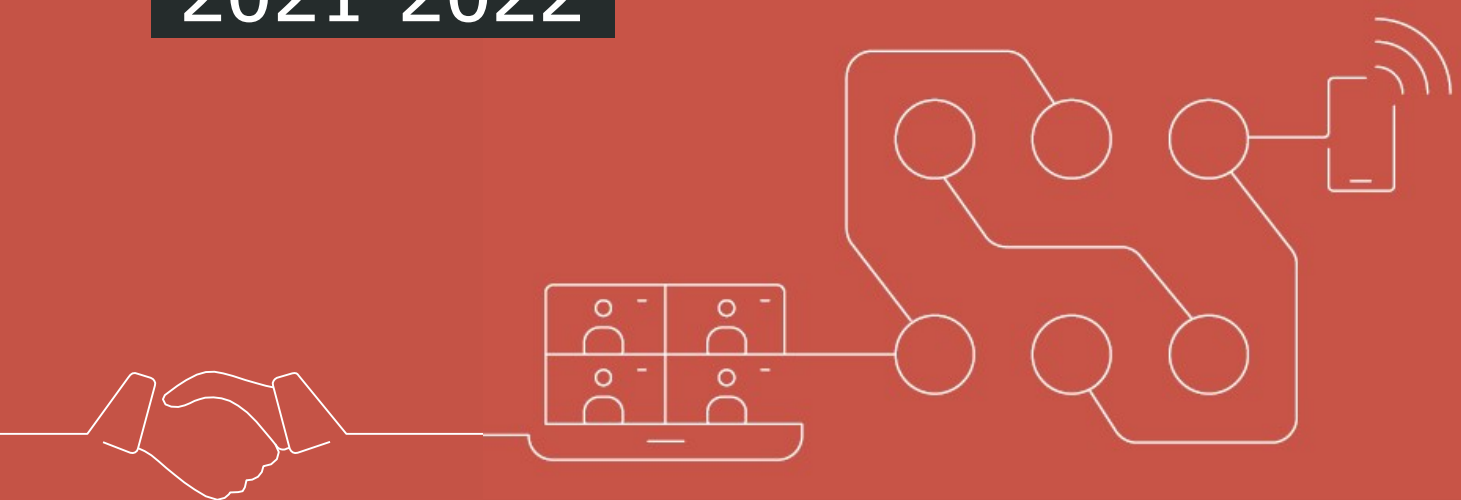




DRAFT STATEMENT OF ACCOUNTS

2021-2022



APPROVAL OF ACCOUNTS



ST HELENS
BOROUGH COUNCIL

T



APPROVAL OF ACCOUNTS

I certify that this Statement of Accounts gives a true and fair view of the financial position of St Helens Borough Council at 31 March 2022, and its income and expenditure for the year then ended. In doing so, I authorise the Statement for issue and confirm that it is this date up to which events after the Balance Sheet date have been considered in preparing the Statement.

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

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



Cath Fogarty

Date: 29 July 2022
Executive Director of Corporate Services

CONTENTS

	Page No.
NARRATIVE REPORT BY THE EXECUTIVE DIRECTOR OF CORPORATE SERVICES	5
EXPLANATION OF THE FINANCIAL STATEMENTS	37
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST HELENS BOROUGH COUNCIL	38
STATEMENT OF MAIN PRINCIPLES, ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES	43
STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS	59
ANNUAL GOVERNANCE STATEMENT 2021-2022	60
CORE FINANCIAL STATEMENTS	
MOVEMENT IN RESERVES STATEMENT	84
COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT	85
BALANCE SHEET	86
CASH FLOW STATEMENT	87
INDEX OF NOTES TO THE CORE FINANCIAL STATEMENTS	88
EXPENDITURE AND FUNDING ANALYSIS (EFA) AND NOTE TO THE EFA	90
OTHER NOTES TO THE CORE FINANCIAL STATEMENTS	92
SUPPLEMENTARY FINANCIAL STATEMENTS	
COLLECTION FUND STATEMENT	153
NOTES TO THE COLLECTION FUND STATEMENT	154
GLOSSARY OF FINANCIAL TERMS	158

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 of 31 March 2022, and an outline of its operational environment and wider performance, whilst going on to consider risk and the future. 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 2021-2022
- Council performance summary 2021-2022
- 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 Council is one of the six local authorities that make up the Liverpool City Region. St Helens holds a strategic position at the heart of the NorthWest, linking the conurbations of Liverpool and Manchester. Located on the West Coast mainline 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, Liverpool City Region Freeport, Rail Freight, Logistics and Advanced 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, canals, 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.

In more recent years St Helens has 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. St Helens' greatest assets are 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.

Despite a number of challenges, not least those stemming from or exacerbated by the pandemic, aspirations for the borough remain high. The creation of additional inclusive economic growth remains a key

priority if the ambitious vision of a future St Helens is to be successfully delivered.

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.

The Office for National Statistics (ONS) Mid-Year Population Estimates 2020 show that there are approximately 181,000 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 NorthWest and England.

St Helens' age profile is relatively old; with proportionally less 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, particularly in relation to health, employment, and income. This position will have been accelerated by the pandemic resulting in some groups and individuals becoming more vulnerable than they were previously. 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 most 10% deprived of 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 77.5 years and 81.0 years, is significantly below national averages of 79.4 years and 83.1 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 in St Helens reflect relatively low levels of business growth, and business density remain well below regional and national levels.

The percentage of the population economically active has shown great improvement in recent years and at 78.9% in December 2021 is slightly above the regional and 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. Positively, skill levels within the St Helens resident population have seen significant improvement in recent years, at December 2021 exceeding regional averages at most skill levels and narrowing the gap on 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 2-year period to March 2022, there has been a 20% rise in the number of people claiming benefits. Youth unemployment (those aged 20-24 years) in December 2021 also exceeded the UK 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 see [St Helens Our Borough Report](#) or visit [St Helens Local Insight](#).

4. St Helens Borough Council

As a local authority St Helens is accountable to Central Government and the electorate and is responsible for ensuring that the needs of the local community are met through the delivery of high quality, value for money services.

The Council provides a range of 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 18 electoral wards and 48 ward Councillors. Following the local elections in May 2022, the Council is Labour Party controlled, with 29 Labour Party Councillors.

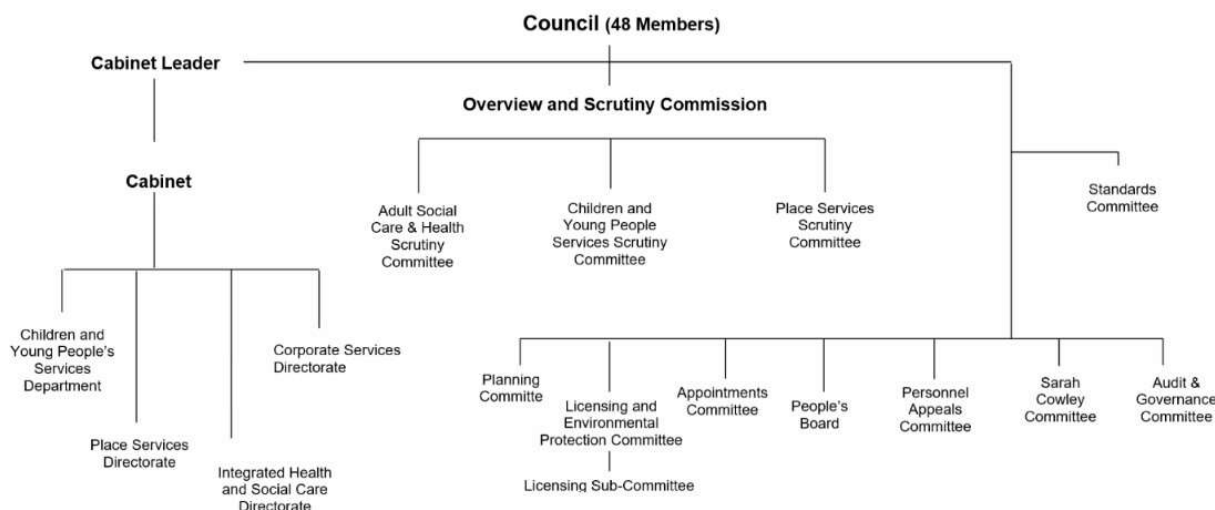
The Council employs a Leader and Cabinet model as its political management structure. The Cabinet is made up of the Leader and up to nine Councillors, whom the Leader appoints as Portfolio Holders. Each Cabinet Member has responsibility for an individual Portfolio area, each of which relates to particular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

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

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

Committee Structure

ST HELENS
BOROUGH COUNCIL



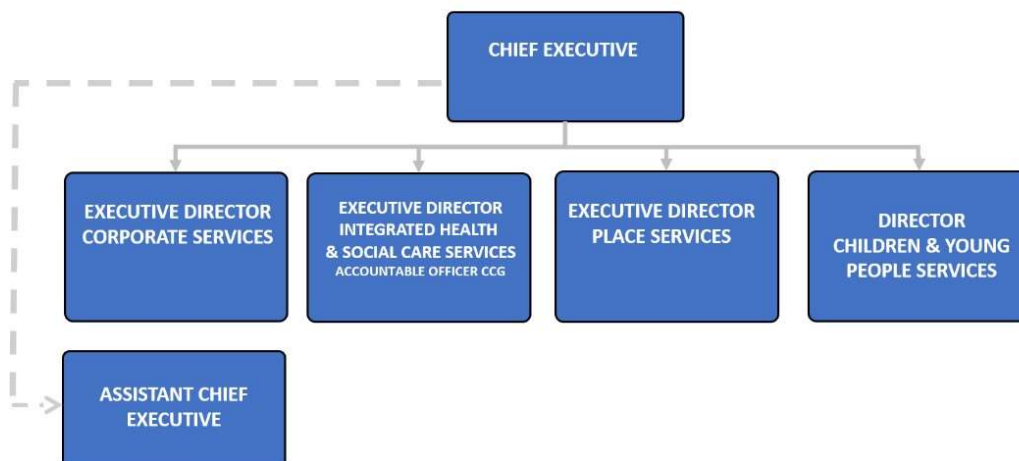
Management Structure

Over the course of the last 2 years, the Council has implemented significant change within its senior management structure. An organisational re-structure has been undertaken, the final phase of which is now nearing completion, to support the development of the Council's refreshed strategic direction and ensure it has the requisite capacity to drive its programme of modernisation in accordance with the Medium-Term Financial Strategy.

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 Services, and Place Services), a Director of Children and Young People, and an Assistant Chief Executive. The Executive Director for Integrated Health and Social Care Services is also the Accountable Officer for the St Helens Clinical Commissioning Group (CCG) and the Cheshire & Merseyside Integrated Care System Place Lead Officer for St Helens Borough.

EXECUTIVE LEADERSHIP TEAM

ST HELENS BOROUGH COUNCIL



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 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's 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 transformation and organisational development.

The Council had a total workforce of approximately 2,800 staff (excluding those employed by schools). As a result of the requirement to deliver significant savings and efficiencies, since 2010 when austerity measures were first imposed the Council's workforce has reduced by approximately a third.

5. St Helens Borough Council Operating Model

Our Vision and Priorities

In March 2021, the "St Helens Together" collaborative approach to extensive community consultation resulted in the co-design and publication of 'Our Borough Strategy 2021-30.'

The 'Our Borough Strategy 2021-30' 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 6 strategic priorities. which underpin everything the Council does in collaboration with its partners and the community.



Under its umbrella, all other strategies now feed into this document and a common approach has been adopted to the development of new or revised policy and strategy. The Borough Strategy priorities drive the Council's business planning process, ensuring meaningful and measurable plans exist across the organisation to deliver the priorities and outcomes. These outcomes are defined within the [2022-23 Performance Framework](#), which sets out a robust set of performance indicators, with challenging but deliverable targets that are commensurate with available resources. Financial information systems are aligned with the business planning and performance framework 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 that has continued to evolve over time. In recent years, 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. 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. This partnership and 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, not least the impact of the pandemic, ways of partnership working have been redefined through a more collaborative approach with new models of integrated service delivery that are resilient and capable of delivering required outcomes.

The Council structure is currently supported by:

- The People's Board, taking on the statutory responsibilities for Health and Wellbeing Board and the Community Safety Partnership, sub-groups include an Inequalities Commission, the Integrated Care Partnership Board, and the Safer St Helens Executive
- The Place Board, established to drive forward inclusive economic growth within the borough
- The Children's Improvement Board established in response to the Ofsted ILACS inspection in 2019
- 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 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 Council and a range of voluntary organisations brought together by Halton and St Helens Voluntary Community Action which led the community support response to Covid-19 with a shared purpose and common goals.

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 is being progressed further through the creation and development of the [Integrated Care Partnership structure](#) and the introduction of St Helens' locality based working model.

The Covid-19 pandemic has brought a renewed energy, purpose and commitment to partnership working across local government, public sector partners, the private sector, the voluntary sector, and community groups. Going forward, the further strengthening of this collaboration will be key to effective ongoing recovery planning both 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 locality model recognises that demographic and environmental conditions across our borough differ and that there are wide variations between areas. The aim of the new [operating model](#) is to support the delivery of the Borough Strategy priorities, by addressing need at a local level, and to deliver efficiencies, improved outcomes and reduced inequalities.

The Locality working arrangement offers the opportunity for greater collaboration with partners at a local level, embedding service delivery in community settings and engaging communities to influence the design of services.

The new model consists of seven localities that best reflect local community identity and circumstances. The service delivery approach will incorporate Place, Adults, Corporate and Children and Young People's services. Progress over the course of 2021-2022 has seen Cabinet approval of the geographic footprints and delivery model, the appointment of a Director of Communities and a locality leadership team with four Assistant Directors, engagement of Elected

Members and partners, the development of locality profiles, the advertisement of a Locality Hub feasibility procurement opportunity, and planning for Locality Priority Setting Workshops.

6. Operational Environment

Over the course of 2021-2022, the Council has continued to operate against the backdrop of an increasingly complex and uncertain landscape. The Covid-19 pandemic has been the most testing emergency that the Council has ever faced, bringing devastating and far-reaching consequences for the economy, local communities, and the lives of individuals within the Borough.

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

- 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 at senior leadership 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 Covid-19 pandemic and its continuing impact have significantly increased and amplified the challenges and uncertainty facing the Council. The Council's traditional operational environment, its range of services and the way in which

they are delivered, have as a consequence changed immeasurably.

There is no doubt that St Helens has been adversely impacted by the pandemic compared to many other areas of the country due to high levels of relative deprivation prevalent across the borough and its local demographics, with a higher-than-average elderly population and a higher proportion of people living with long-term health conditions. Throughout most of the pandemic St Helens' Covid-19 rates been consistently above the national average. As a community leader and partner to the health, business and voluntary sector, the Council's 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 by the pandemic 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 April 2020 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 millions of pounds of central government funding. St Helens was disproportionately affected, with relative annual grant reductions far higher than those experienced in the more affluent areas of the country.

In addition, the Council has continued to face huge financial uncertainty and associated risks, not least those stemming from the lack of clarity surrounding future levels of government funding with delays in the implementation of the Government's Fair Funding Review, and the review of the business rates system. A comprehensive assessment of all the Council's financial risks is contained within the [Medium Term Financial Strategy](#).

These ongoing financial challenges have been severely compounded as a result of the pandemic, with an exponential increase in demand placed on council services, loss of income from fees and charges and significant reductions from business rates and council tax receipts. This position is now being exacerbated by the rise in living costs and a shrinking economy impacting households and businesses, introducing further uncertainty about the level of funding the Council will be able to raise from revenue sources in future years. Additional funding has been forthcoming from Central Government albeit the quantum of the funding has been significantly below the financial pressures that the Council has faced as a result of its response to the pandemic. This has resulted in the need for actions and reductions in its expenditure to protect its financial position and ensure ongoing stability and resilience.

Although the future financial impact of the pandemic is unquantifiable, it is clear that it will be felt over a sustained period. In financial planning terms the degree of estimation and uncertainty that this and the obscurity around future central government funding have introduced has been unparalleled. Despite the unknowns, however, in March 2021, the Council approved a Medium-Term Financial Strategy (MTFS) 2021-22 to 2023-24 and a Capital and Revenue Budget 2021-22.

The MTFS and Capital and Revenue Budget 2021-22 identified a savings requirement of £24.784M over the period 2021-2022 to 2023-2024, including savings of £13.44M for 2021-2022. The budget was formulated and agreed against the aforementioned backdrop of significant and increasing demand led pressures particularly in relation to social care, a commitment to the ongoing review and development of the Council's form and function and an approved series of actions for its delivery.

The aim of the budget is to provide, within the overarching existent constraints, the most appropriate balance of resources to deliver the Council's statutory

responsibilities and facilitate the delivery of its ambitions, corporate priorities, and borough level strategic objectives. This included key commitments to:

- Supporting a Growth and Regeneration agenda aimed at delivering the economic activity within the Borough which will provide local jobs, opportunities and skills and generate the local revenues to support services in the future
- Prioritising actions and delivering 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, following the Ofsted inspection in November 2019
- Progressing 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
- Delivering a programme of modernisation and digitalisation to ensure that residents, businesses, partners, and communities are provided with the best possible services

An overview of the key elements of the Council's finances over the period 2021-2022 is contained within Section 7 of the Narrative Report. The Council's future financial outlook is addressed within Section 10.

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 equally profound, necessitating and driving wholesale change and cultural transformation across the organisation. Over this period, the Council has had to

adjust and adapt to a constantly shifting environment, mobilising quickly and effectively on different occasions to the address the challenges.

Since the onset of the pandemic the Council's Executive Management Team has consistently initiated timely and effective action to ensure the implementation of Government policy and national guidance to limit the spread of the virus, protect the health of residents and council staff, ensure vital support for the care and safety of the most vulnerable within the community and develop plans to address the impact of the pandemic.

In short, the Council's approach centred on:

- The establishment of and participation in effective strategic response structures both locally and regionally
- The coordination of strengthened internal and external communication and engagement processes
- The coordination and delivery of an effective community support response and targeted support to the most vulnerable
- The implementation of revised ways of working and service operation
- The adoption of a phased approach to reset and recovery planning

A full account of the Council's response to the pandemic at its height and the impact on its operational environment can be found in the Narrative Statement to the [2020-2021 Statement of Accounts](#) and the [Public Health Annual Report 2020-21](#),

The effectiveness of the Council's role was acknowledged by the LGA in a Recovery Renewal Panel review, and within the local community, where 79% of people surveyed were satisfied with the Council's response to the pandemic, whilst 49% thought it was 'good' or 'excellent'.

The operational and strategic response to Covid-19 continued during 2021-2022. In March 2021, the Council's three-phased 'Roadmap to Recovery', was aligned to the national roadmap, to provide a framework for continued effective local decision making.

- Phase 1: March to May focussed on the phased lifting of lockdown restrictions; prioritising the vaccine rollout and maintaining test and trace arrangements
- Phase 2: Spring into Summer focussed on the reopening of services, the economy, and society
- Phase 3: Autumn and beyond focussed on sustaining recovery and managing the risks of resurgence, which proved all too present with the emergence of the Omicron variant

Despite the easing of restriction, a high level of vigilance was maintained during 2021-2022, with test and trace activity monitoring operating across a wide range of settings within the borough, and significant support provided to ensure the success of the vaccination programme across age groups. The distribution of grant support to the business community was also successfully maintained.

By the start of 2021-2022 the Council's hybrid working model was well established as its default modus operandi following investment to support new ways of working via a transformational shift to greater digital delivery and the creation of agile workspaces.

The transition 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 the staff to shape and influence the direction of the organisation through the Ways of Working Group, its constituent sub-groups and a network of over 130 staff Cultural Champions to shape and influence the direction of the organisation, coupled with an ongoing

review of policies, procedures, and the delivery of training to support a healthy, resilient, effective workforce. An assessment of lessons learnt has been undertaken to assist the Council in continuing to 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.

As 2021-2022 progressed, with the reset of new ways of working implemented, the Council was able to direct its focus more fully towards plans for recovery and addressing the effect of the pandemic, in particular its impact of widening inequality. Strong progress has been made across the Council's key thematic plans for recovery which focus on delivering organisational, economic, educational, health and community recovery outcomes (see Section 8 Council Performance Summary 2021-2022). Our Borough Strategy 2021-30 has a clear lens on recovery, with its priorities informed by the experience of the community during the pandemic. The Council's plans for recovery are aligned to the priorities and outcomes framework of the Borough Strategy and key actions for recovery encapsulated within an overarching annual Delivery Plan and a range of business and service plans, covering all key council functions. This ongoing activity will be progressed, monitored reviewed and reported over the course of 2022-2023.

7. St. Helens Council Financial Summary and Resource Allocation 2021-2022

The following provides an overview of the key elements of the Council's finances over the period 2021-2022.

Background

The Government published its final Local Government Finance Settlement documentation for 2021-2022 on 4

February 2021. This was a one-year financial settlement for 2021-2022, which confirmed the Council's continued participation in the Liverpool City Region 100% Business Rates Retention scheme during 2021-2022.

The Council continues to face significant financial challenges and uncertainty in funding which will undoubtedly continue into the foreseeable future. The Council, however, remains committed to delivering its statutory responsibilities and its ambitions of delivering its place shaping strategic priorities and being a modern and efficient Council. Therefore, the prioritisation of resources is key to ensuring service objectives are delivered within budget constraints. Ensuring financial sustainability over the medium term is a priority for the Council.

In addition, the ongoing impact of Covid-19 is likely to be felt over a sustained period due to its effect upon the local economy, the community and it is anticipated that expenditure / income pressures will continue to exist into future years.

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 residents and businesses to respond and share their views on vital service activities provided by the Council and where spending should be prioritised. The consultation was aligned to the Council's Service Priorities as set out in the Borough Strategy 2030. The process was also subject to member review via a Budget Scrutiny Task Group established by the Overview and Scrutiny Commission.

The original 2021-2022 budget and Medium Term Financial Strategy 2021-2024 was approved at a meeting of Council on 3 March 2021. The approved budget allowed for Council Tax levels increasing by 4.99% from 2020-2021, inclusive of the application of a 3% Adult Social Care precept.

The budget was formulated having regard to a number of factors including statutory responsibilities, pressures on the revenue budgets, the impact of Covid-19, funding availability, financial and operational risks and uncertainties, inflation, priorities, interest rate and wider economic environments and demographic and service demand, particularly in relation to social care. The budget provided for significant levels of additional investment within adult social care, and a number of other baseline budgets were reset as part of the budget process, particularly recognising specific pressures in some income generating areas.

Cabinet on 6 January 2021 agreed the Budget Savings 2021-2022 report, which reported on progress in identifying potential savings proposals to meet the anticipated budget gap for 2021-2022 and future years. Following receipt of details of the Final Local Government Finance Settlement 2021/22, the budget gap for 2021-2022 was identified as £13.440m. A robust process for the management and monitoring of budget savings allowed for the early identification of risks of savings not being delivered and allowed for mitigations to be identified and put in place. In addition, there has been regular reporting to Cabinet through the Financial Monitoring Reports, of progress and actions against these approved savings.

Covid-19

During 2021-2022 the Council continued to respond to the Covid-19 pandemic and protect vital services and support local communities, whilst also ensuring front-line services continued wherever possible.

The following table details the additional spending and income loss as a result of Covid-19 during 2021-2022, alongside the available funding allocated in the 2021-2022 Local Government Finance Settlement and

the Government's Sales, Fees and Charges Compensation scheme, which operated for the period April to June 2021. The uncommitted

unconditional grant £1.757m has been earmarked to the Covid-19 reserve to be used in future years.

Covid-19 Position	£000
Total Covid-19 Grant Funding allocated in the 2021-2022 Local Government Finance Settlement	5,837
Sales, Fees and Charges (SFC) Compensation scheme for the period April to June 2021	641
Total Covid-19 Grant & SFC Compensation Funding 2021-2022	6,478
Additional Spending Pressures 2021-2022	(2,083)
Loss of Sales, Fees & Charges Income 2021-2022	(2,293)
Loss of Commercial and Other Income 2021-2022	(345)
Total Additional Costs & Losses of Income	(4,721)
Total Covid-19 Grant funding available for future years	1,757

During 2021-2022 the Government also provided some further Covid-19 related funding streams, the most significant of which were:

- Community Testing Programme (Previously SMART) (£1.905m)
- Contain Outbreak Management Fund (£1.506m)
- Covid-19 Local Support Grant (Previously Covid Winter Grant) (£0.843m)
- Household Support Fund (£1.226m)
- Infection Control Fund (£1.865m)
- Local Council Tax Support Grant (£1.801m)
- Rapid Testing Fund (£1.165m)
- Workforce Recruitment and Retention Fund (£1.856m)

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 2022 existed for some (e.g., Workforce Recruitment and Retention Fund), with carry forward of funding into 2022-2023 being permissible for others such as the Contain Outbreak Management Fund.

Government also provided funding for support to businesses during 2021-2022, 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.

During the year, the Council administered business support grant programmes to local businesses. For some programmes, the Council acted as principal (where the Council had discretion over the amount of funding to award or the criteria for who could be awarded funding) and provided funding of £3.700m. For other programmes of work the Council acted as agent (passing money to businesses on behalf of Government) and provided funding of £8.233m, of which the most significant were, Restart Grant (£6.823m) and Omicron Hospitality and Leisure Grant (£0.849m).

Revenue Outturn 2021-2022

Revisions made during 2021-2022 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, the impacts arising from Covid-19 and progress with regard to the delivery of the £13.440m budget savings.

The following table provides detail of the 2021-2022 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 acceleration of the approved usage of £0.039m earmarked reserves from future years into 2021-2022
- the carry forward of £0.076m from 2021-2022 into 2022-2023 in relation to revenue contributions to capital schemes
- the earmarking of unconditional grants, contributions, and previously approved resources of £1.833m from 2021-2022 into 2022-2023 where funding is required to deliver specific programmes of work
- the carry forward of £0.965m unspent budget provision for continuing earmarked reserve funded schemes into future years

Outturn variation against revised budget 2021-2022	Revised Budget 2021-2022 £000	Adjusted Outturn 2021-2022 £000	Variance 2021-2022 + / (-) £000
Children & Young People Services Department	54,890	55,760	+870
Integrated Health & Social Care Directorate	48,531	49,260	+729
Place Services Directorate	40,135	40,733	+598
Corporate Services Directorate	6,927	5,195	(1,732)
Total Directorate / Department Budget	150,483	150,948	+465
Council-Wide budgets			(2,329)
Outturn against revised budget 2021- 2022			(1,864)

The overall revenue outturn position provided the opportunity to appropriate £1.0m of the £1.864m underspend to the Inflation Reserve. The Council's Medium Term Financial Strategy highlights the high level of risk that increased levels of inflation will have on costs and potentially wage demands, and this will provide some additional resource for the inflationary risks that are crystallising.

The outturn position is one-off in nature, with the most significant variation being in relation to Treasury Management activity, where additional borrowing to fund capital expenditure was deferred and savings therefore achieved.

Additionally, in order to support the Council's continued response to the pandemic some staff were deployed to provide support in dealing with the outbreak, and specific funding was available to support a number of these activities, with, £2.256m of budgeted costs being met via specific Covid-19 funding streams, including Containing Outbreak Management Fund ; Community Testing Programme; and funding provided by St Helens Clinical Commissioning Group.

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

Children & Young People Services Department (+£0.870m)

During the year the profile of children and young people being accommodated resulted in a budget pressure of £812k.

There were also pressures of £689k on family support packages designed to help young people remain in the family environment and avoid the need for alternative provision, and a £319k pressure within adoption services.

The delivery of a revised recruitment and retention strategy; the need to cover a number of posts within frontline social care teams with agency staff to ensure quality and continuity of service; and costs arising from service redesign

resulted in a pressure against staffing budgets totalling £503k.

However, savings within the department provided some mitigation against these pressures and key savings against the revised budget included:

- Edge of Care Service (£576k)
- Home Care Support and Direct Payments (£308k)
- Youth Offending Service (£141k)
- Education Psychology and the Virtual School (£351k)

Integrated Care & Health Directorate (+£0.729m)

There were pressures during the year on the budget for people with Learning Disabilities due to continuing increased demand in this area, and the nature and complexity of support packages. The variance against budget was £1.9m. In addition, activity in residential and nursing homes for people with Mental Health needs resulted in an overspend of £344k. However, savings in other areas mitigated the impact on the financial position and these included:

- Physical Support and Memory and Cognition Support Services (£0.315m). This is partly due to lower levels of occupancy for this cohort in residential and nursing settings following the effects of the pandemic
- Utilisation of specific Covid-19 related funding of (£1.396m) across a range of services

Underspends were generated in Public Health Grant in 2021-2022 due to the utilisation of Covid-19 related funding and lower activity for some externally commissioned contracts. As a result, the balance of Public Health Grant carried forward has increased to £1.931m.

Place Services Directorate (+£0.598m)

During the year pressures were reported across the Directorate. The most significant being:

- Cemetery and Crematorium service (£246k), mainly due to a shortfall in income
- Transport Service (£384k) mainly due to increased costs of repairs and maintenance
- Planning and Development Services (£183k), primarily due to income being less than budget
- Economic Development Service (£127k)
- Slippage in the delivery of savings associated with the revised localities model (£496k)

Savings in other areas of the Directorate provided some mitigation for the additional costs / income losses and included:

- Highways, Street Lighting, Traffic Management and Parking Services underspends of £603k
- Reduction in premises related costs due to new ways of working and the temporary closure of Library and Leisure Facilities during the pandemic (£316k)

Corporate Services Directorate (-£1.732m)

The net underspend of £1.732m for the Directorate included:

- Employee and Other Costs funded from Grants (£854k)
- New Burdens Funding (£175k)
- Savings on general supplies and services due to changes in ways of working and procurement efficiencies (£339k)

Reserves and Balances

As a result of this outturn position, the level of Unallocated General Fund Balances at 31st March 2022 was £13.423m.

The Council's earmarked reserves are based principally around the themes of service transformation, growth and providing 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 was established in the previous financial year, and has two principal purposes:

- support the ongoing additional costs and income losses resulting from the pandemic
- provide resource cover for Collection Fund deficits arising as a result of the terms of the Government's Retail, Hospitality and Leisure (Business Rates) Relief Scheme

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

Capital Outturn 2021-2022

The Council spent £36.274m on capital investment during the year. The details are shown in the following table:

Capital Programme Schemes	2021-2022 Expenditure £000
Highway Schemes	
A49 to M6 Junction 22 Link Road	6,314
A570 St Helens Linkway	410
St Helens Southern Gateway	548
Active Travel Fund Projects	487
Other Highway and Transportation Schemes	4,823
School Schemes	
Penkford Special School Relocation	3,629
Ashurst Primary School Rebuild	1,050
The District Primary School – Nursery Provision	820
Bleak Hill Primary School Expansion	537
Other School Schemes	787
Regeneration Schemes	
St Helens Town Centre Masterplan	5,839
Pre-Development – Parkside Regeneration	1,200
Demolition and Reconfiguration of Chalon Way Car Park	845
Other Schemes	
Modernisation of St Helens Crematorium	2,793
Other Building Improvements	1,210
Vehicle Replacement	1,325
Disabled Facilities Grants and Other Housing Initiatives	2,674
Leisure and Sport Facilities	740
Other Schemes	243

TOTAL CAPITAL EXPENDITURE	36,274
----------------------------------	---------------

Funding Source	£000
Grants & Other Contributions	15,652
Capital Receipts	2,888
Revenue Contribution	421
Borrowing	17,313
TOTAL FUNDING	36,274

Retirement Benefits

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

	31 March 2021 £000	31 March 2022 £000	Change 2021-22 £000
Local Government Pension Scheme (Merseyside Pension Fund)	318,648	269,696	(48,952)
Teachers' Pension Scheme	18,745	17,301	(1,444)
TOTAL	337,393	286,997	(50,396)

The overall net liability for retirement benefits has decreased significantly during the twelve-month period to 31 March 2022. The principal factors contributing to this movement are:

- The favourable Fund investment performance in the period and remeasurement gains reflecting the subsequent increase in asset valuations as at the Balance Sheet date
- A decrease in projected liabilities through updates to the latest CMI mortality tables
- The early payment of an element of employer pension contributions for 2022-2023

The early upfront payment to the Merseyside Pension Fund, represented 80% of the projected contributions for the two-year period commencing 1 April 2021. This position allowed the Council to generate corporate savings as a result of lower employer contributions over this period.

This arises from the ability of the upfront costs to generate additional investment returns. Note 11 to the Statement of Accounts provides further narrative in relation to the exercising of this option to make an upfront payment.

Borrowing

As at 31 March 2022, the Council's level of borrowing was £140.627m, which is a higher level of borrowing than at 31 March 2021. This is due to the Council securing three loans with the PWLB during 2021-2022 when interest rates were at a historic low rate.

- £6.00m was secured on 12 August 2021 for a period of 50 years at a rate of 1.49%
- £10.00m was secured on 29 November 2021 for a period of 50 years at a rate of 1.57%

- £6.17m was secured on 8 December 2021 for a period of 50 years at rate of 1.14% to finance costs in relation to the A49 to M6 Junction 22 Link Road scheme. The loan was secured at a discounted rate following approval from HM Treasury to access borrowing at the Local Infrastructure Rate for this scheme

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 Council Performance Summary 2021-2022

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

In 2021-2022, performance management in the Council was driven by, and focused around, achieving the six strategic priorities and related outcomes outlined in the Our Borough Strategy 2021-30 (see Section 5 – Vision and Priorities).

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. A review of indicators and targets is 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. The [Performance Framework](#) was again reviewed and re-approved by Cabinet in April 2022. Performance is reported quarterly to Cabinet over the course of the year and reviewed by Overview and

Scrutiny, allowing the opportunity for examination of any specific areas of underperformance or concern. A quarterly organisational performance clinic, consisting of all members of the Executive Leadership Team provides a structured forum for promoting strong ownership, accountability, and constructive challenge on matters of performance to drive improvement.

In September 2021, the LGA completed a peer review revisit to find out what has changed, what has got better and where we still need to improve. The feedback stated:

"The Council has changed considerably and is in a far stronger position than where it was at the time of the last peer challenge in 2019. The Council has made a number of significant improvements and is well placed to capitalise on the firm foundations this has created. The pace of activity and organisational improvement demonstrated has been impressive and is a credit to members, officers, and partners across St Helens. The Council are however realistic about the need to focus on continued improvement. There is a consistent appetite to continue this improvement journey, which draws a level of enthusiasm from almost everyone the peer review team spoke with".

Full detail of the findings can be found in the [LGA Corporate Peer Challenge Review Report](#).

The Council's Performance Outturn report for 2021-2022 demonstrates areas of strong performance whilst highlighting areas where the Council is not yet meeting ambitious targets to deliver its high aspirations.

In summary, 64% 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 61% of all indicators saw an improved performance trend or

maintained the same level of performance in 2021-2022 compared to the previous year.

Performance improvement in relation to the children's services priority was particularly strong with 3 quarters of indicators demonstrating improved performance.

St Helens' inter-authority performance compared to other similar councils demonstrates a mixed picture with 43% of performance indicators in the top or second quartile, but more than a third in the bottom quartile. 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 2021-2022 will improve St Helens' performance position relative to others.

The Council's Performance Outturn report for 2021-2022 is available within the [Strategy and 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 1 - Ensure children and young people have a positive start in life.

The journey of improvement within Children's Social Care Services has remained a critical key priority for the Council over the course of 2021-2022. The commitment to put children and young people at the forefront of everything the Council is doing has been maintained through significant financial investment and strong political and corporate leadership.

Ofsted monitoring visits continued throughout the year following the ILACs inspection judgement of Inadequate in 2019. The findings indicate that although significant work has been undertaken to deliver the necessary improvements within some areas, there is still some way to go, with ongoing challenges including workforce arrangements and consistency in quality of practice which have impeded the pace of improvement. In response, the Council undertook a detailed diagnostic led by an independent consultant, which resulted in approval by the Children's Improvement Board and Cabinet in February 2022 of a revised comprehensive [Improvement Plan](#).

The performance trend in children's social care over the last 12 months has seen some improvement, although the volume of service demand remains high in areas, and St Helens remains as a lower quartile performer for certain indicators compared to statistical neighbours.

There was a small in year reduction in the numbers of Children Looked After. The longer-term overall trend continued to fall from a high of 534 in October 2019 to 473 in March 2022. Rates of Children Looked After remain significantly higher than statistical neighbours, regional and national averages. A Children's Social Care Demand Management Strategy was produced and approved in December 2021 with the aim of safely reducing

numbers of children in care and associated costs. Placement stability for looked after children dipped during the year, but performance remains in line with the most recently published national performance.

St Helens new Early Help service continued to develop over the year. Over 70% of Early Help referrals were closed and stepped down to universal services. The Edge of Care service also continued to evolve, with over 80% of children open to the service not becoming looked after, although the ambitious target of 90% was not met.

St Helens' Care Leaver service continued to perform well comparatively against the three key outcome measures. There was a reduction in the number of care leavers in employment, education, and training, but performance remains above statistical neighbour, regional and national averages. An Action Plan for improving work opportunities for care experienced young people was produced and approved in June 2021.

Within the area of education and schools, attainment performance data was not formally published by the DfE in 2021-2022. During the year, the Education Reset and Recovery group continued to provide a coordinated and effective response to the many and varied Covid-19 related challenges impacting education settings and the children, young people, and communities they serve. The Education Reset and Recovery Plan focusses 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 included promoting the return to school and attendance; support for asymptomatic testing; support for 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 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 percentage of schools now rated as 'Good' or 'Outstanding' by Ofsted increased to 84% over the course of the year. Challenges in relation to school improvement still persist however in the Secondary sector.

Intense support was provided to post-16 learning. Targets for 16-17-year-olds to have a September Guarantee of a suitable place in learning were met, along with the annual target for 16-17-year NEET (not in education, employment, or training), with performance better than the last published national and NorthWest averages. Additional investment into NEET prevention has led to more intensive support targeted through the Positive Inclusion Programme to vulnerable groups.

Dedicated 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, despite an in-year dip, comfortably exceeds national averages and statistical neighbours. New provision for pupils with autism was approved during the year which will double the number of resourced placements for primary pupils with more complex needs. Building work also began on the new Ashurst Primary School, to provide further resourced provision for primary pupils with Social, Emotional and Mental Health (SEMH) needs. which is scheduled to open in January 2023. Work on the new £7.6m Penkford Special School for children with SEMH needs is scheduled to conclude in Autumn 2022.

Performance in relation to Public Health measures continues to reflect many of the issues inherent within the health of the local population. Comparative performance across much of the Public Health Outcomes Framework for children

and young people remains in the lower quartile. High rates of teenage conceptions, hospital admissions for self-harm, children with excess weight in Reception and Year 6, and the rate of alcohol specific admissions to hospital for under 18s all present 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.



Priority 2 – Promote good health, independence, and care across our communities.

Strong progress continued during 2021-2022 on the development of the St Helens Place Based Partnership approach to integrated health and care services in the Borough, building on the success of 'St Helens Cares'. Our track record has already seen significant gains arising from the joint approach to care planning and service provision through the electronic Shared Care Record, including 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.

St Helens had anticipated and worked hard to prepare for the introduction of the Health and Care Bill 2021 and has remained at the forefront of integration within the Cheshire and Merseyside Integrated Care System (ICS).

The St Helens Place Based Partnership (PBP) had an initial assessment by the interim Chair and Chief Executive of the ICS and following receipt of the 'development framework' undertook a self-assessment of its level of maturity across a number of domains. There is a high degree of confidence in meeting the criteria required to gain the maximum delegation from the Cheshire and Merseyside Integrated Care System (ICS) and it is felt St Helens PBP is in good shape to thrive in the new environment.

Robust local governance arrangements are functioning well, with the Integrated

Care Partnership (ICP) Board developed and reporting to the People's Board. Groups below this are in place to ensure we meet our mission to deliver on our three priorities and tackle health inequalities.

Our 5-year strategic plan for the PBP, [St Helens People's Plan](#), was updated to reflect the impact of the pandemic and the changing landscape of the health and care system and approved by Cabinet in November 2021. The plan establishes our vision for the PBP and sets out the 3 priorities of promoting mental wellbeing, tackling obesity, and helping our communities to be resilient. Embedded within the plan is an absolute commitment to tackling inequalities. St Helens Tackling Inequalities Commission was established in November 2021 as a subgroup of the People's Board and work is underway to build the foundation for this. In December 2021, a workshop hosted by the National Marmot team was delivered for the members of the People's Board, and in February 2022 a further workshop targeted at local Community groups took place to engage participants on 'What a Good Life Looks Like' in St Helens to support the development of recommendations for action.

St Helens' performance against key public health measures in the adult population has remained a challenge, a position likely to be heightened in the near future due to the impact of the pandemic. Life expectancy and healthy life expectancy in the local population continue to lag national averages by some margin, whilst mortality rates due to a number of causes are some of the highest in the NorthWest. St Helens is worse than the national average on a number of healthy lifestyle indicators including adult obesity, healthy diet, alcohol related harm, and levels of physical activity. A new Active Lives Strategy was approved by Cabinet in February 2022 and operational plans continue to be developed to support improvement across these areas.

St Helens' performance against the most recently published Adult Social Care Outcomes Framework continued to

compare strongly to other authorities within its family comparator group, with the majority of indicators within the top or second quartile. The performance trend over the course of 2021-2022 has however seen some deterioration principally due to the impact of the pandemic. 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 with 96% of people in settled accommodation. The number of people with a learning disability in paid employment showed improvement compared to 2020-2021 but has not returned to pre-pandemic levels. The Supported Employment Team are focussed on building back confidence with employers that supporting individuals with learning disabilities into their workforce is beneficial and the team now have a town centre presence in the Ways to Work unit to promote work placements and work experience with employers.

There was an increase in the historically low admission rates to permanent residential and nursing care, compared to the previous year when there was reduced confidence in the care sector due to the impact of the pandemic. It is anticipated that as the care sector and wider health and social care system stabilises there will be a reduction in admissions to permanent care. An Adult Services Integrated Commissioning Strategy and Demand Management Action Plan is progressing which will ensure individuals are supported longer in the community. St Helens is also working in partnership with Liverpool City Region to maximise access to, and availability of, Extra Care Housing as an alternative to residential care.

Nearly 84% of adults requiring the short-term involvement of adult social care services did not go on to access long-term services, representing strong comparative performance and demonstrating the effectiveness of short-term service provision and assessment processes. 89% of people discharged from hospital

were still at home 91 days after discharge, demonstrating the ongoing effectiveness of local reablement services.

Effective local adult safeguarding arrangements remained in place with good performance in terms of satisfaction with safeguarding outcomes and the timeliness of response to safeguarding enquiries, despite growing referrals.



Priority 3 - Create safe and strong communities for our residents.

During 2021-2022 the Council continued to progress its commitment to engaging with communities to create safe and strong places for all residents, focussing on community support and development, meeting housing need and promoting community safety.

The renewed approach to engagement and collaborative working with local communities, businesses and individual residents continued throughout the year, building on the success of the St Helens Together campaign, the large-scale community response to Covid-19 coordinated through the Council with support from a wide range of partners.

The Council's new [Community Engagement Strategy](#) was approved in September 2021 with the aim of further developing consultation and engagement opportunities with residents; recognising community assets and skills; and empowering and enabling communities to identify and deliver solutions to challenges across the borough. The strategy is a companion document that supports [St Helens Together Strategy for the Voluntary, Community, Faith and Social Enterprise sector](#), approved by Cabinet in April 2021.

Work was undertaken to develop the St Helens Together Directory, a community asset database, and work commenced on implementing a permanent Crowdfunding platform. Both initiatives will become increasingly important as part of locality working and the approach to tackling

inequalities, working with marginalised and hard to reach communities.

Work also continued to promote St Helens Volunteering Portal, which won the Partner Excellence category of the 2021 national iNetwork awards as part of the St Helens Together campaign. During the year, an additional 800 active community volunteers registered on the portal, bringing the total number of community volunteers to 1,863.

St Helens Community Safety Executive continued to function effectively with sub-groups supporting the delivery of key community safety areas including domestic abuse, youth justice and anti-social behaviour.

The reported incidence of domestic abuse within the Borough remains a challenge. A 22% increase was seen in 2021-2022 compared to the previous year. In part this probably demonstrates the growing confidence of individuals to report incidents, but still presents significant issues in terms of addressing the underlying causes of domestic abuse and its devastating impact on victims and families. The rate of serious repeat incidents considered by the MARAC also saw an in-year increase. The Domestic Abuse Partnership Board created in February 2021 continued to lead the provision of support to victims of domestic abuse through the Safe2Speak service and raise community awareness through a number of high-profile campaigns. A Domestic Abuse Needs Assessment was completed which resulted in the production of a Safe Accommodation Strategy to deliver improved resettlement support, additional capacity for counselling support and, in the longer term, the commissioning of a Sanctuary Scheme. In addition to this, the monthly St Helens Survivor Forum launched in October 2021, to ensure that the voices of victims / survivors directly influence and shape future services.

The year saw a notable reduction in the reported incidence of anti-social behaviour (ASB), with the Safer St Helens Partnership successfully delivering a

number of campaigns aimed at preventing and tackling ASB.

The year also saw a significant increase in the reporting of Hate Crime. The Hate Crime Partnership Board continued to drive the promotion of hate crime reporting and signposting to appropriate support, whilst many events and campaigns were delivered to promote equality and celebrate diversity within St Helens' communities. A new St Helens [Equality, Diversity and Inclusion Strategy](#) was approved by Cabinet in February 2022.

The numbers of first-time entrants to the Youth Justice System remained comparably low and there was an in-year reduction in re-offending. However, further reducing youth re-offending and the number of Looked After Children receiving a substantive youth justice outcome remain key challenges, with action plans in place to secure these outcomes.

In February 2022, Cabinet approved a period of consultation on the new draft [St Helens Borough Housing Strategy 2022-27](#) to deliver its vision of 'Quality and Accessible Homes for All'. A Housing Partnership with a range of stakeholders, including registered provider representatives, will be formed following formal adoption of the strategy. Despite continued high demand for support from residents, the Council's Housing Services teams continued to generally perform well against a range of indicators. Successful outcomes include a reduction in the number of rough sleepers from nine in 2019-2020 to two in 2021-2022; fewer households where homelessness was not able to be prevented; the procurement of significant funding support to tackle fuel poverty and improve household energy efficiency; and growth in the completion of affordable housing units.



Priority 4 - Support a strong, diverse, and well-connected local economy.

Delivery of [St Helens Economic Reset and Recovery Plan](#) continued to be led by St

Helens Place Board and work commenced on the development of a long-term Inclusive Growth Strategy. These documents, coupled with the positive progress made towards the formal adoption of the Local Plan, 'Building a Better Future,' provide a strong 15-year strategic and planning foundation for the creation of an extensive programme of growth opportunities.

To further support the Council's ambitious growth plans and to secure the benefits this will bring for local communities, the Council invested in the creation of a Growth Delivering Prosperity (GDP) Team during 2021. The GDP Team will accelerate the delivery of the borough-wide growth programme and capitalise on the availability of funding opportunities.

Strong progress was made during 2021-2022 on the Council's ambition to promote regeneration, growth, and economic recovery across the borough.

The vision for the transformation of Earlestown and St Helens town centres progressed as Cabinet approved the Masterplan Development Frameworks in February 2022. Both town centres are the subject of separate draft Masterplan Development Frameworks, which set out a multi-million-pound vision for each, prepared by the Council in partnership with our regeneration partners, English Cities Fund (ECF).

Approval of the Masterplans followed highly positive feedback from businesses, residents, and visitors during the consultation phase. The plans will build upon each of the town centres' existing assets and uniqueness, delivering high quality, sustainable regeneration that will transform these key centres into exciting, vibrant places for residents and visitors to enjoy. To enhance both the Earlestown and St Helens Town Centre Masterplan Framework projects, the Council began work on the development of bids for Round 2 of the Government's Levelling Up Fund, which will be submitted in June 2022.

In December 2021, the Council received confirmation from Government of a £25 million funding award to progress the Town Investment Plan. 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. The list of projects that funding will support focus on Glass Futures Phase 2, Town Centre Living & Regeneration, St Helens Heritage World, Healthy Communities, Connected Places and Digital infrastructure.

The Council continued to work collaboratively with developers to bring forward key employment sites across the borough. In November 2021, ambitious plans for Parkside were approved by the Secretary of State for Levelling Up, Housing and Communities, following the decision to grant approval in December 2019 being called in for review by Government. The first phase of development brought forward by Parkside Regeneration LLP, a joint venture between commercial developers Langtree and the Council, will see 93,000 square metres of new employment space built on the site, which will bring almost 500 jobs during the construction of the first phase and the potential of more than 1,300 new jobs in the completed buildings. The site will be a key component of the Freeport plans for the Liverpool City Region.

Plans for Omega West, in Bold, were also approved by the Secretary of State in November 2021, following a public inquiry by the Planning Inspectorate. The Home Bargains unit will create 1,230 full time jobs when at full capacity and three further units will result in important additional employment opportunities to the borough.

The acclaimed Glass Futures project took a major step forward with the appointment of Bowmer + Kirkland to construct the £54million Global Centre of Excellence for glass research and innovation. The remediation stage of the development has been completed and construction of the facility commenced. Glass Futures has already created 24 FTE skilled jobs and expects to create and accommodate

another 50 between now and when the facility is fully operational in 2023. Glass Futures and its partners will create opportunity for apprenticeships, training and upskilling across the glass and other foundation industry sectors. It is also set to attract further inward investment to the region as leading international glass companies focus resources to be within geographical reach of the facility.

The Council also continued to work with developers to deliver strong housing growth. Despite the challenges presented by the pandemic, a total of 259 net dwellings were completed in 2021-2022, whilst a further 319 units are under construction. Over 38% of homes completed were affordable. The Council's commitment to prioritising the use of previously developed land for housing development continued. Housing projects that could deliver more than 600 new homes on brownfield sites in the borough have been identified as benefactors of funding from the Liverpool City Region Combined Authority, which could total up to £8.82m in addition to the £2m already secured to bring forward phase 1 of the Moss Nook site.

In December 2021, the borough received the positive news that almost £2m has been secured as part of the Government's Community Renewal Fund for investment into a range of employment programmes that commenced early in 2022. £744,695 of funding has been awarded to the St Helens Pathways to Employment Project, with delivery coordinated by the Council's own Ways to Work team, who will be joined by the Adult and Community Learning service and a range of external partners from across the voluntary and community sector. The project will seek to support at least 610 St Helens residents as well as supporting a number of local business and organisations. The funding allows for the Ways to Work Programme to be extended to December 2023. To date, the programme has engaged with over 2,600 residents, progressing over 1,200 of these into employment, education, or training. During 2021-2022 Ways to Work and Positive Inclusion

initiatives, supported 257 of these people into employment, education, or training.

Adult skill levels showed further strong improvement. The percentage of the population aged between 16 and 64 years qualified to Level 2 and higher now stands at 79.6%, which exceeds NorthWest (77.3%) and England (78.2%) averages. The percentage of the population qualified to Level 3 within St Helens at 58% is now equal to the NorthWest average, whilst a 3% improvement to Level 4 skills, now at 39%, sees St Helens outperforming the NorthWest average and further closing the gap on the England average. The percentage of people with no qualifications at 6.4% is now equal to the England average and lower than that of the NorthWest.



Priority 5 - Create a green, thriving, and vibrant place to be proud of.

Acting to address climate change and the promotion of environmental sustainability and the 'Green' agenda form a key element of the Council's plans for reset and recovery. Following the establishment of a multi-agency Climate Change Commission for the Borough of St Helens in March 2021, the Council published an approved [Climate Change Response Plan](#) in November 2021.

The St Helens Climate Change Response Plan reinforces the Council's ambition and commitment to meet its carbon net zero target by 2040. It highlights the early progress made since Cabinet declared a climate emergency in 2019 and identifies the steps now being taken to deliver the net zero pledge. The plan shows how the Council is demonstrating leadership in tackling the global climate crisis, and how residents, businesses and partners will all play their part in achieving the net zero goal. The scale of the challenge is enormous, and the response plan signifies just the start of the journey, highlighting how the Council and society more generally must change how it works, behaves, and acts.

To resource this commitment the Council identified the Director of Operations to lead this important cross cutting theme, appointed a dedicated climate change officer and made a significant capital resource available to kickstart and drive innovation.

Operationally, several projects and initiatives have been initiated that are already reducing carbon emissions. Key successes include:

- Converting over 3,500 streetlights to low energy LED lanterns
- Decarbonisation of the Council's fleet - replacing old, inefficient vehicles with modern lower carbon vehicles
- Supporting many residents across the borough to replace inefficient boilers with new, modern low energy systems
- Delivering active travel transport links to encourage people to walk and cycle across the borough
- Levering in over £35m of external funding over the past two years, with much of this supporting active travel across the borough
- Committing up to £1.2m of Council capital funds to support local groups and business to decarbonise their activities
- Working closely with colleagues at the Liverpool City Region Combined Authority to progress major energy transition projects, including Hynet and Glass Futures

The latest published data in 2021 shows that CO2 emissions within the scope of the Council's influence have reduced from 1119 kt in 2010 to 784kt in 2019. Ongoing review of the Council's corporate estate will identify investment requirements and rationalisation to provide a platform for the long-term reduction of carbon for the Council. Across the borough, the Council will play a facilitation, empowering, championing, and challenging role to encourage and enable others to take the

necessary steps to decarbonise their own activities.

The pandemic and lockdowns in 2020-2021 adversely impacted levels of recycling levels, and the amount of household waste produced for collection. The available data for 2021-2022 shows an increase in recycling and a decrease in the level of household waste collected compared to the previous year. However, recycling rates and the level of waste generated have, for a number of years, performed poorly compared to other areas. Work continued in collaboration with the Merseyside Recycling and Waste Authority on the Council's new strategy for waste minimisation, which is on track for completion in 2022-2023.

The impact of the pandemic in 2020-2021 had a detrimental impact on fly tipping, reversing a 4-year trend of reduction. However, over the course of the 2021-2022, there was a 20% reduction in fly tipping compared to the previous year. The number of recorded incidents was below pre-pandemic levels with enhanced Council media campaigns and enforcement activity having a positive impact.

Strong support continued over the year to promote sustainable transport and active travel in St Helens. Work progressed on St Helens Southern Gateway project with the approval of plans for the upgrade of Lea Green Railway Station. The £14.8m project will focus on making sustainable transport an easy choice for commuters by linking Lea Green Station with dedicated pedestrian and cycling routes connecting residential, leisure and employment areas. Work also commenced on a Strategic Outline Business Case for a new rail station at Carr Mill, with staunch support from the Liverpool City Region Metro Mayor and Merseytravel. The Council was also shortlisted to take part in the Department for Transport's Active Travel Prescribing Pilot. The scheme will build on existing social prescribing services offered locally to address elevated levels of deprivation and health inequality and promoting increased physical activity,

providing better travel choices, and aiding behaviour change.

An [Active Lives Strategy](#) was developed during the year and approved by Cabinet in February 2022. Active Lives sets out the strategic direction to encourage more people to enjoy the benefits of being more physically active in the borough over the next five years, with a focus on maximising opportunities for people experiencing inequality to participate in activities.

The Council's leisure services recovered well from the Covid pandemic in terms of attendances, membership, and income. Visits increased by almost 30% on the previous year's attendance. This was despite national restrictions on attendances still being in place until mid-July 2021. Overall monthly attendances and membership numbers are now higher than pre Covid levels and are continuing to rise.

Likewise, during the year, the Library Service began to emerge from the shadow of the pandemic with the number of visits up 38.5% on 2020-2021. The management team are constantly reviewing performance; new partnerships are being explored and any opportunity to encourage people into libraries is being taken. An extensive libraries public consultation exercise took place between June and September 2021 which engaged with over 4,400 service users and residents. The findings support the need to modernise the service and there has been ongoing exploration of options for the community management of libraries, with a view to finalisation of a new Libraries Strategy in 2022-2023.



Priority 6 - Be a modern, efficient, and effective Council.

The Council continued to make considerable progress in relation to its ongoing journey of change and transformation, as recognised by the Local Government Association (LGA) in its September 2022 Corporate Peer Review

revisit. Following the review, the Council implemented and approved an [action plan](#) to support the continued journey of improvement based around seven key recommendations. The latest conversation with the LGA in April 2022 acknowledged that further progress had taken place.

Throughout the year the Executive Leadership Team led and co-ordinated an effective borough wide response to the ongoing pressures of the pandemic, driven by the clear strategic direction set out within Our Borough Strategy 2021-2030. A Policy Cabinet development session in January 2022 was undertaken to review progress against the six priorities and refine the objectives of each through a refreshed programme of delivery over the medium to longer term.

In support of the modernisation process, the reshaping of the Council's organisational structure continued with a view to increasing management and oversight of strategic functions, supporting capacity, and building capability in priority areas, clarifying accountability, and driving performance improvement.

The Council's Change Board and Assessment Programme Board continued to ensure the strategic alignment of transformation activity across the organisation, whilst the Corporate Services Programme Delivery Board focussed on the delivery of the four transformation pillars of Customer, Digital, People and Finance. Programme Charters were established setting out the vision, business outcomes and project timelines for each of these areas, and strong progress on delivery was maintained during 2021-2022.

The Council's commitment to placing residents at the centre of service delivery, improving service accessibility, and delivering a quality customer experience for residents was progressed. The alignment of the new Customer Service Strategy and Customer Service Standards to the Council's IT and Digital strategies, led to the launch of the new [Council Website](#) with integration of a new digital customer service platform, allowing customers to have full view of their

interactions with the Council through a new Customer Portal. The ability for the Council to track case management workflow has been implemented, and the imminent completion of a number of additional modules to the site will further enhance the provision of information, customer satisfaction and complaint handling processes.

The proactive approach to external communications continued with the approval of the Council's new [Community Engagement Strategy](#) in September 2022. An extensive programme of engagement with customers, residents and partners was undertaken during the year including key consultations on the Libraries Strategy, the Housing Strategy, and the Financial Strategy. In March 2022, the Council commissioned an independent Resident Survey, which will gather perceptions on a broad range of borough-wide issues and Council services from 10,000 local residents to inform its strategic delivery. The Council is currently collaborating with partners to develop a revised Communication Strategy and shared communication forward plan.

The Council continued to invest in the creation of a modern, digital workplace and infrastructure to improve ways of working and service delivery. 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. Key developments included:

- A new Human Resources platform went live providing an integrated user interface for HR and payroll related functions, providing a self-serve approach, better analytics and reporting capabilities and a more personalised and customisable employee experience
- The Council's new intranet platform was developed and launched
- The e-learning platform was further developed with a wide range of content and functions to support staff learning and development

- A Power BI desktop software and a distribution platform was released to promote and enhance the capacity for data visualisation, data analysis and the sharing of insight
- A new local information system 'Local Insight' was procured and launched to provide access to a wide range of information and statistics across St Helens communities and neighbourhoods to support data led decision making

As acknowledged in Section 6 of this statement, the introduction of the Ways of Working (WOW) programme and a revised agile working framework has progressed well. Fully flexible staff working patterns, determined according to business need, are enabling some services to be more accessible and responsive to residents. The Council estate is reducing, and the agile working hub is now well established. Cultural transformation has taken place and our new vision and values - "what makes us TICK" – Trust, Integrity, Collaborating and Keep Innovating, continue to be embedded. To support this, a VIP (Values in Practice) Award Programme and celebration event took place in March 2022.

An Equality, Diversity and Inclusion (EDI) Strategy Group is undertaking a self-assessment against the Equalities Framework for Local Government and developing an action plan to deliver the new [Equality, Diversity and Inclusion Strategy](#) approved by Cabinet in February 2022. A number of EDI staff networks have been created, including BAME, Disability and LGBTQ to explore issues and provide input. Effective communication with staff continues to be a strong focal point of the programme, with engagement conducted using a wide range of vehicles.

HR policies and procedures have been rationalised and reviewed and a People Management Improvement Plan has been agreed to help modernise the approach to the workforce.

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 2022-2025 was approved in March 2022 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 Medium-Term Financial Strategy is complemented by the Council's Commercial Strategy, approved in March 2021. The strategy supports a structured approach to achieving financial and social benefits through a range of commercial projects that ensure an optimal return for every pound spent. Significant activity was undertaken to deliver the programme including setting the foundation for increasing returns from fees and charges, the creation of a Traded Services infrastructure to grow council business, the optimisation of assets through delivery of the Property Transformation programme, a comprehensive review of procurement activity to manage costs and the development of a plan for implementing and maximising Social Value.

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 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 fourteen 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.

The Strategic Risk Register is reviewed on a quarterly basis by the ELT Team. Progress in managing strategic risks is reported to the Governance Committee on a regular basis. Directorate Operational Risk Registers are also 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.

10. Future Outlook

The future outlook for local government is characterised by significant risk and uncertainty. Covid-19 has generated a series of social, economic, health and cultural effects which will have long-term impacts. Although the full impact of the

pandemic is still an unknown, the Council recognises the importance of remaining agile in its response to emerging needs and opportunities through the delivery of its plans for recovery and its ongoing programme of transformation.

The financial outlook remains one of pressing concern. The Spending Review 2021, which set out high level details of the Government's plans on public spending for 2022-2023 to 2024-2025, whilst including additional funding for local government in 2022-2023, did not allow for the availability of any further increase in general settlement funding being made available in 2022-2023 to 2024-2025. This follows a period sustained financial losses and increased expenditure due to rising demand for services stemming from the pandemic. The Council therefore continues to face significant financial pressures, a huge budget deficit and a requirement to deliver significant savings over the period 2022 to 2025.

To achieve these ends, the Council is increasingly reliant on its ability to secure revenue through other sources (including those from local taxes) to meet spending pressures. For a relatively deprived local authority like St Helens this presents a significant challenge, particularly given the current national economic and fiscal outlook with rising inflation and the erosion of real income impacting businesses and households alike. The more deprived local authorities such as St Helens have significantly less ability to raise additional sums from Council Tax and Non-Domestic Rates due to a much higher proportion of lower banded dwellings and comparatively low levels of business density.

The impact of the Covid-19 global 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. Strong financial management is critical to ensuring ongoing financial resilience and sustainability, with the Medium-Term Financial Strategy (MTFS) providing the framework for which all future decisions on

resource allocation and budgeting are taken to deliver the Council's statutory duties and achieve its core strategic objectives. The MTFS fully recognises that any use of reserves to balance the revenue budget position is unsustainable. Actions to avoid any reliance on their underlying use, whilst minimising service delivery costs through modernisation and operating on a more commercial basis will continue to be implemented.

The delivery of growth in the local economy is essential not only to increasing local prosperity and the employment prospects of residents, but vital in terms of growing the Council's revenue base to compensate for losses in Government funding and maintain the provision of critical local services. St Helens faces some significant and persistent economic challenges which have been further exacerbated by the pandemic. The Council will continue to work closely with the Combined Authority and other partners to deliver the St Helens Economic Recovery Plan and progress an Inclusive Growth Strategy. Although the challenges are great, strong opportunities for growth and regeneration exist. Ambitious plans for economic growth will continue to be progressed at pace, supported by significant levels of planned investment and targeted revenue resources. The Council must sustain the momentum on existing projects including Parkside, Omega West, the English Cities Fund partnership, and Glass Futures, whilst capitalising on new and future opportunities such as those that may be presented through the Levelling Up fund and other sources of grant funding.

Prior to the pandemic high levels of relative deprivation, disadvantage and poor health have been pervasive across the borough for many years. It is clear the impact of Covid-19 has not been felt equally across society. In particular, the pandemic has exposed, exacerbated, and solidified existing inequalities, no more so than in areas like St Helens.

Over the last two years, the pandemic laid bare the critical role that local government

undertakes in supporting individuals and communities. However, as the vulnerability of certain individuals and communities has increased, so has resultant demand and reliance on vital local support services. 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. This presents a significant challenge at a time when current resources are limited, and future levels uncertain.

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 critical. Nationally, there has been a historic absence of resources to properly invest in prevention and early intervention and there is a very real prospect of increased levels of unmet and unknown need. Locally, to address the challenges of cost and demand and ensure the future sustainability of local health and care services, the Council and partners will continue to develop St Helens Place Based Partnership. Further service integration, redesign and demand management strategies will be progressed at a locality-level to deliver improved outcomes against our identified health and care priorities and tackle existent inequality.

The delivery of improvement within children and young people's services is of urgent concern for the Council. The impact of the pandemic has brought significant risks for the future of our children and young people, from the potential for widening existing inequalities in academic achievement to the risk of increased neglect and harm in families dealing with adversity. Prior to the pandemic, the support required for 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 represented a major challenge, both financially and in terms of the need to improve outcomes. The Council is acutely

aware that this position remains. Since the full ILACS inspection, significant additional investment in targeted resources has been provided and the Council has continued to work closely with Ofsted through the monitoring visit process. Recent feedback suggests that although there has been some positive progress in areas, the required improvement is yet to be delivered. In response to the Ofsted visits in November 2021 and February 2022, the Council took prompt action. To try to further accelerate the improvements required, changes in senior leadership of children's services have been brought about and a revised Improvement Plan produced. The effective delivery of the revised Children's Services Improvement Plan and the Education Recovery Plan is the Council's number one immediate priority.

Although the impact of the pandemic has compounded many of the challenges and issues the Council is facing, it has also exposed and driven areas of strength, resilience, creativity, and innovation. The Council will continue to focus efforts on coordinated community action and support following the success of the St Helens Together Community response to the pandemic, St Helens Together established the commitment to work jointly to deliver the shared 'Bonds for a Better Borough' enshrined within Our Borough Strategy 2021-30. This new relationship, coupled with the strength and creativity shown by individuals, communities, and businesses alike during the pandemic now provides a strong platform for the Council and partners to build on. The development 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.

In September 2021, the LGA Peer Challenge team observed how the Council was in a far stronger position than it was at the time of the previous Corporate Peer Challenge in January 2019, with significant improvements across a number of areas. The clarity of the Council's strategic direction, its ongoing programme

of modernisation, its plans for recovery and a Medium-Term Financial Strategy that ensures that resources are prioritised and are aligned to strategic intent, provide the foundation for delivery of its future ambitions for continuing transformation and improvement.

11. Conclusion

In large part 2021-2022 was again dominated by the impact of the Covid-19 pandemic and the Council's ongoing response. Over this period, the Council has continued to operate effectively despite a climate of significant financial uncertainty and a further year of significant 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 latest External Audit report provided an unqualified opinion on the Council's financial statements. The value for money judgement was positive, acknowledging the sound financial management arrangements in place, the strong track record of the delivery of savings to date, and the robustness of corporate governance processes. The judgement did recognise that the Council still has a way to go in delivering sustained improvements in the effectiveness of children's social care services and highlighted the need to improve controls around the Council's estate management to ensure value for money, and waste partnership governance arrangements across Merseyside to address the financial and environmental challenges of rising levels of residual waste.

Although the strength of the Council's financial management was again acknowledged by external auditors, significant risks to the Council's financial sustainability were identified due to the continuing uncertainty over future Government funding and the extent of the

budget gap and savings requirements over the period of the Medium- Term Budget Strategy. The ongoing impact of the Covid-19 pandemic coupled with the outcome of the 2021 Government Spending Review will see the continuance of this risk for a sustained period.

The pressures arising from the need to address the increased demand for social care services, the improvement required in children's services, the resourcing of local economic recovery and growth, and the delivery of progress against strategic objectives continue to drive the need to identify and deliver budget savings.

To deliver the programme of budget savings for 2022-2024, it is imperative that the Council's resources continue to be allocated following assessment of strategic priorities, that future budget decisions are aligned to those priorities, and that efficiencies are achieved through ongoing service transformation. 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 recovery from the pandemic and delivering its full range of statutory duties.

Further tough decisions are inevitable. However, despite the challenges, the strength and effectiveness of collaboration shown between staff, Members, partners, and residents in response to the pandemic has been remarkable. The Council remains fully committed to the overriding principles that nothing is more important than serving and supporting local residents and communities through these 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 their dedication and commitment during 2021-2022, whilst expressing my gratitude to all colleagues who have contributed to the preparation of

this document, and for their strong support over the financial year.



Cath Fogarty
Executive Director of Corporate Services

Date: 29 July 2022

EXPLANATION OF THE FINANCIAL STATEMENTS

The Statement of Accounts is prepared to demonstrate the Council's financial performance for the year ended 31 March 2022 and present its overall financial position at the end of that period. The core financial statements are included on pages 84 to 87 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 – To be inserted upon receipt

Independent auditor's report to the members of St Helens Borough Council – To be inserted upon receipt

Independent auditor's report to the members of St Helens Borough Council – To be inserted upon receipt

Independent auditor's report to the members of St Helens Borough Council – To be inserted upon receipt

Independent auditor's report to the members of St Helens Borough Council – To be inserted upon receipt

STATEMENT OF MAIN PRINCIPLES, ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

General

The Statement of Accounts summarise the authority's transactions for the financial year 2021-2022 and the position at the year-end 31 March 2022.

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 2021/22, 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
- unrepresented cheques or other unrepresented 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. Charges are made on an accruals basis to the appropriate service in the Comprehensive Income and Expenditure Statement at the earlier of when the authority can no longer withdraw the offer of those benefits, or when the authority recognises costs for a restructuring.

Post-Employment Benefits

As part of the terms and conditions of employment of its Officers and other employees, the authority offers retirement benefits to those individuals and participates in 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 a small number of council staff who have access to the NHSPS as part 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 TPS and NHSPS 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 TPS in the year and payments relating to the NHSPS 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, excluding any prepayments for future year contributions (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, net of the prepayment of any future year contributions, 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 (of significant value) are stored electronically by the Library Service and access is provided to the Council's Insurance Section. The paintings held within the Council's collection are included on the Balance Sheet and have been valued based on their insurance valuations. External valuations for the Council's fine art collection were carried out by Bonham during 2018-2019 and these have been used as the basis upon which to establish the value of individual items within the collection. There are over 300 items within the fine art collection.

The collection held at the World of Glass comprises of around 2,500 artefacts. The collection comprises of diverse items that have been deemed to be of historical interest. External valuations for these items have not been obtained for this collection on the grounds of materiality: as no individual items within the collection are deemed to have significant values

it is believed that the cost of obtaining valuations would outweigh the benefit gained. An inventory of all items within the collection is maintained in an electronic format by the Library Service and access is provided to the Council's Insurance Section.

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

The archive collection is catalogued in an online database by the Library Service.

Civic Regalia

The Council's civic regalia comprises of various mayoral chains and jewels, a mace and a variety of pieces of civic silverware. The value at which the civic regalia has been recognised in the Balance Sheet is based on the valuations obtained by the Insurance Section. The most recent insurance valuations for these items were provided by Lyon & Turnbull Limited during 2018-19.

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.

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

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.

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.

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

For 2021-2022, 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 outgoings
- the land and properties are not contaminated
- there are no prevailing environmental factors that would alter the valuations provided

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

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

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

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

Impairment

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

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

Where there is a balance of revaluation gain for the asset in the Revaluation Reserve, then the carrying amount of the asset is written down against that balance (up to the amount of accumulated gains). Where there is no balance on the Revaluation Reserve or insufficient balance, the carrying amount of the asset is

written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

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

Depreciation

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

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

Depreciation is calculated on the following bases:

- Buildings - straight-line allocation over the useful life of the property as estimated by the valuer
- Vehicles, plant and equipment - straight line allocation over the lifetime of the asset as advised by a suitably qualified officer
- Infrastructure - straight-line allocation over the lifetime of the asset as advised by a suitably qualified officer

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. Receipts are appropriated to this Reserve from the General Fund Balance in the Movement in Reserves Statement.

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

Provisions and Contingent Liabilities

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

Provisions are recognised when:

- the authority has a legal or constructive obligation as a result of a past event
- it is probable that a transfer of

economic benefits will be required to settle the obligation

- a reliable estimate can be made of the amount of the obligation

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

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

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

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

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

In contrast, Contingent Liabilities 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 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. No impairment is recognised prior to the date of conversion.

Tax Income (Non-Domestic Rates, Council Tax

Non-Domestic Rates

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

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

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

Council Tax

Similarly, the Council acts both as an agent (collecting Council Tax on behalf of the Police and Crime Commissioner for Merseyside, the Merseyside Fire & Rescue Authority and the Liverpool City Region Combined Authority) and as a principal (collecting Council Tax for

itself). Council Tax transactions and balances are therefore allocated between the Council and the major preceptors, applying accepted agent and principal treatments as appropriate.

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

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

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

Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from 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 2022 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.



Executive Director of Corporate Services

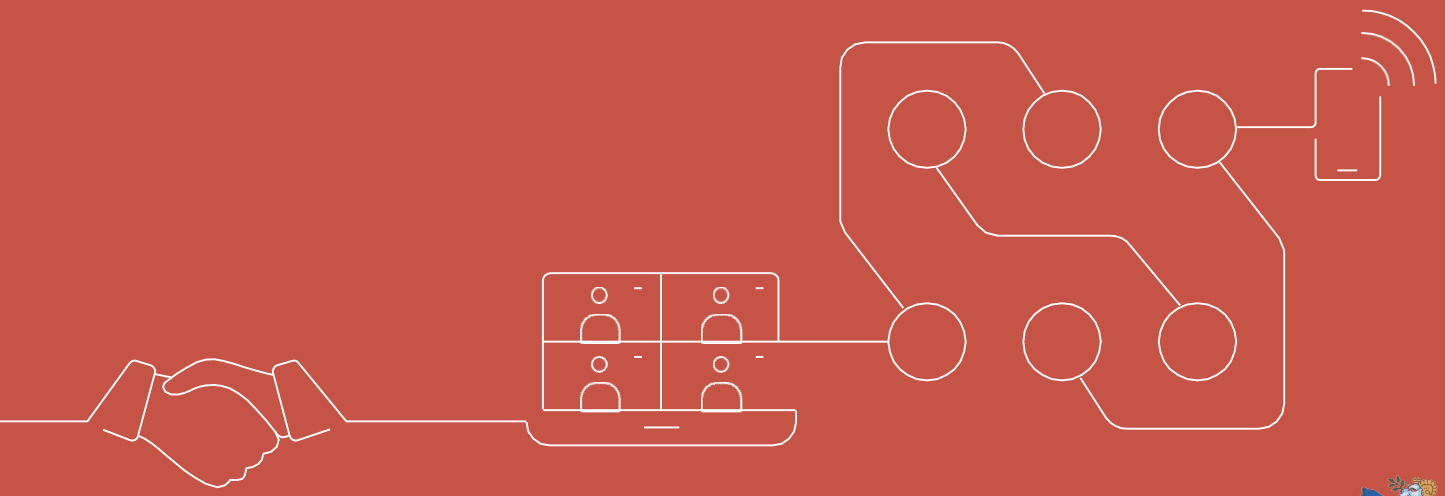
Date: 29 July 2022



ANNUAL GOVERNANCE STATEMENT

2021-2022

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

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.

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.

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 AGS. 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 AGS?

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

The Council's local Code of Corporate Governance has been reviewed and updated to reflect current organisational structures and systems. It was approved by the Committee in March 2022. The effectiveness of the Council's arrangements has been assessed based on that Code.

A newly formed Governance Group met for the first time in June 2021, with the aim of implementing and promoting effective and robust governance and risk management across the Council to demonstrate assurance and compliance. The Governance Group is chaired by the Executive Director, Corporate Services, with membership made up of the Assistant Chief Executive, Directors across all Directorates and Departments, the Monitoring Officer, the deputy Monitoring Officer and the Head of Audit & Risk. The group meets quarterly to discuss key

governance items, risk updates, performance data including information governance, key policies and strategies, and decision making.

Impact of COVID-19

The Covid-19 pandemic had widespread implications for our economy and society. The restrictions imposed to slow the spread of the virus had a profound impact on the local economy, the workforce, and the wider community.

This impacted on delivery of Council services, workforce capacity, income and expenditure, and resilience. Over a year after the Covid-19 pandemic began, some Council services remained in a partial emergency response situation and only recently returned to business as usual.

The Council developed a Reset and Recovery Plan to identify key activities that would be required to support a continued service delivery, as well as supporting sustainable, inclusive growth in the Borough.

The Economic Reset and Recovery Plan focused on:

- Developing and supporting the borough's businesses;
- Investing in people and skills;
- Making the most of our investment in place; and
- Maximising the opportunities of a green recovery to drive growth and transformation.

The plan aligned to the Liverpool City Region Build Back Better Strategy to ensure a co-ordinated sub-regional approach.

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.

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

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:

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



Each of the above priorities contain 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 which establishes an efficient,

transparent and accountable decision-making structure. Member and Officer roles are clearly defined within the Constitution.

The Council's committee structure is 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.

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 three Scrutiny Committees: Adult Social Care and Health Scrutiny Committee; Children and Young People's Services Scrutiny Committee, and Place Services Scrutiny Committee.

The Commission and 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 Senior Leadership Team, the Governance Group and 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 were tested during the Covid-19 pandemic. The new ways of working required the business continuity framework and associated plans 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. The Council carried out many consultation and engagement sessions with employees to determine and co-design this culture.

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



Joint Venture Partnership

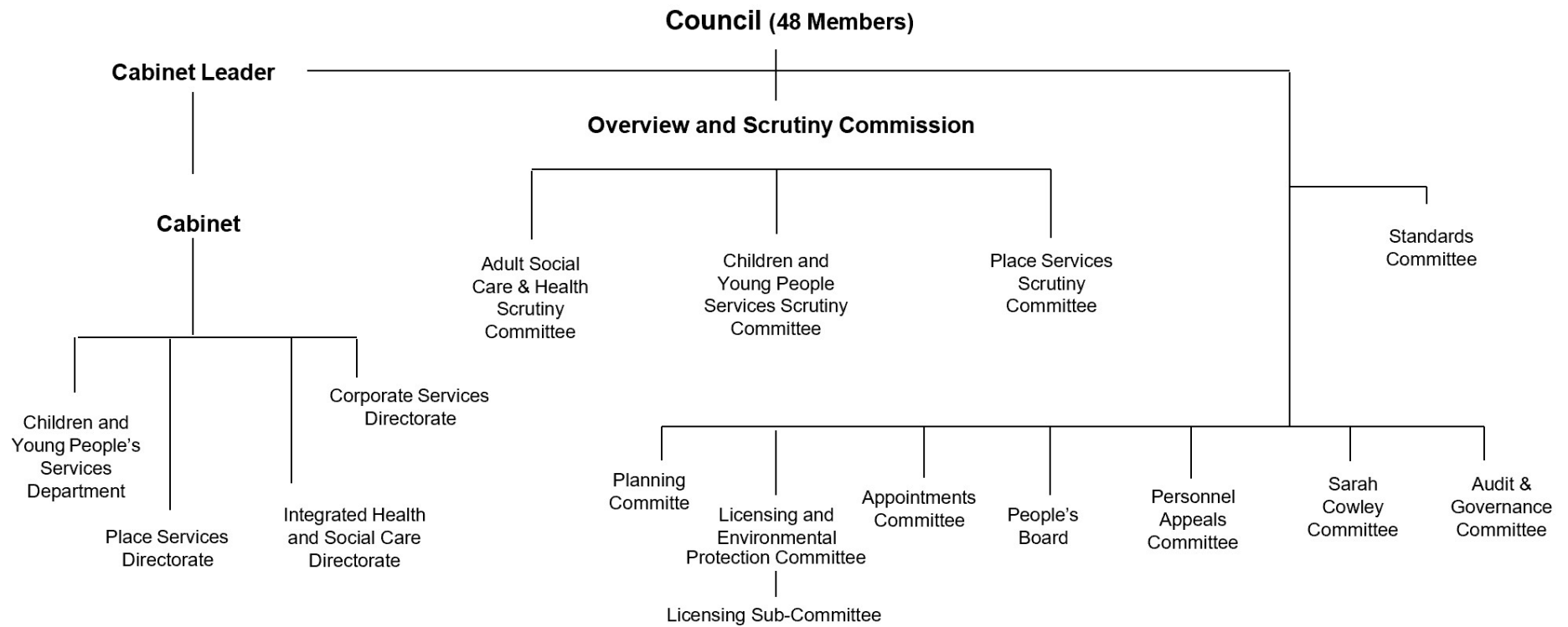
The Council is one of two equal partners in Parkside Regeneration Limited Liability Partnership (Parkside LLP). Parkside LLP was set up in 2013 with a private sector partner with the aim of regenerating the former Parkside Colliery site. Parkside LLP is run by a Board comprising of 6 persons of which 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 taking account of the Core Principles, expected and actual assurance mechanisms and actions for improvement.

Appendix 2 summarises how the Council meets those principles.

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

- A new Code of Conduct for Elected and Co-Opted Members based on the LGA model Code and Merseyside Code was adopted by Council in July 2021. The Code addresses the Committee on Standards in Public Life best practice recommendations.
- An updated Member/Officer Protocol was approved in 2020 and promotes mutual respect and trust.
- 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.
- "Welcome to St Helens" includes a focus on the Code of Conduct and 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, Operational Decisions and Cabinet Reports.

Respecting the rule of law

- The Constitution outlines the Council's responsibilities including Cabinet, Committees and Scrutiny.
- The Council has appointed to its statutory roles including the Head of Paid Service, the Monitoring Officer, and the Section 151 Officer.
- A revised and 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 2021 -2030 which outlines the Borough's vision and priorities supported by a comprehensive strategic framework
- The Council's Constitution provides the framework for the decision-making process and reports to the Council's Committees require documented consideration of a range of issues in support of any recommendations made.
- The Council complies with the requirements of the Transparency Code of Practice and has implemented a process of independent assessment of compliance.
- Freedom of Information Publication Scheme.

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.
- Several strategic and operational partnerships are in place within the Borough and terms of reference are in place for each partnership which set out the expectations and commitments of all partners.
- The St Helens 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 is being delivered, 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.
- Stakeholder newsletter sent out on a quarterly basis together with proactive and comprehensive communications on key developments

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

Defining outcomes

- Our Borough Strategy 2021 -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 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 Executive 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.
- Revised and focussed CYPS Improvement Plan reported to the refreshed CYPS Improvement Board.

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.
- 2021/22 savings delivery affected by COVID-19 in some areas with alternative one-off budget mitigation savings reported to Cabinet.

PRINCIPLE D: Determining the interventions necessary to optimise 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 management and monitoring.
- The refreshed Risk and Opportunity Management Policy and Strategy has been embedded during 2021/22 with risk workshops across directorates and departments.
- 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 2021/22. Quarterly reports have detailed the progress of KPIs performance against target and the delivery of outcomes and 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 Directors.

Optimising achievement of intended outcomes

- The Council 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 Outcome Based Performance Management Framework provides an integrated approach to the measurement of effectiveness.
- The Council's Senior Leadership Team is supported with Directors, Assistant Directors and Heads of Service, and reconfigured service teams as part of the whole Council restructuring program.
- The Council has a pooled budget (Section 75 Agreement) within Integrated 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 (S151).
- The Chief Executive is subject to appraisals by the Leader of the Council and there is a staff performance appraisal process in place for all employees with further statutory supervision for certain employee groups.
- A refreshed 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.
- A suite of refreshed HR policies support employee wellbeing including attendance, welfare and health initiatives and provision of Occupational Health and Counselling services.
- Mental health first aiders across the organisation. Workplace Health and Well-Being Group in place implementing a range of mental wellbeing initiatives via an action plan.
- Culture Champions in place across the organisation to support physical and mental well-being.

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.
- Refreshed 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 performance framework with a suite of performance indicators and targets has been developed which link to the Strategy's priorities and outcomes. The performance framework and targets are reviewed annually.
- Quarterly performance reports are presented to Cabinet and Overview and Scrutiny, with performance benchmarked against other councils. A quarterly performance clinic process ensures accountability for organisational performance and improvement.

Robust internal control

- The Council has an internal audit team that adheres to the Public Sector Internal Audit Standards. The Team's approach to audit and assurance work has developed its focus on strategic risks and priorities. The service is also subject to annual self-assessments against relevant standards, including external assessment.
- Health and safety officers have continued to carry out inspections and Fire Risk assessments and advise on residual controls 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 and 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 a Governance Group whose membership includes all Council Directors and receives regular dashboard updates and reports in respect of Information Governance performance and controls.
- Reported data breaches (including near misses) are investigated with remedial action identified.
- Data protection training is mandatory with refreshed training rolled out during 2021/22.

Strong public financial management

- Strong budget management arrangements in place and financial monitoring reports are submitted on a quarterly basis to Cabinet providing the Council's financial position and forecast outturn position and any necessary corrective action.
- Overview and Scrutiny Commission receives financial monitoring reports.
- External Audit provide their opinion on the Council's financial statements including the AGS. 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 is maintained.

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

Implementing good practices in transparency

- The Council complies with the requirements of the Transparency Code of Practice and has implemented a process of independent assessment of compliance.
- Maintaining compliance by publishing all required information in a timely manner, ensuring it is publicly available and open to challenge.
- Procurement information (ITT and Contracts above £5k) 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 is maintained.
- 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 AGS that outlines how it has monitored its governance environment.
- The published Statement of Financial Accounts summarises the Council's financial performance and demonstrates the Council's stewardship of public money for that year.
- The Narrative Statement within the Statement of Accounts summarises service delivery achievements, performance and key financial information and a more detailed 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 People's 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 the LGA Corporate Peer Challenges have been shared and action plans developed.

ASSURANCE

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.

The Council’s assurance arrangements were reviewed and updated during 2021/22 to reflect the Institute of Internal Auditors’ Three Lines Model. A summary of the model can be seen in the next section.

Following this, an Assurance Map was documented, with the details provided to the Audit and Governance Committee in November 2021. This maps the known or planned sources of assurance against the strategic risks and is used to identify where further assurance is required and therefore where to target internal audit resources.

Internal Audit

Internal audit work provides an independent source of assurance on the effectiveness of the Council’s governance, risk management and internal control environment.

The designated chief audit executive is required to provide an annual opinion on the effectiveness of that environment and that opinion is based on the audit work carried out during the year.

The overall opinion, as reported in the Annual Internal Audit Report was that of **Substantial Assurance**, based on the level of work performed.

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)

Contract Management

The Commercialisation service provides council wide support to enable commercial activities to be enhanced, creating value through reviewing and revising service provision to generate income and reduce costs, whilst also delivering social, environmental, and economic benefits. Departments have responsibility for the contract management function relative to their own jurisdictions.

The purpose of the audit was to consider the governance arrangements for contract management, and the processes and controls in place to mitigate the risks associated with the various contract management phases across Directorates. The audit identified a number of key areas of development across the contract management process, including the need to have a contract management strategy and framework and procedures to ensure a consistent process across the Council. All Audit recommendations to address the control issues were agreed and will be followed up to confirm implementation according to the target dates.

Partnership Governance

The 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, effectively, and efficiently.

The purpose of the audit was to consider the governance frameworks, the purpose and objectives of partnerships, available resources, and procedures and practice. The audit identified that the Council did not have a corporate partnership governance framework in place, or a centralised list of partnership agreements. As a result, it was difficult to identify what partnerships the Council is involved in or whether they are fully complying with expectations. Two high priority recommendations to address the control issues were agreed and will be followed up to confirm implementation according to the target dates. The Audit & Governance Committee approved a Partnership Governance Framework in November 2021.

Estates Management

The Estates Team is part of Property Services within the Strategic Growth Directorate. The Estates Team are responsible for the management of the Council's non-operational land and property assets. This involves the sale of surplus land and property and the administration of new lettings, rent reviews and renewals for the Council's commercially let property.

The purpose of the audit was to consider people management, disposals, commercial leasing, customer service and decision making. The audit identified a significant number of areas of development, with no areas of good practice identified. As a result, 17 high priority recommendations to address the control issues were agreed and will be followed up to confirm implementation according to the target dates.

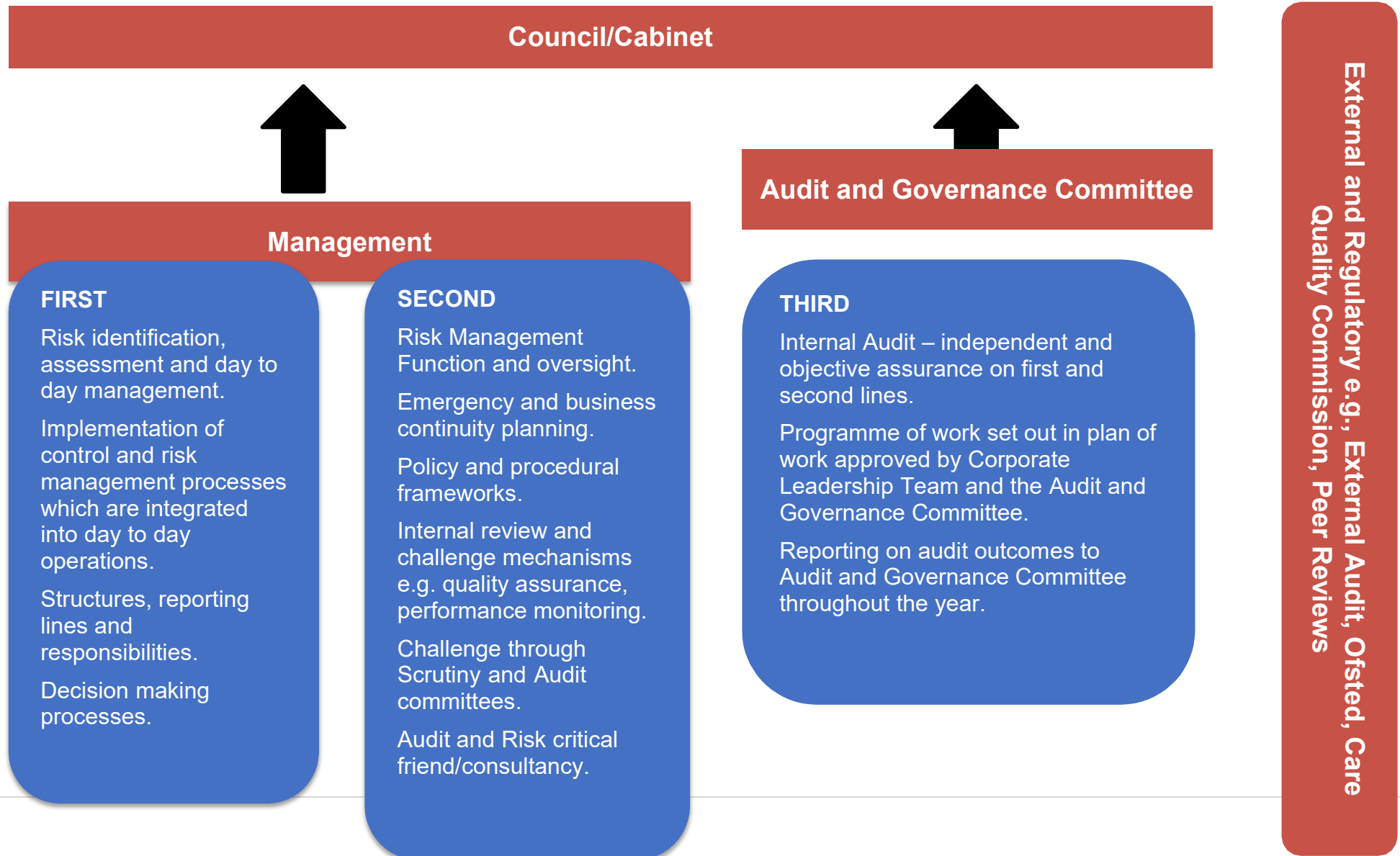
S106 Obligations

The Town and Country Planning Act 1990 contains in S106 the provision that as part of the planning process, a local authority and a developer may enter into a legal agreement to provide infrastructure and services on or off a development site where this is not possible through the imposition

of conditions on a planning consent. Obligations may restrict the development or use of land, require operations or activities to be carried out or require financial payments to be made to the Council.

The purpose of the audit was to review and assess the management systems in place for the completion and monitoring of S106 agreements. The audit identified a number of key areas for development including drafting and monitoring of S106 agreements. Several recommendations to address the control issues were agreed and will be followed up to confirm implementation according to the target dates.

THREE LINES MODEL – ST HELENS BOROUGH COUNCIL



What we said we would do in 2021/22

Area for Development	Owner	Progress
<p>To review and sign off amended Members and Employees Codes of Conduct. 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>	<p>Director of Legal and Governance</p>	<p>A revised Code of Conduct for Elected and Co-Opted Members based on the new LGA model Code was adopted by Council in July 2021.</p> <p>The Code of Conduct for Employees has been reviewed and a revised version approved in June 2022.</p> <p>Performance training has continued to be provided to Members to reflect their roles in performance management, monitoring and scrutiny</p>
<p>To amend the Recruitment and Selection Policy to reflect any changes from the Council's Cultural Review.</p>	<p>Assistant Chief Executive</p>	<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>	<p>Assistant Chief Executive</p>	<p>Induction for both staff and newly elected Members continues to be reviewed and updated to reflect the Council's new Ways of Working. The associated e-learning modules are now in place to support the process.</p> <p>An organisational training and development plan has been produced 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</p>	<p>Assistant Chief Executive</p>	<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</p>

Area for Development	Owner	Progress
individual appraisals through the quarterly Performance Management Dashboard.		appraisal functionality that will allow full reporting and dashboard capability. This is expected to be implemented by September 2022.
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 overseen progress in children's services against six priority areas in a new improvement plan agreed by the CIB. 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 some 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	Assistant Chief Executive	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 Peer Review revisit took place in September 2021 which confirmed significant progress had been made. The LGA Corporate Peer Review 6-month progress report was considered by

Area for Development	Owner	Progress
		Cabinet on 30 June 2022 and confirmed further progress was being made against the recommendations of the September 2021 revisit.
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 led by the LGA 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 from within the sector. An internal review of reset and recovery arrangements continued to be put in place, throughout our response to the pandemic, and in conjunction with the Covid Response meetings, the Outbreak Management Board and the Health Protection Board.

Areas of risk and governance for 2022/23

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.

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 Summary of Action Required
Impact and response to COVID-19 – strategic risk reference SR01	Chief Executive/ ELT	The Council's Business Continuity Framework was updated during 2021/22. All business impact analysis were reviewed ensuring that up to

Area of Risk or Governance	Owner	Comments or Summary of Action Required
<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>date business continuity plans, that reflect an increasing reliance on IT facilities, are in place for all critical services.</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</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 was identified for delivery in 2021-22, and a further £6.0m in 2022-to address the budget gap. Delivery boards have been set up across the Council to monitor delivery of programmes and are reported to Executive / Senior 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 Summary of Action Required
strategic improvements and reductions in income sources.		
<p>Safeguarding Children – strategic risk reference SR03</p> <p>Some progress has been made to in implementing 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 the 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>	Director of Children’s Services	<p>The Council has refreshed and revised the Improvement Plan based on Ofsted Monitoring Visits in November 2021 and February 2022. A new DfE advisor has been appointed and a new Independent Chair of the Improvement Board. Additional external capacity has been commissioned to lead an internal improvement team.</p> <p>The Improvement Board, Executive Leadership Team, Cabinet members and Overview and Scrutiny Committee will continue to progress and deliver the Council’s Children’s Improvement Plan.</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 is ongoing.</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>	Assistant Chief Executive	<p>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 has successfully been awarded LGA funding of £150,000 to enhance its ICT & Cyber Security via a set of prioritised actions that have been constructed into a Cyber Treatment Plan (CTP). The CTP actions are</p>

Area of Risk or Governance	Owner	Comments or Summary of Action Required
<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>categorised into high, medium and low priorities, with a completion target date for each category.</p> <p>Work is progressing to deliver all activities within the deadlines set for each priority, with the overall completion of February 2023</p>
<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>	<p>Assistant Chief Executive</p>	<p>Communication drive to remind all employees and stakeholders of the Council’s information governance related policies and requirements.</p> <p>An improvement programme is currently being implemented to address timeliness of responses to Freedom of Information and Subject Access requests.</p> <p>The information asset register and the reporting arrangements for monitoring training completion are also under review</p>
<p>Transition of CCG to Integrated Care System 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>	<p>Executive Director Integrated Health and Care</p>	<p>The go live date for the ICB was planned to be the 1st April 2022 but was moved back to the 1st July 2022 by government. The Executive Director for Integrated Health and Social Care is the Cheshire and Merseyside NHS Place Lead for St Helens. St Helens has already established its Place Based Partnership and has a Memorandum of Understanding signed by all partners and has established a governance framework including a Partnership Board that reports directly to the People's Board. The revised Section 75 Agreement which was approved in 2021 lasts for 2 years and will be novated into the ICB in July 2022.</p>

Area of Risk or Governance	Owner	Comments or Summary of Action Required
<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>	<p>Executive Director of Place</p>	<p>The Regeneration and Growth Service senior management team is embedded and in May 2022 additional programme and project management capacity was secured through several appointments to the newly formed Growth Delivery Prosperity (GDP) Team. Once these additional human resources are suitably embedded into the organisation over the coming months a full programme management function will be established and shall reduce the identified risk in relation to human resources and (in part) funding.</p> <p>Adoption of the Local Plan on 12 July 2022 will directly assist the regeneration and growth of the borough through site allocations and policies. The emerging Phase 3 review in the Planning Service will also further support mitigation of the planning risks.</p> <p>The ongoing Property Service Transformation will, in accordance with its agreed programme timescales, reduce that risk element relating to land ownership by assisting with acquisitions and transactions in support of regeneration and growth.</p> <p>The emerging Inclusive Growth Strategy will help mitigate the risk to regeneration and growth related to the economic recovery once it is adopted and progress made on in its implementation plan.</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:

Name (print):

Chief Executive

Signed: _____

Date:

Name (print):

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 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
	Movement in Reserves during 2021-2022						
CIES	Total Comprehensive Income and Expenditure	(22,997)	-	-	(22,997)	90,512	67,515
5	Adjustments between accounting basis and funding basis under Regulations	21,603	(2,650)	1,001	19,954	(19,954)	-
	Net Increase/(Decrease)	(1,394)	(2,650)	1,001	(3,043)	70,558	67,515
	Balance at 31 March 2022 Carried Forward	94,187	20,816	12,298	127,301	25,792	153,093

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	2020-2021				2021-2022		
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
	112,311	(63,414)	48,897	Integrated Health & Social Care Directorate	117,258	(69,979)	47,279
	78,651	(22,200)	56,451	Place Services Directorate	85,688	(29,597)	56,091
	71,694	(51,410)	20,284	Corporate Services Directorate	74,741	(53,091)	21,650
	195,936	(152,458)	43,478	Children & Young People Services Department	205,776	(159,126)	46,650
15,16	458,592	(289,482)	169,110	Cost of Services	483,463	(311,793)	171,670
12			22,761	Other Operating Expenditure			29,957
13			7,373	Financing and Investment Income and Expenditure			8,441
14			(187,973)	Taxation and Non-Specific Grant Income			(187,071)
15			11,271	(Surplus) or Deficit on Provision of Services			22,997
			(797)	(Surplus) or Deficit on Revaluation of Non-current Assets			(22,815)
11			28,149	Remeasurement (Gains)/Losses on Pension Assets/Liabilities			(67,697)
			27,352	Other Comprehensive Income and Expenditure			(90,512)
			38,623	Total Comprehensive Income and Expenditure			(67,515)

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 2021/22*.

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 2021 £000		31 March 2022 £000
25	470,183	Property, Plant and Equipment	494,823
27	3,283	Heritage Assets	3,283
28	13,621	Investment Property	13,777
29	137	Intangible Assets	40
30	7,035	Long-term Investments	26
31	13,954	Long-term Debtors	15,078
	508,213	Long-term Assets	527,027
30	99,946	Short-term Investments	112,174
33	824	Assets held for Sale	2,463
34	36,756	Short-term Debtors	39,195
	1,141	Inventories	804
39	23,774	Cash and Cash Equivalents	37,582
	162,441	Current Assets	192,218
35	(4,364)	Short-term Borrowing	(4,435)
36	(56,026)	Short-term Creditors	(73,811)
17	(3,285)	Capital Grants Receipts in Advance	(3,493)
17	(10,288)	Revenue Grants Receipts in Advance	(10,559)
37	(13,725)	Provisions	(12,770)
	(87,688)	Current Liabilities	(105,068)
11	(337,393)	Pensions Liability	(286,997)
17	-	Capital Grants Receipts in Advance	-
17	(5,713)	Revenue Grants Receipts in Advance	(6,912)
35	(118,457)	Long-term Borrowing	(137,521)
37	(4,050)	Provisions	(3,547)
38	(31,775)	Other Long-term Liabilities	(26,107)
	(497,388)	Long-term Liabilities	(461,084)
	85,578	Net Assets	153,093
		Financed by:	
MIRS	130,344	Usable Reserves	127,301
6	(44,766)	Unusable Reserves	25,792
	85,578	Total Reserves	153,093

In preparing this Statement, events up to 29 July 2022 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	2020-2021 £000		2021-2022 £000
CIES	(11,271)	Net Surplus or (Deficit) on the Provision of Services	(22,997)
42	48,178	Adjustments to Net Surplus or Deficit on the Provision of Services for Non-Cash Movements	59,943
43	(14,693)	Adjustments for items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	(13,711)
44	22,214	Net Cash Flows from Operating Activities	23,235
45	(18,103)	Investing Activities	(28,002)
46	(4,254)	Financing Activities	18,575
	(143)	Net Increase or (Decrease) on Cash and Cash Equivalents	13,808
	23,917	Cash and Cash Equivalents at the start of the Reporting Period	23,774
39(d)	23,774	Cash and Cash Equivalents at the end of the Reporting Period	37,582

INDEX OF NOTES TO THE CORE FINANCIAL STATEMENTS 2021-2022

NOTE	NOTE CONTENT	PAGE NO.
A	EXPENDITURE AND FUNDING ANALYSIS	90
B	NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS	91
1	ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED	92
2	CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY	92
3	CHANGES IN A CCOUNTING POLICY IN RELATION TO THE 2021-2022 STATEMENT OF ACCOUNTS	96
4	EVENTS AFTER THE REPORTING DATE	96
5	ADJUSTMENTS BETWEEN A CCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS	96
6	UNUSABLE RESERVES	101
7	GENERAL FUND RESERVES	107
8	CAPITAL RECEIPTS RESERVE	109
9	UNAPPLIED CAPITAL GRANTS	109
10	SCHOOLS BUDGET FUNDED BY DEDICATED SCHOOLS GRANT	109
11	PENSIONS	110
12	OTHER OPERATING EXPENDITURE	117
13	FINANCING AND INVESTMENT INCOME AND EXPENDITURE	117
14	TAXATION AND NON-SPECIFIC GRANT INCOME	117
15	EXPENDITURE AND INCOME ANALYSED BY NATURE	118
16	GRANT INCOME	120
17	REVENUE AND CAPITAL GRANTS RECEIVED IN ADVANCE	122
18	NATIONAL HEALTH SERVICE ACT 2006 POOLED FUNDS	123

NOTE	NOTE CONTENT	PAGE NO.
19	LEASING	125
20	OFFICERS' REMUNERATION IN EXCESS OF £50,000	126
21	MEMBERS' ALLOWANCES AND EXPENSES	128
22	RELATED PARTY TRANSACTIONS	129
23	AUDIT FEES	130
24	EXIT PACKAGES	130
25	PROPERTY, PLANT AND EQUIPMENT	131
26	PRIVATE FINANCE INITIATIVE (PFI) AND SIMILAR CONTRACTS	134
27	HERITAGE ASSETS	135
28	INVESTMENT PROPERTY	136
29	INTANGIBLE ASSETS	137
30	SHORT & LONG - TERM INVESTMENTS	137
31	LONG - TERM DEBTORS	138
32	CAPITAL EXPENDITURE AND FINANCING	138
33	ASSETS HELD FOR SALE	140
34	SHORT- TERM DEBTORS	140
35	SHORT & LONG - TERM BORROWING	141
36	SHORT- TERM CREDITORS	142
37	PROVISIONS	142
38	OTHER LONG - TERM LIABILITIES	143
39	FINANCIAL INSTRUMENTS	144
40	TRUST FUNDS	149
41	CONTINGENT LIABILITIES	149
42	CASH FLOW STATEMENT - ADJUSTMENTS TO NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES FOR NON- CASH MOVEMENTS	150
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	150
44	CASH FLOW STATEMENT - NET CASH FLOWS FROM OPERATING ACTIVITIES	151
45	CASH FLOW STATEMENT - INVESTING ACTIVITIES	151
46	CASH FLOW STATEMENT - FINANCING ACTIVITIES	152

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.

2020-2021				2021-2022		
Net Expenditure chargeable to the General Fund £000	Adjustments between the Funding and Accounting Basis* £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000		Net Expenditure chargeable to the General Fund £000	Adjustments between the Funding and Accounting Basis* £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
45,931	2,966	48,897	Integrated Health & Social Care Directorate	44,335	2,944	47,279
39,428	17,023	56,451	Place Services Directorate	33,955	22,136	56,091
18,019	2,265	20,284	Corporate Services Directorate	17,800	3,850	21,650
33,856	9,622	43,478	Children & Young People Services Department	34,648	12,002	46,650
137,234	31,876	169,110	Net Cost of Services	130,738	40,932	171,670
(171,763)	13,924	(157,839)	Other Income and Expenditure	(129,344)	(19,329)	(148,673)
(34,529)	45,800	11,271	(Surplus) or Deficit on Provision of Services	1,394	21,603	22,997
(61,052)	-	-	Opening General Fund Reserves at 1 April	(95,581)	-	-
(34,529)	-	-	(Surplus) or Deficit on General Fund in Year	1,394	-	-
(95,581)	-	-	Closing General Fund Reserves at 31 March	(94,187)	-	-

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

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

NOTE B - NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

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

2020-2021					2021-2022			
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
245	2,360	361	2,966	Integrated Health & Social Care Directorate	(247)	3,283	(92)	2,944
13,181	3,335	507	17,023	Place Services Directorate	17,176	5,122	(162)	22,136
801	1,186	278	2,265	Corporate Services Directorate	895	2,950	5	3,850
3,774	4,387	1,461	9,622	Children & Young People Services Department	3,605	8,037	360	12,002
18,001	11,268	2,607	31,876	Net Cost of Services	21,429	19,392	111	40,932
(17,825)	7,208	24,541	13,924	Other Income and Expenditure	(8,380)	7,058	(18,007)	(19,329)
176	18,476	27,148	45,800	Difference between General Fund Surplus and Comprehensive Income and Expenditure Statement Deficit on the Provision of Services	13,049	26,450	(17,896)	21,603

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).

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.

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 2021-2022, they would not have had any significant impact on the Financial Statements as presented.

- *IFRS 1 (First-time adoption)*
amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS
- *IAS 37 (Onerous Contracts)*
clarifies the intention of the standard
- *IFRS 16 (Leases)*
amendment to remove a misleading example
- *IAS 41 (Agriculture)*
only expected to apply to local authorities in limited circumstances

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 JUDGEMENT

COVID-19 and Funding

Following the Government providing Councils with a four-year financial settlement, for the period 2016-2017 to 2019-2020, Local Authorities have faced a series of one-year settlements.

Prior to the Covid-19 pandemic, the Council was facing financial uncertainty 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 a 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.

Covid-19 has had a significant impact on the day to day running of the Council and the longer-term impact remains uncertain, as the nation seeks to recover from the outbreak of the virus.

It is evident that the effects will be felt for some considerable time, as the direct impact of additional costs and income losses continue, notwithstanding the less direct impact of changes in customer behaviour and expectations.

Increased demand for many services provided by the Council is predicted to continue as a consequence of Covid-19. It is considered that the pandemic has served to heighten the already existing uncertainty into the longer term.

The Government 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 Non-Domestic Rates and Council Tax income via a Tax Income Guarantee scheme.

At this stage it is anticipated that the Council will receive a two-year settlement for 2023-2024 and 2024-2025 but with no underlying changes to the system of financing local government, with a new funding regime being introduced in 2025-2026 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 its 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

Across the local government sector, inflation has also been identified as a key risk and the impact on budgets in 2022-2023 and into future years will be significant. Bank of England forecasts have inflation peaking in excess of 10% and remaining high for the next two years.

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 2022-2023 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 2022-2025, considered the forecast budget gap over that period and the strategy to balance the budget over the medium term. A Funding Reform Volatility Reserve has

been 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.

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.

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 2021-2022. 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

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 are likely to pose a significant threat to the financial position of many businesses and individuals. This has the potential to negatively 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 regulations required in relation to the “McCloud judgement” are also undetermined 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 made assumptions around the average increases in RPI over the life of the contract. A longer-term outlook is applied that is broadly in line with the level of inflation that the Bank of England seeks to maintain over the longer term 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 and as at 31 March 2022, appeals with a combined Rateable Value of £24.2m remained outstanding with the Valuation Office Agency (VOA).

Following the 2017 revaluation, a new check, challenge, appeal process was introduced - the impact of which is highly uncertain a proportionally small number of 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 2022. 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 rating 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 rating list, in the absence of any meaningful data, an estimate has been made, based on a percentage of the Council's net rates payable for the year. This methodology and the percentage used is consistent with that applied by other Local Authorities.

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 that at the valuation date there is an adequate quantum of property market evidence existing upon which to base opinions of value without having to report those valuations as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

The valuation of the Council's land and building based assets, which are valued at current cost, is £286.013m (see Note 25c). For every 1% increase or decrease in the carrying amount, the impact on the balance sheet would be +/- £2.860m. The Council's investment portfolio is valued at fair value and is held on the balance sheet at £13.777m. Any change in the fair value measurement of +/- 1% will result in a movement on the balance sheet of +/- £0.138m.

3. CHANGES IN ACCOUNTING POLICY IN RELATION TO THE 2021-2022 STATEMENT OF ACCOUNTS

When compared to 2020-2021, there have been no changes in accounting policy applied in the production of these financial statements.

4. EVENTS AFTER THE REPORTING DATE

The statement of accounts was authorised for issue by the Executive Director of Corporate Services on 29 July 2022. 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 2022, the figures in the financial statements and commentary provided in the notes have been prepared in all material respects to reflect the impact of this information. There are no non-adjusting events after the Balance Sheet date.

5. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

The following tables provide details of those adjustments.

2021-2022	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	14,115	-	-	(14,115)
Revaluation losses on Property, Plant and Equipment	7,194	-	-	(7,194)
Movements in the fair value of Investment Properties	(1,827)	-	-	1,827
Amortisation of Intangible Assets	99	-	-	(99)
Capital Grants and Contributions applied credited to the Comprehensive Income and Expenditure Statement	(10,738)	-	-	10,738
Revenue expenditure funded from capital under Statute	3,831	-	-	(3,831)
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	8,140	-	-	(8,140)
Other items debited or credited to the Comprehensive Income and Expenditure Statement	21	-	-	(21)
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	(3,178)	-	-	3,178
Capital expenditure charged against the General Fund balance	(421)	-	-	421
Adjustments primarily involving the Capital Grants Unapplied Account				
Capital Grants and Contributions unapplied credited/debited to the Comprehensive Income and Expenditure Statement	(5,915)	-	5,915	-
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	(4,914)	4,914
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	(99)	99	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	(2,888)	-	2,888
Amount of Deferred Capital Receipts and Long-term Debtors received	-	139	-	(139)

2021-2022	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	26,450	-	-	(26,450)
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	(16,119)	-	-	16,119
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	(444)	-	-	444
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	555	-	-	(555)
Total Adjustments 2021-2022	21,603	(2,650)	1,001	(19,954)

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 or sale 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)

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 2021		Movements in year 2021-2022	31 March 2022
£000		£000	£000
139,992	Revaluation Reserve (a)	15,628	155,620
181,305	Capital Adjustment Account (b)	(2,385)	178,920
(665)	Financial Instruments Adjustment Account (c)	61	(604)
(337,393)	Pensions Reserve (d)	41,246	(296,147)
(22,556)	Collection Fund Adjustment Account (e)	16,119	(6,437)
(742)	Dedicated Schools Grant Adjustment Account (f)	(555)	(1,297)
(4,707)	Accumulating Compensated Absences Adjustment Account (g)	444	(4,263)
(44,766)	Total	70,558	25,792

(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.

2020-2021 £000		2021-2022 £000
141,793	Balance brought forward at 1 April	139,992
6,284	Upward Revaluation of Assets Property, Plant and Equipment	24,260
(5,487)	Downward Revaluation of Assets and Impairment Losses not charged to the Surplus/ Deficit on the Provision of Services Property, Plant and Equipment	(1,445)
797	Surplus or Deficit on Revaluation of Non-Current Assets not posted to the Surplus or Deficit on the Provision of Services	22,815
(2,318)	Difference between Fair Value Depreciation and Historical Cost Depreciation	(2,234)
(280)	Accumulated Gains on Non-Current Assets written out on disposal, sale or derecognition	(4,953)
(2,598)	Amount written off to the Capital Adjustment Account	(7,187)
139,992	Balance carried forward at 31 March	155,620

(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.

2020-2021 £000		2021-2022 £000
170,962	Balance brought forward at 1 April	181,305
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	
(13,613)	Charges for Depreciation and Impairment of Non-Current Assets	(14,115)
(4,257)	Revaluation losses on Property, Plant and Equipment	(7,194)
(129)	Amortisation of Intangible Assets	(99)
(2,316)	Revenue expenditure funded from capital under Statute	(3,831)
(1,014)	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	(8,140)
-	Other Items	(21)
	Adjusting amounts written out of the Revaluation Reserve	
2,318	Difference between Fair Value Depreciation and Historical Cost Depreciation	2,235
280	Amounts of Revaluation Reserve written out on disposal, sale or derecognition of Non-Current Assets	4,953
	Capital financing applied in the Year	
5,177	Use of the Capital Receipts Reserve to finance new capital expenditure	2,888
9,581	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	8,676
1,907	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	2,062
4,579	Application of grants to capital financing from the Capital Grants Unapplied Account	4,914
3,126	Provision for the financing of capital investment charged against General Fund balances	3,178
1,844	Capital expenditure charged against General Fund balances	421
2,989	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	1,827
(129)	Long Term Debtors and Loan Repayments	(139)
181,305	Balance carried forward at 31 March	178,920

(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.

2020-2021 £000		2021-2022 £000
(726)	Balance brought forward at 1 April	(665)
61	Proportion of premiums incurred in previous years charged against the General Fund balance in accordance with statutory requirements	61
(665)	Balance carried forward at 31 March	(604)

(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.

2020-2021 £000		2021-2022 £000
(290,768)	Balance brought forward at 1 April	(337,393)
(28,149)	Re-measurement Gains/(Losses) on Pension Assets/ Liabilities	67,697
(34,905)	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	(42,486)
16,429	Employer's pensions contributions and direct payments to pensioners payable in year	16,035
(337,393)	Balance carried forward at 31 March	(296,147)

(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.

2020-2021 £000		2020-2021 £000
5,035	Balance brought forward at 1 April	(22,556)
	Amount by which credited to the Comprehensive Income and Expenditure Statement is different from income calculated for the year in accordance with statutory requirements:	
(1,362)	- Council Tax	353
(26,229)	- Non-Domestic Rates	15,766
(22,556)	Balance carried forward at 31 March	6,437

(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		2021-2022 £000
0	Balance brought forward at 1 April	(742)
(742)	Transfer of DSG deficit to the Dedicated Schools Grant Adjustment Account in the year in accordance with statutory requirements	(555)
(742)	Balance carried forward at 31 March	(1,297)

(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.

2020-2021 £000		2021-2022 £000
(2,842)	Balance brought forward at 1 April	(4,707)
(1,865)	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.	444
(4,707)	Balance carried forward at 31 March	(4,263)

7. GENERAL FUND RESERVES

31 March 2021		Movements in year 2021-2022	31 March 2022
£000		£000	£000
4,518	Insurance & Contingent Liability Reserve (a)	690	5,208
18,377	Transformation Reserve (b)	(518)	17,859
6,571	Growth Reserve (c)	(641)	5,930
1,481	Essential Equipment Fund (d)	(176)	1,305
702	Councillor Improvement Fund (e)	(126)	576
1,248	Waste Management Development Fund (f)	(44)	1,204
1,000	Inflationary Reserve (g)	2,000	3,000
997	Community Improvement Reserve (h)	(106)	891
1,617	Restructuring Reserve (i)	2,090	3,707
5,227	Funding Reform Volatility Reserve (j)	3,767	8,994
7,395	Covid-19 Reserve - General (k)	1,941	9,336
21,158	Covid-19 Reserve - Collection Fund (k)	(12,593)	8,565
70,291	Sub-Total	(3,716)	66,575
854	NW Regional Leaders Board (l)	(205)	649
11,656	Schools Balances (m)	1,884	13,540
12,780	Unallocated General Fund Balances (n)	643	13,423
95,581	Total	(1,394)	94,187

The purpose of the reserves is:

- (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.

- (c) The Growth Reserve is to support the delivery of developments which will enhance the economic growth of the Borough, attract new business and employment opportunities, and secure the long-term viability of St Helens Town Centre and its localities.
- (d) 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.
- (e) The Councillor Improvement Fund provides funding towards projects which councillors believe will enhance their ward environment.
- (f) 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.
- (g) 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.
- (h) The Community Improvement Reserve was established to support new community improvements and the retention of some community-based services.
- (i) 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.
- (j) 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.
- (k) The Covid-19 Reserve is twofold and represents funding set aside to:
 - support the ongoing additional costs and income losses resulting from the pandemic
 - provide resource cover for Collection Fund deficits arising as a result of the terms of the Government's Retail, Hospitality and Leisure (Business Rates) Relief Scheme
- (l) Balances held as Accountable Body to the North-West Regional Leaders Board.
- (m) Balances held under delegated scheme arrangements, whereby such balances are committed to be spent on the provision of education services.
- (n) 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.

2020-2021 £000		2021-2022 £000
28,031	Balance brought forward at 1 April	23,466
	Amounts received in Year	
483	Asset Sales and Grant Repayment	99
129	Repaid loans and advances	139
(5,177)	Amounts applied to finance new capital investment in year	(2,888)
23,466	Balance carried forward at 31 March	20,816

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 2021 £000		31 March 2022 £000
10,211	Department for Education	11,583
1,011	Liverpool City Region Combined Authority	690
75	Other Grants and Contributions	25
11,297	Total	12,298

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 2022. 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	Individual Schools Budget	Total 2021-2022
	£000	£000	£000
Final DSG before Academy and High Needs recoupment	23,953	141,895	165,848
Academy and High Needs figures recouped	(1,156)	(38,629)	(39,785)
Total DSG after Academy and High Needs recoupment	22,797	103,266	126,063
Brought forward at 1 April 2021	(1,356)	614	(742)
Agreed budgeted distribution	21,441	103,880	125,321
In-year adjustments	-	(59)	(59)
Final budgeted distribution	21,441	103,821	125,262
Less: Actual expenditure	22,907	103,652	126,559
Carry forward at 31 March 2022	(1,466)	169	(1,297)

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.

2020-2021			2021-2022	
TPS	NHSPS		TPS	NHSPS
10.45	0.04	Employer Contribution (£m)	10.63	0.01
23.68%	20.68%	Employer Contribution Rate	23.68%	20.68%

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

The TPS employer contribution rate for 2022-2023 is to remain at a rate of 23.68% and the estimated cost of employer contributions is £11.1m. The Department for Education provides grant funding to cover the cost of the increased contribution rate, that was introduced in September 2019, as part of the Dedicated Schools Grant.

Sums payable in 2022-2023 for the NHSPS are expected to be similar to those of 2021-2022.

(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.

2020-2021			2021-2022	
TPS £000	LGPS £000		TPS £000	LGPS £000
		Cost of Services		
-	27,190	Current service cost	-	34,699
-	431	(Gains)/losses on settlements & curtailments	-	727
-	76	Past service cost	-	2
		Other Operating Expenditure		
-	428	Pension administration expenses	-	436
		Financing and Investment Income and Expenditure		
441	6,339	Net interest expense	374	6,248
441	34,464	Total Post-Employment Benefits charged to Surplus or Deficit on Provision of Services	374	42,112

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

2020-2021			2021-2022	
TPS £000	LGPS £000		TPS £000	LGPS £000
(441)	(34,464)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services	(374)	(42,112)
-	14,503	Employer's contributions payable to scheme	-	14,206
1,925	-	Retirement benefits payable to pensioners	1,830	-
1,925	14,503	Total Charged to the General Fund Balance	1,830	14,206

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

2020-2021				2021-2022		
TPS £000	LGPS £000	TOTAL £000		TPS £000	LGPS £000	TOTAL £000
18,745	1,136,125	1,154,870	Benefit obligation at end of the period	17,301	1,162,664	1,179,965
-	(817,477)	(817,477)	Fair Value of plan assets at end of the period	-	(892,968)	(892,968)
18,745	318,648	337,393	Deficit as at 31 March	17,301	269,696	286,997

The overall net liability for retirement benefits has decreased significantly during the twelve-month period to 31 March 2022. The principal factors contributing to this movement are:

- The favourable Fund investment performance in the period and remeasurement gains reflecting the subsequent increase in asset valuations as at the Balance Sheet date
- A decrease in projected liabilities through updates to the latest CMI mortality tables
- The early payment of an element of employer pension contributions for 2022-2023

(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.

2020-2021 £000		2021-2022 £000
702,599	Opening Fair Value of Scheme Assets	817,477
16,747	Interest on plan assets	17,355
(428)	Pension administration expenses	(436)
108,159	Remeasurement gains / (losses)	59,453
14,503	Employer contributions	23,356
5,370	Member contributions	5,507
(29,473)	Benefits paid	(29,744)
817,477	Closing Fair Value of Scheme Assets	892,968

In April 2021, the Council made an upfront payment of £18.766m to the Merseyside Pension Fund for 80% of the Council's estimated employer contributions relating to the two-year period 2021-2022 to 2022-2023. Contributions of 20% of the Council's actual employer contributions are made each month during the financial year with a reconciliation taking place at the year end to ensure that the full contributions for the year are paid to the pension fund.

The upfront payment allowed 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.

Based on the calculations supporting the upfront payment, the prepaid 80% Council employer contribution for 2022-2023 was £9.150m.

The assets at 31 March comprised:

2020-2021					2021-2022			
Quoted £000	Unquoted £000	Total £000	% of Total		Quoted £000	Unquoted £000	Total £000	% of Total
123,687	16,268	139,955	17%	Equities				
191,453	84,118	275,571	34%	UK	131,158	14,838	145,996	16%
				Global	199,304	97,820	297,124	33%
				Bonds				
10,545	-	10,545	1%	UK Government	9,618	-	9,618	1%
27,222	-	27,222	3%	UK Corporate	26,117	-	26,117	3%
64,744	-	64,744	8%	UK Index Linked	74,675	-	74,675	8%
4,414	-	4,414	1%	Overseas	4,379	-	4,379	1%
				Corporate				
-	(2,698)	(2,698)	(1%)	Derivative Contracts	-	(2,931)	(2,931)	(1%)
				Property				
-	38,748	38,748	5%	UK Direct Property	-	48,361	48,361	5%
1,471	14,388	15,859	2%	UK Managed Property	1,099	13,739	14,838	2%
18,720	-	18,720	2%	Global Managed Property	-	22,348	22,348	3%
				Private Equity				
-	16,350	16,350	2%	UK	-	25,371	25,371	3%
-	53,054	53,054	6%	Global	92	55,688	55,780	6%
				Cash				
18,475	-	18,475	2%	All	19,157	-	19,157	2%
				Other				
1,308	4,905	6,213	1%	Other	1,374	3,664	5,038	1%
				Alternatives UK				
-	30,410	30,410	4%	Other	-	31,324	31,324	4%
				Alternatives				
				Global				
1,063	29,674	30,737	4%	Infrastructure UK	-	40,026	40,026	4%
-	23,298	23,298	3%	Infrastructure	-	26,745	26,745	3%
				Global				
245	16,023	16,268	2%	Opportunistic	-	16,487	16,487	2%
				Credit UK				
1,144	28,448	29,592	4%	Opportunistic	1,465	31,050	32,515	4%
				Credit Global				
464,491	352,986	817,477	100%	Total	468,438	424,530	892,968	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:

2020-2021				2021-2022		
TPS £000	LGPS Funded £000	LGPS Unfunded £000		TPS £000	LGPS Funded £000	LGPS Unfunded £000
19,333	966,180	7,854	Opening Fair Value of Scheme Liabilities	18,745	1,128,287	7,838
-	27,190	-	Current service cost	-	34,699	-
441	22,907	179	Interest on pension liabilities	374	23,446	157
-	431	-	Curtailments	-	727	-
-	5,370	-	Member contributions	-	5,507	-
-	76	-	Past Service Cost	-	2	-
(1,926)	(28,680)	(793)	Benefits paid	(1,830)	(28,994)	(750)
897	134,813	598	Re-measurement (gains) and losses arising from changes in financial assumptions	11	(8,223)	(32)
18,745	1,128,287	7,838	Closing Fair Value of Scheme Liabilities	17,300	1,155,451	7,213

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 2021		31 March 2022
	Base Assumptions:	
2.7%	Rate of CPI inflation	3.4%
4.2%	Rate of increase in salaries	4.9%
2.8%	Rate of increase in pensions	3.5%
2.1%	Rate of discounting plan liabilities	2.8%
50%	Proportion of employees opting to take a commuted lump sum	50%
	Mortality Assumptions:	
22.6 years	Life expectancy of male future pensioner aged 65 in 20 years time	22.4 years
26.0 years	Life expectancy of female future pensioner aged 65 in 20 years time	25.9 years
21.0 years	Life expectancy of male current pensioner aged 65	20.9 years
24.1 years	Life expectancy of female current pensioner aged 65	24.0 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	17,301	17,176	17,429	18,169
Liabilities - LGPS	1,162,664	1,143,847	1,181,790	1,198,039
Assets – LGPS	(892,968)	(892,968)	(892,968)	(892,968)
Deficit/(Surplus)	286,997	268,055	306,251	323,240

(g) Additional Pensions Information

The net liability of £286.997m 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 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 were determined to support the regulatory requirement to secure solvency and long-term cost efficiency and the Administering Authority's long-term funding objective for the Fund to achieve, and then maintain, sufficient assets to cover 100% of projected accrued liabilities (the "solvency funding target"), with a deficit recovery period of 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. In line with the Funding Strategy Statement the surplus above the 100% solvency funding target is offset against the contributions for future service as detailed below:

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

The Fund provided the Council with an option of paying an 80% 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 80% element of its projected contributions for the two-year period commencing 1 April 2021 upfront during 2021- 2022. This option has been exercised and has allowed 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. 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 2022-2023 Contribution £000
LGPS - Funded	3,064
LGPS - Unfunded	750
TPS - Unfunded	11,100

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

12. OTHER OPERATING EXPENDITURE

2020-2021 £000		2021-2022 £000
331	Parish Council Precepts	328
12,321	Liverpool City Region Combined Authority Transport Levy	12,302
98	Environment Agency Levy	101
9,053	Merseyside Recycling and Waste Authority Levy	8,749
530	(Gains)/Losses on the Sale, Disposal or Derecognition of Non-Current Assets	8,041
428	Pension Administration Expenses	436
22,761	Total	29,957

13. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2020-2021 £000		2021-2022 £000
5,428	Interest Payable and Similar Charges	5,216
2,248	PFI Interest Payable	2,185
(2,248)	PFI Grant Applied	(2,185)
6,780	Net Interest Expense-Pensions (see Note 11d & e)	6,622
(1,021)	Interest Receivable and Similar Income	(780)
(3,814)	Income and Expenditure in relation to Investment Properties and changes in their fair value (see Note 28)	(2,617)
7,373	Total	8,441

14. TAXATION AND NON-SPECIFIC GRANT INCOME

2020-2021 £000		2021-2022 £000
(77,931)	Council Tax Income	(82,579)
(28,843)	Retained Non-Domestic Rates	(45,840)
(81,199)	Grants and Contributions (see Note 16)	(58,652)
(187,973)	Total	(187,071)

15. EXPENDITURE AND INCOME ANALYSED BY NATURE

2020-2021 £000		2021-2022 £000
	Expenditure	
191,390	Employee Expenses	200,877
249,690	Other Service Expenses	261,659
73,798	Support Service Recharges	78,616
15,011	Depreciation, Amortisation, Impairment & Revaluation (i) & (ii)	19,601
14,456	Interest Payments	14,023
21,803	Precepts and Levies	21,480
530	(Gain)/Loss on Sale, Disposal or Derecognition of Non-Current Assets	8,041
566,678	Total Expenditure	604,297
	Income	
(65,107)	Fees, Charges and Other Service Income (iii)	(77,021)
(73,798)	Support Service Recharge Income	(78,616)
(1,021)	Interest and Investment Income	(780)
(106,774)	Income from Council Tax and Retained Non-Domestic Rates	(128,419)
(308,707)	Government Grants	(296,464)
(555,407)	Total Income	(581,300)
11,271	(Surplus) or Deficit on the Provision of Services	22,997

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

2020-2021 £000		2021-2022 £000
801	Corporate Services Directorate	895
9,380	Place Services Directorate	9,685
140	Integrated Health & Social Care Directorate	126
3,422	Children & Young People Services Department	3,508
13,743	Total	14,214

(ii) Segmental Split of Impairment and Revaluation

2020-2021		2021-2022
£000		£000
-	Corporate Services Directorate	-
3,800	Place Services Directorate	7,490
104	Integrated Health & Social Care Directorate	(373)
352	Children & Young People Services Department	97
(2,988)	Other Non-Service	(1,827)
1,268	Total	5,387

(iii) Segmental Split of Fees, Charges and Other Service Income

2020-2021		2021-2022
£000		£000
(739)	Corporate Services Directorate	(1,953)
(19,861)	Place Services Directorate	(27,616)
(38,843)	Integrated Health & Social Care Directorate	(39,137)
(5,664)	Children & Young People Services Department	(8,315)
(65,107)	Total	(77,021)

16. GRANT INCOME

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

2020-2021 £000	Credited to Taxation and Non-Specific Grant Income	2021-2022 £000
	Covid-19 Grants	
10,736	Covid-19 Grant Funding (Emergency Grant 2020-2021)	5,837
4,341	Covid-19 Sales, Fees and Charges Compensation	641
1,906	Local Council Tax Support Grant	1,801
989	Tax Income Guarantee - Business Rates and Council Tax	-
	Total Formula Grant	
20,366	Non-Domestic Rates Top Up Grant	20,426
	Other Revenue Government Grants	
27,364	Section 31 Non-Domestic Rates Grant	14,641
1,703	New Homes Bonus	852
-	Lower Tier Services Grant	271
	Capital Grants and Contributions	
3,748	Department for Education	6,310
408	Department for Levelling Up, Housing and Communities	665
643	Department for Transport	11
8,618	Liverpool City Region Combined Authority	4,983
25	TPE Customer and Community Improvement Fund	606
352	Other Capital Grants and Contributions	741
	Other Contributions	
-	Mid-Mersey Non-Domestic Rates Pool	867
81,199	Total	58,652

2020-2021 £000	Credited to Services	2021-2022 £000
	Covid-19 Specific Grants and Contributions	
1,186	Additional Restrictions Grant / Hospitality & Leisure Fund	3,700
-	Adult Social Care Omicron Support Fund	241
814	Clinically Extremely Vulnerable Funding	-
1,047	Community Testing (formerly SMART Testing)	1,876
2,464	Contain Outbreak Management Fund	5,203
918	Covid-19 Catch up Premium	655
504	Covid-19 Free School Meals Additional Costs	-
965	Covid-19 Local Support Grant	803
4,257	Health Care Contributions in Relation to Covid-19 Activity	3,279
-	Household Support Fund	1,780
1,066	Infection Control Fund	678
1,580	Local Authority Discretionary Grant Fund	-
1,094	Local Restrictions Support Grant (Open)	-
481	Workforce Recruitment and Retention Fund	1,856
1,598	Other Covid-19 Grants and Contributions	3,369
	General Grants and Contributions	
12,646	Better Care Fund	13,173
123,806	Dedicated Schools Grant*	126,607
1,804	Disabled Facilities Grant	2,675
615	Discretionary Housing Payments	477
-	Early Years Capital Fund	594
7,873	Health Authority Contributions	5,822
29	Holiday Activities and Food Programme	517
165	Homelessness Prevention Grant / Rough Sleepers Initiative	641
927	Housing Benefit / Local Council Tax Support Admin Subsidy	875
47,875	Housing Benefit Subsidy Grant	48,370
1,082	Independent Living Fund Grant	1,082
1,531	Liverpool City Region Combined Authority	3,367
1,089	Merseyside Recycling & Waste Authority - Recycling Credits	1,124
934	PE and Sports Grant	914
1,065	Private Finance Initiative (PFI) Credit	1,217
14,018	Public Health Grant	13,588
7,743	Pupil Premium Grant	7,426
759	Registered Providers	805
1,601	School Sixth Form Funding	1,727
6,051	Social Care Support Grant	7,870
606	Supporting Families Grant	1,252
1,779	Universal Free School Meals for Infants Grant	1,606
6,013	Other Grants and Contributions	7,622
257,985	Total	272,791

*In 2021-2022, the former Teachers' Pay and Pensions grants have been incorporated into the Dedicated Schools Grant.

17. CAPITAL & REVENUE GRANT RECEIVED IN ADVANCE

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

31 March 2021			31 March 2022	
Short Term £000	Long Term £000	Capital Grants Receipts in Advance	Short Term £000	Long Term £000
1,271	-	Disabled Facilities Grant	1,744	-
32	-	Emergency Active Travel	575	-
665	-	Towns Fund	-	-
1,317	-	Other Grants and Contributions	1,174	-
3,285	-	Total	3,493	-

31 March 2021			31 March 2022	
Short Term £000	Long Term £000	Revenue Grants Receipts in Advance	Short Term £000	Long Term £000
		Covid-19 Specific Grants		
1,328	-	Test and Trace	-	-
3,185	-	Contain Outbreak Management Fund	816	-
318	-	Test and Trace Isolation Grant	-	-
1,065	-	Additional Restrictions Grant / Hospitality & Leisure Fund	-	-
-	-	Covid-19 Additional Relief Fund (CARF)	3,221	-
		General Grants and Contributions		
778	318	Supporting Families Grant	741	-
155	-	Pupil Premium Grant	305	-
214	951	Public Health Grant	697	1,534
427	4,070	Section 38/106 Contributions	428	4,896
674	-	Registered Providers	491	-
156	-	Asylum Support Grant	331	413
-	-	Towns Fund	1,169	-
1,988	374	Other Grants and Contributions	2,360	69
10,288	5,713	Total	10,559	6,912

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.

2020-2021 £000		2021-2022 £000
	Funding provided to the pooled budget	
(10,325)	St Helens Borough Council	(10,635)
(29,407)	St Helens CCG	(27,728)
(39,732)	Total Funding	(38,363)
37,420	Expenditure met from the pooled budget	39,112
(2,312)	Net (surplus)/deficit arising on the pooled budget during the year	749
(647)	Council share of (surplus)/deficit	210
(1,665)	St Helens CCG share of (surplus)/deficit	539

During 2016-2017 the Council agreed to provide a £4.0m repayable contribution to St Helens CCG, and repayment was to be made by a revision to the respective partners' contributions to the pooled budget over a number of years. The above table reflects that the CCG repaid the remaining balance at 31 March 2020 during the financial year 2020-2021.

(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

2020-2021 £000		2021-2022 £000
	Funding provided to pooled budget	
(10,180)	St Helens Borough Council	(10,180)
(16,421)	St Helens CCG	(17,249)
(26,601)	Total Funding	(27,429)
	Expenditure met from the pooled budget	
22,855	St Helens Borough Council	23,352
3,746	St Helens CCG	4,077
26,601	Total Expenditure	27,429
-	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 (£3.148m in 2020-2021).

(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 £1.024m.

The authority had no expenditure on contingent rents or sub-leases in 2021-2022, 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 2021 £000		31 March 2022 £000
825	Not later than one year	834
2,272	Later than one year and not later than five years	2,155
1,135	Later than five years	659
4,232	Total	3,648

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 2021 £000		31 March 2022 £000
2,727	Not later than one year	2,486
6,405	Later than one year and not later than five years	4,596
40,416	Later than five years	39,568
49,548	Total	46,650

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 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	Remuneration	No. of Employees employed by the Council 2021-2022	No. of which are employed in Local Authority Schools 2021-2022	No. of which are Employees employed by School Governing Bodies 2021-2022
103	36	27	£50,000 - £54,999	111	34	41
36	13	8	£55,000 - £59,999	51	19	11
34	20	11	£60,000 - £64,999	39	14	9
27	11	10	£65,000 - £69,999	22	8	10
14	8	2	£70,000 - £74,999	21	11	6
18	3	2	£75,000 - £79,999	15	3	1
7	2	2	£80,000 - £84,999	7	1	1
3	2	-	£85,000 - £89,999	10	1	1
4	1	1	£90,000 - £94,999	7	1	-
1	-	1	£95,000 - £99,999	4	1	1
-	-	-	£100,000 - £104,999	2	-	1
2	-	-	£105,000 - £109,999	-	-	-
-	-	-	£110,000 - £114,999	1	1	-
1	-	-	£125,000 - £129,999	-	-	-
1	1	-	£130,000 - £134,999	-	-	-
1	-	-	£155,000 - £159,999	-	-	-
2	-	-	£180,000 - £184,999	-	-	-
254	97	64	Total	290	94	82

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

- (ii) The remuneration of senior employees, in accordance with the Accounts and Audit Regulations 2015, is detailed in the following table. The senior employees included within the following table are excluded from the tables in Note 20(i) and Note 24.

2020-2021			2021-2022	
Remuneration £000	Employer's Pension Contribution £000	Senior Employee	Remuneration £000	Employer's Pension Contribution £000
161	27	Chief Executive - KO'Dwyer	167	28
91	15	Assistant Chief Executive ¹	105	18
106	18	Executive Director of Place Services ²	119	20
120	20	Executive Director of Corporate Services	124	21
18	3	Executive Director of Integrated Health & Social Care (Accountable Officer for St Helens CCG) ³	142	24
-	-	Director of Public Health ⁴	89	15
91	19	Director of Public Health ⁵	13	3
47	-	Director of Children's Services ⁶	142	-
98	17	Director of Adult Services	100	17
68	12	Director of Legal & Governance (Monitoring Officer) ⁷	108	18
33	6	Assistant Director - Legal & Democratic (Interim Monitoring Officer) ⁸	-	-
35	7	Executive Director of People's Services (Accountable Officer for St Helens CCG) ⁹	-	-

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

- 1 The Assistant Chief Executive commenced employment with the Council on 18 May 2020.
- 2 The Executive Director of Place Services commenced employment with the Council on 27 April 2020.
- 3 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.
- 4 The Director of Public Health commenced in this role on 24 April 2021.
- 5 The former Director of Public Health left this role on 23 May 2021.
- 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 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.
- 8 The Assistant Director – Legal & Democratic was designated as the Council's Interim Monitoring Officer from 2 September 2019 to 2 August 2020.
- 9 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.

21. MEMBERS' ALLOWANCES & EXPENSES

A total of £654k was paid to Members of the Council by way of expense/allowance during 2021-2022 (£647k in 2020-2021).

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 totalling £200k were made to the World of Glass in 2021-2022 (£187k in 2020-2021), 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 2020-2021, the Council agreed a contribution of £0.4m to the Joint Venture towards the costs incurred in relation to the planning inquiry for the Phase 1 development of the Parkside site. Approval from the Secretary of State was received in November 2021. Following this approval, a further loan of £1.1m was approved by the Council in December 2021, with the same amount matched by Langtree Property Partners, to cover professional fees relating to the development of the Phase 1 development.

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

ECF is a Joint Venture Limited Partnership between Muse, Legal & General and Homes

England, established to drive greater institutional and private investment in English towns and cities.

The Council's Cabinet approved Masterplan Development Frameworks for St Helens and Earlestown Town Centres in February 2022 and work is progressing on bringing forward Phase 1 schemes for further approval.

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.

2020-2021 £000		2021-2022 £000
139	Fees payable to the appointed auditors with regard to external audit services carried out by the appointed auditor*	141
20	Fees payable to the appointed auditors for the certification of grant claims and returns	26
159	Total	167

*The sums for 2020-2021 and 2021-2022 are the proposed fee agreed by Public Sector Audit Appointments (PSAA), plus the additional audit fees subsequently agreed with PSAA in relation to that period. Increases to the fee have been driven by new requirements on auditors, including those arising from the 2020 Code of Audit Practice.

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	
	2020 -2021	2021 -2022	2020 -2021	2021 -2022	2020 -2021	2021 -2022	2020 -2021 £000	2021 -2022 £000
£0-£20,000	3	5	39	23	42	28	383	229
£20,001-£40,000	-	-	8	9	8	9	240	240
£40,001-£60,000	-	-	3	3	3	3	147	143
£60,001-£80,000	-	-	2	3	2	3	149	206
£80,001-£100,000	-	-	2	1	2	1	178	90
£100,001-£150,000	-	-	1	2	1	2	140	226
Total	3	5	55	41	58	46	1,237	1,134

25. PROPERTY, PLANT AND EQUIPMENT

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

(a) Movements in 2021-2022

	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 2021	251,857	18,526	261,011	13,137	13,260	4,139	561,930
Additions	11,365	1,471	6,268	113	-	12,024	31,241
Revaluations recognised in the Revaluation Reserve	17,454	-	-	-	(275)	-	17,179
Revaluations recognised in the Surplus/Deficit on the Provision of Services	(7,366)	-	-	(517)	(58)	-	(7,941)
De-recognition - Assets with Nil Net Book Value	-	(1,278)	-	-	-	-	(1,278)
Sales, Disposals and other derecognitions	(8,450)	-	-	-	-	-	(8,450)
Reclassification to Assets Held for Sale	-	-	-	-	(1,639)	-	(1,639)
Reclassification from Investment Properties	1,671	-	-	-	-	-	1,671
Other re-classifications	6,574	-	-	-	1,620	(8,194)	-
Valuation - Balance c/fwd at 31 March 2022	273,105	18,719	267,279	12,733	12,908	7,969	592,713
Depreciation - Balance b/fwd at 1 April 2021	2,465	8,626	80,656	-	-	-	91,747
Depreciation Charge	4,740	2,735	6,639	-	-	-	14,114
Written out to the Revaluation Reserve	(5,629)	-	-	-	(7)	-	(5,636)
Written out to the Surplus/Deficit on the Provision of Services	(747)	-	-	-	-	-	(747)
De-recognition - Assets with Nil Net Book Value	-	(1,278)	-	-	-	-	(1,278)
Sales, Disposals and other derecognitions	(310)	-	-	-	-	-	(310)
Other re-classifications	(91)	-	-	-	91	-	-
Depreciation - Balance at 31 March 2022	428	10,083	87,295	-	84	-	97,890
Net carrying value at 31 March 2022	272,677	8,636	179,984	12,733	12,824	7,969	494,823

(b) Comparative 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

(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 2022	260,023	7,121
31 March 2021	6,112	1,715
31 March 2020	952	2,139
31 March 2019	3,146	-
31 March 2018	2,872	1,853
Prior to 31 March 2017	-	80
Total	273,105	12,908

26. PRIVATE FINANCE INITIATIVE (PFI) AND SIMILAR CONTRACTS

Rainford High School PFI Scheme

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

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

Analysis of Payments

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

	Payments for Services	Repayment of Capital	Interest	Total
	£000	£000	£000	£000
Within one year	1,520	710	2,122	4,352
Payable within 2-5 years	6,927	3,174	7,725	17,826
Payable within 6-10 years	9,478	6,140	7,679	23,297
Payable within 11-15 years	11,112	9,365	4,085	24,562
Payable within 16-20 years	1,631	2,071	205	3,907
Total	30,668	21,460	21,816	73,944

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.

2020-2021		2021-2022
£000		£000
22,733	Balance brought forward at 1 April	22,089
(644)	Repayments during the year	(629)
22,089	Balance carried forward at 31 March	21,460

27. HERITAGE ASSETS

2020-2021				2021-2022		
Opening Balance 1 April	In-Year Movements	Closing Balance 31 March		Opening Balance 1 April	In-Year Movements	Closing Balance 31 March
£000	£000	£000		£000	£000	£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.

2020-2021 £000		2021-2022 £000
(886)	Rental income from Investment Properties	(855)
61	Direct operating expenses arising from Investment Properties	65
(825)	Net (Income)/Expenditure	(790)

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.

2020-2021 £000		2021-2022 £000
10,632	Balance brought forward at 1 April	13,621
2,989	Net Gains/(Losses) from Fair Value adjustments	1,827
-	Transfers (to)/from Property, Plant and Equipment	(1,671)
13,621	Balance carried forward at 31 March	13,777

Fair Value Hierarchy

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

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

The fair value of investment properties assessed at Level 2 has been based on the market approach using current market conditions and recent sale prices and other relevant information for similar assets in the local authority area. The work undertaken by the valuers focused on the change in values since the last valuation, i.e. the period from 31 March 2021 to 31 March 2022.

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

2020-2021				2021-2022		
Gross Carrying Amount £000	Accumulative Amortisation £000	Net Carrying Amount £000		Gross Carrying Amount £000	Accumulative Amortisation £000	Net Carrying Amount £000
683	(417)	266	Balance brought forward at 1 April	495	(358)	137
-	-	-	Additions in year	1	-	1
-	(129)	(129)	Amortised/Disposed in year	-	(98)	(98)
(188)	188	-	Derecognition of assets wholly amortised	(321)	321	-
495	(358)	137	Total	175	(135)	40

30. SHORT & LONG-TERM INVESTMENTS

2020-2021				2021-2022		
Principal £000	Accrued Interest £000	Total £000		Principal £000	Accrued Interest £000	Total £000
99,700	246	99,946	Short-term Investments	112,000	174	112,174
7,027	8	7,035	Long-term Investments	26	-	26
106,727	254	106,981	Total	112,026	174	112,200

31. LONG-TERM DEBTORS

31 March 2021		New Loans	Transfer to short term debtors	Impaired in the Year	Repaid in the Year	Other Movements	31 March 2022
£000		£000	£000	£000	£000	£000	£000
2,456	Improvement Loans	-	-	-	(108)	-	2,348
902	Housing Innovation Loans	-	-	(5)	(31)	-	866
16	Housing Associations	-	-	(16)	-	-	-
1,372	Social Care Deferred Payments	340	(665)	-	-	-	1,047
9,414	Parkside Regeneration LLP	1,200	-	-	-	360	10,974
14,160	Sub-Total	1,540	(665)	(21)	(139)	360	15,235
(206)	Less Provision for Bad Debts	-	-	-	-	49	(157)
13,954	Total	1,540	(665)	(21)	(139)	409	15,078

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.

2020-2021 £000		2021-2022 £000
180,854	Opening Capital Financing Requirement	177,753
	Capital Investment	
20,498	Property, Plant and Equipment	31,241
-	Intangible Assets	1
2,316	Revenue Expenditure funded from Capital under Statute	3,831
300	Long Term Debtors (Loans & Advances)	1,200
	Sources of Finance	
(5,177)	Capital Receipts	(2,888)
(16,068)	Government Grants and Other Contributions	(15,651)
	Sums set aside from Revenue	
(1,844)	Direct Revenue Contributions	(421)
(3,126)	Revenue Provision for repayment of borrowing and other long term liabilities	(3,180)
177,753	Closing Capital Financing Requirement	191,886
	Explanation of Movements in Year	
25	Underlying need to borrow arising from capital investment	17,313
(3,126)	Revenue provision for repayment of borrowing and other long-term liabilities	(3,178)
-	Other movements	(2)
(3,101)	Increase/(Decrease) in Capital Financing Requirement	14,133

(b) Capital Commitments

At 31 March 2022, the authority had entered into a number of contracts for the construction or enhancement of infrastructure and property or the purchase of vehicles and equipment in 2022-2023 and future years budgeted to cost £43.9m. (Similar commitments at March 2021 were £1.8m). The main contractual commitments are shown in the following table.

Capital Commitments	2021-2022 £000
A49 to M6 Junction 22 Link Road	28,830
Ashurst Primary School	7,336
Penkford Special School	3,691
Vehicle Replacement	2,599
Gamble Building External Works	972
Other Capital Commitments	437
Total	43,865

33. ASSETS HELD FOR SALE

2020-2021 £000		2021-2022 £000
770	Balance Brought Forward at 1 April	824
54	Assets classified (to)/from Property, Plant and Equipment	1,639
824	Balance Carried Forward at 31 March	2,463

34. SHORT-TERM DEBTORS

31 March 2021 £000		31 March 2022 £000
	Council Tax/Non-Domestic Rates Debtors (See Note 1 to the Collection Fund)	
17,390	Council Tax	19,817
63	Liverpool City Region Combined Authority	60
361	Merseyside Fire & Rescue Authority	203
9,307	Non-Domestic Rates	9,456
718	Police & Crime Commissioner for Merseyside	715
	Other (Non-Collection Fund) Short Term Debtors	
2,753	Housing Benefits	2,494
3,176	Liverpool City Region Combined Authority	4,538
5,782	NHS Bodies	2,995
4,879	Other Government Departments	6,543
190	Other Local Authorities	544
1,428	VAT	2,512
14,960	Sundry	15,344
61,007	Gross Debtors	65,221
	Less: Council Tax/Non-Domestic Rates (See Note 1 to the Collection Fund) Provision for Bad Debts	
(11,697)	Council Tax	(13,828)
(8,026)	Non-Domestic Rates	(7,657)
	Less: Other (Non-Collection Fund) Provision for Bad Debts	
(2,063)	Housing Benefit	(2,005)
(2,465)	Sundry	(2,536)
(24,251)	Total Provision for Bad Debts	(26,026)
36,756	Net Debtors	39,195

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

2020-2021				2021-2022		
Principal	Accrued Interest	Total		Principal	Accrued Interest	Total
£000	£000	£000		£000	£000	£000
3,105	944	4,049	PWLB	3,106	1,014	4,120
-	315	315	Market Loans	-	315	315
3,105	1,259	4,364	Total	3,106	1,329	4,435

(b) Analysis of Long-term Borrowing by Type

Principal 31 March 2021 £000		Principal 31 March 2022 £000
95,457	PWLB	114,521
23,000	Market Loans	23,000
118,457	Total	137,521

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

Principal 31 March 2021 £000		Principal 31 March 2022 £000
3,106	Between one and two years	12
40	Between two and five years	61
7,563	Five to fifteen years	7,530
1,960	Fifteen to twenty five years	1,960
90,788	Twenty five to fifty years	112,958
15,000	Over fifty years	15,000
118,457	Total	137,521

36. SHORT-TERM CREDITORS

31 March 2021 £000		31 March 2022 £000
	Council Tax/Non-Domestic Rates Creditors (See Note 1 to the Collection Fund)	
372	Central Government NDR Agency Arrangement	554
1,583	Council Tax	1,625
1,370	Non-Domestic Rates	1,245
	Other (Non-Collection Fund) Short Term Creditors	
-	Council Tax Energy Rebate Scheme – Agency Arrangement	11,978
8,087	Covid-19 Business Grants – Agency Arrangement	2,813
4,707	Employees Accumulated Absences (See Note 6g)	4,263
3,108	HMRC – Tax & National Insurance	3,622
1,940	Local Government Pension Scheme	1,465
-	Teachers' Pension Scheme	1,220
6,083	NHS Bodies	5,665
100	Section 31 Business Rates Grant	3,463
1,325	Other Government Departments	486
1,492	Other Local Authorities	1,772
25,859	Sundry	33,640
56,026	Total	73,811

37. PROVISIONS

	31 March 2021 £000	Expenditure Charged to Provision in Year £000	Increase/ Reduction in Provision £000	Reversal in Provision £000	31 March 2022 £000
Business Rates Appeals (a)	12,514	(155)	(407)	-	11,952
Equal Pay (b)	102	-	-	(89)	13
Ordinary Residence (c)	809	(309)	305	-	805
Public Health Referrals (d)	300	-	-	(300)	-
Short Term	13,725	(464)	(102)	(389)	12,770
Insurance (e)	4,050	(400)	(103)	-	3,547
Long Term	4,050	(400)	(103)	-	3,547
Total	17,775	(864)	(205)	(389)	16,317

- (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 2022 one settlement remains outstanding.
- (c) The Council is involved in a legal process to determine the responsible body for costs associated with two service users and, without prejudice, has set aside a provision for care costs associated with these Ordinary Residence claims.
- (d) There have been no claims made for prescription costs associated with Public Health referrals since the inception of the provision, and the provision is no longer required.
- (e) 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 most recent being commissioned in 2021-2022. The review of combined liability indicates that the forecast provision for this area at March 2022 is £3.356m. An analysis of the other insurances shows that a provision of £0.191m 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 2021 £000		31 March 2022 £000
493	Commuted Sums and Contractor Bonds	346
1,106	Merseyside Residual Body Debt	829
21,460	Rainford High PFI (see Note 26)	20,750
8,716	Merseyside Recycling and Waste Authority Investments	4,182
31,775	Total	26,107

39. FINANCIAL INSTRUMENTS

(a) Categories of Financial Instruments

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

31 March 2021			31 March 2022	
Current £000	Long Term £000		Current £000	Long Term £000
		Investments		
99,700	7,027	Loans and Receivables	112,000	26
23,774	-	Cash and Cash Equivalents	37,582	-
246	8	Accrued Interest on Loans and Receivables	174	-
		Debtors		
22,334	13,954	Financial Assets carried at Contract Amounts	21,375	15,078
146,054	20,989	Total Financial Assets	171,131	15,104
		Borrowings		
(3,105)	(118,457)	Financial Liabilities at Amortised Cost	(3,106)	(137,521)
(1,259)	-	Accrued Interest on Liabilities at Amortised Cost	(1,329)	-
		Other Long Term Liabilities		
-	(21,460)	Private Finance Initiative (PFI)	-	(20,750)
		Creditors		
(32,837)	-	Financial Liabilities carried at Contract Amount	(40,389)	-
(37,201)	(139,917)	Total Financial Liabilities	(44,824)	(158,271)

In line with the Accounting Policies, all Loans and Receivables have been classified as being measured at amortised cost. No loans and receivables have been measured as:

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

(b) Income, Expense, Gains and Losses

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

2020-2021			2021-2022	
Financial Liabilities £000	Financial Assets £000		Financial Liabilities £000	Financial Assets £000
(5,428)	-	Interest Expense	(5,216)	-
-	1,021	Interest Income	-	780
(5,428)	1,021	Net Income/(Expense) for the Year	(5,216)	780

Interest payments of £2.185m 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.

2020-2021			2021-2022	
Carrying Amount £000*	Fair Value £000		Carrying Amount £000*	Fair Value £000
99,506	162,809	PWLB Loans	118,641	164,815
23,315	49,274	Market Loans	23,315	43,640
22,089	43,469	PFI Liability	21,460	38,466
144,910	255,552	Total	163,416	246,921

*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 £164.815m 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 £118.641m would be valued at £133.006m. If the Council were to redeem its PWLB debt early, a charge of £47.188m would be payable, including accrued interest.

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.

2020-2021			2021-2022	
Carrying Amount £000*	Fair Value £000		Carrying Amount £000*	Fair Value £000
106,954	107,167	Loans and Receivables	112,174	111,951
27	27	Loans and Receivables - Stock	26	26
23,774	23,774	Cash and Cash Equivalents	37,582	37,582
130,755	130,968	Total	149,782	149,559

* Carrying values include accrued interest

The fair value of the Council's loans and receivables is less than the carrying amount because the Council's portfolio of investments includes a number of fixed rate investments where the interest rate receivable is lower than the rates available for similar loans at the Balance Sheet date.

(d) Cash and Cash Equivalents

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

2020-2021 £000		2021-2022 £000
(6,943)	Cash Overdrawn and Unpresented Cheques	(4,517)
17	Petty Cash	41
30,700	Bank Call Accounts	42,058
23,774	Total Cash and Cash Equivalents	37,582

(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 £127.058m 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 2022 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 2021 £000	Institution	Rating	31 March 2022 £000
680	Banks	AA F1+	15,000
-	Banks	AA- F1+	20,000
45,020	Banks	A+F1	67,058
15,000	Banks	A F1	15,000
-	Building Societies	A-F1	10,000
27	PFI Loan Stock	N/A	26
60,727	Total		127,084

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, and applying the Council's standard invoicing period, the past due amounts are detailed in the following table.

31 March 2021 £000		31 March 2022 £000
1,280	Less than three months	550
305	Three to six months	591
443	Six months to one year	779
1,778	Over one year	2,324
3,806	Total	4,244

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 and other sources, 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.

2020-2021			2021-2022	
Loans and Receivables £000	Financial Liabilities £000		Loans and Receivables £000	Financial Liabilities £000
107,167	212,083	Fair Values at 31 March	111,951	208,455
106,754	167,430	Fair Values + 1%	111,482	164,397

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.

2020-2021			2021-2022	
PFI Loan Stock £000	PFI Liability £000		PFI Loan Stock £000	PFI Liability £000
27	43,469	Fair Values at 31 March	26	38,466
27	39,959	Fair Values + 1%	26	35,952

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 £0.313m (£0.312m at 31 March 2021).

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. Any 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.

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 was heard in November 2021 and the written judgement was awaited at the date of the balance sheet. Subsequently, the Court's decision has been published but the impact on the Council remains uncertain and is subject to individual claims being lodged.

Ordinary Residence

A local authority has sought determination from the Secretary of State that St Helens is responsible for a service user due to their assertion that the service user was ordinarily resident in St Helens immediately prior to being detained under the Mental Health Act

The Council contests this, but the case could result in the Council becoming liable for claims for care fees from representatives of the service user.

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

2020-2021 £000		2021-2022 £000
	Non-current assets and assets held for sale	
13,613	Depreciation	14,115
129	Amortisation	99
1,268	Impairments and Downward Valuations	5,366
1,014	Carrying amounts of Non-current Assets and Non-current Assets held for sale, sold or de-recognised	8,140
	Current assets and current liabilities	
18,259	Movement in Creditors	15,558
(10,493)	Movement in Debtors	(3,054)
4,610	Movement in Bad Debts Provision	1,774
(382)	Movement in Inventories	336
18,476	Movement in Pension Liability charged / credited to the Comprehensive Income and Expenditure Statement	17,300
1,684	Other non-cash items charged to the net surplus or deficit on the provision of services	309
48,178	Total	59,943

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

2020-2021 £000		2021-2022 £000
(483)	Proceeds from the Sale of Non-Current Assets	(99)
2,316	Revenue Expenditure Funded from Capital Under Statute	3,831
(825)	Investment Properties Net Income	(790)
(15,701)	Any other items for which the cash effects are investing or financing cash flows	(16,653)
(14,693)	Total	(13,711)

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

2020-2021 £000		2021-2022 £000
	Cash Outflows	
(139,787)	Cash Paid to and on Behalf of Employees	(140,502)
(48,231)	Housing Benefit Paid Out	(48,593)
(331)	Precepts Paid	(329)
(180,756)	Cash Paid to Suppliers of Goods and Services	(197,622)
(7,690)	Interest Paid	(7,330)
(74,096)	Other Payments for Operating Activities	(82,134)
(450,891)	Total Cash Outflows	(476,510)
	Cash Inflows	
106,266	Taxation	127,521
302,703	Grants	292,492
33,559	Sales of Goods and Rendering of Services	40,946
1,314	Interest Received	928
29,263	Other Receipts from Operating Activities	37,858
473,105	Total Cash Inflows	499,745
22,214	Net Cash Flow from Operating Activities	23,235

45. CASH FLOW STATEMENT - INVESTING ACTIVITIES

2020-2021 £000		2021-2022 £000
	Cash Outflows	
(20,889)	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	(29,134)
(14,209)	Purchase of Short Term and Long-Term Investments	(11,313)
-	Other Payments for Investing Activities	(3,830)
(35,098)	Total Cash Outflows	(44,277)
	Cash Inflows	
484	Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	94
128	Proceeds from Sale of Short Term and Long-Term Investments	139
16,383	Other Receipts from Investing Activities	16,042
16,995	Total Cash Inflows	16,275
(18,103)	Net Cash flow from Investing Activities	(28,002)

46. CASH FLOW STATEMENT - FINANCING ACTIVITIES

2020-2021 £000		2021-2022 £000
	Cash Outflows	
(4,039)	Repayments of Short Term and Long-Term Borrowing	(4,022)
(215)	Other Payments for Financing Activities	-
(4,254)	Total Cash Outflows	(4,022)
	Cash Inflows	
-	Cash Receipts of Short Term and Long-Term Borrowing	22,170
-	Other Receipts for Financing Activities	427
-	Total Cash Inflows	22,597
(4,254)	Net Cash Flow from Financing Activities	18,575

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

	Balance at 1 April 2021 £000	Financing Cash Flows £000	Non-Cash Changes £000	Balance at 31 March 2022 £000
Long-term borrowings	118,457	19,064	-	137,521
Short-term borrowings	4,364	71	-	4,435
Transferred Debt	1,383	(277)	-	1,106
On Balance Sheet PFI Liabilities	22,089	(629)	-	21,460
Amounts included as part of Debtor/Creditor balances:				
Amounts owed to/from Collection Fund preceptors	(770)	346	-	(424)
Total Liabilities from Financing Activities	145,523	18,575	-	164,098

COLLECTION FUND STATEMENT

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

	2020-2021			2021-2022	
Notes	Council Tax £000	Non-Domestic Rates £000		Council Tax £000	Non-Domestic Rates £000
			Income		
	96,968	34,351	Income from Council Taxpayers and Non-Domestic Ratepayers	102,525	47,119
	-	(916)	Transitional Protection Payments	-	(945)
4	(424)	(4,493)	Contribution to/(from) previous year's Estimated Collection Fund Deficit/(Surplus)	392	20,823
	96,544	28,942	Total Income	102,917	66,997
			Expenditure		
			<u>Precepts and Demands</u>		
	78,935	50,624	St Helens Borough Council	82,551	50,688
	11,080	-	Police & Crime Commissioner for Merseyside	11,821	-
	4,203	511	Merseyside Fire & Rescue Authority	4,271	512
	993	-	Liverpool City Region Combined Authority	990	-
	-	185	Non-Domestic Rates Cost of Collection	-	186
			<u>Movement in Bad and Doubtful Debts</u>		
	2,727	1,534	Provisions	2,579	(373)
	241	67	Write-Offs	279	470
	-	2,514	Provision for Appeals	-	(411)
	98,179	55,435	Total Expenditure	102,491	51,072
	(1,635)	(26,493)	Movement on Fund Balance	426	15,925
	433	4,716	Surplus/(Deficit) Balance brought forward	(1,202)	(21,777)
	(1,202)	(21,777)	Surplus/(Deficit) Balance carried forward	(776)	(5,852)

The year-end deficits for Non-domestic Rates are due, in the main, to the reliefs awarded to retail, hospitality and leisure businesses to support them through the pandemic. These reliefs are funded by DLUHC through grants paid to the Council under Section 31 of the Local Government Act. The funding was transferred to the Council's earmarked reserves (see Note 7k) and is used to offset the Collection Fund deficit when it is charged to the Council's general fund.

NOTES TO THE COLLECTION FUND STATEMENT

1. MEMORANDUM COLLECTION FUND BALANCE SHEETS

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

(i) Non-Domestic Rates

2020-2021					2021-2022			
Total	Central Government	St Helens Borough Council	Fire & Rescue Authority		Total	Central Government	St Helens Borough Council	Fire & Rescue Authority
£000	£000	£000	£000		£000	£000	£000	£000
9,401	-	9,307	94	Non-Domestic Rates Arrears	9,551	-	9,456	95
(8,108)	-	(8,026)	(82)	Provision for Bad Debt	(7,734)	-	(7,657)	(77)
(12,640)	-	(12,514)	(126)	Provision for Appeals	(12,073)	-	(11,952)	(121)
(1,384)	-	(1,370)	(14)	Prepaid Non-Domestic Rates	(1,257)	-	(1,245)	(12)
21,777	-	21,559	218	Collection Fund (Surplus)/Deficit	5,852	-	5,794	58
(372)	(372)	-	-	Transitional Protection Payment	(554)	(554)	-	-
(8,674)	372	(8,956)	(90)	Cash	6,215	554	5,604	57
-	-	-	-	Total	-	-	-	-

The Council continued to participate in the Liverpool City Region Business Rates Retention scheme in 2021-2022. Under the terms of the scheme, the Council retains 99% of its Non-Domestic Rates, with 1% passed to Merseyside Fire & Rescue Authority. This contrasts to the 49% retention rate prior to the existence of the scheme in 2016-2017.

(ii) Council Tax

2020-2021						2021-2022				
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
20,975	17,390	2,442	925	218	Council Tax Arrears	23,916	19,817	2,836	1,026	237
(14,109)	(11,697)	(1,642)	(623)	(147)	Provision for Bad Debt	(16,688)	(13,828)	(1,979)	(716)	(165)
(1,910)	(1,583)	(223)	(83)	(21)	Prepaid Council Tax	(1,962)	(1,625)	(233)	(84)	(20)
1,202	996	141	52	13	Collection Fund (Surplus)/Deficit	776	643	91	34	8
(6,158)	(5,106)	(718)	(271)	(63)	Cash	(6,042)	(5,007)	(715)	(260)	(60)
-	-	-	-	-	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 2021-2022 was 52,080 (52,272 in 2020-2021) calculated as follows.

Band	Estimated No. of Taxable Properties after Discounts	Ratio	Band D Equivalent Dwellings
A	37,486	6/9	24,991
B	18,939	7/9	14,730
C	15,450	8/9	13,733
D	6,853	9/9	6,853
E	3,589	11/9	4,387
F	1,652	13/9	2,386
G	579	15/9	965
H	36	18/9	72
	84,584		68,117
Less: Anticipated changes during the year for successful appeals against valuation banding, new properties, demolitions, disabled persons relief and exempt properties			(6,415)
Less: Local Council Tax Support Discount			(7,902)
			53,800
Less: Adjustment for collection rates			(1,720)
Total Band D Equivalent			52,080

The average Council Tax for Band D dwellings for the Council and major precepting authorities was £1,906.75.

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.

2020-2021		2021-2022
£133.7m	NDR Rateable Value for the area as at 31 March	£132.5m
51.2p	Standard NDR Multiplier	51.2p
49.9p	Small Business Rate Relief Multiplier	49.9p

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

These estimates are statutorily calculated on 15 January each year and must be used in calculating budget requirement.

2020-2021 £000	Council Tax	2021-2022 £000
(357)	St Helens Borough Council	325
(46)	Police & Crime Commissioner for Merseyside	46
(19)	Merseyside Fire & Rescue Authority	17
(1)	Liverpool City Region Combined Authority	4
(423)	Total	392

2020-2021 £000	Non-Domestic Rates	2021-2022 £000
(4,448)	St Helens Borough Council	20,615
(45)	Merseyside Fire & Rescue Authority	208
(4,493)	Total	20,823

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 Council Tax, and illustrates the way in which these have been distributed to precepting Authorities and the Council's General Fund.

CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)

CIPFA is the leading professional accountancy body for public services, and uniquely among the professional accounting bodies in the UK, CIPFA has responsibility for setting accounting standards, for a significant part of the economy, namely Local Government.

COMMUNITY ASSETS

Assets that the Local authority intends to hold in perpetuity, that have no determinable useful life, and that may have restrictions on their disposal. Examples include parks and public open spaces.

CONDITIONS

Stipulations that specify that the future economic benefits or service potential in an asset are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

CONTINGENT LIABILITY

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 bandings (and resultant sums due) are based on independent assessed property values. The Council sets levels of Council Tax on an annual basis under relevant statutory provisions.

COVID-19

Covid-19 is a disease caused by SARS-CoV-2, the coronavirus that emerged in December 2019. Covid-19 can be severe and has caused millions of deaths around the world as well as lasting health problems in many people who have survived the illness.

CREDITORS

Financial liabilities arising from the contractual obligation to pay cash in the future for goods or services or other benefits that have been received or supplied.

CREDIT RISK

The possibility that one party to a financial instrument will fail to meet their contractual obligations, causing a loss to the other party.

CURRENT SERVICE COST (PENSIONS)

The increase in the present value of liabilities resulting from employee service in the period.

CURTAILMENT (PENSIONS)

An event that reduces the expected years of future service of present employees or reduces, for a number of employees, the accrual of defined benefits for some or all of their future service. Curtailments include:

- (i) termination of employees' services earlier than expected, for example as a result of closing or discontinuing a segment of a business; and
- (ii) termination of, or amendment to the terms of, a defined benefit plan so that some or all future service by current employees will no longer qualify for benefits, or will qualify only for reduced benefits

DEBTORS

Financial assets arising from the obligation to a future cash receipt for goods or services, or other benefits that have been delivered or provided.

DEFINED BENEFIT PLAN

A pension or other retirement benefit plan other than a defined contribution plan. Usually, the plan rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the plan. 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, and assuming that the buyer is granted vacant possession of all parts of the property and disregarding potential alternative uses and any other characteristics that would cause its market value to differ from that needed to replace the remaining service potential at least cost.

FAIR VALUE

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction, less, where applicable, any grants receivable towards the purchase or use of the asset.

FINANCIAL INSTRUMENT

A contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term covers both financial assets and financial liabilities and includes both the most straightforward financial assets such as trade receivables (debtors) and trade payables (creditors) and more complex ones such as derivatives. Typical financial instruments include:

- (i) Liabilities
 - Trade payables
 - Borrowings
- (ii) Assets
 - Bank deposits
 - Trade receivables
 - Loans receivable
 - Investments

Amounts relating to Council Tax, Non-Domestic Rates, Government Grants are outside the scope of financial instrument accounting provisions as they are statutory issues, not arising from contracts.

FINANCE LEASE

A lease that transfers substantially all of the risks and rewards of ownership of a non-current asset to the lessee, with the asset then recognised in the lessee's Balance Sheet.

FINANCING ACTIVITIES

Activities that result in changes to the size and composition of the principal, received from or repaid to, external providers of finance.

GENERAL FUND

The primary revenue account which records the cost of providing the majority of the Council's services.

GOING CONCERN

An assumption that the functions of the authority will continue in operational existence for the foreseeable future.

GOVERNMENT GRANTS AND CONTRIBUTIONS

Assistance in the form of cash or transfers of resources to the Council in return for past or future compliance with certain conditions relating to the operation of activities.

HERITAGE ASSETS

Assets that are held by the Council principally for their contribution to knowledge, understanding and appreciation of the Borough's history and/or culture.

HISTORICAL COST

Deemed to be the carrying amount of an asset as at 1 April 2007 or at the date of acquisition, whichever date is the later, and adjusted for subsequent depreciation or impairment (if applicable).

IMPAIRMENT

A reduction in the value of a non-current asset below its carrying amount on the Balance Sheet.

INFRASTRUCTURE ASSETS

Non-current assets which generally cannot be sold and from which benefit can be obtained only by continued use of the asset created. Examples of such assets include bridges, roads, street lighting, traffic management systems and footpaths.

INTANGIBLE ASSET

These are assets that do not have physical substance but are identifiable and controlled by the Council- for example, software licences.

INTEGRATED PROVISION

An arrangement permissible under the Health Act 1999 and National Health Service Act 2006 that allows partner organisations, including Local Authorities, Primary Care Trusts and NHS Trusts to work within one management structure, and in doing so increasing the ability to join up services and provide seamless services for service users.

INTEREST ON PLAN ASSETS (PENSIONS)

The annual investment return on the fund assets based on an average of the expected long-term return.

INTEREST ON PLAN LIABILITIES (PENSIONS)

The expected increase during the period in the present value of liabilities as the benefits move one year closer to being paid.

INVENTORIES

The amount of unused or unconsumed stocks held in expectation of future use or resale.

INVESTING ACTIVITIES

The acquisition and disposal of long-term assets and other investments not included in cash equivalents.

INVESTMENT PROPERTIES

Property, which can be land or a building or part of a building or both, that is held solely to earn rentals and/or for capital appreciation, rather than for operational purposes.

LIABILITIES

Amounts due to third parties which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

LIQUIDITY RISK

The possibility that one party will be unable to raise funds to meet its commitments associated with financial instruments.

MARKET RISK

The possibility that the value of a financial instrument will fluctuate because of changes in interest rates, market prices, foreign currency exchange rates, etc.

MARKET VALUE

The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

MATERIAL/MATERIALITY

Omissions or misstatements are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the item, or a combination of both, could be the determining factor.

NET BOOK VALUE

The amount at which non-current assets are included in the Balance Sheet, i.e. their historical cost or current value less the cumulative amount provided for depreciation.

NET REALISABLE VALUE

The open market value of an asset in its existing use (or open market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

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. Organisations will agree at the outset the range of Health and Local Government services to be purchased and provided from a pooled fund.

PRECEPT

This is a charge levied by one public authority on the Council in order to finance its net expenditure. The precept is then collected on the preceptor's behalf by the Council by adding the precept to its own Council Tax and paying over the appropriate cash collected.

PRICE RISK

The risk that the value of financial instruments will fluctuate as a result of changes in market prices.

PRINCIPAL

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

PROPERTY, PLANT AND EQUIPMENT

Tangible assets (i.e. assets that have physical substance) that are held for use in the production or delivery of goods and services, for rental to others, or for administrative purposes, and are expected to be used during more than one year.

PROJECTED UNIT CREDIT (ACTUARIAL COST) METHOD

An accrued benefits valuation method in which the plan's liabilities make allowance for projected earnings. An accrued benefits valuation method is a valuation method in which the plan liabilities at the valuation date relate to:

- (i) the benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependants, allowing, where appropriate, for future increases; and
- (ii) the accrued benefits for members in service on the valuation date

PROVISIONS

A liability of uncertain timing or amount.

REFCUS (REVENUE EXPENDITURE FINANCED FROM CAPITAL UNDER STATUTE)

Expenditure that is classified as revenue in accordance with proper accounting practices, but which statute determines may be financed by Capital sources of funding.

RELATED PARTIES

Related parties are those individuals and entities that the Council either has the potential to influence or control (or be influenced or controlled by). Related parties include Central Government, other bodies' precepting or levying demands on the Council Tax, its members and its 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.

REMEASUREMENT GAINS / LOSSES (PENSIONS)

The changes in estimated assets and liabilities, assessed by the actuary and arising because:

- (i) events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or

- (ii) the actuarial assumptions have changed

REMUNERATION

The Accounts and Audit Regulations 2015 require the disclosure of amounts paid to Officers, and define remuneration as:

'.....all amounts paid to or receivable by a person, and includes sums due by way of expense allowance (so far as those sums are chargeable to United Kingdom income tax), and the estimated money value of any other benefits received by an employee otherwise than in cash.'

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 often of a recurring nature and produces no permanent asset.

SENIOR EMPLOYEES

Senior employees are defined under the Local Government and Housing Act 1989. Within St Helens this is deemed to be the 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.



ST HELENS
BOROUGH COUNCIL

**Contact
Centre**

Wesley
House
Corporation
Street St
Helens
WA10 1HF

Tel: 01744 676789

Minicom: 01744 671671

→ www.sthelens.gov.uk/contactus

