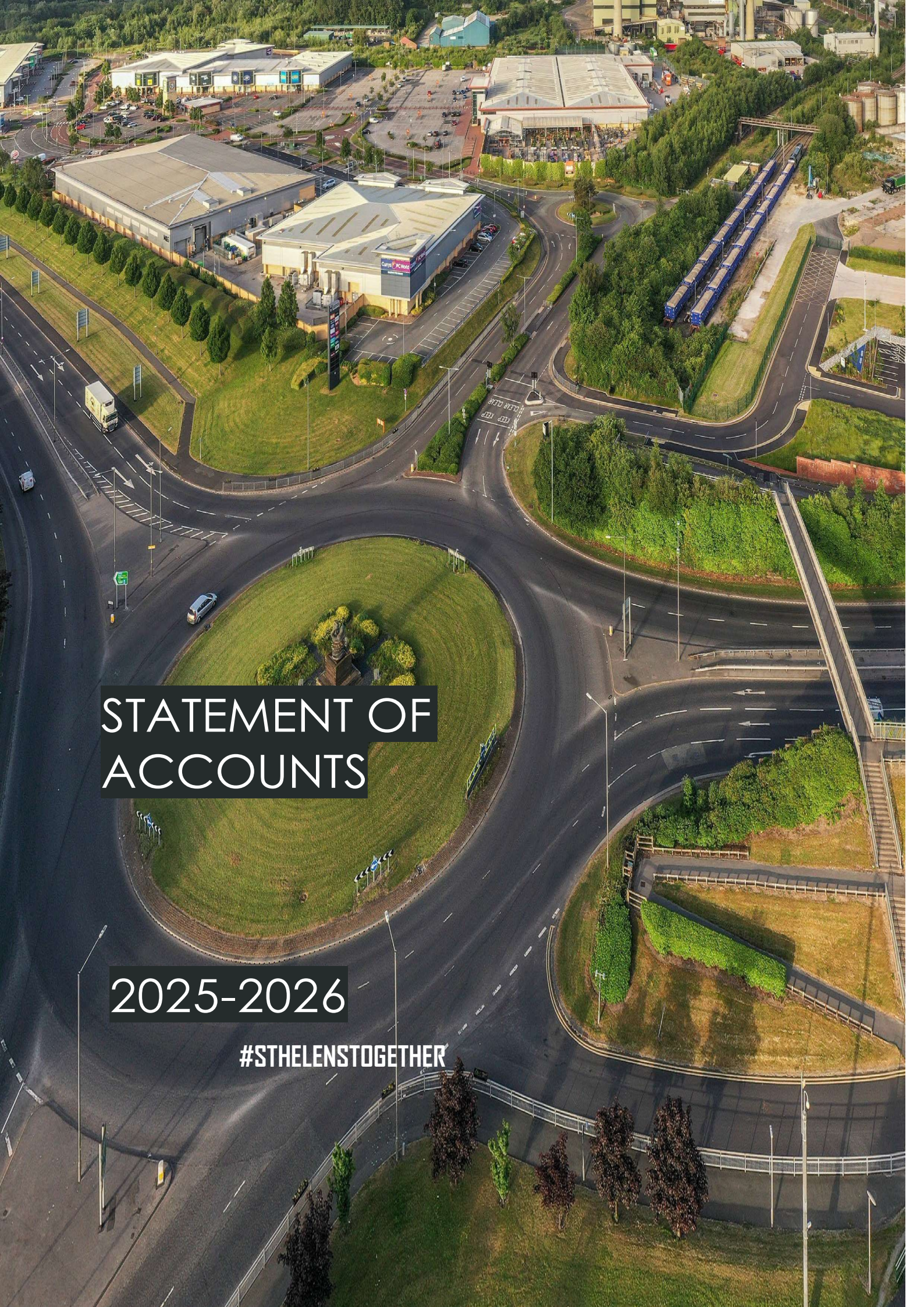




STATEMENT OF ACCOUNTS

2025-2026

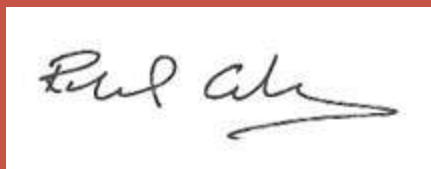
#STHELENSTOGETHER

APPROVAL OF ACCOUNTS

I certify that this Statement of Accounts gives a true and fair view of the financial position of St Helens Borough Council at 31 March 2026, and its income and expenditure for the year then ended. In doing so, I authorise the Statement for issue and confirm that it is this date up to which events after the Balance Sheet date have been considered in preparing the Statement.

In making this certification, I declare that the Statement is currently unaudited and may be subject to change arising from the findings of the planned audit.

This document forms the basis upon which the exercise of public rights shall be provided in accordance with the *Local Audit and Accountability Act 2014* and the *Accounts and Audit Regulations 2015*.

A handwritten signature in black ink, appearing to read 'Paul Ah', on a white rectangular background.

Richard Gibson
Director of Finance

Date: 7 July 2026



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NARRATIVE REPORT BY THE DIRECTOR OF FINANCE

1. Introduction to the Narrative Report

This Narrative Report provides an overview of St Helens Council, including the key issues impacting on the Council and its accounts. It provides a summary of the Council's financial position as of 31 March 2026, and the underlying context to this, including an outline of St Helens the place, the Council's structure, a summary of its operational environment and performance, whilst going on to consider risk and its future financial outlook.

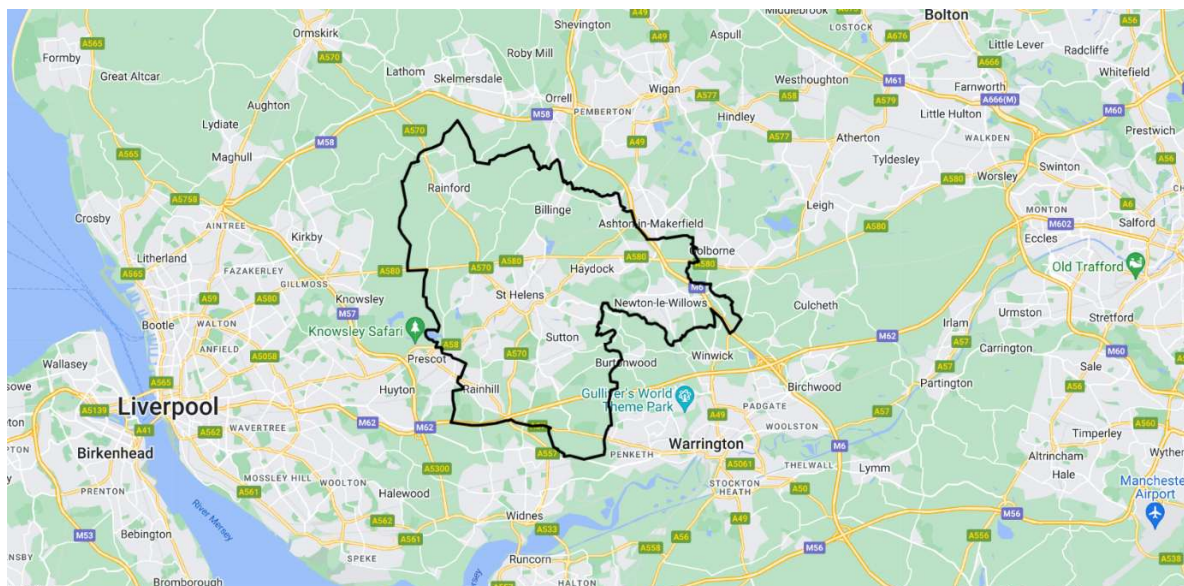
The Narrative Report is set out as follows:

- Introduction to St Helens key opportunities and challenges
- Organisational information
- Financial summary and resource allocation 2025-2026
- Transformation and performance
- Risk management
- Future financial outlook
- Conclusion

The Report also includes a brief explanation of the financial statements that follow.

2. Introduction to St Helens

St Helens Borough is situated in Merseyside and is proud to be part of the Liverpool City Region. St Helens holds a strategic position linking the major conurbations of Liverpool and Manchester. The borough is home to approximately 189,000 people (ONS 2024) and covers an area of 136 square kilometres.



St Helens is a place with a strong identity and cultural history, rooted in its world-famous rugby league team and its proud industrial heritage. It is also a place of great potential with many strengths and opportunities.

Strengths

- Well connected – St Helens sits at the heart of the North West, with excellent road and rail connections.
- Green parks and open spaces – Over half of our borough is green open space, with many parks, woodlands, and waterways.
- A growing population – St Helens continues to have strong housing growth and increasing numbers of people choosing to come to live in the borough.
- Regeneration and growth – St Helens has ambitious plans for growth and regeneration and has seen significant development of new industry, businesses, and transport infrastructure.
- Heritage and culture – St Helens has a rich heritage and strong reputation for the arts and culture.
- Integrated health and care – St Helens Cares is a nationally recognised approach to delivering joined up health and social care services for local people.
- Strong, lasting partnerships – Alongside our vibrant local Voluntary, Community, Faith and Social Enterprise (VCFSE) sector St Helens is a key player in the Liverpool City Region Combined Authority unlocking opportunity for enhanced autonomy and devolution.
- Community spirit – St Helens is a caring place with many local people volunteering or helping support their family and neighbours.

As a northern Metropolitan borough, St Helens is not without its challenges. Its demographics, the profile of its communities and its living environment are all critical factors that play a key role in influencing the range, shape and direction of services that the Council provides, to ensure that the needs of the local population are capable of being met.

Challenges

- Deprivation – comparatively high levels of deprivation and inequality exist within St Helens.
- Economic challenges - Productivity and prosperity gaps have existed for many years and low business and job density persist.
- Attainment and skills – Although having seen improvement in recent years, St Helens' school attainment, particularly at Key Stage 4, and adult skills levels remain lower than national averages.
- Poor Health – St Helens population suffers from poor physical and mental health. Life expectancy is comparatively low and wide health inequalities exist within the borough.
- Growing demand for services – St Helens has growing demand for adults and children's social care services. The support required for the most vulnerable residents creates significant budgetary implications for the council.
- Climate change - To protect the local environment and address climate change there is the challenge to increase sustainable transport and energy, reduce waste, and recycle more.

For a detailed picture of St Helens and its communities, please visit [St Helens Local Insight](#).

3. St Helens Council Organisational Information

Political Structure

St Helens has a total of 18 electoral wards and 48 ward Councillors. As of the 31st March 2026, the Council was Labour Party-controlled, with 28 Labour Party Councillors. Whole council elections for all Councillors are held every 4 years. Following the May 2026 local elections, Reform UK holds overall control of St Helens Borough Council, holding 34 out of 46 decided seats.

The Council employs a Leader and Cabinet model as its political management structure. The Cabinet is made up of the Leader and up to nine Councillors, whom the Leader appoints as Portfolio Holders. Each Cabinet Member has responsibility for an individual Portfolio area, each of which relates to particular services and functions of the Council.

In addition, a series of regulatory committees, appointed by Full Council, discharge specific Council functions. An Overview and Scrutiny Commission and a series of dedicated Overview and Scrutiny Committees exist to hold the Cabinet to account.

Further information on the Council's political structure and processes is available within the Council's [Constitution](#).

Management Structure

The Council's Executive Management Board (EMB) which meets fortnightly is led by the Chief Executive, and includes three Executive Directors (Corporate Services, People's Services, and Place Services), along with the Director of Finance (S151 Officer) and the Director of Legal and Governance (Monitoring Officer). The Executive Director for People's Services, covering Adult Social Care, Children and Young People and Public Health, is also the NHS Place Director.

- The Corporate Services Directorate has a series of statutory functions including finance, local taxation and electoral services, and delivers front-line services such as revenues and benefits, along with business support services that add value and enable the effective running of the Council.
- The People's Services Directorate commissions and delivers services to support residents of the borough including Adult Social Care, Public Health, Children and Young People's Social Care, and Schools and Education.
- The Place Services Directorate provides services including planning, regeneration and economic development, environmental care, highways, housing, community safety, libraries and leisure services and regulatory functions such as environmental health and trading standards.

The Council had a total workforce of 2,889 staff (excluding those employed by schools) at the end of March 2026. As a result of the requirement to deliver significant savings and efficiencies, since 2010, when austerity measures were first imposed, the Council's workforce has reduced by nearly a third.

St Helens Vision and Priorities

The 'Our Borough Strategy 2021-30' sets the strategic direction for St Helens. It aims to enable everyone to see how they can contribute to the future of St Helens, support the changing needs of its communities, and unlock the potential of the borough. Our shared vision is:

'Working together for a better borough, with people at the heart of everything we do by improving people's lives together and creating distinct, attractive, healthy, safe, inclusive, and accessible places in which to live, work, visit and invest.'

The Borough Strategy contains 6 strategic priorities which underpin everything the Council does in collaboration with its partners and the community.



Under its umbrella, all other strategies now feed into this document and a common approach has been adopted to new or revised policy and strategy, through the Council's Strategy Development Framework. The Borough Strategy priorities drive the Council's performance framework, delivery plan and business planning process, ensuring that meaningful and measurable plans exist across the organisation to deliver the priorities and outcomes. For further information on the outcomes and associated indicators defined within the Council's Performance Framework see Section 5.

Governance

The Council's well embedded accountability and governance mechanisms continue to drive an effective culture of transformation and performance improvement across the organisation. Further detail regarding the effectiveness of the Council's governance arrangements can be found in the Annual Governance Statement which is reviewed and updated annually and published alongside the Statement of Accounts.

Partnerships

To realise the potential of the borough and future vision, the Council has a long history of successful partnership working that has continued to evolve over time.

St Helens Council, along with five other local authorities, is part of the Liverpool City Region Combined Authority. Formally established on 1 April 2014, its purpose is to facilitate greater economic growth across the City Region and provide transparent and accountable strategic decision-making in support of economic development, transport, strategic housing, and employment and skills. St Helens Borough Council will seek to maximise the opportunities that it brings both in the short and longer term.

At a local level, to deliver defined priorities and respond to the challenges the Borough faces, ways of partnership working have been redefined through a more collaborative approach with new models of integrated service delivery that are resilient and capable of delivering required outcomes.

The Council structure is currently supported by partnerships that include:

- The People's Board, taking on the statutory responsibilities of the Health and Wellbeing Board, sub-groups include an Inequalities Commission, and the Integrated Care Partnership Board.
- Safer St Helens Executive Board, taking on the statutory duties to make communities safer and ensure the voices of local people are heard on policing and community safety issues.
- St Helens Growth Board, established to drive forward inclusive economic growth within the borough.

- Two working partnerships with the private sector Parkside Regeneration LLP and the English Cities Fund to drive regeneration ambitions in relation to Parkside and town centres and wider localities
- The St Helens Town Deal Board and Newton-le-Willows Town Deal Board, partnerships between local businesses, community representatives and political leaders to drive regeneration and economic recovery within the respective town centres.
- St Helens Climate Commission set up in response to the 2040 net zero commitment bringing together leaders from different sectors in order to share learning, promote best practice and coordinate action across the borough .
- The Families First Partnership Programme Board is backed by a £1.28 million grant from Government, to transform children's social care by reshaping Early Help and Safeguarding services in line with the latest national guidance.

The integration of health and care services within the borough through '[St Helens Cares](#)' is nationally recognised as driving effective health and care service improvement. This has been progressed further through the creation and development of the [Integrated Care Partnership structure](#), the 'Care Communities' model, St [Helens Inequalities Commission](#) and St Helens' locality-based working model 'One Neighbourhood'.

In addition, 'St Helens Together,' a partnership between St Helens Council and a range of voluntary organisations under the umbrella of Halton and St Helens Voluntary Community Action, provides a borough-wide approach to delivering support within the community where it is most needed. 'St Helens Together' was key to initiating a community response to both the pandemic and the cost-of-living crisis and going forward is critical to ongoing efforts to address inequality across the borough.

4. St Helens Council Financial Summary and Resource Allocation 2025-2026

The following provides an overview of the key elements of the Council's finances in 2025-2026.

Background

The new Government published its Final Local Government Finance Settlement for 2024-2025 on 3 February 2025. This was the seventh consecutive one-year settlement, limiting the Council's ability to forward plan. However, the Government committed to multi-year settlements from 2026-2027 and made immediate changes to the way funding was prioritised, with greater focus on areas with higher need. The settlement confirmed the Council's continued participation in the Liverpool City Region 100% Business Rates Retention scheme.

The Council continued to face a number of significant financial pressures in 2025-2026, particularly those arising from the recent inflationary environment and economic uncertainty (for example, pay inflation and energy costs) and wider global conflicts. Demand for social care and other support services continued to increase, and it is ever more evident that successful delivery of demand-management strategies in relation to both children's and adult social care will be critical to ensuring the Council's financial sustainability over the medium term.

The Cost-Of-Living Crisis also continues to fuel demand for services, as well as impacting income streams such as business rates and parking charges. The core government grants that the Council received in 2025-2026 increased core spending power for the authority by 9.3%, inclusive of increases in council tax, predominantly driven by increases in some grant funding streams and the introduction of new grants, notably a £6.296m Recovery Grant. This allowed significant investment in demand-led services as well as a contribution to Reserves of £3.1m, to begin to address the reduction in reserves due to overspends in previous years.

In preparing the 2025-2026 budget, information highlighting the extent of the budget challenge was published on the Council's website and an active social media campaign took place. A public consultation was subsequently launched, inviting residents and businesses to share their views on proposed Council Tax increases, spending priorities, and fees and charges. The process was subject to Member review via a Budget Scrutiny Task Group established by the Overview and Scrutiny Commission. The consultation ran from 16 January to 7 February 2025.

The 2025-2026 Budget and the Medium-Term Financial Strategy 2025-2028 were approved by Full Council on 5 March 2025. The approved budget allowed for a Council Tax increase of 4.99%, inclusive of the application of a 2% Adult Social Care precept. This increase helped protect the delivery of statutory functions and provided much-needed support to some of the Borough's most vulnerable residents. The budget was also approved with regard to the Council's statutory responsibilities and core strategic objectives, as well as wider financial risks and uncertainties.

The additional funding provided to the Council within the Final Local Government Finance Settlement in February 2025 resulted in no budget gap for 2025-2026; however, the budget approved by Full Council on 5 March 2025, included £6.074m of savings previously approved for 2025-2026. A Strategic Leadership Team Thematic Budget & Performance Board was established to monitor implementation of these savings and to hold directorates accountable for the delivery of them, as well as any savings slipped from previous years.

Inflationary pressures and price increases continued to be felt in 2025-2026, particularly on employee pay and care provision. Inflation increased slightly during the first half of the year, reaching 3.8% in September 2025 before falling to 3.0% in 2026, which is still higher than pre-pandemic levels. Inflationary pressures are particularly difficult to manage, since the Council has limited ability to absorb them or passport them on to residents and businesses.

The latest External Audit Findings Report gave an unqualified opinion on the Council's 2024-2025 financial statements. Although the auditors again recognised the strength of the Council's financial management processes, a key recommendation was raised regarding Children's Services and the management of demand and costs. Overall, the judgement on the Council's value-for-money arrangements was positive.

Revenue Outturn 2025-2026

Revisions made during 2025-2026 to the original revenue budget reflected the approved use of earmarked reserves and other technical adjustments and were reported quarterly through the Financial Monitoring Reports presented to Cabinet and Council. These reports also provided the forecast outturn position with regard to the delivery of £9.278m of budget savings.

The following table provides detail of the 2025-2026 revenue outturn position for each directorate as compared to the revised budget, showing the position after:

- (i) neutral adjustments in accounting treatment and movements on uncontrollable budgets (e.g. depreciation and support service recharges)
- (ii) the carry-forward of unspent budget provision (£0.448m) for schemes funded by earmarked reserves continuing into future years and the acceleration of use of earmarked reserves from future years (£0.087m)
- (iii) allowing for the earmarking of unconditional grants and contributions and budget provision from 2025-2026 where funding is required to deliver specific programmes of work

Outturn variation against revised budget 2025-2026	Adjusted Revised Budget 2025-2026	Adjusted Outturn 2025-2026	Variance 2025-2026 + / (-)
	£000	£000	£000
People's Services Directorate	142,308	152,648	+10,340
Place Services Directorate	52,699	51,139	(1,560)
Corporate Services Directorate	8,165	7,755	(410)
Total Directorate budget	203,172	211,542	+8,370
Council-wide budgets			(4,999)
Outturn against revised budget 2025-2026			+3,371

The revenue outturn position for 2025-2026 was an overspend of £3.371m, reducing the Council's reserves by this figure at March 2026.

The service directorate outturn was an overspend of £8.370m.

The directorate overspend for 2025-2026 was partially mitigated by underspends within the council-wide budgets. These underspends are largely one-off in nature, the most significant being in relation to Treasury Management, where additional borrowing to fund capital expenditure was deferred and favorable Bank Rate increased market returns on investments.

The breakdown of the service directorate outturn position is as follows:

People's Services Directorate (+£10.340m)

The budget position in respect of children's social care continued to be extremely challenging in 2025-2026. The main budget pressures related to placement costs for children looked after and young people leaving care (£4.766m) and costs associated with maintaining appropriate levels of frontline social worker capacity (£1.680m). During 2025-2026, the Council continued to progress several initiatives to help manage the financial pressures associated with caring for and accommodating looked-after children and young people in a sustainable and safe way.

The budget pressure associated with frontline social care staffing was primarily driven by the ongoing need to utilise agency staff to ensure sufficient capacity within services, to manage caseloads safely and effectively. The costs associated with agency staff tend to be higher than those who are directly employed. Again, the department has been proactive in attempting to address these recruitment and retention challenges, reducing this element of overspend from previous years through the introduction of some recruitment incentives.

Another area of significant financial challenge during 2025-2026 related to home-to-school / college transport, where there was an overspend of £1.775m driven by the increasing number of SEND (Special Educational Needs and Disabilities) placements outside of mainstream settings. This reflects the growing number of children and young people with an Education, Health and Care Plan (EHCP).

The rise in EHCPs has also placed additional financial strain on assessment and educational psychology services, with a combined budget pressure of £0.379m,

The 2025-2026 adult social care budget contained a challenging programme of efficiencies and savings. £0.645m of savings were undelivered but mitigating alternatives were identified which will

ensure continued delivery in future years.

The overspend is driven mainly by the growing acuity of service users in domiciliary care as people are supported to live at home for longer, coupled with the increasing average price of residential care. An element of financial risk has also been transferred from St Helens Integrated Care Board (ICB) to the Council as the ICB continues its recovery programme.

Since April, the number of domiciliary care service users has not changed significantly. 232 packages have been reduced upon review, saving over £2.000m in-year. However, there have been over 400 increases in care packages over the same period causing additional in-year costs of approximately £3.700m.

The Public Health budget position is balanced for 2025-2026. Where budget surpluses were identified (for example, due to lower-than-anticipated increases in the value of NHS contracts and staffing vacancies within the Public Health team), the unspent grant money has been transferred to the ringfenced Public Health Grant Reserve for use in 2026-2027.

Place Services Directorate (-£1.560m)

There were a number of pressures within the directorate in 2025-2026. The most significant were:

- A pressure of £0.493m in Direct Services, primarily attributable to Catering Services, due to employee overspends and increased non-pay costs
- A pressure of £0.771m within Recycling and Garden Waste due to staffing and agency costs as well as a shortfall in income against budget
- Unachieved premises savings of £0.397m

Underspends in other areas fully mitigated these pressures. These included:

- An underspend of £0.649m across Estates, Planning Policy, and Stronger Communities as a result of staff vacancies and supplies and services
- An underspend in the Library Service due to staff slippage and overachievement of income in Sports Development and Recreation totalling £0.145m
- Underspends totalling £0.294m within Highways Maintenance from an underspend on employees and additional income
- The one-off reallocation of £1.439m of unringfenced grants within Stronger Communities

Corporate Services Directorate (-£0.410m)

The main driver of the underspend within Corporate Services was staff slippage of £0.586m. This was due to a substantial number of vacancies in the department resulting from the recruitment freeze implemented during the year. This was an intentional strategy to meet future staff savings targets for 2025-2026 and was added to by underspends against supplies and services budgets of £0.357m on the back of the cessation of non-essential expenditure.

This underspend was partially offset by a net pressure of £0.160m in Housing Benefit Administration, due to the fact that the Council's use of hotel accommodation and providers continued use of high-cost supported accommodation is not eligible for full recovery from subsidy grant.

Further pressures in the directorate were caused by the dividend from Yorkshire Purchasing Organisation being £0.090m less than budgeted, Coroner fees being above budget by £0.031m due to additional staffing costs, pathologist fees and independent medical advice, a shortfall in budgeted income from schools of £0.071m, and legal expenses of £0.181m in relation to Term Time Only claims.

Reserves and Balances

As a result of the 2025-2026 overspend, the level of reserves at March 2026 has decreased, and this is the fourth consecutive year that this has been the case. It has previously been acknowledged that the use of reserves to support the revenue budget is not sustainable in the long term. However, in setting the budget for 2025-2026, the Council had planned to increase reserves by £3.750m, as a result of funding that was provided within the Local Government Finance Settlement that was not guaranteed in future years, which helps to offset the reduction from the revenue overspend position.

The Council's earmarked reserves are principally based around the themes of service transformation, growth, and providing resilience for risks and uncertainties. They also allow for the 'smoothing' of financial resources arising from periods of transition and/or volatility.

A detailed list of reserves is shown in the Movement in Reserves Statement and the accompanying disclosure notes.

Capital Outturn 2025-2026

The Council spent £64.749m in 2025-2026 on capital investment. The details are shown in the following table.

Capital Programme Schemes	2025-2026 Expenditure £000
<u>Highways Schemes</u>	
Cowley Hill Link Road	943
City Region Sustainable Transport Settlements Schemes	10,088
Local Highways Maintenance	1,202
Active Travel Fund	1,523
Other Highways and Transportation Schemes	335
<u>CYPS Schemes</u>	
Children's Residential Homes	813
Other School Schemes	2,480
<u>Regeneration Schemes</u>	
St Helens Multi Modal Interchange	12,481
St Helens Town Centre Regeneration	8,556
Town Deal Schemes	8,241
Earlestown Regeneration	7,089
Project Halo	786
Gamble Building	555
<u>Other Schemes</u>	
Disabled Facilities Grants and Other Housing Initiatives	4,015
Hardshaw Brook Depot	520
CCTV Replacement	445
Leisure & Fitness Facilities	736
Revenue & Benefits System	341
Fleet Replacement Programme	1,414
ICT Device Refresh	493
Other Schemes	1,693
TOTAL CAPITAL EXPENDITURE	64,749

Funding Source	£000
Grants & Other Contributions	55,595
Capital Receipts	1,622
Revenue Contributions	1,879
Borrowing	5,653
TOTAL FUNDING	64,749

Retirement Benefits

The net liability for retirement benefits shown in the Balance Sheet is as follows:

	31 March 2025 £000	31 March 2026 £000	Change 2025-2026 £000
Local Government Pension Scheme (Merseyside Pension Fund)	4,428	4,208	(220)
Teachers' Pension Scheme	10,796	10,167	(629)
TOTAL	15,224	14,375	(849)

At the end of 2025-2026, the Council's share of the LGPS fund is reported as a net deficit of £4.208m compared to the net deficit of £4.428m as at 31 March 2025.

Remeasurement gains on both liabilities (financial and demographic assumptions) and assets resulted in a more favourable surplus position during the year, but as required by *IAS 19 Employee Benefits*, the impact of the asset ceiling cap has resulted in the position summarised in the table above.

Borrowing

As at 31 March 2026, the Council's level of borrowing was £157.481m, which is a higher level of borrowing than at 31 March 2025 due to additional borrowing of £25m that was taken in year.

There was no rescheduling or premature repayment of existing debt during the year.

The level of borrowing remains considerably below the underlying need for borrowing as a result of longstanding strategy decisions to use available cash resources to negate the need to incur additional borrowing. This strategy also allows for borrowing to be undertaken when it is deemed most opportune, based upon current / forecast interest rates and cashflow considerations. This is consistent with the advice received from the Council's appointed treasury advisers.

Dedicated Schools Grant

As at 31 March 2026, the Council faced a deficit on the Dedicated Schools Grant (DSG) of £12.509m, as a result of pressures related to the school's high needs block which supports provision for pupils and students with special educational needs and disabilities.

Under current arrangements and regulations set out in the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2020, DSG deficits are held within a separate reserve and do not impact on the Council's revenue budget. This statutory override will continue until March 2028.

Government announced that support will be provided to local authorities in the form of a High Needs Stability grant to deal with rising DSG deficits that will fund 90% of the DSG deficit at 31

March 2026 upon approval of a Local SEND Reform plan by DfE. Government also confirmed that deficits that arise in 2026-2027 and 2027-2028, ahead of SEND spending being covered within Government budgets, will be treated in an “appropriate and proportionate” manner.

5. St Helens Council Transformation and Performance

Transformation

Since the development of Our Borough Strategy 2021-2030 which provided a strengthened strategic direction, a new vision and priorities for the organisation, the Council’s programme of transformation has progressed successfully at great pace.

Investment in facilitating a modern, digital workplace and infrastructure to improve ways of working and service delivery, coupled with new structures, policy modernisation, and cultural transformation, has created a Council barely recognisable to the organisation it was five years ago.

The creation of a new Executive Leadership Team and re-shaping of the entire organisational structure has facilitated greater joint working and collaboration, increased management oversight of strategic functions, whilst supporting capacity and the building of new capability in priority areas.

The scale and success of this transformation was validated by the Local Government Association (LGA) following a successful 4-day Corporate Peer Challenge visit in February 2025. Full details of the findings can be found in the LGA’s [Corporate Peer Challenge Review Report](#). In summary the LGA concluded that:

“The council has been transformed over the past five years, has improved significantly since the previous LGA Corporate Peer Challenge in 2019 (and follow up visit in 2021) and has addressed most of the areas and recommendations identified by peers at that time. The peer team were left in no doubt that the Council is now equipped and positioned to serve the residents of the Borough much more effectively than it has been able to in the past. The Council has a clear vision with priorities that councillors are committed to. The Council’s leadership is highly respected within the borough and region, and the organisation is seen as a credible, active and effective partner. The improvement across the organisation has resulted in the core components of a well-functioning council being in place and working well, including robust governance, performance management, financial stewardship and effective partnerships. Councillors, senior officers, and a wider workforce are passionate about delivering for the Borough. There is a good understanding, particularly across the political and managerial leadership, of the areas for further improvement and development, and an obvious commitment and focus on those. The Council knows what it needs to do. It is well positioned to deliver further transformation and financial savings, develop its localities operating model and relationships with residents and communities, and ensure it can realise its ambitious regeneration agenda.”

The LGA Corporate Peer Challenge team returned in January 2026 to review our progress against a small number of recommendations, concluding that we had made strong overall progress. They highlighted the smooth transition to our new Chief Executive, with strong leadership now fully in place, and our improved storytelling approach, which is helping us communicate more clearly about the great work happening across the borough. They also recognised our strengthened financial checks and challenge processes to manage our budget and the positive impact of our refreshed Transformation Programme, which is enabling smarter, more efficient ways of working through better use of technology and resources. Again, full findings can be found in the [Progress Review Report](#).

The Council remains clear about its future direction and a progressive transformation strategy continues to be implemented to further improve organisational delivery, manage demand and drive efficiencies. The Council will continue to function effectively as a value for money organisation that is financially resilient and sustainable in order to build on the recent tangible outcomes delivered to date for residents and the community. These include:

- Our rating of 'Good' for both the Care Quality Commission's (CQC) Inspection of Adult Social Care and Ofsted's ILACS inspection of Children's Social Services, demonstrating our ongoing delivery of strong outcomes for vulnerable adults and children and families.
- Progress on our 'One Neighbourhood' programme and the introduction of two new Community Hubs offering local access to a broad range of services, including health and mental health support, housing advice, employment and training services, social care, and neighbourhood policing.
- The introduction of our Families First Partnership programme and network of innovative Family Hubs and children's centres which provide a wide range of services to help and support families in a variety of ways to ensure that children and young people get the best start possible in life.
- Our continued investment in high-quality provision for children and young people with special educational needs and disabilities, along with our funding of children's residential homes in St Helens to ensure the complex needs of our children in care are met closer to home and out of borough placement costs reduced.
- The excellent results from our latest Adult Social Care Survey demonstrating high levels of satisfaction and improvements across all key areas with more people feeling they have choice and control over their support, better access to information, and stronger social connections, with loneliness and isolation continuing to fall.
- The achievement of our national 'pioneer' status for Neighbourhood Health Development, backed by £10 million of national investment, being used to help shape new ways of working designed to better support adults with multiple long-term conditions and improve access, experience and outcomes across local communities.
- Our regeneration ambitions accelerated at pace. Work advanced significantly on the transformation of St Helens town centre, with the demolition of the Hardshaw Centre, approval of a landmark £69.7m investment driving Phase One of the redevelopment, and the commencement of work on site. In Earlestown, strong progress on the regeneration of the historic market square and restoration of the iconic Town Hall represent another major step in revitalising our proud and distinctive communities.
- The delivery of improvements to our transport infrastructure, with work commencing on a new town centre £35m state of the art transport hub, as well as being granted approval and funding for a long-awaited new rail station at Carr Mill.
- Strong environmental achievements, including winning a national recycling award, achieving the lowest recycling contamination rate in the North West, securing six Green Flags in recognition of our high-quality parks and open spaces, and the ongoing investment in decarbonisation and energy efficiency measures across our asset base and replacement of our old vehicle fleet which is delivering significant energy savings and reductions CO2 emissions.
- A record of further key achievements to date can be found in the Council's Borough Strategy Annual Report 2025-26.

Performance

The link that exists between budgets, business planning and delivery and performance targets is critical to the achievement of the Council's desired outcomes for both the organisation and the community.

In 2025-2026, performance management in the Council continued to be driven by, and focused upon, achieving the six strategic priorities and related outcomes outlined in 'Our Borough Strategy 2021-30.' Council budgets are aligned to the Council's strategic priorities and a Budget and Performance Board chaired by the Chief Executive oversees the delivery of required savings

alongside delivery of strategic performance outcomes

A comprehensive Performance Framework and targets, aligned to the priorities, outcomes, and measures of success within the Borough Strategy exists and is reviewed annually to ensure its ongoing relevance. Performance targets are set to be challenging, but realistic, and commensurate with the available level of resource. Performance is reported quarterly to Cabinet and the public over the course of the year and reviewed by Overview and Scrutiny and the Budget and Performance Board, allowing the opportunity for examination of any specific areas of underperformance or concern.

The Council's provisional outturn performance at the close of 2025-2026 demonstrates both areas of strong or improving performance, whilst highlighting areas where the Council is not yet meeting ambitious targets to deliver its high aspirations and action to address the position.

Areas of improvement or good performance include outcomes for Care Leavers where performance remains comparatively very strong exceeding national and statistical neighbour benchmarks. The number of Looked After Children remained more or less stable compared to the previous year, although the rate remain above national and regional benchmarks. There was a small reduction on the percentage of young people NEET compared to the same period in the previous year.

There was strong performance across the majority of adult social care indicators where the Council has continued to compare favourably to the England average and that of statistical neighbours. The Council continues to be one of the best planning authorities within the country. The year saw further reductions in the councils CO2 emissions. The majority of our leisure and libraries service indicators performed strongly and exceeded annual targets.

Complaints handling and FOI and SARs request response times either showed improvement or continued to perform strongly. Contact centre indicators around customer satisfaction, customer effort and call handling also met ambitious targets.

Areas of challenge where action is being taken to address performance include service demand and volume measures within the area of children's social care, a number of the public health measures covering both children and young people's and adults' health, attainment at Key Stage 4, a number of housing and homelessness indicators along with measures linked to the local economy over which the Council only has limited influence.

The Council's Performance Outturn report for 2025-2026 will be publicly published on the Council website and approved by Cabinet on 15th July 2026.

6. Risk Management

The Council's approach to the management of risk is an integral part of its Governance Framework, with robust and consistent risk management processes embedded across the organisation to mitigate threats to the delivery of the Council's vision and priorities. The Council does not seek to avoid all risk but to take decisions on opportunities after exploration of the known facts, risks, benefits, and other considerations.

The Council's approach to risk taking will be managed within the risk management policy, framework, and process. Opportunities involving higher levels of risk will only be taken where there is a thorough understanding of the exposures involved and the potential benefits and will be subject to mitigation measures and the appropriate authorisation. The diverse range of the Council's activities means that it is not pragmatic to define one generic risk appetite when that appetite could vary depending on the area and the expected outcome.

The Council's Risk Management Policy allows the identification and assessment of risk, promotes effective decision making, and encourages innovation by enabling an awareness of associated risk but without being overly risk averse. The Strategic Risk Register consists of nine key risks. Directorate Risk Registers also operate to identify, assess, and mitigate risks that are specific to the operation of services within given areas. The Strategic Risk Register is reviewed on a 6 monthly basis; Directorate Risk Registers are reviewed quarterly.

Responsibility for effective risk management runs throughout the Council. The Audit and Governance Committee oversees and receives assurance on the extent to which effective risk management remains embedded across the Council. The Executive Management Board (EMB) oversees the implementation of the policy and agrees the allocation of resources to support it. EMB provides a leadership and monitoring role and reviews the adequacy of the management of strategic risks. EMB also ensures that decisions regarding opportunities are being taken after due consideration of key risks. The Governance Group supports EMB in the effective development, implementation, and review of the Risk Management Policy. In 2026 the Council will launch a new, custom built risk assurance management system that will replace the use of shared Excel sheets, giving risk owners a user friendly, agile and capable platform for assessing and logging risks, and monitoring actions intended to mitigate risk to acceptable tolerances.

When assessing the impact and likelihood of risk, the Council will consider how recent economic or political issues have affected its resourcing and strategic, service or community plans, and how these factors impact service delivery for citizens. Recent strategic risks added to the register relate to political change and the impact of severe weather events that are becoming more frequent. We also track risk related to cyber-attacks and risks related to artificial intelligence and digital transformation. Once reviewed all risk registers are updated to ensure that existing mitigation measures are accurate and ongoing to bring risk within the Council's acceptable tolerance level. The management of corporate risk is reported in the Council's Annual Governance Statement and subject to internal audit review.

7. Future Financial Outlook

Uncertainty continues to dominate the outlook for local government, with organisations such as the Special Interest Group of Municipal Authorities (SIGOMA) continuing to describe the level of uncertainty experienced by councils as severe. While there have been important developments in the national funding framework, the overall environment remains volatile, and the ability of councils to plan with confidence continues to be constrained by a combination of reform, demand pressures and wider economic factors.

Following the 2024 General Election, the Government has progressed its commitment to reshape local authority funding. This has now resulted in the introduction of the first multi-year Local Government Finance Settlement in a decade covering 2026-2027 to 2028-2029, alongside the implementation of Fair Funding Review 2.0, which updates how relative need and local resources are assessed.

The Government's stated objective remains to redistribute funding towards areas of higher need, taking account of councils' ability to raise income locally, whilst simplifying what has historically been a complex funding system. These reforms include consolidating grants, resetting the business rates retention system, and introducing transitional protections. While the overall funding envelope for local government is increasing – with total funding reaching approximately £83.5bn in 2026-2027 and rising over the settlement period – the impact at an individual authority level

varies significantly depending on local circumstances, levels of deprivation and demand profiles.

The 2025-2026 settlement was positive for St Helens, particularly through the introduction of the Recovery Grant, which targeted additional funding towards areas with higher levels of need and lower council tax bases. This direction of travel has broadly continued into the multi-year settlement, with additional resources directed towards deprivation, homelessness and social care pressures. However, although additional funding has been made available nationally, sector-wide evidence indicates that these increases do not fully offset underlying cost and demand pressures, particularly in social care and homelessness services. In addition, the change in calculation of deprivation within the Index of Multiple Deprivation impacted on St Helens' relative ranking, reducing funding and leading to reductions in grant funding over the period of the settlement.

At the same time, the new system introduces greater structural change and therefore greater redistribution risk, meaning that while some authorities benefit, others may see relative reductions in funding over time. For St Helens, this creates ongoing uncertainty as the full implications of the new funding formula, business rates reset and future grant allocations continue to emerge across the settlement period.

This uncertainty is compounded by the wider economic context. The Government continues to face significant fiscal challenges, including slower growth forecasts, inflationary pressures, and global economic instability. These factors influence both the overall funding available to local government and the cost base faced by councils locally.

Alongside funding uncertainty, local authorities continue to experience sustained and increasing demand for statutory services, particularly within children's and adult social care. Nationally, demand for these services remains at historically high levels, with rising complexity and cost. These pressures are reflected locally, with the outturn position for 2025-2026 showing that St Helens has an overspend of over £10m in People's Services, driven largely by children's social care placement costs, workforce pressures and delays in achieving savings.

As a result, despite additional Government funding, many councils – including St Helens – continue to face structural budget pressures. The Council's Medium Term Financial Strategy has previously identified the need to deliver significant savings to maintain a balanced position, and this position remains challenging. The delivery of approved savings, alongside continued tight financial management, remains essential.

In addition, pressures relating to the Dedicated Schools Grant (DSG) continue to present a significant financial risk; the Council's DSG position at the end of March 2026 is a deficit of £12.509m. While the Government has confirmed that 90% of historic High Needs deficits up to 2025-2026 will be written off nationally, and has extended statutory arrangements relating to DSG deficits, uncertainty remains regarding the long-term funding system for SEND and how future demand growth will be funded beyond the current arrangements.

Ensuring the Council's financial sustainability over the medium term will therefore require continued robust financial management, delivery of savings, and ongoing transformation of services. There remains a likelihood that further efficiencies and changes to service delivery will be required over the period of the Medium Term Financial Strategy.

Supporting economic growth across the Borough will continue to be a key priority, both to improve outcomes for residents and to strengthen the Council's tax base. The Council has set out an ambitious capital investment programme, including regeneration of key town centres and infrastructure development, which aims to drive long-term economic growth and resilience.

However, the Borough continues to experience high levels of deprivation, disadvantage and poor health outcomes. The cost-of-living crisis has further exacerbated these challenges, increasing

demand for Council services at a time when resources remain constrained. As a result, the Council continues to face the dual challenge of responding to rising need while operating within a financial environment that, although improved in structure, remains uncertain and tightly constrained.

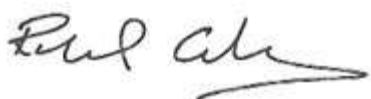
8. Conclusion

In financial terms, 2025-2026 was another difficult year for the Council, with pressures in care services continuing. However, the Council continued to operate effectively, as recognised by the Corporate Peer Challenge Progress Review in January 2026. A clear budget strategy was implemented to address a number of budget pressures in the short term with real progress made in delivering a number of savings that have been approved previously.

However, the long-term underlying pressures arising from increasing demand for social care and other Council services continue to drive the need to identify specific funding to address costs and the need for robust demand-management plans to be implemented. The Council will also continue to work with partners and other stakeholders in presenting the case to Government, through consultations being held around local government finance reform, for funding to be distributed on a needs-based model. Efficiencies must also continue to be achieved through ongoing service transformation to deal with ongoing increases in demand for services.

The ambition of the Council remains undimmed, despite the difficulties faced by the Council during 2025-2026. Even with the many challenges experienced by the Council's residents and partners in the period, examples of strength, generosity, determination and resilience shone through. The collaboration between staff, Members, partners and residents has been remarkable again this year. I would like to thank all Members and officers for their hard work and dedication throughout 2025-2026.

I would also like to express my gratitude to all colleagues who have contributed to the preparation of this document and thank them for their support over the financial year.

A handwritten signature in dark ink, appearing to read 'Richard Gibson', with a stylized flourish at the end.

Richard Gibson FCPFA
Director of Finance

Date: 7 July 2026

EXPLANATION OF THE FINANCIAL STATEMENTS

The Statement of Accounts is prepared to demonstrate the Council's financial performance for the year ended 31 March 2026 and present its overall financial position at the end of that period. The core financial statements are included on pages 83 to 86 and are prepared to comply with the requirements of International Financial Reporting Standards. The statements are supplemented by a number of notes providing relevant additional information. The core financial statements are:

Movement in Reserves Statement (MIRS)

This statement shows the changes in reserves held by the authority and splits them between those reserves which are available for the Council to spend or to reduce the Council Tax (usable reserves) and those created to reconcile the technical and statutory aspects of accounting (unusable reserves).

Comprehensive Income and Expenditure Statement (CIES)

This statement is fundamental to the understanding of the authority's activities, in that it reports the net cost for the year of all the functions for which the authority is responsible and demonstrates how that cost has been financed from general government grants and income from local taxpayers.

Balance Sheet

This shows the authority's financial position at the financial year-end, including the assets and liabilities employed in carrying out the authority's functions and its balances and reserves.

Cash Flow Statement

This statement summarises the flows of cash arising from transactions with third parties for both revenue and capital purposes during the year and shows the changes to the Council's cash and 'cash equivalents' during the financial year.

In addition to the core financial statements, the Statement of Accounts includes:

- **Annual Governance Statement**, that serves to explain the effectiveness of the governance framework operating during the financial year
- the statutory **Collection Fund Statement**, which shows the income received from Council Taxpayers and Non-Domestic Ratepayers and how this is distributed between St Helens Borough Council, the Police & Crime Commissioner for Merseyside, Merseyside Fire & Rescue Authority, Liverpool City Region Combined Authority and Central Government.

It is important to note that the detail included in the Statement of Accounts will differ from the Council's internal management reports (e.g. Financial Monitoring Report). However, the Council's overall financial position (e.g. balances and reserves) will be the same.

Independent auditor's report to the members of St Helens Borough Council - To be inserted upon conclusion of the audit.

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STATEMENT OF MAIN PRINCIPLES, ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

General

The Statement of Accounts summarise the authority's transactions for the financial year 2025-2026 and the position at the year-end 31 March 2026.

The authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which require the accounts to be prepared in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, supported by International Financial Reporting Standards (IFRS).

The following accounting policies and estimation techniques have been adopted, and they are consistent with the Council's overarching accounting concepts and, where appropriate, the relevant accounting standards.

Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received.

In particular:

- Council Tax and Non-Domestic Rates income is accrued in accordance with the assessed liability for the period to 31 March
- fees, charges and rents due from customers are accounted for as income at the date the Council provides the relevant goods or services
- supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet
- expenses in relation to services received are recorded as expenditure when the services are received rather than when the payments are made
- interest payable on borrowings and receivable on investments are accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract
- where revenue and expenditure have been recognised, but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected
- Capital Receipts from non-current asset disposals are recorded on completion of the asset sale.

In accordance with *IFRS 15 Revenue Recognition*, revenue should be measured at the fair value of the amount payable or receivable. In practice, this is the amount that the Council has invoiced, or for which it has been invoiced.

Assets Held for Sale

See Property, Plant and Equipment.

Capital Receipts

Capital Receipts on non-current asset disposals are initially credited to the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal, with a subsequent appropriation to the Usable Capital Receipts Reserve made via the Movement in Reserves Statement.

Usable Capital Receipts are classed as a Usable Reserve in the Balance Sheet.

Cash and Cash Equivalents

Cash and Cash Equivalents are represented by:

- cash-in-hand and deposits with financial institutions repayable on demand without penalty or change in value
- other investments repayable on demand without penalty or change in value

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

Changes in Accounting Policies, Estimations, Errors and Prior Period Adjustments

Prior period adjustments may arise as a result of changes in accounting policies, to correct material errors or to provide a consistent representation of current and prior period activity/positions.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events or conditions on the authority's financial position.

Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period, as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending the opening balances and comparative amounts for the prior period.

Charges to Revenue for Non-Current Assets

Service revenue accounts, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve (specific to the individual asset) against which they can be written off
- amortisation of intangible fixed assets attributable to the service

The Council is not required to raise Council Tax to cover these items. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement (see "Redemption of Debt"). The items detailed above are therefore replaced by the contribution in the General Fund Balance by way of an adjusting transaction with the Capital Adjustment Account.

Contingent Liabilities/Assets

See Provisions and Contingent Liabilities/Assets.

Depreciation

See Property, Plant and Equipment.

Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include benefits such as wages and salaries and paid annual leave for employees and are recognised as an expense for services in the year in which employees render service to the authority.

An accrual is made for the cost of accumulating compensated absences earned by employees but not taken before the year end, which employees can carry forward into the next financial year. The accrual is charged to Surplus or Deficit on the Provision of Services but reversed out through the Movement in Reserves Statement to the Accumulating Compensated Absences Adjustment Account.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy or other form of voluntary severance. Charges are made on an accruals basis to the appropriate service in the Comprehensive Income and Expenditure Statement at the earlier of when the authority can no longer withdraw the offer of those benefits, or when the authority recognises costs for a restructuring.

Post-Employment Benefits

As part of the terms and conditions of employment of its officers and other employees, the authority offers retirement benefits to those individuals and participates in two Pension Plans:

- the Local Government Pension Scheme (LGPS) for staff employed under NJC terms and conditions – this is a defined benefit plan where the authority and the employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities and investment assets. This plan is administered by the Merseyside Pension Fund
- the Teachers' Pension Scheme (TPS) for those employed under Teachers' terms and conditions, administered by Teachers' Pensions on behalf of the Department for Education. The TPS is a statutory scheme subject to the Teachers' Pensions Regulations 1997 (as amended). It provides Teachers with defined benefits upon their retirement, and the authority contributes towards the cost by making contributions based on a percentage of members' pensionable salaries

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees work / worked for the authority. These benefits are related to a combination of pay and service.

However, the arrangements for the TPS scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the authority. In accordance with *IAS 19 Employee Benefits*, the schemes are therefore accounted for as if they were defined contribution schemes and, consequently, no liability for future payments of benefits is recognised in the Balance Sheet. The respective Directorate line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to TPS in the year and payments relating to the scheme members.

The LGPS

The LGPS is accounted for as a defined benefits scheme:

- The liabilities of the Merseyside Pension Fund attributable to the authority are included in the Balance Sheet using the Projected Unit Credit actuarial cost method – an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bonds of currency and term appropriate to the currency and term of the scheme's liabilities.
- The assets of Merseyside Pension Fund attributable to the authority are included in the Balance Sheet at their fair value.
- The change in the net pensions liability is analysed into the following components:
 - current service cost
 - past service cost (including curtailments)
 - net interest on the net defined benefit asset / liability
 - the return on plan assets
 - actuarial gains and losses
 - contributions paid to the Merseyside Pension Fund

Statutory provisions require the General Fund Balance to be charged with the amount payable by the authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. This is achieved via the Movement in Reserves Statement, by way of appropriations to/from the Pensions Reserve to remove the notional debits and credits for retirement benefits and to replace them with debits for the cash paid to the pension fund and pensioners.

Discretionary Benefits

The authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme. No such awards have been made for a significant number of years.

Pensions Reserve

The cost of providing pensions for employees is funded in accordance with the statutory requirements governing the particular pension plans in which the authority participates. However, accounting for employees' pensions is in accordance with prevailing accounting standards, subject to any interpretations set out in the Code.

Where the payments made for the year in accordance with the Plan requirements do not match the authority's recognised operating and finance costs for the same period, the recognised cost of pensions will not match the amount required to be raised in taxation. An appropriation to or from the pensions reserve, which equals the net difference is recognised through the Movement in Reserves Statement.

Remeasurement gains and losses during the year, which impact on the net surplus or deficit of the Fund, will also be subject to a corresponding appropriation to/from the Pensions Reserve.

The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows

rather than as benefits are earned by employees.

Fair Values

The Council measures some of its non- financial assets, such as surplus assets and investment properties at fair value at each reporting date. The objective of this measurement approach is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under the current market conditions. The fair value measurement aim is to arrive at the notional 'Highest and Best value' for the asset and assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of such, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability on the same basis that market participants would use when pricing the asset or liability (assuming those market participants were acting in their economic best interests).

The Council or their appointed valuer uses appropriate valuation techniques for each circumstance, maximising the use of relevant known data and minimising the use of estimates or unknowns. This takes into account the three levels of categories for inputs to valuations for fair value assets:

- Level 1 – quoted prices in active markets for identical assets or liabilities that the Authority can access at the measurement date.
- Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – unobservable inputs for the asset or liability where market data is not available.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1 inputs) and the lowest priority to unobservable (level 3 inputs).

Financial Instruments - Assets

Financial Assets are classified based upon a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes. Financial assets can be measured as:

- Amortised cost
- Fair value through profit and loss
- Fair value through other comprehensive income

The Council's business model is to hold investments to collect contractual cash flows, i.e. payments of interest and principal. All of the Council's financial assets are therefore classified as amortised cost and are recognised on the Balance Sheet on the basis of Fair Value, and subsequently accounted for using the Amortised Cost basis. In doing so, annual credits to the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset, multiplied by the effective interest rate of the instrument. The interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Financial Instruments - Liabilities

The provisions within the Code are derived from the same Accounting Standards as detailed in the policy on Financial Assets. Financial liabilities are initially measured at fair value and carried at their amortised cost.

Annual charges to the Financing and Investment Income and Expenditure part of the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument.

For all of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (adjusted for accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year in the loan agreement.

Where premiums on the repurchase or early settlement of borrowing have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years.

The Council has a policy of spreading the loss over the term that was remaining on the loan against which the premium was payable when it was repaid.

The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

It is the Council's policy to treat LOBO (Lender Option/Borrower Option) loans as long-term liabilities, unless there is an expectation that they will be repaid in full within the next 12 months.

Going Concern

The accounts have been prepared on the assumption that the services of the Council will continue to operate for the foreseeable future.

Government Grants and Contributions

Council Acting as Principal

Whether paid on account, by instalments, or in arrears, government grants and third party contributions are recognised as due when there is reasonable assurance that the Council will comply with the conditions attached to the payments (if any) and that the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired, using the grant or contribution, are required to be consumed by the recipient as specified or must otherwise be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as Revenue or Capital Grants Receipts in Advance. When conditions are satisfied, the grant or contribution is credited to the relevant line in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Council Acting as an Agent

The Council does not recognise any amounts in the Comprehensive Income and Expenditure Statement where it is acting in the capacity of an agent - administering the payment of grant sums on behalf of government to third parties applying prescribed criteria and having no discretion in relation to eligible recipients or sums payable.

Where the Council acts as an agent, any sums received from government but not distributed are carried in the Balance Sheet as a Creditor.

Heritage Assets

Heritage Assets are recognised and measured, including treatment of revaluation gains and losses, broadly in line with the Council's accounting policies on Property Plant and Equipment. However, some of the measurement rules are relaxed in relation to Heritage Assets and these are detailed below.

The Council's Heritage Assets have been categorised into three different sub- groups:

- Fine art and museum collection.
- Civic regalia.
- Statues and monuments.

Fine Art and Museum Collection

The Council's art collection is comprised of paintings held by the Council on display within the Town Hall, paintings held on display in the World of Glass, a number of sculptures that are displayed at various Council buildings and a collection of small value artefacts held as a museum collection at the World of Glass. The collection of artefacts, paintings and sculptures, which are located in a number of premises across the Borough, have been accessioned to, or acquired by, the Council and its predecessor Authorities.

The fine art collection held at the World of Glass and that held within the Council comprises various types of paintings.

Records of all paintings (of significant value) are stored electronically by the Library Service and access is provided to the Council's Insurance Section. The paintings held within the Council's collection are included on the Balance Sheet and have been valued based on their insurance valuations. External valuations for the Council's fine art collection were carried out by Bonham during 2018-2019 and these have been used as the basis upon which to establish the value of individual items within the collection. There are over 300 items within the fine art collection.

The collection held at the World of Glass comprises of around 2,500 artefacts. The collection comprises of diverse items that have been deemed to be of historical interest. External valuations for these items have not been obtained for this collection on the grounds of materiality: as no individual items within the collection are deemed to have significant values, it is believed that the cost of obtaining valuations would outweigh the benefit gained. An inventory of all items within the collection is maintained in an electronic format by the Library Service and access is provided to the Council's Insurance Section.

The Council has a local history and archives library which contains a number of public records relating to local institutions which the National Archives deems to be records of national significance. In addition, the library houses a number of collections relating to St Helens which includes correspondences, deeds and plans that are unique and are of historical importance. Whilst these collections are recognised to have local historical significance, they do not have a material value and, for this reason, have not been valued or included on the Balance Sheet. The archive collection is catalogued in an online database by the Library Service.

Civic Regalia

The Council's civic regalia comprises of various mayoral chains and jewels, a mace, and a variety of pieces of civic silverware. The value at which the civic regalia has been recognised in the Balance Sheet is based on the valuations obtained by the Insurance Section. The most recent insurance valuations for these items were provided by Lyon & Turnbull Limited during 2018-2019.

Statues and Monuments

The Council has a number of statues and monuments located across the Borough which fall to be recognised in the accounts as Heritage Assets. The most valuable items within this sub-category of Heritage Assets are the Saints Tribute statue and the Big Art Project: Dream.

All material items classified as statues and monuments have been recognised at historic cost. This is deemed to be appropriate as this reflects the amount that has been spent on these assets since their construction.

No depreciation is charged on the Council's Heritage Assets, since the Council believes that the assets it currently holds as Heritage Assets will have indefinite lives and as such any depreciation charge calculated would be immaterial.

Infrastructure Assets

See Property Plant and Equipment

Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council (e.g. software licenses where the Council controls the asset) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the authority. Intangible assets are measured at cost and the balance is amortised over the asset's useful life to the relevant service line in the Comprehensive Income and Expenditure Statement on a straight-line basis. These amortisation charges are not permitted to have an impact on the General Fund Balance and are reversed to the Capital Adjustment Account via the Movement in Reserves Statement.

Inventories

Inventories are included in the Balance Sheet at the lower of actual cost and net realisable value. The cost of inventories is assigned using an average costing formula.

Investment Properties

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services, for the production of goods, or for regeneration purposes.

Investment properties are measured, initially, at cost and, subsequently, at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arms length.

Properties are not depreciated but are re-valued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income and Expenditure line and result in a gain for the General Fund Balance.

However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

Joint Arrangements

Joint Arrangements are arrangements in which two or more parties have joint control bound by a contract. A Joint Arrangement can be classified as:

- **A Joint Venture**

This is an arrangement under which two or more parties contractually agree to share control, such that decisions about activities of the entity require consent from all parties. Material interests in Joint Ventures would ordinarily necessitate the completion of group accounts using the equity method of consolidation.

- **A Joint Operation**

This is an arrangement under which parties that have joint control have the rights to the assets and obligations for the liabilities relating to the arrangement. Under such arrangements the Council recognises the assets and liabilities it controls on the Balance Sheet and debits/credits the Comprehensive Income and Expenditure Statement for its proportion of any expenditure incurred/income received.

Leases

The Authority classifies contracts as leases based on their substance. Contracts are analysed to determine whether they convey the right to control the use of an identified asset. This includes arrangements for peppercorn or nil consideration.

Authority as Lessee

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or 1 April 2024, upon transition to IFRS 16, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The authority initially recognises lease liabilities measured at the present value of lease payments, discounted by using the Authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. For leases held on a rolling basis, or with extension or termination clauses, the lease period is determined to be that for which the Authority is reasonably certain to continue to utilise the asset.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made and lease incentives received. For peppercorn leases, the asset is measured at fair value.

The right-of-use asset is subsequently measured using the fair value model, with the exception of:

- Assets on peppercorn leases
- Assets with a term over five years that do not contain a provision for market rent reviews at least once every five years. Such assets will be carried at a revalued amount.

Property, plant and equipment right-of-use assets are depreciated on a straight-line basis over the shorter of the remaining lease term and remaining useful life of the underlying asset.

The lease liability is subsequently remeasured at amortised costs, using the effective interest method. The liability is remeasured when there is a change in lease payments due

to indexation or the authority changes its assessment of whether it will exercise a purchase, extension or termination option.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right of use asset, with any further adjustment required from remeasurement being recorded in the income statement. For right-of-assets which are not held on the Authority's balance sheet, the corresponding adjustment will be treated as revenue expenditure funded from capital under statute (REFCUS).

Low value and short-term lease exemption

As permitted by the Code, the Authority excludes leases for low-value items that cost less than £10,000 when new, and those with a term shorter than 12 months (where the Authority is not reasonably certain to extend the lease beyond this period).

Lease payments in respect of exempt leases are expensed in year.

Authority as Lessor

Leases are classified as finance leases where substantially all the risks and rewards incidental to ownership are transferred to the lessee. All other leases are classified as operating leases.

Authority as Lessee – Finance Leases

Where the Authority grants a finance lease over an asset, it is written out of the balance sheet as a disposal. A long term debtor asset is recognised in the balance sheet to recognise the income due in future years for the value of the asset transferred to the lessee.

Lease rentals receivable are apportioned between a charge for the acquisition of the interest in the property (applied to write down the lease debtor) and finance income (credited to financing and investment income in the CIES).

Authority as Lessor - Operating Leases

Where the authority grants an operating lease over an item of Property, Plant or Equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Comprehensive Income and Expenditure Statement on a straight-line basis over the life of a lease.

Overheads and Support Services

The costs of overheads and support services are charged to service segments in accordance with the authority's arrangements for accountability and financial performance. In practice, the authority operates and manages its corporate and support services separately under the control of the Executive Director of Corporate Services, and therefore these are shown separately as 'Corporate Services Directorate' on the face of the Comprehensive Income and Expenditure Statement.

Pensions

See Employee Benefits.

Private Finance Initiative (PFI)

PFI contracts are agreements to receive services, where the responsibility for making available the assets needed to provide those services passes to the PFI contractor.

The Council has one PFI scheme for Rainford High School, part of Rainford Academies Trust. As the assets will pass to the Academy Trust at the end of the contract, the Council does not carry the assets used under the contract on its Balance Sheet.

The Council recognises a liability for amounts due to the operator to pay for the capital investment.

The amounts payable to the PFI operator each year are analysed into the following elements:

- Fair value of services received during the year - debited to the relevant services in the Comprehensive Income and Expenditure Statement
- Finance cost - an interest charge is raised on the outstanding Balance Sheet liability and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The interest rate is calculated for the scheme so that the Balance Sheet liability is zero at the end of the contract. The interest rate applicable for the authority's PFI scheme is 9.8897%
- Payment towards liability - applied to write down the Balance Sheet liability towards the PFI operator
- Lifecycle replacement costs - are split between revenue and capital costs. Revenue lifecycle costs are debited to the relevant service in the Comprehensive Income and Expenditure Statement in the year in which they are incurred.

Property, Plant and Equipment

Recognition

Assets that have a physical substance and are held for use in the production or supply of goods or services, for administrative purposes or for regeneration purposes, and that are expected to be used during more than one financial year, are classified as Property, Plant and Equipment.

In line with the requirements of *IAS 16 Property Plant and Equipment*, the Council recognises and accounts separately for any components where the value of the asset is of sufficient materiality and the component costs are significant in relation to the total cost of the asset.

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

Expenditure that maintains, but that does not add to, an asset's potential to deliver future economic benefits (repair and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, which includes the purchase price and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Council does not capitalise borrowing costs incurred while the asset is under construction.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Community assets - depreciated historical cost

- Infrastructure assets – modified depreciated historical cost
- Vehicles, Plant & Equipment - depreciated historical cost
- school buildings - current value, however due to their specialist nature they are measured at depreciated replacement cost which is used as an estimate of current value
- surplus assets - the current value measurement base is fair value, which is estimated as the highest and best use from a market participant's perspective
- assets under construction – cost, with no depreciation charge
- all other assets - current value, determined as the amount that would be paid for the asset in its existing use (existing use value EUV)

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost is used as a proxy for current value.

Infrastructure Assets

Highways infrastructure assets are measured at a modified version of historical cost as opening balances for highways infrastructure assets where originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April 1994, which was deemed at that time to be historical cost. The Council does not include disclosures of gross cost and accumulated depreciation as this would not faithfully represent the asset position to users of the accounts.

Revaluations

From 1 April 2025, the requirements changed in respect of revaluations of property, plant and equipment. Assets included in the Balance Sheet at current value are revalued on a rolling programme of revaluations over a five-year cycle, with annual indexation applied to assets during the four intervening years. Where the Authority cannot obtain indices without undue costs or effort (primarily car parks and non-specialised community assets), the assets are revalued using a quinquennial revaluation with a desktop revaluation in year three.

For assets subject to indexation, the rate of increase/decrease in each class has been provided by the valuer based on the following sources:

- COSTAR and MSCI rates for market-based assets
- BCIS indices (Tender Price Index) for DRC-based assets
- COSTAR and Knight Frank regional indices for land valuations

For 2025-2026, the Council used external valuers, Wilks Head & Eve LLP to value Property, Plant and Equipment and the investment portfolio. The effective date of the revaluation is the date upon which the revaluation was produced.

Revaluations are carried out as part of a rolling programme by a qualified Valuer, in accordance with guidance issued by the Royal Institution of Chartered Surveyors (RICS).

Key assumptions used in revaluing the assets include:

- good title can be shown, and the properties are not subject to any unusual or onerous

- restrictions, encumbrances or outgoings
- the land and properties are not contaminated
- there are no prevailing environmental factors that would alter the valuations provided

Increases in valuations are generally matched by credits to the Revaluation Reserve to recognise unrealised gains. In some circumstances, gains may be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, the appropriate accounting treatment is dependent on whether the asset has been previously revalued upwards and there is a corresponding gain on the Revaluation Reserve.

Where there is a balance of revaluation gain for the asset in the Revaluation Reserve, then the carrying amount of the asset is written down against that balance (up to the amount of accumulated gains). Where there is no balance in the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year end as to whether there is any indication that they may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where an impairment loss is identified, the appropriate accounting treatment is dependent upon whether the asset has been previously revalued upwards and there is a corresponding gain in the Revaluation Reserve.

Where there is a balance of revaluation gain for the asset in the Revaluation Reserve, then the carrying amount of the asset is written down against that balance (up to the amount of accumulated gains). Where there is no balance on the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Any subsequent reversal of impairment loss is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their estimated useful lives. An exception is made for assets without a determinable finite life (e.g. freehold land and certain Community Assets) and assets that are not yet available for use (assets under construction).

Depreciation on all Property, Plant and Equipment assets is calculated by allocating the asset value over the period expected to benefit from their use on a straight-line basis. All assets are assessed individually in relation to their asset lives for the purpose of calculating depreciation. Conditions relative to each asset are considered in arriving at this determination.

Depreciation is calculated on the following bases:

- Buildings - straight-line allocation over the useful life of the property as estimated by the valuer which can range from 10 to 60 years.
- Vehicles, plant and equipment - straight line allocation over the lifetime of the asset as advised by a suitably qualified officer which can range from 3 to 30 years.
- Infrastructure - straight-line allocation over 30 to 40 years. Useful lives of the various parts of the highways network are as follows:

Part of the highways network	Useful life
Roads	40 years
Bridges	40 years
Street Furniture	30-40 years

The authority will apply component accounting (i.e. major components of the asset are depreciated over their respective estimated economic lives) to assets with a book value in excess of £5m where the impact of component accounting is considered material to the Financial Statements. The Council has adopted a policy in which assets are split into component parts, as provided by the external valuers. The assets are split using standard percentages of the building. Each of the component categories have standard average lives, which are then used for the purpose of calculating the depreciation charge.

Revaluation gains are also depreciated, with an amount equal to the difference between the current value depreciation charged on assets and the depreciation that would have been chargeable based on their historic cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Assets Disposal and Non-Current Assets held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset held for Sale.

The asset is revalued and carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services.

Depreciation is not charged on Assets held for Sale.

If assets no longer meet the criteria to be classified as Assets held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as Assets held for Sale, adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Assets held for Sale, and their recoverable amount at the date of the decision not to sell.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gains or loss on disposal.

Receipts from disposal (if any) are credited to the same line in the Comprehensive Income

and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal).

Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal of a non-current asset are categorised as capital receipts and credited to the Capital Receipts Reserve. Receipts are appropriated to this Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Provisions and Contingent Liabilities

The Council sets aside provisions for any liabilities of uncertain timing or amount that have been incurred in accordance with the requirements of the Code and *IAS 37 Provisions, Contingent Liabilities and Contingent Assets*. Provisions are disclosed as separate Balance Sheet items, whilst provisions for bad and doubtful debts are netted off the carrying amount of debtors.

Provisions are recognised when:

- the authority has a legal or constructive obligation as a result of a past event
- it is probable that a transfer of economic benefits will be required to settle the obligation
- a reliable estimate can be made of the amount of the obligation

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the authority becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

Where it is considered that an individual provision is of sufficient materiality or interest, then it will be shown quite separately on the face of the Comprehensive Income and Expenditure Statement.

Where payments for expenditure are incurred to which the provision relates, they are charged direct to the provision carried in the Balance Sheet.

Provisions are reviewed at each Balance Sheet date to reflect the current best estimate, taking into account the risks and uncertainties surrounding the events.

Where it is subsequently assessed that it becomes less than probable that a transfer of economic benefits will now be required (or a lower provision is required), the provision is reversed and credited back to the relevant service.

In contrast, Contingent Liabilities/Assets are not accrued in the accounting statements. They are disclosed by way of notes, if there is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the authority; or
- a present obligation that arises from past events, but where it is not certain that an outflow of resources will be required to settle the obligation, or the amount of the

obligation cannot be measured with sufficient reliability

Redemption of Debt

Provision for the redemption of debt is made in accordance with the requirements contained in the Local Authorities (Capital Finance and Accounting) Regulations 2008.

The Council calculates its annual revenue provision with reference to assumed lives of its assets.

For borrowing incurred under the prudential arrangements (i.e. unsupported by Government funding), the charge is calculated on a straight line basis over the estimated life of the asset; the exceptions to this being

- loan financial investments where no revenue provision charge is made
- schemes of a regeneration and/or infrastructure nature for which there has been no Government support, where the provision will be made using the Annuity Method Approach
- leases capitalised under IFRS16, for which the provision is calculated as equal to the element of the rent that goes to write down the liability

For its PFI scheme and that element of the CFR that was prior to the prudential regime supported by Central Government, the authority calculates a revenue provision using the annuity method. Whilst this calculation is still broadly based on a charge over the asset's life, the resultant profile for revenue provision is more closely aligned with the flow of economic benefit which, it is felt, is more appropriate for PFI schemes.

Capital receipts from repayment of capital loans financed through borrowing and from subleases of finance leases will be used to offset the revenue provision in respect of the associated expenditure.

Reserves

The authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies.

Earmarked reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement.

When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.

The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement, employee benefits and the Dedicated Schools Grant adjustment account and do not represent usable resources for the authority.

The purpose and usage of each reserve is disclosed in notes accompanying the Core Statements.

Revenue Expenditure Funded from Capital Under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions, but that does not result in the creation of a non-current asset of the Council, has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year.

Where the authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

These items are generally grants and expenditure on assets not owned by the authority.

Schools

The Code of Practice on Local Authority Accounting the United Kingdom confirms that the balance of control for Local Authority-maintained schools (those categories of schools identified in the Schools Standards and Framework Act 1998) lies with the Local Authority.

The Code stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the Local Authority single entity financial statements.

Therefore, these schools' transactions, cash flows and balances are recognised in the financial statements as if they were transactions of the Local Authority.

School assets are recognised as a disposal from the Council's Balance Sheet on the date on which a relevant school converts to academy status, not on the date of any related announcement. No impairment is recognised prior to the date of conversion.

Tax Income (Non-Domestic Rates, Council Tax)

Non-Domestic Rates

The Council acts both as an agent (collecting Non-Domestic Rates on behalf of the Merseyside Fire & Rescue Authority) and as a principal (collecting Non-Domestic Rates for itself). Non-Domestic Rates transactions and balances are therefore allocated between the Council and Merseyside Fire & Rescue Authority, applying accepted agent and principal treatments as appropriate.

Under the legislative framework for the Collection Fund, both parties share proportionately the risks and rewards that the amount of Non-Domestic Rates collected could be more or less than predicted.

The Council participates in a Non- Domestic Rates pool with Warrington and Halton Borough Councils. Under the arrangements of this 'Mid-Mersey Pool' the authority may benefit from the redistribution of levy savings that accrue to Warrington Borough Council as a result of the pools' existence. Any sums received are recorded as part of the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement.

Council Tax

Similarly, the Council acts both as an agent (collecting Council Tax on behalf of the Police and Crime Commissioner for Merseyside, the Merseyside Fire & Rescue Authority and the Liverpool City Region Combined Authority) and as a principal (collecting Council Tax for itself). Council Tax transactions and balances are therefore allocated between the Council and the major preceptors, applying accepted agent and principal treatments as appropriate.

Under the legislative framework for the Collection Fund, all four parties share proportionately the risks and rewards that the amount of Council Tax collected could be more or less than predicted.

The Council's proportionate share of both Non-Domestic Rates and Council Tax will be recognised in the Comprehensive Income and Expenditure Statement in the line Taxation & Non-Specific Grant Income. As a billing authority, the difference between the Non-Domestic Rates and Council Tax income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund, shall be taken to the Collection Fund Adjustment Account and reported in the Movement in Reserves Statement.

For both Council Tax and Non-Domestic Rates, the Council's proportionate share of assets and liabilities (debtors, receipts in advance, provisions for doubtful debts etc.) are recognised individually within the Balance Sheet. The net asset/liability in relation to the other parties is shown as a single debtor/creditor figure, as appropriate.

Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its Officers has the responsibility for the administration of those affairs. In this authority, that Officer is the Director of Finance.
- to manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets.
- to approve the Statement of Accounts.

Responsibilities of the Director of Finance

The Director of Finance is responsible for the preparation of the authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice').

In preparing this Statement of Accounts, the Director of Finance has:

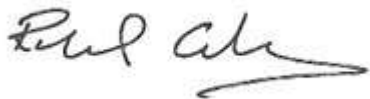
- selected suitable accounting policies and then applied them consistently.
- made judgements and estimates that were reasonable and prudent.
- complied with the Code of Practice.

The Director of Finance has also:

- kept proper accounting records which were up to date.
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate

I certify that this Statement of Accounts gives a true and fair view of the financial position of St Helens Borough Council at 31 March 2026 and its income and expenditure for the year then ended. In doing so, I authorise the Statement for issue and confirm that it is this date up to which events after the Balance Sheet date have been considered in preparing the Statement.



Director of Finance

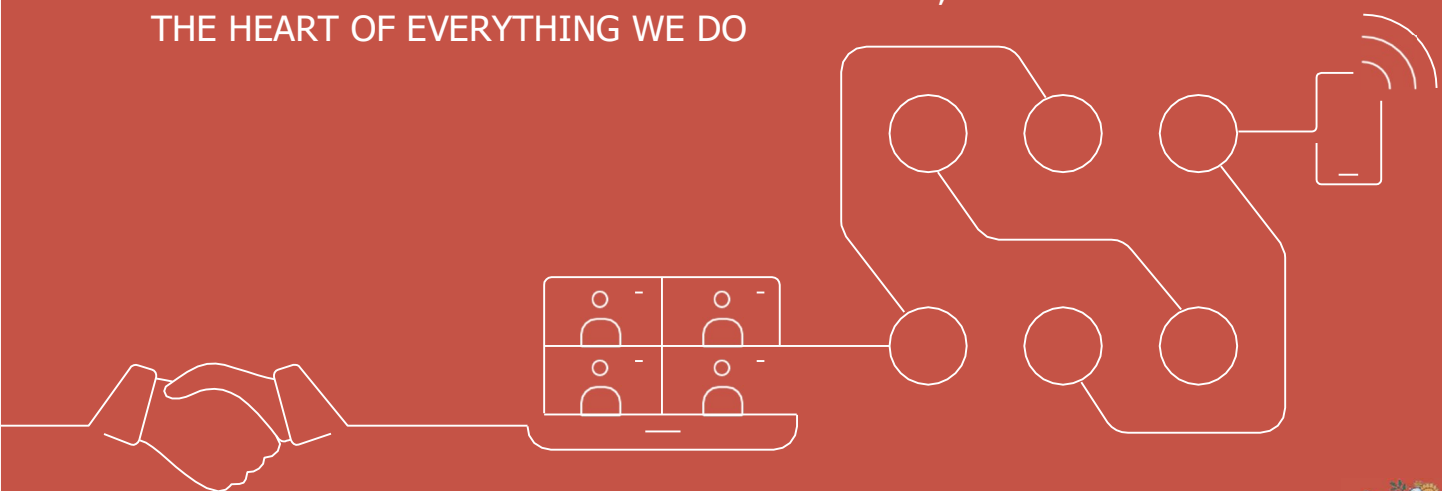
Date: 7 July 2026



DRAFT ANNUAL GOVERNANCE STATEMENT

2025-2026

WORKING TOGETHER FOR A BETTER BOROUGH, WITH PEOPLE AT
THE HEART OF EVERYTHING WE DO



#STHELENSTOGETHER



ST HELENS
BOROUGH COUNCIL

Introduction

The Accounts and Audit Regulations 2015 require the Council to prepare and publish a governance statement on an annual basis. The Annual Governance Statement (AGS) describes the Council's governance framework including the systems, processes, culture, and values that are used to direct and control the Council's activities.

The Council's governance framework enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The AGS establishes the Council's commitment to delivering robust governance arrangements and how it has reviewed the effectiveness of those arrangements. The Statement should explain how it has mitigated and intends to mitigate any significant risks or issues and set out the key issues to be addressed over the coming year.

Maintaining a good governance framework that is owned and prioritised across the Council is an essential element in ensuring that public money is properly accounted for, and that business is conducted in accordance with the law and appropriate standards.

Scope of Responsibility

St Helens Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency,

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk. St Helens Borough Council acknowledges its responsibility for ensuring the Council has an effective governance framework and has developed a Code of Corporate Governance based on the seven core principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE)'s *'Delivering Good Governance in Local Government Framework – 2016 Edition'*. The Council's Code of Corporate Governance outlines the practices and principles that underpin the Council's governance arrangements.

In May 2025, new guidance from CIPFA and Solace on the annual review of governance and internal controls and the preparation of an annual governance statement (AGS) was issued. The guidance forms an addendum to Delivering Good Governance framework. It applies to UK local government statements from 2025/26 onwards.

The addendum also supports the development of a local code of governance to ensure that authorities have in place all the core arrangements essential to fulfil the principles of good

governance. Ensuring there is a robust review, using a range of assurances, is essential to underpin the overall conclusion. The authority should conclude whether their governance is fit for purpose and identify any significant areas of improvement. The AGS should also include a forward look to consider how their governance might need to change to meet the future needs of the authority.

The AGS also explains how St Helens Borough Council meets the requirements of Regulation 6 (1) (a) and (b) of the Accounts and Audit Regulations 2015 which requires the Council to publish an AGS. It is the responsibility of all officers of the Council to comply with the approved Code of Corporate Governance Framework.

Delivering Good Governance in Local Government (CIPFA and Solace, 2016)



What is Corporate Governance?

Corporate governance is the system of rules, practices, and processes by which an organisation is directed and controlled.

Corporate governance refers to how the Council governs itself and to what purpose. It defines who has authority and accountability and how decisions are made. In summary, it is a toolkit that enables management and the Cabinet to deal more effectively with the many and varied challenges of running an organisation as diverse as a local authority. Governance is about how the Council

ensures that it does the right things in the right way and in a timely, open, honest, and accountable manner.

What is the AGS?

Each Council is required by the Accounts and Audit Regulations 2015 to publish an AGS, as part of the Statement of Financial Accounts. The AGS is the Council's public statement on how it has complied with its own Local Code of Corporate Governance. The AGS explains the processes and procedures that have been in place during the year that have helped the Council perform its functions

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically.

How has the AGS been compiled?

The Council's local Code of Corporate Governance has been reviewed and updated to reflect current organisational structures and systems. It was reviewed and approved by the Audit and Governance Committee on 22 September 2025. The effectiveness of the Council's governance arrangements are assessed against this Code.

The annual review of the effectiveness of governance is undertaken taking account of the seven core principles in the Code of Corporate Governance, expected and actual assurance mechanisms and actions for improvement.

Appendix 2 summarises how the Council meets those principles.

Governance Group

The Council's Governance Group is well established and meets regularly, promoting effective and robust

governance and risk management across the Council to demonstrate assurance and compliance. The group is chaired by the Executive Director of Corporate Services, with membership made up of Directors from across all departments, the Monitoring Officer, Section 151 Officer, Assistant Director, Legal & Democratic Services, Assistant Director, Policy & Transformation and the Head of Audit and Risk. It reviews key governance items, risk updates, organisational health and performance data including information governance and equalities, key policies and strategies, and decision making. The draft AGS was reviewed by the Governance Group on 21 April 2026.

Directors' Assurance Statements for 2025/26

Directors were asked to provide a Management Agreement Level (i.e., a score ranging from 5 to 1) which demonstrates the level at which compliance with the key controls are felt to be applied within their department. The control areas cover a range of key policies and protocols where compliance is key to demonstrating effective governance, including mandatory training, risk registers, data protection, service planning etc. The score ratings are as follows:

Score Control Rating

- 5 High - Key Controls are applied in a strong and consistent manner and can be evidenced if required.
- 4 Substantial - Key Controls have been applied consistently across the service but cannot be evidenced.
- 3 Moderate - Key Controls have been adequately applied with any weaknesses not considered to have a significant impact.
- 2 Limited - Key Controls have been inconsistently applied across the service and further work is required to mitigate any risks.
- 1 None - Key Controls have not been applied.

N/A Not Applicable - this key control area is not relevant to the service. Questions put to Directors were formulated based on the recent LGA guidance [Governance and assurance | Local Government Association](#), and CIPFA / Solace Good Governance Framework and the following principles:

- A. Integrity and Values
- B. Openness and Engagement
- C. Working Together
- D. Making a Difference
- E. Capability
- F. Managing Risk and Performance
- G. Transparency and Accountability

Directors were asked to acknowledge their responsibility for maintaining and operating their departments in accordance with legislation and the Council's approved policies, procedures, and practices, and to provide details in the "Comments/Exceptions" column if they scored elements as being limited or no assurance. Results from the Directors questionnaires are detailed in **Appendix 1**.

Strategic Planning

The Council articulated its vision in Our Borough Strategy 2021-2030. The Strategy sets out the Council's vision for St Helens Borough, the priorities, and the outcomes the Council will strive to achieve. The Strategy includes six priorities for the Borough as follows:

1. Ensure children and young people have a positive start in life.
2. Promote good health, independence, and care across our communities.
3. Create safe and strong communities and neighbourhoods for all.
4. Support a strong, thriving, inclusive and well-connected local economy.
5. Create green and vibrant places that reflect our heritage and culture.
6. Be a responsible Council.



Each of the above priorities contain several bonds for a better Borough and an outcomes framework that includes measures of success. The priorities of Our Borough Strategy form the basis of the Council's approach to departmental service planning, with each service plan containing a series of actions specified

against these.

Performance against priorities and outcomes are reported quarterly to the Cabinet and Overview and Scrutiny Committees which ensures transparency and accountability. This forms part of the council's Performance Management Framework.

Decision Making

The Council has adopted and approved its Constitution, which establishes an efficient, transparent, and accountable decision-making structure. Member and Officer roles are clearly defined within the Constitution.

The Council's committee structure is shown in **Appendix 2**. Cabinet is the main decision-making body. Meetings are open to the public except where personal or confidential matters are being discussed. It comprises the Leader of the Council plus nine other Councillors appointed as portfolio holders. Each Member of Cabinet has a portfolio of responsibility that relates to a service/function of the Council.

There is an effective and well understood scheme of delegation that has been adhered to. These arrangements are clearly established in the Constitution and supporting documents, including financial and contract procedure rules.

The Council has an appointed Monitoring Officer and Deputy Monitoring Officer whose primary function is to ensure that the Council operates in a lawful manner. The governance framework at St Helens Borough Council has continued to operate and will remain subject to ongoing review to ensure its future operational effectiveness.

Scrutiny

The Council has an Overview and Scrutiny Commission and three Scrutiny Committees: Adult Social Care and Health Scrutiny Committee, Children and Young People's Services Scrutiny Committee, and Place Services Scrutiny Committee. The Commission and the committees examine the decisions, policies and overall performance of the Council and its Cabinet; they can make recommendations for improvement and have the power to 'call in' decisions made by Cabinet before they are implemented. No call ins were made during the year.

Risk Management

The Council is committed to effective risk management and assurance and understands and manages the risks that could prevent the Council from achieving its vision, ambitions, and priorities. An effective risk management framework is not all about risk avoidance; it is about giving the confidence to embrace the right opportunities and help support the Council's ambitions and commercial strategy.

The Council's Risk Management Policy was refreshed and approved by Audit and Governance Committee in March 2024. This outlines the Council's approach to managing risk and opportunity to assist the Council in improving its services, using its resources efficiently and delivering value for money. The Council recognises that effective risk management is an essential element of the governance framework and contributes to a robust internal control environment.

The Council's risk registers are currently maintained through a series of Excel sheets accessible via SharePoint. In June 2026, following user testing, a bespoke Risk Assurance Management (RAM) system will be launched. This has been developed with ICT and software developers, so it will be familiar to users of St Helen's systems.

The RAM will be accessed via the COG and report outwards via the Organisational Health Dashboard – promoting real time data in a single, accessible location for managers / risk owners. The Strategic Risk Register will also be uploaded to the RAM platform, allowing risk review at any time, and will be utilised for future risk review sessions. Embedding the RAM system and encouraging use, embedding it into the organisation's fabric, will enhance the Council's governance arrangements.

Departmental risks are reviewed every quarter. The strategic risk register is reviewed by the Audit and Governance Committee every 6 months.

Risks associated with transformation programme delivery such as major capital infrastructure schemes are embedded within programme management arrangements and routinely monitored. Risks are reviewed at Programme Boards

and escalated through programme governance.

Resilience

As a Category 1 responder for major incidents, the council has reviewed and strengthened its arrangements and preparedness to respond effectively.

The Senior Resilience Officer continues to progress through the Council's Resilience Action Plan and work has commenced on phase 2. After finalising the validation stage, the focus has shifted to business continuity management. Business Impact Analysis templates have been issued and are being completed by various services whilst planning is undertaken at the corporate level.

Following flood events in January 2025, the Council's local flood response plan, rest centre plan, and rest centre managers and volunteers list are being reviewed.

The review is in consultation with officers at strategic, tactical, and operational levels. All post event training sessions will be designed and delivered by the Senior Resilience Officer, adding to training and exercising provided to Duty Officers through the Mersey Resilience Forum, all of which is recorded within a skills matrix to ensure requisite capability levels are maintained.

Throughout 2025/26 the Council has continued to engage and liaise with local partners as part of the Merseyside Resilience Forum (MRF).

St Helens chairs the People and Communities Subgroup for the Merseyside Resilience Forum (MRF) and the Senior Resilience Officer is the workstream lead for the Recovery Working Group, demonstrating strong engagement as a partner agency.

To strengthen resilience, the Council has changed the current emergency duty cover arrangements to strengthen capacity and capability to respond to major incidents. The agreed proposal for 2026/27 is to introduce a voluntary, paid silver duty rota at Head of Service level on a phased basis to replace the existing silver command structure, which is currently provided by Assistant Directors who would eventually join Executive Directors and Directors as gold duty officers

Gold and silver officers continue to train and attend exercises provided through the

MRF as well as in house training including Incident Role Play helps to embed lessons learnt, a good example being from the Chadwick Road evacuation incident in June 2025.

Digital and Information Governance Group

The Digital and Information Governance Group ensures that the Council fulfils its statutory responsibilities in relation to Information Governance to:

- ensure effective information governance controls are in place for managing, safeguarding, and making best use (within legal constraints) of valuable information assets.
- ensure that effective information governance allows the Council to make the best use of its information assets to conduct its functions.
- ensure that the information standards and controls established for the protection, quality, use and disposal of Council information assets are monitored and audited to ensure that information risks are managed and mitigated, proportionate with the level of harm, which could reasonably be caused if information assets were to be compromised.
- ensure that information risks are managed and mitigated, proportionate with the level of harm, which could reasonably be caused if information assets were to be compromised.
- ensure the Council has effective policies, management arrangements covering all aspects of information and digital governance, including any necessary and proportionate data sharing.

Cyber Security

The Council continues to invest in and strengthen its cyber security posture and wider ICT resilience. A recertification audit undertaken in January 2025 confirmed that the Council remains certified to the latest version of ISO 27001, alongside its existing ISO 20000 certification. In addition, the organisation is fully prepared to meet the requirements of the Cyber

Assessment Framework (CAF), reflecting a mature, standards-based approach to managing cyber risk and service resilience.

The Council is participating as a Local Government Association pilot for the Cyber Assessment Framework (CAF). This framework extends beyond IT, assessing organisational culture in relation to cyber security, the effectiveness of preventative controls, and the Council's ability to respond to, recover from, and remain resilient against cyber incidents. All required documentation has been successfully submitted, and the Council has achieved "CAF Ready" status. This confirms that we are well positioned to commence the formal CAF assessment process at the appropriate time.

Vision for Council culture

Having the right culture in place supports the achievement of the Council's priorities and vision and supports an ethos of compliance and good governance so that colleagues work together for the benefit of the Council. The Council carried out many consultation and engagement sessions with employees to determine and co-design this culture.

Working together, the Council has co-designed and created its vision for workplace culture, values, and behaviours for everyone.



Partnership working

Effective partnership working continues to be increasingly important to the Borough and St Helens Council is committed to

meaningful and effective partnership working which will contribute to shared aims of improving the economic and social wellbeing of its communities and supporting the delivery of the priorities and vision as set out in Our Borough Strategy. The Partnership Governance Framework forms part of the Council's corporate governance framework. It outlines the Council's expected approach to partnership working with the aim of helping to ensure that each partnership demonstrates good governance; defining what is meant by a partnership and outlining the principles and approach that should govern how each partnership should be constructed.

The internal audit plan considers high risk areas to provide assurance that appropriate monitoring and control arrangements are in place, and that partnership arrangements are subject to properly constructed contracts or agreements which are supported by appropriate governance, quality assurance, financial monitoring, and performance management processes.

The Council is one of two equal partners in Parkside Regeneration Limited Liability Partnership (Parkside LLP). Parkside LLP was set up in 2013 with a private sector partner with the aim of regenerating the former Parkside Colliery site. Parkside LLP is run by a Board comprising of 6 persons of which 3 board members are nominated by the Council. Parkside LLP appoints its own independent auditors to review its annual accounts.

In February 2025, Cabinet endorsed a revised investment strategy for the Parkside Regeneration LLP Joint Venture to utilise a Forward Funding arrangement with an investor to develop Phase 1 units. This included the appointment of joint agents to work on behalf of each partner. St Helens Cares Partnership is well established and links to the Council and NHS with representation from a variety of partners. The governance structure is included in **Appendix 2**.

Corporate Peer Challenge

St Helens Council welcomed peers from the Local Government Association to undertake a peer challenge review in February 2025. The previous peer review was in 2019 with a re-visit in 2021. The peer challenge report recognised that the

council has transformed over the past five years and improved significantly since 2019.

It reflected on a confidence that the council can take the next step in its development, building on the firm foundation in place. The report identified the council has a well-functioning organisation which had robust governance, performance management, financial stewardship, and effective partnerships.

The report recognised that the council was now well positioned to continue to develop its transformation approach further harnessing the potential of its ambitious plans outlined through Inclusive growth Strategy and regeneration programme, ensuring that all future components are knitted together around one core vision and narrative.

The report highlighted that the future direction looked positive and that the Council now needed to concentrate efforts on aligning priorities and plans to ensure that outcomes were truly felt by residents. Some extracts from the CPC are relevant for this assurance statement, as follows.

Governance and culture

- Working relationships between members and officers are good, particularly at cabinet and SLT level
- The core components of good governance and internal control arrangements are in place.
- Delivery strategies, performance reporting and strategic risk register are aligned to the Borough Strategy.
- The Council provides relevant member training and development, including external support.
- We have experienced a positive organisational culture - Staff feel engaged, values have been co-produced and are lived (Culture champions).

Financial planning and management

- The Council has a clear understanding of its financial position and medium-term risks.
- There is regular and effective monitoring of the budget, including reporting to officers and elected members.

- There is a track record of external funding success.
- Council finances are aligned with the Borough Strategy.
- Partners feel engaged in funding allocations and decision making, e.g. health and voluntary sector.
- Good track record of unqualified audit opinions.

The recommendations arising from the peer challenge set a positive direction forward for the council in focussing on ensuring that all elements of vision, transformation and financial effectiveness are considered through a single lens. The Corporate Peer Challenge Action Plan was approved by Cabinet in April 2025. The Action Plan outlined the council's response to the recommendations. These are reflected in the Annual Governance Statement – Key Areas for Improvement section.

A Progress Review was undertaken in January 2026 to assess progress against the recommendations. The review report recognised that good progress had been made on the 10 recommendations.

The report stated that the council has strengthened its financial governance, refreshed its transformation programme, and delivered major regeneration projects, all aligned to a clearer strategic vision. Progress includes tighter budget oversight, a stronger focus on benefits and savings, improved organisational culture, and successful infrastructure schemes. While the direction is positive, the report highlights that ongoing financial pressures mean the council must continue prioritising robust governance, demand management, efficiency and large-scale transformation.

This action plan will form part of the council's wider transformation framework and approach. The transformation framework will be supported by a strategic reporting and governance framework through which the recommendations will be viewed. Cabinet members will retain regular oversight within the context of the transformation governance and reporting framework. Councillors from across the Council will have the opportunity track progress through quarterly performance monitoring and Overview and Scrutiny Committees.

CQC – Adults Social Care

Independent inspectors from the Care Quality Commission (CQC) have judged Adult Social Care Services at St Helens Borough Council as Good. The report, released in May 2025, focused on the praise from people using the services and those who provide services found that staff were 'compassionate and caring'. Independent inspectors stated: "People told us the Local Authority understood the care and support needs of the local communities and worked closely with partners to provide services to meet those needs. People said they appreciated the Local Authority's work towards coproduction and improved engagement with communities and people with lived experience."

The report described a clear strategy on integrated Contact Cares services as the focal point for all health and adult social care integration, offering a broad range of services focused on prevention and integrated activity, managed by St Helens Integrated Place and Social Care Directorate in partnership with Mersey and West Lancashire Hospital Trust and Mersey Care NHS Foundation Trust. Inspectors recognised a small number of development areas which the Council focused on in 2025/26.

St Helens Town Deal

As part of the Ministry of Housing, Communities & Local Government (MHCLG) Assurance responsibilities, the Assurance Team have conducted their annual checks on Town Deal Boards against the criteria outlined associated guidance to ensure that Boards meet the required standards of governance, accountability, and transparency, as specified in the Prospectus. In general, the Towns Fund Prospectus and Simplification Pathfinder Pilot technical guidance mandate that Town Deal Boards ensure the operations of the Town Deal Board are transparent, their membership, governance and decision-making arrangements be publicly accessible. MHCLG checks revealed that St Helens Towns Deal complied with all necessary requirements for 2025/26.

Inspection of local area SEND arrangements

Work is ongoing to address some of waiting list volume caused by sustained increase in volume of requests for education, health and care (EHC) plans. This includes a co-produced agreement with wider partners as to how assessments will be prioritised during the recovery period. The impact of this has been a sustained improvement in the timeliness and quality of EHCPs with performance returning to just below national average.

A SEND strategy '*Visible, Valued and Included*' 2024-2027 has also been co-produced. This has 5 workstreams focused on transition, building an inclusive curriculum, developing communities of support, supporting complex needs and effective and timely assessments. The strategy addresses the key themes raised as part of the council Joint Strategic Needs and Assessment document published in 2024.

Findings and recommendations made in the Ofsted/CQC SEND inspection conducted in February 2026 are detailed below in key areas of risk to consider for 2026/27.

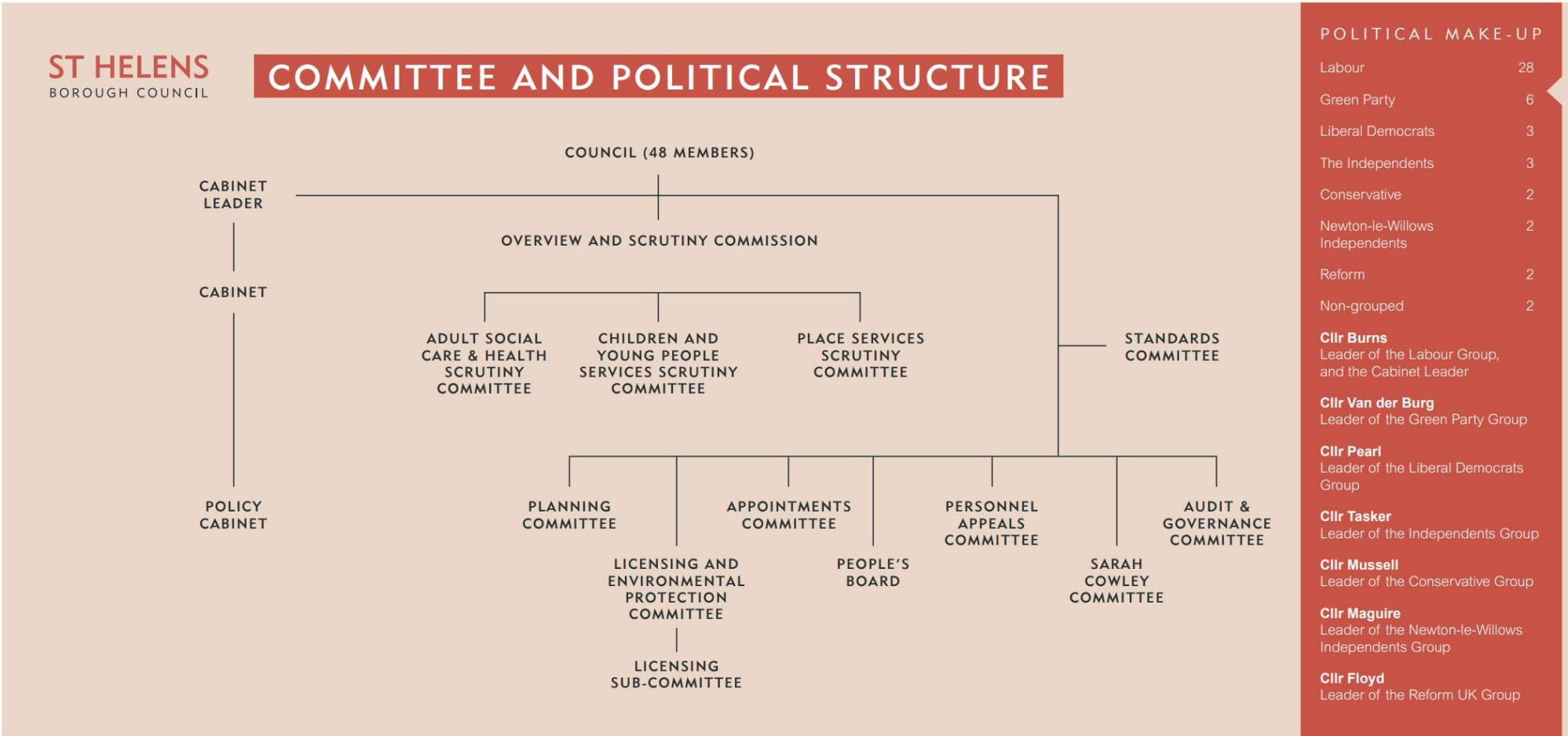
Appendix 4 provides a list of acronyms used within this statement to assist the reader.

Appendix 1 – Results of the Directors Governance questionnaire

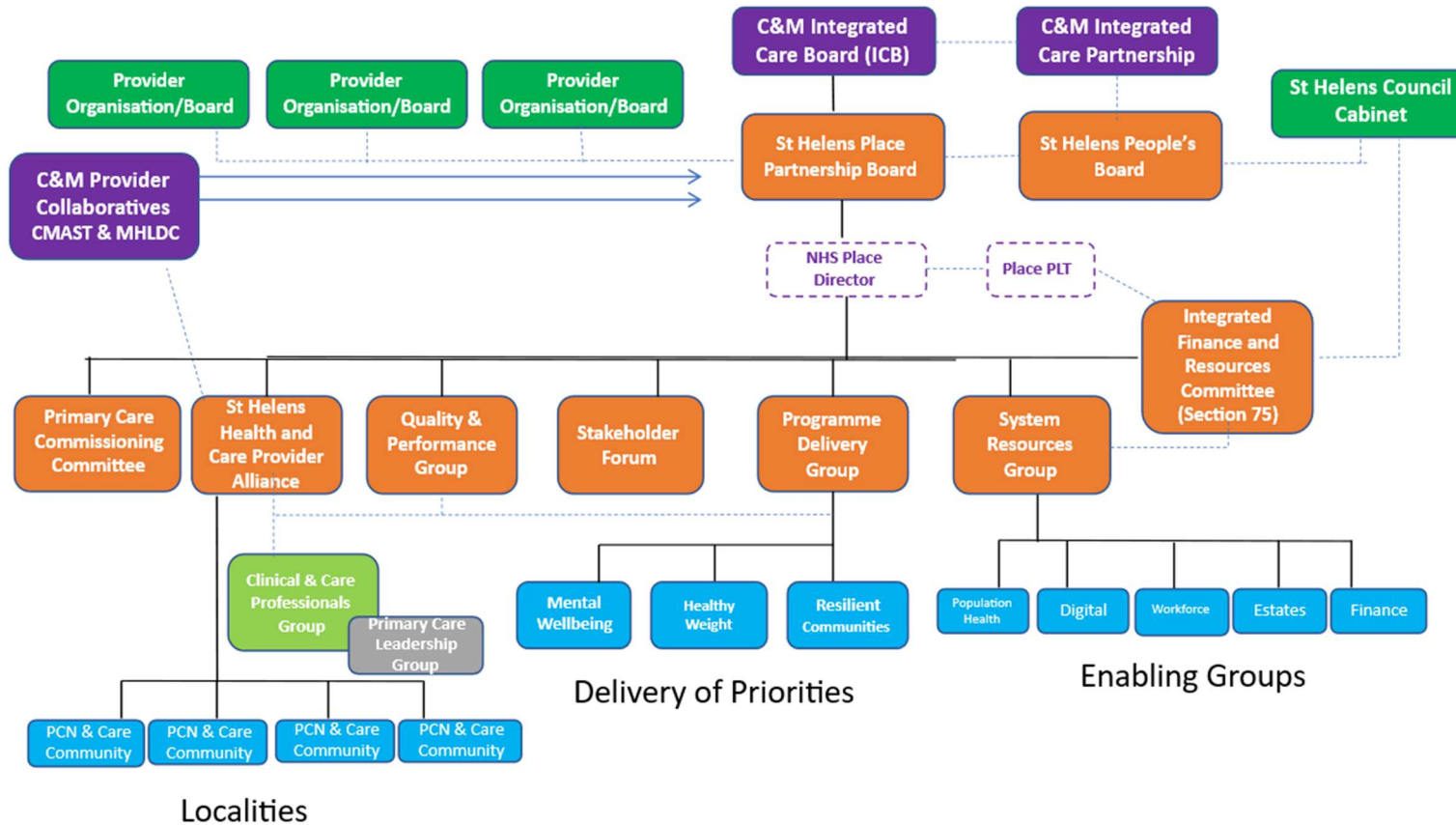
Governance Principles		1	2	3	4	5
Integrity & Values	4.4	★	★	★	★	☆
Openness & Engagement	4.7	★	★	★	★	★
Working Together	4.6	★	★	★	★	★
Making a difference	4.3	★	★	★	★	☆
Capability	4.4	★	★	★	★	☆
Managing Risk & Performance	4.4	★	★	★	★	☆
Transparency & Accountability	4.7	★	★	★	★	★
Overall	4.5	★	★	★	★	☆

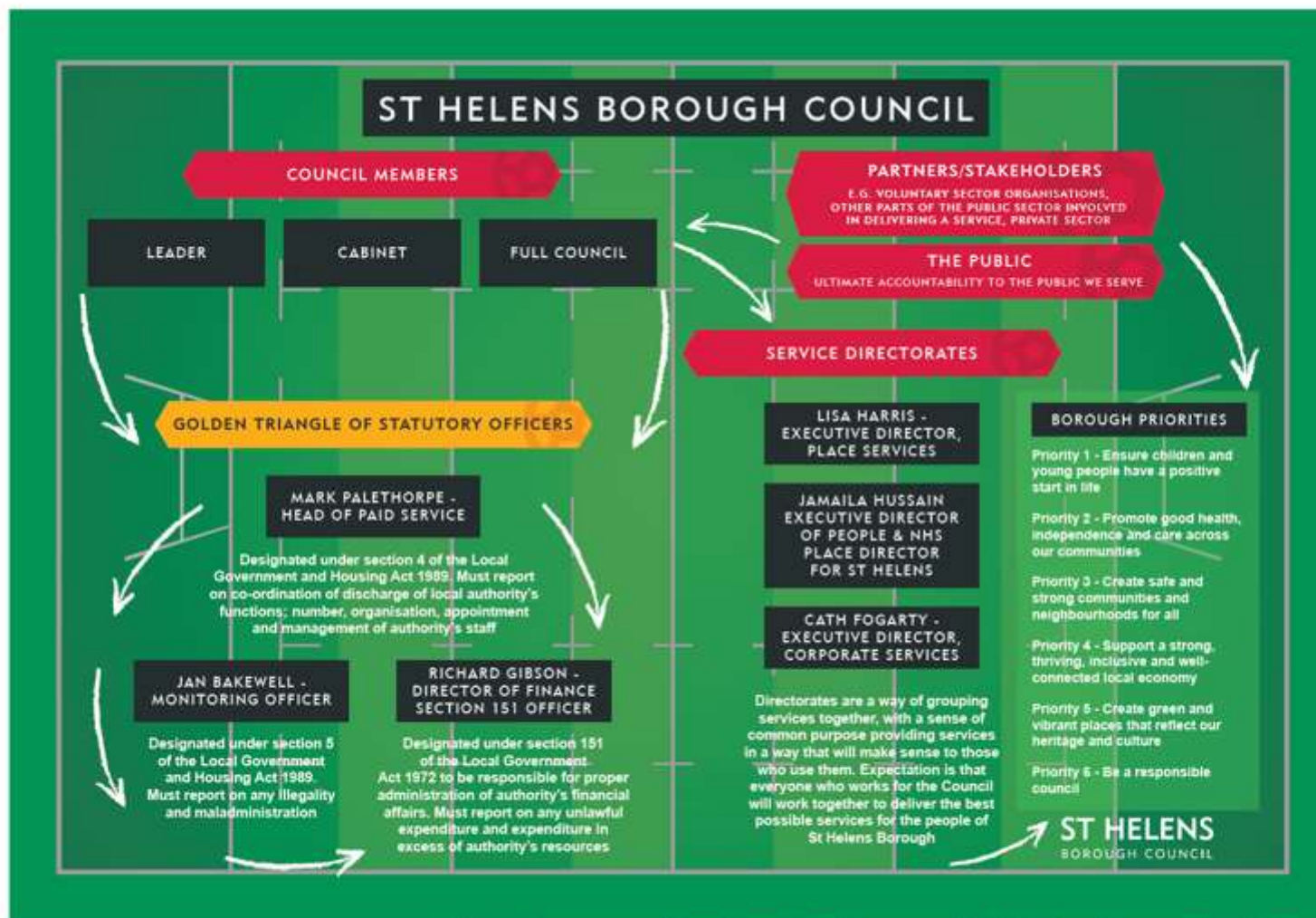
NOTE - The table above reflects the assurance opinions provided by Directors who completed the survey questionnaire. A link to the Council's key policy documents was provided, with instructions and a scoring matrix
 5 = High Conformance (strong and consistent control application)
 1 = Low Conformance (key controls have not been applied).

Appendix 2 - St Helens Borough Council Governance Structures in 2025/26



St Helens Cares Place Governance





Appendix 3 - Good Governance Framework

PRINCIPLE A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.	
Behaving with Integrity	• Code of Conduct for Elected and Co-Opted Members based on the LGA model Code and Merseyside Code. The Code addresses the Committee on Standards in Public Life best practice recommendations. • Member/Officer Protocol engenders mutual respect and trust. • Register of Interests for Members and Staff. • The Equality, Diversity and Inclusion Policy promotes equal opportunity across the organisation. • Openness and accountability supported via the Whistleblowing Policy. • Induction programme/checklist for members and staff, including the Nolan Principles. • "Welcome to St Helens" includes a focus on the Code of Conduct and the Nolan Principles. • Leading and Managing Together Programme for senior and middle management to promote positive behaviour.
Demonstrating strong commitment to ethical values	• Standards Committee with cross party representation and has an appointed Independent Person to assist with Code of Conduct complaints. • Clear protocols exist for partnership working. • Communicating shared values through briefings and engagement sessions. • Register of Interests and the declaration of interests is a formal element of committee meetings. • Complaints Policy and a procedure for addressing complaints received. • Systems and processes built around values, for example Delegated Executive Decisions, Operational Decisions and Cabinet Reports.
Respecting the rule of law	• The Constitution outlines the Council's responsibilities including Cabinet, Committees and Scrutiny. • The Council has appointed to all statutory roles including Head of Paid Service, Monitoring Officer, Section 151 Officer, Director of Children's Services, Director of Adult Social Services and Director of Public Health. • Member Induction programme and regular member training incorporating the Code of Conduct for Elected and Co-opted Members. • Anti-Fraud, Bribery and Corruption and Anti Money Laundering Policies. • Internal Audit is compliant with the Global Internal Audit Standards. • Audit and Governance Committee oversees compliance with governance, risk, and control environment, with an independent member to add challenge.

PRINCIPLE B: Ensuring openness and comprehensive stakeholder engagement.

Openness	• Findings of the engagement process resulted in Our Borough Strategy 2021-2030 which outlines the Borough's vision and priorities supported by a comprehensive strategic framework. • The Council's Constitution provides the framework for the decision-making process and reports to the Council's Committees require documented consideration of a range of issues in support of any recommendations made. • The Council complies with the requirements of the Transparency Code of Practice and has implemented a process of independent assessment of compliance. • Freedom of Information Publication Scheme. • Council meetings are recorded and live streamed.
Engaging comprehensively with institutional stakeholders.	• The Constitution outlines the decision-making process. Procedures are in place and templates for Council and Committee decisions clarify who is consulted. Records held of all decisions made. • Several strategic and operational partnerships are in place within the Borough and terms of reference are in place for each partnership which set out the expectations and commitments of all partners. • The St Helens People's Board work collaboratively to support the Integrated Care Board and Integrated Care System at Cheshire and Merseyside. • St Helen Cares involves collaboration with over 15 organisations. • Stakeholder mapping exercises conducted as part of a Communications Plan on campaigns.
Engaging stakeholders effectively, including individual citizens and service users.	• Our Borough Strategy is being delivered, setting six key priorities, accompanied by relevant branding. • Community Engagement Strategy sets out principles and methodology for undertaking public consultations with stakeholders. • Call in mechanism for scrutinising Member decisions. • Recent communication and engagement campaigns have encouraged, collected, and evaluated stakeholders' views and opinions. Have your say has sought views on the Arts Strategy, travel improvement plans and the budget review.

PRINCIPLE C: Defining outcomes in terms of sustainable economic, social. and environmental benefits.

Defining outcomes

- Our Borough Strategy 2021-2030 is the key strategic document that defines the authority's vision, objectives, outcomes, and key measures of success.
- The performance and financial monitoring framework and regular and timely reporting to Cabinet, Council and Scrutiny ensures performance is tracked.
- The Council set out its annual Revenue Budget, three-year capital programme and Capital Strategy, the Treasury Management Strategy Statement for 2025/26 and its Medium-Term Financial Strategy 2025-28.
- Reporting on the Strategic Risk Register to Executive Management Board and Audit and Governance Committee.
- Service plans include actions and objectives linked to key outcomes.
- The Council has a template of factors to be considered when seeking a decision from Members; includes impact analysis, statutory framework, financial implications, options available and risk assessment.
- Revised and focussed Children and Young People's Services (CYPS) Improvement Plan is reported to the Getting to Outstanding Board.
- Benefits realisation element included in consideration and monitoring of organisational transformation programmes.

Sustainable economic, social and environmental benefits.

- The Constitution determines how decisions are made, and factors to consider. Decisions are taken with a wide view of the potential implications.
- The Council includes an equality impact assessment for each key decision.
- The decision-making process in committee reports requires an assessment of the community impact and includes social value, sustainability, equalities, human rights, customers, and residents.
- Climate Emergency Declaration and comprehensive Climate Action Plan.
- The Council has completed business impact analysis forms to identify critical services and has developed business continuity plans for those services.
- The Council has a Social Value Policy to drive added social value through everything it does, with pilots being delivered in regeneration schemes and highways infrastructure projects, to embed social value across our procurement activity to enable monitoring and reporting by STAR Procurement Shared Service.

PRINCIPLE D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

Determining interventions	• The Council has a template of factors which must be considered when seeking a decision from Members. • Decisions on service changes are made with the Budget and Policy Framework of the Council. Those affected by a decision will be subject to formal consultation. The outcome of consultation exercises is made available to stakeholders and decision makers. • Public consultation is undertaken to take account of residents' views when contemplating service changes.
Planning interventions	• Adherence to a Corporate Planning Timetable covering forward planning, and budget and performance management and monitoring. • Risk Management Policy is embedded, corporate decision-making templates and business planning prompt the consideration of risk. • The Council has annual directorate, department, and service plans. • Appropriate key performance indicators (KPIs) are monitored during the year. • Detailed budget and performance reports presented to Cabinet, Council and Scrutiny quarterly highlighting areas of underperformance and corrective action. • Monthly budget monitoring process for all budget holders supported by Finance staff and attendance at budget monitoring group meetings for each portfolio with relevant finance staff and Directors.
Optimising achievement of intended outcomes	• The Council sets an annual Revenue Budget, three-year capital programme and Capital Strategy, the Treasury Management Strategy Statement, and a Medium-Term Financial Strategy 2025-28. This set a balanced budget for 2026/27 and met the budget gap through the implementation of previously agreed savings proposals (following a public budget consultation) that sought to provide financial resilience and allow resourcing for the Council's strategic priorities and the support of transformation and growth. Additional Government funding received through the Local Government Finance Settlement allowed the Council to target additional resources to priority areas. • Cabinet received regular financial and budget reports to inform the Council's financial planning aimed at ensuring the availability of appropriate resources for priority areas and promoting value for money. • Quarterly performance reports during the year have analysed the progress and performance against the Council's priorities. • Governance and oversight of delivery and outcomes of transformation programmes.

PRINCIPLE E: Developing the entity's capacity, including the capacity of its leadership and the individuals within it.

Developing the Council's capacity

- The outcome-based Performance Management Framework provides an integrated approach to the measurement of effectiveness.
- The Council's Senior Leadership Team is supported by Directors, Assistant Directors, and Heads of Service, and reconfigured service teams as part of the whole Council restructuring program.
- The Council has a pooled budget (Section 75 Agreement) within Social Care and Health and manages this through a joint commissioning team. It has other joint services with partners.
- The Council actively works across the region to identify opportunities for further collaborative working.
- The Council is part of the STAR Procurement Shared Service with Knowsley, Rochdale, Stockport, Tameside and Trafford Councils.
- The 'My Conversations' – online system is available to record appraisal meetings, time to reflect and plan.

Developing the capability of the Council's leadership and other individuals

- The Constitution clearly defines the statutory roles required including Head of Paid Service, Monitoring Officer, and Chief Financial Officer (S151).
- The Chief Executive is subject to appraisals by the Leader of the Council and there is a staff performance appraisal process in place for all employees with further statutory supervision for certain employee groups.
- A Members' Induction Programme is in place for newly elected members, and a comprehensive Member Training & Development Programme offer is available to members throughout the year.
- Programme of online training for employees.
- Training & Development Plan reflect requirements of a modern councillor including leadership and influencing skills, the ability to scrutinise and challenge; to recognise when outside advice is required, and how to function as an ambassador for the community.
- HR policies support employee wellbeing including attendance, welfare and health initiatives and provision of Occupational Health and Counselling services.
- Mental health first aiders across the organisation. Workplace Health and Well-Being Group in place implementing a range of mental wellbeing initiatives via an action plan.
- Culture Champions in place across the organisation to support physical and mental well-being.
- The Council has developed and is deploying new procurement and contract management training to develop individual and organisational capability, to optimise the return on investment from our Third Party Spend.
- Ongoing Leading and Management Together programmes for middle and senior managers, bespoke to St Helens.

PRINCIPLE F: Managing risks and performance through robust internal control and strong public financial management.

Managing risk	• Risk Management Policy and Managers Handbook on Intranet. • Strategic, Directorate and Departmental risks recorded in Risk Registers. • Business continuity and resilience arrangements are in place for critical services. • The Audit and Governance Committee have oversight of the Council's effectiveness of governance, control, and risk management. • Comprehensive insurance cover and in house claims handling.
Managing performance	• Our Borough Strategy 2030 outlines the Borough's vision and priorities, developed following an extensive consultation and engagement exercise. A performance framework with a suite of performance indicators and targets link to the Strategy's priorities and outcomes. The performance framework and targets are reviewed annually. • Quarterly performance reports are presented to Cabinet and Overview and Scrutiny, with performance benchmarked against other councils. • Individual appraisals are aligned to service planning.
Robust internal control	• The Council has an effective internal audit team that adheres to Global Standards. • Quality Assurance Improvement Plan, actions owned by Head of Audit & Risk. • Health and safety officers provide advice, inspections and assist with risk assessments. • Health and safety policies are regularly reviewed. • Accident and incident statistics are monitored. • Internal audit recommendations are tracked and evidenced prior to closure. Progress against the audit plan reported quarterly to the Audit and Governance Committee. • Anti-Fraud, Bribery and Corruption and Whistleblowing policies updated and reflect best practice. • Treasury Management risk regularly reported to the Audit and Governance Committee.
Managing data	• The Information Management Framework provides the overarching policies and governance surrounding the Council's management of information and information systems. • The Governance Group membership includes all Council Directors and receives regular dashboard updates. • The Digital and Information Governance Group is focused on information governance improvements, challenges, and risks. • Reported data breaches (including near misses) are investigated with remedial action identified. • Data protection and Cyber Security training are mandatory.

Strong public financial management

- Comprehensive consideration of risks to the Council's financial resilience and sustainability as part of the Medium-Term Financial Strategy. Reserves Strategy and Budget Risk Assessment.
- Strong budget management arrangements in place, including the creation of a Budget Savings Delivery Board and financial monitoring reports submitted on a quarterly basis to Cabinet providing the Council's financial position and forecast outturn position.
- Council and Overview and Scrutiny Commission receive financial monitoring reports.
- External Audit provides their opinion on the Council's financial statements including this Annual Governance Statement. Also conclude on the Council's arrangements for securing value for money.
- The Audit and Governance Committee have oversight of the Chief Financial Officer's (Section 151) effectiveness in ensuring a robust financial control environment is maintained.

PRINCIPLE G: Implementing good practices in transparency, reporting and audit, to deliver effective accountability.

Implementing good practices in transparency	• The Council complies with the requirements of the Transparency Code of Practice and has implemented a process of independent assessment of compliance. • Maintaining compliance by publishing all required information in a timely manner, ensuring it is publicly available and open to challenge. • Procurement information (ITT and Contracts above £5k) is published through the web-based procurement system and are publicly available. • The Audit and Governance Committee have oversight of the Chief Financial Officer's (Section 151) effectiveness in ensuring a robust financial control environment is maintained. Committee has independent member to enhance effectiveness. • Parkside LLP (joint venture partnership with a private sector partner to regenerate the former Parkside Colliery site) is governed by a Board of six people; three are Council nominated.
Implementing good practices in reporting	• The Audit and Governance Committee consider the Statement of Accounts, matters raised by the external auditor, Treasury Management, risk management, internal audit outcomes and the annual fraud report. • The Council publishes this Annual Governance Statement that outlines how it has monitored its governance environment. • The published Statement of Financial Accounts summarises the Council's financial performance and demonstrates the Council's stewardship of public money for that year. • The Narrative Statement within the Statement of Accounts summarises service delivery achievements, performance and key financial information and a more detailed Outturn Financial Monitoring Report and Performance Outturn Report are presented to Cabinet, Council and the Overview and Scrutiny Commission. • Quarterly Financial and performance reports are presented to Cabinet, Council and the Overview and Scrutiny Commission.
Assurance and effective accountability	• The St Helens People's Board operates in a transparent public arena providing accountability for health and well-being functions. • Community safety functions transferred from the People's Board with the re-establishment of a stand-alone Community Safety Partnership. • Committee agendas published on the internet using Modern Gov. and the meetings are webcast. • The Constitution defines decision making and accountability arrangements. • The Audit and Governance Committee oversee the effectiveness of risk management, control, and governance arrangements. Committee effectiveness is benchmarked against CIPFA standards. • Peer reviews and benchmarking within individual services help identify good practice and scope for development.

ASSURANCE

According to Internal Audit's current definitions, a **Substantial Assurance** rating means that a sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the areas audited.

The Audit and Governance Committee performs a key role as the "body charged with governance" and its Terms of Reference set out the requirement to gain and monitor the necessary assurances in respect of the Council's control, governance, financial management, and reporting framework.

Sources of Assurance

Various sources of assurance contribute to examining and confirming the Council's compliance with laws, regulations, governance arrangements and that expenditure is in line with Finance Procedure Rules.

The Council's assurance arrangements reflect the Institute of Internal Auditors' Three Lines of Defence Model. A summary of the model shown below. The Head of Audit and Risk considers a wide source of assurance to reach his annual opinion.

Internal Audit

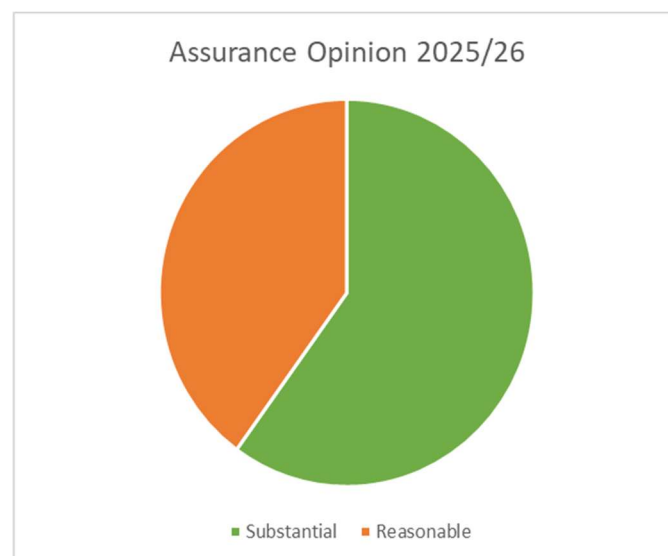
Internal audit work provides an independent source of assurance on the effectiveness of the Council's governance, risk management and internal control environment. The designated Chief Audit Executive is required to provide an annual opinion on the effectiveness of that environment and that opinion is based on the audit work conducted during the year, and other sources of robust assurance. The overall opinion, as reported in the Annual Internal Audit Report was that of **Substantial Assurance**, based on the level of work performed.

Areas of Limited Internal Audit Assurance (excluding schools) in 2025/26.

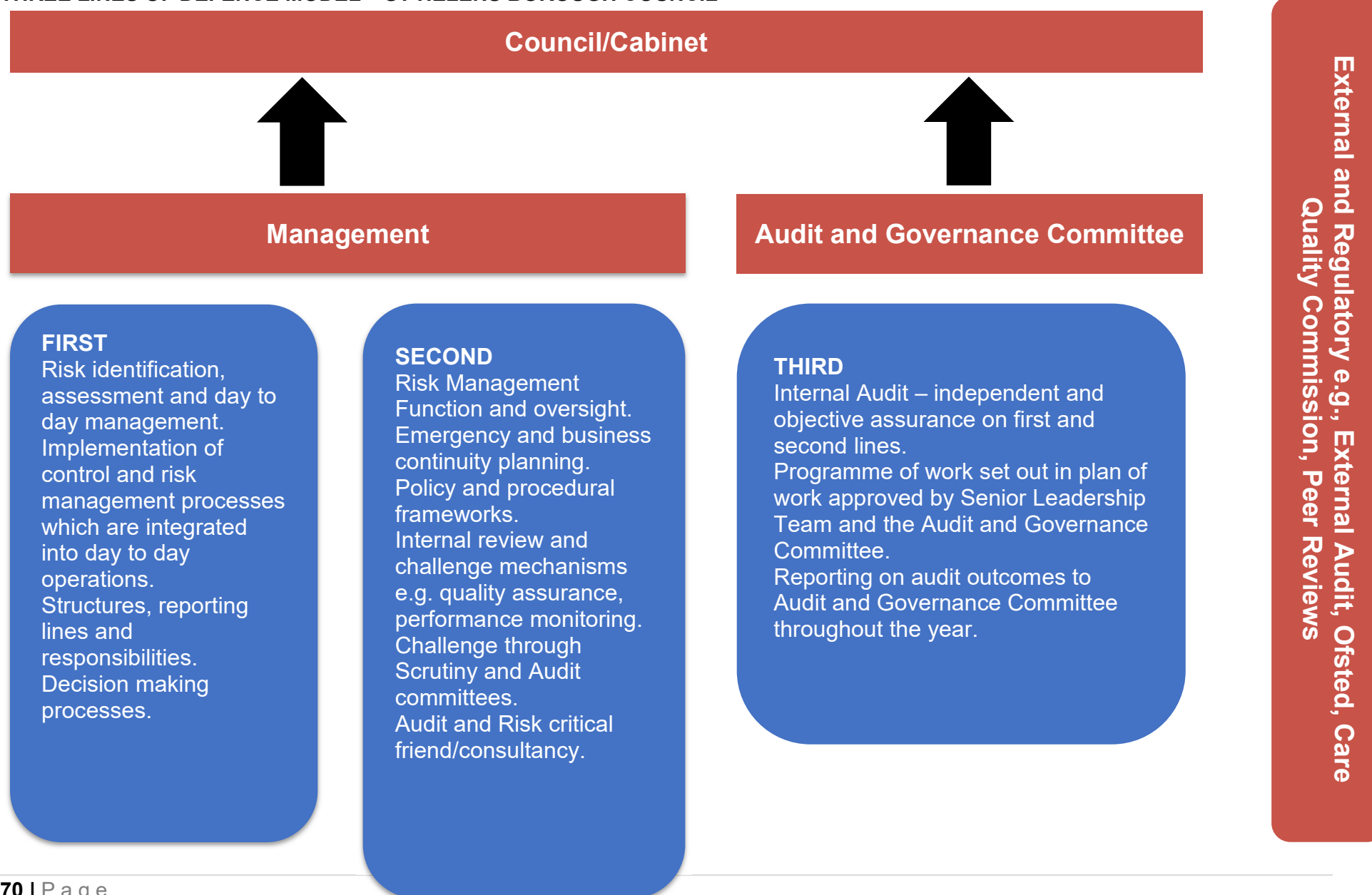
There were no audit reports issued with

limited assurance opinions in the year to 31 March 2026.

Assurance opinions for 2025/26



THREE LINES OF DEFENCE MODEL – ST HELENS BOROUGH COUNCIL



Key areas of risk and governance for 2026/27

The Council has continued to monitor its strategic risks throughout the year, and the strategic risk register has been reviewed and updated to ensure that it has captured those areas most likely to have a damaging impact on the Council's priorities. Having analysed the strategic risk register, the areas outlined in the table below have been identified as having the broadest impact on the Authority and its success at delivering its vision and priorities as outlined in Our Borough Strategy.

We have also cross referenced this year's governance statement with the results from the Corporate Peer Challenge and outlined the recommendations from this external peer review that, when implemented, will serve to strengthen the Council's corporate governance framework.

Please note that for each of the areas below, there is a detailed risk profile that includes more information regarding the specific actions to be taken including action owners and target dates.

Key Area of Risk or Governance Issue	Owner	Comments or Summary of Action Required	Actions taken or in progress
There are ten recommendations from the Corporate Peer Challenge (CPC) in the CPS Action Plan. Those relating to governance are: Recommendation 4: Ensure a continued focus and rigour on financial planning and management. Recommendation 5: Reduce the reliance on an annual call on reserves to balance the budget, and plan to rebuild reserves in the future. Recommendation 6: Children's services remain a financially challenging area, and the Council needs to stay focussed on continuous improvement to manage demand and reduce cost. Recommendation 7: Maintain a laser focus on existing regeneration plans ensuring there is capacity, phasing,	Chief Executive	A Corporate Peer Challenge re-visit was carried out in February 2026 to review progress against the actions in the CPC Action Plan. The findings report from the revisit recognised that sufficient progress had been made to action the recommendations arising from the peer review. Increased financial controls and scrutiny has resulted in greater oversight and focus to address the recommendations. The delivery of the Children's Homes Programme as part of the Transformation Plan will further support the reduction in cost for Children's Services. Assurance has been provided to Cabinet that sufficient progress is	Work on all three Recommendations is ongoing with continued focus and rigour on the management of budgets across all services through regular meetings between the Section 151 Officer and Executive Directors. In year actions were taken to actively manage overspends such as a managed recruitment freeze and cessation of non-essential spend. Further scrutiny of children's services was done through Check and Challenge Meetings with Officers and Portfolio Holders. The Council was able to focus on and successfully sign the major regeneration contracts for Earlestown and St Helens (Phase 1) during 2025/26 with its Development Partner ECF. This is a huge milestone for the current regeneration programme and move the Councils on to

and funding.		made and monitoring of any outstanding actions is undertaken through Cabinet Portfolio meetings.	delivery mode.
<u>Children & Young People's (CYP) Mental Health Services</u> Over the past few years Mersey Care services have worked to improve access rates for CYPMHS achieving sustained improvement against the waiting times metrics and performing the best regionally, but all too often, multi-agency professionals and parent/carers have told us about the difficulties experienced by CYP and families with SEND in meeting the thresholds and accessing specialist mental health services. This was a key line of enquiry followed by Ofsted/CQC in the recent SEND inspection in St Helens which took place in February and published in June 2026, having heard from families about the difficulties they face accessing specialist mental health provision and understanding this in the context of wider commissioning gaps. The Council and NHS Cheshire and Merseyside ICB received two areas for priority action and five areas for improvement. The inspection identified one priority action	Exec Director People	The group decided to take a formalised Quality Improvement (QI) approach to enable impact / improvement to be evidenced against measures / metrics. The Mersey Care Foundation Trust has supported the development of 5 projects that underpin the one overarching action plan, these are; • 1 Documentation and clinical standardisation • 2 Pathways and process standardisation • 3 Data, reporting, and insight • 4 Communication, access, and experience • 5 Workforce, capability, and supervision A lead has been identified for each of these projects to oversee progress of the actions to be completed with the wider team and the CYPMHS/SEND Steering Group will take place monthly to monitor progress with an identified SRO. Following the Area SEND Inspection, the SEND Partnership Board is	The programme of work and quality improvement initiative commenced in April 2026 and is scheduled for completion in September 2026. It's intended impact is to improve access to specialist support for CYP with SEND and to enhance the quality and consistency of care across the Trust and CYP mental health services. The SEND Partnership Board has co-produced the Priority Action Plan, with identified leads, clear timescales, and defined outcome measures to monitor progress and impact. The plan is due to be submitted to and agreed by the Department for Education (DfE) in July, before being formally published by the Council and Integrated Care Board (ICB) on 28 August. To ensure alignment with the inspection findings and required improvements, the SEND Strategy will be reviewed and updated to incorporate the actions and priorities outlined within the plan.

and several areas for improvement relating to children and young people's access to mental health services and neurodevelopmental assessment pathways. Priority Action Leaders must urgently review the referral criteria and pathways for children and young people with SEND who are accessing mental health services, neurodevelopmental assessments and associated support. Areas for Improvement The partnership must ensure that children and young people with SEND can access the right support at the earliest opportunity, through the most appropriate assessment and treatment pathways. In addition, the local area partnership should accelerate the implementation of recovery plans to reduce lengthy waiting times for neurodevelopmental assessments across all age groups. Enhanced support should also be provided to children, young people and their families across education, health and care services while they are awaiting assessment and diagnosis.		required to submit a Priority Action Plan to the Department for Education (DfE). Progress against the identified priorities will be monitored through the SEND Partnership Board, the DfE and NHS England.	Delivery of these actions will be monitored through established governance arrangements and will contribute to the wider programme of SEND reform across the partnership. The Priority Action Plan provides a clear framework for driving improvements in access to support, assessment pathways and outcomes for children and young people with SEND, while ensuring that activity is embedded within the partnership's broader transformation agenda.
External Audit Recommendations The Council has accepted and is tracking the implementation of recommendations made by the External Auditor from its Annual Audit	S151 Officer	The Commissioning Review Board was established as part of the Council's Strategic Change and Transformation Board. A key Workstream for this Board was to	A comprehensive Contracts Register is now available and published quarterly on the Council's website in line with transparency requirements. This, alongside STAR Procurement's forward pipeline,

Report for year ending March 2025. These cover the following areas: - • Contracts Register • Achievement of Savings Plans • A review of the Medium-Term Financial Strategy (MTFS) including future demand forecasts for Children's Services. Significant weakness in arrangements identified relating to managing cost and demand in Children's Services and we have raised one key recommendation. We also raise three improvement recommendations relating to the erosion of revenue reserves, managing the annual Dedicated Schools Grant deficit, and ensuring savings targets are realistic.		review the existing Contracts Register and to work with Services and STAR to create a complete Contracts Register with Forward Plan to allow Contracts to be identified, procurement and managed effectively. Savings Plans are managed via the Budget and Performance Board and reported on a quarterly basis to Cabinet and Council. Detailed Minutes and Actions highlight the need for delivery of all savings or alternative mitigation. Any permanent changes to be approved as part of the FMR process via Cabinet and then to Full Council. The Council's approved MTFS in March 2025 included an updated Sensitivity and Risk Analysis Section which considered and reviewed the risks highlighted.	allows for effective management of contracts and renewals. Savings have been monitored through the Budget and Performance Board as an extension of the Senior Leadership Team. Two thirds of the 2025/26 savings total of £9.3m have been delivered in full, with £1.3m of mitigations for the savings not delivered. However, this means that £1.8m of savings have not been delivered or mitigated. A review of the Budget & Performance Board is being carried out to identify an alternative mechanism to monitor savings and ensure implementation. Further alternatives to address undelivered savings will be put forward for approval as part of FMR P1 in 2026/27. A full review of the MTFS has been undertaken, considering changes in the funding mechanism from Government and wider economic impacts. All risks were reviewed and updated. Demand management plans for Adults and Children's Social Care are being updated and further modelling will be undertaken, to factor in future Government actions around SEND Reform and addressing market failures.
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Value for Money Improvement Recommendations IR4: We recommend the Council: • Seeks opportunities to incorporate further information relating to MRWA within budget setting reports. • Reviews its governance and oversight arrangements in respect of its participation within the Merseyside Recycling & Waste Authority (MRWA) to ensure they are sufficient. • Conclude and formalise the 2025/26 MRWA service level agreement.	S151 Officer	The Council's 2025/26 budget report set out the levy payable to MRWA being £10.02m, an increase of 1.77% from the prior year, but did not include any further explanatory information or context. The Council has a nominated representative to attend MRWA meetings, however update reports regarding MRWA activities are not currently provided to a Committee of the Council which would further enhance transparency, oversight and governance of this key area of partnership working. The Council also provides a range of corporate support services to MRWA under the terms of a service level agreement (SLA) however the 2025/26 SLA is yet to be finalised.	The 2026 / 2029 MTFS included information in respect of MRWA. MRWA attended Place Services Scrutiny on 6 October 2025 and have offered to attend again this year to address any concerns of members. All Service Level Agreements have now been signed.
IR5: We recommend the Council: •Provides an update, to members, to the status of the Section 75 Agreement. •Concludes negotiations with the NHS Cheshire & Merseyside Integrated Care Board in order that the Section 75 Agreement can be normalised and clarified from April 2025 onwards.	S151 Officer	Cabinet last approved the Section 75 Agreement between the Council and the ICB in April 2023, with the agreement running until 31 March 2025. The Council and ICB have yet to formally agree a new Section 75 Agreement from 1 April 2025 and the matter remains under negotiation. The Council referred to matters relating to the Section 75 Agreement within the Revenue and Capital Outturn Report 2024/25, considered by Cabinet in June 2025, with the report stating a	The Council and ICB continue to operate under the existing Section 75 with no new agreement in place to date. The Council continues to work with the ICB and is seeking to renew the Section 75 Agreement as soon as practically possible.

		risk share exists that splits any cost pressures in the Pool between the ICB (72%) and the Council (28%). The total expenditure in the Pool increased by 6.66% to £61.865m in 2024/2025; this caused an overspend of £4.690m, of which the Council bears £1.313m (28%). The main driver for the increased expenditure this year was an increased demand for domiciliary care, primarily for people with physical support needs. This demonstrates the scale and risk associated with elements of the pooled funding arrangements.	
IR6: We recommend the Council further strengthens its contract management arrangements by: • Providing specific training for contract managers to support adherence to the Council's revised contract procedures rules. • Developing central contract management procedures to increase corporate oversight and assurance that contracts are being appropriately managed.	S151 Officer	The Council's has been actively developing its contract management activities through the introduction of a contract register, contract pipeline and by the revision of its contract procedure rules (CPRs) to align with the requirements of the Procurement Act 2024. Post award contract management responsibilities are largely devolved to services but recent training on effective contract management (in line with revised CPRs) has not been provided to relevant staff. The Council could also consider introducing standardised contract management procedures that support adherence to CPRs. These procedures could include a risk-based	Contact Management Training was identified through the Commercial College and carried out by key staff across services where gaps in training were identified. The CPRs were updated during the year alongside the Financial Instructions, training for all staff will take place in 2026/27. A new Management Information System was introduced by STAR procurement in January 2026. This will allow high value / high risk contracts to be identified more clearly and management more effectively by the relevant service.

		methodology framework that could determine the frequency and depth of contract reviews based on contract value and potential impact on service delivery, a model that we have observed used in other Council's.	
RISK - Budget Restrictions and Management of Pressures The Council continues to face a challenging financial position after more than a decade of austerity and cuts in government support with the ongoing legacy of the global pandemic, increasing demand for services, the extreme and volatile inflationary and wider economic environment, and the continuing uncertainty surrounding the local government funding position. During the year, the Medium-Term Financial Strategy 2024-27 was approved and provides an overarching framework for how future decisions on resource allocation and budgeting will be made. The key financial pressures will be the demand for social care, homelessness, and other services; cost pressures on pay, prices and energy; the ongoing impact of the cost-of-living crisis and local economic recovery from the pandemic; and the costs/ losses associated in driving forward strategic	Executive Director of Corporate Services	With the inception of the new Labour Government in July 2024 and the announcement of the October 2024 Budget Statement followed by the Finance Settlement in December 2024, there is a change in the strategic financial direction. The Government has recognised the considerable financial pressure within the local authority system and has injected funds into the key areas for pressure such as children services, SEND, adult social care and homelessness. Whilst this doesn't remove all the pressures, and the Council has much more to do, particularly delivering existing savings plans and tackling areas of high spend, it is a positive first step. Government has recognised the need to ensure that funds are allocated to authorities using need and deprivation as a key driver, which will hopefully provide a greater share of funding to St Helens and reduce the risk moving forward. Put alongside the Devolution White Paper, continued work with the	The 2025/26 Outturn Report shows an outturn overspend position of £3.371m. This will be the 4th consecutive year of overspend and consequential reduction in reserves. We continue to see pressure within Children Services and Adult Services in respect of price and demand. The Local Government Finance Settlement has brought some certainty of funding and the 2026/27 position provides sufficient funding to allow the Council to set a balanced budget without the need for new savings (beyond those agreed previously). That said the Council will need to deliver these savings and those carried forward as well as managing demand to achieve a balanced position in 2026/27. The position in later years is challenging and will require further efficiencies to be made across all services. The Council's Medium Term Financial Plan for 2026/27 – 2028/29 was reported to Cabinet on the 25 February 2026. The report approved a net revenue budget of

improvements and reductions in income sources.		combined authority, multi-year settlements and the fair funding / business rates review, there is now a clearer pathway ahead towards financial stability. There is regular reporting to EMB and Cabinet as well as a Budget and Performance Monitoring Board, chaired by the Chief Executive to review savings delivery and in-year financial pressures. Reserve levels, whilst not large, are sufficient for the immediate future. Reserves remain at a reasonable level but can only last for the medium term if action is not taken to manage spend within budget. Given that the Finance Settlement is positive overall and additional funding is being made available the likelihood of this risk has lessened.	£270.963m of which the Children's Directorate budget was set at £84.215m. the net revenue budget increased significantly from 2025/26 due to the settlement finalised in February and the Council maximising its income streams through Council tax and fees and charges increases. This has led to a relatively low level of savings required for 2026/27 of £2.984m.
RISK - Regeneration Delivery Several factors are considered and being managed through Place Directorate Risk Register- these include increasing construction costs, loss of grant funding stream(s), failure of key partner(s) and retention / recruitment of the necessary skills and capability to deliver regeneration - especially via the Capital Programme.	Executive Director of Place Services	Improved engagement with external partners and agencies (e.g. LCRCA and Government departments) to identify opportunities and make the case for investment in St Helens. Utilisation of Tax Increment Financing initiatives associated with Freeport and Investment Zones. Due diligence and continuous performance monitoring, with financial health checks on strategic partners, coupled with strong communication and open dialogue. Inflation costs are factored into business cases and additional funding sources identified where needed. Re-phasing is undertaken if	Several factors are considered and being managed through Place Directorate Risk Register - these include increasing construction costs (including beyond budget envelopes), loss of grant funding stream(s), failure of key partner(s) and retention / recruitment of the necessary skills and capability to deliver regeneration - especially via the Capital Programme. Engagement with external partners and agencies (e.g. LCRCA, government departments and registered providers, etc.) is ongoing to make the case for financial investment in/support for St Helens regeneration programmes; however, current opportunities have largely been

		needed. Renegotiate grant funding conditions where applicable to reduce scope / outcomes. Inflationary pressures should ease into 2025 and beyond.	exhausted or are limited in practise beyond utilisation of Tax Increment Financing initiatives associated with Freeport and Investment Zones and those are geographically focussed. Active continued mitigations include due diligence and continuous performance monitoring, with financial health checks on strategic partners, coupled with strong communication and open dialogue. However, whilst inflation costs are factored into business cases and additional funding sources are sought where needed. it is currently the case that programme / project costs are exceeding the maximum available budgets - this is despite value engineering, descoping and re-phasing being implemented. These pressures have increased across various regeneration programmes being delivered in 2025 and for the forthcoming years. March 2026, contract prices are now fixed, and works have commenced so noted reduction in likelihood of cost increases.
RISK – Political Change Changes in national or local political priorities, legislation, or funding may disrupt strategic planning and impact delivery of Council objectives.	Director of Legal and Governance	Causes include policy or legislative change, shifts in political leadership, or variations in central government funding. The impacts include strategic or operational disruption, financial pressures and need to re-prioritise, and delays to major programmes / projects or statutory duties.	Current controls include horizon scanning and policy monitoring, Medium Term Finance Strategy (MTFS) scenario planning / sensitivity analysis and continuing to maintain robust governance and decision-making processes. Planned controls are as follows.

			• Member Induction and Training Programme 2026/27. • Strengthen policy intelligence. • Regularly review strategic and financial plans, and • Stress test key projects against potential changes.
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Statement of Assurance

We are satisfied that this Annual Governance Statement provides an accurate assessment of our governance structure during the year and identifies the significant issues facing the Authority in the coming year. A commitment is made for those areas identified for improvement to be progressed within the timeframes stated.

Leader of the Council Signed: to be inserted post Audit &Governance Committee Date: Name (Print): Councillor Dr George Woodward	Chief Executive Signed: to be inserted post Audit &Governance Committee Date: Name (Print): Mark Palethorpe
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Appendix 4 – Acronyms / Terms used

CIPFA	Chartered Institute of Public Finance and Accountancy
SOLACE	The Society of Local Authority Chief Executives and Senior Managers (Solace Group) Ltd
AGS	Annual Governance Statement
GOVERNANCE	Corporate Governance is the term used to describe the system by which Local Authorities direct and control their functions and relate to their communities
LLP	Limited Liability Partnership
LGA	Local Government Association
PSIAS	Public Sector Internal Audit Standards
GIAS	Global Internal Audit Standards
KPI	Key Performance Indicator
ITT	Invitation to Tender (procurement route)
GOSS system	Brand name for Council's digital contact records management system
DED	Delegated Executive Decision
Ofsted / ILACs	Office for Standards in Education, Children's Services and Skills. Inspecting local authority children's services - Ofsted's framework and guidance for inspecting local authority services for children
ISO 27001	ISO/IEC 27001 is an international standard to manage information security
ECF	English Cities Fund St Helens Town Centre

MOVEMENT IN RESERVES STATEMENT

This Statement shows the movement in the year on the different reserves held by the authority, analysed into Usable Reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Statement shows how the movements in year are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts statutorily chargeable against Council Tax for the year.

		General Fund Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Notes		7	8	9		6	
	Balance at 31 March 2024 Carried Forward	70,238	19,012	13,054	102,304	387,557	489,861
CIES	Movement in Reserves during 2024-2025						
5	Total Comprehensive Income and Expenditure	23,076	-	-	23,076	20,317	43,393
	Adjustments between accounting basis and funding basis under Regulations	(30,916)	(15)	736	(30,195)	30,386	191
	Net Increase/(Decrease)	(7,840)	(15)	736	(7,119)	50,703	43,584
	Balance at 31 March 2025 Carried Forward	62,398	18,997	13,790	95,185	438,260	533,445
CIES	Movement in Reserves during 2025-2026						
5	Total Comprehensive Income and Expenditure	32,449	-	-	32,449	(4,462)	27,987
	Adjustments between accounting basis and funding basis under Regulations	(21,436)	(493)	3,116	(18,813)	19,896	1,083
	Net Increase/(Decrease)	11,013	(493)	3,116	13,636	15,433	29,070
	Balance at 31 March 2026 Carried Forward	73,411	18,504	16,905	108,821	453,693	562,515

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with Regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

Notes	2024-2025				2025-2026		
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
	392,051	(267,392)	124,659	People's Services Directorate	415,696	(279,601)	136,095
	84,164	(40,380)	43,784	Place Services Directorate	99,000	(52,135)	46,865
	77,186	(53,734)	23,452	Corporate Services Directorate	67,963	(44,262)	23,701
15, 16	553,401	(361,506)	191,895	Cost of Services	582,659	(375,998)	206,661
12				Other Operating Expenditure			
13				Financing and Investment Income and Expenditure			
14				Taxation and Non-Specific Grant Income			
15				(23,076) (Surplus) or Deficit on Provision of Services			
6c				(18,985) (Surplus) or Deficit on Revaluation of Non-current Assets			
				(1,332) Remeasurement (Gains)/Losses on Pension Assets/Liabilities			
				(20,317) Other Comprehensive Income and Expenditure			
				(43,393) Total Comprehensive Income and Expenditure			

This Statement was prepared on the basis of the Council's directorate structure per the reporting requirements contained in *The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25*.

BALANCE SHEET

The Balance Sheet shows the value, as at the Balance Sheet date, of the assets and liabilities recognised by the Authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves is usable reserves i.e. those reserves that the authority may use to provide services subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the authority is not able to use to provide services (unusable reserves). Unusable reserves include:

- reserves that hold unrealised gains and losses, particularly in relation to the revaluation of Property, Plant and Equipment.
- adjustment accounts that absorb the difference between proper accounting practices and the requirements of statutory arrangements for funding expenditure.

Notes	31 March 2025 £000		31 March 2026 £000
25	629,548	Property, Plant and Equipment	655,773
27	3,293	Heritage Assets	3,302
28	20,719	Investment Property	21,047
29	58	Intangible Assets	45
30	1,525	Long-term Investments	1,525
31	22,269	Long-term Debtors	32,242
	677,412	Long-term Assets	713,934
30	76,829	Short-term Investments	71,820
33	3,790	Assets held for Sale	2,749
34	64,626	Short-term Debtors	80,103
	1,701	Inventories	1,207
39	37,748	Cash and Cash Equivalents	27,411
	184,694	Current Assets	183,290
35	(1,286)	Short-term Borrowing	(1,822)
36	(84,047)	Short-term Creditors	(69,518)
17	(24,960)	Capital Grants Receipts in Advance	(16,643)
17	(6,238)	Revenue Grants Receipts in Advance	(7,113)
37	(5,525)	Provisions	(6,380)
39	(5,957)	Cash and Cash Equivalents - Bank Overdrafts	(5,536)
	(128,013)	Current Liabilities	(107,012)
11	(15,224)	Pensions Liability	(14,376)
17	(1,380)	Capital Grants Receipts in Advance	(1,712)
17	(6,076)	Revenue Grants Receipts in Advance	(7,046)
35	(132,481)	Long-term Borrowing	(157,465)
37	(3,323)	Provisions	(2,077)
38	(42,164)	Other Long-term Liabilities	(45,022)
	(200,648)	Long-term Liabilities	(227,698)
	533,445	Net Assets	562,514
		Financed by:	
MIRS	95,185	Usable Reserves	108,821
6	438,260	Unusable Reserves	453,693
	533,445	Total Reserves	562,514

In preparing this Statement, events up 7 July 2026 have been considered. This is the date when the Director of Finance authorised the Statement for issue.

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period.

Notes	2024-2025 £000		2025-2026 £000
CIES	23,076	Net Surplus or (Deficit) on the Provision of Services	32,449
42	31,444	Adjustments to Net Surplus or Deficit on the Provision of Services for Non-Cash Movements	(473)
43	(46,577)	Adjustments for items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	(49,526)
44	7,943	Net Cash Flows from Operating Activities	(17,550)
45	3,275	Investing Activities	(19,825)
46	(3,005)	Financing Activities	27,458
	8,213	Net Increase or (Decrease) on Cash and Cash Equivalents	(9,917)
	23,579	Cash and Cash Equivalents at the start of the Reporting Period	31,792
39(d)	31,792	Cash and Cash Equivalents (including bank overdrafts) at the end of the Reporting Period	21,875

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NOTE A – EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, Council Tax, Non-Domestic Rates and other income) by the Authority in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision-making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

	2025-2026				
	As Reported for Management Accounts Outturn	Adjustments to arrive at the net chargeable to the General Fund*	Net Expenditure chargeable to the General Fund	Adjustments between the Funding and Accounting Basis*	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000	£000	£000	£000	£000
People's Services Directorate	152,648	(28,617)	124,031	12,065	136,095
Place Services Directorate	51,139	(22,602)	28,536	18,329	46,865
Corporate Services Directorate	7,755	17,140	24,896	(1,196)	23,701
Net Cost of Services	211,542	(34,079)	177,463	29,198	206,661
Other Income and Expenditure	(208,171)	19,695	(188,476)	(50,634)	(239,110)
(Surplus) or Deficit on Provision of Services	3,371	(14,384)	(11,013)	(21,436)	(32,449)

Opening General Fund Reserves at 1 April		(62,399)	
(Surplus) or Deficit on General Fund in Year		(11,013)	
Closing General Fund Reserves at 31 March		(73,412)	

* See accompanying Note B for further detail relating to these adjustments.

Details of the Council's expenditure and income analysed by nature is provided in Note 15.

	2024-2025				
	As Reported for Management Accounts Outturn	Adjustments to arrive at the net chargeable to the General Fund*	Net Expenditure chargeable to the General Fund	Adjustments between the Funding and Accounting Basis*	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000	£000	£000	£000	£000
People's Services Directorate	145,065	(26,108)	118,957	5,702	124,659
Place Services Directorate	42,559	(7,710)	34,849	8,935	43,785
Corporate Services Directorate	7,570	16,264	23,834	(382)	23,452
Net Cost of Services	195,194	(17,553)	177,641	14,254	191,895
Other Income and Expenditure	(190,473)	20,672	(169,801)	(45,170)	(214,971)
(Surplus) or Deficit on Provision of Services	4,721	3,119	7,840	(30,915)	(23,076)

Opening General Fund Reserves at 1 April		(70,238)	
(Surplus) or Deficit on General Fund in Year		7,840	
Closing General Fund Reserves at 31 March		(62,399)	

* See accompanying Note B for further detail relating to these adjustments.

Details of the Council's expenditure and income analysed by nature is provided in Note 15.

NOTE B - NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts:

2024-2025					2025-2026			
Adjustments for Capital Purposes (i) £000	Net Change for Pensions Adjustments (ii) £000	Other Differences (iii) £000	Total Adjustments £000		Adjustments for Capital Purposes (i) £000	Net Change for Pensions Adjustments (ii) £000	Other Differences (iii) £000	Total Adjustments £000
6,623	(561)	(360)	5,702	People's Services Directorate	5,173	(3,815)	10,707	12,065
8,509	508	(82)	8,934	Place Services Directorate	19,216	(952)	65	18,329
87	(477)	8	(381)	Corporate Services Directorate	(24)	(1,197)	25	(1,196)
15,219	(531)	(434)	14,255	Net Cost of Services	24,365	(5,964)	10,797	29,198
(42,442)	(695)	(2,033)	(45,170)	Other Income and Expenditure	(42,681)	(7,282)	(671)	(50,634)
(27,222)	(1,226)	(2,468)	(30,915)	Difference between General Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement surplus or Deficit on the Provision of Services	(18,316)	(13,246)	10,126	(21,436)

This analysis provides further detail of those items that are chargeable to the General Fund but not chargeable to the Comprehensive Income and Expenditure Statement and vice versa (such as depreciation and the current service cost in relation to pensions) and the removal of transactions which are only chargeable under statutory provisions (such as charges to services for the financing of capital investment).

These adjustments will include a number of those included in the Adjustments between Accounting Basis and Funding Basis in the Movement in Reserves Statement, which are further explained in Note 5.

(i) Adjustments for Capital Purposes

In the Net Cost of Services line, this adjusts for depreciation, impairment and revaluation gains and losses.

Within the Other Income and Expenditure, this includes adjustments for:

- capital disposals, with a transfer of income on disposal of assets and the amounts written off for those assets
- the statutory charges for capital financing: i.e., Minimum Revenue Provision and other revenue contributions, as these are not chargeable under generally accepted accounting practices
- capital grants, which are adjusted for as income not chargeable under generally accepted accounting practices.

(ii) Net Change for Pension Adjustments

This column adjusts pension contributions and *IAS 19 Employee Benefits* pension-related expenditure and income:

- In the Net Cost of Services line this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.
- In the Other Income and Expenditure line this represents the net interest on the defined benefit liability charged to the Comprehensive Income and Expenditure Statement.

(iii) Other Differences

This column represents other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

In the Net Cost of Services line, this includes adjustments involving the Accumulating Compensated Absence Adjustment Account and the Dedicated Schools Grant Adjustment Account.

In the Other Income and Expenditure line this includes:

- adjustments to the General Fund for the timing differences for premiums and discounts;
- the difference between what is chargeable under statutory regulations for Council Tax and Business Rates which was projected to be received at the start of the year, and the income recognised under generally accepted accounting practices in the Code. This is a timing difference, as any difference is brought forward in future surpluses or deficits on the Collection Fund.

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement:

	2025-2026				
	Adjustments relating to Internal Recharges	Adjustments relating to Capital Items	Adjustments relating to Transfers to / from Reserves	Adjustments relating to Other Income and Expenditure	Total Adjustments to arrive at the Net Amount chargeable to the General Fund
	£000	£000	£000	£000	£000
People's Services Directorate	(20,483)	(5,330)	-	(2,804)	(28,617)
Place Services Directorate	3,365	(20,198)	-	(5,769)	(22,602)
Corporate Services Directorate	17,118	(12)	-	34	17,140
Net Cost of Services	-	(25,540)	-	(8,539)	(34,079)
General Fund Financing	-	-	(14,384)	-	(14,384)
Other Operating Expenditure	-	25,540	-	11,102	36,642
Financing and Investment Income and Expenditure	-	-	-	(102)	(102)
Taxation and Non-Specific Grant Income	-	-	-	(2,461)	(2,461)
Other Income and Expenditure	-	25,540	(14,384)	8,539	19,695
Difference between General Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit	-	-	(14,384)	-	(14,384)

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement:

	2024-2025				
	Adjustments relating to Internal Recharges	Adjustments relating to Capital Items	Adjustments relating to Transfers to / from Reserves	Adjustments relating to Other Income and Expenditure	Total Adjustments to arrive at the Net Amount chargeable to the General Fund £000
	£000	£000	£000	£000	£000
People's Services Directorate	(23,451)	(5,774)	3,179	(61)	(26,108)
Place Services Directorate	6,152	(9,115)	-	(4,747)	(7,710)
Corporate Services Directorate	17,299	(115)	-	(920)	16,265
Net Cost of Services	-	(15,004)	3,179	(5,728)	(17,553)
General Fund Financing	-	-	(60)	-	(60)
Other Operating Expenditure	-	15,004	-	6,612	21,616
Financing and Investment Income and Expenditure	-	-	-	(884)	(884)
Taxation and Non-Specific Grant Income	-	-	-	-	-
Other Income and Expenditure	-	15,004	(60)	5,728	20,673
Difference between General Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit	-	-	3,119	-	3,119

OTHER NOTES TO THE CORE FINANCIAL STATEMENTS

1. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

The *CIPFA Code of Practice on Local Authority Accounting* (the Code) requires disclosure of information related to the anticipated impact of changes in accounting standards that have been issued, but not yet adopted by the Code for the relevant financial year. The standards that have changed are listed below.

- FRS102 (Heritage Assets)
Amendments to guidance on determining whether an asset meets the definition of a heritage asset and the requirements for leases of heritage assets
- IFRS 9 (Financial Instruments) and IFRS 7 (Financial Instruments Disclosures)
Amendments to the classification and measurement of Financial Instruments and targeted amendments to the reporting of the financial effects of nature-dependent electricity contracts.
- IPSAS 47 (Revenue) and 48 (Transfer Expenses)
Alignment of the code with existing FReM-based adaptations of IFRS 15 and IAS 20 and moving away from IPSAS-based guidance
- IPSAS 49 (Retirement Benefit Plans)
Largely aligning with IPSAS 49 but without introducing the requirement for a cashflow statement

It is considered that if these standards had been adopted for the financial year 2025-2026, they would not have had any significant impact on the Financial Statements as presented.

2. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES, ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

In applying its accounting policies, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The Statement of Accounts contains some estimated figures that are based on assumptions made by the Authority about the future, or that are otherwise uncertain. Estimates are made, taking into account historical experience, current trends and other relevant factors.

However, because balances cannot be determined with certainty, actual results could be different from the assumptions and estimates. The items in the Balance Sheet, where there is a risk of material adjustment in the forthcoming financial year, are detailed in this note, alongside commentary around the future assumptions and major sources of uncertainty.

CRITICAL JUDGEMENT

Funding

Future levels of funding for Local Government are more certain than in previous years as a result of the multi-year settlement announced for the period 2026-2029, the first in over a decade. Whilst uncertainty persists around funding beyond 2028-2029, allied to uncertainties around Government initiatives on issues such as SEND Reform, care market intervention and the forthcoming change in Prime Minister, it is not sufficient to provide an indication that the assets of the Council might be impaired as a result of the need to close facilities and reduce levels of service provision and does not present a significant risk to the Council's ability to operate as a going concern.

Schools

In determining the accounting treatment to be applied to the various types of school within the Borough, the Council has had due regard to the application of *IFRS 10 Consolidated Financial Statements*, which means that for the purposes of the accounts, maintained schools (all schools excluding academies and free schools) are treated as entities for the purpose of assessing control. This assessment has indicated that the balance of control of these entities lies with the Local Authority and that, therefore, the income and expenditure, assets and liabilities and reserves of these schools are recognised within the single entity accounts of the Local Authority.

In respect of the recognition of schools' land and buildings and equipment assets, these are recognised in accordance with the asset recognition tests relevant to the arrangements that prevail for that type of property. To this end, the Council recognises schools' land and buildings on its Balance Sheet where it has direct ownership of the assets, there is formal agreement, or evidence, that the rights of ownership have been transferred, or that these are no longer substantive.

The Council has undertaken an assessment of the different types of maintained schools within the Borough to determine the arrangements in place and the appropriate accounting treatment to be applied to the schools' land and buildings. The assessment has been based on a composition of information obtained in respect of legal title and information provided by the relevant dioceses. Based on this assessment, a judgement has been formed on each of the schools and a conclusion reached that only those land and building assets in respect of community schools should be included on the Council's Balance Sheet. For all of the voluntary controlled and aided schools within the Borough, legal title for the schools rests with the relevant diocese and in all instances no formal agreements exist between the school and the diocese which would indicate a transfer of rights and obligations. As such, all schools are occupied under a 'mere licence' and therefore it is judged that the land and building should not be included on the Council's Balance Sheet.

Schools converting to Academies are derecognised in the year of academisation rather than when the decision has been made. A further primary school converted to Academy status in November 2025, with the assets being de-recognised from the Council's Balance Sheet in 2025-2026.

Joint Arrangements

- The Council entered into an arrangement with Langtree Property Partners in 2013-2014 to regenerate the former Parkside Colliery site. A limited liability partnership was established as the vehicle through which the site would be acquired, developed and the necessary planning permissions obtained to allow the site to be used for business, thus providing a significant contribution to the Council's aim of economic development and job creation.

This arrangement has been assessed under the relevant accounting standards to determine how this should be accounted for within the Council's accounts. Based on this assessment it has been determined that this arrangement falls to be classified as a joint venture which would ordinarily necessitate the completion of group accounting statements. Having reviewed the companies' financial statements, it has been determined that, on the grounds of materiality, group accounting statements are not required for 2025-2026. To this end, the Council's interest in the company continues to be reflected within the Council's single entity accounts as a long-term investment (see Note 30). Further detail about the Council's interest in the Joint Venture is included in Note 22.

- The Council is party to Section 75 agreements with NHS Cheshire and Merseyside Integrated Care Board (ICB), covering pooled budgets in respect of both Continuing Health Care assessments and the Better Care Fund. The arrangements have been assessed under the relevant accounting standards and it has been determined that they

fall to be classified as Joint Operations, requiring each party to account for the assets, liabilities, revenues and expenses relating to its involvement. Further details are included in Note 18.

Leases

The classification of leases where the authority is lessor requires significant judgement in determining whether the lease meets the criteria of an operating or finance lease. The judgement is based on a detailed analysis of the lease arrangements and whether this transfers substantially all the risks and rewards of ownership.

ASSUMPTIONS AND ESTIMATION UNCERTAINTY

Pensions Liability

The estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discounts used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.

This judgement is also affected by the application of the asset ceiling calculation, which limits the amount the amount of net pension asset that can be recognised.

A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied. Further detail on the assumptions used is provided in Note 11 to the Core Financial Statements.

Valuations of PPE and Investment Properties

Where the fair value measurement of assets cannot be measured using Level 1 inputs, the fair value is calculated by the relevant experts using valuation techniques based on observable data, but, where this is not possible, judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk, and changes in these assumptions could affect the fair values of the Authorities investment properties.

Assets are valued on a five-year rolling basis, supported by indexation adjustments in years where assets are not valued. Where the authority is unable to obtain a suitable index, a desktop revaluation of the asset is carried out in year three of the five-year cycle.

There are a number of general uncertainties that are currently impacting property markets. Nevertheless, the external valuers state that at the valuation date there is an adequate quantum of property market evidence upon which to base opinions of a value without having to report those valuations as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

The valuation of the Council's land and building based assets, which are valued at current cost, is £334.09m (see Note 25) For every 1% increase or decrease in the carrying amount, the impact on the balance sheet would be +/-£3.341m. The Council's investment portfolio is valued at fair value and is held on the balance sheet at £21.05m (see Note 28). Any change in the fair value measurement of +/- 1% will result in a movement on the balance sheet of +/- £0.211m.

3. CHANGES IN ACCOUNTING POLICY

From 1 April 2025 the Authority has applied indexation to assets which were not revalued in year (unless no suitable index exists) in line with changes to the 2025/26 Code. The accounting policies have been updated to reflect the new accounting treatment and note 25(e) to the accounts provides further detail.

4. EVENTS AFTER THE REPORTING DATE

The Statement of Accounts was authorised for issue by the Director of Finance on 7 July 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2026, the figures in the financial statements and commentary provided in the notes have been prepared in all material respects to reflect the impact of this information. There are no non-adjusting events after the Balance Sheet date.

5. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

The following tables provide details of those adjustments.

2025-2026	Usable Reserves			Movement in Unusable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	
Adjustments involving the Capital Adjustment Account (Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement)				
Charges for Depreciation and Impairment of Non-Current Assets	18,574	-	-	(18,574)
Revaluation gains/losses on Property, Plant and Equipment	5,956	-	-	(5,956)
Movements in the fair value of Investment Properties	(898)	-	-	898
Amortisation of Intangible Assets	12	-	-	(12)
Capital Grants and Contributions applied credited to the Comprehensive Income and Expenditure Statement	(53,502)	-	-	53,502
Revenue expenditure funded from capital under Statute	11,828	-	-	(11,828)
Amounts of non-current assets and non-current assets held for sale written off on disposal, sale or derecognition as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	12,482	-	-	(12,482)
Expected Credit Loss on Finance Lease Receivable	478	-	-	(478)
Other items debited/credited to the Comprehensive Income and Expenditure Statement	-	-	-	-
Adjustments involving the Capital Adjustment Account (Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement)				
Provision for the repayment of debt	(5,725)	-	-	5,725
Capital expenditure charged against the General Fund balance	(1,175)	-	-	1,175
Adjustments primarily involving the Capital Grants Unapplied Account				
Capital Grants and Contributions unapplied credited/debited to the Comprehensive Income and Expenditure Statement	(5,215)	-	5,215	-
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	(2,099)	2,099
Adjustments involving the Capital Receipts Reserve				
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1,688)	1,688	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	(2,325)	-	2,325
Amount of Deferred Capital Receipts and Long-term Debtors received	-	(198)	-	198
Application of capital receipt from subleases to offset MRP in respect of headlease	(342)	342	-	-

2025-2026	Usable Reserves			Movement in Unusable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	
Adjustments involving the Financial Instruments Adjustment Account Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(32)	-	-	32
Adjustments involving the Pensions Reserve Amount by which pension costs calculated in accordance with the Code are different from contributions due under the pension scheme regulations	(13,246)	-	-	13,246
Adjustments involving the Collection Fund Adjustment Account Amount by which Council Tax income and Non-Domestic Rates credited to the Comprehensive Income and Expenditure Statement is different from the amount taken to the General Fund in accordance with regulations	259	-	-	(259)
Adjustments involving the Accumulating Compensated Absence Adjustment Account Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(280)	-	-	280
Adjustments involving the Dedicated Schools Grant Adjustment Account Transfer of Dedicated Schools Grant (DSG) overspend to the DSG Adjustment Account in the year in accordance with statutory requirements	11,077	-	-	(11,077)
Total Adjustments 2025-2026	(21,437)	(493)	3,116	18,814

2024-2025	Usable Reserves			Movement in Unusable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	
Adjustments involving the Capital Adjustment Account (Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement)				
Charges for Depreciation and Impairment of Non-Current Assets	16,831	-	-	(16,831)
Revaluation gains/losses on Property, Plant and Equipment	(1,617)	-	-	1,617
Movements in the fair value of Investment Properties	(1,840)	-	-	1,840
Amortisation of Intangible Assets	4	-	-	(4)
Capital Grants and Contributions applied credited to the Comprehensive Income and Expenditure Statement	(49,707)	-	-	49,707
Revenue expenditure funded from capital under Statute	7,173	-	-	(7,173)
Amounts of non-current assets and non-current assets held for sale written off on disposal, sale or derecognition as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	9,529	-	-	(9,529)
Other items debited/credited to the Comprehensive Income and Expenditure Statement	2	-	-	(2)
Adjustments involving the Capital Adjustment Account (Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement)				
Provision for the repayment of debt	(5,871)	-	-	5,871
Capital expenditure charged against the General Fund balance	(749)	-	-	749
Adjustments primarily involving the Capital Grants Unapplied Account				
Capital Grants and Contributions unapplied credited/debited to the Comprehensive Income and Expenditure Statement	(1,882)	-	1,882	-
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	(1,146)	1,146
Adjustments involving the Capital Receipts Reserve				
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1,277)	1,277	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	(1,386)	-	1,386
Amount of Deferred Capital Receipts and Long-term Debtors received	-	436	-	(436)
Application of capital receipt from subleases to offset MRP in respect of headlease	342	(342)	-	-

2024-2025	Usable Reserves			Movement in Unusable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	
Adjustments involving the Financial Instruments Adjustment Account Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(50)	-	-	50
Adjustments involving the Pensions Reserve Amount by which pension costs calculated in accordance with the Code are different from contributions due under the pension scheme regulations	(1,226)	-	-	1,226
Adjustments involving the Collection Fund Adjustment Account Amount by which Council Tax income and Non-Domestic Rates credited to the Comprehensive Income and Expenditure Statement is different from the amount taken to the General Fund in accordance with regulations	(144)	-	-	144
Adjustments involving the Accumulating Compensated Absence Adjustment Account Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(569)	-	-	569
Adjustments involving the Dedicated Schools Grant Adjustment Account Transfer of Dedicated Schools Grant (DSG) overspend to the DSG Adjustment Account in the year in accordance with statutory requirements	135	-	-	(135)
Total Adjustments 2024-2025	(30,916)	(15)	736	30,195

6. UNUSABLE RESERVES

This note details the adjustments that are made to the total Comprehensive Income and Expenditure recognised by the authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the authority to meet future capital and revenue expenditure.

31 March 2025		Adjustment to opening balance under IFRS 16	Movements in year 2025-2026	31 March 2026
£000		£000	£000	£000
192,367	Revaluation Reserve (a)	-	1,743	194,110
(432)	Financial Instruments Adjustment Account (b)	-	32	(400)
(15,224)	Pensions Reserve (c)	-	847	(14,377)
2,879	Collection Fund Adjustment Account (d)	-	(259)	2,620
(1,432)	Dedicated Schools Grant Adjustment Account (e)	-	(11,077)	(12,509)
(4,019)	Accumulating Compensated Absences Adjustment Account (f)	-	280	(3,739)
257,831	Capital Adjustment Account (g)	1,083	22,442	281,356
6,290	Deferred Capital Receipts Reserve (h)	-	342	6,632
438,260	Total	1,083	14,350	453,693

(a) Revaluation Reserve

The Revaluation Reserve contains the gains made by the authority arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Re-valued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation
- Disposed of, and the gains are realised/lost

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2024-2025 £000		2025-2026 £000
181,031	Balance brought forward at 1 April	192,367
18,985	Surplus or Deficit on Revaluation of Non-Current Assets not posted to the Surplus or Deficit on the Provision of Services	7,936
(3,316)	Difference between Fair Value Depreciation and Historical Cost Depreciation	(3,437)
(4,333)	Accumulated Gains on Non-Current Assets written out on disposal, sale or derecognition	(2,756)
(7,648)	Amount written off to the Capital Adjustment Account	(6,193)
192,367	Balance carried forward at 31 March	194,110

(b) Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing difference arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The authority uses the Account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred but reversed out of the General Fund Balance to the Account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on Council Tax.

2024-2025 £000		2025-2026 £000
(482)	Balance brought forward at 1 April	(432)
50	Proportion of premiums incurred in previous years charged against the General Fund balance in accordance with statutory requirements	32
(432)	Balance carried forward at 31 March	(400)

(c) Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on resources set aside to meet the costs.

Any net pension surplus arising is mitigated by the effect of the asset ceiling, which limits the asset that can be recognised to the lower of the amount of net pension asset or the present value of any economic benefit benefits available in the form of reductions in future contributions to the Fund.

Statutory arrangements require benefits earned to be financed, as the authority makes employer's contributions to Pension Funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a shortfall in the benefits earned by past and current employees and the resources the authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2024-2025 £000		2025-2026 £000
(17,782)	Balance brought forward at 1 April	(15,224)
1,332	Re-measurement Gains/(Losses) on Pension Assets/ Liabilities	(12,398)
(16,978)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(5,304)
18,204	Employer's pensions contributions and direct payments to pensioners payable in year	18,550
(15,224)	Balance carried forward at 31 March	(14,376)

(d) Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax and Non-Domestic Rates income in the Comprehensive Income and Expenditure Statement as it falls due from Council Taxpayers and Non-Domestic Ratepayers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2024-2025 £000		2025-2026 £000
2,735	Balance brought forward at 1 April	2,879
	Amount by which credited to the Comprehensive Income and Expenditure Statement is different from income calculated for the year in accordance with statutory requirements:	
404	- Council Tax	93
(260)	- Non-Domestic Rates	(352)
2,879	Balance carried forward at 31 March	2,620

(e) Dedicated Schools Grant Adjustment Account

The Dedicated Schools Grant Adjustment Account was created on 1 April 2020 following new provisions put in place by the School and Early Years Finance (England) Regulations 2020 and Local Authority Finance Regulations.

These regulations established new accounting practices which require councils to carry forward any deficit on the Dedicated Schools Grant (DSG) from the current and previous years, to be dealt with from future DSG income. The Council must record any such deficit in an unusable reserve created solely for the purpose of recording deficits relating to its school's budget.

Government announced that support will be provided to local authorities in the form of a High Needs Stability grant to deal with rising DSG deficits that will fund 90% of the DSG deficit at 31 March 2026 upon approval of a Local SEND Reform plan by DfE.

2024-2025 £000		2025-2026 £000
(1,297)	Balance brought forward at 1 April	(1,432)
(135)	Transfer of DSG deficit to the Dedicated Schools Grant Adjustment Account in the year in accordance with statutory requirements	(11,077)
(1,432)	Balance carried forward at 31 March	(12,509)

(f) Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2024-2025 £000		2025-2026 £000
(4,588)	Balance brought forward at 1 April	(4,019)
569	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	280
(4,019)	Balance carried forward at 31 March	(3,739)

(g) Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the authority as finance for the costs of acquisition, construction and enhancement.

The Account also contains accumulated gains and losses on Investment Properties and revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

An adjustment to the opening balance was made to recognise the cumulative impact of IFRS 16 as at 1 April 2024. This has been amended as at 1 April 2025.

2024-2025 £000		2025-2026 £000
227,940	Balance brought forward at 1 April	257,831
(6,632)	IFRS 16 Adjustment to Opening Balances	1,083
191	IFRS 16 Opening Adjustment to reverse impact on General Fund	
221,499	Revised Balance 1 April	258,914
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	
(16,831)	Charges for Depreciation and Impairment of Non-Current Assets	(18,574)
1,617	Revaluation gains/losses on Property, Plant and Equipment	(5,956)
(4)	Amortisation of Intangible Assets	(13)
(7,173)	Revenue expenditure funded from capital under Statute	(11,828)
(9,529)	Amounts of Non-Current Assets written off on disposal, sale or derecognition as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(12,482)
-	Expected Credit Loss on Finance Lease Receivable	(478)
(2)	Other Items	-
	Adjusting amounts written out of the Revaluation Reserve	
3,316	Difference between Fair Value Depreciation and Historical Cost Depreciation	3,437
4,333	Amounts of Revaluation Reserve written out on disposal, sale or derecognition of Non-Current Assets	2,756
	Capital financing applied in the Year	
1,386	Use of the Capital Receipts Reserve to finance new capital expenditure	2,325
43,379	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	43,074
6,328	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to finance Revenue expenditure financed by capital under statute	10,428
1,146	Application of grants to capital financing from the Capital Grants Unapplied Account	2,099
5,871	Provision for the financing of capital investment charged against General Fund balances	5,725
749	Capital expenditure charged against General Fund balances	1,175
1,840	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	898
(94)	Long Term Debtors and Loan Repayments	(144)
257,831	Balance carried forward at 31 March	281,356

(h) Deferred Capital Receipts Reserve

The deferred capital receipts reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the capital receipts reserve.

2024-2025 £000		2025-2026 £000
-	Balance brought forward at 1 April	6,290
6,632	Adjustment to opening balances for impact of IFRS 16	-
6,632	Adjusted 1 April Balance	6,290
(342)	Transfer to the capital receipts reserve	342
6,290	Balance carried forward at 31 March	6,632

7. GENERAL FUND RESERVES

1 April 2024 £000	Movements in year 2024-2025 £000	31 March 2025 £000		Movements in year 2025-2026 £000	31 March 2026 £000
2,930	(467)	2,463	Insurance & Contingent Liability Reserve (a)	1,064	3,527
4,545	(383)	4,162	Transformation Reserve (b)	37	4,199
4,105	234	4,339	Growth Reserve (c)	196	4,535
184	(125)	59	Councillor Improvement Fund (d)	(12)	47
74	(8)	66	Waste Management Development Fund (e)	644	710
5,340	-	5,340	Inflationary Reserve (f)	(288)	5,052
3,707	-	3,707	Restructuring Reserve (g)	-	3,707
4,994	7,394	12,388	Funding Reform & Volatility Reserve (h)	4,853	17,241
10,000	(10,000)	-	Pensions Reserve (i)	-	-
5,000	-	5,000	Tax Increment Financing (TIF) Reserve (j)	694	5,694
2,516	(175)	2,341	Revenue Grants & Contributions Reserve (k)	(624)	1,717
0	0	-	Strategic Priorities Fund (l)	74	74
1,000	(1,000)	-	Covid-19 Reserve - General (m)	-	-
44,395	(4,530)	39,865	Sub-Total	6,638	46,503
649	-	649	NW Regional Leaders Board (n)	-	649
10,015	(1,067)	8,948	Schools Balances (o)	1,360	10,308
3,179	(3,179)	-	Dedicated Schools Grant Reserve (p)	-	-
12,000	936	12,936	Unallocated General Fund Balances (q)	3,015	15,951
70,238	(7,840)	62,398	Total	11,013	73,411

- (a) The Insurance & Contingent Liability Reserve exists to provide resource cover for additional and unforeseen insurance claims which may be brought in the future (including those resulting from exposure to long-tail claims and any additional liabilities arising from the run-off of Municipal Mutual Insurance) and also financial risks that the Council may face in the form of current contingent liabilities (see Note 41).
- (b) The Transformation Reserve is available for services undergoing fundamental change in service delivery and requiring project management and/or specialist activities to achieve new operating models, improved performance or enhanced outcomes.

In addition, the fund can also be utilised to ensure equipment supports the latest advancements in technology and/or delivers the Council's modernisation programme and to promote the climate change agenda and support the development of services which create a greener and sustainable environment.
- (c) The Growth Reserve is to support the delivery of developments which will enhance the economic growth of the Borough, attract new business and employment opportunities, and secure the long-term viability of the Borough's town centres and localities.
- (d) The Councillor Improvement Fund is legacy funding that was established to provide specific funding towards projects that enhance individual Council ward environments.
- (e) The Waste Management Development Fund was established subsequent to the receipt of monies from Merseyside Recycling and Waste Authority and is used to deliver actions in support of the Joint Recycling and Waste Management Strategy. In addition, since the introduction of the Extended Producer Responsibility Packing Scheme in 2025/26 grant income not committed in year is ringfenced to the fund to support the costs of managing, recycling and disposing of packaging waste in future years to fulfil the Council's responsibility under the scheme.
- (f) The Inflationary Reserve is to support services where cost increases are significantly above inflation and not to allow for these costs would have a direct impact on the delivery of essential services.
- (g) The Restructuring Reserve exists to support the Council's transformation programme in reshaping and modernising service delivery in order to achieve its key strategic priorities.
- (h) The Funding Reform & Volatility Reserve provides resilience for the Council from the uncertainties in future changes in Government funding and finance reform, and the ability to 'smooth out' resources during the transition period.

It is also used to absorb smoothing related to the complex arrangements for Business Rates and the volatility of the Business Rates mechanism, which can involve reconciling payments over a number of years.
- (i) The Pensions Reserve was established to provide opportunities to realise future savings from the prepayment of pension liabilities to Merseyside Pension Fund following the actuarial revaluation of the Pension Fund. At 31 March 2025 the balance in the reserve was amalgamated with the Funding reform and Volatility Reserve.
- (j) The Tax Increment Financing (TIF) Reserve has been created to smooth the impact on the revenue budget where there are timing delays between borrowing costs incurred under TIF regulations and the receipt of Business Rates income from new properties within the Freeport site boundary.
- (k) The Revenue Grants & Contributions Reserve has been established for the carry-forward of unconditional grants and contributions and other previously approved requests for use in future periods to deliver specific programmes of work.
- (l) The Strategic Priorities reserve was created in 2025/26 from a realignment of £250k from the Funding Reform and Volatility Reserve. The reserve was

established to support the Leaders one-off priorities across the borough.

- (m) The legacy Covid-19 Reserve was fully utilised at 31 March 2025. The use of the reserve was twofold:
- provide budget resource covering ongoing additional costs and income losses resulting from the pandemic
 - provide resource cover for Collection Fund deficits arising as a result of the terms of the Government's Retail, Hospitality and Leisure (Business Rates) Relief Scheme
- (n) Balances held as accountable body to the North West Regional Leaders Board.
- (o) Balances held under delegated scheme arrangements, whereby such balances are committed to be spent on the provision of education services.
- (p) The Dedicated Schools Grant Reserve was established in line with statutory guidance, whereby any surplus on the Dedicated Schools Grant in 2021-2022 and subsequent years must be earmarked to a ringfenced reserve. During 2024-2025 the DSG Position moved from a surplus to a deficit position and required the release of the balance in the DSG Grant Reserve. The net DSG deficit at 31 March 2026 is held within the DSG Adjustment Account.
- (q) General balances are set aside to provide a short-term cushion for the impact of uneven cash flow, to provide an emergency fund for exceptional unmitigated circumstances and to ensure that the Council remains a going concern.

8. CAPITAL RECEIPTS RESERVE

Useable capital receipts are generally available to finance capital investment or to repay borrowing in future years.

2024-2025 £000		2025-2026 £000
19,012	Balance brought forward at 1 April	18,997
	Amounts received in Year	
1,277	Asset Sales and Grant Repayment	1,688
94	Repaid loans and advances	144
342	Income from finance leases	(342)
(342)	Finance lease income from subleases applied to offset MRP in respect of headlease	342
(1,386)	Amounts applied to finance new capital investment in year	(2,325)
18,997	Balance carried forward at 31 March	18,504

9. UNAPPLIED CAPITAL GRANTS

These are capital grants and contributions that have not been used to finance capital expenditure, and for which there are no conditions attached to their usage.

31 March 2025 £000		31 March 2026 £000
13,567	Department for Education	16,694
21	Department for Environment, Food & Rural Affairs	11
176	Liverpool City Region Combined Authority	175
26	Other Grants and Contributions	25
13,790	Total	16,905

10. SCHOOLS BUDGET FUNDED BY DEDICATED SCHOOLS GRANT

The Council's expenditure on schools is funded primarily by grant monies provided by the Education and Skills Funding Agency, the Dedicated Schools Grant (DSG). DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School and Early Years Finance (England) Regulations 2025. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual School's Budget (ISB), which is divided into a budget share for each maintained school.

	Central Expenditure £000	Individual Schools Budget £000	Total 2025-2026 £000
Final DSG before Academy and High Needs recoupment			226,209
Academy and High Needs figures recouped			(75,283)
Total DSG after Academy and High Needs Figure Recoupment for 2025-2026			150,926
Plus: Brought Forward from 2024-2025			-
Less: Carry-forward to 2026-2027 agreed in advance			-
Agreed Initial Budgeted Distribution in 2026-2027	32,498	118,428	150,926
In-year adjustments	-	(122)	(122)
Final budgeted distribution for 2025-2026	32,498	118,306	150,804
Less: Actual central expenditure	(44,075)		(44,075)
Less: Actual ISB deployed to schools		(117,804)	(117,804)
Plus: Local Authority Contribution for 2025-2026	-	-	-

In Year Carry-Forward to 2026-2027	(11,578)	502	(11,076)
Plus: Carry-Forward to 2026-2027 agreed in advance			-
Carry-Forward to 2026-2027			-
DSG Unusable Reserve at the end of 2024-2025			(1,432)
Addition to DSG Unusable Reserve at the end of 2025-2026			(11,076)
Total of DSG Unusable Reserve at the end of 2025-2026			(12,508)
Net DSG Position at the end of 2025-2026			(12,508)

11. PENSIONS

(a) Pension Schemes Accounted for as Defined Contribution Schemes

The pensions cost reported in the Cost of Services in relation to the Teacher's Pension Scheme (TPS) are equal to the employer's contribution payable to the Scheme in the accounting period as summarised below.

2024-2025		2025-2026
TPS		TPS
13.13	Employer Contribution (£m)*	12.22
28.68%	Employer Contribution Rate	28.68%

* 2025/26 contribution is lower due to academisation of schools during the period.

Any surplus or deficit in these Plans may affect the amount of future contributions payable.

The TPS employer contribution rate increased to 28.68% from 1 April 2024 to ensure that the scheme continues to meet present and future obligations, with the estimated cost of employer contributions for 2026-2027 being £12.6m. The Department for Education provides grant funding to cover the cost of the increased contribution rate, that was introduced in September 2019, as part of the Dedicated Schools Grant.

(b) Transactions relating to Retirement Benefits

The following transactions have been made in the Surplus or Deficit on Provision of Services (Comprehensive Income and Expenditure Statement) during the year to comply with the reporting requirements relating to defined benefits.

2024-2025			2025-2026	
TPS £000	LGPS £000		TPS £000	LGPS £000
		Cost of Services		
-	17,653	Current service cost	-	12,586
-	20	(Gains)/losses on settlements & curtailments	-	-
-	-	Past service cost	-	-
		Other Operating Expenditure		
-	529	Pension administration expenses	-	768
		Financing and Investment Income and Expenditure		
572	(1,796)	Net interest expense	569	(8,619)
572	16,406	Total Post-Employment Benefits charged to Surplus or Deficit on Provision of Services	569	4,735

The following transactions are then recognised in the Movement in Reserves Statement as adjustments between the accounting basis and funding basis under Regulations.

2024-2025			2025-2026	
TPS £000	LGPS £000		TPS £000	LGPS £000
(572)	(16,406)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services	(569)	(4,735)
-	16,453	Employer's contributions payable to scheme	-	16,914
1,751	-	Retirement benefits payable to pensioners	1,636	-
1,751	16,453	Total charged to the General Fund balance	1,636	16,914

(c) Pension Assets and Liabilities recognised in the Balance Sheet

2024-2025				2025-2026		
TPS £000	LGPS £000	TOTAL £000		TPS £000	LGPS £000	TOTAL £000
10,796	752,946	763,742	Benefit obligation at end of the period	10,168	768,852	779,020
-	(893,104)	(893,104)	Fair Value of plan assets at end of the period	-	(995,621)	(995,621)
10,796	(140,158)	(129,362)	Subtotal	10,168	(226,769)	(216,601)
-	144,586	144,586	Impact of Asset Ceiling	-	230,978	230,978
10,796	4,428	15,224	(Surplus) / Deficit as at 31 March	10,168	4,209	14,377

Estimation of the net liability to pay pensions depends on several complex judgements relating to:

- Inflation and discount rates
- the rate at which salaries are projected to increase
- changes in retirement ages
- mortality rates
- expected returns on pension fund assets

These assumptions interact with each other and other factors in complex ways, some of which may be financially significant. For example, a 0.25% increase in the assumed rate of inflation increases the net pension liability by £23.996m; a 0.25% increase in assumed pay growth increases the liability by £3.107m and a 1-year increase in assumed life expectancy increases the liability by £16.008m.

At the end of 2025-2026 the Council's share of the overall Local Government Pension Fund was a net deficit of £4.209m compared to a net deficit of £4.428m at the end of the previous year. Remeasurement gains on both liabilities (through financial and demographic assumptions) and assets resulted in a more favourable surplus position, but the impact of the asset ceiling resulted in a net deficit.

(d) Reconciliation of the Movement in the Fair Value of Scheme Assets

As disclosed in the Accounting Policies, there are no assets to cover the Teachers' added years' liabilities. The movement in assets relating to the LGPS is provided in the following table.

2024-2025 £000		2025-2026 £000
875,929	Opening Fair Value of Scheme Assets	893,104
42,565	Interest on plan assets	51,322
(529)	Pension administration expenses	(768)
(10,348)	Remeasurement gains / (losses)	68,442
16,453	Employer contributions	16,914
6,696	Member contributions	6,949
(37,662)	Benefits paid	(40,342)
893,104	Closing Fair Value of Scheme Assets	995,621

The assets at 31 March comprised:

2024-2025					2025-2026			
Quoted £000	Unquoted £000	Total £000	% of Total		Quoted £000	Unquoted £000	Total £000	% of Total
114,614	2,449	117,063	13%	Equities	110,912	2,589	113,501	12%
227,660	143,022	370,682	42%	UK	244,823	159,698	404,521	41%
				Global				
9,470	-	9,470	1%	Bonds	20,908	-	20,908	2%
5,298	-	5,298	1%	UK Government	11,649	-	11,649	1%
22,862	-	22,862	3%	UK Corporate	50,777	-	50,777	5%
5,131	-	5,131	1%	UK Index Linked	11,748	-	11,748	1%
-	4,310	4,310	1%	Overseas	-	(299)	(299)	-
4,114	-	4,114	1%	Corporate	14,437	-	14,437	1%
42	-	42	-	Derivative	-	-	-	-
				Contracts				
				Overseas				
				Government				
				Collateralized				
				Bonds				
-	38,890	38,890	4%	Property	-	35,942	35,942	4%
882	22,629	23,511	3%	UK Direct	398	22,601	22,999	2%
-	24,882	24,882	3%	Property	-	20,609	20,609	2%
9,095	-	9,095	1%	UK Managed	15,233	-	15,233	2%
				Property				
				Global Managed				
				Property				
				Property Loans				
-	47,315	47,315	6%	Private Equity	-	46,993	46,993	5%
588	37,519	38,107	4%	UK	896	30,366	31,262	3%
				Global				
-	12,265	12,265	1%	Cash	-	45,898	45,898	5%
				All				
-	98	98	-	Other	-	100	100	-
-	23,706	23,706	3%	Other	-	22,302	22,302	2%
-	4,702	4,702	1%	Alternatives UK	-	4,580	4,580	-
-	50,254	50,254	5%	Other	-	47,790	47,790	5%
-	28,017	28,017	3%	Alternatives	-	30,167	30,167	3%
-	12,539	12,539	1%	Global	-	13,540	13,540	1%
1,371	35,658	37,029	4%	Goodhart	697	30,267	30,964	3%
-	3,722	3,722	1%	Infrastructure UK	-	-	-	-
				Infrastructure				
				Global				
				Private				
				Credit UK				
				Private Credit				
				Global				
				Multi-Asset				
401,127	491,977	893,104	100%	Total	482,478	513,143	995,621	100%

(e) Reconciliation of Present Value of Scheme Liabilities (Defined Benefits Obligations)

The liabilities show the commitments that the Authority, in the long run, is estimated to have to pay to cover its pensions-related obligations:

2024-2025				2025-2026		
TPS £000	LGPS Funded £000	LGPS Unfunded £000		TPS £000	LGPS Funded £000	LGPS Unfunded £000
12,546	842,291	5,236	Opening Fair Value of Scheme Liabilities	10,797	748,518	4,428
-	17,653	-	Current service cost	-	12,586	-
572	40,531	238	Interest on pension liabilities	569	42,467	236
-	20	-	Curtailments	-	-	-
-	6,696	-	Member contributions	-	6,949	-
-	-	-	Past Service Cost	-	-	-
(1,751)	(36,902)	(760)	Benefits paid	(1,636)	(39,615)	(727)
(516)	(118,234)	(260)	Remeasurement (gains) and losses arising from financial assumptions	(52)	(9,982)	(21)
-	(960)	(8)	Remeasurement of experience (gains) and losses	564	10,231	325
(54)	(2,577)	(18)	Re-measurement (gains) arising from demographic assumptions	(74)	(6,511)	(32)
10,797	748,518	4,428	Closing Fair Value of Scheme Liabilities	10,168	764,643	4,209

The LGPS unfunded obligations represent additional benefits awarded upon early retirement. No such awards have been made for several years and the sums disclosed represent historic decisions.

(f) Actuarial Assumptions

Defined benefit obligations have been assessed on an actuarial basis using the Projected Unit Credit actuarial cost method, an estimate of the pensions that will be payable in future years, dependent on assumptions about mortality rates, salary levels, etc. This assessment, along with an assessment of the return on plan assets, has been undertaken by Mercer Limited, an independent firm of actuaries and is based on the latest full valuation of the scheme. The main assumptions used in their calculations are included in the following table.

31 March 2025		31 March 2026
	Base Assumptions:	
2.6%	Rate of CPI inflation	2.9%
4.1%	Rate of increase in salaries	4.4%
2.7%	Rate of increase in pensions	3.0%
5.8%	Rate of discounting plan liabilities	6.2%
50%	Proportion of employees opting to take a commuted lump sum	50%
	Mortality Assumptions:	
22.1 years	Life expectancy of male future pensioner aged 65 in 20 years' time	21.8 years
25.2 years	Life expectancy of female future pensioner aged 65 in 20 years' time	24.8 years
20.8 years	Life expectancy of male current pensioner aged 65	20.6 years
23.5 years	Life expectancy of female current pensioner aged 65	23.3 years

The sensitivity analysis below has been provided by Mercer Limited and shows the illustrative impact of marginal changes to the assumptions used in relation to the long-term discount rate, inflation and life expectancy.

	Using assumptions above £000	Illustrative +0.5 p.a. discount rate £000	Illustrative +0.25% p.a. inflation £000	Illustrative + 1 year life expectancy £000
Liabilities - TPS	10,168	9,917	10,297	10,693
Liabilities - LGPS	768,852	723,017	792,848	784,860
Assets – LGPS	(995,621)	(995,621)	(995,621)	(995,621)
Deficit/(Surplus) excl. ceiling impact	(216,601)	(262,687)	(192,476)	(200,068)

(g) Additional Pensions Information

In March 2026, Merseyside Pension Fund's appointed actuary, Mercer Limited, published a Report on the actuarial valuation as at 31 March 2026, including those employer contribution rates and contributions required for the three years commencing 1 April 2026.

These rates were calculated having regard to the Funding Strategy Statement, as agreed by the Fund's Pensions Committee and which sets out a clear and transparent funding strategy identifying how each Fund employer's pension liabilities are to be met going forward.

The rates and contributions arising from the latest valuation were determined to support the regulatory requirement to secure solvency and long-term cost efficiency and the Administering Authority's long-term funding objective for the Fund to achieve, and then maintain, sufficient assets to cover 100% of projected accrued liabilities (the "solvency funding target"), with a deficit recovery period of 12 years for scheme employers.

The 2025 Valuation identified the funding level for the Council as being 116%, with a contribution rate of 16.3% for the three-year period commencing 1 April 2026 necessary to meet the cost of future accrual of benefits. In line with the Funding Strategy Statement, the surplus above the 100% solvency funding target is offset against the contributions for future service as a Secondary Rate. The rate that will be offset against the Primary Contribution Rate for St Helens for the period 2026-2029 will be 7.8%.

The Funding Strategy applies to the whole of the fund, with the stated objective of “reaching solvency when an employer is in deficit and achieving sustainable contributions for those in surplus” through strategic asset allocation and active investment management.

However, the fund needs to allow for a level of volatility and risk over the short, medium and long term and does so by including appropriate margins to allow for the possibility of adverse events leading to a worsening of the funding position which would result in greater volatility of funding rates at future valuations if these margins were not included.

The relative allocation of assets and liabilities within the fund to each employer reflects the specific membership, experience and past history of each employer. This bespoke strategic benchmark is subject to formal review every three years through the triennial valuation.

Employer pension contributions forecast for 2026-2027 are included in the following table.

	Estimated 2026-2027 Contribution £000
LGPS - Funded	9,320
LGPS - Unfunded	727
TPS - Unfunded	1,682

The weighted average duration of the defined benefit obligation for scheme members is 13 years.

12. OTHER OPERATING EXPENDITURE

2024-2025 £000		2025-2026 £000
377	Parish Council Precepts	406
13,486	Liverpool City Region Combined Authority Transport Levy	13,674
107	Environment Agency Levy	108
9,848	Merseyside Recycling and Waste Authority Levy	10,228
8,252	(Gains)/Losses on the Sale, Disposal or Derecognition of Non-Current Assets	10,794
-	Revaluation Loss Fixed Asset (downward)	178
529	Pension Administration Expenses	768
32,599	Total	36,156

13. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2024-2025 £000		2025-2026 £000
5,449	Interest Payable and Similar Charges	6,821
1,973	PFI Interest Payable	1,899
(1,973)	PFI Grant Applied	(1,899)
(1,224)	Net Interest Expense-Pensions (see Note 11d & e)	(8,050)
(7,101)	Interest Receivable and Similar Income	(6,105)
(3,014)	Income and Expenditure in relation to Investment Properties and changes in their fair value (see Note 28)	(1,846)
(5,890)	Total	(9,180)

14. TAXATION AND NON-SPECIFIC GRANT INCOME

2024-2025 £000		2025-2026 £000
(95,758)	Council Tax Income	(101,343)
(59,508)	Retained Non-Domestic Rates	(64,367)
(86,415)	Grants and Contributions (see Note 16)	(100,376)
(241,681)	Total	(266,086)

15. EXPENDITURE AND INCOME ANALYSED BY NATURE

2024-2025 £000		2025-2026 £000
	Expenditure	
205,589	Employee Expenses (iii)	206,971
333,321	Other Service Expenses	352,837
13,379	Depreciation, Amortisation, Impairment & Revaluation (i) & (ii)	23,467
7,423	Interest Payments	8,720
41,341	Interest Payments on Pension Liabilities	43,272
23,819	Precepts and Levies	24,416
8,252	(Gain)/Loss on Sale, Disposal or Derecognition of Non-Current Assets	10,972
-	Pensions Admin Expenses	768
633,124	Total Expenditure	671,423
	Income	
(87,955)	Fees, Charges and Other Service Income	(91,522)
(7,101)	Interest and Investment Income	(6,105)
(42,565)	Interest on Pension Plan Assets	(51,322)
(155,266)	Income from Council Tax and Retained Non-Domestic Rates	(165,710)
(363,313)	Government Grants	(389,213)
(656,200)	Total Income	(703,872)
(23,076)	(Surplus) or Deficit on the Provision of Services	(32,449)

(i) Segmental Split of Depreciation of Non-Current Assets and Amortisation of Intangible Assets

2024-2025 £000		2025-2026 £000
4,814	People's Services Directorate	4,864
11,934	Place Services Directorate	13,638
87	Corporate Services Directorate	(25)
16,835	Total	18,477

(ii) Segmental Split of Impairment and Revaluation

2024-2025 £000		2025-2026 £000
1,809	People's Services Directorate	309
(3,135)	Place Services Directorate	5,578
-	Corporate Services Directorate	1
(2,130)	Other non-service	(898)
(3,456)	Total	4,990

(iii) Segmental Split of Employee Expenses

2024-2025 £000		2025-2026 £000
149,292	People's Services Directorate	149,538
36,635	Place Services Directorate	37,834
19,662	Corporate Services Directorate	19,599
205,589	Total	206,971

16. GRANT INCOME

The following grants and contributions were credited to the Comprehensive Income and Expenditure Statement during the period.

2024-2025 £000	Credited to Taxation and Non-Specific Grant Income	2025-2026 £000
	Formula Grant	
19,421	Non-Domestic Rates Retention System - Top Up	22,124
	Other Revenue Government Grants	
20,467	Section 31 Non-Domestic Rates Grant	20,517
30	New Homes Bonus	61
323	Services Grant	0
-	Recovery Grant	6,296
-	Employer's NI Contributions Scheme - Funding	1,553
	Capital Grants and Contributions	
9,170	Department for Education	5,439
5,175	Ministry of Housing, Communities & Local Government	16,168
11	Department for Transport	-
27,981	Liverpool City Region Combined Authority	26,166
1,877	Joint Venture Contribution	0
1,045	Other Capital Grants and Contributions	515
	Other Contributions	0
388	Government Business Rates Levy surplus distribution	-
527	Mid-Mersey Non-Domestic Rates Pool	843
-	Investment Zone TIF – Halo	694
86,415	Total	100,376

2024-2025 £000	Credited to Services	2025-2026 £000
278	Arts Council Grant	408
26	Asylum Dispersal Scheme ¹	2,500
16,588	Better Care Fund	18,011
64	Contain Outbreak Management Fund	0
375	Covid-19 Catch up /Recovery Premium Grant	0
-	Children & Families Grant ^{t2}	1,824
-	Children's Social Care Prevention Grant ²	1,278
138,334	Dedicated Schools Grant	150,225
4,517	Disabled Facilities Grant	4,082
101	Early Years Supplementary and Extended Entitlement Delivery	468
1,565	Family Hubs and Start for Life Programme	1,096
3,417	Health Authority Contributions	1,787
745	Holiday Activities and Food Programme	767
952	Homelessness Prevention Grant / Rough Sleepers Initiative	1,548
2,451	Hospital Discharge Grant ³	0
3,599	Household Support Fund	3,136
606	Housing Benefit / Local Council Tax Support Admin Subsidy	592
46,038	Housing Benefit Subsidy Grant	36,978
4,527	Liverpool City Region Combined Authority Grants / Contributions	3,797
2,182	Core Schools Budget Grant	1,910
4,212	Market Sustainability & Fair Cost of Care Grant	4,212
202	Merseyside Police Authority	483
1,636	Merseyside Recycling & Waste Authority - Recycling Credits	1,374
-	National Insurance Contributions Schools Grant ²	1,632
53	National Tutoring Programme Grant	-
-	Packaging Extended Producer Responsibility Grant ³	2,294
825	PE and Sports Grant	746
1,428	Private Finance Initiative (PFI) Credits	1,503
16,412	Public Health Grant	16,067
7,892	Pupil Premium Grant	7,843
814	Registered Provider Contributions	796
0	Schools Budget Support Grant ²	818
1,505	School Sixth Form Funding	1,649
22,738	Social Care Grant	26,848
1,945	Substance Misuse Grant	2,026
833	Supporting Families Grant ⁴	0
1,672	Teacher's Pay Additional Grant ⁵	0
2,220	Teacher's Pension Grant ⁵	0
1,581	Town Funds Grant	31
1,485	Unaccompanied Asylum-Seeking Children Funding	5,653
1,529	Universal Free School Meals for Infants Grant	1,276
8,253	Other Grants and Contributions	9,589
303,600	Total	316,648

¹ Restatement; Asylum Dispersal Grant was included in 'Other Grants & Contributions' in 2024-25

² *New grants in 2025-26*

³ *Hospital Discharge Grant now part of Formula Grant in 25/26*

⁴ *Supporting Families Grant replaced with Children & Families Grant in 2025-26*

⁵ *Grants now part of Dedicated Schools Grant in 2025-26*

17. CAPITAL & REVENUE GRANTS RECEIVED IN ADVANCE

The Council has received a number of grants and contributions that have conditions attached to them. These have not yet been recognised as income and will only be credited to the Comprehensive Income and Expenditure Statement once all conditions are met. The balances at the year-end are as included in the following tables.

31 March 2025			31 March 2026	
Short Term £000	Long Term £000	Capital Grants Receipts in Advance	Short Term £000	Long Term £000
1,832	-	Brownfield Land Fund	1,672	-
763	-	Devolved Formula Capital Grant	798	-
416	-	Disabled Facilities Grant	515	-
1,657	-	Emergency Active Travel	1,075	-
7,287	-	Levelling Up Fund	9,761	-
12,474	1,030	Towns Fund	576	1,362
-	-	Capacity Funding	1,978	-
531	350	Other Grants and Contributions	268	350
24,960	1,380	Total	16,643	1,712

31 March 2025			31 March 2026	
Short Term £000	Long Term £000	Revenue Grants Receipts in Advance	Short Term £000	Long Term £000
805	-	Delivering Better Value in SEND	684	-
169	-	Family Hubs	120	-
542	-	Heat Network Delivery Unit	-	-
850	479	Public Health Grant	1,982	479
105	393	Registered Providers	95	392
628	4,880	Section 38/106 Contributions	537	5,918
1,273	-	Staying Close Grant	571	-
920	-	Supporting Families Grant	920	-
-	-	Towns Fund	813	-
946	324	Other Grants and Contributions	1,391	257
6,238	6,076	Total	7,113	7,046

18. NATIONAL HEALTH SERVICE ACT 2006 POOLED FUNDS

(a) Pooled Budget

The Council has operated a pooled budget arrangement in conjunction with Health partners since July 2014. The Health and Care Act 2022 made Integrated Care Systems formal statutory bodies with power over NHS commissioning functions and spending at a local level. These functions are carried out by NHS Cheshire and Merseyside Integrated Care Board (ICB), which came into effect from 1 July 2022 following the dissolution of Clinical Commissioning Groups. St Helens Place is one of nine areas within NHS Cheshire and Merseyside ICB.

The pooled budget was established to make adult social care Continuing Health Care assessments and the payment process more efficient and effective. The Council is the host of

this arrangement, which is governed by a Section 75 agreement, with the partners' funding contributions split in accordance with the agreement, that being the Council contributes 28% and the ICB 72%.

2024-2025 £000		2025-2026 £000
61,810	Net Expenditure to be met from the pooled budget	64,900
	Funding provided to the pooled budget	
17,307	St Helens Borough Council	18,172
44,503	NHS Cheshire and Merseyside ICB	46,728
61,810	Total Funding	64,900

(b) Better Care Fund

The council and the NHS have been operating a pooled budget arrangement with respect to the Better Care Fund (BCF) since 2015. The BCF pooling arrangement is underpinned by a Section 75 agreement between the council and NHS Cheshire and Merseyside Integrated Care Board (St Helens Place). Governance is delivered through St Helens People's Board.

The BCF creates a local pooled budget to incentivise the NHS and local government to work more closely together around people, placing their well-being as the focus of health and care services.

In accordance with national conditions, hospital discharge funding paid to the council and St Helens Place is also pooled into the local BCF and spending plans agreed jointly between both parties to improve discharge from hospital into the community.

2024-2025 £000		2025-2026 £000
35,108	Expenditure to be met from the pooled budget	34,446
	Funding provided to the pooled budget	
10,489	St Helens Borough Council	12,940
20,197	NHS Cheshire and Merseyside ICB	21,506
2,451	Hospital Discharge Funding – St Helens Borough Council	-
1,971	Hospital Discharge Funding – NHS Cheshire and Merseyside ICB	-
35,108	Total Funding	34,446

In addition to the revenue funding, capital funding of £4.180m was contributed by the Council through the Disabled Facilities Grant (£3.433m in 2025-2026)

(c) Integrated Provision Arrangements

The Council also has two separate integrated provision arrangements with NHS Cheshire and Merseyside ICB covering:

- Integrated Adults Services Commissioning
- Intermediate Care – Re-enablement and Rapid Response

19. LEASING

The Authority as Lessee

The Authority uses various types of equipment and leases a small number of buildings/sites. The leases are individually immaterial, but the Authority does hold two higher value leases as part of the St Helens Manufacturing and Innovation Campus:

- The Authority leases the Glass Futures building from Abrdn Property Holdings Limited on a 15 year lease from April 2023. Rents are reviewed on a five yearly basis and increased by an inflation index, subject to a cap and floor. The building is subleased to Glass Futures on the same terms.
- The Authority owns the freehold interest in the Glass Futures Phase II site. The leasehold is held by Aubrey Weiss and the Authority subleases this from Aubrey Weiss on a 38 year lease. Rents are reviewed on a 21 yearly basis. The building was subleased to SINA on a 15 year operating lease from April 2024.

Right-of-Use Assets

This table shows the change in the value of right-of-use assets held under leases by the authority:

	Land and buildings £000	Vehicles, plant and equipment £000	Total £000
Balance as at 1 April 2025	2,793	6	2,799
Additions	893	35	928
Revaluations	(4)	-	(4)
Depreciation	(629)	(3)	(632)
Disposals	-	-	-
Balance as at 31 March 2026	3,053	38	3,091

Transactions under Leases

The authority has incurred the following expenses and cash flows in relation to leases:

2024-2025 £000		2025-2026 £000
	Comprehensive income and expenditure statement	
685	Interest expense on lease liabilities	653
112	Expense relating to short-term leases	117
201	Expense relating to exempt lease of low-value items	283
(401)	Income from subletting right-of-use assets	(395)
	Cash Flow Statement	
2,038	Minimum lease payments	2,189

Maturity Analysis of Lease Liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments):

31 March 2025 £000		31 March 2026 £000
2,657	Not later than one year	2,030
6,140	Later than one year and not later than five years	5,910
13,953	Later than five years	14,295
22,750	Total undiscounted liabilities	22,235

The Authority as Lessor

The authority has a number of properties leased out under operating leases for investment/commercial and regeneration purposes. The authority holds one finance lease, the sublease of the Glass Futures building. An expected credit loss has been recognised for this lease in year due to outstanding rental arrears.

Transactions under Leases

The authority made the following gains and losses as a lessor during the year:

2024-2025 £000		2025-2026 £000
	Finance Leases	
312	Finance income on the net investment in the lease	296
-	Expected Credit Loss Recognised	(478)
	Operating Leases	
2,751	Total lease income	2,891

Net Investment in Finance Leases

The authority experienced the following changes in the carrying amount of its net investment in finance leases during the year:

2024-2025 £000		2025-2026 £000
6,632	Net Investment at 1 April (adjustment under IFRS 16)	6,290
(342)	Payments by lessees	342
-	Accrued Interest Outstanding	606
-	Expected Credit Loss Recognised	(478)
6,290	Net Investment at 31 March	6,760

Maturity Analysis of Lease Receivables

The lease receivables are due to be collected over the following time bans (measured at the undiscounted amounts of expected cash receipts):

31 March 2025 £000			31 March 2026 £000	
Finance Leases £000	Operating Leases £000		Finance Leases £000	Operating Leases £000
657	2,377	Not later than one year	1,967	2,025
657	2,179	One to two years	657	1,660
657	1,692	Two to three years	657	1,244
657	1,219	Three to four years	657	1,098
657	1,096	Four to five years	657	986
5,260	40,525	Later than five years	4,607	41,583
8,545	49,088	Total	9,202	48,596

The total undiscounted receivables for finance leases reconcile to the net investment in leases as follows:

2024-2025 £000		2025-2026 £000
8,545	Total undiscounted lease receivables	9,202
(2,255)	Unearned finance income	(1,964)
-	Expected Credit Loss Recognised	(478)
6,290	Net Investment in leases	6,760

20. OFFICERS' REMUNERATION IN EXCESS OF £50,000

The number of employees receiving remuneration in excess of £50,000 is provided in the following table. The table includes employees whose basic remuneration in the respective year was below £50,000, but whose total remuneration for the year exceeds £50,000 as a result of payments made upon termination of employment.

No. of Employees employed by the Council 2024-2025	No. of which are employed in Local Authority Schools 2024-2025	No. of which are Employees employed by School Governing Bodies 2024-2025	Remuneration	No. of Employees employed by the Council 2025-2026	No. of which are employed in Local Authority Schools 2025-2026	No. of which are Employees employed by School Governing Bodies 2025-2026
254	69	45	£50,000 - £54,999	258	126	50
87	22	33	£55,000 - £59,999	161	50	24
78	15	18	£60,000 - £64,999	63	24	15
35	12	2	£65,000 - £69,999	47	9	12
35	7	9	£70,000 - £74,999	30	16	3
27	8	11	£75,000 - £79,999	15	8	2
22	7	4	£80,000 - £84,999	27	4	10
9	3	-	£85,000 - £89,999	13	9	3
15	5	3	£90,000 - £94,999	15	5	-
2	-	-	£95,000 - £99,999	2	2	-
3	-	-	£100,000 - £104,999	4	1	1
2	-	-	£105,000 - £109,999	-	-	-
1	-	-	£110,000 - £114,999	3	-	-
-	-	-	£115,000 - £119,999	-	-	-
1	-	1	£120,000 - £124,999	1	1	-
-	-	-	£125,000 - £129,999	-	-	-
571	148	126	Total	639	204	120

The remuneration of senior employees, in accordance with the Accounts and Audit Regulations 2015, is detailed in the following table. The senior employees included within the following table are excluded from the table above and that provided in Note 24.

2024-2025			2025-2026	
Remuneration £000	Employer's Pension Contribution £000	Senior Employee	Remuneration £000	Employer's Pension Contribution £000
179	33	Chief Executive - Kath O'Dwyer ¹	0	0
0	0	Chief Executive - Mark Palethorpe ²	171	30
159	29	Executive Director Integrated Health/NHS Place Lead (Accountable Officer for NHS Cheshire & Merseyside ICB) - Mark Palethorpe	0	0
0	0	Executive Director People/NHS Place Lead (Accountable Officer for NHS Cheshire & Merseyside ICB)/Director of Adult Social Care - Jamaila Hussain ³	164	30
134	25	Executive Director Place Services	138	26
134	25	Executive Director Corporate Services	138	26
112	21	Director of Finance (Section 151 Officer)	119	22
0	0	Interim Director of Public Health ⁴	70	12
109	20	Director of Public Health ⁵	52	4
0	0	Director Children & Young People ⁶	126	22
46	9	Director Children & Young People	0	0
92	8	Director Children & Young People	0	0
126	23	Director of Adult Social Care/Deputy NHS Accountable Officer/Director of Children & Young People	0	0
115	20	Director of Legal & Governance (Monitoring Officer)	119	21

The employees in the table received no payments of bonuses or expenses allowance that are chargeable to United Kingdom income tax or benefits in kind during either year.

- 1 Kath O'Dwyer left the post of Chief Executive on 31 March 2025 and was replaced by Mark Palethorpe.
- 2 Mark Palethorpe left the post of Executive Director Integrated Health on 31 March 2025 and commenced as the Chief Executive on 1 April 2025.
- 3 Jamaila Hussain was appointed as Interim Executive Director of People's Services and NHS Place Director on 1 April 2025. The appointment was made permanent with effect from 6 November 2025. This post is 50% funded by NHS Cheshire and Merseyside Integrated Care Board (ICB). She left the post of Deputy NHS Accountable Officer/Director of Children & Young People but continued to retain her current role as Director of Adult Social Care.
- 4 The current Interim Director of Public Health services commenced in this role on 28 July 2025.
- 5 The former Director of Public Health left this role on 06 June 2025 and was paid £26k for loss of office.
- 6 The current Director of Children and Young People Services commenced in this role on temporary contract on 08 April 2025. The appointment was made permanent with effect from 15 September 2025.

21. MEMBERS' ALLOWANCES & EXPENSES

A total of £718k was paid to Members of the Council by way of expense/allowance during 2025-2026 (£705k in 2024-2025).

22. RELATED PARTY TRANSACTIONS

- (a) Central Government has effective control over the general operations of the Council: it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. housing benefits). Details of the material transactions with Government Departments are included in the Cash Flow Statement and in Notes 34 (Debtors), 36 (Creditors) and the various Notes relating to Grants.
- (b) Members of the Council have direct control over financial and operational policies of the Council, and governance arrangements exist to ensure that the decision-making processes contain provision for declarations of interest where appropriate. During 2025-2026, works and services to the value of £1.555m were commissioned from entities in which 13 Members had a declared interest in. This figure includes payments totalling £0.592m made to Nugent Care and £0.571m made to the YMCA.

Detail relating to Members' Allowances is included in Note 21.

- (c) Various Executive Directors and Officers serve as Council representatives on the boards of bodies that are in receipt of Council funding, such as:
 - The World of Glass
Contributions totalling £0.281m were made to the World of Glass in 2025-2026 (£0.263m in 2024-2025), relating to the provision of a town centre library and museum/art collection.

In addition, during 2023-2024 the World of Glass received £0.402m of Town Deal funding as one of the town centre regeneration projects, whilst a 4-year loan of £0.160m, repayable from March 2026 onwards, was also made to enable essential

building maintenance work to be undertaken.

- Red Bank Schools Limited
The Council has incurred expenditure in 2025-2026 totalling £0.141m (2024-2025 - £0.017m) in relation to maintenance, security and insurance costs for the former Red Bank Schools site, with the costs to be recovered from Red Bank Schools Limited in the future.
- St Helens Stadium Ltd
The Council has an ordinary shareholding in St Helens Stadium Ltd, the management company responsible for the recharge of service costs in relation to the sites owned/occupied by the Council, Tesco, St Helens Rugby Stadium, and Glass Futures.
- Parkside Regeneration LLP
The Council has a Joint Venture with Langtree Property Partners (Parkside Regeneration LLP), which was established to acquire and regenerate the former Parkside Colliery site. The Partnership Board has been constituted on a 50/50 basis with both parties providing £1.5m equity and loan stock each. The Council holds three of the six positions on the Joint Venture Board.

The Council has made interest bearing loans to the Joint Venture to fund the initial acquisition of the site, planning applications and to enable the progression of Phase 1 development. A summary of the total investment by the Council and Langtree as at 31 March 2026 is shown below (excluding rolled up interest payable). During 2025/26 the Joint Venture also took out additional loan financing from the Chrysalis fund with LCRCA to progress with site enabling works.

	Langtree £m	St Helens Council £m	Total £m
Initial Equity	1.5	1.5	3.0
Existing Loans	3.3	9.1	12.4
Total	4.8	10.6	15.4

- English Cities Fund
The Council agreed a 20-year strategic partnership with English Cities Fund (ECF) in March 2020 to accelerate regeneration in the borough.

ECF is a Joint Venture Limited Partnership between Muse, Legal & General and Homes England, established to drive greater institutional and private investment in English towns and cities.

The Council's Cabinet approved Masterplan Development Frameworks for St Helens and Earlestown Town Centres in February 2022 and the Council was awarded £20m, following a successful Levelling-Up Fund bid for the regeneration of Earlestown.

Phase Contracts are now in place for the construction of the St Helens Multi-Modal Interchange, Phase 1a development of the new infrastructure, public realm, hotel, market and residential, and the redevelopments of Earlestown Town Hall, Market Square and Highways.

Hybrid planning permission for the St Helens regeneration programme (P/2022/0212/HYBR) was granted on 31 March 2023. A Reserved Matters planning application (P/2023/0685/RES) was determined in September 2025. The Earlestown

regeneration programme received hybrid planning permission on 4 August 2022 (P/2022/0213/HYBR) and Reserved Matters planning permission on 12 December 2024 (P/2024/0114/RES). The redevelopment of Earlestown Town Hall received Listed Building Consent on 12 December 2024 (P/2024/0215/LBC).

(d) Other bodies that could be classified as related parties include the following:

- Police and Crime Commissioner for Merseyside (see Collection Fund)
- Merseyside Fire and Rescue Authority (see Collection Fund)
- Merseyside Pension Fund (see Note 11)
- Merseyside Recycling and Waste Authority (see Notes 12 and 16)
- NHS Cheshire & Merseyside Integrated Care Board (see Note 18)
- Liverpool City Region Combined Authority (see Notes 12,16 and Collection Fund)

23. AUDIT FEES

The Council projects that it will incur the following costs for services provided by its external auditors in relation to the audit of the Statement of Accounts and certification of grant claims.

2024-2025 £000		2025-2026 £000
353	Fees payable to the appointed auditors with regard to external audit services carried out by the appointed auditor	346
48	Fees payable to the appointed auditors for the certification of grant claims and returns	48
401	Total	394

No other fees were payable to the external auditors in respect of statutory inspection work or for the provision of non-audit services.

24. EXIT PACKAGES

As part of its Borough and Budget Strategies, the Council will continue to rethink, reshape and modernise service delivery in order to achieve its key strategic priorities, deliver better results for its communities and ensure that its financial position remains sustainable. This is likely to result in future termination benefits arising as formal, detailed, plans materialise. The number of exit packages relating to Council employees, together with the total cost per band and the total cost of compulsory redundancies and other departures are set out in the following table.

Exit Package Cost Band	No. of Compulsory Redundancies		No. of Other Departures Agreed		Total No. of Exit Packages by Cost Band		Total Cost of Exit Packages in Each Band	
	2024 -2025	2025 -2026	2024 -2025	2025 -2026	2024 -2025	2025 -2026	2024 -2025 £000	2025 -2026 £000
£0-£20,000	2	1	26	14	28	15	213	86
£20,001-£40,000	1	4	14	2	15	6	434	162
£40,001-£60,000	-	-	3	-	3	-	141	-
£60,001-£80,000	-	-	-	-	-	-	-	-
£80,001-£100,000	-	-	-	-	-	-	-	-
£100,001-£150,000	-	-	-	-	-	-	-	-
Total	3	5	43	16	46	21	788	248

25. PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment assets as presented on the Council's Balance Sheet are made up of the following balances:

31 March 2025 £000		31 March 2026 £000
242,547	Infrastructure Assets (See Note 25a)	249,280
387,001	Other Property, Plant and Equipment (See Note 25b)	406,493
629,548	Total Property Plant and Equipment	655,773

The detailed movement in gross valuations and asset depreciation is included in the following tables.

(a) Infrastructure Assets

In accordance with the temporary relief offered by the Update to the Code on infrastructure assets, the following tables do not include disclosure of gross cost and accumulated depreciation for infrastructure assets. Historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

As a result of previous accounting requirements for infrastructure assets, there are significant information deficits which mean that the gross cost and accumulated depreciation figures held for infrastructure assets may not be materially correct, due to being unable to identify and therefore derecognise components of these assets as they have been replaced.

In line with the amendments to the 2003 Regulations, where a component of an infrastructure asset has been replaced, the Council has assumed that the carrying amount of the component to be derecognised is nil (regulation 30M(3)).

2024-2025 £000		2025-2026 £000
187,365	Net Book Value at 1 April	242,547
24,654	Additions	13,373
(7,336)	Depreciation charge	(8,930)
37,864	Transfer from Assets Under Construction	2,290
242,547	Net Book Value at 31 March	249,280

(b) Movements in 2025-2026

	Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Surplus Assets	Assets under Construction	Total Other Property, Plant and Equipment
	£000	£000	£000	£000	£000	£000
Valuation - Balance b/fwd at 1 April 2025	333,241	24,791	13,302	11,750	17,923	401,007
Additions	6,052	3,224	11	77	30,906	40,270
Donated Assets	-	-	-	-	-	-
Revaluations recognised in the Revaluation Reserve	1,884	-	-	(1,404)	-	480
Revaluations recognised in the Surplus/Deficit on the Provision of Services	(6,437)	-	-	(386)	-	(6,824)
De-recognition - Assets with Nil Net Book Value	-	(2,112)	-	-	-	(2,112)
Sales, Disposals and other derecognitions	(4,733)	-	-	(4,644)	(1,998)	(11,375)
Reclassification	(4,387)	-	-	4,357	(2,133)	(2,163)
Valuation - Balance c/fwd at 31 March 2026	325,620	25,903	13,313	9,750	44,698	419,284
Depreciation - Balance b/fwd at 1 April 2025	2,861	10,974	7	164	-	14,006
Depreciation Charge	6,831	2,631	7	40	-	9,509
Written out to the Revaluation Reserve	(7,384)	-	-	(71)	-	(7,455)
Written out to the Surplus/Deficit on the Provision of Services	(693)	-	-	(175)	-	(868)
De-recognition - Assets with Nil Net Book Value	-	(2,112)	-	-	-	(2,112)
Sales, Disposals and other derecognitions	(351)	-	-	(48)	-	(399)
Reclassification	(90)	-	-	90	-	-
Impairment	110	-	-	-	-	110
Depreciation - Balance at 31 March 2026	1,284	11,493	14	0	-	12,791
Net carrying value at 31 March 2026	324,336	14,410	13,299	9,750	44,698	406,493

(c) Comparative Movements in 2024-2025

	Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Surplus Assets	Assets under Construction	Total Other Property, Plant and Equipment
	£000	£000	£000	£000	£000	£000
Valuation - Balance b/fwd at 1 April 2024	313,181	24,100	12,999	12,348	45,476	408,104
Adjustments on transition to new accounting arrangement for leases	3,384	9	-	-	-	3,393
Additions	4,949	3,747	303	-	10,665	19,664
Donated Assets	6,812	-	-	-	-	6,812
Revaluations recognised in the Revaluation Reserve	13,401	-	-	754	-	14,155
Revaluations recognised in the Surplus/Deficit on the Provision of Services	144	-	-	935	-	1,079
De-recognition - Assets with Nil Net Book Value	-	(2,266)	-	-	-	(2,266)
Sales, Disposals and other derecognitions	(7,763)	(799)	-	-	-	(8,562)
Reclassification	(867)	-	-	(2,287)	(38,218)	(41,372)
Valuation - Balance c/fwd at 31 March 2025	333,241	24,791	13,302	11,750	17,923	401,007
Depreciation - Balance b/fwd at 1 April 2024	1,662	10,358	-	127	-	12,147
Depreciation Charge	6,562	2,883	7	43	-	9,495
Written out to the Revaluation Reserve	(4,823)	-	-	(6)	-	(4,829)
Written out to the Surplus/Deficit on the Provision of Services	(249)	-	-	-	-	(249)
De-recognition - Assets with Nil Net Book Value	-	(2,267)	-	-	-	(2,267)
Sales, Disposals and other derecognitions	(183)	-	-	-	-	(183)
Reclassification	(108)	-	-	-	-	(108)
Depreciation - Balance at 31 March 2025	2,861	10,974	7	164	-	14,006
Net carrying value at 31 March 2025	330,380	13,817	13,295	11,586	17,923	387,001

(d) Revaluations

The table below shows the profile of valuations for the Council's asset base that are not carried at historic cost.

	Land and Buildings £000	Surplus Assets £000
31 March 2026	44,749	3,177
31 March 2025	239,481	1,611
31 March 2024	12,155	62
31 March 2023	14,077	1,167
31 March 2022	10,480	3,645
Prior to 31 March 2021	-	-
Indexation applied to values above	3,394	88
Total	324,336	9,750

(e) Indexation

Full revaluations are carried out in accordance with RICS Red Book requirements, while indexation reflects market-based movements applied in intervening periods. Although the valuation approaches differ, both are treated equally for accounting purposes under the revaluation model. The indexation percentages, which apply an inflationary increase to assets in the years between professional valuations as provided by the external valuer, are shown in the table below with the resulting valuation change.

Index	Average Change %	Valuation Change £000
<u>DRC</u>		
Building	2.24	3,949
Land	(2.95)	(699)
<u>EUV</u>		
Industrial	4.61	307
Office	(2.50)	(210)
Retail	(2.81)	(39)
Residential	5.87	188
Residential Land (Greenfield)	(2.40)	-
Residential Land (Brownfield)	(4.65)	(14)
Commercial Land	0.00	-
Agricultural Land	(2.44)	-
Amenity Land	0.00	-
Total		3,482

26. PRIVATE FINANCE INITIATIVE (PFI) AND SIMILAR CONTRACTS

Rainford High School PFI Scheme

In December 2010, the Council entered into a PFI contract with Environments for Learning to design, build, finance and operate Rainford High School. 2011-2012 was the first year of a 27-year PFI contract for the construction, maintenance and operation of the school. The contract specifies minimum standards for the services to be provided by the contractor, with deductions from the fees payable being made if facilities are unavailable or performance is below the minimum standards required by the contract. On 1 September 2017, Rainford High School converted to an Academy and became part of the Rainford Academies Trust.

The PFI liability remains on the Balance Sheet, as the obligation to pay remains with the Council. The Council receives grant funding from Central Government to cover the capital cost of the PFI liability. There is a formal agreement with the Academy Trust to cover the shortfall between the full liability and the grant. Therefore, there is no change in the nature of the existing liability and, hence, no adjustments have been made since conversion to an Academy. Should there be changes in Government policy or the status or viability of the Academy in the future that impact upon how the existing guarantees operate, the accounting policy will be reviewed and amended if necessary. Based upon current information and projections of pupil numbers, no changes are likely over the short to medium term.

Analysis of Payments

The Council makes an agreed payment each year in respect of its PFI arrangement and these are detailed in the table below. Payments under the PFI agreement may be reduced if the contractor fails to meet the availability and performance standards in any year, but which is otherwise fixed. Lifecycle replacement costs have been included in the service charges element of the following table.

	Payments for Services £000	Repayment of Capital £000	Interest £000	Total £000
Within one year	2,376	679	1,819	4,874
Payable within 2-5 years	8,450	4,588	6,459	19,497
Payable within 6-10 years	11,002	8,381	4,989	24,372
Payable within 11-15 years	3,506	4,743	691	8,940
Total	25,334	18,391	13,958	57,683

Over the life of the PFI project, the Council will receive government grant of £87.8m.

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and the interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to pay to the contractor for capital expenditure incurred is detailed in the following table. Under IFRS 16, the liability is now remeasured at the beginning of the year following the annual indexation increase.

2024-2025 £000		2025-2026 £000
19,980	Balance brought forward at 1 April	19,038
(27)	Remeasurement of Liability due to indexation	161
(915)	Repayments during the year	(808)
19,038	Balance carried forward at 31 March	18,391

27. HERITAGE ASSETS

2024-2025				2025-2026		
Opening Balance 1 April £000	In-Year Movements £000	Closing Balance 31 March £000		Opening Balance 1 April £000	In-Year Movements £000	Closing Balance 31 March £000
1,196	-	1,196	Art Collection	1,196	-	1,196
436	-	436	Civic Regalia	436	-	436
1,651	10	1,661	Statues and Monuments	1,661	9	1,670
3,283	10	3,293	Total	3,293	9	3,302

28. INVESTMENT PROPERTY

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line on the Comprehensive Income and Expenditure Statement.

2024-2025 £000		2025-2026 £000
(1,286)	Rental income from Investment Properties	(1,613)
402	Direct operating expenses arising from Investment Properties	665
(884)	Net (Income)/Expenditure	(948)

There are no restrictions on the authority's ability to realise the value inherent in its investment properties or its right to the remittance of income and the proceeds of disposal.

The authority has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance or enhancement.

The following table summarises the movement in the fair values of investment properties over the year.

2024-2025 £000		2025-2026 £000
15,195	Balance brought forward at 1 April	20,719
4,588	Adjustments on transition to new accounting arrangements for leases	-
245	Additions	47
(1,150)	Disposals	(6)
1,841	Net Gains/(Losses) from Fair Value adjustments	898
-	Transfers (to)/from Property, Plant and Equipment	(611)
20,719	Balance carried forward at 31 March	21,047

Fair Value Hierarchy

The Council's investment property assets have been assessed by the valuers as Level 2 for valuation purposes. An explanation of the different fair value levels is included within the Council's statement of main accounting principles.

Valuation Techniques used to determine Level 2 Fair Values for Investment Properties

The fair value of investment properties assessed at Level 2 has been based on the market approach using current market conditions and recent sale prices and other relevant information for similar assets in the Local Authority area. The work undertaken by the valuers focused on the change in values since the last valuation i.e. the period from 31 March 2025 to 31 March 2026.

Highest and Best Use of Investment Properties

In estimating the fair value of the authority's investment properties, the highest and best use of the properties is deemed to be their current use.

Valuation Process for Investment Properties

The fair value of the authority's investment property is measured annually at each reporting date. The valuations have been carried out by external valuers, Wilks Head & Eve LLP.

The valuations have been carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

29. INTANGIBLE ASSETS

2024-2025				2025-2026		
Gross Carrying Amount £000	Accumulated Amortisation £000	Net Carrying Amount £000		Gross Carrying Amount £000	Accumulated Amortisation £000	Net Carrying Amount £000
20	(8)	12	Balance brought forward at 1 April	70	(12)	58
50	-	50	Additions in year	-	-	-
-	(4)	(4)	Amortised in year	-	(13)	(13)
-	-	-	Derecognition of assets wholly amortised	(6)	6	-
70	(12)	58	Total	64	(19)	45

30. SHORT & LONG-TERM INVESTMENTS

2024-2025				2025-2026		
Principal £000	Accrued Interest £000	Total £000		Principal £000	Accrued Interest £000	Total £000
75,000	1,829	76,829	Short-term Investments	70,000	1,820	71,820
1,525	-	1,525	Long-term Investments	1,525	-	1,525
76,525	1,829	78,354	Total	71,525	1,820	73,345

31. LONG-TERM DEBTORS

31 March 2025		New Loans	Transfer to/from short term debtors	Impaired in the Year	Repaid in the Year	Other	31 March 2026
£000		£000	£000	£000	£000	£000	£000
160	The World of Glass	-	-	-	-	-	160
2,126	Improvement Loans	-	-	-	(64)	(2)	2,060
712	Housing Innovation Loans	-	-	-	(101)	21	632
5,928	SINA Glass Futures	-	(378)	-	-	(478)	5,072
922	Social Care Deferred Payments	543	-	(43)	(492)	419	1,349
12,730	Parkside Regeneration LLP		-	-	-	688	13,418
-	Joint Venture	-	9,750	-	-	-	9,750
22,578	Sub-Total	543	9,372	(43)	(657)	648	32,441
(309)	Less Provision for Bad Debts	-	-	-	-	110	-199
22,269	Total	543	9,372	(43)	(657)	759	32,242

32. CAPITAL EXPENDITURE AND FINANCING

(a) Capital Financing Requirement

The total amount of expenditure financed by capital resource in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the authority, the expenditure results in an increase in the Capital Financing Requirement - a measure of the capital expenditure incurred historically by the authority that has yet to be financed.

Under IFRS 16, the Council has now recognised a liability for lease obligations that were previously treated as operating leases. An adjustment to the capital financing requirement as at 1 April 2024 was made to recognise the increased borrowing requirement in respect of these leases.

2024-2025 £000		2025-2026 £000
206,594	Opening Capital Financing Requirement	220,766
14,423	Adjustment/amendment under IFRS 16	(1,083)
221,017	Revised Capital Financing Requirement as at 1 April	219,683
	Capital Investment	
51,435	Property, Plant and Equipment	53,644
	Investment Property*	47
	Intangible Assets*	-
	Heritage Assets*	9
7,173	Revenue Expenditure funded from Capital under Statute	11,828
-	Long Term Debtors (Loans & Advances)	-
	Sources of Finance	
(1,386)	Capital Receipts	(2,325)
(50,853)	Government Grants and Other Contributions	(55,601)
	Sums set aside from Revenue	
(749)	Direct Revenue Contributions	(1,175)
(5,871)	Revenue Provision for repayment of borrowing and other long term liabilities	(5,725)
220,766	Closing Capital Financing Requirement	220,385
	Explanation of Movements in Year	
5,620	Underlying need to borrow arising from capital investment	6,427
(5,871)	Revenue provision for repayment of borrowing and other long-term liabilities	(5,725)
(251)	Increase/(Decrease) in Capital Financing Requirement	702

* included within Property, Plant and Equipment in 2024-2025

Capital Commitments

At 31 March 2026 the authority had entered into a number of contracts for the construction or enhancement of infrastructure and property, or the purchase of vehicles and equipment, in 2026-27 and future years, budgeted at £114.3m. (Similar commitments at March 2025 were £31.9m). The main contractual commitments are shown in the following table, with the headings and figures revised from 2024/25 to ensure that the most significant commitments for 2025/26 are presented.

2024-2025 £000	Capital Commitments	2025-2026 £000
-	Children & Young People	1,175
7,517	Capital Grant Agreements for Town Deal Project	227
10,377	St Helens Town Centre Regeneration	83,928
9,483	Cowley Hill Link Road	8,552
119	Earlestown Town Centre Regeneration	15,037
152	Fleet Replacement Programme	2,442
4,224	Other Capital Commitments	2,919
31,872	Total	114,280

33. ASSETS HELD FOR SALE

2024-2025 £000		2025-2026 £000
100	Balance Brought Forward at 1 April	3,790
3,400	Assets classified (to)/from Property, Plant and Equipment	483
-	Asset Disposals	(1,524)
290	Revaluations recognised in the Surplus/Deficit on the Provision of Services	-
3,790	Balance Carried Forward at 31 March	2,749

34. SHORT-TERM DEBTORS

Restated* 31 March 2025 £000		31 March 2026 £000
	Council Tax/Non-Domestic Rates Short-Term Debtors (See Note 1 to the Collection Fund)	
27,687	Council Tax	31,098
63	Liverpool City Region Combined Authority	84
226	Merseyside Fire & Rescue Authority	285
7,982	Non-Domestic Rates	10,195
880	Police & Crime Commissioner for Merseyside	986
	Other (Non-Collection Fund) Short-Term Debtors	
1,844	Housing Benefits	1,706
7,977	Liverpool City Region Combined Authority	15,661
6,907	NHS Bodies	10,095
1,116	Other Local Authorities	1,842
3,521	VAT	6,771
2,752	Other Government Departments	7,265
9,750	Joint Venture	-
27,677	Sundry	30,647
98,382	Gross Debtors	116,635
	Council Tax/Non-Domestic Rates Provision for Bad Debts (See Note 1 to the Collection Fund)	
(20,214)	Council Tax	(22,696)
(6,827)	Non-Domestic Rates	(6,818)
	Other (Non-Collection Fund) Provision for Bad Debts	
(1,581)	Housing Benefits	(1,409)
(5,134)	Sundry	(5,609)
(33,756)	Total Provision for Bad Debts	(36,532)
64,626	Net Debtors	80,103

* Realignment between LCR & the Joint Venture

35. SHORT- AND LONG-TERM BORROWING

Under the Code, balances relating to financial instruments should be shown as current or long-term depending on when amounts are payable or receivable. Accrued interest in respect of the authority's Public Works Loan Board (PWLB) and market loans are separated from the principal sums as these are payable within 12 months and therefore should be treated as current liabilities.

(a) Analysis of Short-term Borrowing by Type

2024-2025				2025-2026		
Principal £000	Accrued Interest £000	Total £000		Principal £000	Accrued Interest £000	Total £000
15	998	1,013	PWLB	16	1,533	1,549
-	273	273	Market Loans	-	273	273
15	1,271	1,286	Total	16	1,806	1,822

(b) Analysis of Long-term Borrowing by Type

Principal 31 March 2025 £000		Principal 31 March 2026 £000
114,481	PWLB	139,465
18,000	Market Loans	18,000
132,481	Total	157,465

(c) Analysis of Long-term Borrowing by Maturity Period

Principal 31 March 2025 £000		Principal 31 March 2026 £000
16	Between one and two years	5,175
5,213	Between two and five years	25,051
4,294	Between five to fifteen years	4,281
15,473	Between fifteen to twenty-five years	15,473
92,485	Between twenty-five to fifty years	92,485
15,000	Over fifty years	15,000
132,481	Total	157,465

36. SHORT-TERM CREDITORS

31 March 2025 £000		31 March 2026 £000
	Council Tax/Non-Domestic Rates Creditors (See Note 1 to the Collection Fund)	
218	Central Government NDR Agency Arrangement	110
2,003	Council Tax	2,141
1,517	Non-Domestic Rates	1,466
	Other (Non-Collection Fund) Short Term Creditors	
4,019	Employees Accumulated Absences (See Note 6f)	3,739
3,441	HMRC – Tax & National Insurance	3,803
2,342	Local Government Pension Scheme	1,993
1,466	Teachers' Pension Scheme	1,380
1,548	NHS Bodies	5,034
678	Section 31 Business Rates Grant	0
3,550	Other Government Departments	882
1,402	Other Local Authorities	1,949
61,865	Sundry	47,021
84,047	Total	69,518

37. PROVISIONS

	31 March 2025 £000	Expenditure Charged to Provision in Year £000	Increase/ Reduction in Provision £000	31 March 2026 £000
Business Rates Appeals (a)	3,951	(1,187)	1,559	4,323
Ordinary Residence (b)	1,354	-	658	2,012
Term Time Only Claims (c)	220	(175)	-	45
Short Term	5,525	(1,362)	2,217	6,380
Insurance (d)	3,323	(1,254)	8	2,077
Long Term	3,323	(1,254)	8	2,077
Total	8,848	(2,616)	2,225	8,457

- (a) Provision has been made for Non-Domestic Rating valuation appeals based on an estimate of the likely level and value of successful appeals.
- (b) The Council is involved in a legal process to determine the responsible body for costs associated with two service users and, without prejudice, has set aside a provision for care costs associated with these Ordinary Residence claims.

The Council is also involved in a dispute process to determine the correct number of hours commissioned and delivered by three care providers and has set aside a provision for the potential additional care costs associated with this.

- (c) In July 2022, the Supreme Court ruled that holiday pay for term-time-only workers should not be pro-rated by the proportion of the year that they have worked. The Council has received a number of claims for historical back-payments as a consequence of this ruling and has set aside provision for the estimated liability.
- (d) The Council determines its insurance as part of its Risk Management processes and organises cover from both external providers and its own self-insurance fund. The balance of the fund is regularly assessed for its adequacy. In the case of its combined (Public and Employers) liability provision, a consultancy opinion on size is commissioned on a frequent basis. The review of combined liability indicates that the forecast provision for this area at March 2026 is £2.620m. An analysis of the other insurances shows that a provision of £0.079m is required.

38. OTHER LONG-TERM LIABILITIES

These consist of liabilities which are (re)payable over a period of time and are analysed as follows.

31 March 2025 £000		Movement in year 2025-2026	31 March 2026 £000
286	Commutated Sums and Contractor Bonds	27	313
311	Glass Futures Rent Premium	192	503
18,229	Rainford High PFI (see Note 26)	(517)	17,712
12,241	Leases	(801)	11,439
31,067		(1,099)	29,967

39. FINANCIAL INSTRUMENTS

(a) Categories of Financial Instruments

The following table details the categories of financial instruments carried in the Balance Sheet.

31 March 2025			31 March 2026	
Current £000	Long Term £000		Current £000	Long Term £000
75,000	1,525	Investments	70,000	1,525
37,748	-	Financial Assets	27,411	-
1,829	-	Cash and Cash Equivalents	1,820	-
		Accrued Interest on Financial Assets		
		Debtors		
43,912	22,269	Financial Assets at Amortised Cost	47,084	32,242
158,489	23,794	Total Financial Assets	146,315	33,767
(15)	(132,481)	Borrowings	(16)	(157,465)
(1,271)	-	Financial Liabilities	(1,806)	-
		Accrued Interest on Financial Liabilities		
(5,957)	-	Bank Overdraft	(5,536)	-
		Other Long-Term Liabilities		
-	(18,229)	Private Finance Initiative (PFI)	-	(17,712)
		Creditors		
(57,415)	-	Financial Liabilities at Amortised Cost	(49,012)	-
(64,658)	(150,710)	Total Financial Liabilities	(56,370)	(175,177)

In line with the Accounting Policies, all financial assets and liabilities have been classified as being measured at amortised cost. No financial assets and liabilities have been measured as:

- Fair value through profit and loss
- Fair value through other comprehensive income

(b) Income, Expense, Gains and Losses

The following table outlines the income and expense that have been credited/charged to the Comprehensive Income and Expenditure Statement in relation to financial instruments categorised as being measured at amortised cost.

2024-2025			2025-2026	
Financial Liabilities £000	Financial Assets £000		Financial Liabilities £000	Financial Assets £000
(5,449)	-	Interest Expense	(6,821)	-
-	7,101	Interest Income	-	6,105
(5,449)	7,101	Net Income/(Expense) for the Year	(6,821)	6,105

Interest payments of £1.899m were made in respect of the PFI scheme in the year. However, this cost was met through PFI grant.

(c) Fair Values of Assets and Liabilities

The Council's financial liabilities and financial assets are represented by financial assets and liabilities which are carried on the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instrument (Level 2 inputs) using the following assumptions:

- For loans from the Public Works Loan Board (PWLB), a transfer value (New Loan Certainty repayment rates) from the PWLB have been applied to provide the fair value.
- For non-PWLB loans, prevailing market rates have been applied to provide the fair value.
- No early repayment or impairment has been recognised.
- Since transitioning to IFRS 16 during 2024-2025, the PFI scheme is now re-measured annually, incorporating the cumulative variable index. On this basis a separate fair value calculation is not required, as the carrying value of the liability now represents a reasonable estimation for the fair value.
- Where an instrument is a short-term trade receivable or payable, then the carrying amount is taken to be a reasonable approximation of fair value.

The fair values of the Financial Liabilities are detailed in the following table.

2024-2025			2025-2026	
Carrying Amount £000*	Fair Value £000		Carrying Amount £000*	Fair Value £000
115,494	69,987	PWLB Loans	139,481	92,045
18,273	13,762	Market Loans	18,000	12,651
19,038	19,038	PFI Liability	18,391	18,391
5,957	5,957	Cash and Cash Equivalents - Bank Overdraft	5,536	5,536
158,762	108,744	Total	181,408	128,623

* Carrying values include accrued interest

The fair value of the Council's financial liabilities is less than the carrying amount, because the Council's portfolio of loans includes a number of fixed rate loans where the interest rates payable are lower than the rates available for similar loans at the Balance Sheet date. This shows a notional future gain, based on economic conditions at 31 March 2026, arising from a commitment to pay interest to lenders below current market rates. The fair values at 31 March 2026 are higher than last year due to interest rate reductions which impact the prevailing market rates used in calculating fair value.

The fair value of PWLB loans measures the economic effect of the terms agreed with the PWLB at the loan start date, compared with estimates of the terms that would be offered for new loan transactions undertaken at the Balance Sheet date. The difference between the carrying amount and fair value measures the level of interest that the Council will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans had been undertaken at the Balance Sheet date.

The Council has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. A supplementary measure of fair value is to compare the Council's current carrying value of loans with early redemption rates available from the PWLB. If a value is calculated on this basis, the carrying amount of £139.481m would be valued at £102.056m. If the Council were to redeem its PWLB debt early, a discount of £37.426m would be receivable.

The difference between the fair value and the carrying value of loans would only crystallise if the Council sought to terminate its arrangements and, as to the extent that the Council would not seek to terminate loans, on which discounts would be redeemable without certainty that no further borrowing at a potential higher rate is needed, this figure should be considered notional. It should also be noted that the market loans contain Lender Option Borrower Option loans, whereby, at specified intervals, there are options on both the part of the Council and the Lender in relation to rates applicable to the residual terms of the loans. The Council is free to repay the loans, in full, and without penalty if it is not agreeable with any revised options proposed by the Lender.

c			2025-2026	
Carrying Amount £000*	Fair Value £000		Carrying Amount £000*	Fair Value £000
76,829	76,829	Short Term Investments	71,820	71,820
1,525	1,525	Long Term Investments	1,525	1,525
22,269	22,206	Long Term Debtors	32,242	32,796
37,748	37,748	Cash and Cash Equivalents	27,411	27,411
138,372	138,308	Total	132,998	133,552

* Carrying values include accrued interest

The carrying amount of the Council's Investments and Cash and Cash Equivalents is equal to their Fair Value, as it is deemed that for these financial assets the carrying value is a reasonable proxy for their Fair Values.

The Council's Cash and Cash Equivalents figure includes balances held for the Merseyside Recycling and Waste Authority of £15.055m.

The Council has an arrangement in place to hold funds on behalf of social care clients. These balances represent third-party monies and have been excluded from the cash and cash equivalents figures reported in the accounts. The total amount of funds held on behalf of social care clients at 31 March 2026 was £7.734m.

For long-term debtors, it is also assumed that the carrying values are a reasonable proxy for fair values, with the exception of Parkside Regeneration LLP for which a Fair Value calculation has been undertaken and included in the table above.

(d) Cash and Cash Equivalents

The balance of cash and cash equivalents is made up of the following elements.

2024-2025 £000		2025-2026 £000
(5,957)	Financial Liability Bank Overdrafts	(5,536)
58	Financial Asset Petty Cash	166
37,690	Bank Call Accounts	27,245
31,791	Total Cash and Cash Equivalents	21,875

(e) Nature and Extent of Risks Arising from Financial Instruments

The Council's activities expose it to a variety of financial risks, and its overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Financial Risk Management is the responsibility of the Director of Finance and, through full adoption of CIPFA's Treasury Management in the Public Services: Code of Practice, the Council has policies and processes in place to control key financial instrument related risks.

Under the policies approved by the Council in the annual Treasury Management Strategy, and through its associated Treasury Management Practices (TMP's), the Council has in place written principles for overall risk management, as well as written policies covering specific areas such as interest rate risk, credit risk and the investment of surplus cash.

Credit Risk

Exposure to credit risk is managed through the Council's Counterparty lending list, which places limits on the value and duration over which investments can be made with approved counterparties to minimise the risk of loss. The counterparty list comprises of institutions that are rated independently by FITCH and meet specific rating requirements. The detailed minimum lending requirements for counterparties are outlined in the annual Treasury Management Strategy.

As detailed in the Council's Treasury Management Strategy, the Council's counterparty list is regularly monitored and is updated for any adverse movements in financial institutions' ratings. Such is the robustness of the Council's criteria for approving investments, that a reduction in an institution's outlook from stable would lead to its removal from the counterparty list.

The Council's maximum exposure to credit risk in relation to its investments in banks, building societies, and local authorities of £97.245m cannot be assessed generally, as the risk of any institution failing to make interest payments or repay principal sums will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of recoverability applies to all of the Council's deposits, but there was no evidence at 31 March 2026 that this was likely to crystallise.

The following table summarises the Council's exposure to credit risk at the Balance Sheet date, analysed by credit ratings as they were at the time of making the investment. Figures shown represent the actual investment made and therefore exclude accrued interest. They also include that part of Cash and Cash Equivalents that is represented by sums held in Bank Call Accounts and Money Market Funds.

31 March 2025 £000	Institution	Rating	31 March 2026 £000
32,690	MMFs	AAA	27,245
-	Local Authorities	AA-	35,000
65,000	Banks	AA- F1+	15,000
15,000	Banks	A+ F1	20,000
25	PFI Loan Stock	N/A	25
112,715	Total		97,270

Based on information held within the Council's ledger system, and applying the Council's standard invoicing period, the past due amounts are provided in the following table.

31 March 2025 £000*		31 March 2026 £000*
1,494	Less than three months	903
1,947	Three to six months	1,428
946	Six months to one year	2,703
4,608	Over one year	7,630
8,994	Total	12,664

* Figures are based upon amounts past due after 28 days (standard payment terms).

The figures above are gross sums due. Provision for allowance of credit losses is made separately.

The Council does not generally extend credit to customers beyond the standard invoicing period of 28 days. However, the figures do include some amounts owed by individual clients such as those relating to the Fairer Charging scheme for Adult Social Care.

Liquidity Risk

The Council has a comprehensive cash flow management system that seeks to ensure that sufficient liquid funds are available if needed. At the present time, the Council has ready access to borrowing from the PWLB and other sources, so there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The maturity analysis of financial liabilities is shown below.

31 March 2025 £000		31 March 2026 £000
64,658	Less than one year	56,185
16	Between one and two years	5,175
8,878	Between two and five years	29,639
18,858	Between five and fifteen years	17,405
15,473	Between fifteen and twenty-five years	15,473
92,485	Between twenty-five and fifty years	92,485
15,000	Over fifty years	15,000
215,368	Total	231,362

Market Risk

The Council is exposed to an amount of risk in terms of its exposure to interest rate movements on its investments and, to a lesser extent, on its borrowings. For example, a rise in interest rates would have the following effects:

- borrowing at fixed rates - the fair value of financial liabilities will fall
- investments at variable rates - the interest income credited to the Comprehensive Income and Expenditure Statement will rise
- investments at fixed rates - the fair value of the assets will fall

Borrowings and investments are not carried at fair value, so nominal gains and losses on fixed rate borrowings and loans would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in the interest payable or receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. The Council is risk averse and seeks to minimise exposure arising from its treasury activities and does not undertake any unnecessary borrowing or investment activity. The Council seeks to manage its interest rate risk by regularly reviewing the ratio of borrowing and investments between fixed and variable interest rates.

The following table shows the impact on existing investments and borrowings had interest rates been 1% higher with all other variables being held constant.

2024-2025			2025-2026	
Financial Assets £000	Financial Liabilities £000		Financial Assets £000	Financial Liabilities £000
78,330	83,749	Fair Values at 31 March	73,321	104,696
78,330	72,804	Fair Values + 1%	73,321	94,398

The impact of a 1% fall in interest rates would be as above, but with the movements being reversed.

Having transitioned to the new accounting standard, IFRS 16, during 2024-2025, this now requires the PFI liability to be remeasured annually, producing a new carrying value which incorporates the cumulative variable index. This means that each time the PFI liability is remeasured, it is in effect reset to incorporate current rates, therefore on this basis, a separate fair value calculation and the assessment of a 1% movement in interest rates is not required, as the carrying value of the liability (see note 26) now represents a reasonable estimation of fair value.

Price Risk

The Council does not invest in any instruments whereby it would be exposed to price risk arising from movements in market prices.

Foreign Exchange Risk

The Council does not have financial assets or liabilities denominated in foreign currencies and thus, has no exposure to loss arising from movements in exchange rates.

40. TRUST FUNDS

Nine Trust Funds were administered during the year which, in the main, consist of legacies left by individuals and are used mainly for educational, cultural and leisure purposes. The value of these Trust Funds at the Balance Sheet date was £0.360m.

41. CONTINGENT LIABILITIES AND ASSETS

Contingent Liabilities

Municipal Mutual Insurance (MMI)

The Council's previous insurers, MMI, ceased trading in 1992 and now exist solely to discharge obligations under policies previously issued. In 1994, a Scheme of Arrangement under the Companies Act 1985 was put in place, under which, if the company became at risk of insolvency, it would be able to claw back the necessary percentage of the claims it had paid out since the commencement of the scheme.

General Insurance

The adequacy of the Council's insurance provision is reviewed annually, with independent expert opinion sought with regard to the level of this provision on a two year cycle. It is widely accepted that the risk profile of Local Authorities is such that there may be exposure to long tail claims, and settlements of claims may deviate from the original claims provision and reserve set aside. Such claims brought against the Council have the potential to be of a material value.

In addition, there is also uncertainty in respect of new and emerging claims, the nature of claims, and incidents incurred but not reported (IBNR), which may have significant financial implications.

Non-Domestic Rates Appeals

Provision has been made for costs potentially arising from successful appeals by Non-Domestic Ratepayers against the rateable values applied to their business properties. However, there remains significant uncertainty as to what the ultimate effect of these backdated appeals will be until they are fully settled by the Valuation Office Agency.

Contingent Assets

Dedicated Schools Grants Deficit

The Council's Dedicated Schools Grant (DSG) balance has followed a national trend and increased its negative balance from £1.432m to £12.508m (see Note 10). This is due to pressure on the High Needs block, driven by growth in the number of Education Health Care plans and an increasing number of pupils requiring placement in independent special schools out of borough due to the level of demand.

During 2025/26, the statutory override, which separates out the DSG position from the wider Council financial position, has been extended until 31st March 2028, and the Government has announced the High Needs Stability Grant which will repay local authorities 90% of any DSG deficit, and will be payable in Autumn 2026 upon approval by the Department for Education of a SEND Deficit Recovery Plan.

42. CASH FLOW STATEMENT – ADJUSTMENTS TO NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES FOR NON-CASH MOVEMENTS

2024-2025 £000		2025-2026 £000
	Non-current assets and assets held for sale	
16,831	Depreciation and Impairment of Non-Current Assets	18,464
4	Amortisation of Intangible Assets	13
(3,457)	Impairments and Downward Valuations	5,168
9,529	Carrying amounts of Non-current Assets and Non-current Assets held for sale, sold or de-recognised	12,482
	Current assets and current liabilities	
20,447	Movement in Creditors	(9,706)
(8,419)	Movement in Debtors	(18,790)
2,316	Movement in Bad Debts Provision	2,776
(689)	Movement in Inventories	495
(1,226)	Movement in Pension Liability charged / credited to the Comprehensive Income and Expenditure Statement	(13,246)
(3,892)	Other non-cash items charged to the net surplus or deficit on the provision of services	1,871
31,444	Total	(473)

43. CASH FLOW STATEMENT - ADJUSTMENTS FOR ITEMS INCLUDED IN THE NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES THAT ARE INVESTING AND FINANCING ACTIVITIES

2024-2025 £000		2025-2026 £000
(1,277)	Proceeds from the Sale of Non-Current Assets	(1,688)
7,173	Revenue Expenditure Funded from Capital Under Statute	11,828
(884)	Investment Properties Net Income	(948)
(51,589)	Any other items for which the cash effects are Investing or Financing Cash Flows	(58,718)
(46,577)	Total	(49,526)

44. CASH FLOW STATEMENT - NET CASH FLOWS FROM OPERATING ACTIVITIES

2024-2025 £000		2025-2026 £000
	Cash Outflows	
(157,975)	Cash Paid to and on Behalf of Employees	(160,318)
(46,863)	Housing Benefit Paid Out	(37,991)
(378)	Precepts Paid	(406)
(253,216)	Cash Paid to Suppliers of Goods and Services	(289,748)
(7,441)	Interest Paid	(18,192)
(98,388)	Other Payments for Operating Activities	(115,442)
(564,261)	Total Cash Outflows	(622,097)
	Cash Inflows	
151,563	Taxation	163,183
349,322	Grants	376,100
55,416	Sales of Goods and Rendering of Services	58,006
5,813	Interest Received	6,516
10,090	Other Receipts from Operating Activities	742
572,204	Total Cash Inflows	604,547
7,943	Net Cash Flow from Operating Activities	(17,550)

CASH FLOW STATEMENT - INVESTING ACTIVITIES

45. CASH FLOW STATEMENT - NET CASH FLOWS FROM INVESTING ACTIVITIES

2024-2025 £000		2025-2026 £000
	Cash Outflows	
(38,288)	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	(33,390)
(398)	Purchase of Short-Term and Long-Term Investments	-
(7,173)	Other Payments for Investing Activities	(11,828)
(45,859)	Total Cash Outflows	(45,218)
	Cash Inflows	
1,714	Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	1,832
91	Proceeds from Sale of Short-Term and Long-Term Investments	4,466
47,329	Other Receipts from Investing Activities	19,095
49,134	Total Cash Inflows	25,393
3,275	Net Cash flow from Investing Activities	(19,825)

46. CASH FLOW STATEMENT - NET CASH FLOWS FROM FINANCING ACTIVITIES

2024-2025 £000		2025-2026 £000
	Cash Outflows	
(1,178)	Repayments of Short Term and Long-Term Borrowing	(287)
(1,408)	Cash payments for the reduction of Outstanding Lease Liabilities	(1,137)
(419)	Other Payments for Financing Activities	(294)
(3,005)	Total Cash Outflows	(1,718)
	Cash Inflows	
-	Cash Receipts of Short and Long-Term Borrowing	29,176
-	Other Receipts for Financing Activities	-
-	Total Cash Inflows	29,176
(3,005)	Net Cash Flow from Financing Activities	27,458

The reconciliation of liabilities arising from financing activities is included in the following table.

	Restated Balance at 1 April 2025 £000	Financing Cash Flows £000	Non-Cash Changes £000	Balance at 31 March 2026 £000
Long-Term borrowings	132,481	24,984		157,465
Short-Term borrowings	1,284	538		1,822
Transferred Debt	276	(276)		0
On Balance Sheet PFI Liabilities*	19,037	(807)	161	18,391
Lease Liability	(1,408)	(1,215)		(2,623)
Amounts included as part of Debtor/Creditor balances:				
Amounts owed to/from Collection Fund preceptors	(949)	(296)		(1,245)
Total Liabilities from Financing Activities	150,721	22,928	161	173,810

*Restated PFI Liability 1 April 2025

COLLECTION FUND STATEMENT

The Collection Fund is a statutory account introduced under the Local Government Finance Act 1988. The Statement shows the transactions of the billing authority in relation to collection of Council Tax and Non-Domestic Rates from local taxpayers and distribution to local authorities.

2024-2025				2025-2026	
Notes	Council Tax £000	Non-Domestic Rates £000		Council Tax £000	Non-Domestic Rates £000
4	118,723	60,691	Income	126,430	67,169
	-	829	Income from Council Taxpayers and Non-Domestic Ratepayers	-	77
	1,020	(2,408)	Transitional Protection Payments	250	(2,620)
			Contribution to/(from) previous year's Estimated Collection Fund Deficit/(Surplus)		
	119,743	59,112	Total Income	126,680	64,626
			Expenditure		
	96,197	57,384	<u>Precepts and Demands</u>		
	14,166	-	St Helens Borough Council	101,456	62,126
	4,878	580	Police & Crime Commissioner for Merseyside	14,981	-
	1,016	-	Merseyside Fire & Rescue Authority	5,169	628
	-	187	Liverpool City Region Combined Authority	1,289	-
	2,846	(1,489)	Non-Domestic Rates Cost of Collection	-	188
	151	2,036	<u>Movement in Bad and Doubtful Debts</u>		
	-	677	Provisions	3,062	(10)
			Write-Offs	610	474
			Provision for Appeals		1,575
	119,254	59,375	Total Expenditure	126,567	64,981
	489	(263)	Movement on Fund Balance	113	(355)
	(1,105)	3,685	Surplus/(Deficit) Balance brought forward	(616)	3,422
	(616)	3,422	Surplus/(Deficit) Balance carried forward	(503)	3,067

NOTES TO THE COLLECTION FUND STATEMENT

1. MEMORANDUM COLLECTION FUND BALANCE SHEETS

A separate Collection Fund Balance Sheet is not mandatory. Assets and liabilities are consolidated with other accounts of the authority (see Balance Sheet in the Core Financial Statements). However, this note is included to provide a better understanding of the debtor and creditor relationships for both Council Tax and Non-Domestic Rates.

(i) Non-Domestic Rates

2024-2025					2025-2026			
Total	Central Government	St Helens Borough Council	Fire & Rescue Authority		Total	Central Government	St Helens Borough Council	Fire & Rescue Authority
£000	£000	£000	£000		£000	£000	£000	£000
8,063	-	7,982	81	Non-Domestic Rates Arrears	10,298	-	10,195	103
(6,896)	-	(6,827)	(69)	Provision for Bad Debt	(6,887)	-	(6,818)	(69)
(3,990)	-	(3,950)	(40)	Provision for Appeals	(4,367)	-	(4,323)	(44)
(1,532)	-	(1,517)	(15)	Prepaid Non-Domestic Rates	(1,452)	-	(1,437)	(15)
(3,422)	-	(3,388)	(34)	Collection Fund (Surplus)/Deficit	(3,066)	-	(3,035)	(31)
(218)	(218)	-	-	Transitional Protection Payment	(111)	(111)	0	0
7,995	218	7,700	77	Cash	5,585	111	5,418	56
-	-	-	-	Total	-	-	-	-

The Council continued to participate in the Liverpool City Region Business Rates Retention scheme in 2025-2026. Under the terms of the scheme, the Council retains 99% of its Non-Domestic Rates, with 1% passed to Merseyside Fire & Rescue Authority. This contrasts to the 49% retention rate prior to the existence of the scheme in 2016-2017.

(ii) Council Tax

2024-2025						2025-2026				
Total £000	St Helens Borough Council £000	Police & Crime Comm. £000	Fire & Rescue Authority £000	Combined Authority £000		Total £000	St Helens Borough Council £000	Police & Crime Comm. £000	Fire & Rescue Authority £000	Combined Authority £000
33,460	27,687	4,077	1,404	292	Council Tax Arrears	37,669	31,098	4,592	1,584	395
(24,429)	(20,214)	(2,977)	(1,025)	(213)	Provision for Bad Debt	(27,492)	(22,697)	(3,351)	(1,156)	(288)
(2,421)	(2,003)	(295)	(102)	(21)	Prepaid Council Tax	(2,592)	(2,140)	(316)	(109)	(27)
615	509	75	26	5	Collection Fund (Surplus)/Deficit	503	416	61	21	5
(7,225)	(5,979)	(880)	(303)	(63)	Cash	(8,088)	(6,677)	(986)	(340)	(85)
-	-	-	-	-	Total	-	-	-	-	-

2.INCOME FROM COUNCIL TAX

Calculation of the Council Tax Base

Council Tax derives from charges raised according to the value of residential properties, which have been classified into eight valuation bands for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by the Council for the forthcoming year and dividing this by the Council Tax base (i.e. the equivalent numbers of Band D dwellings).

The Council Tax base for 2025-2026 was 53,700 (53,461 in 2024-2025) calculated as follows.

Band	Estimated No. of Taxable Properties after Discounts	Ratio	Band D Equivalent Dwellings
A	37,801	6/9	25,201
B	19,329	7/9	15,034
C	15,747	8/9	13,997
D	7,023	9/9	7,023
E	3,784	11/9	4,625
F	1,694	13/9	2,447
G	601	15/9	1,002
H	38	18/9	76
	86,017		69,404
Less: Anticipated changes during the year for successful appeals against valuation banding, new properties, demolitions, disabled persons relief and exempt properties			(7,138)
Less: Local Council Tax Support Discount			(7,078)
			55,188
Less: Adjustment for collection rates			(1,489)
Total Band D Equivalent			53,700

The Council Tax for Band D dwellings for the Council and major precepting authorities in 2025-2026 was £2,280.97 (£2,167.53 in 2024-2025).

3. INCOME FROM NON-DOMESTIC RATEPAYERS

The Council collects Non-Domestic Rates for its area based on local rateable values determined by the Valuation Office Agency. A national revaluation came into effect in England and Wales on 1 April 2023 based on rateable values from 1 April 2021.

2024-2025		2025-2026
£146.17m	NDR Rateable Value for the area as at 31 March	£153.64m
54.6p	Standard NDR Multiplier	55.5p
49.9p	Small Business Rate Relief Multiplier	49.9p

4. CONTRIBUTION TO/(FROM) PREVIOUS YEAR'S ESTIMATED COLLECTION FUND DEFICIT/(SURPLUS)

These estimates are statutorily calculated in January each year and must be used in calculating budget requirement.

2024-2025 £000	Council Tax	2025-2026 £000
843	St Helens Borough Council	207
124	Police & Crime Commissioner for Merseyside	30
44	Merseyside Fire & Rescue Authority	11
9	Liverpool City Region Combined Authority	2
1,020	Total	250

2024-2025 £000	Non-Domestic Rates	2025-2026 £000
(2,384)	St Helens Borough Council	(2,594)
(24)	Merseyside Fire & Rescue Authority	(26)
(2,408)	Total	(2,620)

GLOSSARY OF FINANCIAL TERMS

ACCOUNTING POLICIES

Those specific principles, bases, conventions, rules and practices applied that specify how the effects of transactions and other events are to be reflected in its financial statements through:

- (i) recognising;
- (ii) selecting measurement bases for; and
- (iii) presenting assets, liabilities, gains, losses and changes to reserves

ACCRUALS

The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

ADJUSTMENT BETWEEN ACCOUNTING AND FUNDING BASIS

Differences arising because accounting standards require certain transactions (e.g. depreciation, pension costs) to be recognised differently to how they are funded under statutory regulations. These differences are adjusted through reserves to ensure no direct impact on Council Tax.

AGENT/AGENCY

Where the authority is acting as an intermediary, as opposed to on its own behalf.

AMORTISATION

The accounting technique of recognising a cost or item of income in the Comprehensive Income and Expenditure Statement or the Movement in Reserves Statement over a period of years rather than when the initial payment is made. Its purpose is to charge/credit the cost/income over the accounting periods that gain benefit for the respective item. The technique is supported by relevant accounting policies and practices.

AMORTISED COST

A method of determining the Balance Sheet carrying amount and periodic charges to the Comprehensive Income and Expenditure Statement of a financial instrument based on the expected cash flows of that instrument.

ASSET CEILING (PENSIONS)

The (pension) asset ceiling is an adjustment made to the balance sheet value of a pension asset or liability.

BUSINESS RATES

See Non-Domestic Rates.

CAPITAL EXPENDITURE

Expenditure on the acquisition or enhancement of a non-current asset or capital advances and loans to other individuals or other third parties.

CAPITAL FINANCING REQUIREMENT (CFR)

Introduced as a result of the Prudential Framework for Capital Accounting and measures the underlying need of the authority to borrow for expenditure of a capital nature.

CAPITAL RECEIPTS

The proceeds from the sale of capital assets or repayment of capital advances which, subject to various limitations can be used to finance Capital Expenditure, invested, or to repay outstanding debt on assets originally financed through borrowing.

CARRYING AMOUNT

The amount at which an asset is recognised after deducting any accumulated depreciation and impairment losses.

CASH EQUIVALENTS

Short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value.

CASH FLOWS

Inflows and outflows of cash and cash equivalents.

COLLECTION FUND

The Collection Fund is a separate statutory fund under the provisions of the Local Government Finance Act 1988. It shows the transactions in relation to Non-Domestic Rates, any residual Community Charge and Council Tax, and illustrates the way in which these have been distributed to precepting Authorities and the Council's General Fund.

CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)

CIPFA is the leading professional accountancy body for public services, and uniquely among the professional accounting bodies in the UK, CIPFA has responsibility for setting accounting standards, for a significant part of the economy, namely Local Government.

COMMUNITY ASSETS

Assets that the Local authority intends to hold in perpetuity, that have no determinable useful life, and that may have restrictions on their disposal. Examples include parks and public open spaces.

CONDITIONS

Stipulations that specify that the future economic benefits or service potential in an asset are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

CONTINGENT LIABILITY / ASSET

A condition which exists at the Balance Sheet date, where the outcome will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events. Where a material outflow/inflow can be estimated with reasonable accuracy, a contingent liability/asset is accrued in the financial statements. If, however, an outflow/inflow cannot be accurately estimated or the event is not considered sufficiently certain, it will be disclosed in a note to the Balance Sheet.

COUNCIL TAX

A property-based tax levied on all domestic properties in the Borough. The bandings (and resultant sums due) are based on independent assessed property values. The Council sets levels of Council Tax on an annual basis under relevant statutory provisions.

COVID-19

Covid-19 is a disease caused by SARS-CoV-2, the coronavirus that emerged in December 2019. Covid-19 can be severe and has caused millions of deaths around the world as well as lasting health problems in many people who have survived the illness.

CREDITORS

Financial liabilities arising from the contractual obligation to pay cash in the future for goods or services or other benefits that have been received or supplied.

CREDIT RISK

The possibility that one party to a financial instrument will fail to meet their contractual obligations, causing a loss to the other party.

CURRENT SERVICE COST (PENSIONS)

The increase in the present value of liabilities resulting from employee service in the period.

CURTAILMENT (PENSIONS)

An event that reduces the expected years of future service of present employees or reduces, for a number of employees, the accrual of defined benefits for some or all of their future service. Curtailments include:

- (i) termination of employees' services earlier than expected, for example as a result of closing or discontinuing a segment of a business; and
- (ii) termination of, or amendment to the terms of, a defined benefit plan so that some or all future service by current employees will no longer qualify for benefits, or will qualify only for reduced benefits

DEBTORS

Financial assets arising from the obligation to a future cash receipt for goods or services, or other benefits that have been delivered or provided.

DEFINED BENEFIT PLAN

A pension or other retirement benefit plan other than a defined contribution plan. Usually, the plan rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the plan.

DEFINED CONTRIBUTION PLAN

A pension or other retirement benefit plan into which an employer pays regular contributions, fixed as an amount or as a percentage of pay, and will have no legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

DEPRECIATED REPLACEMENT COST (DRC)

A method of valuation which provides the current cost of replacing an asset with its modern equivalent, less deductions for all physical deterioration and all relevant forms of obsolescence.

DEPRECIATION

The measure of the wearing out, consumption or other reduction in the useful life of a non-current asset over its useful economic life.

DISCOUNT RATE (PENSIONS)

Discounting is used to reflect the value of estimated future pension payments and express them in 'present day' terms. In accordance with accounting standards, the discount rate used is based on the yields of high quality corporate bonds of currency and term appropriate to the currency and term of the pension scheme liabilities.

DISCRETIONARY BENEFITS

Retirement benefits which the employer has no legal, contractual or constructive obligation to award, and which are awarded under the Authority's discretionary powers.

DONATED ASSET

A donated asset is an asset, like property, plant or equipment, where the purchase price has been reduced to nil, or a nominal amount, for non-commercial reasons. It should be recognised on the balance sheet at its fair value, and the difference between the fair value and price paid is either credited to the Comprehensive Income and Expenditure Statement, or to a donated asset account, depending on whether conditions are attached to the transfer of the asset.

ESTIMATION TECHNIQUES

The methods adopted by an entity to arrive at estimated monetary amounts, corresponding to the measurement bases selected for assets, liabilities, gains, losses and changes to reserves.

EXPECTED CREDIT LOSS

A forward-looking approach to measuring impairment of financial assets. It estimates potential losses based on the probability of default, even where no actual loss event has occurred. This applies to items such as debtors and investments.

EXISTING USE VALUE (EUV)

The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion, and assuming that the buyer is granted vacant possession of all parts of the property and disregarding potential alternative uses and any other characteristics that would cause its market value to differ from that needed to replace the remaining service potential at least cost.

FAIR VALUE

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction, less, where applicable, any grants receivable towards the purchase or use of the asset.

FAIR VALUE HIERARCHY

A framework used to measure the reliability of fair value estimates:

- Level 1 – Quoted market prices in active markets
- Level 2 – Observable inputs other than quoted prices
- Level 3 – Unobservable inputs based on professional judgement

FINANCIAL INSTRUMENT

A contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term covers both financial assets and financial liabilities and includes both the most straightforward financial assets such as trade receivables (debtors) and trade payables (creditors) and more complex ones such as derivatives. Typical financial instruments include:

- (i) Liabilities
 - Trade payables
 - Borrowings
- (ii) Assets

- Bank deposits
- Trade receivables
- Loans receivable
- Investments

Amounts relating to Council Tax, Non-Domestic Rates, Government Grants are outside the scope of financial instrument accounting provisions as they are statutory issues, not arising from contracts.

FINANCIAL INSTRUMENT - CLASSIFICATION

Financial assets are classified based on how they are managed and their cash flow characteristics:

- **Amortised Cost** – held to collect contractual cash flows
- **Fair Value through Profit or Loss (FVPL)** – held for trading or where cash flows are not solely payments of principal and interest
- **Fair Value through Other Comprehensive Income (FVOCI)** – strategic investments

FINANCE LEASE

A lease that transfers substantially all of the risks and rewards of ownership of a non-current asset to the lessee, with the asset then recognised in the lessee's Balance Sheet.

FINANCING ACTIVITIES

Activities that result in changes to the size and composition of the principal, received from or repaid to, external providers of finance.

GENERAL FUND

The primary revenue account which records the cost of providing the majority of the Council's services.

GOING CONCERN

An assumption that the functions of the authority will continue in operational existence for the foreseeable future.

GOVERNMENT GRANTS AND CONTRIBUTIONS

Assistance in the form of cash or transfers of resources to the Council in return for past or future compliance with certain conditions relating to the operation of activities.

HERITAGE ASSETS

Assets that are held by the Council principally for their contribution to knowledge, understanding and appreciation of the Borough's history and/or culture.

HISTORICAL COST

Deemed to be the carrying amount of an asset as at 1 April 2007 or at the date of acquisition, whichever date is the later and adjusted for subsequent depreciation or impairment (if applicable).

IMPAIRMENT

A reduction in the value of a non-current asset below its carrying amount on the Balance Sheet.

INFRASTRUCTURE ASSETS

Non-current assets which generally cannot be sold and from which benefit can be obtained only by continued use of the asset created. Examples of such assets include bridges, roads, street

lighting, traffic management systems and footpaths.

INTANGIBLE ASSET

Assets that do not have physical substance but are identifiable and controlled by the Council- for example, software licences.

INTEGRATED PROVISION

An arrangement permissible under the Health Act 1999 and National Health Service Act 2006 that allows partner organisations, including Local Authorities, Primary Care Trusts and NHS Trusts to work within one management structure, and in doing so increasing the ability to join up services and provide seamless services for service users.

INTEREST ON PLAN ASSETS (PENSIONS)

The annual investment return on the fund assets based on an average of the expected long-term return.

INTEREST ON PLAN LIABILITIES (PENSIONS)

The expected increase during the period in the present value of liabilities as the benefits move one year closer to being paid.

INVENTORIES

The amount of unused or unconsumed stocks held in expectation of future use or resale.

INVESTING ACTIVITIES

The acquisition and disposal of long-term assets and other investments not included in cash equivalents.

INVESTMENT PROPERTIES

Property, which can be land or a building or part of a building or both, that is held solely to earn rentals and/or for capital appreciation, rather than for operational purposes.

LIABILITIES

Amounts due to third parties which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

LIQUIDITY RISK

The possibility that one party will be unable to raise funds to meet its commitments associated with financial instruments.

MARKET RISK

The possibility that the value of a financial instrument will fluctuate because of changes in interest rates, market prices, foreign currency exchange rates, etc.

MARKET VALUE

The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

MATERIAL/MATERIALITY

Omissions or misstatements are material if they could, individually or collectively, influence the

decisions or assessments of users made on the basis of the financial statements. Materiality depends on the size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the item, or a combination of both, could be the determining factor.

MINIMUM REVENUE PROVISION

The minimum amount the Council is required to set aside annually from revenue to repay borrowing undertaken to finance capital expenditure.

NET BOOK VALUE

The amount at which non-current assets are included in the Balance Sheet, i.e. their historical cost or current value less the cumulative amount provided for depreciation.

NET REALISABLE VALUE

The open market value of an asset in its existing use (or open market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

NON-CURRENT ASSETS

Assets that yield benefits to the Local authority and the services it provides for a period of more than one year.

NON-DOMESTIC RATES (NNDR)

These are often referred to as Business Rates and are a levy on business properties based on a national rate in the pound applied to the 'rateable value' of the property. The Government determines that national rate poundage, Local Authorities collect the sums due, with distribution made in accordance with rules governing the Non-Domestic Rates retention scheme.

NON-OPERATIONAL ASSETS

Non-current assets held by a Local authority but not directly occupied, used or consumed in the delivery of services, or for the service or strategic objectives of the authority.

OPERATING ACTIVITIES

Activities of the authority that are not investing or financing activities.

OPERATING LEASES

A lease that does not transfer substantially all of the risks and rewards of ownership of a non-current asset to the lessee. The asset is recognised on the lessor's Balance Sheet.

Expenditure financed by operating leasing does not count against capital allocations.

PAST SERVICE COST/GAIN (PENSIONS)

The increase or reduction in the present value of liabilities arising from decisions in the period whose effect relates to years of service earned in earlier periods.

PLAN LIABILITIES (OR PLAN DEFINED BENEFIT OBLIGATIONS)

The liabilities of a defined benefit plan for outgoings due after the valuation date. Plan liabilities measured using the projected unit credit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

POOLED BUDGET

Arrangement permissible under the Health Act 1999 and National Health Service Act 2006 that provides an opportunity for partners to bring money together, in a discrete fund, to pay for the

services that are an agreed part of the pooled fund arrangement for the client group who are to benefit from one or all of the services. Organisations will agree at the outset the range of Health and Local Government services to be purchased and provided from a pooled fund.

PRECEPT

This is a charge levied by one public authority on the Council in order to finance its net expenditure. The precept is then collected on the preceptor's behalf by the Council by adding the precept to its own Council Tax and paying over the appropriate cash collected.

PRICE RISK

The risk that the value of financial instruments will fluctuate as a result of changes in market prices.

PRINCIPAL

Where the authority is acting on its own behalf, as opposed to as an intermediary on behalf of another party.

PROPERTY, PLANT AND EQUIPMENT

Tangible assets (i.e. assets that have physical substance) that are held for use in the production or delivery of goods and services, for rental to others, or for administrative purposes, and are expected to be used during more than one year.

PROJECTED UNIT CREDIT (ACTUARIAL COST) METHOD

An accrued benefits valuation method in which the plan's liabilities make allowance for projected earnings. An accrued benefits valuation method is a valuation method in which the plan liabilities at the valuation date relate to:

- (i) the benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependants, allowing, where appropriate, for future increases; and
- (ii) the accrued benefits for members in service on the valuation date

PROVISIONS

A liability of uncertain timing or amount.

REFCUS (REVENUE EXPENDITURE FINANCED FROM CAPITAL UNDER STATUTE)

Expenditure that is classified as revenue in accordance with proper accounting practices, but which statute determines may be financed by Capital sources of funding.

RELATED PARTIES

Related parties are those individuals and entities that the Council either has the potential to influence or control (or be influenced or controlled by). Related parties include Central Government, other bodies' precepting or levying demands on the Council Tax, its Members and its senior officers.

RELATED PARTY TRANSACTION

A related party transaction is the transfer of assets or liabilities or the performance of services by, to, or for, a related party irrespective of whether a charge is made. Related party transactions include the provision of services to a related party.

The materiality of related party transactions should be judged not only in terms of their significance to the authority, but also in relation to its related party.

REMEASUREMENT GAINS / LOSSES (PENSIONS)

The changes in estimated assets and liabilities, assessed by the actuary and arising because:

- (i) events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or
- (ii) the actuarial assumptions have changed

REMUNERATION

The Accounts and Audit Regulations 2015 require the disclosure of amounts paid to Officers, and define remuneration as:

'...all amounts paid to or receivable by a person, and includes sums due by way of expense allowance (so far as those sums are chargeable to United Kingdom income tax), and the estimated money value of any other benefits received by an employee otherwise than in cash.'

REVENUE EXPENDITURE

This is money spent on the day-to-day running costs of providing services and includes salaries, goods and services. It is often of a recurring nature and produces no permanent asset.

SENIOR EMPLOYEES

Senior employees are defined under the Local Government and Housing Act 1989. Within St Helens this is deemed to be the Chief Executive, Executive Directors, the persons designated as the statutory Monitoring Officer and Section 151 Officer of the Council and the officers holding the posts of Director of Children and Young People Services, Director of Adult Social Services and Director of Public Health. The former post of Assistant Chief Executive was also deemed to be that of a senior employee.

SETTLEMENT (PENSIONS)

An irrevocable action that relieves the employer of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligation and the assets used to effect the settlement. Settlement includes the transfer of scheme assets and liabilities relating to a group of employees leaving the Authority's scheme.

SOFT LOANS

Loans provided at below market interest rates. The difference between the market rate and the actual rate charged is recognised as a financial adjustment.

TERMINATION BENEFITS

Amounts payable as a result of either:

- an employer's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy or other form of voluntary severance in exchange for those benefits

USABLE AND UNUSABLE RESERVES

- Usable Reserves – Available to fund expenditure or reduce taxation (e.g. General Fund, Capital Receipts Reserve)
- Unusable Reserves – Held for accounting purposes only and not available to fund services (e.g. Revaluation Reserve, Pension Reserve)

USEFUL LIFE

The period over which the Local authority will derive benefits from the use of a non-current asset.



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