

HALTON BOROUGH COUNCIL



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

23 February 2016

**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, 2 March 2016 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 'David W. R.', is centered on the page.

Chief Executive

-AGENDA-

| Item No. | | Page No. |
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| 1. | COUNCIL MINUTES | 1 - 4 |
| 2. | APOLOGIES FOR ABSENCE | |
| 3. | DECLARATIONS OF INTEREST | |
| 4. | MATTERS REQUIRING A DECISION OF THE COUNCIL | |
| a) | Budget 2016/17 KEY DECISION (Minute EXB 109 refers) Executive Board considered the attached report. RECOMMENDED: That Council adopt the resolution set out in Appendix A attached to the report, which includes setting the budget at £98,465m, the Council Tax requirement of £41,217m (before Parish, Police and Fire precepts), and the Band D Council Tax for Halton of £1,250.97. | 5 - 30 |
| b) | Treasury Management Strategy Statement 2016/17 (Minute EXB 110 refers) Executive Board considered the attached report. RECOMMENDED: That Council adopt the policies, strategies, statements and prudential and treasury indicators outlined in the report. | 31 - 56 |
| c) | 2015/16 Revised Capital Programme (Minute EXB 116 refers) Executive Board considered the attached report:- RECOMMENDED: That, subject to Executive Board approval of the 2016/17 Quarter 3 Spending on 25 February 2016, the revisions to the Council's 2015/16 Capital Programme set out in paragraph 3.2 of the report, be approved. | 57 - 62 |
| d) | Calendar of Meetings 2016/17 | 63 - 68 |

Council are asked to consider the attached report of the Strategic Director, Community and Resources, which sets out the Calendar of Meetings for the 2016/17 Municipal Year.

RECOMMENDED: That Council

- 1) approve the Calendar of Meetings for the 2016/2017 Municipal Year, attached at Appendix 1; and
- 2) delegate authority to the Chief Executive, in consultation with the Leader, to set dates for the Health and Wellbeing Board and to advise all Members when these dates are agreed.

e) Pay Policy Statement

69 - 76

RECOMMENDATION: That Council adopt the Pay Policy Statement for the Municipal Year 2016/17.

f) Part II of Local Government (Miscellaneous Provisions) Act 1976 (Minute REG 30 refers)

77 - 84

Regulatory Committee considered the attached report:-

RECOMMENDED: That Council be requested to pass a resolution in the following terms:

“The Council intends to pass a resolution at a future meeting (the “Adoption resolution”).

- 1) to adopt the extent that they are not already in force in the Borough the provisions of Part II of Local Government (Miscellaneous Provisions) Act 1976 (the “1976 Act”), (other than section 45), to apply to the whole of the area of the Council on and after the appointed day stated in that resolution;
- 2) the Operational Director Legal and Democratic Services be directed to publish and serve notice as required by section 45 of the 1976 Act which shall include a draft Adoption Resolution in the terms set out in the report.

g) Local Government (Miscellaneous Provisions) Act 1982 Section 3 and Schedule 4 - Street Trading (Minute REG 31 refers)

85 - 94

Regulatory Committee considered the attached report:-

RECOMMENDED: That the Council be requested to pass a resolution in the following terms:

- 1) "the Operational Director Legal and Democratic Services be authorised to prepare and publish notice of intent to pass a Designation Resolution as required under Schedule 4 of the Local Government (Miscellaneous Provisions) Act 1982;
 - 2) the draft Designation Resolution be in the terms set out in the report.
- h) Recommendation from Mayoral Committee (Minute MYR2 refers)

The Mayoral Committee considered a Part II item making recommendations for the appointment of Mayor and Deputy Mayor for the 2016/17 Municipal Year:-

Council is requested to note these recommendations as follows. Formal confirmation will be sought at the annual meeting.

- 1) Councillor Ged Philbin be appointed as the Mayor; and
- 2) Councillor Alan Lowe be appointed as the Deputy Mayor.

COUNCIL

At a meeting of the Council on Wednesday, 3 February 2016 in the Council Chamber, Runcorn Town Hall

Present: Councillors E. Cargill, S. Baker, M. Bradshaw, J. Bradshaw, D. Cargill, Cassidy, Cole, Dennett, Edge, Fry, Gilligan, Harris, P. Hignett, R. Hignett, S. Hill, V. Hill, Horabin, Howard, Jones, C. Loftus, K. Loftus, A. Lowe, J. Lowe, MacManus, McDermott, A. McInerney, T. McInerney, Morley, Nelson, Nolan, Osborne, Parker, Philbin, Polhill, C. Plumpton Walsh, N. Plumpton Walsh, Joe Roberts, June Roberts, Sinnott, G. Stockton, J. Stockton, Thompson, Wainwright, Wall, Wallace, Wharton, Woolfall, Wright and Zygadlo

Apologies for Absence: Councillors C. Gerrard, J. Gerrard, Lea, M. Lloyd Jones, P. Lloyd Jones, Logan and Rowe

Absence declared on Council business: None

Officers present: D. Parr, I. Leivesley, M. Reaney, A. Scott and W. Rourke

Also in attendance: None

Action

COU57 COUNCIL MINUTES

The minutes of the meeting of Council held on 9 December 2015, having been circulated, were taken as read and signed as a correct record.

COU58 THE MAYOR'S ANNOUNCEMENTS

The Mayor made the following announcements:-

- Tickets were available for the themed Easter Bingo fundraising event for the Mayor's Charities on Friday 11 March 2016; and
- Reminded Members about the Civic Ball on Friday 12 February 2016.

COU59 LEADER'S REPORT

The Leader advised that he had circulated his Portfolio briefing.

COU60 MINUTES OF THE EXECUTIVE BOARD

The Council considered the minutes of the Executive

Board meetings on 10 December 2015 and 14 January 2016.

RESOLVED: That the minutes be received.

COU61 MINUTES OF THE HEALTH AND WELLBEING BOARD

The Council considered the minutes of the Health and Wellbeing Board meeting on 13 January 2016.

RESOLVED: That the minutes be received.

COU62 QUESTIONS ASKED UNDER STANDING ORDER 8

It was noted that no questions had been submitted under Standing Order No. 8.

(N.B. Councillor Jones declared a Disclosable Other Interest in the following item of business, as he was a Governor at Fairfield Primary School)

COU63 CAPITAL PROGRAMME 2016/17 - KEY DECISION (MINUTE EXB 79 REFERS)

Executive Board had considered the report of the Strategic Director, People and Economy, on the Capital Programme 2017/17.

RESOLVED: That the Capital Programme for 2016/17 be approved.

Strategic Director
- People and
Economy

COU64 MARKETS CAPITAL PROGRAMME (MINUTE EXB 84 REFERS)

Executive Board had considered the report of the Strategic Director, People and Economy, on the Markets Capital Programme.

RESOLVED: That £1.43m be included in the Capital Programme for 2016/17, in respect of the Markets.

Strategic Director
- People and
Economy

COU65 MINUTES OF THE POLICY AND PERFORMANCE BOARDS

The Council considered the reports of the following Boards in the period since the meeting of Council on 9 December 2015:-

- Children, Young People and Families;
- Employment, Learning and Skills and Community;

- Health;
- Safer;
- Environment and Urban Renewal; and
- Corporate.

COU66 COMMITTEE MINUTES

The Council considered the reports of the following Committees in the period since the meeting of Council on 9 December 2015:-

- Development Control; and
- Regulatory.

COU67 RUNCORN AND RUNCORN TOWN CENTRE REGENERATION - KEY DECISION (EXB 86 REFERS)

Executive Board had considered the report of the Strategic Director, People and Economy, on the Runcorn and Runcorn Town Centre Regeneration.

RESOLVED: That the amendment to the Capital Programme to provide an additional £2.3m to gap fund the development at the former Crosville site, Runcorn, subject to planning permission and lease with pub operator, be approved.

Strategic Director
- People and
Economy

COU68 SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Council considered:

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

exemptions, the public interest in maintaining the exemption outweighed that in disclosing the information.

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

COU69 RUNCORN AND RUNCORN TOWN CENTRE
REGENERATION KEY DECISION (EXB 88 REFERS)

Executive Board had considered the report of the Strategic Director, People and Economy, on the Runcorn and Runcorn Town Centre Regeneration.

RESOLVED: That the appendices be noted.

Meeting ended at 6.45 p.m.

REPORT TO: Executive Board

DATE: 11 February 2016

REPORTING OFFICER: Operational Director – Finance

SUBJECT: Budget 2016/17

PORTFOLIO: Resources

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

- 1.1 To recommend to Council the budget, capital programme and council tax for 2016/17.
- 1.2 The Police and Crime Commissioner and the Cheshire Fire Authority are not expected to set their precept until after the meeting of Executive Board. Therefore a number of figures contained within the report and resolution cannot yet be finalised and these are indicated by question marks. Once known these figures will be incorporated into the report and resolution to Council showing the Total Council Tax.

2.0 RECOMMENDATION: That Council be recommended to adopt the resolution set out in Appendix A, which includes setting the budget at £98.460m, the Council Tax requirement of £41.217m (before Parish, Police and Fire precepts) and the Band D Council Tax for Halton of £1,250.97.

3.0 SUPPORTING INFORMATION

Medium Term Financial Strategy

- 3.1 The Executive Board approved the Medium Term Financial Strategy (MTFS) at its meeting on 10 December 2015. In summary, funding gaps of around £18m in 2016/17, £16m in 2017/18 and £7m in 2018/19 were identified. The Strategy had the following objectives:
- Deliver a balanced and sustainable budget
 - Prioritise spending towards the Council's five priority areas
 - Avoid excessive Council Tax rises
 - Achieve significant cashable efficiency gains
 - Protect essential front line services
 - Deliver improved procurement

Budget Consultation

- 3.2 The Council uses various consultation methods to listen to the views of the public and Members own experience through their Ward work is an important part of that process. The Council also undertakes Budget Presentations at its Area Forums giving local people the opportunity to feed their views into the process. As those meetings were taking place when this report was being drafted any views offered by the Area Forums will be reported to the Executive Board at the meeting.
- 3.3 Individual consultations are taking place in respect of specific budget proposals and equality impact assessments will be completed where necessary.

Review of the 2015/16 Budget

- 3.4 The Executive Board receives regular reports summarising spending in the current year against the budget. The latest report indicates that spending will be within budget for the year, despite continued significant pressure in respect of children in care costs. It is anticipated that general reserve balances at 31 March 2016 will be around £5.8m, broadly as planned when the budget was set last year, this is after having used £3m of general reserves in balancing the budget for 2015/16.

2016/17 Budget

- 3.5 On 14 October 2015 and 09 December 2015 Council approved initial budget savings for 2016/17 totalling £11.5 and further proposed savings are shown in Appendix B.
- 3.6 The proposed budget totals £98.460m. The departmental analysis of the budget is shown in Appendix C and the major reasons for change from the current budget are shown in Appendix D.
- 3.7 The proposed budget incorporates the grant figures announced in the Provisional Grant Settlement. It includes £0.5m for the New Homes Bonus 2016/17 grant, which is payable to local authorities based upon the net increase in the number of homes in their area.
- 3.8 It is considered prudent for the budget to include a general contingency of £1m. This should be sufficient to cover the potential for price changes, increases in demand led budgets, as well as a general contingency for uncertain and unknown items.
- 3.9 The Local Government Act 2003 places a requirement on the Chief Financial Officer to report on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides. In my view the budget setting process and the information provided should be sufficient to allow the Council to come to an

informed view regarding the 2016/17 budget, capital programme and council tax. Balances and reserves should provide sufficient resilience to meet the financial consequences of any unforeseen events.

Local Government Finance Settlement

- 3.10 The Government announced on 09 February 2016 the Final Local Government Finance Settlement for 2016/17, this was in line with the Provisional Settlement announced on 17 December 2015.
- 3.11 From 1st April 2013 the Local Government funding regime changed significantly with the introduction of the Business Rates Retention Scheme. Under the Scheme 49% of business rates generated within the Borough is retained. The Council also receives a Top-Up grant, as the amount of business rates it retains is estimated to be lower than its spending needs. In addition, the Council receives Revenue Support grant.
- 3.12 The Government also confirmed that by 2019/20 the Business Rates Retention Scheme will be altered, such that councils will then retain 100% of the business rates they generate. However, over the same period Revenue Support Grant will cease to be provided in its current form.
- 3.13 For 2016/17 Halton's total Government Settlement Funding Allocation will be £55.29m. This is made up of £33.04m Business Rates Baseline Funding (including Top-Up grant of £7.51m) and £22.25m Revenue Support grant. In total the Settlement Funding Allocation has reduced by £6.53m or 10.6% from the 2015/16 adjusted level.
- 3.14 The 2015 Spending Review announced that for the rest of the current Parliament, local authorities responsible for adult social care will be given an additional 2% flexibility on their current council tax referendum threshold, to be used towards the funding shortfall for adult social care. This is being offered in recognition of increased pressure on Council budgets due to adult social care demographic changes and cost increases such as the National Living Wage.
- 3.15 As far as non-domestic premises are concerned, the rate is fixed centrally by the Government. For 2016/17 the rate has been set at 49.7p in the pound and 48.4p in the pound for small businesses, which are both increases of 0.8%.

Budget Outlook

- 3.16 As part of the Local Government Finance Settlement for 2016/17 Government published indicative Settlement Funding Allocations for the following three years, up to 2019/20. They have also published a consultation on the future of the New Homes Bonus grant (NHB) which looks to reduce the number of years NHB grant is paid over from six to

four years. The Medium Term Financial Forecast has been updated to take account of the Finance Settlement and the latest forecast is shown in Appendix E.

- 3.17 Government are proposing to offer any Council that wishes to take it up a four year funding settlement to 2019/20. They see this as a way of providing funding certainty and stability to local authorities, together with strengthening financial management and efficiency. Government will expect local authorities to produce an efficiency plan should they decide to accept the offer. At the time of preparing this report the details of what the offer would include and what is expected of an efficiency plan are still to be published by Government.
- 3.18 The resultant funding gap over the subsequent three financial years (2017/18 to 2019/20) is forecast to be in the region of £34m. The approach to finding these savings will be the continuation of the budget strategy of:
- Progressing the Efficiency Programme.
 - Reviewing the portfolio of land and assets, including the use of buildings, in accordance with the Accommodation Strategy.
 - Continuing to seek improved procurement.
 - Reviewing terms and conditions of staff (subject to negotiation).
 - Offering staff voluntary early retirement and voluntary redundancy under the terms of the Staffing Protocol.
 - Reducing the cost of services either by reducing spend or increasing income.
 - Partnership working, collaboration and sharing of services with other councils and other organisations.
 - Ceasing to deliver certain lower priority services.
- 3.19 The budget strategy is predicated on the Government continuing to withdraw considerable amounts of grant from the Council. To help offset this loss, support will be given to our partners and the voluntary sector to lever-in monies into the Borough.

Halton's Council Tax

- 3.20 The Government no longer operate 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.
- 3.21 The Government have confirmed the council tax referendum threshold at 4% for 2016/17, this includes the additional 2% precept for adult social care costs mentioned in para 3.14.
- 3.22 The tax base (Band D equivalent) for the Borough has been set by Council at 32,948.

3.23 The combined effect of the budget proposals presented within this report, Government grant support and the council tax base, requires the Council to set a Band D council tax for Halton of £1,250.97 (equivalent to £24.06 per week), in order to deliver a balanced budget for 2016/17 as required by statute. This is an increase of 3.9% (£46.96 per annum or 90p per week) over the current year.

Parish Precepts

3.24 The Parish Councils have set their precepts for the year as shown below, with the resultant additional Council Tax for a Band D property in these areas being as follows:

| | Precept | Precept Increase | | Additional Council Tax | Basic Council Tax |
|---------------|---------|------------------|-------|------------------------|-------------------|
| | £ | £ | % | £ | £ |
| Hale | 26,131 | 10,131 | 63.3% | 39.65 | 1,290.62 |
| Daresbury | 4,200 | 200 | 5.0% | 26.42 | 1,277.39 |
| Moore | 4,498 | 82 | 1.9% | 13.80 | 1,264.77 |
| Preston Brook | 9,150 | 650 | 7.6% | 27.23 | 1,278.20 |
| Halebank | 15,350 | 1,725 | 12.7% | 30.76 | 1,281.73 |
| Sandymoor | 24,556 | 8,990 | 57.8% | 25.42 | 1,276.39 |

Average Council Tax

3.25 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 £1,253.52, an increase of £47.58 per annum.

Police Precept

3.26 The Cheshire Police and Crime Commissioner has set the precept on the Council at £5.312m which is £161.23 for a Band D property, an increase of £5.00 or 3.2%. The figures for each Band are shown in Recommendation 5 in Appendix A.

Fire Precept

3.27 The Cheshire Fire Authority has set the precept on the Council at £2.368m which is £71.86 for a Band D property, an increase of £1.40 or 1.99%. The figures for each Band are shown in Recommendation 6 in Appendix A.

Total Council Tax

- 3.28 Combining all these figures will give the Total Council Tax for 2016/17 and these are shown in Recommendation 7 in Appendix A. The total Band D Council Tax (before Parish precepts) is £1,484.06 an increase of £53.36 or 3.7%. The increases in Parish precepts means the increase in Hale is 4.7%, in Daresbury is 3.7%, in Moore is 3.7%, in Preston Brook is 3.7%, in Halebank is 3.9% and in Sandymoor is 4.3%.
- 3.29 It is expected that Halton's Total Council Tax will continue to be amongst the lowest in the North West. Given that nearly half of all properties in the Borough are in Band A, and also 85% of properties are in Bands A-C, most households will pay less than the "headline" figure. In addition, many households will receive reduced Council Tax bills through discounts, and these adjustments will be shown on their bills.
- 3.30 A complex set of resolutions, shown in Appendix A, needs to be agreed by Council to ensure that the Budget and Council Tax level are set in a way which fully complies with legislation, incorporating changes required under the Localism Act 2012.

Capital Programme

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

| | 2016/17 | 2017/18 | 2018/19 |
|---|----------------|----------------|----------------|
| | £000 | £000 | £000 |
| <u>Spending</u> | | | |
| Scheme estimates | 105,146 | 56,986 | 6,916 |
| Slippage between years (after excluding MG costs) | + 9,598 | + 7,029 | + 4,897 |
| | - 7,029 | - 4,897 | - 1,383 |
| | <u>107,715</u> | <u>59,118</u> | <u>10,430</u> |
| <u>Funding</u> | | | |
| Borrowing and Leasing | 87,613 | 49,995 | 4,705 |
| Grants and External Funds | 12,173 | 5,625 | 3,733 |
| Direct Revenue Finance | 551 | 69 | 0 |
| Invest to Save | 115 | 0 | 0 |
| Capital Receipts | 7,263 | 3,429 | 1,992 |
| | <u>107,715</u> | <u>59,118</u> | <u>10,430</u> |

- 3.32 The committed Capital Programme is shown in Appendix F. In addition, new capital spending will come forward as required to Executive Board from relevant Directorates as a result of Government allocations. These allocations are currently funded by capital grant. The Capital Programme reflects the funding to be provided by the

Council during this period towards the Mersey Gateway project, which will be financed from toll revenues.

- 3.33 The Department for Health has confirmed the Social Care Capital Grant will not continue from 2016/17 onwards, but the value of the grant lost has been covered by the expansion of the Disabled Facilities Grant. However, this could potentially restrict the freedom to how these funds are spent.
- 3.34 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 financing costs.

Prudential Code

- 3.35 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
 - is accountable by providing a clear and transparent framework.
- 3.36 To demonstrate that councils have fulfilled these objectives, the Prudential Code sets out a number of indicators which must be used. These are included in the Treasury Management Strategy report elsewhere on the Agenda. The prudential indicators are monitored throughout the year and reported as part of the Treasury Management monitoring reports to the Executive Board.

School Budgets

- 3.37 Schools are fully funded by Government Grants, primarily the Dedicated Schools Grant (DSG) which is mainly used to fund the Individual School Budgets. DSG is now allocated in three notional blocks – Schools Block, Early Years Block and High Needs Block. The funding is allocated to schools by way of a formula in accordance with the revised funding arrangements introduced in April 2013 and updated for April 2016, which is primarily based on pupil numbers.
- 3.38 The Government have announced Unit of Funding allocations split between blocks. For Halton the per pupil Unit of Funding for the Schools Block is £4,863.77, for the Early Years Block is £3,363.39. The High Needs Block is no longer funded on a per pupil unit basis but on a total figure of £14,498,539. Schools will be informed of their funding

allocation for Schools Block funding by 28th February 2016 in accordance with the Halton Schools Financing Scheme. Early Years and High Needs funding will be notified to relevant schools during March 2016. The Minimum Funding Guarantee has been set so that the maximum reduction for schools is 1.5%.

- 3.39 The Pupil Premium has been set at £1,320 per Primary pupil who are or have been eligible for Free School Meals in the last six years. For Secondary pupils this is set at £935 per pupil. Children who have been adopted from care and children who leave care under a special guardianship order or residence order will be funded at £1,900 per pupil. Eligibility for the Service Children Premium will be funded at £300 per pupil. No information has been provided yet with regard to Looked After Children. The Pupil Premium will be added to school budgets on top of the Minimum Funding Guarantee.
- 3.40 The allocation of DSG funding to schools for 2016/17 will be via the schools funding formula, which has been approved by the Schools Forum following consultation with schools and the Department for Education.

4.0 POLICY IMPLICATIONS

- 4.1 The Council's budget will support the delivery of all of the Council's services.

5.0 FINANCIAL IMPLICATIONS

- 5.1 The financial implications relating to the Council's budget are as set out within the report and appendices.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

The budget will support the Council in achieving the aims and objectives set out in the Community Strategy for Halton and the Council's Corporate Plan and has been prepared in consideration of the priorities listed below.

- 6.1 **Children and Young People in Halton**
- 6.2 **Employment, Learning and Skills in Halton**
- 6.3 **A Healthy Halton**
- 6.4 **A Safer Halton**
- 6.5 **Halton's Urban Renewal**

7.0 RISK ANALYSIS

7.1 The budget is prepared in accordance with detailed guidance and timetable to ensure the statutory requirements are met and a balanced budget is prepared that aligns resources with corporate objectives.

7.2 A number of key factors have been identified in the budget and a detailed risk register has been prepared. These will be closely monitored throughout the year and the Contingency and the Reserves and Balances strategy should help mitigate the risk.

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

| Document | Place of Inspection | Contact Officer |
|---|-------------------------------------|------------------------|
| Local Government Finance Report (England) 2016/17 | Financial Management Kingsway House | Steve Baker |

10.0 REASON FOR THE DECISION

10.1 To seek approval for the Council's revenue budget, capital programme and council tax for 2016/17.

11.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

11.1 In arriving at the budget saving proposals set out in Appendix B, numerous proposals have been considered, some of which have been deferred pending further information or rejected.

12.0 IMPLEMENTATION DATE

12.1 2nd March 2016.

APPENDIX A

**DRAFT RESOLUTION FOR SUBMISSION TO THE COUNCIL
AT ITS MEETING ON 02 MARCH 2016**

RECOMMENDATION: that the Council adopt the following resolution:

1. The policies outlined in this paper be adopted, including the Budget for 2016/17, the savings set out in Appendix B and the Capital Programme set out in Appendix F.
2. That it be noted that at the meeting on 09 December 2015 the Council agreed the following:
 - (a) The Council Tax Base 2016/17 for the whole Council area is 32,948 (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 | 659 |
| Daresbury | 159 |
| Moore | 326 |
| Preston Brook | 336 |
| Halebank | 499 |
| Sandymoor | 966 |

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 2016/17 (excluding Parish precepts) is £41,216,960.
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 2016/17 and agreed as follows:
 - (a) £305,055,242 – 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) £263,754,397– being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £41,300,845 – 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) £1,253.52– 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) £83,885– 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 | 26,131 |
| Daresbury | 4,200 |
| Moore | 4,498 |
| Preston Brook | 9,150 |
| Halebank | 15,350 |
| Sandymoor | 24,556 |

- (f) £1,250.97 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 | 1,290.62 |
| Daresbury | 1,277.39 |
| Moore | 1,264.77 |
| Preston Brook | 1,278.20 |
| Halebank | 1,281.73 |
| Sandymoor | 1,276.39 |

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 | 860.41 | 851.59 | 843.18 | 852.13 | 854.49 | 850.93 | 833.98 |
| B | 1,003.82 | 993.53 | 983.71 | 994.16 | 996.90 | 992.75 | 972.98 |
| C | 1,147.21 | 1,135.45 | 1,124.24 | 1,136.17 | 1,139.31 | 1,134.57 | 1,111.97 |
| D | 1,290.62 | 1,277.39 | 1,264.77 | 1,278.20 | 1,281.73 | 1,276.39 | 1,250.97 |
| E | 1,577.42 | 1,561.25 | 1,545.83 | 1,562.24 | 1,566.56 | 1,560.03 | 1,528.96 |
| F | 1,864.22 | 1,845.11 | 1,826.88 | 1,846.28 | 1,851.38 | 1,843.67 | 1,806.96 |
| G | 2,151.03 | 2,128.98 | 2,107.95 | 2,130.33 | 2,136.22 | 2,127.32 | 2,084.95 |
| H | 2,581.24 | 2,554.78 | 2,529.54 | 2,556.40 | 2,563.46 | 2,552.78 | 2,501.94 |

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 2016/17 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 | 107.49 |
| B | 125.40 |
| C | 143.32 |
| D | 161.23 |
| E | 197.06 |
| F | 232.89 |
| G | 268.72 |
| H | 322.46 |

6. It is further noted that for the year 2016/17 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 | 47.91 |
| B | 55.89 |
| C | 63.88 |
| D | 71.86 |
| E | 87.83 |
| F | 103.80 |
| G | 119.77 |
| H | 143.72 |

7. That, having calculated the aggregate in each case of the amounts at 4h, 5 and 6 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 2016/17 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 | 1,015.81 | 1,006.99 | 998.58 | 1,007.53 | 1,009.89 | 1,006.33 | 989.38 |
| B | 1,185.11 | 1,174.82 | 1,165.00 | 1,175.45 | 1,178.19 | 1,174.04 | 1,154.27 |
| C | 1,354.41 | 1,342.65 | 1,331.44 | 1,343.37 | 1,346.51 | 1,341.77 | 1,319.17 |
| D | 1,523.71 | 1,510.48 | 1,497.86 | 1,511.29 | 1,514.82 | 1,509.48 | 1,484.06 |
| E | 1,862.31 | 1,846.14 | 1,830.72 | 1,847.13 | 1,851.45 | 1,844.92 | 1,813.85 |
| F | 2,200.91 | 2,181.80 | 2,163.57 | 2,182.97 | 2,188.07 | 2,180.36 | 2,143.64 |
| G | 2,539.52 | 2,517.47 | 2,496.44 | 2,518.82 | 2,524.71 | 2,515.81 | 2,473.44 |
| H | 3,047.42 | 3,020.96 | 2,995.72 | 3,022.58 | 3,029.64 | 3,018.96 | 2,968.12 |

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.
8. The Operational Director Finance be authorised at any time during the financial year 2016/17 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 (£0.5m net) as the Council may temporarily require.

APPENDIX B

SAVINGS PROPOSALS

| | DEPARTMENT / DIVISION / SERVICE AREA | DESCRIPTION OF PROPOSAL | TOTAL BUDGET £'000 | ESTIMATED BUDGET SAVING | | PERM OR TEMP (P / T) | MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D) |
|---|--|--|------------------------------|----------------------------|------------------|-----------------------------------|---|
| | | | | 2016/17 £'000 | 2017/18 £'000 | | |
| PEOPLE & ECONOMY DIRECTORATE | | | | | | | |
| INCOME GENERATION OPPORTUNITIES | | | | | | | |
| 1 | Prevention & Assessment Dept | Proposed increase in transport charges by £1.40 per journey to £3.00 from the current £1.60, subject to consultation. | 74 | 70 | 0 | P | D |
| 2 | Economy, Enterprise & Property Dept | Charge a one-off management fee to the Sci-Tech Daresbury Joint Venture, as the Enterprise Zone retained business rates have exceeded forecasts. This will be used to reimburse Council officer time in respect of Regeneration, Property, Legal, Finance etc. | n/a | 100 | -100 | T | D |
| 3 | Economy, Enterprise & Property Dept | Increase industrial and commercial property rents (including markets) by 1% over and above normal annual 2% inflationary increase. | 2,000 | 20 | 0 | P | D |
| EFFICIENCY OPPORTUNITIES | | | | | | | |
| 4 | Prevention & Assessment Dept | Deletion of a vacant 0.4fte Adult Mental Health Practice Manager HBC10 post. | 50 | 20 | 0 | P | M |

| | DEPARTMENT / DIVISION / SERVICE AREA | DESCRIPTION OF PROPOSAL | TOTAL BUDGET £'000 | ESTIMATED BUDGET SAVING | | PERM OR TEMP (P / T) | MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D) |
|--|--|---|-----------------------|-------------------------|------------------|-------------------------|--|
| | | | | 2016/17 £'000 | 2017/18 £'000 | | |
| 5 | Commissioning & Complex Care Dept/ Community Services | Efficiency review of the Halton Supported Housing Network. | 1,773 | 83 | 0 | P | D |
| 6 | Children's Organisation & Provision Dept/ 0-25 Inclusion Div | Restructuring the Special Education Needs Team with the deletion of a vacant Special Education Needs Assessment post. | 135 | 40 | 0 | P | M |
| 7 | Children's Organisation & Provision Dept | The Policy Provision & Performance and 14-19 Divisions have been combined and as a result it is proposed to delete a vacant Information Advice & Guidance post. | 112 | 40 | 0 | P | M |
| 8 | Children & Families Dept | Restructuring within the Children and Families Department resulting in the deletion of a vacant Principle Team Manager post. | 155 | 32 | 0 | P | M |
| SHARED / COLLABORATIVE SERVICES | | | | | | | |
| 9 | Prevention & Assessment Dept | Shared arrangement for 12 months for a Practice Manager post (Clinical lead nurse) to work collaboratively with Halton CCG. | 20 | 20 | -20 | T | M |

| | DEPARTMENT / DIVISION / SERVICE AREA | DESCRIPTION OF PROPOSAL | TOTAL BUDGET £'000 | ESTIMATED BUDGET SAVING | | PERM OR TEMP (P / T) | MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D) | |
|----------------------------------|--|---|------------------------------|----------------------------|------------------|-----------------------------------|---|--|
| | | | | 2016/17 £'000 | 2017/18 £'000 | | | |
| OTHER BUDGET SAVINGS | | | | | | | | |
| 10 | Prevention & Assessment Dept | Deletion of the residual training budget for Induction Adults in the Learning Disability Team, which is no longer required following a transfer of staff from the PCT to HBC. | 20 | 20 | 0 | P | D | |
| 11 | Prevention & Assessment Dept | Service efficiencies (eg. additional winter pressures funding) achieved during 2015/16 which have been managed in order to provide a one-off budget saving for 2016/17. | 263 | 263 | -263 | T | D | |
| 12 | Children's Organisation & Provision Dept | Reduction in various specialist commissioned services budgets and a one-off saving achieved from efficiencies in 2015/16. | 805 | 90 80 | 0 -80 | P T | D D | |
| 13 | Children's Organisation & Provision Dept | One-off performance saving relating to a school project. | 200 | 200 | -200 | T | D | |
| TOTAL PERMANENT | | | | | 415 | 0 | P | |
| TOTAL TEMPORARY (ONE-OFF) | | | | | 663 | -663 | T | |
| GRAND TOTAL | | | | | 1,078 | -663 | | |

| | DEPARTMENT / DIVISION / SERVICE AREA | DESCRIPTION OF PROPOSAL | TOTAL BUDGET £'000 | ESTIMATED BUDGET SAVING | | PERM OR TEMP (P / T) | MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D) |
|--|--|--|-----------------------|-------------------------|------------------|-------------------------|--|
| | | | | 2016/17 £'000 | 2017/18 £'000 | | |
| COMMUNITY & RESOURCES DIRECTORATE | | | | | | | |
| INCOME GENERATION OPPORTUNITIES | | | | | | | |
| 1 | Finance Dept/ Audit & Op Finance Div | Introduction of an SLA to provide Balance of Risks insurance cover for schools. | n/a | 50 | 0 | P | D |
| 2 | Finance Dept/ Audit & Op Finance Div | Providing a Financial Support SLA on a one year agreement initially to the National Consortium for Examination Results. | n/a | 10 | -10 | T | D |
| PROCUREMENT OPPORTUNITIES | | | | | | | |
| 3 | Community & Environment Dept / Catering Svcs | Saving from the re-procurement of food provisions contracts. | 683 | 60 | 0 | P | D |
| EFFICIENCY OPPORTUNITIES | | | | | | | |
| 4 | Community & Environment Dept | Staffing restructure within the Select Security Stadium and Catering Services with the resulting deletion of vacant posts. | 344 | 65 | 0 | P | D |

| | DEPARTMENT / DIVISION / SERVICE AREA | DESCRIPTION OF PROPOSAL | TOTAL BUDGET £'000 | ESTIMATED BUDGET SAVING | | PERM OR TEMP (P / T) | MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D) |
|----|--|--|-----------------------|-------------------------|------------------|-------------------------|--|
| | | | | 2016/17 £'000 | 2017/18 £'000 | | |
| 5 | Finance Dept / Procurement Div | Temporary restructuring within the Procurement Division resulting in a one-off saving. | 583 | 28 | -28 | T | D |
| 6 | ICT & Support Services Dept | Introduction of the ICT Apprenticeship Scheme. | n/a | 60 | 0 | T (2 years) | D |
| 7 | ICT & support Services Dept | Further balance of budget savings from the original £100,000 estimate included for the ICT & Support Department staffing restructure approved in the first set of 2016/17 savings. | 5,282 | 70 | 0 | P | D |
| 8 | Legal & Democratic Svcs Dept / Democratic Services Div | Deletion of a vacant post within the Democratic Services Division. | 207 | 38 | 0 | P | M |
| 9 | Public Protection Dept / Regulatory Services Div | Deletion of a vacant Environmental Technician post. | 287 | 26 | 0 | P | D |
| 10 | Finance Dept / Audit & Op Finance Div | Deletion of a vacant HBC7 post within the Audit and Operational Finance Division. | 277 | 36 | 0 | P | D |
| 11 | Finance Dept / Financial Management Div | Deletion of a vacant HBC4/6 post within the Financial Management Division. | 1,275 | 32 | 0 | P | D |

| | DEPARTMENT / DIVISION / SERVICE AREA | DESCRIPTION OF PROPOSAL | TOTAL BUDGET £'000 | ESTIMATED BUDGET SAVING | | PERM OR TEMP (P / T) | MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D) |
|--|---|---|-----------------------|-------------------------|------------------|-------------------------|--|
| | | | | 2016/17 £'000 | 2017/18 £'000 | | |
| SHARED / COLLABORATIVE SERVICES | | | | | | | |
| 12 | Policy, People, Performance & Efficiency | Reduction in union representative costs from undertaking a regional role for 1 day per week, for one year initially. | 183 | 10 | -10 | T | D |
| OTHER BUDGET SAVINGS | | | | | | | |
| 13 | Finance Dept / Capital Financing | Revision to the Minimum Revenue Provision Policy in order to lengthen the period over which capital assets are written down within the accounts, to closer match the life of those assets. A further increase to the £520,000 saving included in the 2 nd set. | 1,786 | 300 | 0 | P | D |
| 14 | Finance Dept / Halton Direct Link | Cease provision of staff uniforms within Halton Direct Link, as only a proportion of staff based within the HDL shops now have uniforms. | 5 | 5 | 0 | P | D |
| 15 | Legal & Democratic Svcs Dept | Full year effect of various previous year staff savings and an in-year underspend to be used as a one-off saving. | 866 | 22 5 | 0 -5 | P T | M M |
| 16 | Legal & Democratic Svcs Dept / Customer Intelligence Unit | Cease the contract for external maintenance of the Council's website as it will now be undertaken in-house. | 10 | 10 | 0 | P | D |

| | DEPARTMENT / DIVISION / SERVICE AREA | DESCRIPTION OF PROPOSAL | TOTAL BUDGET £'000 | ESTIMATED BUDGET SAVING | | PERM OR TEMP (P / T) | MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D) |
|----------------------------------|--|---|-----------------------|-------------------------|------------------|-------------------------|--|
| | | | | 2016/17 £'000 | 2017/18 £'000 | | |
| 17 | Policy Planning & Transportation Dept / Fleet Management | Revenue savings from the reduction of two operational refuse collection vehicles, inclusive of vehicle operating costs. | 1,435 | 100 | 0 | P | M |
| 18 | Policy Planning & Transport Dept / Logistics Division | Realignment of the business rates budget for Lowerhouse Lane Depot to reflect the actual charge. | 47 | 10 | 0 | P | D |
| 19 | Policy Planning & Transport Dept / Highway Maintenance | Reduction in the highway maintenance budget. | 2,281 | 50 | 0 | P | M |
| 20 | Council Wide | Staff Terms and Conditions – Continuation for next three years of 4 days unpaid leave for all staff. | n/a | 750 | 0 | T | n/a |
| TOTAL PERMANENT | | | | 1,624 | 0 | P | |
| TOTAL TEMPORARY (ONE-OFF) | | | | 113 | -53 | T | |
| GRAND TOTAL | | | | 1,737 | -53 | | |

APPENDIX C

DEPARTMENTAL BASE BUDGETS

£000

People & Economy Directorate

| | |
|---|---------------|
| Children and Families Service | 20,415 |
| Education, Inclusion & Provision | 14,429 |
| Economy, Enterprise and Property | 3,102 |
| Commissioning and Complex Care | 11,653 |
| Adult Social Care & Prevention and Assessment | 25,179 |
| | <hr/> |
| | 74,778 |

Community & Resources Directorate

| | |
|--|---------------|
| Finance | 4,249 |
| Policy, Planning & Transportation | 16,103 |
| ICT & Support Services | 48 |
| Legal & Democratic Services | 424 |
| Policy, People, Performance & Efficiency | -567 |
| Public Protection | 551 |
| Community and Environment | 22,812 |
| | <hr/> |
| | 43,620 |

Departmental Base Budgets**118,398**

Corporate and Democracy

-17,107**Base Budget****101,291**

Less Set 3 Savings

-2,831**Total Budget****98,460**

APPENDIX D

2016/17 BUDGET – REASONS FOR CHANGE

| | £000 |
|---|---------------------------|
| 2015/16 Approved Budget | 101,452 |
| Add back One-Off savings | 8,759 |
| | <hr/> 110,211 |
| <u>Policy Decisions</u> | |
| Capital Programme | -261 |
| <u>Inflation</u> | |
| Pay (including NI adjustments due to Single Tier State Pension) | 1,662 |
| Prices | 586 |
| Income | -388 |
| <u>Other</u> | |
| Increments | 290 |
| Contingency | 1,000 |
| Increase to New Homes Bonus Grant | 591 |
| Reduction in Pension Actuarial Payments | -916 |
| Base Budget | <hr/> 112,775 |
| Less Savings | -14,315 |
| Total 2016/17 Budget | <hr/> 98,460 <hr/> |

APPENDIX E

MEDIUM TERM FINANCIAL FORECAST

| | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
|---|-----------------|-----------------|-----------------|
| Spending | | | |
| Previous Year's Budget | 98,460 | 91,867 | 88,836 |
| Add back one-off savings | 5,983 | 0 | |
| <u>Policy Decisions</u> | | | |
| Capital Programme | -370 | 0 | 0 |
| <u>Inflation</u> | | | |
| Pay | 973 | 985 | 997 |
| Prices | 961 | 1,253 | 1,253 |
| Income | -511 | -521 | -521 |
| <u>Other</u> | | | |
| Increments etc | 300 | 300 | 300 |
| Contingency | 1,000 | 1,500 | 2,000 |
| Children in Care | 210 | 290 | 0 |
| National Living Wage – Ext Service Providers | 500 | 500 | 500 |
| National Living Wage – Direct HBC Staff Cost | 173 | 156 | 150 |
| Apprenticeship Levy | 300 | 0 | 0 |
| Mersey Gateway Council Vehicle Tolls | 75 | 150 | 0 |
| Pension Auto Enrolment – Employer Contributions | 624 | 624 | 0 |
| Social Care Act | 100 | 100 | 100 |
| Transition from Children's to Adult Social Care | 200 | 200 | 200 |
| Reduction to New Homes Bonus Grant | 394 | 627 | 45 |
| Budget Forecast | 109,372 | 98,031 | 93,860 |
| Resources | | | |
| Previous Years Resources: | | | |
| Revenue Support Grant | 16,790 | 13,082 | 9,337 |
| Retained Business Rates (Incl Top-Up Funding) | 33,860 | 34,537 | 35,227 |
| Council Tax | 41,217 | 41,217 | 41,217 |
| | 91,867 | 88,836 | 85,781 |
| Funding Gaps | 17,505 | 9,195 | 8,079 |

APPENDIX F

COMMITTED CAPITAL PROGRAMME 2016-19

| SCHEME | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 |
|--|-----------------|-----------------|-----------------|
| Schools Capital Projects | 2,411 | 74 | - |
| Fairfield Primary | 1,133 | 853 | - |
| Widnes Waterfront | 800 | - | - |
| Runcorn Town Centre Regeneration | 2618 | 300 | 300 |
| John Briggs House / Police Station | 150 | - | - |
| Hive Signage & Advertising | 195 | - | - |
| Equality Act Improvement Works | 300 | - | - |
| Widnes Market | 1,433 | - | - |
| ALD Bungalows | 100 | 100 | - |
| Grangeway Court Refurbishment | 325 | - | - |
| Community Capacity Grant | 57 | - | - |
| People & Economy Directorate | 9,522 | 1,327 | 300 |
| IT Rolling Programme | 1,100 | 1,100 | 1,100 |
| Highways Capital Maintenance | 2,951 | 2,889 | - |
| Major Maintenance Silver Jubilee Bridge | 330 | 330 | 330 |
| Street Lighting – Structural Maintenance | 200 | 200 | 200 |
| Street Lighting – Upgrades | 2,350 | 1,500 | - |
| Silver Jubilee Corridor Business Hubs | 171 | - | - |
| Connect Widnes | 369 | - | - |
| Fleet Replacements | 2,940 | 624 | 556 |
| Risk Management | 120 | 120 | 120 |
| Mersey Gateway Land Acquisition | 5,667 | 919 | 3,855 |
| Mersey Gateway Liquidity Fund | - | 10,000 | - |
| Mersey Gateway Crossing Board | 3,474 | 2,649 | - |
| Mersey Gateway Construction Costs | 70,000 | 32,500 | - |
| Mersey Gateway Loan Interest | 3,917 | 1,773 | - |
| Stadium Minor Works | 280 | 30 | 30 |
| Children's Playground Equipment | 65 | 65 | 65 |
| Norton Priory | 920 | 530 | - |
| Landfill Tax Credit Schemes | 340 | 340 | 340 |
| Crow Wood Park Play Area | 8 | - | - |
| Peelhouse Lane Cemetery | 402 | 70 | - |
| Litter Bins | 20 | 20 | 20 |
| Community & Resources Directorate | 95,624 | 55,659 | 6,616 |

| | | | |
|---------------------------------|----------------|----------------|----------------|
| Total Capital Programme | 105,146 | 56,986 | 6,916 |
| Slippage between years * | + 9,598 | + 7,029 | + 4,897 |
| | - 7,029 | - 4,897 | - 1,383 |
| GRAND TOTAL | 107,715 | 59,118 | 10,430 |

***Slippage for 2016/17 & 2017/18 is calculated after excluding Mersey Gateway Construction Costs**

REPORT TO: Executive Board

DATE: 11 February 2016

REPORTING OFFICER: Operational Director – Finance

PORTFOLIO: Resources

TITLE: Treasury Management Strategy Statement 2016/17

WARDS: Borough-wide

1.0 PURPOSE OF 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 2016/17.

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

3.0 SUPPORTING INFORMATION

3.1 This Treasury Management Strategy Statement (TMSS) details the expected activities of the treasury function in the forthcoming financial year (2016/17). Its production and submission to Council is a requirement of the CIPFA Code of Practice on Treasury Management.

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, Appendix A shows the full policy, and the changes in the policy for 2016/17 are detailed in Appendix B.

4.0 POLICY IMPLICATIONS

4.1 The successful delivery of the strategy will assist the Council in meeting its budget commitments.

5.0 OTHER IMPLICATIONS

5.1 None.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

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

7.0 RISK ANALYSIS

7.1 The Authority operates its treasury management activity within the approved code of practice and supporting documents. The aim at all times is to operate in an environment where risk is clearly identified and managed. This strategy sets out clear objectives within these guidelines.

7.2 Regular monitoring is undertaken during the year and reported on a half-yearly basis to the Executive Board.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 None.

9.0 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 | Kingsway House | |
| CIPFA Prudential Code | | |

HALTON BOROUGH COUNCIL
TREASURY MANAGEMENT STRATEGY
STATEMENT

2016/17

TREASURY MANAGEMENT STRATEGY STATEMENT 2016/17

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 low 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.

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

The 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.

1.3 Treasury Management Strategy for 2016/17

The strategy for 2016/17 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, CLG MRP Guidance, the CIPFA Treasury Management Code and CLG 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 undertaken by members in October 2013 and further training will be arranged as required. The training needs of treasury management officers are periodically reviewed.

1.5 Treasury management consultants

The Council uses Capita Asset Services, Treasury solutions 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 2016/17 – 2018/19

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.

The table below 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

| | 2014/15 Actual £000 | 2015/16 Estimate £000 | 2016/17 Estimate £000 | 2017/18 Estimate £000 | 2018/19 Estimate £000 |
|--|------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Capital Expenditure: | | | | | |
| Children & Enterprise | 8,095 | - | - | - | - |
| Policy & Resources | 19,598 | - | - | - | - |
| Communities | 4,464 | - | - | - | - |
| People & Economy | - | 26,288 | 9,522 | 1,327 | 300 |
| Community & Resources | - | 21,700 | 95,624 | 55,659 | 6,616 |
| Slippage Adjustment | - | (9,598) | 2,569 | 2,132 | 3,515 |
| | 32,157 | 38,390 | 107,715 | 59,118 | 10,431 |
| Financed By: | | | | | |
| Capital receipts | (5,408) | (5,996) | (7,378) | (3,429) | (1,992) |
| Capital grants | (21,457) | (17,095) | (12,173) | (5,625) | (3,733) |
| Revenue | (1,505) | (1,370) | (551) | (69) | - |
| Net financing need for the year | 3,787 | 13,929 | 87,613 | 49,995 | 4,706 |

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.

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. An estimate of £100k has been used for finance leases in future years.

Table 2 – Capital Financing Requirement

| | 2014/15 Actual £000 | 2015/16 Estimate £000 | 2016/17 Estimate £000 | 2017/18 Estimate £000 | 2018/19 Estimate £000 |
|--------------------------------------|------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Capital Financing Requirement | 106,807 | 107,893 | 119,889 | 205,215 | 252,907 |
| Movement in CFR due to: | | | | | |
| Net financing need for the year | 3,787 | 13,929 | 87,613 | 49,995 | 4,706 |
| PFI / Finance Leases | 224 | 100 | 100 | 100 | 100 |
| Less Minimum Revenue Provision | (2,925) | (2,033) | (2,387) | (2,403) | (2,407) |
| Increase / (Decrease) in CFR | 1,086 | 11,996 | 85,326 | 47,692 | 2,399 |

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).

CLG regulations have been issued which require the full 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 and the changes to the 2016/17 MRP statement are detailed in Appendix B.

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), but from 2016/17 will be charged at 2% straight line (this was previously charged at 4% reducing balance).

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.

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

2.4 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.

2.5 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 | 2014/15 Actual £000 | 2015/16 Estimate £000 | 2016/17 Estimate £000 | 2017/18 Estimate £000 | 2018/19 Estimate £000 |
|---|------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Council's Net Budget | 108,243 | 101,452 | 98,465 | 91,867 | 88,836 |
| Finance Costs | | | | | |
| Net Interest Costs | 1,019 | 1,120 | 733 | 370 | 162 |
| Minimum Revenue Provision | 2,201 | 2,128 | 1,407 | 1,941 | 1,941 |
| | 3,220 | 3,248 | 2,140 | 2,311 | 2,103 |
| | 3.0% | 3.2% | 2.2% | 2.5% | 2.4% |

Interest costs relating to the Mersey Gateway project and have been excluded from the above estimates as these will not be a cost on the Council's revenue budget. The MRP and Interest cost relating to PFI schemes and finance leases do not add any additional cost to the revenue budget, so have also been excluded.

2.6 Incremental impact of capital investment decisions on council tax

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period. For this table it has been assumed that the tax base will remain the same for the following three years.

Table 4 – Impact of capital investment decisions on Council Tax

| Incremental Impact of capital investment decisions on band D Council Tax | 2014/15 Actual £000 | 2015/16 Estimate £000 | 2016/17 Estimate £000 | 2017/18 Estimate £000 | 2018/19 Estimate £000 |
|---|--------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Net cost of additional borrowing | 353 | 315 | 87 | 187 | 140 |
| Council Tax Base | 31,400 | 32,948 | 32,948 | 32,948 | 32,948 |
| Impact on Band D (£) | 11.23 | 9.56 | 2.63 | 5.66 | 4.26 |

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 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 Council's treasury portfolio position at 31 March 2015, with forward projections are summarised below. 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

| | 2014/15 Actual £000 | 2015/16 Estimate £000 | 2016/17 Estimate £000 | 2017/18 Estimate £000 | 2018/19 Estimate £000 |
|--|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| External Debt | | | | | |
| Borrowing | | | | | |
| Debt at 1 April | 70,000 | 183,000 | 163,000 | 143,000 | 153,000 |
| Expected Change in Debt | 113,000 | (20,000) | (20,000) | 10,000 | - |
| Debt at 31 March | 183,000 | 163,000 | 143,000 | 153,000 | 153,000 |
| Other long-term liabilities | | | | | |
| Debt at 1 April | 23,282 | 22,549 | 21,852 | 21,326 | 20,980 |
| Expected Change in Debt | (733) | (697) | (526) | (346) | (954) |
| Debt at 31 March | 22,549 | 21,852 | 21,326 | 20,980 | 20,026 |
| Total External Debt at 31 March | 205,549 | 184,852 | 164,326 | 173,980 | 173,026 |
| Capital Financing Requirement | 107,893 | 119,889 | 205,215 | 252,907 | 255,306 |
| Under / (over) borrowing | (97,656) | (64,963) | 40,889 | 78,927 | 82,280 |

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 2016/17 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.

The table above shows that the Council are expecting to be in an overborrowed position for 2015/16. This is relating to the borrowing in advance of need that was done in respect to the Mersey Gateway project. Further detail is given in 3.5.

3.2 Treasury Indicators: limits to borrowing activity

The operational boundary

This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Table 6 – Operational Boundary

| | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|--|----------------|-----------------|-----------------|-----------------|
| Operational boundary | Actual | Estimate | Estimate | Estimate |
| | £000 | £000 | £000 | £000 |
| Debt | 233,100 | 233,100 | 233,100 | 233,100 |
| Other Long Term Liabilities | 19,500 | 21,826 | 21,480 | 20,526 |
| Total | 252,600 | 254,926 | 254,580 | 253,626 |
| Total External Debt at 31 March | 184,852 | 164,326 | 173,980 | 173,026 |
| Estimated Headroom | 67,748 | 90,600 | 80,600 | 80,600 |

The boundary is significantly higher than the CFR until 2017/18. This is due to borrowing in advance of need for the Mersey Gateway.

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

| | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|--|-----------------|-----------------|-----------------|-----------------|
| Authorised limit | Estimate | Estimate | Estimate | Estimate |
| | £000 | £000 | £000 | £000 |
| Debt | 250,000 | 250,000 | 250,000 | 250,000 |
| Other Long Term Liabilities | 20,000 | 20,000 | 20,000 | 20,000 |
| Total | 270,000 | 270,000 | 270,000 | 270,000 |
| Total External Debt at 31 March | 184,852 | 164,326 | 173,980 | 173,026 |
| Estimated Headroom | 85,148 | 105,674 | 96,020 | 96,974 |

3.3 Prospects for Interest Rates

The Council has appointed Capita Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table and commentary is the view of Capital Asset Services:

Table 8 – Interest rate forecast

| Quarter Average | Bank Rate % | PWLB Borrowing Rates % | | | |
|--------------------|----------------|---------------------------------------|---------|---------|---------|
| | | (including certainty rate adjustment) | | | |
| | | 5 year | 10 year | 25 year | 50 year |
| Mar-16 | 0.50 | 2.4 | 3.0 | 3.7 | 3.5 |
| Jun-16 | 0.75 | 2.6 | 3.1 | 3.8 | 3.7 |
| Sep-16 | 0.75 | 2.7 | 3.2 | 3.9 | 3.8 |
| Dec-16 | 1.00 | 2.8 | 3.3 | 4.0 | 3.9 |
| Mar-17 | 1.00 | 2.8 | 3.4 | 4.1 | 4.0 |
| Jun-17 | 1.25 | 2.9 | 3.5 | 4.1 | 4.0 |
| Sep-17 | 1.50 | 3.0 | 3.5 | 4.2 | 4.1 |
| Dec-17 | 1.50 | 3.2 | 3.7 | 4.3 | 4.2 |
| Mar-18 | 1.75 | 3.3 | 3.8 | 4.3 | 4.2 |
| Jun-18 | 1.75 | 3.4 | 3.9 | 4.4 | 4.3 |
| Sep-18 | 2.00 | 3.5 | 4.0 | 4.4 | 4.3 |
| Dec-18 | 2.00 | 3.5 | 4.1 | 4.4 | 4.3 |
| Mar-19 | 2.00 | 3.6 | 4.1 | 4.5 | 4.4 |

Overview

The November Bank of England Inflation Report included a forecast for growth to remain around 2.5 – 2.7% over the next three years. This is driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero since February 2015. Investment expenditure is also expected to support growth. However, since the August Inflation report was issued, worldwide economic statistics have distinctly weakened and the November Inflation Report flagged up particular concerns for the potential impact on the UK.

The Inflation Report was notably subdued in respect of the forecasts for inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. However, once the falls in oil, gas and food prices over recent months fall out of the 12 month calculation of CPI, there will be a sharp tick up from the current zero rate to around 1 percent in the second half of 2016. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon was the biggest since February 2013. There is considerable uncertainty around how quickly inflation will rise in the next few years and this makes it difficult to forecast when the Monetary Policy Committee will decide to make a start on increasing Bank Rate.

The American economy made a strong comeback after a weak first quarter to grow by no less than 3.9% in quarter 2 of 2015, but then weakened again to 1.5% in quarter 3. The downbeat news in late August and in September about Chinese and Japanese growth and the knock on impact on emerging countries that are major suppliers of commodities, was cited as the main reason for the Fed's decision at its September meeting to pull back from a first rate increase. However, the non-farm payroll figure for growth in employment in October was very strong and, together with a likely perception by the Federal Reserve that concerns on the international scene have subsided, has now firmly opened up the possibility of a first rate rise in December.

In the Eurozone (EZ), the European Central Bank (ECB) fired its big bazooka in January 2015 in unleashing a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it is intended to run initially to September 2016. This appears to have had a positive effect in helping a recovery in consumer and business confidence and a start to a significant improvement in economic growth. However, the recent downbeat Chinese and Japanese news has raised questions as to whether the ECB will need to boost its Quantitative Easing programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

During July, Greece finally capitulated to EU demands to implement a major programme of austerity and is now cooperating fully with EU demands. An €86bn third bailout package has since been agreed though it did nothing to address the unsupportable size of total debt compared to GDP. However, huge damage has been done to the Greek banking system and economy by the resistance of the Greek Government, elected in January, to EU demands. The surprise general election in September gave the Greek government a mandate to stay in power to implement austerity measures. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so Greek exit from the euro may only have been delayed by this latest bailout.

Impact on Rates:

The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications:

- Investment returns are likely to remain relatively low during 2016/17 and beyond
- Borrowing interest rates have been highly volatile during 2015 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. Gilt yields have continued to remain at historically phenomenally low levels during 2015. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt

- There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

3.4 Borrowing Strategy

Apart from the borrowing relating to the Mersey Gateway (discussed in 3.5) the Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is relatively high.

Against this background and the risks within the economic forecast, caution will be adopted with the 2016/17 treasury operations. The Operational Director - Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- If it was felt that there was a significant risk of a sharp fall in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
- If it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in the anticipated rate to US tapering of asset purchases, or in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.

3.5 Treasury management limits on activity

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

Table 9 – Upper limit for interest exposure

| Upper Limit for Interest Rate Exposure | 2016/17 | 2017/18 | 2018/19 |
|---|----------------|----------------|----------------|
| | % | % | % |
| Fixed Rate | 100 | 100 | 100 |
| Variable Rate | 30 | 30 | 30 |

Table 10 – Maturity structure of fixed rate borrowing

| Maturity Structure of Fixed Rate Borrowing | 2016/17 | |
|---|----------------|---------------|
| | Lower | Higher |
| Under 12 months | 0% | 40% |
| 12 months to 24 months | 0% | 40% |
| 24 months to 5 years | 0% | 40% |
| 5 years to 10 years | 0% | 40% |
| 10 years and above | 0% | 100% |

3.6 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.

Due to very favourable interest rates available from the PWLB, the Council borrowed £113m during 2014/15 to fund the Mersey Gateway Project. The first payments relating to Mersey Gateway will be made in 2016/17, with the remainder being made in 2017/18. The Council will be in an over-borrowed position until the second milestone payment is made towards the end of 2016/17 (see table 5)

The funds borrowed have been invested in line with the Council's Investment Strategy and the net cost of this borrowing (interest payable net of investment income) has been analysed separately to the Council's other Treasury Costs. As the cost of this borrowing (interest and MRP) will be funded from the future revenue raised by the Mersey Gateway, this will have no effect on the Council's revenue budget and has therefore been excluded from the prudential indicators shown throughout Section 2.

3.7 Debt Rescheduling

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need

to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and/or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

4 ANNUAL INVESTMENT STRATEGY

4.1 Investment Policy

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then yield.

In accordance with the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

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 this end 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.

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.

Investment instruments identified for use in the financial year are listed below and are split between 'specified' and 'non-specified' investment categories. These will be used in line with the Creditworthiness Policy, and Counterparty List detailed in 4.2 and 4.4 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 LAs
- 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 will be used, subject to the credit quality of the institution:

- Term deposits – UK Government (maturities over 1 year)
- Term deposits – Other LAs (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

At the time of investing, no more than 30% of the Council's portfolio will be held in non-specified investments

4.2 Creditworthiness Policy

This Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit ratings agencies
- CDS spreads to give early warning of likely changes in credit ratings
- Sovereign ratings to select counterparties from only the most creditworthy counties

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 A-. 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 Capita's creditworthiness service.

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

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

4.3 Country Limits

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

4.4 Counterparty Limits for 2016/17

The Council has set the following counterparty limits for 2016/17, 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 |
| Nationalised and Part Nationalised Banks with: | |
| - Minimum rating of A | 40 |
| - Minimum rating of BBB | 20 |
| 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 | 20 |
| - Minimum rating of AA | 10 |
| - Minimum rating of A | 5 |
| Money Market Funds | |
| - Minimum rating of AAA | 20 |
| - Minimum rating of AA | 10 |
| Local Authorities | 40 |
| Note: No more than 25% of the total portfolio will be placed with one institution, except where balances are held for cash-flow purposes | |

Due to the high level of investments the Council holds in relation to the Mersey Gateway project, the Counterparty limits were increased for 15/16 to ensure the Council is able to obtain the best rates available. These levels will be reviewed once the final Mersey Gateway payments have been made.

4.4 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).

Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 2 of 2016. Bank Rate forecasts for financial year ends (March) are:

- 2017 1.00%
- 2018 1.75%
- 2019 2.00%

There are downside risks to these forecasts (i.e. start of increases in Bank Rate occurs later) if economic growth weakens. However, should the pace of growth quicken, there could be an upside risk.

Investment treasury indicator and limit – Total principal funds invested for greater than 365 days

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

| Maximum principal sums invested > 365 days | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 |
|--|-------------------------|-------------------------|-------------------------|
| Principal sums > 365 days | 20 | 20 | 20 |

4.5 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.

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 will change this to a 2% straight line method. This change to the policy has been implemented as this:

- 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

Further detail on the changes to the MRP policy is included in Appendix B.

Option 2: Capital Financing Requirement Method

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

Option 3: Asset Life Method

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

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

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

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

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

Option 4: Depreciation Method

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

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

Date of implementation

The previous statutory MRP requirements ceased to have effect after the 2006/07 financial year. Transitional arrangements included within the guidance no longer apply for the MRP charge for 2009/10 onwards. Therefore, options 1 and 2 should only be used for

Supported Capital Expenditure (SCE). Authorities are however reminded that the DCLG document remains as guidance and authorities may consider alternative individual MRP approaches, as long as they are consistent with the statutory duty to make a prudent revenue provision.

Strategy Adopted for 2016/17 and future years

In order to determine its MRP for 2016/17 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 (which has now been amended to 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.
- Expenditure funded through the Regional Growth Fund is currently utilising the MRP holiday option. If the conditions are not met, MRP will be payable using the Asset Life Method.
- 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 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 repayment
 - If the Council choose not to use the methods detailed above, the MRP should be repaid over a period that is considered prudent

Changes to the 2016/17 MRP Policy

Change 1 – 2% straight line for spend before 1st April 2008

Introduction

The Council currently provide for Capital Expenditure before 1 April 2008 using option 1. This method treats this expenditure as if the old regulations are still in place.

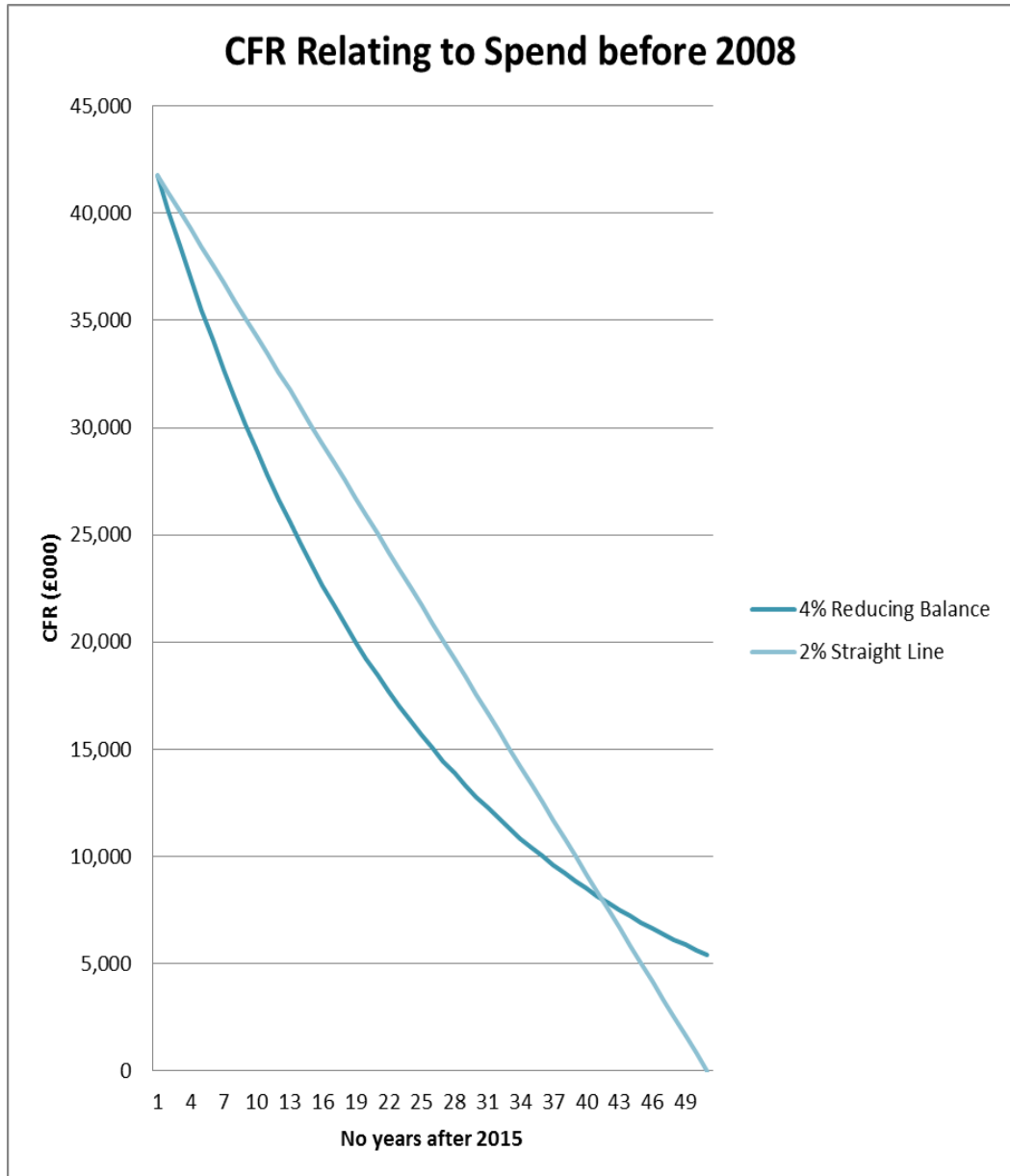
This is calculated by taking the Council's Capital Financing Requirement (CFR) which relates to this spend, deducting Adjustment A (which was set in 2004 to balance the new system) and then charging on a 4% reducing balance basis.

The change that we are implementing from 1 April 2016 is to charge expenditure relating to before 1 April 2008 on a 2% straight line charge over the next 50 years, rather than a 4% reducing balance.

Why are we changing the policy?

There are a number of advantages to the Council of changing the MRP charge to 2% straight line. These are detailed below:

- Using the reducing balance method, on 1 April 2065 the CFR relating to pre-2008 spend would still have a balance of £5.4m. By using the 2% straight line method the CFR relating to this spend will be reduced to zero by this date. This is therefore considered the most prudent approach to the repayment of debt. The impact on the CFR is shown on the graph on the following page. It can be seen that although the CFR relating to spend before 2008 drops at a slower rate, it is totally repaid within 50 years, whereas the 4% reducing balance method will never reach zero.
- This will ensure the Council pays the same amount of MRP (relating to spend pre April 2008 Capital Spend) every financial year. As spend after April 2008 is linked directly to capital projects this makes it easier to monitor the MRP charge and link annual changes directly to capital schemes.
- In comparison to the reducing balance basis, the change in MRP policy will reduce expenditure on MRP by £835k in 2016/17. This will continue to have a positive effect on the MRP charge until 1 April 2034.



Change 2 – Use of Capital Receipts to repay MRP

Introduction

For capital expenditure after 1st April 2008, the Council follows Option 3 in the MRP Guidance notes and charges MRP on a straight line or annuity basis (based on the type of scheme) over the life of the asset.

Currently when an asset is sold or disposed of, the MRP relating to that asset will continue to be paid off over the life of the asset, even if the Council no longer owns this asset. Any income made from the sale of the Asset will be paid into the Capital Receipts Reserve to fund future capital schemes.

The change suggested is to enable the Council to use the capital receipts made from the sale of an asset to repay any outstanding MRP relating to that scheme. Also if an

asset is disposed of (or the income received is less than the outstanding MRP) the Capital Receipts Reserve could be used to repay the MRP.

It should be noted that this change is only an option. For strategic reasons (or if there are no capital receipts available) the Council may decide not to use the capital receipts for this purpose.

Why are we changing the policy?

By changing the treatment of MRP on disposed assets, for any expenditure after 1st April 2008:

- The council will only be charged for assets they hold
- This will enable the council to reclaim capital expenditure from the sale of an asset
- The change will enable the council to use asset management in a more strategic way by matching spend and income to specific assets

REPORT TO: Council

DATE: 2 March 2015

REPORTING OFFICER: Operational Director – Finance

PORTFOLIO: Resources

SUBJECT: 2015/16 Revised Capital Programme

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To seek approval to a number of revisions to the Council's 2015/16 capital programme.

2.0 RECOMMENDED: That, subject to Executive Board approval of the 2016/17 Quarter 3 Spending on 25th February 2016, the revisions to the Council's 2015/16 Capital Programme set out in paragraph 3.2 below, be approved.

3.0 SUPPORTING INFORMATION

3.1 On 25 February 2016 the Executive Board received a report of spending against the Council's revenue budget and capital programme as at 31 December 2015. A number of revisions to the 2015/16 capital programme were recommended for approval by Council as outlined below.

3.2 The Council's 2015/16 capital programme has been revised to reflect a number of changes in spending profiles and funding as schemes have developed. These are reflected in the revised capital programme presented in Appendix 1. The schemes which have been revised within the programme are as follows

1. Former Fairfield Site Demolition
2. Peelhouse Lane Cemetery Enabling Works
3. Peelhouse Lane Cemetery
4. Peelhouse Lane Roundabout & Cemetery Access
5. Equality Act Improvement Works
6. Fairfield Primary School
7. Ditton Primary School
8. St Bede's Junior School
9. Capital Repairs – Schools
10. Runcorn Hill Park
11. Open Spaces Schemes
12. Grangeway Court Refurbishment
13. Former Crosville Site
14. Street Lighting
15. Travellers' Site Warrington Road
16. Leisure Management

- 17. Signage - The Hive
- 18. Advertising Screen - The Hive
- 19. Mersey Gateway Land Acquisition, Development costs, Loan Interest During Construction
- 20. Fleet Replacement
- 21. Sci Tech Daresbury – Tech Space

4.0 POLICY IMPLICATIONS

4.1 None.

5.0 FINANCIAL IMPLICATIONS

5.1 The financial implications are as set out within Appendix 1.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 **Children & Young People in Halton**

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

6.3 **A Healthy Halton**

6.4 **A Safer Halton**

6.5 **Halton's Urban Renewal**

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

6.0 RISK ANALYSIS

6.1 There are a number of financial risks within the capital programme. However, the Council has internal controls and processes in place to ensure that spending remains in line with budget.

6.2 In preparing the 2015/16 budget and capital programme, a register of significant financial risks was prepared which has been updated as at 31 December 2015.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 None.

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

8.1 There are no background papers under the meaning of the Act.

Capital Expenditure to 31 December 2015

| Directorate/Department | Actual Expenditure to Date £'000 | 2015/16 Cumulative Capital Allocation | | Capital Allocation 2016/17 £'000 | Capital Allocation 2017/18 £'000 |
|---|-------------------------------------|---------------------------------------|--------------------|-------------------------------------|-------------------------------------|
| | | Quarter 3 £'000 | Quarter 4 £'000 | | |
| People & Economy Directorate | | | | | |
| | | | | | |
| Schools Related | | | | | |
| Asset Management Data | 3 | 3 | 5 | 5 | 0 |
| Fire Compartmentation | 52 | 52 | 62 | 38 | 0 |
| Capital Repairs - Schools | 982 | 982 | 1,013 | 730 | 0 |
| Asbestos Management | 10 | 10 | 20 | 20 | 0 |
| Schools Access Initiative | 39 | 39 | 75 | 70 | 0 |
| Education Programme (General) | 33 | 33 | 70 | 84 | 0 |
| Basic Need Projects | 0 | 0 | 0 | 936 | 71 |
| School Modernisation Projects | 354 | 354 | 460 | 375 | 0 |
| Inglefield | 0 | 0 | 12 | 0 | 0 |
| St Bede's Junior School | 4 | 4 | 4 | 0 | 0 |
| Ashley School | 12 | 12 | 12 | 0 | 0 |
| Early Education for 2 Year Olds | 107 | 107 | 183 | 0 | 0 |
| Universal Infant School Meals | 1 | 1 | 2 | 0 | 0 |
| Halebank School | 2 | 2 | 30 | 40 | 0 |
| Responsible Bodies Bids | 221 | 221 | 475 | 0 | 0 |
| St Edwards Catholic Primary | 6 | 6 | 35 | 0 | 0 |
| Fairfield Primary School | 67 | 67 | 179 | 1,133 | 853 |
| Hale Primary School | 0 | 0 | 10 | 113 | 3 |
| Ditton Primary School | 0 | 0 | 25 | 0 | 0 |

| Directorate/Department | Actual Expenditure to Date £'000 | 2015/16 Cumulative Capital Allocation | | Capital Allocation 2016/17 £'000 | Capital Allocation 2017/18 £'000 |
|---|-------------------------------------|---------------------------------------|--------------------|-------------------------------------|-------------------------------------|
| | | Quarter 3 £'000 | Quarter 4 £'000 | | |
| Economy, Enterprise & Property | | | | | |
| Castlefields Regeneration | 117 | 120 | 635 | 0 | 0 |
| 3MG | 324 | 320 | 3,493 | 0 | 0 |
| Widnes Waterfront | 0 | 0 | 200 | 800 | 0 |
| Johnsons Lane Infrastructure | 137 | 120 | 450 | 0 | 0 |
| Decontamination of Land | 0 | 0 | 6 | 0 | 0 |
| SciTech Daresbury – Tech Space | 9 | 9 | 965 | 10,000 | 0 |
| Former Crosville Site | 161 | 161 | 200 | 2,618 | 0 |
| Former Fairfield Site Demolition | 1 | 1 | 6 | 0 | 0 |
| Police Station Site | 30 | 30 | 342 | 8 | 0 |
| Travellers' Site Warrington Road | 1,352 | 1,362 | 1,362 | 0 | 0 |
| Widnes Town Centre Initiative | 6 | 8 | 21 | 0 | 0 |
| Lowerhouse Lane Depot - Upgrade | 17 | 17 | 24 | 0 | 0 |
| Equality Act Improvement Works | 18 | 25 | 50 | 300 | 300 |
| Signage - The Hive | 0 | 0 | 5 | 95 | 0 |
| Advertising Screen – The Hive | 0 | 0 | 0 | 100 | 0 |
| Widnes Market Refurbishment | 0 | 0 | 0 | 1,433 | 0 |
| Prevention & Assessment | | | | | |
| Disabled Facilities Grant | 310 | 375 | 500 | 0 | 0 |
| Stairlifts (Adaptations Initiative) | 181 | 188 | 250 | 0 | 0 |
| RSL Adaptations (Joint Funding) | 86 | 150 | 200 | 0 | 0 |
| Community Meals Oven | 0 | 0 | 10 | 0 | 0 |
| Commissioning & Complex Care | | | | | |
| ALD Bungalows | 1 | 1 | 200 | 100 | 100 |
| Halton Carers Centre Refurbishment | 34 | 34 | 34 | 0 | 0 |
| Grangeway Court Refurbishment | 9 | 9 | 75 | 325 | 0 |
| Lifeline Telecare Upgrade | 0 | 0 | 100 | 0 | 0 |
| Social Care Capital Grant | 0 | 0 | 0 | 413 | 0 |
| The Halton Brew | 16 | 16 | 16 | 0 | 0 |
| | | | | | |
| Total People & Economy | 4,702 | 4,839 | 11,816 | 19,736 | 1,327 |

| Directorate/Department | Actual Expenditure to Date £'000 | 2015/16 Cumulative Capital Allocation | | Capital Allocation 2016/17 £'000 | Capital Allocation 2017/18 £'000 |
|---|-------------------------------------|---------------------------------------|--------------------|-------------------------------------|-------------------------------------|
| | | Quarter 3 £'000 | Quarter 4 £'000 | | |
| <u>Community & Resources Directorate</u> | | | | | |
| ICT & Support Services | | | | | |
| ICT Rolling Programme | 1,497 | 1,289 | 1,719 | 1,100 | 1,100 |
| Planning & Transportation | | | | | |
| Local Transport Plan | | | | | |
| Bridge & Highway Maintenance | 813 | 815 | 2,228 | 2,373 | 2,311 |
| Integrated Transport & Network Management | 258 | 260 | 908 | 908 | 908 |
| Street Lighting | 756 | 755 | 1,050 | 2,550 | 1,700 |
| STEPS Programme | 90 | 95 | 664 | 540 | 0 |
| Surface Water Management | 9 | 10 | 122 | 0 | 0 |
| Local Pinch Point – Daresbury Expressway | 72 | 80 | 943 | 0 | 0 |
| S106 Schemes | 0 | 0 | 314 | 0 | 0 |
| Peelhouse Lane Roundabout & Cemetery Access | 5 | 5 | 54 | 66 | 0 |
| Mersey Gateway | | | | | |
| Land Acquisitions | 4,467 | 4,467 | 5,388 | 5,667 | 919 |
| Development Costs | 1,535 | 1,535 | 2,244 | 3,474 | 2,649 |
| Loan Interest During Construction | 2,700 | 2,700 | 3,596 | 3,917 | 1,773 |
| Construction Costs | 0 | 0 | 0 | 70,000 | 32,500 |
| Mersey Gateway Liquidity Fund | 0 | 0 | 0 | 0 | 10,000 |
| Other | | | | | |
| Risk Management | 95 | 95 | 120 | 120 | 120 |
| Fleet Replacements | 651 | 650 | 1,174 | 2,940 | 624 |
| Brookvale Biomass Boiler | 9 | 9 | 9 | 0 | 0 |
| Community and Environment | | | | | |
| Stadium Minor Works | 31 | 30 | 42 | 280 | 30 |
| Widnes Recreation Site | 573 | 600 | 741 | 0 | 0 |
| Leisure Management | 0 | 0 | 225 | 50 | 0 |
| Norton Priory | 680 | 700 | 2,843 | 920 | 529 |

| Directorate/Department | Actual Expenditure to Date £'000 | 2015/16 Cumulative Capital Allocation | | Capital Allocation 2016/17 £'000 | Capital Allocation 2017/18 £'000 |
|--|-------------------------------------|---------------------------------------|--------------------|-------------------------------------|-------------------------------------|
| | | Quarter 3 £'000 | Quarter 4 £'000 | | |
| Norton Priory Biomass Boiler | 0 | 0 | 107 | 0 | 0 |
| Open Spaces Schemes | 97 | 100 | 160 | 0 | 0 |
| Children's Playground Equipment | 96 | 96 | 138 | 65 | 65 |
| Upton Improvements | 0 | 0 | 13 | 0 | 0 |
| Crow Wood Play Area | 0 | 2 | 4 | 9 | 0 |
| Runcorn Hill Park | 521 | 138 | 138 | 0 | 0 |
| Runcorn Cemetery Extension | 0 | 0 | 9 | 0 | 0 |
| Widnes Crematorium Cremators | 188 | 109 | 109 | 0 | 0 |
| Peelhouse Lane Cemetery – Enabling Works | 20 | 20 | 65 | 0 | 0 |
| Peelhouse Lane Cemetery | 12 | 12 | 1,020 | 336 | 70 |
| Landfill Tax Credit Schemes | 0 | 0 | 340 | 340 | 340 |
| Litter Bins | 19 | 20 | 20 | 20 | 20 |
| | | | | | |
| Total Community & Resources | 15,194 | 14,592 | 26,507 | 95,675 | 55,658 |
| | | | | | |
| TOTAL CAPITAL PROGRAMME | 19,896 | 19,431 | 38,323 | 115,411 | 56,985 |
| Slippage (20%) | | | -7,665 | -9,082 | -4,897 |
| | | | | 7,665 | 9,082 |
| TOTAL | 19,896 | 19,431 | 30,658 | 113,994 | 61,170 |

| | |
|---------------------------|--|
| REPORT TO: | Council |
| DATE: | 2 March 2016 |
| REPORTING OFFICER: | Strategic Director – Community and Resources |
| SUBJECT: | Calendar of Meetings – 2016/17 |
| WARDS: | Borough wide |

1.0 PURPOSE OF THE REPORT

- 1.1 To approve the Calendar of Meetings for the 2016/2017 Municipal Year attached at Appendix 1 (N.B. light hatched areas indicate weekends and Bank Holidays, dark hatched areas indicate school holidays).

2.0 RECOMMENDATION: That Council be recommended

- 1) to approve the Calendar of Meetings for the 2016/2017 Municipal Year, attached at Appendix 1; and**
- 2) delegate authority to the Chief Executive, in consultation with the Leader, to set dates for the Health and Wellbeing Board and to advise all Members when these dates are agreed.**

3.0 SUPPORTING INFORMATION

- 3.1 The calendar of meetings, attached at Appendix 1, has been prepared for Member approval.
- 3.2 The Efficiency Programme Board carried out a short review of the number of meetings in the municipal calendar. The Board felt that there were opportunities to reduce the frequency of meetings for the following bodies:-
- Full Council;
 - Executive Board;
 - Policy and Performance Boards; and
 - Local Area Forums.

All other Boards and Committees would retain their existing pattern of meetings.

- 3.4 Such a reduction would help release much needed capacity within the organisation without taking any risks with the decision making process.

- 3.5 The Board recommended these changes be adopted for the 2016/17 municipal year, but that they be reviewed in 12 months' time to ensure the Council retains efficient and effective structures to ensure its business is conducted in a timely fashion.
- 3.6 Work is underway with the proposal to merge the Halton Strategic Partnership with the Health and Wellbeing Board. As soon as the format and structure of the Health and Wellbeing Board has been decided, meeting dates will be scheduled into the calendar and Members advised accordingly.

4.0 POLICY IMPLICATIONS

None.

5.0 OTHER IMPLICATIONS

None.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

None.

6.2 Employment, Learning and Skills in Halton

None.

6.3 A Healthy Halton

None.

6.4 A Safer Halton

None.

6.5 Halton's Urban Renewal

None.

7.0 RISK ANALYSIS

Should a Calendar of Meetings not be approved, there will be a delay in publishing meeting dates. This would result in practical difficulties in respect of the necessary arrangements to be made 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.

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

| | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | JAN 2017 | FEB | MARCH | APR | MAY |
|---|--|-----------------------------|-----------------------|---------------------------------|------------------------------|-------------------------|------------------------------|---------------------|--|---|-------------------------|--------------------------|--|
| M | 2 Early Spring Bank Holiday | | | 1 Development Control Committee | | | (31 Oct) CYP&F | | (New Year's Day Sunday 1*) 2 Bank Holiday | | | 3 | 1 Early Spring Bank Holiday |
| T | 3 | | | 2 SEMINAR | | | 1 Corporate | | 3 | | | 4 | 2 |
| W | | | | | | | | | | 1 Standards Committee/ Business Efficiency Board | | | 3 |
| T | 4 | 1 | | 3 | | | 2 | | 4 | 2 SEMINAR | 1 | 5 | 4 (City Region Mayoral Elections prov) |
| F | 5 Elections (Local and FCC) | 2 | | 4 | 1 | | 3 | 1 | 5 | | 2 | 6 | |
| S | 8 | 3 | 1 | 5 | 2 | | 4 | 2 | 6 | 3 | 3 | 7 | 5 |
| S | 7 | 4 | 2 | 6 | 3 | 1 | 5 | 3 | 7 | 4 | 4 | 8 | 6 |
| S | 8 | 5 | 3 | 7 | 4 | | 6 | 4 | 8 | 5 | 5 | 9 | 7 |
| M | 9 | 6 Development Control | 4 Development Control | 8 | 5 Dev Control Cttee | 3 Dev Control Cttee | 7 Dev Control | 5 SEMINAR | 9 Dev Control Cttee | 6 Dev Control Cttee | 6 | 10 Dev Control Cttee | 8 Development Control (prov) |
| T | 10 | 7 Corporate | 5 | 9 | 6 Corporate | 4 | 8 Safer | 6 Dev Control Cttee | 10 | 7 Health | 7 Dev Control Cttee | 11 | 9 |
| W | 11 | 8 Business Efficiency Board | 6 Regulatory | 10 | 7 | 5 Regulatory SEMINAR | 9 | 7 COUNCIL | 11 | 8 Environment PPB | 8 COUNCIL | 12 | 10 |
| T | 12 | 9 SEMINAR | 7 SEMINAR | 11 | 8 SEMINAR | 7 | 10 | 8 | 12 SEMINAR | 9 | 9 | 13 | 11 |
| F | 13 | 10 | 8 | 12 | 9 | 9 | 11 | 9 | 13 | 10 | 10 | 14 GOOD FRIDAY | 12 |
| S | 14 | 11 | 9 | 13 | 10 | 8 | 12 | 10 | 14 | 11 | 11 | 15 | 13 |
| S | 15 | 12 | 10 | 14 | 11 | 9 | 13 | 11 | 15 | 12 | 12 | 16 | 14 |
| M | 16 Development Control | 13 CYP&F | 11 | 15 | 12 CYP&F | 10 Schools Forum (prov) | 14 | 12 | 16 | 13 | 13 | 17 EASTER MONDAY | 15 |
| T | 17 Executive Board (Selection Committee) | 14 Safer | 12 | 16 | 13 Safer | 11 | 15 Health | 13 | 17 | 14 | 14 | 18 | 16 E B Selection Cttee (prov) |
| W | 18 | 15 | 13 COUNCIL | 17 | 14 | 12 COUNCIL | 16 Environment | 14 | 18 Regulatory | 15 | 15 Regulatory | 19 | 17 |
| T | 19 | 16 Executive Board | 14 Executive Board | 18 | 15 Executive Board | 13 SEMINAR | 17 Executive Board | 15 Executive Board | 19 Executive Board | 16 | 16 Executive Board | 20 Executive Board | 18 |
| F | 20 Annual Council | 17 | 15 | 19 | 16 | 14 | 18 | 16 | 20 | 17 | 17 | 21 Annual Council (prov) | 19 |
| S | 21 | 18 | 16 | 20 | 17 | 15 | 19 | 17 | 21 | 18 | 18 | 22 | 20 |
| S | 22 | 19 | 17 | 21 | 18 | 16 | 20 | 18 | 22 | 19 | 19 | 23 | 21 |
| M | 23 | 20 | 18 | 22 | 19 | 17 | 21 ELS&C | 19 | 23 Schools Forum (prov) | 20 | 20 | 24 | 22 |
| T | 24 | 21 Health | 19 | 23 | 20 Health | 18 | 22 | 20 | 24 | 21 Safer | 21 | 25 | 23 |
| W | 25 | 22 Schools Forum (prov) | 20 | 24 | 21 Environment | 19 | 23 Business Efficiency Board | 21 | 25 | 22 Mayoral Committee | 22 Schools Forum (prov) | 26 | 24 |
| T | 26 | 23 | 21 | 25 | 22 | 20 Executive Board | 24 | 22 | 26 | 23 Executive Board | 23 | 27 | 25 |
| F | 27 | 24 | 22 | 26 | 23 | 21 | 25 | 23 | 27 | 24 | 24 | 28 | 26 |
| S | 28 | 25 | 23 | 27 | 24 | 22 | 26 | 24 | 28 | 25 | 25 | 29 | 27 |
| S | 29 | 26 | 24 | 28 | 25 | 23 | 27 | 25 Christmas Day | 29 | 26 | 26 | 30 | 28 |
| M | 30 Spring Bank Holiday | 27 ELS&C | 25 | 29 Summer Bank Holiday | 26 ELS&C | 24 | 28 | 26 Boxing Day | 30 CYP&F | 27 | 27 | 31 | 29 Spring Bank Holiday |
| T | 31 | 28 | 26 | 30 | 27 | 25 | 29 | 27 Bank Holiday | 31 Corporate | 28 | 28 | 30 | 30 |
| W | | 29 Environment | 27 | 31 | 28 Business Efficiency Board | 26 | 30 Regulatory | 28 | | 29 | 29 | 31 | 31 |
| T | | 30 | 28 | | 29 | 27 | | 29 | | 30 | | | |

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|---------------------------|--|
| REPORT TO: | Council |
| DATE: | 2 March 2016 |
| REPORTING OFFICER: | Strategic Director – Community & Resources |
| PORTFOLIO: | Resources |
| SUBJECT: | Pay Policy Statement 2016 – 2017 |
| WARD(S): | Borough-wide |

1.0 PURPOSE OF THE REPORT

- 1.1 The Localism Act 2011 requires every local authority to prepare a pay policy statement each year which details the Council's approach to a range of issues relating to the pay of its workforce, particularly its senior staff (Chief Officers) and its lowest paid employees.
- 1.2 This report details the Council's recommended Pay Policy Statement for 2016/17. The statement will be subject to annual review and approval by Full Council by 31 March each year. In exceptional circumstances, the statement may be reviewed/amended in-year by the Full Council.
- 1.3 On approval the statement will be published on the Council's website following each annual review.

2.0 RECOMMENDATION: That:

Council adopts this Pay Policy Statement for the Municipal Year 2016/17

3.0 SUPPORTING INFORMATION

- 3.1 The Council is committed to transparency and fairness in the pay and remuneration of all its employees. In determining the pay and remuneration of all of its employees, the Council will comply with all relevant legislation and has had regard to the Guidance issued by the Department for Communities and Local Government in February 2012.
- 3.2 The Localism Act requires the Council to produce a policy statement that covers a number of matters concerning the pay of the Councils staff; principally its Chief Officers and the Authority's lowest paid employees. This pay policy statement meets the requirements of the Localism Act 2011 and takes account of the guidance issued by the Secretary for Communities and Local Government "Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act".
- 3.3 The statement complies with the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency

Worker Regulations 2010, and where relevant, the Transfer of Undertakings (Protection of Employment) Regulations 2014.

- 3.4 With regard to the equal pay requirements contained within the Equality Act, the Council ensures that there is no pay discrimination in its pay and grading structures and that all pay differentials are objectively justified through the use of job evaluation mechanisms, which directly establish the relative levels of grades according to the requirements, demands and responsibilities of the job role.
- 3.5 This pay policy statement does not apply to schools maintained by the Council and there is not a requirement for it to do so.

4.0 THE PAY POLICY STATEMENT

- 4.1 Under Section 112 of the Local Government Act 1972, the Council has the power “to appoint officers on such reasonable terms and conditions as the authority sees fit.” The purpose of the Statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees by identifying:
- The methods by which salaries of all employees are determined;
 - The detail and level of remuneration of its most senior staff, i.e., chief officers, as defined by relevant legislation;
 - The Committee responsible for ensuring the provisions set out in this Statement are applied consistently throughout the Council and recommending any amendments to the Full Council.

5.0 BACKGROUND – PAY STRUCTURE

- 5.1 The Council uses the National Joint Council (NJC) nationally negotiated pay spine (i.e. a defined list of salary points) as the basis for its local pay structure, based on the application of the job evaluation process to determine the salaries of the majority of its staff.
- 5.2 The Council adopts the national pay bargaining arrangements in respect of the national pay spine and any agreed annual pay increases negotiated with the joint trade unions.
- 5.3 For staff on Joint Negotiating Committee (JNC) terms and conditions (Chief Officers), the Council operates a locally determined pay structure, in accordance with JNC guidance, and any agreed annual pay increases negotiated with the joint trade unions.
- 5.4 In 2012/13 all employees of the Council agreed to vary their contracts of employment by taking four days unpaid leave for a period of three years as a budget saving measure. This agreement ended in 2014/15. Following a period of consultation with the trade unions, they agreed to ballot their membership about entering into a local agreement to extend the agreement for a further 12 months. The results of the ballots were positive and four days unpaid leave were taken in 2015/16. This has the effect of a 1% annual pay cut but contributes to enabling the Council to present a balanced budget. In

February 2015, following staff consultation, the Council is seeking to vary contracts of employment for the next three financial years (to 2018/19) to extend the four-day unpaid leave arrangements.

- 5.5 All other pay related allowances are the subject of either national or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined locally.
- 5.6 Starting salaries for new appointments will normally be made at the minimum spinal column point for the grade, although this can be varied where necessary to secure the best candidate for the job. From time to time it may be necessary to take account of the external pay market in order to attract and retain the best employees with particular experience, skills and abilities. Where necessary, the Council will ensure that the requirement for such payments is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the public sector and where such retention payments are necessary, they will be subject to local negotiations.
- 5.7 There is a formal job evaluation process for new positions created or for proposed changes to existing job descriptions. For positions which are subject to the National Joint Council (NJC) for Local Government Services ('Green Book'), the grading review is undertaken with representation from the Human Resources section, the Trade Unions and the Manager, using the Local Government Single Status Job Evaluation Scheme (the NJC scheme) which is used to evaluate posts up to grade HBC11.
- 5.8 The following employee groups are not presently paid in accordance with an evaluated grade/role determined by the Council and instead nationally or locally determined rates apply:
- Employees whose pay and conditions are determined by the Soulbury Committee
 - Employees who have transferred from the NHS to the Council on NHS terms and conditions
 - Employees who have retained terms and conditions following a TUPE transfer to the Council
- 5.9 Any temporary supplement to the salary scale for any grade is approved in accordance with the 'Green Book' criteria on such matters and can only be approved by the Chief Executive in consultation with the Divisional Manager – Policy, People, Performance & Efficiency (PPPE).

6.0 SENIOR MANAGEMENT REMUNERATION

- 6.1 For the purposes of this Statement, senior management means 'chief officers' as defined within the Localism Act. The posts falling within the statutory definition are set out below:
- Chief Executive
 - Strategic Directors
 - Operational Directors
 - Director of Public Health
 - Officers reporting to the Chief Executive

The Act defines posts reporting directly to or accountable to the Chief Executive as non-statutory Directors. There is currently one officer reporting directly to the Chief Executive who meets the statutory definition.

- 6.2 The basis of salary levels for Chief Officers was established following a review exercise in April 2005 carried out by Tribal Resources, using the Hay system to evaluate grades and salary points.
- 6.3 The salary details of the Council's Chief Officers can be found on the Council website and are published as part of the Council's Annual Abstract of Accounts.
- 6.4 The arrangements and factors considered in determining progression through the relevant grade is incremental progression awarded on an annual basis until the top of the grade is reached.
- 6.5 The terms and conditions applicable to officers on director grade and above are determined by the JNC for Chief Executives, the JNC for Chief Officers of Local Authorities or NHS as amended, supplemented or superseded by the Council from time to time.

7.0 RECRUITMENT OF CHIEF OFFICERS

- 7.1 The Council's policy and procedures with regard to the recruitment of chief officers is as contained in the Council's Constitution which is reviewed annually by Full Council.
- 7.2 When recruiting to all posts the Council will take full and proper account of all provisions of relevant employment law, its recruitment guidance and equal opportunities policies.
- 7.3 The remuneration of any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment.

8.0 ADDITIONS TO SALARY OF CHIEF OFFICERS

- 8.1 Incremental progression through the grade is time related i.e. employees are entitled to receive an increment (the next salary point on the pay spine, unless at top of grade) on an annual basis. This cannot be withheld or varied from the agreed pay spine under the employment contract, unless formal proceedings on capability have been implemented.
- 8.2 To meet specific operational requirements it may be necessary for an individual to temporarily take on additional duties to their identified role. The Council's arrangements for authorising any additional remuneration (e.g. honoraria, acting up) are dependant upon the provision and approval of a business case to the Chief Executive and relevant Strategic Director in consultation with the Divisional Manager PPPE.
- 8.3 Officers required to use a vehicle for Council business are currently entitled to an essential car user allowance, currently £1,000pa (from April 2013). The

Chief Executive, Strategic Directors and Operational Directors are also entitled to this payment.

- 8.4 The Chief Executive also receives reimbursement for the duties undertaken as a Returning Officer.
- 8.5 Additions to pay are negotiated for all employees, including those covered by the NJC ('Green Book') and JNC terms and conditions.

9.0 PENSION CONTRIBUTIONS

- 9.1 Where employees have exercised their right to become members of the Local Government Pension Scheme, the Council is required to make a contribution to the Scheme representing a percentage of the pensionable remuneration due under the contract of employment of that employee. The rate of contribution is set by Actuaries advising the Pension Fund and reviewed on a triennial basis in order to ensure the Scheme is appropriately funded. The current employer's rate, set at April 2015 is 21.1%.
- 9.2 The employee contribution rates, which are defined by statute, are currently based on their annual full time equivalent rate of pay at the following rates:

| Rate of Contribution | Annual Rate of Pay (01 April 2015 to 31 March 2016) |
|----------------------|--|
| 5.5% | Up to £13,600 |
| 5.8% | £13,601 - £21,200 |
| 6.5% | £21,201 - £34,400 |
| 6.8% | £34,401 - £43,500 |
| 8.5% | £43,501 - £60,700 |
| 9.9% | £60,701 - £86,000 |
| 10.5% | £86,001 - £101,200 |
| 11.4% | £101,201 - £151,800 |
| 12.5% | More than £151,801 |

10.0 PAYMENTS ON TERMINATION

- 10.1 The Council's approach to (statutory) and discretionary payments on termination of employment of Chief Officers, prior to reaching normal retirement age is set out within its Pensions Discretions Policy and in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 (and if adopted) Regulation 12 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.
- 10.2 The Council's Policy on Voluntary Early Retirement and Voluntary Redundancy are contained in its Staffing Protocol which was approved by the Appointments Committee on 21st September 2009 with revised terms to reflect the changes to the Local government Pensions Scheme in April 2014 being agreed by the Committee on 4th February 2015. These arrangements apply to all employees at all levels.

- 10.3 The Council will have regard to the 'The Public Sector Exit Payment Regulations, 2016' and the 'Repayment of Public Sector Exit Payments Regulations 2016', upon Parliamentary approval and implementation which is anticipated in April 2016..

11.0 PUBLICATION

- 11.1 Upon approval by full Council, this Statement will be published on the Council's website.
- 11.2 For posts where the full time remuneration is £50,000 or above, the Council's Annual Statement of Accounts will include a note setting out the total amount of:
- Salary, fees or allowances paid to or receivable by the person in the current and previous years;
 - Any bonuses so paid by way of expenses allowance that are chargeable to UK Income Tax;
 - Any compensation for loss of employment and any other payments connected with termination;
 - Any benefits received that do not fall within the above.

12.0 LOWEST PAID EMPLOYEES

- 12.1 Employees not on Chief Officer or Soulbury terms and conditions are paid in accordance with the National Joint Council (NJC) for Local Government Services ('Green Book'). The basic pay for each 'Green Book' employee consists of a salary scale containing a number of spinal column points on the NJC pay spine.
- 12.2 An increment is awarded on an annual basis up to the maximum of the salary grade. The normal increment date is 01 April. Pay awards are generally awarded with effect from 01 April, although the date can be influenced by the negotiation process. The current pay award is subject to negotiation at the time of writing.
- 12.3 Annual pay awards have removed the lowest spinal column points on the NJC pay scale, the latest being SCP 5, with effect from 1 October 2015. The pay spine now starts at SCP 6 which equates to a full time equivalent salary of £13,614 per annum.
- 12.4 The relationship between the rate of pay for the highest paid employee and the mean average earnings across the Council is recommended as the best way of illustrating the relationship between the two. This is called the pay multiple and for this Authority, the pay multiple is 1:7.28.
- 12.5 The Hutton Review asked for a pay multiple between the highest and the lowest paid median average salary not to exceed 1:20. On this basis, the Council has a pay multiple of 1:8.56, well within the recommended range.
- 12.6 The Council will have regard to the National Minimum Wage (Amendment) Regulations 2016, which will implement the National Living Wage with effect from 1st April 2016.

13.0 ACCOUNTABILITY AND DECISION MAKING

13.1 In accordance with the Constitution of the Council the Appointments Committee is responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements relating to employees of the Council.

14.0 POLICY IMPLICATIONS

14.1 The requirements under the Localism Act to produce and publish the Pay Policy Statement supplements existing duties and responsibilities that the Authority, as an employer has, particularly its responsibilities under the Equality Act 2010 to avoid discrimination and provide equal pay.

15.0 FINANCIAL IMPLICATIONS

15.1 The Pay Policy Statement must be prepared for the financial year 2016/17 and each subsequent financial year. Once in place, it will provide the public with a clear rationale to explain the Authority's approach to pay.

15.2 The Council employs 2404 staff in 2481 posts and is responsible for spending annually over £305 million of public money.

16.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

16.1 Employees are a key element of the delivery of services that contribute to all of the Council's priorities. As such, appropriate and relevant payment to employees enables the delivery of those priorities.

17.0 RISK ANALYSIS

17.1 The adoption of this Pay Policy Statement, and use of the frameworks and mechanisms described within, provides assurance that the Council is mitigating any legislative and ethical risk linked to the remuneration of its employees.

18.0 EQUALITY AND DIVERSITY ISSUES

18.1 The Pay Policy Statement will assist the Council to monitor remuneration across the Council and provide a fair system which avoids discrimination.

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

19.1 There are no background papers under the meaning of the Act.

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REPORT: Regulatory Committee

DATE: 18 January 2016

REPORTING OFFICER: Strategic Director Community & Resources

PORTFOLIO: Community & Resources

SUBJECT: Part II of Local Government (Miscellaneous Provisions) Act 1976

WARD: Boroughwide

1. PURPOSE OF REPORT

To adopt to the extent it is not already in force Part II of the Local Government (Miscellaneous Provisions) Act 1976.

2. RECOMMENDATION: to Council that the Council resolve that it intends to pass a resolution at a future meeting (the “Adoption Resolution”):

- 1. to adopt to the extent that they are not already in force in the Borough the provisions of Part II of Local Government (Miscellaneous Provisions) Act 1976 (the “1976 Act”), (other than section 45), to apply to the whole area of the Council on and after the appointed day stated in that resolution;**
- 2. the Operational Director Legal and Democratic Services be directed to publish and serve notice as required by section 45 of the 1976 Act; and**
- 3. following compliance with item (2) of this resolution the matter be reported back to the Council for the Adoption Resolution to be considered.**

3. General

3.1 A number of Acts of Parliament provide for functions to be exercised by local authorities. Some Acts provide that functions will be exercisable automatically and some that functions may only be exercised after going through adoption procedures.

3.2 The Council has adopted certain functions many years ago and the full records of the adoption procedures no longer exist.

3.3 Failure to prove that adoption provisions were fully complied with is not necessarily fatal to enforcing those provisions as demonstrated by the High Court case of R oao Aylesbury Vale District Council v Call A Cab Ltd [2013] EWHC 3765

(Admin). However, to avoid challenges it is far better to be able to demonstrate full compliance with adoption requirements.

3.4 There is no intention to change the existing position with respect to Part II of the 1976 Act: all policies, practices, conditions and delegations will continue unchanged.

4 Part II Local Government (Miscellaneous Provisions) Act 1976

4.1 This report relates to the adoption of the above provisions. These deal with regulation of private hire and hackney carriage matters.

4.2 The regulation of hackney carriages goes back to the Town Police Clauses Act 1847 (the 1847 Act). Originally these provisions required adoption in each local authority area. But a number of subsequent provisions (including the Public Health Act 1875 and the Transport Act 1985) have meant that the 1847 Act now applies automatically throughout the Borough.

4.3 However, the 1976 Act remains an adoptive provision.

4.4 The procedure is set out in section 45 of the 1976 Act. There are two stages: (1) there must be a resolution of the Council adopting the provisions of Part II of the 1976 Act (the "Adoption Resolution") and (2) there must be compliance with certain matters prior to the Adoption Resolution. In addition to complying with these two stages there is a pre-condition that the 1847 Act is in force in the area.

5 The Adoption Resolution

5.1 Section 45(2) of the 1976 Act provides that:

"... the council may resolve that the provisions of this Part of this Act, other than this section, are to apply to the relevant area; and if the council do so resolve those provisions shall come into force in the relevant area on the day specified in that behalf in the resolution (which must not be before the expiration of the period of one month beginning with the day on which the resolution is passed)".

5.2 An appropriate wording for the Adoption Resolution is set out at **Appendix 2**.

6. Matters to be complied with prior to the Adoption Resolution.

6.1 Section 45(3) of the 1976 Act provides that:

"A council shall not pass a resolution in pursuance of the foregoing subsection unless they have—
(a) published in two consecutive weeks, in a local newspaper circulating in their area, notice of their intention to pass the resolution; and
(b) served a copy of the notice, not later than the date on which it is first published in pursuance of the foregoing paragraph, on the council of each parish or community which would be affected by the resolution or, in the case of such a parish which has no parish council, on the chairman of the parish meeting".

6.2 An appropriate form of wording for the notice is set out at **Appendix 3**.

7 History of the adoption of Part II of the 1976 Act.

7.1 The Council adopted Part II of the 1976 Act as from 1st August 1977 as evidenced by the resolutions referred to in **Appendix 4**. Unfortunately, the press notice and the parish council notices do not survive and therefore cannot be produced.

7.2 A similar situation arose in the Aylsebury Vale case referred to above.

8 The way forward

8.1 It is proposed to ‘re-adopt’ the provisions of Part II of the 1976 Act. This can be achieved by adopting the provisions “to the extent that they are not already in force”.

8.2 This would avoid any possibility of challenge in the future.

8.3 Since records can now be scanned and held electronically there is a greatly improved chance that the records of adoption will be traceable into the indefinite future.

9 The Local Authorities (Functions and Responsibilities) Regulations 2000

9.1 Regulation 2(11) of the Local Authorities (Functions and Responsibilities Regulations 2000 (the 2000 Regulations) provides that unless otherwise provided by any other provision of the 2000 Regulations a function which by virtue of enactments passed prior to the 2000 Regulations may only be discharged by the Council is not to be the responsibility of the executive. Such potential “otherwise provided” provisions have not been identified elsewhere in the 2000 Regulations but it is apparent that the adoption of the 1976 Act is not an executive function and is a matter reserved to full Council.

9.2 This approach is also consistent with Council function 18 in the Constitution: “To institute new services and discontinue or alter existing services.”

10. Policy and finance implications

10.1 There are no policy or finance implications arising out of this agenda.

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

| Document | Place of Inspection | Contact Officer |
|-----------------|----------------------------|------------------------|
| Background file | Legal Service | John Tully/Kay Cleary |

Local Government (Miscellaneous Provisions) Act 1976 c. 57
Part II HACKNEY CARRIAGES AND PRIVATE HIRE VEHICLES

This version in force from: **November 15, 1976 to present**

◀◀◀ (version 1 of 1) ▶▶▶

45.— Application of Part II.

(1) The provisions of this Part of this Act, except this section, shall come into force in accordance with the following provisions of this section.

(2) If the [Act of 1847](#) is in force in the area of a district council, the council may resolve that the provisions of this Part of this Act, other than this section, are to apply to the relevant area; and if the council do so resolve those provisions shall come into force in the relevant area on the day specified in that behalf in the resolution (which must not be before the expiration of the period of one month beginning with the day on which the resolution is passed).

In this subsection "*the relevant area*", in relation to a council, means—

(a) if the Act of 1847 is in force throughout the area of the council, that area; and

(b) if the Act of 1847 is in force for part only of the area of the council, that part of that area.

(3) A council shall not pass a resolution in pursuance of the foregoing subsection unless they have—

(a) published in two consecutive weeks, in a local newspaper circulating in their area, notice of their intention to pass the resolution; and

(b) served a copy of the notice, not later than the date on which it is first published in pursuance of the foregoing paragraph, on the council of each parish or community which would be affected by the resolution or, in the case of such a parish which has no parish council, on the chairman of the parish meeting.

(4) If after a council has passed a resolution in pursuance of subsection (2) of this section the Act of 1847 comes into force for any part of the area of the council for which it was not in force when the council passed the resolution, the council may pass a resolution in accordance with the foregoing provisions of this section in respect of that part as if that part were included in the relevant area for the purposes of subsection (2) of this section.

¹ ²

Notes

¹.

Words of enactment omitted under authority of Statute Law Revision Act 1948 (c. 62), s. 3

².

Pt. II (ss.45–80) amended by Public Passenger Vehicles Act 1981 (c.14), s. 79 applied with modifications by S.I. 1986/567, regs. 3, 4

NOTICE OF INTENTION TO PASS A RESOLUTION

Local Government (Miscellaneous Provisions) Act 1976 Part II

WHEREAS

- (1) Part II ("Part II") of the Local Government (Miscellaneous Provisions) Act 1976 (the "1976 Act") provides for matters relating to hackney carriages and private hire vehicles (the "Provisions").
- (2) Halton Borough Council (the "Council") is a district council for the purposes of Part II.
- (3) The Council has previously adopted Part II but all of the records associated with the adoption are not available for production.
- (4) The Council therefore intends to resolve to adopt Part II within the whole of its area (the "relevant area") "to the extent that it is not already in force".
- (5) The Council is required, prior to making a resolution to place this notice in a local newspaper for two consecutive weeks and to serve copies of the same on the council of each parish affected by the proposed resolution.

NOW THEREFORE NOTICE IS HEREBY GIVEN that the Council intends to pass a resolution in accordance with section 45 of the 1976 Act that (to the extent that they are not already in force) the provisions of Part II of 1976 Act, (other than section 45), are to apply to the relevant area and if the council do so resolve those provisions shall come into force in the relevant area on the day specified in that behalf in the resolution (which must not be before the expiration of the period of one month beginning with the day on which the resolution is passed).

Dated:

Issued by:

[introductory text to be determined when appropriate]

RESOLVED: (1) To the extent that they are not already in force the provisions of Part II of Local Government (Miscellaneous Provisions) Act 1976 1976 Act, (other than section 45), are to apply to the whole area of the Council on and after the appointed day;

(2) The appointed day for the purposes of this resolution shall be [] (being not before the expiration of the period of one month beginning with the day on which this resolution is passed).

(3) All powers, duties and provisions in the Council's Constitution relating to Part II of the Local Government (Miscellaneous Provisions) Act 1976 and all existing policies, practices and conditions relating thereto shall continue to apply on and after the appointed day.

APPENDIX 4

Halton Borough Council adopted Part II of the 1976 Act with effect from 1st August 1977. Health Committee minute 534 (2nd March 1977) recommended the Council to adopt Part II of the Local Government (Miscellaneous Provisions) Act 1976 with effect from 1st August 1976.

Council Minute 575 (22nd March 1977) amended Health Committee 534 (2nd March 1977) requiring a Special Meeting of the Health Committee to be held to discuss future steps relating to the Act.

Health Committee Minute 627 (6th April 1977) resolved to hold a special meeting on 18th April 1977.

Health Committee Minute 631 (18th April 1977) recommended that the Council adopt Part II of the 1976 Act as from 1st August 1977.

Council Minute 658 (26th April 1977) adopted Health Committee Minute 631 (18th April 1977).

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REPORT: Regulatory Committee

DATE: 18 January 2016

REPORTING OFFICER: Strategic Director Community & Resources

PORTFOLIO: Community and Resources

SUBJECT: Local Government (Miscellaneous Provisions) Act 1982 Section 3 and Schedule 4 – Street Trading

WARD: Boroughwide

1. PURPOSE OF REPORT

To the extent they are not already so designated under Schedule 4 of the Local Government (Miscellaneous Provisions) Act 1982 (relating to street trading) to designate streets as prohibited streets and consent streets.

2. RECOMMENDATION to Council that the Council resolve: (1) to pass the Designation Resolution set out at Appendix to this report; (2) that the OD-LD be authorised to prepare and to publish notice as required by Schedule 4 of the Local Government (Miscellaneous Provisions) Act 1982.

3. General

3.1 A number of Acts of Parliament provide for functions to be exercised by local authorities. Some Acts provide that functions will be exercisable automatically and some that functions may only be exercised after going through adoption procedures.

3.2 The Council has adopted certain functions many years ago and the full records of the adoption procedures no longer exist.

3.3 Failure to prove that adoption provisions were fully complied with is not necessarily fatal to enforcing those provisions as demonstrated by the High Court case of R oao Aylesbury Vale District Council v Call A Cab Ltd [2013] EWHC 3765 (Admin). However, to avoid challenges it is far better to be able to demonstrate full compliance with adoption requirements.

4 Local Government (Miscellaneous Provisions) Act 1982 (the “1982 Act”) Section 3 and Schedule 4

4.1 This report relates to the designation of streets for the purposes of the above provisions. These deal with regulation of street trading. Previous Council minutes have established the principles of which streets should be designated as prohibited streets or consent streets and why designation as licence streets is not appropriate in the Borough. This report is not designed to make any changes to those principles.

4.2 The street trading provisions of the 1982 Act are adoptive provisions.

4.3 The procedure is set out in Schedule 4 to the 1982 Act (The legislation is set out at **Appendix 1** below). There are five stages:

4.3.1 There must be a resolution of the Council stating the Schedule 4 to the 1982 shall apply within the Borough from a stated date (the “Adoption Resolution”);

4.3.2 There must be compliance with certain matters relating to advertising and notices prior to the Designation Resolution;

4.3.3 The Council must not make a Designation Resolution before taking into considerations any representations received in response to the advertisement and notices in (3) above;

4.3.4 When Schedule 4 is in force the Council may by resolution designate any street in their area as a prohibited street, a licence street, or a consent street (the “Designation Resolution”); and

4.3.5 Having made the Designation Resolution there are further advertisement requirements.

5 The Adoption Resolution (Stage 1)

5.1 Section 3 of the 1982 Act provides that:

“A district council may resolve that Schedule 4 to this Act shall apply to their district and, if a council so resolve, that Schedule shall come into force in their district on such day as may be specified in the resolution”.

5.2 The Adoption Resolution is a matter of record and did not require advertisement or notices. Consequently, Minute 394 passed by the Council on 6th January 1983 is still in effect and does not need to be repeated. This is referred to in **Appendix 3** below.

6. Matters to be complied with prior to the Designation Resolution. (Stages 2 and 3)

6.1 Schedule 4 paragraph 2 of the 1982 Act provides *inter alia* that:

“(3) A council shall not pass such a resolution unless—

(a) they have published notice of their intention to pass such a resolution in a local newspaper circulating in their area;

(b) they have served a copy of the notice—

(i) on the chief officer of police for the area in which the street to be designated by the resolution is situated; and

(ii) on any highway authority responsible for that street; and ...”

6.2 The notice referred must contain a draft of the resolution; and must state that representations relating to it may be made in writing to the council within such period, not less than 28 days after publication of the notice, as may be specified in the notice.

6.3 A copy of an appropriate notice is set out at **Appendix 2** below.

6.4 The council must consider any representations relating to the Designation Resolution which they have received before the expiry of the period set out in the notice.

7 The Designation Resolution (Stage 4)

7.1 Schedule 4 paragraph 2 of the 1982 Act provides that:

“(1) A district council may by resolution designate any street in their district as—

(a) a prohibited street;

(b) a licence street; or

(c) a consent street.

(2) If a district council pass such a resolution as is mentioned in sub-paragraph (1) above, the designation of the street shall take effect on the day specified in that behalf in the resolution (which must not be before the expiration of the period of one month beginning with the day on which the resolution is passed)”.

7.2 The text of the proposed Designation Resolution is set out in the Schedule to the Notice contained in **Appendix 2** below.

8 Matters which must be complied with after the Designation Resolution (Stage 5)

8.1 The council must publish notice that they have passed the Designation Resolution in two consecutive weeks in a local newspaper circulating in their area: the first publication must not be later than 28 days before the day specified in the resolution for the coming into force of the designation.

8.2 A draft of the proposed newspaper advertisement is set out at **Appendix 4** below.

9 History of the adoption of street trading provisions of the 1982 Act

9.1 The Council adopted the street trading provisions of the 1982 Act in April 1983 as evidenced by the resolutions referred to in **Appendix 3** below. Unfortunately, the press advert and associated notices do not survive and therefore cannot be produced.

9.2 A similar situation arose in the Aylsebury Vale case referred to above.

10 The way forward

10.1 It is proposed to 're-adopt' the street trading provisions of the 1982 Act. This can be achieved by adopting the provisions "to the extent that they are not already in force".

10.2 This would avoid any possibility of challenge in the future.

10.3 Since records can now be scanned and held electronically there is a greatly improved chance that the records of adoption will be traceable into the indefinite future.

11 The Local Authorities (Functions and Responsibilities) Regulations 2000

11.1 Regulation 2(11) of the 2000 Regulations provides that unless otherwise provided by any other provision of the 2000 Regulations a function which by virtue of enactments passed prior to the 2000 Regulations may only be discharged by the Council is not to be the responsibility of the executive. Such potential "otherwise provided" provisions have not been identified elsewhere in the 2000 Regulations but it is apparent that the adoption of the 1976 Act is not an executive function and is a matter reserved to full Council.

11.2 This approach is also consistent with Council function 18 in the Constitution: "To institute new services and discontinue or alter existing services."

12. Policy and finance implications

12.1 There are no policy or finance implications arising out of this agenda.

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

| Document | Place of Inspection | Contact Officer |
|-----------------|---------------------|-----------------------|
| Background file | Legal Service | John Tully/Kay Cleary |

APPENDIX 1

Local Government (Miscellaneous Provisions) Act 1982 c. 30
Part III STREET TRADING

This version in force from: **July 13, 1982 to present**

◀◀◀ (version 1 of 1) ▶▶▶

3. Power of district council to adopt Schedule 4.

A district council may resolve that [Schedule 4](#) to this Act shall apply to their district and, if a council so resolve, that Schedule shall come into force in their district on such day as may be specified in the resolution.

Schedule 4 STREET TRADING**Designation of streets**

This version in force from: **April 1, 2012 to present**

◀◀◀ (version 5 of 5) ▶▶▶

2.—

(1) A district council may by resolution designate any street in their district as—

- (a) a prohibited street;
- (b) a licence street; or
- (c) a consent street.

(2) If a district council pass such a resolution as is mentioned in sub-paragraph (1) above, the designation of the street shall take effect on the day specified in that behalf in the resolution (which must not be before the expiration of the period of one month beginning with the day on which the resolution is passed).

(3) A council shall not pass such a resolution unless—

- (a) they have published notice of their intention to pass such a resolution in a local newspaper circulating in their area;
- (b) they have served a copy of the notice—
 - (i) on the chief officer of police for the area in which the street to be designated by the resolution is situated; and
 - (ii) on any highway authority responsible for that street; and
- (c) where sub-paragraph (4) below applies, they have obtained the necessary consent.

(4) This sub-paragraph applies—

- (a) where the resolution relates to a street which is owned or maintainable by a relevant corporation; and
- (b) where the resolution designates as a licence street any street maintained by a highway authority; and in sub-paragraph (3) above “*necessary consent*” means—

- (i) in the case mentioned in paragraph (a) above, the consent of the relevant corporation; and
- (ii) in the case mentioned in paragraph (b) above, the consent of the highway authority.

(5) The following are relevant corporations for the purposes of this paragraph—

- (a) the British Railways Board;
- (b) the [new towns residuary body] ¹ ;

[(ba) a Mayoral development corporation;

] ² (c) a development corporation for a new town; [and] ³

(d) an urban development corporation established under the [Local Government, Planning and Land Act 1980](#) ; [...] ⁴

[...] ⁴

[(5A) In sub-paragraph (5)(b) above “*new towns residuary body*” means—

- (a) in relation to England, the Homes and Communities Agency so far as exercising functions in relation to anything transferred (or to be transferred) to it as mentioned in [section 52\(1\)\(a\) to \(d\)](#) of the [Housing and Regeneration Act 2008](#) [or the Greater London Authority so far as exercising its new towns and urban development functions] ⁶ ; and

(b) in relation to Wales, the Welsh Ministers so far as exercising functions in relation to anything transferred (or to be transferred) to them as mentioned in [section 36\(1\)\(a\)\(i\) to \(iii\)](#) of the [New Towns Act 1981](#).

]⁵

(6) The notice referred to in sub-paragraph (3) above—

(a) shall contain a draft of the resolution; and

(b) shall state that representations relating to it may be made in writing to the council within such period, not less than 28 days after publication of the notice, as may be specified in the notice.

(7) As soon as practicable after the expiry of the period specified under sub-paragraph (6) above, the council shall consider any representations relating to the proposed resolution which they have received before the expiry of that period.

(8) After the council have considered those representations, they may, if they think fit, pass such a resolution relating to the street as is mentioned in sub-paragraph (1) above.

(9) The council shall publish notice that they have passed such a resolution in two consecutive weeks in a local newspaper circulating in their area.

(10) The first publication shall not be later than 28 days before the day specified in the resolution for the coming into force of the designation.

(11) Where a street is designated as a licence street, the council may resolve—

(a) in the resolution which so designates the street; or

(b) subject to sub-paragraph (12) below, by a separate resolution at any time, that a street trading licence is not to be granted to any person who proposes to trade in the street for a number of days in every week less than a number specified in the resolution.

(12) Sub-paragraphs (3)(a) and (6) to (10) above shall apply in relation to a resolution under sub-paragraph (11)(b) above as they apply in relation to a resolution under sub-paragraph (1) above.

(13) Any resolution passed under this paragraph may be varied or rescinded by a subsequent resolution so passed.

Notes

1.

Words substituted by Housing and Regeneration Act 2008 c. 17 [Sch.8 para.34\(2\)](#) (December 1, 2008)

2.

Added by Localism Act 2011 c. 20 [Sch.22 para.8](#) (January 15, 2012)

3.

Word inserted by Government of Wales Act 1998 c. 38 [Sch.15 para.5](#) (October 1, 1998)

4.

Sch.4, para.2(5)(e) and the word "and" immediately preceding it by Government of Wales Act 1998 c. 38 [Sch.18\(IV\) para.1](#) (October 1, 1998)

5.

Added by Housing and Regeneration Act 2008 c. 17 [Sch.8 para.34\(3\)](#) (December 1, 2008)

6.

Words inserted by Localism Act 2011 c. 20 [Sch.19 para.9](#) (April 1, 2012 subject to SI 2012/628 arts 9, 11, 14, 15 and 17)

APPENDIX 2

NOTICE OF INTENTION TO PASS A [DESIGNATION] RESOLUTION

Local Government (Miscellaneous Provisions) Act 1982

WHEREAS

- (1) Schedule 4 of the Local Government (Miscellaneous Provisions) Act 1982 (the "1982 Act") provides for matters relating to street Trading and is in effect within the Borough of Halton.
- (2) Halton Borough Council (the "Council") is a district council for the purposes of Schedule 4 of the 1982 Act.

- (3) The Council has previously designated streets within the meaning of paragraph 2 to Schedule 4 of the 1982 Act but all of the records associated with the designation are not available for production.
- (4) The Council therefore intends to resolve to designate streets within the Borough of Halton as consent streets and prohibited streets within the whole of its area (the “relevant area”) “to the extent that such designations are not already in force”.
- (5) The Council is required, prior to making a resolution to place this notice in a local newspaper and to serve copies of the same as directed by Schedule 4 of the 1982 Act.

NOW THEREFORE NOTICE IS HEREBY GIVEN that the Council:

1. Intend to pass a resolution in accordance with paragraph 2 of Schedule 4 of the 1982 Act to designate streets within the Borough of Halton as consent streets and prohibited streets (to the extent that they are not already so designated) and the designations shall take effect on and after a date to be specified in the resolution (which must not be before the expiration of the period of one month beginning with the day on which the resolution is passed). The text of the draft resolution is set out in the Schedule to this Notice.
2. Representations relating to the proposed resolution may be made in writing to the council at the address shown below by [].

Dated:

Issued by:

Address:

SCHEDULE

Draft text of proposed resolution

[introductory text to be determined when appropriate]

RESOLVED: (1) To the extent that they are not already so designated for the purposes of schedule 4 of the Local Government (Miscellaneous Provisions) Act

1982 the streets listed in the Schedule to this resolution shall be designated on and after the designation day as prohibited streets or consent streets as indicated in the Schedule;

(2) The designation day for the purposes of this resolution shall be [] (being not before the expiration of the period of one month beginning with the day on which this resolution is passed).

(3) All powers, duties and provisions in the Council’s Constitution relating to the provisions of Schedule 4 of the Local Government (Miscellaneous Provisions) Act 1982 and all policies, practices and conditions relating thereto shall continue to apply on and after the designation day.

Schedule

Part 1 – Prohibited Streets

The following is a list of prohibited streets within the Borough of Halton

| | | |
|---|---|---|
| <p>Halton Borough Council – Street Trading List of Prohibited Streets Widnes</p> <p>Albert Road Barrows Green Lane Bechers Birchfield Road Bradley Way Chorleys Lane Cronton Lane Dans Road Deacon Road Derby Road Ditchfield Road Ditton Road Dundalk Road Everite Road Fiddlers Ferry Road Ditchfield Road Ditton Road</p> | <p>Dundalk Road Everite Road Fiddlers Ferry Road Greenoaks Way Hale Park Hale Road Halebank Road Halegate Road Halton View Road Heath Road Highfield Road Hough Green Road Kingsway Leigh Avenue Liverpool Road Lowerhouse Lane Lowerhouse Lane East Lugsdale Road Lunts Heath Road Marshgate Milton Road Moor Lane</p> | <p>Moor Lane South Moorfield Road Norlands Lane Peelhouse Lane Prescot Road Queensway St Mary’s Road St Michael’s Road Speke Road Terrace Road Town Lane Victoria Avenue Victoria Road Warrington Road Waterloo Road Widnes Road Watkinson Way Wilmere Lane Windfield Way</p> |
|---|---|---|

| Halton Borough Council – Street Trading List of Prohibited Streets Runcorn | | |
|---|---|--|
| Alcock Street Ascot Avenue Astmoor Road Astmoor Spine Road Balfour Street Bankes Lane Barkers Hollow Road Barnfield Avenue Boston Avenue Bridge Street Bridgewater Street Brookvale Avenue North Bus Station Calvers Camelot Way Castlefields Avenue East Castlefields Avenue North Castlefields Avenue South Cavendish Farm Road Chester Road Church Street Clifton Lane Clifton Road Coppice Close Coronation Rd, Preston Brook Cross Road Daresbury By-Pass Delph Lane Devonshire Square Expressway Festival Way Gorsey Well Lane Grangemoor Grangeway | Granville Street Greenhouse Farm Road Greenway Road Hallwood Link Road Halton Brook Avenue Halton Brow *Halton Lea Shopping Centre *East Lane *Eastway *Northway *Southway *West Lane *West Way * Second Avenue * Third Avenue * Fourth Avenue Halton Lodge Avenue Halton Station Road Heath Road Heath Road South High Street Higher Lane Highlands Road Hilltop Road Irwell Lane Keckwick Lane King Street King Arthur's Walk Lamsickle Lane Latham Avenue Leaside Loch Street Lowlands Road Lydiate Lane Main Street Meadway Mersey Road Motorway M56 Moughland Lane Murdishaw Avenue | Newton Lane Northwich Road Norton Lane Norton View Old Quay Street Palacefields Avenue Park Road Picow Farm Road Princess Street Pump Lane Regent Street Richard Close Runcorn Road Russell Road Sandy Lane Sandy Lane, Preston Brook South Parade Southgate Approach Rd Southwood Avenue Spur Road Stockham Lane Stockham Lane Approach Road Stockham Lane Car Park Stonelea Summer Lane The Croft Vicar Street Victoria Road Warrington Road Westfield Road Weston Road Windmill Hill Avenue North Windmill Hill Avenue South Windmill Hill Avenue East Windmill Hill Avenue West Windmill Lane Wood Lane |

Part 2 - Consent Streets

All streets within the Borough of Halton which are not designated as prohibited streets are designated as consent streets except streets owned or maintained by relevant corporations.

APPENDIX 3

Adopted as from 1st April 1983
Council Meeting 6th January 1983 Minute 394 adopting recommendation from
Policy & Resources Committee meeting 6th December 1982 Minute 382 (applying to
[so far as still relevant] Sex Establishments, **Street Trading** and Tattooing, Ear-
piercing and Acupuncture).

APPENDIX 4

NOTICE OF PASSING OF A [DESIGNATION] RESOLUTION

Local Government (Miscellaneous Provisions) Act 1982

WHEREAS

1. Schedule 4 of the Local Government (Miscellaneous Provisions) Act 1982 (the "1982 Act") provides for matters relating to street Trading and is in effect within the Borough of Halton.
2. Halton Borough Council (the "Council") is a district council for the purposes of Schedule 4 of the 1982 Act.
3. The Council has previously designated streets within the meaning of paragraph 2 to Schedule 4 of the 1982 Act but all of the records associated with the designation are not available for production.
4. The Council have resolved (to the extent that such designations are not already in force) to designate streets within the Borough of Halton as consent streets and prohibited streets as set out in the resolution.
5. The Council is required, having made a resolution to place this notice in a local newspaper for two consecutive weeks as directed by Schedule 4 of the 1982 Act.

NOW THEREFORE NOTICE IS HEREBY GIVEN that the Council have on []
passed a resolution in accordance with paragraph 2 of Schedule 4 of the 1982 Act to
designated streets within the Borough of Halton as consent streets or prohibited
streets (to the extent that they are not already so designated) and the designations
shall take effect on and after [.....]

Dated:

Issued by: