

FINANCIAL MONITORING REPORT - PERIOD 3 2023/24**SECTION 1: SUMMARY****Revenue Budget**

- 1.1 This is the third Financial Monitoring Report of 2023/24, covering the period to December 2023. The report has been prepared excluding the financial implications of any other reports presented on the same agenda. There will be a final outturn report covering the full-year financial performance for 2023/24.
- 1.2 There is a forecast service overspend of £11.819m against the updated net portfolio budget of £178.245m.
- 1.3 Underspends within the Treasury Management and corporate budgets will offset the projected overspend by £5.441m, **resulting in a forecast net budget overspend of £6.378m**. These underspends are generally 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 balances.
- 1.4 The overall position is summarised in the table below.

Portfolio	Variance at Period 3 £000
Economy, Business & Skills	+8
Children & Young People	+7,430
Integrated Health & Care	+2,886
Wellbeing, Culture & Heritage	(435)
Corporate Services	(209)
Safer Communities	+34
Environmental Services & Climate Change	+697
Strategic Transport	+158
Regeneration & Planning	(148)
Portfolio Position excluding Pay Award	+10,421
Pay Award	+1,398
Net Portfolio Position	+11,819
Treasury Management	(3,290)
Corporate Budgets	(2,151)
Net Position	+6,378

- 1.5 There is a severe and worsening pressure in the Children & Young People portfolio, the main drivers of this being increasing demand, social work staffing challenges and ongoing delivery of the programme of efficiencies. Placement costs associated with caring for children looked after, frontline social care staffing costs and costs relating to family support packages continue to be the main pressures. Actions continue to be progressed to help mitigate and combat these challenges.

- 1.6 Nevertheless, the forecast pressure in the Children & Young People portfolio has increased by £2.132m from the Period 2 position reported to Cabinet at its meeting on 22 November 2023. This is primarily because projected costs associated with delivering appropriate care and accommodation for children looked after have increased by £1.254m since the Period 2 projections. In addition, the need for adequate staffing resource with manageable caseloads has increased the forecast frontline social care staffing pressure by £0.798m.
- 1.7 The other main pressure is within the Integrated Health & Care portfolio, reflecting ongoing demand pressures and the complexity of needs and acuity of individuals. The most significant pressures continue to be within Learning Disability Services and Physical Support (Frail and Older People).
- 1.8 The main pressure within the Environmental Services & Climate Change portfolio relates to School Meals (+£0.489m) due to the impact of food price inflation and reduced income from secondary schools.
- 1.9 As noted at Period 2, there will be severe consequences for the Council should further action not be taken to mitigate this position. The current forecast position determines that there will be a requirement to draw upon an additional £6.378m from reserves to meet the shortfall, severely impacting reserves levels and reducing the Council's financial stability. If the projected overspend is not reduced permanently, the Council will continue to need to use reserves to fund the revenue budget, increasing the risk of a Section 114 notice. Whilst this risk is substantial, it is not likely over the period of the Medium-Term Financial Strategy.
- 1.10 In response to the severe overspend situation, the Executive Leadership Team previously instructed an immediate recruitment freeze, a halt to all non-essential expenditure and a review of agency worker usage.
- 1.11 As a result of the recruitment freeze, the Council's vacancy rate has increased by 2%, from 12.8% to 14.8%, which equates to a total of 411 Full-Time Equivalent positions spread across all departments. All vacancies are now being managed by each Departmental Management Team (DMT) to ensure that only key vacancies are filled in the short term. This is reflected in the latest position set out in this report.
- 1.12 The impact of the non-essential expenditure freeze is harder to track on an item-by-item basis but is reflected in the overall position reported for each service.
- 1.13 Each DMT has now reviewed its agency staff usage and is working towards reducing demand for it, most notably within the Environmental Services and Climate Change (Waste Services) and Children & Young People (Children's Social Workers) portfolios.
- 1.14 The position will continue to be closely monitored for the remainder of the year, with significant focus via the Savings Delivery Board meetings.
- 1.15 The position includes the impact of the Local Government Pay Award, which was higher than budgeted. The approved 2023/24 budget allowed for pay inflation of 5%. As reported in previous Financial Monitoring Reports, this assumption was not unrealistic when considered against the inflation forecasts within the Autumn Statement 2022 and the Government's statements at the time on restraint of public-sector pay. However, in November 2023, agreement was reached on a £1,925 increase on all pay points, which equated to an average increase of approximately 6.44%. This has generated a pressure of £1.398m, which has been included on a separate line at Table 1 and within each portfolio summary at Annex C, to aid comparison with Period 2.

- 1.16 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 pressure relating to the final settlement of the 2023/24 Pay Award.
- 1.17 As outlined at 2.3 below, the Council is due a sum of £0.540m under the Mid-Mersey Business Rates Pool arrangement with Warrington and Halton Borough Councils in relation to Warrington's Business Rates growth. This sum, along with the foregone one-off contribution to reserves detailed at 1.16, will offset the Pay Award pressure in full.
- 1.18 The Medium-Term Financial Strategy 2024-2027 and Revenue & Capital Budget 2024/25 is presented on the same agenda as this report, and provides an update on the estimated funding gap and quantum of savings required to deliver a balanced budget in future years.

Savings Programme

- 1.19 The 2023/24 budget was approved by Council on 1 March 2023. 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 and £1.698m of savings slipped from previous years, giving a total of £12.353m of savings to be delivered. Section 3 provides a summary of the progress made towards delivering these savings, and portfolio commentaries provide additional information. The failure to deliver savings presents a key risk to the Council's financial position.

Financial Outlook

- 1.20 The environment within which the Council operates continues to pose serious financial challenges. The most severe of these is pressure from demand-led expenditure budgets, mainly within children's and adults' social care. This continues to be exacerbated by the cost-of-living crisis, with more and more families needing Council support. The threat from inflation remains immense. Given the magnitude of these pressures and the current forecast overspend position, further use of reserves will be necessary in 2023/24, but this position is not sustainable.
- 1.21 With continued uncertainty over the mechanics of local-government funding and with councils continuing to be provided with one-year financial settlements (which limits 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 continue to require robust financial management.
- 1.22 In the absence of any significant additional government support to address inflationary and demand pressures, further reductions to the Council's service offer will be necessary. The financial pressure that the Council is experiencing cannot be overstated. Strong planning and robust decision-making will continue to be necessary, including the identification of mitigations and sustainable savings options to reduce the budget pressures.

Capital Budget

- 1.23 The capital programme covers the three-year period through to 2025/26. The capital budget has been updated to reflect new schemes approved, and schemes have been reprofiled to reflect the latest spending estimates. Further details are included in Section 4 and Annex F.

Reserves and Balances

- 1.24 Section 5 of this report provides detail on the Council's reserves and balances. As part of the Medium-Term Financial Strategy 2023-2026, Members agreed to rebuild reserves to afford the Council additional 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.
- 1.25 Given the scale of the inflationary and demand pressures the Council is experiencing, use of reserves will be necessary again in 2023/24 to absorb the forecast overspend. Based on the projected outturn position set out in Table 1, the level of general balances at 31 March 2024 is forecast to be £5.622m. This is in contrast to the current Reserves Strategy and Medium-Term Financial Strategy 2023-2026, which identify the Council's required level of general balances as being £12m. Use of earmarked reserves will therefore be necessary to replenish general balances at outturn. The Medium-Term Financial Strategy 2024-2027 and Revenue & Capital Budget 2024/25 presented on the same agenda as this report provides further commentary and proposals in relation to this position.
- 1.26 Such use of reserves (general or earmarked) to address recurrent pressures is not sustainable, and further action is necessary to avoid the financial threats that the Council is facing.
- 1.27 Section 5.2 provides a summary of earmarked reserves until March 2024, whilst Annex E provides detail on the forecast level of earmarked reserves to March 2026.

Treasury Management

- 1.28 This report includes the Treasury Management Position Statement 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 3, there is a projected portfolio budget pressure of £11.819m. This includes the Pay Award pressure of £1.398m referred to at 1.15.
- 2.2 There is a forecast underspend of £3.290m relating to Treasury Management activity. The increased Bank Rate and available market returns have increased forecast investment interest by £1.290m 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.
- 2.3 As part of the Mid-Mersey Business Rates Pool arrangement with Warrington and Halton Borough Councils, St Helens is due a sum of £0.540m in relation to previous financial years, this being a proportionate share of the levy savings that would otherwise have been payable in relation to Warrington's Business Rates growth. This sum has been included in the forecasts at Table 1 below.
- 2.4 The forecast outturn position also includes a one-off technical adjustment for the 2023 Business Rates revaluation. The Council will receive an additional £0.198m to reflect the difference between the draft Business Rates rating list and the updated 2023/24 list.
- 2.5 On 5 February 2024, the Department for Levelling Up, Housing and Communities confirmed the distribution to local authorities of a surplus on the Business Rates Retention

System Levy Account for 2023/24. St Helens' allocation is expected to be in the region of £0.388m, which has been factored into the forecast outturn position at Table 1 below.

- 2.6 The Department for Levelling Up, Housing and Communities has also confirmed that it will compensate local authorities for the Green Plant and Machinery Business Rates exemption introduced from 1 April 2023. St Helens' award has been confirmed at £0.148m for 2023/24. This has been built into the forecasts at Table 1 below.

Table 1 – Revenue Budget 2023/24	Current Budget (a) £000	Forecast outturn at Q3 (b) £000	Variance at Q3 inc. Pay Award + / - (b)-(a) £000	Variance at Q3 exc. Pay Award + / - £000	Variance at Q2 exc. Pay Award + / - £000	Section Reference Annex C
Economy, Business and Skills	2,281	2,297	+16	+8	+145	(i)
Children and Young People	64,647	72,233	+7,586	+7,430	+5,298	(ii)
Integrated Health and Care	63,165	66,400	+3,235	+2,886	+3,217	(iii)
Wellbeing, Culture and Heritage	6,141	5,799	(342)	(435)	(351)	(iv)
Corporate Services	7,532	7,438	(94)	(209)	(206)	(v)
Safer Communities	1,656	1,694	+38	+34	+18	(vi)
Environmental Services and Climate Change	10,527	11,822	+1,295	+697	+857	(vii)
Strategic Transport	13,839	14,010	+171	+158	+76	(viii)
Regeneration and Planning	8,457	8,371	(86)	(148)	+358	(ix)
Pay Award	0	0	0	+1,398	0	
Net Portfolio Budgets	178,245	190,064	+11,819	+9,412		
Levies & Precepts	22,932	22,932	0	0		
Treasury Management	9,174	5,884	(3,290)	(2,750)		
Restructuring Costs	1,001	1,001	0	0		
Transfers to / (from) Earmarked Reserves	(5,345)	(6,222)	(877)	0		
Capital Charges	(17,142)	(17,142)	0	0		
Net Corporate Items	10,620	6,453	(4,167)	(2,750)		
Council Tax / Retained Business Rates	(145,105)	(145,105)	0	0		
Collection Fund Deficit	64	64	0	0		
Business Rates Retention System Levy Account	0	(388)	(388)	0		
Formula Top-Up	(18,628)	(18,628)	0	0		
Section 31 Grant	(17,501)	(17,501)	0	0		
2023/24 Services Grant	(1,869)	(1,869)	0	0		
Other Funding	(5,826)	(6,712)	(886)	0		
Funding	(188,865)	(190,139)	(1,274)	0		
NET POSITION 2023/24	0	6,378	+6,378	+6,662		

- 2.7 The previous budget approved by Cabinet on 22 November 2023 has been revised to include:

- (i) Approved use of earmarked reserves in the period and rephasing of approved use of reserves during 2023/24 into 2024/25;

- (ii) Neutral technical adjustments (e.g., relating to recharges and capital charges);
- (iii) The use of £0.948m of earmarked reserves in 2023/24 to smooth the impact of a shortfall in Section 31 grants received during the year. Additional Business Rates income will be received in 2024/25, which will then be used to replenish reserves. This is solely due to the prescribed statutory mechanics of the Collection Fund, and has been reflected in the reserves forecasts at Section 5 and Annex E.

2.8 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 £11.819m 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. This section summarises the latest position in relation to the delivery of these savings.
- 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 The forecast overspend position outlined at Section 2 reflects in part the non-delivery of savings within the year. The value of savings on track to be delivered has increased since the previous Financial Monitoring Report, from £7.568m to £7.961m. As Table 2 shows, this equates to 64% of the required savings total of £12.353m.

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	2,856	1,746	-	1,167
Public Health	376	247	129	-	129
Children's Services	1,858	754	1,104	-	978
Place Services	3,747	2,403	1,164	180	1,304
Corporate Services	1,361	1,361	-	-	-
Council Wide	409	340	69	-	69
Total	12,353	7,961	4,212	180	3,647
%	100%	64.44%	34.10%	1.46%	
Total forecast financial saving 2023/24 (a)+(d)	11,608				

- 3.4 Of the £4.392m of savings that have not yet been achieved, temporary mitigations of £3.647m have been identified for the current year only. This means that the total forecast financial saving is £0.745m less than required. While this is more favourable than the position reported at Period 2, it is critical that unachieved savings are delivered or alternative permanent reductions in expenditure are found. Continued failure to deliver approved savings will render the Council unable to deliver a balanced budget.
- 3.5 The savings that are currently not considered achievable are:
- OPS01 (Removal of cash payment options for car parking – £0.040m) following the Government’s announcement that local-authority car parks must retain cash payment facilities (see 3.6)
 - SG05 (Review of leasehold properties – £0.140m) owing to complexities around provision of alternative accommodation and completion of legal arrangements.
- 3.6 Saving OPS01 is being mitigated by a permanent reduction to the Council’s parking enforcement contract. Given the Government’s announcement that local-authority car parks must retain cash payment facilities, **it is recommended that approval be granted to formalise this mitigation and make the required £0.040m saving via a permanent reduction to the parking enforcement contract budget instead.**
- 3.7 The non-achievement of savings presents a risk for both current and future financial years. It is imperative that action continues to be taken to alleviate these risks, either by delivering the approved savings in full or by identifying alternatives to offset savings that have slipped or cannot be delivered. These actions will continue to be monitored and challenged through the Budget Savings Delivery Board.
- 3.8 There have been challenges in the delivery of saving ICH6 (Learning Disability Services Review – £1.763m). There has also been an overachievement of £0.750m in the delivery of saving IH&SC01 (Care Package Reviews - £0.135m). **It is therefore recommended that approval be granted to realign these two savings, by increasing the required saving for IH&SC01 by £0.750m and reducing the target for ICH6 by the same amount.** The review of Learning Disability Services will continue into 2024/25, and it is anticipated that the review will deliver future savings as the department works with care providers to reduce support in a safe and planned way. Further detail is provided at Annex C.
- 3.9 Public Health saving PH7 (Cessation of Support to Non-Mandatory Council Services – £0.063m) against the Affordable Warmth Service is no longer considered achievable. **It is therefore recommended that approval be granted to offer an alternative to mitigate this saving permanently. The saving can be delivered through a reduction in activity-based services with GPs and pharmacies.**

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

- 4.1 The capital budget has been updated to reflect revised expenditure profiles for capital schemes, based on most recent estimates of when expenditure will be incurred on multi-year schemes, including:
- Expected deferral of £16.600m equity investment in Parkside Joint Venture into 2024/25
 - Reprofile of £8.800m of expenditure on Parkside Link Road between 2023/24 & 2024/25
 - Reprofile of £12.200m of expenditure on Earlestown Town Centre from 2023/24 to 2024/25 and 2025/26
 - Reprofile of £3.800m of expenditure on Town Deal projects from 2023/24 to 2024/25
 - Reprofile of £2.200m of expenditure on fleet replacement to match the expected delivery date from 2023/24 to 2024/25
 - Reprofile of £1.200m of expenditure on Children's Residential homes from 2023/24 to 2024/25
 - Updating the St Helens Town Centre Phase 1 expenditure to reflect the profile over the next four years, including £23.000m of expenditure in 2026/27 included in the Medium-Term Financial Strategy
- 4.2 The capital budget has also been updated to reflect the addition of new schemes during the quarter, including:
- £0.100m to fund new festive lighting for Earlestown and St Helens town centres, as detailed in Operational Decision ENVP003051
 - Capital expenditure of £0.061m for the implementation of a new Asset Management Data System, approved as part of Delegated Executive Decision 0051
 - Grant-funded expenditure of £0.329m to support with the expansion of funded childcare for working parents with children aged over 9 months and increase the supply of wrap-around care in primary schools

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	3,109	15,700	1,300
Integrated Health & Care	0	25	0
Economy, Business & Skills	11	0	0
Wellbeing, Culture & Heritage	815	1,565	0
Corporate Services	775	1,379	0
Strategic Transport	38,100	23,589	7,645
Environmental Services & Climate Change	6,973	3,470	700
Regeneration & Planning	28,004	68,942	42,801
Safer Communities	736	0	0
Total	78,523	114,670	52,446
FINANCED BY			
Grants and Other Contributions	47,698	66,922	17,208
Capital Receipts	115	1,874	126
Revenue Contribution	534	869	24
Borrowing	30,176	45,005	35,088
Total	78,523	114,670	52,446

SECTION 5: RESERVES AND BALANCES

5.1 General Balances

The level of general balances 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	-	(6,378)
General Balances at 31 March 2024	12,000	5,622

- 5.1.1 The Council recognises that the level of reserves it maintains must reflect its future priorities and the operational and financial risks it faces. The Council's current Reserves 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.
- 5.1.2 The unfavourable movement in 2023/24 is due entirely to the forecast overspend of £6.378m detailed at Section 2.
- 5.1.3 The Council's required level of general balances is identified as being £12m. This is considered a prudent amount set aside to cushion against uncertainty and act as an emergency fund in exceptional circumstances. As outlined at paragraph 1.24, the figure will decrease to £5.622m if the forecast overspend is not reduced. This presents a severe risk to the Council's financial resilience and is not sustainable. Further proposals in relation to this will be considered as part of the Medium-Term Financial Strategy 2024-2027 and Revenue and Capital Budget 2024/25 presented on the same agenda as this report.

5.2 Earmarked Balances

The forecast position in relation to general and legacy Covid-19 earmarked balances at 31 March 2024 is provided in Tables 5 and 6.

Annex D details approved use of earmarked balances during the period and Annex E provides a forecast of 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	(2,524)
Forecast General Earmarked Balances at 31 March 2024	44,291

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)	(3,210)
Forecast Covid-19 Earmarked Balances at 31 March 2024	-	1,000

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	(1,587)*
Forecast School Balances at 31 March 2024	10,300

*The forecast net position includes the impact of Brook Lodge Primary School academising on 1 November 2023.

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	133
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 2023/24 to 2025/26	(2,115)
Available Balance (after taking commitments into account)	6,121

SECTION 6: OTHER FINANCIAL MONITORING MATTERS

6.1 External Grant Funding

6.1.1 NHS Resilience and Emergency Care Funding

In September 2023, selected local authorities 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. St Helens has been informed that its bid was successful and has been awarded £0.452m.

6.1.2 Local Stop Smoking Services and Support Funding

In October 2023, the Department of Health and Social Care announced a programme of funding to support current smokers to quit smoking. St Helens has been awarded an indicative allocation of £0.207m for 2024/25.

6.1.3 Highways Maintenance Funding

In November 2023, the Department for Transport announced £8.3 billion of redirected HS2 funding to repair and resurface roads, with funding allocated through to 2034. Of this, the Liverpool City Region Combined Authority has been awarded an indicative allocation of £2.684m in both 2023/24 and 2024/25. At the time of drafting this report, the Council is awaiting details of its share of this allocation.

6.1.4 Family Hubs Funding

Previously, the Council was notified that it is one of 75 local authorities eligible for Tier 2 Family Hubs funding and has now received confirmation of funding allocations for 2024/25, with £0.068m allocated to support the capital costs of the programme in addition to a revenue grant of £0.981m. Cabinet accepted this funding on 22 November 2023.

6.1.5 Grow Back Greener Funding

The Council has been awarded capital grant funding of £0.271m for 2023/24 from the Northern Forest Partnership's Grow Back Greener programme, to support woodland creation schemes throughout the Mersey Forest area. Delegated Executive Decision 0062 provides further details.

6.1.6 Safer Streets 5 Funding

In November 2023, the Council was notified that its bid to secure £0.201m from the Home Office's Safer Streets 5 Programme for the delivery of interventions in the local nighttime economy to prevent violence against women and girls was successful. Delegated Executive Decision 0072 provides further details.

6.1.7 UK Shared Prosperity Fund

In January 2024, the Council was notified that it has been awarded an allocation of £0.898m from the Liverpool City Region Combined Authority's UK Shared Prosperity Fund Investment Plan for 2024/25. The funding has been provided to deliver the Council's Ways to Work project, providing employment support and training outcomes to local residents. **It is recommended that approval be granted for delegation of accepting the confirmed grant funding to the Director of Strategic Growth in consultation with the relevant portfolio members and the Director of Finance.**

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 Treasury Management Position Statement 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	£144.9m	£130.8m
Investment Returns (average for the year to date)	-	4.70%	4.83%
Benchmark Returns	-	4.49%	4.70%
Borrowing	£137.5m	£137.5m	£132.5m

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

PORTFOLIO	Approved Budget	Use of Reserves in Period	Earmarked Reserves Rephased into Future Years	Earmarked Reserves Not Required	Technical & Accounting Adjustments	Current Budget
	£000 *1	£000 *2	£000 *2	£000 *2	£000 *3	£000
Economy, Business and Skills	2,316	-	(20)	-	(15)	2,281
Children and Young People	64,429	-	-	-	218	64,647
Integrated Health and Care	63,320	-	(31)	-	(124)	63,165
Wellbeing, Culture and Heritage	6,329	-	(244)	-	56	6,141
Corporate Services	7,743	70	(774)	-	493	7,532
Safer Communities	1,668	-	-	(14)	2	1,656
Environmental Services and Climate Change	9,864	229	(15)	-	449	10,527
Strategic Transport	13,652	-	(57)	(15)	259	13,839
Regeneration and Planning	8,715	-	(100)	-	(158)	8,457
TOTAL DIRECTORATE BUDGETS	178,036	299	(1,241)	(29)	1,180	178,245
Council-Wide Budgets	(178,036)	(299)	1,241	29	(1,180)	(178,245)
Net Position 2023/24	-	-	-	-	-	-

*1 Approved budget – Cabinet, 22 November 2023

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

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

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	64,647	72,233	+7,586
Priority 2 – Promote good health, independence, and care across our communities	63,223	66,458	+3,235
Priority 3 – Create safe and strong communities and neighbourhoods for all	8,062	8,455	+393
Priority 4 – Support a strong, thriving, inclusive and well-connected local economy	5,866	6,342	+476
Priority 5 – Create green vibrant places that reflect our heritage and culture	29,867	30,830	+963
Priority 6 – Be a modern, efficient and effective Council	6,580	5,746	(834)
Total	178,245	190,064	+11,819

(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 Q3 2023/24 £000 (e)=(d)-(c)	Variance Q2 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	1,647	(1,158)	489	539	+50	+54
Environmental Health	1,723	(577)	1,146	1,139	(7)	+118
Trading Standards	608	(15)	593	560	(33)	(23)
Licensing and Land Charges	730	(709)	21	19	(2)	(4)
Subtotal exc. Pay Award	4,708	(2,459)	2,249	2,257	+8	+145
Pay Award	0	0	0	8	+8	0
Total Place Services	4,708	(2,459)	2,249	2,265	+16	+145
Total	5,366	(3,085)	2,281	2,297	+16	+145

- 1.1 The non-achievement of £0.184m of staff savings across the portfolio is currently being offset by staff slippage of £0.292m across the portfolio.
- 1.2 The Environmental Health forecast includes a shortfall in income targets of £0.116m in the Environmental Wardens and Pest Control services. A decision to cease in-house provision of the Environmental Wardens service was approved in November 2023 (Delegated Executive Decision 0052), so it is anticipated that this will not be a financial pressure from 2024/25 onwards. It is currently offset by staff slippage of £0.123m (included in the overall figure of £0.292m referred to at 1.1), resulting in a forecast underspend of £0.007m for the service.

(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 Q3 2023/24 £000 (e)=(d)-(c)	Variance Q2 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	8,948	(2,841)	6,107	5,867	(240)	(210)
Early Years Development (incl. PVIs)	8,134	(7,766)	368	368	0	0
Support for Children with SEND	9,392	(7,267)	2,125	2,037	(88)	(30)
Behaviour Support Services	3,740	(3,684)	56	56	0	0
Home to School/College Transport	3,760	(95)	3,665	3,765	+100	0
Management & Other Support Services	6,585	(4,183)	2,402	2,408	+6	(15)
Social Care and commissioning Teams	12,468	(466)	12,002	14,804	+2,802	+2,068
Children Looked After	38,249	(8,727)	29,522	33,962	+4,440	+2,468
Child Protection	1,956	(107)	1,849	1,914	+65	+94
Children's Centres/Early Help Service	3,241	(1,784)	1,457	1,626	+169	+200
Support for Disabled Children	2,070	(279)	1,791	1,832	+41	+115
Family Support Services	3,056	(410)	2,646	2,874	+228	+658
Youth Justice Services	1,793	(1,136)	657	564	(93)	(50)
Subtotal exc. Pay Award	103,392	(38,745)	64,647	72,077	+7,430	+5,298
Pay Award	0	0	0	156	+156	0
Total	103,392	(38,745)	64,647	72,233	+7,586	+5,298

- 2.1 Demand pressures, children's social work staffing challenges and delivery of the ongoing programme of efficiencies have been the main factors driving the considerable budget challenges within the portfolio in 2023/24.
- 2.2 Expenditure on delivering the required placements associated with caring for children looked after, including care leavers, is forecast to be in the region of £35.400m for 2023/24, resulting in a projected financial pressure of £3.761m. The most financially challenging area within this is caring for children and young people within a residential care setting. Over the last ten years, the average annual cost of a residential care placement has more than doubled from £0.136m in 2013/14 to around £0.287m currently.
- 2.3 There are a number of national challenges within the system, including a lack of capacity within the residential care market; 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).

- 2.4 The Council continues to progress a number of actions to help mitigate and combat these challenges, including:
- the ongoing project to expand internal residential home capacity
 - the agreement of a lease to operate trainer flats under the Staying Close programme for those young people who are getting ready to leave care
 - an ongoing review of placements to identify opportunities to step down to lower-cost provision or return the children safely to the family home (28 placements at a total saving of approximately £2.700m)
 - continuing the programme of work to expand in-house foster care capacity. To date, five additional foster carers have been approved during 2023/24, with a further two pending approval. In addition, there are currently 11 potential foster carer applications being processed. The feasibility of funding the cost of small extensions to the properties of existing foster carers is being assessed in order to expand the current capacity.
- 2.5 The department also provides support to families who have children and young people who are at risk of needing to be brought into care. This helps the children and young people to continue to remain in the family environment and avoid being brought into more expensive fostering or residential care. These arrangements also include support for a relatively small cohort of young people who have complex and challenging needs. However, this support results in a projected budget pressure of £0.852m.
- 2.6 The challenges associated with the recruitment of suitably skilled and experienced children's social care staff are prevalent across the whole sector. Demand is high and the earning potential of agency employment can be considerable, which can contribute to permanent staff turnover. The need to maintain appropriate caseloads and therefore an appropriate level of staffing resource within the children's social care workforce is resulting in an ongoing need to engage agency staff. The costs associated with agency staff tend to be higher than those directly employed, and this has resulted in a forecast budget pressure of £3.060m associated with frontline social care staffing costs. The department regularly reviews the number of agency staff engaged to limit usage, whilst being mindful of the need to maintain appropriate individual caseload numbers for staff.
- 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
 - engaging additional other staffing capacity to undertake non-statutory functions, to alleviate social worker workloads
 - launching programmes to train and develop staff to the level of qualified social worker status
 - an ongoing recruitment campaign, including from channels outside of the traditional workforce marketplace.
- 2.8 Other budget variances within the department are anticipated to deliver a net underspend of £0.087m. These variances encompass a wide range of services, but the position includes projected pressures within Adoption Services (£0.503m),

primarily arising from fees associated with adoptive placements; and Early Help and Children's Centres (£0.200m). There are also forecast underspends within the Edge of Care Service (£0.600m), mainly arising from slippage against employee budgets and variances associated with residual pension liabilities (£0.240m).

2.9 It is forecast that there will be an overall pressure of £7.586m 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 Q3 2023/24 £000 (e) =(d)-(c)	Variance Q2 2023/24 £000
People's Services Directorate						
Physical Support - Frail & Elderly	37,846	(23,275)	14,571	16,105	+1,534	+1,239
Sensory Support	1,326	(259)	1,067	886	(181)	(163)
Support with Memory & Cognition	14,472	(5,496)	8,976	8,907	(69)	+212
Learning Disability Support	38,601	(12,888)	25,713	27,619	+1,906	+1,520
Mental Health Support	4,894	(697)	4,197	4,193	(4)	+267
Assistive Equipment & Technology	4,218	(3,097)	1,121	1,450	+329	+419
Care Management - Assessment & Review	12,296	(4,776)	7,520	6,921	(599)	(250)
Transport and Generic Services	1,698	(1,698)	0	52	+52	+4
Management, Commissioning & Support Services	5,811	(5,811)	0	(82)	(82)	(31)
Subtotal exc. Pay Award	121,162	(57,997)	63,165	66,051	+2,886	+3,217
Pay Award	0	0	0	349	+349	0
Total	121,162	(57,997)	63,165	66,400	+3,235	+3,217

3.1 At Period 3, it is projected that the Integrated Health and Care budget will be overspent by £3.235m, which includes £0.349m in respect of the Pay Award for 2023/34. This position reflects ongoing demand pressures and the complexity of needs and acuity of individuals. The most significant pressures are within Learning Disability Support and Physical Support (Frail and Older People).

3.2 The Council operates a pooled budget arrangement with Health under a Section 75 agreement. There is increased activity on the pooled budget and a pressure of circa £7.00m is currently being projected, of which approximately £2.00m will fall upon the Council. There are regular meetings between both partners to monitor this position.

3.3 The department has a significant savings target of £4.400m, and this presents a risk to the budget position. It should also be noted that additional savings against some of these savings schemes will continue into 2024/25. There have been challenges in the delivery of the Learning Disability Review saving (£1.700m) during the year. The review of care packages is well underway, and there is now external support in place to support the delivery of these reviews.

- 3.4 There has been an overachievement of £0.750m in the delivery of savings from care management reviews of individuals in residential/nursing settings and individuals in receipt of domiciliary care.
- 3.5 As noted in Section 3 to this report, it is therefore proposed to seek approval to realign the over-delivery of savings from care management reviews and reduce the savings target for Learning Disability Reviews. The review of Learning Disability Services will continue into 2024/25, and it is anticipated that the review should deliver savings in the future as the department works with care providers to reduce support in a safe and planned way.
- 3.6 The continuing demand for services and complexity of individual care needs of some individuals is placing significant pressure on Integrated Health and Care budgets, and the department is carrying out a number of measures to mitigate this pressure and support the continued delivery budget savings. These measures include:
- Reviewing all short-term placements to ensure contracts for transitional beds are maximised before alternative placements are made
 - Ensuring contracted beds within specific settings are prioritised for St Helens residents
 - Prioritising continuous review of all requests for 1:1 as per the savings programme
 - Reviewing the potential to cease all spot care home placements via hospital discharge
 - Prioritising the reduction in high-cost supported living placements
 - Monitoring of all placements and packages of care.
- 3.7 Other options for one-off mitigations will be explored by the new Director of Adult Social Care.

(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 Q3 2023/24 £000 (e)=(d)-(c)	Variance Q2 2023/24 £000
People's Services Directorate						
Sexual Health	2,216	0	2,216	2,216	0	0
Primary Care	95	0	95	69	(26)	0
Public Health Advice	647	0	647	647	0	0
Obesity	1,143	0	1,143	1,143	0	0
Physical Activity	1,596	0	1,596	1,596	0	0
Substance Misuse	3,986	(1,193)	2,793	2,765	(28)	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	2,703	(100)	2,603	2,520	(83)	0
Management & Support Services	2,222	(2,222)	0	0	0	0
Public Health Grant	0	(16,439)	(16,439)	(16,302)	+137	0
Total	20,012	(19,954)	58	58	0	0

- 4.1 It is anticipated that Public Health spending plans will be managed within the allocated resources for 2023/24. There are projected underspends across some activity-based contracts of circa £0.057m, and funding of £0.080m set aside for immunisations may now slip into 2024/25.
- 4.2 In accordance with the grant conditions, any underspend against the grant this year will be carried forward into 2024/25 to support the delivery of Public Health outcomes next year and in future years. Pressures may arise next year due to increased costs for drug and alcohol residential rehabilitation.
- 4.3 In addition, revenue funding provided by the Department for Environment, Food and Rural Affairs (DEFRA) for the delivery of an indoor air quality monitoring and health promotion intervention project has been refiled across 2023/24 (£0.058m) and 2024/25 (£0.244m) with agreement from DEFRA. The project aims to deliver improved outcomes for children with asthma living in Air Quality Management Areas across St Helens and Warrington.
- 4.4 There are two savings for 2023/24 within Public Health:
- PH02 – Sexual Health Service Review (£0.132m): it has not been possible to deliver the full saving in 2023/24 due to the budget process and lead-in time to work with the provider. Slippage of £0.066m will be temporarily mitigated through use of Public Health Grant monies carried forward from prior years. The service is no longer subject to a retender due to changes in legislation and can now make a direct award during 2024/25. As part of that commissioning exercise, the proposed new contract value from July 2024 will reflect the full saving.

- PH01 – Termination and Re-Tender of Integrated Wellbeing Contract (£0.181m): the Public Health team have worked closely with the service provider and it is now anticipated this saving will be delivered in full in 2023/24.

4.5 Prior-year saving PH7 (Cessation of Support to Non-Mandatory Council Services – £0.063m) against the Affordable Warmth Service is no longer considered achievable. It is therefore recommended that approval be granted to offer an alternative to mitigate this saving permanently. The saving can be delivered through a reduction in activity-based services with GPs and pharmacies. Section 3 above provides further details.

(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 Q3 2023/24 £000 (e) =(d)-(c)	Variance Q2 2023/24 £000
Arts Development and Support	663	(357)	306	307	+1	+1
Archiving	551	(366)	185	182	(3)	(2)
Sports Development	537	(364)	173	112	(61)	(61)
Indoor Sports & Recreation	5,519	(3,314)	2,205	1,873	(332)	(330)
Outdoor Sports & Recreation	518	(141)	377	346	(31)	(21)
Library Services	2,711	(151)	2,560	2,596	+36	+62
Tourism and Events	303	(26)	277	232	(45)	0
Subtotal exc. Pay Award	10,802	(4,719)	6,083	5,648	(435)	0
Pay Award	0	0	0	93	+93	0
Total Culture and Heritage Services	10,802	(4,719)	6,083	5,741	(342)	(351)

- 4.6 The main unachieved saving in the portfolio relates to the implementation of the Localities model, where there is now £0.142m unachieved following completion of the Libraries Strategy and the Phase 3 restructure. Delivery of the Locality Hubs is phased over 5 years.
- 4.7 The non-achievement of portfolio-wide staff savings totalling £0.100m is currently being partly mitigated by additional staff slippage across the portfolio of £0.093m.
- 4.8 Indoor Sports & Recreation are forecasting additional income totalling £0.196m against the school swimming programme, memberships and Pay as You Go. There is also the previously reported one-off Swimming Pool Support Fund grant of £0.351m. The £0.332m reported in the table also includes an apportionment of the portfolio's staffing and Localities savings referred to in the above paragraphs.
- 4.9 There are also more minor underspends across the portfolio totalling £0.037m, 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 Q3 2023/24 £000 (e) =(d)-(c)	Variance Q2 2023/24 £000
Local Tax Collection	1,268	0	1,268	1,193	(75)	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	1,300	(17)	1,283	1,283	0	0
Finance	10,700	(10,700)	0	(165)	(165)	(173)
Audit & Risk	1,280	(1,280)	0	(5)	(5)	6
Coroners Court Services	270	0	270	270	0	0
Registration of Births, Deaths & Marriages	257	(211)	46	29	(17)	(11)
Democratic Representation & Management	1,692	0	1,692	1,690	(2)	0
Elections	467	(3)	464	464	0	0
People Management	3,124	(3,124)	0	162	+162	0
Legal Services	2,011	(2,011)	0	29	+29	+30
Governance & Administration	290	(290)	0	(1)	(1)	0
Housing Benefit Administration	44,151	(43,614)	537	928	+391	0
Corporate Management	1,594	0	1,594	1,593	(1)	0
I.T.	9,302	(9,302)	0	(374)	(374)	0
Press and Public Affairs	1,350	(1,350)	0	(5)	(5)	0
Policy Development	2,216	(2,216)	0	(65)	(65)	0
Organisational Development	1,206	(1,206)	0	(81)	(81)	(58)
Other Services	129	(129)	0	0	0	0
Subtotal exc. Pay Award	83,095	(75,563)	7,532	7,323	(209)	(206)
Pay Award	0	0	0	115	+115	0
Total	83,095	(75,563)	7,532	7,438	(94)	(206)

- 5.1 The £0.391m projected pressure in Housing Benefit Administration has two main causes. Firstly, high levels of homelessness across the Borough has caused an increasing use of hotel accommodation, for which the Council does not receive full cost subsidy. Secondly, providers are increasing their use of high-cost supported accommodation, for which the Council is only able to reclaim 60% of its costs.
- 5.2 The £0.162m projected pressure in People Management is due to staffing costs related to overtime following the cyber incident and for Payroll processing.
- 5.3 Since Period 2, the recruitment freeze has had a favourable effect on staffing budget projections. There are currently several vacancies within IT contributing to a net underspend of £0.374m. There are further vacancies in Finance (£0.165m), Organisational Development (£0.081m), Local Tax Collection (£0.075m) and Policy Development (£0.065m). The reduction in agency workers and cessation of non-essential expenditure has also had a favourable impact.

(vi) 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 Q3 2023/24 £000 (e) =(d)-(c)	Variance Q2 2023/24 £000
Place Services Directorate						
Community Safety	2,438	(782)	1,656	1,690	+34	+18
Subtotal exc. Pay Award	2,438	(782)	1,656	1,690	+34	+18
Pay Award	0	0	0	4	+4	0
Total	2,438	(782)	1,656	1,694	+38	+18

6.1 The portfolio is currently projecting an overspend of £0.034m (excluding the impact of the Pay Award), which mainly relates to the non-achievement of staff savings across the portfolio.

(vii) 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 Q3 2023/24 £000 (e) =(d)-(c)	Variance Q2 2023/24 £000
Place Services Directorate						
Parks & Open Spaces	2,764	(315)	2,449	2,441	(8)	+37
Street Cleansing	1,955	(179)	1,776	1,792	+16	+28
Cemetery and Crematorium	2,068	(2,647)	(579)	(310)	+269	+93
Waste Collection	2,727	(691)	2,036	2,013	(23)	+42
Recycling	6,997	(2,863)	4,134	4,550	+416	+483
Climate Change	328	(151)	177	177	0	0
Direct Services	21,243	(20,809)	434	649	+215	+324
Management & Support Services	1,830	(1,830)	0	(188)	(188)	+150
Councillor Improvement Fund	100	0	100	100	0	0
Subtotal exc. Pay Award	40,012	(29,485)	10,527	11,224	+697	+857
Pay Award	0	0	0	598	+598	0
Total	40,012	(29,485)	10,527	11,822	+1,295	+857

7.1 The non-achievement of portfolio-wide staff (£0.241m) and non-staff (£0.032m) savings is offset by staff slippage of £0.375m across the portfolio.

7.2 Cemeteries and Crematorium are reporting overspends on repairs and maintenance (£0.095m) and general supplies and services (£0.049m). There is also a forecast shortfall in income of £0.106m 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. The fees and charges for direct funerals have been reviewed as part of the wider fees and charges exercise with an aim that families will opt to choose the Council's service, and thus that there will be an improvement in income in 2024/25.

- 7.3 Waste Collection are forecasting additional trade waste tipping costs of £0.042m, but this is being mitigated by additional income of £0.040m and underspends on external vehicle hire and materials of £0.016m. The service is seeing a reduction in the amounts of residual waste collected, and whilst this is not expected to deliver any portfolio savings, it is likely to deliver a reduction on the Waste Levy charge from the waste disposal authority in future years.
- 7.4 Recycling are forecasting a shortfall in income of £0.176m relating to recycling sales and garden waste permits. There are also overspends on tipping fees for food disposal (£0.048m) and general supplies and services (£0.018m), but these are being mitigated by reduced costs of external vehicle hire (£0.080m).
- 7.5 Saving OPS04 (Green Waste Round Review) was implemented upon the launch of the new recycling service and will be fully realised in 2024/25. The financial risk to this area is the retender of the recyclates contract, but until bids are returned, the risk remains unknown.
- 7.6 A full review of agency staff working in Recycling and Waste Collection has been undertaken, and the budget has been realigned between the two services accordingly to reflect actual operational costs.
- 7.7 Grounds Maintenance are reporting overspends on plant hire and fuel (£0.033m) and chemicals/materials (£0.043m) along with a shortfall in income of £0.015m.
- 7.8 The Transport service is reporting an underspend on fuel costs of £0.084m, assuming the same level of purchases as 2022/23 at today's diesel price, plus 5% to cover any potential price rises. There is also additional income expected to be generated from the sale of old surplus vehicles of approximately £0.080m, along with additional MOT income (£0.018m) and rechargeable income (£0.029m).
- 7.9 The main pressure in Direct Services relates to the School Meals service, where food costs are expected to exceed budget by £0.189m as a result of the continuing impact of inflation. There is also a forecast shortfall in income of £0.300m, of which £0.224m relates to secondary-school cash income. Work is ongoing to address the overspend, with initial meetings having now been held and with plans to widen these to include Children's Services. The intention is to monitor schools on an individual basis. Imminently, the position is expected to improve when a loss-making contract transfers to another provider.
- 7.10 The focus of the monitoring will now shift to secondary schools, as this is where the bigger overspend is and where we can gather actual data. Primary schools monitoring is more assumption-based, due to how income is collected. Primary schools will therefore be reviewed once outturn is complete. School grid implementation will also allow for better monitoring on an actual basis.
- 7.11 There are also minor overspends on various budget lines across the portfolio totalling £0.032m.

(viii) 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 Q3 2023/24 £000 (e) =(d)-(c)	Variance Q2 2023/24 £000
Place Services Directorate						
Parking Services	1,333	(1,064)	269	304	+35	+110
Highways Maintenance	11,652	(2,183)	9,469	9,321	(148)	(118)
Street Lighting	2,873	(158)	2,715	2,989	+274	+93
Traffic Management & Road Safety	808	(214)	594	573	(21)	0
Transport Planning, Policy & Strategy	845	(53)	792	810	+18	(9)
Subtotal exc. Pay Award	17,511	(3,672)	13,839	13,997	+158	+76
Pay Award	0	0	0	13	+13	0
Total	17,511	(3,672)	13,839	14,010	+171	+76

- 8.1 The non-achievement of portfolio-wide staff savings (£0.240m) is currently being covered by slippage of £0.256m on employee-related expenditure across the portfolio.
- 8.2 Parking Services are reporting a shortfall in income of £0.088m, which is mitigated by underspends on the parking enforcement contract (£0.047m) and premises-related expenditure (£0.041m).
- 8.3 Highways Maintenance are forecasting additional income of £0.110m which relates to chargeable street-works activity.
- 8.4 Street Lighting are forecasting an overspend on energy costs of £0.273m, which is based on the estimated annual kWh usage at current unit prices (average unit rate of £0.41/kWh).
- 8.5 There are also minor overspends on general supplies and services across the portfolio of £0.011m.

(iv) 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 Q3 2023/24 £000 (e) =(d)-(c)	Variance Q2 2023/24 £000
Place Services Directorate						
Building Control	737	(366)	371	505	+134	+82
Development Control	1,842	(974)	868	689	(179)	(71)
Planning Policy	696	(211)	485	455	(30)	(35)
Estates - Industrial & Commercial Premises (including Town Centre)	7,807	(6,574)	1,233	1,565	+332	+269
Market Undertakings	1,080	(363)	717	759	+42	+81
Growth Delivering Prosperity	1,335	(725)	610	656	+46	+39
Management & Support Services	1,194	(1,194)	0	17	+17	+21
Building Support Services	8,319	(8,316)	3	(495)	(498)	(80)
Estates Management	633	(572)	61	85	+24	+32
Housing Services	6,305	(2,574)	3,731	3,705	(26)	+25
Homelessness	1,845	(1,467)	378	368	(10)	(5)
Subtotal exc. Pay Award	31,793	(23,336)	8,457	8,309	(148)	+358
Pay Award	0	0	0	62	+62	0
Total	31,793	(23,336)	8,457	8,371	(86)	+358

- 9.1 The non-achievement of portfolio-wide staff (£0.137m) and premises (£0.140m) savings is currently being partly offset by staff slippage across the portfolio of £0.192m.
- 9.2 Housing Services are currently projecting a shortfall in income of £0.048m predominantly linked to the Disabled Facilities Grant, along with an overspend of £0.027m on general supplies and services. Supported Housing are projecting an underspend of £0.101m based on current forecast activity levels.
- 9.3 Building Control are reporting a shortfall in income of £0.117m based on current forecasts, while Development Control are forecasting an overachievement of income of £0.090m.
- 9.4 There is a forecast income shortfall of £0.153m in Estates (Industrial & Commercial Premises), along with an overspend on Business Rates of £0.031m based on current levels of occupancy. There is also an unachieved saving of £0.140m relating to the review of leasehold properties.
- 9.5 Market Undertakings are also forecasting a shortfall in income of £0.024m, along with an overspend on Business Rates of £0.028m based on current levels of occupancy and an underspend on utilities of £0.037m.
- 9.6 Building Support are forecasting underspends on repairs and maintenance (£0.100m) and rental expenditure (£0.030m) budgets, along with a £0.030m overspend on general supplies and services and a shortfall in room/event booking income of £0.012m. There is a forecast underspend on utilities of £0.364m, largely due to gas prices coming in lower than budgeted.
- 9.7 There are also minor overspends on general supplies and services across the portfolio totalling £0.019m.

Utilisation of Earmarked Reserves during the period

Annex D

This table details use of reserves approved in the period (a); previously approved usage of earmarked reserves rephased into 2024/25 (b); and previously approved use of earmarked reserves that have now been identified as not being required and returned to reserves (c).				
Portfolio / Corporate Items	Reserve	Detail	Further detail included in	Cash Limit Change 2023/24 £000
Corporate Services (a)	Transformation Reserve	To fund temporary additional senior capacity in the People Management service to ensure sufficient resources to deliver and realise the benefits of service and organisational transformation.	CORP001399	+70
Environmental Services and Climate Change (a)	Waste Management Development Fund	To fund the delivery of new and replacement recycling bags for the Council's kerbside recycling service to St Helens residents.	Delegated Executive Decision 0149 2022/23	+229*
Corporate Item (a)	Funding Reform Volatility Reserve	To smooth the impact of a shortfall in Section 31 grants received during the year. Additional Business Rates income will be received in 2024/25, which will then be used to replenish the reserve.	Section 2.7 to this report	+948
Strategic Transport (b)	Transformation Reserve	Flood Mitigation Measures – Rainford Brook	Operational Decision ENVP001608	(30)
Corporate Services (b)	Transformation Reserve	IT Refresh	Cabinet 18 September 2019	(764)
Corporate Services (b)	Transformation Reserve	Children Looked After in the LACE Programme	Operational Decision CORP000569	(10)
Strategic Transport (b)	Transformation Reserve	Funding of Eastern Region Interchange and Connectivity (ERIC) – Land Transfer	Cabinet 29 January 2020	(10)

Strategic Transport (b)	Transformation Reserve	Carr Mill Feasibility	Technical Adjustment	(17)
Integrated Health and Care (b)	Transformation Reserve	Recruitment of Social Workers	Operational Decision PEOP002303	(31)
Economy, Business and Skills (b)	Growth Reserve	Contribution to the Combined Authority for Destination Marketing (Visitor Economy) Project	Operational Decision ENVP001625	(20)
Economy, Business and Skills (b)	Growth Reserve	St Helens Local Plan	Delegated Executive Decision 0034 2019/20	(100)
Environmental Services and Climate Change (b)	Waste Management Development Fund	Recycling and Waste Collection (Revenue)	Cabinet 24 October 2019	(15)
Wellbeing, Culture and Heritage (b)	Funding Reform & Volatility Reserve	Air Quality Grant 2022/23	Cabinet 21 June 2023	(244)
Strategic Transport (c)	Transformation Reserve	Installation of 3 Controlled Puffin Crossings	Operational Decision ENVP0001621	(15)
Safer Communities (c)	Transformation Reserve	Hire of Mobile CCTV Cameras	Technical Adjustment	(14)
Total				+1,919

*This is £0.025m more than the amount approved by Delegated Executive Decision 0149 due to a need to deliver the bags to a higher number of properties in a shorter timescale.

EARMARKED BALANCES 2023/24 to 2025/26

Reserve	Balance at 1 April 2023 £000	Balance at 31 March 2024 £000	Balance at 1 April 2024 £000	Balance at 31 March 2025 £000	Balance at 31 March 2026 £000
Transformation Reserve	6,171	5,540	4,040	3,078	3,078
Growth Reserve	5,711	5,602	4,102	4,082	4,082
Councillor Improvement Fund	356	356	356	356	356
Insurance & Contingent Liability Reserve	3,208	3,208	3,208	3,208	3,208
Waste Management Development Fund	647	81	81	66	66
Inflationary Reserve	4,746	4,956	3,456	3,245	3,245
Restructuring Reserve	3,707	3,707	3,707	3,707	3,707
Funding Reform & Volatility Reserve	7,269	5,841	3,963	4,341	5,130
Pension Reserve	10,000	10,000	10,000	10,000	10,000
Tax Increment Financing (TIF) Reserve	5,000	5,000	5,000	5,000	5,000
Subtotal - General Earmarked Balances	46,815	44,291	37,913	37,083	37,872
Covid-19 Reserve - Collection Fund	488	-	-	-	-
Covid-19 Reserve - Other	4,210	1,000	1,000	-	-
TOTAL	51,513	45,291	38,913	37,083	37,872

- 1 The balance as at 1 April 2023 includes earmarking of unconditional grants and contributions and other previously approved requests from prior years to deliver specific programmes of work in future years (£2.114m). At the time of drafting this report, £0.694m of this had been released into revenue budgets in 2023/24.
- 2 The table includes use of an additional £0.948m from the Funding Reform & Volatility Reserve in 2023/24 to smooth the impact of a shortfall in Section 31 grants received during the year. Additional Business Rates income will be received in 2024/25, which will then be used to replenish reserves. This is due to timing differences arising from the (prescribed statutory) mechanics of the Collection Fund.
- 3 The Medium-Term Financial Strategy 2024-2027 and Revenue & Capital Budget 2024/25 report, presented on the same agenda as this report, proposes a realignment of reserves in order to reset General Fund balances at £12m for 2024/25. The balances as at 1 April 2024 reflect this, with those as at 31 March 2024 being prior to this realignment.

CAPITAL PROGRAMME SUMMARY 2023/24 TO 2025/26

PORTFOLIO					Funding			
	2023/24	2024/25	2025/26	Total	Borrowing	Capital Receipts	Revenue	Grants / Confs.
	£000	£000	£000	£000	£000	£000	£000	£000
Children & Young People	3,109	15,700	1,300	20,109	2,854	0	12	17,243
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	815	1,565	0	2,380	2,278	0	0	102
Corporate Services	775	1,379	0	2,154	875	515	764	0
Strategic Transport	38,100	23,589	7,645	69,334	13,875	0	0	55,459
Environmental Services & Climate Change	6,973	3,470	700	11,143	9,417	45	459	1,222
Regeneration & Planning	28,004	68,942	42,801	139,747	80,248	1,555	192	57,752
Safer Communities	736	0	0	736	711	0	0	25
TOTAL	78,523	114,670	52,446	245,639	110,269	2,115	1,427	131,828

CAPITAL PROGRAMME 2023/24 TO 2025/26

CHILDREN & YOUNG PEOPLE PORTFOLIO
Primary Schools
Ashurst Primary Rebuild
Bleak Hill Roof Repairs
Carr Mill - Heating Works
Eccleston Lane Ends - Roof Repairs
Garswood - Curtain Walls
Longton Lane Rebuilding Programme
Merton Bank Structural Works
Newton Le Willows Primary Heating
Queens Park Roof Replacement
Queens Park H&S Works
Rivington Boiler Replacement
Robins Lane Health & Safety Works
Sutton Manor Health & Safety Works
Sutton Oak Boiler Replacement
Thatto Heath Structural Works
The District Primary - Nursery Provision
The District Primary - Fire Doors
The District Primary - WC Refurbishment
Secondary Schools
Cowley Roof Replacement
De La Salle SEND Base
Special & Other Schools
Launchpad Roof Renewal
Mill Green - Hairdressing Salon Relocation
Penkford Relocation
Pupil Referral Heating
Other Schemes
School Devolved Formula Capital
Connect the Classroom
Various Schools Fire Risks
Various Schools Heating
Sutton Children's Centre External Play Area
Children's Residential Homes
Family Hubs
Single Social Care & Education system
Uncommitted Grant Funding
Healthy Pupils Capital Funding
Childcare Expansion
Higher Needs Provision Capital
Basic Need Uncommitted
School Condition Funding Uncommitted
TOTAL

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
5	95	0	100
30	0	0	30
5	25	0	30
2	0	0	2
5	45	0	50
5	35	0	40
5	20	0	25
51	0	0	51
6	0	0	6
30	0	0	30
25	0	0	25
0	944	0	944
0	100	0	100
53	0	0	53
52	0	0	52
5	35	0	40
400	1,123	300	1,823
47	15	0	62
36	0	0	36
8	0	0	8
63	0	0	63
150	2,229	0	2,379
89	62	0	151
275	200	0	475
0	125	0	125
0	329	0	329
0	3,599	0	3,599
0	690	0	690
100	5,949	1,000	7,049
3,109	15,700	1,300	20,109

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	2
0	0	0	50
0	0	0	40
0	0	0	25
0	0	0	51
0	0	0	6
0	0	7	23
0	0	0	25
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	62
0	0	0	36
0	0	0	8
0	0	0	63
2,379	0	0	0
0	0	0	151
475	0	0	0
0	0	0	125
0	0	0	329
0	0	0	3,599
0	0	0	690
0	0	0	7,049
2,854	0	12	17,243

INTEGRATED HEALTH & CARE PORTFOLIO
Unallocated Community Capacity Grant
TOTAL

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

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

ECONOMY, BUSINESS & SKILLS PORTFOLIO
Replacement of Housing & Regulatory Services Case Management System
TOTAL

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

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
0	65	0	65
625	0	0	625
0	1,032	0	1,032
0	352	0	352
160	0	0	160
30	72	0	102
815	1,565	0	2,380

Borrowing	Capital Receipts	Revenue	Grants / Conts.
£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
50	1,229	0	1,279
129	0	0	129
596	150	0	746
775	1,379	0	2,154

Borrowing	Capital Receipts	Revenue	Grants / Conts.
£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
17,000	13,614	0	30,614
3,560	2,250	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
34	0	0	34
81	0	0	81
3,327	0	0	3,327
80	0	0	80
438	0	0	438
524	0	0	524
38,100	23,589	7,645	69,334

Borrowing	Capital Receipts	Revenue	Grants / Conts.
£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	0	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	0	55,459

ENVIRONMENTAL SERVICES & CLIMATE CHANGE PORTFOLIO
Air Quality
Air Quality - Indoor Monitoring Equipment
Climate Change Emergency Response Fund
Haydock KGV Playing Field- Site Improvements
Recycling & Waste Collection
Section 106 Arrangements (Non-Highway Schemes)
St. Helens Cemetery-Drainage Scheme
Two Butt Lane Open Space (S.106)
Sherdley Park Skate Park
UK Shared Prosperity Fund - Green, Resilient & Safe Communities
Improvements to Vulcan Village Conservation Area & Greenway
Interpretation signage board
Resources and Waste Strategy
Fleet Replacement Programme 22-23
Fleet Replacement Programme 23-24
TOTAL

2023/24	2024/25	2025/26	Total
£000	£000	£000	£000
650	0	0	650
96	7	0	103
46	0	0	46
128	0	0	128
389	0	0	389
48	0	0	48
2	0	0	2
20	0	0	20
122	0	0	122
78	123	0	201
65	0	0	65
2,570	400	0	2,970
2,280	1,137	0	3,417
479	1,803	700	2,982
6,973	3,470	700	11,143

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
2,970	0	0	0
3,417	0	0	0
2,982	0	0	0
9,417	45	459	1,222

REGENERATION & PLANNING PORTFOLIO				
Chalon Way Meanwhile Use	22	120	0	142
Ground Conditions Survey	0	121	20	141
New Asset Data System (Concerto)	61	0	0	61
St Helens Town Centre Masterplan	4,507	0	0	4,507
Church Square	300	0	0	300
St Helens Town Centre Phase 1 Investment	3,661	22,953	27,232	53,846
Hardshaw Brook Depot Review	89	0	0	89
Modernisation of St Helens Crematorium	108	0	0	108
The Gamble Building (Phase 4)	258	275	0	533
Earlestown Regeneration				
Earlestown Market	85	146	291	522
Earlestown Town Hall (Internal)	856	7,478	2,846	11,180
Earlestown Railway Station	409	3,552	3,257	7,218
Earlestown Railway Station	0	4,763	4,700	9,463
Parr Footbridge Art Installation	0	25	0	25
Festive Lighting	100	0	0	100
Town Deal - Glass Futures Ph 2	1,218	4,339	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	60	1,487	977	2,524
Town Deal - Health Hub	400	1,303	0	1,703
Town Centre Bus Station Strategic Acquisitions	2,580	0	0	2,580
St Helens Manufacturing and Innovation Campus Strategic Acquisitions	6,989	211	0	7,200
Parkside Regeneration Equity Investment	850	16,650	0	17,500
UK Shared Prosperity Fund - Town Centres	0	43	0	43
Housing Schemes				
Disabled Facilities Grants and Adaptations	4,000	4,379	3,148	11,527
General Fund Housing (Housing Assistance)	58	42	50	150
Housing Clearance and Enforcement	10	90	50	150
Insulation Measures and Fuel Poverty	255	210	230	695
TOTAL	28,004	68,942	42,801	139,747

2023/24	2024/25	2025/26	Total
£000	£000	£000	£000
22	120	0	142
0	121	20	141
61	0	0	61
4,507	0	0	4,507
300	0	0	300
3,661	22,953	27,232	53,846
89	0	0	89
108	0	0	108
258	275	0	533
85	146	291	522
856	7,478	2,846	11,180
409	3,552	3,257	7,218
0	4,763	4,700	9,463
0	25	0	25
100	0	0	100
1,218	4,339	0	5,557
726	755	0	1,481
402	0	0	402
60	1,487	977	2,524
400	1,303	0	1,703
2,580	0	0	2,580
6,989	211	0	7,200
850	16,650	0	17,500
0	43	0	43
4,000	4,379	3,148	11,527
58	42	50	150
10	90	50	150
255	210	230	695
28,004	68,942	42,801	139,747

Borrowing	Capital Receipts	Revenue	Grants / Conts.
£000	£000	£000	£000
142	0	0	0
21	120	0	0
61	0	0	0
4,507	0	0	0
300	0	0	0
45,794	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
100	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	1,131	0	10,396
50	50	0	50
50	50	0	50
413	204	0	78
80,248	1,555	192	57,752

SAFER COMMUNITIES PORTFOLIO
Community Safety Schemes
CCTV Replacement
TOTAL

TOTAL ALL PORTFOLIOS

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

78,523 114,670 52,446 245,639

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

110,269 2,115 1,427 131,828

CAPITAL PROGRAMME 2023/24

CAPITAL PROGRAMME 2023/24

CHILDREN & YOUNG PEOPLE PORTFOLIO	Approved Budget Q2	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	0	0	1,132	The second phase of the scheme (demolition) is currently scheduled to be completed in early 2024.
Bleak Hill Roof Repairs	5	0	0	0	5	
Broad Oak Primary WC Refurbishment	0	0	0	0	0	
Carr Mill - Heating Works	230	0	0	0	230	Scheme complete.
Eccleston Lane Ends - Roof Repairs	50	0	0	0	50	Scheme complete.
Garswood - Curtain Walls	38	0	0	0	38	Scheme complete.
Grange Valley Primary - Remodel Staff Room	0	0	0	0	0	
Legh Vale Heating Replacement	0	0	0	0	0	
Longton Lane Rebuilding Programme	198	0	0	0	198	The overall scheme is being delivered externally by the Education & Skills Funding Agency. This budget provision reflects the cost of works that are being delivered at the request of the Authority.
Merton Bank Structural Works	4	0	0	0	4	
Newton Le Willows Primary Heating	5	0	0	0	5	
Queens Park Window Replacement	0	0	0	0	0	
Queens Park Roof Replacement	10	0	-5	-5	5	Scheme requirements subject to evaluation. Work is expected to commence during 2024/25.
Queens Park H&S Works	30	0	0	0	30	The required works are currently subject to a tender process.
Rivington Boiler Replacement	5	0	0	0	5	
Robins Lane Health & Safety Works	0	2	0	2	2	Additional budget provision to reflect actual costs.
Sutton Manor Health & Safety Works	5	0	0	0	5	
Sutton Oak Boiler Replacement	5	0	0	0	5	
Thatto Heath Structural Works	5	0	0	0	5	
The District Primary - Nursery Provision	41	10	0	10	51	Scheme complete. Additional budget provision to reflect anticipated final account.
The District Primary - Roof Replacement	0	0	0	0	0	
The District Primary - Fire Doors	6	0	0	0	6	
The District Primary - WC Refurbishment	30	0	0	0	30	Scheme complete.
Secondary Schools						
Cowley Roof Replacement	32	-7	0	-7	25	Scheme complete.
Cowley Drainage Works	0	0	0	0	0	
Cowley Boiler Replacement	0	0	0	0	0	
De La Salle SEND Base	944	0	-944	-944	0	Options to complete the full design for the scheme are being considered.
Special & Other Schools						
Lansbury Bridge - Refurbishment of classroom	0	0	0	0	0	
Launchpad Roof Renewal	0	0	0	0	0	
Mill Green - Hairdressing Salon Relocation	53	0	0	0	53	Scheme complete.
Penkford Relocation	52	0	0	0	52	The demolition of the existing site is currently subject to a tender process, and the full budgetary implications will be known following this.
Pupil Referral Heating	5	0	0	0	5	
Other Schemes						
School Devolved Formula Capital	523	0	-123	-123	400	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.

ECONOMY, BUSINESS & SKILLS PORTFOLIO
Replacement of Housing & Regulatory Services Case Management System
TOTAL

Approved Budget Q2	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
£000	£000	£000	£000	£000
11	0	0	0	11
11	0	0	0	11

Narrative
Work progressing, system scheduled to go live shortly.

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

Approved Budget Q2	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
£000	£000	£000	£000	£000
0	0	0	0	0
65	0	-65	-65	0
625	0	0	0	625
1,032	0	-1,032	-1,032	0
352	0	-352	-352	0
160	0	0	0	160
30	0	0	0	30
2,264	0	-1,449	-1,449	815

Narrative
Service currently working on hardware solution with IT which will be implemented following the Libraries Strategy.
Equipment for pool- Reliant on manufacturing solution.
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.
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
Telephone & Contact Centre System
Finance System (Unit4 ERP)
TOTAL

Approved Budget Q2	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
£000	£000	£000	£000	£000
1,279	0	-1,229	-1,229	50
129	0	0	0	129
746	0	-150	-150	596
2,154	0	-1,379	-1,379	775

Narrative
Minimal spend this year however major spend planned for next year.
System is currently being built with planned go live date of April 2024.

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
Huskisson 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

Approved Budget Q2	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
£000	£000	£000	£000	£000
25,800	0	-8,800	-8,800	17,000
4,060	0	-500	-500	3,560
3	0	0	0	3
2,056	0	0	0	2,056
1,334	0	0	0	1,334
44	0	0	0	44
447	0	0	0	447
170	0	0	0	170
550	0	0	0	550
62	0	0	0	62
0	0	0	0	0
870	0	0	0	870
3,365	0	0	0	3,365
710	0	0	0	710
1,010	0	0	0	1,010
410	0	0	0	410
710	0	0	0	710
1,315	0	0	0	1,315
49	-15	0	-15	34

Narrative
Project in delivery stage and main works due for completion mid-April 2024 with further mitigation works in 2024/25.
Project being progressed with delivery partners with junction mitigation works due for completion spring 2024.
Project being progressed with delivery partners.
Project being progressed with delivery partners.
Project being progressed with delivery partners.
Project completed.
Equipment ordered. This project will be delivered by March 2024.
Project completed.
Project being progressed with delivery partners.
Project completed.
CRSTS fundings of £7.02m accepted and allocated to schemes as per Cabinet Report 26/4/23.
Project in delivery stage and due for completion March 2024.
Project in delivery stage and due for completion March 2024.
Project in delivery stage and due for completion March 2024.
Project in delivery stage and due for completion March 2024.
Project in delivery stage and due for completion March 2024.
Project in delivery stage and due for completion March 2024.
Project being progressed with delivery partners.
Project completed.

STRATEGIC TRANSPORT PORTFOLIO	
Section 106 Arrangements	
St. Helens Southern Gateway Package	
Street Lighting	
Traffic Calming & Restraint	
Traffic Signal Improvements on A58 and A572	
LED Retrofit - Traffic Signals	
DfT Pothole Fund	
Walking & Cycling Measures	
TOTAL	

Approved Budget Q2	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
£000	£000	£000	£000	£000
81	0	0	0	81
3,327	0	0	0	3,327
0	0	0	0	0
0	0	0	0	0
80	0	0	0	80
438	0	0	0	438
524	0	0	0	524
0	0	0	0	0
47,415	-15	-9,300	-9,315	38,100

Narrative	
Project being progressed with delivery partners. Project in delivery stage and due for completion March 2024.	
Project in delivery stage and due for completion March 2024.	
Project in delivery stage and due for completion March 2024.	
Funding accepted at Cabinet Sept 2023 and project in delivery stage with completion due in March 2024.	

ENVIRONMENTAL SERVICES & CLIMATE CHANGE PORTFOLIO	
Air Quality	
Air Quality - Indoor Monitoring Equipment	
Climate Change Emergency Response Fund	
Haydock KGV Playing Field- Site Improvements	
Recycling & Waste Collection	
Section 106 Arrangements (Non-Highway Schemes)	
St. Helens Cemetery-Drainage Scheme	
Two Butt Lane Open Space (S.106)	
Sherdley Park Skate Park	
UK Shared Prosperity Fund - Green, Resilient & Safe Communities	
Improvements to Vulcan Village Conservation Area & Greenway Interpretation signage board	
Resources and Waste Strategy	
Fleet Replacement Programme 22-23	
Fleet Replacement Programme 23-24	
TOTAL	

Approved Budget Q2	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
£000	£000	£000	£000	£000
650	0	0	0	650
103	0	-7	-7	96
46	0	0	0	46
128	0	0	0	128
389	0	0	0	389
48	0	0	0	48
2	0	0	0	2
20	0	0	0	20
122	0	0	0	122
78	0	0	0	78
65	0	0	0	65
3,170	-200	-400	-600	2,570
3,417	0	-1,137	-1,137	2,280
1,582	0	-1,103	-1,103	479
9,820	-200	-2,647	-2,847	6,973

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. Air Monitoring Equipment has been received.	
Scheme out to tender.	
Scheme completed.	
Planning approved, scheme is anticipated to be delivered by March 24. Delivery of a variety of projects, including provision of Parklets.	
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 were rolled out over the Autumn.	
Scheme now split based on year of approval. All vehicles in 2022/23 programme have been ordered. The expenditure has been profiled to reflect the expected delivery date.	
The expenditure has been reprofiled to reflect the expected delivery dates of the vehicles.	

REGENERATION & PLANNING PORTFOLIO	
Chalon Way Meanwhile Use	
Ground Conditions Survey	
New Asset Data System (Concerto)	
St Helens Town Centre Masterplan	
Church Square	
St Helens Town Centre Phase 1 Investment	

Approved Budget Q2	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
£000	£000	£000	£000	£000
142	0	-120	-120	22
101	0	-101	-101	0
	61	0	61	61
4,507	0	0	0	4,507
300	0	0	0	300
4,721	0	-1,060	-1,060	3,661

Narrative	
Discussions are progressing on the remaining relocations.	
Cabinet approved Phase 1A of the investment in the Town Centre Masterplan in September 23. This is phased over a number of years.	

REGENERATION & PLANNING PORTFOLIO
Hardshaw Brook Depot Review
Modernisation of St Helens Crematorium
The Gamble Building (Phase 4)
Earlestown Town Hall (External Refurbishment)
Earlestown Regeneration
Earlestown Market
Earlestown Town Hall (Internal)
Earlestown Railway Station
Parr Footbridge Art Installation
Festive Lighting
Town Deal - Glass Futures Ph 2
Town Deal - Cannington Shaw
Town Deal - The World of Glass
Town Deal - Digital Infrastructure
Town Deal - Connected Places
Town Deal - TC Living & Regen - Infrastructure
Town Deal - Health Hub
Town Deal - Youth Zone
Town Centre Bus Station Strategic Acquisitions
St Helens Manufacturing and Innovation Campus Strategic Acquisitions
Predevelopment Parkside Regeneration
Parkside Regeneration Equity Investment
UK Shared Prosperity Fund - Town Centres
Housing Schemes
Disabled Facilities Grants and Adaptations
General Fund Housing (Housing Assistance)
Housing Clearance and Enforcement
Insulation Measures and Fuel Poverty
TOTAL

Approved Budget Q2	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
£000	£000	£000	£000	£000
89	0	0	0	89
108	0	0	0	108
533	0	-275	-275	258
0	0	0	0	0
522	0	-437	-437	85
7,417	0	-6,561	-6,561	856
3,718	0	-3,309	-3,309	409
1,945	0	-1,945	-1,945	0
25	0	-25	-25	0
	100	0	100	100
4,531	0	-3,313	-3,313	1,218
726	0	0	0	726
402	0	0	0	402
84	0	-24	-24	60
0	0	0	0	0
0	0	0	0	0
872	0	-472	-472	400
0	0	0	0	0
2,580	0	0	0	2,580
7,200	0	-211	-211	6,989
0	0	0	0	0
17,500	0	-16,650	-16,650	850
0	0	0	0	0
4,375	0	-375	-375	4,000
50	0	8	8	58
50	0	-40	-40	10
235	0	20	20	255
62,733	161	-34,890	-34,729	28,004

Narrative
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 is anticipated in Spring 24.
The scheme is progressing.
Project completed.
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 are expected to be finalised later this year, with the expenditure now reprofiled to 2024/25.
Scheme to commence in 2024/25.
Budget updated as approved by Cabinet in July 23.
as above.
as above.
as above.

SAFER COMMUNITIES PORTFOLIO
Community Safety Schemes
CCTV Replacement
TOTAL

Approved Budget Q2	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget
£000	£000	£000	£000	£000
736	0	0	0	736
736	0	0	0	736

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

TOTAL ALL PORTFOLIOS

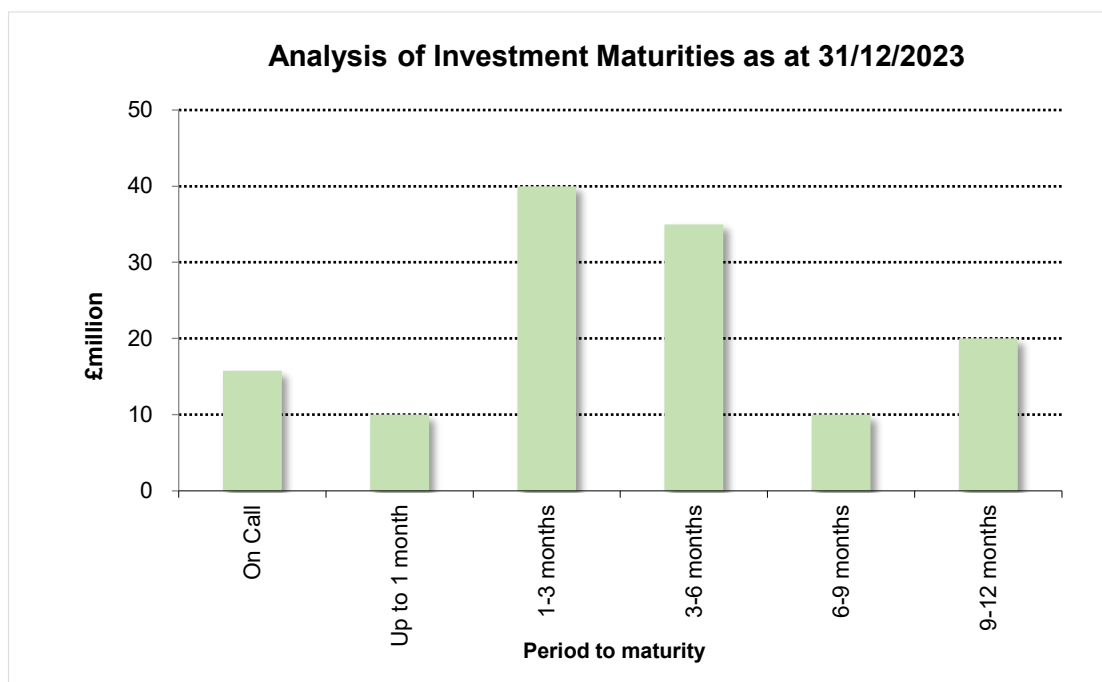
131,835	-7	-53,305	-53,312	78,523
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TREASURY MANAGEMENT POSITION STATEMENT

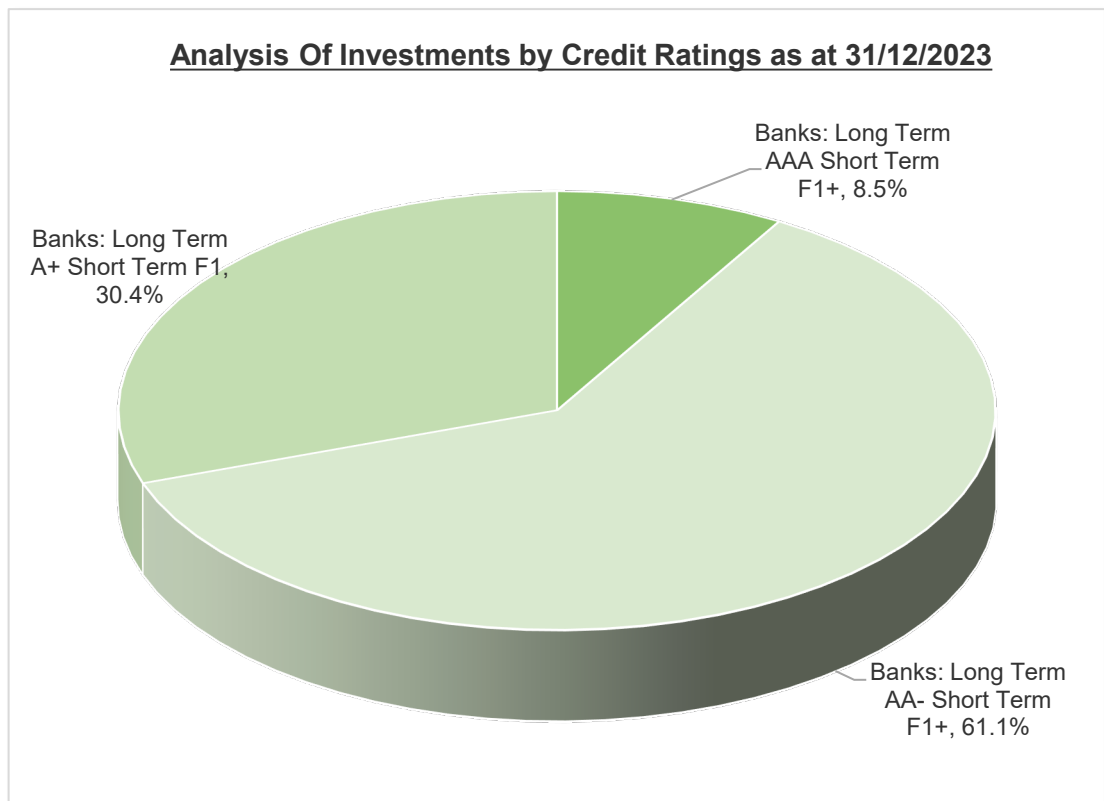
- 1.1 The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that Members be updated on treasury management activities regularly. This Section therefore ensures the Council is implementing best practice in accordance with the Code.

Investments

- 1.2 The Council's investment priorities are the security of capital and liquidity of its funds, as described in the Council's *Annual Investment Strategy*. The Council's investment decisions for the period were intended to achieve the optimum return on its investments whilst still maintaining the proper levels of security and liquidity and giving due consideration to all inherent risks.
- 1.3 All investments must be placed with highly credit rated financial institutions, in line with the Council's authorised *Counterparty List*. The Council maintains a high degree of liquidity with its investments, so that cash can be available – if necessary – to deal with any emerging pressures that arise from the current economic climate.
- 1.4 The following chart show the split in the Authority's investments by maturity as at 31 December 2023.



1.5 On 31 December 2023, the Council had investments of £130.8m. The chart below shows the split of the Council's investment by type and the credit rating assigned to the different groups of Counterparties.



(These investments include funds (circa. £16.1m) held in relation to Schools and Merseyside Recycling and Waste Authority.)

- 1.6 Of the institutions identified in the pie chart above, 8.5% of funds are invested with the highest-graded counterparties, i.e., those with the very best prospects and the lowest risk of failure, with extremely strong and stable characteristics. 30.4% of investments are with counterparties graded A+/F1. These have very strong prospects for ongoing viability and are not significantly vulnerable to foreseeable events. The remaining investments (61.1%) are with counterparties graded AA-/F1+. These counterparties have strong prospects for ongoing viability, strong and stable fundamentals and a particularly good liquidity profile.
- 1.7 The average level of funds available, for investment purposes, for the period April to December 2023 was £149.622m. Investment rates available in the market have fallen from their peak in the summer of 2023 as the Government continues in its quest to bring inflation under control. Any sudden changes in rates will affect performance against benchmarks, as investment decisions need ensure the optimal security, liquidity and yield of investments.

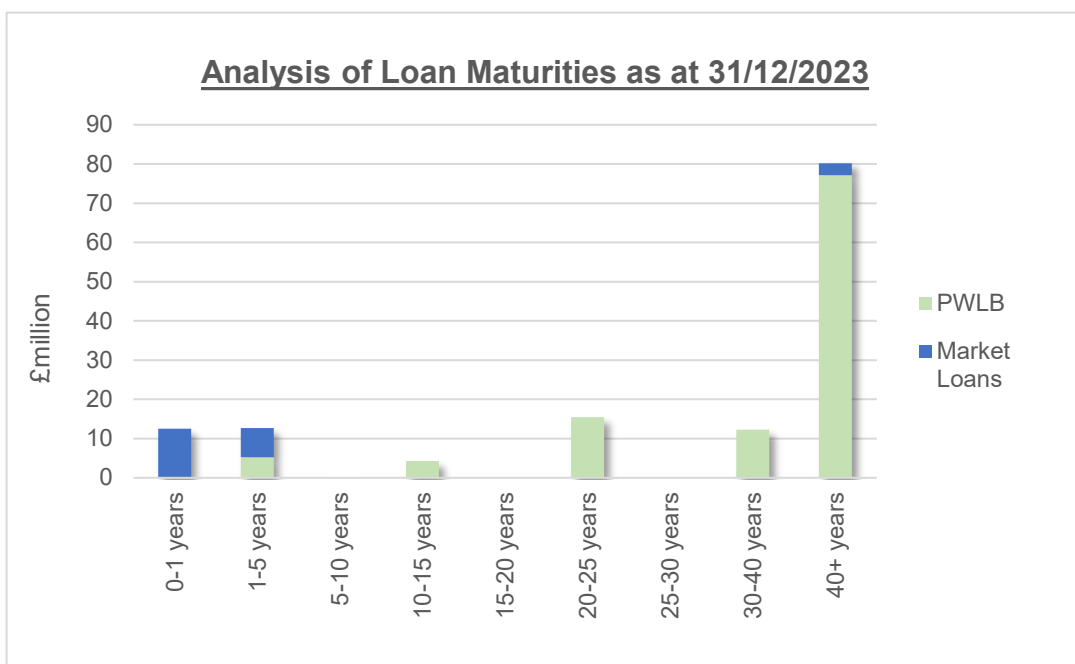
Investment Returns 2023/24 (to 31 December 2023)

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%	4.104%	3.926%	3.919%	0.007%
May	4.119%	4.025%	4.096%	4.116%	(0.020%)
June	4.389%	4.087%	4.312%	4.288%	0.023%
July	4.748%	4.417%	4.665%	4.520%	0.145%
August	5.174%	4.757%	5.086%	4.790%	0.296%
September	5.299%	4.984%	5.247%	5.050%	0.197%
October	5.367%	4.859%	5.270%	5.174%	0.096%
November	5.509%	4.741%	5.358%	5.219%	0.139%
December	5.525%	5.193%	5.472%	5.210%	0.262%

- 1.8 The combined return on fixed-term investments and call accounts has risen from 5.247% at Period 2 to 5.472% at Period 3. Although the available rates of interest on new investments are not as high as they were over the summer, the average rate of return on investments made over the last quarter is still higher than the combined return at Period 2.

Borrowing

- 1.9 At the time of drafting this report, the Council has outstanding debt of £132.513m. No new borrowing has been taken during the period but a decision was made to repay a LOBO in January 2024 (see 1.11).
- 1.10 The following chart shows the maturity profile of the Council's loan portfolio as at 31 December 2023.



- 1.11 In accordance with the Prudential Code, the maturity of borrowing should be determined by the earliest date on which the lender can require payment. If the lender has the right to increase the interest rate payable (as is the case with a LOBO loan), then this should be treated as a right to require payment. In accordance with this guidance, the maturity dates of the Council's LOBO loans have been profiled as the next call date for each loan. This has made the Council's position look much more short term when all of these loans actually have maturity dates of 25+ years. In January 2024 one of the Council's LOBO's call dates was triggered; the new rate quoted to continue the loan was significantly higher than its pre-call rate, therefore the prudent decision was taken to repay the loan instead.
- 1.12 The current economic conditions mean that there will continue to be volatility in gilt yields and, in turn, PWLB borrowing rates. While movements will not affect the Council's current borrowing portfolio, which is wholly comprised of fixed rate agreements, inflated rates will mean that servicing of future debt requirements becomes more expensive and future capital investment and borrowing decisions will need to be considered in that light, as part of the Council's Medium Term Financial and Capital Investment strategies.

Budget Estimates

- 1.13 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)	(5.919)	(1.290)
Total Treasury Cost	9.973	6.683	(3.290)

- 1.14 The debt management forecast shows slippage of £2.000m as the Council continues to defer any additional borrowing for future capital expenditure. This is likely to remain the case while interest rates – and therefore the cost of borrowing – remain high, although this is contingent upon the availability of cash balances with which to internally borrow.
- 1.15 Investment interest is in surplus for two reasons. £1.190m is due to the high bank rate throughout the year and elevated market returns. The remaining £0.100m is due to the Council's ability to secure fixed-term investments at a higher rate than the potential discount achievable from the prepayment of pension contributions.

Bank Rate

- 1.16 The Treasury Management Strategy Statement included a forecast for future changes in Bank Rate, with predicted increases over the course of the year. Due to the underlying economic conditions the current Bank Rate is 5.25%, which is higher than originally forecast. The latest estimates predict that the Bank Rate will drop to 3.75% by the end of next financial year and plateau at 3.00% by September 2025.

Prudential Indicators

- 1.17 In line with the revised Prudential Code for Capital Finance in Local Authorities (2021), the Council produces updated prudential indicators every quarter. The indicators for the third quarter are included in Annex H.

Annex H

TREASURY LIMITS AND PRUDENTIAL INDICATORS 2023/24 to 2026/27			2023/24 Revised	2024/25 Estimates	2025/26 Estimates	2026/27 Estimates
1(i)	Proposed capital expenditure that the Council plans to commit to during the forthcoming and subsequent two financial years.	Capital Expenditure (£m)	78.523	114.670	52.446	36.230
1(ii)	Additional in-year borrowing requirement for capital expenditure.	In Year Capital Financing Requirement (CFR) (£m)	26.507	40.044	28.618	13.476
2	The CFR is an aggregation of historic and cumulative capital expenditure, which has not yet been paid for by either revenue or capital resources.	Capital Financing Requirement as at 31 March (£m)	226.353	266.397	295.015	308.491
3	The "net borrowing" position represents the net of the Council's gross external borrowing and investments sums held.	Net Borrowing Requirement: External Borrowing (£m) Investments Held (£m) Net Requirement (£m)	132.509 <u>(126.000)</u> 6.509	215.320 <u>(165.000)</u> 50.320	243.922 <u>(160.000)</u> 83.922	257.384 <u>(156.000)</u> 101.384
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	3.67%	4.96%	7.04%	9.60%

TREASURY LIMITS AND PRUDENTIAL INDICATORS 2023/24 to 2026/27			2023/24 Revised	2024/25 Estimates	2025/26 Estimates	2026/27 Estimates
5	The Council's Budget Strategy, as a general principle is that no unsupported borrowing should be undertaken as a means of financing capital expenditure plans.	Incremental impact of capital investment decisions (increase in Council Tax Band D equivalent)	Nil	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)	208.662	269.737	297.895	310.992
7	This is the limit beyond which external debt is not normally expected to exceed.	Operational Limit for External Debt (£m)	185.201	256.968	285.122	298.215
8	These limits seek to ensure that the Council 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%	100%
		Upper Limit for Variable Interest Rate Exposure	50%	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%	60%
10	This indicator is used to highlight where an authority may be borrowing in advance of need.	Gross Debt and the CFR (£m)	73.865	31.982	32.806	33.531

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 LB:

1. **Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.
2. **Loans 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 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.

