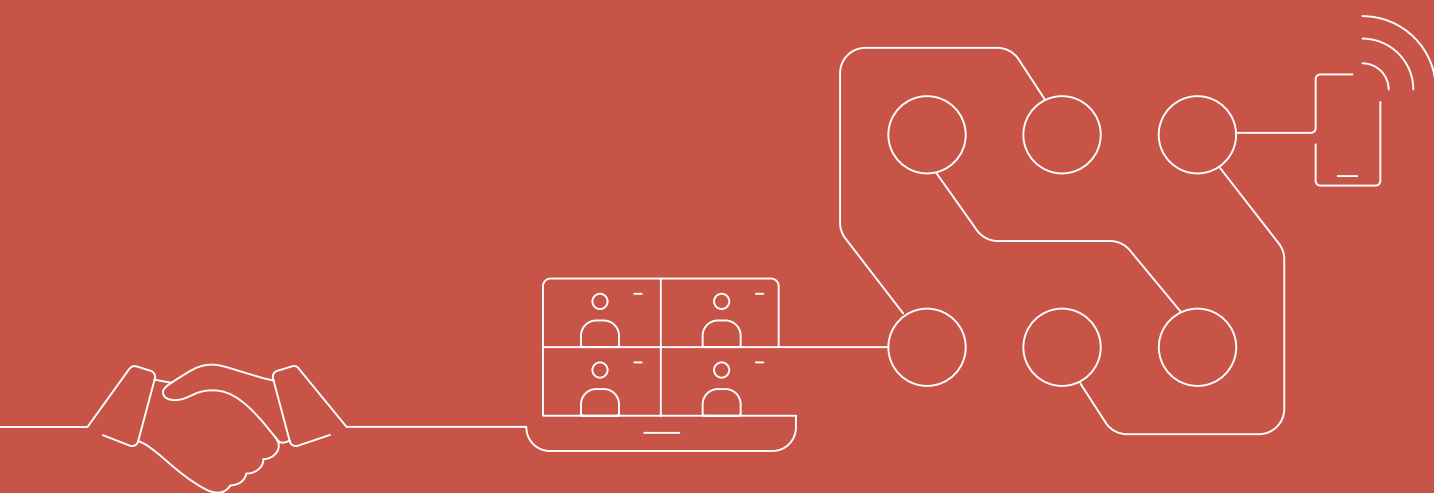




STATEMENT OF ACCOUNTS

2020-2021



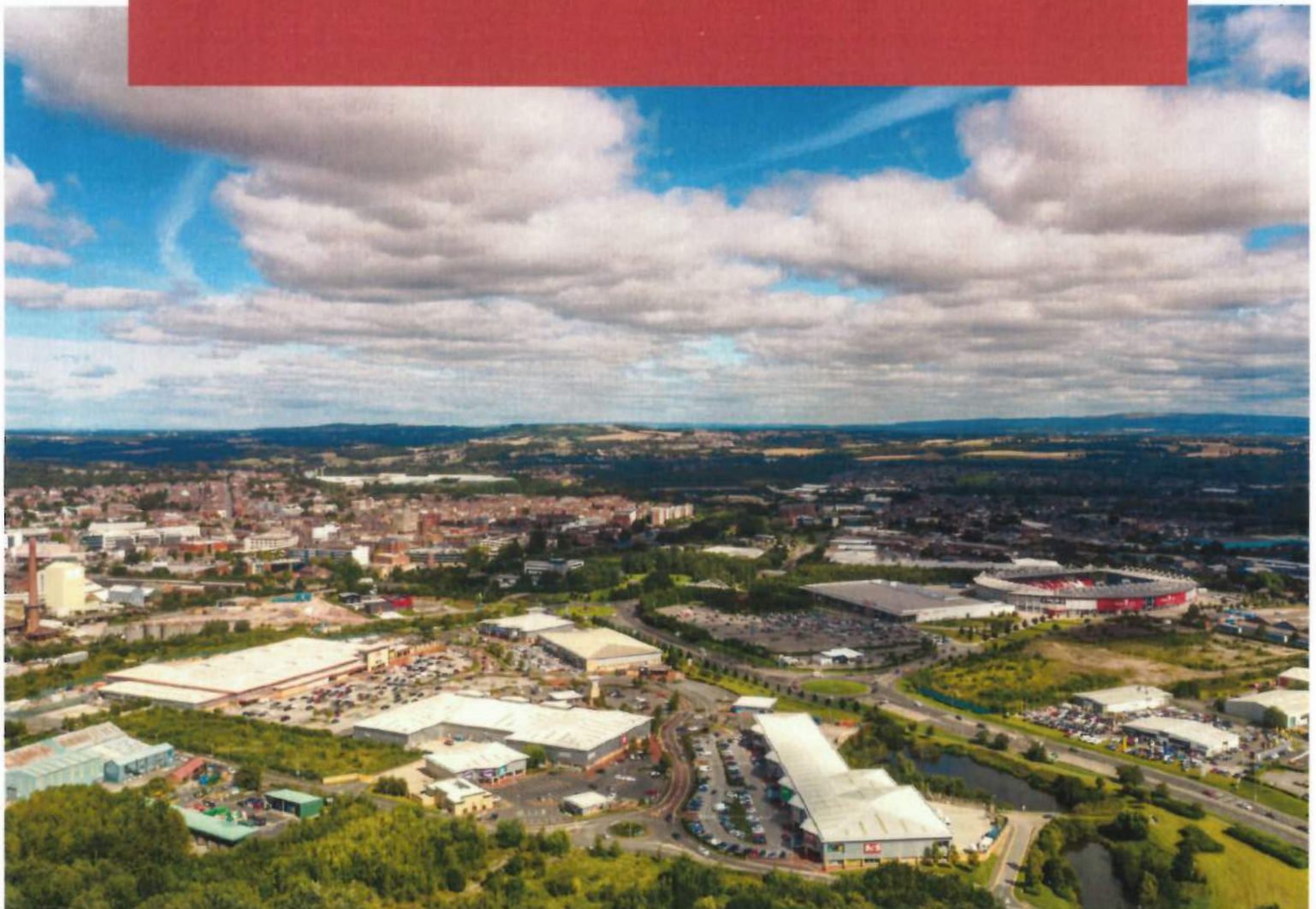
APPROVAL OF ACCOUNTS

I confirm that these Accounts were approved by the Audit and Governance Committee at its meeting held on 8 November 2021.

Lynn Clarke

Chair of meeting approving the Accounts

Date: 8 November 2021





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NARRATIVE REPORT BY THE EXECUTIVE DIRECTOR OF CORPORATE SERVICES

1. Introduction to the Narrative Report

This Narrative Report provides an overview of St Helens Borough Council, including the key issues impacting on the council and its accounts. It provides a summary of the council's financial position as at 31 March 2021, and an outline of its operational environment and wider performance, whilst going on to consider risk and the future. The Narrative Report is set very much within the context of the COVID-19 pandemic; the most challenging emergency the UK and local authorities have faced for generations. The Narrative Report is structured as follows:

- Introduction to St Helens.
- Key facts about St Helens.
- Council - political and management structure.
- Council operating model - partnerships and strategic planning.
- Operational environment.
- Council financial summary and resource allocation 2020-2021.
- Council performance summary 2020-2021.
- Risk management.
- Future outlook.
- Conclusion.

The Report also includes a brief explanation of the Financial Statements that follow.

2. Introduction to St Helens

St Helens Borough Council is one of the six local Merseyside authorities that make up the Liverpool City Region. St Helens holds a strategic position at the heart of the North West, linking the conurbations of Liverpool and Manchester. Located

on the West Coast Main Line and Trans-Pennine rail network and sitting directly on the M62 and M6, St Helens has unrivalled accessibility and connectivity. The regional airports of Manchester and Liverpool and the enhanced port of Liverpool are also within short travelling distance. St Helens' location and access make it perfectly situated to take advantage of future developments associated with the Superport, rail freight, logistics and manufacturing.

St Helens covers an area of 136 square kilometres, of which approximately half is rural, and half is urban. St Helens was once a highly industrialised area and has a proud heritage of coal mining, railways and world-famous glass and chemical industries. The decline of these industries in the second half of the 20th century led to significant economic restructuring and a resultant reduction in jobs and business opportunity, the legacy of which is still seen in many of the ongoing challenges facing the borough.

Recent years have seen considerable positive change with the development of new industry, businesses, housing, transport infrastructure and green spaces. With access to a workforce of over 3 million within one hours travel time, St Helens remains a place of great potential.

Despite the challenges, the council's aspirations for the borough remain high and the creation of additional economic growth remains a key priority if it is to succeed in its plans and deliver its ambitious vision of a future St Helens.

St Helens' greatest asset is the strength of local partnerships and the spirit of its close-knit community, never more evident than the way in which St Helens came together during the COVID-19 pandemic to support its most vulnerable residents.

3. Key Facts about St Helens

St Helens' demographics, the profile of its communities and its living environment are all critical factors that play a key role in influencing the range, shape, and direction of services that the council provides, for it to ensure that the needs of the local population are capable of being met.

Office for National Statistics (ONS) Mid-Year Population Estimates 2019 show that there are approximately 180,600 residents in St Helens, a population that is expected to grow steadily over the next 10-20 years, although at a lesser rate than that predicted for the North West and England.

St Helens' age profile is relatively old; with proportionally fewer people aged 0-16 and more people 65+ than there are nationally. It is also an ageing population, with ONS Population Projections suggesting that numbers of residents in their 80's will nearly double, whilst numbers of residents in their 90's will nearly triple by 2037.

Comparatively high levels of deprivation and inequality exist within the borough. The Index of Multiple Deprivation 2019 ranks St Helens as the 26th most deprived local authority in England out of 317. Nearly a quarter of all neighbourhoods within the borough fall within the 10% most deprived neighbourhoods nationally.

The health of the population is not as good as it should be, with Census data showing that over 8% of people describe their health as bad or very bad. Life expectancy from birth for both males and females, at 77.7 years and 81.2 years respectively, is significantly below national averages of 79.6 years and 83.2 years respectively. Deep-rooted health inequalities exist within the borough, with wide variations in a number of health-related issues. Life Expectancy at birth for men varies by 9 years between wards, while female Life Expectancy varies by 7 years. The pandemic has had a negative impact on individual and community wellbeing.

St Helens faces some significant economic challenges, particularly in terms of prosperity and productivity gaps. Against headline economic indicators, St Helens sits in the bottom half of all English local authorities. Whilst these gaps have persisted for many years, the effects of the last recession were felt disproportionately in St Helens. By the end of 2018 St Helens had not recovered Gross Value Added (GVA) to its pre-recession peak.

Productivity and prosperity gaps reflect both lower economic activity and employment rates. Business growth of 16% between 2010 and 2019 was nearly a third less than the UK average growth rate. The number of businesses per 10,000 of the working age population in 2019 was 502, again nearly a third less than the UK average.

The percentage of the population that is economically active has shown great improvement in recent years (79.1%) and is above the regional average (77.6%) and equal to the national average. Economic inactivity rates are also better than the regional average, and equal to the national average. However, high levels of long-term sickness and disability persist. Skill levels within the St Helens resident population have also seen significant improvement in recent years, with a narrowing of the gap when compared against regional and national averages.

The impact of the pandemic on the local economy presents real challenges and has the potential to exacerbate existing productivity, labour market, and skills gaps. Within the 12-month period to March 2021, there has been a sharp rise in the number of people claiming benefits, from 4,300 to 7,575. Youth unemployment (20-24 yrs.) also exceeds the national averages by 3%.

Increasing growth, business density, the numbers of jobs and people in work remains a key priority for St Helens, which will now need to be achieved in a rapidly changing and more challenging economic environment.

For a detailed picture of St Helens and its communities please visit: info4.sthelens.gov.uk

4. St Helens Borough Council

St Helens Borough Council provides a range of local authority services to the residents, businesses, schools, and visitors to the borough, either directly or through

commissioning or partnership arrangements. The services delivered include care services for older people, vulnerable adults and people with disabilities, children's centres and early years' services, school support and improvement, support for children with special educational needs, fostering and adoption services, public health, waste and recycling, street cleansing, libraries, leisure services, licensing, housing and homelessness support, planning and development permissions, environmental health and trading standards, benefits administration, maintenance of highways, footpaths, parks and open spaces, and many more.

Political Structure

St Helens has a total of 16 electoral wards and 48 ward councillors. Following the last local elections in May 2021, the membership of St Helens Borough Council is:

- 34 Labour Party councillors.
- 4 Liberal Democrat Party councillors.
- 3 Conservative Party councillors.
- 3 Green Party councillors.
- 2 the Independents Party councillors.
- 2 Independent councillor.

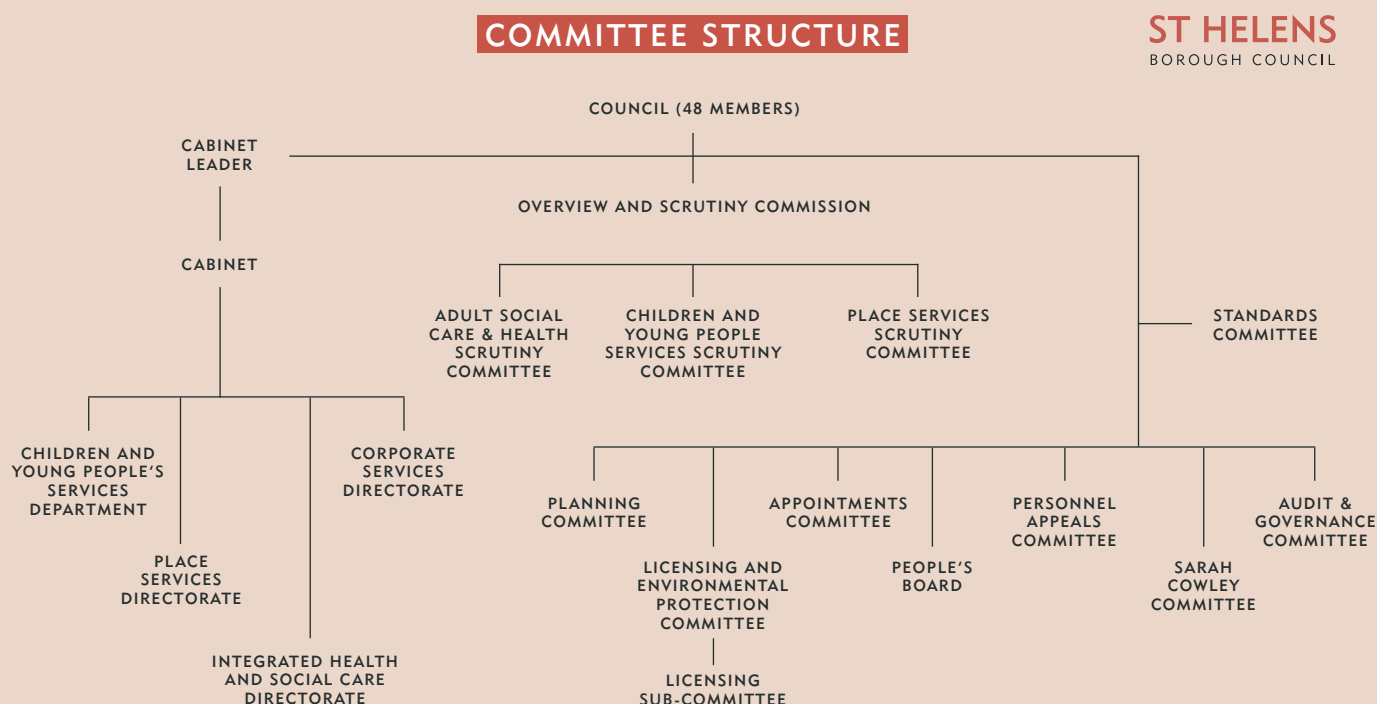
At Full Council, all councillors meet to debate decisions on the council's budget, constitution, and policy framework. Full Council also elects a Leader with Executive powers selected from the elected council as a whole.

In 2008, the council adopted a Leader and Cabinet model as its political management

structure. The Cabinet is the principal decision-making body of the council. It is made up of the Leader and up to nine Councillors whom the Leader appoints as Portfolio Holders. Each Cabinet Member has responsibility for an individual Portfolio area, each of which relates to particular services and functions of the council.

In addition, a series of regulatory committees, also appointed by Full Council, discharge specific council functions, which are not the responsibilities of the Cabinet.

An Overview and Scrutiny Commission and a series of dedicated Overview and Scrutiny Committees exist to hold the Cabinet to account. Their role is to examine the policies, decisions and actions taken by the Cabinet, along with the overall performance of the council. Where necessary, the Commission and its committees can make recommendations for improvement and have the power to call in decisions made by the Cabinet prior to implementation. The council budget for 2020-2021 contained a decision to reduce the number of Scrutiny Committees (formerly Panels) from five to three, with the Overview and Scrutiny Commission and the three Committees covering the three directorates of Corporate Services, Integrated Health and Care, and Place Services, and the Children and Young People Services Department. Further information on the council's political structure and processes is available within the Constitution. The 2020-2021 Overview and Scrutiny structure is reflected in the committee structure diagram below.



Management Structure

Over the course of 2020-2021, the council implemented significant change within its senior management structure. The process commenced in December 2019 following the appointment of a new permanent Chief Executive and the subsequent approval of a phased organisational re-structure to support the development of the council's refreshed strategic direction and ensure it has the requisite capacity to drive its programme of modernisation.

The new Executive Leadership structure of the council was fully recruited to during the year, with five out of six team members joining since March 2020.

Phase 1 of the organisational re-structure related to the posts of Director and Assistant Director and was implemented at the start of November 2020.

Phase 2 of the organisational re-structure related to the posts of Head of Service and was implemented at the start of January 2021.

Phase 3 of the organisational re-structure relates to service redesign and commenced in early 2021. The review is currently ongoing and will deliver improvements in service delivery and secure long-term revenue savings, in accordance with the council's Medium-Term Financial Strategy. This programme will support the council's ambitions to become a modern, digitally enabled organisation that has a focus on delivering services at a locality level.

The council's Executive Leadership Team (ELT) is led by the Chief Executive, and includes three Executive Directors (Corporate Services, Integrated Health and Social Care, Place

Services), a Director of Children and Young People, and an Assistant Chief Executive. The Executive Director for Integrated Health and Social Care is also the Accountable Officer for the CCG.

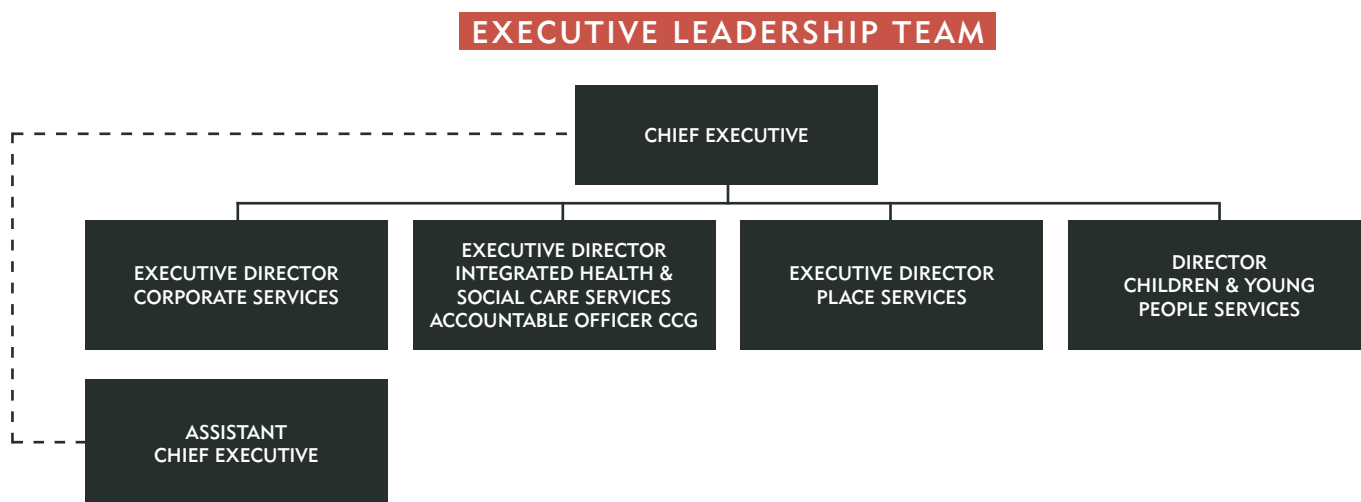
The Corporate Services Directorate provides a series of statutory functions, including front line services such as revenues and benefits, along with support services that add value and enable the effective running of the council.

The Integrated Health and Social Care Directorate commissions and delivers health and social care services and works with residents and their communities to protect and improve their health and well-being. The Directorate comprises of Public Health and Adult Social Care and is integrated with the St Helens Clinical Commissioning Group (CCG).

The Place Services Directorate provides a wide range of place-based services including planning, regeneration and economic development, environmental care, highways, housing, community safety, libraries and leisure services and regulatory functions such as environmental health and trading standards.

The Children and Young People Services Department has responsibilities to deliver a broad range of statutory and non-statutory services to ensure the safety, care, wellbeing and education of children and young people and their families in St Helens.

The Assistant Chief Executive reports to the Executive Director of Corporate Services and provides strategic capacity at the Executive Management level, along with cross-cutting council wide support in the delivery of strategic priorities and ambitions for modernisation and organisational development.



As at March 2021, the council had a total workforce of 2,990 people (excluding those employed by schools). As a result of the requirement to deliver significant savings and efficiencies, since 2010 the workforce has reduced by approximately a third, with the loss of approximately 1,500 posts.

5. St Helens Borough Council Operating Model

A New Vision and Priorities

Over the course of 2020-2021, the council began work on a new strategic plan. A draft Plan was initially approved in March 2020, subject to future consultation with the community and partners.

During the summer of 2020, an extensive programme of engagement was undertaken with residents, staff, community groups and local businesses to understand their experiences of dealing with the COVID-19 pandemic and planning how we can all build a more prosperous and successful future for the borough. The consultation signalled the start of a new and reinvigorated relationship between the council and the community and a stronger focus on engagement.

In March 2021, this “St Helens Together” collaborative approach resulted in the co-design and publication of ‘Our Borough Strategy 2021-30’.

The Borough Strategy identifies and examines St Helens’ assets, strengths, and key challenges. It aims to enable everyone to see how they can contribute to the future of St Helens, support the changing needs of its communities, and unlock the potential of the borough.

Our new shared vision is:

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

The Borough Strategy sets the strategic direction for St Helens and contains six strategic priorities, which shall underpin everything the council does in collaboration with its partners and the community.



Under its umbrella, all other strategies now feed into this document and a common approach has been adopted to the development of new or revised policy and strategy. The Borough Strategy priorities now drive the council’s service planning process, ensuring appropriate activity is undertaken across the organisation to deliver the vision and priorities.



Required outcomes are defined by robust performance indicators, with challenging but deliverable targets commensurate with resources. Financial information systems will continue to be aligned with plans allowing close monitoring of budgets and service expenditure.

Partnerships

The council cannot realise the potential of the borough alone; to do this it has to be working effectively together with partners and residents.

The council can demonstrate a long history of successful partnership working dating back to the founding of one of the country's first ever public/private sector partnerships in 1988. A number of partnerships have since continued to bring together public services, businesses, and the voluntary and community sector to work jointly to regenerate the borough, create safer communities, improve health and wellbeing and deliver better outcomes for children, young people and adults.

National policy, increasing financial pressures, and growing demand for services have led to the redefining of partnership working and the redevelopment of partnership structures, both at a regional level and beyond, as well as locally within St Helens.

At a sub-regional level, along with five other local authorities, St Helens is part of the Liverpool City Region Combined Authority, which was formally established on 1 April 2014. Its purpose is to facilitate greater economic growth across the City Region and provide transparent and accountable strategic decision-making in support of economic development, transport, strategic housing, and employment and skills.

In November 2015, the Liverpool City Region formally agreed a devolution deal with Central Government which, along with agreement to choose a directly elected Mayor in May 2017 and the transfer of new powers and responsibilities from Whitehall, also included confirmation of £900 million of funding over a thirty year period. The Combined Authority and the Liverpool City Region devolution agreement will have a significant influence on the future ability of the region and St Helens to create sustained economic growth. St Helens Borough Council will seek to maximise the opportunities that it brings both in the short and longer term.

At a district level, in response to the significant challenges facing the borough, there has also been a need to redefine ways of partnership working through a more collaborative approach and new models of integrated service delivery that are resilient and capable of delivering required outcomes.

During 2016-2017, the council set out to lead a review of pre-existing partnership arrangements and established a new framework for collaboration, which is now well established.

The revised council structure is currently supported by a People's Board, taking on the statutory responsibilities of the Health and Wellbeing Board and the Community Safety Partnership, and an Economy Board and Town Deal Board, established to drive forward economic growth within the borough, and a Children's Improvement Board established in response to the Ofsted ILACS inspection in 2019. The council also has two working partnerships with the private sector to forward its regeneration ambitions in relation to Parkside and town centres and wider localities.

In response to the COVID-19 pandemic St Helens Borough Council and members of its Executive Leadership Team have collaborated closely with the Merseyside Resilience Forum (MRF) to establish the MRF Strategic Recovery Coordinating Group, a Tactical Recovery Coordinating Group and several thematic recovery cells to coordinate the Liverpool City Region response to the pandemic.

Locally, the onset of the pandemic led to the creation of St Helens Together, a partnership between St Helens Borough Council and a range of voluntary organisations brought together by Halton and St Helens Voluntary Community Action to lead the community support response to COVID-19.

The integration of health and care services within St Helens provided a strong starting point for enabling a coordinated response to the pandemic and driving health and care service improvement. This will progress further through the development of the new Integrated Care Partnership structure and through a St Helens locality working model.

Going forward, partnership working will be key to effective recovery planning with partners across the Liverpool City Region and locally within St Helens.

Locality Based Delivery

In March 2021, the council agreed the development and introduction of a locality service delivery management model. The shift to the new operating model represents a significant change for the council. The model will build on, and further develop, the council's new relationship with the community following the extensive programme of engagement initiated over the summer of 2020.

The locality working arrangement seeks to bring the council closer to communities, deliver in areas of need, and for service delivery to become embedded in community settings, with feedback from communities influencing the design of services.

The aim of the new operating model is to support the delivery of the Borough Strategy priorities, address need at a local level, deliver improved outcomes and reduced inequalities, improve the targeting and delivery of services across localities, create efficiencies and bring positive change to perceptions of the council. Locality management also offers the opportunity for greater collaboration with partners at a local level.

The new arrangements will build on the locality approach already adopted by partners making up the St Helens Cares area-based model, for integrated health and care service delivery.

The new model consists of seven place localities that best reflect local community identity and circumstances, and which underpin the four localities in the existing St Helens Cares approach. This new locality-based approach will incorporate Place, Adults, Corporate and Children and Young People Services delivery. Over the course of 2021-2022, the council will embrace an evidence led approach and will complete a need analysis and an asset map of each area, prior to the development and implementation of integrated service delivery.

6. Operational Environment

2020-2021 was a year like no other. The COVID-19 virus has taken a terrible toll on the local community and the council has experienced the most difficult and challenging of circumstances in its history.

Prior to the COVID-19 pandemic the council was already facing a number of significant challenges, which in summary included:

- The severe financial risks and pressures stemming from continual grant reductions at a time of rising cost and demand for services.
- Challenges associated with significant changes over the course of the year at senior management level and the council's ongoing restructure.
- The requirement to deliver significant improvement in Children's Services following a full Ofsted ILACS inspection in September 2019 and the judgement of 'Inadequate'.
- The requirement to deliver a council-wide programme of improvement and modernisation following the Local Government Association Peer Review and Culture Review in the period January to March 2019.

The onset of the COVID-19 pandemic has seen the council's traditional operational environment, and the way in which it delivers its services, change immeasurably. As a result, the challenges now facing the council have been amplified and great uncertainty lies ahead, both for the local authority and the community it serves.

As a community leader and partner to the health, business and voluntary sector, the council recognises the role it plays in supporting the national recovery effort and its focus remains firmly placed on addressing the impacts felt at the local level, whilst speaking up for both St Helens and the Liverpool City Region at the national level.

Our heart-felt thoughts remain with those whose lives have been affected and we continue to stand alongside St Helens' residents and local businesses who are working hard to maintain their day to day lives.

The Financial Operating Environment

Prior to the outbreak of the pandemic, the council was already operating within a very challenging and uncertain financial climate. Since 2010, ongoing cuts in government funding have resulted in significantly reduced council budgets and the loss of over £114 million of central government funding. During this period, St Helens has been disproportionately affected, with relative annual grant reductions far higher than those experienced in the more affluent areas of the country.

Cabinet approved a series of actions in support of the 2020-2021 budget and at its meeting on 23 October 2019 agreed to the delivery of a one year only budget for 2020-2021 given the future level of uncertainty in relation to the whole of local government funding beyond that financial year, including:

- The lack of any clarity around a future funding settlement for local government, including any guarantees around revenue streams, including the Improved Better Care Fund and New Homes Bonus.
- The uncertainty on future levels of funding, stemming from Government's Fair Funding Review and needs assessment which was anticipated to result in the setting of new baseline funding allocations for individual local authorities.
- The uncertainty regarding the future participation in the Liverpool City Region Business Rates Retention Pilot & Mid Merseyside Business Rates Pool.
- The significant risks faced by the council arising from potential business failure and the consequent reduction in Business Rates.
- The level of outstanding Rating appeals in the system, presenting significant risk to the council's funding position.
- The increasing pressures on adult social care services due to a growing frail and elderly population coupled with the uncertainty around the funding available to provide for a sustainable social care system, given the non-recurrent nature of existing funding streams and uncertainties arising from the continued delays in social care reform.
- The significant cost implications and budgetary challenge associated with improving children's social care services and the comparatively high numbers of children

in care, those needing protection and children with special educational needs and disabilities within St Helens.

- The potential direct or indirect cost implications and other risks impacting on the council linked to the UK's departure from the European Union.
- The uncertainty linked to the potential for significant increases in future pension fund costs and costs associated with other areas of Government policy such as the national living wage.

All of these uncertainties continue to exist.

The budget was formulated and agreed against the challenge of historical Central Government imposed austerity and significant, increasing, demand-led pressures, particularly in relation to demand for Children's social care.

The aim of the budget was to provide, within the overarching constraints in existence, the most appropriate balance of resources to deliver the council's statutory responsibilities and to set a foundation for, and facilitate, the delivery of the council's key ambitions and its existing and emerging corporate priorities and borough level strategic objectives.

In setting the budget, council identified that the One Council programme of modernisation, approved previously by Cabinet, would be critical in ensuring that residents, businesses, and partners were provided with the best possible services. The budget was agreed with a commitment to the ongoing review and development of the council's form and function as it responded to the ongoing challenges facing the council and the wider local government sector.

In supporting this agenda, the council sought to continue to deliver major changes in the integration of Social Care, Housing, Health and other public services within an Accountable Care System, allowing partner organisations to manage demand, reduce costs and improve people's outcomes through integrated provision of high quality care and support.

Significant levels of additional investment were provided in the 2020-2021 budget for Children's Services, to allow the council to work with its Children's Improvement Board to prioritise actions and deliver new models of practice to ensure that all children and young people in the borough receive the support, care, and protection they need and deserve.

The budget also recognised the need to support development of a Growth agenda aimed at delivering the economic activity within the Borough which would provide local jobs, opportunities and skills and generate the local revenues to support services in the future. This included continued working with the Liverpool City Region Combined Authority and other partners to promote jobs, growth, and investment across the borough.

Facing a £10m budget gap, and given the challenges faced and uncertainties that continued to exist, in agreeing the budget for 2020-2021, savings of £5m were approved, whilst the application of a similar amount from earmarked reserves was agreed to arrive at a reduced gap and balanced budget position. In doing so it was fully recognised that the ongoing use of reserves was unsustainable and that actions to eliminate their underlying use would need to be implemented as part of the council's short to medium-term financial strategy.

The outbreak of COVID-19 introduced whole different layers and series of challenges to the council's financial operating environment as local government emerged at the forefront of the national effort to respond to coronavirus and protect vital services for individuals, businesses and communities.

The council is extremely proud of how, alongside its partners and communities, it mobilised in response to the pandemic and immediately demonstrated its commitment, implemented actions, and provided additional resources in a number of vital areas, including:

- providing food and extended care for vulnerable people.
- supporting providers to maintain sustainable adult social care and children's early years sectors.
- implementing new and revised care packages to avoid additional hospital admissions and enable increased numbers of hospital discharges.
- providing funding for infection control.
- providing accommodation to homeless/rough sleepers.
- delivering additional support to the local economy.

whilst at the same time as ensuring front-line services were retained wherever possible.

In the earlier part of 2020, the Government recognised that Local Authorities were facing financial pressures arising from their immediate response to COVID-19, and provided some financial support, in the first instance to alleviate the immediate pressures and to assist with cashflow in the initial stages of the lockdown period.

However, the quantum of that additional funding was significantly below the financial pressures that the council was forecasting it was facing as a result of its response to the pandemic and the council recognised the need for actions and reductions in its expenditure to protect its financial position and ensure ongoing stability and resilience.

The council continued to lobby the Government for additional funding to meet cost and demand pressures, as well as the huge drops in a number of its income streams. Throughout the course of 2020-2021, the Government subsequently provided additional resource via a series of tranches and separate schemes. In the absence of the additional funding the council's outturn position (as included in Section 7) would have been significantly different and, whilst welcome, this piecemeal approach has been extremely difficult to manage.

It is clear that COVID-19 is the biggest challenge the nation and local authorities have faced for many generations. The impact on the council's finances, as it responded to the pandemic, have been challenging and it should be cautioned that as the economy looks to recover, and the pandemic outlook hopefully improves, the financial situation remains uncertain.

The impact is forecast to be felt over a sustained period, unquestionably impacting upon the current financial year's budget, as well as those of future years.

The level of COVID-19 financial support from government to councils will reduce in 2021-2022 and, coupled with a challenging savings programme that plans to deliver £13.4m of savings and the continuing uncertainty around future local government funding, it is clear that 2021-2022 will be a year that presents many challenges and risks and strong financial management will be required to ensure

financial resilience and sustainability.

The budget for 2021-2022 was approved by Full Council on 3 March 2021 and includes provision of £6.3m COVID-19 Government funding for ongoing expenditure pressures and losses in sales, fees and charges income and £0.5m to partly mitigate deficits arising from reductions in Council Tax and Business Rate income. In addition, there are carry forwards on the Contain Outbreak Management Fund and Test and Trace grant, both held by the Public Health team, that will be spent in 2021-2022.

The Council's Wider Operational Environment Post COVID-19

The impact of COVID-19 on the wider operational environment of the council and the services it delivers has been profound, driving wholesale change across the whole organisation.

The council's new Executive Leadership Team initiated an immediate response to ensure the implementation of Government policy and national guidance to limit the spread of the virus, protect the health of all council staff and residents, ensure the care and safety of the most vulnerable within the community and develop plans for reset and recovery out of the pandemic.

With ever changing levels of infection, three separate periods of lockdown and Tier 3 restrictions imposed over the course 2020-2021, the council has had to adjust and adapt to a constantly shifting environment. The council is extremely proud of how working alongside partners and the community, it has mobilised so quickly and effectively on different occasions during the year to the address the challenges. A summary of the council's response and its impact on its operational environment is set out below.

New Governance Arrangements

Following the announcement of the period of initial lockdown in March 2020, multi-agency response arrangements were immediately activated across Merseyside and St Helens. The Merseyside Resilience Forum established a Strategic Coordinating Group and a Tactical Coordinating Group, along with a range of sub-groups and the council ensured senior officer level representation on all groups and chaired the PPE Cell. As time has progressed the council has continued to support and lead on

aspects of the Liverpool City Region Combined Authority's response to the pandemic within the context of what is now the MRF Strategic Recovery Coordinating Group and its constituent cells.

Local arrangements were led by the St Helens COVID-19 Strategic Group comprising of the Executive Leadership Team with various specialists, including the Director of Public Health, Director of Adult Social Care, and representation from across the CCG and council. This has been supported by a Local Reset and Recovery Coordinating Group and themed sub-groups. In June 2020, to further strengthen the local response, an Outbreak Management Board was established to lead the development of the Outbreak Management Plan.

The democratic decision-making process continued to operate effectively over the course of the year, albeit remotely in line with national guidance, and prior to the re-introduction of normal committee meeting arrangements during 2021-2022.

Communications

Communications were stepped up with important information regularly and effectively shared with the public, staff, and Members via a range of channels, including social media, video, website, bin stickers, letters to residents and press releases to local media. Communication with the community was coordinated through the development of the #StHelensTogether campaign. Online campaigns were undertaken to raise awareness on specific issues including domestic abuse, mental health (OK2ASK), anti-social behaviour, social distancing, be a care hero, fostering, and recycling.

Internally, a COVID-19 Staff Newsletter, regular management communications, a regular COVID-19 Policy Bulletin, daily updates of coronavirus and staff welfare pages on the intranet, and regular emails from the Chief Executive were all delivered to support the workforce and elected members.

The Community Support Response

At the onset of the pandemic, support to the local community was quickly coordinated by the council through the #StHelensTogether Campaign. The campaign was launched to brand and unite all elements of the community

response across the borough, bringing together a wide range of partners. Specific groups were formed to govern the separate elements of the campaign and an infrastructure established to ensure its effective delivery.

The response evidenced the strength and depth of community spirit and connections across the Borough and was a lifeline to many over the initial period of the pandemic. As the year progressed further ongoing collaboration with key partners, aided by the strength of local integrated health and care working arrangements led to additional areas of community support being quickly established in response to the changing circumstances of the pandemic.

Key aspects of the response during the year included:

- A community helpline operating from 8am-10pm daily.
- A community hub for the distribution of food parcels and essential items to the vulnerable.
- An eVoucher system enabling digital referrals to the food bank.
- Support for the collection and delivery of medication for the shielded and vulnerable.
- Wellbeing telephone calls from local organisations to support people's mental health.
- A volunteer portal, to bring together volunteers and match these with people requiring help.
- The provision and distribution of PPE.
- Additional support and services to local care homes.
- Provision for the homeless, including accommodating street homeless in a local hotel and the provision of daily care packages.
- Support to pupils in receipt of free school meals, in the form of packed lunch provision and food parcels in school holidays.
- Support to schools with a focus on areas including safeguarding, premises, Health and Safety, HR, Governance, staff well-being, the phased return of pupils, support with vulnerable students, curriculum development, communications, transition support, finance, and advice on infection control.
- Additional support for vulnerable children and families.
- Support to businesses with a focus on an enhanced business support offer, the provision of business grants, regulatory services and licensing support, employment, and recruitment support and the 'St Helens is Open' campaign to support the reopening of the town centres.
- Support for the establishment of mobile testing sites and community testing sites.
- Implementation of an effective local track and trace system and local outbreak response.
- Support for the roll out of the vaccination programme.

The council's role in leading an effective response to the pandemic was acknowledged by the LGA, whilst locally 79% of people surveyed were satisfied with the council's response to the pandemic, with 49% thinking it was 'good' or 'excellent'.

With the emergence of new more transmissible COVID-19 variants, but the full lifting of restrictions possibly imminent, the risk of further outbreaks remains high. The council and partners will continue to be vigilant and respond appropriately by continuing to monitor the infection rate, resource the local Test and Trace model and support the vaccination programme roll out. The Outbreak Management Board will continually review and adapt the Outbreak Management Plan and all council Services will continue to have effective plans in place to mitigate the impact of further local outbreaks.

Service Operation and Ways of Working

The impact of the COVID-19 crisis accelerated rapid change and modernisation as the council quickly began to think and plan for the organisation it must become. In a short space of time, this has resulted in a dramatic shift in the operation of services, ways of working and the emergence of a new organisational culture.

The impact of the pandemic and three separate occasions of lockdown and a period of Tier 3 restrictions throughout the year, resulted in disruption to a number of front-line services. During the initial stages of lockdown, several services including day care services, some community health services, leisure centres and libraries were closed. Recycling collections were also suspended for a period of time, whilst household waste collection moved from

fortnightly to weekly. As lockdown restrictions were eased, the council was successfully able to plan for the safe reintroduction of services including weekly recycling, green waste collection and the reopening of waste reception centres. There were also phased reopening of other areas of service during the year including day care services, face to face contact centres, registrars, libraries, and leisure facilities. However, the periodic tightening and subsequent easing of restrictions during and following terms of lockdowns inevitably led to the further interruption of service delivery within certain service areas. Despite the challenges, the overwhelming majority of council services remained securely and effectively operational during the year, and there are numerous examples of services innovatively and successfully adapting to circumstances through digital means.

At the onset of the pandemic, all staff in service areas with no statutory duty for face to face resident contact were immediately asked to work from home and not to go into the workplace. Where this was not possible, some council staff remained in the workplace and appropriate workplace social distancing measures were put in place. Likewise, for staff working in non-office-based settings and directly with service users, appropriate PPE and Health and Safety actions were taken. Over the course of the year, members of staff unable to undertake their usual roles have been redeployed on a temporary basis to support critical areas of new service, such as Track and Trace.

As the year progressed, the council adopted a hybrid working model as its default modus operandi and continues to invest in a transformational shift to greater digital delivery, supported by agile workspaces. A New Ways of Working group was established to develop the vision and operational practicalities for the new working environment, with separate sub-groups focussing on HR policies and procedures, accommodation, cultural transformation and staff engagement and IT/Digital.

The change to an organisation that is now predominantly operating remotely is working well. The resilience and adaptation shown by staff has been impressive. There has been widespread engagement with staff to shape and influence the direction of the

organisation and an ongoing review of policies and procedures to support a healthy resilient workforce.

The council continues to learn from what has worked well and develop its organisational vision, values, and workforce. The ambition remains for new ways of working to drive greater efficiency, better manage demand and reduce costs, whilst delivering smarter service provision and improved outcomes for the community.

The Council's Approach to Reset and Recovery

The council initially adopted a three-phased approach to implement reset and recovery planning. The first phase considered the initial response to recovery during the initial period of lockdown and following its subsequent easing. The second phase considers the immediate horizon and the transition to a 'new normal'. The third phase looks to the longer term reset and transformation required to address the organisational, economic, and social consequences of the pandemic.

St Helens Reset and Recovery Strategic Group was established to drive the approach with six subgroups initially set up linked to the priorities of the draft Council Plan. Directorates completed impact assessments that included recommendations on embedding new practices and system change, exploring, and sharing good practice, and identifying where there have been significant impacts on service delivery due to COVID-19. At the same time the council took the opportunity to consult and engage closely with the community on their experiences during the pandemic and their priorities for the future.

The intelligence and information gained from this impact analysis and wide-ranging engagement informed the development of initial Reset and Recovery Plans that were progressed across these priority areas and aligned to the strategic approach being taken by the Merseyside Resilience Forum and its constituent cells. Many of the key actions accomplished by these plans are referenced within Section 8 of this statement.

The council's approach to Reset and Recovery was further supported and informed by the LGA who facilitated a Recovery and Renewal Panel in September 2020. This allowed the further progression of thinking around

action for reset and recovery. This stood the council and partners in good stead to provide an effective borough wide response to the pandemic during the period of Tier 3 restrictions, the second national lockdown in Autumn and the imposition of a third national lockdown at the start of January 2021.

As 2020-2021 progressed, the main reset elements of the plans in terms of the council's different ways of working had been implemented and become the norm. This allowed a resultant shift in focus to recovery and addressing the effect of the pandemic, in particular its impact of widening inequality.

In March 2021, the council produced its 3 phased 'Roadmap to Recovery', aligned to the national roadmap, to provide a framework for continued effective local decision making over the following 10 months.

- Phase 1: March to May focussing on the phased lifting of lockdown restrictions; prioritising the vaccine rollout and maintaining testing.
- Phase 2: Spring into Summer focussing on the reopening of services, the economy, and society.
- Phase 3: Autumn into Winter focussing on sustaining recovery and managing the risks of resurgence.

The council's Our Borough Strategy 2021-30 was released during the same month. With its priorities informed by the experience of the community during the pandemic, the strategy has a clear lens on recovery. The council's plans for recovery are now aligned to the priorities and outcomes framework of the Borough Strategy and key actions for recovery encapsulated within an annual Delivery Plan, which will be progressed, monitored and reported over the course of 2021-2022.

The council's key thematic areas for recovery encompass:

- Organisational Recovery - Including delivery of locality working, a sustainable budget, Ways of Working and accommodation, continued modernisation, re-opening of facilities and democratic renewal.
- Economic Recovery - Including delivery of the Economic Recovery Plan, support for hospitality, the promotion of culture and the arts and the Outdoor Economy.

- 'Well' St Helens - Including delivery of wider public health outcomes, addressing the widening of inequalities across the borough, and greater population health intelligence.
- 'Educated' St Helens - Including delivery of the Education Recovery Plan, support for schools, and adult skills.
- Community Recovery - Including continued delivery of St Helens Together, developing community and neighbourhood empowerment, supporting voluntary and third sector capacity, developing parks and open spaces - 'Outdoors' St Helens.
- Borough Strategy - Delivery of the 6 priorities.

7. St Helens Borough Council Financial Summary and Resource Allocation

The following provides an overview of the key elements of the council's finances over the period 2020-2021. The budget for 2020-2021 was set prior to the COVID-19 pandemic.

Background

The Government published its final Local Government Finance Settlement for 2020-2021 on 6 February 2020. This was a one-year financial settlement for 2020-2021, which confirmed the council's continued participation in the Liverpool City Region 100% Business Rates Retention Pilot scheme during 2020-2021.

The overall grant reductions faced by the council since 2010 are significant and have placed enormous pressure on the services provided by the council as it continues to deliver its statutory responsibilities and the discretionary services most valued by the residents of the Borough. The effect of the COVID-19 pandemic has compounded the financial challenge facing the council, and its impact is likely to be felt over a sustained period due to the effect upon the local economy, the community and the subsequent increased demand placed upon local government services.

In preparing the budget, a suite of information was published on the council Website and a social media campaign also highlighted the extent of the budget challenge. A consultation was undertaken inviting feedback and comments from residents and other stakeholders. The process was also subject

to Member review via a Budget Scrutiny Task Group established by the Overview and Scrutiny Commission.

The original 2020-2021 budget was approved at a meeting of council on 4 March 2020, with Council Tax levels increasing by 3.99% from 2019-2020, inclusive of the application of a 2% Adult Social Care precept.

Delivery of £5.0m savings were required during 2020-2021 and there has been regular reporting through the Financial Monitoring Report of progress and actions against these approved savings. Furthermore, in setting the budget, council approved the use of £4.9m earmarked reserves in 2020-2021. The budget was developed and agreed against the challenge of historical Central Government imposed austerity and significant, increasing demand-led pressures, particularly in relation to demand for children's social care. The budget provided for significant levels of additional investment within this priority area.

A number of other baseline budgets were reset as part of the budget process, particularly recognising specific pressures in some income generating areas.

The 2020-2021 budget was approved prior to the declaration of the COVID-19 outbreak as a global pandemic. The council, like all local authorities across the UK, have been at the forefront of the national effort to respond to COVID-19 and protect vital services and support local communities, whilst also ensuring front-line services continued wherever possible.

The financial pressures faced by local authorities in providing a response to COVID-19 have been significant, and recognised by Government, who have provided additional unringfenced emergency grant funding of £10.7m during 2020-2021 and compensation funding for elements of the council's COVID-19 driven income losses from sales, fees and charges.

The table below details the additional spending and income loss as a result of COVID-19 during 2020-2021, alongside the available funding from COVID-19 Emergency Grant Funding and the Government's Sales, Fees and Charges Compensation scheme. The uncommitted grant has been earmarked to be used in future years.

COVID-19

Funding	£000
Total Emergency Funding received in 2020-2021	10,736
Sales, Fees and Charges (SFC) Compensation scheme *	4,342
Total Emergency & SFC Compensation Funding 2020-2021	15,078
Less Additional Spending Pressures 2020-2021	6,410
Less Loss of Sales, Fees & Charges Income 2020-2021	7,618
Less Loss of Commercial and Other Income 2020-2021	640
Total Additional Costs & Losses of Income	14,668
Total Emergency Funding available for future years	410

*subject to final reconciliation and agreement with Ministry of Housing, Communities and Local Government

During 2020-2021 the Government also provided £0.989m in compensation funding to mitigate some of the losses in Council Tax and Business Rates income arising from the pandemic. This funding, although due in respect of 2020-2021 as an unringfenced grant is carried forward in reserves to support ongoing local taxation losses in future years. A number of other COVID-19 related funding streams were made available during the year, directed at specific programmes of work, the most significant of which were:

- Council Tax Hardship Fund (£1.906m).
- Infection Control Fund (£3.500m).
- Test and Trace (£1.328m).
- SMART Testing (£1.047m).
- Contain Outbreak Management Fund (£5.649m).
- COVID Winter Grant (£0.965m).

Individual grant conditions determined the extent to which the council had, or has, discretion in applying the respective funding streams and the period in which funding must

be used. Restrictions requiring expenditure to be incurred by 31 March 2021 existed for some (e.g. Infection Control Fund), with carry forward of funding into 2021-2022 being permissible for others such as the Contain Outbreak Management Fund (COMF) & Test and Trace.

Government also provided funding for support to businesses during 2020-2021, either by way of nationally set criteria or discretionary funds, where eligibility criteria was set at Local Authority / City Region level. In either case, the distribution of these grants to businesses has been administered by local authorities.

The following table includes the major business support grant programmes administered by the council during the financial year, detailing the value of support provided to businesses during 2020-2021 and whether the council was acting as principal (where the council had discretion over the amount of funding to award or the criteria for who could be awarded funding) or agent (passing money to businesses on behalf of government).

Name of Grant	Principal or Agent	£000
Small Business Grants Fund	Agent	18,280
Retail, Hospitality and Leisure Grant Fund	Agent	8,280
Local Restrictions Support Grant (Closed) Addendum	Agent	6,009
Closed Businesses Lockdown Payment	Agent	4,521
Local Restrictions Support Grant (Closed)	Agent	373
Local Authority Discretionary Grant Fund*	Principal	1,580
Additional Restrictions Grant / Hospitality & Leisure Fund*	Principal	1,186
Local Restrictions Support Grant (Open)*	Principal	1,094

*In acting as principal, any unspent balances on these grants have been carried forward to 2021-2022 as receipts in advance. Where the council acts as an agent, any unspent balances are carried forward as a creditor.

Revenue 2020-2021

Revisions made during 2020-2021 to the original revenue budget reflected the approved use of earmarked reserves and were reported regularly through the Financial Monitoring Reports presented to Cabinet. In addition, these reports provided the forecast outturn positions and the impacts arising from COVID-19.

At the point of the first monitoring report for 2020-2021 it was clear that the pandemic was going to have a significant and potentially lasting impact on the financial position of the council, with the quantum of additional funding provided at that stage not coming remotely close to covering the forecast financial pressures that the council anticipated as a result of its response to the situation.

Forecasting the outturn position throughout the year was extremely challenging. The constantly changing restrictions, a series of national lockdowns interspersed with local restrictions, and the drip feed of funding announcements had an on-going and fluctuating effect on the forecast outturn position.

The following table provides detail of the 2020-2021 revenue outturn position for each Directorate / Department when compared to the revised budget, showing the position after allowing for adjustments relating to “uncontrollable” budgets (e.g. capital charges and support service recharges) and allowing for:

- the carry forward of £0.893m unspent budget provision for continuing earmarked reserve funded schemes into future years.
- the acceleration of the approved usage of £0.159m earmarked reserves from future years into 2020-2021.
- the £0.297m carry forward of budget provision from 2020-2021 into 2021-2022 where specific service commitments continue into 2021-2022.

Outturn Variation Against Revised Budget 2020-2021	Revised Budget 2020-2021 £000	Adjusted Outturn 2020-2021 £000	Variance 2020-2021 + / (-) £000
Children & Young People Services Department	57,681	55,425	(2,256)
Integrated Health & Social Care Directorate	48,627	46,405	(2,222)
Place Services Directorate	40,329	38,495	(1,834)
Corporate Services Directorate	8,489	7,445	(1,044)
Total Directorate / Department Budget	155,126	147,770	(7,356)
Council-Wide Budgets			+3,835
Outturn Against Revised Budget 2020-2021			(3,521)

The overall revenue outturn position for 2020-2021 is an underspend of £3.5m, which increases the level of General Fund Balances, as planned within the council's Medium-Term Financial Strategy. This results in the contribution from reserves approved when setting the budget for the year not being required, allowing those balances to be retained to aid financial resilience and future investment.

The outturn position is one-off in nature, primarily due to the exceptional circumstances arising from COVID-19, including the closure or change in delivery of some services for significant parts of the year, and lower demands for other services.

Additionally, in order to ensure sufficient resources were in place to implement the council's response to the pandemic, some staff were deployed to provide support in dealing with the outbreak, with approximately £1.8m of the variance attributable to budgeted costs being charged against specific COVID-19 funding such as COMF and SMART testing.

The breakdown of Service Directorate / Department outturn position is as follows:

Children & Young People Services Department (-£2.256m)

The key savings against the revised budget include:

- Employee costs (£0.5m).
- Children Looked After and Leaving Care Services for Younger People (£0.6m).
- Edge of Care Service (£1.2m).

There were some small pressures in relation to family support services supporting families caring for children with a disability and helping young people to stay in a family environment and avoiding the need for alternative provision.

Integrated Health and Social Care Directorate (-£2.222m)

During the year pressures were evident within Learning Disability Services due to the nature and complexity of support packages. The variance against budget was +£2.1m. However, savings in other areas mitigated the impact on the financial position and these include:

- Physical Support and Memory and Cognition Support Services (£1.5m).
- Employee and Other Costs funded from grants (£0.8m).

- Employee Costs (£0.8m).
- Release of Sleep-in Provision (£0.9m).

Place Services Directorate (-£1.834m)

During the year pressures were reported in the Waste and Recycling Services mainly due to reduced income and additional tipping fees +£0.8m and also the cemetery and crematorium service +£0.2m. Savings in other areas of the Directorate included:

- Highways Management (£0.7m).
- Catering, Caretaking and Cleaning (£0.4m).
- Supporting People Contracts (£0.2m).
- Estates Management (£0.5m).
- Leisure and Libraries (£0.5m).
- Employee and Other Costs funded from grants (£0.4m).

Corporate Services Directorate (-£1.044m)

The net underspend of £1.044m includes:

- Employee and Other Costs funded from Grants (£0.4m).
- Other Employee Costs (£0.3m).
- New Burdens Funding (£0.5m).
- General Supplies and Services (£0.3m).

Additional costs for restructuring related to essential service redesign were funded from within the directorate budgets +£0.4m.

Reserves and Balances

As a result of this outturn position, the council's General Fund Balances as at 31 March 2021 stood at £12.780m.

The council's earmarked reserves are based principally around the themes of service transformation and growth.

In approving its Medium-Term Financial Strategy 2021-2024, council approved the creation of a new Funding Reform Volatility reserve to provide resilience to the council from the uncertainties in future changes to Government funding and to allow for the 'smoothing' of resources arising from future periods of transition and/or volatility.

A separate COVID-19 reserve has also been established, and has two principal purposes:

- to earmark uncommitted COVID-19 funding to support the ongoing activity and additional costs / income losses resulting from the pandemic.
- to provide resource cover for the Collection

Fund deficit in 2021-2022 as a result of the terms of the Governments Extended Retail, Hospitality and Leisure Scheme (the Government having introduced a substantial scheme of Business Rate reliefs after the council had set its 2020-2021 budget).

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

Capital Expenditure and Financing

The council spent £23.1m in 2020-2021 on capital items across a range of services:

Capital Programme Schemes	£m
Highways Schemes	
A58 Liverpool Rd/A580 East Lancashire Road	4.4
Carriageway Investment	2.3
A49 to M6 Junction 22 Link Road	1.8
A57 M62 Warrington Road Junction 7	0.9
A570 St Helens Linkway	0.8
Street Lighting	0.6
Other Highways & Transportation Schemes	2.2
Other Schemes	
Schools and Early Years	4.0
Disabled Facilities Grants and Other Housing Initiatives	2.3
Vehicle Replacement	1.0
Leisure and Sport Facilities	0.8
Recycling & Waste Collection	0.4
Building Improvements	0.4
Demolition of Chalon Way Car Park	0.3
Information Technology Upgrades	0.3
Other	0.6
Total Capital Expenditure	23.1

Funding Source	£m
Grants & Other Contributions	16.1
Capital Receipts	5.2
Revenue Contribution	1.8
Borrowing	0.0
Total Funding	23.1

Retirement Benefits

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

	31 March 2020 £m	31 March 2021 £m	Change 2020-2021 £m
Teachers' Pension Scheme	19.33	18.75	(0.58)
Local Government Pension Scheme (Merseyside Pension Fund)	271.44	318.64	47.20
Total	290.77	337.39	46.62

The overall net liability for retirement benefits has increased during the 12-month period to 31 March 2021. The principal factors contributing to this movement are:

- an adverse movement in the discount rate, which is a key component when projecting future scheme liabilities.
- significant increases in the assumed rate of increase in salary and pensions, which are also used to calculate the level of future scheme liabilities.
- an assumed increase in CPI inflation.

Borrowing

As at 31 March 2021, the council's level of borrowing was £121.562m, which is a lower level of borrowing than at 31 March 2020 due to the maturity of a £3.095m Public Works Loan Board (PWLb) loan during September 2020.

No additional borrowing was undertaken, and no economic opportunity arose for rescheduling or repayment of existing debt during the year.

The level of borrowing remains considerably below the underlying need for borrowing, as a result of long-standing strategy decisions to use available resources to negate the need to incur additional borrowing.

8. St Helens Borough Council Performance Summary 2020-2021

In 2020-2021, performance management in the council was focused around achieving the six strategic priorities outlined in the draft Council Plan 2020-2021.

The draft Council Plan has since been superseded by Our Borough Strategy 2021-30 (see Section 5 - A New Vision and Priorities), which was approved in March 2021. Performance reporting during 2021-2022 will

be driven by the revised strategic priorities and outcomes of Our Borough Strategy 2021-30.

The link that exists between budgets, service planning and delivery and performance targets is critical to the achievement of the council's desired outcomes for both the organisation and the community. A proportionate, but comprehensive, set of performance indicators exist to measure progress against the key outcomes and operational areas. A review of measures and targets is ordinarily conducted annually to ensure their ongoing relevance.

Performance targets are set to be challenging, but realistic, and commensurate with the available level of resource. The process is subject to internal challenge and the range of measures and associated targets is formally approved by Cabinet and reviewed by Overview and Scrutiny.

Quarterly Financial and Performance Monitoring reports to Cabinet detail analysis of spend against budgets, progress against savings proposals, service delivery activity and performance against key indicators. Commentary on actions relative to identified budget pressures or to address any identified concerns in relation to performance or service delivery is included within the reports. Reports are also reviewed by Overview and Scrutiny, allowing the opportunity for examination of any specific areas of underperformance or concern.

The COVID-19 pandemic significantly impeded the council's ability at the start of 2020-2021 to set meaningful targets and review its measures of performance. However, following approval of the Borough Strategy 2021-30, a revised performance framework and targets, aligned to the priorities, outcomes, and measures

of success within our Borough Strategy was developed and approved by Cabinet in April 2021. This revised framework will be subject to further development over the course of the year and will form the basis for quarterly performance reporting during 2021-2022. Quarterly performance clinics chaired by the Chief Executive and consisting of all members of the Executive Leadership Team will provide a structured forum for promoting strong ownership, accountability, and constructive challenge on matters of performance to drive improvement.

The council's Performance Outturn report for 2020-2021 demonstrates areas of strong performance whilst highlighting areas where the council is not yet meeting ambitious targets to deliver its high aspirations.

In summary, 71% of performance indicator targets have been either exceeded, met fully, or met within 95% of target.

Although the majority of performance indicators have been impacted to varying degrees by the COVID-19 crisis, over half of all indicators saw an improved performance trend in 2020-2021 compared to the previous year. Performance improvement in relation to the Children's Services priority was particularly strong with three quarters of indicators demonstrating improved performance.

St Helens' inter-authority performance compared to other similar councils demonstrates a mixed picture with approximately a third of performance indicators in the top quartile, but more than a third in the bottom quartile. This assessment is arrived at by comparing St Helens performance in 2019-2020 to the latest nationally published performance data for the same year. The position reflects some of St Helens ongoing challenges, largely in relation to public health within the borough and Children's Services. However, it is anticipated that the ongoing improvement demonstrated over the course of 2020-2021 will improve St Helens' performance position relative to others.

The council's Performance Outturn report for 2020-2021 is available within the Performance section of the council website. A brief overview of some of the key points in relation to performance, delivery of strategic priorities and reset and recovery activity is set out below.





PRIORITY ONE

ENSURE CHILDREN AND
YOUNG PEOPLE HAVE A
POSITIVE START IN LIFE



The journey of improvement within Children's Services continued strongly over 2020-2021. Feedback from Ofsted, the Department for Education and the Independent Chair of the Children's Improvement Board has been overall very positive, although some areas where the pace of improvement needs to progress further were identified.

Demonstrable improvement was noted in service delivery, practice, and performance, highlighting the ongoing drive and commitment to improve services for local children, young people, and families.

Children's Services was seen to have responded extremely well to the challenges faced in dealing with the pandemic. A strong, collective, and safe response to COVID-19 was delivered with many innovative ideas effectively implemented to adapt to the challenging situation. A first-class support offer was provided to schools and face to face contact maintained with the most vulnerable children and young people.

There has been strong political and corporate leadership, resulting in a commitment to put children and young people at the forefront of everything the council is doing. A revised Children's Improvement Plan has provided an effective focus for driving and monitoring service improvement and delivering better outcomes for children and young people.

The substantial investment made in Children's Services has increased social work capacity. The workforce is recognised as a strength and a credit to the council. Workforce stability has improved, caseloads have reduced, there is a positive work culture of learning and development, and high morale exists amongst staff. Social workers know the children they work with well and the quality of social work practice is generally improving, although requires greater consistency. Most practice is child-focussed, with social workers engaging with children in meaningful and creative direct work. The child's voice has an increasing role in informing effective care planning but needs to be sustained.

The performance trend in children's social care over the last 12 months has seen some good improvement, although in areas, St Helens remains as a lower quartile performer compared to statistical neighbours.

The numbers of Looked After Children have continue to steadily reduce, falling from a high of 534 in October 2019 to 478 in March 2021. The success of focussed work on achieving permanence for children and the establishment of the Edge of Care service in June 2020 resulted in a 38% reduction of children coming into care in 2020-2021 compared to 2019-2020. The Edge of Care Service offers support to children and families at times of crisis and where there is a risk of potential family breakdown. Over the first 12-month period of its operation, the service has worked with 93 children with only 7 coming into care.

Placement stability for looked after children remained very strong in St Helens. A Placement Sufficiency Strategy was developed and approved to ensure the effectiveness of planning for children in care and the availability of a full range of high-quality care placements to meet their needs.

**THE NUMBER OF
FOSTER CARERS
RECRUITED IN YEAR
TRIPLED AND ADOPTION
NUMBERS INCREASED
COMPARED TO
PREVIOUS YEARS.
ST HELENS' ADOPTION
TEAM WERE AWARDED
A TEAM OF THE YEAR
AWARD 2020 BY
THE CHESHIRE AND
MERSEYSIDE SOCIAL
WORK TEACHING
PARTNERSHIP.**

Feedback from the Bright Spots 'Our Lives, Our Care', an independent survey of St Helens children in care which evaluates their sense of safety and wellbeing, provided good reassurance by identifying many positives

compared to the lived experience of children in care in other areas, whilst highlighting some areas to build on.

St Helens' Care Leaver service continued to perform well with outcomes for care leavers continuing to improve. Year-end performance against three key measures compares favourably to that of statistical neighbours and national and regional averages.

Issues requiring further improvement include further reducing the numbers of children in care, numbers of children in need, the high re-referral rates, and the high rate of S47 investigations. These are operational matters for which there is ongoing commitment and resourcing to resolve as part of the improvement journey and, whilst much progress has been made, work continues to ensure the consistency of high quality practice and standards across children's social care.

Within the area of education and schools, attainment performance data was not reported in 2020-2021.

During the year, an Education Reset and Recovery group provided a coordinated and effective response to the many varied and unprecedented COVID-19 related challenges impacting education settings and the children, young people, and communities they serve. An Education Reset and Recovery Plan was formulated focussing on six workstreams; Learning, Curriculum and Assessment, Supporting Vulnerable Learners, Workforce Support and Planning, Early Learning and Childcare and Pathway Planning and Business Sustainability.

Key areas of work have included supporting schools with safe reopening, promoting the return to school and attendance, support for asymptomatic testing, support for remote / blended learning, the implementation of 'catch-up' programmes, enhanced support for vulnerable pupils, ensuring consistency in the approach to moderation in the absence of formal assessments, assisting with key points of transition, training in the new early years framework to be implemented in September 2021, developing an on-line advice and guidance video to support post 16 chances and keeping schools up to date with any changes announced by the DfE.

The intense support provided to post-16 learning ensured the target for year 11's and year 12's to have a September Guarantee was reached and the highest number of young people aged 16 engaging in education was recorded since 2010. Continuing support, despite the pandemic saw the annual 16-17-year NEET (not in education, employment, or training) figures fall to their lowest level, with performance better than the last published national and North West averages.

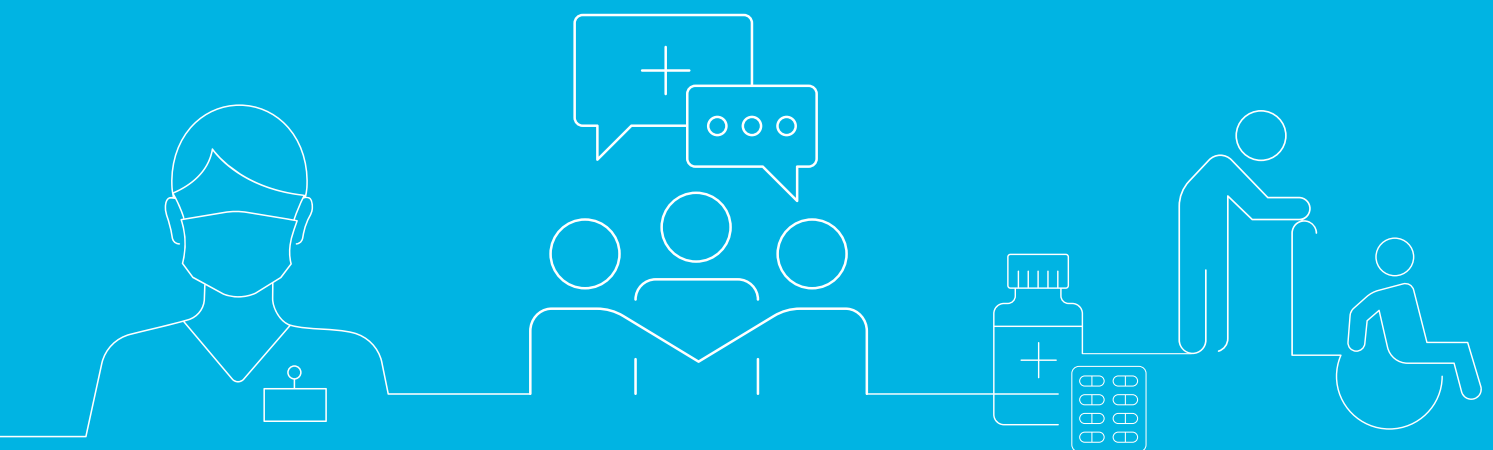
Strong support continued to children and young people with special educational needs and/or disability (SEND). Performance for the timeliness of completion for Education, Health and Care Plans for children with SEND now significantly exceeds national averages and statistical neighbours. The Strategy is underpinned by the Good Childhood Enquiry which highlighted the unique experiences of St Helens' children and young people with SEND. The Strategy outlines five key priorities for improvement which includes greater opportunities for self-advocacy.

Performance in relation to Public Health measures continues to reflect many of the challenges inherent within the health of the local population. Comparative performance across much of the Public Health Outcomes Framework remains in the lower quartile. High rates of teenage conceptions and children with excess weight in Reception and Year 6 persist. The rate of alcohol specific admissions to hospital for under 18s saw another in-year decrease, but performance still presents a significant challenge with rates in St Helens amongst the highest nationally. Programmes of work were ongoing over the course of the year to address performance. The Sexual Health and Wellbeing Strategy 2021-24 was developed and approved. The Integrated Wellbeing Service continued work with a wide range of partners on the delivery of activity to promote childhood wellbeing focussing on mental health, physical activity, and healthy weight.



PRIORITY TWO

PROMOTE GOOD HEALTH, INDEPENDENCE AND CARE ACROSS OUR COMMUNITIES



Strong progress continued during 2020-2021 on the place-based approach to integrated health and care in St Helens. 'St Helens Cares' has been a resounding success, contributing to fewer delayed hospital discharges and transfers of care, comparatively lower rates of non-elective hospital admissions and reduction in isolation and loneliness through social prescribing. Significant gains have arisen from improvements in the joint approach to care planning and service provision through the electronic Shared Care Record. St Helens Cares was placed in the Highly Commended category in the 2020 Health Service Journal Awards.

In anticipation of future legislation and the establishment of a Cheshire and Merseyside Integrated Care System (ICS), we have been proactive alongside our partners in developing an Integrated Care Partnership (ICP) for St Helens which has seen our St Helens Cares model develop into a strong place-based partnership.

A collaboration agreement was established during the year and partners took this through their governance arrangements with the council signing a Memorandum of Understanding in March 2021.

THIS AGREEMENT OFFICIALLY RECOGNISES THE VITAL ROLE THAT WIDER CROSS SECTOR PARTNERS AND PRIMARY CARE WILL PLAY IN MOVING TOWARDS A POPULATION HEALTH MANAGEMENT APPROACH FOR ST HELENS.

We work with a range of partners – beyond simply health and social care – to join up services, manage demand and improve the outcomes of people in St Helens. This model is known as St Helens Cares and includes the local NHS provider trusts, St Helens

Borough Council, Torus, Healthwatch, Halton and St Helens Voluntary Community Action, Merseyside Fire and Rescue Service and Merseyside Police.

Partners agreed in December 2020 a new and ambitious shared vision that was approved by the St Helens People's Board:

*One Place, One System, One Ambition:
Improving people's lives in St Helens together*

The outcomes for the integrated care partnership are essentially the definition of what success will look like, including the key goals to be achieved by 2025 under the following priorities:

Mental Wellbeing

- Support people who are at risk of self-harm.
- Reduce alcohol dependency.
- Improve personal wellbeing.

Tackling Obesity

- Support healthy eating choices in the borough.
- Encourage residents to lead a more active lifestyle.
- Improve healthy life expectancy in the borough.

Resilient Communities

- Support people to live independently.
- Reduce social isolation and loneliness.
- Embed multi-sector working in the borough's four localities and networking.

A new governance structure including an ICP Board, Programme Delivery Group and Resources Group have been established and will work together to deliver improved outcomes in relation to the three agreed breakthrough priority areas of Mental Wellbeing, Tackling Obesity and Resilient Communities. In addition, the overall approach to prioritising health inequalities and the needs of our residents is shown below.

A new Joint Strategic Needs Assessment (JSNA) on Health Inequalities was produced. It showed significant inequalities in St Helens across a range of areas including life expectancy, mental health, obesity, child poverty, respiratory disease, and employment for people with long-term health conditions, many of which will have been exacerbated by the pandemic. In response, work commenced

on development of a local action plan which is being supported by St Helens ICP and Professor Sir Michael Marmot, a world-renowned expert in population health and inequality.

St Helens' performance against key public health measures in the adult population remains a challenge. Positively, the mortality rate due to suicide in the borough has seen a further fall and is now at its lowest rate since 2011. A range of action continued to support this improvement, and local mental wellbeing generally. This included the 'OK to Ask' and 'Kind to Your Mind' campaigns, both of which provided resources to help maintain good mental health during the COVID-19 pandemic.

During the year, Cheshire and Merseyside were rated Suicide Safer Communities by Living Works, a prestigious award that has taken two years to complete and shows the joined-up commitment across the sub-region.

Adult Social Care services again maintained strong performance against the national Adult Social Care Outcomes Framework, comparing favourably to other authorities. Strong support continued for people with learning disabilities in terms of ensuring that people are in settled accommodation.

The numbers of people with a learning disability in paid employment showed a small decrease during the year due to the impact of the pandemic and the need for vulnerable people to isolate.

Strong local adult safeguarding arrangements remained in place and good performance in terms of the council's timeliness of response to safeguarding enquiries was maintained despite an increase in referrals.

Nearly 90% of adults requiring the short-term involvement of adult social care services did not go on to access long-term services, representing very strong performance and demonstrating the effectiveness of short-term service provision and the effectiveness of assessment processes. 92% of people discharged from hospital were still at home 91 days after discharge, demonstrating the ongoing effectiveness of local reablement services.

There were further reductions in the historically low admission rates to permanent residential and nursing care due to the impact of the pandemic. The Homes for Life strategy continues to maximise Extra Care Housing options to reduce the demand for traditional care home placements. The council continued to support the care home market to ensure sufficient funded capacity, with the aim of achieving the twin objectives of market sustainability and financial effectiveness. The development of a Care Home Strategy commenced to provide market sustainability, sufficient capacity and financial effectiveness in the sector, with the aim of where possible supporting fewer people in care homes for shorter periods of stay, as people receive the help they need to remain at home for longer. The enhanced care home support developed during the pandemic will be retained so that residents are supported safely.





PRIORITY THREE

CREATE SAFE AND STRONG COMMUNITIES AND NEIGHBOURHOODS FOR ALL



During 2020-2021 the council continued to progress its commitment to engaging with communities to create safe and strong places for all residents.

THE AWARD WINNING #STHELENSTOGETHER CAMPAIGN, THE LARGE-SCALE COMMUNITY RESPONSE TO COVID-19 COORDINATED THROUGH THE COUNCIL WITH SUPPORT FROM A WIDE RANGE OF PARTNERS, LAID THE FOUNDATIONS FOR A RENEWED APPROACH TO ENGAGEMENT AND COLLABORATIVE WORKING WITH LOCAL COMMUNITIES, BUSINESSES AND INDIVIDUAL RESIDENTS.

During the summer of 2020, extensive community engagement was undertaken to give local people the opportunity to provide their views on how local services should be delivered and how they could play a greater role in this delivery. The programme took the form of digital surveys, virtual focus groups and face to face socially distanced engagement sessions involving elected members, staff, partners, and all sectors of the community. The process was well received by participants and the feedback used to shape the long-term vision in Our Borough Strategy 2021-30 and its shared 'Bonds for a Better Borough'.

Work was undertaken during the year to create a new Voluntary Sector Strategy. 'St Helens Together, Our Strategy for the Voluntary, Community, Faith and Social

Enterprise Sector 2021-26' was co-produced in collaboration with Halton and St Helens Voluntary and Community Action and their member groups and organisations. The four priority themes are: Collaborating Together, Communicating Together, Strengthening Communities Together and, Volunteering Together. Key actions arising from the strategy are to implement a crowdfunding platform, to enhance online information on volunteering, groups, advice, and support and to maximise use of the volunteering portal.

The St Helens Borough Volunteering Portal was introduced in 2020 to offer a clear and simple registration process for people wanting to help, whilst offering organisations that need volunteers to engage with those offering support. A Rapid Response App, "I can help" was also deployed to allow volunteers to pick up multiple tasks near to them, using google maps functionality. The system allows the volunteers to confirm when they have completed a job and offer feedback. The Volunteer portal links with the integrated health and social care system. This allows Contact Cares to direct support requests to the voluntary sector, whilst allowing volunteers to escalate any concerns they have to health and social care staff. Over 1,000 volunteers have registered on the portal since its introduction. The Volunteer Portal was recognised at the 2021 national iNetwork awards where the council, along with Halton and St Helens VCA and TeamKinetic, won the Partner Excellence Award as part of the St Helens Together campaign.

To strengthen community safety arrangements, in July 2020, the St Helens People's Board approved a revised Governance structure, which included the creation of the Safer St Helens Executive. As part of the review the establishment of a number of sub-groups to support the delivery of key community safety areas including domestic abuse, youth justice and anti-social behaviour was approved.

In February 2021, the Safer St Helens Executive endorsed the establishment of a new Domestic Abuse Partnership Board, in line with the expected requirements within the Domestic Abuse Act 2021. The Board will lead the response to the new Act and will commission future services to meet the needs of victims and their families.

In response to the significant growth in referrals for support from victims of domestic abuse following the cessation of the first period of lockdown, additional financial support was secured from the Community Safety service for the provision of Independent Domestic Violence Advocacy (IDVA) capacity from the Safe2Speak service.

A number of high-profile campaigns to address domestic abuse were run, including the 'Voices Against Domestic Abuse' campaign which was launched in October 2020. Online training and learning materials were provided to raise community awareness in relation to the issue of domestic abuse. All the training sessions were fully booked, with positive feedback and demand for future training sessions received. The campaign was also supported by social media messages encouraging residents to be a voice against domestic abuse.

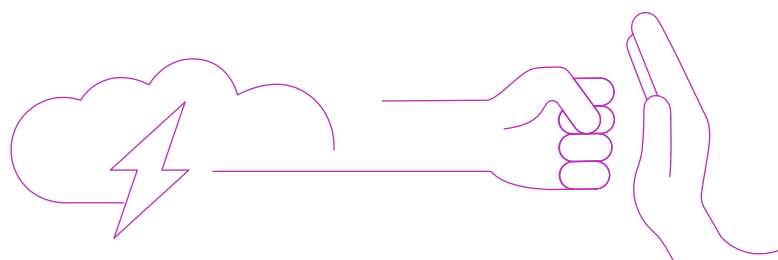
In 2020-2021, a total of 733 high risk domestic abuse cases were discussed at MARAC, with 290 being repeat cases. The repeat rate of 40% is a small increase on the previous year's rate. Further activity to ensure a reduction in the repeat rate includes multi-agency case auditing and further investment into support services following the introduction of new legal duties within the Domestic Abuse Act.

In September 2020, St Helens Youth Justice Service launched its new website. The website provides support and guidance for children, their families, or carers, as well as support for victims. The numbers of first-time entrants to the Youth Justice System remain comparably low. However, reducing youth reoffending and the number of Looked After Children receiving a substantive youth justice outcome remain key challenges.

The pandemic presented challenges for the Youth Justice Service and hindered the delivery and reach of several key pieces of work. However, the service made every effort to try and preserve a 'business as usual' approach to all aspects of intervention. A comprehensive plan of action is in place to improve performance in these areas.

The council continued its focus on encouraging people to support and promote equality across St Helens. The Safer Communities team relaunched an online training module for employees and elected members on hate crime and the Hate Crime Partnership Board continued to drive the promotion of hate crime reporting and signposting to appropriate support. Many events and campaigns were delivered to promote equality and celebrate the diversity of St Helens' communities including the #BetterThanThat campaign, St Helens second Pride, St Helens Oral History project, and the #ChooseToChallenge campaign on International Women's Day.

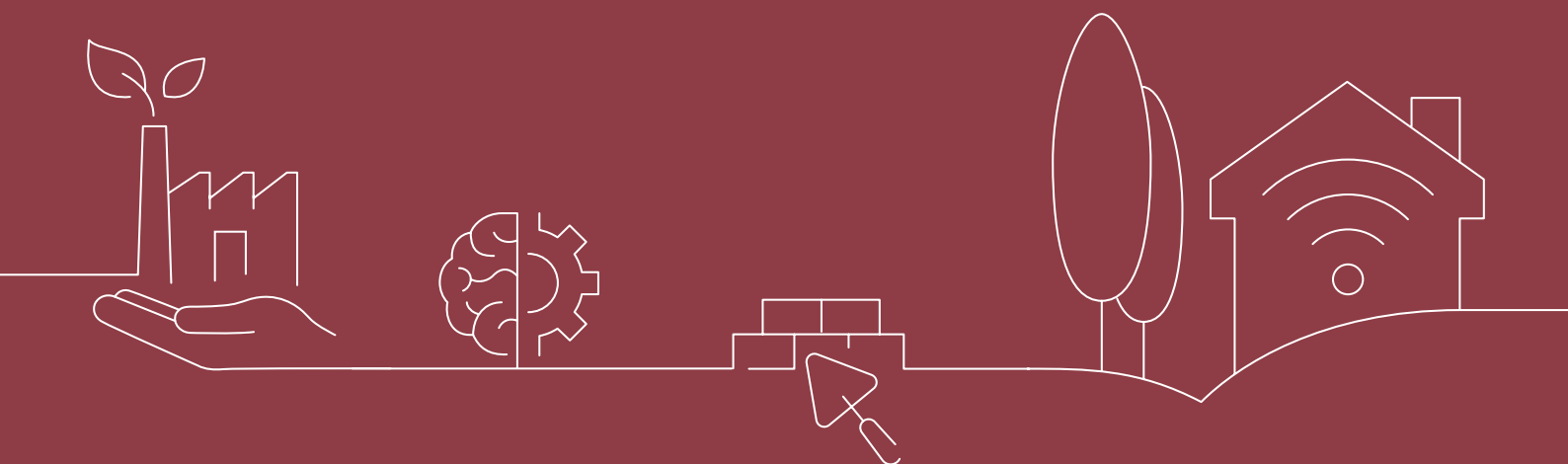
The council's Housing Options and Advice Service successfully delivered the Government's 'Everyone In' initiative to ensure all rough sleepers in the Borough were provided with an offer of accommodation following the onset of the pandemic. Joint working with public health, St Helens CCG and St Helens Together as well as charitable organisations ensured that a holistic response was developed to not only address the housing needs of this group but their wider support needs. Individual rehousing plans and options were subsequently identified for those accommodated under this initiative.





PRIORITY FOUR

SUPPORT A STRONG, THRIVING, INCLUSIVE AND WELL-CONNECTED LOCAL ECONOMY



In January 2021, the council published its Economic Recovery Plan. The Plan is aligned to the Liverpool City Region Economic Recovery Plan, 'Building Back Better' and focuses on:

- Supporting the St Helens business ecosystem to help businesses to survive, identifying new opportunities for the existing business base and attracting inward investment opportunities.
- Supporting people-focused recovery by promoting access to employment and increased skills to support new opportunities across the borough and beyond.
- Supporting regeneration of place and a green economy by ensuring development opportunities create sustainable communities and help tackle the climate emergency.

Strong progress was made during 2020-2021 on the council's ambition to promote regeneration, growth, and economic recovery across the borough.

In March 2020, the council announced a landmark 20-year partnership with English Cities Fund to regenerate St Helens Town Centres and ensure development across the borough. The Overarching Development Agreement that provides the objectives, structure, and process for this future programme of regeneration was completed in September 2020.

The partnership is complemented by the work of the Town Deal Board which continued to focus on the development of a Town Investment Plan, following confirmation that St Helens was one of the towns chosen by the Government to bid for up to £25m to deliver transformative projects with an option to bid for up to £50m if a project was of national significance. To progress and support the bid the council received a £1million Accelerated Town Deal fund grant from the Government and a £1m Liverpool City Region (LCR) Town Centre Fund. In February 2021, the council formally submitted a £38.5m Town Investment Plan bid to Government to transform St Helens and Earlestown town centres.

The plan aims to help to unlock new jobs, deliver regeneration and bring communities together through a range of potential developments across the wider St Helens Town Centre area including expanding on Glass Futures, creating new town centre living options, enhancing the rich heritage through

reimagining The World of Glass, supporting healthy communities through the creation of a youth zone and health innovation hub, creating a better-connected town centre with new walking and cycling routes and improving digital infrastructure to help businesses grow online.

The Glass Futures project, which will see the creation in St Helens of a Global Centre of Excellence for the sustainable manufacture of glass, went from strength to strength. The council entered into a formal legal agreement with Network Space and Glass Futures committing all parties to the delivery of the project. Allocations of £9m through the "build back better" funding via the Liverpool City Region and a further £15m were awarded via UK Research and Innovation to support the project. An experienced principal contractor was appointed to deliver the facility and NSG Pilkington signed up as a full member of Glass Futures partnership. A planning application for the project was submitted in February and approved by the council in May 2021.

The physical transformation of St Helens and Earlestown town centres began with the demolition of Chalon Way Car Park and the restoration works on the Gamble and Earlestown Town Hall. Work with English Cities Fund on the master plans for the regeneration of the two town centres continued and are anticipated to be revealed in the summer of 2021.

The council submitted its Local Plan to Government in October 2020. The plan will shape the development and growth of the Borough over the next 15 years and is accompanied by a suite of supporting documents and a report on public consultation.

To deliver on its ambitious regeneration and economic development plans for the borough, the council approved a Land and Property Acquisition Strategy supported by a £10m fund. Funding for the investment comes from capital reserves. The strategy will accelerate the delivery of regeneration plans by allowing the purchase of land and property interests where there is a clear and considered rationale.

The council continued to work collaboratively with developers to bring forward key employment sites across the borough. The Parkside Phase One and Parkside Link Road public inquiry took place through January 2021. The Public inquiry for a logistics

development at Haydock Point was completed in February 2021. The council presented a strong case in both hearings. The Planning Inspector will consider the evidence and submit a report to the Secretary of State for consideration. It is anticipated that a decision from the Secretary of State comes forward in summer. An application for a proposed logistics development at Omega West, including a new Home Bargains facility was approved by Planning Committee. The proposal has been called in by the Secretary of State and work has been ongoing to provide evidence to support the development.

The council also continued to work with developers to deliver strong housing growth. Despite the challenges presented by the pandemic, a total of 646 dwellings were completed over the course of the year, with a further 311 under construction at the end of March 2021. The council's commitment to prioritising the use of previously developed land for housing development continued, with planning permission granted for up to 1,100 dwellings at Cowley Hill and the submission of an application for 258 dwellings at Moss Nook. Cowley Hill is one of the City Region's largest brownfield sites to come forward for development and the proximity of the site to St Helens town centre will assist with plans for its regeneration and growth.

THE COUNCIL'S WAYS TO WORK PROGRAMME ALLOWED MORE THAN 600 RESIDENTS TO ACCESS EMPLOYMENT SUPPORT SINCE THE START OF THE PANDEMIC, WITH 235 BEING SUPPORTED INTO EMPLOYMENT AND MORE IN PROGRESS.

Ways To Work is currently offering redundancy response support to local businesses to ensure those at risk of becoming unemployed can access alternative employment opportunities,

The team also provided recruitment support to ensure the Community COVID-19 testing facilities were operational as quickly as possible and staffed by local people. Plans are under way for the opening of St Helens Ways To Work town centre hubs, where residents will be able to access advice, guidance and support on training, employment and skills, provided by Ways To Work staff and those of key partners in the borough.

Skill levels within St Helens' population aged 16-64 years showed strong improvement. The percentage of the population qualified to Level 2 and higher now stands at 78.8%, almost a 5% increase on the previous year. Performance at Level 2 is now better than the North West (76.9%) and England (78.2%) averages. The percentage of the population qualified to Level 3 or higher also increased to 57.4%, a 3.5% increase on the previous year. Performance improvement has further closed the gap on the North West (58.2%) and England (61.3%) averages.





PRIORITY FIVE

CREATE GREEN AND VIBRANT PLACES THAT REFLECT OUR HERITAGE AND CULTURE



The promotion of environmental sustainability and the 'Green' agenda are a key element of the council's plans for reset and recovery. In July 2019, the council declared a Climate Change Emergency and committed to the objective of achieving zero-carbon status by 2040.

To further this commitment, in March 2021 the council resolved that a multi-agency Climate Change Commission for the Borough of St Helens be established. This essential strategic partnership forum will enable the council and other key stakeholders to develop, monitor and deliver a range of low carbon, climate resilient projects, programmes, and initiatives to achieve the zero-carbon status ambition by 2040. Taking a partnership approach on this important matter will help the council to exert influence over specific sectors and partners, thus helping to deliver this cross-cutting policy issue.

THE CREATION OF A CLIMATE CHANGE OFFICER ROLE WAS ALSO AGREED. THE CLIMATE CHANGE OFFICER WILL DEVELOP, LEAD, AND COORDINATE THE COUNCIL'S WORK ON CLIMATE CHANGE AND SUPPORT THE WORK OF THE CLIMATE CHANGE COMMISSION.

Overall, the council's greenhouse gas (GHG) emissions have reduced by 51% compared to the baseline year of 2009-2010. Emissions from electricity in corporate buildings are 58% lower and emissions from street lighting are 66% lower than the baseline year. A review of the councils' Corporate estate will identify the condition of the councils asset base and identify investment requirements and rationalisation. This programme will help to provide a platform for long-term reduction of carbon for the council.

The impact of lockdowns over the year saw a reversal in a four-year trend of reductions in incidents of fly tipping in the borough. A scrutiny review was conducted during Quarter 3 to raise the profile of the environmental impact of fly tipping and explore how performance can be improved. A media campaign was launched to encourage residents to take care of their environment and will coincide with an enhanced programme of enforcement activity. This will focus on hotspots throughout the borough with the introduction of mobile CCTV to both catch perpetrators and act as a deterrent.

The pandemic and lockdowns also impacted on recycling levels, which saw a decrease during the year and increased household waste collected for incineration or landfill. Increased tonnages of waste collected during the pandemic are being reported across the country and may become a longer-term consequence of more people working from home. The Recycling and Waste team is working with Marketing and Communications to promote the issues, highlight the costs to the authority and suggest ways in which residents can reduce waste. A new waste strategy, including a waste minimisation plan is being developed.

Strong support continued over the year to promote sustainable transport and active travel in St Helens. The council secured over £1m to encourage cycling as part of the Liverpool City Region Combined Authority Active Travel Tranche 2 funding. The funding will provide new cycling and walking routes from the Town Centre to the Warrington boundary along several key routes. This built on the £340k Active Travel Fund Tranche 1 cycling measures introduced on Clock Face Road, Chester Lane and Jubits Lane earlier in the year. The funding will also help to deliver a 'School Streets' scheme, which will see temporary restrictions on traffic around schools at drop-off and pick-up times to help cut emissions and encourage parents, children and young people to travel by bike or walk. To help assess the effectiveness of these measures, sensors will monitor the numbers of people walking or cycling.

The council also secured £14.8m of Transforming Cities Funding from the Liverpool City Region Combined Authority for 'St Helens Southern Gateway' to improve sustainable access to and from Lea Green Rail Station.

The project will see the creation of six safe cycle routes, an upgrade to the station, and increased capacity of the park & ride facility.

St Helens Borough Arts Strategy was developed and approved in March 2021, following a period of public consultation. It is a place-based strategy, which presents an ambitious and energising vision and plan for delivering, promoting, and inspiring art and culture in the Borough. The strategy is co-owned with the Arts Sector and links closely to Our Borough Strategy 2021-30, providing a shared recognition of the role of the arts in supporting the wider regeneration of the borough and the health and wellbeing of local people.

A new Libraries Strategy was developed over the course of the year and approved in May 2021, subject to a period of consultation. The strategy sets the direction of the Library service for the next five years, to balance the delivery of national outcomes with Borough priorities and service ambitions. It considers the evolving needs of the Borough's residents, current customer trends, customer feedback and the need to deliver the service with a reduced budget.

Despite significant disruption to the provision of Library services during the year, the service responded well. The new Town Centre library based at the World of Glass opened in September 2020. The new facility offers a lending library for children and adults with the option of using a self-serve kiosk or 'click and collect', along with a computer suite and study area. The Library Service adopted new ways to engage with its customers using technology, resulting in a huge increase in virtual visits. The introduction of a new digital provider, on-line activities, digital events, and the expansion of home delivery have all been well received by the community.

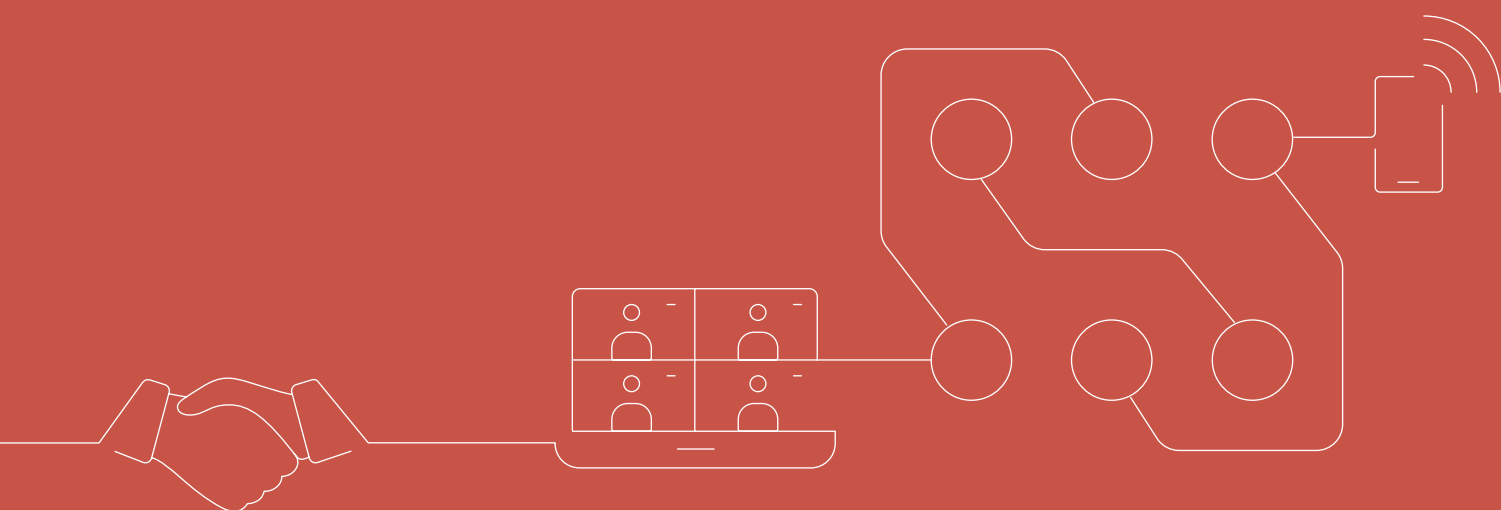
The council's sports centres were closed on three separate periods during the year due to lockdowns and had to operate at restricted occupancy levels throughout the year. However, the service adapted well and managed to create different methods of service delivery such as live streaming and pre-recorded content, outdoor fitness sessions and personalised training programmes, all of which proved to be very popular with customers.





PRIORITY SIX

BE A RESPONSIBLE COUNCIL



The council's programme of modernisation continued at great pace over the course of 2020-2021. The significant progress made was acknowledged by the LGA in March 2021 via a remote session with the council's Cabinet and Executive Leadership Team as part of its ongoing package of support. The pandemic acted as a catalyst for the council to reimagine, reshape and transform itself, kickstarting a programme of change across the organisation that encompassed policy modernisation, cultural transformation, and digital innovation.

THE DEVELOPMENT AND APPROVAL OF OUR BOROUGH STRATEGY 2021-30 IN MARCH 2021, HELPED DRIVE THIS PROCESS BY PROVIDING A CLEAR STRATEGIC DIRECTION FOR RECOVERY OUT OF THE PANDEMIC AND TRANSFORMATION OF THE BOROUGH, WHILST SETTING A NEW VISION AND PRIORITIES FOR THE ORGANISATION AND ST HELENS' COMMUNITIES TO WORK TOWARDS TOGETHER.

The development of a new strategic direction was coupled with the creation of a new Executive Leadership Team and organisational structure that was redefined to better support the effective delivery of both council and borough wide priorities.

The re-shaping of the organisation was undertaken to address a number of challenges in relation to the council's operation and governance, in particular increasing management and oversight of

strategic functions, supporting capacity and building capability in priority areas, clarifying accountability, and driving performance improvement.

During the year, the Executive Leadership Team led and coordinated an effective borough wide response to the extreme pressures of the pandemic, whilst maintaining the focus on the council's programme of internal modernisation. Much has been achieved in a short period of time.

The council made strong progress in progressing its commitment to placing residents at the centre of its service delivery, improving service accessibility, and delivering a quality customer experience for residents. Additional impetus was given to this ambition through the agreement to further progress locality working to embed service delivery in community settings, whilst developing the means to better identify and understand the relative strengths and needs of communities.

A new Customer Service Strategy and Customer Service Standards were developed, aligned to the council's IT and Digital strategies. The delivery of a new digital customer service platform commenced which will allow customers to have full view of their interactions with the council through a new Customer Portal. Work to improve and join-up front door services has also been carried out, with planned improvements to telephony services and reception areas. This includes virtual appointments with our advisors, an assisted self-service experience, and a planned new reception area in the Town Hall.

Investment continued to create a modern, digital workplace and infrastructure to improve ways of working and service delivery. The council's new ICT Strategy and Technology Roadmap 2021-2024 was completed and work commenced on its counterpart St Helens Digital and Smart Borough Strategy 2021-2024. A new Technical Design Authority and a Transformation Programme Board were established to ensure the strategic alignment of digital transformation across the organisation and to provide support, advice, and guidance from the earliest stages in all new ICT and digital projects. Work was ongoing over the year to provide a range of fit for purpose, secure mobile technologies to improve services and support agile collaborative working by default. A new ICT Learning Hub was



created to support the introduction of this new technology.

The additional emphasis and resources placed on Organisational Development resulted in the co-designing, with employees, of a new organisational culture and programme of change. The focal point of this work has been the establishment of the Ways of Working programme. The success of the programme was recognised in the 2021 national iNetwork awards where it received the award for Transforming & Innovating Public Services. The programme has seen the introduction of long-term agile working by default for all office-based staff, who have been provided with the technology and resources to adapt to new ways of working. The approach has been supported by the creation of a modern agile hub consisting of bookable collaborative spaces, desks, and meeting rooms. A new, innovative App has been created which allows staff to safely book spaces within the agile hub. A revised agile working framework has been introduced, rationalising, and revising the many complex working policies that previously existed across the organisation.

A key part of the Ways of Working programme involved the sign-up of more than 150 Culture Champions across the organisation. The network provides a means of sharing information and acts as an informal sounding board for consulting on a range of topics. This has resulted in work commencing on

revisions to the vision, values, and behaviours of the organisation. Ways of Working has also maintained a strong focus on the health and wellbeing of staff during the very challenging year. Work coordinated through a Workplace Health and Wellbeing Group has delivered initiatives including Mental Health First Aiders, virtual coffee mornings, a virtual book club and virtual keep fit classes.

The benefits of Ways of Working to staff and the organisation are both tangible and sustainable. Fully flexible staff working patterns have enabled greater accessibility and responsiveness of some services and are supporting a better work-life balance by allowing work to be blended around the caring responsibilities of staff. Staff are reporting savings in commuting costs and there has been a notable reduction in staff sickness levels. Resource savings have been generated linked to a reduction in the running costs of the estate, allowing a focus on the modernisation of St Helens Town Hall as the public facing democratic heart of the organisation. The next phase of the programme will look at developing public facing locality hubs in areas of the borough where they are most needed and an asset transfer or disposal programme where the council's existing estate is no longer required.

In March 2021, the council established an Equality, Diversity, and Inclusion (EDI) Strategy Group to oversee compliance with



the requirements of equality legislation and delivery against the council's statutorily required measurable equality objectives. The group will also oversee effective engagement with staff and community equality groups. A new BAME staff group was set up to ensure that staff from these groups have a direct influence on ensuring a fair and equal organisation. The BAME staff group, and other staff groups will feedback directly to the EDI Strategy Group. The council's Annual Equality Monitoring Report demonstrated the successful achievement of its key equality objectives.

Over the year the council successfully developed and invested in a more proactive approach to internal and external communications. Internal communication and engagement with staff and members have been stepped up and conducted in a range of formats including digital surveys, weekly staff email briefings, regular staff engagement sessions with the Chief Executive, and regular Members' Bulletins. Information and guidance in relation to COVID-19 was communicated effectively and regularly with residents and communities across the borough. An extensive programme of engagement with residents, partners, community groups, businesses and employees took place to inform the development of 'Our Borough Strategy' and better understand the impact of COVID-19. Significant work was undertaken to communicate the 'Our Borough Strategy' and the Local Plan, and a new branding style for

St Helens Borough Council that strengthens the bonds between the distinct local towns and villages of the borough was completed.

Despite the financial challenges, work continued to deliver a sustainable budget strategy focussed on the delivery of our strategic priorities and outcomes. The council's Medium-Term Financial Strategy 2021-2024 was approved in March 2021 following consideration of the outcomes of a wide consultation exercise with residents and other stakeholders and a comprehensive review via a Task Group of the Overview and Scrutiny Commission. The strategy sets out ambitious capital plans to invest more than £100m over the next 3-years in support of the council's ambitions for regeneration of the borough and its localities.

The Medium-Term Financial Strategy is complemented by a new Commercial Strategy, approved in March 2021. The strategy will support a structured approach to achieving financial and social benefits through a range of commercial projects that ensure the council obtains an optimal return for every pound it spends.



9. Risk Management

The council's approach to the management of risk is an integral part of its Governance Framework, with robust and consistent risk management processes embedded across the organisation to mitigate threats to the delivery of the council's vision and priorities. The effectiveness of these arrangements also provides the requisite assurance for the council to pursue and maximise suitable opportunities in support of its commercial strategy.

Over the course of 2020-2021 wholesale review of the council's risk management processes was undertaken, resulting in a new Risk and Opportunity Management Framework and Risk and Opportunity Management Policy. The Framework and Policy allow the identification and assessment of risk and opportunities, promote effective decision making, and encourage innovation by enabling an awareness of associated risks but without being overly risk averse.

The council's Strategic Risk Register consists of twelve key risks. Directorate risk registers also exist to identify, assess, and mitigate risks that are specific to the operation of services within given areas.

Responsibility for effective risk management runs throughout the council. The Audit and Governance Committee oversees and receives assurance on the extent to which effective risk and opportunity management remains embedded across the council. The Executive Leadership Team (ELT) oversees the implementation of the framework and agrees the allocation of resources to support it. ELT provides a leadership and monitoring role and reviews the adequacy of the management of strategic risks. ELT also ensure that decisions regarding opportunities are being taken after due consideration of key risks. A Governance Group support ELT in the effective development, implementation and review of the Risk and Opportunity Policy and Framework. The Group monitors the implementation of the framework across the council, identifying where assurance is required and any areas of overlapping risk.

An electronic risk management module as part of the council's Audit Management System exists for the review and monitoring of risks. The Strategic Risk Register is reviewed on a quarterly basis by ELT. Progress in managing strategic risks is reported to the Governance

Committee on a regular basis. Directorate Operational Risk Registers are reviewed on a quarterly basis.

Once reviewed, all risk registers are updated to ensure that existing mitigation measures are accurate and still in place. Progress to deliver further planned controls are monitored and any significant delays reported to the relevant Risk Governance Forum. The management of corporate risks is reported in the council's Annual Governance Statement.

The management of risk is closely aligned to the council's business continuity process, which is also subject to regular review. Business Continuity Plans exist for all critical areas of service to consider the risks associated with the council's ability to continue with service provision during a period of disruption. Over the course of 2020-2021 all Business Continuity Plans have been subject to review in the light of COVID-19, revised operational arrangements and learning from the impact of the pandemic. Work is ongoing to update the council's business continuity management arrangements and a draft revised policy and corporate framework is being developed. Work will then commence on the business impact analysis forms and the compilation of business continuity plans to reflect changes in the working environment and to ensure the council's arrangements are robust.

10. Future Outlook

The future outlook continues to remain very uncertain as it becomes increasingly clear that the COVID-19 pandemic is having far reaching consequences in terms of social, economic, health and community impacts. The council recognises that in the medium and long-term the change required for local government will be fundamental.

Additional expenditure and reductions in income levels will continue, whilst the level of financial support from government to councils is seen to be significantly reducing. When considered together with the challenging £13.4m savings programme for 2021-2022 and the continued uncertainty around future local government funding, it is clear that strong financial management in the period will be key in ensuring ongoing financial resilience and sustainability.

The impact of the COVID-19 global pandemic and the continuing uncertainty surrounding local government funding means the council continues to face a challenging funding position and will do so for the foreseeable future. The pressures that will arise from continued COVID-19 driven expenditure and reductions in income levels, the demand for social care, the need to resource a local economic recovery from the pandemic, and the ability to achieve strategic objectives will drive the need to identify and deliver cash savings and cost reductions. Consequently, it is imperative that strong financial management ensures that resources are allocated following an assessment of strategic priorities and that annual budget decisions are aligned to those priorities.

The review and development of the council's Medium-Term Financial Strategy will provide an overarching framework which sets out the context in which future decisions on resource allocation and budgeting will be taken and quantify the likely level of resources that are available to deliver the council's services and achieve its core strategic objectives. The council will also look to rebuild its level of reserves over future years as part of its Medium-Term Financial Strategy and operate on a more commercial basis, developing a strategy which will seek to increase opportunities from income generation and promote improved procurement and minimise service delivery costs to support the budget position.

The council is committed to achieving Value for Money in all aspects of its operations. To achieve this, reviews will be undertaken to determine whether cost improvements can be made, and to ensure that resources are prioritised and are aligned to strategic intent.

Growth in the local economy is essential to increasing local prosperity and the employment prospects of residents. The council remains reliant on a healthy local economy if it is to grow its revenue base in order to compensate for the huge, long-term reductions in central government funding. Government has provided financial support to largely assist councils in managing the net cost of COVID-19 in 2020-2021. However, this largely took the form of non-recurrent allocations and there is real potential that the sufficiency of the support currently indicated may fall some way short of addressing the pressures that the council will face. Funding beyond 2021-2022 remains uncertain. Addressing this issue is vital if the council is to maintain the provision of critical local services and deliver an effective response to reset and recovery from the current crisis.

St Helens faces some significant and persistent economic challenges. These have been further exacerbated by the pandemic which has caused serious disruption to the local economy and business. The economic impact of COVID-19 has been unprecedented with the UK economy witnessing its biggest economic decline in over 300 years. GDP shrank by 9.9% in 2020, far surpassing the damage caused by the 2008 financial crisis. St Helens does not face this unparalleled economic turmoil from a position of strength. The longer the pandemic continues, the greater the impact will be on the economy and the greater the intervention needed to assist businesses, create inclusive growth, and support employment.

In response, the council will work closely with the Combined Authority and other partners to deliver the St Helens Economic Recovery Plan in the context of the Liverpool City Region Economic Recovery Plan 'Building Back Better'. Although the challenges are great, the council has been proactive in creating strong opportunities for growth and regeneration. Ambitious plans for economic growth are progressing at pace, supported by significant levels of planned investment and targeted revenue resources. The council must sustain the momentum on existing projects including, Parkside, the English Cities Fund partnership,

and Glass Futures, whilst capitalising on new and future opportunities.

It is evident that the impacts of COVID-19, be they direct or indirect, have not been felt equally across society and that the greatest impact is falling on the least privileged. It is therefore likely that the high levels of relative deprivation, inequality and disadvantage within St Helens will be further exacerbated. The strong link between high levels of deprivation within local authority areas, the associated demand for services and the increased cost of delivery are well evidenced.

The pandemic has laid bare the critical role that local government undertakes in supporting the most vulnerable individuals and communities. The council, together with support from partners and the community has worked incredibly hard to deliver a wide range of vital and often additional services during this most challenging of times. The stark reality, however, is that given the existing quantum of Government funding, this level of provision is unsustainable.

The reliance of residents and communities on local services has increased significantly in recent years due to austerity. The existing high demand and associated cost pressures key areas of service are experiencing are only set to increase further given the impact of the pandemic. As a result, it is acknowledged there may be a requirement to consider changes to the definition of 'essential services' post COVID-19. This in turn may lead to the permanent cessation of some services, whilst others may have to be delivered differently.

The council's greatest demand and cost pressures exist within Adult's and Children's services. Solutions as to how to continue to support those most in need and prevent more costly interventions downstream are required. A clear national roadmap of Government's plans for Adult and Children's Social Care is needed now more than ever, with the future expectations placed on local government clearly defined, properly costed, and adequately funded.

Poor health and health inequalities have been pervasive in St Helens for many years. The repercussions of the pandemic will compound this position at a time when current resources are limited, and future ones unclear. Nationally, there has been a historic absence of resources

to properly invest in prevention and early intervention and there is now a very real prospect of increased levels of unmet and unknown need.

To address the challenges of cost and demand and ensure the future sustainability of local health and care services, the continuing development of St Helens Integrated Care Partnership remains a key priority for the council and partners. The partnership will also be critically important to ensuring an ongoing effective response to COVID-19 to address the emergence of variants and surges within communities. Further redesign and integration of services progressed at a locality-based level will be considered to deliver improved outcomes against identified health and care priorities.

Increasing evidence suggests that children and young people may be the hardest hit by the impact of COVID-19. Lost learning has the potential to widen existing inequalities in educational achievement. For children already living in difficult circumstances, access to the safety net of support and supervision of professionals from schools, health and social care has been reduced by lockdown and school closures, raising concerns that vulnerable children could be missing out on vital support during the crisis. The increased stress among families already dealing with adversity has the potential to further increase the risk of neglect and domestic violence.

The council continues to work to navigate the challenges brought by COVID-19 and deliver an effective response within the context of what was already a hugely challenging environment pre COVID-19. High numbers of children in care and leaving care, children and families open to social care services and children and young people with special educational needs and disabilities already represented a significant financial commitment and continues to do so. Successfully progressing the Children's Services Improvement Plan to address the outcome of the Children's Services (ILACS), whilst ensuring effective delivery of the Education Recovery Plan remain pressing priorities for the council. Progress to date has been strong, but the momentum of improvement needs to be maintained. To support this process and ensure a sustainable model of both social care and education services that deliver the best possible

outcomes for children, young people and their families, the council has invested significant additional targeted resources.

The huge financial uncertainty and risks currently facing councils, are compounded by growing expectations of the role of local government and changing community need. Local authorities are having to rethink their purpose, quickly adapt and transform. Change is required in the way services are delivered, if the requirement to deliver radical efficiencies is to be met and the potential for withdrawal of services avoided.

The council recognises the importance of understanding the services that residents need and value, and the vital role local communities and neighbourhoods can play in influencing, shaping, and supporting their delivery. The St Helens Together community response to the pandemic clearly showed the benefits of community engagement and coordination, with individuals, groups, businesses, and partners across St Helens coming together to effectively support and care for each other. This new conversation and relationship initiated with the community resulted in a commitment to jointly deliver the shared 'Bonds for a Better Borough' enshrined within Our Borough Strategy.

The council will now further develop its plans to help people to do more for themselves and each other, building on the strength and creativity shown by communities over the last year. The progression of a locality-based model of working will assist the council to adopt a more facilitating role that unlocks, supports, and builds greater capacity within the community to deliver shared priorities.

The council is now organisationally in a much stronger position than it was at the start of its improvement journey following the LGA Peer Challenge at the beginning of 2019. This position was acknowledged by the LGA in March 2021, when it commented on the significant improvements made in the last two years that have put the council in a positive position to achieve higher levels of performance in future years.

The clarity of the council's strategic direction, its plans for recovery and a medium-term financial strategy that focuses the prioritisation of resource provide the foundation for delivery of its ambitions for continuing transformation and improvement.

11. Conclusion

2020-2021 has been dominated by the impact of the COVID-19 pandemic and the ongoing council response. Over this period, the council has continued to operate effectively despite a climate of significant financial uncertainty and a year of unprecedented change, challenge, and risk.

A clear budget strategy has been implemented, resulting in a balanced budget which addressed a number of underlying budget pressures and allowed the council to make strong progress on its ambitions for transformation, service investment and improvement.

The strength of this approach was again acknowledged by the council's latest External Audit report, which provided an unqualified opinion on its financial statements.

Sound financial management over a sustained period, and a strong track record in the delivery of savings has for many years allowed the council to manage and minimise the impact of government funding reductions on front line services, whilst affording the council the ability to invest in the delivery of its strategic priorities.

HOWEVER, THE ONGOING IMPACT OF THE COVID-19 PANDEMIC AND THE CONTINUING UNCERTAINTY SURROUNDING LOCAL GOVERNMENT FUNDING MEANS THE COUNCIL WILL CONTINUE TO FACE A CHALLENGING FUNDING POSITION WELL INTO THE FORESEEABLE FUTURE.

The pressures arising from the need to address the increased demand in children's and adults social care, the resourcing of local economic recovery and growth, and continuing the delivery of progress against strategic objectives are all driving the need to identify and deliver budget savings.

The budget savings to be delivered for 2021-2022 stand at £13.44m. The full financial impact of what is still very much an ongoing pandemic is uncertain but guaranteed to be significant given the economic and societal consequences to date. The degree of uncertainty that this introduces in terms of financial planning is unparalleled, making the financial management of the council challenging.

Going forward it is imperative that the council's resources continue to be allocated following assessment of strategic priorities and that future budget decisions are aligned to those priorities. Only in this way will the council be able to establish a long-term sustainable budget that will allow it to effectively meet the ongoing needs of the community. The council will continue to work within the sector to try to ensure that Government provides the appropriate level of financial resource required for it to continue the effective response to tackling the pandemic and delivering its full range of statutory duties.

Further difficult decisions are inevitable. However, in a time of great crisis St Helens has risen to the challenge. The strength and effectiveness of ongoing collaboration between staff, Members, partners, and residents in response to the pandemic is nothing short of remarkable, providing great hope for the future.

The council remains fully committed to the overriding principles that nothing is more important than making sure it does all it can to keep all residents safe and supported during these truly difficult times, whilst continuing to deliver our future vision of a better borough for all.

I would like to thank all Members and Officers for the strong commitment shown during 2020-2021 and express my gratitude to all colleagues who have contributed to the preparation of this document and for their support and dedication during the financial year.



Cath Fogarty

Executive Director of Corporate Services

Date: 12 July 2021

EXPLANATION OF THE FINANCIAL STATEMENTS

The Statement of Accounts is prepared to demonstrate the council's financial performance for the year ended 31 March 2021 and present its overall financial position at the end of that period. The core financial statements are included on pages 95 to 98 and are prepared to comply with the requirements of International Financial Reporting Standards. The statements are supplemented by a number of notes providing relevant additional information. The core financial statements are:

Movement in Reserves Statement (MIRS)

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

Comprehensive Income and Expenditure Statement (CIES)

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

Balance Sheet

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

Cash Flow Statement

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

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

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

Independent auditor's report to the members of St Helens Borough Council

Report on the Audit of the Financial Statements

Opinion on financial statements

We have audited the financial statements of St Helens Borough Council (the 'Authority') for the year ended 31 March 2021, which comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Collection Fund Statement and notes to the financial statements, including a summary of significant accounting policies. The notes to the financial statements include the Statement of Main Principles, Accounting Policies and Estimation Techniques, the Index of Notes to the Core Financial Statements and the Notes to the Collection Fund Statement. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2021 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Executive Director of Corporate Services use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

In our evaluation of the Executive Director of Corporate Services conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21 that the Authority's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Authority. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Authority and the Authority's disclosures over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Executive Director of Corporate Services use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Executive Director of Corporate Services with respect to going concern are described in the 'Responsibilities of the Authority, Executive Director of Corporate Services and Those Charged with Governance for the financial statements' section of this report.

Other information

The Executive Director of Corporate Services is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with 'delivering good governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Authority, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority, the Executive Director of Corporate Services and Those Charged with Governance for the financial statements

As explained in the Statement of Responsibilities for the Statement of Accounts, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that

officer is the Executive Director of Corporate Services. The Executive Director of Corporate Services is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21, for being satisfied that they give a true and fair view, and for such internal control as the Executive Director of Corporate Services determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Director of Corporate Services is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

The Audit and Governance Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the Authority's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Authority and determined that the most significant, which are directly relevant to specific assertions in the financial statements, are those related to the reporting frameworks (international accounting standards as interpreted and adapted by the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21, The Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the Local Government Act 2003, the Local Government Act 1972 and the Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992) and the Local Government Finance Act 2012.
- We enquired of senior officers and the Audit and Governance Committee, concerning the Authority's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of senior officers, Internal Audit and the Audit and Governance Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Authority's financial statements to material misstatement, including how fraud might occur, by evaluating officers' incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and improper recognition of revenue. We determined that the principal risks were in relation to:

- management override of control, in particular journals, management estimates and transactions outside the course of business
- Our audit procedures involved:
 - evaluation of the design effectiveness of controls that the Executive Director of Corporate Services has in place to prevent and detect fraud;
 - confirming the completeness of the journals listing and testing high risk or unusual journals;
 - challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and buildings, investment property and defined benefit pensions liability valuations, national domestic rates appeals and grants income recognition and presentation;
 - reviewing the appropriateness of accounting policies adopted; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement teams:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the local government sector
 - understanding of the legal and regulatory requirements specific to the Authority including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA, LASAAC and SOLACE
 - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Authority's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the Authority's control environment, including the policies and procedures implemented by the Authority to ensure compliance with the requirements of the financial reporting framework.

Report on other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

Our work on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Authority's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in a further auditor's report. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2021.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for St Helens Borough Council for the year ended 31 March 2021 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed our work on the:

- Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources and issued our Auditor's Annual Report; and
- the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the Authority for the year ended 31 March 2021.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Smith

Andrew Smith, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

Manchester
12 November 2021

STATEMENT OF MAIN PRINCIPLES, ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

General

The Statement of Accounts summarise the authority's transactions for the financial year 2020-2021 and the position at the year-end 31 March 2021. The authority is required to prepare an annual Statement of Account by the Accounts and Audit Regulations 2015, which require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, supported by International Financial Reporting Standards (IFRS).

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

Accruals of Income and Expenditure

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

- Council Tax and Non-Domestic Rates income is accrued in accordance with the assessed liability for the period to 31 March.
- fees, charges and rents due from customers are accounted for as income at the date the council provides the relevant goods or services.
- supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

- expenses in relation to services received are recorded as expenditure when the services are received rather than when the payments are made.
- interest payable on borrowings and receivable on investments are accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- where revenue and expenditure have been recognised, but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Capital Receipts from non-current asset disposals are recorded on completion of the asset sale.

In accordance with IAS18 Revenue Recognition, revenue should be measured at the fair value of the amount payable or receivable. In practice, this is the amount that the council has invoiced, or for which it has been invoiced.

Assets Held for Sale

See Property, Plant and Equipment.

Capital Receipts

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

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

Cash and Cash Equivalents

Cash and Cash Equivalents are represented by:

- cash-in-hand/cash overdrawn.
- unpresented cheques or other. unpresented methods of payment.
- investments repayable on demand without penalty or change in value.

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

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events or conditions on the authority's financial position. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period, as if the new policy had always been applied.

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

Charges to Revenue for Non-Current Assets

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

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

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

Contingent Liabilities

See Provisions and Contingent Liabilities.

Depreciation

See Property, Plant and Equipment.

Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, and paid annual leave for employees, and, in accordance with IAS 19 Employee Benefits and the provisions of the Code, are recognised as an expense for services in the year in which employees render service to the authority. An accrual is made for the cost of accumulating compensated absences earned by employees but not taken before the year end, which employees can carry forward into the next financial year. The accrual is charged to Surplus or Deficit on the Provision of Services but reversed out through the Movement in Reserves Statement to the Accumulating Compensated Absences Adjustment Account.

Termination Benefits

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

Post-Employment Benefits

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

- the Local Government Pension Scheme

(LGPS) for staff employed under NJC terms and conditions – this is a defined benefit plan where the authority and the employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities and investment assets. This plan is administered by the Merseyside Pension Fund.

- the Teachers' Pension Scheme (TPS) for those employed under Teachers' terms and conditions, administered by Teachers' Pensions on behalf of the Department for Education. The TPS is a statutory scheme subject to the Teachers' Pensions Regulations 1997 (as amended). It provides Teachers with defined benefits upon their retirement, and the authority contributes towards the cost by making contributions based on a percentage of members' pensionable salaries.
- the NHS Pension Scheme (NHSPS) for those council staff who were compulsorily transferred from Primary Care Trusts and other NHS bodies, and retained access to the NHSPS, and council staff who have access to the NHSPS as a result of their terms of employment. The NHSPS is a statutory scheme administered by NHS pensions and provides its members with defined benefits upon retirement, with the authority contributing based on specified percentages of members' pensionable pay.

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

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

The LGPS

The LGPS is accounted for as a defined benefits scheme:

- The liabilities of the Merseyside Pension Fund attributable to the authority are included in the Balance Sheet using the Projected Unit Credit actuarial cost method – an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bonds of currency and term appropriate to the currency and term of the scheme's liabilities.
- The assets of Merseyside Pension Fund attributable to the authority are included in the Balance Sheet at their fair value.
- The change in the net pensions

liability is analysed into the following components:

- current service cost.
- past service cost (including curtailments).
- pensions administration expenses.
- net interest expense (interest on plan assets and plan liabilities).
- remeasurement gains and losses.
- contributions paid to the Merseyside Pension Fund.

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

Discretionary Benefits

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

Pensions Reserve

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

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

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

The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Fair Values

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

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

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

- * **Level 1** - This category is reserved for unadjusted quoted prices in active markets for identical assets. This is the most reliable fair value measurement.
- * **Level 2** - inputs that are observable either directly or indirectly and are traded in active markets (but do not qualify as Level 1).
- * **Level 3** - unobservable inputs (no observable input exists), where market data is not available as there is little, if any, market activity for the asset at the measurement date.

Financial Instruments - Assets

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

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

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

by the effective interest rate of the instrument. The interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Financial Instruments - Liabilities

The provisions within the Code are derived from the same Accounting Standards as detailed in the policy on Financial Assets.

Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure part of the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For all of the borrowings that the council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (adjusted for accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year in the loan agreement.

Where premiums on the repurchase or early settlement of borrowing have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The council has a policy of spreading the loss over the term that was remaining on the loan against which the premium was payable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

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

Government Grants and Contributions

Council Acting as Principal

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

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

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

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

Council Acting as an Agent

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

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

Heritage Assets

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

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

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

Fine Art and Museum Collection

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

The fine art collection held at the World of Glass and that held within the council comprises of various types of paintings (oil, watercolour and pen and ink). Records of all paintings are stored on a

database, a copy of which is held by the council's Insurance Section. The paintings held within the council's collection are included on the Balance Sheet and have been valued based on their insurance valuations. External valuations for the council's fine art collection were carried out by Bonham during 2018-2019 and these have been used as the basis upon which to establish the value of individual items within the collection. There are over 300 items within the fine art collection.

The collection held at the World of Glass comprises of around 2,500 artefacts. The collection comprises of diverse items that have been deemed to be of historical interest. External valuations for these items have not been obtained for this collection on the grounds of materiality: as no individual items within the collection are deemed to have significant values it is believed that the cost of obtaining valuations would outweigh the benefit gained. An inventory of all items within the collection is maintained by the museum curator and a hard copy of this is retained within the Insurance Section.

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

Civic Regalia

The council's civic regalia comprises of various mayoral chains and jewels, a mace and a variety of pieces of civic silverware. The value at which the civic regalia has been recognised in the Balance Sheet is based on the valuations obtained by the Insurance Section. The most recent insurance valuations for these

items were provided by Lyon & Turnbull Limited during 2018-19.

Statues and Monuments

The council has a number of statues and monuments located across the Borough which fall to be recognised in the accounts as Heritage Assets. The most valuable items within this sub-category of Heritage Assets are the Saints Tribute statue and the Big Art Project: Dream. All material items classified as statues and monuments have been recognised at historic cost. This is deemed to be appropriate as this reflects the amount that has been spent on these assets since their construction.

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

Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the council (e.g. software licenses) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the authority. Intangible assets are measured at cost and the balance is amortised over its useful life to the relevant service line in the Comprehensive Income and Expenditure Statement on a straight-line basis typically over a period of 5 years. These amortisation charges are not permitted to have an impact on the General Fund Balance and are reversed to the Capital Adjustment Account via the Movement in Reserves Statement.

Inventories

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

Investment Properties

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

Investment properties are measured, initially, at cost and, subsequently, at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arms length. Properties are not depreciated but are re-valued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

Joint Arrangements

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

- **A Joint Venture**

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

- **A Joint Operation**

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

Leases

Under the requirements of IAS 17 Leases, the council is required to consider/review all of its lease arrangements and apply the primary and secondary tests detailed in the standard to determine the extent to which the risks and rewards incidental to ownership lie with the lessor or lessee and therefore whether leases should be classified as operating or finance leases, with the subsequent accounting treatment being in accordance with the standard.

Authority as Lessee - Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the service(s) benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease.

Authority as Lessor - Operating Leases

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

Overheads and Support Services

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

Pensions

See Employee Benefits.

Private Finance Initiative (PFI)

PFI contracts are agreements to receive services, where the responsibility for making available the assets needed to provide those services passes to the PFI contractor. The council has one PFI scheme for Rainford High School, part of Rainford Academies Trust. As the assets will pass to the Academy Trust at the end of the contract, the council does not carry the assets used under the contract on its Balance Sheet.

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

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

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

Plant and Equipment to reflect enhancements to the PFI asset. In the early years of the scheme no lifecycle costs are incurred.

Property, Plant and Equipment

Recognition

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

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

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the council and the cost of the item can be measured reliably. Expenditure that maintains, but that does not add to, an asset's potential to deliver future economic benefits (repair and maintenance) is charged as an expense when it is incurred.

Measurement

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

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

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

- infrastructure, community assets and assets under construction - depreciated historical cost. Community assets can be carried at current value.
- school buildings - current value but due to their specialist nature depreciated replacement cost is used as an estimate of current value.
- surplus assets - the current value measurement is fair value which is estimated as the highest and best use from a market participant's perspective.
- all other assets - fair value, determined as the amount that would be paid for the asset in its existing use (existing use value EUV).

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

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

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year end, which is, as a minimum, every five years. The council adopts a policy that assets with a gross book value of £3m or more are valued every year. However, for 2020-2021, asset valuations were

also undertaken for assets with a gross book value of £2m or more with a view to ensuring assets held on the Balance Sheet reflect any changes in market conditions arising from the pandemic. Revaluations are carried out as part of a rolling programme by a qualified Valuer, in accordance with guidance issued by the Royal Institution of Chartered Surveyors (R.I.C.S.). For 2020-2021, the council used external valuers, Wilks, Head and Eve to value Property, Plant and Equipment and the investment portfolio. The effective date of the revaluation is the date upon which the revaluation was produced.

Key assumptions used in revaluing the assets include:

- good title can be shown and the properties are not subject to any unusual or onerous restrictions, encumbrances or outgoing.
- the land and properties are not contaminated.
- there are no prevailing environmental factors that would alter the valuations provided.

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

Where decreases in value are identified, the appropriate accounting treatment is dependent on whether the asset has been previously revalued upwards and there is a corresponding gain on the Revaluation Reserve. Where there is a balance of revaluation gain for the asset in the Revaluation Reserve, then the carrying amount of the asset is written down against that balance (up to the amount of accumulated gains). Where there is no balance on the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant service line(s)

in the Comprehensive Income and Expenditure Statement.

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

Impairment

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

Where an impairment loss is identified, the appropriate accounting treatment is dependent upon whether the asset has been previously revalued upwards and there is a corresponding gain on the Revaluation Reserve. Where there is a balance of revaluation gain for the asset in the Revaluation Reserve, then the carrying amount of the asset is written down against that balance (up to the amount of accumulated gains). Where there is no balance on the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Any subsequent reversal of impairment loss is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets

without a determinable finite life (e.g. freehold land and certain Community Assets) and assets that are not yet available for use (assets under construction).

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

Depreciation is calculated on the following bases:

- Buildings - straight-line allocation over the useful life of the property as estimated by the valuer, which can range from 10 to 60 years.
- Vehicles, plant and equipment - straight line allocation over the lifetime of the asset as advised by a suitably qualified officer which range from 2 to 30 years.
- Infrastructure - straight-line allocation over 30 to 40 years.

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

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

each year from the Revaluation Reserve to the Capital Adjustment Account.

Assets Disposal and Non-Current Assets held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset held for Sale. The asset is revalued and carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets held for Sale.

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

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gains or loss on disposal. Receipts from disposal (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal of a non-current asset are categorised as capital receipts and credited to the Capital Receipts Reserve and then can be set aside either for new capital investment or set aside to reduce the council's underlying need to borrow (the Capital Financing Requirement). Receipts are appropriated to this Reserve from the General Fund Balance in the Movement in Reserves Statement.

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

Provisions and Contingent Liabilities

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

Provisions are recognised when:

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

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

materiality or interest, then it will be shown quite separately on the face of the Comprehensive Income and Expenditure Statement.

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

Provisions are reviewed at each Balance Sheet date to reflect the current best estimate, taking into account the risks and uncertainties surrounding the events. Where it is subsequently assessed that it becomes less than probable that a transfer of economic benefits will now be required (or a lower provision is required), the provision is reversed and credited back to the relevant service.

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

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

Redemption of Debt

Provision for the redemption of debt is made in accordance with the requirements contained in the Local Authorities (Capital Finance and Accounting) Regulations 2008. The council calculates its annual revenue provision with reference to assumed lives of its assets. For borrowing incurred under the prudential arrangements (i.e. unsupported by Government funding), the charge is calculated on a straight line basis over the estimated life of the asset; the only exception to this is when a scheme is of a regeneration and/or

infrastructure nature for which there has been no Government support, where the provision will be made using the Annuity Method Approach. For its PFI scheme and that element of the CFR that was prior to the prudential regime supported by Central Government, the authority calculates a revenue provision using the annuity method. Whilst this calculation is still broadly based on a charge over the asset's life, the resultant profile for revenue provision is more closely aligned with the flow of economic benefit which, it is felt, is more appropriate for PFI schemes.

Reserves

The authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Earmarked reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

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

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

Revenue Expenditure Funded from Capital Under Statute (Refcus)

Expenditure incurred during the year that may be capitalised under statutory provisions, but that does not result in the creation of a non-current asset, has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

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

Schools

The Code of Practice on Local Authority Accounting the United Kingdom confirms that the balance of control for local authority maintained schools (those categories of schools identified in the Schools Standards and Framework Act 1998) lies with the local authority. The Code stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the local authority single entity financial statements. Therefore, these schools' transactions, cash flows and balances are recognised in the financial statements as if they were transactions of the local authority.

School assets are recognised as a disposal from the council's Balance Sheet on the date on which a relevant school converts to academy status, not on the date of any related announcement. Nor is any impairment recognised prior to the date of conversion.

Tax Income (Non-Domestic Rates, Council Tax)

Non-Domestic Rates

The council acts both as an agent (collecting Non-Domestic Rates on behalf of the Merseyside Fire & Rescue Authority) and as a principal (collecting Non-Domestic Rates for itself). Non-Domestic Rates transactions and balances are therefore allocated between the council and Merseyside Fire & Rescue Authority, applying accepted agent and principal treatments as appropriate. Under the legislative framework for the Collection Fund, both parties share proportionately the risks and rewards that the amount of Non-Domestic Rates collected could be more or less than predicted.

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

Council Tax

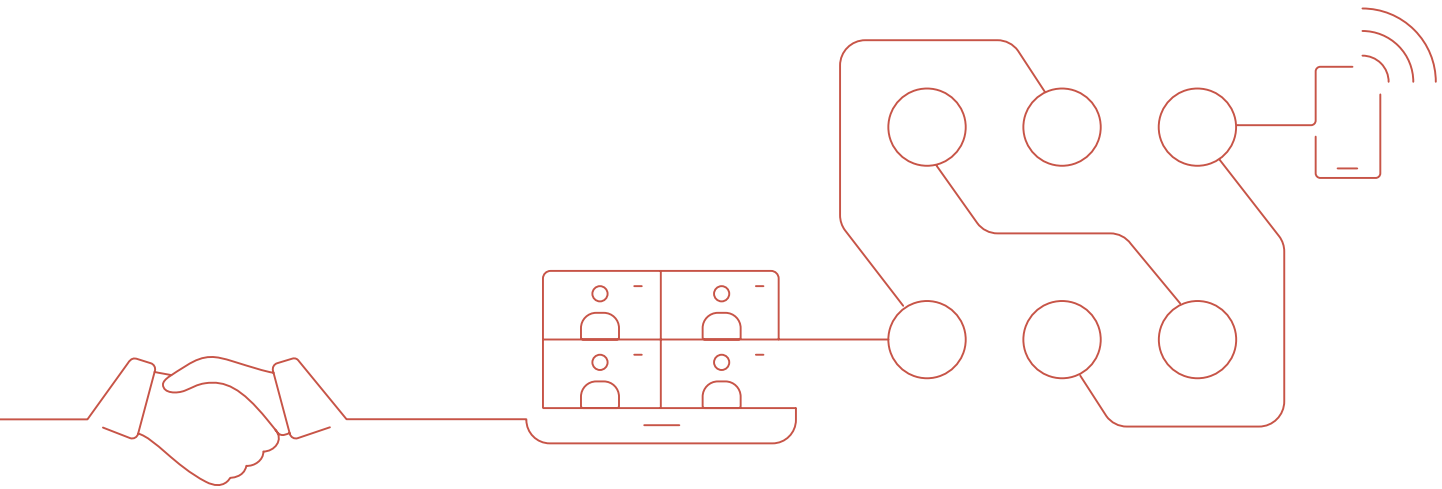
Similarly, the council acts both as an agent (collecting Council Tax on behalf of the Police and Crime Commissioner for Merseyside, the Merseyside Fire & Rescue Authority and the Liverpool City Region Combined Authority) and as a principal (collecting Council Tax for itself). Council Tax transactions and balances are therefore allocated between the council and the major preceptors, applying accepted agent and principal treatments as appropriate. Under the legislative framework for the Collection Fund, all four parties share proportionately the risks and rewards that the amount of Council Tax collected could be more or less than predicted.

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

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

Value Added Tax (VAT)

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



STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The authority is required:

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

Responsibilities of the Executive Director of Corporate Services

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

In preparing this Statement of Accounts, the Executive Director of Corporate Services has:

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

The Executive Director of Corporate Services has also:

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

Certificate

I certify that this Statement of Accounts gives a true and fair view of the financial position of St Helens Borough Council at 31 March 2021 and its income and expenditure for the year then ended. In doing so, I authorise the Statement for issue and confirm that it is this date up to which events after the Balance Sheet date have been considered in preparing the Statement.



Cath Fogarty

Executive Director of Corporate Services

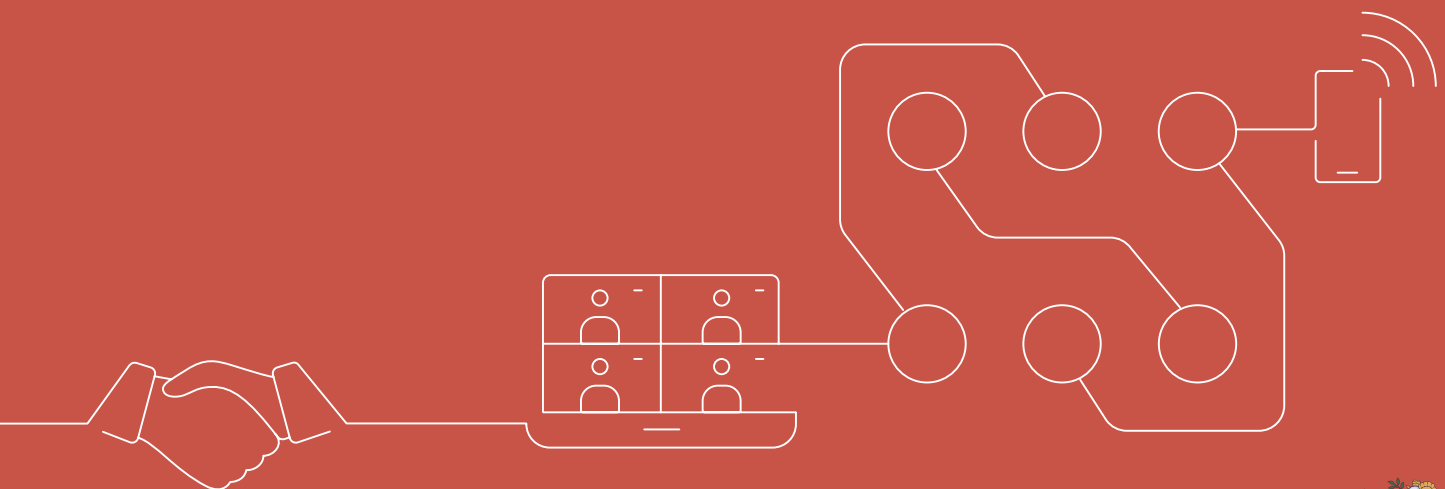
Date: 8 November 2021



ANNUAL GOVERNANCE STATEMENT

2020-2021

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



Introduction

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

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

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

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

Scope of Responsibility

In discharging this overall responsibility, the council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

St Helens Borough Council acknowledges its responsibility for ensuring the Council has an effective governance framework and has developed a Code of Corporate Governance based on the seven core principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief

Executives (SOLACE)'s 'Delivering Good Governance in Local Government Framework - 2016 Edition'. The council's Code of Corporate Governance outlines the practices and principles that underpin the council's governance arrangements.

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

This statement explains how St Helens Borough Council complies with the Code and meets the requirements of regulation 6 (1) (a) and (b) of the Accounts and Audit Regulations 2015 which requires the council to publish an Annual Governance Statement. It is the responsibility of all officers of the council to comply with the approved Code of Corporate Governance Framework.

What is Corporate Governance?

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

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

Governance is about how the council ensures that it does the right things in the right way and in a timely, open, honest and accountable manner.

What is the Annual Governance Statement?

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

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

How has the Annual Governance Statement been Compiled?

The council's Local Code of Corporate Governance has been reviewed and updated to reflect any changes and to consider the impact of the COVID-19 Pandemic. The effectiveness of the council's arrangements has been assessed based on that Code.

Impact of COVID-19

Government announced the first national lockdown on 23rd March 2020 and issued guidance to local authorities. In such circumstances, the council had to respond decisively and quickly to safeguard the health and wellbeing of its residents and communities.

The Pandemic has affected service areas across the council. One of the many

challenges has been the amount of time, energy and resources to ensure children's safety during restrictions. Ensuring that relationships between schools and social care have remained strong has been a priority. Issues created by the Pandemic have been reported to Members, one example of this includes a presentation to Members of the Children and Young People's Scrutiny Committee on the ongoing impact of COVID-19 on schools where Members were shown an example of how classes have been adapted during the Pandemic and the resilience of students despite the challenges to their learning.

The outbreak of the Pandemic meant that there was a need for additional support for many services as they rose to the challenge of responding to an unprecedented situation. A number of services lost income either due to closure or reduced levels of activity and this combined financial pressure will place additional pressures on future budgets. To mitigate this, the Government provided emergency funding and introduced a compensation scheme for lost sales, fees and charges income. The Medium Term Financial Strategy 2021-24 and Revenue and Capital Budget 2021/22 report considered by Cabinet in February 2021 and council in March 2021 detailed the longer term implications of COVID-19 on the council's financial position. Financial monitoring reports have kept Members informed of the potential financial implications of the Pandemic throughout the year.

Progress towards the achievement of savings targets has, in some areas, been affected by the Pandemic. Financial monitoring reports have outlined the savings that have been affected in full or in part by the Pandemic. Where savings have been delayed, management have either identified alternative one-off budget savings to mitigate the financial impact on the 2020/21 budget or have mitigated the impact through emergency grant funding or the compensation scheme.

Whilst the COVID-19 Pandemic affected business as usual, new areas of service were established to respond to the pandemic. These include, amongst others, food distribution centres, support for shielded people, social care task force and the procurement and distribution of Personal Protective Equipment (PPE).

The governance framework at St Helens Borough Council has continued to operate and will remain subject to ongoing review to ensure its future operational effectiveness. The need to prioritise time and resources elsewhere during the Pandemic did mean that some officer groups relating to governance were postponed including the Primary Assurance Group and the Information Management Group, however, different groups were established such as the Business Continuity Group and others to oversee governance in relation to areas of priority during the Pandemic.

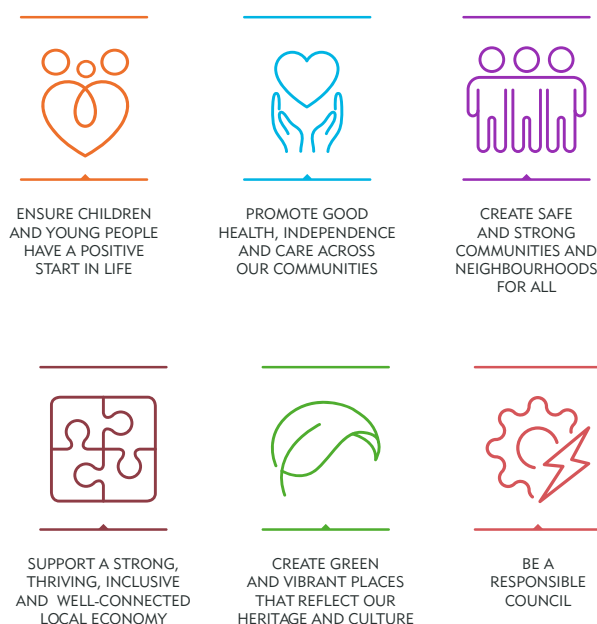
As the recovery process continues across the country, there are risks and issues to consider for the future including the impact of our communities, the local economy and health and wellbeing. The changes in ways of working and any potential impact on governance will continue to be monitored.

Strategic Planning

Following extensive consultation and engagement during the year, the Council articulated its vision in Our Borough Strategy 2021-2030. The Strategy sets out the council's vision for St Helens Borough, the priorities to be focussed on and the outcomes the council will strive to achieve. The Strategy includes six priorities for the Borough as follows:

- Ensure children and young people have a positive start in life.
- Promote good health, independence and care across our communities.
- Create safe and strong communities and neighbourhoods for all.
- Support a strong, thriving, inclusive and well-connected local economy.

- Create green and vibrant places that reflect our heritage and culture.
- Be a responsible council.



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

Decision Making

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

The council's committee structure is outlined in Appendix 1. Cabinet is the main decision-making body. Meetings are open to the public except where personal or confidential matters are being discussed. It comprises the Leader of the council and Cabinet which consists of 9 councillors who are appointed as portfolio holders. Each Member of Cabinet has a portfolio of responsibility that relates to a service/function of the council.

Another impact of the COVID-19 Pandemic has been on the ability to hold meetings in person and has meant that meetings have been live streamed during the year and the webcasts are available on the council's website.

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

The council has an appointed Monitoring Officer and Deputy Monitoring Officer whose primary function is to ensure that the council operates in a lawful manner.

Scrutiny

The council has an Overview and Scrutiny Commission and 3 Scrutiny Committees: Adult Social Care and Health Scrutiny; Children and Young People's Services and Place Services.

The Commission and its committees examine the decisions, policies and overall performance of the council and its Cabinet. They can make recommendations for improvement and have the power to 'call in' decisions made by Cabinet before they are implemented.

No call ins were made during the year.

Risk Management

The council is committed to effective risk management and assurance and understands and manages the risks that could prevent the council from achieving its vision, ambitions, and priorities. Risk management is an important governance tool and part of the overall management of performance and delivery of objectives.

The challenges of financial pressures and dealing with the long-term effects of a Pandemic also presents opportunities to embrace new ways of working and service delivery. An effective risk management framework is not risk avoidance; it is about giving the confidence to embrace the right opportunities and help support the council's ambitions and commercial strategy.

Risk is unavoidable in a time of change and transformation which is why effective risk management is so important as the right framework can help mitigate the uncertainty so that the council has a strong awareness of what its strategic risks are. This will help the organisation to be better placed to meet its commercial and other ambitions by exerting more control to reduce the likelihood of those risks materialising or to minimise any associated impact should they occur.

With this in mind, the council has reviewed and updated its risk management arrangements and implemented a new Risk and Opportunity Management Framework.

The council's strategic risk register has been monitored by the Corporate Leadership Team with updates reported to the Audit and Governance Committee. The strategic risk register reflects the key challenges to the council's vision.

The robustness of business continuity and disaster recovery arrangements have been tested during the Covid-19 pandemic. The new ways of working will mean that the business continuity framework and associated plans will need to be revised during 2021/22 to reflect the changes in working environment.

Vision for Council Culture

Having the right culture in place supports the achievement of the council's priorities and vision and supports an ethos of compliance and good governance so that colleagues work together for the benefit of the council. During 2020/21, the council has carried out many consultation and engagement sessions with employees to set this culture.

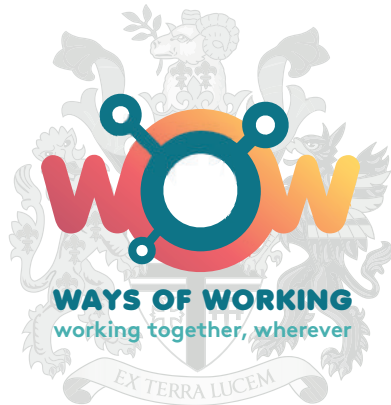
26 Creating Our Culture Together workshops

250 participated in our Creating Our Culture Together Sessions

525 employees completed our Creating Our Culture Together Form

8287 lines of data analysed

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



Appendix 2 summarises how the council meets those principles.

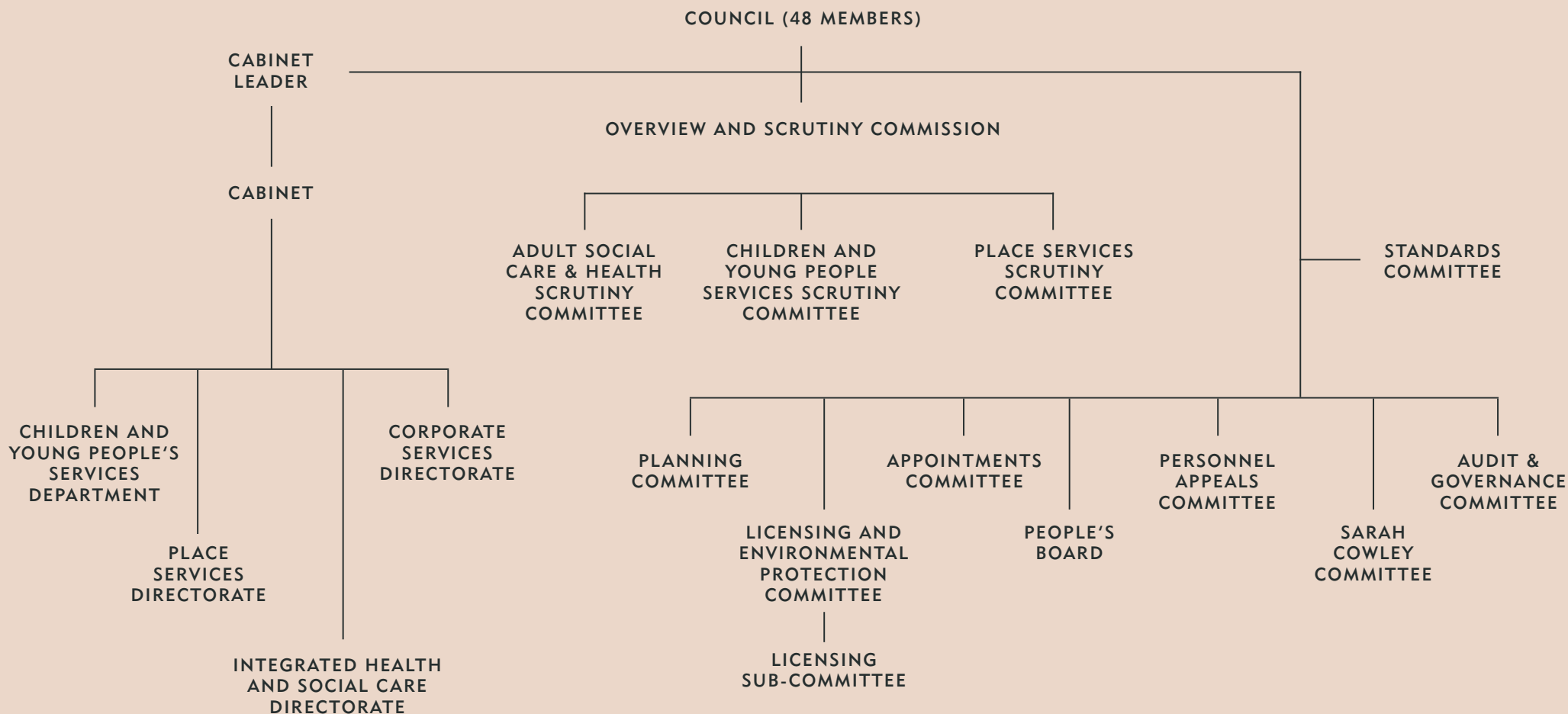
Joint Venture Partnership

The council is one of two equal partners in Parkside Regeneration Limited Liability Partnership (Parkside LLP). Parkside LLP was set up in 2013 with a private sector partner with the aim of regenerating the former Parkside Colliery site. Parkside LLP is run by a Board comprising of 6 persons of which 3 board members are nominated by the council. Parkside LLP appoints its own independent auditors to review its annual accounts. Whilst the board minutes of Parkside LLP remain private owing to the commercial sensitive information contained therein, questions may be submitted to the council relating to its involvement in Parkside LLP under the Freedom of Information Act 2000.

Delivering Good Governance in Local Government

CIPFA published an updated version of their Delivering Good Governance in Local Government Framework in 2016. It sets out seven principles of good governance and the council aims to achieve good standards of governance by adhering to those seven core principles which form the basis of its Code of Corporate Governance. The annual review of the effectiveness of governance has been undertaken and a detailed body of evidence is contained within a database which identifies the Core Principles, expected and actual assurance mechanisms and actions for improvement.

APPENDIX 1 - ST HELENS BOROUGH COUNCIL COMMITTEE STRUCTURE



APPENDIX 2 - GOOD GOVERNANCE FRAMEWORK

PRINCIPLE A: BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW

BEHAVING WITH INTEGRITY

- Revised version of the Code of Conduct for Elected and Co-Opted Members approved by council in July 2020 in response to the Committee on Standards in Public Life best practice recommendations. A new LGA model Code of Conduct for Members was published in January 2021 and reviewed by Standards Committee (adopted by council in July 2021).
- Member/Officer Protocol revised during the year and promotes mutual respect and trust.
- The Equalities agenda is led by the Council Leader and the approved Comprehensive Equalities Policy promotes equality of opportunity across the organisation.
- Openness and accountability are further promoted through the Council's Whistleblowing Policy.
- Induction programme/checklist for members and staff, including the Nolan Principles.

DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES

- Standards Committee with cross party representation and appointed Independent Persons to assist with Code of Conduct complaints.
- Communicating shared values through briefings and engagement sessions and St Helens First.
- Register of Interests is maintained and the declaration of interests is a formal element of committee meetings.
- Complaints Policy and a procedure for addressing complaints received.
- Systems and processes built around values, for example Delegated Executive Decisions, Admin Decisions and Cabinet Reports.

RESPECTING THE RULE OF LAW

- The Constitution outlines the Council's responsibilities including Cabinet, Committees and Scrutiny.
- The council has appointed to its statutory roles including the Head of Paid Service, the Monitoring Officer and the Section 151 Officer.
- A comprehensive Member Induction programme is supplemented by regular member training incorporating the Code of Conduct for Elected and Co-opted Members.
- Anti-Fraud Policy and Internal Audit work.
- Audit and Governance Committee oversees compliance with governance, risk and control environment.

PRINCIPLE B: ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

OPENNESS

- Findings of the engagement process resulted in Our Borough Strategy 2030 which outlines the Borough's vision and priorities.
- The council's Constitution provides the framework for the decision-making process and reports to the council's Committees require documented consideration of a range of issues in support of any recommendations made.
- The Council complies with the requirements of the Transparency Code of Practice and has implemented a process of independent assessment of compliance.
- Freedom of Information Publication Scheme.

ENGAGING COMPREHENSIVELY WITH INSTITUTIONAL STAKEHOLDERS

- The Constitution outlines the decision-making process. Agreement procedures are in place and templates for council and Committee decisions clarify who needs to be consulted. A record is held of all decisions made.
- A number of strategic and operational partnerships are in place within the Borough and terms of reference are in place for each partnership which set out the expectations and commitments of all partners.
- The St Helens Peoples Board work collaboratively to support the Accountable Care system, "St Helens Cares" which involves collaboration with over 15 organisations.
- Stakeholder mapping exercises are carried out as part of a Communications Plan on campaigns.

ENGAGING STAKEHOLDERS EFFECTIVELY, INCLUDING INDIVIDUAL CITIZENS AND SERVICE USERS

- Our Borough Strategy has been launched, setting six key priorities, accompanied by relevant branding.
- Consultation Code and toolkit sets out current methodology for undertaking public consultations with stakeholders.
- Call in mechanism for scrutinising Member decisions.
- Recent communication and engagement campaigns have encouraged, collected and evaluated stakeholders' views and opinions. Have your say has sought views on the Arts Strategy, travel improvement plans and the budget review.

PRINCIPLE C: DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL AND ENVIRONMENTAL BENEFITS

DEFINING OUTCOMES

- Our Borough Strategy 2030 introduced during 2020/21 is the key strategic document that defines the authority's vision, objectives, outcomes and key measures of success.
- The performance and financial monitoring framework and regular and timely reporting to Cabinet, council and Scrutiny ensures performance trends are established and reported.
- The council has set out its 2021/22 Revenue Budget, three-year capital programme and Capital Strategy, the Treasury Management Strategy Statement for 2021/22 and its Medium Term Financial Strategy 2021-24.
- Reporting on the Strategic Risk Register to Corporate Leadership Team and Audit and Governance Committee.
- Service plans include actions and objectives linked to key outcomes.
- The council has a template of factors which are required to be considered when seeking a decision from Members. This template includes impact analysis, statutory framework, financial implications, options available and risk assessment. An updated template has recently been issued to officers for use from 2021/22 onwards.

SUSTAINABLE ECONOMIC, SOCIAL AND ENVIRONMENTAL BENEFITS

- The constitution determines how decisions are made and what is required to be considered. Decisions are taken with the widest view of the implications of the proposed decision.
- The council includes an equality impact assessment for each key decision.
- The decision-making process in committee reports requires an assessment of the community impact and includes social value, sustainability, equalities, human rights, customers and resident.
- Climate Emergency Declaration.
- The council has completed business impact analysis forms to identify critical services and has developed business continuity plans for those services.
- 2020/21 savings proposals affected by COVID-19 in some areas as reported to Cabinet. Alternative one-off budget savings identified to mitigate 2020/21 budget impact.

PRINCIPLE D: DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMIZE THE ACHIEVEMENT OF THE INTENDED OUTCOMES

DETERMINING INTERVENTIONS

- The council has a template of factors which are required to be considered when seeking a decision from Members.
- Decisions on service changes are made within the Budget and Policy framework of the council. Those affected by a decision will be subject to formal consultation. The outcome of consultation exercises is made available to stakeholders and decision makers.
- Public consultation is undertaken to take account of residents' views when contemplating service changes.

PLANNING INTERVENTIONS

- Adherence to a Corporate Planning Timetable covering forward planning, and budget and performance monitoring.
- A refreshed Risk and Opportunity Management Policy and Strategy was introduced during 2020/21.
- Corporate decision-making templates prompt the consideration of risk.
- The council has developed directorate, department and service plans which are completed annually, and the objectives inform the appraisal process.
- Appropriate key performance indicators (KPIs) have been monitored during 2020/21. Quarterly reports have detailed the progress of KPIs performance against target are presented to relevant forums.
- Detailed budget and performance reports have been presented to Cabinet, council and Scrutiny quarterly highlighting areas of underperformance and corrective action.
- Monthly budget monitoring process for all budget holders supported by Finance staff and attendance at budget and performance monitoring group meetings for each portfolio with relevant finance staff and Chief Officers.

OPTIMISING ACHIEVEMENT OF INTENDED OUTCOMES

- The council has set out its 2021/22 Revenue Budget, three-year capital programme and Capital Strategy, the Treasury Management Strategy Statement for 2021/22 and its Medium-Term Financial Strategy 2021-24. The proposed budget set a balanced budget for 2021/22 and met the budget gap through the implementation of savings proposals and addressed the need to rebuild reserves to provide financial resilience and to allow resourcing for the Council's strategic priorities and to support transformation and growth.
- Cabinet received regular financial and budget reports to inform the council's financial planning aimed at ensuring the availability of appropriate resources for priority areas and promoting value for money.
- Quarterly performance reports during the year have analysed the progress and performance against the council's priorities and the impact that the COVID-19 Pandemic has had on the council's measures of performance.

PRINCIPLE E: DEVELOPING THE ENTITY'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT

DEVELOPING THE COUNCIL'S CAPACITY

- The Performance Management Framework provides an integrated approach to the measurement of effectiveness.
- During 2020/21, there has been significant changes to the Senior Leadership Team with the Chief Executive starting in March 2020, followed by a new Executive Director for Place in April and a new Assistant Chief Executive in May. A new role of Director of Children's Services was established in March 2020 and a new Executive Director for Integrated Health and Social Care commenced in March 2021.
- The Council has a pooled budget within Social Care and Health and manages this through a joint commissioning team. It has other joint services with partners. The Council actively works across the LCR to identify opportunities for further collaborative working.

DEVELOPING THE CAPABILITY OF THE COUNCIL'S LEADERSHIP AND OTHER INDIVIDUALS

- The Constitution clearly defines the statutory roles required including Head of paid service, Monitoring Officer and chief financial officer.
- The Chief Executive is subject to appraisals by the Leaders of political groups at the council and there is a staff performance appraisal process in place for all employees with further statutory supervision for certain employee groups.
- A Members' Induction Programme is in place and Member training is ongoing.
- Programme of online training for employees.
- Training & Development Plan reflect requirements of a modern councillor including leadership and influencing skills, the ability to scrutinise and challenge; to recognise when outside advice is required and how to act as an ambassador for the community.
- Various HR policies support employee wellbeing including attendance, welfare and health initiatives and provision of Occupational Health and Counselling services.
- Mental health first aiders across the organisation. Workplace Health and Well-Being Group in place implementing a range of mental wellbeing initiatives via an action plan.
- Cultural Champions in place across the organisation to support physical and mental well-being.

PRINCIPLE F: MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT

MANAGING RISK

- The council approved a new Risk & Opportunity Management Framework during the year.
- Business continuity arrangements are in place for critical services.
- The Audit and Governance Committee has oversight of the council's effectiveness of governance, control and risk management.

MANAGING PERFORMANCE

- Our Borough Strategy 2030 outlines the Borough's vision and priorities which were developed following an extensive consultation and engagement exercise. A suite of performance indicators has been developed which link to the Strategy's priorities.
- Quarterly performance reporting has taken place throughout the year.

ROBUST INTERNAL CONTROL

- The council has an internal audit team that adheres to the Public Sector Internal Audit Standards. The Teams' approach to audit and assurance work was revised during the year to develop its focus on strategic risks and priorities. The Team was externally assessed during 2018 and performs annual self-assessments against relevant standards.
- Health and safety officers have carried out extensive work to ensure controls in place to mitigate COVID-19 risks.
- Internal audit outcomes are reported to the Audit and Governance Committee.
- Anti-Fraud and Whistleblowing policies have both been updated during the year to ensure they reflect best practice.

MANAGING DATA

- The Information Management Framework provides the overarching policies and governance surrounding the council's management of information and information systems.
- The council has an Information Management Group which usually meets quarterly although this was affected during 2020/21 due to the Pandemic.
- Reported data breaches (including near misses) are investigated with remedial action identified.
- Data protection training is mandatory with refreshed training to be rolled out during 2021/22.

STRONG PUBLIC FINANCIAL MANAGEMENT

- Strong budget management arrangements in place and financial monitoring reports are submitted to Cabinet with the March 2021 report outlining the 2020/21 implications of COVID-19 on the council's financial position.
- Overview and Scrutiny Commission receives financial monitoring reports.
- External Audit provide their opinion on the council's financial statements including the Annual Governance Statement. Also conclude on the council's arrangements for securing value for money.
- The Audit and Governance Committee has oversight of the Chief Financial Officer's (Section 151) effectiveness in ensuring a robust financial control environment.

PRINCIPLE G: IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING, AND AUDIT, TO DELIVER EFFECTIVE ACCOUNTABILITY

IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY

- The council complies with the requirements of the Transparency Code of Practice and has implemented a process of independent assessment of compliance.
- Maintaining compliance by publishing all required information in a timely manner, ensuring it is publicly available and open to challenge.
- Procurement information (ITT and Contracts above £5k) are published through the web-based procurement system and are publicly available.
- The Audit and Governance Committee has oversight of the Chief Financial Officer's (Section 151) effectiveness in ensuring a robust financial control environment.
- Parkside LLP (joint venture partnership with a private sector partner to regenerate the former Parkside Colliery site) is governed by a Board of 6 people of which 3 are council nominated.

IMPLEMENTING GOOD PRACTICES IN REPORTING

- The Audit and Governance Committee considers the Statement of Accounts, matters raised by the external auditor, risk management, internal audit outcomes and the arrangements for the prevention of fraud, bribery and corruption.
- The council publishes an Annual Governance Statement that outlines how it has monitored its governance environment.
- The published Statement of Financial Accounts summarises the council's financial performance and demonstrates the council's stewardship of public money for that year.
- An Annual Report summarises service delivery, performance and key financial information and a more detailed Annual Corporate Finance Report and Performance Outturn Report are presented to Cabinet and Scrutiny.
- Quarterly Financial and performance reports are presented to Cabinet and Scrutiny.

ASSURANCE AND EFFECTIVE ACCOUNTABILITY

- The St Helens Peoples Board operates in a transparent public arena providing accountability for health and well-being and community safety agendas.
- Committee agendas are published on the internet using Modern Gov. and the meetings are webcast.
- The Constitution defines decision making and accountability arrangements.
- The Audit and Governance Committee oversees the effectiveness of the council's risk management, control and governance arrangements.
- Peer reviews and benchmarking within individual services help identify good practice and scope for development. Findings from peer challenges have been shared and action plans developed.

Assurance

There have been changes to the council's strategy and policy framework during the year and based on the assurances provided, the council is confident that its systems of internal control and governance are fit for purpose and are in accordance with the framework.

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

Sources of Assurance

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

Internal Audit

Like most local authorities, the council's response to the Pandemic affected the delivery of the internal audit plan for 2020/21. Internal audit work provides an independent source of assurance on the effectiveness of the council's governance, risk management and internal control environment. The designated chief audit executive is required to provide an annual opinion on the effectiveness of that environment and that opinion is based on the audit work carried out during the year. An inability to deliver sufficient audit work could therefore affect the ability to issue an annual opinion. In the early months of the Pandemic, internal audit work was postponed so that council officers could focus on the Pandemic response and two of the senior auditors were deployed onto grant assurance work. This significantly affected the level of audit work that was carried out in the first half of 2020/21. Nevertheless, towards the end of 2020, the internal audit work resumed, and the original approved Plan was amended to ensure it focussed on areas of strategic

risk. Additional sources of assurance were identified, and the Team adapted its approach to auditing. Whilst the audit coverage was reduced during 2020/21, by the time that the annual report was written, it was considered that there had been sufficient sources of assurance identified to be able to provide an annual opinion. The overall opinion, as reported in the Annual Internal Audit Report was that of substantial assurance, based on the level of work performed.

The overall opinion of the Interim Head of Audit and Risk on the overall adequacy and effectiveness of the organisation's governance, risk and control framework is substantial assurance. According to Internal Audit's current definitions, this means that the majority of expected controls are in place but there is some inconsistency in their application. Whilst there is basically a sound system of controls, there may be weaknesses in the design and/or operation of these and recommendations have been made to enhance the control environment further.

Areas of Limited Internal Audit Assurance (excluding schools)

Employee Authentication Service

The Employee Authentication Service (EAS) is a Department for Work and Pensions (DWP) system used to regulate officers' access to DWP information.

The purpose of the audit was to ensure that access to the EAS is properly managed. The audit identified the administration and storage of tokens is being managed separately and that there was a lack of reconciliation in terms of both tokens and user account details. Inconsistencies were observed in how new users are inducted and there are system users who have not undergone Disclosure and Barring Service checks. Several recommendations were agreed to address the control issues and will be followed up to confirm implementation according to the target dates.

Children with Disabilities

It was noted that the completion of Education Health and Care Plans within timescales had improved significantly over the last three years and that social work initial assessments are being completed in full with the child/young person or their family being involved in the process.

The areas identified for development included that the St Helens Local Offer needed to be reviewed to ensure that the information is up to date and is accessible to those who require it. Work should be undertaken to engage with families about their thoughts on the current Local Offer provided by the authority.

It was also identified that the Transition to Adulthood Procedure needed to be reviewed to ensure that it reflects current practice, and that this should be published on the Local Offer.

Cyber Resilience

The council's IT services have been subject to various external assessments including ISO27001:2013 Information Security Management System (continued compliance), ISO20000 2011:2018 IT Service Management System (continued compliance), Data Security Protection Toolkit NHS Digital (compliance). The council currently does not have a valid PSN Code of Connection certificate due to the presence of Windows 2003 servers in its IT environment. By April 2021, the number of Windows 2003 servers had been reduced to six in service and there are plans in place to remove these by the end of 2021 at which point, the council will be in a position to approach the PSN to seek reaccreditation.

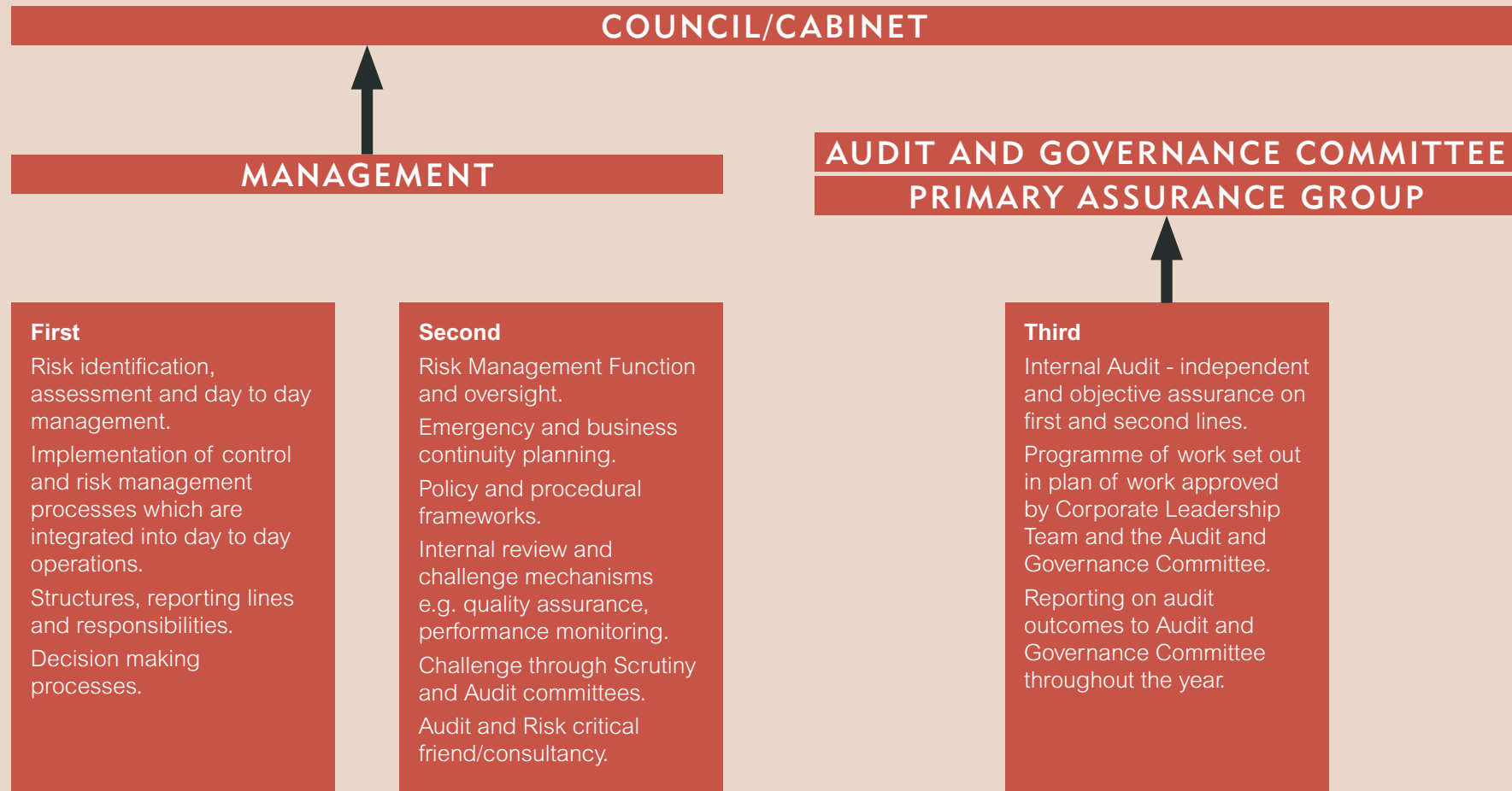
Assurance Mapping

During 2020/21, the council's assurance map followed the three lines model. The first line included the policy frameworks, structure and controls in place whilst the second line is the monitoring and oversight of the first line including the Primary Assurance Group (will be replaced by the Governance Group

for 2021/22), Information Management Group safeguarding boards and quality assurance frameworks. Internal Audit is the third line and there has been additional assurance from regulatory bodies such as Ofsted, Care Quality Commission and External Audit. The council is currently updating its assurance map to reflect the Institute of Internal Auditors' Three Lines Model which is an update on the former Three Lines of Defence Model and to reflect changes in working groups that have taken place during the Pandemic.

Organisations differ in how they apply the Three Lines Model and the council's application during 2020/21 is broadly outlined in the diagram below.

THREE LINES MODEL - ST HELENS BOROUGH COUNCIL



EXTERNAL AND REGULATORY E.G., EXTERNAL AUDIT,
OFSTED, CARE QUALITY COMMISSION, PEER REVIEWS

WHAT WE SAID WE WOULD DO IN 2020/21

AREA FOR DEVELOPMENT	OWNER	PROGRESS
<p>To review and sign off amended Members and Employees Codes of Conduct and Member/ Officer Protocol. To ensure that Codes are in line with the organisational, culture and behaviours review.</p> <p>To provide performance training for Members, to better enable them to challenge performance in an open, constructive and supportive way.</p>	Director of Legal and Governance	<p>Completed July 2020. Council approved amendments to the Code of Conduct for Elected and Co-Opted Members and the Member/Officer Relations Protocol. The LGA Model Code of Conduct for Members will be recommended for approval at Council 07 July 2021.</p> <p>The Employee's Code of Conduct review is ongoing.</p> <p>Performance training was provided to 18 Members via a virtual training session on 20 November 2020. The training was delivered by the Assistant Chief Executive and the Policy, Strategy and Information Manager.</p>
<p>To amend the Recruitment and Selection Policy to reflect any changes from the Council's Cultural Review.</p> <p>To integrate and improve complaint handling and reporting processes.</p>	Assistant Chief Executive	<p>The Recruitment Policy has been reviewed in line with the new Ways of Working. Each policy now has a common format which includes more permissive language plus a 'What you can expect' and 'What we expect' paragraphs.</p>
<p>To review the Induction Programme.</p> <p>To update management training and development plans.</p>	Assistant Chief Executive	<p>Induction for both staff and newly elected Members has been reviewed and updated to reflect the Council's new ways of working. Work is in progress to review the associated e-learning modules.</p> <p>An organisational training and development plan is currently being collated using input from the service planning process and appraisals.</p>
<p>To ensure that annual appraisals and reviews are completed by managers and effective monitoring of the process. To monitor and act on compliance against review and update of service plan options and individual appraisals through the quarterly Performance Management Dashboard.</p>	Assistant Chief Executive	<p>Appraisal toolkits have been created to support managers when completing appraisals. Although the council was a little late to commence the process this year, progress is being monitored for completion. An upgrade of the e-learning system is in progress to include appraisal functionality that will allow full reporting and dashboard capability. This is expected to be implemented by April 2022.</p>

AREA FOR DEVELOPMENT	OWNER	PROGRESS
To monitor delivery of separate detailed action plan for Ofsted improvements and governance arrangements.	Director of Children's Services	In Sept 2019, an Ofsted report identified several weaknesses within Children's Social Care and graded St Helens inadequate with two of the four judgements. This resulted in a Children's Improvement Board (CIB) and Plan. The CIB is led by representatives of the Department for education, Intervention Unit and independently chaired by a representative of the Department for Education. CIB has been in place for over 14 months and has overseen progress in children's services against six priority areas. A significant increase in funding was included in the Children and Young People's Services base budget for the financial year 2020/21 in recognition of the investment required to achieve the necessary service improvements. Since the inspection, the council has had focussed visits from Ofsted which have provided assurance of improvements made and highlighted areas for further development as outlined in the Council's own self-evaluation.
To monitor delivery of the action plan in response to the LGA Peer Review.	Executive Director of Corporate Services	An update on the LGA Peer Challenge/Culture Review Action Plan and the One Council Modernisation Programme was provided to Cabinet in September 2020. It described the revised governance arrangements that have been developed to drive forward improvement in line with reset and recovery ambitions. A follow up visit will take place in September 2021.
To conduct a review of the lessons to be learned from the council's response to the COVID-19 pandemic.	Assistant Chief Executive	Recovery and Renewal Panel sessions provided an opportunity for the Leader, Chief Executive, senior members and officers to meet with peers (online) to reflect on the council's achievements and lessons learned from its response to the COVID-19 pandemic. The sessions helped identify further action for the council and shared good practice within the sector. A review needs to be undertaken on the effectiveness of business continuity arrangements and this will be led by the Risk and Resilience Manager.

Areas of Risk and Governance for 2021/22

The council has continued to monitor its strategic risks throughout the year and the strategic risk register has been reviewed and updated to ensure that it has captured those areas most likely to have a damaging impact on the council's priorities. Having analysed the strategic risk register, the areas outlined in the table below have been identified as having the broadest impact on the authority and its success at delivering its vision and priorities as outlined in Our Borough Strategy. The areas below equate to those highlighted in the Internal Audit Annual Report. **Please note that for each of the areas below, there is a detailed risk profile that includes more information regarding the specific actions to be taken including action owners and target dates. The information included in the 'Comments or Summary of Action Required' is therefore an overview of the action to be taken.**

AREA OF RISK OR GOVERNANCE	OWNER	COMMENTS OR FURTHER ACTIONS
<p>Impact and response to COVID-19 - strategic risk reference SR01</p> <p>Whilst it appears that the country is emerging from the full crisis of the Pandemic, the impact on the local community, economy and welfare will continue to be felt for longer term. The council will need to consider the support and response it gives to the community to minimise the impact and aid the recovery. Alongside this will be the need to learn from the crisis and ensure that the council's emergency planning and business continuity planning arrangements are effective and reflect the new ways of working.</p>	<p>Chief Executive Executive Director of Integrated Health and Social Care</p>	<p>The council's Business Continuity Framework will be updated during 2021/22. This will include reviewing all business impact analysis and ensuring that up to date business continuity plans, that reflect an increasing reliance on IT facilities, are in place for all critical services. The revised frameworks are due to be presented and discussed during August and September 2021.</p> <p>Key to economic recovery will be effective partnerships and working with stakeholders across the Borough. The council's role will be to facilitate, enable and collaborate to deliver an Economic Partnership Recovery Plan and deliver the associated actions.</p>
<p>Financial Sustainability - strategic risk reference SR02</p> <p>The outbreak of the Pandemic, the need for additional support and the loss of income across a number of services due to closure or reduced activity will impact on future budgets and the council is well aware that it continues to face a challenging financial position. During the year, the Medium-Term Financial Strategy 2021-24 was approved and provides an overarching framework for how future decisions on resource allocation and budgeting will be made.</p> <p>The key financial pressures will be the demand for social care, the local economic recovery from the pandemic, the costs involved in driving forward strategic improvements and reductions in income sources.</p>	<p>Executive Director of Corporate Services</p>	<p>£24.8m of savings have been identified and approved for 2021-24 at Full Council in March 2021. £13.4m will be deliverable in 2021-22 to address this year's budget gap. Delivery boards have been set up across the council to monitor delivery of programmes and will be reported to Corporate Leadership Team.</p> <p>A review of terms and conditions will be considered during preparation for budget setting for 2022-23. This will be informed by the expected financial gap for 2022/23 and once funding for local government has been announced in addition to considering the deliverability of other savings identified for next year.</p>


AREA OF RISK OR GOVERNANCE	OWNER	COMMENTS OR FURTHER ACTIONS
<p>Safeguarding Children - strategic risk reference SR03</p> <p>Considerable progress has been made to progress the Children's Improvement Plan. The Plan, containing six priority areas considered to be the most significant, is monitored by the Children's Improvement Board and by Children and Young People's Services Scrutiny Committee. Whilst Ofsted monitoring visits during 2020 have recognised the substantial investment in children's services and have commented on the revised Improvement Plan as providing an effective monitoring tool, this will always remain a key area of focus and the findings of the Ofsted visit in May 2021 will be an important milestone.</p>	<p>Director of Children's Services</p>	<p>The council will continue to progress and deliver the council's Children's Improvement Plan and to demonstrate continuous development and improvement in practice, plans and arrangements for children.</p> <p>Work with partners to reduce the demand at the front door and strengthen the early help offer to respond to and reduce the escalation of concerns.</p>
<p>Cyber Attack - Strategic risk reference SR05</p> <p>The impact of a cyber-attack on the council's systems could have a fundamental impact upon the council's ability to deliver its services especially as the new ways of working place increasing reliance on digital technology and the availability of IT systems. Such attacks have affected other local authorities, causing significant financial and operational disruption.</p> <p>The council is alert to these threats and its IT arrangements are subject to numerous external assessments to confirm the adequacy of controls. Cyber resilience will remain an area for vigilance and further action where proportionate and cost effective.</p>	<p>Executive Director of Corporate Services</p>	<p>Several products and services will be reviewed to determine their possible benefits in detecting and reducing the impact of a security incident.</p> <p>The council is exploring cyber threat insurance cover with its broker and reviewing what is available based on the new government advice and what the council's appetite for the risk is versus the cost.</p> <p>Organisational dependencies on legacy platforms and applications are delaying full remediation and compliance. IT continues to work closely with system owners of these platforms in terms of upgrade and migration opportunities / timescales.</p>

AREA OF RISK OR GOVERNANCE	OWNER	COMMENTS OR FURTHER ACTIONS
<p>Information Governance - Strategic risk reference SR09</p> <p>The council has an Information Governance Framework in place but there is additional work required to embed effective information governance practices across the council. In particular, there is work required to improve the response rates to Freedom of Information and Subject Access Requests.</p>	Assistant Chief Executive	<p>Communication drive to remind all employees and stakeholders of the council's information governance related policies and requirements.</p> <p>Implement an improvement programme to address timeliness of responses to Freedom of Information and Subject Access requests.</p> <p>Review the information asset register and the reporting arrangements for monitoring training completion.</p>
<p>Transition of CCG to Integrated Care System (ICS) at Cheshire and Merseyside</p> <p>Lack of certainty over the outcome of the transition in terms of delegated autonomy and finance could affect the realisation of the council's priorities. There is an additional risk that the uncertainty could lead to a loss of critical skills and experience.</p>	Executive Director Integrated Health and Care	<p>Whilst there is uncertainty over the outcome of the transition, the council has the benefit of having the Chief Executive as the authority's representative on ICS Partnership Board and there is the knowledge that the Executive Director for Integrated Health and Social care will be the Place Lead. St Helens has already established its Integrated Care Partnership and has a Memorandum of Understanding signed by all partners and has established a governance framework including an ICP Board that reports directly to the People's Board.</p>
<p>Regeneration</p> <p>There are several key issues that could affect the delivery of the council's regeneration programmes and projects; they include: human resource allocation within the regeneration and growth team, economic recovery, land ownership, funding, the regional/local strategic context and planning decisions. If such issues are not managed and resolved, there is an increased risk that the planned regeneration will not be delivered which will affect the Borough's economy and jobs market and the council's income and reputation.</p>	Executive Director Place Services	<p>Adequate programme and project management capacity to be provided within the Regeneration & Growth Service and work will continue to embed the Regeneration and Growth Service senior management team.</p>

STATEMENT OF ASSURANCE

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

Leader of the Council

Signed: 

Date: 08.09.21

Name (print): COUNCILLOR DAVID BAINES

Chief Executive

Signed: 

Date: 02.09.21

Name (print): KATH O'DWYER

MOVEMENT IN RESERVES STATEMENT

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

		General Fund Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Notes		7	8	9		6	
	Balance at 31 March 2019	65,826	30,078	9,463	105,367	(16,614)	88,753
	Movement in Reserves during 2019-2020						
CIES	Total Comprehensive Income and Expenditure	(28,684)	-	-	(28,684)	64,132	35,448
5	Adjustments between accounting basis and funding basis under Regulations	23,910	(2,047)	2,201	24,064	(24,064)	-
	Net Increase/(Decrease)	(4,774)	(2,047)	2,201	(4,620)	40,068	35,448
	Balance at 31 March 2020 Carried Forward	61,052	28,031	11,664	100,747	23,454	124,201
	Movement in Reserves during 2020-2021						
CIES	Total Comprehensive Income and Expenditure	(11,271)	-	-	(11,271)	(27,352)	(38,623)
5	Adjustments between accounting basis and funding basis under Regulations	45,800	(4,565)	(367)	40,868	(40,868)	-
	Net Increase/(Decrease)	34,529	(4,565)	(367)	29,597	(68,220)	(38,623)
	Balance at 31 March 2021 Carried Forward	95,581	23,466	11,297	130,344	(44,766)	85,578

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

Notes	2019-2020 Restated*				2020-2021		
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
	100,497	(49,876)	50,621	Integrated Health & Social Care Directorate	112,311	(63,414)	48,897
	78,038	(24,048)	53,990	Place Services Directorate	78,651	(22,200)	56,451
	73,537	(55,344)	18,193	Corporate Services Directorate	71,694	(51,410)	20,284
	193,043	(144,110)	48,933	Children & Young People Services Department	195,936	(152,458)	43,478
15,16	445,115	(273,378)	171,737	Cost of Services	458,592	(289,482)	169,110
12			21,439	Other Operating Expenditure			22,761
13			11,609	Financing and Investment Income and Expenditure			7,373
14			(176,101)	Taxation and Non-Specific Grant Income			(187,973)
15			28,684	(Surplus) or Deficit on Provision of Services			11,271
			(7,917)	(Surplus) or Deficit on Revaluation of Non-current Assets			(797)
11			(56,215)	Remeasurement (Gains)/Losses on Pension Assets/Liabilities			28,149
			(64,132)	Other Comprehensive Income and Expenditure			27,352
			(35,448)	Total Comprehensive Income and Expenditure			38,623

This Statement was prepared on the basis of the council's Directorate Structure per the reporting requirements contained in *The Code of Practice on Local Authority Accounting in the United Kingdom 2020/21*.

*For further details of the 2019-2020 Restatement, refer to Note 3(i).

BALANCE SHEET

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

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

Notes	31 March 2020 £000		31 March 2021 £000
25	467,827	Property, Plant and Equipment	470,183
27	3,283	Heritage Assets	3,283
28	10,632	Investment Property	13,621
29	266	Intangible Assets	137
30	5,048	Long-term Investments	7,035
31	14,005	Long-term Debtors	13,954
	501,061	Long-term Assets	508,213
30	87,519	Short-term Investments	99,946
33	770	Assets held for Sale	824
34	31,171	Short-term Debtors	36,756
	759	Inventories	1,141
39	23,917	Cash and Cash Equivalents	23,774
	144,136	Current Assets	162,441
35	(4,377)	Short-term Borrowing	(4,364)
36	(38,118)	Short-term Creditors	(56,026)
16	(1,516)	Capital Grants Receipts in Advance	(3,285)
16	(10,164)	Revenue Grants Receipts in Advance	(10,288)
37	(12,667)	Provisions	(13,725)
	(66,842)	Current Liabilities	(87,688)
11	(290,768)	Pensions Liability	(337,393)
16	(141)	Capital Grants Receipts in Advance	-
16	(5,541)	Revenue Grants Receipts in Advance	(5,713)
35	(121,562)	Long-term Borrowing	(118,457)
37	(4,270)	Provisions	(4,050)
38	(31,872)	Other Long-term Liabilities	(31,775)
	(454,154)	Long-term Liabilities	(497,388)
	124,201	Net Assets	85,578
		Financed by:	
MIRS	100,747	Usable Reserves	130,344
6	23,454	Unusable Reserves	(44,766)
	124,201	Total Reserves	85,578

In preparing this Statement, events up to 8 November 2021 have been considered. This is the date when the Executive Director of Corporate Services authorised the Statement for issue.

CASH FLOW STATEMENT

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

Notes	2019-2020 £000		2020-2021 £000
CIES	(28,684)	Net Surplus or (Deficit) on the Provision of Services	(11,271)
42	46,542	Adjustments to Net Surplus or Deficit on the Provision of Services for Non-Cash Movements	48,178
43	(15,525)	Adjustments for items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	(14,693)
44	2,333	Net Cash Flows from Operating Activities	22,214
45	(9,748)	Investing Activities	(18,103)
46	20,155	Financing Activities	(4,254)
	12,740	Net Increase or (Decrease) on Cash and Cash Equivalents	(143)
	11,177	Cash and Cash Equivalents at the start of the Reporting Period	23,917
39(d)	23,917	Cash and Cash Equivalents at the end of the Reporting Period	23,774

INDEX OF NOTES TO THE CORE FINANCIAL STATEMENTS 2020-2021

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NOTE A - EXPENDITURE AND FUNDING ANALYSIS

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

2019-2020 Restated **				2020-2021		
Net Expenditure chargeable to the General Fund	Adjustments between the Funding and Accounting Basis*	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure chargeable to the General Fund	Adjustments between the Funding and Accounting Basis*	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000		£000	£000	£000
47,338	3,283	50,621	Integrated Health & Social Care Directorate	45,931	2,966	48,897
30,002	23,988	53,990	Place Services Directorate	39,428	17,023	56,451
13,220	4,973	18,193	Corporate Services Directorate	18,019	2,265	20,284
40,626	8,307	48,933	Children & Young People Services Department	33,856	9,622	43,478
131,186	40,551	171,737	Net Cost of Services	137,234	31,876	169,110
(126,412)	(16,641)	(143,053)	Other Income and Expenditure	(171,763)	13,924	(157,839)
4,774	23,910	28,684	(Surplus) or Deficit on Provision of Services	(34,529)	45,800	11,271
(65,826)	-	-	Opening General Fund Reserves at 1 April	(61,052)	-	-
4,774	-	-	(Surplus) or Deficit on General Fund in Year	(34,529)	-	-
(61,052)	-	-	Closing General Fund Reserves at 31 March	(95,581)	-	-

* See accompanying note for further detail relating to these adjustments.

** For further details of the 2019-2020 Restatement, refer to Note 3(ii).

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

NOTE B - NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

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

2019-2020 Restated *					2020-2021			
Adjustments for Capital Purposes	Net Change for Pensions Adjustments	Other Differences	Total Adjustments		Adjustments for Capital Purposes	Net Change for Pensions Adjustments	Other Differences	Total Adjustments
£000	£000	£000	£000		£000	£000	£000	£000
413	2,877	(7)	3,283	Integrated Health & Social Care Directorate	245	2,360	361	2,966
17,922	6,057	9	23,988	Place Services Directorate	13,181	3,335	507	17,023
300	4,653	20	4,973	Corporate Services Directorate	801	1,186	278	2,265
5,881	2,593	(167)	8,307	Children & Young People Services Department	3,774	4,387	1,461	9,622
24,516	16,180	(145)	40,551	Net Cost of Services	18,001	11,268	2,607	31,876
(21,995)	7,956	(2,602)	(16,641)	Other Income and Expenditure	(17,825)	7,208	24,541	13,924
2,521	24,136	(2,747)	23,910	Difference between General Fund Surplus and Comprehensive Income and Expenditure Statement Deficit on the Provision of Services	176	18,476	27,148	45,800

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

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

* For further details of the 2019-2020 Restatement, refer to Note 3 (iii).

OTHER NOTES TO THE CORE FINANCIAL STATEMENTS

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

The CIPFA Code of Practice on Local Authority Accounting (the Code) requires disclosure of information related to the anticipated impact of changes in accounting standards that have been issued, but not yet adopted by the Code for the relevant financial year. The standards that have changed are listed below. It is considered that if these standards had been adopted for the financial year 2020-2021, they would not have had any significant impact on the Financial Statements as presented.

- *Definition of a Business: Amendments to International Financial Reporting Standard (IFRS) 3 Business Combinations.*
- *Interest Rate Benchmark Reform: Amendments to IFRS 9, International Accounting Standard (IAS) 39 and IFRS 7.*
- *Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.*

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

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

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

However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Balance Sheet, where there is a risk

of material adjustment in the forthcoming financial year, are detailed in this note, alongside commentary around the future assumptions and major sources of uncertainty.

CRITICAL JUDGEMENTS

COVID-19 and Funding

The Government previously took the unprecedented step of providing councils with a four-year financial settlement, with 2019-2020 being the final year of the multi-year settlement. The Spending Round 2019 was announced by the Chancellor on 4 September 2019, as a one-year spending review that only covered 2020-2021. The decision at the time was to delay major funding reform until 2021-2022, which was further delayed when the Chancellor announced the Spending Review 2020 on 25 November 2020 as a one-year settlement for 2021-2022.

Prior to the COVID-19 pandemic, the council was facing financial uncertainty in 2021-2022 and future years in the absence of a longer term Spending Review and due to anticipated changes to the Non-Domestic rates funding regime (with a reset of Non-Domestic rates growth and possible changes to retention levels), the implementation of the fair funding review (developing a new formula for the allocation of Central Government resources), the wider economic impact of the UK exit from the European Union, the delays in social care reform and the general policy direction of Government.

The effect of COVID-19 has had a significant impact on the day to day running of the council, as the council responded, and continues to respond to the global pandemic at a local and regional level. The longer-term impact on the council remains uncertain, as the nation seeks to recover from the pandemic, including the impact of any new variants, and as restrictions are gradually lifted, the national vaccine programme roll out is implemented, and the disruptions from an extended period of lockdown take effect.

The virus and measures taken to address it

have undoubtedly impacted upon financial and economic activity and the effects will not be contained in 2019-2020 and 2020-2021, but will be felt for some considerable time, as the direct impact of additional costs and income losses continue, notwithstanding the indirect impact of changes in customer behaviour and expectations.

Increased demand for many services provided by the council is predicted to continue as the potential consequences of COVID-19 on unemployment, tax revenues and the wider economy loom. The pandemic has served to heighten the already existing uncertainty into the longer term.

At the same time, significant uncertainty exists as to the timing and extent to which income from fees and charges, rental income and returns on investments will return to pre COVID-19 levels.

The Government has made COVID-19 Emergency funding available for local government, with the council receiving a total of £17.1m of such funding as at 31 March 2021, with a further £5.8m in 2021-2022. Separate allocations have been made for other specific purposes, such as Test and Trace activity and Infection Control in care homes, as well as part-compensation for some losses in sales, fees and charges revenues and an element of losses in Business Rate and Council Tax income via the Tax Income Guarantee scheme.

As a result of the pandemic, in April 2020 the Government announced the delayed implementation of planned Non-Domestic rates and fair funding changes until 2022-2023. At this stage it is anticipated that the council will receive a single year settlement for 2022-2023 with a new funding regime being introduced in 2023-2024 at the earliest.

This level of uncertainty brings inherent risks for the council, for which a number of existing measures are in place to ensure the council's financial resilience. For example:

- Ensuring sufficient reserves are held, underpinned by an annual review of earmarked reserves as part of the budget setting process.
- Risk assessing the general reserve to identify the minimum level of reserves required within the annual budget report.
- Ensuring an early indication of budget

pressures through budget monitoring and reporting arrangements with actions necessary to manage or address such pressures.

- Continuing to focus on achieving value for money through transformation and efficient procurement.

Having regard to these matters, working through its Corporate Leadership Team, elected members and partners, the council will need to constantly assess its financial position and plans during the course of 2021-2022 and beyond, reviewing its annual and longer term budget assumptions, and identify options for managing budget pressures.

The council's Medium-Term Financial Strategy, covering the period 2021-2024, considered the forecast budget gap over that period and the strategy to balance the budget over the medium term. A new Funding Reform Volatility Reserve was established to provide resilience to the council from the uncertainties in future changes in Government funding, pension liabilities and the volatility of Business Rates income (which is exacerbated by the impact of the pandemic) and to allow better opportunity to smooth out resources during any transition periods.

The Strategy also set out the council's ambition to rebuild its level of reserves over future years, including setting a higher level of General Fund Reserves in order to provide short-term emergency funds for exceptional circumstances and to cover risks that could impact the council as a going concern.

Levels of uncertainty are unprecedented. However, it is considered at this stage that this uncertainty does not present a significant risk to the council's ability to operate as a going concern.

Schools

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

and reserves of these schools are recognised within the single entity accounts of the local authority.

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

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

Joint Arrangements

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

This arrangement has been assessed under the relevant accounting standards to determine how this should be accounted for within the council's accounts. Based on this assessment it has been determined that this arrangement falls to be classified as a joint venture which would ordinarily necessitate the completion of group accounting statements. Having reviewed the companies' financial statements, it has been determined that, on the grounds of materiality, group accounting statements are not required for 2020-2021. To this end, the council's interest in the company continues to be reflected within the council's single entity accounts as a long-term debtor (see Note 31). Further detail about the council's interest in the Joint Venture is included in Note 22.

- The council is party to a Section 75 Arrangement with the St Helens Clinical Commissioning Group (CCG), covering both a pooled budget in respect of Continuing Health Care assessments and a pooled budget covering the Better Care Fund. The arrangement has been assessed under the relevant accounting standards and it has been determined that it falls to be classified as joint operations, which require that the council account for the assets and liabilities it controls on its Balance Sheet, together with its elements of income and expenditure within the Comprehensive Income and Expenditure Statement.

ASSUMPTIONS AND ESTIMATION UNCERTAINTY

Debtors

The council makes provision for bad and doubtful debts on the basis of historic collection rates, experience and any specific circumstances that may apply to any of its individual material sums due. However, pressures arising from the current economic climate and from measures to control COVID-19 are leading to heavy economic losses and threats to the financial position of many businesses and individuals. This has the potential to significantly impact on collection rates. Should that be the case, additional impairment of the doubtful debts may be required.

Pensions Liability

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

The remedy required in relation to the 'McCloud judgement' is also unknown at present and therefore further judgement and assumption is necessary when estimating the costs that could emerge from this issue.

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

Insurance Provision

Notwithstanding the fact that the Insurance provision is based on a consultancy opinion, which combines a scientific modelling process and expert advice, it may be that the prevailing economic, environmental or physical conditions give rise to more claims against the authority than have been built into the assumption model. It is widely accepted that the risk profile of Local Authorities is such that there may be exposure to long tail claims (claims that are as yet unreported that arise from previous year events), and the potential for these to be of a material value. The impact of COVID-19 on potential insurance claims in the future is uncertain, and if the number and magnitude of the claims profile should change, then increases to future provisions will be required.

Public Finance Initiative (PFI)

In estimating the future payments to be made to the PFI contractor through the unitary charge, the council has assumed that increases in RPI over the life of the contract will remain constant at 2.5%. It is believed that it is appropriate to maintain this rate of inflation over the long-term, as this is broadly in line with the level of inflation that the Bank of England seeks to maintain over the longer term and which it seeks to achieve through its powers to set interest rates.

Non-Domestic Rates

On 1 April 2013, the Government introduced the Business Rates Retention Scheme, whereby the council retains a specified percentage of the Non-Domestic rates income it collects (currently set at 99%). Following the 2010 revaluation of business hereditaments, there were unprecedented levels of appeals – the success of which negatively impact on the Non-Domestic rates yield. Many of the appeal settlements are backdated to 2010. As at the end of March 2021, 76 appeals remained outstanding with the Valuation Office Agency (VOA), with a combined Rateable Value of £25.1m.

Following the 2017 revaluation, a new check, challenge, appeal process has been introduced, the impact of which is highly uncertain with only 217 challenges lodged to date. None of these challenges have yet progressed to the formal appeal stage.

A provision has been made for the estimated success of appeals for losses for the period to the end of March 2021. The estimate has been calculated based on an analysis of information provided by the VOA detailing all appeal transactions (settled and outstanding) relating to the 2010 list. Using the data on settled appeals, average success and rateable value reductions have been calculated and applied to the appeals outstanding to arrive at an estimated reduction in rateable value, which has been converted into a cash figure for the provision. In regard to the 2017 list, in the absence of any meaningful data, an estimate has been made, based on the Government's implicit rate for successful appeals that is built into each year's multiplier.

Valuations of PPE and Investment Properties

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

The outbreak of COVID-19 has, and continues to, impact economies and real estate markets globally. Nevertheless, the external valuers state at the valuation date a quantum of market evidence exists upon which to base opinions of value.

The council's valuations have not been reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation - Global Standards, except in respect of retail and specific trading related assets/sectors. At the valuation date, due to the unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base judgements, valuations of these specific assets are reported as being subject to 'material valuation uncertainty'.

Consequently, in respect of these valuations, less certainty and a higher degree of caution should be attached to their valuation than would normally be the case. The inclusion of this clause does not mean that the valuations cannot be relied upon. The inclusion ensures transparency and provides further insight as to the market context under which the valuation opinion was prepared. Given the potential for market conditions to move rapidly, valuations should be kept under regular review as market evidence emerges.

The valuation of the council's land and building based assets, which are valued at current cost, is £265.117m (see Note 25c). For every 1% increase or decrease in the carrying amount, the impact on the Balance Sheet would be +/-£2.651m. The council's investment portfolio is valued at fair value and is held on the Balance Sheet at £13.621m. Any change in the fair value measurement of +/- 1% will result in a movement on the Balance Sheet of +/- £0.136m.

3. CHANGES IN ACCOUNTING POLICY IN RELATION TO THE 2020-2021 STATEMENT OF ACCOUNTS

When compared to 2019-2020, there have been no changes in accounting policy applied in the production of these financial statements.

However, during the course of 2020-2021 the council introduced a new organisational and senior management structure to support the effective delivery of council and Borough wide priorities.

The council's Executive Leadership Team is led by the Chief Executive, and includes three Executive Directors (Corporate Services, Integrated Health and Social Care, Place Services), a Director of Children and Young People, and an Assistant Chief Executive, who reports to the Executive Director of Corporate Services. The Executive Director of Integrated Health and Social Care is also the Accountable Officer for the CCG.

Further details are provided in the following tables regarding the restatements of the Comprehensive Income and Expenditure Statement and other supporting notes.

(i) Comprehensive Income and Expenditure Statement

	2019-2020 original			2019-2020 restated		
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
People's Services Directorate	293,540	(193,986)	99,554	-	-	-
Integrated Health & Social Care Directorate	-	-	-	100,497	(49,876)	50,621
Place Services Directorate	78,038	(24,048)	53,990	78,038	(24,048)	53,990
Corporate Services Directorate	73,537	(55,344)	18,193	73,537	(55,344)	18,193
Children & Young People Services Department	-	-	-	193,043	(144,110)	48,933
Cost of Services	445,115	(273,378)	171,737	445,115	(273,378)	171,737

(ii) Expenditure and Funding Analysis Note

	2019-2020 original			2019-2020 restated		
	Net Expenditure chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000	£000	£000	£000	£000	£000
People's Services Directorate	87,964	11,590	99,554	-	-	-
Integrated Health & Social Care Directorate	-	-	-	47,338	3,283	50,621
Place Services Directorate	30,002	23,988	53,990	30,002	23,988	53,990
Corporate Services Directorate	13,220	4,973	18,193	13,220	4,973	18,193
Children & Young People Services Department	-	-	-	40,626	8,307	48,933
Net Cost of Services	131,186	40,551	171,737	131,186	40,551	171,737

(iii) **Note to The Expenditure and Funding Analysis**

	2019-2020 original				2019-2020 restated			
	Adjustment for Capital Purposes £000	Net Change for Pensions Adjustments £000	Other Differences £000	Total Adjustments £000	Adjustment for Capital Purposes £000	Net Change for Pensions Adjustments £000	Other Differences £000	Total Adjustments £000
People's Services Directorate	6,294	5,470	(174)	11,590	-	-	-	-
Integrated Health & Social Care Directorate	-	-	-	-	413	2,877	(7)	3,283
Place Services Directorate	17,922	6,057	9	23,988	17,922	6,057	9	23,988
Corporate Services Directorate	300	4,653	20	4,973	300	4,653	20	4,973
Children & Young People Services Department	-	-	-	-	5,881	2,593	(167)	8,307
Net Cost of Services	24,516	16,180	(145)	40,551	24,516	16,180	(145)	40,551

(iv) Note 15 - Expenditure and Income Analysed by Nature

Segmental Split of Depreciation of Non-Current Assets and Amortisation of Intangible Assets

2019-2020 Original £000		2019-2020 Restated £000
300	Corporate Services Directorate	300
3,969	People's Services Directorate	-
8,917	Place Services Directorate	8,917
-	Integrated Health & Social Care Directorate	169
-	Children & Young People Services Department	3,800
13,186	Total	13,186

Segmental Split of Impairment and Revaluation

2019-2020 Original £000		2019-2020 Restated £000
-	Corporate Services Directorate	-
2,325	People's Services Directorate	-
9,005	Place Services Directorate	9,005
-	Integrated Health & Social Care Directorate	244
-	Children & Young People Services Department	2,081
641	Other Non-Service	641
11,971	Total	11,971

Segmental Split of Fees, Charges and Other Service Income

2019-2020 Original £000		2019-2020 Restated £000
(2,541)	Corporate Services Directorate	(2,541)
(40,379)	People's Services Directorate	-
(23,987)	Place Services Directorate	(23,987)
-	Integrated Health & Social Care Directorate	(32,768)
-	Children & Young People Services Department	(7,611)
(66,907)	Total	(66,907)

4. EVENTS AFTER THE REPORTING DATE

The statement of accounts was authorised for issue by the Executive Director of Corporate Services on 8 November 2021. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2021, the figures in the financial statements and commentary provided in the notes have been prepared in all material respects to reflect the impact of this information. There are no non-adjusting events after the Balance Sheet date.

5. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

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

2020-2021	Usable Reserves			Movement in Unusable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	
Adjustments involving the Capital Adjustment Account (Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement)				
Charges for Depreciation and Impairment of Non-Current Assets	13,613	-	-	(13,613)
Revaluation losses on Property, Plant and Equipment	4,257	-	-	(4,257)
Movements in the fair value of Investment Properties	(2,989)	-	-	2,989
Amortisation of Intangible Assets	129	-	-	(129)
Capital Grants and Contributions applied credited to the Comprehensive Income and Expenditure Statement	(11,488)	-	-	11,488
Revenue expenditure funded from capital under Statute	2,316	-	-	(2,316)
Amounts of non-current assets written off on disposal, sale or derecognition as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	1,014	-	-	(1,014)
Adjustments involving the Capital Adjustment Account (Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement)				
Provision for the repayment of debt	(3,126)	-	-	3,126
Capital expenditure charged against the General Fund balance	(1,844)	-	-	1,844
Adjustments primarily involving the Capital Grants Unapplied Account				
Capital Grants and Contributions unapplied credited/debited to the Comprehensive Income and Expenditure Statement	(4,212)	-	4,212	-
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	(4,579)	4,579
Adjustments involving the Capital Receipts Reserve				
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(483)	483	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	(5,177)	-	5,177
Amount of Deferred Capital Receipts and Long-term Debtors received	-	129	-	(129)

2020-2021	Usable Reserves			Movement in Unusable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	
Adjustments involving the Financial Instruments Adjustment Account Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(61)	-	-	61
Adjustments involving the Pensions Reserve Amount by which pension costs calculated in accordance with the Code are different from contributions due under the pension scheme regulations	18,476	-	-	(18,476)
Adjustments involving the Collection Fund Adjustment Account Amount by which Council Tax income and Non-Domestic Rates credited to the Comprehensive Income and Expenditure Statement is different from the amount taken to the General Fund in accordance with regulations	27,591	-	-	(27,591)
Adjustments involving the Accumulating Compensated Absence Adjustment Account Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	1,865	-	-	(1,865)
Adjustments involving the Dedicated Schools Grant Adjustment Account Transfer of Dedicated Schools Grant (DSG) overspend to the DSG Adjustment Account in the year in accordance with statutory requirements	742	-	-	(742)
Total Adjustments 2020-2021	45,800	(4,565)	(367)	(40,868)

2019-2020	Usable Reserves			Movement in Unusable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	
Adjustments involving the Capital Adjustment Account (Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement)				
Charges for Depreciation and Impairment of Non-Current Assets	12,951	-	-	(12,951)
Revaluation losses on Property, Plant and Equipment	11,328	-	-	(11,328)
Movements in the fair value of Investment Properties	641	-	-	(641)
Amortisation of Intangible Assets	235	-	-	(235)
Capital Grants and Contributions applied credited to the Comprehensive Income and Expenditure Statement	(12,062)	-	-	12,062
Revenue expenditure funded from capital under Statute	3,525	-	-	(3,525)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	77	-	-	(77)
Other items debited or credited to the Comprehensive Income and Expenditure Statement	2	-	-	(2)
Adjustments involving the Capital Adjustment Account (Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement)				
Provision for the repayment of debt	(2,940)	-	-	2,940
Capital expenditure charged against the General Fund balance	(4,405)	-	-	4,405
Adjustments primarily involving the Capital Grants Unapplied Account				
Capital Grants and Contributions unapplied credited/debited to the Comprehensive Income and Expenditure Statement	(6,073)	-	6,073	-
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	(3,872)	3,872
Adjustments involving the Capital Receipts Reserve				
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(117)	117	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	(2,273)	-	2,273
Amount of Deferred Capital Receipts and Long-term Debtors received	-	109	-	(109)

2019-2020	Usable Reserves			Movement in Unusable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	
Adjustments involving the Financial Instruments Adjustment Account Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(61)	-	-	61
Adjustments involving the Pensions Reserve Amount by which pension costs calculated in accordance with the Code are different from contributions due under the pension scheme regulations	24,136	-	-	(24,136)
Adjustments involving the Collection Fund Adjustment Account Amount by which Council Tax income and Non-Domestic Rates credited to the Comprehensive Income and Expenditure Statement is different from the amount taken to the General Fund in accordance with regulations	(3,181)	-	-	3,181
Adjustments involving the Accumulating Compensated Absence Adjustment Account Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(146)	-	-	146
Total Adjustments 2019-2020	23,910	(2,047)	2,201	(24,064)

6. UNUSABLE RESERVES

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

31 March 2020 £000		Movements in year 2020-2021 £000	31 March 2021 £000
141,793	Revaluation Reserve (a)	(1,801)	139,992
170,962	Capital Adjustment Account (b)	10,343	181,305
(726)	Financial Instruments Adjustment Account (c)	61	(665)
(290,768)	Pensions Reserve (d)	(46,625)	(337,393)
5,035	Collection Fund Adjustment Account (e)	(27,591)	(22,556)
-	Dedicated Schools Grant Adjustment Account (f)	(742)	(742)
(2,842)	Accumulating Compensated Absences Adjustment Account (g)	(1,865)	(4,707)
23,454	Total	(68,220)	(44,766)

(a) Revaluation Reserve

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

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

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

2019-2020 £000		2020-2021 £000
136,161	Balance brought forward at 1 April	141,793
9,807	Upward Revaluation of Assets Property, Plant and Equipment	6,284
(1,890)	Downward Revaluation of Assets and Impairment Losses not charged to the Surplus/ Deficit on the Provision of Services Property, Plant and Equipment	(5,487)
7,917	Surplus or Deficit on Revaluation of Non-Current Assets not posted to the Surplus or Deficit on the Provision of Services	797
(2,285)	Difference between Fair Value Depreciation and Historical Cost Depreciation	(2,318)
-	Accumulated Gains on Non-Current Assets written out on disposal, sale or derecognition	(280)
(2,285)	Amount written off to the Capital Adjustment Account	(2,598)
141,793	Balance carried forward at 31 March	139,992

(b) Capital Adjustment Account

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

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

2019-2020 £000		2020-2021 £000
171,993	Balance brought forward at 1 April	170,962
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	
(12,951)	Charges for Depreciation and Impairment of Non-Current Assets	(13,613)
(11,329)	Revaluation losses on Property, Plant and Equipment	(4,257)
(235)	Amortisation of Intangible Assets	(129)
(3,525)	Revenue expenditure funded from capital under Statute	(2,316)
(77)	Amounts of Non-Current Assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1,014)
(2)	Other Items	-
	Adjusting amounts written out of the Revaluation Reserve	
2,285	Difference between Fair Value Depreciation and Historical Cost Depreciation	2,318
-	Amounts of Revaluation Reserve written out on disposal, sale or derecognition of Non-Current Assets	280
	Capital financing applied in the Year	
2,273	Use of the Capital Receipts Reserve to finance new capital expenditure	5,177
9,162	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	9,581
2,900	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to finance Revenue expenditure financed by capital under statute	1,907
3,873	Application of grants to capital financing from the Capital Grants Unapplied Account	4,579
2,940	Provision for the financing of capital investment charged against General Fund balances	3,126
4,405	Capital expenditure charged against General Fund balances	1,844
(641)	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	2,989
(109)	Long Term Debtors and Loan Repayments	(129)
170,962	Balance carried forward at 31 March	181,305

(c) Financial Instruments Adjustment Account

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

2019-2020 £000		2020-2021 £000
(787)	Balance brought forward at 1 April	(726)
61	Proportion of premiums incurred in previous years charged against the General Fund balance in accordance with statutory requirements	61
(726)	Balance carried forward at 31 March	(665)

(d) Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed, as the authority makes employer's contributions to Pension Funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2019-2020 £000		2020-2021 £000
(322,847)	Balance brought forward at 1 April	(290,768)
56,215	Re-measurement Gains/(Losses) on Pension Assets/ Liabilities	(28,149)
(39,033)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(34,905)
14,897	Employer's pensions contributions and direct payments to pensioners payable in year	16,429
(290,768)	Balance carried forward at 31 March	(337,393)

(e) Collection Fund Adjustment Account

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

2019-2020 £000		2020-2021 £000
1,854	Balance brought forward at 1 April	5,035
	Amount by which credited to the Comprehensive Income and Expenditure Statement is different from income calculated for the year in accordance with statutory requirements:	
(221)	- Council Tax	(1,362)
3,402	- Non-Domestic Rates	(26,229)
5,035	Balance carried forward at 31 March	(22,556)

(f) Dedicated Schools Grant Adjustment Account

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

These regulations established new accounting practices which require councils to carry forward any deficit on the Dedicated Schools Grant (DSG) from the current and previous years, to be dealt with from future DSG income up to 2022-2023. The council must record any such deficit in an unusable reserve created solely for the purpose of recording deficits relating to its school's budget.

	2020-2021 £000
Balance brought forward at 1 April	-
Transfer of DSG deficit to the Dedicated Schools Grant Adjustment Account in the year in accordance with statutory requirements	(742)
Balance carried forward at 31 March	(742)

(g) Accumulating Compensated Absences Adjustment Account

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

2019-2020 £000		2020-2021 £000
(2,988)	Balance brought forward at 1 April	(2,842)
146	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	(1,865)
(2,842)	Balance carried forward at 31 March	(4,707)

7. GENERAL FUND RESERVES

31 March 2020 £000		Movements in year 2020-2021 £000	31 March 2021 £000
6,918	Insurance & Contingent Liability Reserve (a)	(2,400)	4,518
10,750	Transformation Reserve (b)	7,627	18,377
4,256	Children's Services Reserve (c)	(4,256)	-
4,418	Growth Reserve (d)	2,153	6,571
423	Essential Equipment Fund (e)	1,058	1,481
677	Councillor Improvement Fund (f)	25	702
1,641	Waste Management Development Fund (g)	(393)	1,248
4,000	Inflationary Reserve (h)	(3,000)	1,000
425	Equal Pay Reserve (i)	(425)	-
1,292	Community Improvement Reserve (j)	(295)	997
567	Strategic Priorities Fund (k)	(567)	-
1,753	Service Investment Reserve (l)	(1,753)	-
465	Restructuring Reserve (m)	1,152	1,617
-	Funding Reform Volatility Reserve (n)	5,227	5,227
6,177	COVID-19 Funding Reserve (o)	22,376	28,553
43,762	Sub-Total	26,529	70,291
854	NW Regional Leaders Board (p)	-	854
7,108	Schools Balances (q)	4,548	11,656
9,328	Unallocated General Fund Balances (r)	3,452	12,780
61,052	Total	34,529	95,581

In approving the Medium-Term Financial Strategy 2021-2024, the Funding Reform Volatility Reserve was created, and a number of other reserves were rationalised in order to focus on the delivery of the council's priorities in the medium to longer term.

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

The reserve may also be accessed to promote the climate change agenda and support the development of services which create a greener and sustainable environment.

The reserve also provides cover to enable savings to be generated by the upfront payment of pension contributions to the Merseyside Pension Fund in 2021-2022 (as detailed in Note 11g), with contributions to be made back to the reserve during 2022-2023.

- (c) During 2020-2021 the former Children's Services Reserve has been realigned, with the Transformation Reserve, and in addition to the criteria mentioned in (b) now provides resource cover to support the priorities in relation to changes in the delivery and sustainability of Children and Family Services in the Borough.
- (d) The Growth Reserve is to support the delivery of developments which will enhance the economic growth of the Borough, attract new business and employment opportunities and secure the long-term viability of St Helens Town Centre and its localities.
- (e) The Essential Equipment Fund is to provide for new or replacement equipment where the cost to acquire or the failure to replace would have a direct impact on the delivery of essential services. The fund is also available to ensure equipment supports the latest advancements in technology and/or delivers modernisation as part of the One Council programme.
- (f) The councillor Improvement Fund provides funding towards projects within local communities proposed by local residents and Council Taxpayers.
- (g) The Waste Management Development Fund was established subsequent to the receipt of monies from Merseyside Recycling and Waste Authority and is used to deliver actions in support of the Joint Recycling and Waste Management Strategy.
- (h) The Inflationary Reserve is to support services where cost increases are significantly above inflation and not to allow for these costs would have a direct impact on the delivery of essential services.
- (i) The resource cover provided by the former Equal Pay Reserve is no longer required.
- (j) The Community Improvement Reserve is to support new community improvements and allow for the retention of some community-based services.
- (k) The former Strategic Priorities Fund, supporting specific priority project initiatives, has been realigned to the Growth Reserve.
- (l) Balances on the former Service Investment Reserve, to support wider council priorities in respect of highways, regeneration, local economy, employment opportunities and community safety have been realigned as part of the rationalisation of reserves.
- (m) The Restructuring Reserve exists to support the council's transformation programme in reshaping and modernising service delivery in order to achieve its key strategic priorities.
- (n) The Funding Reform Volatility Reserve provides resilience for the council from the uncertainties in future changes in Government funding and finance reform, and the ability to 'smooth out' resources during the transition period.
- (o) The COVID-19 Funding Reserve represents funding set aside to:
 - support the ongoing additional costs and income losses resulting from the pandemic from uncommitted COVID-19 funding
 - provide resource cover for the collection fund deficit in 2021-2022 as a result of the terms of the Government's Extended Retail, Hospitality and Leisure (Business Rates Relief) Scheme
- (p) Balances held as Accountable Body to the North West Regional Leaders Board.
- (q) Balances held by Governors under delegated scheme arrangements, whereby such balances are committed to be spent on the Education service.
- (r) General balances are set aside to provide a short-term cushion for the impact of uneven cash flow, to provide an emergency fund for exceptional unmitigated circumstances and to ensure that the council remains a going concern.

8. CAPITAL RECEIPTS RESERVE

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

2019-2020 £000		2020-2021 £000
30,078	Balance brought forward at 1 April	28,031
	Amounts received in Year	
117	Asset Sales and Grant Repayment	483
109	Repaid loans and advances	129
(2,273)	Amounts applied to finance new capital investment in year	(5,177)
28,031	Balance carried forward at 31 March	23,466

9. UNAPPLIED CAPITAL GRANTS

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

31 March 2020 £000		31 March 2021 £000
10,241	Department for Education	10,211
1,169	Liverpool City Region Combined Authority	1,011
254	Other Grants and Contributions	75
11,664	Total	11,297

10. SCHOOLS BUDGET FUNDED BY DEDICATED SCHOOLS GRANT

The council's expenditure on schools is funded primarily by grant monies provided by the Education and Skills Funding Agency, the Dedicated Schools Grant (DSG). DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School and Early Years (England) Regulations 2021. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each maintained school.

	Central Expenditure £000	Individual Schools Budget £000	Total 2020-2021 £000
Final DSG before Academy and High Needs recoupment	21,692	131,147	152,839
Academy and High Needs figures recouped	(1,080)	(32,383)	(33,463)
Total DSG after Academy and High Needs recoupment	20,612	98,764	119,376
Brought forward at 1 April 2020	110	72	182
Agreed budgeted distribution	20,722	98,836	119,558
In-year adjustments	-	50	50
Final budgeted distribution	20,722	98,886	119,608
Less: Actual expenditure	22,078	98,272	120,350
Carry forward at 31 March 2021	(1,356)	614	(742)

11. PENSIONS

(a) Pension Schemes Accounted for as Defined Contribution Schemes

The pensions cost reported in the Cost of Services in relation to:

- the Teacher's Pension Scheme (TPS)
- those council staff who were compulsorily transferred from Primary Care Trusts and other NHS bodies and retained access to the NHS Pension Scheme (NHSPS) and council staff who have access to the NHSPS as a result of their terms of employment

are equal to the employer's contribution payable to the Scheme in the accounting period as summarised below.

2019-2020			2020-2021	
TPS	NHSPS		TPS	NHSPS
8.81	0.07	Employer Contribution (£m)	10.45	0.04
23.68%*	20.68%	Employer Contribution Rate	23.68%	20.68%

*With effect from September 2019. Prior to this date the contribution rate was 16.48%.

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

The TPS employer contribution rate for 2021-2022 is to remain at a rate of 23.68% and the estimated cost of employer contributions is £10.6m. The Department for Education provides grant funding to cover the cost of the increase introduced in September 2019.

Sums payable in 2021-2022 for the NHSPS are expected to be less than those of 2020-2021 as the number of council staff in the scheme reduced during the course of 2020-2021.

(b) Transactions relating to Retirement Benefits

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

2019-2020			2020-2021	
TPS £000	LGPS £000		TPS £000	LGPS £000
-	28,488	Cost of Services	-	27,190
-	(1,035)	Current service cost	-	431
-	3,625	(Gains)/losses on settlements & curtailments	-	76
		Past service cost		
		Other Operating Expenditure		
-	403	Pension administration expenses	-	428
		Financing and Investment Income and Expenditure		
503	7,049	Net interest expense	441	6,339
503	38,530	Total Post-Employment Benefits charged to Surplus or Deficit on Provision of Services	441	34,464

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

2019-2020			2020-2021	
TPS £000	LGPS £000		TPS £000	LGPS £000
(503)	(38,530)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services	(441)	(34,464)
-	12,928	Employers contributions payable to scheme	-	14,503
1,969	-	Retirement benefits payable to pensioners	1,925	-
1,969	12,928	Total Charged to the General Fund Balance	1,925	14,503

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

2019-2020				2020-2021		
TPS £000	LGPS £000	TOTAL £000		TPS £000	LGPS £000	TOTAL £000
19,333	974,034	993,367	Benefit obligation at end of the period	18,745	1,136,125	1,154,870
-	(702,599)	(702,599)	Fair Value of plan assets at end of the period	-	(817,477)	(817,477)
19,333	271,435	290,768	Deficit as at 31 March	18,745	318,648	337,393

The overall net liability for retirement benefits has increased significantly during the twelve-month period to 31 March 2021. The principal factors contributing to this movement are:

- The adverse movement in discount rate (which is a key component of the measurement of future scheme liabilities).
- Significant increases in the assumed rate of increase in salary and pensions which are used to calculate the level of future scheme liabilities.
- An assumed increase in CPI inflation.

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

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

2019-2020 £000		2020-2021 £000
729,383	Opening Fair Value of Scheme Assets	702,599
17,342	Interest on plan assets	16,747
(403)	Pension administration expenses	(428)
(30,539)	Remeasurement gains / (losses)	108,159
(1,955)	Settlements	-
12,928	Employer contributions	14,503
5,050	Member contributions	5,370
(29,207)	Benefits paid	(29,473)
702,599	Closing Fair Value of Scheme Assets	817,477

The assets at 31 March comprised:

2019-2020					2020-2021			
Quoted £000	Unquoted £000	Total £000	% of Total		Quoted £000	Unquoted £000	Total £000	% of Total
96,441	14,386	110,827	16%	Equities	123,687	16,268	139,955	17%
159,544	70,083	229,627	33%	UK	191,453	84,118	275,571	34%
				Global				
				Bonds				
12,382	-	12,382	2%	UK Government	10,545	-	10,545	1%
31,207	-	31,207	4%	UK Corporate	27,222	-	27,222	3%
54,302	-	54,302	8%	UK Index Linked	64,744	-	64,744	8%
-	-	-	-	Overseas	4,414	-	4,414	1%
				Corporate				
-	-	-	-	Derivative	-	(2,698)	(2,698)	(1%)
				Contracts				

2019-2020					2020-2021			
Quoted £000	Unquoted £000	Total £000	% of Total		Quoted £000	Unquoted £000	Total £000	% of Total
-	41,689	41,689	6%	Property	-	38,748	38,748	5%
1,850	12,280	14,130	2%	UK Direct Property	1,471	14,388	15,859	2%
-	18,672	18,672	3%	UK Managed Property	18,720	-	18,720	2%
				Global Managed Property				
86	9,008	9,094	1%	Private Equity	-	16,350	16,350	2%
-	46,411	46,411	7%	UK	-	53,054	53,054	6%
				Global				
10,824	-	10,824	1%	Cash	18,475	-	18,475	2%
				All				
1,739	11,343	13,082	2%	Other	1,308	4,905	6,213	1%
2,874	19,133	22,007	3%	Other Alternatives UK	-	30,410	30,410	4%
1,310	27,173	28,483	4%	Other Alternatives Global	1,063	29,674	30,737	4%
-	23,162	23,162	3%	Infrastructure UK	-	23,298	23,298	3%
1,924	17,092	19,016	3%	Infrastructure Global	245	16,023	16,268	2%
666	17,018	17,684	2%	Opportunistic Credit UK	1,144	28,448	29,592	4%
				Opportunistic Credit Global				
375,149	327,450	702,599	100%	Total	464,491	352,986	817,477	100%

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

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

2019-2020				2020-2021		
TPS £000	LGPS Funded £000	LGPS Unfunded £000		TPS £000	LGPS Funded £000	LGPS Unfunded £000
21,963	1,020,150	10,117	Opening Fair Value of Scheme Liabilities	19,333	966,180	7,854
-	28,488	-	Current service cost	-	27,190	-
503	24,158	233	Interest on pension liabilities	441	22,907	179
-	27	-	Curtailments	-	431	-
-	(3,017)	-	Settlements	-	-	-
-	5,050	-	Member contributions	-	5,370	-
-	3,625	-	Past Service Cost	-	76	-
(1,969)	(28,369)	(838)	Benefits paid	(1,926)	(28,680)	(793)
(1,164)	(83,932)	(1,658)	Re-measurement (gains) and losses arising from changes in financial assumptions	897	134,813	598
19,333	966,180	7,854	Closing Fair Value of Scheme Liabilities	18,745	1,128,287	7,838

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

(f) Actuarial Assumptions

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

31 March 2020		31 March 2021
	Base Assumptions:	
2.1%	Rate of CPI inflation	2.7%
3.6%	Rate of increase in salaries	4.2%
2.2%	Rate of increase in pensions	2.8%
2.4%	Rate of discounting plan liabilities	2.1%
50%	Proportion of employees opting to take a commuted lump sum	50%
	Mortality Assumptions:	
22.5 years	Life expectancy of male future pensioner aged 65 in 20 years time	22.6 years
25.9 years	Life expectancy of female future pensioner aged 65 in 20 years time	26.0 years
20.9 years	Life expectancy of male current pensioner aged 65	21.0 years
24.0 years	Life expectancy of female current pensioner aged 65	24.1 years

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

	Using assumptions above £000	Illustrative +0.1 p.a. discount rate £000	Illustrative +0.1% p.a. inflation £000	Illustrative + 1 year life expectancy £000
Liabilities - TPS	18,745	18,609	18,884	19,673
Liabilities - LGPS	1,136,125	1,117,738	1,154,815	1,171,037
Assets – LGPS	(817,477)	(817,477)	(817,477)	(817,477)
Deficit/(Surplus)	337,393	318,870	356,222	373,233

(g) Additional Pensions Information

The net liability of £337.393m has a significant impact on the net worth of the authority as recorded in the Balance Sheet.

In March 2020, Merseyside Pension Fund's appointed actuary, Mercer Limited, published a Report on the actuarial valuation as at 31 March 2019, including those employer contribution rates and contributions required for the three years commencing 1 April 2020.

These rates were calculated having regard to the revised Funding Strategy Statement, as agreed by the Fund's Pensions Committee at its meeting held in February 2020, and which sets out a clear and transparent funding strategy identifying how each Fund employer's pension liabilities are to be met going forward.

The rates and contributions arising from the latest valuation support the regulatory requirement to secure solvency and long-term cost efficiency and the Administering Authority's long-term funding objective for the Fund to achieve, and then maintain, sufficient assets to cover 100% of projected accrued liabilities (the "solvency funding target"), with a deficit recovery period of 16 years for scheme employers.

The 2019 Valuation identified that the funding level for the council as being 103.2%, with a contribution rate of 16.9% for the three-year period commencing 1 April 2020 necessary to meet the cost of future accrual of benefits including ancillary, death in service and ill health benefits. In line with the Funding Strategy Statement the surplus above the 100% solvency funding target is to be offset against the contributions for future service as detailed below:

- 2020-2021 £1.499m
- 2021-2022 £1.558m
- 2022-2023 £1.618m

The Fund did provide the council with an option of paying an element of its projected contributions for the three-year period commencing 1 April 2020 in a lump sum and receiving a discount in doing so. However, the council opted to continue to make monthly payments to the Fund during 2020-2021 due to the financial uncertainty as a result of COVID-19 and the impact that this could have on cashflows.

The Fund subsequently provided the council with a further option of paying an element of its projected contributions for the two-year period commencing 1 April 2021 upfront during 2021-2022. This option has been exercised and will allow the council to generate corporate savings as a result of lower overall employer contributions over the period. This arises from the ability of the upfront funds to generate additional investment returns.

The Funding Strategy applies to the whole of the fund, with the stated objective of achieving investment returns of 1.75% in excess of its liabilities, being achieved by Strategic asset allocation, medium term allocation and active investment management.

However, the fund needs to allow for a level of volatility and risk over the short, medium and long-term from the liability matching return.

At an individual employer level, this approach is effectively one of applying a notional individual employer investment strategy identical to the one adopted by the fund as a whole, with the employer's split between the various asset categories taken to be the same as for the whole fund. Notwithstanding this, a no-cross subsidy principle is applied across employers which results in the actuarial calculations establishing notional sub-funds (assets and liabilities) for each employer which are tracked at each triennial valuation.

The relative allocation of assets and liabilities within the fund to each employer reflects the specific membership, experience and past history of each employer. This bespoke strategic benchmark is subject to formal review every three years through the triennial valuation. However, it can be subject to interim review if there are significant changes to the investment environment or liability profile. The next triennial valuation will take place with an effective date of 31 March 2022, with new contributions payable from 1 April 2023.

Having opted to make the upfront payment to the Fund during 2021-2022, employer pension contributions forecast for the year are as per the following table.

	Estimated 2021-2022 Contribution £000
LGPS - Funded	21,600
LGPS - Unfunded	800
TPS - Unfunded	10,600

The weighted average duration of the defined benefit obligation for scheme members is 16 years.

12. OTHER OPERATING EXPENDITURE

2019-2020 £000		2020-2021 £000
324	Parish Council Precepts	331
12,073	Liverpool City Region Combined Authority Transport Levy	12,321
96	Environment Agency Levy	98
8,583	Merseyside Recycling and Waste Authority Levy	9,053
(40)	(Gains)/Losses on the Sale, Disposal or Derecognition of Non-Current Assets	530
403	Pension Administration Expenses	428
21,439	Total	22,761

13. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2019-2020 £000		2020-2021 £000
5,791	Interest Payable and Similar Charges	5,428
2,313	PFI Interest Payable	2,248
(2,313)	PFI Grant Applied	(2,248)
7,552	Net Interest Expense-Pensions (see Note 11d & e)	6,780
(1,577)	Interest Receivable and Similar Income	(1,021)
(157)	Income and Expenditure in relation to Investment Properties and changes in their fair value (see Note 28)	(3,814)
11,609	Total	7,373

14. TAXATION AND NON-SPECIFIC GRANT INCOME

2019-2020 £000		2020-2021 £000
(74,609)	Council Tax Income	(77,931)
(51,531)	Retained Non-Domestic Rates	(28,843)
(49,961)	Grants and Contributions (see Note 16)	(81,199)
(176,101)	Total	(187,973)

15. EXPENDITURE AND INCOME ANALYSED BY NATURE

2019-2020 £000		2020-2021 £000
	Expenditure	
185,624	Employee Expenses	191,390
235,431	Other Service Expenses	249,690
71,810	Support Service Recharges	73,798
25,157	Depreciation, Amortisation, Impairment & Revaluation (i) & (ii)	15,011
15,656	Interest Payments	14,456
21,076	Precepts and Levies	21,803
(40)	(Gain)/Loss on Sale, Disposal or Derecognition of Non-Current Assets	530
554,714	Total Expenditure	566,678
	Income	
(66,907)	Fees, Charges and Other Service Income (iii)	(65,107)
(71,810)	Support Service Recharge Income	(73,798)
(1,577)	Interest and Investment Income	(1,021)
(126,140)	Income from Council Tax and Retained Non-Domestic Rates	(106,774)
(259,596)	Government Grants	(308,707)
(526,030)	Total Income	(555,407)
28,684	(Surplus) or Deficit on the Provision of Services	11,271

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

2019-2020 Restated* £000		2020-2021 £000
300	Corporate Services Directorate	801
8,917	Place Services Directorate	9,380
169	Integrated Health & Social Care Directorate	140
3,800	Children & Young People Services Department	3,422
13,186	Total	13,743

(ii) Segmental Split of Impairment and Revaluation

2019-2020 Restated* £000		2020-2021 £000
-	Corporate Services Directorate	-
9,005	Place Services Directorate	3,800
244	Integrated Health & Social Care Directorate	104
2,081	Children & Young People Services Department	352
641	Other Non-Service	(2,988)
11,971	Total	1,268

(iii) Segmental Split of Fees, Charges and Other Service Income

2019-2020 Restated* £000		2020-2021 £000
(2,541)	Corporate Services Directorate	(739)
(23,987)	Place Services Directorate	(19,861)
(32,768)	Integrated Health & Social Care Directorate	(38,843)
(7,611)	Children & Young People Services Department	(5,664)
(66,907)	Total	(65,107)

* For further details of the 2019-2020 Restatement, refer to Note 3 (iv).

16. GRANT INCOME

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

2019-2020 £000	Credited to Taxation and Non-Specific Grant Income	2020-2021 £000
	COVID-19 Grants	
6,391	COVID-19 Emergency Grant	10,736
-	COVID-19 Sales, Fees and Charges compensation	4,341
-	COVID-19 Hardship Fund	1,906
-	Tax Income Guarantee - Business Rates	964
-	Tax Income Guarantee - Council Tax	25
	Total Formula Grant	
19,240	Non-Domestic Rates Top Up Grant	20,366
	Other Revenue Government Grants	
1,825	New Homes Bonus	1,703
6,707	Section 31 Non-Domestic Rates Grant	27,364
	Capital Grants and Contributions	
5,895	Department for Education	3,748
397	Department for Transport	643
8,128	Liverpool City Region Combined Authority	8,618
720	Section 106 Contributions	51
95	Other Capital Grants and Contributions	734
	Other Contributions	
155	Government Non-Domestic Rates Levy Account Distribution	-
408	Mid-Mersey Non-Domestic Rates Pool	-
49,961	Total	81,199

2019-2020 £000	Credited to Services	2020-2021 £000
	COVID-19 Specific Grants and Contributions	
	- Additional Restrictions Grant / Hospitality & Leisure Fund	1,186
	- Clinically Extremely Vulnerable Funding	814
	- Contain Outbreak Management Fund	2,464
	- COVID Winter Grant	965
	- COVID-19 Catch up Premium	918
	- COVID-19 Free School Meals Additional Costs	504
	- Health Care Contributions in Relation to COVID-19 Activity	4,257
	- Infection Control Fund	1,066
	- Local Authority Discretionary Grant Fund	1,580
	- Local Restrictions Support Grant (Open)	1,094
	- SMART Testing	1,047
	- Other COVID-19 Grants and Contributions	2,079
	General Grants and Contributions	
12,174	Better Care Fund	12,646
115,655	Dedicated Schools Grant	119,424
2,842	Disabled Facilities Grant	1,804
516	Discretionary Housing Payments Contribution	615
5,367	Health Authority Contributions	7,873
879	Housing Benefit / Localised Council Tax Support Admin Subsidy	927
50,573	Housing Benefit Subsidy Grant	47,875
1,082	Independent Living Fund Grant	1,082
829	Liverpool City Region Combined Authority	1,531
1,140	Merseyside Recycling & Waste Authority - Recycling Credits	1,089
933	PE and Sports Grant	934
989	PFI Credits	1,065
13,887	Public Health Grant	14,018
7,639	Pupil Premium Grant	7,743
1,699	School Sixth Form Funding	1,601
1,645	Social Care Support Grant	6,051
952	Teachers' Pay Grant	1,113
1,855	Teachers' Pension Grant	3,269
988	Troubled Families Grant	606
550	Unaccompanied Asylum-Seeking Children Funding	410
1,843	Universal Free School Meals for Infants Grant	1,779
963	Winter Pressures Grant	-
6,982	Other Grants and Contributions	6,556
231,982	Total	257,985

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

31 March 2020			31 March 2021	
Short Term £000	Long Term £000	Capital Grants Receipts in Advance	Short Term £000	Long Term £000
864	-	Schools Capital Grants	721	-
643	-	Safer Roads Fund	-	-
-	-	Challenge Fund	460	-
-	-	Disabled Facilities Grant	1,271	-
-	-	Towns Fund	665	-
9	141	Other Grants and Contributions	168	-
1,516	141	Total	3,285	-

31 March 2020			31 March 2021	
Short Term £000	Long Term £000	Revenue Grants Receipts in Advance	Short Term £000	Long Term £000
COVID-19 Specific Grants				
-	-	Test and Trace	1,328	-
-	-	Contain Outbreak Management Fund	3,185	-
-	-	Test and Trace Isolation Grant	318	-
-	-	Additional Restrictions Grant / Hospitality & Leisure Fund	1,065	-
General Grants and Contributions				
415	-	Troubled Families Grant	778	318
325	-	Pupil Premium Grant	155	-
69	600	Public Health Grant	214	951
394	4,104	Section 38/106 Contributions	427	4,070
109	718	Registered Providers	674	-
230	77	Asylum Support Grant	156	-
7,054	-	Section 31 Non-Domestic Rates Grant*	-	-
1,568	42	Other Grants and Contributions	1,988	374
10,164	5,541	Total	10,288	5,713

*In March 2020, the Government made advance payments of 2020-2021 Section 31 Non-Domestic Rates Grant to all local authorities in order to ease any COVID-19 related cash flow pressures.

17. TRADING ACCOUNTS

There are a number of services that the authority undertakes with the public or with other third parties and may, accordingly, be assessed as being 'trading operations'. The most significant of these are detailed in the following table. For the purposes of this note, services provided to schools, who have a choice as to which service provider they will use, are included.

2019-2020 Internal Turnover	2019-2020 School Turnover	2019-2020 Other 'External Parties' Turnover	2019-2020 Surplus (Deficit)		2020-2021 Internal Turnover	2020-2021 School Turnover	2020-2021 Other 'External Parties' Turnover	2020-2021 Surplus/ (Deficit)
£000	£000	£000	£000		£000	£000	£000	£000
-	5,590	359	-	Catering	-	4,859	100	-
357	1,525	311	-	Cleaning	367	1,628	353	-
211	1,216	3	-	Caretaking	216	1,252	1	-
2,200	317	188	-	Grounds Maintenance	2,281	340	152	-
715	192	18	-	Security Services	719	202	18	-
-	-	489	(286)	Markets	-	-	183	(534)

18. NATIONAL HEALTH SERVICE ACT 2006 POOLED FUNDS

(a) Pooled Budget

The council has operated a pooled budget arrangement in conjunction with St Helens Clinical Commissioning Group (CCG) since July 2014. The pooled budget was established to make adult social care Continuing Health Care (CHC) assessments and the payment process more efficient and effective. Practically, this has been achieved by establishing a joint CHC team, consisting of officers from both the council and the CCG to formulate all contracts for providers of CHC and joint funded care.

The council is the host of this arrangement, which is governed by a Section 75 agreement, with the partners' funding contributions split in accordance with the agreement.

2019-2020 £000		2020-2021 £000
	Funding provided to the pooled budget	
(8,725)	Council	(10,325)
(25,294)	St Helens CCG	(29,407)
(34,019)	Total Funding	(39,732)
36,291	Expenditure met from the pooled budget	37,420
2,272	Net (surplus)/deficit arising on the pooled budget during the year	(2,312)
636	Council share of (surplus)/deficit	(647)
1,636	St Helens CCG share of (surplus)/deficit	(1,665)

During 2016-2017 the council agreed to provide a £4.0m repayable contribution to St Helens CCG and repayment was to be achieved in practical terms by a revision to the respective partners' contributions to the pooled budget. The repayment was deferred with the first payment being made in 2019-2020, followed by four equal annual payments through to 2023-2024. This repayment mechanism operated through the pooled budget arrangement for 2019-2020 and 2020-2021, and the above table reflects the annual repayment for the two financial years. In March 2021, the CCG repaid the remaining balance of £2.4m which was due in subsequent years, with the approval of the council.

(b) Better Care Fund

The council operates a Better Care Fund in partnership with the CCG, which creates a local single pooled budget to incentivise the NHS and local government to work more closely together around people, placing their well-being as the focus of health and care services. Joint arrangements of this type are permitted under Section 75 of the National Health Service Act 2006 and the primary aims of the fund are:

- Supporting independence in the community by place-based activity.
- Reducing non-elective admissions and reducing residential admissions by providing the right care and support within the community.
- Facilitating earlier hospital discharge.

2019-2020 £000		2020-2021 £000
	Funding provided to pooled budget	
(10,181)	St Helens Borough Council	(10,180)
(15,634)	St Helens CCG	(16,421)
(25,815)	Total Funding	(26,601)
	Expenditure met from the pooled budget	
22,384	St Helens Borough Council	22,855
3,431	St Helens CCG	3,746
25,815	Total Expenditure	26,601
-	Net (surplus) / deficit arising on the pooled budget during the year	-

In addition to the revenue funding, capital funding of £3.148m was contributed by the council through the Disabled Facilities Grant (£2.774m in 2019-2020).

(c) Integrated Provision Arrangements

The council also has two separate integrated provision arrangements with St Helens CCG that are registered with the Department of Health:

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

19. LEASING

The Authority as Lessee - Operating Leases

The Authority uses various types of vehicles and computer equipment under terms of operating leases. The authority also currently leases a small number of buildings/sites under operating lease terms. The expenditure charged to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was £0.887m.

The authority had no expenditure on contingent rents or sub-leases in 2020-2021, nor did the authority receive any income from sub-lease arrangements.

The future minimum lease payments due under non-cancellable leases in future years are shown in the following table.

31 March 2020 £000		31 March 2021 £000
703	Not later than one year	825
2,138	Later than one year and not later than five years	2,272
1,610	Later than five years	1,135
4,451	Total	4,232

The Authority as Lessor - Operating Leases

The authority has a number of properties leased out under operating leases for investment/commercial purposes. The future minimum lease payments receivable under non-cancellable leases in future years are:

31 March 2020 £000		31 March 2021 £000
3,134	Not later than one year	2,727
7,235	Later than one year and not later than five years	6,405
43,513	Later than five years	40,416
53,882	Total	49,548

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

(i) The number of employees receiving remuneration in excess of £50,000 is provided in the following table:

No. of Employees employed by the Council 2019-2020	No. of which are employed in Local Authority Schools 2019-2020	No. of which are Employees employed by School Governing Bodies 2019-2020	Remuneration	No. of Employees employed by the Council 2020-2021	No. of which are employed in Local Authority Schools 2020-2021	No. of which are Employees employed by School Governing Bodies 2020-2021
63	24	17	£50,000 - £54,999	103	36	27
35	16	8	£55,000 - £59,999	36	13	8
31	16	11	£60,000 - £64,999	34	20	11
22	10	7	£65,000 - £69,999	27	11	10
18	7	3	£70,000 - £74,999	14	8	2
9	3	1	£75,000 - £79,999	18	3	2
4	2	-	£80,000 - £84,999	7	2	2
4	1	1	£85,000 - £89,999	3	2	-
2	-	1	£90,000 - £94,999	4	1	1
1	-	-	£95,000 - £99,999	1	-	1
1	-	-	£100,000 - £104,999	-	-	-
-	-	-	£105,000 - £109,999	2	-	-
-	-	-	£110,000 - £124,999	-	-	-
1	1	-	£125,000 - £129,999	1	-	-
-	-	-	£130,000 - £134,999	1	1	-
-	-	-	£135,000 - £154,999	-	-	-
-	-	-	£155,000 - £159,999	1	-	-
-	-	-	£160,000 - £179,999	-	-	-
-	-	-	£180,000 - £184,999	2	-	-
191	80	49	Total	254	97	64

The table includes employees whose basic remuneration for 2020-2021 was below £50,000, but whose total remuneration for the year exceeds £50,000 as a result of payments made upon termination of employment.

- (ii) The remuneration of senior employees, including salary costs and compensation for loss of employment, in accordance with the Accounts and Audit Regulations 2015, is detailed in the following table. The senior employees included within the following table are excluded from the tables in Note 20(i) and Note 24.

2019-2020		Senior Employee	2020-2021	
Remuneration £000	Employer's Pension Contribution £000		Remuneration £000	Employer's Pension Contribution £000
10	1	Chief Executive - K O'Dwyer ¹	161	27
-	-	Assistant Chief Executive ²	91	15
-	-	*Executive Director of Place Services ³	106	18
114	17	*Executive Director of Corporate Services	120	20
140	29	*Executive Director of People's Services (Accountable Officer for St Helens CCG) ⁴	35	7
-	-	*Executive Director of Integrated Care & Health (Accountable Officer for St Helens CCG) ⁵	18	3
-	-	**Director of Children's Services ⁶	47	-
24	4	**Director of Adult Services ⁷	98	17
45	7	Assistant Director - Legal & Democratic (Interim Monitoring Officer) ⁸	33	6
-	-	Director of Legal & Governance (Monitoring Officer) ⁹	68	12
40	6	Deputy Director of Corporate Services - Legal & Governance (Monitoring Officer) ¹⁰	-	-
237	17	Chief Executive - M Palin ¹¹	-	-
45	-	Interim Chief Executive ¹²	-	-
83	12	*Executive Director of Place Services ¹³	-	-

The employees in the table received no payments of bonuses or expenses allowance that are chargeable to United Kingdom income tax or benefits in kind during either year. During this period the council has implemented revisions to its senior management structure.

- 1 K O'Dwyer commenced as the council's Chief Executive on 9 March 2020.
- 2 The Assistant Chief Executive commenced employment with the council on 18 May 2020.
- 3 The current Executive Director of Place Services commenced employment with the council on 27 April 2020.
- 4 The former Executive Director of People's Services (Accountable Officer for St Helens CCG) left employment of the council on 30 June 2020. The post was 50% funded by St Helens CCG up to this date.
- 5 The Executive Director of Integrated Health & Social Care (Accountable Officer for St Helens CCG) commenced employment with the council on 15 February 2021. The post is 50% funded by St Helens CCG.
- 6 The postholder of Director of Children's Services commenced employment with the council on 1 December 2020. Prior to this, the post was filled on an interim basis from 16 March 2020, via an agency arrangement.
- 7 The Director of Adult Services commenced in this role on 1 January 2020.
- 8 The Assistant Director – Legal & Democratic was designated as the council's Interim Monitoring Officer from 2 September 2019 to 2 August 2020.
- 9 Monitoring Officer responsibilities have been assigned to the current post of Director of Legal & Governance since 3 August 2020, when the postholder commenced employment with the council.
- 10 The former Deputy Director of Corporate Services – Legal & Governance held the role of Monitoring Officer prior to leaving the employment of the authority on 1 September 2019.
- 11 The council's former Chief Executive, M Palin left the authority on 31 December 2019.
- 12 The council employed an interim Chief Executive between 7 October 2019 and 8 March 2020.
- 13 The former Executive Director of Place Services left the authority on 31 October 2019. Capital pension costs of £2k were incurred but are not included in the above figures. The postholder also acted as the Deputy Chief Executive for the 2019-2020 financial year until leaving the authority.
- * Council agreed revisions to the senior management restructure at a meeting on 16 December 2019, prior to which these posts were designated as Strategic Director posts.
- ** Prior to the revisions to the senior management structure agreed by council, and the postholders commencing, the statutory roles of Director of Children's Services and Director of Adult Social Services were held by the Executive Director of People's Services (Accountable Officer for St Helens CCG).

21. MEMBERS' ALLOWANCES & EXPENSES

A total of £647k was paid to Members of the council by way of expense/allowance during 2020-2021 (£655k in 2019-2020).

22. RELATED PARTY TRANSACTIONS

- (a) Central Government has effective control over the general operations of the council - it is responsible for providing the statutory framework within which the council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the council has with other parties (e.g. housing benefits). Details of the material transactions with Government Departments are included in the Cash Flow Statement and in Notes 34 (Debtors), 36 (Creditors) and the various Notes relating to Grants.
- (b) Members of the council have direct control over financial and operational policies of the council, and governance arrangements exist to ensure that the decision-making processes contain provision for declarations of interest where appropriate. Various Executive Directors and Members serve as council representatives on bodies that are in receipt of council funding, such as the World of Glass. Contributions totaling £0.187m were made to the World of Glass in 2020-2021 (£0.236m 2019-2020), relating to the following services:
- The provision of a town centre library on a temporary basis.
 - Provision of space for Adult Day Care Services where art/culture is used to support service users.
 - Provision of space for Children's Services where art/culture is used to support service users.

The council has Member representation on the Board.

The council has processes in place to ensure that relevant interests are declared as appropriate.

Further detail relating to Members' Allowances is included in Note 21.

- (c) Other bodies that could be classified as related parties include the following:
- Police and Crime Commissioner for Merseyside (see Collection Fund).
 - Merseyside Fire and Rescue Authority (see Collection Fund).
 - Merseyside Pension Fund (see Note 11).
 - Merseyside Recycling and Waste Authority (see Notes 12 and 16).
 - St Helens Clinical Commissioning Group (see Note 18).
 - Liverpool City Region Combined Authority (see Notes 12,16 and Collection Fund).
- (d) The council has a Joint Venture with Langtree Property Partners (Parkside Regeneration LLP), which was established to acquire and regenerate the former Parkside Colliery site. The Partnership Board has been constituted on a 50/50 basis with both parties providing £1.5m equity and loan stock each. The council holds three of the six positions on the Joint Venture Board.
- The council made an initial £4.5m interest-bearing loan to the company to fund the acquisition of the site and an additional interest-bearing loan of £1.3m to fund the phase 1 and 2 planning applications.
- During 2019-2020 a further loan application from the Joint Venture was received and on 31 March 2020, two elements of the application, relating to additional land acquisition and the partnership's contribution to the construction of the Parkside Link Road, were approved in principle. During 2020-2021, the council agreed a contribution to the Joint Venture towards the costs incurred in relation to the planning inquiry for the Phase 1 development of the Parkside site. A decision from the Secretary of State regarding this inquiry is still awaited.

23. AUDIT FEES

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

2019-2020 £000		2020-2021 £000
111	Fees payable to the appointed auditors with regard to external audit services carried out by the appointed auditor*	139
20	Fees payable to the appointed auditors for the certification of grant claims and returns	20
131	Total	159

*The sum for 2020-2021 is the proposed fee agreed by Public Sector Audit Appointments (PSAA). Increases to the fee have been driven by new requirements on auditors, including those arising from the 2020 Code of Audit Practice.

The sum for 2019-2020 includes the additional audit fees subsequently agreed with PSAA in relation to that period.

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

24. EXIT PACKAGES

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

Exit Package Cost Band	No. of Compulsory Redundancies		No. of Other Departures Agreed		Total No. of Exit Packages by Cost Band		Total Cost of Exit Packages in Each Band	
	2019 -2020	2020 -2021	2019 -2020	2020 -2021	2019 -2020	2020 -2021	2019 -2020 £000	2020 -2021 £000
£0-£20,000	6	3	19	39	25	42	152	383
£20,001-£40,000	1	-	4	8	5	8	118	240
£40,001-£60,000	-	-	-	3	-	3	-	147
£60,001-£80,000	-	-	1	2	1	2	76	149
£80,001-£100,000	-	-	-	2	-	2	-	178
£100,001-£150,000	-	-	-	1	-	1	-	140
Total	7	3	24	55	31	58	346	1,237

25. PROPERTY, PLANT AND EQUIPMENT

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

(a) Movements in 2020-2021

	Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets under Construction	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000	£000	£000
Valuation - Balance b/fwd at 1 April 2020	254,757	17,529	249,092	13,256	12,108	5,231	551,973
Additions	3,229	2,185	11,919	-	-	3,164	20,497
Revaluations recognised in the Revaluation Reserve	(3,816)	-	-	-	598	-	(3,218)
Revaluations recognised in the Surplus/Deficit on the Provision of Services	(4,630)	-	-	(49)	46	-	(4,633)
De-recognition - Assets with Nil Net Book Value	-	(1,078)	-	-	-	-	(1,078)
Sales, Disposals and other derecognitions	(890)	(481)	-	-	(186)	-	(1,557)
Reclassification to Assets Held for Sale	-	-	-	(54)	-	-	(54)
Other re-classifications	3,207	371	-	(16)	694	(4,256)	-
Valuation - Balance c/fwd at 31 March 2021	251,857	18,526	261,011	13,137	13,260	4,139	561,930
Depreciation - Balance b/fwd at 1 April 2020	2,302	7,524	74,320	-	-	-	84,146
Depreciation Charge	4,616	2,661	6,336	-	-	-	13,613
Written out to the Revaluation Reserve	(4,015)	-	-	-	-	-	(4,015)
Written out to the Surplus/Deficit on the Provision of Services	(376)	-	-	-	-	-	(376)
De-recognition - Assets with Nil Net Book Value	-	(1,078)	-	-	-	-	(1,078)
Sales, Disposals and other derecognitions	(62)	(481)	-	-	-	-	(543)
Other re-classifications	-	-	-	-	-	-	-
Depreciation - Balance at 31 March 2021	2,465	8,626	80,656	-	-	-	91,747
Net carrying value at 31 March 2021	249,392	9,900	180,355	13,137	13,260	4,139	470,183

(b) Comparative Movements in 2019-2020

	Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets under Construction	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000	£000	£000
Valuation - Balance at 1 April 2019	260,123	15,999	238,662	13,353	10,300	737	539,174
Additions	2,355	4,758	10,430	2	1,722	4,494	23,761
Revaluations recognised in the Revaluation Reserve	3,829	-	-	-	344	-	4,173
Revaluations recognised in the Surplus/Deficit on the Provision of Services	(11,511)	-	-	(99)	(258)	-	(11,868)
De-recognition - Sales and Disposals	(39)	(289)	-	-	-	-	(328)
De-recognition - Assets with Nil Net Book Value	-	(2,939)	-	-	-	-	(2,939)
Valuation - Balance at 31 March 2020	254,757	17,529	249,092	13,256	12,108	5,231	551,973
Depreciation - Balance at 1 April 2019	1,562	8,859	68,248	-	-	-	78,669
Depreciation Charge	5,027	1,852	6,072	-	-	-	12,951
Written out to the Revaluation Reserve	(3,744)	-	-	-	-	-	(3,744)
Written out to the Surplus/Deficit on the Provision of Services	(540)	-	-	-	-	-	(540)
De-recognition – Other Sales and Disposals	(3)	(248)	-	-	-	-	(251)
De-recognition – Assets with Nil Net Book Value	-	(2,939)	-	-	-	-	(2,939)
Depreciation - Balance at 31 March 2020	2,302	7,524	74,320	-	-	-	84,146
Net carrying value at 31 March 2020	252,455	10,005	174,772	13,256	12,108	5,231	467,827

(c) Revaluations

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

Valued at Fair Value	Land and Buildings £000	Surplus Assets £000
31 March 2021	193,300	2,362
31 March 2020	13,768	3,480
31 March 2019	34,631	-
31 March 2018	6,217	6,864
31 March 2017	1,603	330
Prior to 31 March 2017	2,338	224
Total	251,857	13,260

26. PRIVATE FINANCE INITIATIVE (PFI) AND SIMILAR CONTRACTS

Rainford High School PFI Scheme

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

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

Analysis of Payments

The council makes an agreed payment each year in respect of its PFI arrangement and these are detailed in the table below. All payments under the PFI agreement are linked in part to Retail Price Index inflation and can be reduced if the contractor fails to meet the availability and performance standards in any year, but which is otherwise fixed. Future RPI has been assumed to increase at a rate of 2.5% per annum. Lifecycle replacement costs have been included in the service charges element of the following table.

	Payments for Services £000	Repayment of Capital £000	Interest £000	Total £000
Within one year	1,499	629	2,185	4,313
Payable within 2-5 years	6,444	3,174	8,039	17,657
Payable within 6-10 years	9,540	5,317	8,205	23,062
Payable within 11-15 years	11,006	8,377	4,914	24,297
Payable within 16-20 years	3,678	4,592	658	8,928
Total	32,167	22,089	24,001	78,257

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

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and the interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to pay to the contractor for capital expenditure incurred is detailed in the following table.

2019-2020 £000		2020-2021 £000
23,386	Balance brought forward at 1 April	22,733
(653)	Repayments during the year	(644)
22,733	Balance carried forward at 31 March	22,089

27. HERITAGE ASSETS

2019-2020				2020-2021		
Opening Balance 1 April £000	In Year Movements £000	Closing Balance 31 March £000		Opening Balance 1 April £000	In Year Movements £000	Closing Balance 31 March £000
1,196	-	1,196	Art Collection	1,196	-	1,196
436	-	436	Civic Regalia	436	-	436
1,651	-	1,651	Statues and Monuments	1,651	-	1,651
3,283	-	3,283	Total	3,283	-	3,283

28. INVESTMENT PROPERTY

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

2019-2020 £000		2020-2021 £000
(851)	Rental income from Investment Properties	(886)
53	Direct operating expenses arising from Investment Properties	61
(798)	Net (Income)/Expenditure	(825)

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

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

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

2019-2020 £000		2020-2021 £000
11,273	Balance brought forward at 1 April	10,632
(641)	Net Gains/(Losses) from Fair Value adjustments	2,989
10,632	Balance carried forward at 31 March	13,621

Fair Value Hierarchy

The council's investment property assets have been assessed by the valuers as Level 2 for valuation purposes, with the exception of community centres and pavilions, which are assessed as Level 3. An explanation of the different fair value levels is included within the council's statement of main accounting principles.

Valuation Techniques used to determine Level 2 and Level 3 Fair Values for Investment Properties

The fair value of investment properties assessed at Level 2 has been based on the market approach using current market conditions and recent sale prices and other relevant information for similar assets in the local authority area. For assets assessed at Level 3, fair value has been based on a comparable approach either by estimated market rental values or subsidised passing rents. The valuers rely upon assumptions and third-party resources to value these assets as the measurement technique uses significantly unobservable inputs to determine the fair value measurements. The work undertaken by the valuers focused on the change in values since the last valuation, i.e. the period from 31 March 2020 to 31 March 2021.

Highest and Best Use of Investment Properties

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

Valuation Process for Investment Properties

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

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

29. INTANGIBLE ASSETS

2019-2020				2020-2021		
Gross Carrying Amount £000	Accumulative Amortisation £000	Net Carrying Amount £000		Gross Carrying Amount £000	Accumulative Amortisation £000	Net Carrying Amount £000
1,401	(906)	495	Balance brought forward at 1 April	683	(417)	266
6	-	6	Additions in year	-	-	-
-	(235)	(235)	Amortised/Disposed in year	-	(129)	(129)
(724)	724	-	Derecognition of assets wholly amortised	(188)	188	-
683	(417)	266	Total	495	(358)	137

30. SHORT & LONG-TERM INVESTMENTS

2019-2020				2020-2021		
Principal £000	Accrued Interest £000	Total £000		Principal £000	Accrued Interest £000	Total £000
87,000	519	87,519	Short-term Investments	99,700	246	99,946
5,028	20	5,048	Long-term Investments	7,027	8	7,035
92,028	539	92,567	Total	106,727	254	106,981

31. LONG-TERM DEBTORS

31 March 2020 £000		New Loans £000	Repaid & Other in Year Movement £000	31 March 2021 £000
2,584	Improvement Loans	-	(128)	2,456
902	Housing Innovation Loans	-	-	902
16	Housing Associations	-	-	16
2,017	Social Care Deferred Payments	23	(668)	1,372
8,789	Parkside Regeneration LLP	300	325	9,414
14,308	Sub-Total	323	(471)	14,160
(303)	Less Provision for Bad Debts	-	97	(206)
14,005	Total	323	(374)	13,954

32. CAPITAL EXPENDITURE AND FINANCING

(a) Capital Financing Requirement

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

2019-2020 £000		2020-2021 £000
179,114	Opening Capital Financing Requirement	180,854
23,761	Capital Investment	20,498
6	Property, Plant and Equipment	-
3,525	Intangible Assets	2,316
-	Revenue Expenditure funded from Capital under Statute	300
	Long Term Debtors (Loans & Advances)	
	Sources of Finance	
(2,273)	Capital Receipts	(5,177)
(15,935)	Government Grants and Other Contributions	(16,068)
	Sums set aside from Revenue	
(4,404)	Direct Revenue Contributions	(1,844)
(2,940)	Revenue Provision for repayment of borrowing and other long term liabilities	(3,126)
180,854	Closing Capital Financing Requirement	177,753
	Explanation of Movements in Year	
4,680	Underlying need to borrow arising from capital investment	25
(2,940)	Revenue provision for repayment of borrowing and other long term liabilities	(3,126)
1,740	Increase/(Decrease) in Capital Financing Requirement	(3,101)

(b) Capital Commitments

At 31 March 2021, the authority had entered into a number of contracts for the construction or enhancement of infrastructure and property or the purchase of vehicles and equipment. The main contractual commitments are shown in the following table.

Capital Commitments	2020-2021 £000
Sutton Leisure - Third Generation Pitch	511
A58 Liverpool Road/A580 East Lancashire Road	506
Demolition of Chalon Way Car Park	405
Town Hall Roof	114
Bleak Hill School	95
Other Capital Commitments	173
Total	1,804

33. ASSETS HELD FOR SALE

2019-2020 £000		2020-2021 £000
770	Balance Brought Forward at 1 April	770
-	Assets classified (to)/from Property, Plant and Equipment	54
770	Balance Carried Forward at 31 March	824

34. SHORT-TERM DEBTORS

31 March 2020 £000		31 March 2021 £000
	Council Tax/Non-Domestic Rates Debtors (See Note 1 to the Collection Fund)	
54	Central Government NDR Agency Arrangement	-
14,356	Council Tax	17,390
45	Liverpool City Region Combined Authority	63
171	Merseyside Fire & Rescue Authority	361
7,724	Non-Domestic Rates	9,307
443	Police & Crime Commissioner for Merseyside	718
	Other (non Collection Fund) Short Term Debtors	
3,041	Housing Benefits	2,753
3,967	Liverpool City Region Combined Authority	3,176
3,006	NHS Bodies	5,782
3,079	Other Government Departments	4,879
158	Other Local Authorities	190
1,326	VAT	1,428
13,442	Sundry	14,960
50,812	Gross Debtors	61,007
	Less: Council Tax/Non-Domestic Rates (See Note 1 to the Collection Fund) Provision for Bad Debts	
(9,435)	Council Tax	(11,697)
(6,508)	Non-Domestic Rates	(8,026)
	Less: Other (non Collection Fund) Provision for Bad Debts	
(2,076)	Housing Benefit	(2,063)
(1,622)	Sundry	(2,465)
(19,641)	Total Provision for Bad Debts	(24,251)
31,171	Net Debtors	36,756

35. SHORT AND LONG-TERM BORROWING

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

(a) Analysis of Short-term Borrowing by Type

2019-2020				2020-2021		
Principal £000	Accrued Interest £000	Total £000		Principal £000	Accrued Interest £000	Total £000
3,104	958	4,062	PWLB	3,105	944	4,049
-	315	315	Market Loans	-	315	315
3,104	1,273	4,377	Total	3,105	1,259	4,364

(b) Analysis of Long-term Borrowing by Type

Principal 31 March 2020 £000		Principal 31 March 2021 £000
98,562	PWLB	95,457
23,000	Market Loans	23,000
121,562	Total	118,457

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

Principal 31 March 2020 £000		Principal 31 March 2021 £000
3,105	Between one and two years	3,106
3,131	Between two and five years	40
7,578	Five to fifteen years	7,563
1,960	Fifteen to twenty five years	1,960
90,788	Twenty five to fifty years	90,788
15,000	Over fifty years	15,000
121,562	Total	118,457

36. SHORT-TERM CREDITORS

31 March 2020 £000		31 March 2021 £000
	Council Tax/Non-Domestic Rates Creditors (See Note 1 to the Collection Fund)	
-	Central Government NDR Agency Arrangement	372
1,399	Council Tax	1,583
157	Merseyside Fire & Rescue Authority	-
1,227	Non-Domestic Rates	1,370
	Other (non Collection Fund) Short Term Creditors	
-	COVID-19 Business Grants - Agency Arrangement*	8,087
2,842	Employees Accumulated Absences (see Note 6f)	4,707
3,030	HMRC (Tax, National Insurance & Apprenticeship Levy)	3,108
1,559	Local Government Pension Scheme	1,940
1,295	Teachers' Pension Scheme	-
2,435	NHS Bodies	6,083
25	Other Government Departments	1,425
1,176	Other Local Authorities	1,492
22,973	Sundry	25,859
38,118	Total	56,026

*The council are acting as an agent, administering grants to support business' during the pandemic.

37. PROVISIONS

	31 March 2020 £000	Expenditure Charged to Provision in Year £000	Increase in Provision £000	Reversal in Provision £000	31 March 2021 £000
Non-Domestic Rates Appeals (a)	10,892	(867)	2,489	-	12,514
Equal Pay (b)	114	(12)	-	-	102
Ordinary Residence (c)	501	(55)	809	(446)	809
Staffing - Sleep-ins (d)	860	-	-	(860)	-
Public Health Referrals (e)	300	-	-	-	300
Short Term	12,667	(934)	3,298	(1,306)	13,725
Insurance (f)	4,270	(522)	302	-	4,050
Long Term	4,270	(522)	302	-	4,050
Total	16,937	(1,456)	3,600	(1,306)	17,775

- (a) Provision has been made for Non-Domestic Rating valuation appeals based on an estimate of the likely level and value of successful appeals.
- (b) Claims were brought against the council under the Equal Pay Act 1970 and associated Regulations, and in October 2015, the Employment Tribunal found in favour of the claimants. As at March 2021 a small cohort of settlements remain outstanding.
- (c) The council is involved in a legal process to determine the responsible body for costs associated with three service users and, without prejudice, has set aside a provision for care costs associated with these Ordinary Residence claims.
- (d) A hearing in February 2020 had determined that time spent sleeping by staff should be taken into account when achieving compliance with requirements of the National Living Wage. Pending a decision by the Supreme Court, provision was made in relation to the estimated liabilities that would accrue.

The Supreme Court ruling in March 2021 found that a worker is only entitled to the national minimum wage for the hours they are awake. This is the final ruling in this area, with no further route of appeal, and therefore provision is no longer required.

- (e) A provision has been made relating to the potential claim for prescription costs associated with Public Health referrals.
- (f) The council determines its insurance as part of its Risk Management processes and organises cover from both external providers and its own self-insurance fund. The balance of the fund is regularly assessed for its adequacy. In the case of its combined (Public and Employers) liability provision, a consultancy opinion on size is commissioned on a frequent basis. The review of combined liability indicates that an appropriate provision for this area is £3.832m. An analysis of the other insurances shows that a provision of £0.218m is required.

38. OTHER LONG-TERM LIABILITIES

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

31 March 2020 £000		31 March 2021 £000
515	Commutated Sums and Contractor Bonds	493
1,383	Merseyside Residual Body Debt	1,106
22,089	Rainford High PFI (see Note 26)	21,460
7,885	Merseyside Recycling and Waste Authority Investments	8,716
31,872	Total	31,775

39. FINANCIAL INSTRUMENTS

(a) Categories of Financial Instruments

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

31 March 2020			31 March 2021	
Current £000	Long Term £000		Current £000	Long Term £000
87,000	5,028	Investments	99,700	7,027
23,917	-	Loans and Receivables	23,774	-
519	20	Cash and Cash Equivalents	246	8
		Accrued Interest on Loans and Receivables		
		Debtors		
19,916	14,005	Financial Assets carried at Contract Amounts	22,334	13,954
131,352	19,053	Total Financial Assets	146,054	20,989
(3,104)	(121,562)	Borrowings	(3,105)	(118,457)
(1,273)	-	Financial Liabilities at Amortised Cost	(1,259)	-
		Accrued Interest on Liabilities at Amortised Cost		
		Other Long Term Liabilities		
-	(22,089)	PFI	-	(21,460)
		Creditors		
(29,427)	-	Financial Liabilities carried at Contract Amount	(32,837)	-
(33,804)	(143,651)	Total Financial Liabilities	(37,201)	(139,917)

In line with the Accounting Policies, all Loans and Receivables have been classified as being measured at amortised cost.

(b) Income, Expense, Gains and Losses

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

2019-2020			2020-2021	
Financial Liabilities £000	Financial Assets £000		Financial Liabilities £000	Financial Assets £000
(5,791)	-	Interest Expense	(5,428)	-
-	1,577	Interest Income	-	1,021
(5,791)	1,577	Net Income/(Expense) for the Year	(5,428)	1,021

Interest payments of £2.248m were made in respect of the PFI scheme in the year. However, this cost was met through PFI grant.

(c) Fair Values of Assets and Liabilities

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

- For loans from the Public Works Loan Board (PWLB), premature repayment rates from the PWLB have been applied to provide the fair value under the PWLB debt redemption procedures.
- For non-PWLB loans, prevailing market rates have been applied to provide the fair value.
- For loans receivable, prevailing benchmark market rates have been used to provide the fair value.
- No early repayment or impairment has been recognised.
- Where an instrument is a trade receivable or payable, then the fair value is taken to be the billed amount.
- The fair value of the PFI scheme has been calculated by applying the PWLB annuity rate for new loans to the outstanding liability at the Balance Sheet date.

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

2019-2020			2020-2021	
Carrying Amount £000*	Fair Value £000		Carrying Amount £000*	Fair Value £000
102,624	195,190	PWLB Loans	99,506	162,809
23,315	60,016	Market Loans	23,315	49,274
22,733	48,346	PFI Liability	22,089	43,469
148,672	303,552	Total	144,910	255,552

*Carrying values include accrued interest

The fair value of the council's financial liabilities is more than the carrying amount, because the council's portfolio of loans includes a number of fixed rate loans where the interest rates payable are higher than the rates available for similar loans at the Balance Sheet date. The fair value of the PWLB loans of £162.809m measures the economic effect of the terms agreed with the PWLB compared with the estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date, which have been assumed as the PWLB redemption rates. The difference between the carrying amount and fair value measures the additional interest that the council will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates.

The council has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets, termed the PWLB certainty interest rate. A supplementary measure of fair value is to compare these loans with the new borrowing rates available from the PWLB. If a value is calculated on this basis, the carrying amount of £99.506m would be valued at £132.191m. If the council were to redeem its PWLB debt early, a charge of £64.248m would be payable.

The difference between the fair value and the carrying value of loans would only crystallise if the council sought to terminate its arrangements and, as to the extent that the council would not seek to voluntarily terminate loans on which premiums would be incurred, this figure should be considered notional. It should also be noted that the market loans contain

Lender Option Borrower Option loans, whereby, at specified intervals, there are options on both the part of the council and the Lender in relation to rates applicable to the residual terms of the loans. The council is free to repay the loans, in full, and without penalty if it is not agreeable with any revised options proposed by the Lender.

2019-2020			2020-2021	
Carrying Amount £000*	Fair Value £000		Carrying Amount £000*	Fair Value £000
92,539	92,585	Loans and Receivables	106,954	107,167
28	28	Loans and Receivables - Stock	27	27
23,917	23,917	Cash and Cash Equivalents	23,774	23,774
116,484	116,530	Total	130,755	130,968

* Carrying values include accrued interest

The fair value of the council's loans and receivables is more than the carrying amount, because the council's portfolio of investments includes a number of fixed rate investments where the interest rate receivable is higher than the rates available for similar loans at the Balance Sheet date. This guarantee to receive interest above the current market interest rates increases the amount that the council would receive if it agreed to the early repayment of the loans.

(d) Cash and Cash Equivalents

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

2019-2020 £000		2020-2021 £000
(2,516)	Cash Overdrawn and Unpresented Cheques	(6,943)
18	Petty Cash	17
26,415	Bank Call Accounts	30,700
23,917	Total Cash and Cash Equivalents	23,774

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

The council's activities expose it to a variety of financial risks, and its overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Financial Risk Management is the responsibility of the Executive Director of Corporate Services and, through full adoption of CIPFA's Treasury Management in the Public Services: Code of Practice, the council has policies and processes in place to control key financial instrument related risks. Under the policies approved by the council in the annual Treasury Management Strategy, and through its associated Treasury Management Practices (TMP's), the council has in place written principles for overall risk management, as well as written policies covering specific areas such as interest rate risk, credit risk and the investment of surplus cash.

Credit Risk

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

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

The council's maximum exposure to credit risk in relation to its investments in banks and building societies of £60.7m cannot be assessed generally, as the risk of any institution failing to make interest payments or repay principal sums will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the council's deposits, but there was no evidence at 31 March 2021 that this was likely to crystallise.

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

31 March 2020 £000	Institution	Rating	31 March 2021 £000
11,165	Banks	AA F1+	680
10,000	Banks	AA- F1+	-
15,000	Banks	A+F1	45,020
20,250	Banks	A F1	15,000
20,000	Building Societies	A-F1	-
28	PFI Loan Stock	N/A	27
76,443	Total		60,727

The council does not generally allow credit for customers, such that the sum for customers reflects the debtors the council has with other Authorities and other bodies. Based on the information held within the council's debtor system, £3.806m was past the council's standard invoicing period of 14 days at 31 March 2021 (£4.747m at 31 March 2020). The past due amounts are analysed in the following table.

31 March 2020 £000		31 March 2021 £000
2,763	Less than three months	1,280
282	Three to six months	305
383	Six months to one year	443
1,319	Over one year	1,778
4,747	Total	3,806

The figures above are gross sums due. Provision for doubtful debt is made separately.

Liquidity Risk

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

Market Risk

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

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

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

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

2019-2020			2020-2021	
Loans and Receivables £000	Financial Liabilities £000		Loans and Receivables £000	Financial Liabilities £000
92,585	255,206	Fair Values at 31 March	107,167	212,083
93,378	197,808	Fair Values + 1%	106,754	167,430

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

The following table shows the impact on the PFI liability and loan stock, had interest rates been 1% higher, with all other variables being held constant.

2019-2020			2020-2021	
PFI Loan Stock £000	PFI Liability £000		PFI Loan Stock £000	PFI Liability £000
28	48,346	Fair Values at 31 March	27	43,469
28	44,167	Fair Values + 1%	27	39,959

Price Risk

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

Foreign Exchange Risk

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

40. TRUST FUNDS

Nine Trust Funds were administered during the year which, in the main, consist of legacies left by individuals and are used mainly for educational, cultural and leisure purposes. The value of these Trust Funds at the Balance Sheet date was £0.312m.

41. CONTINGENT LIABILITIES

Municipal Mutual Insurance (MMI)

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

General Insurance

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

In addition, there is also uncertainty in respect of new and emerging claims, the nature of claims, and incidents incurred but not reported (IBNR), which may have significant financial implications. The impact of COVID-19 on potential claims is, at this stage, unknown and could present a risk to the council.

Non-Domestic Rates Appeals

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

Ordinary Residence

Two local authorities have sought determinations from the Secretary of State that St Helens is responsible for two separate service users due to their assertions that:

- one was ordinarily resident in St Helens immediately prior to being detained under the Mental Health Act.
- St Helens has the duty to fund after care services for the second under Section 117 of the Mental Health Act.

The council contests these, but the cases could result in the council becoming liable for claims for care fees from representatives of the service users.

Part Time Workers

In June 2020, the Supreme Court granted The Harpur Trust permission to appeal a previous Court of Appeal decision (*Brazel v The Harpur Trust*) on the method of calculating holiday pay for part-year workers.

The appeal to the Supreme Court has been listed for hearing in November 2021 and the Court's decision will be particularly significant for schools, who employ many individuals for term time only.

Retrospective Service Charge Claim

The council has received a retrospective claim for service charges under the terms of an historic lease. The council disputes the claim and has appointed external solicitors to defend the assertion.

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

2019-2020 £000		2020-2021 £000
	Non-current assets and assets held for sale	
12,951	Depreciation	13,613
235	Amortisation	129
11,969	Impairments and Downward Valuations	1,268
77	Carrying amounts of Non-current Assets and Non-current Assets held for sale, sold or de-recognised	1,014
	Current assets and current liabilities	
(265)	Movement in Creditors	18,259
(7,149)	Movement in Debtors	(10,493)
2,228	Movement in Bad Debts Provision	4,610
(100)	Movement in Inventories	(382)
24,136	Movement in Pension Liability charged / credited to the Comprehensive Income and Expenditure Statement	18,476
2,460	Other non-cash items charged to the net surplus or deficit on the provision of services	1,684
46,542	Total	48,178

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

2019-2020 £000		2020-2021 £000
(117)	Proceeds from the Sale of Non-Current Assets	(483)
3,525	Revenue Expenditure Funded from Capital Under Statute	2,316
(798)	Investment Properties Net Income	(825)
(18,135)	Any other items for which the cash effects are investing or financing cash flows	(15,701)
(15,525)	Total	(14,693)

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

2019-2020 £000		2020-2021 £000
	Cash Outflows	
(131,565)	Cash Paid to and on Behalf of Employees	(139,787)
(50,507)	Housing Benefit Paid Out	(48,231)
(324)	Precepts Paid	(331)
(176,917)	Cash Paid to Suppliers of Goods and Services	(180,756)
(8,105)	Interest Paid	(7,690)
(68,773)	Other Payments for Operating Activities	(74,096)
(436,191)	Total Cash Outflows	(450,891)
	Cash Inflows	
125,296	Taxation	106,266
248,264	Grants	302,703
42,509	Sales of Goods and Rendering of Services	33,559
1,538	Interest Received	1,314
20,917	Other Receipts from Operating Activities	29,263
438,524	Total Cash Inflows	473,105
2,333	Net Cash Flow from Operating Activities	22,214

45. CASH FLOW STATEMENT - INVESTING ACTIVITIES

2019-2020 £000		2020-2021 £000
	Cash Outflows	
(23,608)	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	(20,889)
-	Purchase of Short Term and Long Term Investments	(14,209)
(23,608)	Total Cash Outflows	(35,098)
	Cash Inflows	
227	Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	484
934	Proceeds from Sale of Short Term and Long Term Investments	128
12,699	Other Receipts from Investing Activities	16,383
13,860	Total Cash Inflows	16,995
(9,748)	Net Cash flow from Investing Activities	(18,103)

46. CASH FLOW STATEMENT - FINANCING ACTIVITIES

2019-2020 £000		2020-2021 £000
- (245)	Cash Outflows Repayments of Short Term and Long Term Borrowing Other Payments for Financing Activities	(4,039) (215)
(245)	Total Cash Outflows	(4,254)
20,400	Cash Inflows Cash Receipts of Short Term and Long Term Borrowing	-
20,400	Total Cash Inflows	-
20,155	Net Cash Flow from Financing Activities	(4,254)

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

	Balance at 1 April 2020 £000	Financing Cash Flows £000	Non-Cash Changes £000	Balance at 31 March 2021 £000
Long-term borrowings	121,562	(3,105)	-	118,457
Short-term borrowings	4,377	(13)	-	4,364
Transferred Debt	1,660	(277)	-	1,383
On Balance Sheet PFI Liabilities	22,733	(644)	-	22,089
Amounts included as part of Debtor/Creditor balances:				
Amounts owed to/from Collection Fund preceptors	(555)	(215)	-	(770)
Total Liabilities from Financing Activities	149,777	(4,254)	-	145,523

COLLECTION FUND STATEMENT

The Collection Fund is a statutory account introduced under the Local Government Finance Act 1988.

2019-2020				2020-2021	
Notes	Council Tax £000	Non-Domestic Rates £000		Council Tax £000	Non-Domestic Rates £000
2,3	92,029	53,281	Income	96,968	34,351
	-	(832)	Income from Council Taxpayers and Non-Domestic Ratepayers	-	(916)
4	(354)	(908)	Transitional Protection Payments	(424)	(4,493)
			Contribution to/(from) previous year's Estimated Collection Fund Deficit/(Surplus)		
	91,675	51,541	Total Income	96,544	28,942
			Expenditure		
			<u>Precepts and Demands</u>		
	74,531	47,230	St Helens Borough Council	78,935	50,624
	10,364	-	Police & Crime Commissioner for Merseyside	11,080	-
	4,046	477	Merseyside Fire & Rescue Authority	4,203	511
	975	-	Liverpool City Region Combined Authority	993	-
	-	186	Non-Domestic Rates Cost of Collection	-	185
			<u>Movement in Bad and Doubtful Debts</u>		
	1,645	1,068	Provisions	2,727	1,534
	373	452	Write-Offs	241	67
	-	(1,309)	Provision for Appeals	-	2,514
	91,934	48,104	Total Expenditure	98,179	55,435
1	(259)	3,436	Movement on Fund Balance	(1,635)	(26,493)
1	692	1,280	Surplus/(Deficit) Balance brought forward	433	4,716
1	433	4,716	Surplus/(Deficit) Balance carried forward	(1,202)	(21,777)

The council continued to participate in the Liverpool City Region Business Rates Retention Pilot scheme in 2020-2021. Under the terms of the scheme, the council retains 99% of its Non-Domestic Rates, with 1% passed to Merseyside Fire & Rescue Authority. This contrasts to the 49% retention rate prior to the existence of the pilot scheme.

A separate Collection Fund Balance Sheet is not mandatory. Assets and liabilities are consolidated with other accounts of the authority (see Balance Sheet in the Core Financial Statements). However, Note 1 to the Collection Fund Statement is included to provide a better understanding of the debtor and creditor relationships in relation to both Council Tax and Non-Domestic Rates.

NOTES TO THE COLLECTION FUND STATEMENT

1. MEMORANDUM COLLECTION FUND BALANCE SHEETS

(i) Non-Domestic Rates

2019-2020					2020-2021			
Total	Central	St Helens	Fire &		Total	Central	St Helens	Fire &
£000	Government	Borough	Rescue		£000	Government	Borough	Rescue
	£000	Council	Authority			£000	Council	Authority
		£000	£000				£000	£000
7,802	-	7,724	78	Non-Domestic Rates Arrears	9,401	-	9,307	94
(6,574)	-	(6,508)	(66)	Provision for Bad Debt	(8,108)	-	(8,026)	(82)
(11,002)	-	(10,892)	(110)	Provision for Appeals	(12,640)	-	(12,514)	(126)
(1,239)	-	(1,227)	(12)	Prepaid Non-Domestic Rates	(1,384)	-	(1,370)	(14)
(4,716)	-	(4,669)	(47)	Collection Fund (Surplus)/Deficit	21,777	-	21,559	218
54	54	-	-	Transitional Protection Payment	(372)	(372)	-	-
15,675	(54)	15,572	157	Cash	(8,674)	372	(8,956)	(90)
-	-	-	-	Total	-	-	-	-

(ii) Council Tax

2019-2020						2020-2021				
Total £000	St Helens Borough Council £000	Police & Crime Comm. £000	Fire & Rescue Authority £000	Combined Authority £000		Total £000	St Helens Borough Council £000	Police & Crime Comm. £000	Fire & Rescue Authority £000	Combined Authority £000
17,319	14,356	1,997	779	187	Council Tax Arrears	20,975	17,390	2,442	925	218
(11,382)	(9,435)	(1,312)	(512)	(123)	Provision for Bad Debt	(14,109)	(11,697)	(1,642)	(623)	(147)
(1,688)	(1,399)	(195)	(76)	(18)	Prepaid Council Tax	(1,910)	(1,583)	(223)	(83)	(21)
(433)	(365)	(47)	(20)	(1)	Collection Fund (Surplus)/Deficit	1,202	996	141	52	13
(3,816)	(3,157)	(443)	(171)	(45)	Cash	(6,158)	(5,106)	(718)	(271)	(63)
-	-	-	-		Total	-	-	-	-	-

2. INCOME FROM COUNCIL TAX

Calculation of the Council Tax Base

Council Tax derives from charges raised according to the value of residential properties, which have been classified into 8 valuation bands for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by the council for the forthcoming year and dividing this by the Council Tax base (i.e. the equivalent numbers of Band D dwellings).

The Council Tax base for 2020-2021 was 52,272 (51,317 in 2019-2020) calculated as follows.

Band	Estimated No. of Taxable Properties after Discounts	Ratio	Band D Equivalent Dwellings
A	37,234	6/9	24,823
B	18,736	7/9	14,572
C	15,306	8/9	13,606
D	6,790	9/9	6,790
E	3,537	11/9	4,323
F	1,642	13/9	2,372
G	560	15/9	933
H	37	18/9	74
	83,842		67,493
Less: Anticipated changes during the year for successful appeals against valuation banding, new properties, demolitions, disabled persons relief and exempt properties			(6,616)
Less: Local Council Tax Support Discount			(7,428)
			53,449
Less: Adjustment for collection rates			(1,177)
Total Band D Equivalent			52,272

The average Council Tax for Band D dwellings for the council and major precepting authorities was £1,815.12.

3. INCOME FROM NON-DOMESTIC RATEPAYERS

The council collects Non-Domestic Rates for its area based on local rateable values (as determined by the Valuation Office Agency). A national revaluation came into effect in England and Wales on 1 April 2017 based on rateable values from 1 April 2015.

2019-2020		2020-2021
£132.9m	NDR Rateable Value for the area as at 31 March	£133.7m
50.4p	Standard NDR Multiplier	51.2p
49.1p	Small Business Rate Relief Multiplier	49.9p

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

These estimates are statutorily calculated on 15 January each year and must be used in calculating budget requirement.

2019-2020 £000	Council Tax	2020-2021 £000
(300)	St Helens Borough Council	(357)
(38)	Police & Crime Commissioner for Merseyside	(46)
(16)	Merseyside Fire & Rescue Authority	(19)
-	Liverpool City Region Combined Authority	(1)
(354)	Total	(423)

2019-2020 £000	Non-Domestic Rates	2020-2021 £000
(899)	St Helens Borough Council	(4,448)
(9)	Merseyside Fire & Rescue Authority	(45)
(908)	Total	(4,493)

GLOSSARY OF FINANCIAL TERMS

ACCOUNTING POLICIES

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

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

ACCRUALS

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

AGENT/AGENCY

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

AMORTISATION

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

AMORTISED COST

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

CAPITAL EXPENDITURE

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

CAPITAL FINANCING REQUIREMENT (CFR)

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

CAPITAL RECEIPTS

The proceeds from the sale of capital assets or repayment of capital advances which, subject to various limitations (e.g. Pooling obligations contained in the Local Government Act 2003) can be used to finance Capital Expenditure, invested, or to repay outstanding debt on assets originally financed through borrowing.

CARRYING AMOUNT

The amount at which an asset is recognised after deducting any accumulated depreciation and impairment losses.

CASH EQUIVALENTS

Short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value.

CASH FLOWS

Inflows and outflows of cash and cash equivalents.

COLLECTION FUND

The Collection Fund is a separate statutory fund under the provisions of the Local Government Finance Act 1988. It shows the transactions in relation to Non-Domestic Rates, any residual Community Charge and the Council Tax, and illustrates the way in which these have been distributed to precepting Authorities and the General Fund.

CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)

CIPFA is the leading professional accountancy body for public services, and uniquely among the professional accounting bodies in the UK, CIPFA has responsibility for setting accounting standards, for a significant part of the economy, namely Local Government.

COMMUNITY ASSETS

Assets that the Local authority intends to hold in perpetuity, that have no determinable useful life, and that may have restrictions on their disposal. Examples include parks and public open spaces.

CONDITIONS

Stipulations that specify that the future economic benefits or service potential in an asset are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

CONTINGENT LIABILITY

A condition which exists at the Balance Sheet date, where the outcome will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events. Where a material loss can be estimated with reasonable accuracy a contingent liability is accrued in the financial statements. If, however, a loss cannot be accurately estimated or the event is not considered sufficiently certain, it will be disclosed in a note to the Balance Sheet.

COUNCIL TAX

A property based tax levied on all domestic properties in the Borough. The banding (and resultant sums due) are based on independent assessed property values. The council sets levels of Council Tax on an annual basis under relevant statutory provisions.

COVID-19

COVID-19 is a disease caused by SARS-CoV-2, the coronavirus that emerged in December 2019. COVID-19 can be severe, and has caused millions of deaths around the world as well as lasting health problems in many people who have survived the illness.

CREDITORS

Financial liabilities arising from the contractual obligation to pay cash in the future for goods or services or other benefits that have been received or supplied.

CREDIT RISK

The possibility that one party to a financial instrument will fail to meet their contractual obligations, causing a loss to the other party.

CURRENT SERVICE COST (PENSIONS)

The increase in the present value of liabilities resulting from employee service in the period.

CURTAILMENT (PENSIONS)

An event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service. Curtailments include:

- (i) termination of employees services earlier than expected, for example as a result of closing or discontinuing a segment of a business; and
- (ii) termination of, or amendment to the terms of, a defined benefit plan so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

DEBTORS

Financial assets arising from the obligation to a future cash receipt for goods or services or other benefits that have been delivered or provided.

DEFINED BENEFIT PLAN

A pension or other retirement benefit plan other than a defined contribution plan. Usually, the plan rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the plan. The plan may be funded or un-funded (including notionally funded).

DEFINED CONTRIBUTION PLAN

A pension or other retirement benefit plan into which an employer pays regular contributions fixed as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

DEPRECIATED REPLACEMENT COST (DRC)

A method of valuation which provides the current cost of replacing an asset with its modern equivalent less deductions for all physical deterioration and all relevant forms of obsolescence.

DEPRECIATION

The measure of the wearing out, consumption or other reduction in the useful life of a non-current asset over its useful economic life.

DISCRETIONARY BENEFITS

Retirement benefits which the employer has no legal, contractual or constructive obligation to award and which are awarded under the authority's discretionary powers.

ESTIMATION TECHNIQUES

The methods adopted by an entity to arrive at estimated monetary amounts, corresponding to the measurement bases selected for assets, liabilities, gains, losses and changes to reserves.

EXISTING USE VALUE (EUV)

The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion assuming that the buyer is granted vacant possession of all parts of the property and disregarding potential alternative uses and any other characteristics that would cause its market value to differ from that needed to replace the remaining service potential at least cost.

FAIR VALUE

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction, less, where applicable, any grants receivable towards the purchase or use of the asset.

FINANCIAL INSTRUMENT

A contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term covers both financial assets and financial liabilities and includes both the most straightforward financial assets such as trade receivables (debtors) and trade payables (creditors) and the most complex ones such as derivatives. Typical financial instruments includes:-

- (i) Liabilities
 - Trade payables
 - Borrowings
 - Financial Guarantee
- (ii) Assets
 - Bank deposits
 - Trade receivables
 - Loans receivable
 - Investments

Amounts relating to Council Tax, Non-Domestic Rates, Government Grants etc., are outside the scope of the accounting provisions as they are statutory issues, not arising from contracts.

FINANCE LEASE

A lease that transfers substantially all of the risks and rewards of ownership of a non-current asset to the lessee, with the asset then recognised the lessee's Balance Sheet.

FINANCING ACTIVITIES

Activities that result in changes to the size and composition of the principal, received from or repaid to external providers of finance.

GENERAL FUND

The primary revenue account which records the cost of providing the majority of the council's services.

GOING CONCERN

An assumption that the functions of the authority will continue in operational existence for the foreseeable future.

GOVERNMENT GRANTS AND CONTRIBUTIONS

Assistance in the form of cash or transfers of resources to an authority in return for past or future compliance with certain conditions relating to the operation of activities of the authority.

HERITAGE ASSETS

The Heritage Assets are assets that are held by the council principally for their contribution to knowledge, understanding and appreciation of the Borough's history and/or culture.

HISTORICAL COST

Deemed to be the carrying amount of an asset as at 1 April 2007 or at the date of acquisition, whichever date is the later, and adjusted for subsequent depreciation or impairment (if applicable).

IMPAIRMENT

A reduction in the value of a non-current asset below its carrying amount on the Balance Sheet.

INFRASTRUCTURE ASSETS

A class of non-current assets that are inalienable. Examples of infrastructure assets are bridges, roads and footpaths.

INTANGIBLE FIXED ASSET

"Non-financial" fixed assets that do not have physical substance but are identifiable and are controlled by the authority through custody or legal rights e.g. software licences.

INTEGRATED PROVISION

An arrangement permissible under the Health Act 1999 and National Health Service Act 2006 that allows partner organisations, including Local Authorities, Primary Care Trusts and NHS Trusts to work within one management structure, and in doing so increasing the ability to join up services and provide seamless services for service users.

INTEREST ON PLAN ASSETS (PENSIONS)

The annual investment return on the fund assets based on an average of the expected long-term return.

INTEREST ON PLAN LIABILITIES (PENSIONS)

The expected increase during the period in the present value of liabilities as the benefits move one year closer to being paid.

INVENTORIES

The amount of unused or unconsumed stocks held in expectation of future use or resale.

INVESTING ACTIVITIES

The acquisition and disposal of long-term assets and other investments not included in cash equivalents.

LIQUIDITY RISK

The possibility that one party will be unable to raise funds to meet its commitments associated with financial instruments.

MARKET RISK

The possibility that the value of a financial instrument will fluctuate because of changes in interest rates, market prices, foreign currency exchange rates, etc.

MARKET VALUE

The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

MATERIAL/MATERIALITY

Omissions or mis-statements are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the size of the omission or mis-statement judged in the surrounding circumstances. The nature or size of the item, or a combination of both, could be the determining factor.

NET BOOK VALUE

The amount at which fixed assets are included in the Balance Sheet, i.e. their historical cost or current value less the cumulative amount provided for depreciation.

NET REALISABLE VALUE

The open market value of the asset in its existing use (or open market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

NATIONAL NON-DOMESTIC RATES (NNDR)

These are often referred to as Business Rates and are a levy on business properties based on a national rate in the pound applied to the 'rateable value' of the property. The Government determines that national rate poundage, Local Authorities collect the sums due, with distribution made in accordance with rules governing the Non-Domestic Rates retention scheme.

NON-CURRENT ASSETS

Assets that yield benefits to the Local authority and the services it provides for a period of more than one year.

NON-OPERATIONAL ASSETS

Non-current assets held by a Local authority but not directly occupied, used or consumed in the delivery of services, or for the service or strategic objectives of the authority.

OPERATING ACTIVITIES

Activities of the authority that are not investing or financing activities.

OPERATING LEASES

A lease that does not transfer substantially all of the risks and rewards of ownership of a non-current asset to the lessee. The asset is recognised on the lessor's Balance Sheet.

Expenditure financed by operating leasing does not count against capital allocations.

PAST SERVICE COST/GAIN (PENSIONS)

The increase or reduction in the present value of liabilities arising from decisions in the period whose effect relates to years of service earned in earlier periods.

PLAN LIABILITIES (OR PLAN DEFINED BENEFIT OBLIGATIONS)

The liabilities of a defined benefit plan for outgoings due after the valuation date. Plan liabilities measured using the projected unit credit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

POOLED BUDGET

Arrangement permissible under the Health Act 1999 and National Health Service Act 2006 that provides an opportunity for partners to bring money together, in a discrete fund, to pay for the services that are an agreed part of the pooled fund arrangement for the client group who are to benefit from one or all of the services. Instead of users being inconvenienced by disputes about Health and Local authority responsibilities, organisations will agree at the outset the range of Health and Local Government services to be purchased and provided from a pooled fund.

PRECEPT

This is a charge levied by one public authority on the council in order to finance its net expenditure. The precept is then collected on the preceptor's behalf by the council by adding the precept to its own Council Tax and paying over the appropriate cash collected.

PRICE RISK

The risk that the value of financial instruments will fluctuate as a result of changes in market prices.

PRINCIPAL

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

PROJECTED UNIT CREDIT (ACTUARIAL COST) METHOD

An accrued benefits valuation method in which the plan's liabilities make allowance for projected earnings. An accrued benefits valuation method is a valuation method in which the plan liabilities at the valuation date relate to:-

- (i) the benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependants, allowing where appropriate for future increases; and
- (ii) the accrued benefits for members in service on the valuation date.

PROVISIONS

A liability of uncertain timing or amount.

REFCUS (REVENUE EXPENDITURE FINANCED FROM CAPITAL UNDER STATUTE)

Expenditure that is classified as revenue in accordance with proper accounting practices, but which statute determines may be financed by Capital sources of funding.

RELATED PARTIES

Related parties are those individuals and entities that the council either has the potential to influence or control (or be influenced or controlled by). Related include Central Government, other bodies' precepting or levying demands on the Council Tax, its members and its chief officers.

RELATED PARTY TRANSACTION

A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a charge is made. Related party transactions include the provision of services to a related party.

The materiality of related party transactions should be judged not only in terms of their significance to the authority, but also in relation to its related party.

RE-MEASUREMENT (PENSIONS)

The changes in estimated assets and liabilities, assessed by the actuary and arising because:

- (i) events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or
- (ii) the actuarial assumptions have changed.

REMUNERATION

The Accounts and Audit Regulations 2015 require the disclosure of amounts paid to Officers and define remuneration as:-

'.....all amounts paid to or receivable by a person, and includes sums due by way of expense allowance (so far as those sums are chargeable to United Kingdom income tax), and the estimated money value of any other benefits received by an employee otherwise than in cash.'

RETIREMENT BENEFITS

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of either:-

- (i) an employer's decision to terminate an employee's employment before the normal retirement date; or
- (ii) an employee's decision to accept voluntary redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

REVENUE EXPENDITURE

This is money spent on the day-to-day running costs of providing services and includes salaries, goods and services. It is usually of a constantly recurring nature and produces no permanent asset.

SENIOR EMPLOYEES

Senior employees are defined under the Local Government and Housing Act 1989. Within St Helens this is deemed to be the Executive Directors, the Chief Executive, the Assistant Chief Executive, the person designated as the statutory Monitoring Officer of the council and the officers holding the statutory posts of Director of Children and Young People Services and Director of Adult Social Services.

SETTLEMENT (PENSIONS)

An irrevocable action that relieves the employer of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligation and the assets used to effect the settlement. Settlement includes the transfer of scheme assets and liabilities relating to a group of employees leaving the authority's scheme.

TERMINATION BENEFITS

Amounts payable as a result of either:

- (i) an employer's decision to terminate an employee's employment before the normal retirement date; or
- (ii) an employee's decision to accept voluntary redundancy in exchange for those benefits.

USEFUL LIFE

The period over which the Local authority will derive benefits from the use of a non-current asset.



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