

**FINANCIAL MONITORING REPORT - PERIOD 2 2021/22**

**SECTION 1: SUMMARY**

**Revenue Budget**

- 1.1 This is the second quarterly Financial Monitoring Report of 2021/22 and covers the period from April 2021 through to September 2021. This report has been prepared excluding the implications of any other reports presented on the same agenda which may have budget implications. There will be one further quarterly monitoring report covering quarter 3 and a final outturn report covering the full-year financial performance for 2021/22.
- 1.2 At this stage in the year there is a forecast service overspend of £4.041m against the current revenue budget of £146.7m. Corporate variances will offset this by £2.528m resulting in a net budget overspend variation of £1.513m. This position:
- Excludes Covid-19 additional spending and commercial income losses, which will be offset by Emergency Grant and other Covid grants
  - Excludes Fees and Charges income losses compensated under the Sales Fees and Charges compensation scheme
  - Includes 2021/22 saving plans that are at risk of not being delivered during the year.
- 1.3 The Corporate variations are one off in nature for 2021/22. Without these variations the overall forecast position would have been significantly worse and resulted in a lower forecast level of general fund balances.
- 1.4 There are adverse forecast movements in a number of portfolios since the last report was considered by Cabinet on 14 July 2021, notably within Integrated Care and Health Portfolio (+£1.485m) and Children and Young People Portfolio (+£0.418m).
- 1.5 There is an urgent requirement for mitigating actions to be implemented by management to minimise the financial risk to the Council this year and in future years from increasing demand, non-delivery of savings and other prevailing budget pressures.
- 1.6 This report includes a summary at section 2.18 on the forecast financial position arising from Covid-19 in terms of additional costs and losses of income.
- 1.7 The costs of staff working on specific activities for which specific Government funding has been made available (for example, Community Testing) has been reflected in this report and is included within portfolio forecast outturn variations. In total across all portfolios this is forecast to be circa £0.550m, and it is anticipated that further staffing costs will be funded from specific Government funding during the remainder of this year

**2021/22 Savings Programme and Outlook**

- 1.8 The Council's 2021/22 budget was approved by Council on 3 March 2021, and in setting the budget members agreed to the delivery of £13.44m savings during the year. Section 3 provides a summary of the latest position and portfolio commentaries provide additional information in relation to the progress towards delivering the 2021/22 savings.
- 1.9 At this stage, 21.75% of savings equating to £2.923m are forecast to be at risk of not being delivered in the year. It must be noted that some of the savings annotated as 'green' deliverable in the year would present a significant financial risk should the saving fail to be

implemented. It is critical that action plans continue to be identified and implemented to ensure savings are managed and delivered and ensure 'green' savings remain on track.

### **Covid-19**

- 1.10 The 2021/22 Local Government Finance settlement provided some resource for Local Authorities to support the response to the coronavirus pandemic in 2021/22, of which St Helens was allocated £5.837m. In addition, the Sales, Fees and Charges (SFC) compensation scheme was extended to June 2021. At this stage in the year, the forecast additional spending and income loss for 2021/22 is £7.466m, which it is proposed will be funded from the in-year funding awarded, estimated income from the SFC compensation scheme, and should no further funding be available, to utilise Covid-19 grants earmarked at 31 March 2021. Section 2.18 to 2.20 provides further detail.

### **Financial Outlook**

- 1.11 It is recognised that the financial environment within which the Council operates presents significant financial challenges, particularly as the economy looks to recover from the impact of the coronavirus pandemic, and council finances remain uncertain. In addition to the key risk from the non-delivery of savings, other financial risks include pressures arising from demand led expenditure budgets, particularly within Integrated Care and Health, and also the potential for volatility within some income budgets.
- 1.12 With uncertainty over the mechanism and timetable of how funding for local government will change, as well as the continuing impact of Covid-19, the financial outlook remains challenging and uncertain.

### **Capital Budget**

- 1.13 The capital programme covers a three-year period through to 2023/24. The capital budget has been updated and the key revisions to the programme this quarter relate to the rephrasing of schemes to reflect latest forecast activity. In addition, the programme allows for new schemes that include:
- traffic signal improvements on the A58 and A572
  - site improvements at Haydock King George V Playing Field
  - a number of school condition improvement schemes

Further details are included in Annex E alongside commentary on progress on delivery of the most significant capital schemes.

- 1.14 Members will recall that as part of setting the 2021/22 budget a number of strategic capital investment schemes totaling £111.533m (2021-2024) were agreed in principle, subject to approval following detailed feasibility and design work. Annex F provides an update on the profile of the approved pipeline schemes and those that are still subject to approval for inclusion in the capital programme.

## **Reserves and Balances**

- 1.15 The report provides detail of the position on the Council's reserves and balances. Members will recall that as part of the Medium Term Financial Strategy the Council agreed to protect reserves in order to deliver agreed priorities and deliver its ambitious work programmes. Section 5.2 provides a summary of general earmarked reserves until March 2022, whilst Annex D provides details on the forecast level of general earmarked reserves to March 2024.
- 1.16 Based on the reported outturn position in Table 1 the projected level of general fund balances at March 2022 is forecast to be £10.970m.

## **Treasury Management**

- 1.17 This report includes the Interim Treasury Management Strategy Report 2021/22 at Annex G, which incorporates the treasury management position at September 2021.
- 1.18 A new loan of £6.0m has been secured with PWLB to finance costs of historic expenditure within the capital programme. This loan was taken at this time due to historically low rates and the potential for PWLB rates to increase in the future.

## **SECTION 2: REVENUE BUDGET**

- 2.1 The Budget and Forecast Outturn positions for 2021/22 excluding the pressures arising from Covid-19 related additional costs and losses of income, are summarised in Table 1. At this stage of the year there is a potential portfolio budget pressure of £4.041m. This figure includes planned budget savings which are at risk of not being delivered during 2021/22. The portfolio position has been offset by variations in corporate budgets of £2.528m.
- 2.2 For each portfolio, a commentary is provided detailing the progress in delivering budget savings, alongside an overview of the forecast portfolio budget position highlighting other significant variances against the current budget.
- 2.3 It must be noted there are adverse movements in a number of portfolios since the last report was considered by Cabinet on 14 July 2021, most notably within Integrated Care and Health Portfolio (+£1.485m) and Children and Young People Portfolio (+£0.418m).
- 2.4 There is an urgent requirement for mitigating actions to be implemented by management to minimise the financial risk to the Council this year and in future years from increasing demand, delivery of savings and prevailing budget pressures.
- 2.5 The progress towards the delivery of 2021/22 portfolio savings is detailed in Section 3.
- 2.6 Additional costs and income losses arising from Covid-19 are summarised in Table 2.

Non Covid-19 Financial Implications					
<b>Table 1 – Revenue Budget 2021/22</b>	<b>Current Budget</b>	<b>Forecast outturn at Q2</b>	<b>Variance at Q2 + / - (b)-(a)</b>	<b>Variance at Q1</b>	<b>Section Reference</b>
	<b>(a)</b>	<b>(b)</b>	<b>(b)-(a)</b>		
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
Education, Skills and Business	12,030	11,832	(198)	+125	2.8
Children and Young People	43,358	44,695	+1,337	+919	2.9
Integrated Care and Health	49,740	51,898	+2,158	+673	2.10
Wellbeing, Culture and Heritage	4,148	4,644	+496	+335	2.11
Finance and Governance	6,127	5,716	(411)	0	2.12
Reset and Recovery	1,313	1,259	(54)	0	2.13
Environment and Transport	18,599	19,065	+466	+701	2.14
Regeneration and Planning	2,701	3,052	+351	+188	2.15
Safer, Stronger Communities	8,650	8,546	(104)	(137)	2.16
<b>Net Portfolio Budgets</b>	<b>146,666</b>	<b>150,707</b>	<b>+4,041</b>	<b>+2,804</b>	
Levies & Precepts	21,829	21,829	0	0	
Capital Financing	(14,269)	(14,269)	0	0	
Restructuring Costs	2,000	2,000	0	0	
Treasury Management	11,933	10,272	(1,661)	(261)	2.17
Covid Legacy Costs	6,298	7,466	+1,168	0	
Transfers to / (from) Earmarked Reserves	(513)	(1,681)	(1,168)	0	
<b>Net Corporate Items</b>	<b>27,278</b>	<b>25,617</b>	<b>(1,661)</b>	<b>(261)</b>	
Collection Fund	(132,968)	(132,968)	0	0	
Top Up	(20,426)	(20,426)	0	0	
Section 31 Grant *	(6,961)	(6,961)	0	0	
Covid Funding	(6,298)	(6,298)	0	0	
Other Funding	(6,994)	(7,861)	(867)	0	2.17
<b>Funding</b>	<b>(173,647)</b>	<b>(174,514)</b>	<b>(867)</b>	<b>0</b>	
<b>NET POSITION 2021/22</b>	<b>297</b>	<b>1,810</b>	<b>+1,513</b>	<b>+2,543</b>	

\* Since the Council budget was approved the Government have announced an Extended Retail Discount scheme, thereby reducing the Council's income from business ratepayers in 2021/22. The Government will provide a separate section 31 Grant to compensate for this, which will need to be set aside in the Covid-19 reserve during 2021/22 to meet the associated deficit on the Collection Fund that will need to be funded in 2022/23. At this stage this is forecast to be in the region of £9.5m.

2.7 The previous budget approved by Cabinet on 14 July 2021 has been revised to include:

- (i) Approved use of earmarked reserves in the period, and rephasing of previously approved use of reserves during 2021/22 into 2022/23. In addition, one previously approved use of reserves has been identified as not being required and returned to reserves
- (ii) Neutral 'technical adjustments' between portfolios (e.g. recharges)

Details of portfolio budget movements can be found in Annex A.



This report also provides details of the forecast outturn position on a priority basis at Annex B.

### **Portfolio Budget Position**

For 2021/22 an in-year overspend of £4.041m against the current service budgets is being projected based on the respective forecast outturn positions, as shown in table 1.

Commentary in relation to the key portfolio variations is detailed in section 2.8 to 2.16, and section 2.17 provides a narrative on the corporate variations.

## **2.8 Education, Skills and Business**

<b>Education Skills and Business</b>	<b>Current Expend. Budget 2021/22 £000 (a)</b>	<b>Current Income Budget 2021/22 £000 (b)</b>	<b>Current Net Budget 2021/22 £000 (c)=(a)+(b)</b>	<b>Forecast Outturn 2021/22 £000 (d)</b>	<b>Variance Q2 2021/22 £000 (e) = (d)-(c)</b>	<b>Variance Q1 2021/22 £000</b>
<b>Children &amp; Young People Department</b>						
<b>Schools - Devolved Budget</b>						
School's Dedicated Budget	114,499	(114,499)	0	0	0	0
<b>Schools Total</b>	<b>114,499</b>	<b>(114,499)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Non Schools</b>						
Other Expenditure Attributable to Schools	7,569	(3,107)	4,462	4,332	(130)	0
Early Years Development (incl. PVI's)	8,288	(8,067)	221	216	(5)	0
Support for Children with SEND	8,578	(6,914)	1,664	1,549	(115)	0
Behaviour Support Services	3,431	(3,379)	52	52	0	0
Home to School/College Transport	3,235	(69)	3,166	3,216	+50	+50
Youth Service	390	(30)	360	385	+25	+75
Management & Other Support Services	3,786	(2,191)	1,595	1,575	(20)	0
<b>Non Schools Total</b>	<b>35,277</b>	<b>(23,757)</b>	<b>11,520</b>	<b>11,325</b>	<b>(195)</b>	<b>+125</b>
<b>Total People's Services</b>	<b>149,776</b>	<b>(138,256)</b>	<b>11,520</b>	<b>11,325</b>	<b>(195)</b>	<b>+125</b>
<b>Place Services Directorate</b>						
Economic Development	1,378	(1,033)	345	345	0	0
Place and Economic Delivery	165	0	165	162	(3)	0
<b>Total Place Services</b>	<b>1,543</b>	<b>(1,033)</b>	<b>510</b>	<b>507</b>	<b>(3)</b>	<b>0</b>
<b>Total (excl. Schools)</b>	<b>151,319</b>	<b>(139,289)</b>	<b>12,030</b>	<b>11,832</b>	<b>(198)</b>	<b>+125</b>

- 2.8.1 There are projected underspends (£140k) across a range of education services (Early Years Development, Support for Children with SEND and Management and Other Support Services). These underspends will help to mitigate against the pressures arising from the delivery of efficiencies within Home to School / College Transport (+£50k) and the Youth Service (+£25k) due to delays associated with restrictions and timescales for the consultation processes. These are currently being progressed within the department. There is also a forecast underspend (£130k) against budget provision for historical retirement costs associated with school based staff.

2.8.2 There continues to be financial challenges within the high needs block of the ring-fenced Dedicated Schools Grant (DSG) which is a situation faced by many local authorities. Funding within this block is not sufficient to meet the underlying level of demand for pupils with Statements or Education, Health and Care Plans, and those pupils who cannot be educated in a mainstream setting and require a place in a specialist independent provision. Any pressures arising will be charged against the grant and will impact on the DSG surplus /deficit position at 31 March 2022.

2.8.3 It is currently forecast that there is an overall budget underspend of £198k for the portfolio.

## 2.9 Children and Young People

Children and Young People	Current Expend. Budget 2021/22 £000 (a)	Current Income Budget 2021/22 £000 (b)	Current Net Budget 2021/22 £000 (c)=(a)+(b)	Forecast Outturn 2021/22 £000 (d)	Variance Q2 2021/22 £000 (e) =(d)-(c)	Variance Q1 2021/22 £000
Social Care and Commissioning Teams	9,806	(357)	9,449	9,587	+138	+64
Children Looked After	29,525	(4,003)	25,522	26,010	+488	+265
Child Protection	2,057	(103)	1,954	1,891	(63)	0
Children's Centres / Early Help Service	2,624	(524)	2,100	2,550	+450	+350
Support for Disabled Children	1,943	(385)	1,558	1,548	(10)	0
Family Support Services	2,871	(753)	2,118	2,472	+354	+240
Management & Other Support Services	2,673	(2,533)	140	125	(15)	0
Youth Offending Teams	1,284	(767)	517	512	(5)	0
<b>Total</b>	<b>52,783</b>	<b>(9,425)</b>	<b>43,358</b>	<b>44,695</b>	<b>+1,337</b>	<b>+919</b>

2.9.1 The forecast budget pressure associated with the care of children looked after (including those being supported by the Leaving Care Service) is estimated to be in the region of £652k. Budgetary provision has been reduced by over £1.5m in 2021/22 as part of the delivery of service efficiencies.

2.9.2 The department seeks to address demand for these services in a sustainable and safe way. This includes ensuring that the Early Help and Edge of Care services provide targeted help and support at the earliest opportunity, and through working collaboratively with partners. The department also seeks to ensure that effective discharge arrangements are in place so the overall children in care population can be safely reduced when appropriate. There is also a pressure on family support packages (£498k) designed to help young people remain in the family environment and avoid the need to be brought into more expensive fostering or residential care.

2.9.3 The department is in the process of developing a demand management strategy that will set out the measures and plans in place to help effectively manage demand. The Strategy will seek to ensure that only those children who need to come into care will do so, and will set out how, wherever possible and safe, we support children to remain in or return to their own families.

2.9.4 The department continues to actively review both its Early Help / Children's Centre and Edge of Care service offers. This process will help to deliver the transformational change required to ensure that good quality help and support is delivered to children and families,

whilst delivering the required service efficiencies totalling £2.359m over the 2021/22 and 2022/23 financial years. Whilst there is a projected budget pressure in respect of the Early Help / Children's Centre service (£450k), the Edge of Care service is forecast to underspend (£331k). The Edge of Care underspend is included within the Children Looked After and Family Support Services in the above table.

2.9.5 It is currently forecast that there is an overall budget pressure of £1.337m for the portfolio.

## 2.10 Integrated Care and Health

<b>Integrated Care and Health</b>	<b>Current Expend. Budget 2021/22 £000 (a)</b>	<b>Current Income Budget 2021/22 £000 (b)</b>	<b>Current Net Budget 2021/22 £000 (c)=(a)+(b)</b>	<b>Forecast Outturn 2021/22 £000 (d)</b>	<b>Variance Q2 2021/22 £000 (e) =(d)-(c)</b>	<b>Variance Q1 2021/22 £000</b>
Physical Support - Frail & Elderly	31,151	(18,874)	12,277	12,125	(152)	+106
Sensory Support	1,057	(197)	860	926	+66	+19
Support with Memory & Cognition	12,181	(4,905)	7,276	7,025	(251)	(646)
Learning Disability Support	27,822	(7,953)	19,869	22,407	+2,538	+969
Mental Health Support	3,999	(900)	3,099	3,248	+149	+333
Assistive Equipment & Technology	2,210	(1,609)	601	594	(7)	(6)
Care Management - Assessment & Review	8,298	(2,540)	5,758	5,658	(100)	(77)
Transport and Generic Services	1,401	(1,401)	0	(15)	(15)	(15)
Management & Support Services	4,397	(4,397)	0	(70)	(70)	(10)
<b>Total</b>	<b>92,516</b>	<b>(42,776)</b>	<b>49,740</b>	<b>51,898</b>	<b>+2,158</b>	<b>+673</b>

2.10.1 Current estimates of service demand and package costs show an anticipated pressure for the portfolio of £2.158m.

2.10.2 The increase since the last reporting period is due partly to a revised position re the savings proposals and an increase in activity in some areas.

2.10.3 The majority of savings are denoted as green, with the portfolio having delivered £3.670m of savings for 2021/22. A review of savings schemes at the half year point has resulted in £717k being reported as unlikely to be achieved in the current financial year. This mainly relates to the review of commissioned services particularly for those with a Learning Disability. As signposted in the budget savings process this was a very challenging target to meet, this was evidenced by the requirement to commission external project support in recent months. A scoping report is due in the coming weeks. Given the fundamental nature of the actions to realise savings in this area, the lead in time and resource commitment required, along with considering the current pressures already on the department, it is unlikely that this would be complete in 2021/22.

2.10.4 Occupancy in residential and nursing for the over 65 age group remains at anticipated levels at this point in the year. However, budgets for services for people requiring support for a Learning Disability are under pressure of £2.5m, of which £2m of this relates to Supported Living Services. This is a continuation of the demand seen in 2020/21 due to the high volume and complexity of care packages coming into the service in the last 18 months.

Reviews of care packages continue, and efficiencies will be identified in year where possible. Specialist project work resource is now in place, and it is anticipated that the service redesign in this area will address the underlying demand and complex package costs in the longer term for example via the introduction of co-produced care settings, similar to recent local developments in this area.

- 2.10.5 The department will be bringing forward a demand management strategy in the coming weeks which will identify the key demand areas of activity and cost along with potential actions to address underlying pressures in the medium to long term. This will also identify any mitigating actions that can be brought forward during the remainder of the year where possible.
- 2.10.6 The utilisation of Covid funding and anticipated staff slippage (£765k) is mitigating some of the pressures within the portfolio. This is a non-recurrent position.
- 2.10.7 Uncertainty remains around the reorganisation of the NHS over the coming year. As an integrated function, the portfolio will continue to work closely with Health colleagues and, as more details are received, any financial impact for the portfolio will be assessed and reported.

## 2.11 Wellbeing, Culture and Heritage

### (i) Public Health Services

Public Health Services	Current Expend. Budget 2021/22 £000 (a)	Current Income Budget 2021/22 £000 (b)	Current Net Budget 2021/22 £000 (c)=(a)+(b)	Forecast Outturn 2021/22 £000 (d)	Variance Q2 2021/22 £000 (e)=(d)-(c)	Variance Q1 2021/22 £000
Sexual Health	2,104	0	2,104	2,069	(35)	(39)
Primary Care	102	0	102	81	(21)	(16)
Public Health Advice	636	0	636	631	(5)	(4)
Obesity	1,072	0	1,072	1,149	+77	+77
Physical Activity	1,416	0	1,416	1,458	+42	+42
Substance Misuse	2,878	0	2,878	2,843	(35)	(46)
Stop Smoking Services and Interventions	546	0	546	604	+58	+49
Healthy Child Programme	4,723	0	4,723	4,688	(35)	(21)
Miscellaneous Public Health Services	1,492	(100)	1,392	1,428	+36	+31
Management & Support Services	2,184	(2,184)	0	(161)	(161)	(108)
Public Health Grant	0	(14,869)	(14,869)	(14,790)	+79	+35
<b>Total</b>	<b>17,153</b>	<b>(17,153)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 2.11.1 The Public Health Grant is currently expected to be balanced for the year. The savings programme is largely on track with a number of smaller savings being covered from in-year slippage whilst negotiations are still on-going with providers to agree permanent savings.
- 2.11.2 The savings of £359k denoted as at risk will be funded from the carried forward grant balance from 2020/21. Of this, £341k is due to public health grant allocation being uplifted by 0.67% in 2021/22, whereas the anticipated uplift was 5%. Any savings available from future grant uplifts will be dependent on grant conditions, such as the requirement in recent years to fund inflationary increases for staff costs relating to Health contracts.

2.11.3 Concerns have been raised by service providers regarding an increased level of activity within the Sexual Health and Substance Misuse contracts potentially leading to an increase in waiting times which could put some more vulnerable service users at risk. The Public Health team are looking at ways to mitigate this in year.

2.11.4 The Public Health Team have also secured additional funding of £912k in relation to programmes for Adult Weight Management, Drug Treatment Crime and Harm Reduction and Better Mental Health. These monies are all committed.

(ii) Culture and Heritage

<b>Culture and Heritage</b>	<b>Current Expend. Budget 2021/22 £000 (a)</b>	<b>Current Income Budget 2021/22 £000 (b)</b>	<b>Current Net Budget 2021/22 £000 (c)=(a)+(b)</b>	<b>Forecast Outturn 2021/22 £000 (d)</b>	<b>Variance Q2 2021/22 £000 (e) =(d)-(c)</b>	<b>Variance Q1 2021/22 £000</b>
Adult Community Learning	622	(615)	7	7	0	0
Arts Development & Support	427	(43)	384	384	0	(15)
Archiving	299	(138)	161	144	(17)	(5)
Sports Development	730	(407)	323	312	(11)	(11)
Indoor Sports & Recreation	4,309	(3,706)	603	919	+316	+98
Outdoor Sports & Recreation	469	(143)	326	342	+16	+24
Library Services	2,249	(155)	2,094	2,286	+192	+244
Tourism & Events	276	(26)	250	250	0	0
<b>Total</b>	<b>9,381</b>	<b>(5,233)</b>	<b>4,148</b>	<b>4,644</b>	<b>+496</b>	<b>+335</b>

2.11.5 This area of the portfolio is currently projecting a pressure of £496k.

2.11.6 The main area of unachieved saving in the portfolio relates to the implementation of the Localities model (£496k). A report on the Localities model was presented to Cabinet on 24 March 2021. Consultation has recently been completed on the Libraries Strategy, which is linked to the Localities model, but co-location of services will take some time to deliver. Slippage on vacant posts being held to mitigate the impact of the delay in implementation is £112k.

2.11.7 The budget saving within indoor sports and recreation in relation to commercial income generation of £89k is not being achieved at this juncture, management will continue to review alternative options to mitigate this saving.

## 2.12 Finance & Governance

Finance and Governance	Current Expend. Budget 2021/22 £000 (a)	Current Income Budget 2021/22 £000 (b)	Current Net Budget 2021/22 £000 (c)=(a)+(b)	Forecast Outturn 2021/22 £000 (d)	Variance Q2 2021/22 £000 (e) = (d)-(c)	Variance Q1 2021/22 £000
Local Tax Collection	2,595	(847)	1,748	1,682	(66)	0
Emergency Planning	83	0	83	72	(11)	0
Local Welfare Assistance Schemes	175	0	175	175	0	0
Grants & Donations	50	(4)	46	46	0	0
Non-Distributed Costs	2,004	0	2,004	2,004	0	0
Finance	6,865	(6,865)	0	(195)	(195)	0
Audit & Risk	820	(820)	0	(74)	(74)	0
Coroners Court Services	220	0	220	220	0	0
Registration of Births, Deaths & Marriages	216	(195)	21	21	0	0
Democratic Representation & Management	1,424	0	1,424	1,424	0	0
Elections	591	(185)	406	406	0	0
Human Resources	3,035	(3,035)	0	(65)	(65)	0
Legal Services	1,433	(1,433)	0	0	0	0
Governance & Administration	226	(226)	0	0	0	0
<b>Total</b>	<b>19,737</b>	<b>(13,610)</b>	<b>6,127</b>	<b>5,716</b>	<b>(411)</b>	<b>0</b>

2.12.1 Staffing slippage of £66k is forecast within the Local Tax Collection service based on current vacancies and assumptions. It is anticipated that additional slippage will arise across the portfolio as the year progress.

2.12.2 Staff slippage of £261k has arisen in relation to staff performing duties in response to the pandemic, and these related costs being funded from the various Covid-19 grants received by the Council. As the year progresses it is anticipated that this figure will increase.

2.12.3 The portfolio has received additional new burdens funding of £84k to support in the administration of the NHS Test & Trace Support Payment Scheme. It remains to be seen if additional grant funding will be awarded in relation to the ongoing Business Grants programmes.

2.12.4 Significant supplies and services budget savings were made across the portfolios for 2021/22 due to new ways of working. Current estimates suggest that expenditure for the financial year will be contained within budgets, but this will continue to be closely monitored as the year progresses and updates will be provided accordingly.

2.12.5 At this stage savings for the portfolio are expected to be achieved in 2021/22.



## 2.13 Reset & Recovery

<b>Reset and Recovery</b>	<b>Current Expend. Budget 2021/22 £000 (a)</b>	<b>Current Income Budget 2021/22 £000 (b)</b>	<b>Current Net Budget 2021/22 £000 (c)=(a)+(b)</b>	<b>Forecast Outturn 2021/22 £000 (d)</b>	<b>Variance Q2 2021/22 £000 (e) = (d)-(c)</b>	<b>Variance Q1 2021/22 £000</b>
Corporate Management	1,313	0	1,313	1,299	(14)	0
I.T.	8,160	(8,160)	0	0	0	0
Press and Public Affairs	957	(957)	0	(6)	(6)	0
Policy Development	1,648	(1,648)	0	(34)	(34)	0
Other Services	129	(129)	0	0	0	0
Corporate Training	739	(739)	0	0	0	0
<b>Total</b>	<b>12,946</b>	<b>(11,633)</b>	<b>1,313</b>	<b>1,259</b>	<b>(54)</b>	<b>0</b>

2.13.1 Staffing slippage of £34k is forecast within Policy Development based on current vacancies and assumptions. As the year progresses it is anticipated that this figure will increase.

2.13.2 Staff slippage of £20k has arisen in relation to staff performing duties in response to the pandemic, and these related costs being funded from the various Covid-19 grants received by the Council. As the year progresses it is anticipated that this figure will increase.

2.13.3 Significant supplies and services budget savings were made across the portfolios for 2021/22 due to new ways of working. Current estimates suggest that expenditure for the financial year will be contained within budgets, but this will continue to be closely monitored as the year progresses and updates will be provided accordingly.

2.13.4 At this stage savings for the portfolio are expected to be achieved in 2021/22.

## 2.14 Environment and Transport

<b>Environment and Transport</b>	<b>Current Expend. Budget 2021/22 £000 (a)</b>	<b>Current Income Budget 2021/22 £000 (b)</b>	<b>Current Net Budget 2021/22 £000 (c)=(a)+(b)</b>	<b>Forecast Outturn 2021/22 £000 (d)</b>	<b>Variance Q2 2021/22 £000 (e) = (d)-(c)</b>	<b>Variance Q1 2021/22 £000</b>
Parks & Open Spaces	2,283	(102)	2,181	2,270	+89	+110
Street Cleansing	1,790	(176)	1,614	1,563	(51)	(7)
Cemetery and Crematorium	1,434	(2,456)	(1,022)	(768)	+254	+80
Waste Collection	2,470	(738)	1,732	1,820	+88	+358
Recycling	5,409	(2,351)	3,058	3,058	0	+127
Parking Services	1,409	(1,527)	(118)	(122)	(4)	+33
Highway Maintenance	10,616	(1,933)	8,683	8,524	(159)	(165)
Street Lighting	1,784	(163)	1,621	1,613	(8)	(7)
Traffic Management & Road Safety	704	(213)	491	592	+101	+106
Direct Services	18,423	(18,389)	34	232	+198	+121
Management & Support Services	1,677	(1,677)	0	(42)	(42)	(55)
Councillor Improvement Fund	325	0	325	325	0	0
<b>Total</b>	<b>48,324</b>	<b>(29,725)</b>	<b>18,599</b>	<b>19,065</b>	<b>+466</b>	<b>+701</b>

- 2.14.1 The portfolio is projecting an overspend of £466k. This is an improved position from the previous report considered by Cabinet 14 July 2021 due to the mitigation of some savings within the portfolio.
- 2.14.2 The non-achievement of staffing savings across the portfolio is currently being offset by vacant posts being held to mitigate the impact of the implementation of the Phase 3 restructure.
- 2.14.3 The portfolio has a challenging income target for commercialisation and some action to mitigate the budget saving in waste collection has been implemented. However, work is ongoing to try to address the remaining projected shortfall of £96k.
- 2.14.4 Within the Recycling service there is a budget pressure of £208k on staffing costs. This is being offset by additional income from the sale of dry recyclates, reduced tipping fee charges for cardboard, underspends on supplies and services and vehicle hire.
- 2.14.5 Other pressures within the portfolio relate to shortfalls in income within the Cemetery and Crematorium Service of £163k and Direct Services - Grounds Maintenance of £185k. There is also a budget pressure within Direct Services -Transport of £178k, which relates to vehicle repair & maintenance costs.

## 2.15 Regeneration and Planning

Regeneration and Planning	Current Expend. Budget 2021/22 £000 (a)	Current Income Budget 2021/22 £000 (b)	Current Net Budget 2021/22 £000 (c)=(a)+(b)	Forecast Outturn 2021/22 £000 (d)	Variance Q2 2021/22 £000 (e) =(d)-(c)	Variance Q1 2021/22 £000
Building Control	630	(353)	277	282	+5	+13
Development Control	1,350	(952)	398	518	+120	+31
Planning Policy	881	(100)	781	756	(25)	(12)
Estates - Industrial & Commercial Premises (including Town Centre)	4,871	(5,126)	(255)	(146)	+109	+62
Market Undertakings	767	(477)	290	333	+43	+27
Economic Development	2,031	(1,191)	840	942	+102	+100
Growth Delivering Prosperity	330	(249)	81	81	0	0
Management & Support Services	1,209	(1,265)	(56)	(88)	(32)	0
Transport Planning, Policy & Strategy	2,279	(1,990)	289	271	(18)	+1
Building Support Services	5,770	(5,770)	0	(102)	(102)	(32)
Estates Management	400	(344)	56	205	+149	(2)
<b>Total</b>	<b>20,518</b>	<b>(17,817)</b>	<b>2,701</b>	<b>3,052</b>	<b>+351</b>	<b>+188</b>

- 2.15.1 The portfolio is projecting an overspend of £351k. The non-achievement of staffing savings is currently being offset by vacant posts being held to mitigate the impact of the implementation of the Phase 3 restructure.
- 2.15.2 Other pressures within the portfolio relate to additional premises costs for the Millennium Centre £68k and agency costs on Estates Management of £148k, where attempts to recruit to positions on a permanent basis have been unsuccessful in the last quarter.



- 2.15.3 There is also an anticipated shortfall in income projected for Development Control of £108k. This forecast assumes that some large application fees will come forward this year, the timing of which cannot be guaranteed.

## 2.16 Safer, Stronger Communities

<b>Safer, Stronger Communities</b>	<b>Current Expend. Budget 2021/22 £000 (a)</b>	<b>Current Income Budget 2021/22 £000 (b)</b>	<b>Current Net Budget 2021/22 £000 (c)=(a)+(b)</b>	<b>Forecast Outturn 2021/22 £000 (d)</b>	<b>Variance Q2 2021/22 £000 (e)=(d)-(c)</b>	<b>Variance Q1 2021/22 £000</b>
Housing Services	2,558	(1,764)	794	1,023	+229	+74
Homelessness	824	(521)	303	303	0	0
Housing Benefit Administration	49,753	(49,834)	(81)	(81)	0	0
Supporting People	5,250	0	5,250	4,794	(456)	(220)
Community Safety	1,278	(335)	943	935	(8)	(15)
Environmental Health	1,433	(415)	1,018	1,135	+117	+42
Trading Standards	534	(14)	520	471	(49)	(18)
Licencing & Land Charges	556	(653)	(97)	(34)	+63	0
<b>Total</b>	<b>62,186</b>	<b>(53,536)</b>	<b>8,650</b>	<b>8,546</b>	<b>(104)</b>	<b>(137)</b>

- 2.16.1 The portfolio is currently projecting an underspend of £104k. Current non- achievement of staff savings is projected to be £97k, although service reviews are ongoing in order to mitigate against the shortfall.
- 2.16.2 As a result of awarding two-year contracts to supporting people providers for the period through to 2022/23, a budget saving of £245k has been accelerated, and this will be utilised to offset other savings within Place Services. In addition, based on current levels of demand within the service a further £205k saving has been generated for the current year against the budget.
- 2.16.3 There is also a forecast income shortfall within the Environmental Health Service of £100k which is in relation to the Environmental Warden Service.

## 2.17 Corporate Items

- 2.17.1 The forecast Minimum Revenue Provision charge for 2021/22 reduced (£0.261m) as a consequence of rephasing of schemes within the capital programme into future years, as reported in the Revenue and Capital Outturn Report approved by Cabinet on 23 June 2021.
- 2.17.2 Debt management costs have been reduced (£1.450m) to reflect the profile of future capital expenditure funded by borrowing and decisions around the continued deferral of additional borrowing.
- 2.17.3 Investment interest has reduced by £0.050m as a result of the continued historically low bank rate and available market returns.

- 2.17.4 As part of the Mid Mersey Business Rates pooling arrangement with Warrington and Halton Councils, St Helens is due a sum of £867k in relation to previous financial years. This being a proportionate share of the levy savings that would otherwise have been payable in relation to Warrington's Business Rates growth. At this stage, it is anticipated that a further entitlement will be due for 2021/22, but this can only be confirmed when Warrington's outturn position for 2021/22 has been established.

### **Covid-19 Financial Implications**

- 2.18 Table 2 details the forecast pressures arising from additional spending and income losses during 2021/22, alongside the estimated funding available from Government Emergency Funding in 2021/22, and the Sales, Fees, and Charges (SFC) compensation scheme for the period April to June 2021. Should no further funding be available it is proposed to utilise the Covid earmarked reserve during 2021/22.

<b>Table 2 - Covid-19 Position</b>	<b>£000</b>
Forecast Additional Spending Pressures 2021/22	3,914
Forecast Loss of Sales, Fees & Charges Income 2021/22	3,006
Forecast Loss of Commercial and Other Income 2021/22	546
<b>Total Forecast Additional Costs / Income Loss</b>	<b>7,466</b>
Total Emergency Funding 2021/22	5,837
Budgeted SFC compensation scheme Income 2021/22	461
Utilisation of Reserves earmarked in 2020/21	1,168
<b>Total Funding</b>	<b>7,466</b>

- 2.19 The most significant area of additional expenditure relates to supporting hospital discharges. The key income loss areas relate to parking, leisure services, school meals, fees for attendance at day centres and court fee income. It should be noted that whilst attendance at leisure facilities is increasing, return to pre-covid levels has not yet been achieved due to new operating procedures, which mean reduced capacity in classes and areas of the business. Income losses for the above for the period April to June 2021 will be partly compensated through from the extended Sales, Fees and Charges (SFC) scheme.
- 2.20 Under the principles of the SFC compensation scheme income loss from commercial activities is excluded, and at this stage there is a forecast loss of circa £546k from rental income.

### **SECTION 3: IMPLEMENTATION OF 2021/22 SAVINGS PROPOSALS**

- 3.1 The Council's 2021/22 budget was approved by Council on 3 March 2021, and in setting the budget members agreed to the delivery of £13.44m savings during the year across all portfolios.
- 3.2 Table 3a below details the forecast position with regard to the deliverability of 2021/22 savings. At this stage, 21.75% of savings equating to £2.923m are forecast to be at risk of not being delivered in 2021/22. Management is continuing to review the plans for each saving to either ensure either the saving is made or alternative options to address that risk are identified. The table below includes mitigations for some savings that have not been fully implemented during the year.

<b>Table 3a - Progress of Budget Savings Proposals 2021/22</b>	<b>Total Saving 2021/22 £000</b>	<b>Saving Achievable 2021/22 £000</b>	<b>Slippage on Saving 2021/22 £000</b>	<b>Saving not Achievable 2021/22 £000</b>
Children's Services	3,486	2,284	1,142	60
Integrated Care and Health	4,387	3,670	0	717
Public Health	1,112	753	18	341
Place Services	3,352	2,707	395	250
Corporate Services	1,103	1,103	0	0
<b>Total</b>	<b>13,440</b>	<b>10,517</b>	<b>1,555</b>	<b>1,368</b>
<b>%</b>	<b>100%</b>	<b>78.25%</b>	<b>11.57%</b>	<b>10.18%</b>

- 3.3 It must be noted that some of the savings annotated as 'green' deliverable in the year would present a significant financial risk should the saving fail to be implemented. It is critical that action plans continue to be identified and implemented to ensure savings are managed and delivered and ensure 'green' savings remain on track.
- 3.4 The savings for Public Health included an assumed grant increase of 5%. The actual increase has been confirmed as 0.67% and therefore for 2021/22 this saving is not achievable.
- 3.5 Within Children's Services, there is some forecast slippage against savings targets, due to restrictions and timescales for the consultation processes. Sections 2.8 and 2.9 provide additional commentary. The department continues to actively progress these reviews and is seeking to limit and mitigate the financial pressures arising from delays in implementation.
- 3.6 In relation to Integrated Care and Health, a review of savings schemes at the half year point has resulted in £717k being reported as unlikely to be achieved in the current financial year. This mainly relates to the review of commissioned services particularly for those with a Learning Disability. However, the department will continue to explore mitigations in-year and progress project work to bring actions forward as soon as possible. Section 2.10 provides additional commentary.
- 3.7 Within Place Services, there has been a delay in the delivery of some savings, particularly in relation to service reviews and reductions in staffing costs. Vacant posts are being held to mitigate the impact pending the implementation of the Phase 3 structure. In addition, work is ongoing in relation to the challenging income targets for commercialism, with risk of non-delivery based on the current position and projections (see section 3.9). The approved saving in relation to Supporting People has been accelerated and this will partly offset the

financial risks of other Place Services savings that may not be delivered in 2021/22. Sections 2.11, 2.14, 2.15 and 2.16 provide further detail.

3.8 Table 3b details the deliverability of savings for 2021/22 by type of saving proposal.

3.9 As noted in section 3.7 above work is ingoing in relation to developing commercial income opportunities. A specific area of activity is in relation to optimising advertisement and sponsorship income across our physical estate. Examples include digital advertisement on suitable sites.

<b>Table 3b - Nature of Saving Proposal</b>	<b>Total 2021-22 £000</b>	<b>Green £000</b>	<b>Amber £000</b>	<b>Red £000</b>
<b>Integrated Care and Health Service Reviews</b>				
- Care Home Placement Modelling	1,320	1,320	-	-
- Learning Disability Service Reviews	1,090	631	-	459
- Commissioned Services	500	342	-	158
- Care Packages	857	857	-	-
- Other Services	620	520	-	100
<b>Total Integrated Care and Health</b>	<b>4,387</b>	<b>3,670</b>	<b>-</b>	<b>717</b>
<b>Children's Social Care Service Reviews</b>				
- Residential and Foster Care Placement /Young People Leaving Care	1,550	898	652	-
- Children's Centres and Early Help Services	700	250	450	-
- Family Support Services	480	480	-	-
- Department Wide	84	44	40	-
<b>Total Children's Social Care</b>	<b>2,814</b>	<b>1,672</b>	<b>1,142</b>	<b>-</b>
<b>Children's Services Service Reviews</b>				
- Education Services	145	145	-	-
- Young People's Services	150	150	-	-
- Department Wide	377	317	-	60
<b>Total Children's Services</b>	<b>672</b>	<b>612</b>	<b>-</b>	<b>60</b>
<b>Public Health Service Reviews</b>				
- Review of Public Health Funded Programmes	769	751	18	-
- Other Public Health	343	2	-	341
<b>Total Public Health</b>	<b>1,112</b>	<b>753</b>	<b>18</b>	<b>341</b>
<b>Place Service Reviews</b>				
- Councillor Improvement Fund	75	75	-	-
- Department Wide Service Reviews	2,013	1,629	384	-
- Supporting People	245	245	-	-
- Income Generation	567	306	11	250
- Other	452	452	-	-
<b>Total Place Services</b>	<b>3,352</b>	<b>2,707</b>	<b>395</b>	<b>250</b>
<b>Corporate Service Reviews</b>				
- Department Wide	360	360	-	-
- Income Generation	41	41	-	-
- Pensions Prepayment	330	330	-	-
- Other	372	372	-	-
<b>Total Corporate Services</b>	<b>1,103</b>	<b>1,103</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>13,440</b>	<b>10,517</b>	<b>1,555</b>	<b>1,368</b>
	<b>100%</b>	<b>78.25%</b>	<b>11.57%</b>	<b>10.18%</b>

## **SECTION 4: CAPITAL PROGRAMME 2021/22 to 2023/24**

- 4.1 The capital budget has been updated and the key revisions to the programme this quarter relate to the rephasing of schemes into future years, and the addition of new / revised schemes.

### **4.2 Rephasing of Schemes**

A number of schemes have been rephased across the 3-year programme of which the most significant are:

- (i) Rebuild of Ashurst Primary School (£4.0m rephased into 2022/23), pending approval of a revised scheme and appointment of the contractor.
- (ii) The A49 to M6 Junction Link Road (£7.1m rephased into 2022/23), subject to the outcome of the planning inquiry which has been delayed.
- (iii) The St Helens Southern Gateway Package (£1.6m rephased into 2022/23) to reflect that works at the Bull and Dog Roundabout and Linkway / Eltonhead Road will be undertaken in 2022/23.
- (iv) Recycling and Waste Collection, (£0.8m rephased into 2022/23) pending the completion of the Waste and Recycling Review.
- (v) Housing schemes have been rephased, following approval of the capital programme by Cabinet on 15 September 2021.
- (vi) Uncommitted school capital grants have been rephased into 2022/23 (£3.5m) to provide funding for future years schemes.

### **4.3 New Schemes**

- (i) Following a successful bid into the Department for Transport's Traffic Signals Maintenance Specific Grant scheme, the Council has been awarded £0.5m to deliver signal improvements on the A58 and A572 road network.
- (ii) Haydock King George V Playing Field - Site Improvements to £0.278m. The scheme includes improved sports facilities, children's play area, internal paths, site visibility and installation of CCTV.
- (iii) Various school condition schemes profiled across 2021/22 and 2022/23 to a total value of £0.945m, which include roof, window and boiler replacements, essential structural works and fire and health and safety work.

- 4.4 On 14 July 2021 Cabinet approved the revised total cost for the relocation of Penkford School (£7.636m) and that the budgetary provision within the capital programme would be increased by £0.708m (2022/23).
- 4.5 There are cost variations for two schemes in 2021/22, Bleak Hill Expansion +£0.413m and the A570 St Helens Linkway +£0.670m. Further details are provided in Annex E alongside commentary on the progress of other existing large capital schemes.
- 4.6 Table 4 presents a summary of the Council's current 3-year capital programme. The detailed programme is provided at Annex E.

<b>Table 4 - Capital Programme 2021/22 to 2023/24</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>
Education, Skills and Business	11,325	12,627	2,300
Children and Young People	110	0	0
Integrated Care and Health	55	0	0
Wellbeing, Culture and Heritage	1,020	0	0
Reset and Recovery	104	1,200	0
Environment and Transport	19,201	33,712	8,353
Regeneration and Planning	7,547	966	450
Safer, Stronger Communities	3,602	4,091	4,224
<b>Total</b>	<b>42,964</b>	<b>52,596</b>	<b>15,327</b>
<b>FINANCED BY</b>			
Grants and Other Contributions	21,525	46,413	13,427
Capital Receipts	3,952	1,771	592
Revenue Contribution	477	2,290	250
Borrowing	17,010	2,122	1,058
<b>Total</b>	<b>42,964</b>	<b>52,596</b>	<b>15,327</b>

- 4.7 In agreeing the Medium Term Financial Strategy 2021-2024 a number of strategic capital investment schemes were agreed in principle subject to approval following detailed feasibility and design work. Annex F provides an update on the profile of the approved pipeline schemes and those that are still subject to approval for inclusion in the capital programme.

## **SECTION 5: RESERVES AND BALANCES**

### **5.1 General Balances**

The general balances position at 31 March 2022 is forecast to be as follows, having regard to the net current forecast outturn position as detailed in Table 1. This position assumes that the Council's continued financial exposure from Covid-19 will be contained within the 2021/22 funding and the use of the Covid-19 reserve.

<b>Table 5 – General Balances</b>	<b>Original Estimate £000</b>	<b>Forecast Outturn £000</b>
General Balances at 1 April 2021	12,000	12,780
Net Position 2021/22	-	(1,810)
<b>General Balances at 31 March 2022</b>	<b>12,000</b>	<b>10,970</b>

The Council recognises that the level of reserves it should maintain must be set having regard to its future sustainability, priorities, and the operational and financial risks facing the authority. The Council's Reserve Strategy is included within the *Medium-Term Financial Strategy 2021-2024 and Revenue and Capital Budget 2021/22* report considered by Cabinet on 24 February 2021 and approved by Council on 3 March 2021.

### **5.2 General Earmarked Balances**

The forecast position in relation to Earmarked Balances at 31 March 2022 is provided in Table 6. Annex C details approved use of General Earmarked Balances during the period and Annex D provides details of General Earmarked Balances to 2023/24.

<b>Table 6 – General Earmarked Balances</b>	<b>£000</b>
General Earmarked Reserves at 1 April 2021	41,740
Forecast Net Position 2021/22	(11,297)
<b>Forecast General Earmarked Balances at 31 March 2022</b>	<b>30,443</b>

### **5.3 Schools Balances**

The projected position reflects schools' current spending plans for the financial year, as approved by the individual governing bodies.

<b>Table 7 – School Balances</b>	<b>£000</b>
School Balances at 1 April 2021	11,656
Forecast Net Position 2021/22	(656)
<b>Forecast School Balances at 31 March 2022</b>	<b>11,000</b>



#### 5.4 Usable Capital Receipts

<b>Table 8 – Usable Capital Receipts</b>	<b>£000</b>
Capital Receipts brought forward at 1 April 2021	23,466
Receipts set-aside for the Land and Property Acquisition Fund	(10,000)
Capital Receipts set aside to resource the Transformation Programme where the use of flexibilities can be applied (Cabinet 14 July 2021)	(1,500)
Receipts generated in year to date	0
Required to fund Capital Programme 2021/22 to 2023/24 *	(6,315)
<b>Available Balance (after taking commitments into account)</b>	<b>5,651</b>

\* Excludes building demolition costs at Redbank School site as detailed in the Cabinet Report of the 8<sup>th</sup> January 2019. The costs of demolition subsequently being reimbursed to the capital receipts reserve upon any future disposal of the site by Redbank Schools Ltd.

### SECTION 6: OTHER FINANCIAL MONITORING MATTERS

#### 6.1 Award of Transport Grants

The Council has been successful in bidding onto a series of regional and national funding opportunities culminating in a total award of £2.306m. This funding will support capital projects (£0.500m), see section 4.3 (i) and revenue projects (£1.806m) to develop outline designs supporting sustainable modes of transport, complimentary walking and cycling infrastructure and detailed designs for a bus station supporting the Council's transformational regeneration plans for St Helens Town Centre. The Cabinet report of 6 October 2021 includes further details.

#### 6.2 St Helens Town Deal

In July 2021, the Council received confirmation from the Department for Levelling Up, Housing and Communities (former Ministry for Housing, Communities and Local Government) that St Helens had been offered up to £25.0m from the Towns Fund which could be used to nurture and celebrate the cultural and industrial heritage of the borough. At its meeting on 6 October 2021, Cabinet endorsed the Heads the Heads of Terms for the Town Deal award and approved the submission of project confirmation documents that had been agreed by the Town Deal Board. Funding for delivery of the projects within the Town Deal will only be released on production of a full business case for each individual project and upon approval by Government, and when any related conditions have been met.

#### 6.3 Household Support Fund

On 30 September 2021 the Department for Work and Pensions (DWP) announced new national funding of £500m to support vulnerable households across the country, to help with essentials over the coming months as the nation continues to recover from the pandemic. St Helens has been awarded an indicative allocation of £1.8m. A separate report is included on the Cabinet agenda.

#### 6.4 Other External Grants

- 6.4.1 The Council has been awarded three additional revenue grants from Public Health England during the year in relation to:

- Adult Weight Management Services (£0.199m) to commission of / expansion of behavioural weight management services for adults. Delegated Executive Decision 0018 2021/22 provides further details.
- Drug Treatment and Harm Reduction (£0.419m) to enhance services with a focus on reducing drug related crime and deaths. Delegated Executive Decision 0063 2020/21 provides further details.
- Prevention and Promotion of Better Mental Health (£0.294m), this funding has been made available to address the mental health impacts of Covid-19 and ensure services can respond quickly and reduce pressures on Health. Delegated Executive Decision 0032 2021/22 provides further details.

6.4.2 The Department for Education has confirmed the 2021/22 grant allocations for a number of grants, the most significant are the Dedicated Schools Grant, (DSG) Universal Infant Free School Meals and Pupil Premium Grant. The allocations are broadly in line with previous announcements.

#### 6.5 Growth Delivering Prosperity Team

On 20 October 2021, Cabinet approved a report to establish a dedicated Growth Delivering Prosperity (GDP) Team to accelerate the delivery of the Borough's ambitious growth plans and focus on securing shared prosperity outcomes, environmental enhancements and tackling the borough's existing inequalities. The cost for 2021/22 is circa £0.430m, funded from external resources. It is proposed that the costs of the GDP Team will be funded from the flexible use of capital receipts in 2022/23 and 2023/24.

#### 6.6 St Helens and Earlestown Centre Masterplan Developments

Two reports were approved by Cabinet on 20 October 2021 in relation to St Helens Town Centre and Earlestown Town Centre Masterplan Developments. The reports set out ambitious long-term plan for investment in the town centres. There are no direct financial implications arising at this stage, however, in time, the implementation plans will require investment by the Council. The Medium Term-Financial Plan 2021-2024 made provision within the strategic pipeline capital schemes and identified indicative financing. Further financial analysis will be required of the revenue and capital forecasts as individual business cases are developed to ensure affordability and sustainability.

#### 6.7 Afghan Citizens Resettlement Scheme

The Council has given a commitment to resettle Afghan refugees into St Helens Borough through the Afghan Citizens Resettlement Scheme (ACRS). The Council will work in partnership with the Home Office and the NW Strategic Migration Partnership. Funding will be provided by the Home Office following the submission of grant claims. Delegated Executive Decision 0036 2021/22 provides further details.

## **SECTION 7 : TREASURY MANAGEMENT POSITION STATEMENT**

- 7.1 A summary of the Council's Treasury position at the end of the reporting period is included in Table 9. The Interim Treasury Management Strategy Report 2021/22 is included in Annex G.

<b>Table 9 – Treasury Management Position</b>	<b>As at 1 April 2021</b>	<b>As at Previous Period</b>	<b>As at Current Period</b>
Investments Outstanding	£137.4m	£153.6m	£148.3m
Investment Returns (average for the year to date)	-	0.36%	0.31%
Benchmark Returns	-	0.00%	0.01%
Borrowing	£121.6m	£121.6m	£124.5m

**Budget Movements since the previous reporting period**

**Annex A**

<b>PORTFOLIO</b>	<b>Approved Budget</b>	<b>Use of Earmarked Reserves in Period</b>	<b>Earmarked Reserves reprofiled into 2022/23</b>	<b>Earmarked Reserves not required</b>	<b>Technical &amp; Accounting Adjustments</b>	<b>Current Budget</b>
	<b>£000 *1</b>	<b>£000 *2</b>	<b>£000 *3</b>	<b>£000 *4</b>	<b>£000 *5</b>	<b>£000</b>
Education, Skills and Business	12,083	-	-	-	(53)	12,030
Children and Young People	43,358	-	-	-	-	43,358
Integrated Care and Health	49,740	-	-	-	-	49,740
Wellbeing, Culture and Heritage	4,188	-	(40)	-	-	4,148
Finance and Governance	6,237	50	-	-	(160)	6,127
Reset and Recovery	1,403	-	(250)	-	160	1,313
Environment and Transport	19,291	-	(855)	-	163	18,599
Regeneration and Planning	2,742	-	-	(35)	(6)	2,701
Safer, Stronger Communities	8,754	-	-	-	(104)	8,650
<b>TOTAL DIRECTORATE BUDGETS</b>	<b>147,796</b>	<b>50</b>	<b>(1,145)</b>	<b>(35)</b>	<b>0</b>	<b>146,666</b>
Council Wide Budgets	(147,499)	(50)	1,145	35	-	(146,369)
<b>Net Position 2020/21</b>	<b>297</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>297</b>

\*1 Approved budget as detailed in the report to Cabinet on 14 July 2021

\*2 Use of earmarked reserves during the period (see Annex C)

\*3 Earmarked reserves rephased into 2022/23 (see Annex C)

\*4 Earmarked reserves no longer required (see Annex C)

\*5 Neutral technical and accounting adjustments (e.g. recharges and transfers)

**Portfolio Budgets on a Priority Basis**

	<b>Current Net Budget 2021/22 £000</b>	<b>Forecast Outturn 2021/22 £000</b>	<b>Variance 2021/22 £000</b>
Priority 1 – Ensure children and young people have a positive start in life	54,878	56,020	+1,142
Priority 2 – Promote good health, independence and care across our communities	49,740	51,898	+2,158
Priority 3 – Create safe and strong communities and neighbourhoods for all	8,650	8,546	(104)
Priority 4 – Support a strong, thriving, inclusive and well-connected local economy	3,100	3,444	+344
Priority 5 – Create green vibrant places that reflect our heritage and culture	23,555	24,267	+712
Priority 6 – Be a responsible modern Council	6,743	6,532	(211)
<b>Total</b>	<b>146,666</b>	<b>150,707</b>	<b>+4,041</b>

### Utilisation of Earmarked Reserves during the period

### Annex C

This table details the approved decisions to utilise earmarked reserves during the period (a); previously approved usage of earmarked reserves rephased into 2022/23 (b); and previously approved use of earmarked reserves that have now been identified as not being required and returned to reserves (c).				
Portfolio / Corporate Items	Reserve	Detail	Decision Reference	Cash Limit Change 2021/22 £000
Finance and Governance (a)	Transformation	Additional capacity within Human Resources Management to support transformation	Administrative Decision CORP000895	+50
Reset and Recovery (b)	Essential Equipment Fund	IT Refresh Programme	Cabinet 18 September 2019	(250)
Environment and Transport (b)	Councillor Improvement Fund	Councillor Improvement Fund	n/a	(100)
Environment and Transport (b)	Transformation / Waste Management Development Fund	Recycling and Waste Review	Cabinet 24 October 2019	(755)
Wellbeing, Culture and Heritage (b)	Community Improvement	Rugby League World Cup	Cabinet 17 July 2019	(40)
Regeneration and Planning (c)	Transformation	Development of a Transport Model	Delegated Executive Decision 0082 2017/18	(35)
<b>Total</b>				<b>(1,130)</b>

**GENERAL EARMARKED RESERVES 2020/21 to 2023/24**

<b>Reserve</b>	<b>Balance at 1 April 2021 £000</b>	<b>Balance at 1 April 2022 £000</b>	<b>Balance at 1 April 2023 £000</b>	<b>Balance at 1 April 2024 £000</b>
Transformation Reserve *	18,377	8,052	16,446	16,401
Growth Reserve	6,571	5,171	4,171	4,171
Essential Equipment Fund	1,482	1,196	446	446
Councillor Improvement Fund	702	552	452	452
Insurance & Contingent Liability Reserve	4,518	4,518	4,518	4,518
Waste Management Development Fund	1,249	1,100	485	485
Inflationary Reserve	1,000	2,000	3,000	4,000
Community Improvement Reserve	997	627	587	587
Restructuring Reserve	1,617	1,617	1,617	1,617
Funding Reform and Volatility Reserve	5,227	7,227	9,227	11,227
<b>TOTAL</b>	<b>41,740</b>	<b>32,060</b>	<b>40,949</b>	<b>43,904</b>

\*During 2021/22, £9.149m will be used to fund the Pensions prepayment to Merseyside Pension Fund, with this sum being reimbursed during 2022/23.

The above table assumes the rebuilding of reserves as detailed with the Medium Term Financial Strategy 2021-2024.

The above table excludes:

- The sum of £510k approved as match funding to support a bid to the Department for Transport (DfT) for Highways Pinch Point Funding. The match is only required in the event the bid being approved by the DfT, as detailed in the Cabinet Report of 26 February 2020.
- Any funding requirement from Earmarked Reserves in relation to the Glass Futures Regeneration Programme approved by Cabinet on 7 October 2020.

CAPITAL PROGRAMME SUMMARY 2021/22 TO 2023/24

Education, Skills and Business Children and Young People Integrated Care and Health Wellbeing, Culture and Heritage Reset and Recovery Environment and Transport Regeneration and Planning Safer, Stronger Communities
<b>TOTAL</b>

Capital Programme			
2021/22	2022/23	2023/24	Total
£000	£000	£000	£000
11,325	12,627	2,300	26,252
110	0	0	110
55	0	0	55
1,020	0	0	1,020
104	1,200	0	1,304
19,201	33,712	8,353	61,266
7,547	966	450	8,963
3,602	4,091	4,224	11,917
<b>42,964</b>	<b>52,596</b>	<b>15,327</b>	<b>110,887</b>

Funding			
Borrowing	Capital Receipts	Revenue	Grants / Confs.
£000	£000	£000	£000
4,129	784	130	21,209
0	0	0	110
0	0	0	55
636	0	0	384
0	0	1,304	0
9,185	2,934	929	48,218
5,439	2,205	654	665
801	392	0	10,724
<b>20,190</b>	<b>6,315</b>	<b>3,017</b>	<b>81,365</b>



CAPITAL PROGRAMME 2021/22 TO 2023/24

EDUCATION, SKILLS AND BUSINESS PORTFOLIO	
<b>Primary Schools</b>	
Ashurst Primary Rebuild	
Bleak Hill Primary Expansion	
Bleak Hill Roof Repairs	
Garswood DDA	
Grange Valley Primary - Remodel Staff Room	
Legh Vale Heating Replacement	
Oakdene Primary Heating	
Queens Park Window Replacement	
Queens Park Roof Replacement	
Robins Lane Health & Safety Works	
Sutton Manor Health & Safety Works	
The District Primary - Nursery Provision	
<b>Secondary Schools</b>	
Cowley Roof Repacement	
<b>Special &amp; Other Schools</b>	
Launchpad Roof Renewal	
Penkford Relocation	
<b>Other Schemes</b>	
Various Schools Roller Shutters	
Various Schools Fire Risks	
Other Schemes less than £50k	

Capital Programme			
2021/22	2022/23	2023/24	Total
£000	£000	£000	£000
1,312	5,500	0	6,812
508	0	0	508
0	50	0	50
51	0	0	51
55	0	0	55
50	0	0	50
77	0	0	77
0	100	0	100
0	100	0	100
50	0	0	50
50	0	0	50
861	0	0	861
0	80	0	80
100	0	0	100
5,112	2,208	0	7,320
51	0	0	51
84	50	0	134
437	70	0	507

Funding			
Borrowing	Capital Receipts	Revenue	Grants / Confs.
£000	£000	£000	£000
0	0	0	6,812
0	0	0	508
0	0	0	50
0	0	0	51
0	0	45	10
0	0	0	50
0	0	0	77
0	0	0	100
0	0	0	100
0	0	0	50
0	0	0	50
0	0	0	861
0	0	0	80
0	0	0	100
4,129	784	85	2,322
0	0	0	51
0	0	0	134
0	0	0	507

<b>EDUCATION, SKILLS AND BUSINESS PORTFOLIO (Cont.)</b>
<b>Uncommitted Grant Funding</b>
Healthy Pupils Capital Funding
School Devolved Formula Capital
SEND Capital Grant
Basic Need Uncommitted
School Condition Funding Uncommitted
<b>TOTAL</b>

2021/22	2022/23	2023/24	Total
£000	£000	£000	£000
0	125	0	125
550	465	300	1,315
649	0	0	649
351	2,129	1,000	3,480
977	1,750	1,000	3,727
<b>11,325</b>	<b>12,627</b>	<b>2,300</b>	<b>26,252</b>

Borrowing	Capital Receipts	Revenue	Grants / Confs.
£000	£000	£000	£000
0	0	0	125
0	0	0	1,315
0	0	0	649
0	0	0	3,480
0	0	0	3,727
<b>4,129</b>	<b>784</b>	<b>130</b>	<b>21,209</b>

<b>CHILDREN AND YOUNG PEOPLE PORTFOLIO</b>
Children and Families Accommodation
<b>TOTAL</b>

2021/22	2022/23	2023/24	Total
£000	£000	£000	£000
110	0	0	110
<b>110</b>	<b>0</b>	<b>0</b>	<b>110</b>

Borrowing	Capital Receipts	Revenue	Grants / Confs.
£000	£000	£000	£000
0	0	0	110
<b>0</b>	<b>0</b>	<b>0</b>	<b>110</b>

<b>INTEGRATED CARE AND HEALTH PORTFOLIO</b>
Mental Health Tenancy Support
Unallocated Community Capacity Grant
<b>TOTAL</b>

2021/22	2022/23	2023/24	Total
£000	£000	£000	£000
30	0	0	30
25	0	0	25
<b>55</b>	<b>0</b>	<b>0</b>	<b>55</b>

Borrowing	Capital Receipts	Revenue	Grants / Confs.
£000	£000	£000	£000
0	0	0	30
0	0	0	25
<b>0</b>	<b>0</b>	<b>0</b>	<b>55</b>

<b>WELLBEING, CULTURE AND HERITAGE PORTFOLIO</b>
Libraries ICT Refresh
Newton Le Willows Health and Fitness Centre Equipment
Sutton Leisure Centre - Swimming Provision
Sutton Leisure Centre - Third Generation Pitch
<b>TOTAL</b>

2021/22	2022/23	2023/24	Total
£000	£000	£000	£000
53	0	0	53
65	0	0	65
391	0	0	391
511	0	0	511
<b>1,020</b>	<b>0</b>	<b>0</b>	<b>1,020</b>

Borrowing	Capital Receipts	Revenue	Grants / Confs.
£000	£000	£000	£000
53	0	0	0
65	0	0	0
391	0	0	0
127	0	0	384
<b>636</b>	<b>0</b>	<b>0</b>	<b>384</b>

<b>RESET AND RECOVERY PORTFOLIO</b>
ICT Device Refresh
<b>TOTAL</b>

2021/22	2022/23	2023/24	Total
£000	£000	£000	£000
104	1,200	0	1,304
<b>104</b>	<b>1,200</b>	<b>0</b>	<b>1,304</b>

Borrowing	Capital Receipts	Revenue	Grants / Confs.
£000	£000	£000	£000
0	0	1,304	0
<b>0</b>	<b>0</b>	<b>1,304</b>	<b>0</b>

ENVIRONMENT AND TRANSPORT PORTFOLIO
<b>Highway Schemes</b> A49 to M6 Junction 22 Link Road A570 St Helens Linkway A58 Liverpool Rd/A580 East Lancs Rd Junct.Impvts (Pewfall). KRN (Employment Hubs) Accessibility Improvements Supporting Regeneration Active Travel Fund - Tranche 1 Active Travel Fund - Tranche 2 Bridge Strengthening & Maintenance Carriageway Maintenance Highways Challenge Fund Highway / Road Investment Key Route Network LCR Sustainable Urban Development Local Safety Schemes Local Transport Plan Unallocated Safer Routes to Schools SCP - Amber Flashing Lights Section 106 Arrangements St.Helens Southern Gateway Package Street Lighting Traffic Calming & Restraint Traffic Management & Signing Traffic Signal Improvements on A58 and A572 Urban Traffic Control Walking & Cycling Measures

2021/22	2022/23	2023/24	Total
£000	£000	£000	£000
6,500	25,478	5,440	37,418
687	0	0	687
506	0	0	506
40	0	0	40
32	0	0	32
936	0	0	936
440	0	0	440
1,801	0	0	1,801
682	0	0	682
464	0	0	464
393	0	0	393
824	0	0	824
210	0	0	210
0	2,213	2,213	4,426
163	0	0	163
10	0	0	10
0	81	0	81
1,156	3,738	0	4,894
421	0	0	421
40	0	0	40
40	0	0	40
500	0	0	500
205	0	0	205
40	0	0	40

Borrowing	Capital Receipts	Revenue	Grants / Confs.
£000	£000	£000	£000
6,170	0	0	31,248
17	0	0	670
506	0	0	0
0	0	0	40
0	0	0	32
0	0	0	936
0	0	0	440
0	0	0	1,801
0	0	0	682
153	311	0	0
0	0	0	393
0	0	0	824
0	0	0	210
0	0	0	4,426
35	0	15	113
0	0	10	0
0	0	0	81
0	0	0	4,894
0	0	0	421
0	0	0	40
0	0	0	40
0	0	0	500
0	0	0	205
0	0	0	40

ENVIRONMENT AND TRANSPORT PORTFOLIO (Cont.)	
<b>Environmental Schemes</b> Climate Change Emergency Response Fund Haydock KGV Playing Field- Site Improvements Recycling & Waste Collection Section 106 Arrangements (Non-Highway Schemes)	
<b>Other Schemes</b> Vehicle Replacement Programme	
<b>TOTAL</b>	

2021/22	2022/23	2023/24	Total
£000	£000	£000	£000
120	0	0	120
278	0	0	278
0	800	0	800
53	0	0	53
2,660	1,402	700	4,762
<b>19,201</b>	<b>33,712</b>	<b>8,353</b>	<b>61,266</b>

Borrowing	Capital Receipts	Revenue	Grants / Conts.
£000	£000	£000	£000
120	0	0	0
0	0	149	129
0	45	755	0
0	0	0	53
2,184	2,578	0	0
<b>9,185</b>	<b>2,934</b>	<b>929</b>	<b>48,218</b>

REGENERATION AND PLANNING PORTFOLIO	
Demolition of Chalon Way Car Park Ground Conditions Survey Town Centre Development Town Centre Strategic Acquisition Town Hall Roof - Remedial Works Hardshaw Brook Depot Review Modernisation of St Helens Crematorium The Gamble Building and Earlestown Town Hall The Gamble Building (External works) Feasibility and Project Management	
<b>TOTAL</b>	

2021/22	2022/23	2023/24	Total
£000	£000	£000	£000
665	0	0	665
0	81	20	101
40	0	0	40
1,295	0	0	1,295
114	0	0	114
300	455	0	755
3,219	0	0	3,219
94	0	0	94
1,526	0	0	1,526
294	430	430	1,154
<b>7,547</b>	<b>966</b>	<b>450</b>	<b>8,963</b>

Borrowing	Capital Receipts	Revenue	Grants / Conts.
£000	£000	£000	£000
0	0	0	665
21	80	0	0
0	0	40	0
0	1,295	0	0
0	114	0	0
673	82	0	0
3,219	0	0	0
0	94	0	0
1,526	0	0	0
0	540	614	0
<b>5,439</b>	<b>2,205</b>	<b>654</b>	<b>665</b>

SAFER, STRONGER COMMUNITIES PORTFOLIO	
<b>Housing Schemes</b>	
Disabled Facilities Grants and Adaptations	
General Fund Housing (Housing Assistance)	
Housing Clearance and Enforcement	
Insulation Measures and Fuel Poverty	
<b>TOTAL</b>	

2021/22	2022/23	2023/24	Total
£000	£000	£000	£000
3,179	3,541	3,604	10,324
100	100	100	300
50	50	50	150
273	400	470	1,143
<b>3,602</b>	<b>4,091</b>	<b>4,224</b>	<b>11,917</b>

Borrowing	Capital Receipts	Revenue	Grants / Confs.
£000	£000	£000	£000
70	130	0	10,124
150	50	0	100
150	0	0	0
431	212	0	500
<b>801</b>	<b>392</b>	<b>0</b>	<b>10,724</b>

<b>TOTAL</b>
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<b>42,964</b>	<b>52,596</b>	<b>15,327</b>	<b>110,887</b>
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<b>20,190</b>	<b>6,315</b>	<b>3,017</b>	<b>81,365</b>
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## CAPITAL PROGRAMME 2021/22

EDUCATION, SKILLS AND BUSINESS PORTFOLIO	Previous Budget £000	New Schemes/ Funding Changes £000	Reprofiled into / from Future Years £000	Changes to be approved in this Period £000	Revised Budget £000	Narrative
<b>Primary Schools</b> Ashurst Primary Rebuild	5,312	0	-4,000	-4,000	1,312	<p>The Authority continues to assess the available options for the delivery of this scheme to ensure that best value is achieved, particularly in the context of an overall increase in the estimated cost of the proposed works. It is intended that a report will be presented to Cabinet in November 2021 to approve the revised scheme cost and the appointment of contractor to deliver the scheme. Subject to approval by Cabinet, it is anticipated that work on site will commence during late 2021 / early 2022 and funding has been reprofiled to reflect this. The expected build period is approximately twelve months.</p> <p>This scheme is now complete and the new facilities are operational. In order to deliver the works required and ensure appropriate oversight and assessment, there has been a need to extend the planned duration of the scheme, resulting in additional costs. Delivery of the scheme was also impacted by the coronavirus pandemic. Whilst ongoing, the works identified a number of issues that needed to be addressed that were not in the original cost plan. These included surveys for electrical diversion, works associated with an attenuation tank; foul drainage diversion; pump hire; widening of a footpath; and further tarmacadam / permeable surface costs. The Authority continues work to agree the final account with the contractor but it is currently anticipated that these additional costs will be in the region of £413k. This will be contained within confirmed, but currently uncommitted, Basic Need grant.</p> <p>Additional Funding- Delegated Executive Decision 0027 2021/22.</p> <p>This new scheme for 2021/22 (Administrative Decision ENVP001943) has now been completed. The works required have been delivered within the existing budget provision.</p>
Bleak Hill Primary Expansion	95	413	0	413	508	
Garswood DDA	21	30	0	30	51	
Grange Valley Primary - Remodel Staff Room	55	0	0	0	55	

EDUCATION, SKILLS AND BUSINESS PORTFOLIO (Cont.)	Previous Budget		New Schemes/ Funding Changes		Reprofiled into / from Future Years		Changes to be approved in this Period		Revised Budget		Narrative
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Legh Vale Heating Replacement	0	50	50	0	50	50	0	50	50	50	New Scheme - Delegated Executive Decision 0027 2021/22. It is anticipated that the scheme will be designed and delivered during the first quarter of 2022.
Oakdene Primary Heating	47	30	30	0	30	30	0	30	77	77	New Scheme - Delegated Executive Decision 0027 2021/22. Works have commenced and it is anticipated that these will be complete by early January 2022.
Robins Lane Health & Safety Works	0	50	50	0	50	50	0	50	50	50	New Scheme - Delegated Executive Decision 0027 2021/22. The Authority are progressing the design works with a view to the scheme being undertaken late 2021/22.
Sutton Manor Health & Safety Works	0	50	50	0	50	50	0	50	50	50	New Scheme - Delegated Executive Decision 0027 2021/22. The Authority are progressing the design works with a view to the scheme being undertaken late 2021/22.
The District CE Primary - Nursery Provision	825	36	36	0	36	36	0	36	861	861	Works commenced during the summer holiday period and are scheduled to complete late November 2021. The resources allocated this period ensure that the overall budget provision reflects the approved level, and estimated total cost of the scheme.
<b>Special &amp; Other Schools</b> Launchpad Roof Renewal	100	0	0	0	0	0	0	0	100	100	Delivery of the scheme has been paused pending the management board of the Pupil Referral Unit (of which Launchpad comprises one element) assessing the feasibility of relocating the Launchpad provision to an alternative site.
Penkford Relocation	5,112	0	0	0	0	0	0	0	5,112	5,112	Further to the report considered by Cabinet on 14th July 2021, works commenced on site during the summer holiday period. The Authority is working alongside the contractor to monitor the scheme's progress and it is still anticipated that the new premises will be delivered for the start of the 2022/23 academic year.



EDUCATION, SKILLS AND BUSINESS PORTFOLIO (Cont.)	
<b>Other Schemes</b>	
Various Schools Roller Shutters	
Various Schools Fire Risks	
Other Schemes less than £50k	
<b>Uncommitted Grant Funding</b>	
Healthy Pupils Capital Funding	
School Devolved Formula Capital	
SEND Capital Grant	
Basic Need Uncommitted	

Previous Budget	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
£000	£000	£000	£000	£000
26	25	0	25	51
34	50	0	50	84
232	235	-30	205	437
125	0	-125	-125	0
715	0	-165	-165	550
649	0	0	0	649
2,764	-413	-2,000	-2,413	351

Narrative	
<p>Additional Funding- Delegated Executive Decision 0027 2021/22. Schemes to be completed this financial year have been identified and work continues to be progressed.</p> <p>New Scheme - Delegated Executive Decision 0027 2021/22. Schemes are being designed and it is currently anticipated that works will be completed during this financial year.</p> <p>The 2021/22 Devolved Formula Capital budget provision reflects the estimated expenditure during the current financial year on schemes and equipment that schools have identified in their own plans as being priorities for them.</p> <p>Proposals to establish resourced provision for pupils with autism at two primary primary schools will be presented to Cabinet in November 2021. Options are also being developed to expand specialist provision within a mainstream secondary school.</p> <p>Basic Need capital grant is made available to ensure that there are adequate numbers of school places available. Officers work closely with schools and their governing bodies to deliver schemes required to ensure adequate availability, £2m confirmed but currently uncommitted funding has been reprofiled to 2022/23 to reflect approved schemes and also to ensure that sufficient resources are available for any future schemes. Further funding (£413k) has been allocated to the Bleak Hill Scheme (see above).</p>	

EDUCATION, SKILLS AND BUSINESS PORTFOLIO (Cont.)	
School Condition Funding Uncommitted	
<b>TOTAL</b>	

Previous Budget	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
£000	£000	£000	£000	£000
3,326	-976	-1,373	-2,349	977
19,438	-420	-7,693	-8,113	11,325

Narrative
Delegated Executive Decision 0027 2021/22 approved the usage of £945k to deliver a number of condition related schemes at schools. In addition, a further £36k has been allocated to District Nursery in line with the approved budget. There are also a number of minor variations across a range of schemes. A further £623k has been allocated to the Red Bank / Penkford development as approved by Cabinet on 14th July 2021, whilst £750k has been repahsed to 2022/23 to ensure that sufficient resources are available for future schemes.

CHILDREN AND YOUNG PEOPLE PORTFOLIO	
Children and Families Accommodation	
<b>TOTAL</b>	

Budget	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
£000	£000	£000	£000	£000
110	0	0	0	110
110	0	0	0	110

Narrative
This scheme relates to adaptations to two properties and it is anticipated works will be delivered during 2021/22, subject to planning approval where appropriate.

INTEGRATED CARE AND HEALTH PORTFOLIO	
Mental Health Tenancy Support	
Brookfield Centre Internal Door Replacement	
Unallocated Community Capacity Grant	
<b>TOTAL</b>	

Previous Budget	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
£000	£000	£000	£000	£000
30	0	0	0	30
25	-25	0	-25	0
0	25	0	25	25
55	0	0	0	55

Narrative
Scheme complete transfer balance of funding to unallocated grant.

WELLBEING, CULTURE AND HERITAGE PORTFOLIO	
Libraries ICT Refresh	
Newton Le Willows Health and Fitness Centre Equipment	
Sutton Leisure Centre - Swimming Provision	
Sutton Leisure Centre - Third Generation Pitch	
<b>TOTAL</b>	

Previous Budget	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
£000	£000	£000	£000	£000
53	0	0	0	53
65	0	0	0	65
391	0	0	0	391
511	0	0	0	511
<b>1,020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,020</b>

Narrative
Linked to Libraries review, anticipate spend Quarter 4.
Outstanding final contract payment and a piece of equipment for the pool, otherwise scheme complete.
The scheme is currently on hold pending a review of the costs. Additional surveys have been undertaken and a further report on options will be prepared for Cabinet.
Scheme practically completed 8 June 2021.

RESET AND RECOVERY PORTFOLIO	
ICT Device Refresh	
<b>TOTAL</b>	

Previous Budget	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
£000	£000	£000	£000	£000
354	0	-250	-250	104
<b>354</b>	<b>0</b>	<b>-250</b>	<b>-250</b>	<b>104</b>

Narrative
Funding has been reprofiled into 2022/23 to reflect the current activity.

ENVIRONMENT AND TRANSPORT PORTFOLIO	
<b>Highway Schemes</b>	
A49 to M6 Junction 22 Link Road	
A570 St Helens Linkway	
A58 Liverpool Rd/A580 East Lincs Rd Junct.Imprvts (Pewfall). KRN (Employment Hubs)	
Active Travel Fund - Tranche 1	

Previous Budget	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
£000	£000	£000	£000	£000
13,637	0	-7,137	-7,137	6,500
17	670	0	670	687
506	0	0	0	506
32	0	0	0	32

Narrative
Decision on planning inquiry was expected at the end of August 2021, this has now been delayed. Revised projection assumes all land purchases can be secured by 31 March 2022 and a start on site January 2022. Any further delays will impact on the scheme.
Delay on completion of scheme due to contractor going into administration. Likely to be completed November 2021. Anticipated overspend of £670k (12% on £5.5m scheme), subject to negotiation with the Administrator.
Scheme is practically complete.
Additional funding Cycle Hubs. Remaining budget will allow for the reduction of wands/cylinders on the segregated cycle way now established. This will assist with future sweeping / gully cleansing.

ENVIRONMENT AND TRANSPORT PORTFOLIO (Cont.)		Previous Budget					New Schemes/ Funding Changes		Reprofiled into / from Future Years		Changes to be approved in this Period		Revised Budget		Narrative
		£000		£000		£000		£000		£000		£000			
Active Travel Fund - Tranche 2		936	0	0	0	0	0	0	936	Public consultation has taken place. Funding for cycling and walking routes around Warrington Rd/ Sherdley Rd/ Clock Face Rd & Peasley Cross Lane. Advisors appointed to finalise the design. Majority of works planned for January-March 2022.  Highways Challenge (HCF) is split (Part 1) £492k of which £270k to be transferred to A570 Linkway. HCF (part 2) £460k, majority of work will be completed Oct / Nov 2021.  Investment in final phase of street lighting invest to save. Potential some delay due to lead in time for delivery of lanterns, may impact on delivery 2021/22. Will be reviewed for future reporting periods.  Tender awarded, report to Cabinet 6 October 2021. Improvements to Gerrards Bridge and Canal Greenway & Sankey Valley to Colliers Moss Greenway. The scheme will provide new & improved on and off-road footways / cycleways.  Slip schemes into 2022/23.  The design team envisage the CYCLOPS (junction improvement at the Bull and Dog Roundabout and Linkway / Eltonhead Road ) to be in the region of £3.5m and this will all be in 22/23. Based on the design and planning delays it is anticipated that 60% of all route improvements associated with the CYCLOPS scheme will be delivered this financial year.  At this stage it is anticipated that budget will be fully committed.  Scheme progressing, at this stage it is anticipated budget will be fully committed.  Overall budget is split £200k patching, £200k Footway repairs (works will be completed Nov.21), £300k Drainage repairs and conditioned survey work £100k. £340k for resurfacing A570 Linkway and the remainder on planned carriageway resurfacing which will be complete by March 22.					
Highways Challenge Fund		952	-270	0	0	0	-270	0	682						
Highway / Road Investment		464	0	0	0	0	0	0	464						
LCR Sustainable Urban Development		824	0	0	0	0	0	0	824						
SCP - Amber Flashing Lights		10	0	0	0	0	0	0	10	The design team envisage the CYCLOPS (junction improvement at the Bull and Dog Roundabout and Linkway / Eltonhead Road ) to be in the region of £3.5m and this will all be in 22/23. Based on the design and planning delays it is anticipated that 60% of all route improvements associated with the CYCLOPS scheme will be delivered this financial year.					
Section 106 Arrangements		81	0	-81	0	-81	0	0	0						
St. Helens Southern Gateway Package		2,774	0	-1,618	0	-1,618	0	0	1,156						
Local Transport Plan Unallocated		45	-45	0	0	0	-45	0	0	At this stage it is anticipated that budget will be fully committed.  Scheme progressing, at this stage it is anticipated budget will be fully committed.  Overall budget is split £200k patching, £200k Footway repairs (works will be completed Nov.21), £300k Drainage repairs and conditioned survey work £100k. £340k for resurfacing A570 Linkway and the remainder on planned carriageway resurfacing which will be complete by March 22.					
Accessibility Improvements Supporting Regeneration		40	0	0	0	0	0	0	40						
Bridge Strengthening & Maintenance		440	0	0	0	0	0	0	440						
Carriageway Maintenance		2,141	-340	0	0	0	-340	0	1,801						

ENVIRONMENT AND TRANSPORT PORTFOLIO (Cont.)					Narrative
Previous Budget	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget	
£000	£000	£000	£000	£000	
210	0	0	0	210	Advisors appointed to undertake a speed limit review of the Linkway, report due Nov 21. High friction surfacing completed on the Linkway, invoices awaited.  Progressing, anticipate at this stage budget will be committed.  Installation of 110 new lighting columns, to be installed early 2022.  Full spend anticipated in 2021/22. Full spend anticipated in 2021/22.  The Council was successful in a bid to the DfT for Traffic Signals Specific Maintenance Grant. Cabinet report 6 October 2021 approved acceptance of the grant. The scheme involves junction upgrades at Boardmans Lane/ Chancery Lane & Parr St./ Park Road and Ashcroft Street.  Reduction of budget £15k towards A570 Linkway.  Full spend anticipated in 2021/22.  Scheme progressing, approximately £100k worth of work completed to date, awaiting invoices from the contractor.
163	0	0	0	163	
421	0	0	0	421	
40	0	0	0	40	
40	0	0	0	40	
0	500	0	500	500	
220	-15	0	-15	205	
40	0	0	0	40	
393	0	0	0	393	
120	0	0	0	120	
0	278	0	278	278	Delegated Executive Decision has been approved for a Climate Change Response Fund to support the delivery of energy related projects. Grant applications are being processed. Anticipate spend Jan-Mar 22.  Delegated Executive Decision to improve facilities at Haydock KGV Playing Field including for both sports and community use. Improvements to childrens play area, internal paths, the development of a Trim Trail and installation of CCTV.  Delivery of Scheme is dependent on the Waste & Recycling Review, it is anticipated spend wil be in 2022/23.
800	0	-800	-800	0	
53	0	0	0	53	

Advisors appointed to undertake a speed limit review of the Linkway, report due Nov 21. High friction surfacing completed on the Linkway, invoices awaited.

Progressing, anticipate at this stage budget will be committed.

Installation of 110 new lighting columns, to be installed early 2022.

Full spend anticipated in 2021/22.

Full spend anticipated in 2021/22.

The Council was successful in a bid to the DfT for Traffic Signals Specific Maintenance Grant. Cabinet report 6 October 2021 approved acceptance of the grant. The scheme involves junction upgrades at Boardmans Lane/ Chancery Lane & Parr St./ Park Road and Ashcroft Street.

Reduction of budget £15k towards A570 Linkway.

Full spend anticipated in 2021/22.

Scheme progressing, approximately £100k worth of work completed to date, awaiting invoices from the contractor.

Delegated Executive Decision has been approved for a Climate Change Response Fund to support the delivery of energy related projects. Grant applications are being processed. Anticipate spend Jan-Mar 22.

Delegated Executive Decision to improve facilities at Haydock KGV Playing Field including for both sports and community use. Improvements to childrens play area, internal paths, the development of a Trim Trail and installation of CCTV.

Delivery of Scheme is dependent on the Waste & Recycling Review, it is anticipated spend will be in 2022/23.

Schemes to be identified.

ENVIRONMENT AND TRANSPORT PORTFOLIO (Cont.)	
<b>Other Schemes</b>	
Vehicle Replacement Programme	
<b>TOTAL</b>	

Previous Budget	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
£000	£000	£000	£000	£000
2,660	0	0	0	2,660
<b>28,059</b>	<b>778</b>	<b>-9,636</b>	<b>-8,858</b>	<b>19,201</b>

Narrative
At this stage it is anticipated the budget will be fully committed but will be dependent on delivery timescales due to the lead in period for some vehicles.

REGENERATION AND PLANNING PORTFOLIO	
Demolition of Chalon Way Car Park	
Ground Conditions Survey	
Town Centre Development	
Town Centre Strategic Acquisition	
Town Hall Roof - Remedial Works	
Hardshaw Brook Depot Review	
Modernisation of St Helens Crematorium	
The Gamble Building and Earlestown Town Hall	
The Gamble Building (External works)	

Previous Budget	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
£000	£000	£000	£000	£000
665	0	0	0	665
61	0	-61	-61	0
38	2	0	2	40
1,295	0	0	0	1,295
114	0	0	0	114
755	0	-455	-455	300
3,219	0	0	0	3,219
94	0	0	0	94
1,400	126	0	126	1,526

Narrative
The demolition of Chalon Way Car park is complete, site remediation works are ongoing.
No surveys anticipated 2021/22. Slip to 2022/23.
Internal works to one of the Church Square units, slight increase due to asbestos works.
Report considered at Cabinet 20 October 2021.
The works are complete and costs within budget.
A Depot Project group has been established to review the Corporate and Service needs of the Depot. Both long and short term developments will be considered. Once the needs review has been undertaken, external advisory support will be engaged in the design & costing of the site development. Health and Safety works are continuing.
Work commenced on site 14 June 2021, with completion due in March 2022. Phase 1, Toilet refurbishment has been completed.
Advisors appointed to progress tender specification. Award of contract for feasibility for Earlestown Town Hall is imminent.
Contract awarded 02/09/2021 (Delegated Executive Decision 0022 2021/22). Approved additional £126k funded from borrowing ( acceleration of funding from internal works pipeline schemes 2022/2023).

REGENERATION AND PLANNING PORTFOLIO (Cont.)	
Feasibility and Project Management	
<b>TOTAL</b>	

Previous Budget	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
£000	£000	£000	£000	£000
380	-86	0	-86	294
<b>8,021</b>	<b>42</b>	<b>-516</b>	<b>-474</b>	<b>7,547</b>

Narrative
Transfer to Revenue: Delegated Executive Decision 0021 2021/22 - Feasibility study in relation to Energy Infrastructure Network (£61k). Administrative Decision ENVP002077 - Feasibility Electric Vehicle Charging Point Strategy (25k).

SAFER, STRONGER COMMUNITIES PORTFOLIO	
<b>Housing Schemes</b>	
Disabled Facilities Grants and Adaptations	
General Fund Housing (Housing Assistance)	
Housing Clearance and Enforcement	
Insulation Measures and Fuel Poverty	
<b>TOTAL</b>	

Previous Budget	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
£000	£000	£000	£000	£000
4,508	0	-1,329	-1,329	3,179
60	0	40	40	100
99	0	-49	-49	50
384	0	-111	-111	273
<b>5,051</b>	<b>0</b>	<b>-1,449</b>	<b>-1,449</b>	<b>3,602</b>

Narrative
Re-phasing of funding as per Cabinet Report 15 September 2021.

<b>TOTAL ALL PORTFOLIOS</b>
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<b>62,108</b>	<b>400</b>	<b>-19,544</b>	<b>-19,144</b>	<b>42,964</b>
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## CAPITAL PROGRAMME 2021/22 FINANCING

EDUCATION, SKILLS AND BUSINESS PORTFOLIO	Revised Budget £000	FINANCING ELEMENTS					Total Funding £000
		Borrowing £000	Capital Receipts £000	Revenue Contributions / Reserves £000	Capital Grants £000	Capital Contributions £000	
<b>Primary Schools</b>							
Ashurst Primary Rebuild	1,312	0	0	0	1,312	0	1,312
Bleak Hill Primary Expansion	508	0	0	0	508	0	508
Garswood DDA	51	0	0	0	51	0	51
Grange Valley Primary - Remodel Staff Room	55	0	0	45	10	0	55
Legh Vale Heating Replacement	50	0	0	0	50	0	50
Oakdene Primary Heating	77	0	0	0	77	0	77
Robins Lane Health & Safety Works	50	0	0	0	50	0	50
Sutton Manor Health & Safety Works	50	0	0	0	50	0	50
The District Primary - Nursery Provision	861	0	0	0	861	0	861
<b>Special &amp; Other Schools</b>							
Launchpad Roof Renewal	100	0	0	0	100	0	100
Penkford Relocation	5,112	3,413	0	0	1,699	0	5,112
<b>Other Schemes</b>							
Various Schools Roller Shutters	51	0	0	0	51	0	51
Various Schools Fire Risks	84	0	0	0	84	0	84
Other Schemes less than £50k	437	0	0	0	437	0	437
<b>Uncommitted Grant Funding</b>							
School Devolved Formula Capital	550	0	0	0	550	0	550
SEND Capital Grant	649	0	0	0	649	0	649
Basic Need Uncommitted	351	0	0	0	351	0	351
School Condition Funding Uncommitted	977	0	0	0	977	0	977
<b>TOTAL</b>	<b>11,325</b>	<b>3,413</b>	<b>0</b>	<b>45</b>	<b>7,867</b>	<b>0</b>	<b>11,325</b>
<b>CHILDREN AND YOUNG PEOPLE PORTFOLIO</b>							
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Children and Families Accommodation	110	0	0	0	110	0	110
<b>TOTAL</b>	<b>110</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>110</b>	<b>0</b>	<b>110</b>



INTEGRATED CARE AND HEALTH PORTFOLIO	
Mental Health Tenancy Support	
Unallocated Community Capacity Grant	
<b>TOTAL</b>	

Revised Budget	
£000	
30	
25	
<b>55</b>	

New Schemes	Capital Receipts	Revenue Contributions / Reserves	Capital Grants	Capital Contributions
£000	£000	£000	£000	£000
0	0	0	30	0
0	0	0	25	0
<b>0</b>	<b>0</b>	<b>0</b>	<b>55</b>	<b>0</b>

Total Funding	
£000	
30	
25	
<b>55</b>	

WELLBEING, CULTURE AND HERITAGE PORTFOLIO	
Newton Le Willows Health and Fitness Centre Equipment	
Sutton Leisure Centre - Swimming Provision	
Sutton Leisure Centre - Third Generation Pitch	
<b>TOTAL</b>	

Revised Budget	
£000	
65	
391	
511	
<b>1,020</b>	

Borrowing	Capital Receipts	Revenue Contributions / Reserves	Capital Grants	Capital Contributions
£000	£000	£000	£000	£000
65	0	0	0	0
391	0	0	0	0
127	0	0	0	384
<b>636</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>384</b>

Total Funding	
£000	
65	
391	
511	
<b>1,020</b>	

RESET AND RECOVERY PORTFOLIO	
ICT Device Refresh	
<b>TOTAL</b>	

Revised Budget	
£000	
104	
<b>104</b>	

Borrowing	Capital Receipts	Revenue Contributions / Reserves	Capital Grants	Capital Contributions
£000	£000	£000	£000	£000
0	0	104	0	0
<b>0</b>	<b>0</b>	<b>104</b>	<b>0</b>	<b>0</b>

Total Funding	
£000	
104	
<b>104</b>	

ENVIRONMENT AND TRANSPORT PORTFOLIO	
<b>Highway Schemes</b>	
A49 to M6 Junction 22 Link Road	
A570 St Helens Linkway	
A58 Liverpool Rd/A580 East Lancs Rd Junct.Impvts (Pewfall). KRN (Employment Hubs)	
Accessibility Improvements Supporting Regeneration	
Active Travel Fund - Tranche 1	
Active Travel Fund - Tranche 2	
Bridge Strengthening & Maintenance	
Carriageway Maintenance	
Highways Challenge Fund	
Highway / Road Investment	
Key Route Network	
LCR Sustainable Urban Development	
Local Safety Schemes	
Safer Routes to Schools	
SCP - Amber Flashing Lights	
St.Helens Southern Gateway Package	
Street Lighting	
Traffic Calming & Restraint	
Traffic Management & Signing	
Traffic Signal Improvements on A58 and A572	
Urban Traffic Control	
Walking & Cycling Measures	
<b>Environmental Schemes</b>	
Climate Change Emergency Response Fund	
Haydock KGV Playing Field- Site Improvements	
Section 106 Arrangements (Non-Highway Schemes)	
<b>Other Schemes</b>	
Vehicle Replacement Programme	
<b>TOTAL</b>	

Revised Budget	£000
	6,500
	687
	506
	40
	32
	936
	440
	1,801
	682
	464
	393
	824
	210
	163
	10
	1,156
	421
	40
	40
	500
	205
	40
	120
	278
	53
	2,660
<b>TOTAL</b>	<b>19,201</b>

Borrowing	Capital Receipts	Revenue Contributions / Reserves	Capital Grants	Capital Contributions
£000	£000	£000	£000	£000
6,170	0	0	0	330
17	0	0	0	670
506	0	0	0	0
0	0	0	0	40
0	0	0	0	32
0	0	0	0	936
0	0	0	0	440
0	0	0	0	1,801
0	0	0	0	682
153	311	0	0	0
0	0	0	0	393
0	0	0	412	412
0	0	0	0	210
35	0	15	0	113
0	0	10	0	0
0	0	0	0	1,156
0	0	0	0	421
0	0	0	0	40
0	0	0	0	40
0	0	0	500	0
0	0	0	0	205
0	0	0	0	40
120	0	0	0	0
0	0	149	0	129
0	0	0	0	53
784	1,876	0	0	0
7,785	2,187	174	912	8,143

Total Funding	£000
	6,500
	687
	506
	40
	32
	936
	440
	1,801
	682
	464
	393
	824
	210
	163
	10
	1,156
	421
	40
	40
	500
	205
	40
	120
	278
	53
	2,660
<b>TOTAL</b>	<b>19,201</b>

REGENERATION AND PLANNING PORTFOLIO
Demolition of Chalon Way Car Park
Town Centre Development
Town Centre Strategic Acquisition
Town Hall Roof - Remedial Works
Hardshaw Brook Depot Review
Modernisation of St Helens Crematorium
The Gamble Building and Earlestown Town Hall
The Gamble Building (External works)
Feasibility and Project Management
<b>TOTAL</b>

Revised Budget
£000
665
40
1,295
114
300
3,219
94
1,526
294
<b>7,547</b>

Borrowing	Capital Receipts	Revenue Contributions / Reserves	Capital Grants	Capital Contributions
£000	£000	£000	£000	£000
0	0	0	665	0
0	0	40	0	0
0	1,295	0	0	0
0	114	0	0	0
218	82	0	0	0
3,219	0	0	0	0
0	94	0	0	0
1,526	0	0	0	0
0	180	114	0	0
<b>4,963</b>	<b>1,765</b>	<b>154</b>	<b>665</b>	<b>0</b>

Total Funding
£000
665
40
1,295
114
300
3,219
94
1,526
294
<b>7,547</b>

SAFER, STRONGER COMMUNITIES PORTFOLIO
Housing Schemes
Disabled Facilities Grants and Adaptations
General Fund Housing (Housing Assistance)
Housing Clearance and Enforcement
Insulation Measures and Fuel Poverty
<b>TOTAL</b>

Revised Budget
£000
3,179
100
50
273
<b>3,602</b>

Borrowing	Capital Receipts	Revenue Contributions / Reserves	Capital Grants	Capital Contributions
£000	£000	£000	£000	£000
40	0	0	3,130	9
50	0	0	50	0
50	0	0	0	0
73	0	0	200	0
<b>213</b>	<b>0</b>	<b>0</b>	<b>3,380</b>	<b>9</b>

Total Funding
£000
3,179
100
50
273
<b>3,602</b>

<b>TOTAL ALL PORTFOLIOS</b>
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<b>42,964</b>
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<b>17,010</b>	<b>3,952</b>	<b>477</b>	<b>12,989</b>	<b>8,536</b>
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<b>42,964</b>
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## STRATEGIC CAPITAL INVESTMENT SCHEMES 2021/22 to 2023/24

## Approved Schemes included in the Capital Programme 2021/22

				Approved capital spend profile		
Directorate	Service Area	Scheme Ref	Scheme Title	2021/22	2022/23	2023/24
				£000	£000	£000
Place	Place Services	PS8	Gamble Building (External works)	1,526	0	0
Place	Place Services	PS7	Climate Change *(see below)	120	0	0
<b>TOTALS</b>				<b>1,646</b>	<b>0</b>	<b>0</b>

## Other Pipeline schemes to be added to capital programme subject to feasibility and development of business cases

				Potential capital spend profile		
Directorate	Service Area	Scheme Ref	Scheme Title	2021/22	2022/23	2023/24
				£000	£000	£000
Place	Highway Assets - Place Services	PS1	Highway Infrastructure Investment	1,350	6,750	3,100
Place	Property (Operational) - Place Services	PS2	Asset Management – Operational Estate	700	5,700	3,900
Place	<b>Growth (Place Services)</b>	<b>PS3</b>	<b>Regeneration and Growth TOTAL</b>	<b>6,750</b>	<b>26,074</b>	<b>33,750</b>
		1	ECF phase 1 proposition	6,000	12,000	22,000
		2	Parkside Link Road (conditions)	0	0	8,000
		3	Church Square (remaining relocations)	0	1,000	0

				Potential capital spend profile		
Directorate	Service Area	Scheme Ref	Scheme Title	2021/22	2022/23	2023/24
				£000	£000	£000
		5	<i>Town Centre Bus Station</i>	0	1,000	0
		6	<i>Earlestown Town Hall</i>	500	1,500	0
		7	<i>St.Mary's Demolition</i>	0	1,250	1,250
		9	<i>Gamble Building (Internal Works)</i>	0	2,074	0
		10	<i>Youth Zone</i>	0	500	500
		11	<i>Cowley Hill and College Street Gateway</i>	0	1,000	2,000
		12	<i>Glass Futures Phase 2 (pre-development/ land)</i>	0	5,000	0
		13	<i>Public Realm, street furniture etc.</i>	250	750	0
Place	Place Services	PS4	Invest to save opportunities	0	3,200	7,000
Place	Place Services	PS5	Upgrade of CCTV system	401	350	0
Place	Place Services	PS7	Climate Change * (see above)	0	500	500
Corporate	Corporate Services	CS1	IT & Digital transformation	154	2,703	1,565
Corporate	Corporate Services	CS2	Ways of Working implementation	0	0	0

				Potential capital spend profile		
Directorate	Service Area	Scheme Ref	Scheme Title	2021/22	2022/23	2023/24
				£000	£000	£000
Corporate	Corporate Services	CS3	Next Generation Housing & Regulatory Services IT System	194	0	0
Children's	Children's Services	CH1	Rationalisation of Alternative Education sites	500	0	0
Children's	Children's Services	CH3	Children's Emergency Respite Provision	600	0	0
Children's	Children's Services	CH4	Demolition of Penkford Special School	0	500	0
Children's	Children's Services	CH5	District Primary School remodelling	250	0	0
Children's	Children's Services	CH6	Children's Residential Care Homes	400	400	400
Integrated Care & Health	Adults	ICH2	Adult Social Care Day Care	0	100	0
Integrated Care & Health	Adults	ICH3	Brookfield Resource Centre	0	50	0
Integrated Care & Health	Adults	ICH4	Learning Disability/Autism	1,000	0	0
<b>TOTALS</b>				<b>12,299</b>	<b>46,327</b>	<b>50,215</b>

## **INTERIM TREASURY MANAGEMENT STRATEGY REPORT**

### **1. Background**

- 1.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017) was adopted by Council on 28 February 2018.

The primary requirements of the Code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities;
- Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives;
- Consideration of an Annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, an Interim Review Report and an Annual Report (outturn report) covering activities during the previous year;
- Delegation by the Council of responsibilities for implementing and monitoring Treasury Management policies and practices and for the execution and administration of Treasury Management decisions; and
- Delegation by the Council for the role of scrutiny of the Treasury Management Strategy and Policies to a specific named body. For this Council, the delegated body is the Audit and Governance Committee.

- 1.2 This interim report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An update on Interest Rates and prospects for future Interest Rates;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy and an update on the current investment and borrowing portfolios;
- A review of any debt rescheduling undertaken and any possible opportunities during 2021/22;
- An update on other issues affecting Treasury Management;
- An update on the latest Treasury Management Budget position: and
- A review of compliance with Treasury Limits and Prudential Indicators for 2021/22 and forward Treasury Limits and Prudential Indicators for 2022/23 and 2023/24.

## 2. Interest Rate Forecasts

- 2.1 The Council's treasury advisor, Link Asset Services, has provided the following forecast:

%	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Bank Rate	0.10	0.10	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.75
5yr PWLB	1.40	1.40	1.50	1.50	1.60	1.60	1.60	1.70	1.70	1.70
10yr PWLB	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10
25yr PWLB	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.50
50yr PWLB	2.00	2.00	2.10	2.20	2.20	2.20	2.20	2.30	2.30	2.30

- 2.2 The Monetary Policy Committee (MPC), has left bank rate unchanged at 0.10% since reducing the rate twice in quick succession in March 2020 in response to the coronavirus pandemic, voting unanimously at its last meeting, on 23 September 2021, to maintain the rate. The forecast above is based upon the latest information.
- 2.3 Due to remaining uncertainties in the economy, including developments in the labour market, the current rate of inflation and future expectations, and the long-term impact of Covid-19, the Bank of England have stated that it will continue to monitor the situation closely and stands ready to adjust monetary policy accordingly to deliver its objectives.
- 2.4 The Chancellor of the Exchequer sent a letter to the Governor of the Bank of England on the same day as the Budget, 27 October 2021, which restated the Government's target of inflation of 2%, as measured by the 12-month increase in Consumer Prices Index. The letter also set out the Government's commitment to price stability; the MPC will consider what actions are needed to achieve these at future meetings.
- 2.5 At the time of drafting the initial Treasury Management Strategy, Link Asset Services had envisaged that the bank rate would remain at 0.10% until at least the first quarter of 2024. This forecast was produced prior to the current movements in inflation and was consistent with other forecasters' estimates.
- 2.6 The current forecast is that there will be incremental rate increases over the same period, rising to 0.25% in the second quarter of 2022, to 0.50% a year later and increasing to 0.75% in the first quarter of 2024. However, a cautious note has been made regarding this potential increase due to the MPC statement that it wants to assess future changes in the economy, and particularly to employment once the furlough scheme ceases at the end of September.
- 2.7 The first quarter of 2021/22 has seen the UK experience an increase in GDP of 5.5%, which means the level of UK GDP is now just 3.3% below where it was prior to the Covid-19 pandemic. Movements in GDP over the rest of the financial year are challenging to predict due to concerns about the economy arising from uncertainty about the ongoing impact of Covid and rising fuel prices.



- 2.8 Link Asset Services also highlight the fact that, due to uncertainty and potential volatility in markets, there is a wide spread of potential outcomes during the forecast period and forecasting remains difficult. Bank Rate forecasts will be liable to further amendment depending upon how economic data and developments in financial markets transpire over the next year.
- 2.9 The above forecasts for PWLB rates are based upon the PWLB certainty rate, which was introduced in November 2012; this rate reduces PWLB borrowing by 0.20% for most local authorities, including St Helens.
- 2.10 The matters raised above apply equally when forecasting future movements in PWLB borrowing rates.

### **3. Treasury Management Strategy and Annual Investment Strategy Update**

#### **3.1 Investments**

The Treasury Management Strategy Statement for 2021/22 was previously considered by Cabinet on 24 February 2021 and approved by Council on 3 March 2021. The Council's Annual Investment Strategy, which is incorporated in the Treasury Management Strategy Statement, outlines the Council's investment priorities as the security of capital and liquidity of investments.

The Council aims to achieve the optimum return (yield) on its investments, commensurate with the proper levels of security and liquidity, and having properly assessed all inherent risks, as detailed in its Treasury Management Practices (TMP's).

Further detail of the Council's investment portfolio is provided to Cabinet and Council as part of each Financial Monitoring Report. The Council held £148.261m of investments at 30 September 2021 (£137.400m at 31 March 2021) and the following table provides details of the investment returns achieved thus far during 2021/22.

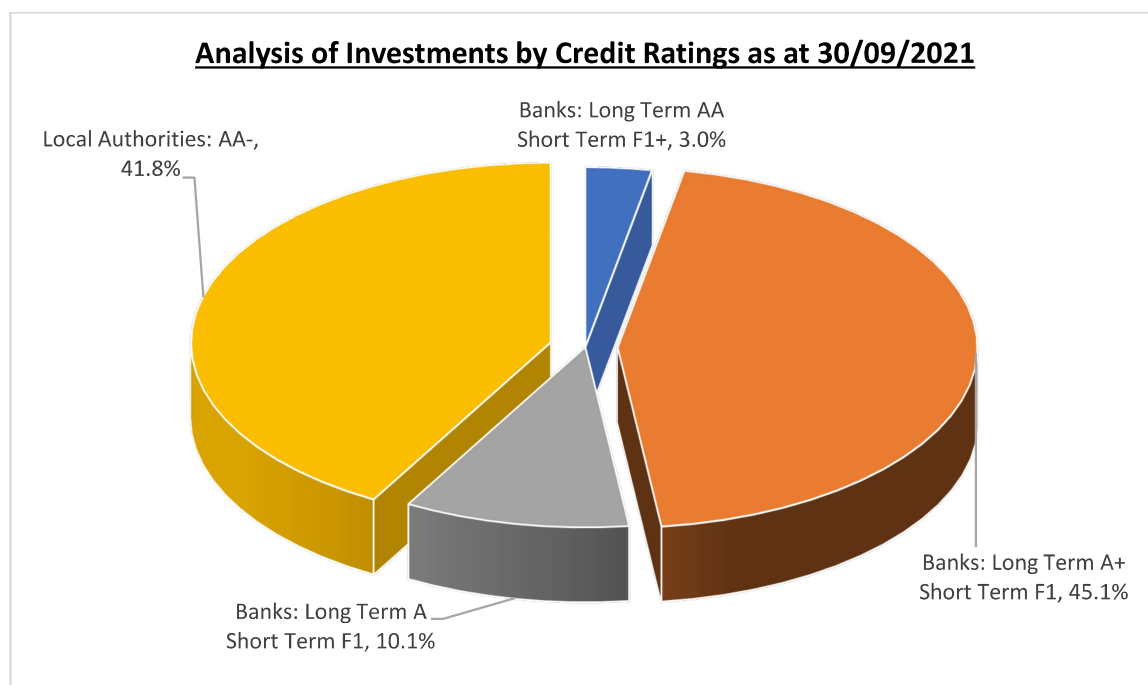
At the mid-point in the year, cash holdings have increased from the balances held at the end of 2020/21, as a consequence of the current profile of income received from grant being received earlier in the year whereas the Council's expenditure profile tends to occur more evenly across the year. The cash position has also been impacted upon by additional receipts received in response to the Covid-19 pandemic.

Despite the continued limitations on the availability of high-quality counterparties, the Council's investments have continued to achieve returns above the benchmark returns as detailed in the following table. Any sudden changes in rates will impact upon performance against benchmarks as investment decisions need to be made based upon both the desire to maximise interest returns and managing the liquidity of the authority's investments for cashflow purposes, whilst, most importantly, ensuring the security of investments. For a number of years, where possible, the Council has taken advantage of favourable rates and locked into investment deals for longer periods.

### Investment Returns 2021/22 up to 30/09/2021

	<u>Returns Achieved</u>			<u>Benchmark Returns</u>			<u>Performance relative to Benchmarks</u>		
	Fixed Term Investments	Call Accounts	Combined Return	1 Year LIBID	7 Day LIBID	Combined LIBID	Fixed Term	Call	Overall +/- return
April	0.511%	0.075%	<b>0.365%</b>	0.040%	-0.080%	<b>-0.000%</b>	0.471%	0.155%	<b>0.365%</b>
May	0.535%	0.069%	<b>0.333%</b>	0.040%	-0.080%	<b>-0.012%</b>	0.495%	0.149%	<b>0.345%</b>
June	0.455%	0.060%	<b>0.305%</b>	0.050%	-0.080%	<b>0.001%</b>	0.405%	0.140%	<b>0.304%</b>
July	0.423%	0.055%	<b>0.294%</b>	0.060%	-0.080%	<b>0.011%</b>	0.363%	0.135%	<b>0.283%</b>
August	0.376%	0.058%	<b>0.275%</b>	0.090%	-0.080%	<b>0.036%</b>	0.286%	0.138%	<b>0.239%</b>
September	0.401%	0.067%	<b>0.302%</b>	0.140%	-0.080%	<b>0.075%</b>	0.261%	0.147%	<b>0.227%</b>

The following chart details the split of the Council's investment by type and the credit rating assigned to the different groups of Counterparties.



### 3.2 Council's Investment Strategy and Counterparty Criteria

The investment strategy approved in the Treasury Management Strategy Statement is currently being adhered to and forming the basis upon which Officers have operated thus far. The counterparty criteria, which practically forms the basis on which Officers make decisions regarding those institutions with whom the Council will deal, is subject to constant review during the year and, through delegation to the Executive Director of Corporate Services, this can be amended by way of Administrative Decision.

A programmed review of the Council's counterparty criteria regarding local authorities is currently being undertaken. Any decision to amend counterparty criteria will be reported to Members within future reports.

### 3.3. Borrowing

The Council has an ambitious Capital Strategy for the next three years, including the programme of Growth / Regeneration for the Borough. External borrowing will be necessary to fund these plans.

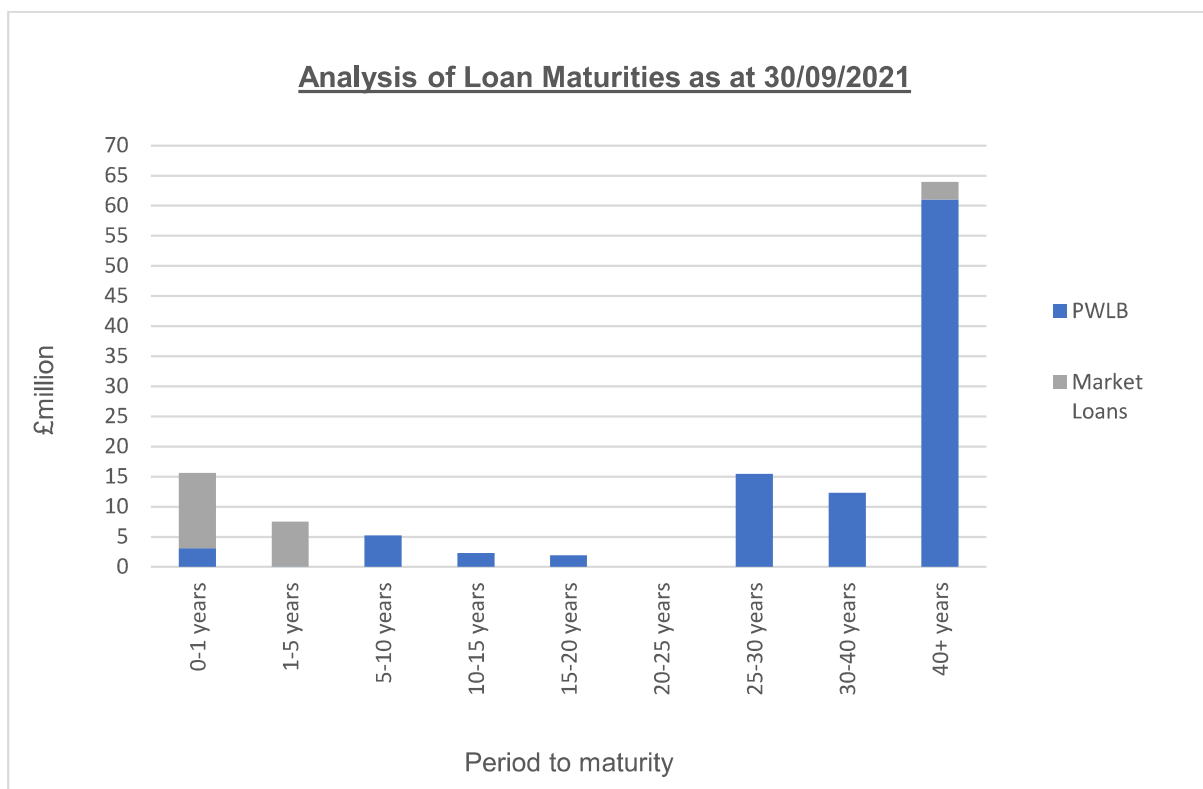
Borrowing should be aligned to the profile of these plans and undertaken at the most opportune time required to fund these schemes / plans, whilst minimising interest rate exposure. Current forecasts, provided by our treasury management advisors and shown in section 2.1, are for a steady rise in PWLB rates across the next 3 years. Current advice from Link Asset Services is that the Council should undertake borrowing in line with capital spend plans, to lock in the current preferential rates and reduce the risk of exposure to future interest rate increases.

To exemplify this point, deferring borrowing until a later date could have significant financial implications; an increase of 0.5% on the underlying rates on a £10m maturity loan, over a 50 year lifetime, would add an additional £2.5m of debt servicing costs.

The strategy of financing capital expenditure by running down cash balances (i.e. in lieu of new borrowing) was formulated predominantly to minimise credit risks associated with holding investments and to protect the Council's budgetary position against diminishing investment returns. The strategy also allows for borrowing to be undertaken when it is deemed most opportune, based upon current and forecast PWLB interest rates. That rationale still holds good, and, in that context, it is considered that the Borrowing Strategy approved is still fit for purpose. However, it must be noted that this strategy has led to the Council having an "underborrowed" position, in that borrowing to fund historic capital spend has been deferred and may need to be secured at some stage in the future. The issue of when this borrowing may need to be secured needs to be considered in light of the forecast movements in PWLB borrowing rates.

Due to the underborrowed position and historically low PWLB rates, new external borrowing of £6m was undertaken from the PWLB. This borrowing was undertaken on 12 August 2021 for a period of 50 years at a rate of 1.49% and further borrowing in the near future will be considered. The timing of such activity is sensitive to prevailing interest rates and forecast movements in those rates, which will be closely monitored in consultation with the Council's appointed advisors.

The Council has outstanding debt of £124.467m, with a weighted average rate of borrowing of 3.976%. The following chart shows the maturity profile of the loan portfolio as at 30 September 2021.



In accordance with the revised Prudential Code, the maturity of borrowing should be determined by reference to the earliest date on which the lender can require payment. If the lender does have the right to increase the interest rate payable (as is the case with a Market Loan (LOBO – Lender Option Borrower Option loan)), then this should be treated as a right to require payment. Due to this guidance the maturity dates of the Council’s LOBO loans have been profiled as the next call date for each. This has made the Council’s position look much more short-term when all of these loans have maturity dates of 30+ years. In the current interest climate and in light of recent experience whereby lenders have not sought to increase rates at call dates, it is unlikely that these loans will be called imminently.

In the current economic climate, and with the current structure of PWLB interest rates, there have been no viable opportunities to restructure debt in 2021/22.

### 3.4 Budget Estimates

The budgeted and projected treasury costs for 2021/22 are detailed in the table below.

<u>Treasury Management Budget 2021/22</u>	2021/22 Allowed Estimate £M	2021/22 Revised Estimate £M	2021/22 Difference £M
<u>Debt Management Costs</u>			
External Interest	9.188	7.738	(1.450)
Revenue Provision (repayment of principal)	3.439	3.178	(0.261)
Investment Interest	(0.694)	(0.644)	0.050
<b>Total Treasury Cost</b>	<b>11.933</b>	<b>10.272</b>	<b>(1.661)</b>

- 3.5 Debt management costs have been reduced to reflect the profile of future capital expenditure funded by borrowing and decisions around the continued deferral of additional borrowing. Revenue provision has reduced as a consequence of the re-phasing of schemes within the 2020/21 capital programme into future years, as reported to Cabinet at its meeting on 14 July 2021. Investment interest has reduced as a result of the continued historically low bank rate and available market returns.

#### **4. Treasury Limits and Prudential Indicators**

- 4.1 It is a statutory duty under Section 3 of the Local Government Act 2003 and supporting Regulations for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Affordable Borrowing Limit". The Council's approved Treasury Limits and Prudential Indicators (affordability limits) were outlined in the approved Treasury Management Strategy Statement.
- 4.2 During the financial year to date, the Council has operated within the Treasury Limits and Prudential Indicators approved by and in compliance with the Council's Treasury Management Practices. A copy of the latest Treasury Limits and Prudential Indicators are attached at Annex 1. Such revisions predominantly arise due to changes in the Council's approved capital programme.
- 4.3 The pipeline capital schemes included within the Capital Strategy and referenced in Section 3.3 are not included within the Treasury Limits and Prudential Indicators in Appendix 1, until such time as they are formally approved and included within the Capital Programme. Amended Treasury Limits and Prudential Indicators will need to be revised and approved as part of that process.

#### **5. Other Matters**

- 5.1 Earlier in 2021, CIPFA undertook consultation exercises in relation to proposed changes to *The Prudential Code for Capital Finance and Local Authorities* and the *Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes*. Following feedback to these initial consultations, further exercises were commenced on 21 September 2021.
- 5.2 The latest consultations contain a number of amendments including:
- A requirement for local authorities to monitor Prudential Indicators quarterly;
  - Updated guidance on Prudential Indicators, including the introduction of a new indicator and amendments to a couple of existing indicators;
  - A requirement to document a Knowledge and Skills Schedule for each role involved in the Treasury Management function;
  - Clarity around the definition of investments and an objective within the Prudential Code for "proportionate investments";
  - The introduction of a requirement for Investment Management Practices; and
  - Amendments to a number of Treasury Management Practices.
- 5.3 The closing date for the latest consultation exercises is 16 November 2021 and the Council will be providing responses to both consultations.

**Treasury Limits and Prudential Indicators 2021/22 to 2023/24**

			2021/22 Estimates	2022/23 Estimates	2023/24 Estimates
1(i)	Proposed capital expenditure that the Council plans to commit to during the forthcoming and subsequent two financial years.	<b>Capital Expenditure (£m)</b>	42.964	52.596	15.327
1(ii)	Additional in-year financing/(borrowing) requirement for capital expenditure.	<b>In Year Capital Financing Requirement (CFR) (£m)</b>	13.832	(1.746)	(3.079)
2	The CFR is an aggregation of historic and cumulative capital expenditure, which has yet been paid for by either revenue or capital resources.	<b>Capital Financing Requirement as at 31 March (£m)</b>	191.585	189.838	186.760
3	The “net borrowing” position represents the net of the Authority’s gross external borrowing and investments sums held.	<b>Net Borrowing Requirement:</b>  External Borrowing (£m)  Investments Held (£m)  Net Requirement (£m)	124.459  (125.000)  (0.541)	121.354  (120.000)  1.354	118.249  (115.000)  3.249
4	Identifies the impact and trend of the revenue costs of capital financing decisions will have on the General Fund Budget over time.	<b>Ratio of financing cost to net revenue stream</b>	5.98%	6.25%	5.99%

			2021/22 Estimates	2022/23 Estimates	2023/24 Estimates
5	The Council's Budget Strategy, as a general principle is that no unsupported borrowing should be undertaken as a means of financing capital expenditure plans.	<b>Incremental impact of capital investment decisions (increase in Council Tax Band D equivalent)</b>	NIL	NIL	NIL
6	This represents an absolute limit of borrowing at any one point in time. It reflects the level of external debt, which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.	<b>Authorised Limit for External Debt (£m)</b>	192.566	192.219	189.023
7	This is the limit beyond which external debt is not normally expected to exceed.	<b>Operational Limit for External Debt (£m)</b>	176.249	172.772	169.231
8	These limits seek to ensure that the authority does not expose itself to an inappropriate level of interest rate risk and has a suitable proportion of debt.	<b>Upper Limit for Fixed Interest Rate Exposure</b>	100%	100%	100%
		<b>Upper Limit for Variable Interest Rate Exposure</b>	50%	50%	50%

			2021/22 Estimates	2022/23 Estimates	2023/24 Estimates
9	This limit seeks to ensure liquidity and reduce the likelihood of any inherent or associated risk.	<b>Upper Limit for Sums Invested over 365 Days</b>	60%	60%	60%
10	This indicator is used to highlight where an authority may be borrowing in advance of need.	<b>Gross Debt and the CFR (£m)</b>	(45.666)	(47.734)	(48.531)