

FINANCIAL MONITORING REPORT - PERIOD 2 2023/24**SECTION 1: SUMMARY****Revenue Budget**

- 1.1 This is the second Financial Monitoring Report of 2023/24, covering the period to September 2023. The report has been prepared excluding the financial implications of any other reports presented on the same agenda. There will be a further Financial Monitoring Report covering quarter 3, and a final outturn report covering the full-year financial performance for 2023/24.
- 1.2 There is a forecast service overspend of £9.412m against the updated net portfolio budget of £178.036m.
- 1.3 Treasury Management underspends will offset the projected overspend by £2.750m, resulting in a forecast net budget overspend of £6.662m. These underspends are one-off in nature for 2023/24. Without them, the overall forecast position would be significantly worse, and would result in an even lower forecast level of general fund balances.
- 1.4 The position is summarised in the table below.

Portfolio	Variance at P2 £000
Economy, Business & Skills	+145
Children & Young People	+5,298
Integrated Health & Care	+3,217
Wellbeing, Culture & Heritage	(351)
Corporate Services	(206)
Safer Communities	+18
Environmental Services & Climate Change	+857
Strategic Transport	+76
Regeneration & Planning	+358
Net Portfolio Position	+9,412
Treasury Management	(2,750)
Net Position	+6,662

- 1.5 There will be severe consequences for the Council should action not be taken immediately to mitigate this position. If no action is taken, there will be a requirement to draw upon an additional £6.662m from reserves to meet the shortfall, severely impacting on reserves levels. This would necessitate a substantial additional savings requirement to deliver a balanced 2024/25 budget and reduce the Council's financial stability. If the projected

overspend is not mitigated considerably and permanently, there will be further pressure on levels of balances and the potential that the Council will be forced to issue a Section 114 notice in the medium term.

- 1.6 The main pressures continue to be within Children & Young People and Integrated Health & Care. In Children's Services, placement costs associated with caring for children looked after (+2.358m), frontline social care staffing costs (+£2.272m) and costs relating to family support packages (+£0.878m) are the main pressures. In Integrated Health & Care, the key pressures are within Learning Disability Support (+£1.520m) and Physical Support for the Frail and Elderly (+£1.239m).
- 1.7 In response to this severe situation, the Executive Management Board have actioned an immediate recruitment freeze and have directed that all non-essential expenditure be ceased and ongoing reviews of agency worker usage be conducted.
- 1.8 The Medium Term Financial Strategy and Revenue Budget 2023/24 approved by Council on 1 March 2023 identified the considerable inflationary risks facing the Council. One of the most significant of these risks relate to energy prices, which reached record highs in 2022/23. Based on market assumptions when the 2023/24 budget was set, inflationary increases of circa £2.800m for gas and electricity were included in portfolio budgets. Forecasting suggests that based on prevailing market prices there will be an underspend of £0.481m on gas and electricity for the year.
- 1.9 The 2023/24 approved budget allowed for pay inflation to be in the region of 5%. This was not unrealistic when considered against the Government's inflation forecasts included in the Autumn Statement 2022 and the Government's statements on restraint of public-sector pay. The pay award for 2023/24 has still to be settled, with the current offer by the National Employers equating to an increase of circa 6.44%. Based on this offer, the additional pressure in 2023/24 would approximate to £1.4m, with every 1% increase above budget generating an additional £1m pressure. The forecast underspends on energy costs will mitigate this in part.
- 1.10 When setting the 2023/24 budget, savings totalling £7.445m were approved against a savings requirement of £6.568m for the year, with the balancing £0.877m built into budget as a one-off contribution to the Inflation Reserve in view of the extraordinary economic volatility the Council faces. It is proposed that these funds be called upon to mitigate the residual pressure relating to the final settlement of the Pay Award.
- 1.11 The position will continue to be closely monitored during the year, with significant focus via the Savings Delivery Board meetings, and reported in subsequent Financial Monitoring Reports and other reports.

Implications for the Medium Term Financial Strategy (MTFS)

- 1.12 The MTFS was approved by Council on 1 March 2023, and was underpinned by a number of key assumptions relating to funding and spending. These assumptions were themselves based on the Government's own assumptions regarding levels of inflation. The MTFS identified a residual budget gap of £10.406m by 2025/26.
- 1.13 On 27 September 2023, Cabinet approved an update to the Medium-Term Financial Strategy, providing updated forecasts of inflationary and other pressures for the period through to 2027. The cumulative revised budget gap for the period to 2027 stands at £13.331m. This figure excludes pressures arising from demand and any failure to implement approved budget savings. Critical work is ongoing to identify service review and

budget savings options to address this gap as part of the financial planning process, to ensure the financial sustainability and resilience of the Council.

- 1.14 The assumptions within the MTFs will continue to be regularly reviewed. An MTFs Update Report will be considered by Cabinet in December. The Medium-Term Financial Strategy 2024-2027 and Revenue & Capital Budget 2024/25 will also provide further update on the estimated funding gap and quantum of savings required to deliver a balanced budget in future years.
- 1.15 In the absence of any significant additional government support to address inflationary and demand pressures, there is an extremely high likelihood of further reductions being necessary to the Council's service offer. The financial pressure that the Council is facing cannot be overstated and will continue to require robust management, including the identification of mitigations and sustainable savings options to reduce the budget pressures. Strong planning and decision-making will continue to be necessary.

Savings Programme

- 1.16 The 2023/24 budget was approved by Council on 1 March 2023, and in doing so, Members agreed to the delivery of £7.445m savings during the year. This is in addition to £3.210m savings previously approved for 2023/24, along with £1.698m of savings slipped from previous years. Section 3 provides a summary of the latest position in relation to the progress towards delivering these savings, and portfolio commentaries provide additional information. The failure to deliver savings presents a key risk to the Council, as outlined in paragraph 1.5.

Financial Outlook

- 1.17 The financial environment within which the Council operates continues to present severe challenges. The threat from inflation remains immense. Other serious financial risks to the Council include pressures from demand-led expenditure budgets, particularly within social care. These continue to be exacerbated by the cost-of-living crisis, with more and more families needing Council support. Given the magnitude of these pressures, and given the current forecast overspend position, further use of reserves will be necessary in 2023/24 unless the situation is mitigated immediately.
- 1.18 With continued uncertainty over the mechanics of local-government funding and with councils continuing to be provided with one-year financial settlements, limiting long-term planning, the financial outlook remains extremely challenging and uncertain. After more than a decade of austerity, the Council has never faced a more challenging funding position. These pressures will continue to require robust financial management.

Capital Budget

- 1.19 The capital programme covers the three-year period through to 2025/26. The capital budget has been updated to reflect new schemes approved by Cabinet, including the regeneration of St Helens Town Centre. Schemes have also been reprofiled to reflect the latest spending estimates. Further details are included in Section 4 and Annex F.

Reserves and Balances

- 1.20 Section 5 of this report provides detail on the Council's reserves and balances. As part of the Medium-Term Financial Strategy 2023-26, Members agreed to rebuild reserves to afford the Council additional financial resilience to changes in funding, inflationary pressures and unexpected events, whilst at the same time ensuring that it has sufficient

resources to support its priorities. The Council's reserves are not excessive, and it is essential to protect reserves to ensure future financial resilience and sustainability.

- 1.21 Based on the projected outturn position in Table 1, the level of general fund balances at 31 March 2024 is forecast to be £5.338m. This is in contrast to the current Reserves Strategy and Medium-Term Financial Strategy 2023-26, which set the Council's level of general reserves at £12m. The latter is considered a prudent amount to set aside for exceptional circumstances. Use of earmarked reserves will therefore be necessary to replenish general fund balances at outturn should the forecast overspend position not be mitigated.
- 1.22 Such use of reserves, general or earmarked, to address recurrent pressures is not sustainable, and as detailed in paragraph 1.5, immediate actions are necessary to avoid the real threats that the Council is facing.
- 1.23 Section 5.2 provides a summary of earmarked reserves until March 2024, whilst Annex E provides details on the forecast level of general earmarked reserves to March 2026.

Treasury Management

- 1.24 This report provides the Interim Treasury Management Strategy Report 2023/24 included at Annex G.

SECTION 2: REVENUE BUDGET

- 2.1 The budget and forecast outturn positions for 2023/24 are summarised in Table 1. At the end of period 2, there is a projected portfolio budget pressure of £9.412m.
- 2.2 There is a forecast underspend within the corporate budgets of £2.750m relating to Treasury Management activity. The increased Bank Rate and available market returns have increased forecast investment interest by £0.750m against budget. Forecast debt management costs are also £2.000m lower than budget, reflecting the profile of future capital expenditure funded by borrowing and decisions around the continued deferral of additional borrowing, given current rates.

Table 1 – Revenue Budget 2023/24	Current Budget	Forecast outturn at Q2	Variance at Q2 + / - (b)-(a)	Variance at Q1 + / -	Section Reference Annex C
	(a)	(b)	(b)-(a)		
	£000	£000	£000	£000	
Economy, Business and Skills	2,316	2,461	+145	+118	(i)
Children and Young People	64,429	69,727	+5,298	+1,000	(ii)
Integrated Health and Care	63,320	66,537	+3,217	+990	(iii)
Wellbeing, Culture and Heritage	6,329	5,978	(351)	+318	(iv)
Corporate Services	7,743	7,537	(206)	(87)	(v)
Safer Communities	1,668	1,686	+18	+81	(vi)
Environmental Services and Climate Change	9,864	10,721	+857	+333	(vii)
Strategic Transport	13,652	13,728	+76	+49	(viii)
Regeneration and Planning	8,715	9,073	+358	+208	(ix)
Net Portfolio Budgets	178,036	187,448	+9,412	+3,010	
Levies & Precepts	22,932	22,932	0	0	
Treasury Management	9,174	6,424	(2,750)	(100)	
Restructuring Costs	1,001	1,001	0	0	
Transfers to / (from) Earmarked Reserves	(5,368)	(5,368)	0	0	
Capital Charges	(15,962)	(15,962)	0	0	
Net Corporate Items	11,777	9,027	(2,750)	(100)	
Council Tax / Retained Business Rates	(145,105)	(145,105)	0	0	
Collection Fund Deficit	64	64	0	0	
Formula Top-Up	(18,628)	(18,628)	0	0	
Section 31 Grant	(18,449)	(18,449)	0	0	
2023/24 Services Grant	(1,869)	(1,869)	0	0	
Other Funding	(5,826)	(5,826)	0	0	
Funding	(189,813)	(189,813)	0	0	
NET POSITION 2023/24	0	6,662	+6,662	+2,910	

2.3 The previous budget approved by Cabinet on 19 July 2023 has been revised to include:

- (i) Approved use of earmarked reserves in the period of £363k
- (ii) Neutral technical adjustments relating to recharges and capital charges

2.4 Details of portfolio budget movements can be found in Annex A. This report also provides details of the forecast outturn position on a priority basis at Annex B.

Portfolio Budget Position

For 2023/24, an in-year overspend of £9.412m against the current service budgets is currently projected based on the respective forecast outturn positions, as shown in Table 1. Commentary in relation to the key portfolio variations is detailed in Annex C.

SECTION 3: IMPLEMENTATION OF 2023/24 SAVINGS PROPOSALS AND OUTSTANDING SAVING PROPOSALS FROM PRIOR YEARS

- 3.1 The budget for 2023/24 was set against a backdrop of significant demand and inflationary pressures, with the one-off use of £4m of earmarked reserves to balance the budget, and with significant savings that must be delivered during the year to protect the Council's financial position. It is therefore imperative that approved savings are delivered in a timely manner.
- 3.2 Savings for the financial year 2023/24 have been reported in three categories:
- Savings slipped from previous financial years
 - 2023/24 savings approved when setting previous years' budgets
 - 2023/24 savings approved in setting the latest Medium Term Financial Strategy
- 3.3 As Table 2 shows, of the required savings total of £12.353m, it is currently forecast that 61% of these savings will be achieved in year.

Table 2 - Budget Savings 2023/24	Total Saving 2023/24 £000	Savings on track to be delivered £000 (a)	Slippage on delivery in year £000 (b)	Saving Not Achievable £000 (c)	Mitigation 2023/24 £000 (d)
Integrated Health and Care	4,602	2,968	1,634	-	375
Public Health	376	172	204	-	204
Children's Services	1,858	754	1,104	-	978
Place Services	3,747	1,973	1,594	180	1,694
Corporate Services	1,361	1,361	-	-	-
Council Wide	409	340	69	-	-
Total	12,353	7,568	4,605	180	3,251
%	100%	61.26%	37.28%	1.46%	
Total forecast financial saving 2023/24 (a)+(d)	10,819				

- 3.4 The value of savings that are on track to be delivered has decreased since the Period 1 report from £8.154m to £7.568m. This is partly due to Children's Services savings CYP01 (Therapeutic Foster Care) and CYP02 (Review of Residential Care Arrangements) no longer being on track to be delivered in year.
- 3.5 Of the £4.785m of savings that have not yet been achieved, mitigations of £3.251m have been identified for the current year. This means that the total forecast financial saving is £1.534m less than required. While this is more favourable than the position reported at Period 1, it is critical that action plans continue to be addressed and implemented to ensure savings are delivered or alternative permanent reductions in expenditure are found. The non-achievement of savings presents a risk for both current and future financial years.
- 3.6 The two savings that are currently not considered achievable are SG05 (Review of leasehold properties - £0.140m) and OPS01 (Removal of cash payment options for car parking - £0.040m), following the government announcement that local-authority car parks must retain cash payment facilities.

- 3.7 It should also be noted that a number of savings that are currently classed as being on track to be delivered have not yet been implemented, with future dates for when decisions will be approved.
- 3.8 It is imperative that action is taken at the earliest opportunity to alleviate these risks by delivering the approved savings or identifying mitigations to offset the balance of savings that have slipped or cannot be delivered. These actions will continue to be challenged through the Budget Savings Deliver Board and reported within future Financial Monitoring Reports.

SECTION 4: CAPITAL PROGRAMME 2023/24 to 2025/26

4.1 In setting the 2023/24 budget, a number of potential strategic pipeline capital investment schemes were identified, and would be subject to detailed feasibility and design work prior to being further considered for approval. A number of these schemes have been approved and have been included within the programme this quarter. Funding for these schemes is by way of borrowing. The following schemes have been added to the capital programme:

(i) St Helens Town Centre Phase 1 Investment

At its meeting on 13 September 2023 Cabinet approved investment of £69.2m of Council funding to deliver Phase 1A of the St Helens town centre regeneration initiative, in addition to funding from Town Deal and other grants.

(ii) Fleet Replacement Programme

At its meeting on 19 July 2023 Cabinet approved an increase of £0.882m to the 2023/24 fleet replacement budget. This will enable the replacement of 12 vehicles and 33 items of plant, increasing the fleet of alternative/low emission vehicles and continuing the transition away from old and inefficient vehicles.

(iii) CCTV Replacement

At its meeting on 19 July 2023, Cabinet approved £0.701m to replace the existing CCTV control room and cameras with a new system to ensure the community safety infrastructure remains effective in preventing and assisting with the detection of crime and disorder in the Borough.

(iv) Single Social Care & Education System

At its meeting on 19 July 2023 Cabinet approved the addition of £0.474m to implement a new integrated single social care and education system.

4.2 The capital budget has also been updated to reflect revised expenditure profiles for capital schemes. This includes reprofiling a number of grant funded schemes to the next financial year, including School and Town Deal schemes to reflect the latest forecast spend. In addition, other key revisions to the programme this quarter relate to:

- (i) Updates to the schools capital programme to reflect updated grant allocations and approved schemes
- (ii) Additional works totalling £0.524m on highways maintenance and pothole repairs, as approved by Cabinet on 13 September 2023
- (iii) Revised allocation of housing capital programme resources, including continuing the ringfencing and recycling of housing capital receipts, as approved by Cabinet on 19 July 2023 and additional funding of £0.275m as outlined in section 6.1.7

- 4.3 Table 3 presents a summary of the Council's current three-year capital programme. The detailed programme is provided at Annex F.

Table 3 - Capital Programme 2023/24 to 2025/26	2023/24 £000	2024/25 £000	2025/26 £000
Children & Young People	6,702	11,716	1,300
Integrated Health & Care	0	25	0
Economy, Business & Skills	11	0	0
Wellbeing, Culture & Heritage	2,264	116	0
Corporate Services	2,154	0	0
Strategic Transport	47,415	14,289	7,645
Environmental Services & Climate Change	9,820	823	700
Regeneration & Planning	62,733	45,146	55,111
Safer Communities	736	0	0
Total	131,835	72,115	64,756
FINANCED BY			
Grants and Other Contributions	76,468	41,486	13,858
Capital Receipts	640	974	126
Revenue Contribution	1,313	105	24
Borrowing	53,414	29,550	50,748
Total	131,835	72,115	64,756

SECTION 5: RESERVES AND BALANCES

5.1 **General Balances**

The general balances position at 31 March 2024 is forecast to be as follows, having regard to the forecast outturn position detailed in Table 1.

Table 4 – General Balances	Original Estimate £000	Forecast Outturn £000
General Balances at 1 April 2023	12,000	12,000
Net Position 2023/24	-	(6,662)
General Balances at 31 March 2024	12,000	5,338

The Council recognises that the level of reserves it maintains must have regard to its future sustainability, priorities and the operational and financial risks it faces. The Council's Reserve Strategy is included within the Medium-Term Financial Strategy 2023-2026 and Revenue and Capital Budget 2023/24 report considered by Cabinet on 22 February 2023 and approved by Council on 1 March 2023.

5.2 **Earmarked Balances**

The forecast position in relation to General and Covid-19 Earmarked Balances at 31 March 2024 is provided in Tables 5 and 6.

Annex D details approved use of General Earmarked Balances during the period and Annex E provides details of General Earmarked Balances to 2025/26.

Table 5 – General Earmarked Balances	£000
General Earmarked Balances at 1 April 2023	46,815
Transfer to / (from) during the year	(1,880)
Forecast General Earmarked Balances at 31 March 2024	44,935

Table 6 – Covid-19 Earmarked Balances	Collection Fund £000	Other £000
Covid Earmarked Balances at 1 April 2023	488	4,210
Transfer to / (from) during the year	(488)	(3,000)
Forecast Covid-19 Earmarked Balances at 31 March 2024	-	1,210

5.3 **Schools Balances**

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

Table 7 – School Balances	£000
School Balances at 1 April 2023	11,887
Forecast Net Position 2023/24	(2,387)
Forecast School Balances at 31 March 2024	9,500

5.4 Usable Capital Receipts

Table 8 – Usable Capital Receipts	£000
Capital Receipts brought forward at 1 April 2023	19,103
Receipts generated in year to date from land, property and fleet sales	97
Receipts set-aside for the Land and Property Acquisition Fund	(10,000)
Receipts set aside to resource the Transformation Programme where the use of flexibilities can be applied	(1,000)
Required to fund Capital Programme 2022/23 to 2024/25	(1,740)
Available Balance (after taking commitments into account)	6,460

SECTION 6: OTHER FINANCIAL MONITORING MATTERS

6.1 External Grant Funding

6.1.1 Funding for Councils' Support for Ukrainians

Following a successful bid in May 2023, the Council has been awarded retrospective grant funding of £125k from the European Social Fund to cover costs associated with the reception, welcoming and integration of Ukrainian refugees.

6.1.2 Family Hubs and Start for Life Programme

Previously, the Council was notified that it is one of 75 local authorities eligible for Tier 2 Family Hubs funding and Cabinet approved the delegation of accepting this funding to the Executive Director of Corporate Services. In June 2023, the Council received confirmation of funding allocations for 2023/24, with £53k to support the capital costs of the programme in addition to a revenue grant of £1,194k.

6.1.3 Homelessness Prevention Grant (Top-Up)

The Council has been awarded additional funding of £120k from the Department of Levelling Up, Housing and Communities to help Ukrainian guests and others move into their own homes and reduce the risk of homelessness.

6.1.4 Market Sustainability and Improvement Workforce Fund

At the end of July 2023, the Department of Health and Social Care announced the Market and Sustainability and Improvement Workforce Fund. The Fund is for the years 2023/24 and 2024/25 and the Council has been allocated £1,461k in 2023/24 to support continued investment in the care sector provider market and the development of a workforce strategy.

6.1.5 Swimming Pool Support Fund

In September 2023, following a successful bid, the Council received notification that it has been awarded a total of £351k under Phase 1 of the Swimming Pool Support Fund.

6.1.6 NHS Resilience and Emergency Care Funding

In September 2023 selected local authorities, including St Helens, were invited to bid for funding from the Department of Health and Social Care to support urgent and emergency care and create resilience over the winter period through hospital avoidance/hospital discharge measures. The indicative allocation for St Helens is £452k. At the time of drafting this report, the outcome of the bid is awaited.

6.1.7 Disabled Facilities Grant

The Department of Levelling Up, Housing and Communities has awarded the Council an additional in-year Disabled Facilities Grant (DFG) allocation of £275k. DFG funding is provided to enable local authorities to deliver adaptations in the homes of disabled persons, to meet their needs and enable independence in the home.

SECTION 7: TREASURY MANAGEMENT POSITION STATEMENT

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

Table 9 – Treasury Management Position	As at 1 April 2023	As at Previous Period	As at Current Period
Investments Outstanding	£127.0m	£154.4m	£144.9m
Investment Returns (average for the year to date)	-	4.03%	4.70%
Benchmark Returns	-	4.02%	4.49%
Borrowing	£137.5m	£137.5m	£137.5m

Budget Movements since the previous reporting period**Annex A**

PORTFOLIO	Approved Budget	Release of Grants/ICB Funding	Use of Reserves in Period	Technical & Accounting Adjustments	Current Budget
	£000 *1	£000 *2	£000 *3	£000 *4	£000
Economy, Business and Skills	2,230	-	-	86	2,316
Children and Young People	63,977	-	-	452	64,429
Integrated Health and Care	62,966	117	96	141	63,320
Wellbeing, Culture and Heritage	6,217	-	-	112	6,329
Corporate Services	8,358	-	50	(665)	7,743
Safer Communities	1,668	-	-	-	1,668
Environmental Services and Climate Change	9,683	-	100	81	9,864
Strategic Transport	13,595	-	-	57	13,652
Regeneration and Planning	8,662	-	-	53	8,715
TOTAL DIRECTORATE BUDGETS	177,356	117	246	317	178,036
Council-Wide Budgets	(177,356)	(117)	(246)	(317)	(178,036)
Net Position 2023/24	-	-	-	-	-

*1 Approved budget – Cabinet, 19 July 2023

*2 Approved earmarking of unconditional grants/ICB funding for commitments in 2023/24

*3 Use of earmarked reserves during the period (see Annex D)

*4 Neutral technical and accounting adjustments (e.g. recharges and capital charges)

Annex B**Portfolio Budgets on a Priority Basis**

	Current Net Budget 2023/24 £000	Forecast Outturn 2023/24 £000	Variance 2023/24 £000
Priority 1 – Ensure children and young people have a positive start in life	64,429	69,727	+5,298
Priority 2 – Promote good health, independence, and care across our communities	63,622	66,839	+3,217
Priority 3 – Create safe and strong communities and neighbourhoods for all	8,122	8,251	+129
Priority 4 – Support a strong, thriving, inclusive and well-connected local economy	6,238	6,779	+541
Priority 5 – Create green vibrant places that reflect our heritage and culture	28,938	29,476	+538
Priority 6 – Be a modern, efficient and effective Council	6,687	6,376	(311)
Total	178,036	187,448	+9,412

Annex C(i) Economy, Business and Skills

Economy, Business and Skills	Current Expend. Budget 2023/24 £000 (a)	Current Income Budget 2023/24 £000 (b)	Current Net Budget 2023/24 £000 (c)=(a)+(b)	Forecast Outturn 2023/24 £000 (d)	Variance Q2 2023/24 £000 (e) = (d)-(c)	Variance Q1 2023/24 £000
People's Services Directorate						
Adult Community Learning	658	(626)	32	32	0	0
Non-Schools Total	658	(626)	32	32	0	0
Total People's Services	658	(626)	32	32	0	0
Place Services Directorate						
Economic Development	1,666	(1,158)	508	562	+54	+37
Environmental Health	1,767	(610)	1,157	1,275	+118	+107
Trading Standards	616	(15)	601	578	(23)	(38)
Licensing and Land Charges	728	(710)	18	14	(4)	+12
Total Place Services	4,777	(2,493)	2,284	2,429	+145	+118
Total	5,435	(3,119)	2,316	2,461	+145	+118

- 1.1 The portfolio is currently projecting an overspend of £145k.
- 1.2 The non-achievement of £184k staff savings across the portfolio is currently being partly offset by staff slippage of £171k across the portfolio, resulting in a residual pressure of £13k.
- 1.3 Environmental Health are forecasting an overspend of £118k, which is predominantly in relation to the failure to meet income targets in the Environmental Warden service and Pest Control.

(ii) Children and Young People

Children and Young People	Current Expend. Budget 2023/24 £000 (a)	Current Income Budget 2023/24 £000 (b)	Current Net Budget 2023/24 £000 (c)=(a)+(b)	Forecast Outturn 2023/24 £000 (d)	Variance Q2 2023/24 £000 (e) =(d)-(c)	Variance Q1 2023/24 £000
People's Services Directorate						
Schools						
Schools Delegated Budget	119,183	(119,183)	0	0	0	0
Schools Total	119,183	(119,183)	0	0	0	0
Non-Schools						
Other Expenditure Attributable to Schools	8,294	(2,841)	5,453	5,243	(210)	0
Early Years Development (incl.PVIs)	8,140	(7,767)	373	373	0	0
Support for Children with SEND	9,447	(7,267)	2,180	2,150	(30)	0
Behaviour Support Services	3,736	(3,684)	52	52	0	0
Home to School/College Transport	3,760	(95)	3,665	3,665	0	0
Management & Other Support Services	6,832	(4,396)	2,436	2,421	(15)	0
Social Care and commissioning Teams	12,624	(466)	12,158	14,226	+2,068	0
Children Looked After	38,337	(8,727)	29,610	32,078	+2,468	0
Child Protection	1,982	(107)	1,875	1,969	+94	0
Children's Centres/Early Help Service	3,007	(1,518)	1,489	1,689	+200	0
Support for Disabled Children	2,085	(278)	1,807	1,922	+115	0
Family Support Services	6,661	(4,010)	2,651	3,309	+658	+1,000
Youth Justice Services	1,811	(1,131)	680	630	(50)	0
Total	106,716	(42,287)	64,429	69,727	+5,298	+1,000

- 2.1 The portfolio is experiencing significant financial challenges during 2023/24, due to both demand pressures within children's social care and the ongoing programme of efficiencies.
- 2.2 Placement costs associated with caring for children looked after, including care leavers, result in a projected financial pressure of £2.358m. Although the number of children in care has increased over the last three months from 474 to 494 by the end of September 2023, which will contribute to this, there are a number of other factors that are leading to significantly increased costs. These include a lack of capacity within the residential care market; historical difficulties in recruiting and retaining foster carers; an increasing number of placement breakdowns due to the complex needs of some of the young people in care; a lack of capacity within the wider system, e.g., CAMHS (Child and Adolescent Mental Health Services); and the impact of care arrangements for Unaccompanied Asylum-Seeking Children (UASC).
- 2.3 These factors have resulted in the Council needing to spend significantly increasing sums accommodating our cared-for young people. Over the last ten years, expenditure on placement costs has increased from £13.5m in 2013/14 to £31.8m in 2022/23. In 2023/24, expenditure is forecast to be in the region of £34.1m. The most financially challenging area within this is caring for children and young people within a residential care setting. Over the same ten-year period, the average annual cost of a

residential care placement has increased by approximately 100%, from £136k in 2013/14 to £274k in 2022/23.

- 2.4 In April 2023, Cabinet approved investment proposals to expand in-house residential care capacity over the next two years. This investment will support the Council's aspiration to be able to have greater influence and control over the financial challenges associated with LAC. These proposals are continuing to be progressed, whilst the opportunity to manage and operate a residential care home at The Grove has recently been advertised on the North West Procurement Portal (The CHEST). Also, following successful promotional work, there has been increased interest in becoming a foster carer with the Council, and a number of potential applicants are currently being assessed, including for specialist carers.
- 2.5 In addition, it is forecast that there will be a pressure of approximately £878k in relation to support packages designed to help young people remain in the family environment and avoid the need to be brought into more expensive fostering or residential care. This pressure relates to a relatively small cohort of young people who have complex and challenging needs.
- 2.6 The challenges associated with the recruitment of suitably skilled and experienced staff is prevalent across the whole sector. The cost of maintaining adequate social worker staffing levels to ensure caseloads remain safe and manageable has increased markedly in recent years, in particular, as a consequence of the need to engage agency staff. The costs associated with agency staff tend to be higher than those directly employed. This has resulted in a forecast budget pressure of £2.272m associated with frontline social care staffing costs.
- 2.7 The department has been proactive in attempting to address these recruitment and retention challenges through a number of actions, including a review of salary levels of qualified social care staff to ensure a competitive level of remuneration; additional staffing capacity to undertake non-statutory functions to alleviate social worker workloads; programmes to train and develop staff to the level of qualified social worker status; and an ongoing recruitment campaign, including from channels outside of the traditional workforce marketplace. Notwithstanding this range of initiatives, the recruitment and retention of qualified and experienced social workers is a challenge. The demand for such staff is high, and the earning potential of agency employment can be considerable, which can contribute to permanent staff turnover.
- 2.8 Combined with several other budget variances within the department across a range of services delivering a net underspend of £210k, it is currently forecast that there will be a pressure of £5.298m within the portfolio.

(iii) Integrated Health and Care

Integrated Health and Care	Current Expend. Budget 2023/24 £000 (a)	Current Income Budget 2023/24 £000 (b)	Current Net Budget 2023/24 £000 (c)=(a)+(b)	Forecast Outturn 2023/24 £000 (d)	Variance Q2 2023/24 £000 (e) =(d)-(c)	Variance Q1 2023/24 £000
People's Services Directorate						
Physical Support - Frail & Elderly	38,219	(23,365)	14,854	16,093	+1,239	+203
Sensory Support	1,321	(254)	1,067	904	(163)	0
Support with Memory & Cognition	14,450	(5,467)	8,983	9,195	212	(150)
Learning Disability Support	37,243	(11,410)	25,833	27,353	+1,520	+725
Mental Health Support	4,844	(647)	4,197	4,464	+267	(107)
Assistive Equipment & Technology	3,832	(2,718)	1,114	1,533	+419	+319
Care Management - Assessment & Review	11,035	(3,763)	7,272	7,022	(250)	0
Transport and Generic Services	1,513	(1,513)	0	4	+4	0
Management, Commissioning & Support Services	5,760	(5,760)	0	(31)	(31)	0
Total	118,217	(54,897)	63,320	66,537	+3,217	+990

- 3.1 At the midpoint in the year, it is projected that the Integrated Health and Care budget will be overspent by £3.217m. This position reflects ongoing demand pressures and the level of complexity of a cohort of individuals. The most significant pressures are within Learning Disability Services, primarily within supported living placements.
- 3.2 The department has a significant savings target of £4.400m, and this presents a financial risk to the budget position, although some savings have been delivered in full during the year. It should be noted that additional savings against some of these 2023/24 schemes will continue into 2024/25.
- 3.3 In previous years, a saving of £0.200m in relation to a review of the voluntary sector was proposed, and this saving was carried forward into the current financial year. It is no longer feasible to reduce funding to the voluntary sector, and this saving has therefore been mitigated through an overachievement on care reviews.
- 3.4 The department is carrying out a number of measures to mitigate the budget position and to deliver budget savings. This includes:
- Project work to review supported living services across commissioned and in-house services within Learning Disability Services
 - A targeted review of the commissioned services provided to individuals with complex needs within residential, nursing, and domiciliary care
 - Continuation of the monthly departmental savings programme task group with a clear focus on the delivery of budget savings
 - Continuation of three panels weekly, to ensure that all cost-efficient alternatives are considered when meeting need
 - Use of assistive and digital technology where possible, to reduce care costs supporting individuals within the community

- 3.5 It is expected that Heathside, a new scheme consisting of seven apartments for adults with autism and learning disabilities, will open in November. It is anticipated that this facility will reduce the need for more costly specialist out-of-borough placements, supporting both cost savings and cost avoidance. In addition to the traditional model of care support, this facility supports the use of new digital technology to support individuals to live independently within their own homes.

(iv) Wellbeing, Culture and Heritage

(a) Public Health Services

Public Health Services	Current Expend. Budget 2023/24 £000 (a)	Current Income Budget 2023/24 £000 (b)	Current Net Budget 2023/24 £000 (c)=(a)+(b)	Forecast Outturn 2023/24 £000 (d)	Variance Q2 2023/24 £000 (e) =(d)-(c)	Variance Q1 2023/24 £000
People's Services Directorate						
Sexual Health	2,035	0	2,035	2,035	0	0
Primary Care	95	0	95	95	0	0
Public Health Advice	647	0	647	647	0	0
Obesity	1,143	0	1,143	1,143	0	0
Physical Activity	1,584	0	1,584	1,584	0	0
Substance Misuse	3,971	(1,193)	2,778	2,778	0	0
Stop Smoking Services and Interventions	590	0	590	590	0	0
Healthy Child Programme	4,814	0	4,814	4,814	0	0
Miscellaneous Public Health Services	2,773	(100)	2,673	2,673	0	0
Management & Support Services	2,223	(2,223)	0	0	0	0
Public Health Grant	0	(16,057)	(16,057)	(16,057)	0	0
Total	19,875	(19,573)	302	302	0	0

- 4.1 At this stage in the year, it is anticipated that the Public Health Grant will be fully committed and no significant variations to planned spend have been identified.
- 4.2 There are two savings for 2023/24 within the Public Health area of the portfolio. It has previously been reported that the full saving against the sexual health contract will not be fully delivered in the current year. The £66k shortfall in the saving will be mitigated through use of public health reserves. The service is subject to a retender during 2024/25, and as part of that tender exercise, the proposed new contract value from July 2024 will reflect the full required saving.
- 4.3 The saving against the Integrated Wellbeing service of £181k will not be fully deliverable in year as a result of delays in going out to public consultation on the service reduction, partly due to the cyber incident. The Public Health team is working with the provider to identify what savings are feasible during the later part of the year; however, it is anticipated that the minimum shortfall will be £75k. The ability to progress this saving has been further challenged by the Department of Health and Social Care announcement on 4 October 2023 to create a smoke-free generation. Mitigation against the shortfall will be the use of public health reserves.

- 4.4 The saving from previous years (£68k) against the Affordable Warmth team has been temporarily mitigated this year through the application of one-off funding.

(b) Culture and Heritage

Culture and Heritage	Current Expend. Budget 2023/24 £000 (a)	Current Income Budget 2023/24 £000 (b)	Current Net Budget 2023/24 £000 (c)=(a)+(b)	Forecast Outturn 2023/24 £000 (d)	Variance Q2 2023/24 £000 (e)=(d)-(c)	Variance Q1 2023/24 £000
Arts Development and Support	485	(152)	306	307	+1	(3)
Archiving	414	(228)	186	184	(2)	0
Sports Development	538	(364)	174	113	(61)	(81)
Indoor Sports & Recreation	5,428	(3,279)	2,149	1,819	(330)	+187
Outdoor Sports & Recreation	512	(147)	365	344	(21)	(19)
Library Services	2,721	(151)	2,570	2,632	+62	+234
Tourism and Events	303	(26)	277	277	0	0
Total Culture and Heritage Services	10,374	(4,347)	6,027	5,676	(351)	+318

- 4.5 The portfolio is currently projecting an underspend of £351k.
- 4.6 The main area of unachieved saving in the portfolio relates to the implementation of the Localities model, which is now at £529k following the completion of the Leisure Services Phase 3 restructure. Vacant posts are being held within the Library Service pending completion of the Libraries Strategy and the Phase 3 restructure to partly mitigate the delay in implementation (total slippage £322k). Delivery of the Locality Hubs is phased over 5 years.
- 4.7 The non-achievement of portfolio-wide staff savings (£50k) is currently being covered by additional staff slippage across the portfolio of £52k.
- 4.8 Indoor Sports & Recreation are forecasting a net underspend of £330k, with additional income being generated by the school swimming programme, memberships and Pay as You Go. The service was also successful with a bid to Sport England's Swimming Pool Support Fund, which was made available to support swimming facilities with increased energy cost pressures, with £351k funding to be received in October 2023.
- 4.9 There are also more minor underspends across the portfolio, mainly relating to general supplies and services.

(v) Corporate Services

Corporate Services	Current Expend. Budget 2023/24 £000 (a)	Current Income Budget 2023/24 £000 (b)	Current Net Budget 2023/24 £000 (c)=(a)+(b)	Forecast Outturn 2023/24 £000 (d)	Variance Q2 2023/24 £000 (e) =(d)-(c)	Variance Q1 2023/24 £000
Local Tax Collection	1,432	0	1,432	1,432	0	0
Emergency Planning	132	0	132	132	0	0
Local Welfare Assistance Schemes	306	(107)	199	199	0	0
Grants & Donations	50	(3)	47	47	0	0
Non-Distributed Costs	1,399	(17)	1,382	1,382	0	0
Coroners Court Services	270	0	270	270	0	0
Registration of Births, Deaths & Marriages	272	(211)	61	50	(11)	0
Democratic Representation & Management	1,702	0	1,702	1,702	0	0
Elections	468	(3)	465	465	0	0
Housing Benefit Administration	44,151	(43,614)	537	537	0	0
Corporate Management	1,515	0	1,515	1,515	0	0
Finance	10,117	(10,117)	0	(173)	(173)	(87)
Audit & Risk	1,279	(1,279)	0	6	+6	0
People Management	3,054	(3,054)	0	0	0	0
Legal Services	2,011	(2,011)	0	30	+30	0
Governance & Administration	284	(283)	1	1	0	0
I.T.	9,816	(9,816)	0	0	0	0
Press and Public Affairs	1,350	(1,350)	0	0	0	0
Policy Development	2,375	(2,375)	0	0	0	0
Organisational Development	1,206	(1,206)	0	(58)	(58)	0
Other Services	129	(129)	0	0	0	0
Total	83,318	(75,575)	7,743	7,537	(206)	(87)

- 5.1 Currently there are several vacancies within Finance creating projected slippage of £173k.
- 5.2 Organisation Development have also had several vacant posts throughout the year, creating slippage of £58k.
- 5.3 It is expected that further vacancies will arise as the year progresses due to staff movement, and therefore that targets in other areas will be met.
- 5.4 Legal Services currently have a £30k pressure due to subscription costs and court fees.

(iii) Safer Communities

Safer Communities	Current Expend. Budget 2023/24 £000 (a)	Current Income Budget 2023/24 £000 (b)	Current Net Budget 2023/24 £000 (c)=(a)+(b)	Forecast Outturn 2023/24 £000 (d)	Variance Q2 2023/24 £000 (e) =(d)-(c)	Variance Q1 2023/24 £000
Place Services Directorate						
Community Safety	2,449	(781)	1,668	1,686	+18	+81
Total	2,449	(781)	1,668	1,686	+18	+81

6.1 The portfolio is currently projecting an overspend of £18k, which relates to the non-achievement of staff savings across the portfolio.

(iv) Environmental Services and Climate Change

Environmental Services and Climate Change	Current Expend. Budget 2023/24 £000 (a)	Current Income Budget 2023/24 £000 (b)	Current Net Budget 2023/24 £000 (c)=(a)+(b)	Forecast Outturn 2023/24 £000 (d)	Variance Q2 2023/24 £000 (e) =(d)-(c)	Variance Q1 2023/24 £000
Place Services Directorate						
Parks & Open Spaces	2,769	(315)	2,454	2,491	+37	+44
Street Cleansing	1,922	(179)	1,743	1,771	+28	+78
Cemetery and Crematorium	2,065	(2,647)	(582)	(489)	+93	+38
Waste Collection	3,078	(691)	2,387	2,429	+42	+44
Recycling	6,485	(2,863)	3,622	4,105	+483	+373
Climate Change	328	(151)	77	177	0	0
Direct Services	20,267	(20,304)	(37)	287	+324	(215)
Management & Support Services	1,830	(1,830)	0	(150)	+150	(29)
Councillor Improvement Fund	100	0	100	100	0	0
Total	38,844	(28,980)	9,864	10,721	+857	+333

7.1 The portfolio is currently projecting an overspend of £857k.

7.2 The non-achievement of portfolio-wide staff savings (£403k) is currently being offset by staff slippage across the portfolio (£480k), whilst non-staffing savings of £203k remain outstanding at present.

7.3 Cemeteries and Crematorium are reporting a shortfall in income of £51k due to a reduction in the number of traditional funerals taking place, with 18% of bereaved families opting for direct funerals at regional crematoria with discounted choices.

7.4 Waste Collection are forecasting additional trade waste tipping costs of £52k, but this is being mitigated by additional income of £42k and underspends on external vehicle hire and materials. The service is seeing a reduction in the amounts of residual waste collected, and whilst this is not expected to deliver any revenue savings, it is likely to deliver a reduction on the Waste Levy charge from the waste disposal authority in future years.

- 7.5 Recycling are forecasting a shortfall in income relating to recycling sales and garden waste. There are also overspends on tipping fees for food disposal and general supplies and services, but these are being mitigated by reduced costs of external vehicle hire. It is anticipated that recycling income levels will improve once the recommendations of the Waste Strategy are implemented later in the year, both in terms of new containers and the appointment of a new waste recycling contractor.
- 7.6 Grounds Maintenance are reporting a shortfall in income of £45k, along with a net overspend on general supplies and services of £5k.
- 7.7 The Transport service is reporting an underspend on fuel costs of £50k, assuming the same level of purchases as 2022/23 at today's diesel price, plus 5% to cover any potential price rises. As the service increasingly replaces older diesel vehicles with new electric alternatives, it is anticipated that there will be further reductions in these fuel costs. It should be noted, however, that electricity charges will increase at the same time, although the expectation is that there will still be a net financial benefit to the Council. In addition, the Recycling and Waste service is currently undertaking a full rerouting exercise which should also provide a revenue saving via a reduction in mileage.
- 7.8 The main pressure in Direct Services relates to school meals, where food costs are expected to overspend by £169k as a result of the continuing impact of inflation. There is also a forecast shortfall in income of £416k, of which £371k relates to secondary-school cash income. Price increases on our menu items have not kept pace with the significant increases experienced in food and labour costs, so income targets are unachievable at present, with price increases of 30% being required in order to ensure costs can be recovered.

(v) Strategic Transport

Strategic Transport	Current Expend. Budget 2023/24 £000 (a)	Current Income Budget 2023/24 £000 (b)	Current Net Budget 2023/24 £000 (c)=(a)+(b)	Forecast Outturn 2023/24 £000 (d)	Variance Q2 2023/24 £000 (e) =(d)-(c)	Variance Q1 2023/24 £000
Place Services Directorate						
Parking Services	1,337	(1,064)	273	383	+110	+76
Highways Maintenance	11,416	(2,183)	9,233	9,115	(118)	(23)
Street Lighting	2,873	(158)	2,715	2,808	+93	+93
Traffic Management & Road Safety	830	(213)	617	617	0	+5
Transport Planning, Policy & Strategy	867	(53)	814	805	(9)	(102)
Total	17,323	(3,671)	13,652	13,728	+76	+49

- 8.1 The portfolio is currently projecting an overspend of £76k.
- 8.2 The non-achievement of portfolio-wide staff savings (£268k) is currently being covered by staff slippage across the portfolio (£284k), whilst non-staffing savings of £90k remain outstanding at present.

(vi) Regeneration and Planning

Regeneration and Planning	Current Expend. Budget 2023/24 £000 (a)	Current Income Budget 2023/24 £000 (b)	Current Net Budget 2023/24 £000 (c)=(a)+(b)	Forecast Outturn 2023/24 £000 (d)	Variance Q2 2023/24 £000 (e) =(d)-(c)	Variance Q1 2023/24 £000
Place Services Directorate						
Building Control	740	(366)	374	456	+82	+7
Development Control	1,857	(974)	883	812	(71)	+64
Planning Policy	803	(211)	592	557	(35)	(21)
Estates - Industrial & Commercial Premises (including Town Centre)	8,014	(6,576)	1,438	1,707	+269	+351
Market Undertakings	1,077	(363)	714	795	+81	+52
Growth Delivering Prosperity	610	0	610	649	+39	(116)
Management & Support Services	1,493	(1,493)	0	21	+21	+21
Building Support Services	8,360	(8,360)	0	(80)	(80)	(61)
Estates Management	572	(609)	(37)	(5)	+32	(46)
Housing Services	6,169	(2,411)	3,758	3,783	+25	(40)
Homelessness	1,435	(1,052)	383	378	(5)	(3)
Total	31,130	(22,415)	8,715	9,073	+358	+208

- 9.1 The portfolio is currently projecting an overspend of £358k.
- 9.2 The non-achievement of portfolio-wide staff savings (£137k) is currently being covered by staff slippage across the portfolio (£157k), whilst non-staffing savings of £230k remain outstanding at present.
- 9.3 Housing Services are currently projecting a net shortfall in income of £86k which is predominantly linked to the Disabled Facilities Grant, although it is anticipated that this position will improve as the capital programme gathers pace throughout the year.
- 9.4 The budget saving against the Supporting People programme (£282k) has been achieved following the cessation of the programme. The Supported Housing element that now remains with Place Services is projecting an underspend of £101k based on current forecast activity levels.
- 9.5 Building Control are reporting a shortfall in income of £70k based on current forecasts.
- 9.6 Market Undertakings and Estates are both forecasting overspends on Business Rates of £32k and £31k respectively, as a result of void units across the respective property portfolios. Markets are also reporting a shortfall in rental income of £28k based on current levels of occupancy.
- 9.7 There are also minor underspends on general supplies and services across the portfolio.

Utilisation of Earmarked Reserves during the period**Annex D**

This table details the approved decisions to utilise Earmarked Reserves in 2023/24 during the period

Portfolio / Corporate Items	Reserve	Detail	Further detail included in	Cash Limit Change 2023/24 £000
Corporate Services	Transformation Reserve	To make necessary improvements in complaints and data protection	CORP001376	+50
Integrated Health and Care	Transformation Reserve	To recruit fixed-term-contract social workers to support with the Learning Disability Transformation project	PEOP002303	+96
Environmental Services and Climate Change	Transformation Reserve	To support the delivery of the climate action plan	Cabinet 24 May 2023	+100
Integrated Health and Care	Funding Reform & Volatility Reserve	Release of ICB contributions earmarked in 2022/23 to support specific programmes of work	Cabinet 21 June 2023	+117
Total				+363

Annex E**EARMARKED BALANCES 2023/24 to 2025/26**

Reserve	Balance at 1 April 2023 £000	Balance at 31 March 2024 £000	Balance at 31 March 2025 £000	Balance at 31 March 2026 £000
Transformation Reserve	6,171	4,719	5,619	6,519
Growth Reserve	5,711	5,483	4,679	4,879
Councillor Improvement Fund	356	356	356	356
Insurance & Contingent Liability Reserve	3,208	3,208	3,208	3,208
Waste Management Development Fund	647	295	295	295
Inflationary Reserve	4,746	5,622	6,622	7,622
Restructuring Reserve	3,707	3,707	3,707	3,707
Funding Reform Volatility Reserve ¹	7,269	6,545	7,307	12,607
Pension Reserve	10,000	10,000	10,000	10,000
Tax Increment Financing (TIF) Reserve	5,000	5,000	5,000	5,000
Subtotal - General Earmarked Balances	46,815	44,935	46,793	54,193
Covid-19 Reserve - Collection Fund	488	-	-	-
Covid-19 Reserve - Other	4,210	1,210	-	-
TOTAL	51,513	46,145	46,793	54,193

¹ The balance as at 1 April 2023 includes earmarking of unconditional grants and contributions and other previously approved requests for use in 2023/24 to deliver specific programmes of work (£1,286k). At the time of drafting this report, £938k of this has been released into revenue budgets in 2023/24 with £117k of this total released in Period 2, as detailed in Annex D.

CAPITAL PROGRAMME SUMMARY 2023/24 TO 2025/26

PORTFOLIO					Funding			
	2023/24	2024/25	2025/26	Total	Borrowing	Capital Receipts	Revenue	Grants / Conts.
	£000	£000	£000	£000	£000	£000	£000	£000
Children & Young People	6,702	11,716	1,300	19,718	2,854	0	12	16,852
Integrated Health & Care	0	25	0	25	0	0	0	25
Economy, Business & Skills	11	0	0	11	11	0	0	0
Wellbeing, Culture & Heritage	2,264	116	0	2,380	2,278	0	0	102
Corporate Services	2,154	0	0	2,154	875	515	764	0
Strategic Transport	47,415	14,289	7,645	69,349	13,875	0	15	55,459
Environmental Services & Climate Change	9,820	823	700	11,343	9,617	45	459	1,222
Regeneration & Planning	62,733	45,146	55,111	162,990	103,491	1,180	192	58,127
Safer Communities	736	0	0	736	711	0	0	25
TOTAL	131,835	72,115	64,756	268,706	133,712	1,740	1,442	131,812

CHILDREN & YOUNG PEOPLE PORTFOLIO				
	2023/24	2024/25	2025/26	Total
	£000	£000	£000	£000
Primary Schools				
Ashurst Primary Rebuild	1,132	0	0	1,132
Bleak Hill Roof Repairs	5	45	0	50
Carr Mill - Heating Works	230	0	0	230
Eccleston Lane Ends - Roof Repairs	50	0	0	50
Garswood - Curtain Walls	38	0	0	38
Longton Lane Rebuilding Programme	198	0	0	198
Merton Bank Structural Works	4	25	0	29
Newton Le Willows Primary Heating	5	10	0	15
Queens Park Roof Replacement	10	90	0	100
Queens Park H&S Works	30	0	0	30
Rivington Boiler Replacement	5	25	0	30
Sutton Manor Health & Safety Works	5	45	0	50
Sutton Oak Boiler Replacement	5	35	0	40
Thatto Heath Structural Works	5	20	0	25
The District Primary - Nursery Provision	41	0	0	41
The District Primary - Fire Doors	6	0	0	6
The District Primary - WC Refurbishment	30	0	0	30
Secondary Schools				
Cowley Roof Replacement	32	0	0	32
De La Salle SEND Base	944	0	0	944
Special & Other Schools				
Launchpad Roof Renewal	0	100	0	100
Mill Green - Hairdressing Salon Relocation	53	0	0	53
Penkford Relocation	52	0	0	52
Pupil Referral Heating	5	35	0	40
Other Schemes				
School Devolved Formula Capital	523	1,000	300	1,823
Various Schools Fire Risks	36	0	0	36
Various Schools Heating	8	0	0	8
Children and Families Accommodation	19	0	0	19
Sutton Children's Centre External Play Area	63	0	0	63
Children's Residential Homes	1,380	999	0	2,379
Family Hubs	89	62	0	151
Single Social Care & Education system	475	0	0	475
Uncommitted Grant Funding				
Healthy Pupils Capital Funding	0	125	0	125
Higher Needs Provision Capital	599	3,000	0	3,599
Basic Need Uncommitted	90	600	0	690
School Condition Funding Uncommitted	535	5,500	1,000	7,035
TOTAL	6,702	11,716	1,300	19,718

INTEGRATED HEALTH & CARE PORTFOLIO				
	2023/24	2024/25	2025/26	Total
	£000	£000	£000	£000
Unallocated Community Capacity Grant	0	25	0	25
TOTAL	0	25	0	25

ECONOMY, BUSINESS & SKILLS PORTFOLIO				
	2023/24	2024/25	2025/26	Total
	£000	£000	£000	£000
Replacement of Housing & Regulatory Services Case Management System	11	0	0	11
TOTAL	11	0	0	11

2023/24	2024/25	2025/26	Total
£000	£000	£000	£000
1,132	0	0	1,132
5	45	0	50
230	0	0	230
50	0	0	50
38	0	0	38
198	0	0	198
4	25	0	29
5	10	0	15
10	90	0	100
30	0	0	30
5	25	0	30
5	45	0	50
5	35	0	40
5	20	0	25
41	0	0	41
6	0	0	6
30	0	0	30
32	0	0	32
944	0	0	944
0	100	0	100
53	0	0	53
52	0	0	52
5	35	0	40
523	1,000	300	1,823
36	0	0	36
8	0	0	8
19	0	0	19
63	0	0	63
1,380	999	0	2,379
89	62	0	151
475	0	0	475
0	125	0	125
599	3,000	0	3,599
90	600	0	690
535	5,500	1,000	7,035
6,702	11,716	1,300	19,718

2023/24	2024/25	2025/26	Total
£000	£000	£000	£000
0	25	0	25
0	25	0	25

2023/24	2024/25	2025/26	Total
£000	£000	£000	£000
11	0	0	11
11	0	0	11

Funding			
Borrowing	Capital Receipts	Revenue	Grants / Conts.
£000	£000	£000	£000
0	0	0	1,132
0	0	0	50
0	0	0	230
0	0	0	50
0	0	5	33
0	0	0	198
0	0	0	29
0	0	0	15
0	0	0	100
0	0	0	30
0	0	0	30
0	0	0	50
0	0	0	40
0	0	0	25
0	0	0	41
0	0	0	6
0	0	7	23
0	0	0	32
0	0	0	944
0	0	0	100
0	0	0	53
0	0	0	52
0	0	0	40
0	0	0	1,823
0	0	0	36
0	0	0	8
0	0	0	19
0	0	0	63
2,379	0	0	0
0	0	0	151
475	0	0	0
0	0	0	125
0	0	0	3,599
0	0	0	690
0	0	0	7,035
2,854	0	12	16,852

Borrowing	Capital Receipts	Revenue	Grants / Conts.
£000	£000	£000	£000
0	0	0	25
0	0	0	25

Borrowing	Capital Receipts	Revenue	Grants / Conts.
£000	£000	£000	£000
11	0	0	0
11	0	0	0

WELLBEING, CULTURE & HERITAGE PORTFOLIO			
Libraries ICT Refresh			
Newton Le Willows Health and Fitness Centre Equipment			
Parr Locality Hub (feasibility)			
Parr Swimming & Fitness Centre Demolition			
Sutton Leisure Centre - Swimming provision			
World of Glass Building Works Loan			
UK Shared Prosperity Fund - Culture, Arts and Heritage			
TOTAL			

2023/24	2024/25	2025/26	Total
£000	£000	£000	£000
0	44	0	44
65	0	0	65
625	0	0	625
1,032	0	0	1,032
352	0	0	352
160	0	0	160
30	72	0	102
2,264	116	0	2,380

Borrowing	Capital Receipts	Revenue	Grants / Confs.
£000	£000	£000	£000
44	0	0	0
65	0	0	0
625	0	0	0
1,032	0	0	0
352	0	0	0
160	0	0	0
0	0	0	102
2,278	0	0	102

CORPORATE SERVICES PORTFOLIO			
ICT Device Refresh			
Telephone & Contact Centre System			
Finance System (Unit4 ERP)			
TOTAL			

2023/24	2024/25	2025/26	Total
£000	£000	£000	£000
1,279	0	0	1,279
129	0	0	129
746	0	0	746
2,154	0	0	2,154

Borrowing	Capital Receipts	Revenue	Grants / Confs.
£000	£000	£000	£000
0	515	764	0
129	0	0	0
746	0	0	0
875	515	764	0

STRATEGIC TRANSPORT PORTFOLIO			
Highway Schemes			
A49 to M6 Junction 22 Link Road			
KRN Levelling Up (Parkside Junction Mitigation Works)			
Active Travel Fund - Tranche 2			
Active Travel Fund - Tranche 3			
Active Travel Fund - Tranche 4			
Carriageway Maintenance			
Highway / Road Investment			
Huskinson Bridge Repairs			
LCR Sustainable Urban Development			
Local Safety Schemes			
Local Transport Plan Unallocated (CRSTS)			
CRSTS- Active Travel-City Region			
CRSTS- Strategic Maintenance			
CRSTS - Bridges			
CRSTS - Technology & Comms Upgrade			
CRSTS - Potholes			
CRSTS - Flooding / Drainage			
CRSTS - Resource Funding			
Safer Routes to Schools			
Section 106 Arrangements			
St. Helens Southern Gateway Package			
Traffic Signal Improvements on A58 and A572			
LED Retrofit - Traffic Signals			
DfT Pothole Fund			
TOTAL			

2023/24	2024/25	2025/26	Total
£000	£000	£000	£000
25,800	4,814	0	30,614
4,060	1,750	0	5,810
3	0	0	3
2,056	0	0	2,056
1,334	0	0	1,334
44	0	0	44
447	0	0	447
170	0	0	170
550	0	0	550
62	0	0	62
0	7,020	7,020	14,040
870	0	0	870
3,365	0	0	3,365
710	0	0	710
1,010	0	0	1,010
410	0	0	410
710	0	0	710
1,315	705	625	2,645
49	0	0	49
81	0	0	81
3,327	0	0	3,327
80	0	0	80
438	0	0	438
524	0	0	524
47,415	14,289	7,645	69,349

Borrowing	Capital Receipts	Revenue	Grants / Confs.
£000	£000	£000	£000
13,180	0	0	17,434
0	0	0	5,810
0	0	0	3
0	0	0	2,056
0	0	0	1,334
44	0	0	0
447	0	0	0
170	0	0	0
0	0	0	550
0	0	0	62
0	0	0	14,040
0	0	0	870
0	0	0	3,365
0	0	0	710
0	0	0	1,010
0	0	0	410
0	0	0	710
0	0	0	2,645
34	0	15	0
0	0	0	81
0	0	0	3,327
0	0	0	80
0	0	0	438
0	0	0	524
13,875	0	15	55,459

ENVIRONMENTAL SERVICES & CLIMATE CHANGE PORTFOLIO				
2023/24	2024/25	2025/26	Total	
£000	£000	£000	£000	
Air Quality	650	0	0	650
Air Quality - Indoor Monitoring Equipment	103	0	0	103
Climate Change Emergency Response Fund	46	0	0	46
Haydock KGV Playing Field- Site Improvements	128	0	0	128
Recycling & Waste Collection	389	0	0	389
Section 106 Arrangements (Non-Highway Schemes)	48	0	0	48
St. Helens Cemetery-Drainage Scheme	2	0	0	2
Two Butt Lane Open Space (S.106)	20	0	0	20
Sherdley Park Skate Park	122	0	0	122
UK Shared Prosperity Fund - Green, Resilient & Safe Communities	78	123	0	201
Improvements to Vulcan Village Conservation Area & Greenway Interpretation signage board	65	0	0	65
Resources and Waste Strategy	3,170	0	0	3,170
Fleet Replacement Programme 22-23	3,417	0	0	3,417
Fleet Replacement Programme 23-24	1,582	700	700	2,982
TOTAL	9,820	823	700	11,343

2023/24	2024/25	2025/26	Total
£000	£000	£000	£000
0	0	0	650
0	0	0	103
46	0	0	0
0	0	0	79
0	45	0	344
0	0	0	48
2	0	0	0
0	0	0	20
0	0	0	36
0	0	0	201
0	0	0	65
3,170	0	0	0
3,417	0	0	0
2,982	0	0	0
9,617	45	459	1,222

Borrowing	Capital Receipts	Revenue	Grants / Conts.
£000	£000	£000	£000
0	0	0	650
0	0	0	103
46	0	0	0
0	0	79	49
0	45	344	0
0	0	0	48
2	0	0	0
0	0	0	20
0	0	36	86
0	0	0	201
0	0	0	65
3,170	0	0	0
3,417	0	0	0
2,982	0	0	0
9,617	45	459	1,222

REGENERATION & PLANNING PORTFOLIO				
2023/24	2024/25	2025/26	Total	
£000	£000	£000	£000	
Chalon Way Meanwhile Use	142	0	0	142
Ground Conditions Survey	101	20	20	141
St Helens Town Centre Masterplan	4,507	0	0	4,507
Church Square	300	0	0	300
St Helens Town Centre Phase 1 Investment	4,721	21,893	50,636	77,250
Hardshaw Brook Depot Review	89	0	0	89
Modernisation of St Helens Crematorium	108	0	0	108
The Gamble Building (Phase 4)	533	0	0	533
Earlestown Regeneration	522	0	0	522
Earlestown Market	7,417	3,763	0	11,180
Earlestown Town Hall (Internal)	3,718	3,500	0	7,218
Earlestown Railway Station	1,945	7,518	0	9,463
Parr Footbridge Art Installation	25	0	0	25
Town Deal - Glass Futures Ph 2	4,531	1,026	0	5,557
Town Deal - Cannington Shaw	726	755	0	1,481
Town Deal - The World of Glass	402	0	0	402
Town Deal - Digital Infrastructure	84	1,463	977	2,524
Town Deal - Health Hub	872	831	0	1,703
Town Centre Bus Station Strategic Acquisitions	2,580	0	0	2,580
St Helens Manufacturing and Innovation Campus Strategic Acquisitions	7,200	0	0	7,200
Parkside Regeneration Equity Investment	17,500	0	0	17,500
UK Shared Prosperity Fund - Town Centres	0	43	0	43
Housing Schemes				
Disabled Facilities Grants and Adaptations	4,375	4,004	3,148	11,527
General Fund Housing (Housing Assistance)	50	50	50	150
Housing Clearance and Enforcement	50	50	50	150
Insulation Measures and Fuel Poverty	235	230	230	695
TOTAL	62,733	45,146	55,111	162,990

2023/24	2024/25	2025/26	Total
£000	£000	£000	£000
142	0	0	142
101	20	20	141
4,507	0	0	4,507
300	0	0	300
4,721	21,893	50,636	77,250
89	0	0	89
108	0	0	108
533	0	0	533
522	0	0	522
7,417	3,763	0	11,180
3,718	3,500	0	7,218
1,945	7,518	0	9,463
25	0	0	25
4,531	1,026	0	5,557
726	755	0	1,481
402	0	0	402
84	1,463	977	2,524
872	831	0	1,703
2,580	0	0	2,580
7,200	0	0	7,200
17,500	0	0	17,500
0	43	0	43
0	756	0	10,771
50	50	0	50
50	50	0	50
413	204	0	78
103,491	1,180	192	58,127

Borrowing	Capital Receipts	Revenue	Grants / Conts.
£000	£000	£000	£000
142	0	0	0
21	120	0	0
4,507	0	0	0
300	0	0	0
69,198	0	0	8,052
89	0	0	0
108	0	0	0
533	0	0	0
522	0	0	0
2,658	0	0	8,522
1,537	0	0	5,681
3,258	0	0	6,205
25	0	0	0
0	0	57	5,500
0	0	111	1,370
0	0	0	402
0	0	24	2,500
0	0	0	1,703
2,580	0	0	0
0	0	0	7,200
17,500	0	0	0
0	0	0	43
0	756	0	10,771
50	50	0	50
50	50	0	50
413	204	0	78
103,491	1,180	192	58,127

SAFER COMMUNITIES PORTFOLIO				
2023/24	2024/25	2025/26	Total	
£000	£000	£000	£000	
Community Safety Schemes				
CCTV Replacement	736	0	0	736
TOTAL	736	0	0	736

2023/24	2024/25	2025/26	Total
£000	£000	£000	£000
736	0	0	736
736	0	0	736

Borrowing	Capital Receipts	Revenue	Grants / Conts.
£000	£000	£000	£000
711	0	0	25
711	0	0	25

TOTAL ALL PORTFOLIOS

131,835	72,115	64,756	268,706
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133,712	1,740	1,442	131,812
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CAPITAL PROGRAMME 2023/24

CHILDREN & YOUNG PEOPLE PORTFOLIO	Approved Budget Q1	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget	Narrative
	£000	£000	£000	£000	£000	
Primary Schools						
Ashurst Primary Rebuild	1,132			0	1,132	The second phase of the scheme (demolition) is currently scheduled to be completed by January 2024.
Bleak Hill Roof Repairs	50		-45	-45	5	Scheme requirements subject to evaluation. Work is expected to commence during 2024/25.
Carr Mill - Heating Works	230			0	230	Scheme complete
Eccleston Lane Ends - Roof Repairs	0	50		50	50	New scheme - Operational Decision ENVP002990. Scheme completed.
Garswood - Curtain Walls	0	38		38	38	New scheme - Operational Decision ENVP002994. Scheme to commence October 2023.
Longton Lane Rebuilding Programme	158	40		40	198	The overall scheme is being delivered externally by the Education & Skills Funding Agency. The budget provision has been revised to reflect the latest estimated cost of works that are being delivered at the request of the Authority.
Merton Bank Structural Works	29		-25	-25	4	Scheme requirements subject to evaluation. Work is expected to commence during 2024/25.
Newton Le Willows Primary Heating	15		-10	-10	5	Scheme requirements subject to evaluation. Work is expected to commence during 2024/25.
Queens Park Roof Replacement	100		-90	-90	10	Scheme requirements subject to evaluation. Work is expected to commence during 2024/25.
Queens Park H&S Works	30			0	30	
Rivington Boiler Replacement	30		-25	-25	5	Scheme requirements subject to evaluation. Work is expected to commence during 2024/25.
Robins Lane Health & Safety Works	0			0	0	
Sutton Manor Health & Safety Works	50		-45	-45	5	Scheme requirements subject to evaluation. Work is expected to commence during 2024/25.
Sutton Oak Boiler Replacement	40		-35	-35	5	Scheme requirements subject to evaluation. Work is expected to commence during 2024/25.
Thatto Heath Structural Works	25		-20	-20	5	Scheme requirements subject to evaluation. Work is expected to commence during 2024/25.
The District Primary - Nursery Provision	41			0	41	
The District Primary - Roof Replacement	40	-40		-40	0	Scheme complete
The District Primary - Fire Doors	6			0	6	
The District Primary - WC Refurbishment	0	30		30	30	New scheme - Operational Decision ENVP002991
Secondary Schools						
Cowley Roof Replacement	32			0	32	
De La Salle SEND Base	944			0	944	Options to complete the full design for the scheme are being considered.

CHILDREN & YOUNG PEOPLE PORTFOLIO	Approved Budget Q1	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget	Narrative
	£000	£000	£000	£000	£000	
Special & Other Schools						
Lansbury Bridge - Refurbishment of classroom	12	-12		-12	0	Scheme complete
Launchpad Roof Renewal	100		-100	-100	0	Delivery of the scheme has been paused pending identification and evaluation of the optimal solution, in terms of both the existing building and the needs of the service.
Mill Green - Hairdressing Salon Relocation		53		53	53	New scheme - Operational Decision ENVP002989. Scheme completed.
Penkford Relocation	52			0	52	
Pupil Referral Heating	40		-35	-35	5	Scheme requirements subject to evaluation. Work is expected to commence during 2024/25.
Other Schemes						
School Devolved Formula Capital	1,279	-56	-700	-756	523	The 2023/24 Devolved Formula Capital budget provision reflects the estimated expenditure during the current financial year on schemes and equipment that schools have identified in their own plans as being priorities for them.
Harnessing Technology	5	-5		-5	0	Scheme complete
Various Schools Fire Risks	36			0	36	
Various Schools Heating	8			0	8	
Children and Families Accommodation	19			0	19	
Sutton Children's Centre External Play Area	63			0	63	Scheme scheduled to be delivered during October 2023
Children's Residential Homes	1,380			0	1,380	The Authority are in the process of appointing an external partner to assist with identification of suitable properties, together with associated purchasing, conveyancing and remodelling support.
Family Hubs	89			0	89	
Single Social Care & Education system		475		475	475	New scheme - approved by Cabinet on 19th July 2023

CHILDREN & YOUNG PEOPLE PORTFOLIO	Approved Budget Q1	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
	£000	£000	£000	£000	£000
Uncommitted Grant Funding					
Healthy Pupils Capital Funding	125		-125	-125	0
Higher Needs Provision Capital	3,652	-53	-3,000	-3,053	599
Basic Need Uncommitted	730	-40	-600	-640	90
School Condition Funding Uncommitted	5,028	7	-4,500	-4,493	535
TOTAL	15,570	487	-9,355	-8,868	6,702

Narrative
Funding to improve and increase availability to facilities for physical activity, healthy eating, mental health and wellbeing and medical conditions for children and young people. Funding has been rephased into 2024/25 pending the identification of appropriate schemes.
Funding is intended to support the capital costs associated with providing new places and improving existing provision for children and young people with SEND and those who require alternative provision. Options to ensure that the required capacity is available are being considered and schemes will be brought forward as appropriate.
Basic Need capital grant is made available to ensure there are adequate numbers of school places available. Officers work closely with schools and their governing bodies to deliver schemes required to ensure adequate availability and further schemes will be brought forward at the appropriate time should the need for works to deliver additional capacity be identified.
School Condition capital grant is received for the purpose of supporting the Authority to ensure that school buildings are appropriately maintained. Further schemes are currently being developed and will be brought forward in due course. It is anticipated that the majority of these will be scheduled to be delivered in 2024/25.

INTEGRATED HEALTH & CARE PORTFOLIO	Approved Budget Q1	New Schemes/ Funding Changes	Reprofiled into future Years	Changes to be approved in this Period	Revised Budget
	£000	£000	£000	£000	£000
Unallocated Community Capacity Grant	25		-25	-25	0
TOTAL	25	0	-25	-25	0

Narrative
Transfer of Funding to 2024/25

ECONOMY, BUSINESS & SKILLS PORTFOLIO	Approved Budget Q1	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
	£000	£000	£000	£000	£000
Replacement of Housing & Regulatory Services Case Management System	11			0	11
TOTAL	11	0	0	0	11

Narrative
Work progressing, system scheduled to go live in January

WELLBEING, CULTURE & HERITAGE PORTFOLIO	
Libraries ICT Refresh	44
Newton Le Willows Health and Fitness Centre Equipment	65
Parr Locality Hub (feasibility)	625
Parr Swimming & Fitness Centre Demolition	1,032
Sutton Leisure Centre - Swimming provision	352
World of Glass Building Works Loan	
UK Shared Prosperity Fund - Culture, Arts and Heritage	30
TOTAL	

Approved Budget Q1	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
£000	£000	£000	£000	£000
		-44	-44	0
			0	65
			0	625
			0	1,032
			0	352
	160		160	160
			0	30
2,148	160	-44	116	2,264

Narrative
Service currently working on hardware solution with IT which will be implemented following the Libraries Strategy in October
Equipment for pool- Reliant on manufacturing solution. Site visit has now taken place (May) with the supplier and awaiting formal quotation
This approval is to take the proposals to RIBA stage 2
Electricity sub station located on the site which will need relocating before demolition can begin. Awaiting a date from Scottish power regarding the relocation of the sub station.
Scheme paused pending outcome of Leisure Options Appraisal.
Delivery of a variety of projects linked to Borough of Culture

CORPORATE SERVICES PORTFOLIO	
ICT Device Refresh	1,279
Telephone & Contact Centre System	129
Finance System (Unit4 ERP)	746
TOTAL	

Approved Budget Q1	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
£000	£000	£000	£000	£000
			0	1,279
			0	129
			0	746
2,154	0	0	0	2,154

Narrative
IT Devices will be refreshed as they show signs of failure
The new telephony system went live in September
System is currently being built with planned go live date of April 2024.

STRATEGIC TRANSPORT PORTFOLIO	Approved Budget Q1	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget	Narrative
	£000	£000	£000	£000	£000	
Highway Schemes						
A49 to M6 Junction 22 Link Road	25,800			0	25,800	Project in delivery stage and due for completion mid-April 2024
KRN Levelling Up (Parkside Junction Mitigation Works)	5,810		-1,750	-1,750	4,060	Project being progressed with delivery partners with junction mitigation works due for completion spring 2024.
Active Travel Fund - Tranche 2	3			0	3	Project being progressed with delivery partners.
Active Travel Fund - Tranche 3	2,056			0	2,056	Project being progressed with delivery partners.
Active Travel Fund - Tranche 4	1,334			0	1,334	Project being progressed with delivery partners.
Carriageway Maintenance	44			0	44	Project completed
Highway / Road Investment	447			0	447	Equipment ordered. This project will be delivered by March 2024.
Huskisson Bridge Repairs	170			0	170	Project completed
LCR Sustainable Urban Development	550			0	550	Project being progressed with delivery partners.
Local Safety Schemes	62			0	62	Project completed
Local Transport Plan Unallocated (CRSTS)	0			0	0	CRSTS fundings of £7.02m accepted and allocated to schemes as per Cabinet Report 26/4/23
CRSTS- Active Travel-City Region	870			0	870	Project in delivery stage and due for completion March 2024.
CRSTS- Strategic Maintenance	3,365			0	3,365	Project in delivery stage and due for completion March 2024.
CRSTS - Bridges	710			0	710	Project in delivery stage and due for completion March 2024.
CRSTS - Technology & Comms Upgrade	1,010			0	1,010	Project in delivery stage and due for completion March 2024.
CRSTS - Potholes	410			0	410	Project in delivery stage and due for completion March 2024.
CRSTS - Flooding / Drainage	710			0	710	Project in delivery stage and due for completion March 2024.
CRSTS - Resource Funding	1,315			0	1,315	Project being progressed with delivery partners.
Safer Routes to Schools	49			0	49	Project completed
Section 106 Arrangements	81			0	81	Project being progressed with delivery partners.
St. Helens Southern Gateway Package	3,327			0	3,327	Project in delivery stage and due for completion March 2024.
Traffic Signal Improvements on A58 and A572	80			0	80	Project in delivery stage and due for completion March 2024.
LED Retrofit - Traffic Signals		438		438	438	Project in delivery stage and due for completion March 2024.
DfT Pothole Fund		524		524	524	Funding accepted at Cabinet Sept 2023 and project in delivery stage with completion due in March 2024.
TOTAL	48,203	962	-1,750	-788	47,415	

ENVIRONMENTAL SERVICES & CLIMATE CHANGE PORTFOLIO	Approved Budget Q1	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
	£000	£000	£000	£000	£000
Air Quality	650			0	650
Air Quality - Indoor Monitoring Equipment	103			0	103
Climate Change Emergency Response Fund	46			0	46
Haydock KGV Playing Field- Site Improvements	128			0	128
Recycling & Waste Collection	406	-17		-17	389
Section 106 Arrangements (Non-Highway Schemes)	48			0	48
St. Helens Cemetery-Drainage Scheme	2			0	2
Two Butt Lane Open Space (S.106)	20			0	20
Sherdley Park Skate Park	122			0	122
UK Shared Prosperity Fund - Green, Resilient & Safe Communities	78			0	78
Improvements to Vulcan Village Conservation Area & Greenway Interpretation signage board		65		65	65
Resources and Waste Strategy	2,770	400		400	3,170
Fleet Replacement Programme 22-23	4,117	-700		-700	3,417
Fleet Replacement Programme 23-24		1,582		1,582	1,582
TOTAL	8,490	1,330	0	1,330	9,820

Narrative
Scheme to provide business grants to retrofit or replace highly polluting vehicles to low or zero emission alternatives. This will be delivered by March 2024.
Joint scheme between Environmental Health and Public Health, in partnership with Warrington Borough Council to monitor and improve indoor air quality.
Scheme out to tender Detailed schemes to be identified
Scheme completed Planning approved, scheme is anticipated to be delivered by March 24 Delivery of a variety of projects, including provision of Parklets
Capital element of new scheme approved to fund various funds to improve the Vulcan Village Conservation Area
Cabinet approved up to £4.2m to support with implementation of the strategy and currently £3.17m of this has been added to the programme to fund new recycling containers, 10 new recycling vehicles and enabling works. The new containers and fleet are being rolled out over the Autumn. Scheme now split based on year of approval. All vehicles in 22-23 programme have been ordered and the majority will be delivered by Q3. £700k in respect of the 23-24 programme is now shown separately below. As approved by Cabinet July 23

REGENERATION & PLANNING PORTFOLIO	Approved Budget Q1	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
	£000	£000	£000	£000	£000
Chalon Way Meanwhile Use	142			0	142
Ground Conditions Survey	101			0	101
St Helens Town Centre Masterplan	2,876	1,631		1,631	4,507
Church Square	300			0	300
St Helens Town Centre Phase 1 Investment		4,721		4,721	4,721
Hardshaw Brook Depot Review	89			0	89
Modernisation of St Helens Crematorium	108			0	108
The Gamble Building (Phase 4)	533			0	533
Earlestown Regeneration	522			0	522
Earlestown Market	7,417			0	7,417
Earlestown Town Hall (Internal)	3,718			0	3,718
Earlestown Railway Station	1,945			0	1,945
Parr Footbridge Art Installation		25		25	25
Town Deal - Glass Futures Ph 2	5,600	-43	-1,026	-1,069	4,531
Town Deal - Cannington Shaw	1,451	-53	-672	-725	726
Town Deal - The World of Glass	402			0	402
Town Deal - Digital Infrastructure	1,250		-1,166	-1,166	84
Town Deal - Health Hub	1,750	-47	-831	-878	872
Town Centre Bus Station Strategic Acquisitions	2,580			0	2,580
St Helens Manufacturing and Innovation Campus Strategic Acquisitions	7,200			0	7,200
Parkside Regeneration Equity Investment	17,500			0	17,500
Housing Schemes					
Disabled Facilities Grants and Adaptations	4,711	280	-616	-336	4,375
General Fund Housing (Housing Assistance)	190		-140	-140	50
Housing Clearance and Enforcement	88		-38	-38	50
Insulation Measures and Fuel Poverty	283		-48	-48	235
TOTAL	60,756	6,514	-4,537	1,977	62,733

Narrative
In progress
Discussions are progressing on the remaining relocations
Relocation has been agreed
Cabinet approved Phase 1A of the investment in the Town Centre Masterplan in September 23. This is phased over a number of years.
Scheme is progressing
Completed
Completed
Design work is progressing
Design work is progressing
Design work is progressing
Discussions ongoing with partners
The scheme is progressing, with the first tranche of grant payment anticipated in Spring 24.
Main capital works due to take place in Autumn 2023
Project completed
Delivery model has been agreed, budget has been reprofiled to reflect anticipated spend.
Project being progressed with delivery partners
Discussions are progressing on the remaining acquisitions
The acquisition of the site has been completed.
There will be a further payment following development of the site.
Additional equity investment in Parkside Joint Venture as approved by Cabinet 18 Jan 2023.
Legal agreements expected to be finalised later this financial year.
Expenditure is on target against the revised budget as approved by Cabinet in July 23
as above
as above
as above

SAFER COMMUNITIES PORTFOLIO	Approved Budget Q1	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
	£000	£000	£000	£000	£000
Community Safety Schemes					
CCTV Replacement	35	701		701	736
TOTAL	35	701	0	701	736
TOTAL ALL PORTFOLIOS	137,392	10,154	-15,711	-5,557	131,835

Narrative
Cabinet approved expenditure to replace the existing CCTV control room and cameras

INTERIM TREASURY MANAGEMENT STRATEGY REPORT 2023/24**1 Background**

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

The primary requirements of the Code are as follows:

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

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

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

2. Interest Rate Forecasts

- 2.1 The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates.

- 2.2 The latest forecast on 25th September sets out a view that short, medium and long-dated interest rates will remain high for a while. Link's PWLB rate forecasts are shown below:

%	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26
Bank Rate	5.25	5.25	5.00	4.5	4.00	3.50	3.00	2.75	2.75	2.75
5yr PWLB	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60
10yr PWLB	4.90	4.80	4.60	4.40	4.10	4.00	3.80	3.70	3.60	3.60
25yr PWLB	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80
50yr PWLB	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.30

- 2.3 At the time of drafting the initial Treasury Management Strategy, Link Asset Services had envisaged that the bank rate would gradually decrease during 2023 and into future years, reaching 2.50% by Quarter 1 of 2026. This decrease hasn't happened as quickly as forecast at the time of writing the initial strategy, but is still estimated to hit 2.75% by Quarter 1 of 2026..
- 2.4 The first half of 2023/24 saw:
- Interest rates rise by a further 1%, taking Bank Rate from 4.25% to 5.25%.
 - CPI inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022.
 - Core CPI inflation declining to 6.2% in August from 7.1% in April and May
- 2.5 In its latest monetary policy meeting (20 September '23), the Bank of England left interest rates unchanged at 5.25%. The weak August CPI inflation increase appears to have convinced the Bank of England that it has already raised rates far enough.
- 2.6 A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force the Bank of England to raise rates at the next meeting (2 November) or even pause in November and raise rates in December.
- 2.7 Any unexpected movements in the economy could lead to further increases in the bank rate.

3 Treasury Management Strategy and Annual Investment Strategy Update

3.1 Investments

The Treasury Management Strategy Statement for 2023/24 was considered by Cabinet on 22 February 2023 and approved by Council on 1 March 2023. The Council's Annual Investment Strategy, which is incorporated in the Treasury Management Strategy Statement, outlines the Council's investment priorities as the security of capital and liquidity of investments.

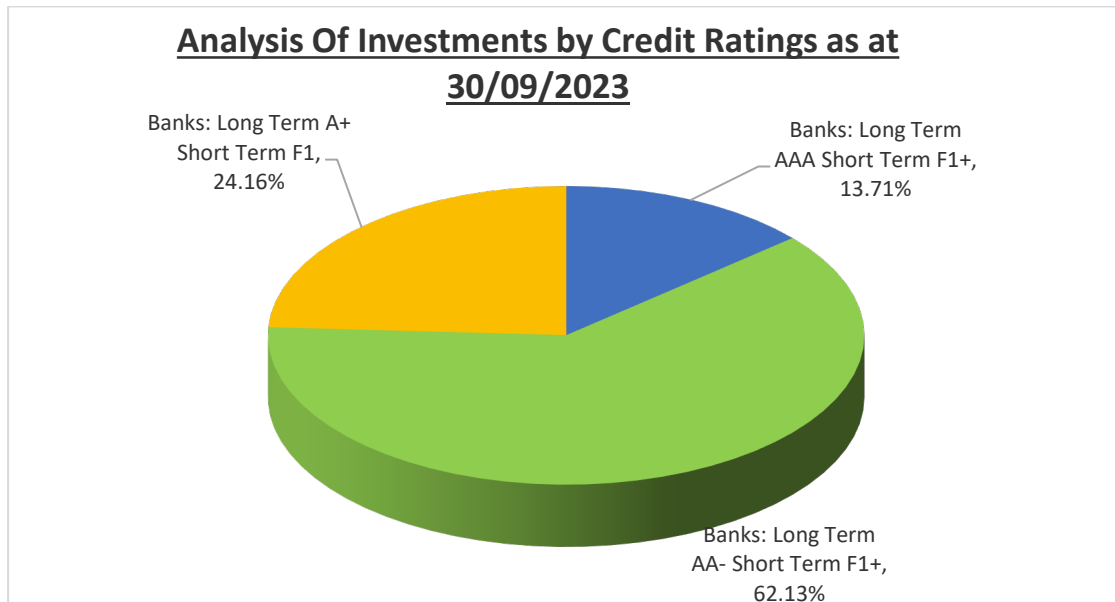
The Council aims to achieve the optimum return (yield) on its investments, commensurate with the proper levels of security and liquidity, and having properly assessed all inherent risks, as detailed in its Treasury Management Practices.

Further detail of the Council's investment portfolio is provided to Cabinet and Council as part of each Financial Monitoring Report. The Council held £144.86m of investments at 30 September 2023 (£127.00m at 31 March 2023) and the following table provides details of the investment returns achieved thus far during 2023/24.

Investment Returns 2023/24 up to 30/09/2023					
2023/24	Returns Achieved			Benchmark Returns	Performance relative to Benchmarks
Month	Fixed Term Investments	Call Accounts	Combined Return	Backward Looking 90 Day SONIA	Overall +/- return
April	3.891%	4.039%	3.915%	3.919%	(0.004%)
May	4.119%	4.024%	4.096%	4.116%	(0.020%)
June	4.389%	4.088%	4.312%	4.288%	0.023%
July	4.748%	4.417%	4.665%	4.815%	(0.149%)
August	5.724%	4.656%	5.481%	4.790%	0.691%
September	5.989%	4.802%	5.772%	5.050%	0.723%

Any sudden changes in rates will impact upon performance against benchmarks as investment decisions need to be made based upon both the desire to maximise interest returns and managing the liquidity of the authority's investments for cashflow purposes, whilst, most importantly, ensuring the security of investments. Where possible, the Council has taken advantage of favourable rates and locked into investment deals for longer periods.

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



3.2 Council's Investment Strategy and Counterparty Criteria

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

3.3 Borrowing

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

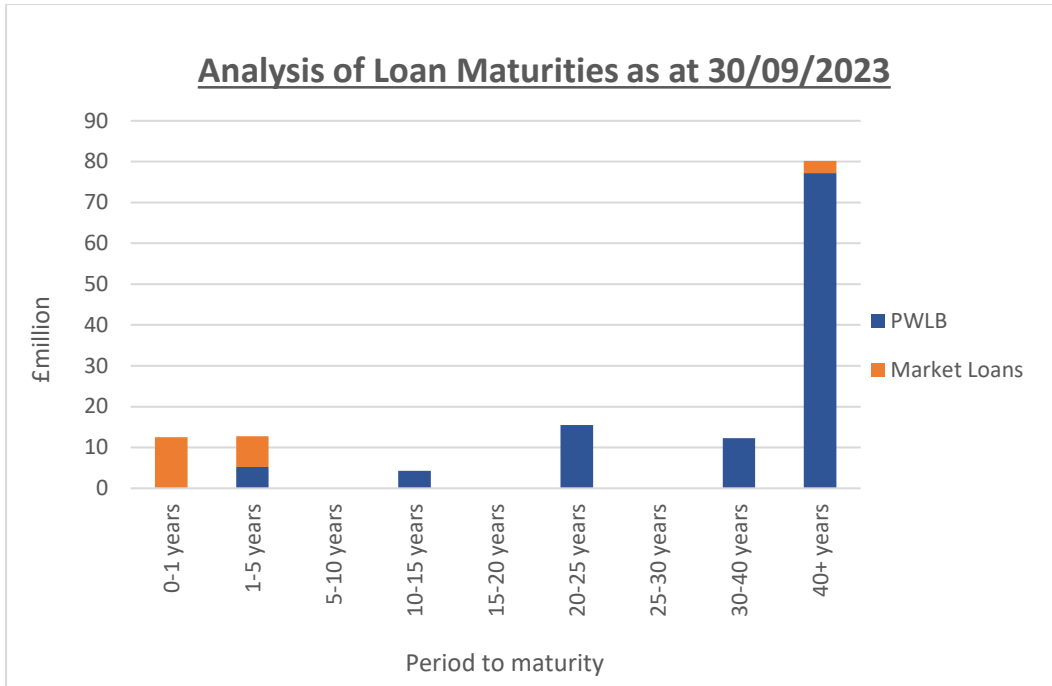
Recent movements in the financial markets have had an impact on the rates at which the Council would be able to borrow. As shown in section 2.2, forecast PWLB rates remain around the 5.00% mark across all time horizons. This is slightly higher than the borrowing rates of 4.50% at the time of approval of the Treasury Management Strategy Statement.

Borrowing should be aligned to the profile of these plans and undertaken at the most opportune time required to fund these schemes/plans, whilst minimising interest rate exposure. Current forecasts, provided by Link and shown in section 2.2, are for a steady decrease in PWLB rates across the next two and a quarter years.

High PWLB rates means that the cost of borrowing is high. A review of future Capital schemes needs to be undertaken to consider the affordability of current proposals.

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

The Council has outstanding debt of £137.51m. The following chart shows the maturity profile of the loan portfolio as at 30 September 2023.



In accordance with the revised Prudential Code, the maturity of borrowing should be determined by reference to the earliest date on which the lender can require payment. If the lender does have the right to increase the interest rate payable (as is the case with a Market Loan (LOBO – Lender Option Borrower Option loan)), then this should be treated as a right to require payment. Due to this guidance the maturity dates of the Council’s LOBO loans have been profiled as the next call date for each. This has made the Council’s position look much more short-term when all of these loans have maturity dates of 30+ years. In the current interest climate, the potential exists that these loans could be called at the next review date for each loan. Work is currently being undertaken to identify potential options if this scenario happens.

In the current economic climate, and with the current structure of PWLB interest rates, opportunities to restructure debt in 2023/24 are currently being explored with the Council’s treasury management advisers.

3.4 Budget Estimates

The budgeted and projected treasury costs for 2023/24 are detailed in the following Table.

<u>Treasury Management Budget 2023/24</u>	2023/24 Budget (£m)	2023/24 Full-Year Forecast (£m)	2023/24 Variance (£m)
<u>Debt Management Costs</u>			
External interest	9.756	7.756	(2.000)
Revenue provision (repayment of principal)	4.846	4.846	-
Investment Interest	(4.629)	(5.379)	(0.750)
Total Treasury Cost	9.973	7.223	2.750

The debt management forecast has reduced by £2m to reflect the profile of future capital expenditure funded by borrowing and decisions around the continued deferral of additional borrowing. This is likely to remain the case while interest rates continue to be elevated and the cost of borrowing remains high, although this is contingent upon the availability of cash balances with which to internally borrow.

Investment interest has increased by £0.650m as a result of the increases in bank rate throughout the year and available market returns. The remaining £0.100m is as a result of the Council's ability to secure fixed-term investments at rates in excess of the discount that would have been achieved from the prepayment of pension contributions.

4 Treasury Limits and Prudential Indicators

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

5 Annual Revenue Provision Policy

- 5.1 The Council is statutorily required to determine its Policy in relation to the method by which it makes charges to the revenue account in respect of capital expenditure financed by borrowing or credit arrangements.
- 5.2 The current Annual Revenue Provision Policy was approved by Council on 1 March 2023, having been contained within the Treasury Management Strategy 2023/24, which formed part of the *Medium-Term Financial Strategy 2023-2026 and Revenue & Capital Budget 2023/24*.
- 5.3 Section 5 of that report set out the policy for charging the revenue account with an amount of minimum revenue provision which is deemed to be prudent. Paragraph 5.6 of the report considered the provision policy for Loan Financial Investments and stated that the Council will not make a Revenue Provision charge on the basis that the Loan will be repayable at some stage in the future and any risks regarding non-repayment would be quantified and charged in accordance with *IFRS9 Financial Instruments*, in the year in which they are identified.

Treasury Limits and Prudential Indicators			2023/24	2024/25	2025/26
2023/24			Revised	Estimates	Estimates
1(i)	Proposed capital expenditure that the Council plans to commit to during the forthcoming and subsequent two financial years.	Capital Expenditure (£m)	131.835	72.115	64.756
1(ii)	Additional in-year borrowing requirement for capital expenditure.	In Year Capital Financing Requirement (CFR) (£m)	49.745	24.165	44.676
2	The CFR is an aggregation of historic and cumulative capital expenditure, which has yet been paid for by either revenue or capital resources.	Capital Financing Requirement as at 31 March (£m)	247.680	271.845	316.521
3	The "net borrowing" position represents the net of the Authority's gross external borrowing and investments sums held.	Net Borrowing Requirement: External Borrowing (£m) Investments Held (£m) Net Requirement (£m)	179.884 <u>(113.000)</u> (71.884)	222.651 <u>(113.000)</u> (114.651)	222.636 <u>(103.000)</u> (124.636)
4	Identifies the impact and trend of the revenue costs of capital financing decisions will have on the General Fund Budget over time.	Ratio of financing cost to net revenue stream	4.01%	5.08%	5.34%

Treasury Limits and Prudential Indicators			2023/24	2024/25	2025/26
2023/24			Revised	Estimates	Estimates
5	The Council's Budget Strategy with regards to unsupported borrowing is such that there is no incremental impact to Council Tax.	Incremental impact of capital investment decisions (increase in Council Tax Band D equivalent)	Nil	Nil	Nil
6	This represents an absolute limit of borrowing at any one point in time. It reflects the level of external debt, which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.	Authorised Limit for External Debt (£m)	242.013	276.441	298.495
7	This is the limit beyond which external debt is not normally expected to exceed.	Operational Limit for External Debt (£m)	226.064	264.144	275.026
8	These limits seek to ensure that the authority does not expose itself to an inappropriate level of interest rate risk, and has a suitable proportion of debt.	Upper Limit for Fixed Interest Rate Exposure	100%	100%	100%
		Upper Limit for Variable Interest Rate Exposure	50%	50%	50%
9	This limit seeks to ensure liquidity and reduce the likelihood of any inherent or associated risk.	Upper Limit for Sums Invested over 365 Days	60%	60%	60%
10	This indicator is used to highlight where an authority may be borrowing in advance of need	Gross Debt and the CFR (£m)	47.817	30.099	75.599

A new prudential indicator for 2023/24 is the Liability Benchmark. The Authority is required to estimate and measure the Liability Benchmark for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the Liability Benchmark:

1. **Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.
2. **Loans Capital Financing Requirement (CFR):** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned Minimum Revenue Provision (MRP). Due to only approved prudential borrowing being included in the calculation a peak will appear after four years as no further borrowing will be approved at this point.
3. **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast. This becomes a negative due to the position the Authority is in as a result of the balance of treasury investments, which are in excess of borrowing; this allows the Authority flexibility in regard to the timing of taking out future borrowing and therefore allows it to make sound treasury management decisions.
4. **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance.

