

**REPORT TO:** Executive Board

**DATE:** 22 February 2024

**REPORTING OFFICER:** Operational Director – Finance

**PORTFOLIO:** Corporate Services

**SUBJECT:** Budget 2024/25

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

### **1.0 PURPOSE OF REPORT**

- 1.1 To recommend to Council the revenue budget, capital programme and council tax for 2024/25.

### **2.0 RECOMMENDATION: That Council be recommended;**

- (i) To adopt the resolution set out in Appendix A, which includes setting the budget at £149.496m, the Council Tax requirement of £64.039m (before Parish, Police, Fire and LCR Combined Authority precepts) and the Band D Council Tax for Halton of £1,758.89;
- (ii) To approve the capital programme set out in Appendix F;
- (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 2025, subject to legislation being enacted;
- (iv) To approve the Use of Capital Receipts Strategy set out in Appendix H.

### **3.0 SUPPORTING INFORMATION**

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

- 3.1 The Board approved the Medium Term Financial Strategy (MTFS) at its meeting on 16 November 2023. In summary, funding gaps of £3.743m in 2024/25, £0.495m in 2025/26 and £1.347m in 2026/27 were identified. These figures were calculated based on the assumption that the £20m savings proposed by the Transformation Programme, and the £4.051m of savings approved during the 2023/24 budget setting process are achieved in full. Any shortfall in these savings will

increase the reported funding gaps. 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 2023/24 Budget**

- 3.4 The Executive Board receives regular reports detailing 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 £7.144m against a net budget of £140.880m. 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 £5.147m, equivalent to approximately 3.6% of the net budget for 2023/24, this is considered to be a minimum level at which the general reserve balance should be held.

### **2024/25 Revenue Budget**

- 3.6 The proposed revenue budget totals £149.496m. The departmental analysis of the budget is shown in Appendix B, along with a breakdown of these changes in Appendix C, and the major reasons for the change from the current budget in Appendix D. The departmental budgets provided at the time of writing this report are subject to change pending

any further alterations to funding and the recalculation of the Council's central recharges.

- 3.7 A total of £2.702m of savings to be achieved in 2024/25 were approved by the Council on 01 February 2023. These savings are detailed in Appendix G. Further savings of £4m from the Transformation Programme are included in the budget for 2024/25.
- 3.8 The proposed budget incorporates the grant figures announced in the Local Government Finance Settlement. It includes £0.124m for the New Homes Bonus grant, an increase of £0.115m from 2023/24. 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 2024/25.
- 3.9 The budget includes Better Care Funding (BCF) of £6.982m which is unchanged from 2023/24.
- 3.10 Additional funding for Adult's and Children's Social Care was announced as part of the provisional grant settlement. The £11.561m 2023/24 Social Care Grant will also be received in 2024/25, with an additional allocation of £2.134m. Additional funding for Social Care, primarily intended for Children's Services, worth £500m nationally, was announced on 23 January 2024, of which Halton will receive £1.332m. This funding will be included in the Council budget to help to fund existing pressures within Social Care services. £2.796m will be received in 2024/25 from the Adult Social Care Market Sustainability and Improvement Fund and the Workforce Fund. This will be used to fund increases in the rates paid to providers within Adult Social Care.
- 3.11 The value of the Services Grant to Halton has decreased significantly for 2024/25. This grant was first introduced in 2022/23 and represents non-ringfenced funding which is distributed on a basis which takes relative need into account. In the initial year of the grant, Halton received £2.5m of funding, reducing to £1.460m in 2023/24. In 2024/25, this funding will decrease further, by £1.208m (83%) to just £0.252m. Government have used this national reduction in grant, primarily to fund the additional Social Care grant allocations referred to in paragraph 3.10 above.
- 3.12 Government have confirmed the continuation of the 100% Business Rates Retention pilot within the Liverpool City Region for 2024/25. 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 2024/25 have not yet been agreed. A 4% rise on all pay bands has been assumed in the budget for 2024/25. Budget provision has not been included in 2024/25 for the extra cost of agency staffing to cover staff sickness, vacancies, and demand

pressures. The additional costs incurred for agency staffing are expected to be covered from within existing departmental budgets.

- 3.14 Inflation of 2% has been applied to contractual (non-controllable) expenditure budgets for 2024/25. Additional inflation of 10% has been applied to social care contract costs which will increase at above normal inflation rates due to the increase of 9.8% in National Living Wage rates from April 2024. Electricity and gas budgets have been reduced by 12% and 30% respectively due to prices decreasing from their peak in 2023/24.
- 3.15 In order to reduce the budget gap in 2024/25, reductions of 10% have been applied to non-contractual supplies and services, property repairs and maintenance, and street lighting and highway maintenance budgets. The value of these budget reductions is £1.545m.
- 3.16 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 2024/25 to help manage the current departmental budget overspends. These increases are based on the 2023/24 full-year expenditure projections, excluding agency staffing pressures, reported in the Council-wide Spending Report elsewhere on the Agenda. This should provide realistic, sustainable departmental budgets for the 2024/25 financial year. The increases provided for the departmental budgets are detailed in Appendix C.
- 3.17 It is considered prudent for the budget to include a general contingency of £1.379m. 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.
- 3.18 Given the diminishing level of reserves held by the Council, within the MTFS there is provision for £2m per annum to be used to replenish reserves balances in 2025/26 and 2026/27.
- 3.19 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 2024/25 revenue budget, capital programme and council tax. Balances and reserves should provide sufficient resilience to meet the financial consequences of any unforeseen events.
- 3.20 Whilst this budget should provide the Council with sufficient resources to meet its anticipated spending needs, it is essential that work continues in-year to reduce reliance upon agency staff in particular and to ensure all spending remains within budget by year-end. In addition, all approved savings must be delivered on schedule to avoid creating

further spending pressures. Any significant overspend at 31 March 2025 will have a detrimental impact upon the Council's limited, remaining reserves and will also make it difficult to deliver a balanced budget for 2025/26.

### **Local Government Finance Settlement**

- 3.21 The Government announced the provisional Local Government Finance Settlement on 18 December 2023, with the final Settlement released on 5 February 2024.
- 3.22 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.
- 3.23 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.
- 3.24 For 2024/25, the Council will receive Top-Up Grant funding of £4.519m, representing the difference between Halton's baseline funding need, as assessed by Government, and the amount that can be generated from business rates. The Top-Up Grant allocation is split between £3.940m for 2024/25, and an additional one-off amount of £0.579m relating to 2023/24.
- 3.25 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 2024/25, in cash terms there has been an increase in funding for Halton of just 4.2% and in real terms (ie. allowing for inflation), a cut of 25.9%. This real terms cut equates to a reduction in funding of £895.90 per dwelling within the Borough.
- 3.26 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 £63.091m for 2024/25. This is higher than was forecast in

the MTFS, primarily due to new properties being added to the rating list, worth approximately £1.4m in business rates per year.

- 3.27 The business rates multiplier is fixed centrally by Government and then applied to each premises' rateable value. For 2024/25 the small business rates multiplier will be frozen at 49.9p whereas the standard rate multiplier will be increased by 6.7%, from 51.2p to 54.6p. The cost of freezing the small business rates multiplier is fully met by Central Government, through the provision of additional grant funding to the Council.
- 3.28 The level of Adult Social Care council tax precept levied by the Council in each year since its introduction is detailed in Table A below.

**Table A – Adult Social Care Precept Levels**

| <b>Financial Year</b> | <b>Adult Social Care Precept</b> |
|-----------------------|----------------------------------|
| 2016/17               | 2%                               |
| 2017/18               | 3%                               |
| 2018/19               | 3%                               |
| 2019/20               | 0%                               |
| 2020/21               | 2%                               |
| 2021/22               | 3%                               |
| 2022/23               | 1%                               |
| 2023/24               | 2%                               |

- 3.29 The Autumn Statement published on 17 November 2022 confirmed that the maximum permitted Adult Social Care precept for 2024/25 will be an increase of 2%. The Settlement includes an assumption that councils will adopt the maximum 2% Adult Social Care precept.

### **Budget Outlook**

- 3.30 No information about Local Government funding has been provided by Central Government beyond 2024/25. As a general election will take place during 2024/25, it is highly likely that the 2025/26 Local Government Finance Settlement will cover one year only.
- 3.31 The impact of the following developments will have to be assessed when considering the 2025/26 budget and beyond. Further information will hopefully 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 2026/27 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 removed from 2020/21 onwards. The 2024/25 allocation is for one year only and 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 2024/25.
- 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 it is not clear when, or even if, this will now take place.
- 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 sufficient 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.

3.32 The Medium Term Financial Strategy has been updated to take into account the 2024/25 Local Government Finance Settlement and multi-

year allocations and savings measures already agreed or proposed. It includes a number of assumptions for 2025/26 including:

- Settlement Funding Assessment as per 2024/25 plus 2% inflation.
- Pay, prices and income growth of 2%.

3.33 The resulting total funding gap over the subsequent three financial years (2025/26 to 2027/28) is forecast to be in the region of £10.504m. This assumes that the previously approved three-year savings plan of £6.646m and the £20m Transformation Programme savings are achieved in full. Any shortfall in these savings will increase the funding gap.

### **Halton's Council Tax**

3.34 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.

3.35 The Government have confirmed that the general council tax referendum threshold will remain at 3% for 2024/25, with an additional 2% Adult Social Care precept increase permitted. The Final Grant Settlement includes an assumption that councils will adopt the maximum Adult Social Care precept and general council tax increase.

3.36 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 2025, subject to the relevant legislation being enacted.

3.37 The tax base (Band D equivalent) for the Borough has previously been set by Council at 36,409.

3.38 As at March 2024 it is estimated that there will be a surplus amount of £0.234m against the council tax element of the Collection Fund. This has been used as one-off funding in helping to balance the 2024/25 budget.

3.39 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 £1,758.89 (equivalent to £33.82 per week), in order to deliver a balanced budget for 2024/25 as required by statute. This is an



increase of 4.99% (£83.60 per annum or £1.60 per week) over the current year.

### **Parish Precepts**

- 3.40 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:

**Table B – Parish Precept Levels 2024/25**

|               | <b>Precept</b> | <b>Precept Increase</b> |        | <b>Additional Council Tax</b> | <b>Basic Council Tax</b> |
|---------------|----------------|-------------------------|--------|-------------------------------|--------------------------|
|               | £              | £                       | %      | £                             | £                        |
| Hale          | 58,846         | 21,846                  | 59.04% | 88.22                         | 1,847.11                 |
| Daresbury     | 9,680          | 1,674                   | 20.91% | 45.66                         | 1,804.55                 |
| Moore         | 6,216          | 91                      | 1.49%  | 18.23                         | 1,777.12                 |
| Preston Brook | 52,445         | 19,536                  | 59.36% | 141.74                        | 1,900.63                 |
| Halebank      | 40,060         | 450                     | 1.14%  | 75.02                         | 1,833.91                 |
| Sandymoor     | 46,718         | 3,869                   | 9.03%  | 29.09                         | 1,787.98                 |

### **Average Council Tax**

- 3.41 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 £1,764.76, an increase of £84.88 per annum.

### **Police Precept**

- 3.42 The Cheshire Police and Crime Commissioner has set the precept on the Council at £9.573m, which is £262.94 for a Band D property, an increase of £12.50 or 4.99%. The figures for each Band are shown in Recommendation 5 in Appendix A.

### **Fire Precept**

- 3.43 The Cheshire Fire Authority has set the precept on the Council at £3.280m, which is £90.09 for a Band D property, an increase of £2.61 or 2.99%. The figures for each Band are shown in Recommendation 6 in Appendix A.

### **Liverpool City Region Mayoral Precept**

- 3.44 The Liverpool City Region Combined Authority has set the precept on the Council at £0.692m 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**

- 3.45 Combining all these figures will give the Total Council Tax for 2024/25 and these are shown in Recommendation 8 in Appendix A. The total Band D Council Tax (before Parish precepts) is £2,130.92, an increase of £98.71 or 4.86%. The inclusion of parish precepts means the increase in Hale is 6.30%, in Daresbury is 4.88%, in Moore is 4.81%, in Preston Brook is 7.14%, in Halebank is 4.68%, and in Sandymoor is 4.79%.
- 3.46 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.
- 3.47 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**

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

**Table C – Capital Programme 2024/25 – 2026/27**

|                           | <b>2024/25</b> | <b>2025/26</b> | <b>2026/27</b> |
|---------------------------|----------------|----------------|----------------|
|                           | £000           | £000           | £000           |
| <u>Spending</u>           |                |                |                |
| Scheme Estimates          | 53,671         | 10,071         | 4,715          |
| Slippage Between Years    | -3,621         | 5,367          | 1,007          |
|                           | <u>50,050</u>  | <u>15,438</u>  | <u>5,722</u>   |
| <u>Funding</u>            |                |                |                |
| Borrowing and Leasing     | 32,512         | 2,692          | 2,169          |
| Grants and External Funds | 17,548         | 5,979          | 2,046          |
| Direct Revenue Finance    | 0              | 0              | 0              |
| Capital Receipts          | 3,611          | 1,400          | 500            |
| Slippage Between Years    | -3,621         | 5,367          | 1,007          |
|                           | <u>50,050</u>  | <u>15,438</u>  | <u>5,722</u>   |

- 3.49 The committed Capital Programme is shown in Appendix F.

- 3.50 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**

- 3.51 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.

- 3.52 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**

- 3.53 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 (NFF) introduced in 2018/19.
- 3.54 The 2024/25 DSG settlement was announced on 19 December 2023 allocating Halton a total of £154.497m, which is broken down as £111.188m for the Schools Block, £0.747m for the Central Schools Services Block, £27.007m for the High Needs Block, and £15.554m for the Early Years Block.
- 3.55 Schools Block pupil numbers in mainstream primary and secondary schools have decreased from 18,061 for 2023/24 to 17,830 for 2024/25. Funding for mainstream primary and secondary schools is based on the pupil cohort on the October 2023 census.

- 3.56 The Minimum Funding Guarantee has been agreed by Schools Forum at plus 0.5%. This is in line with the maximum protection allowed by the Department for Education (DfE).
- 3.57 The Schools Block of £111.188m includes the Mainstream Schools Additional Grant (MSAG) that was provided in-year for 2023/24 and has now been rolled into the DSG with effect from 1 April 2024. The School's Block has increased by £0.996m when compared to 2023/24 inclusive of MSAG. The School's Block is distributed to schools and academies in accordance with Schools' Forum recommendations and in compliance with the National Funding Formula (NFF) requirements.
- 3.58 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 of 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.
- 3.59 The Early Years Block indicative allocation for 2024/25 is £15.554m which is £5.903m greater than 2023/24. Reasons for the increase include an increase in the hourly rate for 3 and 4 year olds, an increase in the hourly rate for 2 year olds, and an entitlement covering disadvantaged 2 year olds which now includes 2 year olds with working parents and disadvantaged children under 2 years old. The 2024/25 allocation remains indicative until after the January 2024 early years headcount has been collated, validated and used by the DfE to inform Halton's actual Early Years Block allocation for 2024/25.
- 3.60 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 £5.20 per hour for 2023/24 to £5.72 per hour for 2024/25. The hourly rate the Council are funded at for 2 year old provision has increased from £5.71 per hour to £8.20 per hour and the hourly rate for the expansion to include provision for under 2 year olds is £11.18 per hour.
- 3.61 The High Needs Block for 2023/24 was £25.080m before recoupment by the DfE for commissioned places in special academies and further education. This was increased in-year for the special schools equivalent of MSAG to provide a total High Needs block for 2023/24 of £26.135m. For 2024/25 the High Needs Block is £27.007m, which is an increase of £0.872m or 3.2%. Further Conditions of Grant in respect to High Needs have been continued for 2024/25 which require all Authorities to pass on a minimum guaranteed increase to their specialist provisions.

- 3.62 The Pupil Premium Grant (PPG) rates have increased by 1.7% to £1,480 per Primary pupil, and 1.5% to £1,050 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 £2,570 per pupil. Eligibility for the Service Children Premium will be funded at £340 per pupil. The amount for Looked after Children which comes to the Council for distribution is £2,570 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 There is no impact upon 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 2024/25.

**11.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

**12.0 IMPLEMENTATION DATE**

- 12.1 06 March 2024.

**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) 2024/25 | Financial Management<br>Halton Stadium | Steve Baker     |

**APPENDIX A****DRAFT RESOLUTION FOR SUBMISSION TO THE COUNCIL  
AT ITS MEETING ON 06 MARCH 2024**

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

1. The policies outlined in this paper be adopted, including the budget and council tax for 2024/25 and the Capital Programme set out in Appendix E.
2. That it be noted that at the meeting on 6 December 2023 the Council agreed the following:
  - (a) The Council Tax Base 2024/25 for the whole Council area is 36,409 (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          | 667      |
| Daresbury     | 212      |
| Moore         | 341      |
| Preston Brook | 370      |
| Halebank      | 534      |
| Sandymoor     | 1,606    |

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 2024/25 (excluding Parish precepts) is £64,039,426.
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 2024/25 and agreed as follows:
  - (a) £477,421,949 – being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the said Act, taking into account all precepts issued to it by Parish Councils.

- (b) £413,168,669 – being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £64,253,280 – 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) £1,764.76 – 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) £213,964.10 – 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          | 58,845.50 |
| Daresbury     | 9,680     |
| Moore         | 6,216     |
| Preston Brook | 52,444.60 |
| Halebank      | 40,060    |
| Sandymoor     | 46,718    |

- (f) £1,758.89 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          | 88.22  |
| Daresbury     | 45.66  |
| Moore         | 18.23  |
| Preston Brook | 141.74 |
| 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        | 1,231.40        | 1,203.03        | 1,184.74        | 1,267.08        | 1,222.60        | 1,191.98        | 1,172.59                              |
| B        | 1,436.65        | 1,403.54        | 1,382.21        | 1,478.27        | 1,426.38        | 1,390.66        | 1,368.03                              |
| C        | 1,641.88        | 1,604.05        | 1,579.66        | 1,689.45        | 1,630.14        | 1,589.32        | 1,563.46                              |
| <b>D</b> | <b>1,847.11</b> | <b>1,804.55</b> | <b>1,777.12</b> | <b>1,900.63</b> | <b>1,833.91</b> | <b>1,787.98</b> | <b>1,758.89</b>                       |
| E        | 2,257.57        | 2,205.56        | 2,172.03        | 2,322.99        | 2,241.44        | 2,185.30        | 2,149.75                              |
| F        | 2,668.05        | 2,606.57        | 2,566.95        | 2,745.36        | 2,648.98        | 2,582.64        | 2,540.62                              |
| G        | 3,078.51        | 3,007.58        | 2,961.86        | 3,167.71        | 3,056.51        | 2,979.96        | 2,931.48                              |
| H        | 3,694.22        | 3,609.10        | 3,554.24        | 3,801.26        | 3,667.82        | 3,575.96        | 3,517.78                              |

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 2024/25 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        | 175.29        |
| B        | 204.51        |
| C        | 233.72        |
| <b>D</b> | <b>262.94</b> |
| E        | 321.37        |
| F        | 379.80        |
| G        | 438.23        |
| H        | 525.88        |

6. It is further noted that for the year 2024/25 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        | 60.06        |
| B        | 70.07        |
| C        | 80.08        |
| <b>D</b> | <b>90.09</b> |
| E        | 110.11       |
| F        | 130.13       |
| G        | 150.15       |
| H        | 180.18       |

7. It is further noted that for the year 2024/25 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        |
| <b>D</b> | <b>19.00</b> |
| 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 2024/25 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        | 1,479.42        | 1,451.05        | 1,432.76        | 1,515.10        | 1,470.62        | 1,440.00        | 1,420.61                              |
| B        | 1,726.01        | 1,692.90        | 1,671.57        | 1,767.63        | 1,715.74        | 1,680.02        | 1,657.39                              |
| C        | 1,972.57        | 1,934.74        | 1,910.35        | 2,020.14        | 1,960.83        | 1,920.01        | 1,894.15                              |
| <b>D</b> | <b>2,219.14</b> | <b>2,176.58</b> | <b>2,149.15</b> | <b>2,272.66</b> | <b>2,205.94</b> | <b>2,160.01</b> | <b>2,130.92</b>                       |
| E        | 2,712.27        | 2,660.26        | 2,626.73        | 2,777.69        | 2,696.14        | 2,640.00        | 2,604.45                              |
| F        | 3,205.42        | 3,143.94        | 3,104.32        | 3,282.73        | 3,186.35        | 3,120.01        | 3,077.99                              |
| G        | 3,698.56        | 3,627.63        | 3,581.91        | 3,787.76        | 3,676.56        | 3,600.01        | 3,551.53                              |
| H        | 4,438.28        | 4,353.16        | 4,298.30        | 4,545.32        | 4,411.88        | 4,320.02        | 4,261.84                              |

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 2024/25 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****60,501****Children's Services Directorate**

Children's Services

38,957

Education, Inclusion &amp; Provision

9,495

**48,452****Public Health Directorate****1,413****Environment & Regeneration Directorate**

Community &amp; Greenspace

26,260

Economy, Enterprise &amp; Property

1,868

Policy, Planning and Transportation

8,380

**36,508****Chief Executive's Directorate**

Finance

5,144

ICT &amp; Support Services

-366

Legal &amp; Democratic Services

1,786

Chief Executive's Delivery Unit

-953

**5,611****Departmental Operational Budgets****152,485**

Corporate and Democracy

-2,989

**Total Operational Budget****149,496**

KEY COMPONENTS IN DEVELOPING THE DEPARTMENTAL OPERATIONAL BUDGETS

|                                                              | Adult Social Care | Children's Services | Education, Inclusion & Provision | Public Health | Community & Greenspace | Economy, Enterprise & Property | Policy, Planning & Transportation | Finance      | ICT & Support Services | Legal & Democratic Services | Chief Executive's Delivery Unit | Corporate & Democracy | Total          |
|--------------------------------------------------------------|-------------------|---------------------|----------------------------------|---------------|------------------------|--------------------------------|-----------------------------------|--------------|------------------------|-----------------------------|---------------------------------|-----------------------|----------------|
|                                                              | £'000             | £'000               | £'000                            | £'000         | £'000                  | £'000                          | £'000                             | £'000        | £'000                  | £'000                       | £'000                           | £'000                 | £'000          |
| <b>2023/24 Base Budget</b>                                   | <b>57,098</b>     | <b>32,072</b>       | <b>8,493</b>                     | <b>1,474</b>  | <b>26,408</b>          | <b>1,916</b>                   | <b>8,272</b>                      | <b>4,511</b> | <b>1,964</b>           | <b>1,750</b>                | <b>-1,528</b>                   | <b>-1,550</b>         | <b>140,880</b> |
| <b>MTFS Adjustments:</b>                                     |                   |                     |                                  |               |                        |                                |                                   |              |                        |                             |                                 |                       |                |
| Growth in MTFS                                               | -2,355            | -1,089              | 0                                | 0             | 0                      | 0                              | 50                                | 277          | 0                      | 0                           | 190                             | 4,312                 | 1,385          |
| Savings Agreed February 2023                                 | -1,837            | -138                | -280                             | -149          | 84                     | -152                           | -150                              | -65          | 0                      | 0                           | -15                             | 0                     | -2,702         |
| Salary Inflation                                             | 1,985             | 803                 | 344                              | 401           | 1,451                  | 276                            | 282                               | 447          | 723                    | 74                          | 244                             | 50                    | 7,080          |
| Price and Income Inflation                                   | 1,610             | 793                 | 2                                | -4            | -769                   | -344                           | 87                                | -34          | -83                    | -24                         | -39                             | 35                    | 1,230          |
| 10% Reduction in Supplies and Maintenance                    | -116              | -113                | -17                              | -2            | -409                   | -206                           | -476                              | -63          | -91                    | -5                          | -17                             | -26                   | -1,541         |
| <b>Existing Budget Pressures:</b>                            |                   |                     |                                  |               |                        |                                |                                   |              |                        |                             |                                 |                       |                |
| Demographic Pressures                                        | 1,625             | 0                   | 0                                | 0             | 0                      | 0                              | 0                                 | 0            | 0                      | 0                           | 0                               | 0                     | 1,625          |
| Children's Residential Care                                  | 0                 | 1,514               | 0                                | 0             | 0                      | 0                              | 0                                 | 0            | 0                      | 0                           | 0                               | 0                     | 1,514          |
| Schools Transport                                            | 0                 | 0                   | 700                              | 0             | 0                      | 0                              | 0                                 | 0            | 0                      | 0                           | 0                               | 0                     | 700            |
| Prior Year Unachieved Savings                                | 0                 | 112                 | 0                                | 0             | 0                      | 0                              | 0                                 | 0            | 307                    | 0                           | 0                               | 0                     | 419            |
| Other                                                        | 90                | 248                 | 0                                | 0             | 249                    | 68                             | 43                                | 41           | 0                      | 0                           | 22                              | 0                     | 761            |
| <b>New Pressures:</b>                                        |                   |                     |                                  |               |                        |                                |                                   |              |                        |                             |                                 |                       |                |
| Care Cost Inflation                                          | 1,140             | 4,856               | 0                                | 0             | 0                      | 0                              | 0                                 | 0            | 0                      | 0                           | 0                               | 0                     | 5,996          |
| Contract Inflation                                           | 24                | 51                  | 0                                | 0             | 5                      | 82                             | 0                                 | 0            | 349                    | 0                           | 0                               | 0                     | 511            |
| Increase in Staffing Structure                               | 0                 | 213                 | 0                                | 0             | 0                      | 0                              | 0                                 | 0            | 0                      | 0                           | 147                             | 0                     | 360            |
| Changes to Income / Grants                                   | 357               | -1,524              | -230                             | -364          | -767                   | 0                              | -4                                | -27          | 0                      | 0                           | -3                              | 1,114                 | -1,448         |
| Further Energy Cost Reductions                               | -41               | -12                 | 0                                | 0             | -94                    | -62                            | -3                                | 0            | -5                     | 0                           | 0                               | 0                     | -217           |
| Other                                                        | -59               | -429                | 88                               | 7             | -20                    | 80                             | 208                               | 57           | 32                     | -9                          | -149                            | 21                    | -173           |
| Use of Contingency                                           | 0                 | 0                   | 0                                | 0             | 0                      | 0                              | 0                                 | 0            | 0                      | 0                           | 0                               | -6,884                | -6,884         |
| Transfers Between Departments including Admin Disaggregation | 980               | 1,600               | 395                              | 50            | 122                    | 210                            | 71                                | 0            | -3,562                 | 0                           | 195                             | -61                   | 0              |
| <b>2024/25 Base Budget</b>                                   | <b>60,501</b>     | <b>38,957</b>       | <b>9,495</b>                     | <b>1,413</b>  | <b>26,260</b>          | <b>1,868</b>                   | <b>8,380</b>                      | <b>5,144</b> | <b>-366</b>            | <b>1,786</b>                | <b>-953</b>                     | <b>-2,989</b>         | <b>149,496</b> |

## APPENDIX D

## 2024/25 BUDGET – REASONS FOR CHANGE

|                                                      | £000           |
|------------------------------------------------------|----------------|
| 2023/24 Approved Budget                              | 140,880        |
| Add Back One-Off Savings                             | 0              |
|                                                      | <hr/>          |
|                                                      | <b>140,880</b> |
| <u>Policy Decisions</u>                              |                |
| Capital Programme                                    | 150            |
| <u>Inflation and Service Demand Pressures</u>        |                |
| Pay (including Increments)                           | 7,137          |
| Prices                                               | 3,284          |
| Income                                               | -2,057         |
| Existing Service Demand Pressures                    | 5,902          |
| <u>Other</u>                                         |                |
| Net Adjustment to Specific Grants                    | -1,414         |
| Contingency Increase                                 | 1,395          |
| Social Care Grant                                    | -3,465         |
| 2024/25 Services Grant                               | 1,230          |
| Net Reserves Movements                               | 3,156          |
|                                                      | <hr/>          |
| <b>Base Budget</b>                                   | <b>156,198</b> |
| Less Savings (as agreed by Council 01 February 2023) | -2,702         |
| Less Transformation Programme Savings                | -4,000         |
|                                                      | <hr/>          |
| <b>Total 2024/25 Budget</b>                          | <b>149,496</b> |

## APPENDIX E

## MEDIUM TERM FINANCIAL FORECAST

|                                                     | 2025/26<br>£000 | 2026/27<br>£000 | 2027/28<br>£000 |
|-----------------------------------------------------|-----------------|-----------------|-----------------|
| <b>Spending</b>                                     |                 |                 |                 |
| Previous Year's Budget                              | 149,496         | 150,929         | 155,293         |
| <u>Inflation</u>                                    |                 |                 |                 |
| Pay                                                 | 2,201           | 2,245           | 2,290           |
| Prices                                              | 2,957           | 3,016           | 3,076           |
| Income                                              | -855            | -872            | -890            |
| <u>Other</u>                                        |                 |                 |                 |
| Service Demand Pressures                            | 5,840           | 2,316           | 2,500           |
| Contingency                                         | 2,000           | 2,000           | 2,000           |
| Reverse Use of Reserves                             | 0               | 4,332           | 0               |
| Replenish Reserves                                  | 2,000           | 2,000           | 0               |
| Estimated Savings Proposals                         | -9,349          | -8,000          | 0               |
| Budget Forecast                                     | 154,290         | 157,966         | 164,269         |
| <b>Resources</b>                                    |                 |                 |                 |
| Baseline Business Rates Funding and<br>Top-Up Grant | 84,315          | 86,002          | 87,722          |
| Council Tax                                         | 66,614          | 69,291          | 72,077          |
|                                                     | 150,929         | 155,293         | 159,799         |
| <b>Funding Gaps</b>                                 | <b>-3,361</b>   | <b>-2,673</b>   | <b>-4,470</b>   |

## APPENDIX F

## COMMITTED CAPITAL PROGRAMME 2024/27

| SCHEME                                     | 2024/25<br>£000 | 2025/26<br>£000 | 2026/27<br>£000 |
|--------------------------------------------|-----------------|-----------------|-----------------|
| Schools Capital Projects                   | 749             | 0               | 0               |
| <b>Childrens Directorate</b>               | <b>749</b>      | <b>0</b>        | <b>0</b>        |
| ALD Bungalows                              | 199             | 0               | 0               |
| Disabled Facilities Grant                  | 600             | 600             | 600             |
| Stairlifts                                 | 540             | 540             | 540             |
| Care Home Refurbishment                    | 1,200           | 0               | 0               |
| <b>Adults Directorate</b>                  | <b>2,539</b>    | <b>1,140</b>    | <b>1,140</b>    |
| Stadium Minor Works                        | 30              | 30              | 30              |
| Halton Leisure Centre                      | 15,200          | 0               | 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             | 280             | 0               |
| Spike Island / Wigg Island                 | 964             | 0               | 0               |
| Litter Bins                                | 20              | 20              | 20              |
| 3MG                                        | 127             | 0               | 0               |
| Equality Act Improvement Works             | 300             | 300             | 300             |
| Property Improvements                      | 200             | 200             | 200             |
| Runcorn Town Centre Development            | 9,041           | 3,653           | 0               |
| Runcorn Station Quarter                    | 435             | 0               | 0               |
| Street Lighting – Structural Maintenance   | 1,026           | 200             | 200             |
| Street Lighting – Upgrades                 | 969             | 0               | 0               |
| Risk Management                            | 598             | 120             | 120             |
| Fleet Replacements                         | 4,927           | 1,423           | 1,000           |
| Silver Jubilee Bridge Lighting             | 531             | 0               | 0               |
| <b>Environment &amp; Regen Directorate</b> | <b>35,683</b>   | <b>7,231</b>    | <b>2,875</b>    |
| IT Rolling Programme                       | 700             | 700             | 700             |
| Halton Smart Microgrid                     | 11,000          | 0               | 0               |
| Transformation Programme                   | 3,000           | 1,000           | 0               |
| <b>Chief Executive Directorate</b>         | <b>14,700</b>   | <b>1,700</b>    | <b>700</b>      |
| <b>Total Capital Programme</b>             | <b>53,671</b>   | <b>10,071</b>   | <b>4,715</b>    |
| <b>Slippage between years</b>              | <b>-3,621</b>   | <b>5,367</b>    | <b>1,007</b>    |
| <b>GRAND TOTAL</b>                         | <b>50,050</b>   | <b>15,438</b>   | <b>5,722</b>    |



## APPENDIX G

## PREVIOUSLY APPROVED BUDGET SAVINGS 2023/24 – 2025/26

## ADULT SOCIAL CARE DEPARTMENT

| Ref.     | Service Area                           | Net Budget<br>£'000 | Description of Saving Proposal                                                                                                                                           | Savings Value  |                |                |
|----------|----------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
|          |                                        |                     |                                                                                                                                                                          | 23/24<br>£'000 | 24/25<br>£'000 | 25/26<br>£'000 |
| ASC1     | Housing Solutions                      | 474                 | Remodel the current service based on good practice evidence from other areas.                                                                                            | 0              | 0              | 125            |
| ASC2     | Telehealthcare                         | 680                 | Explore alternative funding streams such as Health funding or Disabled Facilities Grants.                                                                                | 0              | 170            | 0              |
|          |                                        |                     | Increase charges / review income.                                                                                                                                        | 0              | 170            | 0              |
|          |                                        |                     | Cease the key safe installation service.                                                                                                                                 | 0              | 15             | 0              |
| ASC11    | Dorset Gardens Care Services           | 471                 | Cease onsite support and transfer to the domiciliary care contract.                                                                                                      | 275            | 0              | 0              |
| ASC17/18 | Quality Assurance Team                 | 395                 | Review the activities of the Quality Assurance Team, given there are fewer providers for domiciliary care and the transfer of four care homes into the Council.          | 35             | 0              | 0              |
|          |                                        |                     | Merge the service with the Safeguarding Unit.                                                                                                                            | 0              | 50             | 0              |
| ASC12    | Meals on Wheels                        | 33                  | Increase charges to ensure full cost recovery. A procurement exercise will also be completed for the provision of food.                                                  | 33             | 0              | 0              |
| ASC16    | Shared Lives (Adult Placement Service) | 115                 | Engage with an external agency currently operating Shared Lives to take over the running of this service. It is anticipated that this would provide an improved service. | 0              | 58             | 0              |

| Ref.  | Service Area                       | Net Budget<br>£'000 | Description of Saving Proposal                                                                                                                                                                                                                                                                             | Savings Value  |                |                |
|-------|------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
|       |                                    |                     |                                                                                                                                                                                                                                                                                                            | 23/24<br>£'000 | 24/25<br>£'000 | 25/26<br>£'000 |
| ASC19 | Voluntary Sector Support           | N/A                 | Review the support provided by Adult Social Care and all other Council Departments, to voluntary sector organisations. This would include assisting them to secure alternative funding in order to reduce their dependence upon Council funding. A target saving phased over two years has been estimated. | 0              | 200            | 100            |
| ASC4  | Positive Behaviour Support Service | 349                 | Increase income generated in order to ensure full cost recovery, through increased service contract charges to other councils.                                                                                                                                                                             | 0              | 100            | 0              |
|       |                                    |                     | Review the Integrated Care Board contribution for Adults, to ensure the full recovery of related costs.                                                                                                                                                                                                    | 0              | 150            | 0              |
| ASC6  | Bridge Builders                    | 250                 | Restructure and incorporate within the Care Management front door service, introducing the services currently offered by Bridge Builders to all new referrals.                                                                                                                                             | 120            | 0              | 0              |
| ASC5  | Mental Health Outreach Team        | 376                 | Streamline the service and focus on higher needs requiring joint funding from the Integrated Care Board.                                                                                                                                                                                                   | 140            | 0              | 0              |
| ASC21 | Mental Health Team Carers Officer  | 38                  | Commission the Carers Centre to complete all Carers assessments or undertake the function through the Initial Assessment Team.                                                                                                                                                                             | 38             | 0              | 0              |
| ASC15 | Learning Disability Nursing Team   | 424                 | Cease provision of this service. The service is a Health related function rather than Adult Social Care, but this is a historical arrangement. The Integrated Care Board would need to consider how they want to provide this function.                                                                    | 0              | 424            | 0              |

| Ref.                                      | Service Area                             | Net Budget<br>£'000 | Description of Saving Proposal                                                                                                                                                                                                                                                       | Savings Value  |                |                |
|-------------------------------------------|------------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
|                                           |                                          |                     |                                                                                                                                                                                                                                                                                      | 23/24<br>£'000 | 24/25<br>£'000 | 25/26<br>£'000 |
| ASC14                                     | Care Management<br>Community Care Budget | 18,982              | Attract £500k investment from the pooled budget (BCF) from 2024/25. Undertake work in years 1 and 2 to reduce reliance upon contracted services from 2025/26. Services are currently in the process of being redesigned on a "Strengths Based Approach" ie. focused upon prevention. | 0              | 500            | 1,000          |
| <b>Total Adult Social Care Department</b> |                                          |                     |                                                                                                                                                                                                                                                                                      | <b>641</b>     | <b>1,837</b>   | <b>1,225</b>   |

#### CHILDREN AND FAMILIES DEPARTMENT

| Ref. | Service Area                               | Net Budget<br>£'000 | Description of Saving Proposal                                                                                                                                                                                 | Savings Value  |                |                |
|------|--------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
|      |                                            |                     |                                                                                                                                                                                                                | 23/24<br>£'000 | 24/25<br>£'000 | 25/26<br>£'000 |
| C1   | Ditton and Warrington Road Daycare Centres | 52                  | Closure of Ditton and Warrington Road daycare centres, given the significant on-going net losses at both centres. Sufficient alternative provision exists nearby, as well as in the adjoining nursery schools. | 26             | 26             | 0              |
| C2   | Children's Centres                         | 1,293               | Reduce the opening hours of Children's Centres.                                                                                                                                                                | 12             | 0              | 0              |
|      |                                            |                     | Review the operation of Windmill Hill Children's Centre, where there is the potential to save on premises and staffing costs.                                                                                  | 0              | 0              | 22             |
|      |                                            |                     | Target to generate at least 5% additional income by increasing a range of charges at Children's Centres.                                                                                                       | 20             | 0              | 0              |

| Ref.                                            | Service Area                              | Net Budget<br>£'000 | Description of Saving Proposal                                                                                                           | Savings Value  |                |                |
|-------------------------------------------------|-------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
|                                                 |                                           |                     |                                                                                                                                          | 23/24<br>£'000 | 24/25<br>£'000 | 25/26<br>£'000 |
| C3                                              | Children with Disabilities and Inglefield | 858                 | Explore the potential for selling Inglefield and then purchase two bungalows within the community to provide a more appropriate setting. | 0              | 112            | 0              |
| <b>Total Children &amp; Families Department</b> |                                           |                     |                                                                                                                                          | <b>58</b>      | <b>138</b>     | <b>22</b>      |

### EDUCATION, INCLUSION AND PROVISION DEPARTMENT

| Ref. | Service Area                 | Net Budget<br>£'000 | Description of Saving Proposal                                                                                                                                                                                                                                     | Savings Value  |                |                |
|------|------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
|      |                              |                     |                                                                                                                                                                                                                                                                    | 23/24<br>£'000 | 24/25<br>£'000 | 25/26<br>£'000 |
| EIP1 | Education Psychology Service | 339                 | There is excess demand from schools for the Education Psychology Service. The service is valued and there is opportunity to expand our offer and generate additional income.                                                                                       | 0              | 52             | 0              |
| EIP2 | SEN Assessment Team          | 82                  | Consideration will be given to funding the full service costs from the High Needs Block of the Dedicated Schools Grant.                                                                                                                                            | 0              | 80             | 0              |
| EIP5 | Commissioning                | 148                 | Review with Health colleagues how the Emotional Health and Wellbeing Service for Children in Care, Care Leavers and Carers could instead be provided by Child and Adolescent Mental Health Services (CAMHS) as they are commissioned by the Integrated Care Board. | 0              | 148            | 0              |
| EIP5 | Commissioning                | 291                 | Additional funding for Youth Grants has been confirmed for three years from the DfE Holiday Activity and Food Programme grant, therefore core budget can be released.                                                                                              | 40             | 0              | 0              |

| Ref.                                                       | Service Area              | Net Budget<br>£'000 | Description of Saving Proposal                                                                                     | Savings Value  |                |                |
|------------------------------------------------------------|---------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
|                                                            |                           |                     |                                                                                                                    | 23/24<br>£'000 | 24/25<br>£'000 | 25/26<br>£'000 |
| EIP9                                                       | Education Welfare Service | 396                 | There has been increased buy-back of this service from schools and as a result the income budget can be increased. | 60             | 0              | 0              |
| <b>Total Education, Inclusion and Provision Department</b> |                           |                     |                                                                                                                    | <b>100</b>     | <b>280</b>     | <b>0</b>       |

## PUBLIC HEALTH DEPARTMENT

| Ref.                                  | Service Area            | Net Budget<br>£'000 | Description of Saving Proposal                                                                | Savings Value  |                |                |
|---------------------------------------|-------------------------|---------------------|-----------------------------------------------------------------------------------------------|----------------|----------------|----------------|
|                                       |                         |                     |                                                                                               | 23/24<br>£'000 | 24/25<br>£'000 | 25/26<br>£'000 |
| PH2                                   | Health Improvement Team | 2,071               | Consolidate the Ageing Well element of the service with the Sure Start to Later Life Service. | 0              | 149            | 0              |
| <b>Total Public Health Department</b> |                         |                     |                                                                                               | <b>0</b>       | <b>149</b>     | <b>0</b>       |

## COMMUNITY AND GREENSPACE DEPARTMENT

| Ref.  | Service Area         | Net Budget<br>£'000 | Description of Saving Proposal                                                                                                                                           | Savings Value  |                |                |
|-------|----------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
|       |                      |                     |                                                                                                                                                                          | 23/24<br>£'000 | 24/25<br>£'000 | 25/26<br>£'000 |
| COMM1 | The Brindley Theatre | 64                  | Reduce Box Office opening hours from 10am-5pm Monday-Friday to 10am-2pm. Currently 80% of tickets are purchased online or by telephone and this is increasing each year. | 10             | 0              | 0              |
|       |                      |                     | Replace all non-LED lighting in the building. This is estimated to reduce on-stage energy costs by 75%.                                                                  | 10             | 0              | 0              |
| COMM3 | Sport & Recreation   | 471                 | Restructuring the roles and responsibilities of the Sports Development Team                                                                                              | 0              | 36             | 0              |

| Ref.                                                | Service Area                               | Net Budget<br>£'000 | Description of Saving Proposal                                                                                                                                                                                                                                                                                                                  | Savings Value  |                |                |
|-----------------------------------------------------|--------------------------------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
|                                                     |                                            |                     |                                                                                                                                                                                                                                                                                                                                                 | 23/24<br>£'000 | 24/25<br>£'000 | 25/26<br>£'000 |
| COMM4                                               | Stadium & Catering Services                | 751                 | Franchise the concourse only catering services to an external operator.                                                                                                                                                                                                                                                                         | 50             | 0              | 0              |
|                                                     |                                            |                     | An organisational restructure is currently being implemented for Stadium & Catering Services to reflect recent service changes.                                                                                                                                                                                                                 | 40             | 0              | 0              |
| COMM6                                               | Area Forums                                | 170                 | Reduce the base budget provision to £50k temporarily for one year, with all unspent monies in 2022/23 (currently £120k) being carried forward to be spent by the relevant Area Forums in 2023/24. The base budget position will then be reviewed for 2024/25.                                                                                   | 120            | -120           | 0              |
| COMM5                                               | Stadium & Catering Services – School Meals | 12                  | Cease to deliver the school meals service, which has made significant losses of over £200,000 for a number of years and is forecast to make a similar loss by year-end. Work would be undertaken with schools over the next two years to support them to secure an alternative means of delivery, whether in-house or via an external provider. | 0              | 0              | 12             |
| <b>Total Community &amp; Environment Department</b> |                                            |                     |                                                                                                                                                                                                                                                                                                                                                 | <b>230</b>     | <b>-84</b>     | <b>12</b>      |

## FINANCE DEPARTMENT

| Ref. | Service Area                         | Net Budget<br>£'000 | Description of Saving Proposal                                                                                                                                                                                                                                                                  | Savings Value  |                |                |
|------|--------------------------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
|      |                                      |                     |                                                                                                                                                                                                                                                                                                 | 23/24<br>£'000 | 24/25<br>£'000 | 25/26<br>£'000 |
| F1   | Client Finance                       | 109                 | Increase by £3 per week the charge to clients for the Appointeeships Service to ensure full cost recovery.                                                                                                                                                                                      | 45             | 0              | 0              |
| F6   | Income Control                       | 118                 | Removal of payment kiosks which are now significantly under-utilised and in need of replacement. The ceasing of annual rental and licence costs will provide a saving. Residents can instead make payments for council tax etc. via the numerous Paypoint outlets across the Borough.           | 20             | 0              | 0              |
| F8   | Insurance                            | 1,043               | Reduction in the insurance budgets, following a review of claims history over recent years with advice from the Council's insurance broker. The majority of claims are provided for via self-insurance, with external policies providing cover for exceptional or potentially high cost claims. | 135            | 0              | 0              |
| F9   | Internal Audit                       | 300                 | Restructure in light of potential retirements over the next two years within the Internal Audit Team.                                                                                                                                                                                           | 0              | 0              | 50             |
| F11  | Purchase to Pay                      | 27                  | Increase in the target income budgets for the Early Payment Scheme (£15k) and the Corporate Card Programme rebate (£15k)                                                                                                                                                                        | 30             | 0              | 0              |
| F12  | Benefits Processing & Administration | 216                 | Deletion of a 1.0fte vacant Housing Benefit Officer Post and a 0.5fte vacant Visiting Officer Post.                                                                                                                                                                                             | 55             | 0              | 0              |

| Ref.                            | Service Area                               | Net Budget<br>£'000 | Description of Saving Proposal                                                                                                                                                                                                                                                                                 | Savings Value  |                |                |
|---------------------------------|--------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
|                                 |                                            |                     |                                                                                                                                                                                                                                                                                                                | 23/24<br>£'000 | 24/25<br>£'000 | 25/26<br>£'000 |
| F13                             | Discretionary Support Scheme               | 221                 | Review the roles, procedures and structure of the team.                                                                                                                                                                                                                                                        | 0              | 25             | 0              |
| F15                             | Business Rates                             | -26                 | Increase the charge to Halton Chamber of Commerce for providing billing and collection of Business Improvement District (BID) income.                                                                                                                                                                          | 2              | 0              | 0              |
| F16                             | Concessionary Travel                       | 1,892               | Due to a decrease in passenger numbers following Covid, it is considered that the budget for concessionary travel costs can be reduced. The budget was underspent by £421k (20%) in 2021/22. A reduction in this budget will not prevent any eligible concessionary passenger from still being able to travel. | 150            | 0              | 0              |
| F17                             | Council Tax                                | 84                  | Increase the charges applied when a court summons is issued by 30% (£23), to achieve full cost recovery over the three year period.                                                                                                                                                                            | 40             | 40             | 40             |
| F17 Cont.                       | Council Tax                                | N/A                 | Establish a new post dedicated to reviewing council tax exemptions. It is considered at least a 3% reduction in Single Person Discount awards could be achieved, generating approximately £150k of additional council tax income, less the cost of the new post.                                               | 116            | 0              | 0              |
| F18                             | Financial Management - Treasury Management | 1,152               | Closer management of medium- to long-term cash balances will give greater opportunity to invest in higher interest bearing accounts due to increasing interest rates.                                                                                                                                          | 300            | 0              | 0              |
| <b>Total Finance Department</b> |                                            |                     |                                                                                                                                                                                                                                                                                                                | <b>893</b>     | <b>65</b>      | <b>90</b>      |



**ICT SERVICES DEPARTMENT**

| Ref.                                 | Service Area     | Net Budget<br>£'000 | Description of Saving Proposal                                                                                                                                                                                           | Savings Value  |                |                |
|--------------------------------------|------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
|                                      |                  |                     |                                                                                                                                                                                                                          | 23/24<br>£'000 | 24/25<br>£'000 | 25/26<br>£'000 |
| ICT3                                 | External Clients | N/A                 | Recharge the Youth Offending Services for the full cost of ICT services which are hosted by Halton, but have not thus far been recharged. This approach has been agreed by the Cheshire and Warrington partner councils. | 232            | 0              | 0              |
| <b>Total ICT Services Department</b> |                  |                     |                                                                                                                                                                                                                          | <b>232</b>     | <b>0</b>       | <b>0</b>       |

**LEGAL AND DEMOCRATIC SERVICES DEPARTMENT**

| Ref.                                   | Service Area                         | Net Budget<br>£'000 | Description of Saving Proposal                                                                                                                                             | Savings Value  |                |                |
|----------------------------------------|--------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
|                                        |                                      |                     |                                                                                                                                                                            | 23/24<br>£'000 | 24/25<br>£'000 | 25/26<br>£'000 |
| L4                                     | Marketing, Design and Communications | 45                  | Review the frequency of production of Inside Halton, as part of the wider consideration of the Council's communications strategy required for the Transformation Programme | 0              | 15             | 0              |
| L5                                     | Mayoral Services                     | 102                 | Review the various budgets comprising the Mayoral function, with a target to achieve a 20% savings across these.                                                           | 20             | 0              | 0              |
| <b>Total Legal Services Department</b> |                                      |                     |                                                                                                                                                                            | <b>20</b>      | <b>15</b>      | <b>0</b>       |

**POLICY, PLANNING AND TRANSPORTATION DEPARTMENT**

| Ref.                                                          | Service Area                   | Net Budget<br>£'000 | Description of Saving Proposal                                                                                                                                                                                                                                                                                                                     | Savings Value  |                |                |
|---------------------------------------------------------------|--------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
|                                                               |                                |                     |                                                                                                                                                                                                                                                                                                                                                    | 23/24<br>£'000 | 24/25<br>£'000 | 25/26<br>£'000 |
| PPT1                                                          | Fleet Management & Maintenance | 400                 | Reduction in the annual contribution to the Fleet Replacement Reserve.                                                                                                                                                                                                                                                                             | 40             | 0              | 0              |
| PPT2                                                          | Transport Coordination         | 484                 | Reduction in the provision of subsidised bus grants. Currently, 14 bus services are subsidised through contracts where there are no commercial services. Passenger utilisation of routes would be assessed to see where reductions can be applied with the least impact upon services.                                                             | 50             | 0              | 0              |
| PPT4                                                          | Schemes and Maintenance        | 1,056               | Reduction of 6% in the programmed road maintenance budget.                                                                                                                                                                                                                                                                                         | 60             | 0              | 0              |
| PPT5                                                          | School Crossings               | 70                  | Approach the Schools Forum to seek a contribution of at least 50% towards funding the school crossing patrol service, which is a non-statutory service.                                                                                                                                                                                            | 35             | 0              | 0              |
| PPT6                                                          | Traffic                        | N/A                 | Consider introducing civil traffic enforcement for traffic violations. Employ private sector civil enforcement officers to issue fines and generate income. It would take 12 months to apply for powers from the DFT and put the scheme in place. The Environment & Urban Renewal Policy & Performance Board will consider this via a Topic Group. | 0              | 150            | 0              |
| <b>Total Policy, Planning &amp; Transportation Department</b> |                                |                     |                                                                                                                                                                                                                                                                                                                                                    | <b>185</b>     | <b>150</b>     | <b>0</b>       |

**CHIEF EXECUTIVE'S DEPARTMENT**

| Ref.                                      | Service Area                             | Net Budget<br>£'000 | Description of Saving Proposal                                                                                                                                                                                                                             | Savings Value  |                |                |
|-------------------------------------------|------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
|                                           |                                          |                     |                                                                                                                                                                                                                                                            | 23/24<br>£'000 | 24/25<br>£'000 | 25/26<br>£'000 |
| PPPE1                                     | Apprenticeships                          | 198                 | Reduce the budget which provides for apprenticeship salaries by 50%. More apprenticeships will therefore be attached to vacant posts which are already budgeted for. This may particularly help to fill vacancies in areas where recruitment is difficult. | 99             | 0              | 0              |
| PPPE4                                     | Organisational Development & Performance | 383                 | Explore whether Organisational Development / Learning and Development activities could be rationalised and restructured to reduce cost, given there is currently a vacant post within the team.                                                            | 65             | 0              | 0              |
| <b>Total Chief Executive's Department</b> |                                          |                     |                                                                                                                                                                                                                                                            | <b>164</b>     | <b>0</b>       | <b>0</b>       |

**ECONOMY, ENTERPRISE AND PROPERTY DEPARTMENT**

| Ref. | Service Area                          | Net Budget<br>£'000 | Description of Saving Proposal                                                                                                              | Savings Value  |                |                |
|------|---------------------------------------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
|      |                                       |                     |                                                                                                                                             | 23/24<br>£'000 | 24/25<br>£'000 | 25/26<br>£'000 |
| EEP1 | Capital Works Team                    | N/A                 | Increase the level of fee income by increasing the percentage charged or charging by time, including those works not currently charged for. | 10             | 0              | 0              |
| EEP4 | Cleaning Services – Council Buildings | 580                 | Review cleaning arrangements, with a focus on only emptying bins and cleaning toilets daily.                                                | 0              | 100            | 0              |

| Ref.                                                       | Service Area                    | Net Budget<br>£'000 | Description of Saving Proposal                                                                                                                                                                                 | Savings Value  |                |                |
|------------------------------------------------------------|---------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
|                                                            |                                 |                     |                                                                                                                                                                                                                | 23/24<br>£'000 | 24/25<br>£'000 | 25/26<br>£'000 |
| EEP2                                                       | Caretaking & Security Services  | 641                 | A review and restructuring of caretaking arrangements.                                                                                                                                                         | 0              | 52             | 0              |
|                                                            |                                 |                     | Reduce security cover at Halton Lea to provide opening/closing and then static guarding 7.00am to 7.30pm Monday to Friday, and 9.30am to 3.00pm on Saturdays to cover the opening hours of Halton Direct Link. | 35             | 0              | 0              |
| EEP5                                                       | Corporate Buildings             | 927                 | Generate additional rental income by providing additional office space for external organisations at Rutland House, by letting out the remaining three floors.                                                 | 120            | 0              | 0              |
| EEP6                                                       | Facilities Management           | 165                 | Restructure the team in light of an expression of interest for retirement.                                                                                                                                     | 44             | 0              | 0              |
| EEP8                                                       | Technical Support & Market Team | 392                 | Restructuring of the team                                                                                                                                                                                      | 98             | 0              | 0              |
| <b>Total Economy, Enterprise &amp; Property Department</b> |                                 |                     |                                                                                                                                                                                                                | <b>307</b>     | <b>152</b>     | <b>0</b>       |

**APPENDIX H****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 December 2023 the Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC) announced a call for views inviting local authorities, sector representatives and other stakeholders to provide views on a set of options with respect to capital flexibilities and borrowing, to be managed locally, that could be used to encourage and enable local authorities to invest in ways that reduce the cost of service delivery and provide more local levers to manage financial resources. The proposals are summarised as follows:
  - Extending capitalisation flexibilities to include a wider set of eligible costs, in particular general revenue costs.
  - Extending the flexible use of capital receipts to allow authorities to borrow for the revenue costs of invest-to-save projects.
  - Allowing additional flexibilities for the use of the proceeds of selling investment assets.
  - Introducing a reduced interest rate for borrowing from the Public Works Loans Board for invest-to-save projects.
- 1.5 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. The Transformation 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 is being 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. It is expected that 2023/24 savings will be achieved by March 2024 with estimates provided for the following two years. Saving estimates will be updated on a regular basis over the next two years as the programme gathers pace. 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.
- 2.4 Total estimated savings within the below table are forecast to deliver savings of £13.4m. This is short of the overall programme target of £20m, the balance of savings will be updated through the next year as more projects are brought within scope of the Transformation Programme.
- 2.5 Up to March 2024 it is expected forecast savings for the year will be in the region of £589,000 which is lower than the £2m forecast at this point last year. The delay in achieving the higher savings target was as a result of the additional time required to have the programme to a position to publish Delivery Plans against each project, which provide a high-level overview of identified problems, future visions and delivery strategies for meeting the agreed financial targets.

**TABLE A – Estimated Savings per Programme Theme**

| <b>Programme Theme</b>                                  | <b>2023/24</b> | <b>2024/25</b>   | <b>2025/26</b>   |
|---------------------------------------------------------|----------------|------------------|------------------|
| <b>Environment &amp; Regeneration</b>                   |                |                  |                  |
| Waste & Recycling                                       | 0              | 66,000           | 0                |
| Accelerated Growth                                      | 0              | 0                | 500,000          |
| <b>Total Environment &amp; Regeneration</b>             | <b>0</b>       | <b>66,000</b>    | <b>500,000</b>   |
| <b>Adults with Learning Disabilities</b>                |                |                  |                  |
| Residential Care Provision                              | 0              | 105,000          | 450,000          |
| Supported Living                                        | 0              | 245,000          | 920,000          |
| ISF Pilot                                               | 10,000         | 200,000          | 150,000          |
| SITT Pilot                                              | 0              | 40,000           | 70,000           |
| Day Service Provision                                   | 0              | 40,000           | 490,000          |
| Specialist Services                                     | 0              | 40,000           | 40,000           |
| Nursing Care Provision                                  | 0              | 0                | 25,000           |
| Respite Care Provision                                  | 0              | 30,000           | 120,000          |
| <b>Total Adults with Learning Disabilities</b>          | <b>10,000</b>  | <b>700,000</b>   | <b>2,265,000</b> |
| <b>Children's Services</b>                              |                |                  |                  |
| Children's Social Care Workforce                        | 300,000        | 1,227,000        | 1,419,000        |
| Provisions, Services & Placements                       | 0              | 1,200,000        | 2,340,000        |
| SEND Home to School Transport                           | 0              | 206,000          | 411,000          |
| <b>Total Children's Services</b>                        | <b>300,000</b> | <b>2,633,000</b> | <b>4,170,000</b> |
| <b>Corporate Services</b>                               |                |                  |                  |
| Disaggregation of Admin Services                        | 179,000        | 0                | 0                |
| Onboarding Agency Contracts                             | 100,000        | 400,000          | 0                |
| Reduction in Sickness Absence                           | 0              | 660,000          | 528,000          |
| Management of Agency/Casual Resources                   | 0              | 53,000           | 805,000          |
| <b>Total Corporate Services</b>                         | <b>279,000</b> | <b>1,113,000</b> | <b>1,333,000</b> |
| <b>Total Transformation Programme Estimated Savings</b> | <b>589,000</b> | <b>4,512,000</b> | <b>8,268,000</b> |

### 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 A budget for the Transformation Programme delivery resource has been set at £7m over the three year period. The current estimated costs for the programme are shown in the table below.

**TABLE B – Estimated Costs**

|                                             | 2023/24          | 2024/25          | 2025/26          |
|---------------------------------------------|------------------|------------------|------------------|
| Programme Running Costs                     | 2,000,000        | 2,250,000        | 2,250,000        |
| Allowable Severance Costs                   | 500,000          | 0                | 0                |
| <b>Total Transformation Programme Costs</b> | <b>2,500,000</b> | <b>2,250,000</b> | <b>2,250,000</b> |
|                                             |                  |                  |                  |

- 4.2 Capital receipts to fund these costs have been identified and will be earmarked to fund future costs.
- 4.3 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.