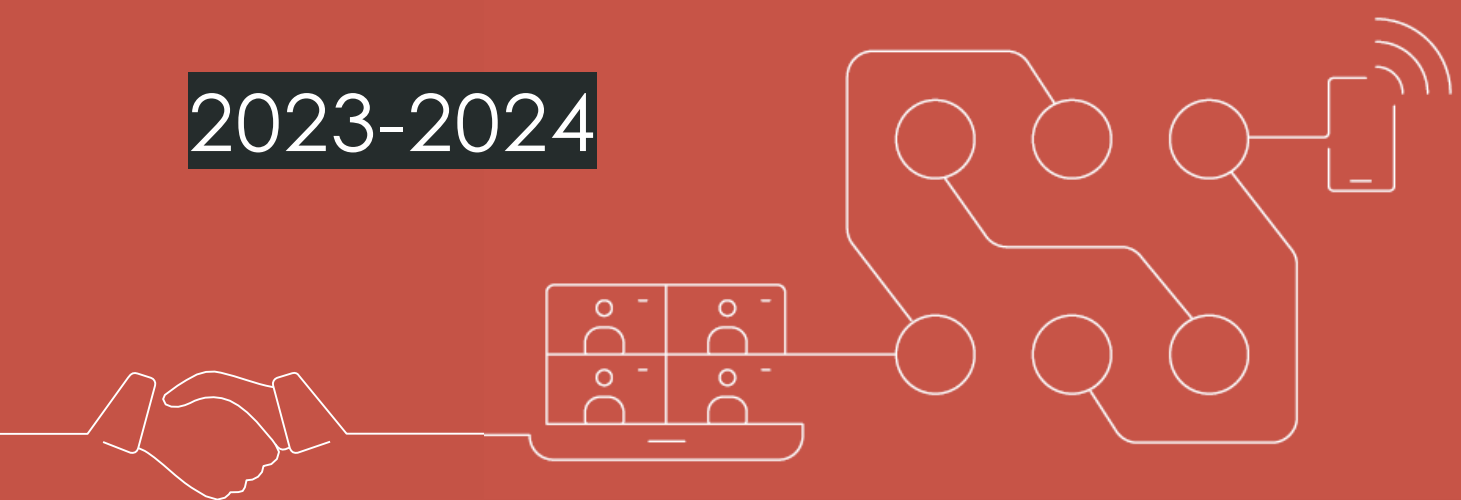




# DRAFT STATEMENT OF ACCOUNTS

2023-2024



**ST HELENS**  
BOROUGH COUNCIL



#STHELENSTOGETHER

# APPROVAL OF ACCOUNTS

I certify that this Statement of Accounts gives a true and fair view of the financial position of St Helens Borough Council at 31 March 2024, and its income and expenditure for the year then ended. In doing so, I authorise the Statement for issue and confirm that it is this date up to which events after the Balance Sheet date have been considered in preparing the Statement.

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

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



Richard Gibson  
Director of Finance

Date: 24 June 2024



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# NARRATIVE REPORT BY THE DIRECTOR OF FINANCE

## 1. Introduction to the Narrative Report

This Narrative Report provides an overview of St Helens Council, including the key issues impacting on the Council and its accounts. It provides a summary of the Council's financial position as of 31 March 2024, and the underlying context to this, including an outline of St Helens the place, the Council's structure, a summary of its operational environment and performance, whilst going on to consider risk and its future financial outlook.

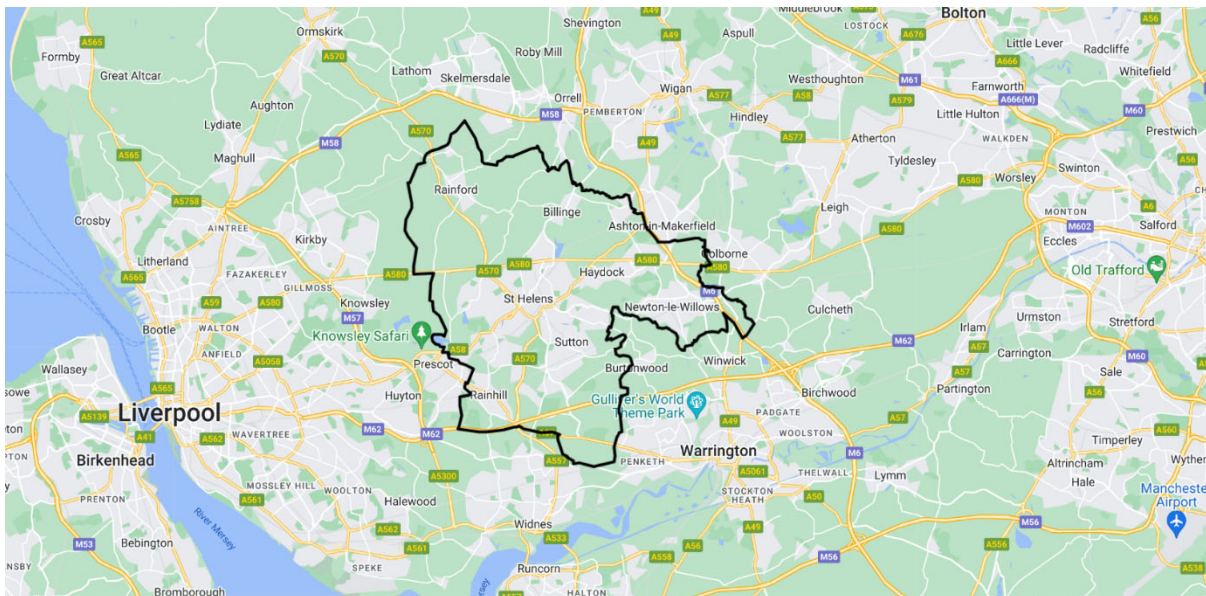
The Narrative Report is set out as follows:

- Introduction to St Helens
- Organisational information
- Financial summary and resource allocation 2023-2024
- Transformation and performance
- Risk management
- Future financial outlook
- Conclusion

The Report also includes a brief explanation of the financial statements that follow.

## 2. Introduction to St Helens

St Helens Borough is situated in Merseyside and is proud to be part of the Liverpool City Region. St Helens holds a strategic position linking the major conurbations of Liverpool and Manchester. The borough is home to 185,000 people and covers an area of 136 square kilometres.



St Helens is a place with a strong identity and cultural history, rooted in its world-famous rugby league team and its proud industrial heritage. It is also a place of great potential with many strengths and opportunities.

## Strengths

- Well connected – St Helens sits at the heart of the North West, with excellent road and rail connections.
- Green parks and open spaces – Over half of our borough is green open space, with many parks, woodlands, and waterways.
- A growing population – St Helens continues to have strong housing growth and increasing numbers of people choosing to come to live in the borough.
- Regeneration and growth – St Helens has ambitious plans for growth and regeneration and has seen significant development of new industry, businesses, and transport infrastructure.
- Heritage and culture – St Helens has a rich heritage and growing reputation for the arts and culture.
- Integrated health and care – St Helens Cares is a nationally recognised approach to delivering joined up health and social care services for local people.
- Strong, lasting partnerships – Alongside our vibrant local Voluntary, Community, Faith and Social Enterprise (VCFSE) sector we are part of the Liverpool City Region Combined Authority, unlocking opportunity for enhanced autonomy and devolution.
- Community spirit – St Helens is a caring place, with many local people volunteering or helping support their family and neighbours.

As a northern metropolitan borough, St Helens is not without its challenges. Its demographics, the profile of its communities and its living environment are all critical factors that play a key role in influencing the range, shape and direction of services that the Council provides, to ensure that the needs of the local population are capable of being met.

## Challenges

- Deprivation – Comparatively high levels of deprivation and inequality exist within St Helens.
- Economic challenges - Productivity and prosperity gaps have existed for many years and low business and job density persist.
- Attainment and skills – Although having seen improvement in recent years, St Helens' school attainment and adult skills levels remain lower than national averages.
- Poor Health – St Helens' population suffers from poor physical and mental health. Life expectancy is comparatively low and wide health inequalities exist.
- Growing demand for services – St Helens has growing demand for adults' and children's social care services. The support provided to the most vulnerable residents creates significant budgetary implications for the Council.
- Climate change – To protect the local environment and address climate change there is the challenge to increase sustainable transport and energy, reduce waste and recycle more.

For a detailed picture of St Helens and its communities, please visit [St Helens Local Insight](#).

### 3. St Helens Council Organisational Information

#### Political Structure

St Helens has a total of 18 electoral wards and 48 ward councillors. Following the local elections in May 2022, the Council is Labour Party-controlled, with 29 Labour Party councillors. Whole Council elections for all councillors are held every 4 years with the next Whole Council election scheduled for May 2026.

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

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

Further information on the Council's political structure and processes is available within the Council's Constitution.

#### Management Structure

The Council's Executive Management Board (EMB) which meets fortnightly is led by the Chief Executive, and includes three Executive Directors (Corporate Services, People's Services and Place Services), along with the Director of Finance (Section 151 Officer) and the Director of Legal and Governance (Monitoring Officer). The Executive Director for People's Services, covering Adult Social Care, Children and Young People and Public Health, is also the NHS Place Director.

- The Corporate Services Directorate has a series of statutory functions including finance, local taxation and electoral services, and delivers front-line services such as revenues and benefits, along with support services that add value and enable the effective running of the Council
- The People's Services Directorate commissions and delivers services to support residents of the borough, including Adult Social Care, Public Health, Children and Young People's Social Care and Education
- The Place Services Directorate provides services including planning, regeneration and economic development, environmental care, highways, housing, community safety, libraries and leisure services, and regulatory functions such as licensing, environmental health and trading standards

The Council has a total workforce of approximately 2,900 staff (excluding those employed by schools). As a result of the requirement to deliver significant savings and efficiencies, since 2010, when austerity measures were first imposed, the Council's workforce has reduced by nearly a third.

#### St Helens Vision and Priorities

The 'Our Borough Strategy 2021-30' sets the strategic direction for St Helens. It aims to enable everyone to see how they can contribute to the future of St Helens, support the changing needs of its communities and unlock the potential of the borough. Our shared vision is:

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

The Borough Strategy contains 6 strategic priorities which underpin everything the Council does in collaboration with its partners and the community.



Under its umbrella, all other strategies now feed into this document and a common approach has been adopted to the development of new or revised policy and strategy. The Borough Strategy priorities drive the Council’s delivery plan and business planning process, ensuring that meaningful and measurable plans exist across the organisation to deliver the priorities and outcomes. These outcomes and associated indicators are defined within the Performance Framework 2024-2025 (see Section 5).

**Governance**

The Council’s well embedded accountability and governance mechanisms continue to drive an effective culture of performance improvement across the organisation. Further detail regarding the effectiveness of the Council’s governance arrangements can be found in the Annual Governance Statement, which is reviewed and updated annually and published alongside the Statement of Accounts.

**Partnerships**

To realise the potential of the borough and future vision, the Council has a long history of successful partnership working that has continued to evolve over time.

St Helens Council, along with five other local authorities, is part of the Liverpool City Region Combined Authority. Formally established on 1 April 2014, its purpose is to facilitate greater economic growth across the City Region and provide transparent and accountable strategic decision-making in support of economic development, transport, strategic housing, and employment and skills. St Helens Council will seek to maximise the opportunities that it brings both in the short and longer term.

At a local level, in response to the significant challenges facing the borough, not least the impact of the pandemic, ways of partnership working have been redefined through a more collaborative approach with new models of integrated service delivery that are resilient and capable of delivering required outcomes.

The Council structure is currently supported by:

- The People’s Board, taking on the statutory responsibilities of the Health and Wellbeing Board. Sub-groups include an Inequalities Commission and the Integrated Care Partnership Board
- The Community Safety Partnership, taking on the statutory duties to make communities safer and ensure the voices of local people are heard on policing and community safety issues
- The Growth Board, established to drive forward inclusive economic growth within the borough



- The Children's Getting to Outstanding Board, established to bring about further strong improvement across children and young people's services
- Working partnerships with the private sector to drive regeneration ambitions in relation to Parkside and town centres and wider localities.

The integration of health and care services within the borough through 'St Helens Cares' is nationally recognised as driving effective health and care service improvement. This has been progressed further through the creation and development of the Integrated Care Partnership structure, the 'Care Communities' model and St Helens' locality-based working model.

In addition, 'St Helens Together,' a partnership between St Helens Council and a range of voluntary organisations under the umbrella of Halton and St Helens Voluntary Community Action, provides a borough-wide approach to delivering support within the community where it is most needed. 'St Helens Together' was key to initiating a community response to both the pandemic and the Cost-of-Living Crisis, and going forward critical to ongoing efforts to address inequality across the borough.

#### **4. St Helens Council Financial Summary and Resource Allocation 2023-2024**

The following provides an overview of the key elements of the Council's finances in 2023-2024.

##### **Background**

The Government published its Final Local Government Finance Settlement for 2023-2024 on 6 February 2023. This was the fifth consecutive one-year settlement, limiting the Council's ability to forward plan. The settlement confirmed the Council's continued participation in the Liverpool City Region 100% Business Rates Retention scheme.

The Council continued to face a number of significant financial pressures in 2023-2024, particularly those arising from the recent inflationary environment (for example, pay inflation and energy costs), the aftershocks of the pandemic and wider global conflicts. Demand for social care and other support services continues to rise rapidly, and it is increasingly evident that successful delivery of demand-management strategies in relation to both children's and adult social care will be critical to ensuring the Council's financial sustainability.

The Cost-Of-Living Crisis also continues to fuel demand for services, as well as impacting income streams such as business rates and parking charges. The Council also experienced a reduction in several core government grants in 2023-2024, notably a £1.317m (41%) decrease in Services Grant and the discontinuation of the Lower Tier Services Grant. All these challenges continue to drive the need to deliver cash savings.

In preparing the 2023-2024 budget, information highlighting the extent of the budget challenge was published on the Council's website and an active social media campaign took place. A public consultation was subsequently launched, inviting residents and businesses to share their views on proposed Council Tax increases, spending priorities and savings options for the 2023-2024 budget. The process was subject to Member review via a Budget Scrutiny Task Group established by the Overview and Scrutiny Commission. The consultation ran from 16 December 2022 to 15 January 2023.

The 2023-2024 Budget and the Medium-Term Financial Strategy 2023-2026 were approved by Full Council on 1 March 2023. The approved budget allowed for a Council Tax increase of 4.99%, inclusive of the application of a 2% Adult Social Care precept. This increase helped protect the delivery of statutory functions and provide much-needed support to some of the Borough's most vulnerable residents. The budget was also approved with regard to the Council's statutory responsibilities and core strategic objectives, as well as wider financial risks and uncertainties.

Following release of the Final Local Government Finance Settlement in February 2023, the budget gap for 2023-2024 was identified as £6.568m, and a package of savings to bridge this gap was approved by Full Council on 1 March 2023. This was in addition to £3.210m of savings previously approved for 2023-2024 and £1.698m of savings brought forward from previous years. A Budget Savings Delivery Board was established to monitor implementation of these savings and to hold directorates accountable for the delivery of them.

Inflationary pressures continued to be felt in 2023-2024, particularly on employee pay and food costs. Inflation did fall more rapidly than anticipated throughout the year, easing to around 3.0% by the end of March 2024, though this is still higher than pre-pandemic levels. Inflationary pressures are particularly difficult to manage, since the Council has limited ability to absorb them or passport them on to residents and businesses.

In November 2023, the 2023-2024 Local Government Pay Award was settled, and a £1,925 increase on all pay points was agreed, equating to an average increase of approximately 6.44%. The approved 2023-2024 budget only allowed for pay inflation of 5%. 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. This resulted in a pressure of £1.398m in 2023-2024.

The latest External Audit Findings Report gave an unqualified opinion on the Council's 2022-2023 financial statements. Although the auditors again recognised the strength of the Council's financial management processes, risks around financial sustainability were identified due to inflationary and demand pressures, particularly those within children's social care. The judgement on the Council's value-for-money arrangements was positive. Last year's judgement highlighted that the Council still had some distance to travel to deliver improvements in the effectiveness of children's social care services. Following Ofsted's July 2023 re-inspection, this year's judgement concluded that the Council no longer exhibits significant weaknesses in this area.

### **Revenue Outturn 2023-2024**

Revisions made during 2023-2024 to the original revenue budget reflected the approved use of earmarked reserves and other technical adjustments and were reported quarterly through the Financial Monitoring Reports presented to Cabinet and Council. These reports also provided the forecast outturn position with regard to the delivery of £12.353m of budget savings.

The following table provides detail of the 2023-2024 revenue outturn position for each directorate as compared to the revised budget, showing the position after:

- (i) neutral adjustments in accounting treatment and movements on uncontrollable budgets (e.g. depreciation and support service recharges)
- (ii) the carry-forward of unspent budget provision (£1.349m) for schemes funded by earmarked reserves continuing into future years and the acceleration of use of earmarked reserves from future years (£0.054m)
- (iii) allowing for the earmarking of unconditional grants and contributions and previous approved budget provision (£0.748m) from 2023-2024 where funding is required to deliver specific programmes of work
- (iv) allowing for a £0.036m carry-forward of budget provision from 2023-2024 into 2024-2025 in relation to revenue contributions to the capital programme

<b>Outturn variation against revised budget 2023-2024</b>	<b>Adjusted Revised Budget 2023-2024</b>	<b>Adjusted Outturn 2023-2024</b>	<b>Variance 2023-2024 + / (-)</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
People's Services Directorate	129,201	139,744	+10,543
Place Services Directorate	42,708	43,407	+699
Corporate Services Directorate	7,657	7,121	(536)
<b>Total Directorate budget</b>	<b>179,566</b>	<b>190,272</b>	<b>+10,706</b>
<b>Council-wide budgets</b>			<b>(7,590)</b>
<b>Outturn against revised budget 2023-2024</b>			<b>+3,116</b>

The revenue outturn position for 2023-2024 was an overspend of £3.116m, reducing the Council's reserves by this figure at March 2024.

The directorate overspend for 2023-2024 was mitigated by underspends within the council-wide budgets. These underspends are one-off in nature, the most significant being in relation to Treasury Management, where additional borrowing to fund capital expenditure was deferred and favourable Bank Rate movements increased market returns on investments.

The service directorate outturn was an overspend of £10.706m. This included variances attributable to the settlement of the 2023-2024 Local Government Pay Award of £1.398m.

**The breakdown of the service directorate outturn position is as follows:**

**People's Services Directorate (+£10.543m)**

The budget position in respect of children's social care continued to be extremely challenging in 2023-2024. The main budget pressures related to placement costs for children looked after and young people leaving care (£4.203m) and costs associated with maintaining appropriate levels of frontline social worker capacity (£3.097m). During 2023-2024, the Council continued to progress several initiatives to help manage the financial pressures associated with caring for and accommodating looked-after children and young people in a sustainable and safe way. In July 2023, Ofsted recognised the significant improvements the Council has made within children's services, upgrading its overall effectiveness rating from inadequate to good.

The budget pressure associated with frontline social care staffing was primarily driven by the ongoing need to utilise agency staff to ensure sufficient capacity within services, to manage caseloads safely and effectively. The costs associated with agency staff tend to be higher than those who are directly employed. Again, the department has been proactive in attempting to address these recruitment and retention challenges.

Another area of significant financial challenge during 2023-2024 related to adoption services, where there was an overspend of £0.502m driven by adoption placement fees. Provision of support to families who have children and young people at risk of needing to be brought into care generated a pressure of £0.848m. The services delivered in these areas are not only in the best interests of the young people being cared for, but they also potentially avoid the need for more expensive care alternatives. This is particularly the case for a small cohort of young people who have complex and challenging needs.

There was an underspend within Edge of Care services of £0.653m largely due to staffing vacancies.

The 2023-2024 adult social care budget contained a challenging programme of efficiencies and savings. The largest required saving was in relation to Learning Disability services, where there were undelivered savings of £0.619m in 2023-2024.

The Council operates a pooled budget arrangement with the NHS Cheshire & Merseyside Integrated Care Board (ICB) for continuing healthcare, long-term nursing care and Section 117 aftercare. Spend within the pooled budget increased by 23% in 2023-2024, resulting in a pressure on the Council's budget of £2.100m. The overspend was across all client groups, but the largest proportion of it was within the Older People (Frail and Elderly) service.

There were also a number of underspends totalling £0.211m across a range of adult social care services.

The Public Health Grant of £15.557m was fully committed in 2023-2024.

### **Place Services Directorate (+£0.699m)**

There were a number of pressures within the directorate in 2023-2024. The most significant were:

- An underachievement on fee income within Asset Management and Building Design, which was the main driver of a £0.291m pressure
- An overspend of £0.276m within Cemeteries and Crematorium, mainly as a result of income shortfalls
- A pressure of £0.812m within Recycling and Garden Waste due to increased fees and reduced income
- Overspends totalling £1.110m within Direct Services, primarily driven by income shortfalls and food price inflation impacting the School Meals service
- An overspend of £0.373m within Street Lighting as a result of rising electricity costs

Underspends in other areas mitigated these pressures. These included:

- An underspend of £0.364m within Sports & Recreation, the main driver of this being a one-off Swimming Pool Support Fund grant
- An underspend in Estates (Industrial & Commercial Premises) of £0.276m, mainly as a result of a reduction in void units at Church Square Shopping Centre
- Underspends totalling £0.697m within Building Support, predominantly driven by wholesale gas prices being lower than budgeted
- An underspend of £0.287m in the Transport service relating to staff slippage and fuel prices
- An underspend of £0.658m in Highways Maintenance, mainly as a result of additional income generation

### **Corporate Services Directorate (-£0.536m)**

The main driver of the underspend within Corporate Services was staff slippage of £0.752m. This was due to a substantial number of vacancies in the department resulting from the recruitment freeze implemented during the year. This was an intentional strategy to meet future staff savings targets for 2024-2025.

This underspend was partially offset by a net pressure of £0.381m in Housing Benefit Administration, which had two main causes. First, high levels of homelessness across the Borough have increased the Council's use of hotel accommodation, for which the Council does not receive full cost subsidy. Second, providers are continuing to increase their use of high-cost supported accommodation, for which the Council is only able to reclaim 60% of its costs.

Further pressures in the directorate were caused by the dividend from Yorkshire Purchasing Organisation being £0.077m less than budgeted, STAR Procurement setup costs of £0.160m, and external audit fees increasing by £0.238m.

These pressures were partially mitigated by underspends on supplies and services, due to actions taken by management in response to the moratorium on non-essential expenditure. There was also a small overachievement on income within the directorate.

### Reserves and Balances

As a result of the 2023-2024 overspend, the level of reserves at March 2024 has decreased. It has previously been acknowledged that use of reserves to support the revenue budget is not sustainable in the long term.

The Council's earmarked reserves are principally based around the themes of service transformation, growth, and providing resilience to risks and uncertainties. They also allow for the 'smoothing' of financial resources arising from periods of transition and/or volatility.

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

### Capital Outturn 2023-2024

The Council spent £57.528m in 2023-2024 on capital investment. The details are shown in the following table.

<b>Capital Programme Schemes</b>	<b>2023-2024 Expenditure £000</b>
<b><u>Highways Schemes</u></b>	
A49 to M6 Junction 22 Link Road	15,466
City Region Sustainable Transport Settlements Schemes	5,536
St Helens Southern Gateway	2,939
Parkside Junction Mitigation Works	1,268
Department for Transport Pothole Fund	521
Liverpool City Region Sustainable Urban Development	513
Other Highways and Transportation Schemes	970
<b><u>Schools Schemes</u></b>	
Ashurst Primary Rebuild	974
Other School Schemes	1,097
<b><u>Regeneration Schemes</u></b>	
Strategic Acquisitions	7,758
St Helens Town Centre Regeneration	6,090
Town Deal Schemes	963
Pre-development – Parkside Regeneration	850
Earlestown Regeneration	1,170
<b><u>Other Schemes</u></b>	
Disabled Facilities Grants and Other Housing Initiatives	3,812
Fleet Replacement Programme	2,811
Resources and Waste Strategy	2,470
Air Quality Schemes	732
Other Schemes	1,588
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>57,528</b>

<b>Funding Source</b>	<b>£000</b>
Grants & Other Contributions	42,764
Capital Receipts	1,665
Revenue Contributions	771
Borrowing	12,328
<b>TOTAL FUNDING</b>	<b>57,528</b>

## Retirement Benefits

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

	<b>31 March 2023 £000</b>	<b>31 March 2024 £000</b>	<b>Change 2023-2024 £000</b>
Local Government Pension Scheme (Merseyside Pension Fund)	(60)	5,236	5,296
Teachers' Pension Scheme	13,833	12,546	(1,287)
<b>TOTAL</b>	<b>13,773</b>	<b>17,782</b>	<b>4,009</b>

At the end of 2023-2024, the Council's share of the LGPS fund is reported as a net deficit of £5.236m compared to a net surplus of £0.060m as at 31 March 2023.

Remeasurements gains on both liabilities (financial and demographic assumptions) and assets resulted in a more favourable surplus position during the year, but as required by *IAS 19 Employee Benefits*, the impact of the asset ceiling cap has resulted in the position summarised in the table above.

## Borrowing

As at 31 March 2024, the Council's level of borrowing was £132.509m, which is a lower level of borrowing than at 31 March 2023 due to the maturity of a £5m LOBO loan during the year.

No additional borrowing was undertaken, and there was no rescheduling or premature repayment of existing debt during the year.

The level of borrowing remains considerably below the underlying need for borrowing as a result of longstanding strategy decisions to use available cash resources to negate the need to incur additional borrowing. This strategy also allows for borrowing to be undertaken when it is deemed most opportune, based upon current and forecast interest rates. This is consistent with the advice received from the Council's appointed treasury advisers.

## 5. St Helens Council Transformation and Performance

### Transformation

Since the development of Our Borough Strategy 2021-2030 which provided a strengthened strategic direction, a new vision and priorities for the organisation, the Council's programme of transformation has continued at great pace.

Investment in facilitating a modern, digital workplace and infrastructure to improve ways of working and service delivery, coupled with new structures, policy modernisation and cultural transformation, has created a Council barely recognisable compared to the organisation it was four years ago. Positive feedback from the Local Government Association (LGA) confirmed the

scale and success of the change.

The creation of a new Executive Leadership Team and re-shaping of the entire organisational structure has facilitated greater joint working and collaboration, increased management oversight of strategic functions, whilst supporting capacity and the building of new capability in priority areas.

The Council is clear about its future direction, and a progressive transformation strategy consisting of 16 ambitious programmes is underway to further improve organisational delivery, manage demand and drive efficiencies.

The Council's Productivity Plan, mandated by Government, demonstrates how the Council will continue to function as a value-for-money organisation that is financially resilient and sustainable, whilst evidencing the commitments and plans in place to ensure service transformation is as efficient and effective as possible.

The results of the Council's transformation work and the outcomes achieved to date for residents and the community are tangible and include:

- The turn-around in the Council's Children's Services Ofsted ILACs Inspection rating from 'Inadequate' in 2019 to 'Good' in 2023 with a judgement of 'Outstanding' for Care Leavers service provision
- The innovative approach to introducing Family Hubs which provide support, information, and services all in one place to families with babies and children to ensure our young people get the best start in life
- The new investment in children's residential homes in St Helens to ensure the complex needs of our children in care are met closer to home and out-of-borough placement costs reduced
- The introduction of a place-based approach to integrated health and social care in St Helens contributing to fewer delayed hospital discharges and transfers of care, comparatively lower rates of non-elective hospital admissions and reduction in isolation and loneliness through social prescribing
- The ongoing delivery of ambitious borough-wide plans for regeneration and growth with schemes such as Glass Futures, Parkside Freeport, Omega, the regeneration of St Helens and Earlestown town centres, and developments to transport and digital infrastructure, all set to bring major investment and new highly skilled jobs to the borough

A record of further key achievements to date can be found in the Council's Borough Strategy Annual Report.

## **Performance**

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

In 2023-2024, performance management in the Council continued to be driven by, and focused upon, achieving the six strategic priorities and related outcomes outlined in 'Our Borough Strategy 2021-30.' Council budgets are aligned to the Council's strategic priorities, and a Budget and Performance Board chaired by the Chief Executive oversees the delivery of required savings alongside delivery of strategic performance outcomes.

A comprehensive Performance Framework and targets, aligned to the priorities, outcomes and measures of success within the Borough Strategy exists and is reviewed annually to ensure its ongoing relevance. Performance targets are set to be challenging, but realistic, and commensurate with the available level of resource. Performance is reported quarterly to Cabinet and the public over the course of the year and reviewed by Overview and Scrutiny, allowing the opportunity for examination of any specific areas of underperformance or concern.

The legacy impact of the pandemic, an ongoing Cost-of-Living Crisis, rising demand for services and the requirement to deliver significant budget savings all have an inevitable impact on the Council's ability to meet performance targets and demonstrate improvements in performance trends.

The Council's outturn performance at the close of 2023-2024 demonstrates both areas of strong or improving performance, whilst highlighting areas where the Council is not yet meeting ambitious targets to deliver its high aspirations and action to address the position.

Areas of improvement or good performance include strong growth in Early Help support, a significant reduction in the number of children subject to a Child Protection (CP) plan, and strong outcomes for care leavers. There was strong performance across the range of adult social care indicators and reductions across all recorded crime categories. All libraries and leisure service indicators exceeded annual targets. Complaints response times and contact centre indicators around customer satisfaction and customer effort also met targets and showed improvement.

Areas of challenge where action is being taken to address performance include service demand and volume measures within the area of children's social care, a number of the public health measures covering both children and young people's and adults' health, the housing and homelessness indicators along with the Residents' Survey indicators, and measures reflecting the local economy.

The Council's Performance Outturn report for 2023-2024 will be publicly published and approved by Cabinet on 11 July 2024.

Over the course of 2023-2024, the Council remained well sighted on the Office for Local Government's (Oflog) metrics and the authority's comparative position relative to peer authorities. Although much of this data is time lagged and a number of the metrics represent contextual information rather than measures of performance, examination of the latest Oflog data highlights some really strong performance within the Council and cause for celebration.

Across the adult social care metrics, the Council has continued to deliver comparatively strong performance compared to the England average and that of statistical neighbours. The Council continues to be one of the best planning authorities within the country. St Helens has one of the lowest recycling contamination rates in the country and the lowest in the North West, whilst levels of residual household waste collected are also currently lower than both England and North West averages. The Oflog data explorer can be viewed publicly via the [Oflog website](#).

## **6. Risk Management**

The Council's approach to the management of risk is an integral part of its Governance Framework, with robust and consistent risk management processes embedded across the organisation to mitigate threats to the delivery of the Council's vision and priorities.

The Risk and Opportunity Framework and Policy allow the identification and assessment of risk and opportunities, promote effective decision making, and encourage innovation by enabling an awareness of associated risks but without being overly risk averse.

The Council's Strategic Risk Register consists of nine key risks. Directorate risk registers also exist to identify, assess and mitigate risks that are specific to the operation of services within given areas. All risk registers are reviewed on a quarterly basis.

Responsibility for effective risk management runs throughout the Council. The Audit and Governance Committee oversees and receives assurance on the extent to which effective risk and opportunity management remains embedded across the Council. The Executive Management



Board (EMB) oversees the implementation of the framework and agrees the allocation of resources to support it. EMB provides a leadership and monitoring role and reviews the adequacy of the management of strategic risks.

EMB also ensures that decisions regarding opportunities are being taken after due consideration of key risks. A Governance Group supports EMB in the effective development, implementation and review of the Risk and Opportunity Policy and Framework. The Group monitors the implementation of the framework across the Council, identifying where assurance is required and any areas of overlapping risk.

When assessing the impact and likelihood of risk, the Council will consider how recent economic or political issues have affected its resourcing and strategic, service or community plans, and how these factors impact service delivery for citizens.

Once reviewed all risk registers are updated to ensure that existing mitigation measures are accurate and ongoing to bring risk within the Council's acceptable tolerance level. Progress to deliver further planned controls are monitored and any significant delays reported to the relevant Risk Governance Forum. The management of corporate risks is reported in the Council's Annual Governance Statement.

## **7. Future Financial Outlook**

Uncertainty and risk continue to dominate the outlook for local government, with the Special Interest Group of Municipal Authorities (SIGOMA) having described the level of uncertainty experienced by councils as "severe".

One of the most significant aspects of this is the continuing rising demand for council services, particularly within social care. Nationally, the number of children in council care is at a record high and demand for adult social care continues to increase rapidly. Social care spend nationally has risen by 17% per person since 2010, while core funding from central government to local authorities has reduced by 9% over the same period. Faced with this, many councils continue to overspend significantly on social care, putting them at increased risk of being unable to set a balanced budget. Almost one in five council leaders in England surveyed by the Local Government Association thought it likely that their Chief Finance Officer would be forced to issue a Section 114 notice in the near future due to lack of funding for key services.

After 14 years of austerity, councils are increasingly dependent on their ability to generate income from local taxes and charges for services, and St Helens is no exception. For a relatively deprived area like St Helens this is a significant challenge.

The Council has never faced a more challenging funding position than at present. Recent analysis by the Local Government Association suggests that councils face a funding gap of £6.2 billion in the next two years alone, driven by both cost and demand pressures. Repeated government cuts, the ongoing Cost-of-Living Crisis and the volatile wider economic environment are all contributing factors.

The Government has acknowledged some of the pressures that councils face and has provided limited assistance for 2024-2025 as part of the Local Government Finance Settlement. However, the decision to provide another single-year settlement and the lack of clarity about how and when the mechanics of local-government funding might change have left authorities facing significant uncertainty. The 2024 General Election does offer the potential for change to local-government funding but also generates further uncertainty and risk.

The financial pressure the Council is now facing cannot be overstated. The Medium-Term Financial Strategy and Capital and Revenue Budget 2024-2027 identified an aggregated forecast budget gap of £14.143m by 2026-2027. To address this gap, there is an aggregated approved

savings sum of the same amount over the same period. These savings options were included within a public budget consultation exercise, and the Budget Task Group of the Council's Overview & Scrutiny Commission supported the process of identifying them.

Ensuring the Council's financial sustainability and resilience over the next three years will require robust management. There is an extremely high likelihood that further reductions in the Council's spending and service offer will be necessary. A recruitment freeze and cessation of non-essential expenditure remain in place. A Budget and Performance Monitoring Board has also been set up to monitor implementation of savings throughout 2024-2025 and ensure that directorates are accountable for delivery of approved savings.

Continuing to deliver growth in the local economy will be essential, not only to increase local prosperity, but also in terms of growing the Council's revenue base to compensate for reductions in government funding. The Council will continue to provide significant levels of planned investment to achieve this. Although the economic challenges facing the Council are great, strong opportunities for growth and regeneration still exist. The St Helens Growth Board will continue to work with partners to progress a programme of ambitious regeneration and growth projects whilst capitalising on new and future opportunities, such as those that may be presented through both the Parkside and the Life Sciences Investment Zones, or through the Government's Long-Term Plan for Towns, with Newton-le-Willows having been chosen as a beneficiary of the scheme.

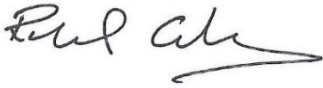
High levels of deprivation, disadvantage and poor health have been pervasive across the Borough for many years. The Cost-of-Living Crisis has exposed, exacerbated and solidified existing inequalities no more so than in areas like St Helens. As the vulnerability of certain individuals and communities has increased, so has resultant demand for and reliance on the vital services the Council provides. This presents a significant challenge at a time when resources are limited and future resources remain uncertain.

## **8. Conclusion**

Despite the considerable financial uncertainty that 2023-2024 brought, the Council continued to operate effectively. A clear budget strategy was implemented to address a number of budget pressures in the short term, particularly those within People's Services. However, the long-term underlying pressures arising from increasing demand for social care and other Council services continue to drive the need to identify and deliver budget savings and will continue to need to be addressed. The Council will also continue to work with partners and other stakeholders in presenting the case to government for adequate funding.

Despite the difficulties faced by the Council during 2023-2024, its ambitions are bigger than ever. And despite the many challenges experienced by the Council's residents and partners in the period, examples of strength, generosity, determination and resilience shone through. The collaboration between staff, Members, partners and residents has been remarkable again this year. I would like to thank all Members and officers for their hard work and dedication throughout 2023-2024.

I would also like to express my gratitude to all colleagues who have contributed to the preparation of this document and thank them for their support over the financial year.

A handwritten signature in black ink, appearing to read "Paul Adams". The signature is fluid and cursive, with a long horizontal stroke at the end.

Richard Gibson  
Director of Finance

Date: 24 June 2024

# EXPLANATION OF THE FINANCIAL STATEMENTS

The Statement of Accounts is prepared to demonstrate the Council's financial performance for the year ended 31 March 2024 and present its overall financial position at the end of that period. The core financial statements are included on pages 45 to 48 and are prepared to comply with the requirements of International Financial Reporting Standards. The statements are supplemented by a number of notes providing relevant additional information. The core financial statements are:

## **Movement in Reserves Statement (MIRS)**

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

## **Comprehensive Income and Expenditure Statement (CIES)**

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

## **Balance Sheet**

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

## **Cash Flow Statement**

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

In addition to the core financial statements, the Statement of Accounts includes:

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

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

Independent auditor's report to the members of St Helens Borough Council - To be inserted upon conclusion of the audit.

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# STATEMENT OF MAIN PRINCIPLES, ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

## General

The Statement of Accounts summarise the authority's transactions for the financial year 2023-2024 and the position at the year-end 31 March 2024.

The authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which require the accounts to be prepared in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, supported by International Financial Reporting Standards (IFRS).

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

## Accruals of Income and Expenditure

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

In particular:

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

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

In accordance with *IFRS 15 Revenue Recognition*, revenue should be measured at the fair value of the amount payable or receivable. In practice, this is the amount that the Council has invoiced, or for which it has been invoiced.

### **Assets Held for Sale**

See Property, Plant and Equipment.

### **Capital Receipts**

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

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

### **Cash and Cash Equivalents**

Cash and Cash Equivalents are represented by:

- cash-in-hand and deposits with financial institutions repayable on demand without penalty or change in value
- other investments repayable on demand without penalty or change in value

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

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

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

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

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

### **Charges to Revenue for Non-Current Assets**

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

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

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

### **Contingent Liabilities**

See Provisions and Contingent Liabilities.

### **Depreciation**

See Property, Plant and Equipment.

## Employee Benefits

### Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include benefits such as wages and salaries, and paid annual leave for employees and are recognised as an expense for services in the year in which employees render service to the authority.

An accrual is made for the cost of accumulating compensated absences earned by employees but not taken before the year end, which employees can carry forward into the next financial year. The accrual is charged to Surplus or Deficit on the Provision of Services but reversed out through the Movement in Reserves Statement to the Accumulating Compensated Absences Adjustment Account.

### Termination Benefits

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

### Post-Employment Benefits

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

- the Local Government Pension Scheme (LGPS) for staff employed under NJC terms and conditions – this is a defined benefit plan where the authority and the

employee's pay contributions into a fund, calculated at a level intended to balance the pensions liabilities and investment assets. This plan is administered by the Merseyside Pension Fund

- the Teachers' Pension Scheme (TPS) for those employed under Teachers' terms and conditions, administered by Teachers' Pensions on behalf of the Department for Education. The TPS is a statutory scheme subject to the Teachers' Pensions Regulations 1997 (as amended). It provides Teachers with defined benefits upon their retirement, and the authority contributes towards the cost by making contributions based on a percentage of members' pensionable salaries

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

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

## The LGPS

The LGPS is accounted for as a defined benefits scheme:

- The liabilities of the Merseyside Pension Fund attributable to the authority are included in the Balance Sheet using the Projected Unit Credit actuarial cost method – an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bonds of currency and term appropriate to the currency and term of the scheme's liabilities.
- The assets of Merseyside Pension Fund attributable to the authority are included in the Balance Sheet at their fair value.
- The change in the net pensions liability is analysed into the following components:
  - current service cost
  - past service cost (including curtailments)
  - net interest on the net defined benefit asset / liability
  - the return on plan assets
  - actuarial gains and losses
  - contributions paid to the Merseyside Pension Fund

Statutory provisions require the General Fund Balance to be charged with the amount payable by the authority to the pension fund or directly to pensioners in the year, not the amount

calculated according to the relevant accounting standards. This is achieved via the Movement in Reserves Statement, by way of appropriations to/from the Pensions Reserve to remove the notional debits and credits for retirement benefits and to replace them with debits for the cash paid to the pension fund and pensioners.

### Discretionary Benefits

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

### Pensions Reserve

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

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

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

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

### **Fair Values**

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

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

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

- Level 1 – quoted prices in active markets for identical assets or liabilities that the Authority can

access at the measurement date.

- Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – unobservable inputs for the asset or liability where market data is not available.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1 inputs) and the lowest priority to unobservable (level 3 inputs).

### **Financial Instruments - Assets**

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

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

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

### **Financial Instruments - Liabilities**

The provisions within the Code are derived from the same Accounting Standards as detailed in the policy on Financial Assets. Financial liabilities are initially measured at fair value and carried at their amortised cost.

Annual charges to the Financing and Investment Income and Expenditure part of the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument.

For all of the borrowings that the Council has, this

means that the amount presented in the Balance Sheet is the outstanding principal repayable (adjusted for accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year in the loan agreement.

Where premiums on the repurchase or early settlement of borrowing have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years.

The Council has a policy of spreading the loss over the term that was remaining on the loan against which the premium was payable when it was repaid.

The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

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

### **Going Concern**

The accounts have been prepared on the assumption that the services of the Council will continue to operate for the foreseeable future.

### **Government Grants and Contributions**

#### **Council Acting as Principal**

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

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or

contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired, using the grant or contribution, are required to be consumed by the recipient as specified or must otherwise be returned to the transferor.

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

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

#### **Council Acting as an Agent**

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

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

#### **Heritage Assets**

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

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

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



### **Fine Art and Museum Collection**

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

The fine art collection held at the World of Glass and that held within the Council comprises various types of paintings.

Records of all paintings (of significant value) are stored electronically by the Library Service and access is provided to the Council's Insurance Section. The paintings held within the Council's collection are included on the Balance Sheet and have been valued based on their insurance valuations. External valuations for the Council's fine art collection were carried out by Bonham during 2018-2019 and these have been used as the basis upon which to establish the value of individual items within the collection. There are over 300 items within the fine art collection.

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

maintained in an electronic format by the Library Service and access is provided to the Council's Insurance Section.

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

### **Civic Regalia**

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

### **Statues and Monuments**

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

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

## Intangible Assets

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

## Inventories

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

## Investment Properties

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

Investment properties are measured, initially, at cost and, subsequently, at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arms length.

Properties are not depreciated but are re-valued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to

investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance.

However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

## Joint Arrangements

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

- **A Joint Venture**

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

- **A Joint Operation**

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

## Leases

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

### **Authority as Lessee - Operating Leases**

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

### **Authority as Lessor - Operating Leases**

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

### **Overheads and Support Services**

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

### **Pensions**

See Employee Benefits.

### **Private Finance Initiative (PFI)**

PFI contracts are agreements to receive services, where the responsibility for making available the assets needed to provide those services passes to the PFI contractor.

The Council has one PFI scheme for Rainford High School, part of Rainford Academies Trust. As the assets will pass to the Academy Trust at the end of the contract, the Council does not

carry the assets used under the contract on its Balance Sheet.

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

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

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

### **Property, Plant and Equipment**

#### **Recognition**

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

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

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or

service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

Expenditure that maintains, but that does not add to, an asset's potential to deliver future economic benefits (repair and maintenance) is charged as an expense when it is incurred.

### **Measurement**

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

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

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

- Community assets - depreciated historical cost
- Infrastructure assets – depreciated historical cost
- Vehicles, Plant & Equipment - depreciated historical cost
- school buildings - current value, however due to their specialist nature they are measured at depreciated replacement cost which is used as an estimate of current value
- surplus assets - the current value measurement base is fair value, which is estimated as the highest and best use from a market participant's perspective
- assets under construction – cost, with no depreciation charge
- all other assets - current value, determined as the amount that would be paid for the asset in its existing use (existing use value EUV)

Where there is no market-based evidence of current value because of

the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

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

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

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

For 2023-2024, the Council used external valuers, Wilks Head & Eve LLP to value Property, Plant and Equipment and the investment portfolio. The effective date of the revaluation is the date upon which the revaluation was produced.

Key assumptions used in revaluing the assets include:

- good title can be shown and the properties are not subject to any unusual or onerous restrictions, encumbrances or outgoings
  - the land and properties are not contaminated
  - there are no prevailing environmental factors that would alter the valuations provided
- Increases in valuations are generally matched by credits to the Revaluation Reserve to recognise unrealised gains. In some circumstances, gains may be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

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

Where there is a balance of revaluation gain for

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

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

### Impairment

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

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

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

Any subsequent reversal of impairment loss is credited to the relevant service line(s) in the

Comprehensive Income and Expenditure Statement.

### Depreciation

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

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

Depreciation is calculated on the following bases:

- Buildings - straight-line allocation over the useful life of the property as estimated by the valuer which can range from 10 to 56 years.
- Vehicles, plant and equipment - straight line allocation over the lifetime of the asset as advised by a suitably qualified officer which can range from 3 to 30 years.
- Infrastructure - straight-line allocation over 30 to 40 years. Useful lives of the various parts of the highways network are as follows:

<b>Part of the highways network</b>	<b>Useful life</b>
Roads	40 years
Bridges	40 years
Street Furniture	30-40 years

The authority will apply component accounting (i.e. major components of the asset are depreciated over their respective estimated economic lives) to assets with a book value in excess of £5m where the impact of component accounting is considered material to the Financial

Statements. The Council has adopted a policy in which assets are split into component parts, as provided by the external valuers. The assets are split using standard percentages of the building. Each of the component categories have standard average lives, which are then used for the purpose of calculating the depreciation charge.

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

### **Assets Disposal and Non-Current Assets held for Sale**

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset held for Sale.

The asset is revalued and carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services.

Depreciation is not charged on Assets held for Sale.

If assets no longer meet the criteria to be classified as Assets held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they

were classified as Assets held for Sale, adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Assets held for Sale, and their recoverable amount at the date of the decision not to sell.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gains or loss on disposal.

Receipts from disposal (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal).

Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal of a non-current asset are categorised as capital receipts and credited to the Capital Receipts Reserve. Receipts are appropriated to this Reserve from the General Fund Balance in the Movement in Reserves Statement.

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

### **Provisions and Contingent Liabilities**

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

Provisions are recognised when:

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

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

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

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

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

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

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

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

### Redemption of Debt

Provision for the redemption of debt is made in accordance with the requirements contained in the Local Authorities (Capital Finance and Accounting) Regulations 2008.

The Council calculates its annual revenue provision with reference to assumed lives of its assets.

For borrowing incurred under the prudential arrangements (i.e. unsupported by Government funding), the charge is calculated on a straight line basis over the estimated life of the asset; the exceptions to this being for loan financial investments where no revenue provision charge is made and for schemes of a regeneration and/or infrastructure nature for which there has been no Government support, where the provision will be made using the Annuity Method Approach.

For its PFI scheme and that element of the CFR that was prior to the prudential regime supported by Central Government, the authority calculates a revenue provision using the annuity method. Whilst this calculation is still broadly based on a charge over the asset's life, the resultant profile for revenue provision is more closely aligned with the flow of economic benefit which, it is felt, is more appropriate for PFI schemes.

### Reserves

The authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies.

Earmarked reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement.

When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.

The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

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

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

### **Revenue Expenditure Funded from Capital Under Statute (REFCUS)**

Expenditure incurred during the year that may be capitalised under statutory provisions, but that does not result in the creation of a non-current asset of the Council, has been

charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year.

Where the authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

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

### **Schools**

The Code of Practice on Local Authority Accounting the United Kingdom confirms that the balance of control for Local

Authority-maintained schools (those categories of schools identified in the Schools Standards and Framework Act 1998) lies with the Local Authority.

The Code stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the Local Authority single entity financial statements.

Therefore, these schools' transactions, cash flows and balances are recognised in the financial statements as if they were transactions of the Local Authority.

School assets are recognised as a disposal from the Council's Balance Sheet on the date on which a relevant school converts to academy status, not on the date of any related announcement. No impairment is recognised prior to the date of conversion.

### **Tax Income (Non-Domestic Rates, Council Tax**

#### **Non-Domestic Rates**

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

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

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



### **Council Tax**

Similarly, the Council acts both as an agent (collecting Council Tax on behalf of the Police and Crime Commissioner for Merseyside, the Merseyside Fire & Rescue Authority and the Liverpool City Region Combined Authority) and as a principal (collecting Council Tax for itself). Council Tax transactions and balances are therefore allocated between the Council and the major preceptors, applying accepted agent and principal treatments as appropriate.

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

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

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

### **Value Added Tax (VAT)**

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

# STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

## The Authority's Responsibilities

The authority is required:

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

## Responsibilities of the Director of Finance

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

In preparing this Statement of Accounts, the Director of Finance has:

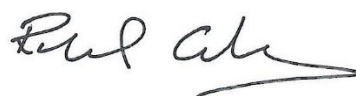
- selected suitable accounting policies and then applied them consistently.
- made judgements and estimates that were reasonable and prudent.
- complied with the Code of Practice.

The Director of Finance has also:

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

## Certificate

I certify that this Statement of Accounts gives a true and fair view of the financial position of St Helens Borough Council at 31 March 2024 and its income and expenditure for the year then ended. In doing so, I authorise the Statement for issue and confirm that it is this date up to which events after the Balance Sheet date have been considered in preparing the Statement.



Richard Gibson

Director of Finance

Date: 24 June 2024

# ANNUAL GOVERNANCE

# STATEMENT



## MOVEMENT IN RESERVES STATEMENT

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

		General Fund Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<b>Notes</b>		<b>7</b>	<b>8</b>	<b>9</b>		<b>6</b>	
	<b>Balance at 31 March 2022 Carried Forward</b>	<b>94,187</b>	<b>20,816</b>	<b>12,298</b>	<b>127,301</b>	<b>25,792</b>	<b>153,093</b>
	<b>Movement in Reserves during 2022-2023</b>						
<b>CIES</b>	Total Comprehensive Income and Expenditure	(23,932)	-	-	(23,932)	335,013	311,081
<b>5</b>	Adjustments between accounting basis and funding basis under Regulations	7,868	(1,713)	(1,056)	5,099	(5,099)	-
	<b>Net Increase/(Decrease)</b>	<b>(16,064)</b>	<b>(1,713)</b>	<b>(1,056)</b>	<b>(18,833)</b>	<b>329,914</b>	<b>311,081</b>
	<b>Balance at 31 March 2023 Carried Forward</b>	<b>78,123</b>	<b>19,103</b>	<b>11,242</b>	<b>108,468</b>	<b>355,706</b>	<b>464,174</b>
	<b>Movement in Reserves during 2023-2024</b>						
<b>CIES</b>	Total Comprehensive Income and Expenditure	12,648	-	-	12,648	13,039	25,687
<b>5</b>	Adjustments between accounting basis and funding basis under Regulations	(20,533)	(91)	1,812	(18,812)	18,812	-
	<b>Net Increase/(Decrease)</b>	<b>(7,885)</b>	<b>(91)</b>	<b>1,812</b>	<b>(6,164)</b>	<b>31,851</b>	<b>25,687</b>
	<b>Balance at 31 March 2024 Carried Forward</b>	<b>70,238</b>	<b>19,012</b>	<b>13,054</b>	<b>102,304</b>	<b>387,557</b>	<b>489,861</b>

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

Notes	2022-2023				2023-2024		
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
	340,706	(226,231)	114,475	People's Services Directorate	364,637	(249,961)	114,676
	90,900	(33,028)	57,872	Place Services Directorate	82,673	(30,948)	51,725
	73,098	(48,845)	24,253	Corporate Services Directorate	77,875	(54,589)	23,286
<b>15,16</b>	<b>504,704</b>	<b>(308,104)</b>	<b>196,600</b>	<b>Cost of Services</b>	<b>525,185</b>	<b>(335,498)</b>	<b>189,687</b>
<b>12</b>			23,612	Other Operating Expenditure			27,728
<b>13</b>			8,012	Financing and Investment Income and Expenditure			(2,725)
<b>14</b>			(204,292)	Taxation and Non-Specific Grant Income			(227,338)
<b>15</b>			<b>23,932</b>	<b>(Surplus) or Deficit on Provision of Services</b>			<b>(12,648)</b>
			(21,962)	(Surplus) or Deficit on Revaluation of Non-current Assets			(16,087)
<b>6d</b>			(313,051)	Remeasurement (Gains)/Losses on Pension Assets/Liabilities			3,048
			<b>(335,013)</b>	<b>Other Comprehensive Income and Expenditure</b>			<b>(13,039)</b>
			<b>(311,081)</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>(25,687)</b>

This Statement was prepared on the basis of the Council's directorate structure per the reporting requirements contained in *The Code of Practice on Local Authority Accounting in the United Kingdom 2023/24*.

## BALANCE SHEET

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

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

Notes	31 March 2023 £000		31 March 2024 £000
25	541,233	Property, Plant and Equipment	583,322
27	3,283	Heritage Assets	3,283
28	15,215	Investment Property	15,195
29	17	Intangible Assets	12
30	1,525	Long-term Investments	1,525
31	14,684	Long-term Debtors	16,308
11	60	Pensions Asset	-
	<b>576,017</b>	<b>Long-term Assets</b>	<b>619,645</b>
30	116,894	Short-term Investments	72,789
33	9	Assets held for Sale	100
34	58,767	Short-term Debtors	55,079
	968	Inventories	1,012
39	12,041	Cash and Cash Equivalents	37,750
	<b>188,679</b>	<b>Current Assets</b>	<b>166,730</b>
35	(1,323)	Short-term Borrowing	(1,285)
36	(65,460)	Short-term Creditors	(57,239)
17	(14,041)	Capital Grants Receipts in Advance	(20,629)
17	(6,613)	Revenue Grants Receipts in Advance	(6,949)
37	(12,992)	Provisions	(7,579)
39	(3,728)	Cash and Cash Equivalents - Bank Overdrafts	(14,170)
	<b>(104,157)</b>	<b>Current Liabilities</b>	<b>(107,851)</b>
11	(13,833)	Pensions Liability	(17,782)
17	(1,629)	Capital Grants Receipts in Advance	(812)
17	(7,846)	Revenue Grants Receipts in Advance	(7,575)
35	(137,509)	Long-term Borrowing	(132,496)
37	(3,438)	Provisions	(3,385)
38	(32,110)	Other Long-term Liabilities	(26,613)
	<b>(196,365)</b>	<b>Long-term Liabilities</b>	<b>(188,663)</b>
	<b>464,174</b>	<b>Net Assets</b>	<b>489,861</b>
		<b>Financed by:</b>	
MIRS	108,468	Usable Reserves	102,304
6	355,706	Unusable Reserves	387,557
	<b>464,174</b>	<b>Total Reserves</b>	<b>489,861</b>

In preparing this Statement, events up to 24 June 2024 have been considered. This is the date when the Director of Finance authorised the Statement for issue.

## CASH FLOW STATEMENT

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

Notes	2022-2023 £000		2023-2024 £000
<b>CIES</b>	(23,932)	Net Surplus or (Deficit) on the Provision of Services	12,648
<b>42</b>	48,081	Adjustments to Net Surplus or Deficit on the Provision of Services for Non-Cash Movements	(146)
<b>43</b>	(31,574)	Adjustments for items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	(40,599)
<b>44</b>	<b>(7,425)</b>	<b>Net Cash Flows from Operating Activities</b>	<b>(28,097)</b>
<b>45</b>	(17,616)	Investing Activities	49,453
<b>46</b>	(4,228)	Financing Activities	(6,089)
	<b>(29,269)</b>	<b>Net Increase or (Decrease) on Cash and Cash Equivalents</b>	<b>15,267</b>
	37,582	Cash and Cash Equivalents at the start of the Reporting Period	8,313
<b>39(d)</b>	<b>8,313</b>	<b>Cash and Cash Equivalents (including bank overdrafts) at the end of the Reporting Period</b>	<b>23,580</b>





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## NOTE A – EXPENDITURE AND FUNDING ANALYSIS

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

	2023-2024				
	As Reported for Management Accounts Outturn	Adjustments to arrive at the net chargeable to the General Fund*	Net Expenditure chargeable to the General Fund	Adjustments between the Funding and Accounting Basis*	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000	£000	£000	£000	£000
People's Services Directorate	139,744	(32,751)	106,993	7,683	114,676
Place Services Directorate	43,407	(3,511)	39,896	11,829	51,725
Corporate Services Directorate	7,121	16,173	23,294	(8)	23,286
<b>Net Cost of Services</b>	<b>190,272</b>	<b>(20,089)</b>	<b>170,183</b>	<b>19,504</b>	<b>189,687</b>
Other Income and Expenditure	(187,156)	24,858	(162,298)	(40,037)	(202,335)
<b>(Surplus) or Deficit on Provision of Services</b>	<b>3,116</b>	<b>4,769</b>	<b>7,885</b>	<b>(20,533)</b>	<b>(12,648)</b>
Opening General Fund Reserves at 1 April			(78,123)		
(Surplus) or Deficit on General Fund in Year			7,885		
Closing General Fund Reserves at 31 March			(70,238)		

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

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

	2022-2023				
	As Reported for Management Accounts Outturn	Adjustments to arrive at the net chargeable to the General Fund*	Net Expenditure chargeable to the General Fund	Adjustments between the Funding and Accounting Basis*	Net Expenditure In the Comprehensive Income and Expenditure Statement
	£000	£000	£000	£000	£000
People's Services Directorate	125,749	(27,968)	97,781	16,694	114,475
Place Services Directorate	45,442	(7,325)	38,117	19,755	57,872
Corporate Services Directorate	6,397	14,445	20,842	3,411	24,253
<b>Net Cost of Services</b>	<b>177,588</b>	<b>(20,848)</b>	<b>156,740</b>	<b>39,860</b>	<b>196,600</b>
Other Income and Expenditure	(173,083)	32,407	(140,676)	(31,992)	(172,668)
<b>(Surplus) or Deficit on Provision of Services</b>	<b>4,505</b>	<b>11,559</b>	<b>16,064</b>	<b>7,868</b>	<b>23,932</b>
Opening General Fund Reserves at 1 April			(94,187)		
(Surplus) or Deficit on General Fund in Year			16,064		
Closing General Fund Reserves at 31 March			(78,123)		

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

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

## NOTE B - NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

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

2022-2023					2023-2024			
Adjustments for Capital Purposes (i) £000	Net Change for Pensions Adjustments (ii) £000	Other Differences (iii) £000	Total Adjustments £000		Adjustments for Capital Purposes (i) £000	Net Change for Pensions Adjustments (ii) £000	Other Differences (iii) £000	Total Adjustments £000
4,091	12,973	(370)	16,694	People's Services Directorate	7,019	(150)	814	7,683
13,467	6,477	(189)	19,755	Place Services Directorate	10,972	641	216	11,829
784	2,813	(186)	3,411	Corporate Services Directorate	240	(288)	40	(8)
<b>18,342</b>	<b>22,263</b>	<b>(745)</b>	<b>39,860</b>	<b>Net Cost of Services</b>	<b>18,231</b>	<b>203</b>	<b>1,070</b>	<b>19,504</b>
(32,483)	8,414	(7,923)	(31,992)	Other Income and Expenditure	(38,020)	758	(2,775)	(40,037)
<b>(14,141)</b>	<b>30,677</b>	<b>(8,668)</b>	<b>7,868</b>	<b>Difference between General Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement surplus or Deficit on the Provision of Services</b>	<b>(19,789)</b>	<b>961</b>	<b>(1,705)</b>	<b>(20,533)</b>

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

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

**(i) Adjustments for Capital Purposes**

In the Net Cost of Services line, this adjusts for depreciation, impairment and revaluation gains and losses.

Within the Other Income and Expenditure, this includes adjustments for:

- capital disposals, with a transfer of income on disposal of assets and the amounts written off for those assets
- the statutory charges for capital financing: i.e., Minimum Revenue Provision and other revenue contributions, as these are not chargeable under generally accepted accounting practices
- capital grants, which are adjusted for as income not chargeable under generally accepted accounting practices.

**(ii) Net Change for Pension Adjustments**

This column adjusts pension contributions and *IAS 19 Employee Benefits* pension-related expenditure and income:

- In the Net Cost of Services line this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.
- In the Other Income and Expenditure line this represents the net interest on the defined benefit liability charged to the Comprehensive Income and Expenditure Statement.

**(iii) Other Differences**

This column represents other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

In the Net Cost of Services line, this includes adjustments involving the Accumulating Compensated Absence Adjustment Account and the Dedicated Schools Grant Adjustment Account.

In the Other Income and Expenditure line this includes:

- adjustments to the General Fund for the timing differences for premiums and discounts;
- the difference between what is chargeable under statutory regulations for Council Tax and Business Rates which was projected to be received at the start of the year, and the income recognised under generally accepted accounting practices in the Code. This is a timing difference, as any difference is brought forward in future surpluses or deficits on the Collection Fund.

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

	2023-2024				
	Adjustments relating to Internal Recharges	Adjustments relating to Capital Items	Adjustments relating to Transfers to / from Reserves	Adjustments relating to Other Income and Expenditure	Total Adjustments to arrive at the Net Amount chargeable to the General Fund
	£000	£000	£000	£000	£000
People's Services Directorate	(24,671)	(7,100)	(1,105)	125	(32,751)
Place Services Directorate	7,847	(11,662)	-	304	(3,511)
Corporate Services Directorate	16,824	(240)	-	(411)	16,173
<b>Net Cost of Services</b>	<b>-</b>	<b>(19,002)</b>	<b>(1,105)</b>	<b>18</b>	<b>(20,089)</b>
General Fund Financing	-	-	5,874	-	5,874
Other Operating Expenditure	-	19,002	-	838	19,840
Financing and Investment Income and Expenditure	-	-	-	(856)	(856)
Taxation and Non-Specific Grant Income	-	-	-	-	-
<b>Other Income and Expenditure</b>	<b>-</b>	<b>19,002</b>	<b>5,874</b>	<b>(18)</b>	<b>24,858</b>
<b>Difference between General Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit</b>	<b>-</b>	<b>-</b>	<b>4,769</b>	<b>-</b>	<b>4,769</b>

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

	2022-2023				
	Adjustments relating to Internal Recharges	Adjustments relating to Capital Items	Adjustments relating to Transfers to / from Reserves	Adjustments relating to Other Income and Expenditure	Total Adjustments to arrive at the Net Amount chargeable to the General Fund
	£000	£000	£000	£000	£000
People's Services Directorate	(22,172)	(4,248)	(2,074)	526	(27,968)
Place Services Directorate	6,699	(14,249)	-	225	(7,325)
Corporate Services Directorate	15,473	(785)	-	(243)	14,445
<b>Net Cost of Services</b>	<b>-</b>	<b>(19,282)</b>	<b>(2,074)</b>	<b>508</b>	<b>(20,848)</b>
General Fund Financing	-	-	13,633	-	13,633
Other Operating Expenditure	-	19,282	-	180	19,462
Financing and Investment Income and Expenditure	-	-	-	(688)	(688)
Taxation and Non-Specific Grant Income	-	-	-	-	-
<b>Other Income and Expenditure</b>	<b>-</b>	<b>19,282</b>	<b>13,633</b>	<b>(508)</b>	<b>32,407</b>
<b>Difference between General Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement Fund Surplus or Deficit</b>	<b>-</b>	<b>-</b>	<b>11,559</b>	<b>-</b>	<b>11,559</b>



# OTHER NOTES TO THE CORE FINANCIAL STATEMENTS

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

The *CIPFA Code of Practice on Local Authority Accounting* (the Code) requires disclosure of information related to the anticipated impact of changes in accounting standards that have been issued, but not yet adopted by the Code for the relevant financial year. The standards that have changed are listed below.

- IAS 1 (Presentation of Financial Statements)  
Amendments to provide clarity on classification of liabilities as current or non-current and guidance on disclosure for non-current liabilities with covenants
- IAS12 (Income Taxes)  
Pillar Two Model Rules
- IAS7 (Statement of Cash Flows)/ IFRS 7 (Financial Instruments: Disclosures)  
Additional disclosures on supplier finance arrangements

It is considered that if these standards had been adopted for the financial year 2023-2024, they would not have had any significant impact on the Financial Statements as presented.

*IFRS 16 (Leases)* will be adopted from 1 April 2024. The main impact of the standard will be to remove the distinction between finance and operating leases for lessees. This will result in the Council recognising a right of use asset and a lease liability in respect of some leases currently treated as operating leases. Work is ongoing to quantify the impact and further details will be included in the 2024-2025 accounts when the standard has been adopted.

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

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

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

However, because balances cannot be determined with certainty, actual results could be different from the assumptions and estimates. The items in the Balance Sheet, where there is a risk of material adjustment in the forthcoming financial year, are detailed in this note, alongside commentary around the future assumptions and major sources of uncertainty.

## CRITICAL JUDGEMENT

### Funding

The Council received a one-year settlement for both 2023-2024 and 2024-2025, having previously anticipated a two-year settlement covering that period. This has meant that the Council is having to plan beyond 2024-2025 with less certainty than would otherwise have been the case.

In December 2022 the government confirmed that the fair funding review and the reset of business rates retention will not take place in the current Spending Review Period. In the Local government finance policy statement 2024 to 2025 published on 5 December 2023 the Government stated that whilst it remains committed to improving the local government finance landscape in the next Parliament 'now is not the time for fundamental reform, for instance implementing the Review of Relative Needs and Resources or a reset of accumulated business rates growth', meaning that the introduction of a new funding regime will not now take place until at least 2025-2026.

A general election is to be held on 4 July 2024. This introduces further uncertainty in terms of the extent to which a new government will have differing priorities to the current one.

This level of uncertainty brings inherent risks for the Council, for which a number of existing

measures are in place to ensure its financial resilience. For example:

- Ensuring sufficient reserves are held, underpinned by an annual review of earmarked reserves as part of the budget setting process
- Risk assessing the general reserve to identify the minimum level of reserves required within the annual budget report
- Ensuring an early indication of budget pressures through budget monitoring and reporting arrangements with actions necessary to manage or address such pressures
- Continuing to focus on achieving value for money through transformation and efficient procurement

Working through its Corporate Leadership Team, elected members and partners, the Council will need to constantly assess its financial position and plans during the course of 2024-2025 and beyond, reviewing its annual and longer-term budget assumptions, and identifying options for managing budget pressures.

The Council's Medium-Term Financial Strategy, covering the period 2024-2027, considered the forecast budget gap over that period and the strategy to balance the budget over the medium term. A Funding Reform & Volatility Reserve has been established to provide resilience to the Council from the uncertainties in future changes in Government funding, pension liabilities and the volatility of Business Rates income - and to allow better opportunity to smooth out resources during any transition periods.

The Strategy also set out the level of General Fund Reserves required in order to provide short-term emergency funds for exceptional circumstances and to cover risks that could impact the Council as a going concern.

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

### **Schools**

In determining the accounting treatment to be applied to the various types of school within the

Borough, the Council has had due regard to the application of *IFRS 10 Consolidated Financial Statements*, which means that for the purposes of the accounts, maintained schools (all schools excluding academies and free schools) are treated as entities for the purpose of assessing control. This assessment has indicated that the balance of control of these entities lies with the Local Authority and that, therefore, the income and expenditure, assets and liabilities and reserves of these schools are recognised within the single entity accounts of the Local Authority.

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

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

Schools converting to Academies are derecognised in the year of academisation rather than when the decision has been made. It is expected a further primary school will convert to Academy status in July 2024, with the assets being de-recognised from the Council's Balance Sheet in 2024-2025.

## Joint Arrangements

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

This arrangement has been assessed under the relevant accounting standards to determine how this should be accounted for within the Council's accounts. Based on this assessment it has been determined that this arrangement falls to be classified as a joint venture which would ordinarily necessitate the completion of group accounting statements. Having reviewed the companies' financial statements, it has been determined that, on the grounds of materiality, group accounting statements are not required for 2023-2024. To this end, the Council's interest in the company continues to be reflected within the Council's single entity accounts as a long-term investment (see Note 30). Further detail about the Council's interest in the Joint Venture is included in Note 22.

- The Council is party to Section 75 agreements with NHS Cheshire and Merseyside Integrated Care Board (ICB), covering pooled budgets in respect of both Continuing Health Care assessments and the Better Care Fund. The arrangements have been assessed under the relevant accounting standards and it has been determined that they fall to be classified as Joint Operations, requiring each party to account for the assets, liabilities, revenues and expenses relating to its involvement. Further details are included in Note 18.

## ASSUMPTIONS AND ESTIMATION UNCERTAINTY

### Pensions Liability

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

This judgement is also affected by the application of the asset ceiling calculation, which limits the amount the amount of net pension asset that can be recognised.

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

### Valuations of PPE and Investment Properties

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

There are a number of general uncertainties that are currently impacting property markets. Nevertheless, the external valuers state that at the valuation date there is an adequate quantum of property market evidence existing upon which to base opinions of value without having to report those valuations as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

The valuation of the Council's land and building based assets, which are valued at current cost, is £325.619 (see Note 25). For every 1% increase or decrease in the carrying amount, the impact on

the balance sheet would be +/-£3.256m. The Council's investment portfolio is valued at fair value and is held on the balance sheet at £15.195m (see Note 28). Any change in the fair value measurement of +/- 1% will result in a movement on the balance sheet of +/- £0.152m.

### **3. CHANGES IN ACCOUNTING POLICY**

When compared to 2022-2023, there have been no changes in accounting policy applied in the production of these financial statements.

### **4. EVENTS AFTER THE REPORTING DATE**

The Statement of Accounts was authorised for issue by the Director of Finance on 24 June 2024. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the financial statements and commentary provided in the notes have been prepared in all material respects to reflect the impact of this information. There are no non-adjusting events after the Balance Sheet date.

### **5. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS**

The following tables provide details of those adjustments.

2023-2024	Usable Reserves			Movement in Unusable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	
<b>Adjustments involving the Capital Adjustment Account (Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement)</b>				
Charges for Depreciation and Impairment of Non-Current Assets	15,429	-	-	(15,429)
Revaluation losses on Property, Plant and Equipment	2,797	-	-	(2,797)
Movements in the fair value of Investment Properties	(250)	-	-	250
Amortisation of Intangible Assets	5	-	-	(5)
Capital Grants and Contributions applied credited to the Comprehensive Income and Expenditure Statement	(40,240)	-	-	40,240
Revenue expenditure funded from capital under Statute	6,310	-	-	(6,310)
Amounts of non-current assets and non-current assets held for sale written off on disposal, sale or derecognition as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	6,159	-	-	(6,159)
Other items debited/credited to the Comprehensive Income and Expenditure Statement	4	-	-	(4)
<b>Adjustments involving the Capital Adjustment Account (Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement)</b>				
Provision for the repayment of debt	(3,669)	-	-	3,669
Capital expenditure charged against the General Fund balance	(771)	-	-	771
<b>Adjustments primarily involving the Capital Grants Unapplied Account</b>				
Capital Grants and Contributions unapplied credited/debited to the Comprehensive Income and Expenditure Statement	(4,336)	-	4,336	-
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	(2,524)	2,524
<b>Adjustments involving the Capital Receipts Reserve</b>				
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1,476)	1,476	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	(1,665)	-	1,665
Amount of Deferred Capital Receipts and Long-term Debtors received	-	98	-	(98)

2023-2024	Usable Reserves			Movement in Unusable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	
<b>Adjustments involving the Financial Instruments Adjustment Account</b> Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(61)	-	-	61
<b>Adjustments involving the Pensions Reserve</b> Amount by which pension costs calculated in accordance with the Code are different from contributions due under the pension scheme regulations	961	-	-	(961)
<b>Adjustments involving the Collection Fund Adjustment Account</b> Amount by which Council Tax income and Non-Domestic Rates credited to the Comprehensive Income and Expenditure Statement is different from the amount taken to the General Fund in accordance with regulations	(2,464)	-	-	2,464
<b>Adjustments involving the Accumulating Compensated Absence Adjustment Account</b> Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	1,069	-	-	(1,069)
<b>Adjustments involving the Dedicated Schools Grant Adjustment Account</b> Transfer of Dedicated Schools Grant (DSG) overspend to the DSG Adjustment Account in the year in accordance with statutory requirements	-	-	-	-
<b>Total Adjustments 2023-2024</b>	<b>(20,533)</b>	<b>(91)</b>	<b>1,812</b>	<b>18,812</b>

2022-2023	Usable Reserves			Movement in Unusable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	
<b>Adjustments involving the Capital Adjustment Account (Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement)</b>				
Charges for Depreciation and Impairment of Non-Current Assets	14,666	-	-	(14,666)
Revaluation losses on Property, Plant and Equipment	3,641	-	-	(3,641)
Movements in the fair value of Investment Properties	(1,153)	-	-	1,153
Amortisation of Intangible Assets	35	-	-	(35)
Capital Grants and Contributions applied credited to the Comprehensive Income and Expenditure Statement	(28,139)	-	-	28,139
Revenue expenditure funded from capital under Statute	5,324	-	-	(5,324)
Amounts of non-current assets and non-current assets held for sale written off on disposal, sale or derecognition as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	2,812	-	-	(2,812)
<b>Adjustments involving the Capital Adjustment Account (Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement)</b>				
Provision for the repayment of debt	(3,471)	-	-	3,471
Capital expenditure charged against the General Fund balance	(940)	-	-	940
<b>Adjustments primarily involving the Capital Grants Unapplied Account</b>				
Capital Grants and Contributions unapplied credited/debited to the Comprehensive Income and Expenditure Statement	(6,048)	-	6,048	-
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	(7,104)	7,104
<b>Adjustments involving the Capital Receipts Reserve</b>				
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(2,023)	2,023	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	(3,917)	-	3,917
Amount of Deferred Capital Receipts and Long-term Debtors received	-	181	-	(181)

2022-2023	Usable Reserves			Movement in Unusable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	
<b>Adjustments involving the Financial Instruments Adjustment Account</b> Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(61)	-	-	61
<b>Adjustments involving the Pensions Reserve</b> Amount by which pension costs calculated in accordance with the Code are different from contributions due under the pension scheme regulations	30,677	-	-	(30,677)
<b>Adjustments involving the Collection Fund Adjustment Account</b> Amount by which Council Tax income and Non-Domestic Rates credited to the Comprehensive Income and Expenditure Statement is different from the amount taken to the General Fund in accordance with regulations	(6,708)	-	-	6,708
<b>Adjustments involving the Accumulating Compensated Absence Adjustment Account</b> Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(744)	-	-	(744)
<b>Adjustments involving the Dedicated Schools Grant Adjustment Account</b> Transfer of Dedicated Schools Grant (DSG) overspend to the DSG Adjustment Account in the year in accordance with statutory requirements	-	-	-	-
<b>Total Adjustments 2022-2023</b>	<b>7,868</b>	<b>(1,713)</b>	<b>(1,056)</b>	<b>(5,099)</b>



## 6. UNUSABLE RESERVES

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

31 March 2023 £000		Movements in year 2023-2024 £000	31 March 2024 £000
172,592	Revaluation Reserve (a)	8,439	181,031
(543)	Financial Instruments Adjustment Account (b)	61	(482)
(13,773)	Pensions Reserve (c)	(4,009)	(17,782)
271	Collection Fund Adjustment Account (d)	2,464	2,735
(1,297)	Dedicated Schools Grant Adjustment Account (e)	-	(1,297)
(3,519)	Accumulating Compensated Absences Adjustment Account (f)	(1,069)	(4,588)
201,975	Capital Adjustment Account (g)	25,965	227,940
<b>355,706</b>	<b>Total</b>	<b>31,851</b>	<b>387,557</b>

### (a) Revaluation Reserve

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

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

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

2022-2023 £000		2023-2024 £000
<b>155,620</b>	<b>Balance brought forward at 1 April</b>	<b>172,592</b>
<b>21,962</b>	<b>Surplus or Deficit on Revaluation of Non-Current Assets not posted to the Surplus or Deficit on the Provision of Services</b>	<b>16,088</b>
(2,494)	Difference between Fair Value Depreciation and Historical Cost Depreciation	(2,901)
(2,496)	Accumulated Gains on Non-Current Assets written out on disposal, sale or derecognition	(4,748)
<b>(4,990)</b>	<b>Amount written off to the Capital Adjustment Account</b>	<b>(7,649)</b>
<b>172,592</b>	<b>Balance carried forward at 31 March</b>	<b>181,031</b>

(b) Financial Instruments Adjustment Account

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

2022-2023 £000		2023-2024 £000
(604)	<b>Balance brought forward at 1 April</b>	(543)
61	Proportion of premiums incurred in previous years charged against the General Fund balance in accordance with statutory requirements	61
(543)	<b>Balance carried forward at 31 March</b>	(482)

(c) Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on resources set aside to meet the costs.

Any net pension surplus arising is mitigated by the effect of the asset ceiling, which limits the asset that can be recognised to the lower of the amount of net pension asset or the present value of any economic benefit benefits available in the form of reductions in future contributions to the Fund.

Statutory arrangements require benefits earned to be financed, as the authority makes employer's contributions to Pension Funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a shortfall in the benefits earned by past and current employees and the resources the authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2022-2023 £000		2023-2024 £000
(296,147)	<b>Balance brought forward at 1 April</b>	(13,773)
313,051	Re-measurement Gains/(Losses) on Pension Assets/ Liabilities	(3,048)
(45,986)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(18,747)
15,309	Employer's pensions contributions and direct payments to pensioners payable in year	17,786
(13,773)	<b>Balance carried forward at 31 March</b>	(17,782)

(d) Collection Fund Adjustment Account

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

2022-2023 £000		2023-2024 £000
(6,437)	<b>Balance brought forward at 1 April</b>	271
	Amount by which credited to the Comprehensive Income and Expenditure Statement is different from income calculated for the year in accordance with statutory requirements:	
(852)	- Council Tax	582
7,560	- Non-Domestic Rates	1,882
271	<b>Balance carried forward at 31 March</b>	2,735

(e) Dedicated Schools Grant Adjustment Account

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

These regulations established new accounting practices which require councils to carry forward any deficit on the Dedicated Schools Grant (DSG) from the current and previous years, to be dealt with from future DSG income up to 2025-2026. The Council must record any such deficit in an unusable reserve created solely for the purpose of recording deficits relating to its school's budget.

2022-2023 £000		2023-2024 £000
(1,297)	<b>Balance brought forward at 1 April</b>	(1,297)
-	Transfer of DSG deficit to the Dedicated Schools Grant Adjustment Account in the year in accordance with statutory requirements	-
(1,297)	<b>Balance carried forward at 31 March</b>	(1,297)

(f) Accumulating Compensated Absences Adjustment Account

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

2022-2023 £000		2023-2024 £000
(4,263)	<b>Balance brought forward at 1 April</b>	<b>(3,519)</b>
744	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	(1,069)
<b>(3,519)</b>	<b>Balance carried forward at 31 March</b>	<b>(4,588)</b>

(g) Capital Adjustment Account

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

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

2022-2023 £000		2023-2024 £000
178,920	<b>Balance brought forward at 1 April</b>	201,975
	<b>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement</b>	
(14,666)	Charges for Depreciation and Impairment of Non-Current Assets	(15,429)
(3,641)	Revaluation losses on Property, Plant and Equipment	(2,797)
(35)	Amortisation of Intangible Assets	(5)
(5,324)	Revenue expenditure funded from capital under Statute	(6,310)
(2,812)	Amounts of Non-Current Assets written off on disposal, sale or derecognition as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(6,159)
-	Other Items	(4)
	<b>Adjusting amounts written out of the Revaluation Reserve</b>	
2,494	Difference between Fair Value Depreciation and Historical Cost Depreciation	2,901
2,496	Amounts of Revaluation Reserve written out on disposal, sale or derecognition of Non-Current Assets	4,748
	<b>Capital financing applied in the Year</b>	
3,917	Use of the Capital Receipts Reserve to finance new capital expenditure	1,665
23,899	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	35,959
4,240	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to finance Revenue expenditure financed by capital under statute	4,280
7,104	Application of grants to capital financing from the Capital Grants Unapplied Account	2,524
3,471	Provision for the financing of capital investment charged against General Fund balances	3,669
940	Capital expenditure charged against General Fund balances	771
1,153	<b>Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement</b>	250
(181)	<b>Long Term Debtors and Loan Repayments</b>	(98)
201,975	<b>Balance carried forward at 31 March</b>	227,940

## 7. GENERAL FUND RESERVES

1 April 2022	Movements in year 2022-2023	31 March 2023		Movements in year 2023-2024	31 March 2024
£000	£000	£000		£000	£000
5,208	(2,000)	3,208	Insurance & Contingent Liability Reserve (a)	(278)	2,930
17,859	(11,688)	6,171	Transformation Reserve (b)	(1,626)	4,545
5,930	(219)	5,711	Growth Reserve (c)	(1,606)	4,105
1,305	(1,305)	-	Essential Equipment Fund (d)	-	-
576	(220)	356	Councillor Improvement Fund (e)	(172)	184
1,204	(557)	647	Waste Management Development Fund (f)	(573)	74
3,000	1,746	4,746	Inflationary Reserve (g)	594	5,340
891	(891)	-	Community Improvement Reserve (h)	-	-
3,707	-	3,707	Restructuring Reserve (i)	-	3,707
8,994	(1,725)	7,269	Funding Reform & Volatility Reserve (j)	(2,275)	4,994
-	10,000	10,000	Pensions Reserve (k)	-	10,000
-	5,000	5,000	Tax Increment Financing (TIF) Reserve (l)	-	5,000
-	-	-	Revenue Grants & Contributions Reserve (m)	2,516	2,516
9,336	(5,126)	4,210	Covid-19 Reserve - General (n)	(3,210)	1,000
8,565	(8,077)	488	Covid-19 Reserve - Collection Fund (n)	(488)	-
<b>66,575</b>	<b>(15,062)</b>	<b>51,513</b>	<b>Sub-Total</b>	<b>(7,118)</b>	<b>44,395</b>
649	-	649	NW Regional Leaders Board (o)	-	649
13,540	(1,653)	11,887	Schools Balances (p)	(1,872)	10,015
-	2,074	2,074	Dedicated Schools Grant Reserve (q)	1,105	3,179
13,423	(1,423)	12,000	Unallocated General Fund Balances (r)	-	12,000
<b>94,187</b>	<b>(16,064)</b>	<b>78,123</b>	<b>Total</b>	<b>(7,885)</b>	<b>70,238</b>

- (a) The Insurance & Contingent Liability Reserve exists to provide resource cover for additional and unforeseen insurance claims which may be brought in the future (including those resulting from exposure to long-tail claims and any additional liabilities arising from the run-off of Municipal Mutual Insurance) and also financial risks that the Council may face in the form of current contingent liabilities (see Note 41).
- (b) The Transformation Reserve is available for services undergoing fundamental change in service delivery and requiring project management and/or specialist activities to achieve new operating models, improved performance or enhanced outcomes.  
  
In addition, the fund can also be utilised to ensure equipment supports the latest advancements in technology and/or delivers the Council's modernisation programme and to promote the climate change agenda and support the development of services which create a greener and sustainable environment.
- (c) The Growth Reserve is to support the delivery of developments which will enhance the economic growth of the Borough, attract new business and employment opportunities, and secure the long-term viability of the Borough's town centres and localities.
- (d) The Essential Equipment Fund formerly existed to provide for new or replacement equipment where the cost to acquire or the failure to replace would have a direct impact on the delivery of essential services. In order to focus on delivering the Council's priorities in the medium to longer term, the Fund has been amalgamated into the Transformation Reserve.
- (e) The Councillor Improvement Fund was established to provide specific funding towards projects that enhance individual Council ward environments.
- (f) The Waste Management Development Fund was established subsequent to the receipt of monies from Merseyside Recycling and Waste Authority and is used to deliver actions in support of the Joint Recycling and Waste Management Strategy.
- (g) The Inflationary Reserve is to support services where cost increases are significantly above inflation and not to allow for these costs would have a direct impact on the delivery of essential services.
- (h) The Community Improvement Reserve was established to support new community improvements and the retention of some community-based services. It was amalgamated into the Transformation Reserve during 2022-2023.
- (i) The Restructuring Reserve exists to support the Council's transformation programme in reshaping and modernising service delivery in order to achieve its key strategic priorities.
- (j) The Funding Reform & Volatility Reserve provides resilience for the Council from the uncertainties in future changes in Government funding and finance reform, and the ability to 'smooth out' resources during the transition period.  
  
It is also used to absorb smoothing related to the complex arrangements for Business Rates and the volatility of the Business Rates mechanism, which can involve reconciling payments over a number of years.
- (k) The Pensions Reserve was established to provide opportunities to realise future savings from the prepayment of pension liabilities to Merseyside Pension Fund following the actuarial revaluation of the Pension Fund.
- (l) The Tax Increment Financing (TIF) Reserve has been created to smooth the impact on the revenue budget where there are timing delays between borrowing costs incurred under TIF regulations and the receipt of Business Rates income from new properties within the Freeport site boundary.
- (m) The Revenue Grants & Contributions Reserve has been established for the carry-forward of unconditional grants and contributions and other previously approved requests for use in future periods to deliver specific programmes of work.

- (n) The Covid-19 Reserve is twofold and was created to:
- provide future-year budget resource cover for ongoing additional costs and income losses resulting from the pandemic
  - provide resource cover for Collection Fund deficits arising as a result of the terms of the Government's Retail, Hospitality and Leisure (Business Rates) Relief Scheme
- (o) Balances held as accountable body to the North West Regional Leaders Board.
- (p) Balances held under delegated scheme arrangements, whereby such balances are committed to be spent on the provision of education services.
- (q) The Dedicated Schools Grant Reserve was established in line with statutory guidance, whereby any surplus on the Dedicated Schools Grant in 2021-2022 and subsequent years must be earmarked to a ringfenced reserve.
- (r) General balances are set aside to provide a short-term cushion for the impact of uneven cash flow, to provide an emergency fund for exceptional unmitigated circumstances and to ensure that the Council remains a going concern.

## 8. CAPITAL RECEIPTS RESERVE

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

2022-2023 £000		2023-2024 £000
20,816	<b>Balance brought forward at 1 April</b>	19,103
	<b>Amounts received in Year</b>	
2,023	Asset Sales and Grant Repayment	1,476
181	Repaid loans and advances	98
(3,917)	<b>Amounts applied to finance new capital investment in year</b>	(1,665)
19,103	<b>Balance carried forward at 31 March</b>	19,012

## 9. UNAPPLIED CAPITAL GRANTS

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

31 March 2023 £000		31 March 2024 £000
10,166	Department for Education	12,804
753	Department for Environment, Food & Rural Affairs	21
242	Liverpool City Region Combined Authority	176
80	Other Grants and Contributions	53
11,241	<b>Total</b>	13,054



## 10. SCHOOLS BUDGET FUNDED BY DEDICATED SCHOOLS GRANT

The Council's expenditure on schools is funded primarily by grant monies provided by the Education and Skills Funding Agency, the Dedicated Schools Grant (DSG). DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School and Early Years (England) Regulations 2022. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual School's Budget (ISB), which is divided into a budget share for each maintained school.

	<b>Central Expenditure</b>	<b>Individual Schools Budget</b>	<b>Total 2023-2024</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Final DSG before Academy and High Needs recoupment			184,880
Academy and High Needs figures recouped			(53,153)
<b>Total DSG after Academy and High Needs Figure Recoupment for 2023-2024</b>			<b>131,727</b>
Plus: Brought Forward from 2022-2023			2,074
Less: Carry-forward to 2024-2025 agreed in advance			-
Agreed Initial Budgeted Distribution in 2023-2024	30,331	103,470	133,801
In-year adjustments	-	(11)	(11)
Final budgeted distribution for 2023-2024	30,331	103,459	133,790
Less: Actual central expenditure	(27,106)		(27,106)
Less: Actual ISB deployed to schools		(103,506)	(103,506)
Plus: Local Authority Contribution for 2023-2024	-	-	-
In Year Carry-Forward to 2024-2025	3,225	(47)	3,178
Plus: Carry-Forward to 2024-2025 agreed in advance			-
Carry-Forward to 2024-2025			3,178
DSG Unusable Reserve at the end of 2022-2023			(1,297)
Addition to DSG Unusable Reserve at the end of 2023-2024			-
Total of DSG Unusable Reserve at the end of 2023-2024			(1,297)
<b>Net DSG Position at the end of 2023-2024</b>			<b>1,881</b>

## 11. PENSIONS

### (a) Pension Schemes Accounted for as Defined Contribution Schemes

The pensions cost reported in the Cost of Services in relation to the Teacher's Pension Scheme (TPS) are equal to the employer's contribution payable to the Scheme in the accounting period as summarised below.

2022-2023			2023-2024	
TPS			TPS	
10.89	Employer Contribution (£m)		10.88	
23.68%	Employer Contribution Rate		23.68%	

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

The TPS employer contribution rate is to increase to 28.68% from 1 April 2024 to ensure that the scheme continues to meet present and future obligations, with the estimated cost of employer contributions for 2024-2025 being £11.2m. The Department for Education provides grant funding to cover the cost of the increased contribution rate, that was introduced in September 2019, as part of the Dedicated Schools Grant.

### (b) Transactions relating to Retirement Benefits

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

2022-2023			2023-2024	
TPS £000	LGPS £000		TPS £000	LGPS £000
		<b>Cost of Services</b>		
-	37,214	Current service cost	-	17,890
-	358	(Gains)/losses on settlements & curtailments	-	66
-	-	Past service cost	-	33
		<b>Other Operating Expenditure</b>		
-	465	Pension administration expenses	-	511
		<b>Financing and Investment Income and Expenditure</b>		
460	7,489	Net interest expense	634	(387)
<b>460</b>	<b>45,526</b>	<b>Total Post-Employment Benefits charged to Surplus or Deficit on Provision of Services</b>	<b>634</b>	<b>18,113</b>

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

2022-23			2023-2024	
TPS £000	LGPS £000		TPS £000	LGPS £000
(460)	(45,526)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services	(634)	(18,113)
-	13,550	Employer's contributions payable to scheme	-	15,994
1,759	-	Retirement benefits payable to pensioners	1,792	-
<b>1,759</b>	<b>13,550</b>		<b>1,792</b>	<b>15,994</b>

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

2022-2023				2023-2024		
TPS £000	LGPS £000	TOTAL £000		TPS £000	LGPS £000	TOTAL £000
13,833	833,500	847,333	Benefit obligation at end of the period	12,546	847,527	860,073
-	(833,560)	(833,560)	Fair Value of plan assets at end of the period	-	(875,929)	(875,929)
<b>13,833</b>	<b>(60)</b>	<b>13,773</b>	<b>Subtotal</b>	<b>12,546</b>	<b>(28,402)</b>	<b>(15,856)</b>
-	-	-	Impact of Asset Ceiling	-	33,638	33,638
<b>13,833</b>	<b>(60)</b>	<b>13,773</b>	<b>(Surplus) / Deficit as at 31 March</b>	<b>12,546</b>	<b>5,236</b>	<b>17,782</b>

Estimation of the net liability to pay pensions depends on several complex judgements relating to:

- Inflation and discount rates
- the rate at which salaries are projected to increase
- changes in retirement ages
- mortality rates
- expected returns on pension fund assets

These assumptions interact with each other and other factors in complex ways, some of which may be financially significant. For example, a 0.25% increase in the assumed rate of inflation increases the net pension liability by £32.528m; a 0.25% increase in assumed pay growth increases the liability by £5.232m and a 1-year increase in assumed life expectancy increases the liability by £22.161m.

At the end of 2023-2024 the Council's share of the overall Local Government Pension Fund was a net deficit of £5.236m compared to a net surplus of £0.060m at the end of the previous year. Remeasurement gains on both liabilities (through financial and demographic assumptions) and assets resulted in a more favourable surplus position, but the impact of the asset ceiling resulted in a net deficit.

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

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

<b>2022-2023</b> <b>£000</b>		<b>2023-2024</b> <b>£000</b>
<b>892,968</b>	<b>Opening Fair Value of Scheme Assets</b>	<b>833,560</b>
24,683	Interest on plan assets	39,772
(465)	Pension administration expenses	(511)
(60,743)	Remeasurement gains / (losses)	13,052
4,400	Employer contributions	15,994
5,915	Member contributions	6,465
(33,198)	Benefits paid	(32,403)
<b>833,560</b>	<b>Closing Fair Value of Scheme Assets</b>	<b>875,929</b>

The assets at 31 March comprised:

2022-2023					2023-2024			
Quoted £000	Unquoted £000	Total £000	% of Total		Quoted £000	Unquoted £000	Total £000	% of Total
111,808	9,379	121,187	15%	<b>Equities</b>	110,941	2,787	113,728	13%
185,770	96,505	282,275	34%	UK	215,656	127,201	342,857	39%
				Global				
10,450	-	10,450	1%	<b>Bonds</b>	4,172	-	4,172	1%
18,287	-	18,287	2%	UK Government	7,763	-	7,763	1%
76,480	-	76,480	9%	UK Corporate	43,460	-	43,460	5%
4,864	-	4,864	1%	UK Index Linked	5,809	-	5,809	1%
				Overseas				
				Corporate				
-	(3,867)	(3,867)	-	Derivative	-	557	557	-
				Contracts				
494	-	494	-	Overseas	3,438	-	3,438	1%
				Government				
540	-	540	-	Collateralized	317	-	317	-
				Bonds				
				<b>Property</b>				
-	37,269	37,269	5%	UK Direct	-	39,117	39,117	4%
				Property				
740	26,738	27,478	3%	UK Managed	743	35,494	36,237	4%
				Property				
-	25,833	25,833	3%	Global Managed	-	27,131	27,131	3%
				Property				
				<b>Private Equity</b>				
82	31,099	31,181	4%	UK	93	39,303	39,396	4%
-	47,635	47,635	6%	Global	465	44,971	45,436	5%
				<b>Cash</b>				
-	14,413	14,413	2%	All	-	8,555	8,555	1%
				<b>Other</b>				
-	165	165	-	Other	-	279	279	-
				Alternatives UK				
-	20,157	20,157	2%	Other	-	22,486	22,486	2%
				Alternatives				
-	3,538	3,538	1%	Global	-	4,832	4,832	1%
-	45,085	45,085	5%	Goodhart	-	52,869	52,869	6%
-	25,422	25,422	3%	Infrastructure UK	-	29,175	29,175	3%
				Infrastructure				
-	12,341	12,341	1%	Global	279	12,636	12,915	1%
				Private				
1,316	28,055	29,371	3%	Credit UK	1,208	30,662	31,870	4%
				Private Credit				
-	2,962	2,962	-	Global	-	3,530	3,530	1%
				Multi-Asset				
<b>410,831</b>	<b>422,729</b>	<b>833,560</b>	<b>100%</b>	<b>Total</b>	<b>394,344</b>	<b>481,585</b>	<b>875,929</b>	<b>100%</b>

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

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

2022-2023				2023-2024		
TPS £000	LGPS Funded £000	LGPS Unfunded £000		TPS £000	LGPS Funded £000	LGPS Unfunded £000
17,300	1,155,451	7,213	<b>Opening Fair Value of Scheme Liabilities</b>	13,833	827,697	5,803
-	37,214	-	Current service cost	-	17,890	-
460	31,981	191	Interest on pension liabilities	634	39,123	262
-	358	-	Curtailments	-	66	-
-	5,915	-	Member contributions	-	6,465	-
-	-	-	Past Service Cost	-	33	-
(1,758)	(32,450)	(748)	Benefits paid	(1,792)	(31,640)	(763)
(2,835)	(470,181)	(1,753)	Remeasurement (gains) and losses arising from financial assumptions	-	(13,125)	(31)
680	102,577	907	Remeasurement of experience (gains) and losses	79	6,640	49
(14)	(3,168)	(7)	Re-measurement (gains) arising from demographic assumptions	(208)	(10,858)	(84)
13,833	827,697	5,803	<b>Closing Fair Value of Scheme Liabilities</b>	12,546	842,291	5,236

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

(f) Actuarial Assumptions

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

31 March 2023		31 March 2024
	<b>Base Assumptions:</b>	
2.7%	Rate of CPI inflation	2.7%
4.2%	Rate of increase in salaries	4.2%
2.8%	Rate of increase in pensions	2.8%
4.8%	Rate of discounting plan liabilities	4.9%
50%	Proportion of employees opting to take a commuted lump sum	50%
	<b>Mortality Assumptions:</b>	
22.6 years	Life expectancy of male future pensioner aged 65 in 20 years' time	22.2 years
25.5 years	Life expectancy of female future pensioner aged 65 in 20 years' time	25.2 years
21.2 years	Life expectancy of male current pensioner aged 65	20.9 years
23.7 years	Life expectancy of female current pensioner aged 65	23.4 years

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

	Using assumptions above £000	Illustrative +0.5 p.a. discount rate £000	Illustrative +0.25% p.a. inflation £000	Illustrative + 1 year life expectancy £000
Liabilities - TPS	12,546	12,187	12,733	13,177
Liabilities - LGPS	847,527	786,367	879,868	869,057
Assets – LGPS	(875,929)	(875,929)	(875,929)	(875,929)
<b>Deficit/(Surplus) excl. ceiling impact</b>	<b>(15,856)</b>	<b>(77,375)</b>	<b>16,672</b>	<b>6,305</b>

(g) Additional Pensions Information

In 2022-2023, Merseyside Pension Fund's appointed actuary, Mercer Limited, published a Report on the actuarial valuation as at 31 March 2022, including those employer contribution rates and contributions required for the three years commencing 1 April 2023.

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

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

The 2022 Valuation identified the funding level for the Council as being 108.3%, with a contribution rate of 18.5% for the three-year period commencing 1 April 2023 necessary to meet the cost of future accrual of benefits. In line with the Funding Strategy Statement the surplus above the 100% solvency funding target is offset against the contributions for future service as detailed below:

2023-2024	£3.746m
2024-2025	£3.919m
2025-2026	£4.099m

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

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

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

The relative allocation of assets and liabilities within the fund to each employer reflects the specific membership, experience and past history of each employer. This bespoke strategic benchmark is subject to formal review every three years through the triennial valuation. Employer pension contributions forecast for 2024-2025 are included in the following table.

	<b>Estimated 2024-2025 Contribution £000</b>
LGPS - Funded	15,001
LGPS - Unfunded	763
TPS - Unfunded	1,792

The weighted average duration of the defined benefit obligation for scheme members is 17 years.



## 12. OTHER OPERATING EXPENDITURE

2022-2023 £000		2023-2024 £000
335	Parish Council Precepts	372
12,545	Liverpool City Region Combined Authority Transport Levy	13,180
103	Environment Agency Levy	105
9,375	Merseyside Recycling and Waste Authority Levy	8,878
789	(Gains)/Losses on the Sale, Disposal or Derecognition of Non-Current Assets	4,682
465	Pension Administration Expenses	511
<b>23,612</b>	<b>Total</b>	<b>27,728</b>

## 13. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2022-2023 £000		2023-2024 £000
5,042	Interest Payable and Similar Charges	4,833
2,122	PFI Interest Payable	2,052
(2,122)	PFI Grant Applied	(2,052)
7,949	Net Interest Expense-Pensions (see Note 11d & e)	247
(3,137)	Interest Receivable and Similar Income	(6,699)
(1,842)	Income and Expenditure in relation to Investment Properties and changes in their fair value (see Note 28)	(1,106)
<b>8,012</b>	<b>Total</b>	<b>(2,725)</b>

## 14. TAXATION AND NON-SPECIFIC GRANT INCOME

2022-2023 £000		2023-2024 £000
(85,799)	Council Tax Income	(90,494)
(46,638)	Retained Non-Domestic Rates	(56,997)
(71,855)	Grants and Contributions (see Note 16)	(79,847)
<b>(204,292)</b>	<b>Total</b>	<b>(227,338)</b>

## 15. EXPENDITURE AND INCOME ANALYSED BY NATURE

2022-2023 £000		2023-2024 £000
	<b>Expenditure</b>	
206,848	Employee Expenses (iii)	202,031
284,294	Other Service Expenses	309,787
17,189	Depreciation, Amortisation, Impairment & Revaluation (i) & (ii)	17,986
7,164	Interest Payments	6,885
32,632	Interest Payments on Pension Liabilities	40,019
22,358	Precepts and Levies	22,535
789	(Gain)/Loss on Sale, Disposal or Derecognition of Non-Current Assets	4,683
<b>571,274</b>	<b>Total Expenditure</b>	<b>603,926</b>
	<b>Income</b>	
(79,753)	Fees, Charges and Other Service Income	(83,928)
(3,137)	Interest and Investment Income	(6,699)
(24,683)	Interest on Pension Plan Assets	(39,772)
(132,437)	Income from Council Tax and Retained Non-Domestic Rates	(147,491)
(307,332)	Government Grants	(338,684)
<b>(547,342)</b>	<b>Total Income</b>	<b>(616,574)</b>
<b>23,932</b>	<b>(Surplus) or Deficit on the Provision of Services</b>	<b>(12,648)</b>

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

2022-2023 £000		2023-2024 £000
3,732	People's Services Directorate	4,334
10,184	Place Services Directorate	10,860
785	Corporate Services Directorate	240
<b>14,701</b>	<b>Total</b>	<b>15,434</b>

### (ii) Segmental Split of Impairment and Revaluation

2022-2023 £000		2023-2024 £000
358	People's Services Directorate	2,685
3,283	Place Services Directorate	117
-	Corporate Services Directorate	-
(1,153)	Other Non-Service	(250)
<b>2,488</b>	<b>Total</b>	<b>2,552</b>

## (iii) Segmental Split of Employee Expenses

2022-2023 £000		2023-2024 £000
151,129	People's Services Directorate	149,343
34,566	Place Services Directorate	33,200
21,153	Corporate Services Directorate	19,488
<b>206,848</b>	<b>Total</b>	<b>202,031</b>

**16. GRANT INCOME**

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

2022-2023 £000	Credited to Taxation and Non-Specific Grant Income	2023-2024 £000
21,071	<b>Formula Grant</b> Non-Domestic Rates Retention System - Top Up	18,824
	<b>Other Revenue Government Grants</b>	
15,470	Section 31 Non-Domestic Rates Grant	17,919
1,344	New Homes Bonus	28
291	Lower Tier Services Grant	-
3,186	Services Grant	1,869
-	Other Grants	(18)
	<b>Capital Grants and Contributions</b>	
5,601	Department for Education	4,672
-	Department for Levelling Up, Housing and Communities	1,976
417	Department for Transport	71
753	Department for Environment, Food & Rural Affairs	-
23,049	Liverpool City Region Combined Authority	25,539
-	Joint Venture Contribution	7,873
125	Other Capital Grants and Contributions	166
	<b>Other Contributions</b>	
388	Government Business Rates Levy surplus distribution	388
160	Mid-Mersey Non-Domestic Rates Pool	540
<b>71,855</b>	<b>Total</b>	<b>79,847</b>

2022-2023 £000	Credited to Services	2023-2024 £000
	<b>General Grants and Contributions</b>	
395	Arts Council Grant	524
14,112	Better Care Fund	14,962
637	Contain Outbreak Management Fund	115
1,216	Covid-19 Catch up / Recovery Premium Grant	1,193
124,665	Dedicated Schools Grant <sup>1</sup>	131,446
3,710	Disabled Facilities Grant	3,656
-	Early Years Supplementary and Extended Entitlement Delivery	776
60	Family Hubs and Start for Life Programme	1,053
7,323	Health Authority Contributions	5,413
778	Holiday Activities and Food Programme	753
751	Homelessness Prevention Grant / Rough Sleepers Initiative	950
802	Hospital Discharge Grant	1,471
3,559	Household Support Fund	3,599
878	Housing Benefit / Local Council Tax Support Admin Subsidy	617
44,557	Housing Benefit Subsidy Grant	46,875
1,082	Independent Living Fund Grant	-
3,327	Liverpool City Region Combined Authority Grants / Contributions	2,768
-	Mainstream Schools Additional Grant	2,919
650	Market Sustainability & Improvement Fund	2,255
-	Market Sustainability & Improvement Fund (Workforce)	1,464
211	Merseyside Police Authority	526
1,369	Merseyside Recycling & Waste Authority - Recycling Credits	1,312
723	National Tutoring Programme Grant	210
913	PE and Sports Grant	917
1,279	Private Finance Initiative (PFI) Credits	1,349
15,094	Public Health Grant	16,175
7,956	Pupil Premium Grant	7,937
846	Registered Provider Contributions	894
1,863	School Sixth Form Funding	1,810
2,420	Schools Supplementary Grant <sup>1</sup>	-
10,623	Social Care Grant	17,510
633	Substance Misuse Grant	1,013
1,052	Supporting Families Grant	1,030
60	Teachers Pay Additional Grant	1,056
1,128	Town Funds Grant	547
535	Unaccompanied Asylum-Seeking Children Funding	1,295
1,609	Universal Free School Meals for Infants Grant	1,627
7,310	Other Grants and Contributions	7,986
<b>264,126</b>	<b>Total</b>	<b>286,003</b>

<sup>1</sup> The Schools Supplementary Grant was rolled into the Dedicated Schools Grant in 2023-2024

## 17. CAPITAL & REVENUE GRANTS RECEIVED IN ADVANCE

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

31 March 2023			31 March 2024	
Short Term £000	Long Term £000	Capital Grants Receipts in Advance	Short Term £000	Long Term £000
1,225	-	Disabled Facilities Grant	1,021	-
2,059	-	Emergency Active Travel	3,206	-
9,179	1,207	Towns Fund	14,787	-
1,578	422	Other Grants and Contributions	1,615	812
<b>14,041</b>	<b>1,629</b>	<b>Total</b>	<b>20,629</b>	<b>812</b>

31 March 2023			31 March 2024	
Short Term £000	Long Term £000	Revenue Grants Receipts in Advance	Short Term £000	Long Term £000
211	-	Asylum Dispersal Scheme	34	888
295	770	Asylum Support Grant	240	375
566	-	Energy Bill Support Scheme	-	-
615	-	Family Hubs	756	-
214	515	Homes for Ukraine Tariff Grant	234	592
734	1,469	Public Health Grant	1,105	479
540	-	Registered Providers	74	393
514	4,730	Section 38/106 Contributions	1,020	4,440
-	-	Staying Close Grant	688	-
553	-	Supporting Families Grant	337	-
500	-	Towns Fund	542	-
1,871	362	Other Grants and Contributions	1,919	408
<b>6,613</b>	<b>7,846</b>	<b>Total</b>	<b>6,949</b>	<b>7,575</b>

## 18. NATIONAL HEALTH SERVICE ACT 2006 POOLED FUNDS

### (a) Pooled Budget

The Council has operated a pooled budget arrangement in conjunction with Health partners since July 2014. The Health and Care Act 2022 made Integrated Care Systems formal statutory bodies with power over NHS commissioning functions and spending at a local level. These functions are carried out by NHS Cheshire and Merseyside Integrated Care Board (ICB), which came into effect from 1 July 2022 following the dissolution of Clinical Commissioning Groups. St Helens Place is one of nine areas within NHS Cheshire and Merseyside ICB.

The pooled budget was established to make adult social care Continuing Health Care assessments and the payment process more efficient and effective. The Council is the host of this arrangement, which is governed by a Section 75 agreement, with the partners' funding contributions split in accordance with the agreement, that being the Council contributes 28% and the ICB 72%.

2022-2023 £000		2023-2024 £000
42,507	<b>Net Expenditure to be met from the pooled budget</b>	53,706
	<b>Funding provided to the pooled budget</b>	
11,902	St Helens Borough Council	15,038
30,605	NHS Cheshire and Merseyside ICB	38,668
42,507	<b>Total Funding</b>	53,706

(b) Better Care Fund

The Council and the NHS have been operating a 'pooled' budget arrangement in relation to the Better Care Fund (BCF) since 2015. The BCF pooling arrangement is underpinned by a Section 75 agreement between the Council and NHS Cheshire and Merseyside ICB, Governance arrangements are in place through the St Helens People's Board.

The BCF creates a local single pooled budget to incentivise the NHS and local government to work more closely together around people, placing their well-being as the focus of health and care services.

In accordance with National Conditions, hospital discharge funding paid to councils and Integrated Care Boards should also be pooled into the local BCF and spending plans agreed between health and social care partners to improve discharge from hospital.

2022-2023 £000		2023-2024 £000
30,481	<b>Expenditure to be met from the pooled budget</b>	32,523
	<b>Funding provided to the pooled budget</b>	
10,489	St Helens Borough Council	10,489
18,218	NHS Cheshire and Merseyside ICB	19,115
802	Hospital Discharge Funding – St Helens Borough Council	1,470
972	Hospital Discharge Funding – NHS Cheshire and Merseyside ICB	1,449
30,481	<b>Total Funding</b>	32,523

In addition to the revenue funding, capital funding of £3.422m was contributed by the Council through the Disabled Facilities Grant (£3.148m in 2022-2023).

(c) Integrated Provision Arrangements

The Council also has two separate integrated provision arrangements with NHS Cheshire and Merseyside ICB covering:

- Integrated Adults Services Commissioning
- Intermediate Care – Re-enablement and Rapid Response

## 19. LEASING

### The Authority as Lessee - Operating Leases

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The Authority uses various types of equipment and leases a small number of building/sites, under the terms of operating leases. The expenditure charged to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was £1.429m.

The authority had no expenditure on contingent rents or sub-leases in 2023-2024.

The future minimum lease payments due under non-cancellable leases in future years are shown in the following table.

<b>31 March 2023 £000</b>		<b>31 March 2024 £000</b>
867	Not later than one year	2,090
2,083	Later than one year and not later than five years	6,080
184	Later than five years	14,866
<b>3,134</b>	<b>Total</b>	<b>23,036</b>

During 2023-2024, the Council entered into three new operating lease arrangements; Fleet Solutions, an employee car leasing scheme, Abrdn Property Holdings Limited, in relation to the Glass Futures building and Aubrey Weiss, in relation to Glass Futures phase 2. Sub Lease arrangements for Glass Futures commenced in 2023-2024 and for Glass Futures phase 2 will commence during 2024-2025. The total future minimum sublease payments expected to be received under non-cancellable subleases as at 31 March 2024 was £9.208m.

### The Authority as Lessor - Operating Leases

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The authority has a number of properties leased out under operating leases for investment/commercial and regeneration purposes. The future minimum lease payments receivable under non-cancellable leases in future years are:

<b>31 March 2023 £000</b>		<b>31 March 2024 £000</b>
2,532	Not later than one year	2,936
4,541	Later than one year and not later than five years	6,556
38,993	Later than five years	44,418
<b>46,066</b>	<b>Total</b>	<b>53,910</b>

## 20. OFFICERS' REMUNERATION IN EXCESS OF £50,000

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

No. of Employees employed by the Council 2022-2023	No. of which are employed in Local Authority Schools 2022-2023	No. of which are Employees employed by School Governing Bodies 2022-2023	Remuneration	No. of Employees employed by the Council 2023-2024	No. of which are employed in Local Authority Schools 2023-2024	No. of which are Employees employed by School Governing Bodies 2023-2024
115	32	37	£50,000 - £54,999	171	49	33
64	22	13	£55,000 - £59,999	92	28	27
38	16	4	£60,000 - £64,999	49	17	6
38	16	13	£65,000 - £69,999	34	13	8
17	5	6	£70,000 - £74,999	24	9	11
23	8	2	£75,000 - £79,999	26	7	5
5	1	1	£80,000 - £84,999	11	6	1
11	3	1	£85,000 - £89,999	13	3	2
3	1	-	£90,000 - £94,999	4	1	-
4	1	-	£95,000 - £99,999	3	1	-
2	1	-	£100,000 - £104,999	1	1	-
3	-	2	£105,000 - £109,999	3	1	-
-	-	-	£110,000 - £114,999	-	-	-
1	-	-	£115,000 - £119,999	2	-	2
1	-	-	£120,000 - £124,999	-	-	-
-	-	-	£125,000 - £129,999	1	-	-
<b>325</b>	<b>106</b>	<b>79</b>	<b>Total</b>	<b>434</b>	<b>136</b>	<b>95</b>



The remuneration of senior employees, in accordance with the Accounts and Audit Regulations 2015, is detailed in the following table. The senior employees included within the following table are excluded from the table above and that provided in Note 24.

2022-2023		Senior Employee	2023-2024	
Remuneration £000	Employer's Pension Contribution £000		Remuneration £000	Employer's Pension Contribution £000
169	29	Chief Executive - KO'Dwyer	171	32
98	17	Assistant Chief Executive <sup>1</sup>	-	-
150	25	Executive Director of People's Services and Integrated Health/NHS Place Lead <sup>2</sup>	155	29
124	21	Executive Director of Place Services	131	24
126	21	Executive Director of Corporate Services (Section 151 Officer) <sup>3</sup>	131	24
-	-	Interim Director of Finance (Section 151 Officer) <sup>4</sup>	100	-
-	-	Director of Finance (Section 151 Officer) <sup>5</sup>	27	5
27	-	Director of Children's Services <sup>6</sup>	-	-
99	17	Director of Children's Services <sup>7</sup>	136	25
102	17	Director of Adult Services <sup>8</sup>	83	15
-	-	Director of Adult Services <sup>9</sup>	38	7
99	17	Director of Public Health	108	20
109	18	Director of Legal & Governance (Monitoring Officer)	113	20

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

- 1 The post of Assistant Chief Executive was deleted from the Council's structure with effect from 28 February 2023
- 2 The post of Executive Director of People's Services and Integrated Health/NHS Place Lead is 50% funded by NHS Cheshire and Merseyside Integrated Care Board (ICB)
- 3 The Executive Director of Corporate Services was designated as the Council's Section 151 Officer in the period prior to 12 July 2023
- 4 The Interim Director of Finance was the Council's designated Section 151 Officer from 12 July 2023 until December 2023

- 5 The current Director of Finance is designated as the Council's Section 151 Officer, having commenced employment in the post in January 2024
- 6 The former Director of Children's Services left the role on 8 June 2022
- 7 The current Director of Children's Services commenced in the role on 1 July 2022
- 8 The former Director of Adult Social Care left the role in December 2023
- 9 The current Director of Adult Social Care commenced in the role in December 2023

## 21. MEMBERS' ALLOWANCES & EXPENSES

A total of £664k was paid to Members of the Council by way of expense/allowance during 2023-2024 (£677k in 2022-2023).

## 22. RELATED PARTY TRANSACTIONS

- (a) Central Government has effective control over the general operations of the Council: it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. housing benefits). Details of the material transactions with Government Departments are included in the Cash Flow Statement and in Notes 34 (Debtors), 36 (Creditors) and the various Notes relating to Grants.
- (b) Members of the Council have direct control over financial and operational policies of the Council, and governance arrangements exist to ensure that the decision-making processes contain provision for declarations of interest where appropriate. During 2023-2024, works and services to the value of £0.675m were commissioned from entities in which 8 members had a declared interest in.

Detail relating to Members' Allowances is included in Note 21.

- (c) Various Executive Directors and Officers serve as Council representatives on the board of bodies that are in receipt of Council funding, such as:

- The World of Glass  
Contributions totalling £0.236m were made to the World of Glass in 2023-2024 (£0.200m in 2022-2023), relating to the provision of a town centre library and museum/art collection.

In addition, the World of Glass received £0.402m of Town Deal funding as one of the town centre regeneration projects, whilst a 4-year loan of £0.160m was also made to enable essential building maintenance work to be undertaken.

- Red Bank Schools Limited  
The Council has incurred expenditure in relation to maintenance, security, and insurance costs for the former Red Bank Schools site, with the costs to be recovered from Red Bank Schools Limited in the future.
- St Helens Stadium Ltd  
The Council has an ordinary shareholding in St Helens Stadium Ltd, the management company responsible for the recharge of service costs in relation to the sites owned/occupied by the Council, Tesco, St Helens Rugby Stadium, and Glass Futures.

- Parkside Regeneration LLP

The Council has a Joint Venture with Langtree Property Partners (Parkside Regeneration LLP), which was established to acquire and regenerate the former Parkside Colliery site. The Partnership Board has been constituted on a 50/50 basis with both parties providing £1.5m equity and loan stock each. The Council holds three of the six positions on the Joint Venture Board.

The Council has made interest bearing loans to the Joint Venture to fund the initial acquisition of the site, planning applications and to enable the progression of Phase 1 development, including a further loan of £0.850m during 2023-2024. A summary of the total investment by the Council and Langtree as at 31 March 2024 is shown below.

	Langtree £m	St Helens Council £m	Total £m
Initial Equity	1.5	1.5	3.0
Existing Loans	2.4	8.2	10.6
New Loans 2023-2024	0.9	0.9	1.8
<b>Total</b>	<b>4.8</b>	<b>10.6</b>	<b>15.4</b>

*The Council approved further equity investment of £16.650m in the Joint Venture, to be matched by Langtree, at its meeting on 18 January 2023.*

- English Cities Fund

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

ECF is a Joint Venture Limited Partnership between Muse, Legal & General and Homes England, established to drive greater institutional and private investment in English towns and cities.

The Council's Cabinet approved Masterplan Development Frameworks for St Helens and Earlestown Town Centres in February 2022 and the Council was awarded £20m following a successful Levelling-Up Fund bid for the regeneration of Earlestown. In September 2022, planning permission was granted for the first phase of the Masterplan and work continues on progressing and designing Phase 1 schemes for further approval.

(d) Other bodies that could be classified as related parties include the following:

- Police and Crime Commissioner for Merseyside (see Collection Fund)
- Merseyside Fire and Rescue Authority (see Collection Fund)
- Merseyside Pension Fund (see Note 11)
- Merseyside Recycling and Waste Authority (see Notes 12 and 16)
- NHS Cheshire & Merseyside Integrated Care Board (see Note 18)
- Liverpool City Region Combined Authority (see Notes 12,16 and Collection Fund)

### 23. AUDIT FEES

The Council projects that it will incur the following costs for services provided by its external auditors in relation to the audit of the Statement of Accounts and certification of grant claims.

2022-2023 £000		2023-2024 £000
154	Fees payable to the appointed auditors with regard to external audit services carried out by the appointed auditor	311*
26	Fees payable to the appointed auditors for the certification of grant claims and returns	53
<b>180</b>	<b>Total</b>	<b>364</b>

*\*The sum for 2023-2024 is the proposed fee agreed by Public Sector Audit Appointments (PSAA). This does not include a potential additional variation fee of £19k which has not yet been agreed with the Council. Increases to the fee have been driven by new requirements on auditors, including those arising from the 2020 Code of Audit Practice*

No other fees were payable to the external auditors in respect of statutory inspection work or for the provision of non-audit services.

### 24. EXIT PACKAGES

As part of its Borough and Budget Strategies, the Council will continue to rethink, reshape and modernise service delivery in order to achieve its key strategic priorities, deliver better results for its communities and ensure that its financial position remains sustainable. This is likely to result in future termination benefits arising as formal, detailed, plans materialise. The number of exit packages relating to Council employees, together with the total cost per band and the total cost of compulsory redundancies and other departures are set out in the following table.

Exit Package Cost Band	No. of Compulsory Redundancies		No. of Other Departures Agreed		Total No. of Exit Packages by Cost Band		Total Cost of Exit Packages in Each Band	
	2022 -2023	2023 -2024	2022 -2023	2023 -2024	2022 -2023	2023 -2024	2022 -2023 £000	2023 -2024 £000
£0-£20,000	1	-	8	23	9	23	45	142
£20,001-£40,000	-	-	2	5	2	5	66	124
£40,001-£60,000	-	-	3	-	3	-	153	-
£60,001-£80,000	-	-	3	1	3	1	207	68
£80,001-£100,000	-	-	2	-	2	-	181	-
£100,001-£150,000	-	-	1	-	1	-	104	-
<b>Total</b>	<b>1</b>	<b>-</b>	<b>19</b>	<b>29</b>	<b>20</b>	<b>29</b>	<b>756</b>	<b>334</b>

## 25. PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment assets as presented on the Council's Balance Sheet are made up of the following balances:

<b>31 March 2023 £000</b>		<b>31 March 2024 £000</b>
184,036	Infrastructure Assets (See Note 25a)	187,365
357,197	Other Property, Plant and Equipment (See Note 25b)	395,957
<b>541,233</b>	<b>Total Property Plant and Equipment</b>	<b>583,322</b>

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

### (a) Infrastructure Assets

In accordance with the temporary relief offered by the Update to the Code on infrastructure assets, the following tables do not include disclosure of gross cost and accumulated depreciation for infrastructure assets. Historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

As a result of previous accounting requirements for infrastructure assets, there are significant information deficits which mean that the gross cost and accumulated depreciation figures held for infrastructure assets may not be materially correct, due to being unable to identify and therefore derecognise components of these assets as they have been replaced.

In line with the amendments to the 2003 Regulations, where a component of an infrastructure asset has been replaced, the Council has assumed that the carrying amount of the component to be derecognised is nil (regulation 30M(3)).

<b>2022-2023 £000</b>		<b>2023-2024 £000</b>
<b>179,984</b>	<b>Net Book Value at 1 April</b>	<b>184,036</b>
10,851	Additions	10,508
(6,799)	Depreciation charge	(7,179)
<b>184,036</b>	<b>Net Book Value at 31 March</b>	<b>187,365</b>

(b) Movements in 2023-2024

	Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Surplus Assets	Assets under Construction	Total Other Property, Plant and Equipment
	£000	£000	£000	£000	£000	£000
<b>Valuation - Balance b/fwd at 1 April 2023</b>	<b>289,799</b>	<b>21,066</b>	<b>12,769</b>	<b>14,121</b>	<b>30,857</b>	<b>368,612</b>
Additions	10,749	5,676	230	-	23,045	39,700
Revaluations recognised in the Revaluation Reserve	11,539	-	-	(78)	-	11,461
Revaluations recognised in the Surplus/Deficit on the Provision of Services	(2,627)	-	-	(465)	-	(3,092)
De-recognition - Assets with Nil Net Book Value	-	(2,580)	-	-	-	(2,580)
Sales, Disposals and other derecognitions	(4,705)	(62)	-	(1,230)	-	(5,997)
Reclassification from Assets Under Construction Assets	8,426	-	-	-	(8,426)	-
<b>Valuation - Balance c/fwd at 31 March 2024</b>	<b>313,181</b>	<b>24,100</b>	<b>12,999</b>	<b>12,348</b>	<b>45,476</b>	<b>408,104</b>
<b>Depreciation - Balance b/fwd at 1 April 2023</b>	<b>949</b>	<b>10,382</b>	<b>-</b>	<b>84</b>	<b>-</b>	<b>11,415</b>
Depreciation Charge	5,618	2,589	-	43	-	8,250
Written out to the Revaluation Reserve	(4,626)	-	-	-	-	(4,626)
Written out to the Surplus/Deficit on the Provision of Services	(195)	-	-	-	-	(195)
De-recognition - Assets with Nil Net Book Value	-	(2,580)	-	-	-	(2,580)
Sales, Disposals and other derecognitions	(84)	(33)	-	-	-	(117)
<b>Depreciation - Balance at 31 March 2024</b>	<b>1,662</b>	<b>10,358</b>	<b>-</b>	<b>127</b>	<b>-</b>	<b>12,147</b>
<b>Net carrying value at 31 March 2024</b>	<b>311,519</b>	<b>13,742</b>	<b>12,999</b>	<b>12,221</b>	<b>45,476</b>	<b>395,957</b>

(c) Comparative Movements in 2022-2023

	Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Surplus Assets	Assets under Construction	Total Other Property, Plant and Equipment
	£000	£000	£000	£000	£000	£000
<b>Valuation - Balance b/fwd at 1 April 2022</b>	<b>273,105</b>	<b>18,719</b>	<b>12,733</b>	<b>12,908</b>	<b>7,969</b>	<b>325,434</b>
Additions	1,861	4,659	36	-	25,992	32,548
Revaluations recognised in the Revaluation Reserve	17,487	-	-	73	-	17,560
Revaluations recognised in the Surplus/Deficit on the Provision of Services	(3,063)	-	-	(903)	-	(3,966)
De-recognition - Assets with Nil Net Book Value	-	(2,241)	-	-	-	(2,241)
Sales, Disposals and other derecognitions	-	(71)	-	(334)	-	(405)
Reclassification to Assets Held for Sale	-	-	-	(9)	-	(9)
Reclassification from Investment Properties	(309)	-	-	-	-	(309)
Other re-classifications	718	-	-	2,386	(3,104)	-
<b>Valuation - Balance c/fwd at 31 March 2023</b>	<b>289,799</b>	<b>21,066</b>	<b>12,769</b>	<b>14,121</b>	<b>30,857</b>	<b>368,612</b>
<b>Depreciation - Balance b/fwd at 1 April 2022</b>	<b>428</b>	<b>10,083</b>	<b>-</b>	<b>84</b>	<b>-</b>	<b>10,595</b>
Depreciation Charge	5,271	2,596	-	-	-	7,867
Written out to the Revaluation Reserve	(4,358)	-	-	(44)	-	(4,402)
Written out to the Surplus/Deficit on the Provision of Services	(288)	-	-	(37)	-	(325)
De-recognition - Assets with Nil Net Book Value	-	(2,241)	-	-	-	(2,241)
Sales, Disposals and other derecognitions	-	(56)	-	-	-	(56)
Reclassification to Investment Properties	(23)	-	-	-	-	(23)
Other re-classifications	(81)	-	-	81	-	-
<b>Depreciation - Balance at 31 March 2023</b>	<b>949</b>	<b>10,382</b>	<b>-</b>	<b>84</b>	<b>-</b>	<b>11,415</b>
<b>Net carrying value at 31 March 2023</b>	<b>288,850</b>	<b>10,684</b>	<b>12,769</b>	<b>14,037</b>	<b>30,857</b>	<b>357,197</b>

(d) Revaluations

The table below shows the profile of valuations for the Council's asset base that are not carried at historic cost.

	<b>Land and Buildings £000</b>	<b>Surplus Assets £000</b>
31 March 2024	270,781	2,865
31 March 2023	20,059	2,228
31 March 2022	20,756	3,735
31 March 2021	134	1,715
31 March 2020	855	1,805
Prior to 31 March 2019	596	-
<b>Total</b>	<b>313,181</b>	<b>12,348</b>

## 26. PRIVATE FINANCE INITIATIVE (PFI) AND SIMILAR CONTRACTS

### Rainford High School PFI Scheme

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

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

### Analysis of Payments

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



	<b>Payments for Services</b>	<b>Repayment of Capital</b>	<b>Interest</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Within one year	1,574	884	1,976	4,434
Payable within 2-5 years	7,756	3,325	7,094	18,175
Payable within 6-10 years	10,109	7,271	6,405	23,785
Payable within 11-15 years	8,138	8,500	2,167	18,805
<b>Total</b>	<b>27,577</b>	<b>19,980</b>	<b>17,642</b>	<b>65,199</b>

Over the life of the PFI project, the Council will receive government grant of £87.8m.

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and the interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to pay to the contractor for capital expenditure incurred is detailed in the following table.

<b>2022-2023</b>		<b>2023-2024</b>
<b>£000</b>		<b>£000</b>
<b>21,460</b>	<b>Balance brought forward at 1 April</b>	<b>20,750</b>
(710)	Repayments during the year	(770)
<b>20,750</b>	<b>Balance carried forward at 31 March</b>	<b>19,980</b>

## 27. HERITAGE ASSETS

<b>2022-2023</b>				<b>2023-2024</b>		
<b>Opening Balance 1 April</b>	<b>In-Year Movements</b>	<b>Closing Balance 31 March</b>		<b>Opening Balance 1 April</b>	<b>In-Year Movements</b>	<b>Closing Balance 31 March</b>
<b>£000</b>	<b>£000</b>	<b>£000</b>		<b>£000</b>	<b>£000</b>	<b>£000</b>
1,196	-	1,196	Art Collection	1,196	-	1,196
436	-	436	Civic Regalia	436	-	436
1,651	-	1,651	Statues and Monuments	1,651	-	1,651
<b>3,283</b>	<b>-</b>	<b>3,283</b>	<b>Total</b>	<b>3,283</b>	<b>-</b>	<b>3,283</b>

## 28. INVESTMENT PROPERTY

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line on the Comprehensive Income and Expenditure Statement.

2022-2023 £000		2023-2024 £000
(764)	Rental income from Investment Properties	(928)
75	Direct operating expenses arising from Investment Properties	72
<b>(689)</b>	<b>Net (Income)/Expenditure</b>	<b>(856)</b>

There are no restrictions on the authority's ability to realise the value inherent in its investment properties or its right to the remittance of income and the proceeds of disposal.

The authority has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance or enhancement.

The following table summarises the movement in the fair values of investment properties over the year.

2022-2023 £000		2023-2024 £000
<b>13,777</b>	<b>Balance brought forward at 1 April</b>	<b>15,215</b>
(1)	Disposals	(270)
1,153	Net Gains/(Losses) from Fair Value adjustments	250
286	Transfers (to)/from Property, Plant and Equipment	-
<b>15,215</b>	<b>Balance carried forward at 31 March</b>	<b>15,195</b>

### Fair Value Hierarchy

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

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

The fair value of investment properties assessed at Level 2 has been based on the market approach using current market conditions and recent sale prices and other relevant information for similar assets in the Local Authority area. The work undertaken by the valuers focused on the change in values since the last valuation i.e. the period from 31 March 2023 to 31 March 2024.

### Highest and Best Use of Investment Properties

In estimating the fair value of the authority's investment properties, the highest and best use of the properties is deemed to be their current use.

### Valuation Process for Investment Properties

The fair value of the authority's investment property is measured annually at each reporting date. The valuations have been carried out by external valuers, Wilks Head & Eve LLP.

The valuations have been carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

## 29. INTANGIBLE ASSETS

2022-2023				2023-2024		
Gross Carrying Amount £000	Accumulative Amortisation £000	Net Carrying Amount £000		Gross Carrying Amount £000	Accumulative Amortisation £000	Net Carrying Amount £000
175	(135)	40	Balance brought forward at 1 April	25	(8)	17
12	-	12	Additions in year	-	-	-
-	(35)	(35)	Amortised in year	-	(5)	(5)
(162)	162	-	Derecognition of assets wholly amortised	(5)	5	-
25	(8)	17	<b>Total</b>	20	(8)	12

## 30. SHORT & LONG-TERM INVESTMENTS

2022-2023				2023-2024		
Principal £000	Accrued Interest £000	Total £000		Principal £000	Accrued Interest £000	Total £000
115,000	1,894	116,894	Short-term Investments	70,000	2,789	72,789
1,525	-	1,525	Long-term Investments	1,525	-	1,525
116,525	1,894	118,419	<b>Total</b>	71,525	2,789	74,314

### 31. LONG-TERM DEBTORS

31 March 2023		New Loans	Transfer to short term debtors	Impaired in the Year	Repaid in the Year	Other	31 March 2024
£000		£000	£000	£000	£000	£000	£000
-	The World of Glass	160	-	-	-	-	160
2,211	Improvement Loans	-	-	-	(66)	-	2,145
822	Housing Innovation Loans	-	-	(4)	(33)	-	785
1,009	Social Care Deferred Payments	553	(20)	(9)	(303)	-	1,230
10,793	Parkside Regeneration LLP	850	-	-	-	529	12,172
<b>14,835</b>	<b>Sub-Total</b>	<b>1,563</b>	<b>(20)</b>	<b>(13)</b>	<b>(402)</b>	<b>529</b>	<b>16,492</b>
(151)	Less Provision for Bad Debts	-	-	-	-	(33)	(184)
<b>14,684</b>	<b>Total</b>	<b>1,563</b>	<b>(20)</b>	<b>(13)</b>	<b>(402)</b>	<b>496</b>	<b>16,308</b>

### 32. CAPITAL EXPENDITURE AND FINANCING

#### (a) Capital Financing Requirement

The total amount of expenditure financed by capital resource in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the authority, the expenditure results in an increase in the Capital Financing Requirement - a measure of the capital expenditure incurred historically by the authority that has yet to be financed.

2022-2023 £000		2023-2024 £000
191,886	<b>Opening Capital Financing Requirement</b>	197,935
	<b>Capital Investment</b>	
43,398	Property, Plant and Equipment	50,208
13	Intangible Assets	-
5,324	Revenue Expenditure funded from Capital under Statute	6,310
885	Long Term Debtors (Loans & Advances)	1,010
	<b>Sources of Finance</b>	
(3,917)	Capital Receipts	(1,665)
(35,243)	Government Grants and Other Contributions	(42,764)
	<b>Sums set aside from Revenue</b>	
(940)	Direct Revenue Contributions	(771)
(3,471)	Revenue Provision for repayment of borrowing and other long term liabilities	(3,669)
197,935	<b>Closing Capital Financing Requirement</b>	206,594
	<b>Explanation of Movements in Year</b>	
9,520	Underlying need to borrow arising from capital investment	12,328
(3,471)	Revenue provision for repayment of borrowing and other long-term liabilities	(3,669)
6,049	<b>Increase/(Decrease) in Capital Financing Requirement</b>	8,659

(b) Capital Commitments

At 31 March 2024 the authority had entered into a number of contracts for the construction or enhancement of infrastructure and property or the purchase of vehicles and equipment in 2024-2025 and future years budgeted to cost £15.5m. (Similar commitments at March 2023 were £18.2m). The main contractual commitments are shown in the following table.

<b>Capital Commitments</b>	<b>2023-2024 £000</b>
A49 to M6 Junction 22 Link Road & associated junction mitigation works	6,984
Capital Grant Agreements for Town Deal Projects	6,875
Other capital commitments	1,620
<b>Total</b>	<b>15,479</b>

### 33. ASSETS HELD FOR SALE

2022-2023		2023-2024 £000
2,463	<b>Balance Brought Forward at 1 April</b>	9
9	Assets classified (to)/from Property, Plant and Equipment	-
(2,463)	Asset Disposals	(9)
-	Revaluations recognised in the Surplus/Deficit on the Provision of Services	100
9	<b>Balance Carried Forward at 31 March</b>	100

### 34. SHORT-TERM DEBTORS

31 March 2023 £000		31 March 2024 £000
	<b>Council Tax/Non-Domestic Rates Short-Term Debtors (See Note 1 to the Collection Fund)</b>	
22,194	Council Tax	24,551
63	Liverpool City Region Combined Authority	63
150	Merseyside Fire & Rescue Authority	186
9,853	Non-Domestic Rates	9,617
779	Police & Crime Commissioner for Merseyside	831
	<b>Other (Non-Collection Fund) Short-Term Debtors</b>	
2,204	Housing Benefits	2,041
25,070	Liverpool City Region Combined Authority	5,062
1,479	NHS Bodies	2,457
604	Other Local Authorities	530
2,235	VAT	3,835
2,135	Other Government Departments	8,157
20,532	Sundry	29,190
<b>87,298</b>	<b>Gross Debtors</b>	<b>86,520</b>
	<b>Council Tax/Non-Domestic Rates Provision for Bad Debts (See Note 1 to the Collection Fund)</b>	
(15,756)	Council Tax	(17,840)
(7,883)	Non-Domestic Rates	(8,302)
	<b>Other (Non-Collection Fund) Provision for Bad Debts</b>	
(1,838)	Housing Benefits	(1,735)
(3,054)	Sundry	(3,564)
<b>(28,531)</b>	<b>Total Provision for Bad Debts</b>	<b>(31,441)</b>
<b>58,767</b>	<b>Net Debtors</b>	<b>55,079</b>

### 35. SHORT- AND LONG-TERM BORROWING

Under the Code, balances relating to financial instruments should be shown as current or long-term depending on when amounts are payable or receivable. Accrued interest in respect of the authority's Public Works Loan Board (PWLB) and market loans are separated from the principal sums as these are payable within 12 months and therefore should be treated as current liabilities.

#### (a) Analysis of Short-term Borrowing by Type

2022-2023				2023-2024		
Principal £000	Accrued Interest £000	Total £000		Principal £000	Accrued Interest £000	Total £000
12	997	1,009	PWLB	13	998	1,011
-	314	314	Market Loans	-	274	274
<b>12</b>	<b>1,311</b>	<b>1,323</b>	<b>Total</b>	<b>13</b>	<b>1,271</b>	<b>1,285</b>

#### (b) Analysis of Long-term Borrowing by Type

Principal 31 March 2023 £000		Principal 31 March 2024 £000
114,509	PWLB	114,496
23,000	Market Loans	18,000
<b>137,509</b>	<b>Total</b>	<b>132,496</b>

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

Principal 31 March 2023 £000		Principal 31 March 2024 £000
13	Between one and two years	15
48	Between two and five years	5,210
7,530	Between five to fifteen years	4,313
1,960	Between fifteen to twenty-five years	15,473
112,958	Between twenty-five to fifty years	92,485
15,000	Over fifty years	15,000
<b>137,509</b>	<b>Total</b>	<b>132,496</b>

### 36. SHORT-TERM CREDITORS

31 March 2023 £000		31 March 2024 £000
	<b>Council Tax/Non-Domestic Rates Creditors (See Note 1 to the Collection Fund)</b>	
451	Central Government NDR Agency Arrangement	548
2,556	Council Tax	1,974
1,262	Non-Domestic Rates	1,505
	<b>Other (Non-Collection Fund) Short Term Creditors</b>	
3,519	Employees Accumulated Absences (See Note 6g)	4,588
3,145	HMRC – Tax & National Insurance	3,346
2,419	Local Government Pension Scheme	255
1,221	Teachers' Pension Scheme	1,265
5,739	NHS Bodies	5,154
1,373	Section 31 Business Rates Grant	2,051
528	Other Government Departments	186
1,991	Other Local Authorities	1,682
41,256	Sundry	34,685
<b>65,460</b>	<b>Total</b>	<b>57,239</b>

### 37. PROVISIONS

	31 March 2023 £000	Expenditure Charged to Provision in Year £000	Increase/ Reduction in Provision £000	31 March 2024 £000
Business Rates Appeals (a)	11,375	(3,737)	(1,004)	6,634
Equal Pay (b)	13	-	(13)	-
Ordinary Residence (c)	1,604	(500)	(500)	604
Term Time Only Claims (d)	-	-	341	341
<b>Short Term</b>	<b>12,992</b>	<b>(4,237)</b>	<b>(1,176)</b>	<b>7,579</b>
Insurance (e)	3,438	(683)	630	3,385
<b>Long Term</b>	<b>3,438</b>	<b>(683)</b>	<b>630</b>	<b>3,385</b>
<b>Total</b>	<b>16,430</b>	<b>(4,920)</b>	<b>(546)</b>	<b>10,964</b>



- (a) Provision has been made for Non-Domestic Rating valuation appeals based on an estimate of the likely level and value of successful appeals.
- (b) Claims were brought against the Council under the Equal Pay Act 1970 and associated Regulations, and in October 2015, the Employment Tribunal found in favour of the claimants. As at March 2024 all material claims had been settled.
- (c) The Council was involved in a legal process to determine the responsible body for costs associated with two service users and, without prejudice, had set aside a provision for care costs associated with these Ordinary Residence claims. During 23/24 a settlement for costs associated with one of the service users was agreed, the remaining provision relates to one service user only.
- (d) In July 2022, the Supreme Court ruled that holiday pay for term-time-only workers should not be pro-rated by the proportion of the year that they have worked. The Council has received a number of claims for historical back-payments as a consequence of this ruling and has set aside provision for the estimated liability.
- (e) The Council determines its insurance as part of its Risk Management processes and organises cover from both external providers and its own self-insurance fund. The balance of the fund is regularly assessed for its adequacy. In the case of its combined (Public and Employers) liability provision, a consultancy opinion on size is commissioned on a frequent basis. The review of combined liability indicates that the forecast provision for this area at March 2024 is £3.187m. An analysis of the other insurances shows that a provision of £0.198m is required.

### 38. OTHER LONG-TERM LIABILITIES

These consist of liabilities which are (re)payable over a period of time and are analysed as follows.

<b>31 March 2023 £000</b>		<b>31 March 2024 £000</b>
327	Commuted Sums and Contractor Bonds	342
553	Merseyside Residual Body Debt	276
19,980	Rainford High PFI (see Note 26)	19,096
11,250	Merseyside Recycling and Waste Authority	6,899
<b>32,110</b>	<b>Total</b>	<b>26,613</b>

### 39. FINANCIAL INSTRUMENTS

#### (a) Categories of Financial Instruments

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

31 March 2023			31 March 2024	
Current £000	Long Term £000		Current £000	Long Term £000
		<b>Investments</b>		
115,000	1,525	Financial Assets	70,000	1,525
12,041	-	Cash and Cash Equivalents	37,750	-
1,894	-	Accrued Interest on Financial Assets	2,789	-
		<b>Debtors</b>		
42,146	14,684	Financial Assets at Amortised Cost	30,628	16,308
<b>171,081</b>	<b>16,209</b>	<b>Total Financial Assets</b>	<b>141,167</b>	<b>17,833</b>
		<b>Borrowings</b>		
(12)	(137,509)	Financial Liabilities	(13)	(132,496)
(1,311)	-	Accrued Interest on Financial Liabilities	(1,271)	-
(3,728)	-	<b>Bank Overdraft</b>	(14,170)	-
		<b>Other Long-Term Liabilities</b>		
-	(19,980)	Private Finance Initiative (PFI)	-	(19,096)
		<b>Creditors</b>		
(44,355)	-	Financial Liabilities at Amortised Cost	(41,269)	-
<b>(49,406)</b>	<b>(157,489)</b>	<b>Total Financial Liabilities</b>	<b>(56,723)</b>	<b>(151,592)</b>

In line with the Accounting Policies, all financial assets and liabilities have been classified as being measured at amortised cost. No financial assets and liabilities have been measured as:

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

#### (b) Income, Expense, Gains and Losses

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

2022-2023			2023-2024	
Financial Liabilities £000	Financial Assets £000		Financial Liabilities £000	Financial Assets £000
(5,042)	-	Interest Expense	(4,832)	-
-	3,137	Interest Income	-	6,699
<b>(5,042)</b>	<b>3,137</b>	<b>Net Income/(Expense) for the Year</b>	<b>(4,832)</b>	<b>6,699</b>

Interest payments of £2.052m were made in respect of the PFI scheme in the year. However, this cost was met through PFI grant.

### (c) Fair Values of Assets and Liabilities

The Council's financial liabilities and financial assets are represented by financial assets and liabilities which are carried on the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instrument (Level 2 inputs) using the following assumptions:

- For loans from the Public Works Loan Board (PWLB), a transfer value (New Loan Certainty repayment rates) from the PWLB have been applied to provide the fair value.
- For non-PWLB loans, prevailing market rates have been applied to provide the fair value.
- The fair value of the PFI scheme has been calculated by applying the PWLB annuity rate for new loans to the outstanding liability at the Balance Sheet date.
- No early repayment or impairment has been recognised.
- Where an instrument is a short-term trade receivable or payable, then the carrying amount is taken to be a reasonable approximation of fair value.

The fair values of the Financial Liabilities are detailed in the following table.

2022-2023			2023-2024	
Carrying Amount £000*	Fair Value £000		Carrying Amount £000*	Fair Value £000
115,518	86,123	PWLB Loans	115,507	78,074
23,314	21,910	Market Loans	18,274	15,208
20,750	29,509	PFI Liability	19,980	27,245
3,728	3,728	Cash and Cash Equivalents - Bank Overdraft	14,170	14,170
<b>163,310</b>	<b>141,270</b>	<b>Total</b>	<b>167,931</b>	<b>134,697</b>

\*Carrying values include accrued interest

The fair value of the Council's financial liabilities is less than the carrying amount, because the Council's portfolio of loans includes a number of fixed rate loans where the interest rates payable are lower than the rates available for similar loans at the Balance Sheet date. This shows a notional future gain, based on economic conditions at 31 March 2024, arising from a commitment to pay interest to lenders below current market rates. The fair values at 31 March 2024 are lower than last year due to the higher interest rate environment this year which impacts the prevailing market rates used in calculating fair value.

The fair value of PWLB loans measures the economic effect of the terms agreed with the PWLB at the loan start date, compared with estimates of the terms that would be offered for new loan transaction undertaken at the Balance Sheet date. The difference between the carrying amount and fair value measures the level of interest that the Council will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans had been undertaken at the Balance Sheet date.

The Council has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. A supplementary measure of fair value is to compare the Council's current carrying value of loans with early redemption rates available from the PWLB. If a value is calculated on this basis, the carrying amount of £115.507m would be valued at £91.295m. If the Council were to redeem its PWLB debt early, a discount of £23.214m would be receivable.

The difference between the fair value and the carrying value of loans would only crystallise if the Council sought to terminate its arrangements and, as to the extent that the Council would not seek to terminate loans, on which discounts would be redeemable without certainty that no further borrowing at a potential higher rate is needed, this figure should be considered notional. It should also be noted that the market loans contain Lender Option Borrower Option loans, whereby, at specified intervals, there are options on both the part of the Council and the Lender in relation to rates applicable to the residual terms of the loans. The Council is free to repay the loans, in full, and without penalty if it is not agreeable with any revised options proposed by the Lender.

2022-2023			2023-2024	
Carrying Amount £000*	Fair Value £000		Carrying Amount £000*	Fair Value £000
116,894	116,894	Short Term Investments	72,789	72,789
1,525	1,525	Long Term Investments	1,525	1,525
14,684	14,684	Long Term Debtors	16,308	16,386
12,041	12,041	Cash and Cash Equivalents	37,750	37,750
<b>145,144</b>	<b>145,144</b>	<b>Total</b>	<b>128,372</b>	<b>128,450</b>

\* Carrying values include accrued interest

The carrying amount of the Councils Investments and Cash and Cash Equivalents is equal to their Fair Value, as it is deemed that for these financial assets the carrying value is a reasonable proxy for their Fair Values.

For long-term debtors, it is also assumed that the carrying values are a reasonable proxy for fair values, with the exception of Parkside Regeneration LLP for which a Fair Value calculation has been undertaken and included in the table above.

(d) Cash and Cash Equivalents

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

<b>2022-2023</b> <b>£000</b>		<b>2023-2024</b> <b>£000</b>
(3,728)	<b>Financial Liability</b> Bank Overdrafts	(14,170)
41	<b>Financial Asset</b> Petty Cash	40
12,000	Bank Call Accounts	37,710
<b>8,313</b>	<b>Total Cash and Cash Equivalents</b>	<b>23,580</b>

(e) Nature and Extent of Risks Arising from Financial Instruments

The Council's activities expose it to a variety of financial risks, and its overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Financial Risk Management is the responsibility of the Director of Finance and, through full adoption of CIPFA's Treasury Management in the Public Services: Code of Practice, the Council has policies and processes in place to control key financial instrument related risks.

Under the policies approved by the Council in the annual Treasury Management Strategy, and through its associated Treasury Management Practices (TMP's), the Council has in place written principles for overall risk management, as well as written policies covering specific areas such as interest rate risk, credit risk and the investment of surplus cash.

Credit Risk

Exposure to credit risk is managed through the Council's Counterparty lending list, which places limits on the value and duration over which investments can be made with approved counterparties to minimise the risk of loss. The counterparty list comprises of institutions that are rated independently by FITCH and meet specific rating requirements. The detailed minimum lending requirements for counterparties are outlined in the annual Treasury Management Strategy.

As detailed in the Council's Treasury Management Strategy, the Council's counterparty list is regularly monitored and is updated for any adverse movements in financial institutions' ratings. Such is the robustness of the Council's criteria for approving investments, that a reduction in an institution's outlook from stable would lead to its removal from the counterparty list.

The Council's maximum exposure to credit risk in relation to its investments in banks and building societies of £107.710m cannot be assessed generally, as the risk of any institution failing to make interest payments or repay principal sums will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of recoverability applies to all of the Council's deposits, but there was no evidence at 31 March 2024 that this was likely to crystallise.

The following table summarises the Council's exposure to credit risk at the Balance Sheet date, analysed by credit ratings as they were at the time of making the investment. Figures shown represent the actual investment made and therefore exclude accrued interest. They also include that part of Cash and Cash Equivalents that is represented by sums held in Bank Call Accounts.

<b>31 March 2023 £000</b>	<b>Institution</b>	<b>Rating</b>	<b>31 March 2024 £000</b>
-	Banks	AAA F1+	20,000
11,450	Banks	AA F1+	-
65,000	Banks	AA- F1+	45,000
50,010	Banks	A+ F1	42,710
540	Banks	A F1	-
25	PFI Loan Stock	N/A	25
<b>127,025</b>	<b>Total</b>		<b>107,735</b>

Based on information held within the Council's debtor system, and applying the Council's standard invoicing period, the past due amounts are provided in the following table.

<b>31 March 2023* £000</b>		<b>31 March 2024* £000</b>
2,165	Less than three months	2,660
418	Three to six months	671
855	Six months to one year	676
2,878	Over one year	4,004
<b>6,316</b>	<b>Total</b>	<b>8,011</b>

\* Figures are based upon amounts past due after 28 days (standard payment terms).

The figures above are gross sums due. Provision for allowance of credit losses is made separately.

The Council does not generally extend credit to customers beyond the standard invoicing period of 28 days. However, the figures do include some amounts owed by individual clients such as those relating to the Fairer Charging scheme for Adult Social Care.

#### Liquidity Risk

The Council has a comprehensive cash flow management system that seeks to ensure that sufficient liquid funds are available if needed. At the present time, the Council has ready access to borrowing from the PWLB and other sources, so there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

#### Market Risk

The Council is exposed to an amount of risk in terms of its exposure to interest rate movements on its investments and, to a lesser extent, on its borrowings. For example, a rise in interest rates would have the following effects:

- borrowing at fixed rates - the fair value of financial liabilities will fall
- investments at variable rates - the interest income credited to the Comprehensive Income and Expenditure Statement will rise
- investments at fixed rates - the fair value of the assets will fall

Borrowings and investments are not carried at fair value, so nominal gains and losses on fixed rate borrowings and loans would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in the interest payable or receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. The Council is risk averse and seeks to minimise exposure arising from its treasury activities and does not undertake any unnecessary borrowing or investment activity. The Council seeks to manage its interest rate risk by regularly

reviewing the ratio of borrowing and investments between fixed and variable interest rates.

The following table shows the impact on existing investments and borrowings had interest rates been 1% higher with all other variables being held constant.

2022-2023			2023-2024	
Financial Assets £000	Financial Liabilities £000		Financial Assets £000	Financial Liabilities £000
118,394	108,033	Fair Values at 31 March	74,289	93,282
118,394	91,458	Fair Values + 1%	74,289	79,976

The impact of a 1% fall in interest rates would be as above, but with the movements being reversed.

The following table shows the impact on the PFI liability and loan stock, had interest rates been 1% higher, with all other variables being held constant.

2022-2023			2023-2024	
PFI Loan Stock £000	PFI Liability £000		PFI Loan Stock £000	PFI Liability £000
25	29,509	Fair Values at 31 March	25	27,245
25	27,593	Fair Values + 1%	25	25,590

#### Price Risk

The Council does not invest in any instruments whereby it would be exposed to price risk arising from movements in market prices.

#### Foreign Exchange Risk

The Council does not have financial assets or liabilities denominated in foreign currencies and thus, has no exposure to loss arising from movements in exchange rates.

## 40. TRUST FUNDS

Nine Trust Funds were administered during the year which, in the main, consist of legacies left by individuals and are used mainly for educational, cultural and leisure purposes. The value of these Trust Funds at the Balance Sheet date was £0.388m.

## 41. CONTINGENT LIABILITIES

### Municipal Mutual Insurance (MMI)

The Council's previous insurers, MMI, ceased trading in 1992 and now exist solely to discharge obligations under policies previously issued. In 1994, a Scheme of Arrangement under the Companies Act 1985 was put in place, under which if the company became at risk of insolvency, it would be able to claw back the necessary percentage of the claims it had paid out since the commencement of the scheme.

### General Insurance

The adequacy of the Council's insurance provision is reviewed annually, with independent expert opinion sought with regard to the level of this provision every two years. It is widely accepted that the risk profile of Local Authorities is such that there may be exposure to long tail claims, and settlements of claims may deviate from the original claims reserve. Such claims brought against the Council have the potential to be of a material value.

In addition, there is also uncertainty in respect of new and emerging claims, the nature of claims, and incidents incurred but not reported (IBNR), which may have significant financial implications.

#### Non-Domestic Rates Appeals

Provision has been made for costs potentially arising from successful appeals by Non-Domestic Ratepayers against the rateable values applied to their business properties. However, there remains significant uncertainty as to what the ultimate effect of these backdated appeals will be until they are fully settled by the Valuation Office Agency.

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

2022-2023 £000		2023-2024 £000
	<b>Non-current assets and assets held for sale</b>	
14,666	Depreciation and Impairment of Non-Current Assets	15,429
35	Amortisation of Intangible Assets	5
2,488	Impairments and Downward Valuations	2,547
2,812	Carrying amounts of Non-current Assets and Non-current Assets held for sale, sold or de-recognised	6,159
	<b>Current assets and current liabilities</b>	
(9,390)	Movement in Creditors	(11,472)
(1,835)	Movement in Debtors	(11,057)
2,507	Movement in Bad Debts Provision	2,909
(162)	Movement in Inventories	(45)
39,827	Movement in Pension Liability charged / credited to the Comprehensive Income and Expenditure Statement	961
(2,867)	<b>Other non-cash items charged to the net surplus or deficit on the provision of services</b>	(5,582)
<b>48,081</b>	<b>Total</b>	<b>(146)</b>

### 43. CASH FLOW STATEMENT - ADJUSTMENTS FOR ITEMS INCLUDED IN THE NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES THAT ARE INVESTING AND FINANCING ACTIVITIES

2022-2023 £000		2023-2024 £000
(2,023)	Proceeds from the Sale of Non-Current Assets	(1,476)
5,324	Revenue Expenditure Funded from Capital Under Statute	6,310
(689)	Investment Properties Net Income	(856)
(34,186)	Any other items for which the cash effects are investing or financing cash flows	(44,577)
<b>(31,574)</b>	<b>Total</b>	<b>(40,599)</b>



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

2022-2023 £000		2023-2024 £000
	<b>Cash Outflows</b>	
(143,603)	Cash Paid to and on Behalf of Employees	(156,303)
(44,938)	Housing Benefit Paid Out	(47,331)
(335)	Precepts Paid	(372)
(211,244)	Cash Paid to Suppliers of Goods and Services	(250,955)
(7,182)	Interest Paid	(6,903)
(67,363)	Other Payments for Operating Activities	(83,909)
<b>(474,665)</b>	<b>Total Cash Outflows</b>	<b>(545,773)</b>
	<b>Cash Inflows</b>	
133,154	Taxation	143,179
255,972	Grants	288,760
46,021	Sales of Goods and Rendering of Services	50,261
1,664	Interest Received	5,476
30,429	Other Receipts from Operating Activities	30,000
<b>467,240</b>	<b>Total Cash Inflows</b>	<b>517,676</b>
<b>(7,425)</b>	<b>Net Cash Flow from Operating Activities</b>	<b>28,097</b>

#### 45. CASH FLOW STATEMENT - INVESTING ACTIVITIES

2022-2023 £000		2023-2024 £000
	<b>Cash Outflows</b>	
(39,960)	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	(45,964)
1,030	Purchase of Short Term and Long-Term Investments	-
(5,324)	Other Payments for Investing Activities	(6,310)
<b>(44,254)</b>	<b>Total Cash Outflows</b>	<b>(52,274)</b>
	<b>Cash Inflows</b>	
2,204	Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	1,574
181	Proceeds from Sale of Short-Term and Long-Term Investments	38,314
24,253	Other Receipts from Investing Activities	61,839
<b>26,638</b>	<b>Total Cash Inflows</b>	<b>101,727</b>
<b>(17,616)</b>	<b>Net Cash flow from Investing Activities</b>	<b>49,453</b>

#### 46. CASH FLOW STATEMENT - FINANCING ACTIVITIES

2022-2023 £000		2023-2024 £000
	<b>Cash Outflows</b>	
(4,111)	Repayments of Short Term and Long-Term Borrowing	(6,098)
-	Other payments for financing activities	-
<b>(4,111)</b>	<b>Total Cash Outflows</b>	<b>(6,098)</b>
	<b>Cash Inflows</b>	
-	Cash Receipts of Short Term and Long-Term Borrowing	-
(117)	Other Receipts for Financing Activities	9
<b>(117)</b>	<b>Total Cash Inflows</b>	<b>9</b>
<b>(4,228)</b>	<b>Net Cash Flow from Financing Activities</b>	<b>(6,089)</b>

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

	Balance at 1 April 2023 £000	Financing Cash Flows £000	Non-Cash Changes £000	Balance at 31 March 2024 £000
Long-term borrowings	137,509	(5,013)	-	132,496
Short-term borrowings	1,323	(38)	-	1,285
Transferred Debt	829	(277)	-	552
On Balance Sheet PFI Liabilities	20,750	(770)	-	19,980
<b>Amounts included as part of Debtor/Creditor balances:</b>				
Amounts owed to/from Collection Fund preceptors	(541)	9	-	(532)
<b>Total Liabilities from Financing Activities</b>	<b>159,870</b>	<b>(6,089)</b>	<b>-</b>	<b>153,781</b>

# COLLECTION FUND STATEMENT

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

2022-2023				2023-2024	
Notes	Council Tax £000	Non-Domestic Rates £000		Council Tax £000	Non-Domestic Rates £000
4	106,063	51,246	<b>Income</b>	112,301	54,517
	-	(451)	Income from Council Taxpayers and Non-Domestic Ratepayers	-	2,944
	402	8,433	Transitional Protection Payments	1,786	(1,429)
			Contribution to/(from) previous year's Estimated Collection Fund Deficit/(Surplus)		
	<b>106,465</b>	<b>59,228</b>	<b>Total Income</b>	<b>114,087</b>	<b>56,032</b>
			<b>Expenditure</b>		
	86,984	47,426	<u>Precepts and Demands</u>		
	12,628	-	St Helens Borough Council	91,391	53,700
	4,456	479	Police & Crime Commissioner for Merseyside	13,434	-
	1,013	-	Merseyside Fire & Rescue Authority	4,724	542
	-	184	Liverpool City Region Combined Authority	1,013	-
	2,345	229	Non-Domestic Rates Cost of Collection	-	193
	69	552	<u>Movement in Bad and Doubtful Debts</u>		
	-	2,722	Provisions	2,549	423
			Write-Offs	275	287
			Provision for Appeals	-	(1,014)
	<b>107,495</b>	<b>51,592</b>	<b>Total Expenditure</b>	<b>113,386</b>	<b>54,131</b>
	<b>(1,030)</b>	<b>7,636</b>	<b>Movement on Fund Balance</b>	<b>701</b>	<b>1,901</b>
	<b>(776)</b>	<b>(5,852)</b>	<b>Surplus/(Deficit) Balance brought forward</b>	<b>(1,806)</b>	<b>1,784</b>
	<b>(1,806)</b>	<b>1,784</b>	<b>Surplus/(Deficit) Balance carried forward</b>	<b>(1,105)</b>	<b>3,685</b>

# NOTES TO THE COLLECTION FUND STATEMENT

## 1. MEMORANDUM COLLECTION FUND BALANCE SHEETS

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

### (i) Non-Domestic Rates

2022-2023					2023-2024			
Total	Central Government	St Helens Borough Council	Fire & Rescue Authority		Total	Central Government	St Helens Borough Council	Fire & Rescue Authority
£000	£000	£000	£000		£000	£000	£000	£000
9,953	-	9,853	100	Non-Domestic Rates Arrears	9,714	-	9,617	97
(7,963)	-	(7,883)	(80)	Provision for Bad Debt	(8,386)	-	(8,302)	(84)
(11,490)	-	(11,375)	(115)	Provision for Appeals	(6,701)	-	(6,634)	(67)
(1,275)	-	(1,262)	(13)	Prepaid Non-Domestic Rates	(1,520)	-	(1,505)	(15)
(1,784)	-	(1,766)	(18)	Collection Fund (Surplus)/Deficit	(3,685)	-	(3,648)	(37)
(451)	(451)	-	-	Transitional Protection Payment	(548)	(548)	-	-
13,010	451	12,433	126	Cash	11,126	548	10,472	106
-	-	-	-	<b>Total</b>	-	-	-	-

The Council continued to participate in the Liverpool City Region Business Rates Retention scheme in 2023-2024. Under the terms of the scheme, the Council retains 99% of its Non-Domestic Rates, with 1% passed to Merseyside Fire & Rescue Authority. This contrasts to the 49% retention rate prior to the existence of the scheme in 2016-2017.

## (ii) Council Tax

2022-2023						2023-2024				
Total £000	St Helens Borough Council £000	Police & Crime Comm. £000	Fire & Rescue Authority £000	Combined Authority £000		Total £000	St Helens Borough Council £000	Police & Crime Comm. £000	Fire & Rescue Authority £000	Combined Authority £000
26,811	22,194	3,222	1,137	258	Council Tax Arrears	29,701	24,551	3,609	1,269	272
(19,034)	(15,756)	(2,288)	(807)	(183)	Provision for Bad Debt	(21,582)	(17,840)	(2,622)	(922)	(198)
(3,088)	(2,556)	(371)	(131)	(30)	Prepaid Council Tax	(2,388)	(1,974)	(290)	(102)	(22)
1,806	1,495	216	77	18	Collection Fund (Surplus)/Deficit	1,105	913	134	47	11
(6,495)	(5,377)	(779)	(276)	(63)	Cash	(6,836)	(5,650)	(831)	(292)	(63)
-	-	-	-	-	<b>Total</b>	-	-	-	-	-

## 2. INCOME FROM COUNCIL TAX

### Calculation of the Council Tax Base

Council Tax derives from charges raised according to the value of residential properties, which have been classified into eight valuation bands for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by the Council for the forthcoming year and dividing this by the Council Tax base (i.e. the equivalent numbers of Band D dwellings).

The Council Tax base for 2023-2024 was 53,317 (53,290 in 2022-2023) calculated as follows.

Band	Estimated No. of Taxable Properties after Discounts	Ratio	Band D Equivalent Dwellings
A	37,629	6/9	25,086
B	19,201	7/9	14,934
C	15,602	8/9	13,868
D	6,963	9/9	6,963
E	3,720	11/9	4,547
F	1,678	13/9	2,424
G	595	15/9	992
H	36	18/9	72
	<b>85,424</b>		<b>68,886</b>
Less: Anticipated changes during the year for successful appeals against valuation banding, new properties, demolitions, disabled persons relief and exempt properties			(7,012)
Less: Local Council Tax Support Discount			(7,078)
			<b>54,796</b>
Less: Adjustment for collection rates			(1,479)
<b>Total Band D Equivalent</b>			<b>53,317</b>

The Council Tax for Band D dwellings for the Council and major precepting authorities in 2023-2024 was £2,066.71 (£1,965.57 in 2022-2023).

## 3. INCOME FROM NON-DOMESTIC RATEPAYERS

The Council collects Non-Domestic Rates for its area based on local rateable values determined by the Valuation Office Agency. A national revaluation came into effect in England and Wales on 1 April 2023 based on rateable values from 1 April 2021.

2022-2023		2023-2024
£132.6m	NDR Rateable Value for the area as at 31 March	£145.78m
51.2p	Standard NDR Multiplier	51.2p
49.9p	Small Business Rate Relief Multiplier	49.9p

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

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

<b>2022-2023 £000</b>	<b>Council Tax</b>	<b>2023-2024 £000</b>
333	St Helens Borough Council	1,479
47	Police & Crime Commissioner for Merseyside	213
18	Merseyside Fire & Rescue Authority	76
4	Liverpool City Region Combined Authority	18
<b>402</b>	<b>Total</b>	<b>1,786</b>

<b>2022-2023 £000</b>	<b>Non-Domestic Rates</b>	<b>2023-2024 £000</b>
8,349	St Helens Borough Council	(1,415)
84	Merseyside Fire & Rescue Authority	(14)
<b>8,433</b>	<b>Total</b>	<b>(1,429)</b>

# GLOSSARY OF FINANCIAL TERMS

## ACCOUNTING POLICIES

Those specific principles, bases, conventions, rules and practices applied that specify how the effects of transactions and other events are to be reflected in its financial statements through:

- (i) recognising;
- (ii) selecting measurement bases for; and
- (iii) presenting assets, liabilities, gains, losses and changes to reserves

## ACCRUALS

The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

## AGENT/AGENCY

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

## AMORTISATION

The accounting technique of recognising a cost or item of income in the Comprehensive Income and Expenditure Statement or the Movement in Reserves Statement over a period of years rather than when the initial payment is made. Its purpose is to charge/credit the cost/income over the accounting periods that gain benefit for the respective item. The technique is supported by relevant accounting policies and practices.

## AMORTISED COST

A method of determining the Balance Sheet carrying amount and periodic charges to the Comprehensive Income and Expenditure Statement of a financial instrument based on the expected cash flows of that instrument.

## ASSET CEILING (PENSIONS)

The (pension) asset ceiling is an adjustment made to the balance sheet value of a pension asset or liability. It ensures that the balance sheet accurately reflects the impact of a defined benefit deficit or surplus based on pension scheme rules and funding requirements.

## BUSINESS RATES

See Non-Domestic Rates.

## CAPITAL EXPENDITURE

Expenditure on the acquisition or enhancement of a non-current asset or capital advances and loans to other individuals or other third parties.

## CAPITAL FINANCING REQUIREMENT (CFR)

Introduced as a result of the Prudential Framework for Capital Accounting and measures the underlying need of the authority to borrow for expenditure of a capital nature.

## CAPITAL RECEIPTS

The proceeds from the sale of capital assets or repayment of capital advances which, subject to various limitations can be used to finance Capital Expenditure, invested, or to repay outstanding debt on assets originally financed through borrowing.



## **CARRYING AMOUNT**

The amount at which an asset is recognised after deducting any accumulated depreciation and impairment losses.

## **CASH EQUIVALENTS**

Short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value.

## **CASH FLOWS**

Inflows and outflows of cash and cash equivalents.

## **COLLECTION FUND**

The Collection Fund is a separate statutory fund under the provisions of the Local Government Finance Act 1988. It shows the transactions in relation to Non-Domestic Rates, any residual Community Charge and Council Tax, and illustrates the way in which these have been distributed to precepting Authorities and the Council's General Fund.

## **CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)**

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

## **COMMUNITY ASSETS**

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

## **CONDITIONS**

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

## **CONTINGENT LIABILITY**

A condition which exists at the Balance Sheet date, where the outcome will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events. Where a material loss can be estimated with reasonable accuracy, a contingent liability is accrued in the financial statements. If, however, a loss cannot be accurately estimated or the event is not considered sufficiently certain, it will be disclosed in a note to the Balance Sheet.

## **COUNCIL TAX**

A property-based tax levied on all domestic properties in the Borough. The bandings (and resultant sums due) are based on independent assessed property values. The Council sets levels of Council Tax on an annual basis under relevant statutory provisions.

## **COVID-19**

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

## **CREDITORS**

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

## **CREDIT RISK**

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

## **CURRENT SERVICE COST (PENSIONS)**

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

## **CURTAILMENT (PENSIONS)**

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

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

## **DEBTORS**

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

## **DEFINED BENEFIT PLAN**

A pension or other retirement benefit plan other than a defined contribution plan. Usually, the plan rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the plan.

## **DEFINED CONTRIBUTION PLAN**

A pension or other retirement benefit plan into which an employer pays regular contributions, fixed as an amount or as a percentage of pay, and will have no legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

## **DEPRECIATED REPLACEMENT COST (DRC)**

A method of valuation which provides the current cost of replacing an asset with its modern equivalent, less deductions for all physical deterioration and all relevant forms of obsolescence.

## **DEPRECIATION**

The measure of the wearing out, consumption or other reduction in the useful life of a non-current asset over its useful economic life.

## **DISCOUNT RATE (PENSIONS)**

Discounting is used to reflect the value of estimated future pension payments and express them in 'present day' terms. In accordance with accounting standards, the discount rate used is based on the yields of high quality corporate bonds of currency and term appropriate to the currency and term of the pension scheme liabilities.

## **DISCRETIONARY BENEFITS**

Retirement benefits which the employer has no legal, contractual or constructive obligation to award, and which are awarded under the Authority's discretionary powers.

## **ESTIMATION TECHNIQUES**

The methods adopted by an entity to arrive at estimated monetary amounts, corresponding to the

measurement bases selected for assets, liabilities, gains, losses and changes to reserves.

### **EXISTING USE VALUE (EUV)**

The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion, and assuming that the buyer is granted vacant possession of all parts of the property and disregarding potential alternative uses and any other characteristics that would cause its market value to differ from that needed to replace the remaining service potential at least cost.

### **FAIR VALUE**

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

### **FINANCIAL INSTRUMENT**

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

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

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

### **FINANCE LEASE**

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

### **FINANCING ACTIVITIES**

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

### **GENERAL FUND**

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

### **GOING CONCERN**

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

### **GOVERNMENT GRANTS AND CONTRIBUTIONS**

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

## **HERITAGE ASSETS**

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

## **HISTORICAL COST**

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

## **IMPAIRMENT**

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

## **INFRASTRUCTURE ASSETS**

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

## **INTANGIBLE ASSET**

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

## **INTEGRATED PROVISION**

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

## **INTEREST ON PLAN ASSETS (PENSIONS)**

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

## **INTEREST ON PLAN LIABILITIES (PENSIONS)**

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

## **INVENTORIES**

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

## **INVESTING ACTIVITIES**

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

## **INVESTMENT PROPERTIES**

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

## **LIABILITIES**

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

## **LIQUIDITY RISK**

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

## **MARKET RISK**

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

## **MARKET VALUE**

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

## **MATERIAL/MATERIALITY**

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

## **NET BOOK VALUE**

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

## **NET REALISABLE VALUE**

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

## **NON-CURRENT ASSETS**

Assets that yield benefits to the Local authority and the services it provides for a period of more than one year.

## **NON-DOMESTIC RATES (NNDR)**

These are often referred to as Business Rates and are a levy on business properties based on a national rate in the pound applied to the 'rateable value' of the property. The Government determines that national rate poundage, Local Authorities collect the sums due, with distribution made in accordance with rules governing the Non-Domestic Rates retention scheme.

## **NON-OPERATIONAL ASSETS**

Non-current assets held by a Local authority but not directly occupied, used or consumed in the delivery of services, or for the service or strategic objectives of the authority.

## **OPERATING ACTIVITIES**

Activities of the authority that are not investing or financing activities.

## **OPERATING LEASES**

A lease that does not transfer substantially all of the risks and rewards of ownership of a non-current asset to the lessee. The asset is recognised on the lessor's Balance Sheet.

Expenditure financed by operating leasing does not count against capital allocations.

### **PAST SERVICE COST/GAIN (PENSIONS)**

The increase or reduction in the present value of liabilities arising from decisions in the period whose effect relates to years of service earned in earlier periods.

### **PLAN LIABILITIES (OR PLAN DEFINED BENEFIT OBLIGATIONS)**

The liabilities of a defined benefit plan for outgoings due after the valuation date. Plan liabilities measured using the projected unit credit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

### **POOLED BUDGET**

Arrangement permissible under the Health Act 1999 and National Health Service Act 2006 that provides an opportunity for partners to bring money together, in a discrete fund, to pay for the services that are an agreed part of the pooled fund arrangement for the client group who are to benefit from one or all of the services. Organisations will agree at the outset the range of Health and Local Government services to be purchased and provided from a pooled fund.

### **PRECEPT**

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

### **PRICE RISK**

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

### **PRINCIPAL**

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

### **PROPERTY, PLANT AND EQUIPMENT**

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

### **PROJECTED UNIT CREDIT (ACTUARIAL COST) METHOD**

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

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

### **PROVISIONS**

A liability of uncertain timing or amount.

### **REFCUS (REVENUE EXPENDITURE FINANCED FROM CAPITAL UNDER STATUTE)**

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

## RELATED PARTIES

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

## RELATED PARTY TRANSACTION

A related party transaction is the transfer of assets or liabilities or the performance of services by, to, or for, a related party irrespective of whether a charge is made. Related party transactions include the provision of services to a related party.

The materiality of related party transactions should be judged not only in terms of their significance to the authority, but also in relation to its related party.

## REMEASUREMENT GAINS / LOSSES (PENSIONS)

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

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

## REMUNERATION

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

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

## REVENUE EXPENDITURE

This is money spent on the day-to-day running costs of providing services and includes salaries, goods and services. It is often of a recurring nature and produces no permanent asset.

## SENIOR EMPLOYEES

Senior employees are defined under the Local Government and Housing Act 1989. Within St Helens this is deemed to be the Chief Executive, Executive Directors, the persons designated as the statutory Monitoring Officer and Section 151 Officer of the Council and the officers holding the posts of Director of Children and Young People Services, Director of Adult Social Services and Director of Public Health. The former post of Assistant Chief Executive was also deemed to be that of a senior employee.

## SETTLEMENT (PENSIONS)

An irrevocable action that relieves the employer of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligation and the assets used to effect the settlement. Settlement includes the transfer of scheme assets and liabilities relating to a group of employees leaving the Authority's scheme.

## TERMINATION BENEFITS

Amounts payable as a result of either:

- (i) an employer's decision to terminate an employee's employment before the normal retirement date; or
- (ii) an employee's decision to accept voluntary redundancy or other form of voluntary severance in exchange for those benefits

**USEFUL LIFE**

The period over which the Local authority will derive benefits from the use of a non-current asset.





**ST HELENS**  
BOROUGH COUNCIL

### **Contact Centre**

Town Hall  
Corporation Street  
St Helens  
WA10 1HP

**Tel:** 01744 676789

**Minicom:** 01744 671671

→ [www.sthelens.gov.uk/contactus](http://www.sthelens.gov.uk/contactus)

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