Public Document Pack

Executive Board

Thursday, 23 February 2017 2.00 p.m.
The Boardroom, Municipal Building

David W R

Chief Executive

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

PART 1

Item	Page No
1. MINUTES	
2. DECLARATION OF INTEREST	
Members are reminded of their responsibility to declare any Disclosable Pecuniary Interest or Other Disclosable Interest which they have in any item of business on the agenda, no later than when that item is reached or as soon as the interest becomes apparent and, with Disclosable Pecuniary interests, to leave the meeting during any discussion or voting on the item.	
3. HEALTH AND WELLBEING PORTFOLIO	
(A) VOLUNTARY SECTOR CONTRACTS - KEY DECISION	**1 - 4**
(B) ADULT SOCIAL CARE UPLIFT FOR PROVIDERS 2017/18 - KEY DECISION	**5 - 9**

Please contact Angela Scott on 0151 511 8670 or Angela.scott@halton.gov.uk for further information.
The next meeting of the Committee is on Thursday, 16 March 2017

PART II

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

In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.

Agenda Item 3a

REPORT TO:	Executive Board
DATE:	23 February 2017
REPORTING OFFICER:	Strategic Director, People
PORTFOLIO:	Health & Wellbeing
SUBJECT:	Voluntary Sector Contracts
WARD(S)	Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To seek approval from Executive Board to award contracts to Healthwatch Halton and MIND Halton for a one year period from 1st April 2017 to 31st March 2018, and to Halton Carers Centre for a period of 4 months from 1st April 2017 to 31st July 2017, requiring a waiver to Procurement Standing Orders.

2.0 RECOMMENDATION: That Executive Board

1) **Agree to use Procurement Standing Order 1.14.3 (d), where compliance with Standing Orders would result in the Council having to forego a clear financial or commercial benefit; and**

2) **Agree to awarding a contract to Healthwatch Halton and MIND Halton for a one year period from 1st April 2017 to 31st March 2018 and to Halton Carers Centre for a period of 4 months from 1st April 2017 to 31st July 2017.**

3.0 SUPPORTING INFORMATION

3.1 The authority currently has contracts in place that are due to expire on the 31st March 2017 with the following services;

- Halton Healthwatch; A service to provide an independent local voice for all aspects of adult and children’s health and social care within Halton.
- MIND Halton; A day service for individuals with mental health issues that is jointly funded with NHS Halton CCG.
- Halton Carers Centre; A universal service providing a wide range of information, support and advice for both adult and young carers that is jointly funded with NHS Halton CCG.

3.2 Halton Healthwatch

In addition to Halton Healthwatch, the authority also has a duty under the National Health Service Act 2006 to commission an independent advocacy service for those people wishing to make a complaint about the NHS. Currently this service is provided by the Carers Federation and is commissioned by Liverpool City Council on behalf of the 9 Merseyside & Cheshire local authorities. This contract is due to expire in March 2018. Halton therefore is currently exploring options with neighbouring authorities to commission a combined Healthwatch & Independent Advocacy service from April 2018.

3.3 MIND Halton

NHS Halton CCG are looking to develop a local consortium/network of 3rd sector providers, which will include MIND, who could help deliver both the Improving Access to Psychological Therapies (IAPT) target and support the new triage referral system into the 5 Boroughs Partnership. On completion of this work, appropriate changes to the MIND service specification will be made to reflect the changes in delivery required.

3.4 Halton Carers Centre

NHS Halton CCG has expressed a preference to commission this service, and will therefore be undertaking a tender and procurement exercise.

4.0 POLICY IMPLICATIONS

4.1 Continuing these services ensures that both the Authority and NHS Halton CCG are compliant with their statutory duties

5.0 FINANCIAL IMPLICATIONS

5.1 The total financial cost to the authority of the contracts listed in Appendix 1 is £216,677. A further £139,647 is provided to support the joint commissioning of these services by NHS Halton CCG.

5.2 The cost of these contracts can be met within existing budget allocations.

6.0 IMPLICATIONS FOR THE COUNCIL’S PRIORITIES

6.1 Children & Young People in Halton

Halton Carers Centre provides services that support young carers in the Borough.

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

All of these organisations provide training and placement opportunities for volunteers, increasing their skills and employability.

6.3 **A Healthy Halton**

All of the services listed make an important contribution to improving the health of people in Halton.

6.4 **A Safer Halton**

Healthwatch Halton's role is to act as a voice for local residents regarding the quality of local health and social care services. The safeguarding of local residents in the care of health and social services is a high priority for Healthwatch Halton.

6.5 **Halton's Urban Renewal**

None identified.

7.0 **RISK ANALYSIS**

7.1 These contracts individually fall below the current EU threshold of £589,148 for Contracts for Social and Specific Services, and subsequently the risk of challenge will be negligible.

7.2 The Quality Assurance Team will continue to monitor these services and ensure the Council and Halton residents receive value for money.

8.0 **REASON(S) FOR DECISION**

Executive Board approval is required to award these contracts.

9.0 **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

Retendering these contracts, which would result in the Council foregoing a clear financial benefit

10.0 **IMPLEMENTATION DATE**

1st April 2017

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

Document	Place of Inspection	Contact Officer
Recognising, Supporting & Valuing Carers in Halton, 2016 - 2019	Runcorn Town Hall	Steve Eastwood

APPENDIX 1

Service	Budget 2017/18	Funding source
MIND (Mental Health Day Services)	£57,890	HBC Base budget, £37,890 NHS Halton CCG £20,000
Halton Carers Centre	£163,719	HBC Base Budget, £44,072 NHS Halton CCG, £119,647
Halton Healthwatch	£134,715	HBC Base Budget

Agenda Item 3b

REPORT TO: Executive Board

DATE: 23 February 2017

REPORTING OFFICER: Strategic Director, People

PORTFOLIO: Health and Wellbeing

SUBJECT: Adult Social Care Uplift for Providers 2017/18

WARD(S) Borough-wide

1.0 **PURPOSE OF THE REPORT**

1.1 To inform the Board of the proposed annual uplift for domiciliary and residential care providers within Halton for 2017/18.

2.0 **RECOMMENDATION: That approval be given to actively enter into discussions with Care Providers, with a view to offer 3% uplift for 2017/18.**

3.0 **SUPPORTING INFORMATION**

3.1 The care sector is critical to the sustainability of the health and social care economy. A robust sector, which is able to recruit and retain high quality staff at an affordable rate, ensures that the Council is able to support adults to live as independently as possible in their own homes.

3.2 One of the main challenges for the sector has been the introduction of a new mandatory National Living Wage (NLW) for workers aged 25 and above from 1st April 2016. It was set at £7.20 an hour in 2016/17 and was expected to increase to £9 an hour by 2020. However this has since been revised slightly to reduce the increases each year, to an hourly rate of £8.80 in 2020. This is for both part-time and full-time workers.

3.3 In order to help businesses to afford the increases in wages the Chancellor of the Exchequer announced a cut in Corporation Tax by 2% to 18% by 2020. In addition employers will be able to reduce the amount of national insurance contributions (NIC's) they pay for their employees by 50% up to £3,000.

3.4 In addition changes in case law (Whittlestone v BJP Home Support Ltd) now require providers to pay the NLW for each hour worked in an overnight "sleep-in". These range between 8 and 10 hours and have traditionally been paid at a lower blanket rate but are now required to be paid at a rate in which the hours worked overall are remunerated at NLW rate.

3.5 The uplift awarded to care providers for financial year 2016/17 was 3.2% which assumed an inflation uplift of 1% for Domiciliary Care & Direct Payment and 0.82% for Residential Care (based on the Fair Price for Care exercise undertaken by Red Quadrant in 2015) plus an increase in funding of £0.5m for NLW pressures. This additional funding assumed the care provider would also meet the additional cost burden by an equitable amount therefore sharing the expected cost of the NLW equally.

3.6 Both residential and domiciliary care rates in Halton are still competitive compared to other councils in the North West. Halton's average domiciliary rate for 2016/17 is £12.52 whilst the older people residential rate is £391.29. Appendix 1 compares Halton's average domiciliary and residential rate for 2016/17 against other North West Local Authorities. As the information gathered is confidential the councils have been anonymised.

4.0 **POLICY IMPLICATIONS**

4.1 None identified.

5.0 **FINANCIAL IMPLICATIONS**

5.1 The finance model, established to assess the potential impact of the cost of the NLW, has recently been updated by the revised hourly rates disclosed in the Autumn statement.

	Cumulative Total Cost Per Year				
Staff cost %	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k	2020/21 £k
100%	1,345	2,192	3,371	4,549	5,755
90%	1,215	1,973	3,034	4,094	5,180
75%	1,012	1,644	2,528	3,412	4,316

5.2 The assumptions upon which the above model is based remain the same except for the following changes in the hourly rate:

- The hourly rate has reduced from £7.65 to £7.50 2017/18
  £8.10 to £7.93 2018/19
  £8.55 to £8.36 2019/20
  £9.00 to £8.80 2020/21

5.3 The table above shows the expected additional costs of the NLW to be £758,000 in 2017/18, based on 90% of the workforce being eligible. This is a reduction of £335,000 compared to the expected cost in April 2016, due to the hourly rate being reduced by 15p from £7.65 to £7.50. The reduction in the total cumulative cost in the NLW is £454k based on 100% of staff costs, £408k based on 90% of staff costs and £340k based on 75% of staff costs over the next 4 years.

5.4 Although the NLW has led to an increase in cost, the impact of this has reduced slightly from 2017/18. However the potential increase in costs identified in paragraph 5.1 above still need to be met from April 2017. Options to be considered are as follows

5.4.1 Take no immediately action, see what costs the Care Providers can absorb and wait for them to approach the Council.

5.4.2 Pay full cost to the Care Providers on receipt of evidence of the additional financial burden.

5.4.3 Actively enter into discussions with Care Providers to agree how the additional costs will be met. The Medium Term Financial Forecast includes an additional £0.5m each year from 2016/17 towards the cost of the NLW. The additional cost for 2017/18 is £758,000 (assuming 90% of staff is eligible for the NLW) therefore the council contribution of £500k plus £200k inflation would meet the majority of the additional cost burden on care providers.

5.4.4 If any individual Care Providers were to subsequently demonstrate financial hardship, through providing the Council with full open-book access to their records and financial accounts, then the position regarding the impact of the NLW in respect of that particular Provider would be reviewed.

5.5 It is recommended that the options outlined in paragraphs 5.4.3 and 5.4.4 above, be adopted. The additional funding of £0.5m made available by the Council, in addition to the inflationary increase in contract prices already agreed (as per paragraph 3.5) would enable an uplift of 3% to be made to both residential and domiciliary care providers.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

None Identified.

6.2 Employment, Learning & Skills in Halton

None identified.

6.3 A Healthy Halton

The Adult Social Care budget supports the delivery of services which contribute towards this priority.

6.4 **A Safer Halton**

None identified.

6.5 **Halton's Urban Renewal**

None identified.

7.0 **RISK ANALYSIS**

7.1 The options identified in 6.0 above have a number of risks associated with them and consideration needs to be given to the following:

- Taking no action may destabilise the care market as businesses are no longer sustainable as a going concern due to increased costs.
- The burden of the additional full cost on the authority will result in further efficiencies having to be made as no additional funding has been made available from government.

7.2 Sharing the financial burden with care providers will also share the risk. However, the position would need to be reviewed annually through open book accounting and increased information sharing and transparency with providers.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 None identified.

9.0 **REASON(S) FOR DECISION**

The Executive Board will be required to approve the uplift in the rate paid to providers to ensure the Authority meets its statutory duties under the Care Act.

10.0 **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

10.1 None Identified.

11.0 **IMPLEMENTATION DATE**

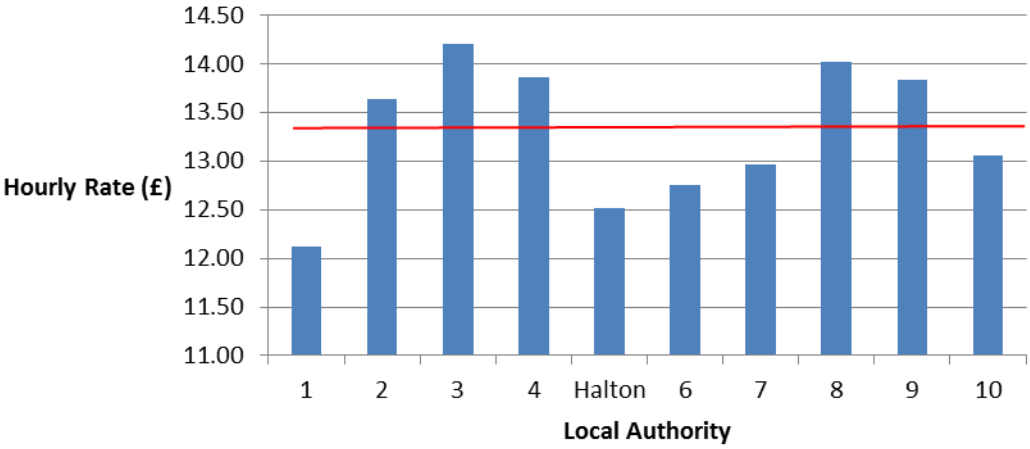
1st April 2017.

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

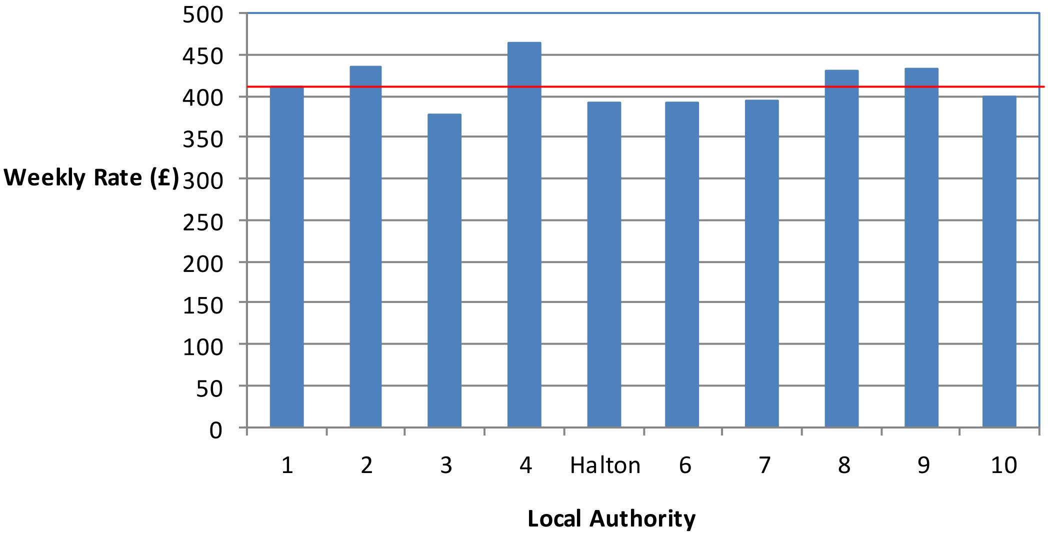
None.

APPENDIX 1

North West Comparison of Home Care Rates 2016/17



North West Comparison of OP Residential Rates 2016/17



REPORT TO:	Executive Board
DATE:	23 February 2017
REPORTING OFFICER:	Operational Director – Finance
PORTFOLIO:	Resources
SUBJECT:	2016/17 Quarter 3 Spending
WARD(S):	Borough-wide

1.0 PURPOSE OF REPORT

1.1 To report the Council's overall revenue and capital spending position as at 31 December 2016.

2.0 RECOMMENDED: That

(i) Strategic Directors ensure that all spending continues to be limited to the absolutely essential and is contained as far as possible within total operational budgets by year-end;

(ii) The Strategic Director, People presents a strategy, action plan and timescales to a future meeting, detailing what steps can be taken to bring spending on Children's Social Care back into line with budgets as far as possible; and

(iii) Council be asked to approve the revised Capital Programme as set out in Appendix 3.

3.0 SUPPORTING INFORMATION

Revenue Spending

3.1 Appendix 1 presents a summary of spending against the revenue budget up to 31 December 2016, along with individual statements for each Department. In overall terms revenue expenditure is £0.764m above the budget profile. This figure is after having released the remaining contingency budget of £0.5m.

3.2 Given the overall adverse variance position and continuing budget pressures, it is essential that Directorates limit restrict any non-essential spend over the final quarter of the financial year. In addition, it is proposed that the Strategic Director, People, be asked to report back to a future meeting with proposed plans of how it is intended to bring spend on Children's Social Care back in line with budget.

3.3 A review of the Council's earmarked reserves and provisions will be undertaken to release funds by year-end to help reduce the forecast Council overspend.

3.4 Based on current spend patterns it is forecast the Council will have a year-end outturn overspend position of approximately £1m. If this does materialise, it will be funded from the Council's General Reserve which currently stands at £5.4m.

3.5 The current pressures inherent in the Council's budget will continue to be an issue in 2017/18. Without plans being in place to bring spending back in line with budgets as far as possible, there will be a further risk to the Council's remaining General Reserve over the next few years.

3.6 The main budget pressure facing the Council continues to be within the Children & Families Department, in particular out of borough residential placements and out of borough fostering.

3.7 Against the residential placements budget to date of £2.258m as at 31 December 2016, actual costs are £4.502m. Latest information shows that children in care numbers have increased by 31% from this point last year, whilst the average cost of a residential care placement has increased from £2,300 per week in 2015/16 to £2,574 per week in the current year.

3.8 From September 2016 to December 2016, 11 children have entered the residential placement service at a total additional cost of £703,975 for the period to 31 March 2017, 2 children already in the service are now receiving increased packages of care totalling £379,068 for the period to 31 March 2017.

3.9 Based on projections it is forecast that the overspend on residential placements alone for the current year will be approximately £3m. Looking ahead to 2017/18 a number of children will leave residential placements as they reach the age of 18 and this will bring down the projected overspend to approximately £2m. However, this assumes no increase in numbers of children entering the service or increasing costs of existing children.

3.10 Out of Borough fostering is also significantly above budget profile and will continue to overspend for the remainder of the financial year. As with residential placements, every effort is made to utilise foster carers within the borough, however this is not always possible due to lack of available foster carers as a result of recruitment issues.

3.11 To help manage the above pressures over the past two years, £2.3m of additional budget has been provided. Despite this the forecast for year-end outturn has been re-calculated upwards and it is expected net spend will be approximately £4.2m over the budget provision for the Department by year-end.

3.12 As reported last quarter, the weekly rate for free nursing care as set by Government has been increased by 40% retrospectively back to April

2016. No additional funding has been received from Government for this. This has the impact of the Complex Care Pool budget showing an overspend at the end of December 2016 of £0.2m, shared between the Council and Halton CCG. Steps are being taken to identify underspends in other areas so that a balanced budget can be achieved at year-end.

3.13 The Community and Environment Department continues to experience shortfalls in various sources of income. The shortfall in income at the end of quarter 3 is £0.275m and relates to a variety of income sources including, sales, fees & charges and catering fees. This is currently being largely offset by a number of managed underspends elsewhere across the Directorate’s budget. Income shortfalls will continue to be a budget pressure on the Department’s outturn position as at 31 March 2017.

3.14 Corporate & Democracy costs as at 31 December 2016 are showing an underspend against the profiled budget position of £1.6m which is helping mitigate the budget pressures elsewhere across the Council. The remaining contingency budget of £0.5m has been released to help offset the overspend. In addition, the Treasury Management function has continued to perform well and borrowing costs for the year are less than expected whilst use of investments such as the Property Investment Fund has helped increase the amount of interest receivable. In addition the Council has received a number of one-off grants this year which have not been required as existing resources have been used instead.

3.15 The Economy, Enterprise & Property Department is projecting a healthy underspend against budget for the financial year. This is due to some delays in repairs and maintenance work resulting in lower costs for the year and the delay in sale of the Oldgate, Marshgate and Dewar Court industrial estates generating rental income not projected at the start of the financial year.

3.16 Total spending on employees is £0.752m below budget profile at the end of the quarter. This is mainly due to posts being held vacant within a number of departments, many of which have been approved as saving items for 2017/18.

3.17 As a result of the four days unpaid leave terms and conditions saving not being in place prior to April 2016, the full budget saving for the year will not be realised, with a shortfall of approximately £125,000.

3.18 Included within the employees budget is a staff turnover savings target of 3.0% which reflects the saving made between a member of staff leaving a post and the post being filled. The target for the quarter has been achieved in most Departments with the exception of Community & Environment, Economy, Enterprise & Property, Legal & Democratic Services and Children & Families.

3.19 Expenditure on general supplies and services is £296,000 below the budget to date of £7.2m as at 31 December 2016. Given the overall net budget position and this being an area of spend that budget managers have more control of, it is vital that spend on supplies and services is restricted to essential items only.

3.20 The council tax collection rate for the third quarter of 82.91% is marginally lower (0.49%) than at this stage last year. The collection rate for business rates of 81.48% is down by 0.72% compared to this stage last year.

Capital Spending

3.21 The 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 capital programme presented in Appendix 3. The schemes which have been revised within the Programme are as follows;

1. Former Crosville Site
2. Advertising Screen at The Hive
3. 3MG
4. Castlefields Regeneration
5. SciTech Daresbury
6. Signage at The Hive
7. The Croft
8. Fleet Replacements
9. Street Lighting – Structural Maintenance & Upgrades
10. Bridge & Highway Maintenance
11. S106 Schemes
12. Mersey Gateway Land Acquisition
13. Mersey Gateway Development Costs
14. Mersey Gateway Loan Interest During Construction
15. Schools Capital Repairs
16. School Modernisation Projects
17. Schools Basic Need Projects
18. Fairfield Primary
19. Weston Point Primary
20. Widnes Recreation Site

Capital spending at 31st December 2016 totalled £69.15m, which is 99.8% of the planned spending of £69.32m at this stage. This represents 62% of the total Capital Programme of £111.36.

Balance Sheet

3.22 The Council’s Balance Sheet is monitored regularly in accordance with the Reserves and Balances Strategy which forms part of the Medium Term Financial Strategy. The key reserves and balances have been reviewed and are considered prudent and appropriate at this stage in the financial year and within the current financial climate.

4.0 POLICY AND OTHER IMPLICATIONS

4.1 None.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

5.1 There are no direct implications, however, the revenue budget and capital programme support 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 budget. However, the Council has internal controls and processes in place to ensure that spending remains in line with budget.

6.2 In preparing the 2016/17 budget, a register of significant financial risks was prepared which has been updated as at 31 December 2016.

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.

APPENDIX 1

Summary of Revenue Spending to 31 December 2016

Directorate / Department	Annual Budget £'000	Budget to Date £'000	Expenditure to Date £'000	Variance to Date (overspend) £'000
Community & Environment	19,340	11,788	11,958	(170)
Economy, Enterprise & Property	1,248	177	-231	408
Finance	4,104	3,193	3,092	101
ICT & Support Services	49	240	-140	380
Legal & Democratic Services	602	459	407	52
Planning & Transportation	8,190	6,517	6,311	206
Policy, People, Performance & Efficiency	-47	-78	-88	10
Enterprise, Community & Resources	**33,486**	**22,296**	**21,309**	**987**
Adult Social Care, Prevention & Assessment	27,367	17,853	17,932	(79)
Children & Families	19,861	14,258	17,630	(3,372)
Commissioning & Complex Care	8,566	7,626	7,623	3
Education, Inclusion & Provision	8,923	7,542	7,457	85
Public Health & Public Protection	458	221	193	28
People	**65,175**	**47,500**	**50,835**	**(3,335)**
Corporate & Democracy	**-201**	**110**	**-1,474**	**1,584**
Net Total	**98,460**	**69,906**	**70,670**	**(764)**

ENTERPRISE, COMMUNITY & RESOURCES DIRECTORATE
Community & Environment

	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance to Date (Overspend) £'000
Expenditure				
Employees	13,850	10,418	10,511	(93)
Other Premises	2,079	1,534	1,504	30
Supplies & Services	1,739	1,310	1,260	50
Book Fund	170	115	113	2
Hired & Contracted Services	1,148	757	728	29
Food Provisions	611	481	471	10
School Meals Food	2,059	1,309	1,288	21
Transport	55	35	27	8
Other Agency Costs	557	330	244	86
Waste Disposal Contracts	5,419	2,492	2,552	(60)
Grants To Voluntary Organisations	254	226	209	17
Grant To Norton Priory	172	172	174	(2)
Rolling Projects	105	73	73	0
Transfers To Reserves	133	0	0	0
Capital Financing	86	27	20	7
Total Expenditure	**28,437**	**19,279**	**19,174**	105
Income				
Sales Income	-2,344	-1,628	-1,474	(154)
School Meals Sales	-2,179	-1,519	-1,565	46
Fees & Charges Income	-5,277	-4,388	-4,267	(121)
Rents Income	-291	-241	-250	9
Government Grant Income	-1,209	-1,168	-1,168	0
Reimbursements & Other Grant Income	-650	-451	-454	3
Schools SLA Income	-83	-80	-80	0
Internal Fees Income	-194	-87	-75	(12)
School Meals Other Income	-2,350	-1,796	-1,828	32
Catering Fees	-187	-140	-54	(86)
Capital Salaries	-53	-26	-34	8
Rolling Projects Income	-105	-30	-30	0
Transfers From Reserves	-75	-67	-67	0
Total Income	**-14,997**	**-11,621**	**-11,346**	**(275)**
Net Operational Expenditure	**13,440**	**7,658**	**7,828**	**(170)**
Recharges				
Premises Support	1,915	1,401	1,401	**0**
Transport Recharges	1,942	989	989	**0**
Departmental Support Services	9	0	0	**0**
Central Support Services	2,481	1,880	1,880	**0**
HBC Support Costs Income	-447	-140	-140	**0**
Net Total Recharges	**5,900**	**4,130**	**4,130**	**0**
Net Department Expenditure	**19,340**	**11,788**	**11,958**	**(170)**

Economy, Enterprise & Property

	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance to Date (Overspend) £'000
Expenditure				
Employees	4,574	3,288	3,321	(33)
Repairs & Maintenance	2,576	1,271	1,101	170
Premises	49	44	45	(1)
Energy & Water Costs	655	388	351	37
NNDR	542	515	467	48
Rents	353	348	340	8
Economic Regeneration Activities	49	12	12	0
Supplies & Services	2,356	1,233	1,173	60
Grants to Non Voluntary Organisations	233	64	64	0
Agency Related	0	0	1	(1)
Total Expenditure	**11,387**	**7,163**	**6,875**	**288**
Income				
Fees & Charges	-291	-204	-211	7
Rent – Markets	-778	-586	-589	3
Rent – Industrial Estates	-48	-63	-186	123
Rent – Investment Properties	-855	-590	-603	13
Transfer to /from Reserves	-1,538	-1,168	-1,168	0
Government Grant – Income	-2,085	-876	-876	0
Reimbursements & Other Income	-196	-170	-174	4
Recharges to Capital	-213	-81	-51	(30)
Schools Sla Income	-558	-547	-547	0
Total Income	**6,562**	**-4,285**	**-4,405**	**120**
Net Operational Expenditure	**4,825**	**2,878**	**2,470**	**408**
Recharges				
Premises Support Costs	1,916	1,410	1,410	0
Transport Support Costs	19	12	12	0
Central Support Service Costs	2,084	1,551	1,551	0
Repairs & Maintenance Recharge Income	-2,703	-2,027	-2,027	0
Accommodation Recharge Income	-2,959	-2,198	-2,198	0
Central Support Service Recharge Income	-1,934	-1,449	-1,449	0
Net Total Recharges	**-3,577**	**-2,701**	**-2,701**	**0**
Net Department Expenditure	**1,248**	**177**	**-231**	**408**

Finance

	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance to Date (Overspend) £'000
Expenditure				
Employees	6,686	5,035	4,902	133
Supplies & Services	356	284	266	18
Other Premises	69	58	58	0
Insurances	1,456	1,012	1,012	0
Concessionary Travel	2,120	1,590	1,636	(46)
Rent Allowances	53,100	36,526	36,526	0
Non HRA Rebates	77	42	42	0
Discretionary Housing Payments	387	321	321	0
Local Welfare Payments	150	100	100	0
Total Expenditure	**64,401**	**44,968**	**44,863**	**105**
Income				
Fees & Charges	-354	-183	-165	(18)
SLA to Schools	-818	-818	-802	(16)
NNDR Administration Grant	-166	0	0	0
Hsg Ben Administration Grant	-642	-433	-433	0
Council Tax Admin Grant	-232	-233	-233	0
Rent Allowances	-52,700	-36,526	-36,526	0
Clerical Error Recoveries	-398	0	0	0
Non HRA Rent Rebates	-77	-37	-37	0
Discretionary Housing Payments Grant	-387	-387	-387	0
Reimbursements & Other Grants	-362	-272	-302	30
Liability Orders	-421	-404	-404	0
Transfer from Reserves	-410	0	0	0
Total Income	**-56,967**	**-39,293**	**-39,289**	**-4**
Net Operational Expenditure	**7,434**	**5,675**	**5,574**	**101**
Recharges				
Premises	340	255	255	0
Transport	8	6	6	0
Central Support Services	2,511	1,883	1,883	0
Support Services Income	-6,189	-4,626	-4,626	0
Net Total Recharges	**-3,330**	**-2,482**	**-2,482**	**0**
Net Department Expenditure	**4,104**	**3,193**	**3,092**	**101**

ICT & Support Services

	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance to Date (Overspend) £'000
Expenditure				
Employees	5,487	4,083	3,827	256
Supplies & Services	773	691	603	88
Computer Repairs & Software	615	307	290	17
Communications Costs	385	385	385	0
Other Premises	32	15	13	2
Other Transport	6	5	5	0
Capital Financing	356	297	292	5
Transfers to Reserves	29	0	0	0
Total Expenditure	**7,683**	**5,783**	**5,415**	**368**
Income				
Fees & Charges	-848	-317	-329	12
SLA to Schools	-514	-514	-514	0
Total Income	**-1,362**	**-831**	**-843**	**12**
Net Operational Expenditure	**6,321**	**4,952**	**4,572**	**380**
Recharges				
Premises	353	265	265	0
Transport	8	6	6	0
Central Support Services	626	468	468	0
Support Service Income	-7,259	-5,451	-5,451	0
Net Total Recharges	**-6,272**	**-4,712**	**-4,712**	**0**
Net Department Expenditure	**49**	**240**	**-140**	**380**

Legal & Democratic Services

	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance to Date (Overspend) £'000
Expenditure				
Employees	1,787	1,411	1,437	(26)
Supplies & Services	434	254	240	14
Civic Catering & Functions	27	13	11	2
Mayoral Allowances	22	15	15	0
Legal Expenses	223	155	155	0
Total Expenditure	**2,493**	**1,848**	**1,858**	**(10)**
Income				
Land Charges	-103	-68	-66	(2)
License Income	-256	-195	-195	0
Schools SLA's	-66	-66	-89	23
Government Grants	-33	-33	-52	19
Other Income	-28	-20	-42	22
Transfers from Reserves	-68	-5	-5	0
Total Income	**-554**	**-387**	**-449**	**62**
Net Operational Expenditure	**1,939**	**1,461**	**1,409**	**52**
Recharges				
Premises Support	158	119	119	0
Transport Recharges	11	8	8	0
Central Support Recharges	361	271	271	0
Support Recharges Income	-1,867	-1,400	-1,400	0
Net Total Recharges	**-1,337**	**-1,002**	**-1,002**	**0**
Net Department Expenditure	**602**	**459**	**407**	**52**

Planning & Transportation

	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance to Date (Overspend) £'000
Expenditure				
Employees	4,271	3,203	3,114	89
Other Premises	213	93	93	0
Contracted Service	241	71	69	2
Supplies & Services	197	197	205	(8)
Street Lighting	1,901	1,341	1,159	182
Highways Maintenance	2,254	1,375	1,375	0
Bridges	99	1	1	0
Fleet Transport	1,201	804	804	0
Lease Car Contracts	316	112	112	0
Bus Support – Hopper Tickets	184	152	152	0
Bus Support	574	453	463	(10)
Out of Borough Transport	51	0	0	0
Finance Charges	145	128	128	0
Grants to Voluntary Organisations	68	68	68	0
Contribution to Reserves	223	223	223	0
NRA Levy	61	61	61	0
Total Expenditure	**11,999**	**8,282**	**8,027**	**255**
Income				
Sales	-415	-205	-210	5
Planning Fees	-541	-406	-271	(135)
Building Control Fees	-205	-154	-163	9
Other Fees & Charges	-533	-533	-602	69
Rents	-8	-6	-1	(5)
Grants & Reimbursements	-498	-148	-149	1
Government Grant Income	-7	-7	-6	(1)
Efficiency Savings	-60	0	0	0
Schools SLAs	-41	-41	-49	8
Capital Salaries	-312	0	0	0
Transfers from Reserves	-100	0	0	0
Total Income	**-2,720**	**-1,500**	**-1,451**	**(49)**
Net Operational Expenditure	**9,279**	**6,782**	**6,576**	**206**
Recharges				
Premises Recharges	858	543	543	0
Transport Recharges	512	257	257	0
Central Recharges	1,584	1,188	1,188	0
Borrow to Save Cost	240	240	240	0
Transport Recharge Income	-3,358	-1,967	-1,967	0
Central Recharge Income	-925	-526	-526	0
Net Total Recharges	**-1,089**	**-265**	**-265**	**0**
Net Department Expenditure	**8,190**	**6,517**	**6,311**	**206**

Policy, People, Performance & Efficiency

	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance to Date (Overspend) £'000
Expenditure				
Employees	1,670	1,295	1,283	12
Employee Training	133	68	68	0
Supplies & Services	122	98	107	(9)
Total Expenditure	**1,925**	**1,461**	**1,458**	**3**
Income				
Fees & Charges	-110	-116	-122	6
Reimbursements & Other Grants	-10	-10	-11	1
School SLA's	-386	-386	-386	0
Transfers from Reserves	-98	0	0	0
Total Income	**-604**	**-512**	**-519**	**7**
Net Operational Expenditure	**1,321**	**949**	**939**	**10**
Recharges				
Premises Support	67	50	50	0
Central Support Recharges	265	198	198	0
Support Recharges Income	-1,700	-1,275	-1,275	0
Net Total Recharges	**-1,368**	**-1,027**	**-1,027**	**0**
Net Department Expenditure	**-47**	**-78**	**-88**	**10**

PEOPLE DIRECTORATE

Adult Social Care, Prevention & Assessment

	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance to Date (Overspend) £'000
Expenditure				
Employees	7,962	5,622	5,496	126
Other Premises	86	42	69	(27)
Supplies & Services	455	276	282	(6)
Aids & Adaptations	113	80	80	0
Transport	18	14	14	0
Food Provision	96	65	64	1
Other Agency	23	12	6	6
Contribution to Complex Care Pool	19,729	11,933	12,065	(132)
Total Expenditure	**28,482**	**18,044**	**18,076**	**(32)**
Income				
Fees & Charges	-541	-410	-365	(45)
Reimbursements & Grant Income	-209	-191	-186	(5)
Transfer from Reserves	-1,203	-69	-69	0
Capital Salaries	-111	-83	-83	0
Government Grant Income	-170	-170	-170	0
Total Income	**-2,234**	**-923**	**-873**	**(50)**
Net Operational Expenditure	**26,248**	**17,121**	**17,203**	**(82)**
Recharges				
Premises Support	389	279	279	0
Central Support Services	1,876	1,334	1,334	0
Internal Recharge Income	-1,284	-955	-955	0
Transport Recharges	138	74	71	3
Net Total Recharges	**1,119**	**732**	**729**	**3**
Net Department Expenditure	**27,367**	**17,853**	**17,932**	**(79)**

Children & Families

	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance to Date (Overspend) £'000
Expenditure				
Employees	9,008	6,761	6,830	(69)
Premises	300	191	165	26
Supplies & Services	1,076	690	738	(48)
Transport	6	4	62	(58)
Direct Payments/Individual Budgets	161	121	361	(240)
Commissioned Services	318	186	132	54
Out of Borough Residential Placements	3,421	2,258	4,502	(2,244)
Out of Borough Adoption	133	100	99	1
Out of Borough Fostering	481	361	1,126	(765)
In House Adoption	402	319	330	(11)
Special Guardianship	1,092	837	1,012	(175)
In House Foster Carer Payments	2,010	1,507	1,419	88
Care Leavers	184	138	78	60
Family Support	82	61	57	4
Emergency Duty Team	89	38	45	(7)
Contracted Services	4	4	4	0
Capital Financing	6	0	0	0
Total Expenditure	**18,773**	**13,576**	**16,960**	**(3,384)**
Income				
Adoption Placements	-97	-64	-53	(11)
Fees & Charges	-15	-11	-15	4
Sales Income	-29	-25	-38	13
Rents	-95	-23	-28	5
Dedicated School's Grant	-77	-59	-59	0
Reimbursements & Other Grant Income	-886	-807	-808	1
Government Grants	-337	-264	-264	0
Transfer from Reserves	-33	-33	-33	0
Total Income	**-1,569**	**-1,286**	**-1,298**	**12**
Net Operational Expenditure	**17,204**	**12,290**	**15,662**	**(3,372)**
Recharges				
Premises Support Costs	434	326	326	0
Transport Support Costs	42	27	27	0
Central Support Service Costs	2,181	1,615	1,615	0
Net Total Recharges	**2,657**	**1,968**	**1,968**	**0**
Net Department Expenditure	**19,861**	**14,258**	**17,630**	**(3,372)**

Commissioning & Complex Care

	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance to Date (Overspend) £'000
Expenditure				
Employees	6,282	4,671	4,573	98
Other Premises	243	186	193	(7)
Supplies & Services	342	309	313	(4)
Other Agency Costs	620	600	604	(4)
Transport	187	140	143	(3)
Contracts & SLAs	151	113	89	24
Emergency Duty Team	94	70	70	0
Payments To Providers	2,212	1,519	1,520	(1)
Total Expenditure	**10,131**	**7,608**	**7,505**	**103**
Income				
Sales & Rents Income	-198	-141	-154	13
Fees & Charges Income	-232	-174	-129	(45)
Reimbursements & Other Grant Income	-492	-229	-250	21
CCG Contribution To Service	-360	-193	-129	(64)
Transfer From Reserves	-1,351	0	0	0
Total Income	**-2,633**	**-737**	**-662**	**(75)**
Net Operational Expenditure	**7,498**	**6,871**	**6,843**	**28**
Recharges				
Transport	393	202	227	(25)
Premises Support	236	177	177	0
Central Support Services	1,088	797	797	0
Internal Recharge Income	-649	-421	-421	0
Net Total Recharges	**1,068**	**755**	**780**	**(25)**
Net Department Expenditure	**8,566**	**7,626**	**7,623**	**3**

Education, Inclusion & Provision

	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance to Date (Overspend) £'000
Expenditure				
Employees	6,355	4,349	4,141	208
Premises	442	37	37	0
Supplies & Services	2,996	1,642	1,595	47
Transport	5	4	3	1
School Transport	934	547	744	(197)
Commissioned Services	2,647	1,616	1,616	0
Agency Related Expenditure	1,474	997	978	19
Independent School Fees	2,463	1,645	1,645	0
Inter Authority Special Needs	175	28	28	0
Pupil Premium Grant	191	52	52	0
Nursery Education Payments	2,980	2,031	2,031	0
Schools Contingency	469	352	352	0
Special Education Needs Contingency	2,016	1,411	1,411	0
Capital Finance	3	1	0	1
Early Years Contingency	50	0	0	0
Total Expenditure	**23,200**	**14,712**	**14,633**	**79**
Income				
Fees & Charges	-351	-131	-132	1
Government Grant	-569	-569	-569	0
Reimbursements & Other Income	-1,112	-556	-557	1
Schools SLA Income	-252	-252	-256	4
Transfer to / from Reserves	-781	-574	-574	0
Dedicated Schools Grant	-12,938	-6,631	-6,631	0
Inter Authority Income	-578	-99	-99	0
Sales Income	-38	0	0	0
Rent	-102	-8	-8	0
Total Income	**-16,721**	**-8,820**	**-8,826**	**6**
Net Operational Expenditure	**6,479**	**5,892**	**5,807**	**85**
Recharges				
Central Support Services Costs	1,982	1,315	1,315	0
Premises Support Costs	288	213	213	0
Transport Support Costs	254	122	122	0
HBC Support Costs Income	-80	0	0	0
Net Total Recharges	**2,444**	**1,650**	**1,650**	**0**
Net Department Expenditure	**8,923**	**7,542**	**7,457**	**85**

Public Health & Public Protection

	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance To Date (overspend) £'000
Expenditure				
Employees	3,315	2,324	2,312	12
Supplies & Services	275	144	140	4
Other Agency	21	21	16	5
Contracts & SLA's	7,571	5,193	5,191	2
Total Expenditure	**11,182**	**7,682**	**7,659**	**23**
Income				
Other Fees & Charges	-59	-48	-45	(3)
Sales Income	-44	-44	-46	2
Reimbursements & Grant Income	-186	-185	-192	7
Government Grant	-10,718	-7,655	-7,655	0
Transfer from Reserves	-425	0	0	0
Total Income	**-11,432**	**-7,932**	**-7,938**	**6**
Net Operational Expenditure	**-250**	**-250**	**-279**	**29**
Recharges				
Premises Support	162	122	123	(1)
Central Support Services	592	339	339	0
Transport Recharges	18	10	10	0
Support Income	-64	0	0	0
Net Total Recharges	**708**	**471**	**472**	**(1)**
Net Department Expenditure	**458**	**221**	**193**	**28**

	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance to Date (Overspend) £'000
Expenditure				
Employees	338	253	196	57
Premises	80	62	117	(55)
Contracted Services	63	49	49	0
Supplies & Services	144	107	17	90
Members Allowances	785	589	519	70
Interest Payable	2,047	1,535	1,062	473
Bank Charges	78	58	51	7
Audit Fees	142	106	106	0
Contingency	500	375	0	375
Capital Financing	1,718	1,718	1,683	35
Mersey Gateway Crossings Board	776	650	537	113
Contribution to Reserves	792	413	0	413
Debt Management Expenses	34	26	14	12
Precepts & Levies	181	181	191	(10)
Corporate Property Savings Target	-670	-503	0	(503)
Total Expenditure	**7,008**	**5,619**	**4,542**	**1,077**
Income				
Interest Receivable	-436	-327	-628	301
Other Fees & Charges	-111	-83	-198	115
Grants & Reimbursements	-1,135	-953	-1,124	171
Government Grant Income	-5,197	-3,898	-3,818	-80
Transfer from Reserves	-1,081	-811	-811	0
Total Income	**-7,960**	**-6,072**	**-6,579**	**507**
Net Operational Expenditure	**-952**	**-453**	**-2,037**	**1,584**
Recharges				
Premises Recharges	5	3	3	0
Central Recharges	1,397	1,048	1,048	0
Central Recharge Income	-651	-488	-488	0
Net Total Recharges	**751**	**563**	**563**	**0**
Net Department Expenditure	**-201**	**110**	**-1,474**	**1,584**

APPENDIX 2

Complex Care Pooled Budget

Note – Halton BC's net contribution towards the Complex Care Pooled Budget is included within the Adult Social Care, Prevention and Assessment Department statement shown in Appendix 1.

	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance To Date (overspend) £'000
Expenditure				
Intermediate Care Services	4,196	2,631	2,509	122
End of Life	192	122	152	(30)
Sub Acute	1,727	1,104	1,093	11
Urgent Care Centres	815	406	406	0
Joint Equipment Store	847	322	262	60
Contracts & SLA's	987	602	630	(28)
Intermediate Care Beds	596	447	488	(41)
BCF Schemes	1,754	977	977	0
Adult Care:				
Residential & Nursing Care	21,634	14,109	13,790	319
Domiciliary & Supported Living	10,296	7,768	8,377	(609)
Direct Payments	5,463	4,735	5,353	(618)
Day Care	445	306	276	30
Carers Breaks	431	379	379	0
Frailty Pathway	155	0	0	0
Contingency	518	0	0	0
Total Expenditure	50,056	33,908	34,692	(784)
Income				
Residential & Nursing Income	-5,059	-3,524	-3,785	261
Community Care Income	-1,840	-1,025	-1,233	208
Direct Payment Income	-254	-225	-320	95
BCF	-9,491	-7,118	-7,118	0
CCG Contribution to Pool	-12,846	-9,635	-9,635	0
Other CCG income	-114	-87	-84	(3)
ILF Grant	-723	-361	-361	0
Liability as per Joint Working Agreement	0	0	-91	91
Total Income	-30,327	-21,975	-22,627	652
Net Department Expenditure	**19,729**	**11,933**	**12,065**	**(132)**

Capital Expenditure to 31 December 2016

Directorate/Department	Actual Expenditure to Date £'000	2016/17 Cumulative Capital Allocation Quarter 3 £'000	2016/17 Cumulative Capital Allocation Quarter 4 £'000	Capital Allocation 2017/18 £'000	Capital Allocation 2018/19 £'000
Enterprise Community & Resources Directorate					
Community and Environment					
Stadium Minor Works	257	260	280	30	30
Leisure Centres Refurbishment	276	275	275	0	0
Widnes Recreation Site	231	231	231	0	0
Norton Priory	2,786	2,790	2,830	327	0
Norton Priory Biomass Boiler	0	0	107	0	0
Open Spaces Schemes	130	150	200	0	0
Children's Playground Equipment	13	15	65	91	65
Upton Improvements	0	0	13	0	0
The Glen Play Area	26	30	64	4	0
Runcorn Hill Park	120	120	210	150	75
Crow Wood Play Area	4	5	35	450	75
Runcorn Cemetery Extension	0	0	0	9	0
Peelhouse Lane Cemetery	10	10	105	1,000	293
Peelhouse Lane Cemetery – Enabling Works	35	35	46	0	0
Landfill Tax Credit Schemes	0	0	340	340	340
Litter Bins	11	15	20	20	20
ICT & Support Services					
ICT Rolling Programme	1,100	1,100	1,100	1,100	1,100

Directorate/Department	Actual Expenditure to Date £'000	2016/17 Cumulative Capital Allocation		Capital Allocation 2017/18 £'000	Capital Allocation 2018/19 £'000
		Quarter 3 £'000	Quarter 4 £'000		
Economy, Enterprise & Property					
Castlefields Regeneration	24	24	54	125	0
3MG	327	327	876	4,104	0
Widnes Waterfront	0	0	0	1,000	0
Johnsons Lane Infrastructure	0	0	302	0	0
Decontamination of Land	0	0	6	0	0
SciTech Daresbury	14,240	14,240	15,939	483	0
Venture Fields	0	0	0	6,000	0
Former Crosville Site	2,283	2,283	4,375	0	0
Police Station Site	323	323	341	0	0
Travellers' Site Warrington Road	0	0	48	0	0
Signage at The Hive	0	0	50	50	0
Advertising Screen at The Hive	0	0	0	100	0
Widnes Town Centre Initiative	16	16	16	0	0
Widnes Market Refurbishment	74	74	1,052	370	10
Widnes Land Purchases	0	0	235	0	0
Equality Act Improvement Works	0	0	150	450	300
The Croft	0	0	30	0	0
Linnets Clubhouse	34	0	0	0	0
Mersey Gateway					
Land Acquisitions	1,442	1,442	1,826	2,254	11,284
Development Costs	1,538	1,538	2,592	2,365	0
Loan Interest During Construction	2,757	2,757	3,699	1,854	0
Construction Costs	35,000	35,000	70,000	32,500	0
Mersey Gateway Liquidity Fund	0	0	0	10,000	0

Directorate/Department	Actual Expenditure to Date £'000	2016/17 Cumulative Capital Allocation Quarter 3 £'000	 Quarter 4 £'000	Capital Allocation 2017/18 £'000	Capital Allocation 2018/19 £'000
Other					
Risk Management	25	25	125	120	120
Fleet Replacements	447	450	2,222	1,361	556
Policy, Planning & Transportation					
Bridge & Highway Maintenance	1,089	1,100	3,081	3,231	1,546
Integrated Transport & Network Management	96	100	736	908	0
Street Lighting – Structural Maintenance & Upgrades	498	505	745	3,706	200
STEPS Programme	20	15	670	0	0
S106 Schemes	362	362	362	0	0
Peelhouse Lane Cemetery - Highways	1	1	101	0	0
Hale Road Bus Priority Route	0	0	150	0	0
Silver Jubilee Bridge – Major Maintenance Scheme	0	0	0	5,400	0
Total Enterprise Community & Resources	**65,595**	**65,618**	**115,704**	**79,902**	**16,014**

Directorate/Department	Actual Expenditure to Date £'000	2016/17 Cumulative Capital Allocation Quarter 3 £'000	 Quarter 4 £'000	Capital Allocation 2017/18 £'000	Capital Allocation 2018/19 £'000
People Directorate					
Commissioning & Complex Care					
ALD Bungalows	200	200	299	100	0
Grangeway Court	197	200	343	0	0
Community Capacity Grant	0	0	57	0	0
Bredon reconfiguration	63	70	356	0	0
Complex Pool					
Disabled Facilities Grant	253	475	635	0	0
Stairlifts (Adaptations Initiative)	203	188	250	0	0
RSL Adaptations (Joint Funding)	163	150	200	0	0
Madeline McKenna Residential Home	0	0	450	0	0
Purchase of 2 adapted properties	0	0	0	520	0
Prevention & Assessment					
Community Meals Oven	0	0	10	0	0
Lifeline Telecare Upgrade	60	60	100	0	0
Public Health & Public Protection					
Halton Recovery & Wellbeing Hub	45	45	45	0	0
Directorate/Department	Actual Expenditure to Date	2016/17 Cumulative Capital Allocation		Capital Allocation 2017/18	Capital Allocation 2018/19

		Quarter 3	Quarter 4		
	£'000	£'000	£'000	£'000	£'000
Schools Related					
Asset Management Data	1	3	7	0	0
Fire Compartmentation	26	37	37	2	0
Capital Repairs	497	497	605	130	0
Asbestos Management	8	10	20	0	0
Schools Access Initiative	62	70	80	0	0
Education Programme (General)	51	50	110	0	0
Basic Need Projects	0	0	0	779	0
School Modernisation Projects	342	342	372	134	0
Early Education for 2 Year Olds	43	45	52	0	0
Universal Infant School Meals	0	0	2	0	0
Halebank	20	20	20	0	0
St Edwards Catholic Primary	32	32	32	0	0
Hale Primary	97	108	118	0	0
Fairfield Primary School	1,193	1,100	1,789	411	0
Weston Point Primary	0	0	10	35	0
Total People Directorate	**3,556**	**3,702**	**5,999**	**2,111**	**0**
TOTAL CAPITAL PROGRAMME	**69,151**	**69,320**	**121,703**	**82,013**	**16,014**
Slippage (20%)			-10,341	-7,903	-3,203
				10,341	7,903
TOTAL	**69,151**	**69,320**	**111,362**	**84,451**	**20,714**

REPORT TO: Executive Board

DATE: 23 February 2017

REPORTING OFFICER: Operational Director – Finance

PORTFOLIO: Resources

TITLE: Treasury Management Strategy Statement 2017/18

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 2017/18.

2.0 RECOMMENDATION: That Council is 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 (2017/18). 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 and the full policy is shown in Appendix A.

4.0 POLICY IMPLICATIONS

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

5.0 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

2017/18

Financial Management Division
Finance Department
December 2016

TREASURY MANAGEMENT STRATEGY STATEMENT 2017/18

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 2017/18

The strategy for 2017/18 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 in the forthcoming year. 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 2017/18 – 2019/20

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

	2015/16 Actual £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000
Capital Expenditure:					
People & Economy	7,004	-	-	-	-
Community & Resources	22,483	-	-	-	-
People	-	5,999	2,111	-	-
Enterprise, Community & Resources	-	115,704	79,902	16,014	3,492
	29,487	**121,703**	**82,013**	**16,014**	**3,492**
Financed By:					
Capital receipts	(4,494)	(8,404)	(9,112)	(2,173)	(1,869)
Capital grants	(15,974)	(20,622)	(12,513)	(1,845)	(306)
Revenue	(2,279)	(1,279)	(8)	(35)	-
Net financing need for the year	**6,740**	**91,398**	**60,380**	**11,961**	**1,317**

The above financing need excludes other long term liabilities such as PFI and leasing arrangements which already include borrowing instruments.

The majority of additional borrowing, and subsequent increase in the Capital Financing Requirement, is mainly as a result of Council investment in the Mersey Gateway. This additional borrowing will be repaid from future toll incomes and will be of no cost to the Council.

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.

Table 2 – Capital Financing Requirement

	2015/16 Actual £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000
Capital Financing Requirement	**107,660**	**111,606**	**200,718**	**258,665**	**268,161**
Movement in CFR due to:					
Net financing need for the year	6,740	91,398	60,380	11,961	1,317
PFI / Finance Leases	354	100	100	100	100
Less Minimum Revenue Provision	(3,148)	(2,386)	(2,533)	(2,565)	(2,578)
Increase / (Decrease) in CFR	**3,946**	**89,112**	**57,947**	**9,496**	**(1,161)**

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.

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	2015/16 Actual £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000
Council's Net Budget	**101,452**	**98,460**	**102,701**	**95,454**	**92,663**
Finance Costs					
Net Interest Costs	740	846	915	875	869
Minimum Revenue Provision	2,128	1,536	1,863	1,881	1,880
	2,868	**2,382**	**2,778**	**2,756**	**2,749**
	2.8%	**2.4%**	**2.7%**	**2.9%**	**3.0%**

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	2015/16 Actual £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000
Net cost of additional borrowing	330	73	83	44	22
Council Tax Base	32,100	32,948	33,818	33,818	33,818
Impact on Band D (£)	**10.28**	**2.21**	**2.44**	**1.30**	**0.66**

3 BORROWING

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

3.1 Current portfolio position

The Council's treasury portfolio position at 31 March 2016, 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

External Debt	2015/16 Actual £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000
Borrowing					
Debt at 1 April	188,449	158,664	158,664	173,000	173,000
Expected Change in Debt	(29,785)	-	14,336	-	-
Debt at 31 March	**158,664**	**158,664**	**173,000**	**173,000**	**173,000**
Other long-term liabilities					
Debt at 1 April	22,549	21,883	21,133	20,564	19,980
Expected Change in Debt	(666)	(750)	(569)	(584)	(590)
Debt at 31 March	**21,883**	**21,133**	**20,564**	**19,980**	**19,390**
Total External Debt at 31 March	**180,547**	**179,797**	**193,564**	**192,980**	**192,390**
Capital Financing Requreiment	**111,606**	**200,718**	**258,665**	**268,161**	**267,000**
Under / (over) borrowing	**(68,941)**	**20,921**	**65,101**	**75,181**	**74,610**

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 2017/18 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 were in an over-borrowed position at the end of 2015/16. This was 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

Operational boundary	2016/17 Actual £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000
Debt	233,100	233,100	233,100	233,100
Other Long Term Liabilities	19,500	21,064	20,480	19,890
Total	**252,600**	**254,164**	**253,580**	**252,990**
Total External Debt at 31 March	179,797	193,564	192,980	192,390
Estimated Headroom	**72,803**	**60,600**	**60,600**	**60,600**

The boundary is significantly higher than the debt position over the next three years as the council is currently in an under-borrowed position.

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

Authorised limit	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £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	179,797	193,564	192,980	192,390
Estimated Headroom	**90,203**	**76,436**	**77,020**	**77,610**

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
Dec-16	0.25	1.6	2.3	2.9	2.7
Mar-17	0.25	1.6	2.3	2.9	2.7
Jun-17	0.25	1.6	2.3	2.9	2.7
Sep-17	0.25	1.6	2.3	2.9	2.7
Dec-17	0.25	1.6	2.3	3.0	2.8
Mar-18	0.25	1.7	2.3	3.0	2.8
Jun-18	0.25	1.7	2.4	3.0	2.8
Sep-18	0.25	1.7	2.4	3.1	2.9
Dec-18	0.25	1.8	2.4	3.1	2.9
Mar-19	0.25	1.8	2.5	3.2	3.0
Jun-19	0.50	1.9	2.5	3.2	3.0
Sep-19	0.50	1.9	2.6	3.3	3.1
Dec-19	0.75	2.0	2.6	3.3	3.1
Mar-20	0.75	2.0	2.7	3.4	3.2

Overview

The Monetary Policy Committee (MPC), cut the Bank Rate from 0.50% to 0.25% on 4th August in order to counteract what it forecast was going to be a sharp slowdown in growth in the second half of 2016.

Economic data since August has indicated much stronger growth in the second half 2016 than that forecast and inflation forecasts have risen substantially as a result of a continuation of the sharp fall in the value of sterling. Consequently, Bank Rate was not cut again in November or December and it now appears unlikely that there will be another cut.

During the two-year period 2017 – 2019, when the UK is negotiating the terms for withdrawal from the EU, it is likely that the MPC will do nothing to dampen growth prospects, (i.e. by raising Bank Rate), which will already be adversely impacted by the uncertainties of what form Brexit will eventually take. Accordingly, a first increase to 0.50% is not expected until quarter 2 2019.

Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts, (and MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact.

The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. It has long been expected that at some point, there would be a start to a switch back from bonds to equities after a historic long term trend over about the last twenty five years of falling bond yields. The action of central banks since the financial crash of 2008, in implementing substantial quantitative easing purchases of bonds, added further impetus to this downward trend in bond yields and rising prices of bonds. The opposite side of this coin has been a rise in equity values as investors searched for higher returns and took on riskier assets.

The sharp rise in bond yields since the US Presidential election, has called into question whether this trend may reverse, especially when America is likely to lead the way in reversing monetary policy. Until 2015, monetary policy was focused on providing stimulus to economic growth but has since started to refocus on countering the threat of rising inflationary pressures as strong economic growth becomes more firmly established. The expected substantial rise in the Federal Bank rate over the next few years may make holding US bonds much less attractive and cause their prices to fall, and therefore bond yields to rise. Rising bond yields in the US would be likely to exert some upward pressure on bond yields in other developed countries but the degree of that upward pressure is likely to be dampened by how strong, or weak, the prospects for economic growth and rising inflation are in each country, and on the degree of progress in the reversal of monetary policy away from quantitative easing and other credit stimulus measures.

PWLB rates and gilt yields have been experiencing exceptional levels of volatility that have been highly correlated to geo-political, sovereign debt crisis and emerging market developments. It is likely that these exceptional levels of volatility could continue to occur for the foreseeable future.

The overall balance of risks to economic recovery in the UK is to the downside, particularly in view of the current uncertainty over the final terms of Brexit and the timetable for its implementation.

Apart from the above uncertainties, downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Monetary policy action by the central banks of major economies reaching its limit of effectiveness and failing to stimulate significant sustainable growth, combat the threat of deflation and reduce high levels of debt in some countries, combined with a lack of adequate action from national governments to promote growth through structural reforms, fiscal policy and investment expenditure.
- Major national polls:
- Italian constitutional referendum 4.12.16 resulted in a ‘No’ vote which led to the resignation of Prime Minister Renzi. This means that Italy needs to appoint a new government.

- Spain has a minority government with only 137 seats out of 350 after already having had two inconclusive general elections in 2015 and 2016. This is potentially highly unstable.
- Dutch general election 15.3.17;
- French presidential election April/May 2017;
- French National Assembly election June 2017;
- German Federal election August – October 2017.
- A resurgence of the Eurozone sovereign debt crisis, with Greece being a particular problem, and stress arising from disagreement between EU countries on free movement of people and how to handle a huge influx of immigrants and terrorist threats
- Weak capitalisation of some European banks, especially Italian.
- Geopolitical risks in Europe, the Middle East and Asia, causing a significant increase in safe haven flows.
- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.
- The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates, include: -
- UK inflation rising to significantly higher levels than in the wider EU and in the US, causing an increase in the inflation premium in gilt yields.
- A rise in US Treasury yields as a result of Federal Bank fund rate increases and rising inflation expectations in the USA, dragging UK gilt yields upwards.
- The pace and timing of increases in the Federal Bank fund rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- A downward revision to the UK's sovereign credit rating undermining investor confidence in holding sovereign debt (gilts).

Investment and borrowing rates:

- Investment returns are likely to remain low during 2017/18 and beyond;
- Borrowing interest rates have been on a generally downward trend during most of 2016 up to mid-August; they fell sharply to historically phenomenally low levels after the referendum and then even further after the MPC meeting of 4th August when a new package of quantitative easing purchasing of gilts was announced. Gilt yields have since risen sharply due to a rise in concerns around a 'hard Brexit', the fall in the value of sterling, and an increase in inflation expectations. 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 capital expenditure and/or to refinance maturing debt;
- There will remain a cost of carry to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost – the difference 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 2017/18 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	2017/18 %	2018/19 %	2019/20 %
Fixed Rate	100	100	100
Variable Rate	30	30	30

Table 10 – Maturity structure of fixed rate borrowing

Maturity Structure of Fixed Rate Borrowing	2017/18	
	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 payment relating to Mersey Gateway was made in October 2016, and further payments are due in March and September 2017. After the second payment is made, in March, the Council will no longer be in an over-borrowed position.

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

All credit ratings will be monitored whenever new lending takes place. The Council is alerted to changes to ratings of all three agencies through its use of 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 2017/18

The Council has set the following counterparty limits for 2017/18, 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 soverign 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
Local Authorities	40
Property Fund	10
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 as part of the 2018/19 Treasury Strategy.

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 0.25% before starting to rise from quarter 2 of 2019. Bank Rate forecasts for financial year ends (March) are:

- 2017 0.25%
- 2018 0.25%
- 2019 0.25%

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	**2017/18 £000**	**2018/19 £000**	**2019/20 £000**
Principal sums > 365 days	20,000	20,000	20,000

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

Appendix A

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 changed this to a 2% straight line as the new method:

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

Option 2: Capital Financing Requirement Method

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

Option 3: Asset Life Method

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

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

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

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

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

Option 4: Depreciation Method

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

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

Date of implementation

The previous statutory MRP requirements ceased to have effect after the 2006/07 financial year. Transitional arrangements included within the guidance no longer apply for the MRP charge for 2009/10 onwards. Therefore, options 1 and 2 should only be used for Supported Capital Expenditure (SCE). Authorities are however reminded that the DCLG document remains as guidance and authorities may consider alternative individual MRP approaches, as long as they are consistent with the statutory duty to make a prudent revenue provision.

Strategy Adopted for 2017/18 and future years

In order to determine its MRP for 2017/18 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

Agenda Item 4c

REPORT TO:	Executive Board
DATE:	23 February 2017
REPORTING OFFICER:	Operational Director – Finance
SUBJECT:	Budget 2017/18
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 2017/18.

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 £102.700m, the Council Tax requirement of £44.378m (before Parish, Police and Fire precepts) and the Band D Council Tax for Halton of £1,312.27.

3.0 SUPPORTING INFORMATION

Medium Term Financial Strategy

3.1 The Executive Board approved the Medium Term Financial Strategy (MTFS) at its meeting on 17 November 2016. In summary, funding gaps of around £11.7m in 2017/18, £11.7m in 2018/19 and £9.2m in 2019/20 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.

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 2016/17 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 over budget in the current year by approximately £1m against a net budget of £98.5m. A main reason for the projected overspend is as a result of the continued significant pressure in respect of children social care costs. Work is underway to consider how the budget can be brought back in line as much as possible during the final three months of the year and to ensure a balanced budget position is achieved for the forthcoming financial year. It is anticipated that general reserve balances at 31 March 2017 will be around £4.4m, equivalent to approximately 4.3% of the net budget for 2017/18.

2017/18 Budget

3.5 On 7 December 2016 Council approved initial budget savings for 2017/18 totalling £7.9m and further proposed savings are shown in Appendix B.

3.6 The proposed budget totals £102.700m. 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 £2.414m for the New Homes Bonus 2017/18 grant. This is a reduction of £0.338m from the grant level for 2016/17 due to a change in formula in how the grant is calculated. It also includes Improved Better Care Funding of £0.548m, paid to Councils for the first time in 2017/18 and funded from a national top-slice to New Homes Bonus funding.

3.8 It is considered prudent for the budget to include a general contingency of £1m. At this stage it is considered sufficient to cover the potential for price changes, 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 2017/18 budget, capital programme and council tax. Balances and reserves should provide sufficient resilience to meet the financial consequences of any unforeseen events.

3.10 Included within the 2017/18 budget will be a levy payable to Liverpool City Region Combined Authority for transport activities. This will be paid back to the Council during the course of the year to fund the transport activities the Council provide within the borough boundaries on behalf of the Combined Authority.

Local Government Finance Settlement

3.11 The Government announced on xx February 2017 the Final Local Government Finance Settlement for 2017/18; this was in line with the Provisional Settlement announced on 15 December 2016.

3.12 As at 01 April 2017, the Council, as part of the Liverpool City Region will pilot a new scheme of 99% business rate retention. Government have confirmed the pilot scheme will operate under a No-Detriment policy, in that no Council operating as part of the pilot will see a reduction in their funding in comparison to what it would have received under the 49% scheme. The pilot will result in additional business rates being retained by the Council although offset by Revenue Support Grant no longer being paid and a reduction to the Top-Up grant.

3.13 From 2019/20 the Business Rates Retention Scheme will be rolled out on a national basis, in conjunction with this Government will undertake a review of needs and resources of Local Government, the first review since April 2013 and reconsider the business rate baselines for each Council.

3.14 For 2017/18 The Council's total Government Settlement Funding Allocation will be £50.507mm. This is made up of £43.618m Business Rates Funding and Top-Up grant of £6.889m. In total the Settlement Funding Allocation has reduced by £4.786m or 8.7% from 2016/17.

3.15 The Council is required to provide a forecast of business rates to Government by the end of January of the preceding year. The forecast has been undertaken and the Council expect net collectable rates to be £49.722m for 2017/18. This is before allowing £1.337m to be set aside to fund unknown appeals and £2.602m set aside to fund the cost of any potential deficit which may exist within the Liverpool City Region business rate pilot scheme.

3.16 As far as non-domestic premises are concerned, the rate is fixed centrally by Government. For 2017/18 the rate has been set at 48.0p in the pound and 46.6p in the pound for small businesses.

3.17 The 2015 Spending Review announced that for the rest of the current Parliament, local authorities responsible for adult social care will be given the flexibility to place a precept on council tax, to be used towards the funding shortfall for adult social care. This was 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.

3.18 In 2016/17 the Council set an Adult Social Care precept level of 2%. For the three years from 2017/18 to 2019/20 Government have extended the flexibility and Councils can apply a further precept of up to 6% over the period, with a limit of 3% being in place for the first two years and a limit of 2% for 2019/20.

Budget Outlook

3.19 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. Government made an offer to Councils that they would provide the indicative figures as a multi-year settlement. In return local authorities were asked to produce and publish an efficiency plan setting out their forecast budget position through to 2019/20 and the efficiency measures they have in place or propose to implement to achieve annual balanced budget positions.

3.20 Government see the efficiency plan and multi-year settlement as a way of providing funding certainty and stability to local authorities, together with strengthening financial management and efficiency. The Council's efficiency plan was published 14 October 2016.

3.21 The Medium Term Finance Settlement has been updated to take into account the 2017/18 finance settlement, multi-year allocations and saving measures already agreed or proposed.

3.22 The resultant funding gap over the subsequent three financial years (2018/19 to 2020/21) is forecast to be in the region of £23.426m. 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 through greater efficiency or increasing income.

- Partnership working, collaboration and sharing of services with other councils and other organisations.
- Ceasing to deliver certain lower priority services.

3.23 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

3.24 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.

3.25 The Government have confirmed the council tax referendum threshold at 2% for 2017/18, this includes an additional limit of 3% precept for adult social care costs mentioned in para 3.18.

3.26 The tax base (Band D equivalent) for the Borough has been set by Council at 33,818.

3.27 The combined effect of the budget proposals presented within this report, government grant support, business rate retention and the council tax base, requires the Council to set a Band D council tax for Halton of £1,312.27 (equivalent to £25.24 per week), in order to deliver a balanced budget for 2017/18 as required by statute. This is an increase of 4.9% (£61.30 per annum or £1.18 per week) over the current year.

Parish Precepts

3.28 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	26,250	119	0.5	39.65	1,351.92
Daresbury	4,596	396	9.4	26.41	1,338.68
Moore	4,526	28	0.6	13.80	1,326.07
Preston Brook	11,000	1,850	20.2	33.13	1,345.40
Halebank	15,610	260	1.7	29.90	1,342.17
Sandymoor	25,928	1,372	5.6	25.42	1,337.69

Average Council Tax

3.29 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 £1,314.87, an increase of £61.35 per annum.

Police Precept

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

Fire Precept

3.31 The Cheshire Fire Authority has set the precept on the Council at £x.xxxm which is £xx.xx for a Band D property, an increase of £x.xx or x.xx%. The figures for each Band are shown in Recommendation 6 in Appendix A.

Total Council Tax

3.32 Combining all these figures will give the Total Council Tax for 2017/18 and these are shown in Recommendation 7 in Appendix A. The total Band D Council Tax (before Parish precepts) is £1,312.27 an increase of £61.30 or 4.9%. The increases in parish precepts means the increase in Hale is 4.7%, in Daresbury is 4.8%, in Moore is 4.8%, in Preston Brook is 5.3%, in Halebank is 4.7% and in Sandymoor is 4.8%.

3.33 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.

3.34 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

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

	2017/18 £000	**2018/19** £000	**2019/20** £000
Spending			
Scheme estimates	82,013	16,014	3,492
Slippage between years (after	+ 10,341	+ 7,903	+ 3,203
excluding MG costs)	- 7,903	- 3,203	- 698
	84,451	20,714	5,997
Funding			
Borrowing and Leasing	61,081	13,146	3,446
Grants and External Funds	14,137	3,978	614
Direct Revenue Finance	207	30	7
Invest to Save	55	0	0
Capital Receipts	8,971	3,560	1,930
	84,451	20,714	5,997

3.36 The committed Capital Programme is shown in Appendix F. 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.

3.37 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

3.38 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.

3.39 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

3.40 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 2017, which is primarily based on pupil numbers.

3.41 The Government have announced Unit of Funding allocations split between blocks. For Halton the per pupil Unit of Funding for the Schools Block is £4,697.95 which is a decrease to previous years following a baseline review carried out by the EFA in 2016-17. The Early Years Block is £9,076,908, a significant increase to previous years but is simply the result of funds being re-baselined and the extra funding required for the additional 15 hours per week free entitlement for 3 and 4 year olds from September 2017. The High Needs Block is £15,787,751 which again is an increase due to the re-baselining of the notional DSG blocks. Schools will be informed of their funding allocation for Schools Block funding by 28th February 2017 in accordance with the Halton Schools Financing Scheme. Early Years and High Needs funding will be notified to relevant schools during March 2017. The Minimum Funding Guarantee has been set so that the maximum reduction for schools is 1.5%.

3.42 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.

3.43 The allocation of DSG funding to schools for 2017/18 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) 2017/18	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 2017/18.

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 8 March 2017.

APPENDIX A

DRAFT RESOLUTION FOR SUBMISSION TO THE COUNCIL AT ITS MEETING ON 08 March 2017

RECOMMENDATION: that the Council adopt the following resolution:

1. The policies outlined in this paper be adopted, including the budget and council tax for 2017/18, 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 07 December 2016 the Council agreed the following:

   (a) The Council Tax Base 2017/18 for the whole Council area is 33,818 (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	662
Daresbury	174
Moore	328
Preston Brook	332
Halebank	522
Sandymoor	1,020

   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 2017/18 (excluding Parish precepts) is £44,378,347.

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) £353,577,866 – 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) £309,111,609– being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

(c) £44,466,257 – 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) £1,314.87– 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) £87,910– 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	26,250
Daresbury	4,596
Moore	4,526
Preston Brook	11,000
Halebank	15,610
Sandymoor	25,928

(f) £1,312.27 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) <u>Part of the Council's Area</u>

	£
Hale	1,351.92
Daresbury	1,338.68
Moore	1,326.07
Preston Brook	1,345.40
Halebank	1,342.17
Sandymoor	1,337.69

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	901.28	892.46	884.05	896.94	894.78	891.79	874.85
B	1,051.49	1,041.20	1,031.39	1,046.42	1,043.91	1,040.43	1,020.65
C	1,201.71	1,189.94	1,178.73	1,195.91	1,193.04	1,189.06	1,166.46
D	**1,351.92**	**1,338.68**	**1,326.07**	**1,345.40**	**1,342.17**	**1,337.69**	**1,312.27**
E	1,642.35	1,636.17	1,620.75	1,644.38	1,640.44	1,634.95	1,603.89
F	1,952.78	1,933.65	1,915.43	1,943.36	1,938.70	1,932.22	1,895.50
G	2,253.20	2,231.14	2,210.11	2,242.34	2,236.96	2,229.48	2,187.12
H	2,703.85	2,677.37	2,652.14	2,690.81	2,684.35	2,675.38	2,624.54

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 2017/18 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 B C	
D	
E F G H	

6. It is further noted that for the year 2017/18 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 B C	
D	
E F G H	

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 B C							
D							
E F G H							

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 2017/18 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 – 2nd SET

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM SEMI-P TEMP (P/S/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2017/18 £'000	2018/19 £'000		
PEOPLE DIRECTORATE							
EFFICIENCY OPPORTUNITIES							
1	Commissioning & Complex Care Dept	Deletion of the vacant part-time post of Operational Director, Commissioning & Complex Care.	**54**	**54**	**0**	**P**	**M/D**
2	Education Inclusion & Provision Dept/ Children's Centres	Reconfiguration of management of Widnes Children's Centres to allow the deletion of one vacant Principal Manager post and replacement with a senior post. This will provide net savings and will ensure the continued emphasis on the sustainability of Widnes Children's Centres. This approach has been successfully piloted for over twelve months.	**57**	**25**	**0**	**P**	**M/D**
3	Public Protection/ Environmental Health Division	Deletion of a vacant HBC6 Programme Officer post.	**35**	**35**	**0**	**P**	**D**

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING 2017/18 £'000	ESTIMATED BUDGET SAVING 2018/19 £'000	PERM SEMI-P TEMP (P/S/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
PROCUREMENT OPPORTUNITIES							
4	People Directorate	Target for reduction in contract values, following a review of all contracts across the Directorate, with the exception of domiciliary, residential and nursing contracts.	**n/a**	**100**	**0**	**P**	**M/D**
OTHER BUDGET SAVINGS							
5	Public Protection/ Environmental Health Division	One-off saving from utilising Environmental Health reserves accumulated over previous years.	**100**	**100**	**-100**	**T**	**D**
		TOTAL PERMANENT		**214**	**0**		
		TOTAL SEMI PERMANENT		**0**	**0**		
		TOTAL TEMPORARY (ONE-OFF)		**100**	**-100**		
		GRAND TOTAL		**314**	**-100**		

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING 2017/18 £'000	ESTIMATED BUDGET SAVING 2018/19 £'000	PERM SEMI-P TEMP (P/S/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
ENTERPRISE, COMMUNITY & RESOURCES DIRECTORATE							
INCOME GENERATION OPPORTUNITIES							
6	Community & Environment Dept/ Open Spaces Div	Seek alternative funding for the Annual Firework Display, such as via sponsorship.	**30**	**30**	**0**	**P**	**D**
EFFICIENCY OPPORTUNITIES							
7	Finance Dept	Restructuring of management arrangements to bring together the Procurement and Audit and Operational Finance Divisions under a single Divisional Manager.	**1,518**	**74**	**0**	**P**	**M/D**
8	Finance Dept / Revenues & Benefit Div	Deletion of two vacant HBC3 Benefit Officer posts (1.5fte).	**948**	**33**	**0**	**P**	**M**
9	Finance Dept / Financial Management Div	Deletion of a vacant HBC7/8 Finance Officer post.	**1,224**	**41**	**0**	**P**	**M/D**
10	Legal & Dem Svcs Dept /	Balance of savings achieved from previous management restructuring of the Democratic Services Division.	**n/a**	**11**	**0**	**P**	**M**

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING 2017/18 £'000	ESTIMATED BUDGET SAVING 2018/19 £'000	PERM SEMI-P TEMP (P/S/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
	Democratic Services						
11	Revenues & Benefits Div/ Contact Centre	Deletion of a vacant HBC6 Monitoring & Development Officer post within the Contact Centre.	**664**	**30**	**0**	**P**	**D**
12	Revenues & Benefits Div/ HDL	Closure of the Ditton Halton Direct Link Office, subject to consultation with staff and Trades Unions. The existing cash kiosk would remain within the library.	**39**	**39**	**0**	**P**	**D**
13	Revenues & Benefits Div/ HDL	Closure of the Church Street, Runcorn Halton Direct Link Office, subject to consultation with staff and Trades Unions. The existing cash kiosk would remain within the library.	**53**	**53**	**0**	**P**	**D**
OTHER BUDGET SAVINGS							
14	Legal & Dem Svcs Dept / Democratic Services	One-off saving as there are no Council elections in 2017/18.	**100**	**100**	**-100**	**T**	**M**
15	Waste Management Div/ Area Forums	25% reduction in the allocation of funding to Area Forums, resulting in the following allocations: AF1 Broadheath, Ditton, Hough Green, Hale £52,700 AF2 Birchfield, Farnworth, Halton View £52,500 AF3 Appleton, Kingsway, Riverside £44,800 AF4 Grange, Heath, Halton Brook, Mersey £63,300	**400**	**100**	**0**	**P**	**D**

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING 2017/18 £'000	2018/19 £'000	PERM SEMI-P TEMP (P/S/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
		AF5 Halton Castle, Norton Nth, Norton Sth, Windmill Hill £52,100 AF6 Beechwood, Halton Lea £23,900 AF7 Daresbury £10,700 Total £300,000 This proposal would include the introduction of automatic carry forward to the following financial year of any unspent Area Forum balances.					
16	Economy Enterprise & Property	Reduce the property repairs and maintenance budget, to reflect the rationalisation of the Council's property portfolio and prioritisation of works.	**2,081**	**50**	**0**	**P**	**D**
17	Corporate	Three year reduction in employer's pension contributions, through making lump sum payments, utilising treasury management cashflow, to reduce Halton's share of the historic Pension Fund deficit. The position will then be reviewed in 2020/21 as part of the triennial actuarial revaluation of the Cheshire Pension Fund.	**n/a**	**200**	**0**	**P**	**M**
		TOTAL PERMANENT		**661**	**0**		
		TOTAL SEMI PERMANENT		**0**	**0**		
		TOTAL TEMPORARY (ONE-OFF)		**100**	**-100**		
		GRAND TOTAL		**761**	**-100**		

APPENDIX C

DEPARTMENTAL OPERATIONAL BUDGETS

	£000
People Directorate	
Children and Families Service	17,656
Education, Inclusion & Provision	6,463
Commissioning and Complex Care	8,528
Adult Social Care & Prevention and Assessment	24,293
Public Health & Public Protection	(499)
	56,441
Enterprise, Community & Resources Directorate	
Finance	7,641
Policy, Planning & Transportation	8,846
ICT & Support Services	5,901
Legal & Democratic Services	1,748
Policy, People, Performance & Efficiency	1,785
Community and Environment	12,614
Economy, Enterprise and Property	4,748
	43,283
Departmental Operational Budgets	**99,724**
Corporate and Democracy	2,976
Total Operational Budget	**102,700**

APPENDIX D

2017/18 BUDGET – REASONS FOR CHANGE

	£000
2016/17 Approved Budget	98,460
Add back One-Off savings	6,145
	104,605
Policy Decisions	
Capital Programme	-310
Inflation and Service Demand Pressures	
Pay (including Increments)	2,647
Prices	1,930
Income	-510
Other	
Net Reduction to Specific Grants	-329
Contingency	1,000
Business Rates Retention Scheme	2,639
Base Budget	**111,672**
Less Savings	-8,972
Total 2017/18 Budget	**102,700**

APPENDIX E

MEDIUM TERM FINANCIAL FORECAST

	2018/19 £000	**2019/20 £000**	**2020/21 £000**
Spending			
Previous Year's Budget	102,700	99,393	96,602
Add back one-off savings	2,468	42	0
Inflation			
Pay	1,430	1,581	1,748
Prices	1,336	1,361	1,386
Income	-526	-536	-546
Other			
Contingency	1,500	2,000	2,500
Children in Care	250	0	0
National Living Wage – Ext Service Providers	500	500	500
Mersey Gateway Council Vehicle Tolls	75	0	0
Pension Auto Enrolment – Employer Contributns	150	0	0
Reduction to New Homes Bonus Grant	501	-60	70
Use of Reserves	-991	992	0
Budget Forecast	109,393	105,273	102,260
Resources			
Retained Business Rates	48,404	49,293	50,200
Top Up Funding	3,302	-221	-225
Council Tax	46,598	47,530	47,530
Collection Fund Surplus	1,089	0	0
	99,393	96,602	97,505
Funding Gaps	**10,000**	**8,671**	**4,755**

APPENDIX F

COMMITTED CAPITAL PROGRAMME 2017-20

SCHEME	2017/18 £000	2018/19 £000	2019/20 £000
Schools Capital Projects	1,079	-	-
Fairfield Primary	411	-	-
ALD Bungalows	100	-	-
Purchase of 2 adapted properties	520	-	-
People Directorate	**2,110**	**-**	**-**
IT Rolling Programme	1,100	1,100	1,100
Castlefields	125	-	-
3MG	4,104	-	-
Widnes Waterfront	1,000	-	-
Sci Tech Daresbury	483	-	-
Venture Fields	6,000	-	-
Hive Signage & Advertising	150	-	-
Equality Act Improvement Works	450	300	300
Widnes Market	370	10	-
Highways Capital Maintenance	4,139	1,546	
Silver Jubilee Major Maintenance	5,400	-	-
Street Lighting – Structural Maintenance	200	200	200
Street Lighting – Upgrades	3,506	-	-
Fleet Replacements	1,361	556	1,317
Risk Management	120	120	120
Mersey Gateway Land Acquisition	2,254	11,284	-
Mersey Gateway Liquidity Fund	10,000	-	-
Mersey Gateway Crossing Board	2,365	-	-
Mersey Gateway Construction Costs	32,500	-	-
Mersey Gateway Loan Interest	1,854	-	-
Stadium Minor Works	30	30	30
Children’s Playground Equipment	91	65	65
The Glen Play Area	4	-	-
Norton Priory	328	-	-
Landfill Tax Credit Schemes	340	340	340
Crow Wood Park Play Area	450	75	-
Runcorn Hill Park	150	75	-
Runcorn Cemetery Extension	9	-	-
Peelhouse Lane Cemetery	1,000	293	-
Litter Bins	20	20	20
Community & Resources Directorate	**79,903**	**16,014**	**3,492**

Total Capital Programme	**82,013**	**16,014**	**3,492**
Slippage between years *	**+ 10,341** **- 7,903**	**+ 7,903** **- 3,203**	**+ 3,203** **- 698**
GRAND TOTAL	**84,451**	**20,714**	**5,997**

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

Agenda Item 4d

REPORT TO:	Executive Board
DATE:	23 February 2017
REPORTING OFFICER:	Strategic Director – Enterprise, Community and Resources
PORTFOLIO:	Resources
SUBJECT:	Calendar of Meetings – 2017/18
WARDS:	Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To approve the Calendar of Meetings for the 2017/2018 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 to approve the Calendar of Meetings for the 2017/2018 Municipal Year, attached at Appendix 1.

3.0 SUPPORTING INFORMATION

None.

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.

2017/2018 Year Planner

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

	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN 2018	FEB	MARCH	APR	MAY
M	1 Early Spring Bank Holiday		3 Development Control		4 Dev Control Cttee	2 Dev Control Cttee			1 New Year's Day Bank Holiday		(March 30 GOOD FRIDAY)	2 EASTER MONDAY	
T	2		4	1 SEMINAR	5 Corporate	3			2			3	1
W	3		5 H W Board Regulatory	2	6	4 HW Board Regulatory	1		3			4	2
T	4 Elections (LCR Mayoral)	1	6 SEMINAR	3	7 SEMINAR	5 SEMINAR	2		4	1 SEMINAR	1	5	3 (Elections – Local)
F	5	2	7	4	8	6	3	1	5	2	2	6	4
S	6	3	8	5	9	7	4	2	6	3	3	7	5
S	7	4	9	6	10	8	5	3	7	4	4	8	6
M	8 Development Control	5 Development Control	10	7 Development Control Committee	11 CYP&F	9	6 Dev Control	4 SEMINAR	8 Dev Control Cttee	5 Dev Control Cttee	5	9 Dev Control Cttee	7 Early Spring Bank Holiday
T	9	6 Corporate	11	8	12 Safer	10	7 Corporate	5 Dev Control Cttee	9	6	6 Dev Control Cttee	10	8
W	10	7 Business Efficiency Board	12 COUNCIL	9	13	11 Schools Forum	8	6 COUNCIL	10	7 Standards Committee /Business Efficiency Board	7 COUNCIL	11	9
T	11	8 SEMINAR	13	10	14	12	9	7	11 SEMINAR	8	8	12	10
F	12	9	14	11	15	13 SEMINAR	10	8	12	9	9	13	11
S	13	10	15	12	16	14	11	9	13	10	10	14	12
S	14	11	16	13	17	15	12	10	14	11	11	15	13
M	15	12 CYP&F	17	14	18	16	13 CYP&F	11	15	12	12	16	14 Development Control (prov)
T	16 Executive Board (Selection Committee)	13 Safer	18	15	19 Health	17	14	12	16	13	13	17	15 E B Selection Cttee (prov)
W	17	14	19	16	20 Environment	18 COUNCIL	15 Environment	13	17 H W Board Schools Forum Regulatory	14	14 Regulatory	18	16
T	18	15 Executive Board	20 Executive Board	17	21 Executive Board	19 Executive Board	16 Executive Board	14 Executive Board	18 Executive Board	15	15 Executive Board	19 Executive Board	17
F	19 Annual Council	16	21	18	22	20	17	15	19	16	16	20	18 Annual Council (prov)
S	20	17	22	19	23	21	18	16	20	17	17	21	19
S	21	18	23	20	24	22	19	17	21	18	18	22	20
M	22	19	24	21	25 ELS&C	23	20 ELS&C	18	22	19 ELS&C	19	23	21
T	23	20 Health	25	22	26	24	21 Safer	19	23	20 Safer	20	24	22
W	24	21 Schools Forum	26	23	27 Business Efficiency Board	25	22 Business Efficiency Board	20	24	21 Mayoral Committee	21 Schools Forum	25	23
T	25	22	27	24	28	26	23	21	25	22 Executive Board	22	26	24
F	26	23	28	25	29	27	24	22	26	23	23	27	25
S	27	24	29	26	30	28	25	23	27	24	24	28	26
S	28	25	30	27	1 Oct	29	26	24	28	25	25	29	27
M	29 Spring Bank Holiday	26 ELS&C	31	28 Summer Bank Holiday		30	27	25 Christmas Day	29 CYP&F	26	26	30	28 Spring Bank Holiday
T	30	27		29		31	28 Health	26 Boxing Day	30 Corporate	27 Health	27		29
W	31	28 Environment		30			29 Regulatory	27	31	28 Environment PPB	28 HW Board		30
T		29		31			30	28			29		31

Agenda Item 4e

REPORT TO:	Executive Board
DATE:	23 February 2017
REPORTING OFFICER:	Strategic Director – Enterprise, Community and Resources
SUBJECT:	Discretionary Non-Domestic Rate Relief
PORTFOLIO:	Resources
WARD(S):	Borough-wide

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to consider two applications for discretionary non-domestic rate relief, under Section 47 of the Local Government Finance Act 1988.

2.0 RECOMMENDATION: That

1) the request for 15% discretionary rate relief from Halton Farnworth Hornets A.R.L.F.C for the period 12th September 2016 to 31st March 2019, be approved; and

2) the request for 15% discretionary rate relief from Halton Christmas Toy Appeal for the two week period of their occupation, be approved.

3.0 SUPPORTING INFORMATION

3.1 Under the amended provisions of the Local Government Finance Act 1988, the Council is able to grant discretionary rate relief to any business ratepayer. This relief had previously only been available to organisations that were a charity, a community amateur sports club or a not-for-profit organisation.

3.2 From 1st April 2013, there have been significant changes in the funding of non-domestic rate reliefs and exemptions, following the introduction of the Business Rates Retention Scheme. The Council is now responsible for funding 49% of any award of mandatory or discretionary rate relief granted, with the Government meeting the remaining 51%. Previously, the Government fully funded all mandatory relief awards.

3.3 Two applications for discretionary rate relief have been received as outlined below.

Halton Farnworth Hornets A.R.L.F.C
Sports Ground, Wilmere Lane, Widnes

3.4 Halton Farnworth Hornets A.R.L.F.C is registered as a Community Amateur Sports Club (CASC). The club provides a not-for-profit sports facility, which is available to the local community.

3.5 The organisation supports and promotes sporting activity within Halton and the surrounding areas, with the main emphasis focusing on Rugby League. The club is based at Wilmere Lane, Widnes, with associated training amenities required for any such participation, provided on a not-for-profit basis.

3.6 As a registered CASC, the organisation qualifies for 80% mandatory rate relief. The organisation has also applied for discretionary rate relief. The costs of each to the Council in 2016/17 would be as follows;

Cost of 80% mandatory rate relief	£373
Cost of 15% discretionary rate relief	£79

Halton Christmas Toy Appeal
20 Albert Square, Widnes

3.7 Halton Christmas Toy Appeal is a locally based charity, which arranges for donated new and unused toys and gifts to be distributed to disadvantaged children in the Halton area.

3.8 The premises is used as a drop-off point for local residents and local businesses to donate toys and gifts. The charity only occupied the premises for a two week period up until 24th December 2016, as their purpose is to ensure that disadvantaged children in Halton, who would not ordinarily receive a Christmas present, will have a present on Christmas Day.

3.9 As a registered charity, the organisation qualifies for 80% mandatory rate relief. The organisation has also applied for discretionary rate relief. The costs of each to the Council would be as follows;

Cost of 80% mandatory rate relief	£126
Cost of 15% discretionary rate relief	£24

4.0 POLICY IMPLICATIONS

4.1 The Board is required by the regulations to consider each application on its own merit. Any recommendations provided are given for guidance only, are consistent with Council policy and, wherever possible, previous decisions.

5.0 FINANCIAL IMPLICATIONS

5.1 It should be noted that 49% of any discretionary or mandatory rate relief must be met by the Council. The Appendix presents the potential costs to the Council.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 **Children and Young People in Halton**
Halton Farnworth Hornets A.R.L.F.C and the Halton Christmas Toy Appeal both engage with children and young people across the Borough.

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

7.1 There are no key risks associated with the proposed action.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 The applicants offer their services to all sections of the community, without any prejudice.

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

9.1	**Document**	**Place of Inspection**	**Contact Officer**
	Application forms and supporting evidence	Kingsway House, Caldwell Road, Widnes	Louise Bate, Senior Rating Office, Business Rates

APPENDIX

Ratepayer	Address	Annual Rates 2016/17 £	Actual Rates Liability 2016/17 £	Mandatory Rate Relief Awarded	Annual 49% Cost of Mandatory Rate Relief to HBC £	Actual Rates Payable 2016/17 £	Disc. Rate Relief Claimed	Annual 49% Cost of Disc. Rate Relief to HBC 2016/17 £	Actual 49% Cost of Disc. Rate Relief to HBC 2016/17 £
Halton Farnworth Hornets A.R.L.F.C	Sports Ground, Wilmere Lane, Widnes, WA8 5UP	1.940.08	1,081.08	80%	760.51	216.22	15%	291.01	79.47
Halton Christmas Toy Appeal	20 Albert Square, Widnes, WA8 6JW	10,685.50	322.03	80%	4,188.72	64.41	15%	1,602.83	23.67

 Agenda Item 4f

REPORT TO:	Executive Board
DATE:	23 February 2017
REPORTING OFFICER:	Operational Director – Finance
PORTFOLIO:	Resources
SUBJECT:	Support to Small and Medium Enterprises
WARD(S):	Borough-wide

1.0 PURPOSE OF REPORT

1.1 To propose that the Council considers adopting a scheme of providing financial support to Small and Medium Enterprises (SMEs) by way of short-term capital loans, where it can be demonstrated that businesses have been unable to raise finance via traditional financial institutions or other sources and it will deliver new or sustained economic development and other benefits for the Borough.

2.0 RECOMMENDED: That

(i) Council be asked to approve the introduction of a Scheme of Support for SMEs, in accordance with the circumstances and criteria outlined in this report;

(ii) Subject to recommendation (i), the award of business loans up to £1m for successful applicants, be delegated to the Operational Director, Finance, in liaison with the Executive Board Portfolio Holder for Resources and the Operational Director, Economy, Enterprise & Property;

(iii) Subject to recommendation (i), the award of business loans of between £1m and £5m for successful applicants, be delegated to the Chief Executive in liaison with the Leader of the Council, Executive Board Portfolio Holder for Resources, Operational Director, Finance and the Operational Director, Economy, Enterprise & Property; and

(iv) Subject to recommendation (i), the award of business loans of over £5m for successful applicants, be a matter for decision by Executive Board.

3.0 SUPPORTING INFORMATION

Background

3.1 Since the global financial crisis in 2008, financial institutions have been highly risk averse, particularly in respect of Small and Medium Enterprises (SMEs). In the current economic climate it is still proving difficult for SMEs to obtain finance from the usual financial institutions, which is hampering their ability to grow, expand and develop their businesses for the benefit of boroughs such as Halton.

3.2 This provides an opportunity for councils to support SMEs in order to assist with sustaining and growing economic development and job creation within their boroughs, whilst also generating much needed business rates and interest revenue to support delivery of council services. With the introduction of 100% business rates retention nationally from 2020 and Halton's inclusion in the Liverpool City Region pilot scheme from April 2017, business rates growth is now a key financial driver for councils in order to fund the delivery of public services.

3.3 A number of councils are now offering such financial support to SMEs, either directly from the council or via arms-length vehicles.

Proposed Approach to the Provision of Support

3.4 The Council has a proven track record and significant expertise in supporting SMEs to access grant and other funding opportunities from a variety of sources, to assist with the development of their businesses. This would therefore continue to be the first port of call in supporting the Borough's businesses, signposting them to funding programmes and opportunities such as the Chrysalis Fund, as well as providing technical advice and support in applying for such funding. One of the aims in assisting with access to such funding opportunities, is to promote investment in the Borough where the market has limited capacity or appetite to invest.

3.5 There will be circumstances where the form of funding required or the outcomes to be delivered do not meet the specific requirements of grant or other funding programmes, to which the business has been directed. In these instances, consideration may be given to whether it would be in the Council's interests to provide funding to the business. This would be in the form of a short-term capital loan, with appropriate security provided and linked to inward investment in the Borough.

3.6 In order to consider the provision of financial support in this context, a number of criteria will be used to evaluate proposals including the following;

(i) Businesses seeking financial support should preferably operate within the Borough and demonstrate that any financial support provided by the Council would be utilised to deliver outcomes and benefits within the Borough.

(ii) The purpose of the loan must be presented in detail, along with the fully costed, potential benefits for the business of such funding and the sustainability of those benefits.

(iii) The reasons why the business has not been able to obtain funding from traditional financial institutions or via other funding opportunities and what efforts have been undertaken to seek such finance, will need to be provided by the applicant.

(iv) The potential benefits for the Borough of granting loans to businesses will be considered. These may include; additional floor area to be developed, creation or sustainability of jobs, development of economic activity, business rates growth and contribution towards the Council's regeneration and economic development strategies. The applicant's future forecasts and business plans will be required to support the assessment of such benefits.

(v) An assessment would be undertaken in each instance, to ensure that any financial support provided is fully compliant with State Aid rules. To this end, loans will also be advanced at a minimum of commercial interest rates.

(vi) The applicant will be required to provide the Council with an appropriate form of security, against which the loan is to be provided. Such security will be evaluated in order to consider whether the form and amount of security is deemed acceptable in the particular circumstances.

(vii) Each application for funding will also be considered in the wider context of any existing funding arrangements in place or any other arrangements, which the Council may have with the applicant business.

(viii) Each application for financial support will be considered on its own merits.

(ix) The extent to which these criteria apply may be reflected in the rate of interest to be charged by the Council in each instance.

(x) The repayment period will be established in each case, based upon the particular circumstances of each successful loan application. However, in all cases repayment of the loan and associated interest will begin from the date upon which the loan commences.

(xi) Even where proposals meet the evaluation criteria, the Council will reserve the right not to grant a loan, in particular where it is determined that insufficient funding is available to the Council at the time in order to provide a loan.

3.7 The mechanism for assessing and evaluating proposals will cover a number of aspects including the following;

(i) All applications would be subject to rigorous financial and legal due diligence, utilising external specialist advice where considered necessary. Applicants will be required to provide previous years' audited accounts, future forecasts, fully costed proposals, and business plans.

(ii) All additional costs incurred by the Council in evaluating proposals, such as commissioning specialist advice, will be charged to the business submitting the application in advance of any decision regarding whether or not to grant the loan.

(iii) It is recognised that the provision of loans to businesses carries significant financial risks for the Council. Therefore, the rate of interest to be charged for successful applications, will reflect this and will be established on a case-by-case basis, taking account of such factors as; current commercial interest rates, the period and amount of the proposed loan, the interest rate payable by the Council to secure such funding, the generally assessed risk of business failures, and the risk of failure to repay the loan.

(iv) Where an application is successful, a formal legal agreement will be prepared and signed in advance of any funds being provided. This will ensure that the Council's rights and funding provided are protected as far as possible.

Conclusions

3.8 It is proposed that a scheme be introduced to potentially provide funding for SMEs in the particular circumstances outlined above. The evaluation of business loan applications will be undertaken by reference to the above criteria and mechanisms, with decisions regarding the award of loans being made as set out in the recommendations above.

4.0 POLICY IMPLICATIONS

4.1 The adoption of the proposed scheme would support the Council's policies around inward investment, economic development and regeneration.

5.0 FINANCIAL IMPLICATIONS

5.1 Funding for the proposed scheme would be provided via borrowing, with applicant businesses meeting the full cost of such borrowing over the loan period and with a minimum of commercial interest rates being applied. All additional costs of evaluating applications would also be met by the applicant businesses.

5.2 A key factor in evaluating applications will be the potential for increased business rates generation which the investment may deliver.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 **Children & Young People in Halton**

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

The adoption of the proposed scheme may promote and sustain investment in the Borough and thereby support the achievement of this priority.

6.3 **A Healthy Halton**

6.4 **A Safer Halton**

6.5 **Halton's Urban Renewal**

7.0 RISK ANALYSIS

7.1 The provision of financial support to SMEs carries potential financial risks as outlined in section 3 above. The financial and legal due diligence which will be undertaken, the level of security required in each instance, the interest rates to be applied, along with the legal agreements and other measures outlined above, will all mitigate against these risks.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 None.

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

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

REPORT TO: Executive Board

DATE: 23 February 2017

REPORTING OFFICER: Strategic Director, Enterprise, Community & Resources

PORTFOLIO: Transportation

SUBJECT: M56 New Junction 11a Public consultation

WARD(S) Norton South, Daresbury

1.0 PURPOSE OF THE REPORT

1.1 To inform Members of the M56 Junction 11a scheme consultation, running for 6 weeks from 16 January 2017 to 27 February 2017, and to recommend a Council response to be forwarded to Highways England, the scheme promoters.

2.0 **RECOMMENDATION: That the Council respond to the Highways England consultation expressing support for Junction 11a, with a preference for Option B (signalised junction), giving reasons for these views**.

3.0 SUPPORTING INFORMATION

3.1 In autumn 2014, the Government announced the first Road Investment Strategy (RIS 1) which included a new junction between junctions 11 and 12 on the M56. The purpose of this additional junction is to create an improved link to the new Mersey Gateway Bridge from the south. The new junction will provide both local and regional benefits and will increase the economic, transport and social benefits of the Mersey Gateway, as well as providing better local access to the M56.

3.2 Local benefits set out in the consultation documents (attached) include:

- Reduced journey times with improved access to the M56 from surrounding areas such as Murdishaw, Brookvale, Whitehouse Industrial Estate and Halton Hospital.
- Improved amenity for Preston Brook residents by reducing the volume of traffic passing through to access the M56 at Junction 11

3.3 Regional benefits include:

- Supporting economic growth by reducing wider journey times both to the south and east and Liverpool City region destinations such as John Lennon Airport.
- Reduction in delays through increased resilience should congestion build at junctions 11 or 12.

3.4 The consultation sets out the scheme programme. A preferred route is due to be announced in Spring 2017. This will be followed by preliminary design, further consultation, a Development Consent Order (DCO) application, statutory procedures and powers, examination by the Planning Inspectorate, a decision by the Secretary of State, and construction preparation. It is expected that construction will take two years with work expected to commence in March 2020.

3.5 A public awareness exhibition was held at the Linnet's FC club house in September 2016 which over 300 people attended, and provided a range of comments which were considered when Highways England shortlisted the options. At that stage, both a 'West Option' and 'East Option' (with the junction situated to the west or the east of the West Coast Mainline and Murdishaw roundabout) were presented. However, following feedback from the exhibition, and due to the estimated cost, the 'West Option' has now been discounted.

3.6 The current consultation, therefore, presents two Eastern options:

- Option A – Upgrading Murdishaw roundabout into a through-about
- Option B – Converting Murdishaw roundabout into a signalised crossroads.

3.7 Option A is the eastern option previously presented at the public awareness exhibition. In the through-about design, the major road runs through the middle of the roundabout with signal controls at the intersection of each roundabout arm. The major road provides access to and from the east bound M56 carriageway. In both options, access to and from the westbound carriageway is via a new roundabout on a revised Chester Road alignment to the south of Preston Brook, which incorporates a new A533 bridge over the motorway and widening to provide extra capacity.

3.8 Option B would convert the existing Murdishaw roundabout into a fully signalised 4 way crossroads catering for all traffic movements. The A533 Southern Expressway would be realigned slightly (away from Brookvale and hence away from residential properties) to connect to the junction and M56 slip roads. The southbound approach from Murdishaw Avenue would widen to 3 lanes allowing a full lane for each turning movement. In both options, pedestrian cycle routes would be reinstated across the junction through the crossing points at each stop line connecting the existing routes.

3.9 Environmental benefits and effects are presented in the consultation document and are similar for both options. In summary these are: Air Quality – small changes to properties on A56 Chester Rd; Cultural Heritage; Landscape, Nature Conservation – further surveys required, Geology – more ground condition surveys required, Noise – predicted to decrease at properties near Junction 12 with small increases at properties along the Southern Expressway and near the A533 Northwich Road roundabout; Safety – improvements reduce congestion and increase resilience with signage to inform M56 users of reduced link lengths between junctions, Community and private assets – land take on both sides of the motorway including some land from the baseball pitch and some woodlands (ancient woodland has been avoided) and residential and commercial properties to the south may be affected depending on the final design; Drainage and water – measures to minimise impacts will be incorporated and neither option is in a flood zone; and Construction duration – approx. 2 years with most construction being away from the main line of the M56.

3.10 Both options will give a significant improvement to regional journey times, as access to the Mersey Gateway is improved via the Southern Expressway. Local journey times are also significantly reduced, particularly in the case of the signalised crossroad option (option B) due to operational advantages of this type of junction. This option also proposes to move the Southern Expressway road alignment away from Brookvale residential area and give a greater distance between the junction and Northwich Road which will provide additional queuing space on Murdishaw Avenue which, coupled with the greater distance from the junction, should make it easier to exit from Northwich Road. Both options involve improvements to the Murdishaw roundabout which will alleviate long standing traffic issues for this part of the borough. This benefit appears to be more significant in the case of option B. As part of the vision for East Runcorn, both options would provide significantly enhanced connectivity to the motorway. It is likely that disruption to traffic during construction will be greater with Option B, and disruption to residents and businesses will be moderate for both options. Existing cycle and pedestrian routes are proposed to be upgraded with appropriate crossing points, with the exception of the existing crossing point across the A56 on its approach to the A533. The Highway Authority recommends that the upgrading of this crossing point should be looked at further by the scheme promoters.

3.11 At present, junction 12 of the M56 suffers from capacity problems and the implementation of Junction 11a would offer significant benefits in alleviating existing congestion issues. In addition, the expected improvement to amenity of Preston Brook village along the busy A56 is welcomed.

3.12 The East Runcorn Sustainable Transport Study of May 2011, produced by Mott MacDonald in conjunction with Halton Borough Council's Core Strategy, supports the concept of junction 11a. In line with the Mersey Gateway project, this strategic road network enhancement would allow improved access to development areas in south and east Liverpool as well as the Daresbury Enterprise Zone, a key national contributor to science innovation and enterprise within the borough, and to the adjoining housing development sites. The Enterprise Zone is expected to contain over one hundred high-tech companies with over a million square feet of office, technology and laboratory space. The proposal would reduce through traffic on the Daresbury Expressway and this would benefit the area with reduced congestion at peak travel times and enhance capacity to support future development. The proposals will reduce congestion at Junction 11 and thus reduce journey times from the wider region via the M56 through to the Enterprise Zone.

3.13 The addition of junction 11a is seen as a positive and integral step toward the implementation of an improved and successful transport network. It has been identified in Halton's Local Transport Plan as a means of enhancing the local transport infrastructure in a way which would boost economic and social regeneration. This would be achieved through the creation a cohesive and connected transport system which works for the region as a whole. Therefore, it is recommended that the Council give its support to either option proposal, expressing a preference for Option B, which is considered, on balance, to offer greater local and regional benefits.

4.0 POLICY IMPLICATIONS

4.1 The principle of M56 junction 11a is supported by the Council's Local Transport Plan and is in line with the transport priorities for growth and access to opportunities set out in the City Region Local Transport Plan for Growth, together with a number of the wider strategic priorities including freight, housing, health and wellbeing, communities and visitor economy.

5.0 FINANCIAL IMPLICATIONS

5.1 It is expected that the scheme will be funded by the Government as part of its Road Investment Strategy. There may be some further design work and changes to the tie in with the Mersey Gateway scheme area required as a result of the proposed change to the network e.g. on signing/lining. It is recommended that the Council verify that this will be funded as part of the junction 11a scheme.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

Local access to education and other local facilities will be improved.

6.2 Employment, Learning & Skills in Halton

The scheme will provide improved local access to education facilities and improve access to the wider East Runcorn Area by removing congestion / releasing traffic capacity to assist with the delivery of the Daresbury Enterprise Zone and Business Park.

6.3 A Healthy Halton

The scheme will incorporate pedestrian and cycle facilities, encouraging the use of active travel modes. There will be some impact on playing field and woodland areas.

6.4 A Safer Halton

The scheme is in the early stages of design, but shows appropriate pedestrian and cycle facilities with controlled crossing points, and will follow Highways England Design Standard procedures.

6.5 Halton's Urban Renewal

The scheme will improve access to the wider East Runcorn Area by removing congestion / releasing traffic capacity to assist with the delivery of the Daresbury Enterprise Zone and Business Park.

7.0 RISK ANALYSIS

7.1 The scheme is being delivered and funded by Highways England / DfT. Whilst financial risks to the Council are therefore unlikely, detailed traffic modelling results for the junctions and surrounding network are still awaited which may have some implications for the existing layout and operation of the Southern expressway junctions, and the junction tie in to the Mersey Gateway route. It is recommended that this is considered further by Highways England, and addressed as necessary, otherwise the risk of addressing these issues could fall on the Council in the future.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 There are no equality and diversity issues in relation to this report.

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

Document	Place of Inspection	Contact Officer
M56 Junction 11a Public Consultation Document/Questionnaire Jan-Feb 2017	Municipal Buildings, WA8 7QF	Jonathan Farmer

M56

New Junction 11a

Public consultation

January – February 2017

M56 New Junction 11a
Public consultation

The scheme

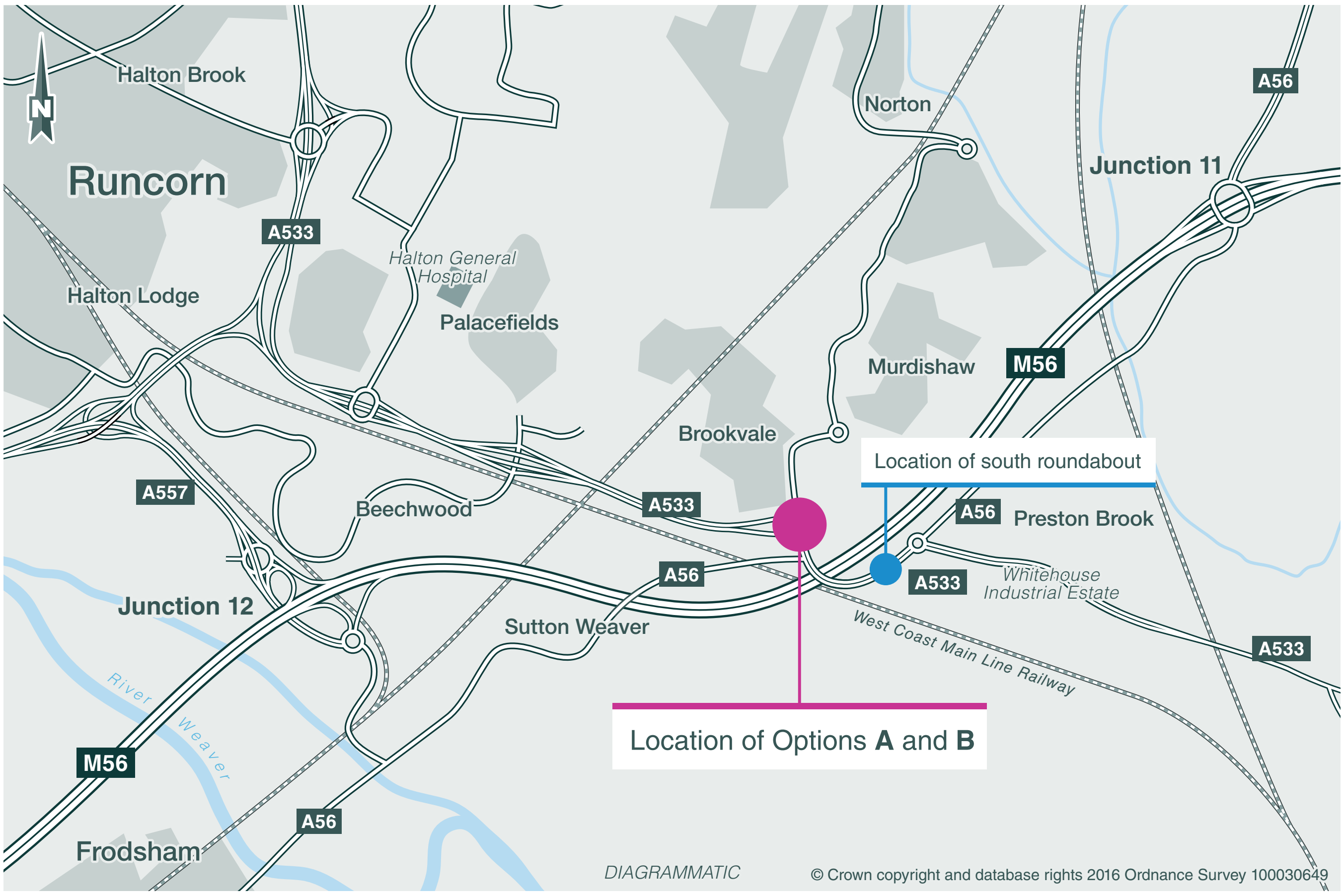
In autumn 2014, the government announced the first Road Investment Strategy which included a new junction between junctions 11 and 12 on the M56. The purpose of the additional junction is to create an improved link to the new Mersey Gateway Bridge from the south. The new junction would provide both local and regional benefits.

The new Mersey Gateway bridge represents a £2Bn investment with economic, transport and social benefits, including 4,640 new jobs, reduction in journey times of up to 10 minutes and improvements to public transport facilities. The new junction M56 J11a will play a role in increasing the benefits of the Mersey Gateway, as well as providing better access locally to the M56.

Local benefits

The new junction would:

- Reduce journey times by providing improved access to the M56 from areas such as Murdishaw, Brookvale, Whitehouse Industrial Estate and facilities such as Halton General Hospital.
- Improve the quality of life in Preston Brook by reducing the volume of cars and lorries passing through to access the M56 at Junction 11.



Regional benefits

The new junction would:

- Support economic growth by reducing journey times such as from the South East and locations north of the River Mersey to destinations such as John Lennon Airport.
- Reduce delays by providing increased resilience should congestion build at junctions 11 or 12.

Your input means a lot to us

The options presented in this booklet have been developed following the public awareness exhibition in September 2016. Over 300 people attended the event and provided a range of comments that were considered when we were shortlisting the options.

We're now launching the public consultation on the shortlisted options. We'd like to hear your views on the options, as well as views from local government and businesses. The consultation will help us further refine options and select the best performing option to take forward to the next stage of design.

This is your opportunity to tell us what you think of the proposals, what works, what concerns you may have, and give us any local or specialist knowledge that may help us to improve the options.

Details of how to respond are at the back of this booklet.

The consultation will run for 6 weeks, starting Monday 16 January 2017 and closing Monday 27 February 2017.

The options

Option A – Upgrading Murdishaw roundabout into a through-about

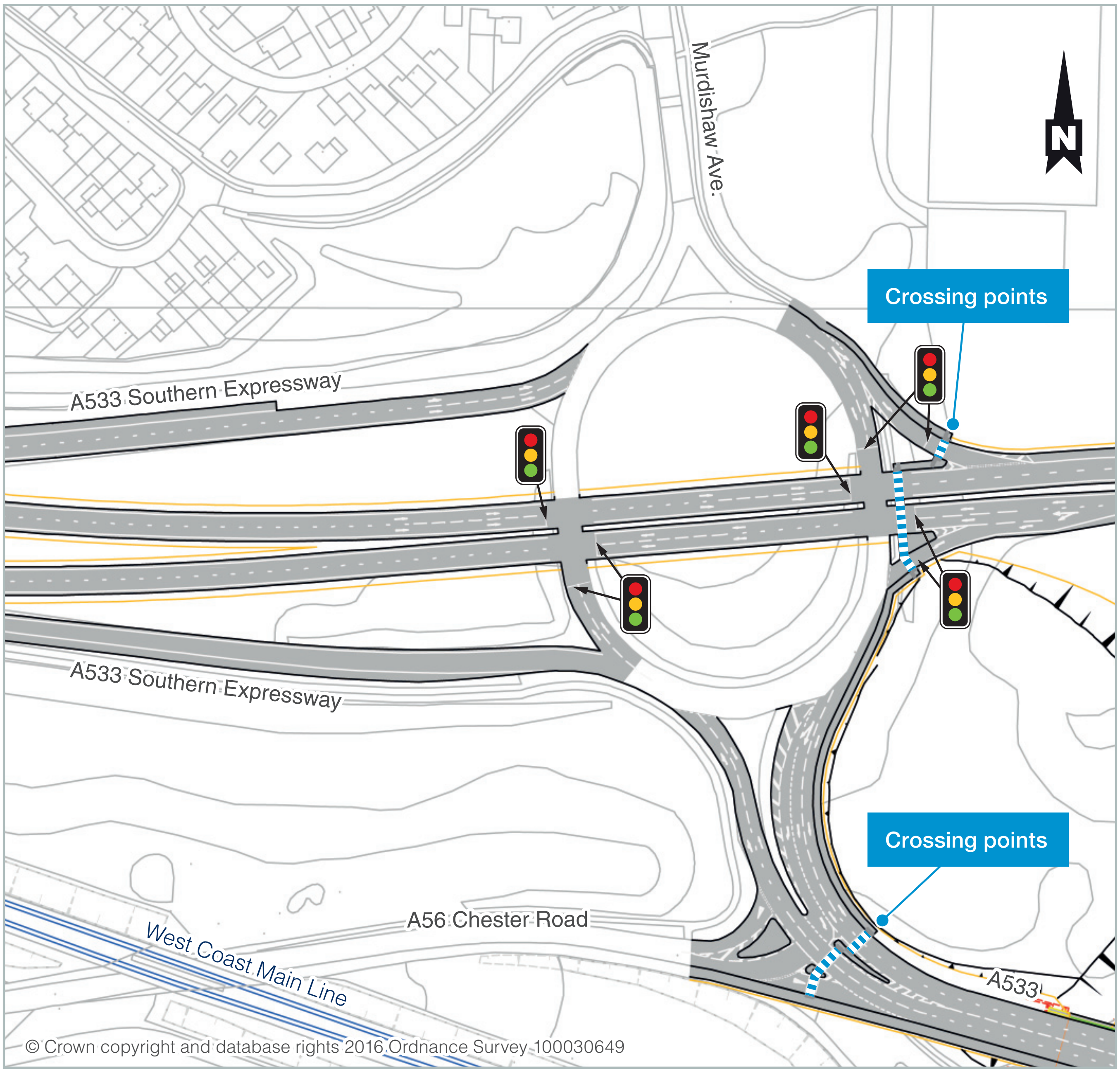
Option B – Converting Murdishaw roundabout into a signalised crossroad

Option A

Upgrading Murdishaw roundabout into a through-about

This option was previously presented at the public information event, and involves upgrading the Murdishaw roundabout into a through-about. A through-about is a roundabout design in which the major road runs through the middle of the roundabout, with signal controls at the intersection of each roundabout arm.

In this case, the A533 Southern Expressway would be re-aligned to run through the Murdishaw roundabout, which would connect to the eastbound M56 slip roads, further information will be presented at the public exhibition events to demonstrate how the junction would work.



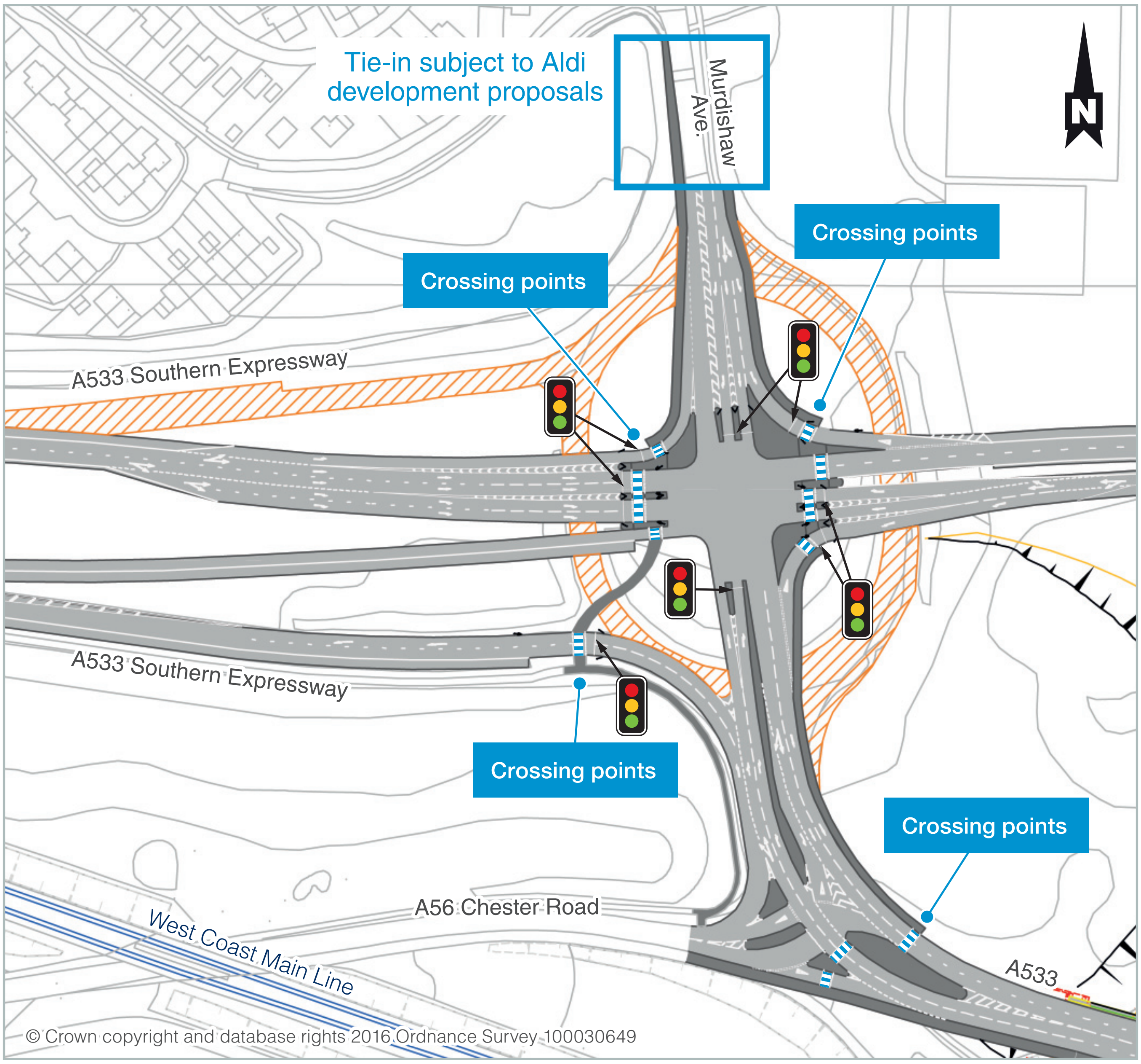
Option B

Converting Murdishaw roundabout into a signalised crossroad

This option would convert the existing Murdishaw roundabout into a fully signalised 4-way crossroads junction catering for all traffic movements.

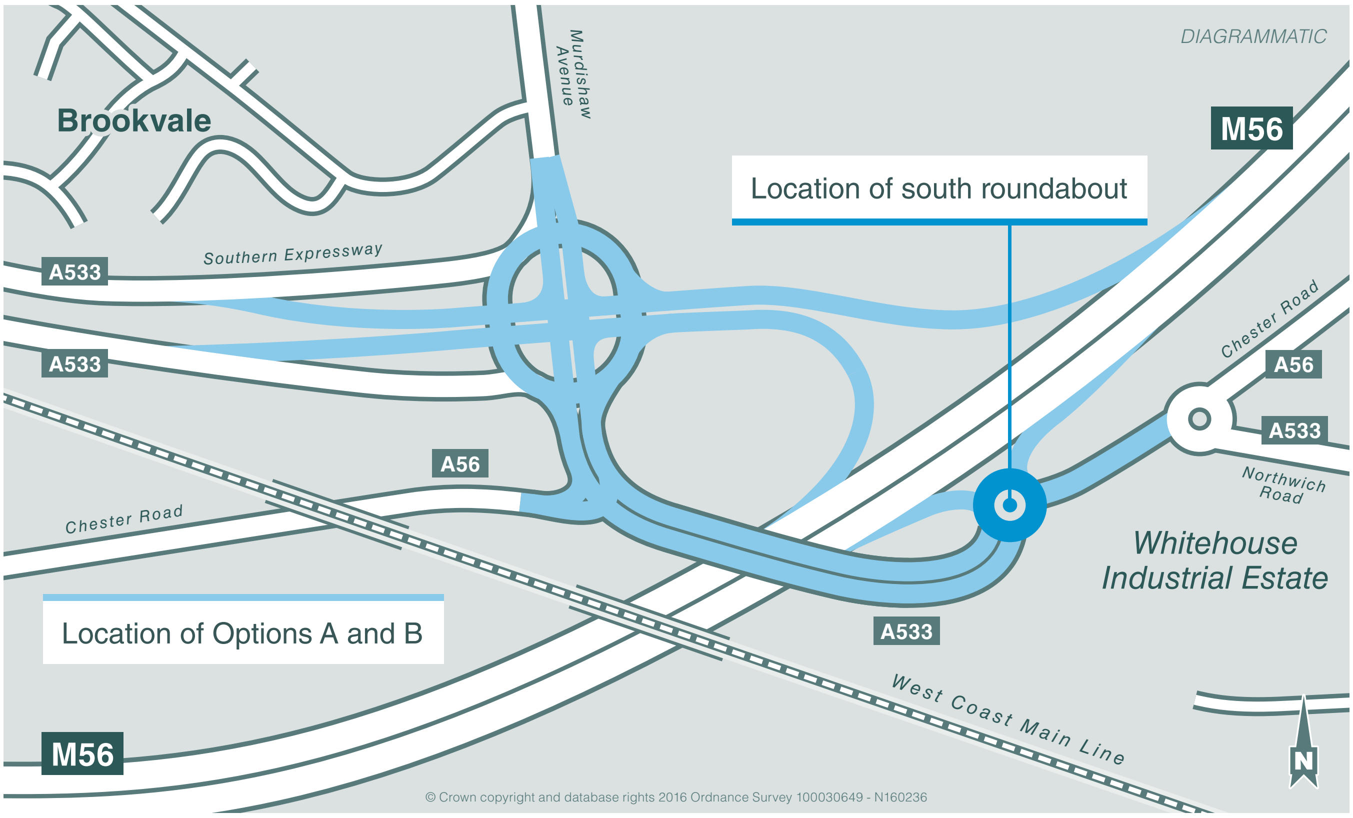
The A533 Southern Expressway would be realigned slightly to connect to the junction and M56 slip roads. The southbound approach from Murdishaw Avenue would widen to 3-lanes, allowing a full lane for each turning movement, including a right lane for the A533 Southern Expressway, a straight-ahead lane to Chester Road/A533 and a left lane to the motorway. The orange hatched area represents the current road that would be taken up and not replaced.

Pedestrian and cycle routes would be reinstated across the junction through crossing points at each stop line connecting to the existing routes.



New south roundabout

In addition to a new Junction 11a, we are also proposing a new roundabout to the south be constructed. This roundabout would connect the westbound off and on-slips to the A56/A533 Chester Road. The approach from the existing Northwich Road/Chester Road roundabout would be widened to 2 lanes westbound to provide more capacity. To the west of the new south roundabout, the road would travel over the new A533 Expressway Bridge connecting to the Murdishaw roundabout. As you can see in the plan below, the south roundabout is a feature of both options.



M56 New Junction 11a
Public consultation questionnaire

We want to understand your views about the two options for improvement at Junction 11a. Please tell us your views by completing this short questionnaire here or online at **http://roads.highways.gov.uk/projects/m56-new-junction-11a/**

If you're returning this to us by post, please follow the folding instructions on the back page of the questionnaire and pop it in the post.

Please submit your completed questionnaire by 27 February 2017.

Please provide us with your name and address.
If you'd prefer for your comments to be anonymous, please just provide your postcode.

Name: ....

Address: ....

.... Postcode: ....

1. Do you regularly use the M56?
   ☐ Yes ☐ No

2. Why do you use the M56? (tick all that apply):
   ☐ Business ☐ Leisure ☐ Education/School run
   ☐ Commute to work ☐ Other (please state):
   ....

3. How often do you use the M56? (tick one only)
   ☐ Daily ☐ More than once a day ☐ Weekly ☐ More than once a week
   ☐ Monthly ☐ Less than once a month

4. Which junction do you use more often? (tick one only)
   ☐ Junction 11 (Daresbury Park) ☐ Junction 12 (Weston Point)

5. What is your main way of travel on this route? (tick one only)
   ☐ Car ☐ HGV/LGV ☐ Motorbike ☐ Other (please state)
   ....

6. Which other routes do you regularly use? (tick all that apply)

- ☐ Murdishaw Avenue
- ☐ A533 Southern Expressway
- ☐ A56 Chester Road/A533 Northwich Road
- ☐ A56 Chester Road (Sutton Weaver)

7. Why do you use these other routes (tick all that apply)

- ☐ Residential
- ☐ Business
- ☐ Leisure
- ☐ Education/School run
- ☐ Commute to work
- ☐ Other (please state):

....

8. How often do you use these other routes (tick one only)

- ☐ Daily
- ☐ More than once a day
- ☐ Weekly
- ☐ More than once a week
- ☐ Monthly
- ☐ Less than once a month

9. What is your main way of travel on these other routes? (tick one only)

- ☐ Car
- ☐ Bus
- ☐ Bicycle
- ☐ Walk
- ☐ HGV/LGV
- ☐ Motorbike
- ☐ Other (please state)

....

10. To get to the M56, would you expect to use the new Junction 11a more than Junctions 11 or 12? (tick one only).

- ☐ Yes
- ☐ No
- ☐ I don't use the M56

11. Which option do you prefer? (see pages 4 and 5 of the booklet) (tick one only)

- ☐ Option 1 (Through-about)
- ☐ Option 2 (signalised junction)
- ☐ No preference

Please give a reason for your answer: ....

....

....

....

....

....

12. In your opinion which option is best for:

Journey times (reduced delays and congestion)	☐ A	☐ B	☐ Unsure
Cyclists	☐ A	☐ B	☐ Unsure
Pedestrians..	☐ A	☐ B	☐ Unsure
Safety	☐ A	☐ B	☐ Unsure
Visual impact	☐ A	☐ B	☐ Unsure

Please give a reason for your answer for your preference of Option 1 or Option 2.

....

....

....

....

....

Highways England Creative N160434

For each of the following questions below please tick the box that best reflects the degree to which you agree with the statement.

13. The new junction 11a will improve journey times on the M56.

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
☐	☐	☐	☐	☐

14. The new junction 11a will improve journey times on local roads.

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
☐	☐	☐	☐	☐

15. The new junction 11a will improve safety.

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
☐	☐	☐	☐	☐

16. The new junction 11a will make the corridor along the M56 more resilient.

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
☐	☐	☐	☐	☐

17. A new junction is required to provide better access to the Mersey Gateway bridge.

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
☐	☐	☐	☐	☐

Please give a reason for your answer: ....

....

....

....

....

....

....

This section is optional but we'd be grateful if you'd tell us a little about yourself so that we understand more about the community we serve. We will not share your personal information nor will we contact you or use it for any other purpose.

i. Your gender?

☐ Male ☐ Female ☐ Prefer not to say

ii. Your age?

☐ 16-24 ☐ 25-34 ☐ 35-44

☐ 45-54 ☐ 55-64 ☐ 65+ ☐ Prefer not to say

iii. Do you consider yourself to have a disability?

☐ Yes ☐ No ☐ Prefer not to say

iv. Did you attend one of the consultation events?

☐ Yes ☐ No

Thank you for taking the time to complete this questionnaire.

Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on Highways England.

Highways England will process your personal data in accordance with the DPA and in the majority of circumstances; this will mean that your personal data will not be disclosed to third parties. Confidential responses will be included in any statistical summary of number of comments and views expressed.

Fold B

1

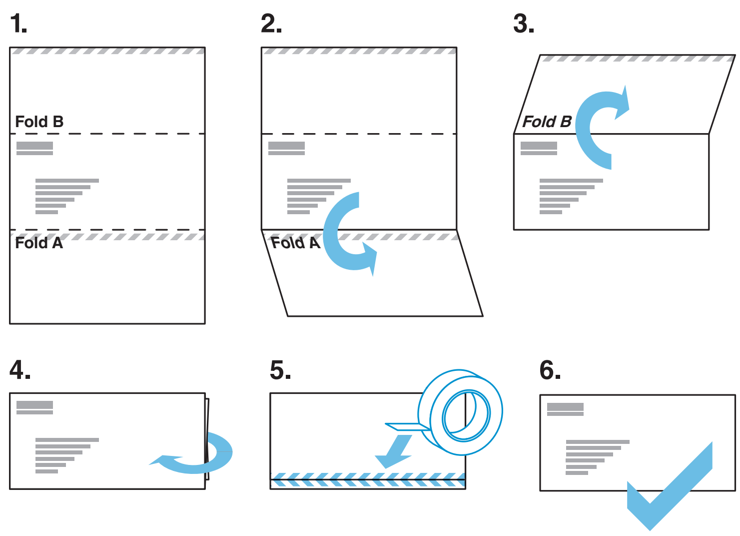
Freepost Plus RTXA-RSKX-BCAA
M56 Junction 11A Scheme
Highways England
Piccadilly Gate
Store Street
MANCHESTER
M1 2WD

Fold A

Folding instructions

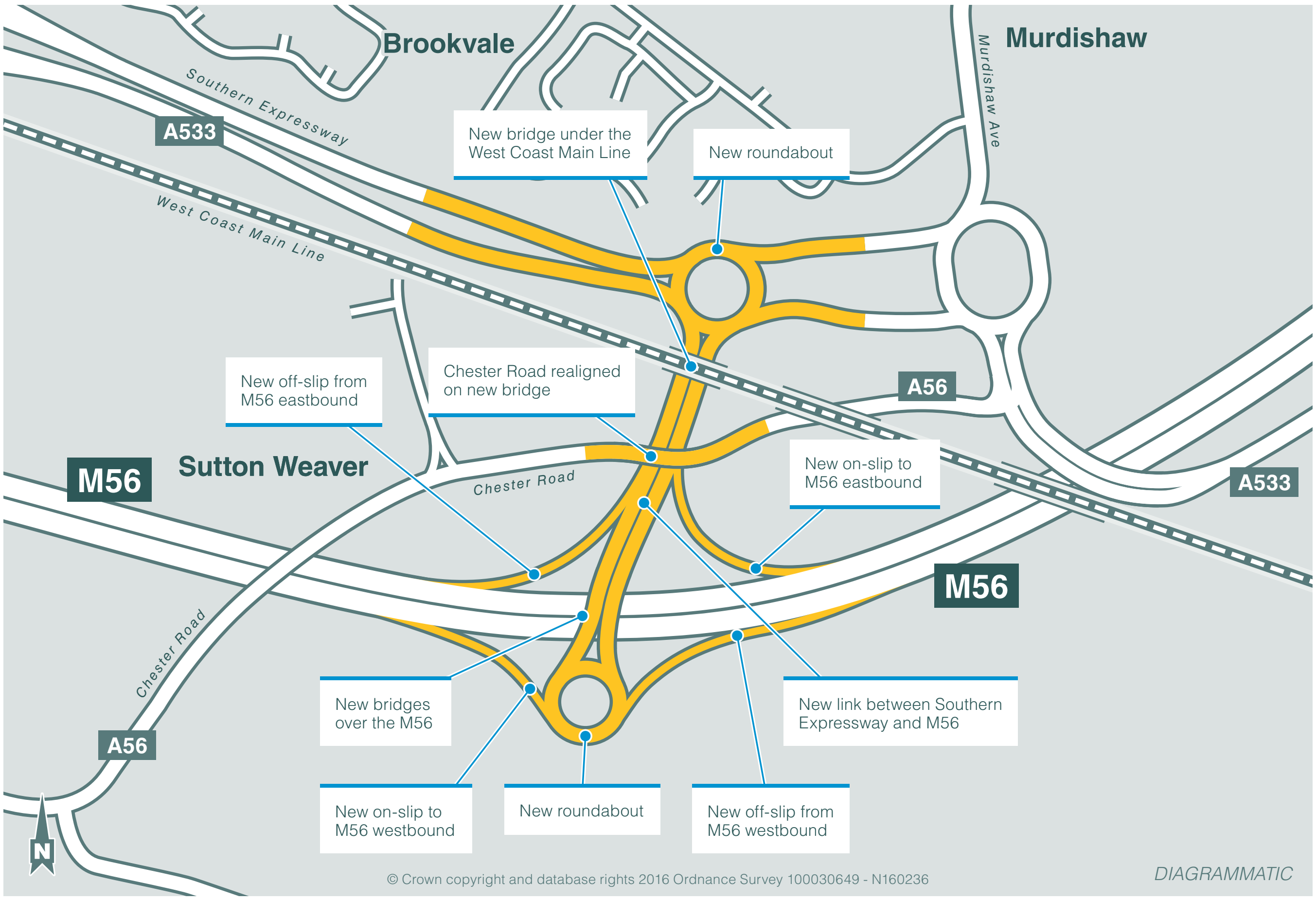
Once you've completed the questionnaire please follow these instructions before returning it to us:

1. With the return address facing you...
2. fold the bottom part backwards along Fold A;
3. fold the top part backwards along Fold B;
4. turn the folded questionnaire over; and
5. secure it by sticking clear tape along the length of hatched area.
6. There's no need for a stamp, just pop it in the post.



Discounted option

Following feedback from the public information exhibition held in September 2016 and the estimated cost to build the 'West Option', this option has now been discounted. A plan showing the discounted option is below.



Benefits and effects of the proposed options

In assessing the benefits and effects of the proposed options, we look at a variety of topics including those listed below.

As this consultation is taking place at an early stage in the overall project, this information is still being developed as further surveys and assessments are carried out. It is worth noting that environmental impacts are assessed based on national guidance.

Feature	Benefits and effects
Air quality	Studies using initial traffic data suggest that the A56 Chester Road is the only affected road with properties which may experience a small change in air quality. Similar results are expected for both options .
Cultural heritage	There would be no direct physical impacts to designated heritage assets (e.g. scheduled monuments and listed buildings) for either option.

Feature	Benefits and effects
Landscape	There are very few properties along the A533 that would have views of the proposed options. We will look at steps we can take to reduce any impacts once a preferred option is selected.
Nature conservation	To date an ecological survey, a woodland survey and great crested newt surveys have been carried out within the study area. Following the selection of the preferred option, further surveys would be undertaken. Surveys would include those for further great crested newts, breeding birds, bats, badgers and within the woodland at Murdishaw. Impacts on nature conservation would be very similar for both options.
Geology and soils	The options pass through land that is designated as land primarily used for non-agricultural purposes. Therefore, there would be no loss of agricultural land.
Noise and vibration	Road traffic noise is predicted to decrease at properties near Junction 12. Small noise increases would be experienced at properties along the Southern Expressway and near the A533 Northwich Road roundabout.
Safety and effects on all travellers	The new junction aims to support the Mersey Gateway Scheme by providing a direct route to/from the motorway, improving the overall robustness and resilience of the network. This will also help to reduce congestion along this busy section of road and provide an alternative diversion when incidents occur. Improved signing will be introduced to inform the M56 mainline road users of the reduced link lengths between junctions.
Community and private assets including land take	The new junction would require land take on both sides of the motorway mainline. To the north side, some land would be required from the baseball pitch in the sports grounds and some loss of woodland would occur to Murdishaw Woods and in the middle of the Southern Expressway. To the south there are both residential and commercial properties that may be affected depending on the final design. The land required will be the same or very similar for both options.
Road drainage and the water environment	Neither option is in a flood zone. Drainage would be designed in a way that would not lead to adverse effects on the water environment (including run off) and would meet nationally acceptable standards. Suitable measures would be incorporated into the scheme design to minimise impacts. For example, an attenuation pond could be incorporated in between the two north slip roads to help the highway drainage.
Construction duration	We expect that the construction would start by March 2020 with a construction period of approximately 2 years for both options. However, a large proportion of works would take place away from the M56 so disruption would be limited.

Options comparison

	Option A	Option B
	Through-about	Signalised crossroads
Improvement to regional journey times	✓✓	✓✓
Improvement to local journey times	✓✓	✓✓✓
Area of land take required	Moderate	Moderate
Cost to construct	££	££
Time to construct	2 years	2 years
Disruption during construction to residents and businesses	Moderate	Moderate
Disruption during construction to traffic	Moderate	Moderate to High

Currently, both options are not affordable within the scheme budget. We will continue to look for ways to reduce the costs to an affordable level, to allow the preferred scheme to be constructed.

Progress so far

Design

In our public information event in September we presented options East and West of the West Coast Mainline. The East option (Option A) is presented in this brochure for your comment but the West option has now been discounted due to the higher costs associated with it and the feedback we received at the public information event.

Option B has been developed to address concerns previously raised around queuing on Murdishaw Avenue.

Ground conditions

Ground conditions can have a big influence on construction costs and therefore we have carried out studies of available information to identify any known ground issues in the local area.
More surveys will be required in the future to confirm the ground condition.

Environmental surveys

Our environmental team have carried out preliminary environmental surveys and further work will take place to determine the type of plant and animal life in the area, and identify if any protected species are present. This will help us to understand the environmental impacts and what mitigation may be required. We have identified an area of ancient woodland which we have been able to avoid but the baseball pitch south of the Linnets Football club, and a number of trees in this area will be impacted by both options.

Communicating with local government

Local authorities (Halton Borough Council and Cheshire West and Chester Council) have been consulted during the options development stage. We are also in discussions with parish councils in Preston Brook and Sutton Weaver to keep them informed and gain their feedback.

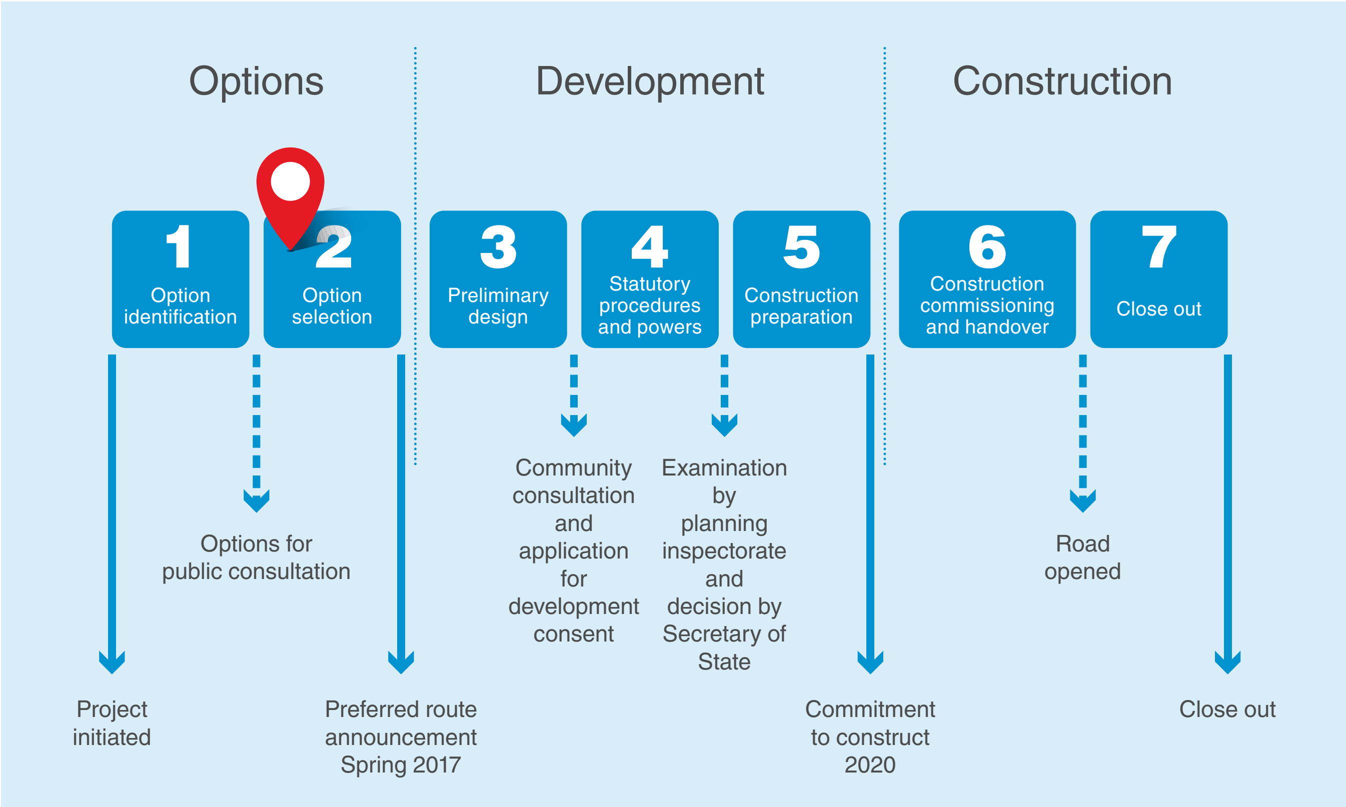
Next steps

Once the consultation has closed on 27 February 2017, all responses will be analysed and compiled into a consultation report summarising the feedback received. We will then refine the option designs, incorporating the comments provided where practicable and complete our assessment work.

We will then announce the preferred route for the junction in spring 2017.

Following this announcement we will carry out further surveys and investigations to inform the detailed design. We will consult again on the detailed proposals when you will have another opportunity to give us your views on the selected option and how we carry out the work.

We expect work to start by the end of March 2020.



How to respond

Please respond using one of the following channels by 27 February 2017.

Online: complete the questionnaire online at http://roads.highways.gov.uk/projects/m56-new-junction-11a/

Email: you can email your response to M56NewJunction11A@highwaysengland.co.uk

Post: you can write to us at
New M56 Junction 11A, Highways England
Piccadilly Gate, Store Street, Manchester M1 2WD

A hard copy questionnaire can be found with this document, or you can download it at http://roads.highways.gov.uk/projects/m56-new-junction-11a/

If a response is sent to any address other than the ones set out above, we cannot guarantee that it will be considered as part of the consultation process.

All responses should be returned by 27 February 2017.

Public exhibitions

We are holding public exhibitions to provide information about the scheme and answer any of your questions:

Monday 23 January, 3pm to 8pm
Murdishaw Community Centre
Barnfield Ave, Runcorn, WA7 6EP

Saturday 28 January, 10am to 4pm
Preston Book Village Hall
Sandy Lane, Preston Brook, Runcorn, WA7 3AW

Tuesday 31 January, 10.30am to 1.30pm
Halton General Hospital
Hospital Way, Runcorn, WA7 2DA

Wednesday 1 February, 4pm to 8pm
Holiday Inn Runcorn
Wood Lane, Beechwood, WA7 3HA

For more information please visit our website where you can also sign up for email alerts whenever the webpage is updated. If you have any queries about this improvement scheme please contact the project team directly by calling 0300 470 2733 or emailing M56NewJunction11A@highwaysengland.co.uk

Public viewing places

Consultation brochures will also be available at the following locations from 16 January 2017

- Preston Brook Village Hall
- Murdishaw Community Centre
- Brookvale Recreation Centre
- Beechwood Community Centre
- Frodsham Community Centre
- Frodsham Library
- Halton Lea Library
- Asda Runcorn Superstore

If you need help accessing this or any other Highways England information, please call **0300 123 5000** and we will help you.

This document is also available on our website at **www.gov.uk/highways**

If you have any enquiries about this publication email **info@highwaysengland.co.uk**
or call **0300 123 5000***. Please quote the Highways England publications code **PR157/16**.

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