

REPORT TO: Executive Board
DATE: 16 February 2023
REPORTING OFFICER: Operational Director – Finance
PORTFOLIO: Leader
SUBJECT: Budget 2023/24
WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To recommend to Council the revenue budget, capital programme and council tax for 2023/24.

2.0 RECOMMENDATION: That Council be recommended;

- (i) To adopt the resolution set out in Appendix A, which includes setting the budget at £140.880m, the Council Tax requirement of £60.714m (before Parish, Police, Fire and LCR Combined Authority precepts) and the Band D Council Tax for Halton of £1,675.29;**
- (ii) To approve the capital programme set out in Appendix E;**
- (iii) To approve the introduction of a Council Tax Premium of 100% to properties where there is no resident and which are substantially furnished (typically referred to as second homes) from 01 April 2024, subject to legislation being enacted;**
- (iv) To approve the Use of Capital Receipts Strategy as set out in Appendix F.**

3.0 SUPPORTING INFORMATION

Medium Term Financial Strategy

3.1 The Board approved the Medium Term Financial Strategy (MTFS) at its meeting on 17 November 2022. In summary, funding gaps of around £21.1m in 2023/24, £1.9m in 2024/25 and £2.0m in 2025/26 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 2022/23 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 £7.1m against a net budget of £111.7m. 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 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 to help balance the overspend position. The general reserve balance is currently £5.1m, equivalent to approximately 4.6% of the net budget for 2022/23, this is considered to be a minimum level at which the general reserve balance should be held.

2023/24 Revenue Budget

- 3.7 The proposed revenue budget totals £140.880m. The departmental analysis of the budget is shown in Appendix B and the major reasons for change from the current budget are shown in Appendix C.
- 3.8 A total of £2.830m of savings were approved by the Council on 01 February 2023.
- 3.9 The proposed budget incorporates the grant figures announced in the Local Government Finance Settlement. It includes £0.009m for the New Homes Bonus grant, a reduction of £0.842m from 2022/23. New

Homes Bonus allocations are now received for one year only, with no legacy payments available. It is unclear whether the scheme will continue beyond 2023/24.

- 3.10 The budget includes Better Care Funding (BCF) of £6.982m which is unchanged from 2022/23.
- 3.11 Additional funding for Adult's and Children's Social Care was announced as part of the provisional settlement. It was announced that the £7.042m 2022/23 Social Care Grant will also be received in 2023/24, along with an additional allocation of £3.863m. This funding will be included in the Council budget to help to fund existing pressures within Social Care services. From 2023/24, £0.656 from the former Independent Living Fund Grant will be rolled in with the main Social Care Support Grant. £1.497m will be received in 2023/24 from the Adult Social Care Market Sustainability and Improvement Fund. £0.431m of this funding has been rolled forward from the 2022/23 Market Sustainability and Fair Cost of Care Grant, with an additional £1.066m being made available due to the delay in the introduction of Adult Social Care charging reform. This will be used to fund increases in the rates paid to providers within Adult Social Care.
- 3.12 Government have confirmed the continuation of the 100% Business Rates Retention pilot within the Liverpool City Region for 2023/24. 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 Local Government pay rates for 2023/24 have not yet been agreed. A 4% rise on all pay bands has been assumed in the budget for 2023/24.
- 3.14 Inflation of 5% has been applied to contractual (non-controllable) budgets for 2023/24. Additional inflation has been applied to social care contract costs which will increase at above normal inflation rates due to the increase of 9.7% in National Living Wage rates from April 2023. An additional £2.788m has been included in the 2023/24 budget to meet the anticipated increase in energy costs.
- 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 2023/24 to help manage the current departmental budget overspends, inclusive of £5.179m 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 £3.0m has been included in the contingency budget for 2023/24, to assist with funding the estimated 2022/23 budget overspend on a permanent basis.

- 3.17 It is proposed that £8.422m of reserves will be used to fund the 2023/24 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. The Transformation Programme approved by Council on 01 February 2023, will provide the means for identifying such savings in order to place the Council's budget on a long-term, sustainable basis.
- 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 2023/24 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 19 December 2022. 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 2023/24 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 beyond the end of this Parliament and will not happen before 2025/26 at the earliest.
- 3.22 For 2023/24, the Council's total Government Settlement Funding Allocation is £55.488m. This is made up of £52.169m Business Rates Baseline Funding and Top-Up grant of £3.319m. Excluding the rolled-in

Better Care Funding grant, the increase to the Settlement Funding Assessment from 2022/23 is 4.84%.

- 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 2010/11 to 2023/24, in cash terms there has been a reduction in funding for Halton of 3.1% and in real terms (ie. allowing for inflation), a cut of 28.8%.
- 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 £57.336m for 2023/24.
- 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 2023/24 the multiplier rate has been frozen at 51.2p in the pound and 49.9p in the pound for small businesses. The cost of freezing the multiplier is fully met by Central Government, through the provision of 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. A 1% precept was applied to council tax in 2022/23.
- 3.27 The Autumn Statement published on 17 November 2022 confirmed that a further Adult Social Care council tax precept of 2% can be applied for 2023/24.
- 3.28 As part of the Local Government Finance Settlement, allocation changes were made to several grant funding streams for 2023/24. Halton's Social Care Grant has been increased by £3.863m, whilst the £0.431m Market Sustainability and Fare Cost of Care Grant has been re-purposed into the Adult Social Care Market Sustainability and Improvement Grant along with an increase in allocation of £1.066m. Halton's Services Grant allocation will reduce by £1.087m in 2023/24. Some of this reduction is due to the reversal of the National Insurance increase during 2022/23, and part of this grant has been repurposed to increase funding for the Supporting Families programme. The £0.215m Lower Tier Services Grant has been removed for 2023/24. The New Homes Bonus grant scheme is continuing in 2023/24 although no legacy payments will be received going forwards. Due to a low number of new homes being completed in the Borough over the

past year, Halton's New Homes Bonus grant allocation has fallen by £0.842m for 2023/24.

Budget Outlook

3.29 Indicative control totals for overall Local Government funding have been provided for 2024/25, but the distribution of that funding between different grant streams is still uncertain. It has been confirmed that major reforms to funding, which would lead to significant distributional changes between local authorities, has been postponed until after the end of this Parliament in 2024/25.

3.30 The impact of the following developments will have to be assessed when considering the 2024/25 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 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 was confirmed at the Autumn Statement in November 2022 that this review will not take place during the current parliament, although Government remains committed to the principal of updating the funding methodology for Local Government. The earliest these changes could feasibly be implemented would be the 2025/26 financial year, but a later date is more likely.
- New Homes Bonus – The scheme in its current form is being wound down, with legacy payments being removed from 2020/21 onwards. The 2023/24 allocation is for one year only and for the first time will not include any legacy payments. 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 Rates 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%. The provisional Local Government Finance Settlement stated that the 100% pilots would continue for another year but offered no certainty beyond 2023/24.
- 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 who 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 suffered several delays and is now anticipated to take place in 2025/26.

- 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 expressed doubts that the additional funding allocated would have been insufficient to cover the costs of these new burdens and could have caused further pressures on council budgets. These changes have now been postponed until after the end of the current Parliament in 2024/25, and the funding allocated has been repurposed towards existing Adult Social Care pressures. It is unclear whether further funding will be provided once the new measures are finally introduced, or whether councils will be expected to use the grant funding already provided.
- 3.31 The Medium Term Financial Strategy has been updated to take into account the 2023/24 Local Government Finance Settlement and multi-year allocations and savings measures already agreed or proposed. It includes a number of assumptions for 2024/25 including:
- Settlement Funding Assessment as per 2023/24 plus 2% inflation.
 - Pay, prices and income growth of 2%.
 - Reversal of 2023/24 one-off saving proposals.
- 3.32 The resulting total funding gap over the subsequent three financial years (2024/25 to 2026/27) is forecast to be in the region of £24.095m.

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 that the general council tax referendum threshold has increased from 2% to 3% for 2023/24.
- 3.35 The Levelling-Up and Regeneration Bill, published on 11 May 2022 introduced legislation which will allow authorities to increase the council tax payable on a dwelling where there is no resident, and which is substantially furnished (typically referred to as second homes), by up to 100%. The determination to apply the charge must be made at least one year before the beginning of the financial year in which the charge will be applied. It is therefore proposed that the 100% premium will be

introduced in Halton on 01 April 2024, subject to the relevant legislation being enacted.

- 3.36 The tax base (Band D equivalent) for the Borough has previously been set by Council at 36,241.
- 3.37 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 £1,675.29 (equivalent to £32.22 per week), in order to deliver a balanced budget for 2023/24 as required by statute. This is an increase of 4.99% (£79.62 per annum or £1.53 per week) over the current year.

Parish Precepts

- 3.38 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	xx,xxx	x,xxx	x.xx%	xx.xx	x,xxx.xx
Daresbury	8,006	1,044	15.00%	43.04	1,718.33
Moore	6,125	55	0.91%	18.23	1,693.52
Preston Brook	xx,xxx	x,xxx	xx.xx%	xx.xx	x,xxx.xx
Halebank	39,610	150	0.38%	75.02	1,750.31
Sandymoor	42,849	1,629	3.95%	29.09	1,704.38

Average Council Tax

- 3.39 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 £xxxx.xx, an increase of £xx.xx per annum.

Police Precept

- 3.40 The Cheshire Police and Crime Commissioner has set the precept on the Council at £9.076m, which is £250.44 for a Band D property, an increase of £15.00 or 6.37%. The figures for each Band are shown in Recommendation 5 in Appendix A.

Fire Precept

- 3.41 The Cheshire Fire Authority has set the precept on the Council at

£x.xxxm, which is £xx.xx for a Band D property, an increase of £x.xx or x.xx%. The figures for each Band are shown in Recommendation 6 in Appendix A.

Liverpool City Region Mayoral Precept

- 3.42 The Liverpool City Region Combined Authority has set the precept on the Council at £0.689m 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

- 3.43 Combining all these figures will give the Total Council Tax for 2023/24 and these are shown in Recommendation 8 in Appendix A. The total Band D Council Tax (before Parish precepts) is £1,675.29, an increase of £79.62 or 4.99%. The inclusion of parish precepts means the increase in Hale is x.xx%, in Daresbury is 5.22%, in Moore is 4.93%, in Preston Brook is x.xx%, in Halebank is 4.77%, and in Sandymoor is 4.90%.
- 3.44 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.
- 3.45 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

3.46 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	54,550	27,077	16,646
Slippage Between Years	-3,705	5,494	2,111
	<u>50,845</u>	<u>32,571</u>	<u>18,757</u>
<u>Funding</u>			
Borrowing and Leasing	22,865	13,576	4,544
Grants and External Funds	26,185	12,101	10,702
Direct Revenue Finance	100	0	0
Capital Receipts	5,400	1,400	1,400
Slippage Between Years	-3,705	5,494	2,111
	<u>50,845</u>	<u>32,571</u>	<u>18,757</u>

3.47 The committed Capital Programme is shown in Appendix E.

3.48 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

3.49 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.

3.50 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

- 3.51 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.
- 3.52 Schools Block pupil numbers in mainstream primary and secondary schools have decreased from 18,236 for 2022/23 to 18,061 for 2023/24. Funding for mainstream primary and secondary schools is based on the pupil cohort on the October 2022 census.
- 3.53 The 2023/24 DSG settlement was announced on 16 December 2022 allocating Halton a total of £143.393m, which is broken down into £106.745m for the Schools Block, £0.738m for the Central Schools Services Block, £26.135m for the High Needs Block, and £9.775m for the Early Years Block. In addition, Halton has received £4.796m as part of the recent £2bn commitment for education from the Chancellor's 2022 Autumn Statement. The amount relating to mainstream schools and academies, which will be provided in addition to the formula funding determinations for schools, is £3.741m. The balance of £1.055m is provided to support the High Needs block.
- 3.54 The Minimum Funding Guarantee has been agreed by Schools Forum at plus 0.5%. This is the maximum protection allowed by the Department for Education.
- 3.55 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, the de-delegated funds are reduced, unless schools are asked to contribute a higher amount.
- 3.56 The Early Years Block indicative allocation for 2023-24 is £9.775m which is £0.498m greater than 2022-23 although this is likely to decrease in line with the current demographic trends. The 2023-24 allocation remains indicative until after the January 2023 early years headcount has been collated, validated and used by the Department for Education to inform Halton's actual Early Years Block allocation for 2023/24. The hourly rate the Council are funded at for 3 and 4 year old provision, as opposed to the hourly rate we pay providers, has

increased from £5.12 for 2022/23 to £5.20 per hour for 2023/24. The hourly rate the Council are funded at for 2 year old provision has increased from £5.65 per hour to £5.71 per hour.

- 3.57 The High Needs Block for 2022/23 was £22.945m before recoument by the Department for Education for commissioned places in special academies, and independent special schools. For 2023/24 the High Needs Block is £25.080m, which is an increase of £2.135m. Further conditions of grant funding in respect of High Needs have been introduced for 2023/24 which require all authorities to pass on a minimum guaranteed increase to their specialist provision settings.
- 3.58 The Pupil Premium Grant rates have increased by 5% to £1,455 per primary pupil and £1,035 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 £2,530 per pupil. Eligibility for the Service Children Premium will be funded at £335 per pupil. The amount for Looked after Children which comes to the Council for distribution is £2,530 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 CLIMATE CHANGE IMPLICATIONS

9.1 No impact on the environment

10.0 REASON FOR THE DECISION

10.1 To seek approval for the Council's revenue budget, capital programme and council tax for 2023/24.

11.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

12.0 IMPLEMENTATION DATE

12.1 08 March 2023.

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

Document	Place of Inspection	Contact Officer
Local Government Finance Report (England) 2023/24	Financial Management Halton Stadium	Steve Baker

APPENDIX A

DRAFT RESOLUTION FOR SUBMISSION TO THE COUNCIL AT ITS MEETING ON 08 March 2023

RECOMMENDATION: that the Council adopt the following resolution:

1. The policies outlined in this paper be adopted, including the budget and council tax for 2023/24 and the Capital Programme set out in Appendix E.
2. That it be noted that at the meeting on 7 December 2022 the Council agreed the following:
 - (a) The Council Tax Base 2023/24 for the whole Council area is 36,241 (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	668
Daresbury	186
Moore	336
Preston Brook	370
Halebank	528
Sandymoor	1,473

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 2023/24 (excluding Parish precepts) is £60,714,185.
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) £xxx,xxx,xxx – being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the said Act, taking into account all precepts issued to it by Parish Councils.

- (b) £xxx,xxx,xxx– being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £xx,xxx,xxx – being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year (item R in the formula in Section 31A(4) of the Act).
- (d) £x,xxx.xx – being the amount at 3(c) above (item R), all divided by item T (2 above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) £xxx,xxx – 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	xx,xxx
Daresbury	8,006
Moore	6,125
Preston Brook	xx,xxx
Halebank	39,610
Sandymoor	42,849

- (f) £1,675.29 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	xx.xx
Daresbury	43.04
Moore	18.23
Preston Brook	xx.xx
Halebank	75.02

Sandymoor	29.09
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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		1,145.55	1,129.01		1,166.87	1,136.25	1,116.86
B		1,336.48	1,317.18		1,361.35	1,325.63	1,303.00
C		1,527.40	1,505.35		1,555.83	1,515.00	1,489.15
D		1,718.33	1,693.52		1,750.31	1,704.38	1,675.29
E		2,100.18	2,069.86		2,139.27	2,083.13	2,047.58
F		2,482.03	2,446.20		2,528.23	2,461.88	2,419.86
G		2,863.88	2,822.53		2,917.18	2,840.63	2,792.15
H		3,436.66	3,387.04		3,500.62	3,408.76	3,350.58

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 2023/24 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	166.96
B	194.79
C	222.61
D	250.44

E	306.09
F	361.75
G	417.40
H	500.88

6. It is further noted that for the year 2023/24 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	xx.xx
B	xx.xx
C	xx.xx
D	xx.xx
E	xx.xx
F	xx.xx
G	xx.xx
H	xx.xx

7. It is further noted that for the year 2023/24 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 2023/24 for each of the categories of dwellings shown below:

Band	Hale	Daresbury	Moore	Preston Brook	Halebank	Sandymoor	All other Parts of the Council's Area
	£	£	£	£	£	£	£
A							
B							
C							
D							
E							
F							
G							
H							

being satisfied that:

- (a) The total amount yielded by its Council Taxes for the said financial year will be sufficient, so far as is practicable, to provide for items mentioned at 4(a) to (c) above; and, to the extent that they are not, to be provided for by any other means.
 - (b) Those amounts which relate to a part only of its area will secure, so far as is practicable, that the precept or portion of a precept relating to such part will be provided for only by the amount yielded by such of its Council Taxes as relate to that part.
9. The Operational Director Finance be authorised at any time during the financial year 2023/24 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**DEPARTMENTAL OPERATIONAL BUDGETS****£000****Adult Services Directorate** **56,720****Children's Services Directorate**

Children's Social Care 29,127

Education, Inclusion & Provision 9,213

38,340**Public Health Directorate** **1,365****Environment & Regeneration Directorate**

Community & Greenspace 26,525

Economy, Enterprise & Property 2,819

Policy, Planning and Transportation 9,350

38,694**Chief Executive's Directorate**

Finance 4,493

ICT & Support Services -632

Legal & Democratic Services 571

Policy, People, Performance & Efficiency -71

4,361**Departmental Operational Budgets** **139,480**

Corporate and Democracy 1,400

Total Operational Budget **140,880**

APPENDIX C

2023/24 BUDGET – REASONS FOR CHANGE

	£000
2022/23 Approved Budget	111,719
Add Back One-Off Savings	1,351
	<hr/> 113,070
<u>Policy Decisions</u>	
Capital Programme	318
<u>Inflation and Service Demand Pressures</u>	
Pay (including Increments)	7,307
Prices	4,316
Income	-2,672
Existing Service Demand Pressures	3,020
Additional Energy Costs	2,788
<u>Other</u>	
Net Adjustment to Specific Grants	8,239
Contingency Increase	3,500
Social Care Grant	-3,865
2023/24 Services Grant	1,087
Use of Reserves	6,602
Base Budget	<hr/> 143,710
Less Savings (as agreed by Council 01 February 2023)	-2,830
Total 2022/23 Budget	<hr/> 140,880 <hr/>

APPENDIX D

MEDIUM TERM FINANCIAL FORECAST

	2024/25	2025/26	2026/27
	£000	£000	£000
Spending			
Previous Year's Budget	140,880	139,992	144,092
Add Back One-Off Savings	120	0	0
<u>Inflation</u>			
Pay	2,011	2,048	2,089
Prices	1,975	2,015	2,055
Income	-707	-721	-735
<u>Other</u>			
Service Demand Pressures	2,650	3,870	1,500
Contingency	1,000	2,000	2,000
Reverse Use of Reserves	8,422	0	0
Replenish Reserves	2,000	2,000	0
Estimated Savings Proposals	-2,702	-1,349	0
<hr/>			
Budget Forecast	155,649	149,855	151,001
<hr/>			
Resources			
Baseline Business Rates Funding and Top-Up Grant	75,611	77,123	78,665
Council Tax	64,381	66,969	69,661
<hr/>			
	139,992	144,092	148,326
<hr/>			
Funding Gap	-15,657	-5,763	-2,675
<hr/>			

APPENDIX E

COMMITTED CAPITAL PROGRAMME 2023/26

SCHEME	2023/24 £000	2024/25 £000	2025/26 £000
Schools Capital Projects	4,311	20	0
ALD Bungalows	199	0	0
Disabled Facilities Grant	600	600	600
Stairlifts	540	540	540
Purchase of Adapted Properties	358	0	0
Care Home Refurbishment	2,550	1,200	0
People Directorate	8,558	2,360	1,140
Stadium Minor Works	30	30	30
Halton Leisure Centre	15,000	11,285	0
Children's Playground Equipment	65	65	65
Landfill Tax Credit Schemes	340	340	340
Open Spaces Schemes	600	600	600
Runcorn Town Park	310	310	280
Spike Island / Wigg Island	964	964	0
Litter Bins	20	20	20
IT Rolling Programme	700	700	700
Equality Act Improvement Works	400	300	300
Foundry Lane Residential Area	2,117	0	0
Property Improvements	200	200	200
Runcorn Town Centre Development	7,436	7,436	10,228
Runcorn Station Quarter	420	0	0
Waterloo Building	100	0	0
Bridge and Highway Maintenance	1,873	0	0
Street Lighting – Structural Maintenance	200	200	200
Street Lighting – Upgrades	1,000	0	0
Runcorn East Connectivity	4,069	0	0
Risk Management	120	120	120
Fleet Replacements	4,466	1,147	1,423
Silver Jubilee Bridge Lighting	562	0	0
Transformation Programme	5,000	1,000	1,000
Economy, Community & Resources Directorate	45,992	24,717	15,506
Total Capital Programme	54,550	27,077	16,646
Slippage between years	-3,705	5,494	2,111
GRAND TOTAL	50,845	32,571	18,757

Flexible Use of Capital Receipts Strategy

1.0 Introduction

- 1.1 On 01 February 2023 Council approved the three year transformation programme and funding arrangements. The report set out the Council's approach to transformation, shape of the programme and how it will be resourced.
- 1.2 It was agreed that the Council adopt an approach, commonly adopted by other Councils, whereby this investment in transformation is regarded as one-off expenditure in order to deliver a long-term, sustainable, financial position. On 02 August 2022 Government issued a direction which gives local authorities the continued freedom to use capital receipts from the sale of their own assets, to help fund the revenue costs of transformation projects and thereby deliver savings.
- 1.3 The current direction is in place for financial years 2022/23, 2023/24 and 2024/25 only. It is assumed a further direction will be issued by Government in later years, to provide flexibility on capital receipts to cover 2025/26 (the third year of this strategy). Expired directions have been in place since 2016.
- 1.4 In order to use capital receipts to fund the Transformation Programme, the Council needs to approve a Flexible Use of Capital Receipts Strategy. The Strategy is required to list each project which will make use of the capital receipts flexibility and on a project-by-project basis should detail the expected savings/service transformations to be delivered. The Strategy should also report the impact upon the local authority's Prudential Indicators for the forthcoming year and subsequent years.

2.0 Qualifying Expenditure

- 2.1 Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years. It is for individual local authorities to decide whether or not a project qualifies for the flexibility and such decisions will be reviewed by the Council's External Auditor.
- 2.2 The common theme of the Council's Transformation Programme is that it can be used as the catalyst for change internally and externally. It is proposed that the Programme is known as "Re-imagining Halton" in reference to the principles that will enable the Council to successfully

re-design services and deliver a sustainable financial position going forward. Work will be undertaken with Members, staff, partners and residents to “re-imagine” how services are delivered.

- 2.3 An estimate of the savings to be delivered by each of the Programme themes over the next three years, is provided in Table A. These amounts are initial estimates and will be updated regularly over the next three years, as the Programme is implemented. Changes to these estimates will be reported to Executive Board and Council during the period of the programme and annual reports will present the level of actual savings achieved against estimates. A more detailed analysis of themes within the Transformation Programme is included at the end of this document.

TABLE A – Estimated Savings per Programme Theme.

Programme Theme	2023/24 (£)	2024/25 (£)	2025/26 (£)
Adults / Adults with Learning Difficulties	1,034,802	4,139,208	5,174,010
Children Services	301,959	1,207,835	1,509,793
Special Educational Needs	100,000	400,000	500,000
Accelerating Development & Growth Income & Asset Realisation	100,000	400,000	500,000
Optimised Services	463,239	1,852,957	2,316,197
Totals	2,000,000	8,000,000	10,000,000

3.0 Qualifying Asset Disposals

- 3.1 For the purposes of the strategy, a qualifying disposal is an asset sale made within the period for which the Strategy applies, by the Council to an entity outside the Council’s group structure.
- 3.2 Capital receipts which are to be used by the Council under the flexibilities afforded by the Direction, should be from genuine disposals of assets. Where the Council still retains some control of the assets, directly or indirectly, and retains exposure to the risks and rewards from those assets, the disposal does not give rise to a capital receipt that can be used in accordance with the Direction.

4.0 Forecast Costs

- 4.1 It is estimated that a maximum budget for the Transformation Programme delivery resource be set at £7m over the three year period. It is currently estimated that the majority of these costs will be incurred in the first year of the programme.

- 4.2 Capital receipts to fund these costs have been identified and will be earmarked to fund future costs.

5.0 Prudential Indicators

- 5.1 The impact upon the Council's treasury management prudential indicators is included within the Council's Treasury Management Strategy which is recommended for approval by Council, elsewhere on the Agenda.

6.0 Next Steps

- 6.1 Once approved, the Strategy will be shared with the Department for Levelling Up, Housing and Communities in accordance with the requirements of the Government Direction. In addition, the Strategy will be shared with the Council's External Auditor Grant Thornton.
- 6.2 The Strategy will be updated regularly over the coming year and reported to Executive Board and Council, as further information becomes available regarding the level of savings and costs for each area of the Transformation Programme.

		ACTIVITY			
Programme Summaries		FY22/23	FY23/24	FY24/25	FY25/26
Adults/ Adults with Learning Difficulties					
1	Appropriate identification, submission and award of Continuing Health Care Funding to support health needs of adults in care				
2	Review of existing Supported Living arrangements and design a new strategy and delivery plan for a revised service offer to promote independence including new accommodation solutions				
3	Options appraisal and optimisation of Day Care delivery model to maximise impact and independence across the service				
4	Review the incidence of multiple care package recipients to re-align provision and promote independence.				
5	Increased employment opportunities for individuals with learning difficulties including remodelling support offer, business alignment, training, and work readiness				
6	Review transitions service and needs assessments to redesign service and prevent needs escalation with individuals who do not qualify for support under the Care Act				
7	Introduction of technology to aid hospital discharge, promote independence, improve safeguarding and re-model service delivery				
Childrens Services		FY22/23	FY23/24	FY24/25	FY25/26
8	Re-design Front Door to enhance multi agency offer, new panel arrangements, embracing Systemic Practice principles				
9	Implement Systemic Practice methods of working across the organisation to improve quality				
10	Implement High Cost placement panel and review all high cost placements, and integrate into BAU				
11	Commission Family Group Conference Contract				
12	Analyse potential benefits of PAUSE and commission PAUSE services				
13	Organisational review to establish new organisational design and roles consistent with Systemic Practice model				
14	Develop Digital solutions of social work				
15	Develop outreach work to support prevention in outreach placement work				
16	Develop 16+ housing offer				
17	Implement Juno				
18	Revised residential commissioning arrangement in place				
19	Review therapeutic model with CAHMS				
20	Develop vulnerable adolescent service complimentary to Edge of Care service				
Special Educational Needs		FY22/23	FY23/24	FY24/25	FY25/26
21	Redesign SEN Transport system to include re-designing pathway, re-training staff, improved partnership working, redesigned parent information including web site, re-negotiated contracts				
22	Deliver projects to create additional in-borough SEN provision and reduce out of authority placements				
23	Review needs analysis of children, develop enhance preventative solutions with parents, communities and schools to reduce escalation of needs, evolving relationship with schools and enhancing school inclusion				
Accelerating Development & Growth Income and Asset Rationalisation		FY22/23	FY23/24	FY24/25	FY25/26
24	Identify short term critical posts to initiate acceleration in delivering the Local Plan and recruit				
25	Conduct detailed options appraisal to assess optimum model to accelerate income and reduce revenue risk to the Council				
26	Implement preferred approach to accelerating delivery of the Local Plan				
27	Develop review of Council assets and determine project to rationalise accommodation, improve usage and reduce costs				
Optimised Services		FY22/23	FY23/24	FY24/25	FY25/26
28	Review successful approaches to household waste reduction and increasing recycling. Design new campaign to achieve peer average performance for waste and recycling, and implement sustained campaign				
29	Review other services waste services, review contractual arrangements with Merseyside waste authority, assess joint working potential, designing new and sustainable waste delivery model				
30	Review parks and open spaces delivery models at other LA's, assess opportunities for greater community involvement, determine options for alternative maintenance arrangements				
31	Review commercial arrangements for Stadium, determine commercial strategy and implement with new offers and revised arrangements with users				
32	Develop and deliver new medium term leisure strategy to increase participation and reduce operating costs in advance of new leisure centre opening including alternative provision considerations.				
33	Build new corporate capacity to support development and sustainability of the Council in adapting to future changes and opportunities including policy, performance management, data insight, communications, organisational development, etc.				
34	Implement new corporate Operating Model to streamline processes, reposition administrative support, drive transparent performance management, create unified "front door" arrangements for residents with partners				
35	Implement new HR systems and processes and reduce reliance on agency staff, simplify administration processes, speed up recruitment and reposition Council in employee market				