

# Public Document Pack



## Executive Board

Thursday, 22 February 2018 2.00 p.m.  
The Boardroom, Municipal Building

A handwritten signature in black ink, appearing to read 'David W R'.

**Chief Executive**

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

#### PART 1

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<b>2. DECLARATION OF INTEREST</b>	
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.	
<b>3. CHILDREN YOUNG PEOPLE AND FAMILIES PORTFOLIO</b>	
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*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, 15 March 2018*

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***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.***

**EXECUTIVE BOARD**

*At a meeting of the Executive Board on Thursday, 18 January 2018 in The Boardroom, Municipal Building*

Present: Councillors Polhill (Chair), D. Cargill, Harris, R. Hignett, S. Hill, Jones, T. McInerney, Nelson, Wharton and Wright

Apologies for Absence: None

Absence declared on Council business: None

Officers present: A. Scott, G. Cook, D. Parr, I. Leivesley, M. Vasic, M. Reaney, E. Dawson and S. Wallace-Bonner

Also in attendance: None

**ITEMS DEALT WITH  
UNDER POWERS AND DUTIES  
EXERCISABLE BY THE BOARD**

EXB86 MINUTES

The Minutes of the meeting held on 14 December 2017 were taken as read and signed as a correct record.

**CHILDREN YOUNG PEOPLE AND FAMILIES  
PORTFOLIO**

EXB87 CONTRACTED SERVICES FOR MISSING FROM HOME  
AND CARE CHILD SEXUAL EXPLOITATION SERVICES  
ACROSS CHESHIRE

The Board considered a report of the Strategic Director, People, which sought approval to commence a procurement process for the provision of Missing from Home, Care and Exploitation Services for young people across Cheshire.

The Board was advised that in 2012, the four Cheshire Local Authorities (Halton, Warrington, Cheshire East and Cheshire West and Chester) agreed to jointly commission a pan Cheshire Missing from Home Service. It had clear links with Cheshire Constabulary's missing from home co-ordinators to support young people notified as missing from home or care. It was reported that in April

*Action*

2014, the Service was expanded to include the emerging links around Child Sexual Exploitation (CSE).

Members were advised that Halton would lead on the procurement process, in collaboration with the three Cheshire authorities, and seek delivery of a high quality service which was effective in improving outcomes delivered by skilled practitioners. It was expected that the Service would combine a balance of advice and guidance with direct, evidenced based interventions for those that required additional support.

RESOLVED: That the Board approves Halton Borough Council to lead a joint procurement exercise of Missing from Home and Care and Exploitation services for young people across Cheshire with Cheshire East, Cheshire West and Chester and Warrington Councils.

Strategic Director  
- People

EXB88 SCHOOL ADMISSION ARRANGEMENTS 2019 - KEY DECISION

The Board considered a report of the Strategic Director, People, on the school admission arrangements for 2019.

The Board was advised that in October 2017, Halton Local Authority issued a statutorily required paper on the proposed admission arrangements and co-ordinated admission schemes for the September 2019 intake. It was noted that the consultation ran until 17 November 2017, with no changes proposed to the current oversubscription criteria for Local Authority schools. It was reported that no responses to the consultation had been received.

Reason(s) for Decision

The decision was statutorily required and any revision to the proposed arrangements may adversely affect school place planning, as detailed in the report.

Alternative Options Considered and Rejected

Other options considered and rejected included the allocation of places through random allocation (lottery), and this method could be seen as arbitrary and random.

Implementation Date

The Policy will apply for the September 2019 academic intake.

RESOLVED: That the Board approves the School Admissions Policy, Admission Arrangements and Co-ordinated Schemes, attached to the report, for admission to primary and secondary schools for the 2019/20 academic year.

Strategic Director  
- People

EXB89 CAPITAL PROGRAMME 2018-19 - KEY DECISION

The Board considered a report of the Strategic Director, People, which provided a summary of the Capital Programmes for 2018/19 for the People Directorate.

The Board was advised that in October 2017, the Department for Education (DfE) announced the schools capital allocations grant for 2018/19 and had confirmed that there would be no change in the methodology used in 2017/18. It was reported that Halton would also receive Healthy Pupils Capital Funding in 2018/19, for one financial year only, which was intended to improve access to facilities such as kitchens, dining facilities, playgrounds, changing rooms and sports facilities.

The DfE had announced Special Provision Capital Funding for local authorities to invest in provision for children and young people with Special Educational Needs and Disabilities, aged 0-25, with funding for a range of provision types where this would benefit children and young people with health and care (EHC) plans. The latter funding was due to commence in 2018/19, with Halton's allocation over a three year period being £500,000.

Reason(s) for Decision

To deliver and implement the Capital Programmes.

Alternative Options Considered and Rejected

Not applicable.

Implementation Date

Capital Programmes would be implemented from 1 April 2018.

RESOLVED: That

- 1) the Capital Funding available for 2018/19 be noted;

Strategic Director  
- People

- 2) the proposals to be funded from School Condition Capital Allocation be approved: and
- 3) Council be recommended to approve the Capital Allocations for inclusion in the Budget report.

EXB90 CONTRACT FOR PARENT TO PARENT VOLUNTEER SUPPORT: REQUEST TO WAIVE PROCUREMENT STANDING ORDERS

The Board considered a report of the Strategic Director, People, on the contract for Parent to Parent Volunteer Support.

The Board was advised that the existing Parent-to-Parent Volunteer Support contract had been identified as being exceptionally well placed to deliver additional provision to work with families that met the Troubled Families criteria. The Volunteer Support service was staffed by individuals that were qualified, skilled and experienced in delivering inter-parental relationships provision and had been highly effective within the Borough in supporting the key aspect of early intervention. It was noted that funding for this support service had been allowed for within the existing Troubled Families budget.

RESOLVED: That the waiver of Procurement Standing Orders 1.14.3 and 1.14.4 to the value of £150,000 be approved, for the period 9 April 2018 to 8 April 2020, to facilitate the rapid implementation of inter-parental relationships provision, as part of the existing parent to parent support contract delivered within the Troubled Families initiative.

Strategic Director  
- People

**HEALTH AND WELLBEING PORTFOLIO**

EXB91 PROPOSED NEW HALTON HEALTHY EATING AND EXERCISE SERVICE - KEY DECISION

The Board considered a report of the Director of Public Health, on a proposed Halton Healthy Eating and Exercise Service.

The Board was advised that following a review of the Weight Management Services in Halton, the current service provision did not need the identified needs of the local population. A new Service was proposed, which would be an integrated Service where patients would be offered a choice

based upon an holistic assessment of their weight management needs. Members were advised that the proposed new Service would be developed by enhancing the current well performing in-house provision provided by the Health Improvement Team.

Reason(s) for Decision

To provide a more targeted and cost effective model for healthy eating and exercise services in Halton, aimed at meeting the needs of the local population and improving health outcomes.

Alternative Options Considered and Rejected

Consideration was given to going out to tender for a separate Tier 3 Weight Management Service. However, this did not offer the opportunities presented by having an Integrated Tier 2 and Tier 3 service, i.e. the potential for improved outcomes and efficiency savings.

Implementation Date

1 April 2018.

RESOLVED: That

- 1) the contents of the report be noted; and
- 2) the proposals outlined be approved.

Director of Public Health

EXB92 DIRECT AWARD OF A SUPPORT CONTRACT FOR BARKLA FIELDS AND NAUGHTON FIELDS EXTRA CARE SCHEMES

The Board considered a report of the Strategic Director, People, which sought approval to grant a Direct Award of a contract to deliver support services at Barkla Fields and Naughton Fields Extra Care Schemes.

The Board was advised that Extra Care Services had been delivered in Halton since 2013. Halton Borough Council provided the support service at Naughton Fields, although it was reported that the level of support for those that moved there was not required. Halton Housing Trust (HHT) had secured funding for another extra care scheme in Widnes. It was considered that a support service that linked into HHT's Amethyst Living Service and HHT's Housing Management provision would provide a more efficient and integrated service.

It was proposed that a direct award of a support service to HHT to provide both housing and support at Barkla Fields and Naughton Fields, was considered the most effective option which allowed flexibility and ensured continuity for individuals.

RESOLVED: That

- 1) under Procurement Standing Order 1.14.3 (d) the Board agrees to waive Procurement Standing Orders 3.0 and 3.1; and
- 2) to ensure the stability and continuity of the service, a Direct Award be granted to Halton Housing Trust for the delivery of support services at Barkla Fields and Naughton Fields Extra Care Schemes, from 1 April 2018 to 31 March 2023.

Strategic Director  
- People

#### EXB93 CARERS TRUST

The Board considered a report of the Strategic Director, People, which sought approval to award a contract to the Carers Trust for a home based respite care service.

The Board was advised that the Authority currently had a jointly funded contract in place with the Carers Trust, which was due to expire on 31 March 2018. It was reported that an NHS Halton CCG scoping paper looking at the provision of end of life care, recommended that further work was undertaken to support the development of a different commissioning process to enable a new delivery model for end of care life. The service provided by the Carers Trust would fall within the remit of this end of life review, and this necessitated an extension to their current contract for a further year. It was confirmed that the Quality Assurance Team would continue to monitor the service to ensure the Council and Halton residents received value for money.

RESOLVED: That the use of Procurement Standing Order 1.14.3 (f) be agreed to award a contract to the Carers Trust for a one year period from 1 April 2018 to 31 March 2019.

Strategic Director  
- People

#### EXB94 PUBLIC HEALTH ANNUAL REPORT - WOMEN AND GIRLS' HEALTH - KEY DECISION

The Board considered a report of the Director of Public Health, on the development of the Public Health Annual Report (PHAR) 2016/17 for Halton.



The Board was advised that the PHAR was the Director of Public Health's independent expert assessment on the health of the local population. It was reported that for 2016/17 the PHAR would focus on the health of women and girls in Halton, and would highlight key topics pertinent to female health and issues local women and girls believed to be the most significant areas for their health. It was noted that the report used a life-course approach through a number of sections including Start Well – Maternity; Start Well – Girls; Live Well; and Age Well.

Reason(s) for Decision

The Public Health Annual Report was a statutory document.

Alternative Options Considered and Rejected

No alternative options were considered.

Implementation Date

With immediate effect following approval by Executive Board.

RESOLVED: That the theme and development of the Public Health Annual Report 2016/17 be noted.

**ECONOMIC DEVELOPMENT PORTFOLIO**

EXB95 INDUSTRIAL STRATEGY WHITE PAPER

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, on the publication of the Government's Industrial Strategy White Paper (the Strategy), the potential implications and opportunities for Halton and the impact on the Liverpool City Region.

The Board was advised that the Government's Industrial Strategy White Paper, "Building a Britain Fit for the Future", was published in November 2017 and considered the role of Government in boosting the UK economy, embracing technology and the use of public procurement initiatives and the regulatory environment to support business. It was reported that the White Paper was a significant document because it set the agenda for economic policy over the period of the current Parliament and beyond.

The White Paper also confirmed that the Government

would be pressing ahead with a series of Sector Deals, with construction, life sciences, automotive and artificial intelligence the first to benefit from a strategic, long-term partnership with Government.

In the Strategy, the Government had identified four “Grand Challenges”, which were global trends that would shape the rapidly changing future. The report considered the impact of the Strategy for Halton, how businesses could benefit and the role of devolved authorities and partners in the delivery of elements of the economic strategy. Members noted that Liverpool City Region (LCR) Combined Authority could be in the first wave of areas to be invited to complete a Local Industrial Strategy which would identify the allocation of resources and funding. It was noted that work had already been undertaken in the LCR in preparation and that it was intended that local organisations, businesses, education establishments and local government would determine local growth priorities.

RESOLVED: That

- 1) the Industrial Strategy be used to inform Halton’s future regeneration activities; and
- 2) Members agree to the Council working with the Combined Authority to ensure that a future Liverpool City Region Local Industrial Strategy reflects the Borough’s regeneration priorities and opportunities.

Strategic Director  
- Enterprise,  
Community and  
Resources

## **RESOURCES PORTFOLIO**

### **EXB96 DIRECTORATE PERFORMANCE OVERVIEW REPORTS FOR QUARTER 2 2017 - 18**

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, on progress against key milestones/objectives and performance targets for the second quarter 2017/18.

The Board was advised that the Directorate Performance Overview Report provided a strategic summary of key issues arising from performance in the relevant quarter for each Directorate, being aligned to Council priorities or functional areas. The Board noted that such information was key to the Council’s management arrangements, with the Board having a key role in monitoring performance and strengthening accountability. Performance management would continue to be important in

the demonstration of value for money and outward accountability.

RESOLVED: That the report and progress and performance information be noted.

EXB97 DISCRETIONARY NON-DOMESTIC RATE RELIEF

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, on an application for discretionary non-domestic rate relief.

The Board was advised that, under the amended provisions of the Local Government Finance Act 1988, the Council was able to grant discretionary rate relief to any business rate payer. Since 1 April 2017, the Council had been responsible for meeting the full cost of all mandatory and discretionary rate relief granted, as part of the Liverpool City Region 100% Business Rates Retention Pilot Scheme.

The report set out details of an application received from a registered charity for rate relief. Members considered that, given the nature of the charity and the very short period of occupation of the premises, in this instance they would grant the full 20% rate relief on an exceptional basis.

RESOLVED: That the request for 20% discretionary business rate relief for Halton Christmas Toy Appeal for the period 15 November 2017 to 24 December 2017 be approved.

Strategic Director  
- Enterprise,  
Community and  
Resources

**TRANSPORTATION PORTFOLIO**

EXB98 HIGHWAYS CAPITAL IMPROVEMENT TERM CONTRACT TENDER

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, which notified the Board of the approval given to proceed with a procurement process for the provision of a capital projects delivery contract for highway improvement works across the Borough.

The Board was advised that capital funded schemes had been delivered through the existing Highway Maintenance and Improvement Term Contract. It was proposed that the new arrangements would be set up for a three year period, with the option to award a one year extension. It was noted that this would be in line with current capital funding arrangements for Sustainable Transport

Enhancement Package (STEP) schemes, which were funded via the Liverpool City Region. It was anticipated that the annual value of the contract in total would be in the region of £800k, making the value of a three year contract approximately £2.4m. As this figure was above the OJEU threshold, the contract would be tendered using 'The Chest' procurement portal.

RESOLVED: That Members note a procurement process will be entered into via The Chest, with the purpose of securing a capital projects delivery contract for the implementation of projects to deliver sustainable highway improvement works across the Borough.

Strategic Director  
- Enterprise,  
Community and  
Resources

EXB99 SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

The Board considered:

- 1) Whether Members of the press and public should be excluded from the meeting of the Board during consideration of the following items of business in accordance with Section 100A (4) of the Local Government Act 1972 because it was likely that, in view of the nature of the business to be considered, exempt information would be disclosed, being information defined in Section 100 (1) and paragraphs 3 and 5 of Schedule 12A of the Local Government Act 1972; and
- 2) Whether the disclosure of information was in the public interest, whether any relevant exemptions were applicable and whether, when applying the public interest test and exemptions, the public interest in maintaining the exemption outweighed that in disclosing the information.

RESOLVED: That as, in all the circumstances of the case, the public interest in maintaining the exemption outweighed that in disclosing the information, members of the press and public be excluded from the meeting during consideration of the following items of business in accordance with Section 100A (4) of the Local Government Act 1972 because it was likely that, in view of the nature of the business, exempt information would be disclosed, being information defined in Section 100 (1) and paragraphs 3 and 5 of Schedule 12A of the Local Government Act 1972.

**RESOURCES PORTFOLIO AND PHYSICAL ENVIRONMENT PORTFOLIO**

EXB100 LAND DISPOSAL OF EMPLOYMENT LAND AT JOHNSON'S LANE, WIDNES

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, on the disposal of employment land at Johnson's Lane, Widnes.

The Board was advised that, following negotiations, heads of terms had been provisionally agreed for the sale of land at Johnsons Way, Widnes. It was noted that the disposal was subject to planning permission being forthcoming. The proposal would result in a capital receipt from the sale of land and generate future rates income from the occupation of the site.

RESOLVED: That

- 1) the disposal of land shown edged red on the plan attached to the report, to the company and for the value named in the recommendation, both subject to planning permission and subject to contract, be approved; and
- 2) the Operational Director, Economy, Enterprise and Property, be authorised to arrange all required documentation to be completed to the satisfaction of the Operational Director, Legal and Democratic Services.

Strategic Director  
- Enterprise,  
Community and  
Resources

EXB101 LAKESIDE PHASE 3 CASTLEFIELDS LAND DISPOSAL

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, on the disposal of land known as Lakeside Phase 3, Castlefields, Runcorn.

The Board was advised that the Lakeside area in Castlefields had been identified for residential development within the Castlefields Masterplan since 2003. It was reported that the Authority had been approached with a proposal to acquire the final phase 3 site. It was noted that the proposal also supported, and was consistent with, Council policy to build more new homes in Halton and dispose of land assets in an economically effective way.

RESOLVED: That

- 1) disposal of the site to the company and for the value named in the recommendation, subject to contract, be approved; and
- 2) the Strategic Director, Enterprise, Community and Resources, be authorised to arrange for all required documentation to be completed to the satisfaction of the Operational Director, Legal and Democratic Services.

*(N.B. Councillor Harris left the room prior to consideration of the following item of business and took no part in the decision)*

### **RESOURCES PORTFOLIO**

#### **EXB102 PARKLANDS CLUB, CHAPEL LANE, WIDNES**

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, on The Parklands Club, Chapel Lane, Widnes.

The report referred to discussions with the existing tenants of the Club.

RESOLVED: That

- 1) the proposals and approach set out in the report be agreed;
- 2) authority be delegated to the Operational Director, Economy, Enterprise and Property and the Operational Director, Legal and Democratic Services, to present these proposals to the tenants of the Club; and
- 3) subject to the agreement of both parties, the actions outlined in the report be approved.

### **TRANSPORTATION PORTFOLIO**

#### **EXB103 JOINT INTELLIGENT TRANSPORT SYSTEMS CONTRACT FOR THE LIVERPOOL CITY REGION**

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, on the

Strategic Director  
- Enterprise,  
Community and  
Resources

Strategic Director  
- Enterprise,  
Community and  
Resources

procurement of a Joint Intelligent Transport Systems Control for the Liverpool City Region (LCR).

The Board was advised that, in order to achieve savings and efficiencies in the operation of highways and traffic functions within the LCR, investigations had taken place to identify opportunities for joint working. One of the first opportunities identified had been a joint contract for the supply, installation and maintenance of Intelligent Transport Systems (ITS). The report set out details of the procurement process and the benefits of a joint contract.

RESOLVED: That the Board approves Halton joining the Joint ITS Contract for the Liverpool City Region and awarding the contract to Siemens PLC.

Strategic Director  
- Enterprise,  
Community and  
Resources

**MINUTES ISSUED: 23 January 2018**

**CALL-IN: 30 January 2018**

**Any matter decided by the Executive Board may be called in no later than 5.00pm on 30 January 2018**

*Meeting ended at 2.24pm*

<b>REPORT TO:</b>	Executive Board
<b>DATE:</b>	22 February 2018
<b>REPORTING OFFICER:</b>	Strategic Director, People
<b>PORTFOLIO:</b>	Children, Young People & Families
<b>SUBJECT:</b>	Inspection Framework
<b>WARD(S)</b>	Boroughwide

### 1.0 PURPOSE OF THE REPORT

1.1 To receive a presentation regarding the framework for the Ofsted Inspection of Local Authority Children Services (ILACS).

2.0 **RECOMMENDATION: That the Board notes the contents of the presentation.**

### 3.0 SUPPORTING INFORMATION

3.1 Members will be aware that the last OfSTED inspection, in relation to Children Services, took place between 18 November 2014 and 10 December 2014 under the single inspection framework: Inspection of Services for Children in Need of Help and Protection, Children Looked after and Care Leavers (SIF). The report was published 3 February 2015. The overall judgement was 'Requires Improvement', which was made up of judgements in several areas shown in the table below.

<b>The overall judgement is that children's services require improvement</b>	
The authority is not yet delivering good protection and help for children, young people and families. It is Ofsted's expectation that, as a minimum, all children and young people receive good help, care and protection. <sup>2</sup>	
The judgements on areas of the service that contribute to overall effectiveness are:	
<b>1. Children who need help and protection</b>	<b>Requires Improvement</b>
<b>2. Children looked after and achieving permanence</b>	<b>Good</b>
2.1 Adoption performance	<b>Good</b>
2.2 Experiences and progress of care leavers	<b>Good</b>
<b>3. Leadership, management and governance</b>	<b>Requires Improvement</b>

3.2 Since the inspection a plan has been in place to address the recommendations and



senior managers and Lead member have had systems in place for continual monitoring, review and evaluation of performance.

- 3.3 The SIF cycle has recently ended and local authorities will now be inspected under the new ILACS framework. OfSTED describe this new approach as a system rather than a programme of inspections. The details of this inspection framework are set out in the attached presentation.

Essentially, however, this framework is built around answering three questions:

- What do you know about the quality and impact of social work practice with children and families in your authority?
- How do you know it?
- What are your plans to maintain or improve practice?

To answer these question as a local authority with a 'requires improvement judgement' we can look forward to:

1. A Standard Inspection i.e., a full inspection with several inspectors on site for two weeks with five days-notice;
2. Up to two focused visits, which may focus on an areas of good practice and/or areas for development with five days-notice; and
3. A Joint Targeted Area Inspection (JTAI), which would replace a focused visit. This is an inspection of a theme, e.g., Domestic Abuse in a local area and would include health and police services.

These inspections are supplemented by an 'Annual Conversation' with OfSTED and a shared self-evaluation. Our Annual Conversation took place on 26 January, 2018.

- 3.4 As with the previous framework ILACS operates on a 3 year cycle, with all local authorities subject to the 'system' within that time frame. Our last inspection was published in 2015, and we are, therefore, within the current window for inspection, and would expect at least one or both focused visits.

- 3.5 As part of our service monitoring we have in place the Investing in Children and Young Peoples Board that meets at least monthly to review our systems, performance and practice. A sub-group of this board works with partners to ensure cohesion and coordination in respect of the JTAI framework. Our current self-evaluation places us as fair to good, but we need to maintain momentum and focus on key aspects of the service to ensure that we can answer the three main questions.

#### 4.0 **POLICY IMPLICATIONS**

- 4.1 None identified.

#### 5.0 **FINANCIAL IMPLICATIONS**

- 5.1 None identified

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

6.1 **Children & Young People in Halton**

All issues outlined in this report focus directly on this priority.

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

None identified.

6.3 **A Healthy Halton**

None identified.

6.4 **A Safer Halton**

None identified.

6.5 **Halton's Urban Renewal**

None identified.

7.0 **RISK ANALYSIS**

7.1 None identified

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 None identified

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

9.1 None under the meaning of the Act.

# **Halton's Vision for Children, Young People and Families:**

## **Framework for the Inspection**

Milorad Vasic  
Strategic Director - People



## **Last inspection**

**Inspection of services for children in need of help and protection, children looked after and care leavers**

**Inspection date: 18 November 2014 - 10 December 2014**

## **The overall judgement is that children's services require improvement**

The authority is not yet delivering good protection and help for children, young people and families. It is Ofsted's expectation that, as a minimum, all children and young people receive good help, care and protection.<sup>2</sup>

The judgements on areas of the service that contribute to overall effectiveness are:

<b>1. Children who need help and protection</b>	<b>Requires Improvement</b>
<b>2. Children looked after and achieving permanence</b>	<b>Good</b>
2.1 Adoption performance	<b>Good</b>
2.2 Experiences and progress of care leavers	<b>Good</b>
<b>3. Leadership, management and governance</b>	<b>Requires Improvement</b>



## **A system, not a programme of inspections**

- Annual self-evaluation of social work practice.
- An annual conversation with each local authority (LA).
- Focused visits on a potential area of improvement or strength.
- Standard or short inspection of each LA, depending on what we know (once in a three year period).
- Inadequate LAs continue to receive quarterly monitoring and a re-inspection through the SIF.



## An inspection system

- ILACS (Inspecting Local Authority Children's Services) is a system, each feature informs how the other works.
- This means more frequent engagement between Ofsted inspectors and LAs (not always as part of an inspection).
- This is to catch LA's before they fall and help LA's avoid becoming inadequate.
- They believe more frequent contact will help to make inspections more efficient and less burdensome.

# Local authority contact with Ofsted

Inadequate local authority	Requires improvement to be good local authority	Good or outstanding local authority
Quarterly monitoring visits SIF or post-monitoring SIF Annual conversation Shared self-evaluation	Standard inspection (once in a three year period) Up to two focused visits in between inspections Possible JTAI (would replace a focused visit) Annual conversation Shared self-evaluation	Short inspection (once in a three year period) Up to two focused visits in between inspections Possible JTAI (would replace a focused visit) Annual conversation Shared self-evaluation





# **Activity outside of inspection**

## **Self-evaluation and annual engagement**



## Self-evaluation

- Ofsted have worked with the ADCS, SOLACE and LGA to devise guidance.
- No set format, but should be brief and answer three questions:
  - **What do you know about the quality and impact of social work practice with children and families in your authority?**
  - **How do you know it?**
  - **What are your plans to maintain or improve practice?**
- Should draw on existing documents and activity.
- Should reflect business as usual, not created for inspection.



## Annual engagement meeting

- Discuss self-evaluation, data and intelligence.
- Honest and open conversation.
- Consider any future focused visit and how this might support the LA's improvement plans.
- No published 'outcome' – Ofsted will write to the DCS summarising the discussion.
- Ideally linked to self-evaluation – this does not have to be the same time each year.
- May be part of another meeting, but should allow sufficient time to discuss children's social care.

## Focused visits - scope

- Five working days notice will be given of the visit
- Usually, two inspectors will be on site for two days
- The inspectors will make the final decision about the focused visit topic to be covered based on one or more of the following:
  - 1) a specific service area identified as an example of good or outstanding practice.
  - 2) specific service area identified as an area of improvement or an area where themes, trends and issues are identified.
  - 3) agreement between the inspectors and local authority that a specific focus will support the local authorities improvement journey.
  - 4) a decision is made to undertake a short programme in a particular area of service, which leads to a thematic overview.



## Focused visit topics

Chosen from of the following:

- **The front door (iCART)** - decisions CP enquiries, emergency action, CiN assessments etc.
- **Children in need and those on a child protection plan** e.g. thresholds, step up/step down, quality of decisions etc.
- **Protection of vulnerable adolescents (contextual safeguarding)**  
e.g. CSE, MFH, risks associated with gangs, radicalisation etc.
- **Children in Care** e.g. quality of matching, placement & decision making, experience and progress of disabled children in care etc.
- **Permanency planning and achieving permanence** e.g. return to birth family, adoption, special guardianship, long term care etc.
- **Care leavers** e.g. aged 16 & 17 and 18 to 25, accommodation, employment, education and training, transition etc.



## Evaluation

In each of the focused visits, inspectors will evaluate the effectiveness of:

- Performance management
- Management oversight
- Supervision
- Quality assurance
- Continuous professional development of the workforce



## Judgements and report

- No graded judgements LA receives a narrative letter identifying:
  - Strengths
  - Areas for improvement
- If Ofsted identify serious concerns, they will give unequivocal areas for **Priority Action**.
- That information will inform them of when to inspect and whether to use a standard or short inspection.

# Standard inspections

- Five working days notice
- Inspectors will be on site for two weeks
- Inspection team usually consists of four social care inspectors. In addition, a social care regulatory inspector (on site for two days) and a schools inspector (on site for one day).
- Inspectors will be looking at:
  1. the extent of good practice across the service.
  2. the extent and impact of any areas for improvement where areas have been identified , the extent to
  3. which leaders and managers have a “grip” on the issue.





## Inspector deployment

Small teams of inspectors working closely together inspect more efficiently:

- they spend less time reporting their findings to one another.
- all inspectors know and understand findings from across the inspection.
- they can challenge one another more effectively, closing lines of enquiry and arriving at robust judgements quickly.



## Onsite activity

- Inspectors will spend most of their time looking at case files with social workers.
- They will talk to managers if their findings indicate a strength or concern that they need to triangulate further.
- They will hold regular keep-in-touch (KIT) meetings with the DCS. However.....
- .....they may ask the DCS to meet inspectors at the office where they are inspecting that day.

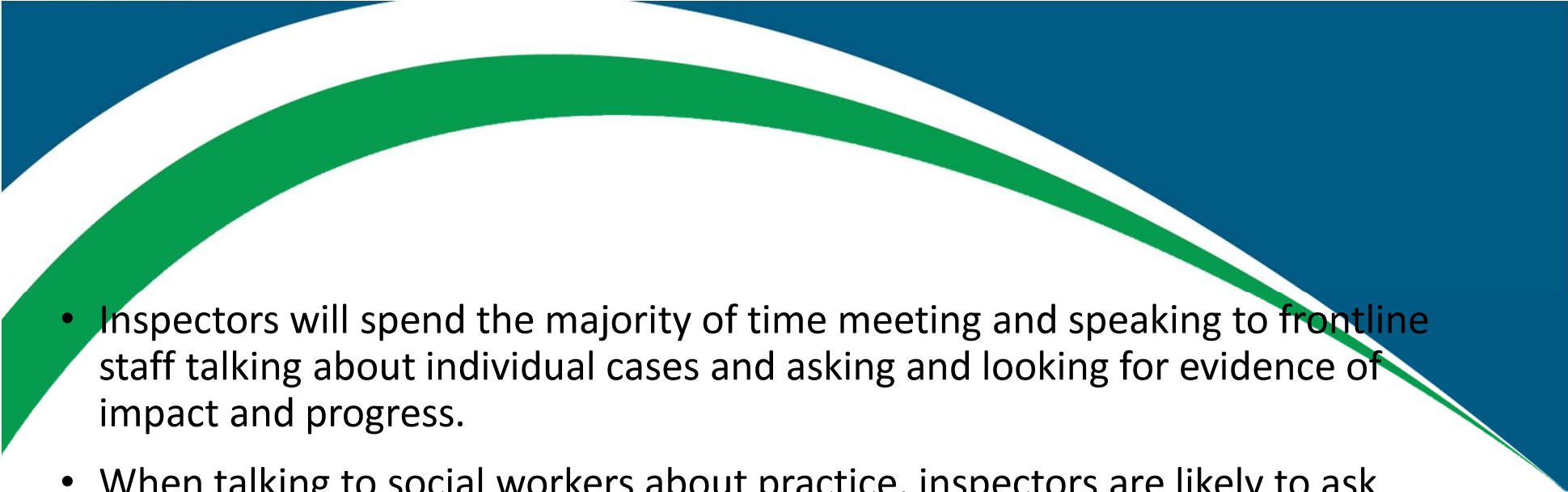


## Managing expectations

- To make a proportionate programme work, inspectors must target their activity carefully.
- They will not be able to speak with everyone. They will focus on key lines of enquiry and where the emerging findings take them.
- Onsite activity will not routinely include set-piece meetings with the same list of people that happens on a Single Inspection Framework.
- Inspectors will prioritise activities that tell them about the quality of social work practice with children and families.

## Why is this inspection different?

- Inspectors will start from the starting point of each individual child.
- Inspectors will be hearing the voice of children, young people and families and looking for evidence of their voices at every point.
- Inspectors will only request group meetings on rare occasions if and where the evidence leads them to do this.
- Whilst not a specific judgement, an inspector will be on site for two days, looking at evaluating the effectiveness of the recruitment, assessment, training and support for foster and adoptive carers.
- There will also be an inspector on site to evaluate the educational progress of children in care and care leavers.

- 
- Inspectors will spend the majority of time meeting and speaking to frontline staff talking about individual cases and asking and looking for evidence of impact and progress.
  - When talking to social workers about practice, inspectors are likely to ask questions about a range of issues, for example:
    - the quality of impact of supervision and management oversight.
    - the ways in which they are helped to strengthen families & minimise risk.
    - workloads and workload management.
    - availability, quality & impact of training & development opportunities.
    - the impact on practice through multi-agency training and the dissemination of learning from national or local learning reviews.



Overall judgement		
<p><b>Key judgement:</b> The impact of leadership on social work practice with children and families</p>	<p><b>Key judgement:</b> The experiences and progress of children in need of help and protection</p>	<p><b>Key judgement:</b> The experiences and progress of children in care and care leavers</p>
<p><b>Narrative:</b> How good leaders are at creating an environment where social work can flourish</p>	<p><b>Narrative</b> Early help  Children in need  Children on a child protection plan</p>	<p><b>Narrative</b> How well permanence is achieved (including adoption)  Care leavers  Making good decisions</p>

- Overall and key judgements made on our four-point scale: outstanding, good requires improvement to be good, inadequate



## Next steps

- Established ICYPB (Investing in Children and Young People's Board).
- JTAI (Joint Targeted Area Inspection) subgroup.
- Raising awareness of the new framework.
- Collectively undertake a self evaluation (strengths vs areas of development).
- Developing and co-producing a series of 'Thematic Briefings'.
- Revised Neglect Strategy (2017-19).
- Launch Children, Young People and Families Plan (2018-21).
- Launch of Children in Care and Care Leavers Strategy (2017-20).

**REPORT TO:** Executive Board

**DATE:** 22 February 2018

**REPORTING OFFICER:** Chair of Halton Safeguarding Adults Board

**PORTFOLIO:** Health & Wellbeing

**SUBJECT:** HSAB Annual Report 2016-2017

**WARD(S)** Borough-wide

**1.0 PURPOSE OF THE REPORT**

1.1 To present to PPB Halton Safeguarding Adults Board Annual Report 2016-2017.

**2.0 RECOMMENDATION: That the report be noted.**

**3.0 SUPPORTING INFORMATION**

3.1 This report fulfils one of Safeguarding Adults Boards three core statutory duties:

1. Develop and publish a strategic plan setting out how they will meet their objectives and how their member and partner agencies will contribute
2. Publish an annual report detailing how effective their work has been
3. Commission safeguarding adults reviews (SARs) for any cases which meet the criteria for these.

3.2 This Annual Report covers the period from 1<sup>st</sup> April 2016- 31<sup>st</sup> March 2017.

3.3 All members of HSAB, HSAB sub-group chairs and the Safeguarding Adults Partnership Forum members were invited to submit an annual summary of their work activity. The focus of work activity addresses HSAB's priorities as identified from 2015-2016 Annual Report, Performance Framework and Strategic Plan (2016-2018) in addition to acknowledging local and national safeguarding adults emerging issues/trends/policies throughout the year.

3.4 The report provides a summary analysis of the data gathered from both CCG and HBC Safeguarding Adults Collection and highlights what this information tells us for informing the work priorities for 2017-2018.



Further details below include a comparison with 2016/2017 national data (Pub. Nov 2017):

i) The top three types of abuse that occurred in Halton are aligned to national trends, which have remained consistent since 2014 nationally (with slight variation in prevalence), ie. neglect and acts of omission is the highest form of abuse that occurs (Halton 31% England average 35%), followed by physical abuse (Halton 26.5%, England average 24%) and financial and material abuse (Halton 21% England average 16%).

ii) Females continue to experience a higher percentage of abuse than males, 60% female 40% male for Halton aligns with national average.

iii) The data found adults at most risk of harm are older adults (75 years plus), who live in their own home and are most at risk of neglect or acts of omission.

- The distribution in terms of ages and prevalence of abuse is very close to national England average:  
65 years and over –Halton 66% England average 63%  
65-74 years – Halton 13% England average 12%  
75-84 years – Halton 25% England average 22%  
85 years and over –Halton 29% England average 28%
- The data on location of abuse:  
Own Home: Halton 48% England average 44% North-West average 37%  
Care Home: Halton 30% England average 36% North-West average 40%
- In terms of risk outcomes Halton is again similar to national averages:  
No action: Halton 3% England average 6%  
Risk reduced: Halton 72% England average 61%

### **2017-2018 HSAB priorities**

Following on from the analysis of the previous year's data and work activity and in addition to consulting with members and partners from HSAB, sub-groups and service user groups the following 3 priorities were agreed for 2017-2018.

Priority 1: Creating a safer place to live for all adults living in Halton (Safeguarding Prevention)

- Work on early intervention and prevention with the development of a Safeguarding Adults Prevention Strategy with Public Health commenced early 2017. This financial year there will be an Action Plan developed to implement the key recommendations, in partnership with Halton's Safeguarding

Adults Partnership Forum and the wider community.

- There was also a well-received National Police initiative, 'Herbert Protocol' which HSAB supported Cheshire Police in implementing locally; it was disseminated across local services and venues.

Priority 2: Providing the skills and knowledge to enable genuine care and understanding for adults at risk of harm (Awareness-raising and Training)

- A Training Needs Analysis was completed gathering evidence through consultations with the Safeguarding Adults Partnership Forum members, HSAB sub-groups and wider partners, a training needs analysis (TNA), safeguarding concerns reported and data examination the need for continued training and awareness-raising of adult safeguarding became apparent.
- The TNA has helped inform a Training and Marketing Strategy that will be used to develop a yearlong marketing campaign and training package.
- The development of Halton Safeguarding Adults Webpage will enable a central point of access for information, with details on all resources, latest guidance and updated policies: [www.haltonsafeguarding.co.uk](http://www.haltonsafeguarding.co.uk)

Priority 3: Gaining a greater understanding of how mental health can impact adults at risk being protected and cared for in the best way possible ( Mental Health)

- Another theme that arose through consultations and emerging from reviews was the need for greater understanding around mental health and safeguarding
- Mental health and its impact on daily living can cause additional complications when a safeguarding concern occurs.
- Healthwatch have made a commitment to Halton Safeguarding Adults Board to work in partnership across services and with the local population to establish local needs and knowledge around safeguarding and mental health towards developing targeted resources.

#### 4.0 **POLICY IMPLICATIONS**

4.1 Safeguarding Adults Boards (SABs) have statutory duties under the Care Act 2014 (as outlined in section 3.1). In that all SABs must produce an annual report and make public and the annual report to be sent to:

- The Chief Executive and leader of the local authority;
- The local policing body;
- The Local Healthwatch;
- The Chair of the Health and Wellbeing Board.

5.0 **FINANCIAL IMPLICATIONS**

5.1 None identified

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 Annual Report contributes to the work of HBC's A Healthy Halton priority.

6.4 The overarching purpose of a Safeguarding Adults Board is to help safeguard adults with care and support needs and to ensure the health, care and support needs are met for adults at risk of harm. The Annual report is a public document that enables the work of Safeguarding Adults Board and its member organisations to be scrutinised to help achieve a healthier population within Halton by ensuring resources are targeted, keeping adults most at risk of harm safe and well.

**A Safer Halton**

6.5 None identified

**Halton's Urban Renewal**

None identified

7.0 **RISK ANALYSIS**

7.1 Production and publication of HSAB activities through an Annual Report ensures HSAB remains publicly accountable and responsive to the needs of Halton's population. This reduces potential safeguarding risks and concerns and also positively impacts the health and wellbeing of those adults at most risk of harm. The Annual Report:

- Is compliant with Care Act 2014 statutory duties.
- Concurs with national guidance on 6 principals of safeguarding.
- Has local implications for Halton Borough Council's priorities of a Healthy Halton

8.0 **EQUALITY AND DIVERSITY ISSUES**

None identified

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

None under the meaning of the Act.

<b>REPORT TO:</b>	Executive Board
<b>DATE:</b>	22 February 2018
<b>REPORTING OFFICER:</b>	Strategic Director, People
<b>PORTFOLIO:</b>	Health and Wellbeing
<b>SUBJECT:</b>	Halton Speak Out Contract
<b>WARD(S)</b>	Borough-wide

### 1.0 **PURPOSE OF THE REPORT**

1.1 To seek approval from Executive Board to extend the current service for a one year period from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019.

2.0 **RECOMMENDATION: That in compliance with Standing Order 1.14.3 and 1.14.4, Executive Board approve a waiver to Procurement Standing Orders 3.0, to award a contract to Halton Speak Out for Person Centred Planning Coordination/Facilitation, Self-Advocacy and Halton People's Cabinet for the period 1 April 2018 to 31 March 2019.**

### 3.0 **SUPPORTING INFORMATION**

3.1 Halton Speak Out was commissioned in 2015 to provide support services to adults with learning disabilities. A further one year's extension was granted by Executive Board in January 2017.

3.2 There are two elements to the contract, the coordination/facilitation of Person Centred Planning and a self-advocacy service and facilitation of Halton People's Cabinet.

These services are not statutory services, but contribute to the Council's prevention agenda and ensure the delivery of outcomes linked to the Care Act.

3.3 The services delivered by Halton Speak Out link closely into the Learning Disability governance structure. The People's Cabinet links into the ALD Partnership Board and Halton Speak Out are a key member of that group, which both informs and takes actions from the Strategic Action and Commissioning Group.

Halton Speak Out are also involved with the Transforming Care Agenda, and support self-advocates to participate in local and regional transforming care events.

3.4 The service is considered to be a good service. In 2017/18 the

service has delivered the following to date:

- Facilitated person centred reviews for 81 individuals
- Supported 34 young people in transition
- 7 ministers attend the People's Cabinet
- Facilitated the People's Cabinet regular monthly meetings
- Supported People's Cabinet members to attend other meetings (168 attended during the year)
- Regular attendance at the following meetings:
  - Partnership Board
  - Transport
  - Provider
  - Transforming Care
- Supported 236 self-advocates
- Provided feedback to inform a procurement exercise

3.5 There is currently a review of learning disability services being undertaken, which includes the services being delivered by Halton Speak Out. The outcome of the review, together with consideration of other options for continuation of the service will inform future service delivery. An extension to this contract is requested to allow completion of the review.

#### 4.0 **POLICY IMPLICATIONS**

4.1 Self-advocates are a key partner in the Transforming Care agenda which requires local authorities and CCG's to work together to reshape services for people with learning disabilities and autism.

#### 5.0 **OTHER/FINANCIAL IMPLICATIONS**

5.1 The annual contract value is £73,439. Although this may be met within current budget allocation, negotiations will take place with Halton Speak Out to identify any efficiencies which may be achieved.

#### 6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 **Children & Young People in Halton**  
None

6.2 **Employment, Learning & Skills in Halton**  
People accessing Halton Speak Out services develop skills and confidence which can be used in all areas of their life, including accessing other training, learning and employment opportunities.

6.3 **A Healthy Halton**  
Halton Speak Out provides information, advice and advocacy on a range of subjects, including supporting people to maintain or improve their health and wellbeing,

6.4 **A Safer Halton**

The service also provides information, advice and advocacy about safety, including being a key partner in Halton's Safe in Town initiative.

6.5 **Halton's Urban Renewal**

None.

7.0 **RISK ANALYSIS**

7.1 This service is considered to be low risk, and will continue to be monitored by Halton's Commissioners and Quality Assurance Team.

The procurement risk is low as the contract value is below the EU threshold.

Financial risk is minimised as the service will be delivered within exiting budgets.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 This service supports some of Halton's most vulnerable members of the community, and will support the Council in meeting its duties to promote inclusion and fair access to services for all local residents.

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

None under the meaning of the Act.

**REPORT TO:** Executive Board

**DATE:** 22 February 2018

**REPORTING OFFICER:** Strategic Director People

**PORTFOLIO** Health & Wellbeing

**SUBJECT:** Halton Healthwatch & Advocacy Tender

**WARD(S)** Borough-wide

1.0 **PURPOSE OF REPORT**

1.1 To inform Executive Board of the awarding of the Halton Healthwatch & Advocacy Hub contract to Engaging Communities Staffordshire CIC.

2.0 **RECOMMENDATION: That the Board note the award of the Healthwatch & Advocacy Hub contract to Engaging Communities Staffordshire CIC.**

3.0 **SUPPORTING INFORMATION**

3.1 Healthwatch Halton was first commissioned by the Council in 2013/14 for a two year period. Since that time the contract has twice been extended by Executive Board, the latest being until 31st March 2018. Any further extensions would have taken the overall contract value beyond the current EU threshold of £589,148.

3.2 The Council also has contracts to provide a range of statutory advocacy services with SHAP (Independent Advocacy and Independent Mental Health Advocacy), Together for Mental Health (Independent Mental Capacity Advocacy), and The Carers Federation (Independent NHS Complaints Advocacy).

3.3 In June 2017, the adult social care senior management team approved the development of a single service specification encompassing all of the elements of advocacy and Healthwatch. The anticipated benefits of this approach were that it would;

- improve access for local people through a single gateway to advocacy services
- provide a seamless service to people who may have need of different aspects of advocacy at different times
- enable a more efficient and flexible use of resources for the successful provider
- improve the financial sustainability of these services through the combining of contract values and an economy of scale



- provide a more efficient contract and performance management arrangement for the authority

3.4 With the intention to award a contract over a 5 year period, a Pre-Lim Estimates report was required for approval by Executive Board to proceed with a procurement process as the potential contract value would be in excess of £1 million. Approval to commission the new Halton Healthwatch and advocacy hub through an open tender process was given by Executive Board on the 21st September 2017.

3.5 A provider bidder event was held in October 2017 at which an outline of Halton's vision for this new combined Healthwatch & Advocacy Service and the procurement process and timetable was presented to prospective bidders.

3.6 The contract was advertised on The Chest on the 20 October 2017. The closing date for tender submissions was the 30 November 2017. Interviews and final moderation took place on the 19 December 2017.

3.7 Submissions were evaluated solely on quality by a panel comprised of staff from the commissioning team, the adult safeguarding unit and NHS Halton CCG.

3.8 Two organisations, Halton & St Helens VCA and Engaging Communities Staffordshire CIC, submitted bids for the contract. At the conclusion of the tender process Engaging Communities Staffordshire CIC were ranked first with a final weighted score of 70.4%. Halton & St Helens VCA achieved a weighted score of 59.2%.

3.9 The successful bidder, ECS, has been recognised by Healthwatch England as one of the top ten performing Healthwatches in the country. They have also won the National Healthwatch England network award for volunteering.

3.10 The Council has provided Halton & St Helens Voluntary and Community Action with feedback on their tender submission in compliance with the Public Contract Regulations 2015, Regulations 86 and 87.

3.11 The contract is initially for 3 years, with an option to extend for a further 2 years. The contract start date is 1 April 2018.

#### 4.0 **POLICY IMPLICATIONS**

4.1 N/a

5.0 **FINANCIAL IMPLICATIONS**

5.1 The contract price is £224k per annum from 1st April 2018 to 31st March 2021.

5.2 The contract price is a 10% reduction on the total value of the previous contracts and may be further reduced if required due to changed circumstances.

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**

None identified.

6.4 **A Safer Halton**

None identified.

6.5 **Halton's Urban Renewal**

None identified.

7.0 **RISK ANALYSIS**

7.1 N/A

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 None identified .

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

None under the meaning of the Act.

**REPORT TO:** Executive Board

**DATE:** 22 February 2018

**REPORTING OFFICER:** Director of Adult Social Services

**PORTFOLIO:** Health & Wellbeing

**SUBJECT:** Stair lifts – Proposed New Model of Provision

**WARDS:** Borough wide

## 1.0 PURPOSE OF THE REPORT

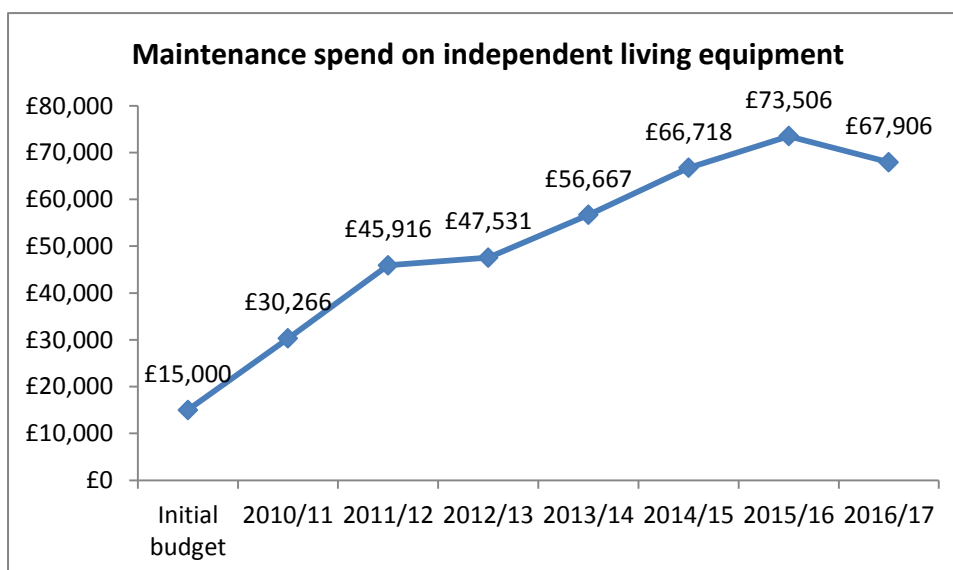
1.1 To present Executive Board with a proposed new model for the installation and maintenance of stair lifts (detailed at 3.6), which will be explored alongside procurement processes to establish the most cost-effective supplier of stair lift installation services ahead of the Council's existing contract with Stannah coming to an end in May 2018.

## 2.0 RECOMMENDATION: That

- 1) the report be noted; and
- 2) the Board approves the proposed new model for stair lift installation and maintenance outlined at 3.6.

## 3.0 SUPPORTING INFORMATION

3.1 A review of current practice in relation to the provision of stair lifts was conducted in response to escalating costs of maintaining independent living equipment (predominantly stair lifts but also including other equipment such as ceiling hoists etc.) – see chart below:



3.2 Traditionally, stair lifts are provided through a Disabled Facilities Grant

(DFG) but in Halton the decision was taken to remove stair lifts from the DFG process in around 2010 due to the complexity of the process and lengthy waiting times.

- 3.3 Since then, stair lifts have been installed for all people with an assessed need, free of charge to the individual with costs being covered from social care budgets under the Procurement for Housing Framework Agreement with Stannah (this contract ends 18.05.18).
- 3.4 In addition, after the initial two-year warranty provided by Stannah; ongoing maintenance, repair and servicing are all provided by HBC via Property Services who have a contract with City Lifts and, again, funding is from social care budgets (this contract is currently 'holding over', as alternative frameworks were found to be more expensive). There is no age limit on a stair lift and maintenance continues until an inspection deems it unfit or parts are no longer available to repair it.
- 3.5 The lifts remain the property of the Council and are therefore subject to the Lifting Operations and Lifting Equipment Regulations (LOLER,1998), which means an annual service is required.
- 3.6 Given the increasing and unsustainable costs of maintaining stair lifts, a new model of provision is proposed, which incorporates two key changes compared to current practice:
- **The introduction of a means testing element so that those who are able to fund/contribute to the cost of their stair lift are identified (as would be the case if the stair lift were to be provided through a DFG); and**
  - **The provision of an extended warranty funded by the Council at the point of installation, after which the stair lift would become the individuals' property meaning they are responsible for ongoing maintenance (as would be the case if the stair lift were provided via DFG). Extended warranty models are common amongst neighbouring authorities and reported to be successful.**
- 3.7 It should be noted that the new model would only apply to owner-occupiers and private renters because the current joint funding agreement for adaptations between the Council and seven of the major Housing Associations operating in Halton would continue as is.
- 3.8 In advance of the existing contract ending in May 2018, the process of benchmarking against available frameworks will begin in February 2018. Information already shared by neighbouring authorities reveals that more competitive prices for extended warranties are available from alternative suppliers:

	Stannah (Halton's current supplier)		AMW (Warrington's supplier)	
	Straight lift	Curved lift	Straight lift	Curved lift
Extended warranty (+3 years giving 5 total)	£387	£432	£250	£300

This compares to the current estimated average spend on maintenance/repair per stair lift over a three year period of £429.

- 3.9 The existing contract for maintenance will be considered alongside processes to procure a supplier of stair lift installation services. If an alternative solution cannot be identified, the maintenance contract will need to continue for the existing stock of stair lifts (detailed at appendix 1).
- 3.10 Whilst it may be necessary to have two schemes operating for a period of time (i.e. existing lifts still being maintained under the City Lifts contract and new ones being installed with an extended warranty), it is suggested that a replacement programme is initiated once the new model is operational, particularly for the stair lifts that are very old (there are 124 that are more than 8 years old – see appendix 1).

#### **4.0 POLICY IMPLICATIONS**

The Housing Adaptations Policy & Procedure Manual, which sets out the processes for the provision of stair lifts, is currently under review and this work will continue alongside the procurement processes to deliver the new model.

#### **5.0 FINANCIAL IMPLICATIONS**

There are considerable costs relating to moving to the extended warranty model; the warranty, which would cover a 5-year period, would be funded at the point of installation. Whereas, currently the maintenance costs are spread over 3 years (after the 2-year warranty). In addition, for a certain period of time the Council would be funding extended warranties and ongoing maintenance for the existing stock. However, this would be balanced by the implementation of a means test and changing to a more cost-effective supplier. Ultimately, implementation of the proposed solution will be more cost-effective than current arrangements – whilst having the two schemes in place will initially be a financial burden; action is required now in order to address the continuing escalation of the costs of stair lift maintenance.

#### **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

##### **6.1 Children and Young People in Halton**

None identified.

##### **6.2 Employment, Learning and Skills in Halton**

None identified.

**6.3 A Healthy Halton**

Stair lifts are an essential part of the provision of care and support services that allow people to retain their independence and quality of life in their own homes.

**6.4 A Safer Halton**

None identified.

**6.5 Halton's Urban Renewal**

None identified.

**7.0 RISK ANALYSIS**

It is to be expected that this change may result in some dissatisfaction from members of the public, particularly those who may be assessed as able to provide a contribution to or fully fund the cost of their lift.

**8.0 EQUALITY AND DIVERSITY ISSUES**

None identified

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

None under the meaning of the Act.

### Appendix 1: Breakdown of stair lifts maintained via the Council's contract with City Lifts

The following table displays the number of stair lifts that are with Property Services for maintenance, repair and servicing (the year relates to the year the lift transferred to Property Services for maintenance; installation would have been two years prior, as maintenance is only required once the standard two-year warranty has expired):

<b>Calendar year</b>	<b>Number of stair lifts maintained under Property Service's contract with City Lifts</b>
<b>2000-2006</b>	38
<b>2007</b>	8
<b>2008</b>	18
<b>2009</b>	33
<b>2010</b>	27
<b>2011</b>	48
<b>2012</b>	50
<b>2013</b>	38
<b>2014</b>	77
<b>2015</b>	46
<b>2016</b>	29
<b>2017</b>	50
<b>TOTAL</b>	<b>462</b>

*Data provided by Property Services*

**REPORT TO:** Executive Board

**DATE:** 22 February 2018

**REPORTING OFFICER:** Strategic Director, Enterprise, Community and Resources

**PORTFOLIO:** Transportation and Physical Environment

**SUBJECT:** Widnes Loops to West Bank Link Road

**WARD(S)** Riverside

**1.0 PURPOSE OF THE REPORT**

1.1 To present design options for a new permanent link road between the Mersey Gateway Bridge and West Bank; and, to seek financial approval and other necessary authorisations to progress delivery of the new link road in a timely manner.

**2.0 RECOMMENDATION: That**

- 1) Members agree to the development of the recommended Option 5b, as outlined in section 3.7 of the report;**
- 2) Members approve formal engagement of the Mersey Gateway Crossings Board and Merseylink to enable delivery of the Widnes Loops to West Bank Link Road;**
- 3) Members recommend to Full Council a variation to the capital programme to cover the costs as outlined in section 5.1 of the report;**
- 4) the Strategic Director, Enterprise, Community and Resources be authorised, in consultation with the Portfolio Holders for Physical Environment and Transportation, to take the necessary actions to ensure value for money through the appropriate procurement processes; and**
- 5) the Strategic Director, Enterprise, Community and Resources be authorised, in consultation with the Portfolio Holders for Physical Environment and Transportation, to take any other actions necessary to enable timely delivery of the new link road.**



## 3.0 SUPPORTING INFORMATION

### 3.1 Background

In March 2017, Executive Board approved the Mersey Gateway Regeneration Plan *Plus*. Focussed on eight 'Regeneration Impact Areas', the Plan sets out a cohesive package of development opportunities and identifies the key infrastructure and enabling projects to complement and support growth.

The Plan identifies a new link road between the Mersey Gateway Bridge and West Bank Impact Area as a priority 'connectivity' infrastructure project. The approximate alignment is proposed to be between the new 'Widnes Loops' Bridge Junction and the intersection of Victoria Road, Hutchinson Street and Waterloo Road (see location plan at Appendix A)

3.2 Construction of this new link road will contribute to regeneration and economic development objectives; as well as provide a more resilient and connected transport network. The main anticipated benefits being:

- Improves connectivity for residential and business communities of West Bank and helps tackle its 'sense of isolation';
- 'Open up' development opportunities and visitor potential of West Bank Impact Area, including approximately 10 hectares (24 acres) of residual project 'hand back' land;
- Provides improved strategic road access to Viking Park logistics hub (3MG East), avoiding height restrictions to the Railway Bridge on Victoria Road; and
- Helps alleviate future pressure on Ditton Junction.

3.3 Whilst not delivered as part of the Mersey Gateway Project, the formal Project Agreement provides safeguards which allows for future provision of a West Bank Link by the Council, including:

- Future addition of up to 2 junctions, with a minimum link length of 50m between the channel of Waterloo/Victoria Road and the stop lines/give way at the Widnes Loops Junction; and
- Future additional signalisation on the circulatory road / roundabout, junctions and sliproad.

In allowing for a West Bank link and associated traffic signals to Widnes Loops, the Project Agreement also provides criteria, such as journey and queuing times, which the design of the new link must meet.

3.4 It was clear from preliminary discussions with the Mersey Gateway Crossing Board (MGCB) that in addition to the standard traffic modelling of the effect of the new link on wider road network traffic

flows, a specific and specialist assessment of impact on traffic flows on the Mersey Gateway Bridge route would be required. Any design solution (and approach to construction) would have to demonstrate to Merseylink and the MGCB acceptable impact upon the Mersey Gateway Project route and journey times, before delivery could be progressed.

### 3.5 **Feasibility Study Summary**

In August 2017, a feasibility study was commissioned to undertake the necessary initial design, traffic modelling and costing work to enable the Council to make an informed decision on a potential scheme. This included assessing impact of the new link design options on:

- Mersey Gateway Bridge flows and the journey time targets;
- Wider Highway network, such as need to minimise traffic directed to the Silver Jubilee Bridge;
- Impact on the Silver Jubilee Bridge Sustainable Transport Corridor, a proposed high quality walking and cycling route connecting Runcorn and Widnes Town centres, which will likely be routed along Waterloo Road and Victoria Road.

The study is therefore also intended as a means to engage with MGCB and Merseylink to enable delivery.

3.6 The initial feasibility study is expected to be finalised in early March 2018. As part of the iterative process of design and modelling a series of options have been considered for the configuration of the new link road and associated junction at the intersection of Victoria Road, Hutchinson Street and Waterloo Road. (These are summarised in Appendix B). Following a technical review process and traffic modelling exercise the following options were rejected:

#### **Options 1 & 2**

It was quickly concluded that a one-way link between Widnes Loops and West Bank (in either option direction) would not meet the objectives of local businesses or regeneration aspirations.

#### **Options 3 & 4**

Both options allow for a two-way link between Widnes Loops and West Bank. These options cater for an all movements signalised junction to Waterloo Road, Victoria Road and Hutchinson Street. Options were subjected to further detailed junction modelling and both were found to result in significant queuing back to the Widnes Loops Junction which could result in delays to traffic exiting the Mersey Gateway bridge, and would therefore be unacceptable.

3.7 Interim advice, prior to publication of the final study, is that three options remain:

**Options 5a & 5b**

Similar in design to option 3, but both have right turns banned from the new link and Hutchinson Street to Victoria Road and Waterloo Road respectively. Banning these small numbers of movements improves junction performance and thereby overcomes the queuing issues to Widnes Loops Junction associated with options 3 and 4. These limited vehicular movements would need to take an alternative route.

The difference between 5a and 5b is the pedestrian crossing over the new link is either two or three stages, with three stages resulting in better overall junction performance.

**Option 6**

Provides an all movement roundabout at the intersection of Waterloo Road, Victoria Road and Hutchinson Street. Whilst the junction performs adequately for traffic, walking and cycling provision is reduced. Adding a signalised pedestrian crossing may result in queues back to the Mersey Gateway and this is being investigated further. This analysis will form part of the final feasibility study.

Of the three remaining options, interim advice recommends option 5b as the preferred option to take forward. This is because option 5b performs best, meeting the broad objectives for the link road and requirements in terms of balancing the needs of vehicle and pedestrian movements. As a strategic entry point into the Borough, the incorporation of an appropriate landscape scheme will be required to complement and extend the quality corridor provided by the Mersey Gateway Project.

- 3.8 With all three shortlisted options it is possible that the current one-way access into Wellington Street (from the intersection of Waterloo Road, Victoria Road and Hutchinson Street) may not be able to be retained. This is due to the safety implications of adding an additional manoeuvre to the new junction. It is possible that Wellington Street would need to become a cul-de-sac with adequate vehicle turning provision made. This would require a Traffic Regulation Order which may require further authorisations which could add delays to delivery of the link road. Whilst the one-way movements into Wellington Street are minimal the preference is that it should be retained if possible. It will only be at detailed design and safety audit stage that a final approach can be determined.

**3.9 Next Steps**

The proposed programme for delivery of this project is:

Action	When
--------	------

In principle approval of MGCB / Merseylink	April - May 2018
Full design, costing, project risk assessment, safety audit and value for money assessment	May 2018 - September 2018
Planning approval / formal MGCB approval	September - November 2018
Procurement of contractor	October - November 2018
Start on site, including utility diversions	December 2018

3.10 This is an ambitious programme that works towards a start on site by the end of 2018; although every effort will be made to secure a more expedient delivery programme. The next step is to formally engage with the MGCB and Merseylink to present the final analysis and recommendations of the feasibility study and agree in principle the acceptability of option 5b (subject to final study report) as a preferred design for the new link road. Discussions would also need to establish any legal implications of construction of the link on the Project Agreement.

3.11 Once this has been agreed, the Council, liaising closely with MGCB, can move to full design of the preferred option. It would be at this point a comprehensive costing would be able to undertaken, and the scheme would move to formal planning and procurement.

#### 4.0 **POLICY IMPLICATIONS**

4.1 Delivery of the Widnes Loops to West Bank link road is in accordance with the Mersey Gateway Regeneration Plan *Plus*. The link road will help maximise the regeneration, economic and transport benefits of the Mersey Gateway Project.

4.2 In April 2017, a temporary link was opened between Widnes Loop and West Bank as part of a diversion to enable construction of the Widnes approach roads. This temporary link was not constructed to an adoptable standard or with any sense of permanency. It was closed upon the opening of the new Bridge, in accordance with the Project Agreement. Ward Councillor feedback is that the residential and business communities of West Bank found this an attractive route that they would like to see reinstated on a permanent basis. Link road delivery will help improve the quality of life for West Bank communities and provide a further opportunity for access and egress.

4.3 As a significant infrastructure investment, the delivery of the project is a statement of the Council's commitment and ambition for West Bank as a regeneration area. It helps build trust and confidence, laying the foundations for the Council to work with the local residents

and businesses and other stakeholders to develop a longer term masterplan and delivery strategy for West Bank. It is also a strong signal to potential investors and developers.

## 5.0 OTHER/FINANCIAL IMPLICATIONS

5.1 As part of interim advice a preliminary cost estimate has been undertaken. This has been based on measured values from a limited design, based on the 2-dimensional design for Option 5b. Interim advice recommends an initial budget allocation of £1.1m. However, given a number of assumptions and exclusions it is recommended that a re-costing exercise should be undertaken following Detailed Design.

As such, to enable timely delivery of the new link road it is recommended that a variation to the capital programme is sought for £2 Million.

5.2 To enable timely delivery of the new link road, without the need to refer back to Executive Board, it is recommended that the Strategic Director - Enterprise, Community and Resources be authorised, in consultation with the Portfolio Holders for Physical Environment and Transportation, to take any necessary actions including:

- To consider and determine the outcome of the Traffic Regulation Order process;
- Procurement; and
- Minor land acquisitions.

5.3 In terms of return on investment of Council capital expenditure, this scheme will help unlock development and investment within West Bank, including on 'hand back' land, increase the potential development opportunities which in turn lead to greater business rate returns.

## 6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

### 6.1 Children & Young People in Halton

West Bank is home to one primary school, Widnes Academy. This project will help make West Bank a more attractive place to live and to build new homes, helping to support the viability of this provision.

### 6.2 Employment, Learning & Skills in Halton

This project will help stimulate investment and new job opportunities within the West Bank.

### 6.3 A Healthy Halton

A key consideration as part of the options design appraisal was the need to encourage walking and cycling along Waterloo Road and Victoria Road and thereby complement proposals for the Silver Jubilee Bridge Sustainable Transport Corridor.

#### 6.4 **A Safer Halton**

Link road delivery will help provide a more resilient transport network and in particular reduce the likelihood of high-sided vehicles striking the low railway bridge over Victoria Road.

#### 6.5 **Halton's Urban Renewal**

Link road delivery forms part of the Mersey Gateway Regeneration Plan *Plus* and has been identified as a priority connectivity project to help secure the regeneration and renewal of West Bank.

#### 7.0 **RISK ANALYSIS**

7.1 As set out in para 3.9, delivery of this scheme requires a number of formal authorisations, including approval of the MGCB, Planning Permission and possibly a Traffic Regulation Order. Consequently, key risks to the programme could be costs over-run and delays in delivery. To mitigate these risks a detailed project plan and risk assessment will be produced prior to the detailed design stage. This will include early engagement with appropriate third parties including MGCB, utility providers and the Local Planning Authorities.

#### 8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 There are no immediate Equality and Diversity issues arising from this report

#### 9.0 **REASON(S) FOR DECISION**

Delivery of the Widnes Loops to West Bank link road will help maximise the regeneration, economic and transport benefits of the Mersey Gateway Project.

#### 10.0 **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

The options considered and rejected are outlined in paragraph 3.5 - 3.7 of this report.

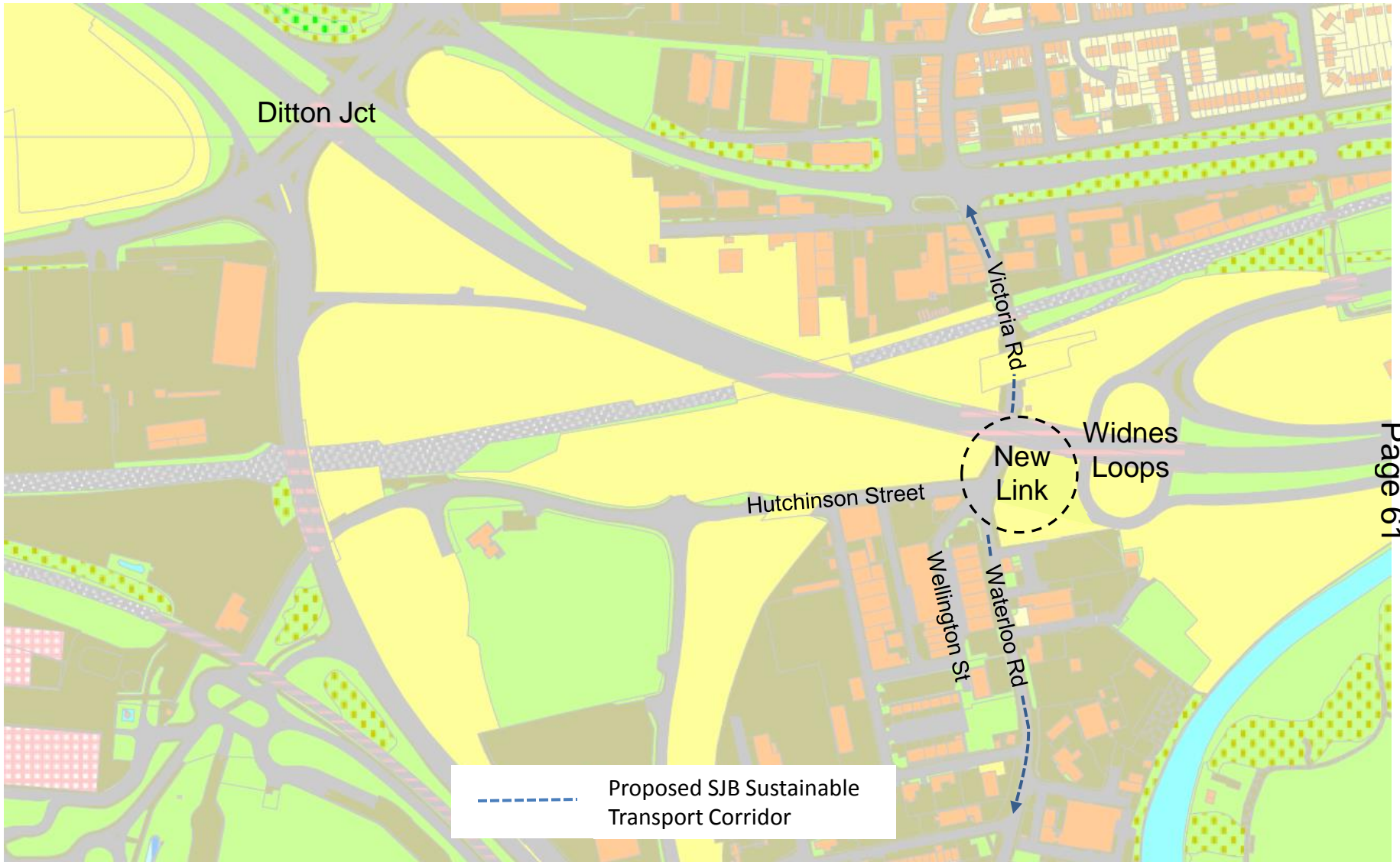
#### 11.0 **IMPLEMENTATION DATE**

April 2018

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

Document	Place of Inspection	Contact Officer
Mersey Gateway Regeneration Plan <i>Plus</i>	<a href="http://runcorn-widnes.com/docs/mgplan.pdf">http://runcorn-widnes.com/docs/mgplan.pdf</a>	Wesley Rourke

# Appendix A – Location Plan

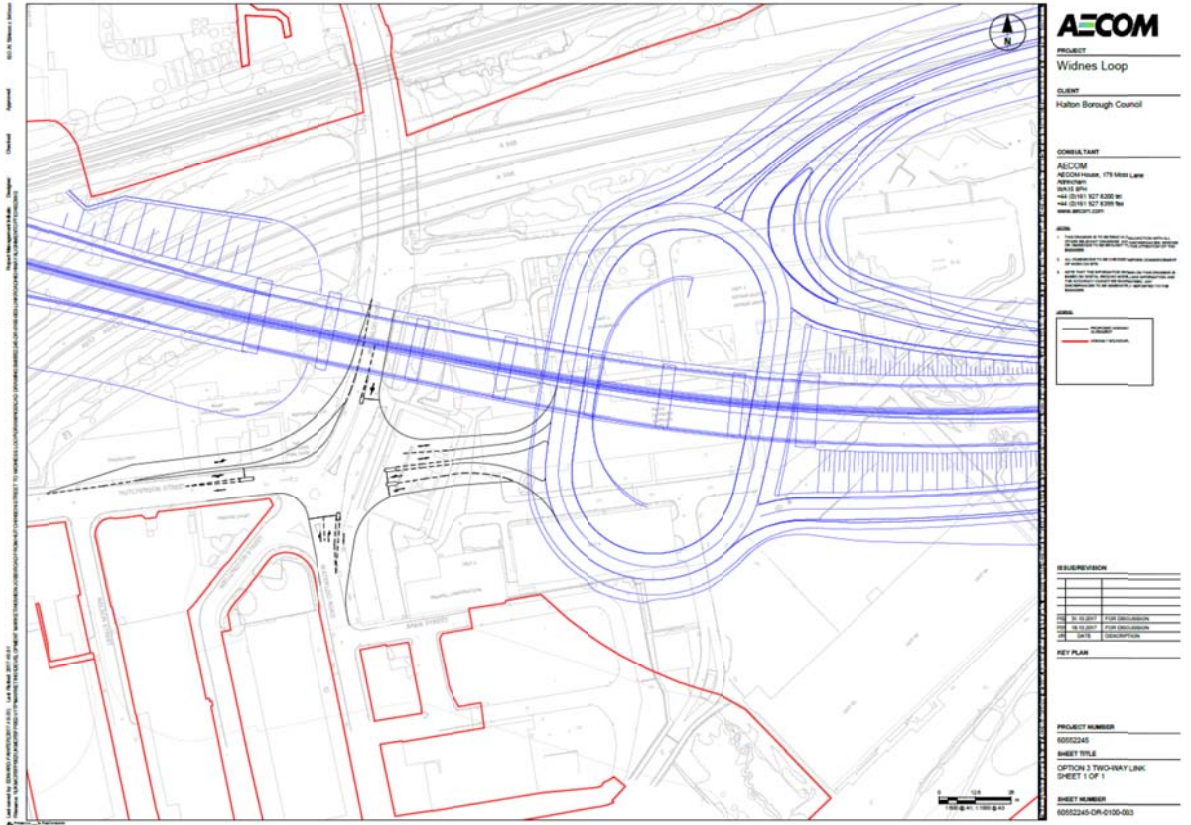




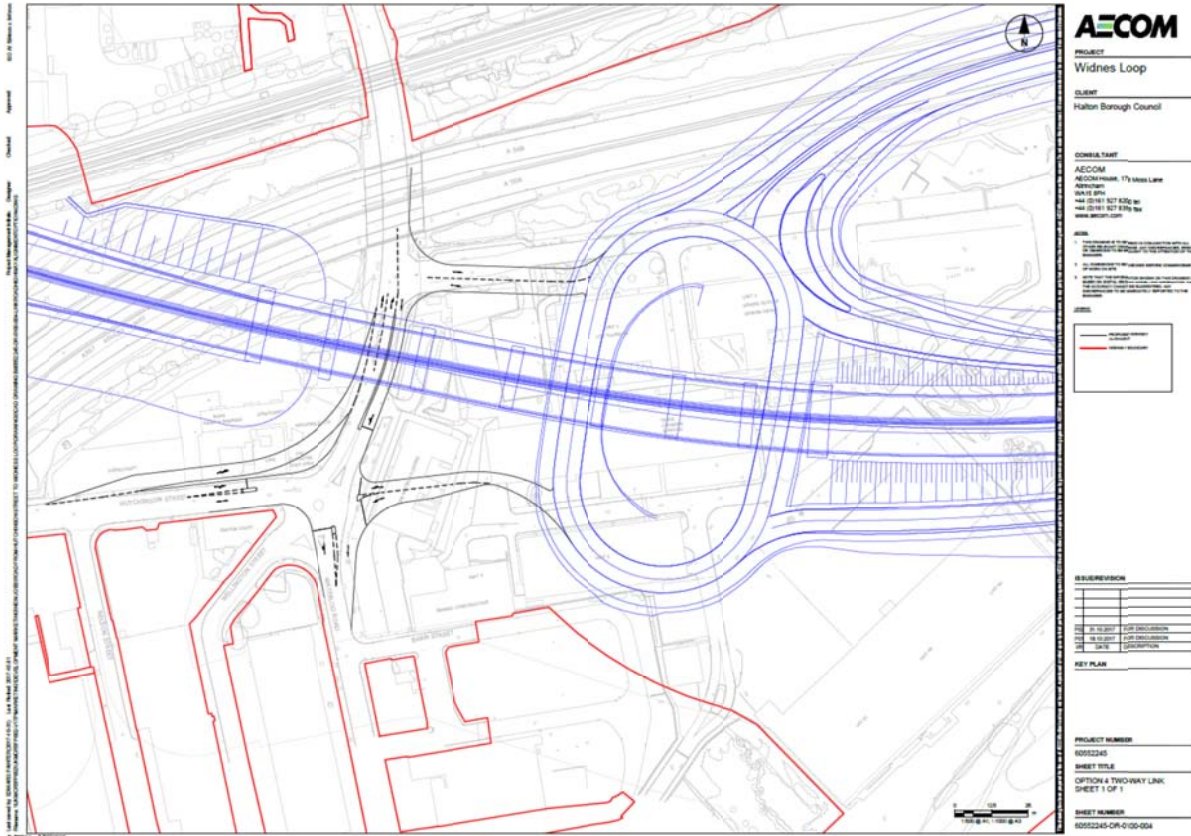




Option 3: Two way link



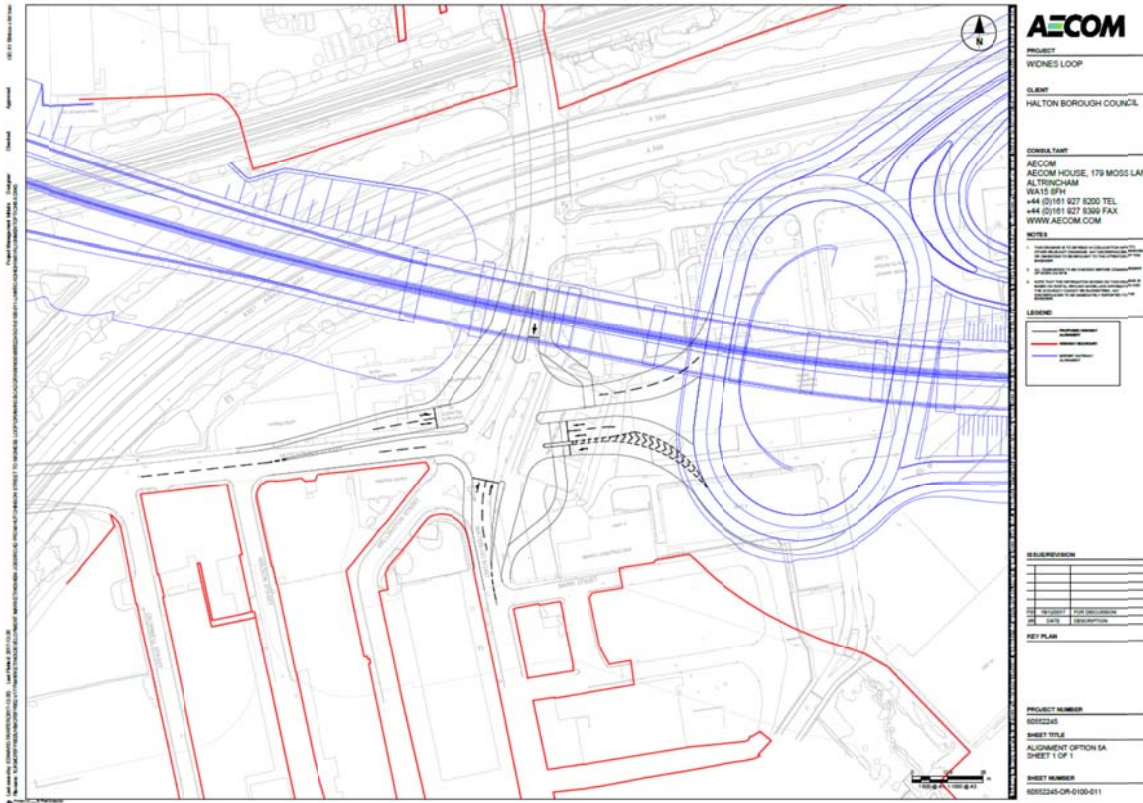
Option 4: Two way link, junction split either side of Mersey Link



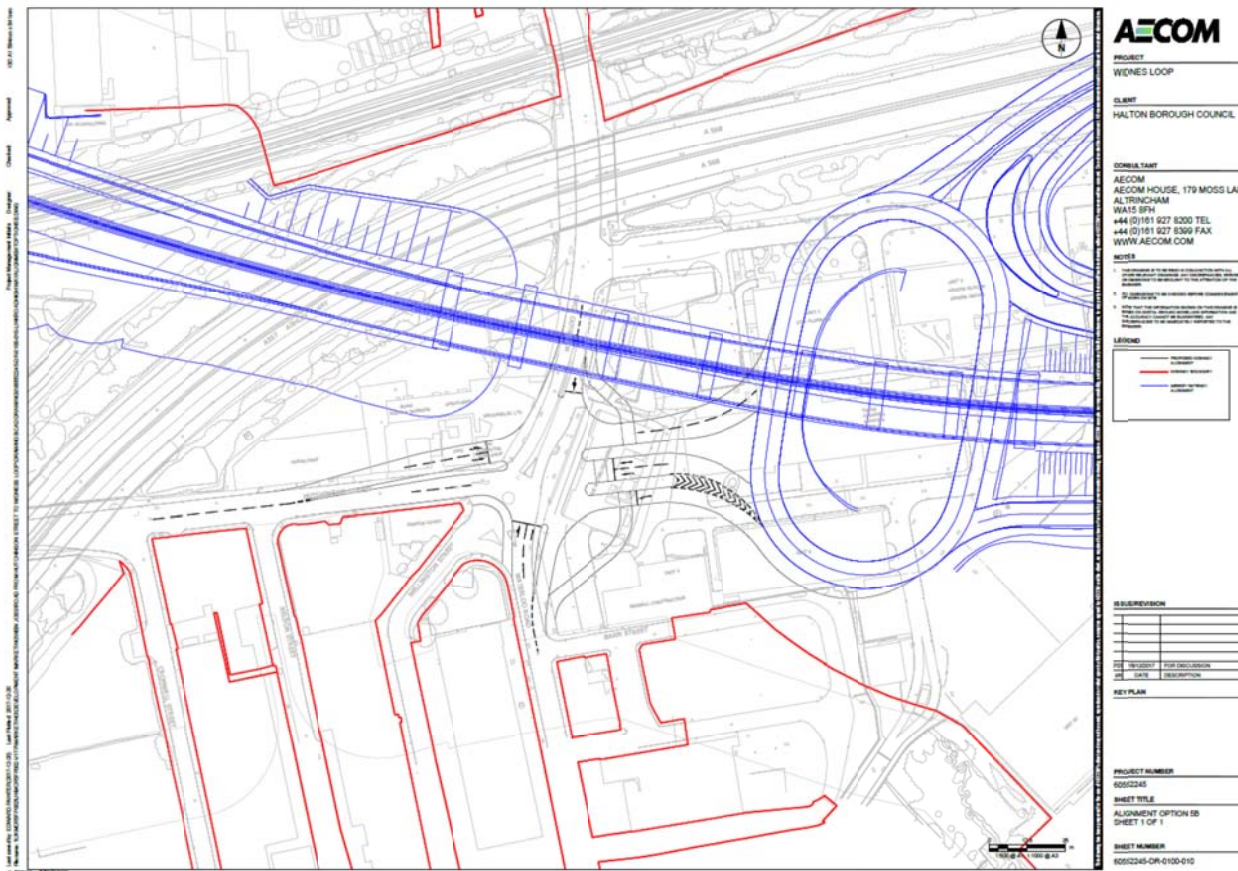


Short List Design Options (Interim - Subject to further refinement and modelling, including Wellington St access)

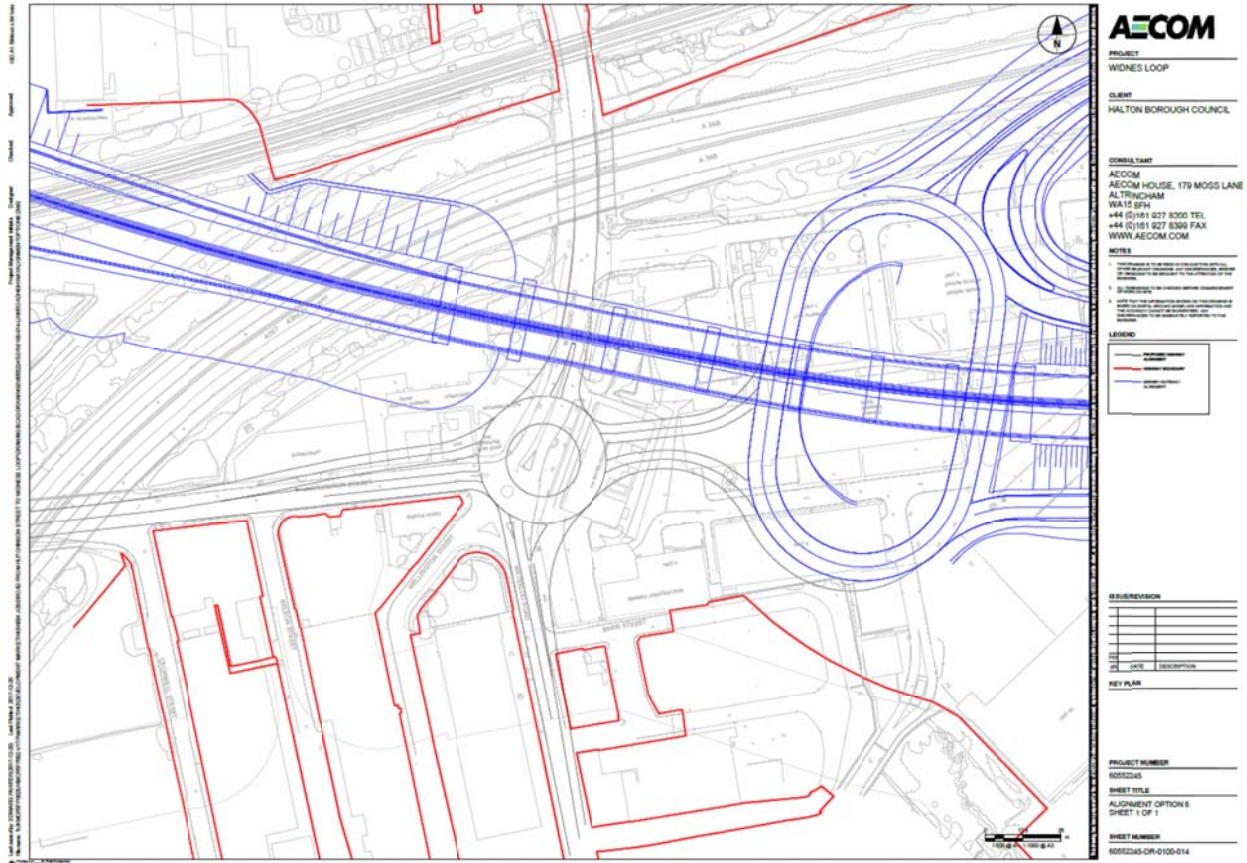
Option 5a: Two way link, signal controlled, no right turns on East/West movement, two stage pedestrian crossing



Option 5b: Two Way link signal controlled, no right turns on East/West Movement three stage pedestrian crossing



Option 6: Roundabout



**REPORT TO:** Executive Board

**DATE:** 22 February 2018

**REPORTING OFFICER:** Operational Director – Finance

**SUBJECT:** Budget 2018/19

**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 2018/19.
- 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 £109.227m, the Council Tax requirement of £47.447m (before Parish, Police and Fire precepts) and the Band D Council Tax for Halton of £1,377.88.**

### **3.0 SUPPORTING INFORMATION**

#### **Medium Term Financial Strategy**

- 3.1 The Executive Board approved the Medium Term Financial Strategy (MTFS) at its meeting on 16 November 2017. In summary, funding gaps of around £5.6m in 2018/19, £13.2m in 2019/20 and £3.3m in 2020/21 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 2017/18 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 £3.5m against a net budget of £103.2m. A main reason for the projected overspend is as a result of the continued significant pressure in respect of children social care and adult 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. In addition a review of reserves will be undertaken to consider options to fund the expected overspend. It is anticipated that general reserve balances at 31 March 2018 will be around £4.0m, equivalent to approximately 4.0% of the net budget for 2018/19, it is not considered prudent for reserves to drop below this level.

### **2018/19 Budget**

- 3.5 On 06 December 2017 Council approved initial budget savings for 2018/19 totalling £2.2m and further proposed savings are shown in Appendix B.
- 3.6 The proposed budget totals £109.227m. 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 £2.152m for the New Homes Bonus 2018/19 grant. This is a reduction of £0.262m from the grant level for 2017/18 due to a change in formula from 2017/18 in how the grant is calculated. It also includes Improved Better Care Funding (IBCF) of £3.045m; this is the second year of IBCF funding, it is an increase of £2.497m from the first year and funded through the Liverpool City Region pilot scheme for business rate retention. There is additional Better Care Funding of £1.827m included in the budget which was announced as part of the 2017 Spring Budget. This is reduced funding paid over three years and the financial forecast does not expect this to continue beyond 2019/20. Like the IBCF this will be funded through business rate retention.



- 3.8 Pay rates for 2018/19 have yet to be agreed, the budget has sufficient funding to cover a 2% increase with increased amounts for the bottom tiers of the pay spine.
- 3.9 In addition to pay and price inflation built into the budget, an additional £3m has been set aside to help manage the service pressures within the Children & Families Department and an additional £0.5m within Adult Social Care to help manage the cost of the increasing National Living Wage for care providers. Funding is also included to help bring some income targets back in line with actual receipts.
- 3.10 It is considered prudent for the budget to include a general contingency of £0.6m. 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.
- 3.11 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 2018/19 budget, capital programme and council tax. Balances and reserves should provide sufficient resilience to meet the financial consequences of any unforeseen events.
- 3.12 In order to support the 2018/19 transitional Mayoral requirements of the Liverpool City Region Combined Authority, the six constituent councils will make contributions totalling £6.2m into the Single Investment Fund, of which the Council's contribution will be £0.513m. This is an investment in the future of the City Region and a demonstration of each Council's commitment to the Single Investment Fund. Through this approach it is anticipated that each of the constituent Councils in the City Region will benefit from future economic returns arising directly and indirectly from the application of the Single Investment Fund.

### **Local Government Finance Settlement**

- 3.13 The Government announced on 06 February 2018 the Final Local Government Finance Settlement for 2018/19; this was broadly in line with the Provisional Settlement announced on 19 December 2017. The main change was the announcement of a one-off Adult Social Care Support Grant for 2018/19, the allocation for the Council is to the value of £0.399m. No information has yet been published to determine if any conditions are attached to the funding.
- 3.14 As part of the Liverpool City Region, the Council will continue to participate in a pilot scheme of 100% business rates retention. Government have reiterated 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% headline scheme. The pilot will result in additional business rates being retained by the Council although offset by Revenue Support and Better Care Funding grants no longer being paid.

- 3.15 It is expected from 2020/21 that the Business Rates Retention Scheme will be amended on a national basis, with the level of retained rates for each Council being set at 75%. In conjunction with this Government will undertake a review of needs and resources of Local Government, the first review since April 2013 and will reconsider the business rate baselines for each Council.
- 3.16 For 2018/19 the Council's total Government Settlement Funding Allocation is £52.683m. This is made up of £45.214m Business Rates Funding and Top-Up grant of £7.469m.
- 3.17 The above Settlement Funding Allocation includes additional Better Care funding for the first time and therefore it is difficult to compare year-on-year. Government have also produced headline Settlement Funding Allocations, based on all Councils continuing to retain 49% of business rates. This shows the allocation to Halton being to the value of £47.811m, a reduction of £2.696m (5.6%) from 2017/18.
- 3.18 The Council is required to provide an annual forecast of business rates to Government by the end of January of the preceding year. The forecast has been undertaken and the Council expect net collectable rates to be £49.456m for 2018/19. This is before allowing £2.602m set aside to fund the cost of any potential deficit which may exist within the Liverpool City Region business rate pilot scheme.
- 3.19 As far as non-domestic premises are concerned, the rate is fixed centrally by Government. For 2018/19 the rate has been set at 49.3p in the pound and 48.0p in the pound for small businesses.
- 3.20 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.
- 3.21 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 extended the flexibility in order that councils could 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. In 2017/18 the Council set an Adult Social Care precept level of 3%.

## **Budget Outlook**

- 3.22 As part of the Local Government Finance Settlement for 2016/17 Government published indicative Settlement Funding Allocations for the following three years, up to and including 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. The Council's efficiency plan was published 14 October 2016.
- 3.23 The Government intention of the efficiency plan and multi-year settlement was a way of providing funding certainty and stability to local authorities, together with strengthening financial management and efficiency. Approximately 97% of Councils accepted the Government's offer.
- 3.24 The Medium Term Finance Settlement has been updated to take into account the 2018/19 finance settlement, multi-year allocations and saving measures already agreed or proposed.
- 3.25 The resultant funding gap over the subsequent three financial years (2019/20 to 2021/22) is forecast to be in the region of £23.040m. 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.
  - Increase the level of the council tax and business rate base position.
- 3.26 There is great uncertainty with regards to local government finances from 2020/21. No indication has been given by Government on continuation of the austerity programme on public finances. In addition there will be changes to business rate baselines, top-up grants and the introduction of outcomes from the Fair Funding Review.



### Halton's Council Tax

- 3.27 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.
- 3.28 The Government have confirmed the council tax referendum threshold at 3% for 2018/19, this includes an additional limit of 3% precept for Adult Social Care costs mentioned in para 3.21.
- 3.29 The tax base (Band D equivalent) for the Borough has been set by Council at 34,435.
- 3.30 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 £1,377.88 (equivalent to £26.50 per week), in order to deliver a balanced budget for 2018/19 as required by statute. This is an increase of 4.9% (£65.61 per annum or £1.26 per week) over the current year.

### Parish Precepts

- 3.31 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	43,225	16,975	64.7%	65.00	1,442.88
Daresbury	4,700	104	2.3%	27.33	1,405.21
Moore	4,526	0	0.0%	13.80	1,391.68
Preston Brook	11,330	330	3.0%	33.52	1,411.40
Halebank	17,108	1,498	9.6%	32.34	1,410.22
Sandymoor	29,115	3,187	12.3%	26.18	1,404.07

### Average Council Tax

- 3.32 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 £1,381.08, an increase of £66.21 per annum.

### Police Precept

- 3.33 The Cheshire Police and Crime Commissioner has set the precept on the Council at £6.076m which is £176.44 for a Band D property, an increase of £12.00 or 7.3%. The figures for each Band are shown in Recommendation 5 in Appendix A.

### Fire Precept

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

### Total Council Tax

- 3.35 Combining all these figures will give the Total Council Tax for 2018/19 and these are shown in Recommendation 7 in Appendix A. The total Band D Council Tax (before Parish precepts) is £?,??? an increase of £??.?? or ?.%%. The increases in parish precepts means the increase in Hale is ?.%%, in Daresbury is ?.%%, in Moore is ?.%%, in Preston Brook is ?.%%, in Halebank is ?.%% and in Sandymoor is ?.%%.
- 3.36 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 82% of properties are in Bands A-C, most households will pay less than the "headline" figure. In addition, many households will receive reduced Council Tax bills through discounts, and these adjustments will be shown on their bills.
- 3.37 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

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

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	£000	£000	£000
<u>Spending</u>			
Scheme estimates	36,552.7	4,752.7	1,780.0
Slippage between years	2,112.6	6,360.0	594.5
	<u>38,665.3</u>	<u>11,112.7</u>	<u>2,374.5</u>

Funding

Borrowing and Leasing	21,461.5	1,317.0	0.0
Grants and External Funds	9,734.2	1,255.7	0.0
Direct Revenue Finance	141.0	14.0	0.0
Capital Receipts	5,216.0	2,166.0	1,780.0
Slippage between years	2,112.6	6,360.0	594.5
	<u>38,665.3</u>	<u>11,112.7</u>	<u>2,374.5</u>

- 3.39 The committed Capital Programme is shown in Appendix F.
- 3.40 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**

- 3.41 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.
- 3.42 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**

- 3.43 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 four blocks; Schools Block, Central Schools Services Block, Early Years Block and High Needs Block. The funding is allocated to schools by way of a formula in accordance with the new National Funding Formula being introduced for 2018/19 with transitional protection.
- 3.44 Schools Block pupil numbers in mainstream primary and secondary schools have increased from 17,791 for 2017/18 to 17,957 for 2018/19. Funding for mainstream primary and secondary schools is based on

the pupil cohort on the October census. Overall funding for the Schools Block has increased from £81.820m to £83.897m. With the exception of an allowed transfer of 0.5% to the High Needs Block, the remainder of the Schools Block allocation is now ring-fenced and must be passed on to primary and secondary schools.

- 3.45 The Central Schools Services Block (CSSB) is split from the Schools Block for the first time in 2018/19, following the introduction of the ring-fenced requirement for Schools Block to be wholly passed to primary and secondary schools, with the exception of the 0.5% to High Needs. There are regulations in place which limit what the CSSB grant can be used for and limit budgets to the same level as previous years. The CSSB includes budgets that are de-delegated from maintained schools. As more schools convert to academy status, so the de-delegated funds are reduced, unless we ask schools to contribute a higher amount.
- 3.46 The Early Years Block allocation for 2017/18 was £9.077m and the indicative Early Years Block grant for 2018/19 is £9.479m. The hourly rate the Council are funded at, as opposed to the hourly rate we pay providers, is reducing from £5.40 per hour to £5.13 per hour. This reduction is because the transitional protection applied to funding for 2017/18 with the introduction of the Early Years National Funding Formula is no longer applied to funding for 2018/19. This drop in funding levels is likely to be a reduction of £0.400m to £0.450m in actual grant received.
- 3.47 The High Needs Block for 2017/18 was £15.788m increases to £16.189m for 2018/19. However, from this figure the Council will have a minimum of £1.666m recouped by the Department for Education for commissioned places in independent special schools, leaving £14.523m available.
- 3.48 Despite reductions in budgets over the past few years, the level of funding required for the High Needs Block without further reductions for 2018/19 is £16.547m, approximately £2m higher than funding. By moving 0.5% of the Schools Block allocation, this is reduced to £1.6m and further savings totalling £0.986m have been identified to date. At the point of writing, we have a deficit of £0.616m and forecasting to carry forward a DSG balance of £0.446m from 2017/18. Further work is underway to identify additional reductions, in conjunction with schools and Schools Forum.
- 3.49 The Minimum Funding Guarantee has been agreed by Schools Forum to continue at minus 1.5% as in previous years.
- 3.50 The Pupil Premium remains 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 remains 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 £2,300 per pupil which is an increase from the 2017/18 level of £1,900. Eligibility for the Service Children Premium remains at £300 per pupil. The amount for Looked after Children which comes to the Council for distribution also increases from £1,900 to £2,300 per pupil. The Pupil Premium will be added to school budgets on top of the Minimum Funding Guarantee.

#### **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**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Local Government Finance Report (England) 2018/19	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 2018/19.

**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 7 March 2018.

## APPENDIX A

**DRAFT RESOLUTION FOR SUBMISSION TO THE COUNCIL  
AT ITS MEETING ON 07 March 2018**

**RECOMMENDATION:** that the Council adopt the following resolution:

1. The policies outlined in this paper be adopted, including the budget and council tax for 2018/19, 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 06 December 2017 the Council agreed the following:
  - (a) The Council Tax Base 2018/19 for the whole Council area is 34,435 (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	665
Daresbury	172
Moore	328
Preston Brook	338
Halebank	529
Sandymoor	1,112

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 2018/19 (excluding Parish precepts) is £47,447,298.
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 2018/19 and agreed as follows:
  - (a) £379,669,949 – 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) £332,112,647– being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £47,557,302 – 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) £1,381.08– 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) £110,004– 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	43,225
Daresbury	4,700
Moore	4,526
Preston Brook	11,330
Halebank	17,108
Sandymoor	29,115

- (f) £1,377.88 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by item T (2(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.
- (g) Part of the Council's Area

	£
Hale	65.00
Daresbury	27.33
Moore	13.80
Preston Brook	33.52
Halebank	32.34
Sandymoor	26.18

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	961.92	936.81	927.79	940.94	940.15	936.04	918.59
B	1,122.24	1,092.94	1,082.42	1,097.76	1,096.84	1,092.05	1,071.69
C	1,282.56	1,249.07	1,237.05	1,254.58	1,253.53	1,248.06	1,224.79
<b>D</b>	<b>1,442.88</b>	<b>1,405.21</b>	<b>1,391.68</b>	<b>1,411.40</b>	<b>1,410.22</b>	<b>1,404.07</b>	<b>1,377.88</b>
E	1,763.52	1,717.48	1,700.95	1,725.05	1,723.61	1,716.08	1,684.08
F	2,084.17	2,029.75	2,010.21	2,038.69	2,036.99	2,028.10	1,990.28
G	2,404.81	2,342.02	2,319.47	2,352.34	2,350.37	2,340.11	2,296.47
H	2,885.77	2,810.42	2,783.36	2,822.81	2,820.45	2,808.13	2,755.77

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 2018/19 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:



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 2018/19 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 – 2<sup>nd</sup> SET**

	DEPARTMENT/ DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET  £'000	ESTIMATED BUDGET SAVING		PERM/ TEMP  (P/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2018/19 £'000	2019/20 £'000		
<b>ENTERPRISE, COMMUNITY &amp; RESOURCES DIRECTORATE</b>							
<b>INCOME GENERATION OPPORTUNITIES</b>							
1	Community & Environment Dept / School Meals	Increase the cost of a standard school meal by 10p (for the first time in two years) and increase the cost of less healthy products in high schools above inflation.	<b>1,825</b>	<b>125</b>	<b>0</b>	<b>P</b>	<b>M</b>
2	Community & Environment Dept / The Brindley	Increase the booking fee at the Brindley from £1 to £2 per ticket (subject to a maximum fee of £10 per booking).	<b>30</b>	<b>30</b>	<b>0</b>	<b>P</b>	<b>D</b>
<b>EFFICIENCY OPPORTUNITIES</b>							
3	Economy, Enterprise & Property Dept / Property Services Operations Div	Reduction in the building maintenance budget, to reflect the continuing rationalisation of the Council's property portfolio.	<b>2,064</b>	<b>100</b>	<b>0</b>	<b>P</b>	<b>D</b>

	DEPARTMENT/ DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET  £'000	ESTIMATED BUDGET SAVING		PERM/ TEMP  (P/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2018/19 £'000	2019/20 £'000		
<b>OTHER BUDGET SAVINGS</b>							
4	Finance Dept / Revenues and Financial Management Div	Additional New Homes Bonus (NHB) grant generated following a review of long-term empty residential properties, to establish where properties are now occupied and meet the NHB criteria of being brought back into use.	<b>2,332</b>	<b>100</b>	<b>0</b>	<b>P</b>	<b>D</b>
<b>TOTAL PERMANENT</b>				<b>355</b>	<b>0</b>		<b>Page 83</b>
<b>TOTAL TEMPORARY (ONE-OFF)</b>				<b>0</b>	<b>0</b>		
<b>GRAND TOTAL</b>				<b>355</b>	<b>0</b>		

	DEPARTMENT/ DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET  £'000	ESTIMATED BUDGET SAVING		PERM TEMP  (P/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2018/19 £'000	2019/20 £'000		
<b>PEOPLE DIRECTORATE</b>							
<b>INCOME GENERATION OPPORTUNITIES</b>							
6	Children & Families Dept/ Children's Services	Increase in Health Service funding contribution towards Children in Care and Children's Continuing Health Care costs.	N/A	100	200	P	M
<b>PROCUREMENT OPPORTUNITIES</b>							
7	Children & Families Dept / Children in Care Division	Target for reductions in cost over the next two years through procurement savings, from a review of Children's residential care placements and provider contracts.	4,082	250	350	P	M
<b>EFFICIENCY OPPORTUNITIES</b>							
8	Education Inclusion & Provision Dept / 0-25 Inclusion Division	Deletion of a vacant HBC7 Education Welfare Officer post.	358	41	0	P	D

	DEPARTMENT/ DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET  £'000	ESTIMATED BUDGET SAVING		PERM TEMP  (P/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2018/19 £'000	2019/20 £'000		
9	Children & Families Dept / Children in Care Division	Review of Early Help and Early Intervention Services, through rationalisation of management costs, improved integration, reducing demand and better commissioning of the services. The target saving is a reduction in costs over two years but with improved service delivery outcomes.	467	100	150	P	D
10	Children & Families Dept/ Children in Care Division	Increase in-Borough foster care provision resulting in reduced cost of external placements	612	45	135	P	M
<b>OTHER BUDGET SAVINGS</b>							
11	Education Inclusion & Provision Dept / Children's Organisation & Provision Division	Increase in payment by results funding from the Troubled Families programme.	828	50	0	P	M
<b>TOTAL PERMANENT</b>				586	835		
<b>TOTAL TEMPORARY (ONE-OFF)</b>				0	0		
<b>GRAND TOTAL</b>				586	835		

## APPENDIX C

## DEPARTMENTAL OPERATIONAL BUDGETS

£000

**People Directorate**

Children and Families Service	20,505
Education, Inclusion & Provision	5,647
Adult Social Care	38,195
Public Health & Public Protection	(95)
	<hr/>
	<b>64,252</b>

**Enterprise, Community & Resources Directorate**

Finance	7,669
Policy, Planning & Transportation	9,366
ICT & Support Services	5,782
Legal & Democratic Services	1,859
Policy, People, Performance & Efficiency	1,823
Community and Environment	13,101
Economy, Enterprise and Property	4,573
	<hr/>
	<b>44,173</b>

**Departmental Operational Budgets****108,425**

Corporate and Democracy

802

**Total Operational Budget****109,227**



## APPENDIX D

## 2018/19 BUDGET – REASONS FOR CHANGE

	<b>£000</b>
2017/18 Approved Budget	103,249
Add back One-Off savings	2,468
	<hr/> 105,717
<u>Policy Decisions</u>	
Capital Programme	-140
<u>Inflation and Service Demand Pressures</u>	
Pay (including Increments)	3,029
Prices	2,818
Income	-286
<u>Other</u>	
Net Adjustment to Specific Grants	-2,391
Contingency	600
Business Rates Retention Scheme	-1,337
Children and Families Service Pressures	3,000
Contribution From Reserves	-500
Additional Better Care Fund	1,827
<b>Base Budget</b>	<hr/> <b>112,337</b>
Less Savings	-3,110
<b>Total 2018/19 Budget</b>	<hr/> <b>109,227</b> <hr/>

## APPENDIX E

## MEDIUM TERM FINANCIAL FORECAST

	2019/20 £000	2020/21 £000	2021/22 £000
<b>Spending</b>			
Previous Year's Budget	109,227	103,338	100,435
Add back one-off savings	1,980	0	0
<u>Inflation</u>			
Pay	2,908	1,144	1,167
Prices	1,451	1,480	1,510
Income	-559	-570	-581
<u>Other</u>			
Contingency	1,500	2,000	2,500
National Living Wage – Ext Service Providers	500	0	0
Additional Better Care Fund	-923	-904	0
Reduction to New Homes Bonus Grant	40	112	112
Use of Reserves	0	500	0
Budget Forecast	116,124	107,100	105,143
<b>Resources</b>			
Retained Business Rates	50,445	47,454	48,483
Top Up Funding	4,497	4,585	4,675
Council Tax	48,396	48,396	48,396
	103,338	100,435	101,554
<b>Funding Gaps</b>	<b>12,786</b>	<b>6,665</b>	<b>3,589</b>

## APPENDIX F

## COMMITTED CAPITAL PROGRAMME 2018/21

SCHEME	2018/19 £000	2019/20 £000	2020/21 £000
Schools Capital Projects	2,103.0	449.7	-
<b>People Directorate</b>	<b>2,103.0</b>	<b>449.7</b>	<b>-</b>
IT Rolling Programme	1,100.0	1,100.0	1,110.0
3MG	105.0	-	-
Widnes Waterfront	1,000.0	-	-
Linnets Club House	249.0	-	-
Former Crosville Depot	234.2	-	-
Hive Signage & Advertising	100.0	-	-
Equality Act Improvement Works	300.0	300.0	300.0
Widnes Market	1,204.6	-	-
Solar Farm	1,237.8	-	-
Silver Jubilee Major Maintenance	8,286.4	-	-
Silver Jubilee Deck Reconfiguration	600.0	-	-
Silver Jubilee Decoupling	9,610.0	-	-
Street Lighting – Structural Maintenance	200.0	200.0	200.0
Street Lighting – Upgrades	3,206.2	-	-
Fleet Replacements	555.5	1,317.0	-
Risk Management	120.0	120.0	120.0
Mersey Gateway Land Acquisition	4,039.0	-	-
Stadium Minor Works	30.0	30.0	30.0
Stadium Pitch Replacement	300.0	-	-
Children’s Playground Equipment	571.0	410.0	-
Peelhouse Lane Cemetery	750.0	296.0	-
Phoenix Park	11.0	-	-
Victoria Park Glasshouse	120.0	10.0	-
Sandymoor Playing Fields	500.0	500.0	-
Litter Bins	20.0	20.0	20.0
<b>Community &amp; Resources Directorate</b>	<b>34,449.7</b>	<b>4,303.0</b>	<b>1,780.0</b>
<b>Total Capital Programme</b>	<b>36,552.7</b>	<b>4,752.7</b>	<b>1,780.0</b>
<b>Slippage between years</b>	<b>+ 9,423.1</b> <b>- 7,310.5</b>	<b>+ 7,310.5</b> <b>- 950.5</b>	<b>+ 950.5</b> <b>-356.0</b>
<b>GRAND TOTAL</b>	<b>38,665.3</b>	<b>11,112.7</b>	<b>2,374.5</b>

**REPORT TO:** Executive Board

**DATE:** 22 February 2018

**REPORTING OFFICER:** Operational Director – Finance

**PORTFOLIO:** Resources

**TITLE:** Treasury Management Strategy Statement 2018/19

**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 2018/19.

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

### **3.0 SUPPORTING INFORMATION**

3.1 This Treasury Management Strategy Statement (TMSS) details the expected activities of the treasury function in the forthcoming financial year (2018/19). 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

3.6 On 10<sup>th</sup> November 2017 the Ministry of Housing, Communities and Local Government issued a consultation on 'Proposed Changes to the Prudential

Framework of Capital Finance' suggesting future changes to the Prudential Code. Nothing further has yet been issued regarding the outcome of the consultation, therefore the Treasury Management strategy Statement has been written in line with previous year's Prudential Code. However, based upon the questions posed in the consultation, any update to the Prudential Code would not result in any fundamental changes to Halton's Treasury Management Strategy Statement.

#### **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**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Working Papers	Financial Management	Matt Guest
CIPFA TM Code	Kingsway House	
CIPFA Prudential Code		

**HALTON BOROUGH COUNCIL**

**TREASURY MANAGEMENT STRATEGY  
STATEMENT**

**2018/19**

**Financial Management Division  
Finance Department  
February 2018**

## 1 INTRODUCTION

### 1.1 Background

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

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

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 2018/19**

The strategy for 2018/19 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 and therefore training was undertaken by Members in February 2018. The training needs of treasury management officers are periodically reviewed.

## **1.5 Treasury management consultants**

The Council uses Link Asset Services (previously known as Capita Asset Services) as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.



## 2 THE CAPITAL PRUDENTIAL INDICATORS 2018/19 – 2020/21

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**

	2016/17 Actual £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000
<b>Capital Expenditure:</b>					
People	5,074	5,660	2,103	450	-
Enterprise, Community & Resources	79,673	118,955	34,150	4,303	1,780
	<b>84,747</b>	<b>124,615</b>	<b>36,253</b>	<b>4,753</b>	<b>1,780</b>
<b>Financed By:</b>					
Capital receipts	(5,548)	(9,159)	(5,216)	(2,166)	(1,780)
Capital grants	(19,681)	(17,655)	(9,735)	(1,256)	-
Revenue	(759)	(878)	(141)	(14)	-
<b>Net financing need for the year</b>	<b>58,759</b>	<b>96,923</b>	<b>21,161</b>	<b>1,317</b>	<b>-</b>

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 during 16/17 and 17/18 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 at 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**

	<b>2016/17 Actual £000</b>	<b>2017/18 Estimate £000</b>	<b>2018/19 Estimate £000</b>	<b>2019/20 Estimate £000</b>	<b>2020/21 Estimate £000</b>
<b>Capital Financing Requirement</b>	<b>111,606</b>	<b>167,975</b>	<b>262,051</b>	<b>280,325</b>	<b>278,736</b>
<b>Movement in CFR due to:</b>					
Net financing need for the year	58,759	96,923	21,161	1,317	-
PFI / Finance Leases	81	100	100	100	100
Less Minimum Revenue Provision	(2,471)	(2,947)	(2,987)	(3,006)	(2,922)
<b>Increase / (Decrease) in CFR</b>	<b>56,369</b>	<b>94,076</b>	<b>18,274</b>	<b>(1,589)</b>	<b>(2,822)</b>

### 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), which will be charged on a 2% straight line basis.

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

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**

<b>Ratio of Finance Costs to Net Revenue Stream</b>	<b>2016/17 Actual £000</b>	<b>2017/18 Estimate £000</b>	<b>2018/19 Estimate £000</b>	<b>2019/20 Estimate £000</b>	<b>2020/21 Estimate £000</b>
<b>Council's Net Budget</b>	<b>98,460</b>	<b>103,249</b>	<b>102,795</b>	<b>97,020</b>	<b>98,960</b>
<b>Finance Costs</b>					
Net Interest Costs	790	400	379	379	379
Minimum Revenue Provision	1,536	2,193	2,127	2,232	2,247
	<b>2,326</b>	<b>2,593</b>	<b>2,506</b>	<b>2,611</b>	<b>2,626</b>
	<b>2.4%</b>	<b>2.5%</b>	<b>2.4%</b>	<b>2.7%</b>	<b>2.7%</b>

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**

<b>Incremental Impact of capital investment decisions on band D Council Tax</b>	<b>2016/17 Actual £000</b>	<b>2017/18 Estimate £000</b>	<b>2018/19 Estimate £000</b>	<b>2019/20 Estimate £000</b>	<b>2020/21 Estimate £000</b>
Net cost of additional borrowing	265	984	86	907	-
Council Tax Base	32,948	33,818	34,435	34,435	34,435
<b>Impact on Band D (£)</b>	<b>8.04</b>	<b>29.10</b>	<b>2.50</b>	<b>26.34</b>	<b>0.00</b>

### 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 2017, 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

	2016/17 Actual £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000
<b>External Debt</b>					
<b>Borrowing</b>					
Debt at 1 April	153,000	153,000	172,000	172,000	172,000
Expected Change in Debt	-	19,000	-	-	-
<b>Debt at 31 March</b>	<b>153,000</b>	<b>172,000</b>	<b>172,000</b>	<b>172,000</b>	<b>172,000</b>
<b>Other long-term liabilities</b>					
Debt at 1 April	21,883	21,029	20,374	19,704	19,029
Expected Change in Debt	(854)	(655)	(670)	(675)	(675)
<b>Debt at 31 March</b>	<b>21,029</b>	<b>20,374</b>	<b>19,704</b>	<b>19,029</b>	<b>18,354</b>
<b>Total External Debt at 31 March</b>	<b>174,029</b>	<b>192,374</b>	<b>191,704</b>	<b>191,029</b>	<b>190,354</b>
<b>Capital Financing Requirement</b>	<b>167,975</b>	<b>262,051</b>	<b>280,325</b>	<b>278,736</b>	<b>275,914</b>
<b>Under / (over) borrowing</b>	<b>(6,054)</b>	<b>69,677</b>	<b>88,621</b>	<b>87,707</b>	<b>85,560</b>

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 2018/19 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 was in an over-borrowed position at the end of 2016/17. 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**

	<b>2017/18 Estimate £000</b>	<b>2018/19 Estimate £000</b>	<b>2019/20 Estimate £000</b>	<b>2020/21 Estimate £000</b>
<b>Operational boundary</b>				
Debt	233,100	192,000	192,000	192,000
Other Long Term Liabilities	21,064	20,500	20,000	19,500
<b>Total</b>	<b>254,164</b>	<b>212,500</b>	<b>212,000</b>	<b>211,500</b>
<b>Total External Debt at 31 March</b>	192,374	191,704	191,029	190,354
<b>Estimated Headroom</b>	<b>61,790</b>	<b>20,796</b>	<b>20,971</b>	<b>21,146</b>

Following the completion of the Mersey Gateway, the operational boundary has been adjusted downwards to keep the boundary in line with the Council's current levels of debt.

#### **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**

	<b>2017/18 Estimate £000</b>	<b>2018/19 Estimate £000</b>	<b>2019/20 Estimate £000</b>	<b>2020/21 Estimate £000</b>
<b>Authorised limit</b>				
Debt	250,000	262,000	280,000	279,000
Other Long Term Liabilities	20,000	20,500	20,000	19,500
<b>Total</b>	<b>270,000</b>	<b>282,500</b>	<b>300,000</b>	<b>298,500</b>
<b>Total External Debt at 31 March</b>	192,374	191,704	191,029	190,354
<b>Estimated Headroom</b>	<b>77,626</b>	<b>90,796</b>	<b>108,971</b>	<b>108,146</b>

Following the completion of the Mersey Gateway, the Authorised Limits has been adjusted to be in line with the Council's Capital Financing Requirement as shown in Table 2.

### 3.3 Prospects for Interest Rates

The Council has appointed Link 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 gives their central view:

**Table 8 – Interest rate forecast**

Quarter Average	Bank Rate %	PWLB Borrowing Rates %			
		(including certainty rate adjustment)			
		5 year	10 year	25 year	50 year
<b>Dec-17</b>	0.50	1.5	2.1	2.8	2.5
<b>Mar-18</b>	0.50	1.6	2.2	2.9	2.6
<b>Jun-18</b>	0.50	1.6	2.3	3.0	2.7
<b>Sep-18</b>	0.50	1.7	2.4	3.0	2.8
<b>Dec-18</b>	0.75	1.8	2.4	3.1	2.9
<b>Mar-19</b>	0.75	1.8	2.5	3.1	2.9
<b>Jun-19</b>	0.75	1.9	2.6	3.2	3.0
<b>Sep-19</b>	0.75	1.9	2.6	3.2	3.0
<b>Dec-19</b>	1.00	2.0	2.7	3.3	3.1
<b>Mar-20</b>	1.00	2.1	2.7	3.4	3.2
<b>Jun-20</b>	1.00	2.1	2.8	3.5	3.3
<b>Sep-20</b>	1.25	2.2	2.9	3.5	3.3
<b>Dec-20</b>	1.25	2.3	2.9	3.6	3.4
<b>Mar-21</b>	1.25	2.3	3.0	3.6	3.4

#### Overview

The Monetary Policy Committee (MPC) delivered a 0.25% increase in Bank Rate at its meeting on 2 November. This removed the emergency cut in August 2016 after the EU referendum. The MPC also gave forward guidance that they expected to increase Bank rate only twice more by 0.25% by 2020 to end at 1.00%.

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 more protracted move from bonds to equities after a historic long-term trend, over about the last 25 years, of falling bond yields.

The action of central banks since the financial crash of 2008, in implementing substantial Quantitative Easing, added further impetus to this downward trend in bond yields and rising bond prices. Quantitative Easing has also directly led to 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 in November 2016 has called into question whether the previous trend may go into reverse, especially now the Federal Reserve has taken the lead in reversing monetary policy by starting, in October 2017, a policy of not fully reinvesting proceeds from bonds that it holds when they mature.

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 stronger economic growth becomes more firmly established. The Federal Reserve has started raising interest rates and this trend is expected to continue during 2018 and 2019. These increases will 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 are likely to exert some upward pressure on bond yields in the UK and other developed economies. However, 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 towards the reversal of monetary policy away from quantitative easing and other credit stimulus measures.

From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis and emerging market developments. Such volatility could occur at any time during the forecast period.

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. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

The overall balance of risks to economic recovery in the UK is probably to the downside, particularly with the current level of uncertainty over the final terms of Brexit.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Bank of England monetary policy takes action too quickly over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.
- A resurgence of the Eurozone sovereign debt crisis, possibly Italy, due to its high level of government debt, low rate of economic growth and vulnerable banking system.
- Weak capitalisation of some European banks.
- Rising protectionism under President Trump
- A sharp Chinese downturn and its impact on emerging market countries

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include:

- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly



within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.

- UK inflation returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.
- The Federal Reserve causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed. Funds Rate and in the pace and strength of reversal of Quantitative Easing, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.

#### **Investment and borrowing rates:**

- Investment returns are likely to remain low during 2018/19 but to be on a gently rising trend over the next few years.
- Borrowing interest rates increased sharply after the result of the general election in June and then also after the September Monetary Policy Committee meeting when financial markets reacted by accelerating their expectations for the timing of Bank Rate increases. Apart from that, there has been little general trend in rates during the current financial year. 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 the future when authorities may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of 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**

Following the spend on the Mersey Gateway during 2017/18, 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 2018/19 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 an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase 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	2018/19 %	2019/20 %	2020/21 %
Fixed Rate	100	100	100
Variable Rate	30	30	30

**Table 10 – Maturity structure of fixed rate borrowing**

Maturity Structure of Fixed Rate Borrowing	2018/19	
	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 in advance of need during 2014/15 to fund the Mersey Gateway Project. The final payments were made during 2017/18 and the Council is no longer in an over-borrowed position.

### **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 Link 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 countries

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow                    5 years
- Purple                    2 years
- Blue                      1 year                    (only applies to nationalised and part nationalised UK Banks)
- Orange                  1 year
- Red                        6 months
- Green                    100 days
- No Colour                May not be used

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

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

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

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

### 4.3 Country Limits

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

### 4.4 Counterparty Limits for 2018/19

The Council has set the following counterparty limits for 2018/19, and will invest in line with the creditworthiness policy detailed in 4.2.

**Table 11 – Counterparty limits**

	<b>Maximum Limit per institution £m</b>
UK Government	30
Nationalised and Part Nationalised Banks with:	
- Minimum rating of A	20
- Minimum rating of BBB	10
UK Banks/Building Societies with:	
- Minimum rating of AAA	30
- Minimum rating of AA	20
- Minimum rating of A	10
- Minimum rating of BBB	5
Foreign Banks in countries with a sovereign rating of AAA and:	
- Minimum rating of AAA	20
- Minimum rating of AA	10
- Minimum rating of A	5
Money Market Funds	
- Minimum rating of AAA	20
Local Authorities	20
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 in 2015/16 to ensure the Council is able to obtain the best rates available. These levels have been reviewed and reduced as shown above.

#### 4.4 Investment strategy

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Bank Rate is forecast to remain unchanged at 0.5% until starting to rise from December 2018. Bank Rate forecasts for financial year ends (March) are:

- 2018            0.50%
- 2019            0.75%
- 2020            1.00%

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

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

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

**Table 12 – Maximum principal sums invested over 365 days**

<b>Maximum principal sums invested &gt; 365 days</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>
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

### **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 31<sup>st</sup> 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 2018/19 and future years**

In order to determine its MRP for 2018/19 and taking into consideration the available options the Council has applied the following strategy:

- For all capital expenditure incurred before 2009/10 and for all capital expenditure funded via supported borrowing MRP to be calculated using Option 1 – The Regulatory Method, calculated using a 2% straight-line charge.
- For all capital expenditure incurred from 2009/10 financed by prudential borrowing MRP to be calculated using Option 3 the Asset Life Method, with the MRP Holiday option being utilised for assets yet to come into service use.
- For Mersey Gateway expenditure the options above will not be used. The MRP Holiday option will be utilised until the Council receives toll income to repay outstanding capital expenditure. MRP payments will then be matched with income received.
- For credit arrangements such as on-balance sheet leasing arrangements (finance leases) the MRP charge will be equal to the principal element of the annual rental.
- For on balance sheet PFI contracts MRP charge will be equal to the principal element of the annual rental.
- For 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

**REPORT TO:** Executive Board

**DATE:** 22 February 2018

**REPORTING OFFICER:** Operational Director – Finance

**PORTFOLIO:** Resources

**SUBJECT:** 2017/18 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 2017.

## **2.0 RECOMMENDED: That**

- 1) All spending continues to be limited to the absolutely essential;**
- 2) Strategic Directors continue to take appropriate action to contain overall spending within their total operational budget by year-end;**
- 3) For those Services experiencing significant net overspends, Strategic Directors take action to bring net spend back in line with budget as soon as possible during the next financial year; and**
- 4) 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 2017, along with individual statements for each Department. In overall terms revenue expenditure is £1.990m above the budget profile at this stage.
- 3.2 Given the Council's overall position and continuing budget pressures, it remains essential that all Departments restrict and/or defer any non-essential spend over the remainder of the financial year.
- 3.3 The overspend position reported as at the end of 30 September 2017 was £1.938m above the profiled budget. Therefore the position for the past three months shows the overspend position has slowed measurably but this is only in certain departments and whilst positive there are

increased pressures in other departments which have developed over the last three months.

- 3.4 Projections for the final three months of the financial year show the level of the Council overspend position will be approximately £3.5m if no further corrective action is taken. As at 31 March 2017 the Council's General Fund balance was £4.830m. Unless the projected overspend is reduced the general reserve will be all but consumed, giving the Council little scope to meet any future overspends.
- 3.5 Continuing the theme of past reports the main budget pressure facing the Council continues to be within the Children & Families Department. The overspend position over the past quarter has increased from £2.8m to £3.8m. The rate of increase in the overspend is not as great as was expected at the end of September 2017. It is currently forecast that the Department's total spend for the year will be £5.0m in excess of the total available budget.
- 3.6 The two Services which are dominating the overspend position continue to be Out-of-Borough Residential Places and Out-of-Borough Fostering. Between them they account for £2.9m (79%) of the current overspend position.
- 3.7 Against the Residential Placements full year budget of £4.1m, actual costs are currently £4.5m, which represents 110% of the full year's budget with a quarter of the year still to go. Work continues to try and reduce the number and costs of placements and in the past quarter there was net reduction of 2 in the number of children within the Service requiring a residential placement.
- 3.8 In an effort to reduce costs, for young people aged 16 and over and moving into semi-independent accommodation a block contract will be negotiated with one provider, ending the need to negotiate the price of placements on an individual basis. Other placements are being reviewed and costs are being looked at in detail, alongside what the expected outcomes of the placement are.
- 3.9 As with residential placements there has been a reduction in a number of children requiring Out-of-Borough foster placements. Based on current numbers it is forecast that this Service will overspend against budget by £1.5m by year-end. This is a reduction in the forecast from September 2017 when costs were expected to exceed budget by £1.8m. To reduce costs further, every effort will be made to utilise in-house foster carers where there is availability.
- 3.10 Expenditure relating to Direct Payments has continued to grow at a level which exceeds the available budget. There is growing demand for direct payments and the number of children coming into the service with additional complex needs is increasing. It is forecast that direct payment costs for the year will total approximately £0.558m against the budget of £0.228m.

- 3.11 The 2018/19 budget which will be presented to Council on 7<sup>th</sup> March 2018, will include an additional £3.0m of budget provision for the Children & Families Department which will help to alleviate the overspend position and service demand pressures. It is intended that as far as possible this additional budget provision will be used to bring about ongoing reductions in cost.
- 3.12 The Complex Care Pool Budget with Halton Clinical Commissioning Group is over budget by £1.526m as at 31 December 2017, although the Council is only liable for 63% of any year-end overspend position. Financial pressures within the service relate to costs for health and social care services covering Residential and Domiciliary Care, Direct Payments and Day Care.
- 3.13 Within Residential and Nursing Care, continuing health care (CHC) and joint funded care (JFC) packages are placing pressure on the budget as an increasing number of people are deemed eligible for CHC and are also receiving care for longer periods of time than previously. The total number of clients receiving a permanent residential care package has increased from 599 to 611, although the average weekly cost of a such packages has decreased from £586 to £584. The number of Out-of-Borough placements has also increased, which on average attract a 51% higher cost than In-Borough placements.
- 3.14 The year-end forecast of spend for Domiciliary Services and Supported Living is £15.031m against a budget of £13.511m. This is as a result of increased demand and the average weekly cost of a domiciliary care package increasing from £299 to £323 (8.2%). There has also been a significant increase to the forecast spend for Direct Payment care packages, with an increase to the number of clients from 470 to 483 (2.8%) and the average weekly cost of a direct payment package increasing from £323 to £329.
- 3.15 Based on current service demand, it is forecast the Complex Care Pool Budget will be overspent against budget by £2.3m by financial year-end. The Council's share of this overspend would be £1.4m. A financial recovery action plan has therefore been implemented by the Pool Manager, to look at reducing costs to bring spend back in line with budget. The group set up to review and implement the financial recovery plan meet on a regular basis and focus attention on specific areas within health and social care budgets. This includes undertaking targeted reviews and re-assessment of existing client care packages and funding arrangements.
- 3.16 Community & Environment Department spend to 31 December 2017 exceeds the profiled budget by £0.663m. The forecast level of overspend has increased over the past quarter and is primarily due to increasing employee and waste disposal costs, along with shortfalls of income which continue to be experienced in a number of areas, including stadium catering, bars, and fitness membership.

- 3.17 Employee costs for the Department exceed the budget to date by £0.340m, due to staff turnover saving targets not being met and spend on casual staff exceeding budget. The overspends are being partly offset by managed underspends on budgets such as supplies and services and spending is being deferred or avoided unless absolutely necessary.
- 3.18 Within Education, Inclusion and Provision Department the overspend has increased over the past quarter to £0.343m, with a forecast outturn position of £0.486m. School transport has seen a significant increase in demand and thereby costs for this statutory service. In addition, there is a significant shortfall in income due to a reduction in the number of children from other authorities attending Halton schools. Managed underspends on supplies and services and other budgets are being used to partly offset the overspends, with spending being kept to only the absolutely essential.
- 3.19 Overall staffing expenditure across the Council is £0.897m below the budget profile. The main reason for this is vacant posts being held open, many of which have been offered as savings for next year, and restricting spend to only where absolutely essential on discretionary budgets such as supplies and services.
- 3.20 Corporate & Democracy net spend is currently under budget by £2.6m, which is helping mitigate the budget pressures elsewhere across the Council. This is primarily due to borrowing costs being significantly lower than forecast, a review of unused reserves having released balances back into the general fund and additional government grant received on business rates relating to changes to the small business rate relief thresholds.
- 3.21 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 all Departments with the exception of Community & Environment, Economy, Enterprise & Property, Policy People Performance & Efficiency and Education Inclusion & Provision.
- 3.22 The council tax collection rate for the third quarter of 82.20% is marginally lower (0.71%) than at this stage last year. It is still however expected that more council tax income will be collected than was forecast at the start of the year, which will help with reducing the budget deficit for 2019/20.
- 3.23 The collection rate for business rates of 82.87% is higher (1.39%) than at this stage last year. Forecasting retained business rates through to the end of the financial year remains difficult, due to the number of appeals outstanding with the Valuation Office Agency and the new process of appealing against rateable values which was introduced with the April 2017 revaluation.

## **Capital Spending**

3.24 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. Children's Playground Equipment
2. Runcorn Hill Park
3. Linnets Clubhouse
4. Widnes Market Refurbishment
5. Equality Act Improvement Works
6. Development Costs – Mersey Gateway
7. Loan Interest During Construction – Mersey Gateway
8. Bridge & Highway Maintenance
9. Street Lighting Structural Maintenance & Upgrades
10. Silver Jubilee Bridge Major Maintenance & Reconfiguration
11. Upgrade PNC
12. Grangeway Court Refurbishment
13. Bredon Reconfiguration
14. Vine Street Reconfiguration
15. Disabled Facilities Grant
16. Millbrow Nursing Home
17. Capital Repairs – Schools
18. Schools Access Initiative
19. Basic Need Projects
20. School Modernisation Projects
21. Fairfield Primary School
22. Weston Point Primary School
23. Small Capital Works - Schools
24. The Bridge School Vocational Centre

3.25 Capital spending at 31<sup>st</sup> December 2017 totalled £107.9m, which is 99% of the planned spending of £108.8m at this stage. This represents 93.6% of the total Capital Programme of £115.2m (which assumes a 20% slippage between years). Note: no slippage has been calculated on the Mersey Gateway Construction Costs or Mersey Gateway Liquidity Fund.

## **Balance Sheet**

3.26 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 is reviewed in line with budget. Reserves are monitored and released when appropriate, to help meet the challenge of keeping expenditure in line with the current year's budget.

6.2 In preparing the 2017/18 budget, a register of significant financial risks was prepared which has been updated as at 31 December 2017.

**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 2017

Directorate / Department	Annual Budget £'000	Budget to Date £'000	Expenditure to Date £'000	Variance to Date (Overspend) £'000
Community & Environment	19,367	13,109	13,772	(663)
Economy, Enterprise & Property	1,451	2,419	2,295	124
Finance	4,459	2,982	2,534	448
ICT & Support Services	-5	-395	-496	101
Legal & Democratic Services	531	388	348	40
Planning & Transportation	6,923	5,179	5,178	1
Policy, People, Performance & Efficiency	0	-148	-331	183
<b>Enterprise, Community &amp; Resources</b>	<b>32,726</b>	<b>23,534</b>	<b>23,300</b>	<b>234</b>
Adult Social Care	38,185	24,880	25,638	(758)
Children & Families	20,403	14,083	17,848	(3,765)
Education, Inclusion & Provision	7,752	3,580	3,923	(343)
Public Health & Public Protection	388	383	371	12
<b>People</b>	<b>66,728</b>	<b>42,926</b>	<b>47,780</b>	<b>(4,854)</b>
<b>Corporate &amp; Democracy</b>	<b>3,795</b>	<b>5,048</b>	<b>2,418</b>	<b>2,630</b>
<b>Mersey Gateway</b>	<b>0</b>	<b>-18,260</b>	<b>-18,260</b>	<b>0</b>
<b>Net Total</b>	<b>103,249</b>	<b>53,248</b>	<b>55,238</b>	<b>(1,990)</b>

**ENTERPRISE, COMMUNITY & RESOURCES DIRECTORATE**  
**Community & Environment Department**

	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance to Date (Overspend) £'000
<b><u>Expenditure</u></b>				
Employees	13,240	10,285	10,625	(340)
Other Premises	1,965	1,526	1,521	5
Supplies & Services	1,651	1,254	1,128	126
Book Fund	167	125	121	4
Hired & Contracted Services	1,193	870	861	9
Food Provisions	548	425	479	(54)
School Meals Food	1,983	1,223	1,215	8
Transport	55	45	32	13
Other Agency Costs	442	235	217	18
Waste Disposal Contracts	5,775	3,449	3,541	(92)
Grants To Voluntary Organisations	67	35	2	33
Grant To Norton Priory	172	172	174	(2)
Rolling Projects	55	53	53	0
Capital Financing	77	7	7	0
<b>Total Expenditure</b>	<b>27,390</b>	<b>19,704</b>	<b>19,976</b>	<b>(272)</b>
<b><u>Income</u></b>				
Sales Income	-2,105	-1,654	-1,551	(103)
School Meals Sales	-2,324	-1,510	-1,543	33
Fees & Charges Income	-5,363	-4,161	-4,034	(127)
Rents Income	-297	-190	-87	(103)
Government Grant Income	-1,246	-1,227	-1,227	0
Reimbursements & Other Grant Income	-716	-595	-595	0
Schools SLA Income	-99	-92	-91	(1)
Internal Fees Income	-191	-117	-95	(22)
School Meals Other Income	-2,096	-1,741	-1,723	(18)
Catering Fees	-179	-134	-57	(77)
Capital Salaries	-123	-61	-61	0
Rolling Projects Income	-55	62	62	0
Transfers From Reserves	-173	-175	-175	0
<b>Total Income</b>	<b>-14,967</b>	<b>-11,595</b>	<b>-11,177</b>	<b>(418)</b>
<b>Net Operational Expenditure</b>	<b>12,423</b>	<b>8,109</b>	<b>8,799</b>	<b>(690)</b>
<b><u>Recharges</u></b>				
Premises Support	1,760	1,320	1,320	0
Transport Recharges	2,072	1,433	1,406	27
Departmental Support Services	9	0	0	0
Central Support Services	3,467	2,616	2,616	0
Asset Charges	85	0	0	0
HBC Support Costs Income	-449	-369	-369	0
<b>Net Total Recharges</b>	<b>6,944</b>	<b>5,000</b>	<b>4,973</b>	<b>27</b>
<b>Net Department Expenditure</b>	<b>19,367</b>	<b>13,109</b>	<b>13,772</b>	<b>(663)</b>

## Economy, Enterprise &amp; Property Department

	Annual Budget	Budget To Date	Actual To Date	Variance to Date (Overspend)
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Employees	4,620	3,389	3,398	(9)
Repairs & Maintenance	2,294	1,412	1,380	32
Premises	43	43	42	1
Energy & Water Costs	658	424	347	77
NNDR	538	522	500	22
Rents	353	311	305	6
Economic Regeneration Activities	42	2	2	0
Supplies & Services	2,192	1,527	1,510	17
Grant to Non Vol Organisations	87	47	47	0
Agency Related	1	0	0	0
<b>Total Expenditure</b>	<b>10,828</b>	<b>7,677</b>	<b>7,531</b>	<b>146</b>
<b><u>Income</u></b>				
Fees & Charges	-289	-171	-169	(2)
Rent – Markets	-789	-591	-588	(3)
Rent – Investment Properties	-161	-122	-102	(20)
Rent – Commercial Properties	-879	-536	-528	(8)
Government Grant	-2,641	-1,197	-1,197	0
Reim & Other Income	-185	-147	-160	13
Recharges to Capital	-163	-76	-76	0
Transfer from Reserves	-447	-305	-305	0
Schools SLA Income	-535	-493	-491	(2)
<b>Total Income</b>	<b>-6,089</b>	<b>-3,638</b>	<b>-3,616</b>	<b>(22)</b>
<b>Net Operational Expenditure</b>	<b>4,739</b>	<b>4,039</b>	<b>3,915</b>	<b>124</b>
<b><u>Recharges</u></b>				
Asset Rental Support Costs	4	0	0	0
Premises Support Costs	1,746	874	874	0
Transport Support Costs	23	11	11	0
Central Support Service Costs	1,865	958	958	0
Repairs & Maintenance Recharge	-2,412	-1,206	-1,206	0
Income				
Accommodation Recharge Income	-2,624	-1,312	-1,312	0
Central Support Service Recharge	-1,890	-945	-945	0
Income				
<b>Net Total Recharges</b>	<b>-3,288</b>	<b>-1,620</b>	<b>-1,620</b>	<b>0</b>
<b>Net Department Expenditure</b>	<b>1,451</b>	<b>2,419</b>	<b>2,295</b>	<b>124</b>

## Finance Department

	Annual Budget	Budget To Date	Actual To Date	Variance to Date (Overspend) £'000
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Employees	5,517	4,138	3,767	371
Contracted Services	94	70	51	19
Supplies & Services	282	266	239	27
Insurance	1,299	974	950	24
Rent Allowances	50,200	30,407	30,407	0
Non HRA Rent Rebates	65	43	43	0
Discretionary Social Fund	154	120	120	0
Discretionary Housing Pyts	387	312	312	0
Concessionary Travel	2,175	1,631	1,638	(7)
LCR Levy	2,175	1,631	1,631	0
<b>Total Expenditure</b>	<b>62,348</b>	<b>39,592</b>	<b>39,158</b>	<b>434</b>
<b><u>Income</u></b>				
Clerical Error Recovery	-400	-318	-318	0
NDR Admin Grant	-166	0	0	0
Rent Allowances	-49,800	-30,424	-30,424	0
Other fees & Charges	-164	-164	-160	(4)
Non HRA Rent Rebate	-65	-35	-35	0
Grants & Reimbursements	-208	-208	-212	4
Dedicated Schools Grant	-112	0	0	0
Discretionary Hsg Payment Gt	-387	-387	-398	11
Hsg Benefit Admin Grant	-510	-338	-338	0
Universal Credits	-130	-102	-102	0
Council Tax Admin Grant	-221	-221	-221	0
Council Tax Liability Order	-421	-414	-414	0
Schools SLAs	-837	-837	-840	3
LCR Reimbursement	-2,175	-1,631	-1,631	0
Transfer from Reserves	-251	0	0	0
<b>Total Income</b>	<b>-55,847</b>	<b>-35,079</b>	<b>-35,093</b>	<b>14</b>
<b>Net Operational Expenditure</b>	<b>6,501</b>	<b>4,513</b>	<b>4,065</b>	<b>448</b>
<b><u>Recharges</u></b>				
Premises Support	199	149	149	0
Transport Recharges	6	5	5	0
Central Recharges	2,329	1,747	1,747	0
Central Recharge Income	-4,576	-3,432	-3,432	0
<b>Net Total Recharges</b>	<b>-2,042</b>	<b>-1,531</b>	<b>-1,531</b>	<b>0</b>
<b>Net Department Expenditure</b>	<b>4,459</b>	<b>2,982</b>	<b>2,534</b>	<b>448</b>

## ICT &amp; Support Services Department

	Annual Budget	Budget To Date	Actual To Date	Variance to Date (Overspend)
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Employees	6,838	5,137	5,122	15
Premises	56	51	51	0
Supplies & Services	722	553	532	21
Capital Financing	1,594	168	168	0
Computer Repairs & Software	528	452	368	84
Communication Costs	385	359	399	(40)
Transfer to Reserves	15	0	0	0
<b>Total Expenditure</b>	<b>10,138</b>	<b>6,720</b>	<b>6,640</b>	<b>80</b>
<b><u>Income</u></b>				
Fees & Charges	-1,116	-224	-247	23
Schools SLA Income	-509	-501	-499	(2)
Reimbursements & Other Grant Income	-15	-13	-13	0
<b>Total Income</b>	<b>-1,640</b>	<b>-738</b>	<b>-759</b>	<b>21</b>
<b>Net Operational Expenditure</b>	<b>8,498</b>	<b>5,982</b>	<b>5,881</b>	<b>101</b>
<b><u>Recharges</u></b>				
Premises Support Recharges	498	373	373	0
Transport Recharges	5	4	4	0
Central Support Recharges	919	690	690	0
Support Services Income	-9,925	-7,444	-7,444	0
<b>Net Total Recharges</b>	<b>-8,503</b>	<b>-6,377</b>	<b>-6,377</b>	<b>0</b>
<b>Net Department Expenditure</b>	<b>-5</b>	<b>-395</b>	<b>-496</b>	<b>101</b>

## Legal &amp; Democratic Services Department

	Annual Budget	Budget To Date	Actual To Date	Variance to Date (Overspend)
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Employees	1,756	1,350	1,349	1
Supplies & Services	367	271	248	23
Civic Catering & Functions	27	20	19	1
Legal Expenses	223	171	155	16
Mayoral Allowances	22	7	1	6
<b>Total Expenditure</b>	<b>2,395</b>	<b>1,819</b>	<b>1,772</b>	<b>47</b>
<b><u>Income</u></b>				
Land Charges	-90	-70	-63	(7)
School SLAs	-80	-80	-80	0
Licence Income	-261	-210	-193	(17)
Fees & Charges Income	-38	-26	-43	17
Government Grant Income	-38	-37	-37	0
Reimbursements & Other Grant Income	-161	-111	-111	0
<b>Total Income</b>	<b>-668</b>	<b>-534</b>	<b>-527</b>	<b>(7)</b>
<b>Net Operational Expenditure</b>	<b>1,727</b>	<b>1,285</b>	<b>1,245</b>	<b>40</b>
<b><u>Recharges</u></b>				
Premises Support	187	140	140	0
Transport Recharges	36	27	27	0
Central Support Recharges	313	235	235	0
Support Recharges Income	-1,732	-1,299	-1,299	0
<b>Net Total Recharges</b>	<b>-1,196</b>	<b>-897</b>	<b>-897</b>	<b>0</b>
<b>Net Department Expenditure</b>	<b>531</b>	<b>388</b>	<b>348</b>	<b>40</b>

## Planning &amp; Transportation Department

	Annual Budget	Budget To Date	Actual To Date	Variance to Date (Overspend) £'000
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Employees	4,303	3,227	3,194	33
Other Premises	171	109	71	38
Contracted Services	244	183	107	76
Supplies & Services	172	145	160	(15)
Street Lighting	1,608	1,184	1,184	0
Highways Maintenance	2,365	1,216	1,216	0
Fleet Transport	1,071	716	716	0
Lease Car Contracts	40	30	31	(1)
Bus Support	639	480	517	(37)
Finance Charges	83	47	47	0
Grants to Vol. Organisations	68	68	68	0
LCR Levy	754	566	566	0
NRA Levy	63	63	63	0
Contribution to Reserves	500	500	500	0
<b>Total Expenditure</b>	<b>12,081</b>	<b>8,534</b>	<b>8,440</b>	<b>94</b>
<b><u>Income</u></b>				
Sales	-316	-237	-223	-14
Planning Fees	-562	-422	-440	18
Building Control Fees	-209	-157	-107	-50
Other Fees & Charges	-592	-454	-476	22
Rent	-8	-6	0	-6
Grants & Reimbursements	-230	-153	-188	35
Government Grant Income	-129	-72	-72	0
Efficiency Savings	-60	0	0	0
Schools SLAs	-42	-42	-44	2
Capital Salaries	-317	-25	-23	-2
LCR Levy Reimbursement	-754	-566	-566	0
Transfers from Reserves	-566	0	0	0
<b>Total Income</b>	<b>-3,785</b>	<b>-2,134</b>	<b>-2,139</b>	<b>5</b>
<b>Net Operational Expenditure</b>	<b>8,296</b>	<b>6,400</b>	<b>6,301</b>	<b>99</b>
<b><u>Recharges</u></b>				
Premises Recharges	579	435	435	0
Transport Recharges	484	363	301	62
Asset Charges	358	77	77	0
Central Recharges	1,333	1,000	1,000	0
Transport Recharge Income	-2,736	-2,052	-1,892	(160)
Central Recharge Income	-1,391	-1,044	-1,044	0
<b>Net Total Recharges</b>	<b>-1,373</b>	<b>-1,221</b>	<b>-1,123</b>	<b>(98)</b>
<b>Net Department Expenditure</b>	<b>6,923</b>	<b>5,179</b>	<b>5,178</b>	<b>1</b>

## Policy, People, Performance &amp; Efficiency Department

	Annual Budget	Budget To Date	Actual To Date	Variance to Date (Overspend)
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Employees	1,618	1,231	1,271	-40
Employees - Apprenticeship	200	150	0	150
Employees Training	133	91	44	47
Supplies & Services	138	98	86	12
Apprenticeship Levy	300	97	97	0
<b>Total Expenditure</b>	<b>2,389</b>	<b>1,667</b>	<b>1,498</b>	<b>169</b>
<b><u>Income</u></b>				
Fees & Charges	-90	-68	-102	34
Schools SLAs	-416	-409	-389	-20
Transfer from Reserves	-98	0		
<b>Total Income</b>	<b>-604</b>	<b>-477</b>	<b>-491</b>	<b>14</b>
<b>Net Operational Expenditure</b>	<b>1,785</b>	<b>1,190</b>	<b>1,007</b>	<b>183</b>
<b><u>Recharges</u></b>				
Premises Support	60	45	45	0
Central Support Recharges	1,081	811	811	0
Support recharges Income	-2,926	-2,194	-2,194	0
<b>Net Total Recharges</b>	<b>-1,785</b>	<b>-1,338</b>	<b>-1,338</b>	<b>0</b>
<b>Net Department Expenditure</b>	<b>0</b>	<b>-148</b>	<b>-331</b>	<b>183</b>



## PEOPLE DIRECTORATE

## Adult Social Care Department

	Annual Budget	Budget To Date	Actual To Date	Variance To Date (Overspend)
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Employees	13,862	10,300	10,059	241
Other Premises	354	250	253	(3)
Supplies & Services	1,249	896	895	1
Aids & Adaptations	113	67	64	3
Transport	201	132	128	4
Food Provision	195	126	106	20
Contracts & SLAs	495	383	388	(5)
Emergency Duty Team	95	71	74	(3)
Other Agency	624	450	449	1
Payments To Providers	1,443	1,164	1,177	(13)
Contribution to Complex Care Pool	20,646	11,459	12,420	(961)
<b>Total Expenditure</b>	<b>39,277</b>	<b>25,298</b>	<b>26,013</b>	<b>(715)</b>
<b><u>Income</u></b>				
Sales & Rents Income	-307	-260	-284	24
Fees & Charges	-741	-555	-483	(72)
Reimbursements & Grant Income	-1,102	-558	-553	(5)
Transfer From Reserves	-631	0	0	0
Capitalised Salaries	-111	-83	-83	0
Government Grant Income	-854	-801	-811	10
<b>Total Income</b>	<b>-3,746</b>	<b>-2,257</b>	<b>-2,214</b>	<b>(43)</b>
<b>Net Operational Expenditure</b>	<b>35,531</b>	<b>23,041</b>	<b>23,799</b>	<b>(758)</b>
<b><u>Recharges</u></b>				
Premises Support	517	388	388	0
Asset Charges	83	0	0	0
Central Support Services	3,352	2,424	2,424	0
Internal Recharge Income	-1,795	-1,255	-1,255	0
Transport Recharges	497	282	282	0
<b>Net Total Recharges</b>	<b>2,654</b>	<b>1,839</b>	<b>1,839</b>	<b>0</b>
<b>Net Department Expenditure</b>	<b>38,185</b>	<b>24,880</b>	<b>25,638</b>	<b>(758)</b>

## Children &amp; Families Department

	Annual Budget	Budget To Date	Actual To Date	Variance to Date (Overspend)
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Employees	8,576	6,264	6,222	42
Premises	264	155	148	7
Supplies and Services	984	641	697	(56)
Transport	6	4	77	(73)
Direct Payments/Individual Budgets	228	212	437	(225)
Commissioned Services	277	139	139	0
Out of Borough Residential Placements	4,112	2,654	4,469	(1,815)
Out of Borough Adoption	80	60	90	(30)
Out of Borough Fostering	834	370	1,539	(1,169)
In House Adoption	207	153	209	(56)
Special Guardianship	1,092	824	1,061	(237)
In House Foster Carer Payments	1,637	1,153	1,153	0
Care Leavers	188	157	143	14
Family Support	53	40	46	(6)
Emergency Duty Team	89	36	43	(7)
Contracted Services	4	2	3	(1)
Capital Finance	6	0	0	0
Early Years	97	52	178	(126)
<b>Total Expenditure</b>	<b>18,734</b>	<b>12,916</b>	<b>16,654</b>	<b>(3,738)</b>
<b><u>Income</u></b>				
Adoption Placements	-45	-23	0	(23)
Fees and Charges	-19	-19	-19	0
Sales Income	-45	-45	-46	1
Rents	-87	-43	-43	0
Dedicated Schools Grant	-47	0	0	0
Reimbursements & Other Grant Income	-497	-429	-424	(5)
Government Grants	-134	-134	-134	0
Transfer from Reserves	-93	-93	-93	0
<b>Total Income</b>	<b>-967</b>	<b>-786</b>	<b>-759</b>	<b>(27)</b>
<b>Net Operational Expenditure</b>	<b>17,767</b>	<b>12,130</b>	<b>15,895</b>	<b>(3,765)</b>
<b><u>Recharges</u></b>				
Premises Support	358	268	268	0
Transport Support	47	34	34	0
Central Support Service Costs	2,231	1,651	1,651	0
<b>Net Total Recharges</b>	<b>2,636</b>	<b>1,953</b>	<b>1,953</b>	<b>0</b>
<b>Net Department Expenditure</b>	<b>20,403</b>	<b>14,083</b>	<b>17,848</b>	<b>(3,765)</b>

## Education, Inclusion &amp; Provision Department

	Annual Budget	Budget To Date	Actual To Date	Variance to Date (Overspend)
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Employees	5,970	4,313	4,342	(29)
Premises	112	45	55	(10)
Supplies & Services	2,624	1,449	1,306	143
Transport	5	0	5	(5)
Schools Transport	926	528	745	(217)
Commissioned Services	2,677	1,638	1,638	0
Agency Related Expenditure	1,595	1,116	1,085	31
Independent School Fees	2,463	1,867	1,867	0
Inter Authority Special Needs	175	32	32	0
Pupil Premium Grant	73	82	82	0
Nursery Education Payments	5,199	3,266	3,266	0
Special Education Needs	1,250	1,172	1,172	0
Contingency				
Schools Contingency	416	180	180	0
Capital Finance	150	119	118	1
<b>Total Expenditure</b>	<b>23,635</b>	<b>15,807</b>	<b>15,893</b>	<b>(86)</b>
<b><u>Income</u></b>				
Fees & Charges	-301	-377	-362	(15)
Government Grants	-639	-608	-608	0
Reimbursements & Other Income	-933	-637	-700	63
Schools SLA Income	-181	-278	-283	5
Transfer to/from Reserves	-587	-487	-487	0
Dedicated Schools Grant	-14,686	-11,015	-11,015	0
Inter Authority Income	-578	-333	-23	(310)
Rent	-104	0	0	0
<b>Total Income</b>	<b>-18,009</b>	<b>-13,735</b>	<b>-13,478</b>	<b>(257)</b>
<b>Net Operational Expenditure</b>	<b>5,626</b>	<b>2,072</b>	<b>2,415</b>	<b>(343)</b>
<b><u>Recharges</u></b>				
Central Support Services Costs	1,770	1,253	1,253	0
HBC Support Costs Income	-79	-59	-59	0
Premises Support Costs	226	169	169	0
Transport Support Costs	209	145	145	0
<b>Net Total Recharges</b>	<b>2,126</b>	<b>1,508</b>	<b>1,508</b>	<b>0</b>
<b>Net Department Expenditure</b>	<b>7,752</b>	<b>3,580</b>	<b>3,923</b>	<b>(343)</b>

## Public Health &amp; Public Protection Department

	Annual Budget	Budget To Date	Actual To Date	Variance to Date (Overspend)
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Employees	3,497	2,435	2,383	52
Other Premises	5	0	0	0
Supplies & Services	273	149	175	(26)
Contracts & SLA's	7,180	4,733	4,733	0
Transport	5	4	4	0
Other Agency	18	18	17	1
<b>Total Expenditure</b>	<b>10,978</b>	<b>7,339</b>	<b>7,312</b>	<b>27</b>
<b><u>Income</u></b>				
Other Fees & Charges	-76	-74	-60	(14)
Government Grant	-10,454	-7,237	-7,237	0
Reimbursements & Grant Income	-263	-218	-218	0
Transfer from Reserves	-652	-130	-130	0
<b>Total Income</b>	<b>-11,445</b>	<b>-7,659</b>	<b>-7,645</b>	<b>(14)</b>
<b>Net Operational Expenditure</b>	<b>-467</b>	<b>-320</b>	<b>-333</b>	<b>13</b>
<b><u>Recharges</u></b>				
Premises Support	127	95	95	0
Central Support Services	802	617	617	0
Transport Recharges	20	14	15	(1)
Support Income	-94	-23	-23	0
<b>Net Total Recharges</b>	<b>855</b>	<b>703</b>	<b>704</b>	<b>(1)</b>
<b>Net Department Expenditure</b>	<b>388</b>	<b>383</b>	<b>371</b>	<b>12</b>

## Corporate &amp; Democracy

	Annual Budget	Budget To Date	Actual To Date	Variance to Date (Overspend)
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Employees	353	265	235	30
Contracted Services	35	26	30	(4)
Supplies & Services	305	260	378	(118)
Members Allowances	793	595	617	(22)
Interest Payable	2,042	1,561	868	693
Bank Charges	79	59	83	(24)
Audit Fees	144	108	108	0
Contingency	1,225	825	0	825
Capital Financing	1,951	1,951	1,968	(17)
Contribution to Reserves	4,083	3,063	2,532	531
Debt Management Expenses	34	26	33	(7)
Precepts & Levies	184	184	179	5
<b>Total Expenditure</b>	<b>11,228</b>	<b>8,923</b>	<b>7,031</b>	<b>1,892</b>
<b><u>Income</u></b>				
Interest Receivable – Treasury	-406	-305	-428	123
Interest Receivable – Other	-258	-193	-170	(23)
Other Fees & Charges	-52	-39	-54	15
Grants & Reimbursements	-85	-64	-45	(19)
Government Grant Income	-5,179	-3,885	-4,477	592
Transfer from Reserves	-700	-150	-200	50
<b>Total Income</b>	<b>-6,680</b>	<b>-4,636</b>	<b>-5,374</b>	<b>738</b>
<b>Net Operational Expenditure</b>	<b>4,548</b>	<b>4,287</b>	<b>1,657</b>	<b>2,630</b>
<b><u>Recharges</u></b>				
Premises Recharges	6	4	4	0
Asset Charges	-1769	0	0	0
Central Recharges	1,420	1,065	1,065	0
Central Recharge Income	-411	-308	-308	0
<b>Net Total Recharges</b>	<b>-754</b>	<b>761</b>	<b>761</b>	<b>0</b>
<b>Net Department Expenditure</b>	<b>3,794</b>	<b>5,048</b>	<b>2,418</b>	<b>2,630</b>

## Mersey Gateway

	Annual Budget	Budget To Date	Actual To Date	Variance to Date (Overspend)
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Other Premises	136	114	114	0
Unitary Charge	18,687	1,274	1,274	0
DMPA fee	4,441	0	0	0
Insurance	748	0	0	0
Supplies & Services	3	3	3	0
MGCB Ltd	1,730	1,096	1,096	0
External Interest	4,010	0	0	0
Finance Charges	164	147	147	0
<b>Total Expenditure</b>	<b>29,919</b>	<b>2,634</b>	<b>2,634</b>	<b>0</b>
<b><u>Income</u></b>				
Toll Income	-15,554	-6,640	-8,003	1,363
Grants & Reimbursements to Project	-14,406	-14,285	-12,922	(1,363)
<b>Total Income</b>	<b>-29,960</b>	<b>-20,925</b>	<b>-20,925</b>	<b>0</b>
<b>Net Operational Expenditure</b>	<b>-41</b>	<b>-18,291</b>	<b>-18,291</b>	<b>0</b>
<b><u>Recharges</u></b>				
Property Support Recharges	3	2	2	0
Central Support Recharges	38	29	29	0
<b>Net Total Recharges</b>	<b>41</b>	<b>31</b>	<b>31</b>	<b>0</b>
<b>Net Department Expenditure</b>	<b>0</b>	<b>-18,260</b>	<b>-18,260</b>	<b>0</b>

Note: The Mersey Gateway Bridge budget is ringfenced to the project and does not therefore affect the Council's revenue budget.

## 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 Department statement shown in Appendix 1.

	Annual Budget	Budget To Date	Actual To Date	Variance To Date (Overspend)
	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>				
Intermediate Care Services	4,677	2,874	2,543	331
End of Life	194	138	153	(15)
Sub-Acute	1,734	1,239	1230	9
Urgent Care Centres	815	428	401	27
Joint Equipment Store	616	334	482	(148)
CCG Contracts & SLA's	1,215	959	917	42
Intermediate Care Beds	596	447	447	0
BCF Schemes	2,836	1,312	1,284	28
Carers Breaks	434	247	208	39
Adult Health & Social Care Services:				
Residential & Nursing Care	21,631	13,914	14,112	(198)
Domiciliary & Supported Living	13,511	8,713	9,766	(1,053)
Direct Payments	6,937	5,759	6,442	(683)
Day Care	410	236	314	(78)
<b>Total Expenditure</b>	<b>55,606</b>	<b>36,600</b>	<b>38,299</b>	<b>(1,699)</b>
<b>Income</b>				
Residential & Nursing Income	-5,963	-3,828	-4,004	176
Domiciliary Income	-1,867	-1,163	-1,126	(37)
Direct Payments Income	-458	-286	-319	33
BCF	-9,661	-7,246	-7,246	0
Improved Better Care Fund	-2,974	-2,231	-2,231	0
CCG Contribution to Pool	-13,225	-9,982	-9,982	0
ILF	-699	-349	-349	0
All other income	-113	-56	-57	1
<b>Total Income</b>	<b>-34,960</b>	<b>-25,141</b>	<b>-25,314</b>	<b>173</b>
<b>Net Operational Expenditure</b>	<b>20,646</b>	<b>11,459</b>	<b>12,985</b>	<b>(1,526)</b>
Liability as per Joint Working Agreement (HCCG share - 37%)	<b>0</b>	<b>0</b>	<b>-565</b>	<b>565</b>
<b>Adjusted Net Operational Expenditure</b>	<b>20,646</b>	<b>11,459</b>	<b>12,420</b>	<b>(961)</b>





## Capital Programme as at 31 December 2017

Directorate/Department	Actual Expenditure to Date  £'000	2017/18 Cumulative Capital Allocation		Capital Allocation 2018/19  £'000	Capital Allocation 2019/20  £'000
		Quarter 3  £'000	Quarter 4  £'000		
<b><u>Enterprise Community &amp; Resources Directorate</u></b>					
<b>Community and Environment</b>					
Stadium Minor Works	10	10	30	30	30
Brindley Café Extension	0	0	80	0	0
Norton Priory	65	100	348	0	0
Norton Priory Biomass Boiler	0	0	107	0	0
Open Spaces Schemes	315	400	602	0	0
Children's Playground Equipment	77	50	100	65	65
Upton Improvements	0	0	0	13	0
The Glen Play Area	0	0	25	18	0
Runcorn Hill Park	106	100	125	75	0
Crow Wood Play Area	21	150	450	60	5
Runcorn Cemetery Extension	11	9	9	0	0
Peelhouse Lane Cemetery	110	120	350	750	296
Peelhouse Lane Cemetery – Enabling Works	0	30	33	0	0
Pheonix Park	2	10	110	11	0
Victoria Park Glass House	0	0	150	120	10
Sandymoor Playing Fields	102	300	600	500	500
Widnes Recreation	10	0	0	0	0
Landfill Tax Credit Schemes	5	20	160	340	340
Litter Bins		10	20	20	20

Directorate/Department	Actual Expenditure to Date	2017/18 Cumulative Capital Allocation		Capital Allocation 2018/19	Capital Allocation 2019/20
	£'000	Quarter 3 £'000	Quarter 4 £'000	£'000	£'000
<b>ICT &amp; Support Services</b>					
ICT Rolling Programme	565	825	1,100	1,100	1,100
<b>Economy, Enterprise &amp; Property</b>					
Castlefields Regeneration	0	0	0	0	0
3MG	4,496	4,496	4,966	105	0
Widnes Waterfront	0	0	0	1,000	0
Johnsons Lane Infrastructure	0	0	66	0	0
Decontamination of Land	4	4	50	0	0
SciTech Daresbury – EZ Grant	0	0	483	0	0
Venture Field	5,959	5,959	6,000	0	0
Linnets Clubhouse	1,126	1,126	1,173	249	0
The Croft	0	0	30	0	0
Former Crosville Site	926	926	1,150	234	0
Signage at The Hive	87	87	87	0	0
Advertising Screen at The Hive	0	0	0	100	0
Widnes Market Refurbishment	80	80	100	1,205	0
Widnes Land Purchases	235	235	235	0	0
Former Simms Cross Caretakers House	7	7	14	0	0
Equality Act Improvement Works	107	107	120	300	300
Broseley House	0	0	690	0	0
Murdishaw Regeneration	0	0	46	0	0
Solar Farm	1	1	60	1,238	0

Directorate/Department	Actual Expenditure to Date	2017/18 Cumulative Capital Allocation		Capital Allocation 2018/19	Capital Allocation 2019/20
	£'000	Quarter 3 £'000	Quarter 4 £'000	£'000	£'000
<b>Mersey Gateway</b>					
Land Acquisitions	6,093	6,093	6,355	4,039	0
Development Costs	1,078	1,078	1,689	0	0
Loan Interest During Construction	2,197	2,197	2,197	0	0
Construction Costs	67,500	67,500	67,500	0	0
Mersey Gateway Liquidity Fund	10,000	10,000	10,000	0	0
<b>Other</b>					
Risk Management	17	20	155	120	120
Fleet Replacements	339	500	1,500	556	1,317
<b>Policy, Planning &amp; Transportation</b>					
Bridge & Highway Maintenance	1,199	1,150	5,513	1,546	0
Integrated Transport & Network Management	165	200	460	0	0
Street Lighting – Structural Maintenance & Upgrades	109	150	500	3,406	200
STEPS Programme	353	350	978	0	0
Silver Jubilee Bridge Major Maintenance & Reconfiguration	763	800	2,440	7,340	0
Silver Jubilee Bridge decoupling				9,610	0
<b>Total Enterprise Community &amp; Resources</b>	<b>104,250</b>	<b>105,200</b>	<b>118,956</b>	<b>34,150</b>	<b>4,303</b>

Directorate/Department	Actual Expenditure to Date £'000	2017/18 Cumulative Capital Allocation		Capital Allocation 2018/19 £'000	Capital Allocation 2019/20 £'000
		Quarter 3 £'000	Quarter 4 £'000		
<b>People Directorate</b>					
<b>Adult Social Care</b>					
Upgrade PNC	6	6	6	0	0
ALD Bungalows	0	0	199	0	0
Grangeway Court Refurbishment	0	0	0	0	0
Bredon Reconfiguration	56	56	56	0	0
Vine Street Reconfiguration	9	10	100	0	0
Purchase of 2 adapted properties	0	0	520	0	0
<b>Complex Pool</b>					
Disabled Facilities Grant	478	485	749	0	0
Stairlifts (Adaptations Initiative)	219	225	300	0	0
RSL Adaptations (Joint Funding)	155	180	250	0	0
Madeline McKenna Residential Home	305	305	450	0	0
Millbrow Nursing Home	725	725	935	0	0

Directorate/Department	Actual Expenditure to Date £'000	2017/18 Cumulative Capital Allocation		Capital Allocation 2018/19 £'000	Capital Allocation 2019/20 £'000
		Quarter 3 £'000	Quarter 4 £'000		
<b>Schools Related</b>					
Asset Management Data	1	1	5	0	0
Capital Repairs	441	441	692	123	0
Asbestos Management	12	12	38	0	0
Schools Access Initiative	2	2	15	35	0
Basic Need Projects	0	0	0	271	283
School Modernisation Projects	67	67	67	0	0
Lunts Heath Primary School	174	174	200	5	0
Universal Infant School Meals	2	2	2	0	0
Early Education for 2yr olds	8	8	8	0	0
Hale Primary	3	3	3	0	0
Fairfield Primary School	760	760	760	30	0
Weston Point Primary School	137	137	140	4	0
Kitchen Gas Safety	0	0	50	0	0
Small Capital Works	48	48	101	0	0
SEND Capital allocation	0	0	0	167	167
The Bridge School Vocational Centre	0	0	15	345	0
<b>Total People Directorate</b>	<b>3,608</b>	<b>3,647</b>	<b>5,661</b>	<b>980</b>	<b>450</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>107,858</b>	<b>108,847</b>	<b>124,617</b>	<b>35,130</b>	<b>4,753</b>
Slippage (20%)			-9,423	-7,026	-951
				9,423	7,026
<b>TOTAL</b>	<b>107,858</b>	<b>108,847</b>	<b>115,194</b>	<b>37,527</b>	<b>10,828</b>

**REPORT TO:** Executive Board

**DATE:** 22 February 2018

**REPORTING OFFICER:** Strategic Director – Enterprise, Community  
and Resources

**SUBJECT:** Calendar of Meetings – 2018/19

**WARDS:** Borough wide

## **1.0 PURPOSE OF THE REPORT**

1.1 To approve the Calendar of Meetings for the 2018/2019 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 2018/2019 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.

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

	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN 2019	FEB	MARCH	APR	MAY
M			2 Development Control Cttee		3 Dev Control Cttee	1 Dev Control Cttee		3 Dev Control Cttee			4	1	
T	1		3		4 Corporate PPB	2		4	1 New Year's Day Bank Holiday		5 Dev Control Cttee	2	
W	2		4 H W Board Regulatory	1	5	3 HW Board Regulatory Cttee		5	2		6 COUNCIL	3	1
T	3 Local Elections		5 SEMINAR	2	6 SEMINAR	4 SEMINAR	1	6	3		7	4	2 (Elections - Local)
F	4	1	6	3	7	5	2	7	4	1	8	5	3
S	5	2	7	4	8	6	3	8	5	2	9	6	4
S	6	3	8	5	9	7	4	9	6	3	10	7	5
M	7 Early Spring Bank Holiday	4 Development Control Cttee	9	6 Development Control Committee	10 CYP&F PPB	8	5 Dev Control Cttee	10 SEMINAR	7 Dev Control Cttee	4 Dev Control Cttee	11	8 Dev Control Cttee	6 Early Spring Bank Holiday
T	8	5 Corporate PPB	10	7	11 Safer PPB	9	6 Corporate PPB	11	8	5	12	9	7
W	9	6	11 COUNCIL	8	12	10 Schools Forum	7	12 COUNCIL	9	6 Standards Committee	13 Regulatory	10	8
T	10	7 SEMINAR	12	9 SEMINAR	13	11	8	13 Executive Board	10 SEMINAR	7 SEMINAR	14 Executive Board	11 Executive Board	9
F	11	8	13	10	14	12 SEMINAR	9	14	11	8	15	12	10
S	12	9	14	11	15	13	10	15	12	9	16	13	11
S	13	10	15	12	16	14	11	16	13	10	17	14	12
M	14 Development Control Cttee	11 CYP&F PPB	16	13	18	15	12 CYP&F PPB	17	14	11	18	15	13 Dev Control (prov)
T	15 Executive Board (Selection Committee)	12 Safer PPB	17	14	18 Health PPB	16	13	18	15	12	19	16	14 Exec Bd Selection Cttee (prov)
W	16	13 Schools Forum	18	15	19 Environment PPB	17 COUNCIL	14 Environment PPB	19	16 H W Board Schools Forum Regulatory Cttee	13	20 Schools Forum	17	15
T	17	14 Executive Board	19 Executive Board	16	20 Executive Board	18 Executive Board	15 Executive Board	20	17 Executive Board	14	21	18	16
F	18 ANNUAL COUNCIL	15	20	17	21	19	16	21	18	15	22	19 GOOD FRIDAY	17 Annual Council (prov)
S	19	16	21	18	22	20	17	22	19	16	23	20	18
S	20	17	22	19	23	21	18	23	20	17	24	21	19



M	21	18	23	20	24 ELS&C PPB	22	19 ELS&C PPB	24	21	18 ELS&C PPB	25	22 EASTER MONDAY	20
T	22	19 Health PPB	24	21	25	23	20 Safer PPB	25 Christmas Day	22	19 Safer PPB	26	23	21
W	23	20	25 Business Efficiency Board	22	26 Business Efficiency Board	24	21 Business Efficiency Board	26 Boxing Day	23	20 Mayoral Committee	27 HW Board/ Business Efficiency Board	24	22
T	24	21	26	23	27	25	22	27	24	21 Executive Board	28	25	23
F	25	22	27	24	28	26	23	28	25	22	29	26	24
S	26	23	28	25	29	27	24	29	26	23	30	27	25
S	27	24	29	26	30	28	25	30	27	24	31	28	26
M	28 Spring Bank Holiday	25 ELS&C PPB	30	27 Summer Bank Holiday		29	26	31	28 CYP&F PPB	25		29	27 Spring Bank Holiday
T	29	26	31	28		30	27 Health PPB		29 Corporate PPB	26 Health PPB		30	28
W	30	27 Environment PPB		29		31	28 Regulatory Cttee		30	27 Environment PPB			29
T	31	28		30			29		31	28			30

<b>REPORT TO:</b>	Executive Board
<b>DATE:</b>	22 February 2018
<b>REPORTING OFFICERS:</b>	Strategic Director - Enterprise, Community & Resources
<b>PORTFOLIOS:</b>	Resources
<b>SUBJECT:</b>	Discretionary Non-Domestic Rate Relief - Renewals
<b>WARD(S):</b>	Borough-wide

## **1.0 PURPOSE OF REPORT**

- 1.1 The Localism Act 2011 amended the provisions of the Local Government Finance Act 1988, such that councils may grant discretionary business rates relief to any business ratepayer in any circumstance.
- 1.2 The purpose of this report is to consider the renewal of discretionary business rate relief for existing registered charities, not-for-profit organisations and Community Amateur Sports Clubs (CASC) who continue to satisfy the appropriate criteria.

## **2.0 RECOMMENDED: That**

- 1) Discretionary business rate relief of 15% be granted for those registered charities and CASC organisations currently in receipt of such relief, for the period of three years commencing 1 April 2019; and**
- 2) Discretionary business rate relief of 90% be granted for the not-for-profit organisations currently in receipt of such relief (with lower amounts for two as indicated in the Appendix), for the period of three years commencing 1 April 2019.**

## **3.0 REGISTERED CHARITIES AND CASCs**

- 3.1 The Council has previously granted discretionary business rate relief to a number of organisations which are Registered Charities or Community Amateur Sports Clubs (CASC). The Council currently grants discretionary business rate relief for these organisations for a period of three years.
- 3.2 The organisations automatically receive mandatory 80% business rates relief and the Council funds the full cost of such relief as part of the 100% business rates retention pilot scheme.

## **4.0 NOT-FOR-PROFIT ORGANISATIONS**

- 4.1 Not-for-profit organisations are not entitled to mandatory rate relief and therefore the full cost of any discretionary relief granted is funded by the Council.

## **5.0 LEVEL AND PERIOD OF BUSINESS RATES RELIEF AWARDED**

- 5.1 Given the current financial challenges and constraints facing the Council, discretionary business rate relief of only 15% is currently awarded for Registered Charities and CASC organisations. The organisations themselves then have to meet the remaining 5% of their business rates liability.
- 5.2 For not-for-profit organisations the Council has in the main granted 90% discretionary rate relief, except in the case of two organisations who received less than 90% for specific reasons. The organisations themselves then have to meet the remaining 10% of their business rates liability.
- 5.3 The Council currently grants discretionary business rate relief to organisations for a three year period. It is recommended that this practice continues, in order to provide the organisations with some certainty so as to assist with their financial planning.
- 5.4 Regulations require that these organisations are given twelve months' notice of any changes to discretionary rate relief. The current period of relief ends on 31st March 2019, therefore, if the Council wishes to make any changes the organisations must be notified by 31st March 2018.

## **6.0 FINANCIAL IMPLICATIONS**

- 6.1 The registered charities, not-for-profit organisations and community amateur sports clubs (CASC) currently in receipt of discretionary rate relief, are listed in the Appendix along with the cost of such relief.
- 6.2 The Council funds 100% of any mandatory and discretionary business rates relief awarded.

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

- 7.1 The organisations for whom discretionary rate relief is granted may engage with one or more of the Council's priorities.

## **8.0 RISK ANALYSIS**

- 8.1 None.

## **9.0 EQUALITY AND DIVERSITY ISSUES**

- 9.1 None.

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

<b>10.1 Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Application forms and supporting evidence	Kingsway House, Caldwell Road, Widnes	Louise Bate Business Rates Manager



## APPENDIX

### Registered Charities and Community Amateur Sports Clubs

These organisations automatically receive 80% mandatory rate relief. The table below presents the cost to the Council in each case of both the 80% mandatory rate relief and the 15% discretionary rate relief.

Liable Party	Annual Rates Liability £	Cost to the Council of 80% Mandatory Relief £	Cost to the Council of 15% Discretionary Relief £
10th Hough Green Scout & Guide Group	2,969.80	2,375.84	445.47
1st Halton Scout Group	1,197.50	958.00	179.63
1st Moore Scouts	658.63	526.90	98.79
1st Weston & 0 Weston Point Scouts	1,748.35	1,398.68	262.25
4th Runcorn Scout Group	1,293.30	1,034.64	194.00
5th Widnes (Highfield) Scout Group	538.88	431.10	80.83
Age Concern (Mid Mersey)	7,774.92	6,219.94	1,166.24
Age Concern (Mid Mersey)	754.43	603.54	113.16
Age Concern (Mid Mersey)	718.50	574.80	107.78
Catalyst Science Discovery Centre & Museum Trust Ltd	82,879.94	66,303.95	12,431.99
Cheshire Asbestos Victim Support Group	2,078.82	1,663.06	311.82
Chester Diocesan Board Of Finance	63,020.37	50,416.30	9,453.06
Focus Institute Of Gymnastics	12,334.25	9,867.40	1,850.14
Four Estates Ltd – Hillcrest	5,149.25	4,119.40	772.39
Four Estates Ltd – Brook Centre	1,676.50	1,341.20	251.48
Four Estates Ltd – Palacefields Community Centre	7,065.25	5,652.20	1,059.79
Hale Village Hall Management Committee	2,299.20	1,839.36	344.88
Hale Youth Club	766.40	613.12	144.96
Halebank Youth Club	1,221.45	977.16	183.22

<b>Liabile Party</b>	<b>Annual Rates Liability</b>	<b>Cost to the Council of 80% Mandatory Relief</b>	<b>Cost to the Council of 15% Discretionary Relief</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Mind Halton – Day Centre	898.13	718.50	134.72
Halton Autistic Family Support Group Ltd	7,636.94	6,109.55	1,145.54
Halton Autistic Family Support Group Ltd	4,745.89	3,796.71	711.88
Halton Community Transport	7,610.94	6,088.75	1,141.64
Halton Community Partnership Trust Ltd	15,744.76	12,595.81	2,361.67
Halton Disability Partnership	2,251.30	1,801.04	337.70
Halton District Citizen Advice Bureaux Service	6,586.25	5,269.00	987.94
Halton District Citizen Advice Bureaux Service	6,978.53	5,582.82	1,046.78
Halton District Citizen Advice Bureaux Service	1,240.12	992.10	1,860.18
Halton Farnworth Hornets ARLFC - meeting room	1,317.25	1,053.80	197.59
Halton Farnworth Hornets ARLFC - playing field	6,107.25	4,885.80	916.09
Halton Farnworth Hornets ARLFC – old changing rooms	1,892.05	1,513.64	283.81
Halton Haven Hospice – High Street, Runcorn	4,168.04	3,334.72	625.21
Halton Haven Hospice – Barnfield Avenue	26,001.78	20,801.42	3,900.27
Halton Haven Hospice – Unit 12A Expressway	2,682.40	2,145.92	402.36
Halton Haven Hospice – Unit 21 Expressway	4,694.20	3,755.36	704.13
Halton Haven Hospice – Widnes Road	12,440.48	9,952.38	1,866.07
Halton Play Council Ltd	10,916.99	8,733.59	1,637.55
Halton & St Helens Voluntary & Community Action	14,604.73	11,683.78	2,190.71
Halton Speak Out – Halton Lea	6,554.34	5,243.47	983.15
Age UK – Church St, Runcorn	5,764.45	4,611.56	864.67
Age UK – Albert Square, Widnes	8,001.64	6,401.31	1,200.25
Liverpool Housing Trust Ltd	1,185.53	948.42	177.83
Loose	5,508.50	4,406.80	826.28
Lords Taverners Woodside Youth Centre	1,724.40	1,379.52	258.66
Norton Priory Museum Trust Ltd – Norton Priory Museum	18,162.48	14,529.98	2,724.37
Norton Priory Museum Trust Ltd – Walled Garden	4,742.10	3,793.68	711.32
Our Lady's Pre-School	992.12	793.70	148.82

<b>Liabile Party</b>	<b>Annual Rates Liability</b>	<b>Cost to the Council of 80% Mandatory Relief</b>	<b>Cost to the Council of 15% Discretionary Relief</b>
	<b>£</b>	<b>£</b>	<b>£</b>
RSPCA (Warrington, Halton & St Helens Branch)	1,460.95	1,168.76	219.14
Runcorn Frodsham & District MENCAP Society	1,556.75	1,245.40	233.51
Runcorn West District Guide Association	790.35	632.28	118.55
Sandymoor Community Association	4,454.70	3,563.76	668.21
Shetland Rescue	2,951.92	2,361.54	442.79
Stick N Step	2,534.74	2,027.79	380.21
St Edwards Playgroup (Busy Bees Pre School)	2,161.95	1,729.56	324.29
St John Ambulance	3,687.59	2,950.07	553.14
St Lukes Scouts & Guides	4,167.30	3,334.84	625.10
Trustees Of Mrs T H Browns Trust	3,113.50	2,490.80	467.03
Trustees Of Preston Brook Village Hall	3,305.10	2,644.08	495.77
Vicarage Lodge Pre-School Community Play Group	3,644.48	2,915.58	546.67
West Runcorn Youth Club	2,490.80	1,992.64	373.62
Widnes & Runcorn Cancer Support Group	3,203.78	2,563.02	480.57
Widnes Fellowship Centre	2,442.90	1,954.32	366.44
Widnes RUFC	14,130.50	11,304.40	2,119.58
Widnes Unit 365 Of The Sea Cadet Corps	3,640.40	2,912.32	546.06
Widnes Tennis Club	57,001.00	45,600.80	8,550.15
<b>TOTAL</b>	<b>504,038.04</b>	<b>403,231.68</b>	<b>77,309.90</b>

### Not-For-Profit Organisations

These organisations are not registered charities and therefore do not receive 80% mandatory rate relief. The Council currently provides 90% discretionary rate relief in all but two cases (which are indicated below).

<b>Liabe Party</b>	<b>Annual Rates Liability £</b>	<b>Cost to the Council of Discretionary Relief £</b>
Astmoor Community Project Ltd	15,412.07	13,870.86
Birchfield Park Sports & Social	5,126.00	4,613.40
Bridgewater Motor Boat Club	2,376.60	2,138.94
Gentlemen Of Moore RUFC	4,287.20	3,858.48
Halebank Football Club	377.46	339.71
Halton Access To Media	2,516.40	2,264.76
Halton Credit Union Ltd – Halton Lea	15,662.00	14,095.80
Halton Credit Union Ltd – Queens Avenue, Widnes	2,384.47	2,146.02
Moorfield Sports & Social Club	5,082.00	4,573.80
Kingsway Bike Project	487.26	438.53
Pavilions Arena Ltd	4,776.50	4,298.85
Runcorn Rowing Club	433.38	390.04
Runcorn Sports Club	3,355.20	3,019.68
Runcorn Subscription Bowling Club	733.95	660.56
Runcorn War Memorial Club Ltd <sup>(1)</sup>	5,359.00	535.90
West Bank Boat Club	943.65	849.29
Weston Rifle & Pistol Club <sup>(2)</sup>	1,234.90	926.18
Widnes Cricket Club	6,990.00	6,291.00
<b>TOTAL</b>	<b>77,538.04</b>	<b>65,311.80</b>

(1) Currently receives 10% relief.

(2) Currently receives 75% relief.



<b>REPORT TO:</b>	Executive Board
<b>DATE:</b>	22 February 2018
<b>REPORTING OFFICER:</b>	Strategic Director, Enterprise, Community and Resources
<b>PORTFOLIO:</b>	Resources
<b>SUBJECT:</b>	Sci-Tech Daresbury Implementation Programme – Phase 2
<b>WARDS:</b>	Daresbury

## **1.0 PURPOSE OF THE REPORT**

### **1.1 The purpose of this report is to:**

- provide an update on the next phase of developments and the proposed funding arrangements at Sci-Tech Daresbury;
- seek authority to submit a full business case to the Liverpool City Region Combined Authority for the Skillspace Project and associated enabling works.
- Outline the funding options being developed to facilitate the delivery of Project Violet in its entirety.

## **2.0 RECOMMENDATION: That**

- 1) the proposals outlined in the Sci-Tech Daresbury Implementation Programme which comprises Project Violet and Skillspace be approved;**
- 2) the Council enters into the necessary legal and funding agreements to deliver ‘Skillspace’ and associated enabling works; and**
- 3) Authority be given to the Operational Director for Finance and Operational Director, Legal and Democratic Services in consultation with the Portfolio Holder for Resources, to conclude the legal and funding arrangements.**

## **3.0 SUPPORTING INFORMATION**

### **3.1 Sci-Tech Daresbury Enterprise Zone**

Sci-Tech Daresbury Enterprise Zone (EZ) was established in 2011 and is managed by the Sci-Tech Daresbury Joint Venture (JV), a 50:50

private:public partnership between Langtree, the Science and Technology Facilities Council(STFC) and Halton Borough Council.

In November 2013, the Council's Executive Board received a report on the delivery of the first phase of the Enterprise Zone masterplan. This included approval to borrow £7.4m to bring forward 'Techspace One'. The delivery of 48,000 square foot office space at Techspace One and Two, a power upgrade, site connectivity and environmental improvement works were successfully completed in 2016/17. Techspace 1 is currently 14% occupied and Techspace 2 is 100% occupied. This demonstrates that there is a strong demand for this type of high quality laboratory and office space at Sci-Tech.

### **3.2 Masterplan and Implementation Programme**

The Implementation Programme (attached) outlines how the Joint Venture expects to deliver the masterplan vision, which is to provide a dynamic campus setting that integrates world-class science and technology, innovation and business enterprise. The document outlines the key steps to delivery and provides an overview of the financial strategy for the future development of the Campus.

The next development phases that have been agreed by the JV Board are:

- 1) Enabling Works – the creation of a level, elevated development plot at the campus entrance, road access, widening of Keckwick Lane and utilities connections (£2.2m)
- 2) Project Violet – c50,000 square foot high quality offices, 3 buildings at the entrance to the campus (£7.6m)
- 3) Skillspace –a dedicated skills delivery space housed within one of the 3 Project Violet buildings, available for a range of partners including University of Liverpool and STFC alongside other Further Education and private training providers. A Skills Capital bid has been submitted to the Combined Authority to fund this building. (£1.1m)

### **3.3 Request for Tax Increment Finance Borrowing Mechanism**

The Funding Strategy described above outlines the funding options available to the JV in order to facilitate the future development of the campus. The strategy reflects the designation of Sci-Tech Daresbury as an Enterprise Zone, and focuses on the potential for business rates growth to support investment through borrowing under a mechanism known as tax increment finance (TIF).

In summary, the TIF mechanism is predicated upon national criteria applied to Enterprise Zones whereby 100% of any uplift in business rates income is retained locally over the baseline level (set at 2011 levels) for hereditaments within the designated Enterprise Zone. Under

a TIF mechanism, the projected growth in business rates can be used to fund upfront costs associated with addressing barriers to development and enabling economic growth.

The proposed mechanism would involve Halton Borough Council committing to further prudential borrowing to provide the funding required to enable the JV to deliver the next phases of development. Repayment of the borrowing would be recovered through the increased business rates accrued as well as from future rental.

The current level of funds in the business rates retention pot is £761k and based on current occupancy this increases by £235k per annum. The forecast for future business rates if the existing built premises are fully occupied is £403k per annum.

AMION Consulting was appointed by the JV to offer independent advice, modelling the potential for business rates for the Enterprise Zone. A summary note from AMION is included as an appendix to this report.

The table below illustrates the level of TIF borrowing that could potentially be affordable, having regard to the anticipated profile of business rates revenue under each scenario. It presents the results of the assessment over the period to 2037, at which point Enterprise Zone status will end, as well as a more prudent assessment over the period to 2032. Based on this analysis, existing premises could support an initial TIF investment of between £4.9 million and £8.0 million over the life of the Enterprise Zone. This could increase to £10.3 million, allowing for the inclusion of business rates associated with new accommodation delivered through Project Violet.

#### **Year 1 borrowing potential (£million)**

	<b>Scenario 1: Existing assets</b>	<b>Scenario 2: Next phase development</b>
<b>Payback period up to 2032 (5 years to end of EZ period)</b>	£3.8 - £6.2	£7.8
<b>Payback period up to 2037 (to end of EZ period)</b>	£4.9 - £8.0	£10.3

### **3.4 Single Investment Fund (SIF) Skills Capital**

Skills are at the centre of the roadmap to success and the JV's ambitions of delivering an additional 10,000 high-value jobs over the next 20 years. It is recognised that creating a high-value economy is dependent on developing a well-qualified and highly skilled workforce.

In recognising this, Halton Borough Council submitted an Outline Business Case to the Liverpool City Region Single Investment Fund

(SIF) (Skills Capital) for £3m grant funding to support a £4.12m project delivering a 14,000sqft facility as part of 'Project Violet'.

At Sci-Tech Daresbury there is currently a low proportion of employees on campus (both in STFC and SMEs) who are Halton residents, however a higher proportion of new apprentices are Halton students. The Skillspace project will reinforce and build on this to ensure better opportunities for Halton residents to be inspired by science and technology at Daresbury and to gain the necessary skills to enter a career, or start a business at Sci-Tech Daresbury.

The Combined Authority has invited Halton to submit a Full Business Case and a key part of this is evidencing the match funding for the project, £1.12m which would be funded using the Enterprise Zone borrowing mechanism described in section 3.2.

The aim of the Skillspace project is to support public infrastructure and skills. It is not considered to be a commercial development but will be required to be sustainable. As a result it is proposed match funding would be provided by the Council by way of a grant of approximately £1.12m to the JV to support the LCR SIF grant. The grant will be repaid through the retained business rates generated within the Enterprise Zone and which are collected and held by the Council. The Council will recover the finance costs associated with providing the grant until it has been fully re-paid.

### **3.5 Request for development loan (Project Violet)**

There are significant economies and commercial advantages gained by tendering for and constructing, at the same time, all three buildings in Project Violet.

While the commercial lending market has improved significantly following emergence from the recession, the availability of funding remains subject to relatively strict lending criteria. Funding for speculative development has been largely limited to the logistics market and is not available for office development. The JV does not currently have the capacity to commit sufficient equity to enable the development of new premises to proceed with commercial funding, even allowing for a fully pre-let scheme.

Therefore, in conjunction with the SIF bid and match funding request, the JV will be approaching Halton Borough Council with a request for a commercial development loan (to the value of approximately £7.6m) to enable the full project to be delivered. The loan would be repaid to the Council through future retained business rates and rental income from the new buildings.

Further financial modelling work will be required to confirm the viability of this proposal and a future report will be presented to the Board in due course.

However, a loan would only be provided by the Council following full due diligence, including the affordability of the scheme, ensuring it does not exceed State Aid limits, interest on a loan being at commercial rates and any loan being fully secured against the assets of the JV. The Council will also ensure a sufficient provision is held from the retention of business rates within the Enterprise Zone.

### 3.6 Summary of borrowing

#### Existing Borrowing: £9.4m

Sci-Tech Daresbury JV Phase 1	£7.4m	Prudential borrowing secured against Techspace 1, paid by JV from rental income
Langtree refinance from former parent company – offering autonomy over investment decisions.	£2m	Paid for by Langtree from income across while business (not just Daresbury)

#### Borrowing Request: £10.3m

JV - Phase 2 Enabling Works	£1.8m	Prudential borrowing secured against future business rates (EZ mechanism)
Skillspace match funding as part of the SIF Full Business Case application (£3m SIF grant)	£1.2m	Prudential borrowing secured against future business rates (EZ mechanism)
Project Violet (2 buildings in the development)	£7.6m	Loan to JV at a commercial rate to be paid from JV rental income

3.7 If the Board are in agreement with the proposals in this report, the following actions will be taken:

- 1) The submission of the full business case for the Skillspace Project and associated enabling works would be made to the Combined Authority. If successful, this would result in attracting a £3M grant from the Liverpool City Region Combined Authority.
- 2) Further modelling work will take place to demonstrate the viability of bringing forward the Project Violet Scheme in its entirety.
- 3) The results of the financial modelling will be brought back to Executive Board as this will further inform future strategy and approach at Sci-tech.

#### **4.0 POLICY IMPLICATIONS**

- 4.1 Sci-Tech Daresbury is within the allocated Daresbury strategic site which is included in the Council's Corporate Plan, the Halton Partnership and Halton Borough Council Urban Renewal Strategy and Action Plan, and supports the Council's Urban Renewal corporate priority.
- 4.2 In the Mersey Gateway Regeneration Plan Sci-Tech Daresbury sits in the wider development and investment opportunities and this outlines the continued focus on this area for growth and investment.
- 4.3 Grant funding and use of the Enterprise Zone TIF borrowing mechanism is essential to facilitate the delivery of Sci-Tech Daresbury.

#### **5.0 FINANCIAL IMPLICATIONS**

- 5.1 The Joint Venture is currently committed to repaying the existing borrowing – secured against Techspace One. Based on the positive progress with occupancy rates across the campus, this is still considered affordable for the JV.
- 5.2 Reflecting its status as a designated Enterprise Zone, it is envisaged that a TIF mechanism, based on Public Works Loan Board (PWLB) borrowing against future business rates growth, will play a critical role in addressing barriers to the delivery of the masterplan.
- 5.3 In undertaking the necessary due diligence on the borrowing capabilities of the EZ that the following assumptions have been made:
  - the current business rate income levels are used to calculate the affordable level of grant and loan;
  - any future borrowing is agreed on a case by case basis (based on business rate levels and PWLB rates at that time);
  - any fund already in reserve will be used as a provision against any future drops in occupancy or problems repaying the Techspace loan.
- 5.4 This ensures that the Council is able to recover in full all funds for Capital repayment and interests costs from the EZ reserve and has the provision to cover against any future drops in income.
- 5.5 While remaining the lender of last resort, it is anticipated that the Council will continue to play an important role in enabling the delivery of the vision for Sci-Tech over the short to medium term.

- 5.6 The Joint Venture will continue to explore opportunities to utilise its assets and operating revenues to address barriers to the delivery of the masterplan.

## **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **6.1 Children and Young People in Halton**

As an integral part of the next phase, Skillspace provides the opportunity to enhance the STFC public engagement programme and engagement with local schools.

### **6.2 Employment, Learning and Skills in Halton**

The Skillspace project aims to address the skills gap and provide opportunities for local residents.

### **6.3 A Healthy Halton**

There are no implications associated with this report.

### **6.4 A Safer Halton**

There are no implications associated with this report.

### **6.5 Halton's Urban Renewal**

The Enterprise Zone aims to deliver 25% of the employment land for the borough. The development will create much needed grow on space for SMES and will act as a catalyst for wider investment in the Enterprise Zone.

## **7.0 RISK ANALYSIS**

- 7.1 There is a risk that the project cannot be delivered within the timescales prescribed by SIF funding but this will be mitigated by project management by development partner Langtree. A business critical issue is the requirement to follow an OJEU procurement process.
- 7.2 There are a number of risks to the campus associated with not delivering the full phase as one package – i.e. the enabling works and all three buildings. These include not only increased procurement costs, increased building costs and the risks associated with letting 3 separate contracts potentially to different contractors. If the buildings are delivered in a piecemeal fashion there would be significant time delays and possible quality differences in build at the entrance to the campus.

- 7.3 In developing the Skillspace project the Joint Venture has taken account of the risks to the long term growth of the campus and the achievement of the 10,000 jobs target if some sort of skills intervention does not happen. The Skillspace concept has been developed to reduce the risks of an ongoing skills gap and skills related barriers to growth.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

There are no issues associated with this report.

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

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Implementation Programme	Municipal Building	Helen Roberts
Funding Strategy	Municipal Building	Helen Roberts



**REPORT TO:** Executive Board

**DATE:** 22 February 2018

**REPORTING OFFICER:** Strategic Director, People

**SUBJECT:** Fees and Charges 2018/19 – Traveller Sites

**PORTFOLIO:** Resources

**WARD(S):** Borough-wide

## **1.0 PURPOSE OF REPORT**

1.1 To recommend to Council the fees and charges for the Traveller Sites covering 2018/19.

**2.0 RECOMMENDATION: That the 2018/19 proposed fees and charges for the traveller sites as set out in Appendix A, be approved.**

## **3.0 2018/19 Fees and Charges Traveller Sites**

3.1 A report will be presented to Executive Board in March 2018 seeking approval of the full schedule of proposed fees and charges for 2018/19.

3.2 In accordance with the Mobile Homes Act 2013 the Council is required to give 28 days' notice of a change in rent. In order for this to apply from 01 April 2018, attached at Appendix A are the 2018/19 proposed pitch and water fee charges for the three traveller sites within the borough.

3.2 For consistency, all fees which are subject to VAT are shown as exclusive of VAT.

3.3 As part of the in-year budget monitoring process, actual income from fees and charges will be regularly reviewed against budgeted income.

## **4.0 POLICY IMPLICATIONS**

4.1 The effects of the proposed changes have been incorporated into budgets for 2018/19. As per the Medium Term Financial Strategy budgeted income for 2018/19 has been increased by 2.5%, except where additional increases have been proposed as saving items, statutory fee increases apply or the Council aim to recover the full cost of providing the service..

## **5.0 FINANCIAL IMPLICATIONS**

5.1 The financial implications are as presented in the report and appendix.

## **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **6.1 Children and Young People in Halton**

There are no implications for this priority.

### **6.2 Employment, Learning and Skills in Halton**

There are no implications for this priority.

### **6.3 A Healthy Halton**

There are no implications for this priority.

### **6.4 A Safer Halton**

There are no implications for this priority.

### **6.5 Halton's Urban Renewal**

There are no implications for this priority.

## **7.0 RISK ANALYSIS**

7.1 The Council's budget assumes an increase in fees and charges income in line with those proposed in the Medium Term Financial Strategy. If increases are not approved it may lead to a shortfall in budgeted income targets.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

8.1 There are no Equality and Diversity implications arising as a result of the proposed action.

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

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

## APPENDIX A

## TRAVELLER SITES 2018/19 FEES AND CHARGES

	2017/18	2018/19
Pitch Charges (weekly) Riverview Gypsy Site 21 pitches @	57.95	59.40
Pitch Charges (weekly) Riverview Gypsy Site 1 pitch @	67.65	69.35
Water & Sewerage (weekly) - Riverview Gypsy Site	13.12	19.09
Combined Pitch and Water/Sewerage Charge – Canalside Traveller Site	78.00	79.95
Pitch Charges (daily) - Transit Site	12.95	13.25