

REPORT TO: Executive Board
DATE: 17 February 2022
REPORTING OFFICER: Operational Director – Finance
SUBJECT: Budget 2022/23
PORTFOLIO: Resources
WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To recommend to Council the revenue budget, capital programme and council tax for 2022/23.

2.0 RECOMMENDATION: That;

- (i) Council be recommended to adopt the resolution set out in Appendix A, which includes setting the budget at £113.891m, the Council Tax requirement of £57.174m (before Parish, Police, Fire and LCR Combined Authority precepts) and the Band D Council Tax for Halton of £1,595.67;**
- (ii) Council be recommended to approve the revenue budget proposals for 2022/23 set out in Appendix B and capital programme set out in Appendix F;**

3.0 SUPPORTING INFORMATION

Medium Term Financial Strategy

3.1 The Executive Board approved the Medium Term Financial Strategy (MTFS) at its meeting on 18 November 2021. In summary, funding gaps of around £12.0m in 2022/23, £4.2m in 2023/24 and £2.6m in 2024/25 were identified. The Strategy had the following objectives:

- Deliver a balanced and sustainable budget
- Prioritise spending towards the Council's priority areas
- Avoid excessive Council Tax rises
- Achieve significant cashable efficiency gains
- Protect essential front line services and vulnerable members of the community
- 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 2021/22 Budget

- 3.4 The Executive Board receives regular reports summarising spending in the current year against the budget. The latest report indicates that spending is forecast to be over budget in the current year by approximately £3.0m against a net budget of £111.5m. The most significant budget pressure for the Council continues to be Children's Social Care costs, and in particular residential care costs, where the Council are experiencing both growth in the number of residential placements and in terms of cost per placement. Overall costs are being controlled where possible and income being maximised as well as making use of all available grant funding.
- 3.5 The financial impact of Covid is still a very real presence. The position has been reviewed as at 31 December 2021 and it is currently estimated that Covid spend and loss of income for the financial year will be £1.467m higher than available grant for the year. In setting the Council's 2022/23 budget, and in the absence of any available information, there is an expectation that Government will not provide any further Covid grant or income compensation beyond the current year. It is likely there may continue to be Covid costs and income pressures across Council services post 31 March 2022. This will be something that will continue to be monitored in detail.
- 3.6 The Council are continuing to take measures to mitigate the impact of these pressures and bring net spending back in line with budget as far as possible. A review of earmarked reserves is also being undertaken to identify options which might assist with funding the overspend. The general reserve balance is currently £6.4m, equivalent to approximately 5.7% of the net budget for 2021/22, which is considered a prudent level. Any overspend would reduce the level of the general reserve, however the actions being taken should help to mitigate the impact.

2022/23 Revenue Budget

- 3.7 The proposed revenue budget totals £113.891m. 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.

- 3.8 A total of £1.783m of savings were approved by Council on 8 December 2021. Included at Appendix B are further proposed budget savings for 2022/23 of £0.564m.
- 3.9 The proposed budget incorporates the grant figures announced in the Local Government Finance Settlement. It includes £0.851m for the New Homes Bonus grant. This is inclusive of additional grant of £0.181m for 2022/23, which will be paid for one year only rather than a four year legacy payment which had been the case prior to the 2020/21 financial year. Government are expected to announce a replacement for the New Homes Bonus Scheme in 2022/23 following the release of a consultation last year.
- 3.10 The budget includes Better Care Funding (BCF) of £6.982m, an increase of 3% from the 2021/22 allocation.
- 3.11 Additional funding for Adult and Children's Social Care was announced as part of the provisional settlement. It was announced that the £5.213m 2021/22 Social Care Grant will also be received in 2022/23, along with an additional allocation of £1.829m. This funding will be included in the Council budget to help to fund existing pressures within Social Care services. An additional £0.4m grant will be received in 2022/23 as part of the Market Sustainability and Fair Cost of Care Fund. This will be used to fund the additional costs arising from the new burdens placed on Local Authorities by the Government's Health and Social Care Plan.
- 3.12 Government have confirmed the continuation of the 100% Business Rates Retention pilot within the Liverpool City Region for 2022/23. The pilot comes with a no detriment guarantee from Government that no authority will be worse off than had they not been in the pilot.
- 3.13 Pay rates for 2021/22 and 2022/23 have not yet been agreed. A 2% rise on all pay bands has been assumed in the budget for 2022/23.
- 3.14 Inflation of 2% has been applied to contractual (non-controllable) budgets for 2022/23. Additional inflation has been applied to social care contract costs which will increase at above normal inflation rates due to the increase of 6.6% in National Living Wage rates from April 2022, and to energy budgets where costs are increasing at rates well above general inflation.
- 3.15 The risk to the Council's budget continues over the next year due to increasing service demand pressures. To mitigate this risk, budgets have been increased in 2022/23 to help manage the current departmental budget overspends, inclusive of £3.1m across Adults' and Children's Social Care.

- 3.16 It is considered prudent for the budget to include a general contingency of £0.5m. At this stage, it is considered sufficient to cover the potential for price changes and increases in demand led budgets, as well as a general contingency for uncertain and unknown items. An additional £3.7m has been included in the contingency budget for 2022/23 to enable the estimated 2021/22 budget overspend to be funded on a permanent basis.
- 3.17 It is proposed that £7.8m of reserves will be used to fund the 2022/23 budget and will therefore be unavailable for use in future years. This presents a risk to future years' budgets, as permanent savings will need to be made to replace this funding over the medium term. A robust process for identifying such savings will be developed and implemented over the coming year, in order to establish budget plans by 31st March 2023 which will cover the three financial years from 2023/24 to 2025/26.
- 3.18 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 2022/23 revenue budget, capital programme and council tax. Balances and reserves should provide sufficient resilience to meet the financial consequences of any unforeseen events.

Local Government Finance Settlement

- 3.19 The Government announced the provisional Local Government Finance Settlement on 16 December 2021. At the time of writing the report, the final settlement is still to be announced. In addition, the Council are waiting on confirmation of some 2022/23 grant allocations, including the Public Health grant.
- 3.20 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 that 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% national scheme. The pilot will result in additional business rates being retained by the Council, although offset by Revenue Support and Better Care Fund grants no longer being received.
- 3.21 It was anticipated that the Business Rates Retention Scheme would be rolled out on a national basis from April 2021, with the level of retained rates for each Council being set at 75%. In conjunction with this, Government had stated their intention to undertake a review of needs and resources of Local Government, the first review since April 2013,

and also reconsider the business rate “baselines” for each council. These funding reforms have been delayed due to the disruption caused by Covid-19, although it is expected that consultation on an updated funding model will be released in Spring 2022.

- 3.22 For 2022/23, the Council’s total Government Settlement Funding Allocation is £52.924m. This is made up of £46.857m Business Rates Baseline Funding and Top-Up grant of £6.067m. Excluding the rolled in Better Care Funding grant, the increase to the Settlement Funding Assessment from 2021/22 is 0.6%.
- 3.23 The Government’s Spending Power analysis (the total of business rates, council tax and Government grant funding available to each council) calculates that over the period 2011/12 to 2022/23, in cash terms there has been a reduction in funding for Halton of 1.1% compared with inflation of approximately 30% over the same period.
- 3.24 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 £49.463m for 2022/23.
- 3.25 As far as non-domestic premises are concerned, the business rates multiplier rate is fixed centrally by Government and then applied to each premises’ rateable value. For 2022/23 the multiplier rate has been frozen at 51.2p in the pound and 49.9p in the pound for small businesses. This is unchanged from 2021/22. The cost of freezing the multiplier is met by Central Government through additional grant funding to the Council.
- 3.26 In 2016/17 the Council set an Adult Social Care council tax 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 and 2018/19 the Council set Adult Social Care precept levels of 3% in each of the years. For 2020/21, the Adult Social Care council tax precept was set at 2% and increased to 3% in 2021/22.
- 3.27 The Government Spending Review published 27 October 2021 confirmed that a further Adult Social Care council tax precept of 1% can be applied for 2022/23.
- 3.28 As part of the Local Government Finance Settlement, allocation increases were made to several grant funding streams for 2022/23. Halton’s Social Care grant has been increased by £1.829m and the Better Care Fund has been increased by £0.205m, whilst the Lower Tier Services Grant has also seen a small increase of £0.011m to its 2021/22 allocation. There were two new grants announced at the Settlement. The Market Sustainability and Fair Cost of Care Fund,

worth £0.431m for Halton, is due to be distributed from the new National Insurance Health and Social Care Levy and is to be used to fund new burdens related to increasing the rates paid to social care providers and the new cap on the cost of care. The Services Grant is a new un-ringfenced grant for 2022/23, with Halton receiving an allocation of £2.489m. The cost of funding the increase to National Insurance rates is included within this grant, but has not been separately identified by Government. This grant is to be received for one year only. The New Homes Bonus scheme is currently being wound down, leading to a reduction in funding to Halton of £0.852m.

Budget Outlook

3.29 Beyond 2022/23 there is great uncertainty regarding the funding of Local Government, due to the potential impact of a number of changes to the Local Government funding regime and the ongoing impact of Covid-19 on social care services and income streams. There is therefore further continued uncertainty regarding the Council's funding resources in 2023/24.

3.30 The impact of the following developments will have to be assessed when considering the 2023/24 budget and beyond. Further information will be known as we progress through the coming year:

- Fair Funding Review – A review of how cumulative Local Government funding should be apportioned between Councils. The last review was in April 2013 and since then reductions made to Local Government funding have been made on a percentage basis. This has had the impact of protecting those authorities less reliant on Government grant funding, whilst those councils who are more reliant (such as Halton) have had to deal with larger reductions in funding on a per capita basis. It is anticipated that a consultation on a new method of apportioning Local Authority funding will be issued in Spring 2022. It is not yet clear whether changes will be implemented for the 2023/24 financial year or if they will be further delayed into 2024/25.
- New Homes Bonus – The scheme in its current form is being wound down, with legacy payments being removed from 2020/21 onwards. The 2022/23 allocation is for one year only and will include the final legacy payment from 2019/20. A consultation on the future of the New Homes Bonus Scheme was released in Spring 2021, but the findings of this have not yet been reported.
- Business Rate Retention – Government have indicated that they are unlikely to move towards the percentage share of retained rates at a local level being increased to 75%. It is unclear whether pilot authorities, such as Halton, will continue with 100% business rates retention as part of devolution deals, or will return to 49%.
- Business Rates Baseline Reset – It is proposed that there will be a reset of the business rates baseline, which could work against Halton and similar authorities that have seen significant growth in business rates since the current baseline was set in 2013. It is not yet known if

there will be a transition process put in place to protect authorities from excessive losses in funding from an increase to the baseline position. The reset was originally due to take place in 2020 but has been delayed due to Brexit preparations and the Covid-19 pandemic.

- Health and Social Care Plan – The Government announced its Health and Social Care Plan in September 2021 which introduced a new lower cap on care costs, changes to the thresholds at which care costs are paid by users and new duties for councils to pay increased rates to social care providers. The Association of Directors of Adult Social Services have expressed doubts that the additional funding allocated will be insufficient to cover the costs of these new burdens and could lead to further pressures on council budgets. These new measures fall well short of the complete review of the social care system that was promised by the Government meaning that further reform is possible in the future.

3.31 The Medium Term Financial Strategy has been updated to take into account the 2022/23 Local Government Finance Settlement and multi-year allocations and saving measures already agreed or proposed. It includes a number of assumptions for 2023/24 including:

- Settlement Funding Assessment as per 2022/23 plus 2% inflation.
- Pay, prices and income growth of 2%.
- Reversal of 2022/23 one-off savings proposals.

3.32 The resulting funding gap over the subsequent three financial years (2023/24 to 2025/26) is forecast to be in the region of £23.3m.

Halton's Council Tax

3.33 The Government no longer operates council tax capping powers, but instead there is a requirement for councils to hold a local referendum if they propose to increase council tax by more than a percentage threshold prescribed by the Government.

3.34 The Government have confirmed the council tax referendum threshold at 2% for 2022/23.

3.35 On 12 December 2018 the Council's Executive Board agreed council tax premiums for empty properties be applied as follows:

- From 01 April 2019, 100% premium in addition to the full council tax charge for each dwelling unoccupied and unfurnished for more than two years.
- From 01 April 2020, 100% premium in addition to the full council tax charge for each dwelling unoccupied and unfurnished between two and five years, and 200% premium for dwellings unoccupied for more than five years.

- From 01 April 2021, 100% premium in addition to the full council tax charge for each dwelling unoccupied and unfurnished between two and five years, 200% for dwellings unoccupied between five and ten years, and 300% for properties unoccupied for more than ten years.
- 3.36 The number of long-term empty properties in Halton is currently 126. The number of properties empty for between five and ten years, and therefore billed at a 200% premium, is currently 22, and the number of properties empty for over ten years and billed at a 300% premium, is 28.
- 3.37 The tax base (Band D equivalent) for the Borough has been set by Council at 35,831.
- 3.38 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 £1,595.67 (equivalent to £30.69 per week), in order to deliver a balanced budget for 2022/23 as required by statute. This is an increase of 2.99% (£46.33 per annum or £0.89 per week) over the current year.

Parish Precepts

- 3.39 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	47,500	3,776	8.64%	71.54	1,667.21
Daresbury	6,962	262	3.91%	37.43	1,633.10
Moore	6,070	445	7.91%	18.23	1,613.90
Preston Brook	19,427	6,427	49.44%	52.79	1,648.46
Halebank	39,460	375	0.96%	75.02	1,670.69
Sandymoor	41,220	2,647	6.86%	29.09	1,624.76

Average Council Tax

- 3.40 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 £1,600.15, an increase of £46.64 per annum.

Police Precept

- 3.41 The Cheshire Police and Crime Commissioner has set the precept on the Council at £8.436m, which is £235.44 for a Band D property, an increase of £10.00 or 4.44%. The figures for each Band are shown in Recommendation 5 in Appendix A.

Fire Precept

- 3.42 The Cheshire Fire Authority has set the precept on the Council at £2.955m, which is £82.48 for a Band D property, an increase of £1.61 or 1.99%. The figures for each Band are shown in Recommendation 6 in Appendix A.

Liverpool City Region Mayoral Precept

- 3.43 The Liverpool City Region Combined Authority has set the precept on the Council at £0.681m which is £19.00 for a Band D property, an increase of £0.00. The figures for each Band are shown in Recommendation 7 in Appendix A.

Total Council Tax

- 3.44 Combining all these figures will give the Total Council Tax for 2022/23 and these are shown in Recommendation 8 in Appendix A. The total Band D Council Tax (before Parish precepts) is £1,932.59, an increase of £57.94 or 3.09%. The inclusion of parish precepts means the increase in Hale is 3.23%, in Daresbury is 3.03%, in Moore is 3.11%, in Preston Brook is 3.89%, in Halebank is 2.97%, and in Sandymoor is 3.04%.
- 3.45 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 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.
- 3.46 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

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

	2022/23	2023/24	2024/25
	£000	£000	£000
<u>Spending</u>			
Scheme Estimates	30,496	15,222	8,162
Slippage Between Years	-646	3,055	1,412
	29,850	18,277	9,574
<u>Funding</u>			
Borrowing and Leasing	18,397	10,807	2,747
Grants and External Funds	8,867	2,346	2,346
Direct Revenue Finance	0	0	0
Capital Receipts	3,232	2,069	3,069
Slippage Between Years	-646	3,055	1,412
	29,850	18,277	9,574

3.48 The committed Capital Programme is shown in Appendix F.

3.49 As the Capital Programme is fully committed, there are no funds available for new capital schemes unless external funding is available or further savings are identified to cover capital financing costs.

Prudential Code

3.50 The Local Government Act 2003 introduced the Prudential Code, which provides a framework for the self-regulation of capital expenditure. The key objectives of the Code are to ensure that the Council's:

- capital expenditure plans are affordable;
- external borrowing is within prudent and sustainable levels;
- treasury management decisions are taken in accordance with good professional practice; and
- there is accountability through providing a clear and transparent framework.

3.51 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

- 3.52 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 National Funding Formula introduced in 2018/19.
- 3.53 Schools Block pupil numbers in mainstream primary and secondary schools have decreased from 18,285 for 2021/22 to 18,235 for 2022/23. Funding for mainstream primary and secondary schools is based on the pupil cohort on the October 2021 census. The DSG settlement was announced on 20 December 2021 giving a total of £102.18m for the Schools Block for 2022/23. This is an increase of £3.1m on the 2021/22 allocation. The way in which Business Rates are being paid is changing for 2022/23, so the actual amount to be devolved through the funding formula is £101.39m with the balance of £0.788m being passed directly from the Department for Education to the Business Rates billing authority.
- 3.54 The Central Schools Services Block (CSSB) was split from the Schools Block for the first time in 2018/19, following the introduction of the ring-fenced requirement for the Schools Block to be wholly passed to primary and secondary schools, with the exception any agreed transfer to the High Needs Block. There are regulations in place which limit what the CSSB grant can be used for and limit budgets to the same level as previous years. The CSSB includes budgets that are de-delegated from maintained schools. As more schools convert to academy status, so the de-delegated funds are reduced, unless schools are asked to contribute a higher amount
- 3.55 The Early Years Block indicative allocation for 2022/23 is £9.35m. This is a reduction of £0.5m and is due to the numbers of children receiving provision. The hourly rate the Council are funded at for 3 and 4 year old provision, as opposed to the hourly rate we pay providers, is remaining the same at £5.12 per hour. Halton is one of nine local authorities for whom the hourly rate for 3 and 4 year old provision has not be increased as we have transitional protection to prevent the hourly rate reducing significantly. The hourly rate the Council are funded at for 2 year old provision has increased from £5.44 per hour to £5.65 per hour.
- 3.56 The High Needs Block for 2021/22 was £18.33m after recoupment by the Department for Education for commissioned places in special academies and independent special schools. For 2022/23 the High Needs Block is £19.87m, again after recoupment which is an increase of £1.54m.

- 3.57 The Minimum Funding Guarantee has been agreed by Schools Forum at plus 1.29%. This is within the range allowed by the Department of Education of 0.5% to 2.0%.
- 3.58 The Department for Education has also announced Supplementary Schools Funding for 2022/23 which will be rolled into the main National Funding Formula for 2023/24 onwards. This is to provide support for the costs of the Health and Social Care Levy and is payable to public sector employers only. For 2022/23 the estimated total for Halton mainstream schools is £3.1m. The Council will also receive an estimated £0.864m of additional funding for the High Needs Block to fund public sector employers within the High Needs area.
- 3.59 The Pupil Premium Grant rates have increased to £1,385 per Primary pupil and £985 per Secondary pupil who are or have been eligible for Free School Meals in the last six years. Children who have been adopted from care and children who leave care under a special guardianship order or residence order will be funded at £2,410 per pupil. Eligibility for the Service Children Premium will be funded at £320 per pupil. The amount for Looked after Children which comes to the Council for distribution is £2,410 per pupil.

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 will help to mitigate the risks.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 Equality Impact Assessments will be undertaken in relation to the individual savings proposals as required.

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

Document	Place of Inspection	Contact Officer
Local Government Finance Report (England) 2022/23	Financial Management Halton Stadium	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 2022/23.

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 02 March 2022.

**DRAFT RESOLUTION FOR SUBMISSION TO THE COUNCIL
AT ITS MEETING ON 02 March 2022**

RECOMMENDATION: that the Council adopt the following resolution:

1. The policies outlined in this paper be adopted, including the budget and council tax for 2022/23, 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 8 December 2021 the Council agreed the following:
 - (a) The Council Tax Base 2022/23 for the whole Council area is 35,831 (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	664
Daresbury	186
Moore	333
Preston Brook	368
Halebank	526
Sandymoor	1,417

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 2022/23 (excluding Parish precepts) is £57,174,452.
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 2022/23 and agreed as follows:
 - (a) £443,841,572 – 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) £386,506,481– being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £57,335,091 – 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) £1,600.15 – 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) £160,639 – 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	47,500
Daresbury	6,962
Moore	6,070
Preston Brook	19,427
Halebank	39,460
Sandymoor	41,220

- (f) £1,595.67 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	71.54
Daresbury	37.43
Moore	18.23
Preston Brook	52.79
Halebank	75.02
Sandymoor	29.09

being the amounts given by adding to the amounts at 3(e) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 2(b) above, calculated by the

Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings of its area to which one or more special items relate.

(h) Part of the Council's Area

Band	Hale	Daresbury	Moore	Preston Brook	Halebank	Sandymoor	All other Parts of the Council's Area
	£	£	£	£	£	£	£
A	1,111.47	1,088.73	1,075.93	1,098.97	1,113.79	1,083.17	1,063.78
B	1,296.72	1,270.19	1,255.26	1,282.14	1,299.43	1,263.70	1,241.08
C	1,481.96	1,451.64	1,434.58	1,465.30	1,485.06	1,444.23	1,418.37
D	1,667.21	1,633.10	1,613.90	1,648.46	1,670.69	1,624.76	1,595.67
E	2,037.70	1,996.01	1,972.54	2,014.78	2,041.95	1,985.82	1,950.26
F	2,408.19	2,358.92	2,331.19	2,381.11	2,413.22	2,346.88	2,304.86
G	2,778.68	2,721.83	2,689.83	2,747.43	2,784.48	2,707.93	2,659.45
H	3,334.42	3,266.20	3,227.80	3,296.92	3,341.38	3,249.52	3,191.34

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 2022/23 the Cheshire Police and Crime Commissioner has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings shown below:

	£
A	156.96
B	183.12
C	209.28
D	235.44
E	287.76
F	340.08
G	392.40
H	470.88

6. It is further noted that for the year 2022/23 the Fire Authority have stated the following amounts in precepts issued to the Council, in accordance with the Local Government Act 2003 for each of the categories of dwellings shown below:

	£
A	54.99
B	64.15
C	73.32
D	82.48
E	100.81
F	119.14
G	137.47
H	164.96

7. It is further noted that for the year 2021/23 the Liverpool City Region Combined Authority have stated the following amounts in precepts issued to the Council, in accordance with the Local Government Act 2003 for each of the categories of dwellings shown below:

	£
A	12.67
B	14.78
C	16.89
D	19.00
E	23.22
F	27.44
G	31.67
H	38.00

8. That, having calculated the aggregate in each case of the amounts at 4h, 5, 6 and 7 above, the Council, in accordance with Section 30(2) of

the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2022/23 for each of the categories of dwellings shown below:

Band	Hale	Daresbury	Moore	Preston Brook	Halebank	Sandymoor	All other Parts of the Council's Area
	£	£	£	£	£	£	£
A	1,336.09	1,313.35	1,300.55	1,323.59	1,338.41	1,307.79	1,288.40
B	1,558.76	1,532.23	1,517.30	1,544.18	1,561.47	1,525.75	1,503.12
C	1,781.46	1,751.14	1,734.07	1,764.79	1,784.55	1,743.73	1,717.87
D	2,004.13	1,970.02	1,950.82	1,985.38	2,007.61	1,961.68	1,932.59
E	2,449.50	2,407.81	2,384.34	2,426.58	2,453.75	2,397.61	2,362.06
F	2,894.85	2,845.58	2,817.84	2,867.76	2,899.87	2,833.53	2,791.51
G	3,340.22	3,283.37	3,251.37	3,308.97	3,346.02	3,269.47	3,220.99
H	4,008.26	3,940.04	3,901.64	3,970.76	4,015.22	3,923.36	3,865.18

being satisfied that:

- (a) The total amount yielded by its Council Taxes for the said financial year will be sufficient, so far as is practicable, to provide for items mentioned at 4(a) to (c) above; and, to the extent that they are not, to be provided for by any other means.
 - (b) Those amounts which relate to a part only of its area will secure, so far as is practicable, that the precept or portion of a precept relating to such part will be provided for only by the amount yielded by such of its Council Taxes as relate to that part.
9. The Operational Director Finance be authorised at any time during the financial year 2022/23 to borrow on behalf of the Council by way of gross bank overdraft such sums as he shall deem necessary for the purposes of this paragraph, but not such that in any event the said overdraft at any time exceeds £10m on an individual bank account (£0.5m net across all bank accounts) as the Council may temporarily require.

APPENDIX B

	DIVISION / SERVICE	DESCRIPTION OF THE BUDGET PROPOSAL	ANNUAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM / TEMP (P/T)
				2022/23 £'000	2023/24 £'000	
1	Independent Living Services	<p>The cost of certain staff posts involved with the delivery of Disabled Facilities Grants (DFGs) are able to be funded from the overall DFG grant.</p> <p>A review has identified that the total staffing cost currently being charged to the grant is understated, as it has not been increased since 2016/17. It does not therefore reflect the full cost of the staff involved in dealing with DFGs.</p> <p>Increasing the costs charged against the grant will provide a budget saving against the Council's core budget and ensure the cost of staff involved is fully recovered.</p> <p>The total Disabled Facilities Grant funding for 2021/22 is £1.99m which was an increase of £236,000 from the previous year. It is anticipated that a similar grant allocation will be received for 2022/23. Approximately £1m of this grant is allocated to DFG schemes and the rest is used for Adult Social Care capital schemes, as permitted under the terms of the grant.</p> <p>Applications for DFG schemes has remained at a similar level over recent years, despite the increase in available grant funding. In most years the grant allocation is underspent and the balance is carried forward to be spent the following year.</p> <p>It is considered that increasing the charge against the overall grant by £10,000, to reflect the full cost of staff involved with delivering DFGs will not affect the number of DFG schemes delivered each year.</p>	111	10	0	P

	DIVISION / SERVICE	DESCRIPTION OF THE BUDGET PROPOSAL	ANNUAL BUDGET	ESTIMATED BUDGET SAVING		PERM / TEMP (P/T)
			£'000	2022/23 £'000	2023/24 £'000	
2	Revenues & Financial Management Division	<p>Given the anticipated long term impact of Covid-19 upon bus passenger numbers and in particular those passengers entitled to concessionary travel, it is proposed to reduce the concessionary travel budget by 10%.</p> <p>During 2021/22 in order to help support the bus operators through the pandemic, concessionary travel costs have continued to be paid to bus operators on the basis of pre-covid passenger numbers rather than actual numbers.</p> <p>Despite paying operators at pre-covid levels, total expenditure on concessionary travel in 2021/22 is likely to be under budget by over £400,000.</p> <p>Even allowing for 5% growth to operator reimbursement costs for 2022/23, this would still leave a budget underspend of approximately £360,000.</p> <p>If the proposed reduction in budget is approved, it is estimated that there will still remain around £150,000 of headroom within the budget. This would be sufficient to fund in the region of 120,000 (or 10%) extra concessionary passenger journeys above pre-covid levels.</p> <p>The reduction in the concessionary travel budget relates to the funding available in order to reimburse the bus operators. It would not affect the number of passengers entitled to concessionary travel or their ability to make journeys.</p>	2,103	210	0	P

	DIVISION / SERVICE	DESCRIPTION OF THE BUDGET PROPOSAL	ANNUAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM / TEMP (P/T)
				2022/23 £'000	2023/24 £'000	
3	Logistics	<p>A number of the supported bus contracts are due for re-tendering during 2022/23. It is anticipated that the retendering of these contracts will achieve cost savings in the region of £50,000 in total.</p> <p>Retendering of these bus support contracts will not have any impact upon individual bus routes or services provided to passengers.</p> <p>It is therefore considered that a budget saving of £50,000 can be achieved through the retendering process, without any impact upon the delivery of bus services across the Borough.</p>	534	50	0	P
4	Logistics	<p>It is proposed to reduce the Council's contribution to Halton Community Transport by £30,000 (50%).</p>	60	30	0	P

	DIVISION / SERVICE	DESCRIPTION OF THE BUDGET PROPOSAL	ANNUAL BUDGET	ESTIMATED BUDGET SAVING		PERM / TEMP (P/T)																																					
			£'000	2022/23 £'000	2023/24 £'000																																						
5	Leisure Services	<p>It is proposed to close Runcorn Swimming Pool due to the high running costs and low levels of usage, which results in high levels of subsidy cost per user visit.</p> <p>Runcorn Swimming Pool was used to 43% of its capacity in the last independent review (2018) compared to 60% for Kingsway Leisure Centre swimming pool and 100% for Brookvale Recreation Centre swimming pool.</p> <p>The following table presents the running costs, income and net operating costs for Runcorn Swimming Pool over the past four years. The figures are clearly affected by Covid-19 particularly during 2020/21, therefore, the 2018/19 figures reflect a normal year's operations.</p> <table border="1"> <thead> <tr> <th>Runcorn Swimming Pool</th> <th>2018/19</th> <th>2019/20</th> <th>2020/21</th> <th>2021/22 Forecast Outturn</th> </tr> <tr> <td></td> <td>£</td> <td>£</td> <td>£</td> <td>£</td> </tr> </thead> <tbody> <tr> <td>Total Operating Costs</td> <td>467,261</td> <td>323,507</td> <td>257,904</td> <td>356,317</td> </tr> <tr> <td>Total Income</td> <td>133,850</td> <td>80,371</td> <td>1,611</td> <td>28,330</td> </tr> <tr> <td>Net Cost / Subsidy</td> <td>333,411</td> <td>243,136</td> <td>256,293</td> <td>327,987</td> </tr> </tbody> </table> <p>The table below is taken from usage data provided for the purpose of performance benchmarking through the APSE Performance Network. The net cost to the Council for each user visit was £7.14 in 2018/19 and £14.85 in 2019/20.</p> <table border="1"> <thead> <tr> <th>Runcorn Swimming Pool</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>Average Number of Users Per Hour</td> <td>10.35</td> <td>5.31</td> </tr> <tr> <td>Net Cost / Subsidy Per Opening Hour</td> <td>£73.95</td> <td>£78.86</td> </tr> <tr> <td>Net Cost / Subsidy Per User</td> <td>£7.14</td> <td>£14.85</td> </tr> </tbody> </table>	Runcorn Swimming Pool	2018/19	2019/20	2020/21	2021/22 Forecast Outturn		£	£	£	£	Total Operating Costs	467,261	323,507	257,904	356,317	Total Income	133,850	80,371	1,611	28,330	Net Cost / Subsidy	333,411	243,136	256,293	327,987	Runcorn Swimming Pool	2018/19	2019/20	Average Number of Users Per Hour	10.35	5.31	Net Cost / Subsidy Per Opening Hour	£73.95	£78.86	Net Cost / Subsidy Per User	£7.14	£14.85	120	120	0	P
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	<p>By way of comparison the following tables show the net cost to the Council for each swimming user at Brookvale Recreation Centre and Kingsway Leisure Centre.</p> <table border="1"> <thead> <tr> <th>Brookvale Recreation Centre</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>Average Number of Users Per Hour</td> <td>40.11</td> <td>32.67</td> </tr> <tr> <td>Net Cost / Subsidy Per Opening Hour</td> <td>£54.58</td> <td>£62.38</td> </tr> <tr> <td>Net Cost / Subsidy Per User</td> <td>£1.36</td> <td>£1.91</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Kingsway Leisure Centre</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>Average Number of Users Per Hour</td> <td>45.01</td> <td>45.32</td> </tr> <tr> <td>Net Cost / Subsidy Per Opening Hour</td> <td>£77.40</td> <td>£81.95</td> </tr> <tr> <td>Net Cost / Subsidy Per User</td> <td>£1.72</td> <td>£1.81</td> </tr> </tbody> </table> <p>As can be seen from the above tables, swimming usage per hour at both Kingsway Leisure Centre and Brookvale Recreation Centre is considerably higher than at Runcorn Swimming Pool and this reflects upon the net cost / subsidy per user visit.</p>	Brookvale Recreation Centre	2018/19	2019/20	Average Number of Users Per Hour	40.11	32.67	Net Cost / Subsidy Per Opening Hour	£54.58	£62.38	Net Cost / Subsidy Per User	£1.36	£1.91	Kingsway Leisure Centre	2018/19	2019/20	Average Number of Users Per Hour	45.01	45.32	Net Cost / Subsidy Per Opening Hour	£77.40	£81.95	Net Cost / Subsidy Per User	£1.72	£1.81			
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	DIVISION / SERVICE	DESCRIPTION OF THE BUDGET PROPOSAL	ANNUAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM / TEMP (P/T)
				2022/23 £'000	2023/24 £'000	
6	Audit, Procurement & Operational Finance Division	It is proposed to delete a vacant part-time (0.54fte) Income Control Assistant post. Following the introduction of IT based processes and changes to procedures in recent years, it is considered that the Income Control team will be able to manage their workloads without replacing the vacant post.	14	14	0	P
7	Economy Enterprise and Property	It is proposed to charge the Sci-Tech Daresbury Joint Venture Board a management fee, in order to recover the cost of Council staff involved in supporting the Board with the ongoing development of Sci-Tech Daresbury.	N/A	70	0	P
8	Civic Catering	Closure of the Municipal Building and Runcorn Library Building catering facilities, with a vending service to be operated at each location instead.	60	60	0	P
GRAND TOTAL				564	0	p

APPENDIX C**DEPARTMENTAL OPERATIONAL BUDGETS****£000****People Directorate**

Children and Families Service	28,378
Education, Inclusion & Provision	5,988
Adult Social Care including Complex Care Pool	47,491
Public Health & Public Protection	157
	<hr/>
	82,014

Enterprise, Community & Resources Directorate

Finance	7,145
Policy, Planning & Transportation	9,502
ICT & Support Services	8,576
Legal & Democratic Services	1,969
Policy, People, Performance & Efficiency	2,143
Community and Environment	16,006
Economy, Enterprise and Property	4,935
	<hr/>
	50,276

Departmental Operational Budgets**132,290**

Corporate and Democracy

-18,399**Total Operational Budget**

113,891

APPENDIX D

2022/23 BUDGET – REASONS FOR CHANGE

	£000
2021/22 Approved Budget	111,466
Add Back One-Off Savings	419
	<hr/> 111,885
<u>Policy Decisions</u>	
Capital Programme	53
<u>Inflation and Service Demand Pressures</u>	
Pay (including Increments)	3,362
Prices	2,662
Income	-644
Existing Service Demand Pressures	4,059
Removal of 4 Days Unpaid Leave	1,026
<u>Other</u>	
Net Adjustment to Specific Grants	3,917
Contingency Increase	4,200
Social Care Grant	-1,800
2022/23 Services Grant	-2,489
Reserves	-9,993
Base Budget	<hr/> 116,238
Less Savings (as agreed by Council)	-1,783
Less Savings (proposed in Appendix B)	-564
Total 2022/23 Budget	<hr/> 113,891 <hr/>

APPENDIX E

MEDIUM TERM FINANCIAL FORECAST

	2023/24	2024/25	2025/26
	£000	£000	£000
Spending			
Previous Year's Budget	113,891	116,114	119,636
Add back one-off savings	1,201	0	0
<u>Inflation</u>			
Pay	1,444	1,473	1,502
Prices	1,722	1,757	1,792
Income	-636	-652	-666
<u>Other</u>			
Service Demand Pressures	2,461	1,716	0
Contingency	1,000	2,000	2,000
Reduction to New Homes Bonus Grant	851	0	0
Reverse Use of Reserves	3,396	2,200	5,000
Reverse One-Off Grant Funding	2,489	0	0
Budget Forecast	127,816	124,608	129,266
Resources			
Baseline Business Rates Funding and Top-Up Grant	56,641	57,773	58,928
Council Tax	59,473	61,863	63,713
	116,114	119,636	122,641
Funding Gap	-11,702	-4,972	-6,624

APPENDIX F

COMMITTED CAPITAL PROGRAMME 2022/25

SCHEME	2022/23 £000	2023/24 £000	2024/25 £000
Schools Capital Projects	2,694	-	-
ALD Bungalows	199	-	-
Disabled Facilities Grant	600	600	600
Stairlifts	270	270	270
Adapted Properties	270	270	270
Purchase of Adapted Properties	358	-	-
Care Home Refurbishment	1,550	-	-
People Directorate	5,941	1,140	1,140
Stadium Minor Works	30	30	30
Halton Leisure Centre	8,600	10,000	3,000
Children's Playground Equipment	65	65	65
Landfill Tax Credit Schemes	340	340	340
Crow Wood Park Play Area	5	-	-
Open Spaces Schemes	600	600	600
Runcorn Town Park	300	300	300
Litter Bins	20	20	20
IT Rolling Programme	700	700	700
3MG	126	-	-
Murdishaw Redevelopment	32	-	-
Equality Act Improvement Works	417	300	300
Property Improvements	200	200	200
Runcorn Town Centre Development	750	-	-
Street Lighting - Structural Maintenance	860	200	200
Street Lighting – Upgrades	2,545	-	-
Sustainable Urban Development	232	-	-
East Runcorn Connectivity – Pre-Development	1,484	-	-
Risk Management	474	120	120
Fleet Replacements	5,407	1,207	1,147
Silver Jubilee Bridge Lighting	468	-	-
Early Land Acquisition Mersey Gateway	900	-	-
Economy, Community & Resources Directorate	24,555	14,082	7,022
Total Capital Programme	30,496	15,222	8,162
Slippage between years	-646	3,055	1,412
GRAND TOTAL	29,850	18,277	9,574