08	3,259.62	2,997.02	2,917.96	2,882.41
F	3,543.90	3,479.80	3,433.28	3,852.29	3,541.94	3,448.51	3,406.49
G	4,089.12	4,015.15	3,961.49	4,444.95	4,086.85	3,979.05	3,930.57
H	4,906.94	4,818.18	4,753.78	5,333.94	4,904.22	4,774.86	4,716.68

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 2026/27 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.

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
2025/26 Base Budget	73,611	53,896	11,991	1,881	23,710	2,494	9,257	5,575	196	297	1,114	-969	183,053
Staffing	1,402	717	393	96	826	204	222	238	191	122	154	-1,192	3,373
Price and Income Inflation	2,099	1,391	192	-3	-190	-83	43	-9	-16	-4	-19	32	3,433
Unachieved Savings	525	20	300	0	0	0	0	0	0	0	0	2,100	2,945
Agency Staff Budgets	0	210	0	0	0	0	0	0	0	0	0	0	210
Bank Charges	0	0	0	0	0	0	0	65	0	0	0	0	65
Capital Cost of EFS	0	0	0	0	0	0	0	0	0	0	0	1,469	1,469
Interest Cost of EFS	0	0	0	0	0	0	0	0	0	0	0	1,287	1,287
Care Package Costs	0	1,594	0	0	0	0	0	0	0	0	0	0	1,594
Care Package Demand and Demographic Growth	4,418	27	0	0	0	0	0	0	0	0	0	0	4,445
Cease Business Rates Pooling Arrangements	0	0	0	0	0	0	0	0	0	0	0	289	289
Community Meals Service	-64	0	0	0	0	0	-1	0	0	0	0	0	-65
Changes to Forecast Income	111	107	0	0	-2	-3	-7	-4	0	0	-3	45	244
Contract Inflation	26	60	0	155	0	0	6	0	0	0	0	0	247
Debt Management Expenses	0	0	0	0	0	0	0	0	0	0	0	80	80
DoLS Assessments	111	0	0	0	0	0	0	0	0	0	0	0	111
DSG Deficit Financing	0	0	0	0	0	0	0	0	0	0	0	430	430
Grant Funding Changes	8,966	11,880	-175	-368	31	0	0	-7	0	0	-2	-2,525	17,800
Halton People into Jobs	0	0	0	0	0	200	0	0	0	0	0	0	200
Interest Rates	0	0	0	0	0	0	0	0	0	0	0	-1,330	-1,330
Market Supplements	459	0	0	0	0	12	0	0	0	0	0	0	471
MRP	0	0	0	0	0	0	0	0	0	0	0	584	584
NNDR	-15	-3	0	0	174	28	-3	0	6	0	0	0	187
Property Maintenance	100	12	0	0	0	0	0	0	0	0	0	0	112
Rent Allowances	0	0	0	0	0	0	0	200	0	0	0	0	200
Schools Transport	0	0	743	0	0	0	0	0	0	0	0	0	743
Transformation Programme	0	0	0	0	0	0	0	0	0	0	0	2,500	2,500
Other	-3	-146	-27	122	550	-10	-10	27	-2	4	100	39	644
Contingency Changes	0	1,410	0	0	0	0	0	0	0	0	0	2,686	4,096
Proposed Savings (See Appendix E)	-625	-1,238	0	0	-446	0	0	-63	0	0	0	-2,786	-5,158
2026/27 Base Budget	91,121	69,937	13,417	1,883	24,653	2,842	9,507	6,022	375	419	1,344	2,717	224,237
Total Growth from 2025/26 Budget	17,510	16,041	1,426	2	943	348	250	447	179	122	230	3,686	41,184

APPENDIX C

MEDIUM TERM FINANCIAL FORECAST

	2027/28 £000	2028/29 £000	2029/30 £000
Spending			
Previous Year's Budget	224,237	245,817	269,014
Capital Cost of EFS	1,694	2,825	3,737
Interest Cost of EFS	1,808	2,625	3,539
<u>Inflation</u>			
Pay	2,831	2,876	3,756
Prices	5,147	5,332	5,524
Income	-661	-675	-688
<u>Other</u>			
Service Demand Pressures	7,768	9,456	7,721
Loss of Recovery Grant Guarantee	1,767	0	0
Recovery Grant Uplift	-774	-1,242	4,559
Contingency	2,000	2,000	2,000
<hr/>			
Budget Forecast	245,817	269,014	303,649
<hr/>			
Resources			
Baseline Business Rates Funding and Top-Up Grant	112,609	113,365	115,632
Council Tax	76,705	80,914	85,801
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	189,314	194,279	201,433
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Cumulative Funding Gap	-56,503	-74,735	-102,216
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APPENDIX D

COMMITTED CAPITAL PROGRAMME 2026/29

SCHEME	2026/27 £000	2027/28 £000	2028/29 £000
Schools Capital Projects	4,221	0	0
Family Hubs and Start for Life	65	66	68
Children's Directorate	4,286	66	68
Disabled Facilities Grant	700	700	700
Stairlifts	1,000	1,000	1,000
Adult's Directorate	1,700	1,700	1,700
Stadium Minor Works	30	30	30
Children's Playground Equipment	65	65	65
Open Spaces Schemes	600	600	600
Runcorn Town Park	280	0	0
Spike Island / Wigg Island	1,592	0	0
Pickerings Pasture Café	19	0	0
Replacement Cremator	20	0	0
Litter Bins	20	20	20
Cemetery Infrastructure Work	683	608	210
Stadium Public Address System	379	0	0
Stadium Steelwork Repairs	600	0	0
Homeless Accommodation Refurbishment	948	0	0
CCTV Infrastructure Works	395	0	0
Equality Act Improvement Works	300	300	300
Property Improvements	200	200	200
Runcorn Town Centre Development	8,613	0	0
Sci-tech Daresbury Project Violet	2,200	0	0
Sci-tech Daresbury CPO	3,000	0	0
Warm Homes Plan	588	588	0
Pride in Place Impact Fund	750	0	0
Street Lighting – Structural Maintenance	1,025	200	200
Street Lighting – Upgrades	528	0	0
Risk Management	120	120	120
Fleet Replacements	4,482	2,500	2,500
Environment & Regen Directorate	27,437	5,231	4,245
IT Rolling Programme	1,200	1,200	1,200
Halton Smart Microgrid	9,870	0	0
Early Land Acquisition Mersey Gateway	80	80	80
Mersey Gateway Handback Land	60	60	60
Chief Executive Directorate	11,210	1,340	1,340
Total Capital Programme	44,833	8,337	7,353

APPENDIX E

BUDGET SAVINGS PROPOSALS 2026/27

Note: those proposals indicated below as “To Be Confirmed” (TBC) require further development and costing. They will be implemented in-year during 2026/27 and then incorporated within the base budget from 2027/28.

Ref.	Proposed Saving Items	2026/27 £'000
	CORPORATE	
CORP1	Reduction in the Central Contingency Budget – the MTFS included a central contingency of £1.5m for unforeseen items and overspends. The proposal is to reduce the contingency to £1m. This provides a marginal increase in financial risk, however, it will be mitigated by continued efforts to ensure councilwide spending remains within budget.	500
CORP2	Supplies and Services Budgets - in 2024/25 Supplies and Services budgets were reduced by 10% for all Council departments, as a two-year reduction. This has therefore been reinstated within the MTFS from 2026/27. However, the proposal is to now make this reduction permanent from 2026/27 onwards. Supplies and Services covers a wide range of budget across different Council departments. Experience over the past two years has been that departments have adjusted spending needs to manage within the reduced budgets, with relatively little impact upon service delivery.	1,546
CORP3	Balance Sheet Review – a review the reserves, balances and provisions held on the balance sheet will be undertaken to identify any which might be released to provide one-off (one-year) savings.	500
	ENVIRONMENT & REGENERATION DIRECTORATE	
ER1	Open Spaces – a review of operations relating to grass cutting.	300
ER2	Community & Greenspaces – a reduction in operational travel time, through a review of available sites across the Borough for staff to have breaks. The estimated saving will be identified once the review has been undertaken.	TBC
ER3	Open Spaces – a review of contract arrangements for the locking of park gates. The estimated full year saving is £80,000 with a part-year saving in 2026/27 due to when contracts expire.	76

ER4	Street Cleansing – a review of suitability of operational vehicles and opportunities to reduce running costs.	40
ER5	Street Cleansing – a review of the leaf sweeping schedule in order to seek operational efficiencies.	30
ER6	Community & Greenspaces – a review of management structures will be undertaken, to model potential structures and identifying budget savings might be achieved. The estimated saving will be identified once the review has been undertaken.	TBC
ER7	Fleet and Logistics Service – consideration will be given to ways in which to rationalise and improve utilisation of fleet assets, through identifying future transport fleet requirements. Savings will be generated from a reduction in capital financing costs.	TBC
ER9	Accommodation Review - review of accommodation requirements across the Council, in order to rationalise accommodation and reduce running costs.	TBC
ER10	External Funding – review of available external funding which could be utilised to re-purpose the core budget funding of existing services.	TBC
ER11	Accelerated Growth - accelerating the timelines to bring to market the development of residential and non-residential developments.	TBC
CHIEF EXECUTIVE'S DIRECTORATE		
CX1	Welfare Rights Service – an amendment to the staffing structure resulting in the deletion of a vacant 0.6fte Welfare Rights Officer post. The post has been vacant for a number of months and through restructuring workloads it is considered the post can now be removed without affecting service delivery.	28
CX2	Housing Benefits – an amendment to the staffing structure resulting in the deletion of a vacant 1.0fte Housing Benefit Officer post. The Service experiences regular turnover of staff resulting in this post being vacant for a number of months. It is considered the post can now be removed without affecting service delivery.	35

	ADULTS DIRECTORATE	
ASC1	Adults with Learning Disabilities Model of Care – undertake individual reviews of support services provided to ALD service users. This will include clarifying the commissioning model in respect of supported living, day services, complex care, technology enabled care, and employment services. Work is ongoing to develop the proposal and establish part-year savings for 2026/27 and full year savings thereafter. Arrangements will be put in place to mitigate the impact of any changes for individual service users.	TBC
ASC2	In-House Care Homes – a cost efficiency plan will be implemented. A review of staffing resources is underway to examine recruitment and agency staffing arrangements, which has already achieved cost reductions in the current year and aims to achieve budget savings going forward. A reduction in agency staffing requirements and improvements in permanent staff recruitment, will improve continuity of service for the benefit of service users.	500
ASC3	Community Care – implementation of a budget reduction plan and continuing with cost avoidance measures, which have reduced costs by £2.3m in the current year and aims to achieve budget savings going forward. Work is ongoing to develop the approach and establish part-year savings for 2026/27 and full year savings thereafter, particular with consideration of Care Act responsibilities and the approach to Hospital Discharge Reviews. Arrangements will be put in place to mitigate the impact of any changes for individual service users.	TBC
ASC4	Housing Solutions – a review of the model of provision will be undertaken. Arrangements will be put in place to mitigate the impact of any changes upon service users.	125
ASC5	Adult Social Care Staff Recruitment – reviewing recruitment and retention arrangements in order to continue to reduce the reliance upon agency staffing. This approach has reduced costs by £0.7m in the current year and aims to achieve budget savings going forward.	TBC
ASC7	Prevention and Wellbeing Service – the Transformation Delivery Unit will assist with a review of the service. The potential savings cannot be quantified until after completion of the review. Arrangements will be put in place to mitigate the impact of any changes for individual service users.	TBC

ASC8	Adults Debt Recovery – work is continuing to reduce the level of client debt arrears (currently £7.8m) and ICB debt arrears (currently £3.6m), which impact upon the Council's cashflow. Therefore, a cashflow saving will be achieved by reducing the level of outstanding arrears. Three Payment Support Workers have been recruited within Adults during the past year to support service users and their families with reducing their debt arrears.	240
CHILDREN'S DIRECTORATE		
CH1	Targeted Early Help Services and Family Hubs - the LGA will provide support to undertake review of Targeted Early Help Services and Family Hubs to identify opportunities for improvement and efficiencies as well as prioritisation. The potential savings cannot be quantified until after completion of the review.	TBC
CH2	Children in Care - review of the future demand for children in care numbers and complexity of cases, following implementation of the Children's Improvement Funding investment. The potential savings cannot be quantified until after completion of the review.	TBC
CH3	18+ Residential Care – review and accelerate plans for children to step down from residential care placements once they turn 18.	1,238
TOTAL BUDGET SAVINGS PROPOSALS		5,158

REPORT TO: Executive Board

DATE: 15 January 2026

REPORTING OFFICER: Director of Finance

PORTFOLIO: Corporate Services

SUBJECT: 2025/26 Councilwide Spending as at 30 November 2025

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 2025 together with a 2025/26 forecast outturn position.

2.0 RECOMMENDED: That;

- (i) Executive Directors continue to implement the approved 2025/26 saving proposals as detailed in Appendix 4;**
- (ii) Executive Directors continue to identify areas where they can further reduce their directorate's spending or generate income, in order to ensure the council wide forecast outturn overspend position for the year remains within budget.**
- (iii) 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.**
- (iv) Council be asked to approve the revisions to the capital programme set-out in paragraph 3.31 and incorporated within Appendix 5;**
- (v) The forecast position for High Needs set-out in Para 3.19 to 3.24 and Appendix 3, be noted.**

3.0 SUPPORTING INFORMATION

Revenue Spending

3.1 Appendix 1 presents a summary of spending against the operational revenue budget up to 30 November 2025 (period 8) and Appendix 2 provides detailed figures for each individual Department. In overall terms, net Council spending as at 30 November 2025 is £0.294m over budget. The outturn forecast for the year estimates that net spending will be over

budget by £1.281m if no further corrective action is taken. This is a much improved position from that reported at the end of September 2025 (period 6) where forecast spend for the year was estimated to be £4.672m over budget.

3.2 The improved position on the forecast outturn from that reported at the end of September 2025 can be linked across a number of areas, including:

- Adult Social Care Directorate – The forecast outturn position for Community Care is £0.683m at the end of November, compared to a forecast outturn of £2.315m from two months prior. The position has improved due to more flexible utilisation of the Disabled Facility Grant (DFG) through the capitalisation of qualifying staffing and equipment costs against the grant, which it is intended to continue for future years.
- Care Homes - The overspending forecast against the Council's in-house care homes has decreased by a further £0.218m as a result of a lower forecast of agency spend, stemming from the ongoing review of sickness absence. Overall the Adult Social Care forecast outturn position has improved by £1.723m.
- Children and Families Department – The outturn position for the Department has improved by £1.601m. Employee costs are forecast to be under budget profile by the end of financial year 2025/26 by £0.096m which is a reduction of £0.822m since last reported at 30 September 25. Residential care costs are forecast to be under budget profile by £0.513m which is a reduction of £0.571m since last reported on 30 September 25.
- Environment and Regeneration Directorate – The forecast outturn position for the Directorate has improved by £1.006m. This is largely as a result of revised forecasts of income generation within the Planning and Transportation department, related to planning fees and the number of approved utility permit applications.

3.3 Despite the reduction in forecast net costs for the year it remains vital the Council continue to limit expenditure through to the end of the financial year to achieve as a minimum, a balanced budget position. It should be remembered that in setting the current year budget the Council have planned to utilise £29.385m of Exceptional Financial Support.

3.4 As part of the action to ensure spend for the year remains within budget, recovery meetings have been put into action where directorate leads will provide action points on how they aim to keep net spend within the approved budget.

- 3.5 On 10 February 2025 Government issued a letter to the Council confirming it was minded to approve a capitalisation direction of a total not exceeding £52.8 million. The total is broken down by each financial year of the Council's request:
- £20.8 million in 2024-25.
 - £32 million in 2025-26.
- 3.6 Consistent with those councils that have previously sought Exceptional Financial Support, in order for Government 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. There is uncertainty in when MHCLG will commission this review and therefore the Council has taken a proactive approach and commissioned CIPFA to support a review of the Council's financial resilience and financial management arrangements. The review is currently being undertaken on the same basis of the latest specification for such reviews required by MHCLG for councils requesting EFS.
- 3.7 Council approved the annual budget of £183.052m on 05 March 2025, in doing so they agreed to the use of EFS totalling £29.385m. As a minimum the Council must ensure that spend for the year remains within the approved budget to ensure the provisional capitalisation direction is not breached.
- 3.8 The cost of EFS is significant over the long term for the Council, for every £1m borrowing undertaken it is estimated will cost the Council approximately £100k over each of the next 20 years. It is imperative action is taken now to reduce the level of planned spend over the remainder of the year and that approved saving proposals are implemented with immediate effect.
- 3.9 Within the Corporate and Democracy table (included at Appendix B), current year costs relating to EFS have been included. It is forecast the cost of EFS interest will be £1.096m with repayment of the principal debt totalling £0.500m
- 3.10 The figures reflect a prudent yet realistic view of spend and income levels through to the end of the year. Work will continue to progress on updating the financial position as more information is made available.
- 3.11 In setting the 2025/26 budget Council approved significant levels of growth to ensure the budget was more relevant to the planned level of spend. Budget growth of £33.555m (22%) was added to the 2025/26 budget to bring the approved net budget to £183.052m.
- 3.12 There are continued demand pressures on the budget which are above growth levels provided in the 2025/26 budget, these are more notable against adults community care and home to school transport. Levels of demand covering children in care appear to be under control, although still

too high for an authority the size of Halton. Further information is provided within the report on the main budgetary pressure areas.

- 3.13 In setting the 2025/26 budget, inflation of 2% was provided for the pay award. The pay award has been agreed at 3.2%, therefore budgetary growth for the pay award is insufficient, the revised forecast of the additional cost of the 3.2% pay offer will add approximately £1.2m to the Council's running cost for the year. This additional cost is included within the reported forecast position for the year.
- 3.14 Another major factor in achieving a balanced budget position for the year is that all approved savings are fully achieved to the agreed levels. In total, savings of £7.225m were agreed for the current year, Appendix 4 provides detail on progress against the approved savings. As per Appendix 4, savings have been RAG rated to inform on progress, high level summary of this is provided below.

Department	On-course to be achieved	Uncertain or too early to say	Highly likely or certain will not be achieved
	£'000	£'000	£'000
Adult Social Care	100	125	1,655
Finance	0	100	90
Legal	6	0	0
Children & Family Services	0	1,900	22
Education, Inclusion and Provision	0	0	300
Community and Greenspaces	282	0	0
Economy, Enterprise and Property *	0	0	100
Planning & Transportation *	0	0	100
Public Health	45	0	0
Corporate	100	500	1900
Totals	533	2,125	4,667

*note alternative one-off savings have been identified for the current year.

- 3.15 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.

- 3.16 Analysis of agency spend for the year to date, together with comparative analysis of 2024/25 costs, is included in the table below.

	2025/26					2024/25
	As at 31 May 2025	As at 31 July 2025	As at 30 September 2025	As at 30 November 2025	Total 2025/26 To Date	As at 31 March 2025
	£'000	£'000	£'000		£'000	£'000
Adult Social Care	955	1,687	805	573	4,020	6,035
Chief Executives Delivery Unit	130	145	146	118	539	810
Children & Family Services	574	739	594	564	2,471	5,220
Community & Greenspace	71	59	52	53	235	447
Corporate & Democracy	0	0	0	6	6	0
Economy, Enterprise & Property	60	77	86	72	295	417
Education, Inclusion & Provision	54	72	48	56	230	295
Finance	3	0	1	1	5	114
Legal & Democratic Services	63	59	43	37	202	881
Planning & Transportation	2	0	0	0	2	210
Public Health & Public Protection	0	0	0	0	0	22
Total	1,912	2,838	1,775	1,480	8,005	14,451

Revenue - Operational Spending

- 3.17 Operational net spending for the first eight months of the year is higher than the budget to date by £0.294m. Based on current forecasts it is estimated net spend will be over budget for the year by £1.281m if no further corrective action is taken.
- 3.18 Within the overall budget forecast position for the period, the key budget pressure areas are as follows;

(i) Children and Families Department

The net departmental outturn position is estimated to be over budget profile at the end of financial year 2025/26 by £0.209m with the majority relating to Social Care Services. Since last reported at 30 September 25 there has been a reduction in forecast outturn for the department of £1.6m.

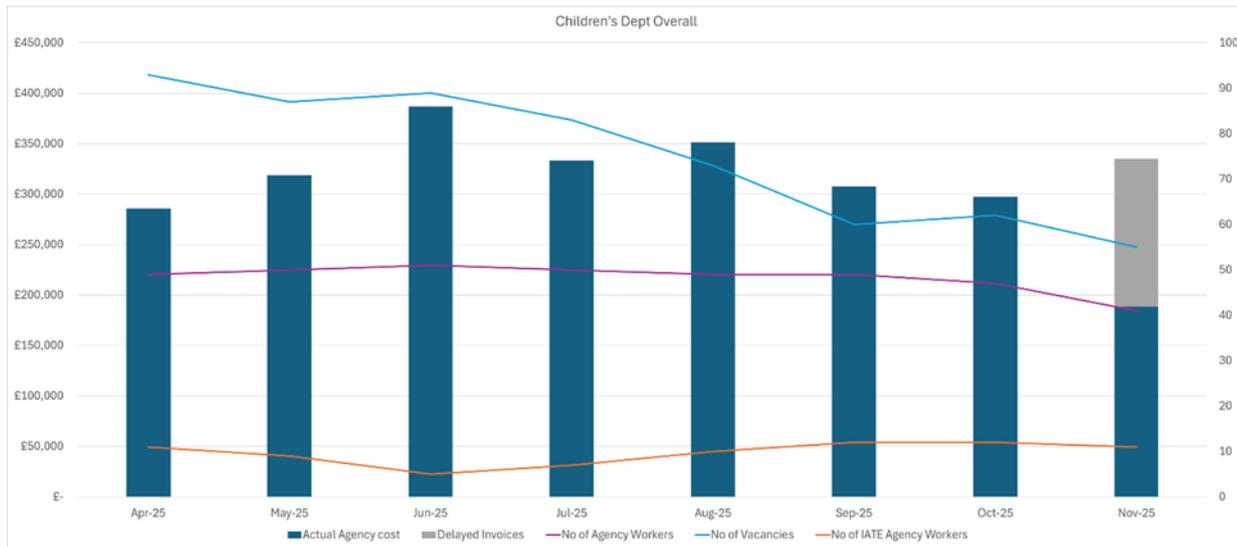
Employee costs are forecast to be under budget profile by the end of financial year 2025/26 by £0.096m which is a reduction of £0.822m since last reported at 30 September 25.

A large proportion of the reduction relates to the utilisation of a number of grants that are available to the service, this equates to £0.486m to 30 November 2025 and has supported the reduction in forecast overspend.

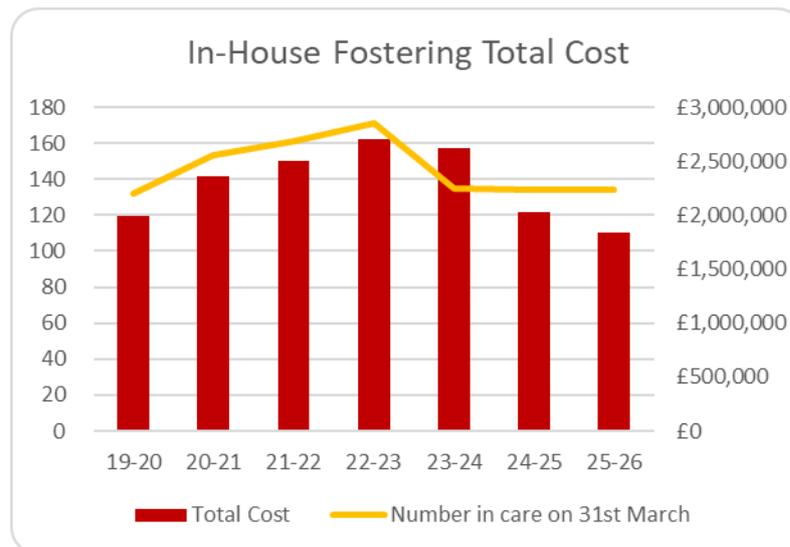
Since last reported on 30 September 25, a number of agency have converted to Council employment, with hopeful further planned conversions over the coming months. Forecasts will be updated as and when to reflect the changes in staffing.

The chart below demonstrates the following information, for the period April to November 2025:

- Agency costs
- The number of agency staff that the Council have received an invoice for within each month
- The number of vacancies across the Children and Families Department
- The number of staff that are currently in addition to the establishment (IATE)

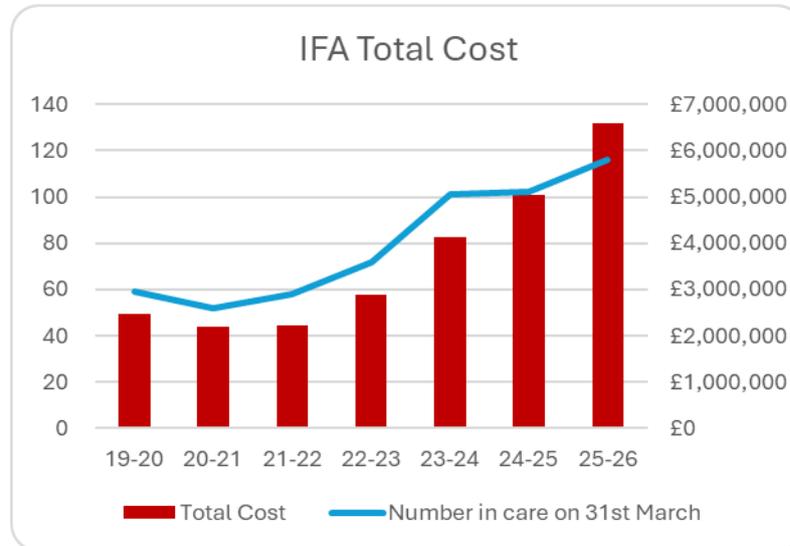


In-House fostering placements are estimated to be £0.548m under budget profile for financial year 2025/26.



Work continues to recruit and retain Halton's In-house foster carers, along with training to develop carers enabling them to accommodate more specialist placements. This therefore means that costs could increase. However, the ability to accommodate young people within in-house provision provides a substantial saving in comparison to Independent Fostering Agency (IFA) or residential care.

Increasing numbers of children in care and insufficient in-house fostering provision has meant increased reliance on Independent Fostering Agencies (IFA). Higher numbers of children placed within IFA provision and increased IFA rates has resulted in an estimated forecast overspend for the end of 2025/26 of £1.114m.



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

Residential care costs are forecast to be under budget profile by £0.513m which is a reduction of £0.571m since last reported on 30 September 25.

A number of initiatives are taking place to help reduce residential spend, including a High Cost Placement Panel, Medium Cost Placement Panel and particular cohort focused projects. The panels have been created to ensure that an effective care plan is in place for all young people at the best available cost of placement this work is ongoing.

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 previous years.



(ii) Adult Social Care Directorate

Community Care

The net spend position for the community care budget at the end of November 2025 is currently £0.411m over the available budget and the year-end anticipated spend is forecast to be £0.683m over planned budget.

In September the expected year-end forecast was reduced from £2.627m to £2.315m due to the impact of the recovery plan. The forecast has since been reduced further to £0.683m by capitalising qualifying staffing and equipment costs against the Disabled Facility Grant (DFG) enabling revenue budget to be utilised against community care budget pressures. Additionally the pool budget has released £0.400m toward this budget's financial performance.

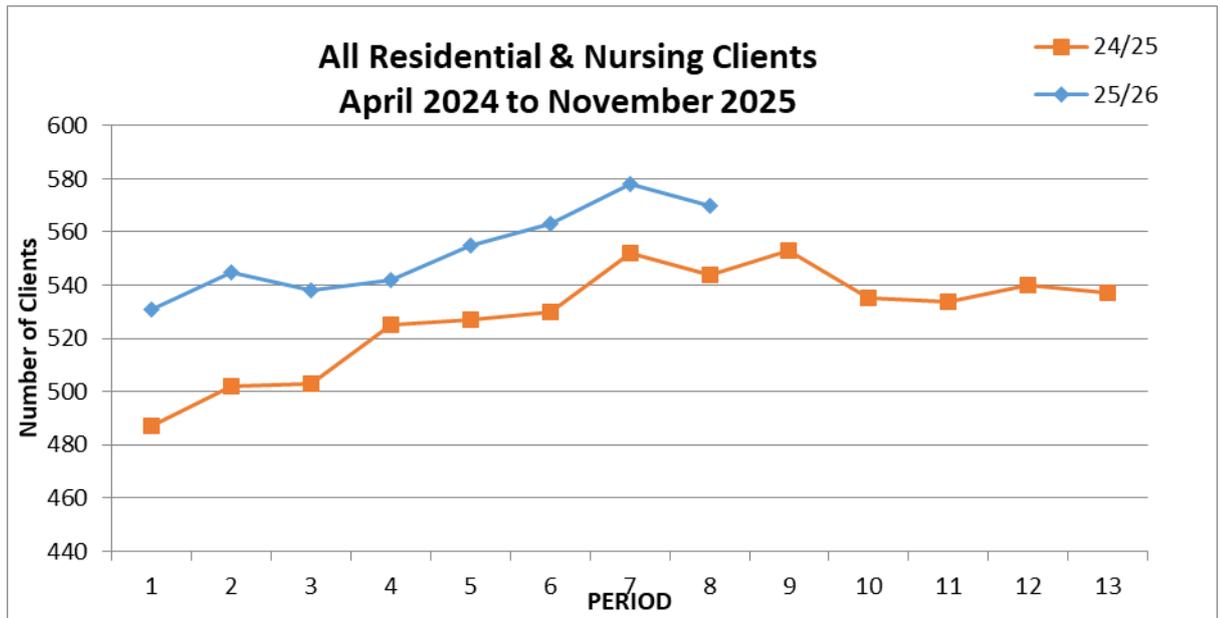
Recovery meetings continue and currently focus is on the following areas to try to reduce spend further:-

- Review 1 to 1 packages of care for appropriateness
- Identify and signpost new 15 minute packages of domiciliary care (medicine prompts) which should be commissioned and funded by health under the Care Act.
- Ensure assessments carried out on discharge from hospital are complete and appropriate
- Maximise internal care home capacity

Residential Care

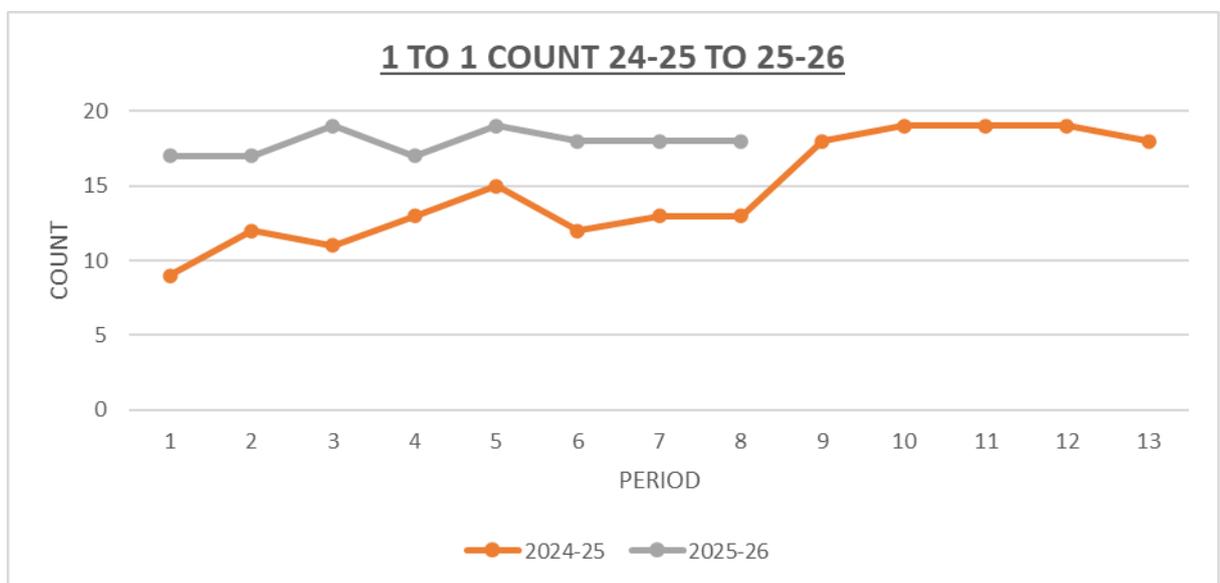
There are currently 570 residents in external residential/nursing care as at the end of November 2025. Compared to the 2024/25 average of 520 this is an increase of 9.6%. The average cost of a package of care is currently £949.76 compared to £850.24 at the end of 2024/25 an increase of 11.7%.

The graph below illustrates the demand for all residential and nursing placements.



Payments for 1 to 1 support continue to exert pressure on the budget. These are generally to mitigate the risk from falls particularly on discharge from hospital. The full year cost for 2024/25 was £837,882.

The graph below shows the count of service users receiving 1 to 1 care by period. Currently there are 18 compared to 13 at the same point last year. This is an increase of 38%. It is expected that these should reduce as packages continue to be reviewed, however commissioning of new packages with a 1:1 care element are resulting in numbers remaining high.

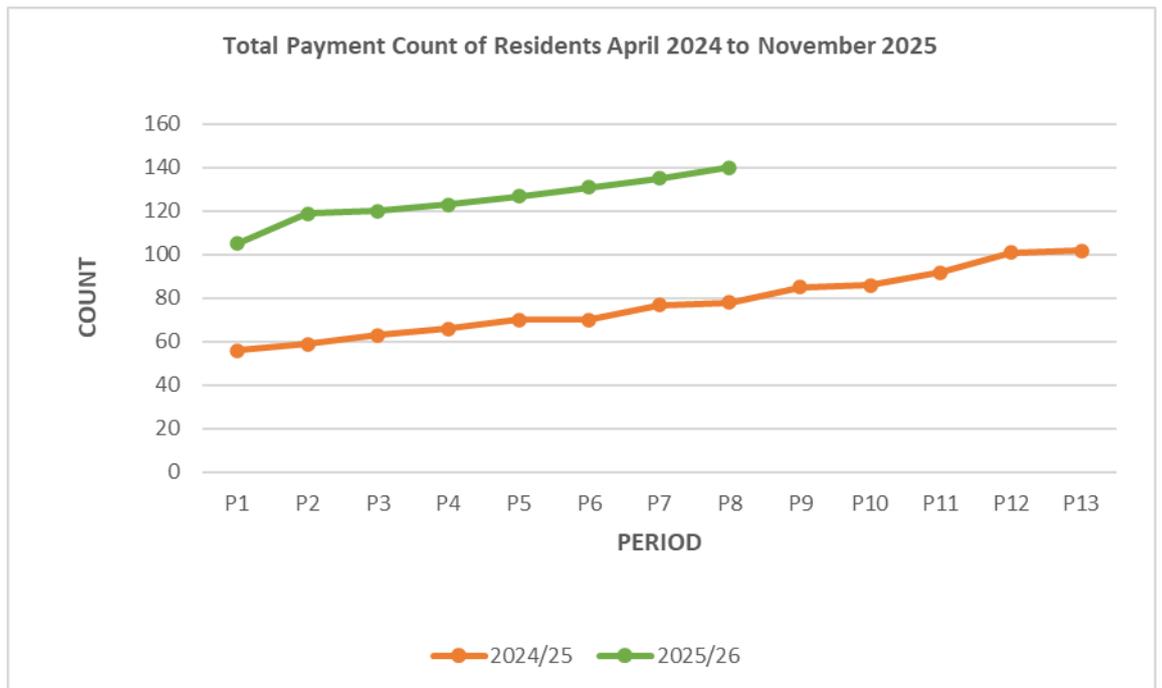


Additional Payments 2025/26

Additional payments to providers rose sharply throughout the last financial year, both in and out of the borough. These are where the care home charges an additional amount on top of the contracted bed rate. The cost of this for 2024/25 was £0.424m.

The graphs below illustrate the count and spend of service users with an additional payment by period.

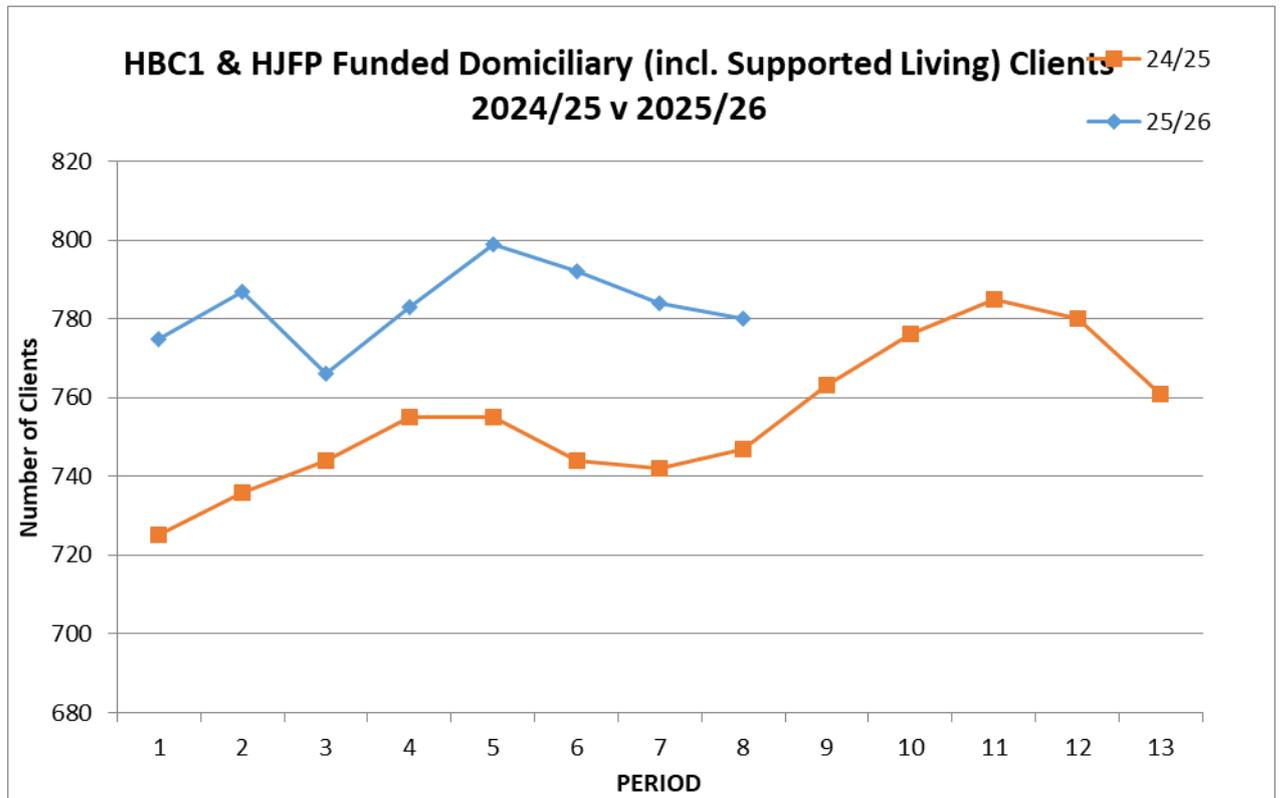
This clearly shows a steady increase in numbers and costs for 2025/26, the spend up to November is £0.405m. If numbers and costs remain the same, the forecast spend for the year will be approximately £0.696m.



Domiciliary Care & Supported Living

As at November there are 780 service users receiving a package of care at home, compared to the average in 2024/25 of 754, an increase of 3.4%. The average cost of a package of care is currently £537.15 compared with the average of £450.64 in 2024/25 an increase of 19.19%.

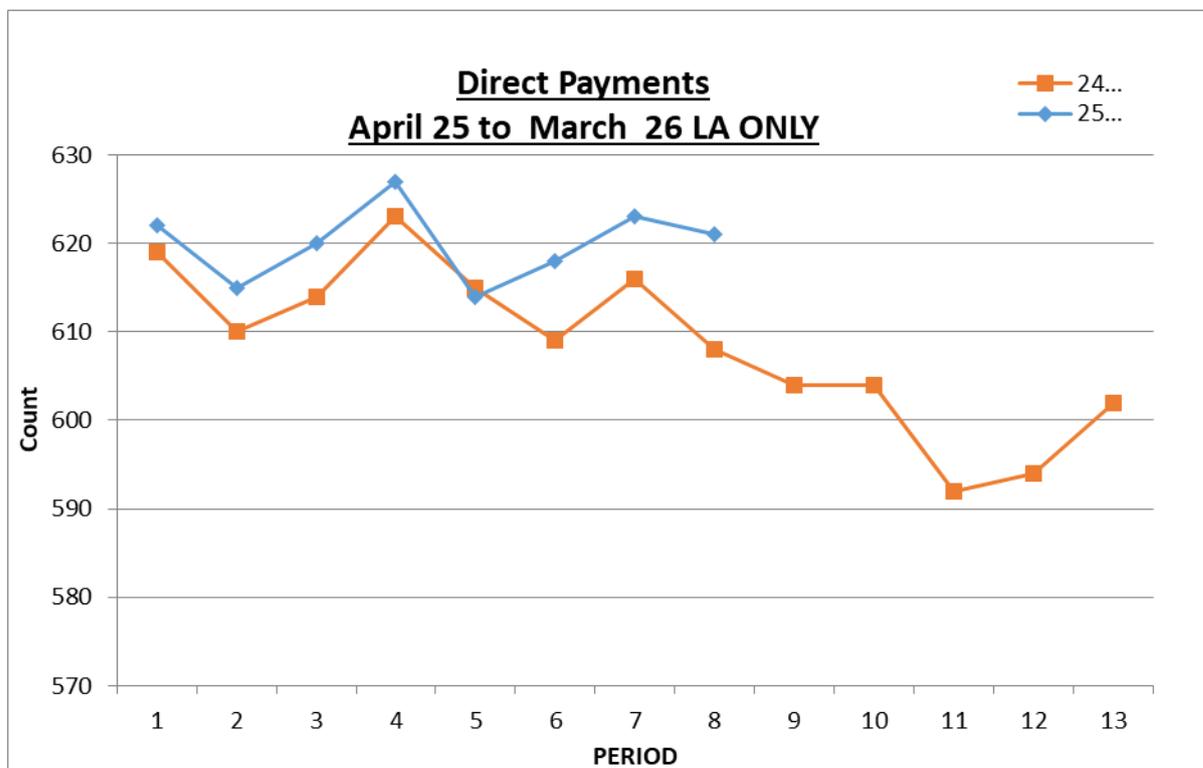
The graph below illustrates the demand for the service from April 2024 to November 2025.



Direct Payments

The average number of clients who received a Direct Payment (DP) in November was 621 compared with 622 in April, a small decrease. The average cost of a package of care has also decreased from £571.26 to £491.76, a reduction of 13.9%. The financial impact of this is a reduction in spend of approximately £200k per month.

The graph below shows movement throughout the year.



Care Homes

Spend for the first nine months of the 2025/26 Financial Year to 30 November is £0.084M above profile, with an estimated spend above budget for the year of £0.385M. This primarily relates to unbudgeted agency staffing costs, and a current shortfall against target of client finance and out of borough income.

Employee related expenditure is anticipated to be above budget at the end of financial year by £0.152M. Projections take into account agency spending patterns over the previous 3 financial years, but also with reference to the recent decrease in agency expenditure, this has dropped considerably from previously reported as a result of the ongoing review of sickness absence.

Income Targets include those for privately funded residents, out of borough placements, and reimbursements from the ICB in respect Of Continuing Health Care, Funded Nursing Care, and Joint Funded placements. Income across all headings is currently projected to be under-achieved by £0.131M for the full year.

Adult Social Care (excluding Care Homes and Community Care)

Net Department Expenditure is currently £0.609m over budget profile at the end of the sixth period of the financial year. Current expenditure projections indicate an overspend for the full financial year in the region of £0.768m.

Factors relating to the projected overspend include;

Unbudgeted agency costs in respect of covering vacant posts, particularly in terms of front line Care Management and Mental Health Team posts. However, there continues to be a reduction in agency use across these divisions due to filling of vacancies.

A projected £0.199m forecasted full-year spend above supplies and services budget relates to an increased volume of caseload with respect to Deprivation of Liberty Standards (DoLs) assessments. Spend to November 2025 was £0.132m, with a total spend for this financial year forecast at £0.217m. Demand for this service has increased significantly over the last few years, with this trend continuing throughout the current financial year.

Income as a whole is under the budgeted income target by £0.627m with a projected under achieved target at the end of the financial year being £0.668m. The main areas making up the under achievement of targeted income are Community Meals, Telehealthcare, Transport, Positive Behaviour Service and the Day Services Trading areas.

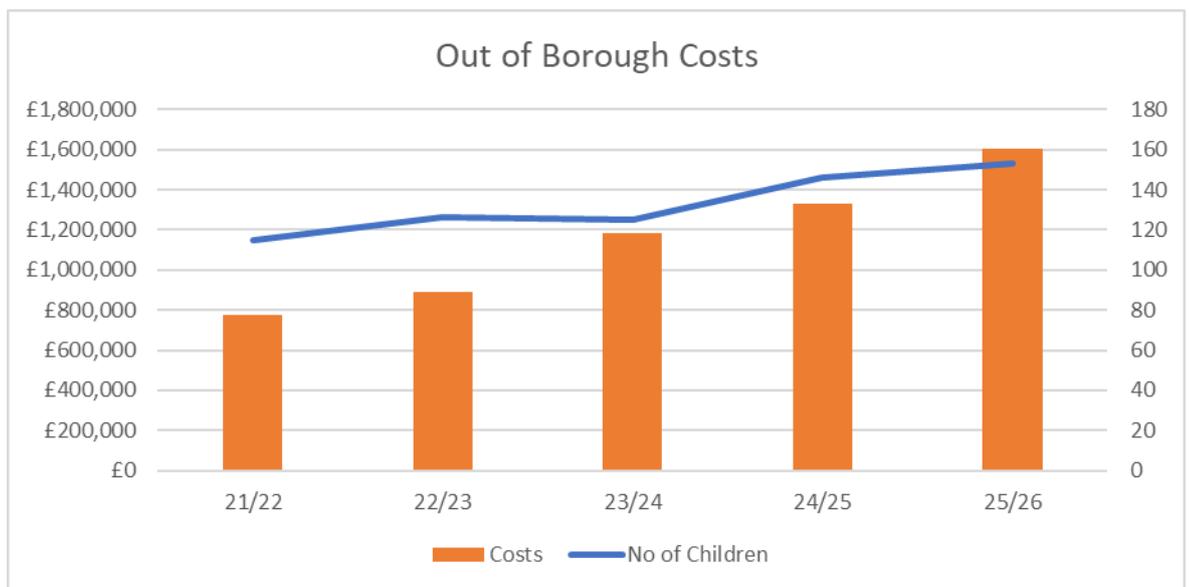
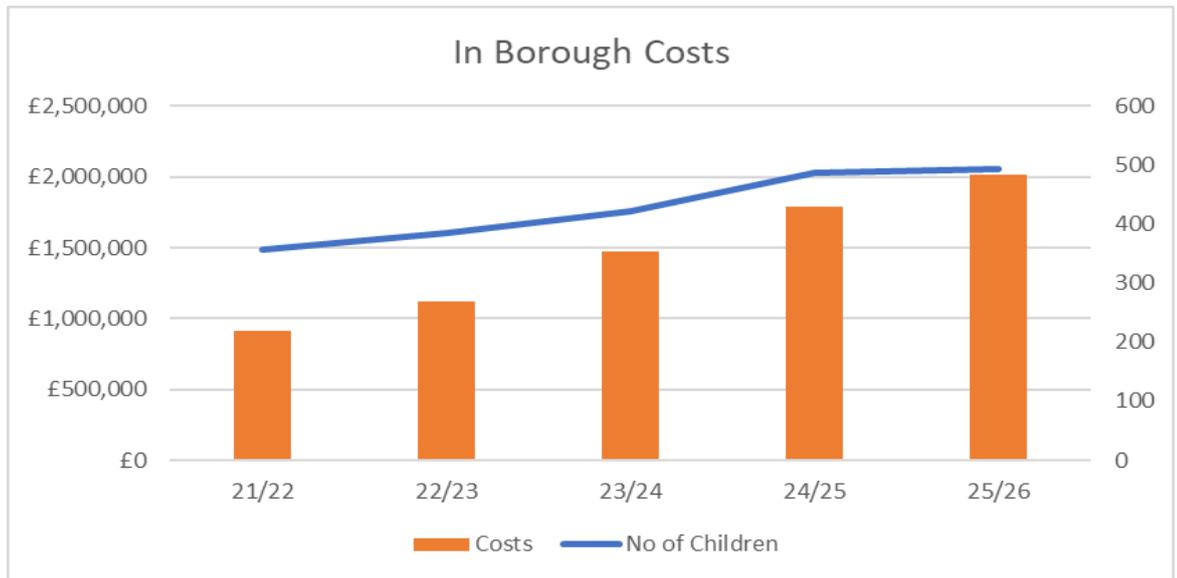
(iii) Education, Inclusion and Provision

Net departmental expenditure is £0.593m over budget at the end of November, based on available information. The forecast outturn for 2025/26 is currently an overspend against budget of £1.034m. The main variances are school transport, Inter Authority Income and schools SLA income.

Schools Transport is the main budgetary demand pressure for Education, Inclusion and Provision. 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 current records show 647 service users, the majority of which attend schools within the Borough. The Out of Borough overspend has decreased compared to the previous year's overspend of £0.799m due to £0.712m added to the budget in 2025/26 for growth. The demand for the School Transport service has increased by roughly 7% since the last report, for both in and out of borough transport, although average cost per user has reduced by 6%. The graphs below show the number of SEN children using this service.

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



(iv) Planning and Transportation

As of 30th November 2025 it is forecast net spend will be £1.390m under the approved 2025/26 budget. This is a significant increase of the underspend of £0.364m forecasted at the end of September 2025. This is largely due to revised forecasts around staffing and income.

There are a large number of vacancies across the department that have not yet been filled. The Highways restructure has been taken out of the projections from the last report to now, as it is unlikely that it will be in place before March 26. This has resulted in a forecast staffing underspend of £0.487m

Overall, it is forecast income for the department will be £1.050m over the budgeted income target.

Planning income is an ever-moving area and unlike earlier reports it is now expected to be over its income target. Following on from the 2024/25 financial year there is a downturn in the number of applications being received so there is some reliance on receiving planning applications from housing developers. This forecast is based on the income that has been received so far, this financial year and what is likely to be achieved going forward. Building control income is projected to not achieve its income target as in previous years.

Fees and charges income is projected to overachieve its income target, but this is constantly in flux as it is fully dependent on the amount of permit applications etc that is received. It is anticipated that the high level of permit income that was seen in previous years will eventually drop off but for now has been consistent for the past 8 months, due to the large number of housing developers requiring permission to install utilities. There are a number of reasons for the current over achievement of permit income, including:

- The number of permits being received has been higher than usual due to several companies carrying out fibre roll outs and upgrades. This seems to be coming to an end and the number of permits relating to fibre are most likely to severely decrease for the remainder of the year.
- As a result of the increased amount of works, this also increases potential for FPNs, S74 charges and defect charges to be issued against permits. As the number of works decreases, so will the associated charges.
- There is higher than usual income associated to traffic management due to the amount of works taking place since April.
- There are more inspections now than in previous years, which has increased income.

Dedicated Schools Grant

- 3.19 As at 31 March 2025 the Council had a deficit on the Dedicated Schools Grant (DSG) reserve of £14.469m. This is as an impact of the increasing demand and costs of High Needs.
- 3.20 The DSG deficit currently has no impact on the Council's General Fund as Government have in place an override which allows the Council to carry the deficit on its balance sheet. The override is due to end at 31 March 2028 at which point the accrued DSG deficit will have to be funded from Council resources. This is a significant pressure for a large number of local authorities with Government due to report on plans to mitigate the impact at 31 March 2028 and future funding of High Need demands.
- 3.21 Forecast 2025/26 costs for all anticipated demands on High Needs funding are estimated to be £42.508m, which is a substantial amount in excess of the budgeted High Needs allocation of £29.760m. After applying a 2%

across-the-board increase to High Needs funding rates, the Council began the financial year anticipating a DSG shortfall of £9.4m, the first 8 months of 2025-26 have seen that increase by £3.35m.

- 3.22 The projected overspend is in the main due to significant expansions in numbers and specifications of resource bases, increasing numbers and costs of high-cost specialist placements in or out of Borough, and increases in numbers and value of EHCP (Education & Health Care Plan) assessments.
- 3.23 There is a cost to the General Fund in managing the DSG deficit, this relates to the cashflow impact of a deficit position. The deficit position results in more borrowing costs for the Council which can not be allocated against DSG and therefore are coded against the General Fund. Interest costs in the current year are estimated at £0.891m
- 3.24 Appendix 3 provides detail on the High Needs 2025/26 forecast outturn position

Collection Fund

- 3.25 The council tax collection rate through to the end of November 2025 is 71.34% which is 0.09% 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. £1.992m has so far been collected this year in relation to previous years' debt.

- 3.26 Business rate collection through to the end of November 2025 is 75.01% which is 1.02% lower than the collection rate at the same point last year.

£0.945m has so far been collected this year in relation to previous years' debt.

Review of Reserves

- 3.27 As at 30 November 2025 the Council's General Reserve is unchanged from the previous period at £5.149m, which represents 2.81% of the Council's 2025/26 net budget. This level of General Reserve is considered to be insufficient and provides little to cover unforeseen costs. Within the Medium Term Financial Strategy, growth to reserves will be included at a rate of £2m per year.
- 3.28 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

3.29 A summary breakdown of the Council's reserves is presented in the table below, showing the balance of reserves as at 30 November 2025.

Summary of General and Earmarked Reserves	
Reserve	Reserve Value
	£m
Corporate:	
General Fund	5.149
Capital Reserve	0.398
Insurance Reserve	0.849
Specific Projects:	
Adult Social Care	0.711
Fleet Replacement	0.454
Highways Feasibility Costs	0.102
Local Development Framework	0.544
Community & Environment	0.542
Mersey Valley Golf Club	0.480
Mersey Gateway	33.542
CCLA Property Fund	0.263
Various Other	0.159
Grants:	
Building Schools for the Future	6.529
Public Health	1.147
Supporting Families Performance Payments	0.204
Children's & Education	1.257
Domestic Abuse	0.915
Enterprise & Employment	0.777
Food Waste Collection	0.237
Mersey Gateway Environmental Trust	0.492
Various Other	0.154
Total Earmarked Reserves	54.903

3.30 The above table shows the diminishing level of reserves available to assist with funding any future budget overspends and balancing future budgets. Only the £5.149m of the General Fund could now be used for these purposes, as all remaining reserves are committed for specific purposes.

Capital Spending

3.31 Council approved the 2025/26 Capital Programme on 5 March 2025. Since then the capital programme has been revised to reflect a number of changes in spending profiles and funding as schemes have developed. Appendix 5 brings all the separate elements together and report on the

Council's total planned capital programme expenditure. The schemes which have been revised within the programme are as follows:

- i. Sci-tech Daresbury Project Violet
- ii. Astmoor Masterplan
- iii. Sci-tech Daresbury – CPO
- iv. Runcorn Town Centre Management
- v. Widnes Town Centre Framework
- vi. East Runcorn Connectivity
- vii. Mersey Gateway Crossings Board

3.32 Capital spending at 30 November 2025 totalled £28.258m, which represents 53% of the total Capital Programme of £53.064m (which assumes a 20% slippage between years).

3.33 Capital receipts available to fund the programme are expected to be fully utilised by the end of the financial year. If planned use of receipts is to allocation there is risk to £0.375 of these costs falling on the General Fund position. Provision has been included within Corporate and Democracy to cover the event of this happening.

4.0 CONCLUSIONS

4.1 As at 30 November 2025, net revenue spend is forecast to be £1.281m over the budget to date despite significant levels of growth being included within the budget.

4.2 Urgent corrective should be taken as soon as possible across all Council services to identify spend reductions and ensure that agreed savings are fully implemented in a timely manner.

4.3 Departments should ensure that all spending continues to be limited to 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.

5.0 POLICY AND OTHER IMPLICATIONS

5.1 None.

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 above.

7.0 RISK ANALYSIS

7.1 There are a number of financial risks within the budget. 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 6.

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 2025

APPENDIX 1

Directorate / Department	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance (Overspend) £'000	November 2025 Forecast Outturn (o'spend) £'000
Adult Social Care	24,559	16,097	16,706	(609)	(768)
Care Homes`	8,077	5,664	5,748	(84)	(385)
Community Care	28,404	18,203	18,614	(411)	(683)
Complex Care Pool	13,249	3,667	3,128	539	303
Adults Directorate	74,289	43,631	44,196	(565)	(1,533)
Finance	5,662	4,318	3,984	334	432
Legal & Democratic Services	323	150	10	140	102
ICT & Support Services	269	170	125	45	68
Chief Executives Delivery Unit	1,157	577	616	(39)	(108)
Chief Executives Directorate	7,411	5,215	4,735	480	494
Children & Families	55,584	31,144	31,799	(655)	(209)
Education, Inclusion & Provision	12,142	7,978	8,571	(593)	(1,034)
Children's Directorate	67,726	39,122	40,370	(1,248)	(1,243)
Community & Greenspace	23,899	14,934	14,879	55	88
Economy, Enterprise & Property	2,523	1,758	1,726	32	127
Planning & Transportation	9,329	4,325	3,397	928	1,390
Environment & Regeneration Directorate	35,751	21,017	20,002	1,015	1,605
Corporate & Democracy	-4,025	-763	-774	11	(635)
Public Health Directorate	1,900	-1,779	-1,792	13	31
Total Operational Net Spend	183,052	106,443	106,737	(294)	(1,281)

Adult Social Care

APPENDIX 2

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	18,815	12,544	11,645	899	1,052
Agency- Covering Vacancies	0	0	1,180	(1,180)	(1,441)
Premises	498	353	327	26	67
Supplies & Services	698	628	768	(140)	(199)
Aids & Adaptations	37	24	28	(4)	2
Transport	341	227	239	(12)	(22)
Food & Drink Provisions	228	152	94	58	128
Supported Accommodation and Services	1,408	939	737	202	301
Emergency Duty Team	157	78	70	8	(20)
Transfer To Reserves	290	13	13	0	0
Contracts & SLAs	1,043	619	606	13	16
Housing Solutions Grant Funded Schemes					
Homelessness Prevention	548	397	275	122	0
Rough Sleepers Initiative	167	111	106	5	0
Trailblazer	75	50	38	12	0
Total Expenditure	24,305	16,135	16,126	9	(116)
Income					
Fees & Charges	-1,044	-696	-447	(249)	(314)
Sales & Rents Income	-538	-407	-351	(56)	(53)
Reimbursements & Grant Income	-2,203	-1,240	-937	(303)	(301)
Capital Salaries	-699	-640	-640	0	0
Housing Schemes Income	-783	-746	-727	(19)	0
Total Income	-5,267	-3,729	-3,102	(627)	(668)
Net Operational Expenditure	19,038	12,406	13,024	(618)	(784)
Recharges					
Premises Support	789	526	526	0	0
Transport	792	528	519	9	16
Central Support	4,039	2,693	2,693	0	0
Asset Rental Support	13	0	0	0	0
HBC Support Costs Income	-112	-56	-56	0	0
Net Total Recharges	5,521	3,691	3,682	9	16
Net Departmental Expenditure	24,559	16,097	16,706	(609)	(768)

Care Homes

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
<u>Madeline Mckenna</u>					
Employees	783	521	464	57	85
Agency - covering vacancies	0	0	69	(69)	(92)
Premises	90	51	49	2	9
Supplies & Services	25	14	16	(2)	1
Food Provison	51	29	36	(7)	(3)
Private Client and Out Of Borough Income	-127	-79	-73	(6)	(11)
Reimbursements & other Grant Income	-34	-21	-21	0	0
Total Madeline Mckenna Expenditure	788	515	540	(25)	(11)
<u>Millbrow</u>					
Employees	2,172	1,455	836	619	959
Agency - covering vacancies	0	0	665	(665)	(1,177)
Premises	117	72	95	(23)	(33)
Supplies & Services	72	39	36	3	14
Food Provison	81	47	53	(6)	1
Private Client and Out Of Borough Income	-13	-4	0	(4)	(21)
Reimbursements & other Grant Income	-635	-375	-421	46	70
Total Millbrow Expenditure	1,794	1,234	1,264	(30)	(187)
<u>St Luke's</u>					
Employees	4,096	2,757	1,609	1,148	1,732
Agency - covering vacancies	62	62	1,101	(1,039)	(1,742)
Premises	156	94	127	(33)	(50)
Supplies & Services	68	39	53	(14)	(15)
Food Provison	128	64	84	(20)	(34)
Private Client and Out Of Borough Income	-153	-82	-21	(61)	(24)
Reimbursements & other Grant Income	-1,497	-905	-895	(10)	(18)
Total St Luke's Expenditure	2,860	2,029	2,058	(29)	(151)
<u>St Patrick's</u>					
Employees	2,212	1,474	884	590	865
Agency - covering vacancies	0	0	617	(617)	(918)
Premises	144	88	89	(1)	2
Supplies & Services	67	41	45	(4)	0
Food Provison	127	83	57	26	12
Private Client and Out Of Borough Income	-99	-61	-5	(56)	(93)
Reimbursements & other Grant Income	-866	-439	-409	(30)	(40)
Total St Patrick's Expenditure	1,585	1,186	1,278	(92)	(172)
<u>Care Homes Divison Management</u>					
Employees	322	215	123	92	136
Care Home Divison Management	322	215	123	92	136
Net Operational Expenditure	7,349	5,179	5,263	(84)	(385)
Recharges					
Premises Support	65	43	43	0	0
Transport Support	0	0	0	0	0
Central Support	663	442	442	0	0
Asset Rental Support	0	0	0	0	0
Recharge Income	0	0	0	0	0
Net Total Recharges	728	485	485	0	0
Net Departmental Expenditure	8,077	5,664	5,748	(84)	(385)

Community Care

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Residential & Nursing	21,977	12,809	12,885	(76)	(169)
Domiciliary Care & Supported living	16,703	10,487	10,792	(305)	(488)
Direct Payments	15,665	10,528	10,608	(80)	(115)
Day Care	712	438	406	32	52
Total Expenditure	55,057	34,262	34,691	(429)	(720)
Income					
Residential & Nursing Income	-13,081	-7,610	-7,620	10	14
Community Care Income	-3,115	-1,747	-1,659	(88)	(140)
Direct Payments Income	-1,034	-540	-636	96	163
Income from other CCGs	-471	-230	-230	0	0
Market sustainability & Improvement Grant	-2,796	-1,864	-1,864	0	0
Adult Social Care Support Grant	-6,102	-4,068	-4,068	0	0
War Pension Disregard Grant	-54	0	0	0	0
Total Income	-26,653	-16,059	-16,077	18	37
Net Operational Expenditure	28,404	18,203	18,614	(411)	(683)

Complex Care Pool

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Intermediate Care Services	6,425	3,736	3,461	275	414
Oakmeadow	2,040	1,315	1,284	31	46
Community Home Care First	1,838	610	198	412	617
Joint Equipment Store	880	367	367	0	0
Contracts & SLA's	3,330	-7	-7	0	0
Inglenook	137	80	62	18	27
HICafs	3,729	1,578	1,383	195	292
Carers Breaks	445	240	240	0	0
Carers centre	365	-15	-15	0	0
Residential Care	7,236	4,524	4,524	0	0
Domiciliary Care & Supported Living	4,336	2,890	2,890	0	0
Pathway 3/Discharge Access	426	286	286	0	0
HBC Contracts	72	65	65	0	0
Healthy at Home	28	-28	-28	0	0
Capacity	30	21	13	8	12
Total Expenditure	31,317	15,662	14,723	939	1,408
Income					
BCF	-15,032	-10,022	-10,022	0	0
CCG Contribution to Pool	-3,034	-1,973	-1,973	0	0
Oakmeadow Income	-2	0	0	0	(1)
Total Income	-18,068	-11,995	-11,995	0	(1)
ICB Contribution Share of Surplus	0	0	0	0	(704)
HBC Transfer to Community Care Budget	0	0	400	(400)	(400)
Net Operational Expenditure	13,249	3,667	3,128	539	303

Finance Department

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	7,461	4,935	4,764	171	257
Insurances	1,048	812	636	176	264
Supplies & Services	1,127	577	648	(71)	(107)
Rent Allowances	31,500	17,330	17,330	0	0
Concessionary Travel	1,902	1,116	1,069	47	71
LCR Levy	1,902	0	0	0	0
Bad Debt Provision	223	0	0	0	(65)
Non HRA Rent Rebates	70	57	16	41	61
Discretionary Social Fund	106	68	1	67	101
Discretionary Housing Payments	279	145	145	0	0
Household Support Fund Expenditure	1,207	1,207	1,207	0	0
Total Expenditure	46,825	26,247	25,816	431	582
Income					
Fees & Charges	-361	-281	-316	35	53
Burdens Grant	-58	-55	-49	(6)	(9)
Dedicated Schools Grant	-150	0	0	0	0
Council Tax Liability Order	-670	-528	-528	0	0
Business Rates Admin Grant	-157	0	0	0	1
Schools SLAs	-319	-309	-308	(1)	(1)
LCR Reimbursement	-1,902	0	0	0	0
HB Overpayment Debt Recovery	-300	-205	-166	(39)	(58)
Rent Allowances	-30,700	-16,500	-16,219	(281)	(421)
Non HRA Rent Rebate	-70	-60	-27	(33)	(50)
Discretionary Housing Payment Grant	-279	-93	-93	0	0
Housing Benefits Admin Grant	-453	-302	-302	0	0
Housing Benefits Award Accuracy	0	-7	-22	15	22
Universal Credits	-5	-3	-9	6	4
Household Support Fund Grant	-1,207	-360	-360	0	0
CCG McMillan Reimbursement	-89	-44	-44	0	0
Reimbursements & Grant Income	-187	-180	-387	207	309
Transfer from Reserves	-27	-13	-13	0	0
Total Income	-36,934	-18,940	-18,843	(97)	(150)
Net Operational Expenditure	9,891	7,307	6,973	334	432
Recharges					
Premises Support	493	308	308	0	0
Transport	0	0	0	0	0
Central Support	2,092	1,246	1,246	0	0
Asset Rental Support	0	0	0	0	0
HBC Support Costs Income	-6,814	-4,543	-4,543	0	0
Net Total Recharges	-4,229	-2,989	-2,989	0	0
Net Departmental Expenditure	5,662	4,318	3,984	334	432

Legal Services

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	2,314	1,525	1,170	355	532
Agency Related Expenditure	79	79	202	(123)	(246)
Supplies & Services	181	151	136	15	32
Civic Catering & Functions	21	14	11	3	5
Legal Expenses	418	105	177	(72)	(144)
Transport Related Expenditure	8	3	3	0	0
Other Expenditure	1	1	2	(1)	(2)
Total Expenditure	3,022	1,878	1,701	177	177
Income					
Fees & Charges Income	-75	-39	-21	(18)	(35)
School SLA's	-100	-88	-77	(11)	(23)
Licence Income	-386	-177	-169	(8)	(17)
Total Income	-561	-304	-267	(37)	(75)
Net Operational Expenditure	2,461	1,574	1,434	140	102
Recharges					
Premises Support	62	42	42	0	0
Transport Recharges	0	0	0	0	0
Central Support Recharges	275	184	184	0	0
Asset Rental Support	0	0	0	0	0
Support Recharge Income	-2,475	-1,650	-1,650	0	0
Net Total Recharges	-2,138	-1,424	-1,424	0	0
Net Departmental Expenditure	323	150	10	140	102

ICT & Support Services Department

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	5,899	3,873	3,736	137	205
Supplies & Services	1,063	807	736	71	107
Capital Finance	496	287	249	38	57
Computer Repairs & Software	1,724	1,966	1,987	(21)	(30)
Communication Costs	138	84	104	(20)	(31)
Premises	139	87	83	4	10
Transport	3	2	1	1	1
Other	4	1	4	(3)	(5)
Total Expenditure	9,466	7,107	6,900	207	314
Income					
Fees & Charges	-849	-255	-283	28	42
Schools SLA Income	-659	-561	-364	(197)	(295)
Transfer from Reserves	0	0	-7	7	7
Total Income	-1,508	-816	-654	(162)	(246)
Net Operational Expenditure	7,958	6,291	6,246	45	68
Recharges					
Premises Support	373	249	249	0	0
Transport	22	15	15	0	0
Central Support	1,391	928	928	0	0
Asset Rental Support	1,494	0	0	0	0
HBC Support Costs Income	-10,969	-7,313	-7,313	0	0
Net Total Recharges	-7,689	-6,121	-6,121	0	0
Net Departmental Expenditure	269	170	125	45	68

Chief Executives Delivery Unit

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	3,569	2,339	2,313	26	40
Employees Training	99	67	60	7	11
Apprenticeship Levy	330	176	215	(39)	(59)
Supplies & Services	412	341	384	(43)	(65)
Agency	3	3	3	0	0
Total Expenditure	4,413	2,926	2,975	-49	-73
Income					
Fees & Charges	-241	-176	-206	30	46
Schools SLA Income	-580	-550	-495	(55)	(81)
Total Income	-821	-726	-701	(25)	(35)
Net Operational Expenditure	3,592	2,200	2,274	(74)	(108)
Recharges					
Premises Support	157	105	105	0	0
Transport Support	0	0	0	0	0
Central Support	1,008	672	672	0	0
Asset Rental Support	53	35	0	35	0
Recharge Income	-3,653	-2,435	-2,435	0	0
Net Total Recharges	-2,435	-1,623	-1,658	35	0
Net Departmental Expenditure	1,157	577	616	(39)	(108)

Children & Families

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	20,973	13,328	13,192	136	96
Other Premises	392	222	214	8	11
Supplies & Services	1,729	1,210	1,631	(421)	(522)
Transport	367	211	161	50	76
Direct Payments	1,220	803	708	95	141
Commissioned services to Vol Orgs	232	119	119	0	0
Residential Care	27,751	15,759	15,933	(174)	513
Out of Borough Adoption	97	49	5	44	92
Out of Borough Fostering	5,605	3,047	3,772	(725)	(1,114)
In House Adoption	557	177	161	16	23
Special Guardianship Order	2,604	1,615	1,535	80	119
In House Foster Carer Placements	2,766	1,706	1,341	365	548
Lavender House Contract Costs	279	163	160	3	4
Home Support & Respite	496	385	316	69	103
Care Leavers	434	257	248	9	15
Family Support	81	44	15	29	41
Contracted services	3	2	2	0	0
Emergency Duty	184	33	33	0	0
Youth Offending Services	461	32	127	(95)	(143)
Total Expenditure	66,231	39,162	39,673	(511)	3
Income					
Fees & Charges	-49	-36	-27	(9)	(14)
Sales Income	-1	-1	-1	0	0
Rents	-82	-50	-50	0	0
Reimbursement & other Grant Income	-512	-566	-423	(143)	(212)
Transfer from reserve	-16	8	-1	9	14
Dedicated Schools Grant	-50	0	0	0	0
Government Grants	-13,838	-9,960	-9,960	0	0
Total Income	-14,548	-10,605	-10,462	(143)	(212)
Net Operational Expenditure	51,683	28,557	29,211	(654)	(209)
Recharges					
Premises Support	736	490	490	0	0
Transport	10	6	7	(1)	0
Central Support Recharges	3,331	2,221	2,221	0	0
Asset Rental Support	0	0	0	0	0
HBC Support Costs Income	-176	-130	-130	0	0
Net Total Recharges	3,901	2,587	2,588	(1)	0
Net Departmental Expenditure	55,584	31,144	31,799	(655)	(209)

Education, Inclusion & Provision

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	8,796	5,550	5,321	229	310
Agency - covering vacancies	0	0	131	(131)	(204)
Agency - in addition to establishment	66	72	85	(13)	6
Premises	15	9	1	8	2
Supplies & Services	3,281	1,799	1,819	(21)	(34)
Independent School Fees	10,155	7,805	7,805	0	0
Schools Contingency	430	168	168	0	0
Transport	43	27	42	(15)	(26)
Schools Transport	2,772	1,293	1,760	(466)	(777)
Early Years Payments including Pupil Premium	15,805	10,217	10,217	0	0
Commissioned Services	2,193	1,251	1,255	(4)	(7)
Inter Authority Special Needs	1,400	1,282	1,282	0	0
Grants to Voluntary Organisations	115	-21	19	(40)	(67)
Capital Finance	4,599	2,844	2,847	(2)	(4)
Total Expenditure	49,670	32,295	32,752	(456)	(800)
Income					
Fees & Charges Income	-338	-325	-349	24	41
Government Grant Income	-6,896	-4,193	-4,189	(4)	0
Dedicated Schools Grant	-30,134	-20,088	-20,088	0	0
Inter Authority Income	-446	-366	-243	(124)	(206)
Reimbursements & Other Grant Income	-1,767	-1,064	-1,061	(3)	(5)
Schools SLA Income	-538	-369	-334	(35)	(59)
Transfer From Reserves	-551	-134	-142	8	0
Total Income	-40,670	-26,540	-26,407	(133)	(229)
Net Operational Expenditure	9,000	5,756	6,345	(589)	(1,029)
Recharges					
Premises Support	405	270	270	0	0
Transport Support	773	654	658	(3)	(5)
Central Support	1,947	1,298	1,298	0	0
Asset Rental Support	17	0	0	0	0
Recharge Income	0	0	0	0	0
Net Total Recharges	3,142	2,222	2,226	(3)	(5)
Net Departmental Expenditure	12,142	7,978	8,571	(593)	(1,034)

Community & Greenspaces

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	15,639	10,403	9,996	407	611
Agency - Covering vacancies	20	16	16	0	0
Agency - In addition to establishment	16	16	201	(185)	(272)
Premises	3,304	1,973	1,995	(22)	(32)
Supplies & Services	3,659	2,416	2,597	(181)	(272)
Transport	117	72	91	(19)	(28)
Extended Producer Responsibility	500	30	30	0	0
Other Agency Costs	454	287	275	12	17
Other Expenditure	187	102	99	3	4
Waste Disposal Contracts	7,121	2,867	2,906	(39)	(57)
Transfers to Reserves	1,091	0	0	0	0
Total Expenditure	32,108	18,182	18,206	(24)	(29)
Income					
Sales Income	-1,359	-931	-916	(15)	(23)
Fees & Charges Income	-6,300	-4,678	-4,806	128	192
Rental Income	-1,118	-632	-573	(59)	(88)
Government Grant Income	-5,210	-1,458	-1,458	0	0
Reimbursement & Other Grant Income	-871	-493	-493	0	0
SLA Income	-23	0	0	0	0
Internal Fees Income	-216	-98	-199	101	152
Capital Salaries	-236	-76	-67	(9)	(14)
Transfers From Reserves	-619	-4	-4	0	0
Total Income	-15,952	-8,370	-8,516	146	219
Net Operational Expenditure	16,156	9,812	9,690	122	190
Recharges					
Premises Support	1,657	1,105	1,105	0	0
Transport Support	2,433	1,714	1,781	(67)	(102)
Central Support	4,297	2,865	2,865	0	0
Asset Rental Support	199	0	0	0	0
Recharge Income	-843	-562	-562	0	0
Net Total Recharges	7,743	5,122	5,189	(67)	(102)
Net Departmental Expenditure	23,899	14,934	14,879	55	88

Economy, Enterprise & Property

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	3,915	3,314	3,134	180	250
Agency - covering vacancies	0	0	206	(206)	(270)
Repairs & Mainenance	1,700	1,262	1,262	0	0
Premises	174	136	137	(1)	(2)
Energy & Water Costs	1,075	560	506	54	80
NNDR	647	647	676	(29)	(29)
Rents	157	118	117	1	1
Economic Regeneration Activities	3	3	8	(5)	0
Security	508	257	256	1	3
Supplies & Services	578	317	317	0	(1)
Supplies & Services - Grant	1,040	485	485	0	0
Grants to Voluntary Organisations	72	35	35	0	0
Capital Finance	22	0	0	0	0
Total Expenditure	9,891	7,134	7,139	(5)	32
Income					
Fees & Charges Income	-398	-272	-308	36	89
Rent - Commercial Properties	-929	-572	-571	(1)	4
Rent - Investment Properties	-38	-26	-25	(1)	(1)
Government Grant	-1,118	-1,119	-1,119	0	0
Reimbursements & Other Grant Income	-203	-172	-172	0	0
Schools SLA Income	-55	-55	-58	3	3
Recharges to Capital	-367	-158	-158	0	0
Transfer from Reserves	-564	-535	-535	0	0
Total Income	-3,672	-2,909	-2,946	37	95
Net Operational Expenditure	6,219	4,225	4,193	32	127
Recharges					
Premises Support	2,738	1,826	1,826	0	0
Transport	26	17	17	0	0
Central Support	2,878	1,918	1,918	0	0
Asset Rental Support	4	0	0	0	0
HBC Support Costs Income	-9,342	-6,228	-6,228	0	0
Net Total Recharges	-3,696	-2,467	-2,467	0	0
Net Departmental Expenditure	2,523	1,758	1,726	32	127

Planning & Transportation Department

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	5,957	3,961	3,570	391	587
Efficiency Savings	-100	-66	0	(66)	(100)
Premises	188	122	100	22	34
Hired & Contracted Services	415	98	103	(5)	(8)
Supplies & Services	142	203	350	(147)	(220)
Street Lighting	1,643	479	527	(48)	(72)
Highways Maintenance - Routine & Reactive	1,803	781	1,142	(361)	(542)
Highways Maintenance - Programmed Works	812	574	153	421	632
Fleet Transport	1,467	921	927	(6)	(10)
Bus Support - Halton Hopper Tickets	14	9	4	5	8
Bus Support	506	587	587	0	0
Agency Related Expenditure	8	6	141	(135)	(202)
Grants to Voluntary Organisations	31	31	31	0	0
NRA Levy	75	74	74	0	1
LCR Levy	1,553	1,164	1,164	0	0
Contribution to Reserves	359	0	0	0	0
Total Expenditure	14,873	8,944	8,873	71	108
Income					
Sales & Rents Income	-97	-72	-64	(8)	(12)
Planning Fees	-798	-534	-750	216	324
Building Control Fees	-251	-167	-131	(36)	(55)
Other Fees & Charges	-971	-634	-1,166	532	798
Reimbursements & Grant Income	-174	-160	-160	0	0
Government Grant Income	-57	-57	-57	0	0
Halton Hopper Income	-15	-10	-7	(3)	(5)
Recharge to Capital	-119	0	0	0	0
LCR Levy Reimbursement	-1,553	-1,164	-1,164	0	0
Contribution from Reserves	-132	-157	-157	0	0
Total Income	-4,167	-2,955	-3,656	701	1,050
Net Operational Expenditure	10,706	5,989	5,217	772	1,158
Recharges					
Premises Recharges	739	493	493	0	0
Transport Recharges	808	517	517	0	(2)
Central Recharges	2,505	1,672	1,672	0	0
Asset Charges	918	0	0	0	0
HBC Support Costs Income	-6,347	-4,346	-4,502	156	234
Net Total Recharges	-1,377	-1,664	-1,820	156	232
Net Departmental Expenditure	9,329	4,325	3,397	928	1,390

Corporate & Democracy

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	432	275	316	(41)	(40)
Contracted Services	12	6	0	6	0
Supplies & Services	102	89	-79	168	42
Premises Expenditure	24	18	17	1	0
Transport Costs	1	0	40	(40)	0
Members Allowances	994	663	703	(40)	0
Contingency	674	447	0	447	670
Contribution to Reserves	300	300	263	37	(647)
Debt Management Expenses	20	13	63	(50)	(13)
Precepts & Levies	244	244	244	0	0
Interest Payable - Treasury Management	2,303	1,538	1,298	240	360
Interest Payable - Other	215	143	143	0	0
Capital Financing (Minimum Revenue Provision)	3,004	3,004	2,966	38	38
Cost of Exceptional Financial Support					
Interest Payable	1,225	817	731	86	129
Capital Financing (Minimum Revenue Provision)	500	500	500	0	0
Cost of Dedicated School Grant Deficit					
Interest Payable	725	483	594	(111)	(166)
Efficiency Savings:					
Purchase of Additional Leave	-100	-67	-114	47	165
Voluntary Severance Scheme	-200	-133	0	(133)	(200)
Apprenticeship First Model	-200	-133	-17	(116)	(174)
Agency Staff Reduction	-1,700	-1,133	0	(1,133)	(1,700)
Accelerate the Lease or Sale of Surplus Land	-100	-67	0	(67)	(100)
Review of Debt Management	-100	-67	0	(67)	(100)
Review Existing Contracts	-200	-134	0	(134)	(200)
Total Expenditure	8,175	6,806	7,668	(862)	(1,936)
Income					
Interest Receivable - Treasury Management	-3,045	-2,030	-2,914	884	1,270
Interest Receivable - Other	-19	-13	-13	0	57
Other Fees & Charges	-146	-91	-80	(11)	(26)
Grants & Reimbursements	-334	-223	-223	0	0
Government Grant Income	-6,272	-4,181	-4,181	0	0
Total Income	-9,816	-6,538	-7,411	873	1,301
Net Operational Expenditure	-1,641	268	257	11	(635)
Recharges					
Premises Support	22	15	15	0	0
Transport	0	0	0	0	0
Central Support	898	632	632	0	0
Asset Rental Support	0	0	0	0	0
HBC Support Costs Income	-3,304	-1,678	-1,678	0	0
Net Total Recharges	-2,384	-1,031	-1,031	0	0
Net Departmental Expenditure	-4,025	-763	-774	11	(635)

Public Health

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	5,631	3,410	3,318	92	109
Other Premises	6	4	0	4	6
Supplies & Services	439	168	228	(60)	(90)
Contracts	6,918	3,910	4,075	(165)	0
SLA's	372	115	77	38	0
Transport	4	2	2	0	1
Transfer to Reserves	660	0	0	0	(150)
Grants to Voluntary Organisations	20	2	2	0	0
Other Agency	24	24	24	0	0
Total Expenditure	14,074	7,635	7,726	(91)	(124)
Income					
Fees & Charges	-122	-57	-86	29	43
Reimbursements & Grant Income	-647	-737	-795	58	88
Transfer from Reserves	-428	-348	-357	9	13
Government Grant Income	-12,478	-9,285	-9,294	9	13
Total Income	-13,675	-10,427	-10,532	105	157
Net Operational Expenditure	399	-2,792	-2,806	14	33
Recharges					
Premises Support	209	139	139	0	0
Transport Support	24	16	17	(1)	(2)
Central Support	1,937	1,304	1,304	0	0
Asset Rental Support	0	0	0	0	0
Recharge Income	-669	-446	-446	0	0
Net Total Recharges	1,501	1,013	1,014	(1)	(2)
Net Departmental Expenditure	1,900	-1,779	-1,792	13	31

High Needs 2025/26 Forecast Spend Position

Appendix 3

	Annual Budget £'000	Forecast Spend £'000	Forecast Outturn £'000
Expenditure			
High Needs Place Funding - Mainstream Units	1,432	2,047	(615)
High Needs Place Funding - Special Schools	4,946	7,365	(2,419)
High Needs Place Funding - PRU	996	1,089	(93)
Top-Up Funding - Maintained Mainstream Schools	2,728	4,512	(1,784)
Top-Up Funding - Maintained Special Schools	2,151	2,845	(694)
Top-Up Funding - Maintained PRU	1,743	1,739	4
Top-Up Funding - Maintained Academies, Free Schools and Colleges	2,029	3,383	(1,354)
Top-Up Funding - Academies Special	990	3,336	(2,346)
Top-Up Funding - Non-Maintained and Independent Providers	7,272	11,087	(3,815)
Top-Up Funding - Post 16 FE	2,796	2,167	629
SEN Support Services	2,280	2,234	46
Special Free School	331	579	(248)
Exclusions	0	59	(59)
Support for Inclusion	45	45	0
Therapies and Other Health Related Services	20	20	0
Total Expenditure	29,759	42,507	(12,748)

Progress Against Agreed Savings

APPENDIX 4

Adult Social Care

Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		Current Progress	Comments
			25/26 Agreed Council 01 February 2023 £'000	25/26 Agreed Council 05 March 2025 £'000		
Housing Solutions	474	Remodel the current service based on good practice evidence from other areas.	125	0		Currently Under Review
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	0		Achieved
Community Wardens/Telecare Service		Community Wardens/Telecare Service – a review will be undertaken of the various options available for the future delivery of these services, with support	0	280		Unlikely to be achieved – currently forecast overspend position. However, these services are currently being reviewed as part of the transformation programme.

		from the Transformation Delivery Unit.				
Care Management Community Care Budget		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.	0	1,000		Unlikely to be achieved to be achieved on a longer term basis. Interim measures in place to support the current year position includes use of surplus capital grants. While the current overspend is being reduced significantly, it is unlikely the required budget reduction will be achieved by year-end.
Various		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.	0	375		Unlikely to be achieved by financial year-end.
Total ASC Directorate			225	1,655		

Finance

Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		Current Progress	Comments
			25/26 Agreed Council 01 February 2023 £'000	25/26 Agreed Council 05 March 2025 £'000		
Internal Audit	300	Restructure in light of potential retirements over the next two years within the Internal Audit Team.	50	0		It appears unlikely that the proposed £50k budget saving will be fully realised this year, if at all
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	0		Look to increase costs in 2026/27 but this is pending a Government consultation on council tax of which summons charges are being reviewed.
Debt Management		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.	0	100		Currently part of workstream being undertaken by the Transformation Programme.

Total Finance Department	90	100		
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Legal and Democratic Services

Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		Current Progress	Comments
			25/26 Agreed Council 01 February 2023 £'000	25/26 Agreed Council 05 March 2025 £'000		
Members		Deputy Mayor – cease provision of the Deputy Mayor’s allowance, whilst retaining a nominated Deputy Mayor.	0	6	<input checked="" type="checkbox"/>	Achieved.
Total Legal and Democratic Services			0	6		

Children and Families Department

Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		Current Progress	Comments
			25/26 Agreed Council 01 February 2023 £'000	25/26 Agreed Council 05 March 2025 £'000		
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	0		With the implementation of the family hubs the review of windmill hill will no longer be viable. The centre is located in an area of deprivation and the role of the centre as a family hub is a priority in the children's social care review and supporting families at an earlier level, improving access to services for the most vulnerable and ensure a positive start for all children. These priorities fit with the council priorities
Children's Residential Care		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	0	1,500		Whilst residential placement cost is currently forecast to be within budget, uncertainty continues on the saving being achieved given the risk of children entering into care during the remainder of the financial year.

		order to reduce the current overspend and ongoing costs.				Residential placements were all reviewed in early 2024 with some reduction in costs established. As part of the longer term plan included in the sufficiency strategy, Halton has partnered with a not for profit organisation, Juno, who are awaiting registration from OFSTED - this approach is part of the LCR approach working with NFP organisations. In addition significant changes have been made to reduce the numbers of children coming into care. Mocking bird constellation is in place and evidenced support has resulted in appropriate transition so the need for residential is mitigated. A property has been identified for care leavers and further properties identified for additional semi-independent provisions. Juno will focus on their second home after July
Fostering		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	0	200	U	Recruitment campaign has been launched to attract in house foster carers so Council reliance on IFA's is reduced. Unfortunately there is a national shortage of foster carers and as a result the reliance on IFA's continues

		order to reduce the current overspend and ongoing costs.				
Legal Costs		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.	0	200	U	Progress has been made on reducing the cost of court with success in reducing the number of applications, the reduction in timeliness of proceedings, further work is currently underway to reduce the number of C2 applications to court. PLO process is proving effective for some families in diverting away from legal proceedings and safely maintaining children with parents, further exploration is taking place on the use of in house psychologists to undertake assessments in the court arena to further reduce court costs
Total Children & Families Department			22	1,900		

Education, Inclusion and Provision Department

Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		Current Progress	Comments
			25/26 Agreed Council 01 February 2023 £'000	25/26 Agreed Council 05 March 2025 £'000		
Home to School Transport		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.	0	300		The consultation with stakeholders and partners has taken place. The results have been analysed and recommendations put to Executive Board for possible policy changes which will not be implemented until Autumn 2026
Total EIP Department			0	300		

Community and Greenspace Department

Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		Current Progress	Comments
			25/26 Agreed Council 01 February 2023 £'000	25/26 Agreed Council 05 March 2025 £'000		
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.	12	0	<input checked="" type="checkbox"/>	School meals service has ceased and is reflected in the 25/26 budget.
Green Waste		Green Waste – increase green waste charges from £43 to £50 per annum, to bring Halton onto	0	100	<input checked="" type="checkbox"/>	Green waste charges have been increased to £50.

Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		Current Progress	Comments
			25/26 Agreed Council 01 February 2023 £'000	25/26 Agreed Council 05 March 2025 £'000		
		a comparable basis with charges levied by neighbouring councils.				
Area Forums		Area Forums – cease the funding for Area Forums.	0	170	<input checked="" type="checkbox"/>	Area forum budgets have been removed in 25-26
Total Community & Greenspace Dept			12	270		

Economy, Enterprise and Property Department

Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		Current Progress	Comments
			25/26 Agreed Council 01 February 2023 £'000	25/26 Agreed Council 05 March 2025 £'000		
Asset Management		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.	0	100	U	It is not expected this saving will materialise in the current year.
Total EEP Dept			0	100		

Policy, Planning and Transportation Department

Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		Current Progress	Comments
			24/25 £'000	25/26 £'000		
Highways		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.	0	100		It is not anticipated that this income will be achieved this financial year as the LED screens are no closer to being installed.
Total PPT Dept			0	100		

Public Health Directorate Department

Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		Current Progress	Comments
			24/25 £'000	25/26 £'000		
Environmental Health		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.	0	45	<input checked="" type="checkbox"/>	Charges Increased
Total Public Health Directorate			0	45		

Corporate and Democracy

Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		Current Progress	Comments
			24/25 £'000	25/26 £'000		
Chief Executives Delivery Unit		Purchase of Additional Leave – development of a voluntary scheme to enable staff to purchase additional annual leave.	0	100		Scheme has been agreed and implemented. Prudent forecast of saving against the scheme is estimated to be in the region of £0.265m
Chief Executives Delivery Unit		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.	0	200		Scheme to be designed and approved. Uncertainty to timing and sign-up to the scheme. Unlikely to be in place for this financial year.
Chief Executives Delivery Unit		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	0	200		Scheme being developed, uncertainty to take up of the scheme.

		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.				It is currently forecasts savings of £0.026m will be achieved by financial year-end.
Council Wide		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.	0	1,700		<p>There is evidence of reduced agency usage within the Children's directorate but targets have been built into directorate budget which duplicate what is included here.</p> <p>Uncertainty with regard to reductions across Adult Social Care.</p> <p>Highly unlikely the £1.7m saving will be achieved in the current financial year.</p>
Council Wide		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	0	100		Review of debt management particularly with Adult Social Care has commenced.

		such as seeking payment in advance wherever possible, to improve cashflow and reduce the risk of non-recovery.				
Council Wide		Review all existing contracts across the Council to re-consider their requirements and performance on the basis of outputs achieved.	0	200		Currently part of workstream being undertaken by the Transformation Programme.
Total Corporate & Democracy			0	2,400		

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.

2025/26 Capital Programme as at 30 November 2025

APPENDIX 5

Scheme Detail	2025/26 Original Allocation £000	2025/26 Revised Allocation £000	Cumulative Spend to 30 Nov 2025 £000	Cumulative Forecast Spend to 31 Jan 2026 £000	Cumulative Forecast Spend to 31 March 2026 £000	Allocation remaining £000	2026/27 Forecast Allocation £000
Childrens Directorate							
Capital Repairs	882.1	882.1	700	700	754.0	128.1	0.0
Asbestos Management	10.0	10.0	0.5	6	10.0	0.0	0.0
Schools Access Initiative	37.7	37.7	34	34	41.0	-3.3	0.0
Basic Need Projects	600.8	600.8	0	0	100.0	500.8	0.0
Small Capital Works	173.0	173.0	98	105	170.0	3.0	0.0
SEND capital allocation	1,871.2	1,871.2	202	675	1,275.0	596.2	45.0
SEND capital unallocated	1,775.5	1,775.5	0.0	0.0	0.0	1,775.5	0.0
SCA unallocated	129.3	129.3	0.0	0.0	0.0	129.3	0.0
Family Hubs & Start for Life	63.0	63.0	11.0	11.0	63	0.0	65.0
Childcare Expansion	314.8	314.8	18	18	314.8	0.0	0.0
AMP Data	25.0	25.0	23	24	25.0	0.0	0.0
Childrens Directorate Total	5,882.4	5,882.4	1,086.6	1,573.1	2,752.8	3,129.6	110.0

2025/26 Capital Programme as at 30 November 2025 continued

Scheme Detail	2025/26 Original Allocation £000	2025/26 Revised Allocation £000	Cumulative Spend to 30 Nov 2025 £000	Cumulative Forecast Spend to 31 Jan 2026 £000	Cumulative Forecast Spend to 31 March 2026 £000	Allocation remaining £000	2026/27 Forecast Allocation £000
Adults Directorate							
Grants - Disabled Facilities	2,200.0	2,000.0	999.0	1,400.0	2,000.0	0.0	700.0
Stair Lifts	400.0	650.0	355.0	450.0	650.0	0.0	700.0
Joint Funding RSL Adaptations	300.0	250.0	187.0	220.0	250.0	0.0	300.0
Madeline McKenna Residential Home	300.0	200.0	43.0	100.0	200.0	0.0	0.0
Millbrow Care Home	200.0	200.0	54.0	100.0	200.0	0.0	0.0
St Lukes	50.0	200.0	115.0	150.0	200.0	0.0	0.0
St Patricks	200.0	200.0	63.0	100.0	200.0	0.0	0.0
Care Home Refurbishment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Telehealthcare Digital Switchover	135.0	135.0	0.0	0.0	135.0	0.0	0.0
Oakmeadow and Peelhouse Network Improvements	40.0	40.0	0.0	0.0	40.0	0.0	0.0
Crow Wood Lane Specialist Housing	250.0	250.0	250.0	250.0	250.0	0.0	0.0
Adults Directorate Total	4,075.0	4,125.0	2,066.0	2,770.0	4,125.0	0.0	1,700.0
Public Health							
New database for Public Protection Regulatory Services	0.0	0.0	0.0	0.0	0.0	0.0	200.0
Public Health Directorate Total	0.0	0.0	0.0	0.0	0.0	0.0	200.0

2025/26 Capital Programme as at 30 November 2025 continued

Scheme Detail	2025/26 Original Allocation	2025/26 Revised Allocation	Cumulative Spend to 30 Nov 2025	Cumulative Forecast Spend to 31 Jan 2026	Cumulative Forecast Spend to 31 March 2026	Allocation remaining	2026/27 Forecast Allocation
	£000	£000	£000	£000	£000	£000	£000
Environment & Regeneration Directorate							
Stadium Minor Works	22.1	22.1	24.6	24.6	24.6	-2.5	30.0
Halton Leisure Centre	99.7	99.7	92.5	94.0	95.0	4.7	0.0
Children's Playground Equipment	67.8	67.8	52.5	60.5	65.0	2.8	65.0
Landfill Tax Credit Schemes	340.0	0.0	0.0	0.0	0.0	0.0	0.0
Upton Improvements	13.0	13.0	0.0	0.0	13.0	0.0	0.0
Crow Wood Park Play Area	12.0	12.0	0.0	0.0	12.0	0.0	0.0
Open Spaces Schemes	600.0	770.0	650.9	700.0	770.0	0.0	600.0
Runcorn Town Park	450.6	450.6	10.2	60.0	125.0	325.6	280.0
Spike Island / Wigg Island	1,841.6	250.0	173.4	180.0	250.0	0.0	1,591.6
Pickerings Pasture Cafe	469.2	450.0	301.2	360.0	450.0	0.0	19.2
Cemetery Infrastructure work	469.1	469.1	10.5	207.0	410.0	59.1	683.0
Stadium Public Address System	810.0	346.0	34.9	286.0	346.0	0.0	379.0
Litter Bins	20.0	20.0	0.0	0.0	20.0	0.0	20.0
Replacement Cremator	0.0	0.0	0.0	0.0	0.0	0.0	20.0
Stadium Steelwork Repairs	0.0	0.0	0.0	0.0	0.0	0.0	600.0
Brindley Lighting	0.0	200.0	0.0	100.0	200.0	0.0	0.0
Homeless Accommodation Refurbishment	0.0	52.0	49.3	51.0	52.0	0.0	948.0
CCTV Infrastructure Works	0.0	105.0	1.2	50.0	105.0	0.0	395.0
Equality Act Improvement Works	303.5	303.5	17.7	150.0	303.5	0.0	300.0
Foundary Lane Residential Area	3,520.9	3,520.9	1,229.3	1,850.0	3,520.9	0.0	0.0
Property Improvements	231.1	231.1	121.7	153.6	231.1	0.0	200.0
Town Deal	21,823.1	13,210.2	6,294.6	9,550.0	13,210.2	0.0	8,612.9
UK Shared Prosperity Fund	101.2	101.2	0.0	55.0	101.2	0.0	0.0
Runcorn Waterfront Residential Development	82.0	82.0	4.2	35.0	82.0	0.0	0.0

2025/26 Capital Programme as at 30 November 2025 continued

Scheme Detail	2025/26 Original Allocation £000	2025/26 Revised Allocation £000	Cumulative Spend to 30 Nov 2025 £000	Cumulative Forecast Spend to 31 Jan 2026 £000	Cumulative Forecast Spend to 31 March 2026 £000	Allocation remaining £000	2026/27 Forecast Allocation £000
Changing Places	17.0	17.0	0.0	0.0	17.0	0.0	0.0
Kingsway Centre Demolition	708.0	708.0	438.3	488.0	538.0	170.0	0.0
Port of Weston	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sci-tech Daresbury Project Violet	2,200.0	0.0	0.0	0.0	0.0	0.0	2,200.0
Astmoor Masterplan	81.6	902.6	902.6	902.6	902.6	0.0	0.0
Sci-tech Daresbury - CPO	3,000.0	0.0	0.0	0.0	0.0	0.0	3,000.0
Warm Homes Plan	0.0	587.6	0.0	0.0	587.6	0.0	587.6
Runcorn Town Centre Management	0.0	822.0	524.6	650.0	822.0	0.0	0.0
Widnes Town Centre Framework	0.0	200.0	53.0	100.0	200.0	0.0	0.0
Bridge and Highway Maintenance	839.2	839.2	181.2	510.2	839.2	0.0	0.0
Runcorn Busway	90.0	90.0	35.9	63.0	90.0	0.0	0.0
ATF3 Murdishaw to Whitehouse	757.0	757.0	538.3	647.7	757.0	0.0	0.0
ATF4 - Widnes Town Centre Accessibility	114.5	114.5	0.0	0.0	0.0	114.5	0.0
A56 Reconstruction	943.7	943.7	95.0	519.4	943.7	0.0	0.0
LCWIP phase 2 Daresbury	3,862	100	30.9	57.7	84.5	15.5	0.0
Pot Hole Funding	968	968	243.8	605.9	968.0	0.4	0.0
CRSTS	4,405	4,405	2,709.9	3,557.5	4,405.0	0.0	0.0
Street Lighting - Structural Maintenance	1,025.1	1,025.1	0.0	100.0	200.0	825.1	1,025.1
Street Lighting - Upgrades	728.4	728.4	0.0	50.0	50.0	678.4	528.4
East Runcorn Connectivity	5,851.7	14,442.2	6,283.7	10,363.0	14,442.2	0.0	0.0
Risk Management	712.9	120.0	23.0	23.0	23.0	97.0	120.0
Widnes Loops	0.0	0.0	65.1	65.1	65.1	-65.1	0.0
Fleet Replacements	4,482.0	2,500.0	1,070.1	1,785.0	2,500.0	0.0	4,482.0
Early Land Acquisition Mersey Gateway	210.0	80.0	49.4	73.0	80.0	0.0	80.0
Mersey Gateway Crossings Board	60.0	-226.7	-226.7	-226.7	-226.7	0.0	60.0
Environment & Regeneration Directorate Total	62,333.3	50,900.2	22,086.8	34,300.9	48,674.7	2,225.5	26,826.7

2025/26 Capital Programme as at 30 November 2025 continued

Scheme Detail	2025/26 Original Allocation £000	2025/26 Revised Allocation £000	Cumulative Spend to 30 Nov 2025 £000	Cumulative Forecast Spend to 31 Jan 2026 £000	Cumulative Forecast Spend to 31 March 2026 £000	Allocation remaining £000	2026/27 Forecast Allocation £000
Chief Executives Directorate							
IT Rolling Programme	805.6	1,305.6	1,022.0	1,245.1	1,245.1	60.5	1,200.0
Halton Smart Microgrid	10,870.0	1,000.0	0.0	0.0	1,000.0	0.0	9,870.0
Transformation Programme	1,538.0	2,465.7	1,557.1	1,928.9	2,195.6	270.1	
Accelerated Growth	0.0	650.7	440.0	546.9	643.9	6.8	
Chief Executives Directorate Total	13,213.6	5,422.0	3,019.1	3,720.9	5,084.6	337.4	11,070.0
Grand Total	85,504.4	66,329.6	28,258.5	42,364.9	60,637.1	5,692.5	39,906.7

2025/26 Budget Risk Register as at 30 November 2025

Appendix 6

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 • Market supplement paid in multiple service areas • Employer of Choice Initiative • Connect to Halton – Review of Scheme 	3	3	9	ED/SB/Directors	Monthly	<p>2025/26 budget includes pay growth at forecast 2% pay award. Pay offer agreed at 3.2%, backdated pay actioned in August 2025. Actual cost of the pay award higher at £1.214m that then £1m figure previously estimated.</p> <p>Agency costs and usage remain high although clear evidence of reduction in numbers.</p> <p>Market Supplements being paid across increasing</p>	30/11/25

											number of services. Connect to Halton scheme went live September 2024, agency and casual appointments to be covered by the scheme.	
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. • Develop policy for voluntary severance scheme 	2	3	6	ED/SB	Quarterly	<p>Tracker created to monitor redundancy costs in current year.</p> <p>Look to capitalise redundancy costs where possible where evidence exists it creates a longer term saving.</p> <p>£0.200m saving included in 25/26 budget for savings from voluntary severance scheme. Scheme unlikely to go live in current financial year.</p>	30/11/25

3	Savings not achieved	4	3	12	<ul style="list-style-type: none"> • Budget monitoring • Contingency • Rigorous process in approving savings. • Review of savings at departmental and directorate level • Monthly budget monitoring • Medium Term Financial Forecast • RAG monitoring of savings included in bi-monthly monitoring reports. • Transformation saving targets reported monthly through Transformation Programme Board. 	4	3	12	RR/ED/SB/Directors	Monthly	<p>Savings for 2025/26 have been written into Directorate budgets.</p> <p>Budget savings monitored closely and if necessary offsetting savings sought.</p> <p>Transformation Programme Board meet on monthly basis to discuss progress against programme.</p>	30/11/25
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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 • CPI/RPI monitoring • MTFS 	3	3	9	ED/SB	Monthly	<p>CPI for November 2025 is 3.2% and RPI is 3.8%. Both running higher than inflation included in 2025.26 budget.</p> <p>Office of Budget Responsibility (OBR) forecast inflation is to remain above 3% for the remainder of 2025 and drop to 2.5% in 2026 and then hit the Government target of 2% in 2027.</p>	30/11/25
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 	4	4	9	ED/SB/NS/M W/MG	Weekly/ Monthly	<p>Business rate retention 100% scheme to continue over three year period 2026/27 to 2028/29.</p> <p>Provisional Local Government Finance Settlement issued 17 December 2025. Funding behind modelled levels</p>	30/11/25

					<ul style="list-style-type: none"> • Dialogue with DCLG • Responding to reviews and consultations 						<p>from Fair Funding consultation (Summer 2025) and LG Finance policy Statement (Nov 25). Government have redirected funding towards greater levels of funding for temporary accommodation needs.</p> <p>Core Spending Power increase for 2026/27 will be set at the 'floor level' of 5% and 2.1% and 2.9% in the following two years. Increases for last two years based on Council increasing Council Tax by 4.99% in each of them years.</p>	
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 	1	3	3	ED/SB/MG	Daily / Quarterly	<p>BoE base rate reduced to 3.75%.</p> <p>Impact of Exceptional Financial Support request to be</p>	30/11/25

					<ul style="list-style-type: none"> • Treasury Management planning and monitoring • Attendance at Networking and Benchmarking Groups • Officer and Member Training 						assessed with regards to timing of future borrowing.	
7	Demand led budgets <ul style="list-style-type: none"> • Children in Care • Out of borough fostering • Community Care • High Needs 	4	4	16	<ul style="list-style-type: none"> • Budget monitoring • Contingency • Balances • Review service demand • Directorate recovery groups • Monthly budget monitoring • Children Improvement Plan Investment Funding 	4	4	16	ED/SB/NS/MW	Monthly	<p>Numbers of children in care and with protection plans reviewed on a weekly basis.</p> <p>Community care costs and numbers on increase, reviewed on a regular basis.</p> <p>Investment in Children Services following OFSTED inspection to be monitored with regard to control and reduction of future costs.</p>	30/11/25

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.	30/11/25
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 • Review recovery procedures • Benchmarking 	3	2	6	ED/PG/SB/P D/BH/MG	Monthly	<p>Council tax collection rate through to the end of November 2025 is 71.34% which is 0.09% lower than the collection rate at the same point last year.</p> <p>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. £1.992m has so far been collected this</p>	30/11/25

											year in relation to previous years' 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	<p>Business rate collection through to the end of November 2025 is 75.01% which is 1.02% lower than the collection rate at the same point last year.</p> <p>£0.945m has so far been collected this year in relation to previous years' debt.</p>	30/11/25
11	Income recovery <ul style="list-style-type: none"> Uncertainty to economy following cost of living and high inflation 	3	3	9	<ul style="list-style-type: none"> Corporate charging policy Budget monitoring Contingency Balances 	3	1	3	ED/MM/SB	Monthly	Income shortfalls identified and cause of increased concern in certain areas are being closely monitored.	30/11/25

					<ul style="list-style-type: none"> Income benchmarking 						Additional posts created within Adult Social Care Directorate, responsible for improving the overall collection of social care debt.	
12	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 over committed therefore new capital schemes need to bring own funding.	30/11/25
13	Academy Schools <ul style="list-style-type: none"> Impact of transfer upon Council budget 	2	4	8	<ul style="list-style-type: none"> Early identification of school decisions DfE Regulations 	1	3	3	ED/SB/NS	Monthly	Consideration given in MTFs for loss of funding.	30/11/25

	<ul style="list-style-type: none"> Loss of income to Council Services 				<ul style="list-style-type: none"> Prudent consideration of financial transactions to facilitate transfer Services continue to be offered to academies Transfer Protocol 							
14	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 bi-monthly basis, reported to Management Team and Exec Board Benchmarking Financial Forecast Programme to replenish reserves. 	3	3	9	ED/SB	Quarterly	<p>Monitored and reported on a regular basis. Council reserves at historic low levels.</p> <p>Reserves will need to be replenished within future budgets</p>	30/11/25
15	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. 	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	<p>Council has received in-principle agreement to fund day to day costs through Exceptional Financial Support.</p> <p>EFS covers a total of £52.8m over two years, split: 24/25 - £20.8m</p>	30/11/25

	<ul style="list-style-type: none"> • Council has been given approval in-principle for Exceptional Financial Support (day to day costs funded through capital borrowings) for 2024/25 and 2025/26. 				<ul style="list-style-type: none"> • LGA to undertake a financial assurance review. • Transformation programme in place. • Financial Recovery Plan required to better inform how the Council will achieve future sustainable budgets. 						<p>25/26 - £32.0m</p> <p>Council utilised £10m of EFS in 24/25, below the approved amount.</p> <p>Financial recovery plan to be put in place to limit Council exposure to EFS and repayment of borrowings to date.</p>	

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REPORT TO:	Executive Board
DATE:	12 February 2026
REPORTING OFFICER:	Director of Finance
PORTFOLIO:	Corporate Services
SUBJECT:	Treasury Management Strategy Statement 2026/27
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 2026/27.

2.0 RECOMMENDED:

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 (2026/27). 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 above.

7.0 **RISK ANALYSIS**

- 7.1 The Council 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 The Council should consider the Environmental, Social and Governance (ESG) impacts 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

2026/27

Revenues and Financial Management Division
Finance Department
January 2026

TREASURY MANAGEMENT STRATEGY STATEMENT 2026/27

1 INTRODUCTION

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the 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 Audit and Governance Board and the reports, specifically, should comprise updated Treasury/Prudential Indicators.

1.3 Treasury Management Strategy for 2026/27

The strategy for 2026/27 covers two main areas:

Capital issues

- the capital plans and the prudential indicators
- the minimum revenue provision (MRP) policy

Treasury Management Issues

- The current treasury position
- Treasury indicators which limit the treasury risk and activities of the Council
- Prospects for interest rates

- The borrowing strategy
- Policy on borrowing in advance of need
- Debt rescheduling
- The investment strategy
- Creditworthiness policy
- Policy on use of external service providers

These elements cover the requirement of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

1.4 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny. Training was last undertaken by Members in November 2025. The training needs of treasury management officers are periodically reviewed.

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 2026/27 – 2028/29

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

	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Capital Expenditure:					
Adult Services	3,570	4,125	1,900	1,700	1,700
Childrens Services	2,540	5,882	4,287	66	68
Public Health	-				
Enviornment and Regeneration	36,153	51,650	27,577	5,371	4,385
Chief Executive	4,254	5,422	11,070	1,200	1,200
Exceptional Financial Support	10,000	30,666	33,872	56,503	74,735
	56,517	97,745	78,706	64,840	82,088
Financed By:					
Capital receipts	(3,240)	(3,116)	(400)	(400)	(400)
Capital grants	(29,176)	(52,526)	(22,610)	(2,954)	(2,368)
Revenue	(64)	(205)	(395)	-	-
Net financing need for the year	24,037	41,898	55,301	61,486	79,320

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

	2024/25 Actual £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Capital Financing Requirement	669,636	694,944	730,858	769,499	821,572
Movement in CFR due to:					
Net financing need for the year	24,037	41,898	55,301	61,486	79,320
PFI / finance leases	48,801	-	-	-	-
Use of Reserves to reduce MRP liability	(558)	(564)	(580)	(594)	(796)
Less Minimum Revenue Provision	(13,308)	(16,026)	(18,807)	(22,251)	(26,451)
Increase / (Decrease) in CFR	58,972	25,308	35,914	38,641	52,073

2.3 Minimum revenue provision (MRP) statement

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge called the Minimum Revenue Provision (MRP).

MHCLG regulations require Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The full statement is detailed in Appendix A.

The Council is recommended to approve the following MRP Statement.

For capital expenditure incurred before 1 April 2008 the MRP policy will be to follow Option 1 (regulatory method), which will be charged on a 2% straight line basis.

For all unsupported borrowing since 1 April 2008, the MRP policy will be Option 3 (Asset Life Method) and is based on the estimated life of the assets. This will usually be charged using the equal instalment method, but the annuity method may also be used.

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

The MRP relating to PFI schemes, finance leases and Mersey Gateway unitary charge payments will be based on the annual lease payment, and will have no direct impact on the Council's revenue budget.

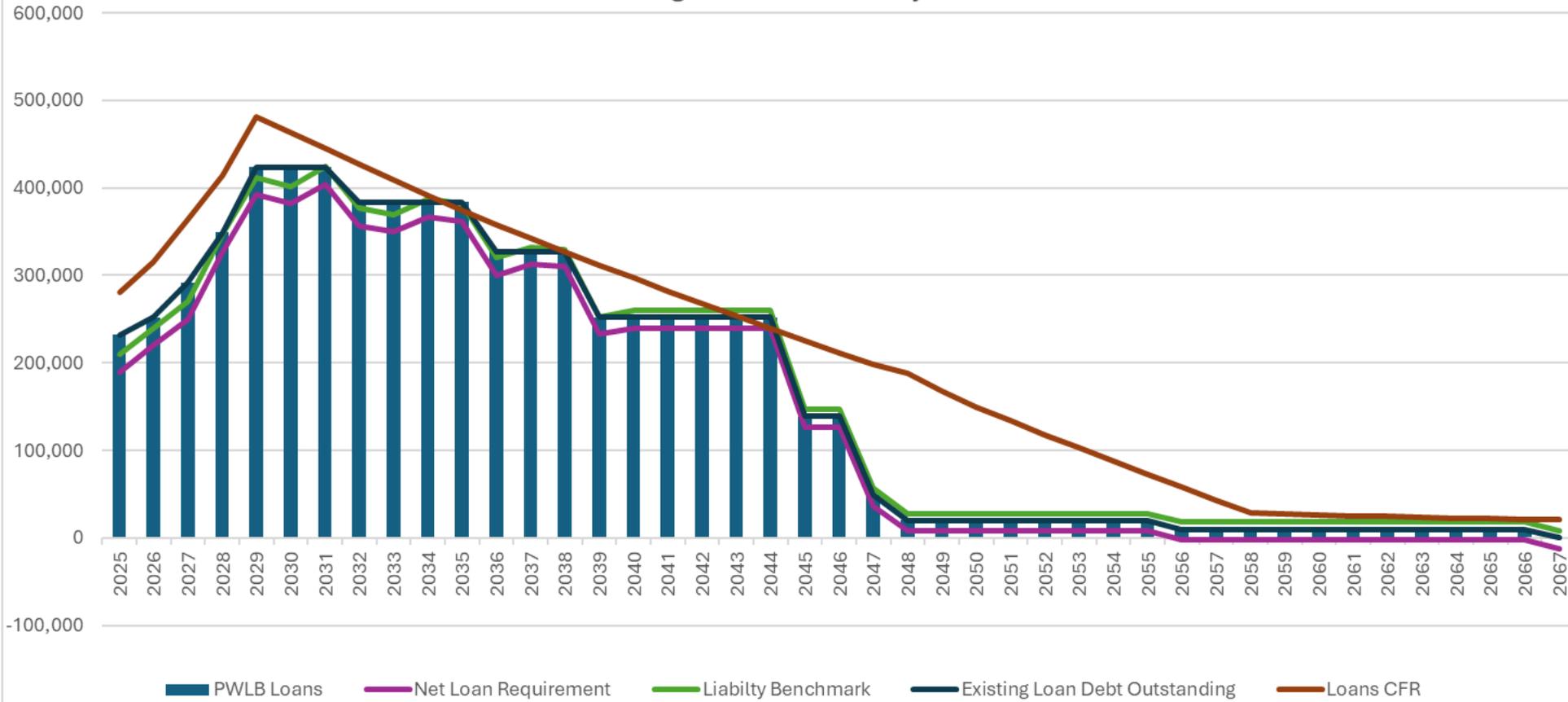
2.4 Liability Benchmark

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

There are four components to the Liability Benchmark: -

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 Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. Liability benchmark (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

Halton Borough Council Liability Benchmark



2.5 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances.

2.6 Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing net of investment income) against the net revenue stream.

Table 3 – Ratio of financing costs to net revenue stream

Ratio of finance costs to net revenue stream	2024/25 Actual £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Council's net budget	149,496	153,667	190,364	189,314	194,279
Finance Costs					
Net interest costs	2,610	5,117	6,844	8,666	11,305
Minimum Revenue Provision	3,070	4,586	6,910	10,059	13,364
	5,680	9,703	13,754	18,725	24,669
	3.8%	6.3%	7.2%	9.9%	12.7%

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

3 BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 Current portfolio position

The overall treasury management portfolio as at 31 March 2025 and the position as at 31 December 2025 are shown in Table 4 for borrowing and investments.

Table 4 – Current Portfolio Position

	31st March 2025		31st December 2025	
	£000	%	£000	%
Treasury Investments				
UK banks and building societies	213	0%	11,192	12%
Non-UK banks	-	0%	20,000	22%
Local authorities	42,000	67%	42,000	46%
Money market funds	10,500	17%	8,200	9%
Property funds	10,000	16%	10,000	11%
Total	62,713	100%	91,392	100%
Treasury External Borrowing				
Local authorities	(10,000)	4%	(40,000)	16%
Public Works Loans Board (PWLB)	(222,000)	96%	(212,000)	84%
Other long term borrowing	-	0%	-	0%
Total	(232,000)	100%	(252,000)	100%
Net treasury investments / (borrowing)	(169,287)		(160,608)	

The Council's treasury portfolio position at 31 March 2025, 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

	2024/25 Actual £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
External debt					
Borrowing					
Debt at 1 April	207,000	232,000	252,000	292,000	349,000
Expected change in debt	25,000	20,000	40,000	57,000	75,000
Debt at 31 March	232,000	252,000	292,000	349,000	424,000
Other long-term liabilities					
Debt at 1 April	394,215	383,976	372,536	360,639	348,447
Expected change in debt	(10,239)	(11,440)	(11,897)	(12,192)	(13,086)
Debt at 31 March	383,976	372,536	360,639	348,447	335,361
Total external debt at 31 March	615,976	624,536	652,639	697,447	759,361
Capital Financing Requirement	669,636	694,944	730,858	769,499	821,572
Under / (over) borrowing	53,660	70,408	78,219	72,052	62,211

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 2026/27 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

	2025/26	2026/27	2027/28	2028/29
Operational boundary	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000
Debt	272,000	312,000	369,000	444,000
Other long term liabilities	372,536	360,639	348,447	335,361
Operational boundary	644,536	672,639	717,447	779,361
Total external debt at 31 March	624,536	652,639	697,447	759,361
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

	2025/26	2026/27	2027/28	2028/29
Authorised limit	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000
Capital Financing Requirement	694,944	730,858	769,499	821,572
Contingency	20,000	20,000	20,000	20,000
Total	714,944	750,858	789,499	841,572
Total external debt at 31 March	624,536	652,639	697,447	759,361
Estimated headroom	90,408	98,219	92,052	82,211

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-26	3.75	4.6	5.2
Jun-26	3.50	4.5	5.0	5.7	5.5
Sep-26	3.50	4.3	4.9	5.6	5.4
Dec-26	3.25	4.2	4.8	5.5	5.3
Mar-27	3.25	4.1	4.8	5.5	5.3
Jun-27	3.25	4.1	4.7	5.4	5.2
Sep-27	3.25	4.1	4.7	5.3	5.1
Dec-27	3.25	4.1	4.7	5.3	5.1
Mar-28	3.25	4.1	4.7	5.3	5.1
Jun-28	3.25	4.1	4.6	5.2	5.0
Sep-28	3.25	4.1	4.6	5.2	5.1
Dec-28	3.25	4.1	4.6	5.2	5.0

Interest Rates

Interest rates have dropped three times during the 2025/26 financial year. Dropping from 4.5% to 4.25% in May 25, down to 4.0% in August 25, then to 3.75% in December 25.

As shown in the forecast table above, the Bank Rate is expected to drop to 3.5% in June 26, and then it is predicted to stay flat at 3.25%. Further detail on interest rate forecasts are given below.

Forecasts for Bank Rate

The forecast reflects a view that although rates would continue on a “gradual downward path” but will depend on MPC members who will want to assess incoming evidence on labour market activity and wage growth. With annual wage growth still over 4.5%, the MPC reiterated that the case for further rate cuts would be “a closer call”, and Governor Bailey observed there is “limited space as Bank Rate approaches a neutral level”.

Because of this the MUFG Corporate Markets forecast has been revised to price in a rate cut in Q2 2026 to 3.5%, likely to take place in the wake of a significant fall in the CPI inflation reading from 3% in March to 2% in April (as forecast by Capital

Economics), followed by a short lull through the summer whilst more data is garnered, and then a further rate cut to 3.25% in Q4.

Gilt yields / PWLB Rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, but the risks to our forecasts are generally to the upsides. Our target borrowing rates are set two years forward (as we expect rates to fall back).

Investment and borrowing rates

- **Investment returns.**

Short term investment returns (up to three months) are expected to fall from 4.7% in 2025/26, to 3.50% in 2026/27, remaining at this level during 2027/28.

- **Borrowing for capital expenditure**

The long-term (beyond 10 years) forecast for the neutral level of Bank Rate remains at 3.5%. As all PWLB certainty rates are still above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve (<5 years PWLB maturity/<10 years PWLB EIP) and short-dated fixed LA to LA monies should also be considered. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts.

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 cost of funding the capital programme, and funding Exceptional Financial Support, the Council has borrowed £80m in short term loans over the last twelve months, £50m from PWLB and £30m from other Local Authorities. We expect to replace this borrowing during 26/27, as well as borrowing an additional £65m. This will be taken from other Local Authorities if rates continue to be lower than those from the PWLB. But caution will be adopted with the 2026/27 treasury operations and the 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 Council 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 and has since been extended until 31/03/29.

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

All credit ratings will be monitored whenever new lending takes place. The Council is alerted to changes to ratings of all three agencies through its use of MUFG Corporate Markets 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 2026/27

The Council has set the following counterparty limits for 2026/27 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:

- 2025/26 4.10%
- 2026/27 3.70%
- 2027/28 3.50%
- 2028/29 3.50%

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

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

Table 12 – Maximum principal sums invested over 365 days

Upper limit for principal sums invested for longer than 1 year	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £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'	22,000	17,000	5,000	-

4.6 Investment rate benchmarking

The Council will use an investment benchmark produced by MUFG 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 MHCLG 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 2026/27 and future years

In order to determine its MRP for 2026/27 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: 12 February 2026

REPORTING OFFICER: Director of Finance

PORTFOLIO: Corporate Services

TITLE: Capital Strategy 2026/27

WARDS: Borough-wide

1.0 PURPOSE OF REPORT

1.1 To consider the Council's Capital Strategy for 2026/27 and recommend it's approval by Council.

2.0 RECOMMENDATION: That Council be recommended to approve the 2026/27 Capital Strategy, as presented in the Appendix.

3.0 SUPPORTING INFORMATION

3.1 The Prudential and Treasury Management Code of Practice requires 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 2026/27.

4.0 POLICY IMPLICATIONS

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

5.0 FINANCIAL IMPLICATIONS

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

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 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

2026/27

CAPITAL STRATEGY STATEMENT 2026/27**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 2024/25 is shown below, along with estimates for 2025/26 and the following three years:

Table 1 – Capital Expenditure and Funding

	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Capital Expenditure:					
Adult Services	3,570	4,125	1,900	1,700	1,700
Childrens Services	2,540	5,882	4,287	66	68
Public Health	-	-	-	-	-
Environment and Regeneration	36,153	51,650	27,577	5,371	4,385
Chief Executive	4,254	5,422	11,070	1,700	700
Exceptional Financial Support	10,000	30,666	33,872	56,503	74,735
	56,517	97,745	78,706	65,340	81,588
Financed By:					
Capital receipts	(3,240)	(3,116)	(400)	(400)	(400)
Capital grants	(29,176)	(52,526)	(22,610)	(2,954)	(2,368)
Revenue	(64)	(205)	(395)	-	-
Net financing need for the year	24,037	41,898	55,301	61,986	78,820

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 every other month 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

	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Minimum Revenue Provision					
General Fund	3,070	4,586	6,910	10,059	13,364
Leases and PFI Schemes	799	800	901	1,015	973
Mersey Gateway unitary charge	9,439	10,640	10,996	11,177	12,114
Net financing need for the year	13,308	16,026	18,807	22,251	26,451

- 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

	2024/25 Actual £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Capital Financing Requirement	669,636	694,944	730,858	769,499	821,572
Movement in CFR due to:					
Net financing need for the year	24,037	41,898	55,301	61,486	79,320
PFI / Finance Leases	48,801	-	-	-	-
Use of Reserves to reduce MRP liability	(558)	(564)	(580)	(594)	(796)
Less Minimum Revenue Provision	(13,308)	(16,026)	(18,807)	(22,251)	(26,451)
Increase / (Decrease) in CFR	58,972	25,308	35,914	38,641	52,073

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

	2024/25 Actual £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Capital Receipts - 1st April	(4,978)	(2,217)	(46)	(896)	(1,371)
Asset Sales	(1,037)	(1,509)	(1,830)	(1,469)	(1,171)
Use of Capital Receipts					
- New Capital Expenditure	3,240	3,116	400	400	400
- Repayment of debt	558	564	580	594	796
Capital Receipts - 31st March	(2,217)	(46)	(896)	(1,371)	(1,346)

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 Director of 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 over 20 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 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 £35,000. 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 Director of 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 Director of 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 Director of 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 of Finance by 31st March each year.

6. Funding the Capital Programme

- 6.1 Capital expenditure may be funded from a variety of sources including capital receipts, capital grants, prudential borrowing, and revenue contributions. The Director of 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 Director of 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 bi-monthly 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 bi-monthly 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 three year rolling programme of land and property re-valuations, whereby a third 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:	Executive Board
DATE:	12 th February 2026
REPORTING OFFICER:	Director of HR and Corporate Affairs (Interim) / Director of Transformation (Interim)
PORTFOLIO:	Corporate Services
SUBJECT:	Integration of HR and Payroll Module into the Unit4 Finance System
WARD(S)	All

1.0 PURPOSE OF THE REPORT

- 1.1 To gain approval to integrate a HR and Payroll module into the Unit4 ERP (Enterprise Resource Planning) Finance System and the inclusion of the project within the Capital Programme.

2.0 RECOMMENDED: That

- 1) **The report be noted;**
- 2) **The integration of the HR and Payroll Module into the Unit4 ERP Finance System, be approved;**
- 3) **Council be requested to include the project within the Capital Programme at an estimated cost of £456,459 as outlined in paragraph 5.1.**

3.0 SUPPORTING INFORMATION

- 3.1 Following approval for Unit4 Finance to be migrated to a Cloud Solution. Further exploration and negotiation has taken place to integrate the HR and Payroll module into the same solution. This has come along at an opportune point in time as the Councils current contract with Midland for the iTrent system ceases on 31st Oct 2026.
- 3.2 ERP is a unified platform that integrates core business processes, including HR, Payroll, Finance, Procurement and Key operational systems. These are all linked to centralised data reporting through a single system to enable real-time data sharing, process automation and strategic decision making across the entire organisation.
- 3.3 Halton has engaged a delivery partner, Arribatec, to provide consultation for the implementation of the HR & Payroll module and a contract for this work was agreed in principle in October 2025.

- 3.4 Workshops were held in late October to capture requirements for the development and build of the new system. These workshops also identified additional requirements to be included in the HR & Payroll implementation scope.
- 3.5 Following final approval, the HR and Payroll implementation is scheduled for September 2026, with planned activities covering system build, testing, staff training, cutover planning and go-live. This is supported by the migration to the cloud and planned activities for testing can only commence once the cloud migration is complete.
- 3.6 The implementation of the HR and Payroll module into the current ERP solution, will enable the removal of inter-application administrative procedures that currently exist for transferring data and information from one system to another. This will provide a robust integration between the HR/Payroll and Finance functions, without the need for additional protocols and data processes.
- 3.7 It is expected that the integration will allow for decommissioning of internal systems, such as 'I Want HR', which will eradicate the need for ongoing development and maintenance. There will also be significant reduction in other current 'off-system' processes, such as the use of spreadsheets.
- 3.8 There will be a reduction in management time across the Council, which is currently required to handle day-to-day people management matters. Management Information for line manager, e.g. daily dashboards, will provide a clear link between employees and cost management.
- 3.9 The integration and single system solution will ultimately drive and rationalisation of resources, resulting in a reduced revenue for funding commitment. Thus, justifying the principles of Invest to Save and Best Value, with financial payback in a reasonable timeframe. Further details to be worked up as processes and protocols are developed and implemented.

4.0 **POLICY IMPLICATIONS**

- 4.1 None identified at this stage.

5.0 **FINANCIAL IMPLICATIONS**

- 5.1 Details of costs for cloud migration and HR/Payroll implementation are captured in the table below.

Activity	Cost
Technical	£292,660.00
Implementation	£86,223.22
Maintenance	£1,500.00
Sub Total	£380,383.22
Contingency @ 20%	£76,076.64
Total	£456,459.86

- 5.2 This is the total estimated cost of implementing the HR/Payroll module, which will require inclusion within the Capital Programme.
- 5.3 The annual capital financing cost of funding this implementation over 10 years will be approximately £60,225 per annum.
- 5.4 The annual licencing and support costs for the HR and Payroll module is no greater than the current annual support costs for Midland iTrent. However, this does provide much more functionality in a single integrated solution and also allows for increased data flexibility for reporting and forecasting purposes.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

The integration of the HR and Payroll module into the current Unit4 ERP solution, will enable processes to be redesigned to provide operational efficiencies.

- 6.1 Improving Health, Promoting Wellbeing and Supporting Greater Independence
None
- 6.2 Building a Strong, Sustainable Local Economy
None
- 6.3 Supporting Children, Young People and Families
None
- 6.4 Tackling Inequality and Helping Those Who Are Most In Need
None
- 6.5 Working Towards a Greener Future
None
- 6.6 Valuing and Appreciating Halton and Our Community

None

7.0 RISK ANALYSIS

7.1 The risk is that if the required investment is not made, Halton would not have a HR and Payroll system once the contract with Midland for the iTrent system ceases in Oct 2026. The efficiencies through the use of a single system for HR, Payroll and Finance cannot be gained. This would also include process efficiencies that are also expected to be made with the new system, through streamlined workflows, use of on-system forms and automated notifications.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 The authority's policies will be reviewed and updated, in line with the change to operational and support processes.

8.2 An Equality Impact Assessment has been completed and signed off for this programme of work.

9.0 CLIMATE CHANGE IMPLICATIONS

9.1 None

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

None under the meaning of the Act.

REPORT TO:	Executive Board
DATE:	12th February 2026
REPORTING OFFICER:	Assistant to the Chief Executive
PORTFOLIO:	Housing and Environmental Sustainability
SUBJECT:	Public Sector Decarbonisation Fund – Picow Farm Road Depot
WARD(S)	Borough-wide

1.0 **PURPOSE OF THE REPORT**

1.1 To outline details of grant funded awarded to the Council via the Public Sector Decarbonisation Fund and to seek approval to implement energy efficiency measures at Picow Farm Road.

2.0 **RECOMMENDATION:**

That Council be asked to include £1,161,300 total estimated cost of the energy efficiency works at Picow Farm Road within the capital programme, to be funded by grant funding from the Public Sector Decarbonisation Fund and including a Council contribution of between £162,000 - £200,000

3.0 **SUPPORTING INFORMATION**

3.1 The Public Sector Decarbonisation Scheme provides grants for public sector bodies to fund heat decarbonisation and energy efficiency measures such as solar PV and LED lighting.

3.2 During 2025 the Liverpool City Region Combined Authority submitted a bid to Phase 4 of the Fund which included the following buildings in Halton.

- Picow Farm,
- Kingsway Learning Centre
- Runcorn Town Hall

3.3 The Bid was successful with the City Region awarded £30.5m. In respect of Halton a total of £2,816,409.20 was awarded. The overall costs of the works are estimated at £3,200,465 which includes a Council contribution of £448,065.10.

Picow Farm	£1,161,330
Kingsway Learning Centre	£716,150
Runcorn Town Hall	£ 1,322,985

3.4 To draw down the funds the Council needs to provide total match funding of £448,065.10

3.5 The initial focus of work following the bid has been on Picow Farm Road as there is a requirement to commence works prior to March 2026. The work at Kingsway Learning Centre and Runcorn Town Hall will be subject to further design work following a tender process with work needed to be completed by March 2027. These schemes will be subject to a further report when more detailed costing are known.

4.0 **PICOW FARM ROAD**

4.1 The Combined Authority had run a tender process and Optimus were appointed as the approved contractor for Picow Farm. Since their appointment they have completed design works at Picow Farm with a view to installing Air Source Heat Pumps, Solar PV, LED Lighting and wall insulation

4.2 The total cost of the work is £949,478.68 excluding any District Network Operator costs. None are anticipated for these works but some network improvements will be needed as the Council shifts its Data Centre facility to Picow Farm Road and these costs will be picked up as part of that project. The current estimate of £949,478.68 for the works will likely increase as the contractor will have to provide more temporary welfare accommodation over and above what they have allowed for at Picow Farm but it is anticipated will remain in budget.

4.3 The cost of the works are within the overall projected costs of £1,161,300 but the Council would need to make a contribution of between £162,000 and £200,000 towards the costs of the works.

- 4.4 The works will lead to costs savings from the installation of the Solar PV and LED. The 135kw Solar system would generate savings in the region of £559,491 over the 30 year life time of the panels. It is also estimated that the LED would reduce annual running costs by £10,000 per annum. Whilst the Air Source Heat Pumps will increase the electric load and running costs overall the savings from the Solar PV and LED will provide a net saving per annum.
- 4.5 The savings/income generated would be sufficient to repay the Council's contribution in approximately 6 years. The estimated carbon saving over the life time of the project is in the region of 1646 tonnes of CO2 emissions.
- 4.6 It also needs to be factored in that the current gas boilers at the buildings chosen for the Public Sector Decarbonisation Scheme are reaching the end of their useful life. The boilers at Picow would need to be replaced in the next 2-3 years and costs would be in the region of £200,000. In progressing the current scheme there is an avoidance costs in future years for new boilers.

5.0 **POLICY IMPLICATIONS**

- 5.1 The implementation of energy efficiency measures at Picow Farm are consistent with actions and commitments in the Council's with the Climate Change Action Plan. The Plan commits the Council to decarbonise its accommodation, where financial practicable, over the lifetime of the Plan. The implantation of the project will saving approximately 1646 of CO2 emissions over the lifetime.

6.0 **FINANCIAL IMPLICATIONS**

- 6.1 Investment in energy efficient measures has the potential to reduce the Council's energy costs, reduce carbon emission and generate future income streams or the Council. Whilst the scheme requires an initial financial contribution from the Council over the lifetime of the scheme this will be repaid and ongoing savings realised in the long term.

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

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

Reducing CO2 can bring about improved air quality.

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

Encouraging investment in energy-efficiency will benefit from lower carbon emissions, job creation, supply chain development and

increased competitiveness and security of energy supply.

7.3 **Supporting Children, Young People and Families**

None identified.

7.4 **Tackling Inequality and Helping Those Who Are Most In Need**

None identified.

7.5 **Working Towards a Greener Future**

The actions within this report support the Council's response to the environment and climate emergency by promoting energy efficiency; limiting/eliminating fossil fuel use for heat, power and transport; limiting/eliminating waste and encouraging re-use of resources and encouraging procurement of local suppliers.

7.6 **Valuing and Appreciating Halton and Our Community**

None identified.

8.0 **RISK ANALYSIS**

8.1 A detailed risk register will be provide by the contractor prior or installation of the measures.

9.0 **EQUALITY AND DIVERSITY ISSUES**

9.1 None identified.

10.0 **CLIMATE CHANGE IMPLICATIONS**

10.1 See 5.1 above

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

11.1 None under the meaning of the Act.

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

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