

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 and monitoring figures currently being prepared as at 30th January 2026 indicate spending is now anticipated to be 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 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 3.10.4 for details). The response to the request for EFS is anticipated to be received in late February 2026. 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

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	1,783.38	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	xx,xxx	x,xxx	x.xx	xx.xx	x,xxx.xx
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 £x,xxx.xx, an increase of £xx.xx 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 x.xx%, 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. MHCLG's response to the Council's request for £35m EFS in respect of 2026/27 is anticipated to be received in late February 2026, the outcome of which will be reported to Council 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) £xxx,xxx,xxx – being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the said Act, taking into account all precepts issued to it by Parish Councils.

- (b) £xxx,xxx,xxx – being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £xx,xxx,xxx – being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year (item R in the formula in Section 31A(4) of the Act).
- (d) £x,xxx.xx – being the amount at 3(c) above (item R), all divided by item T (2 above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) £xxx,xxx.xx – 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	xx,xxx.xx
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	xx.xx
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	x,xxx.xx	1,355.05	1,311.93	1,292.54
B	1,581.95	1,547.44	1,522.39	x,xxx.xx	1,580.90	1,530.59	1,507.96
C	1,807.95	1,768.50	1,739.88	x,xxx.xx	1,806.74	1,749.24	1,723.39
D	2,033.94	1,989.56	1,957.36	x,xxx.xx	2,032.58	1,967.90	1,938.81
E	2,485.93	2,431.68	2,392.33	x,xxx.xx	2,484.26	2,405.21	2,369.66
F	2,937.91	2,873.81	2,827.30	x,xxx.xx	2,935.95	2,842.52	2,800.50
G	3,389.90	3,315.93	3,262.27	x,xxx.xx	3,387.63	3,279.83	3,231.35
H	4,067.88	3,979.12	3,914.72	x,xxx.xx	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	1,584.59	xxxx.xx	1,634.74	1,591.62	1,572.23
B	1,908.26	1,873.74	1,848.70	xxxx.xx	1,907.20	1,856.89	1,834.27
C	2,180.86	2,141.41	2,112.79	xxxx.xx	2,179.65	2,122.16	2,096.30
D	2,453.47	2,409.09	2,376.89	x,xxx.xx	2,452.11	2,387.43	2,358.34
E	2,998.68	2,944.44	2,905.08	xxxx.xx	2,997.02	2,917.97	2,882.41
F	3,543.90	3,479.80	3,433.29	xxxx.xx	3,541.94	3,448.51	3,406.49
G	4,089.12	4,015.15	3,961.48	xxxx.xx	4,086.85	3,979.05	3,930.57
H	4,906.94	4,818.18	4,753.78	xxxx.xx	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
 Budget Forecast	245,817	269,014	303,649
 Resources			
Baseline Business Rates Funding and Top-Up Grant	112,609	113,365	115,632
Council Tax	76,705	80,914	85,801
	189,314	194,279	201,433
 Cumulative Funding Gap	-56,503	-74,735	-102,216

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

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	<p>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.</p> <p>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.</p>	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	TBC

	place to mitigate the impact of any changes for individual service users.	
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.	0
ASC8	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 employed over 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	0

	prioritisation. The potential savings cannot be quantified until after completion of the review.	
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.	0
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

Note: those proposals indicated above 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.