

FINANCIAL MONITORING REPORT - PERIOD 1 2021/22

SECTION 1: SUMMARY

Revenue Budget

- 1.1 This is the first quarterly Financial Monitoring Report of 2021/22 and covers the quarter April to June 2021. The format of the report has been revised since the last Financial Monitoring Report was presented to Cabinet on 24 March 2021. This report has been prepared excluding the implications of any other reports presented on the same agenda which may have budget implications. There will be a further two quarterly monitoring reports covering quarters 2 and 3 and a final outturn report covering the full-year financial performance for 2021/22.
- 1.2 At this stage in the year there is a forecast service overspend of £2.804m against the current revenue budget of £149.8m. Corporate variances will offset this by £0.261m resulting in a net budget variation of £2.543m. This position excludes Covid-19 additional spending and income losses, which will be offset by Emergency Grant Funding and Sales, Fees and Charges compensation scheme income. However, this position does include 2021/22 saving plans that are at risk of not being delivered during the year.
- 1.3 This report also includes a summary at section 2.17 on the forecast financial position arising from Covid-19 in terms of additional costs and losses of income, which will be funded from Government grants and income compensation receivable in 2021/22.
- 1.4 It must be noted that at this stage in the year the costs of staff working on specific activities for which specific Government funding has been made available (for example, Contain Outbreak Management Funding) has not been fully identified. This will be reported in the next Financial Monitoring Report and will impact on the current forecast position within service budgets. This should have a favourable impact on the forecast outturn position.

2021/22 Savings Programme and Outlook

- 1.5 The Council's 2021/22 budget was approved by Council on 3 March 2021, and in setting the budget members agreed to the delivery of £13.44m savings during the year. Section 3 provides a summary of the latest position and portfolio commentaries provide additional information in relation to the progress towards delivering the 2021/22 savings. Budget savings have been annotated as 'green' (saving is achievable in the year), 'amber' (slippage on saving and the saving is at risk of not being delivered in 2021/22) and 'red' (the saving will not be achieved in 2021/22).
- 1.6 At this stage, 23.95% of savings equating to £3.218m are forecast to potentially be at risk or may not be delivered in the year. It must be noted that some of the savings annotated as 'green' deliverable in the year would present a significant financial risk should the saving fail to be implemented. It is critical that action plans continue to be identified and implemented to ensure savings are managed and delivered and ensure 'green' savings remain on track.

Covid-19

- 1.7 The Government's budget settlement provided an additional £1.55 billion for English Local Authorities to support the response to the coronavirus pandemic in 2021/22, of which St Helens was allocated £5.837m. In addition, the Sales, Fees and Charges (SFC)

compensation scheme was extended to June 2021. At this stage in the year, the forecast additional spending and income loss for 2021/22 is matched by the in-year funding awarded and the estimated income from the SFC compensation scheme. Section 2.17 provides further detail. However, there remains uncertainty as we move out of lockdown and the potential financial implications of further waves.

Financial Outlook

- 1.8 It is recognised that the financial environment within which the Council operates presents significant financial challenges, particularly as the economy looks to recover from the impact of the coronavirus pandemic, and council finances remain uncertain. In addition to the key risk from the non-delivery of savings, other financial risks include pressures arising from demand led expenditure budgets, particularly within Integrated Care and Health, and also the potential for volatility within some income budgets.
- 1.9 With uncertainty over the mechanism and timetable of how funding for local government will change, as well as the continuing impact of Covid-19, the financial outlook remains challenging and uncertain.

Capital Budget

- 1.10 The capital budget has been updated and the key revisions to the programme include the addition of new schemes, including St Helens Southern Gateway and nursery provision at The District CE Primary School. Funding confirmations have been received from the Department for Education in relation to a number of school capital grants and additional highways funding has been provided by the Liverpool City Region Combined Authority. Further details are included in Annex E alongside commentary on the progress of the most significant capital schemes.
- 1.11 Members will recall that as part of setting the 2021/22 budget a number of strategic capital investment schemes totaling £16.583m were agreed in principle, subject to approval following detailed feasibility and design work. Two of these schemes have been included in the revised capital programme following subsequent approval - External Works to the Gamble Building and the Climate Change Emergency Response.
- 1.12 The format of Capital reporting has also been revised. The programme continues to cover a three-year period through to 2023-24, with the report including additional detail on the current years' significant schemes, and progress on delivery.

Balances and Reserves

- 1.13 The report provides detail of the position on the Council's balances and reserves. Members will recall that as part of the Medium-Term Financial Strategy the Council is looking to rebuild reserves over the short to medium term to ensure both future sustainability and that the Council has resources to deliver its ambitious work programmes. Section 5.2 provides a summary of earmarked reserves until March 2022, whilst Annex D provides details on the level of earmarked reserves to March 2024.
- 1.14 Based on the forecast budget position in Table 1 the projected level of general fund balances at March 2022 is forecast to be £9.940m.

- 1.15 The report also provides commentary in relation to the flexible use of capital receipts and seeks approval for delegation to be provided to the Chief Executive and Executive Director of Corporate Services to identify and approve projects where the use of the flexibilities will be applied to support the Council's transformation agenda. The flexible use of capital receipts provides an alternative way of funding one off transformation costs and upfront investment associated with the delivery of recurring savings.

Treasury Management

- 1.16 This report provides details of the Treasury Management position as at the end of the current period. No new borrowing has been undertaken since the start of the financial year and investments remain relatively static, based upon current cashflows. The Council's returns on investments continue to perform above benchmark levels.

Collection Fund

- 1.17 It must be noted that this report excludes the impact of any collection fund (Council Tax and Business Rates) losses that may occur in 2021/22. The government provided a taxation income guarantee scheme in 2020/21. However, no compensation has been afforded in 2021/22. Future reports will provide an update on the Collection Fund position.

SECTION 2: REVENUE BUDGET

- 2.1 The Budget and Forecast Outturn positions for 2021/22 excluding the pressures arising from Covid-19 related additional costs and losses of income, are summarised in Table 1. At this stage of the year there is a potential portfolio budget pressure of £2.804m. This figure includes planned budget savings which are at risk of not being delivered during 2021/22. The portfolio position has been offset by variations in corporate budgets of £261k.
- 2.2 For each portfolio, a commentary is provided detailing the progress in delivering budget savings, alongside an overview of the forecast portfolio budget position highlighting other significant variances against the current budget.
- 2.3 The progress towards the delivery of 2021/22 portfolio savings is detailed in Section 3.
- 2.4 Additional costs and income losses arising from Covid-19 are summarised in Table 2.

Non Covid-19 Financial Implications				
Table 1 – Revenue Budget 2021/22	Current Budget	Forecast outturn at Q1	Variance at Q1 + / - (b)-(a)	Section Reference
	(a)	(b)	(b)-(a)	
	£000	£000	£000	
Education, Skills and Business	12,083	12,208	+125	2.7
Children and Young People	43,358	44,277	+919	2.8
Integrated Care and Health	49,740	50,413	+673	2.9
Wellbeing, Culture and Heritage	4,188	4,523	+335	2.10
Finance and Governance	6,237	6,237	-	2.11
Reset and Recovery	1,403	1,403	-	
Environment and Transport	19,291	19,992	+701	2.12
Regeneration and Planning	2,742	2,930	+188	2.13
Safer, Stronger Communities	8,754	8,617	(137)	2.14
Net Portfolio Budgets	147,796	150,600	+2,804	
Levies & Precepts	21,829	21,829	-	
Capital Financing	(14,269)	(14,269)	-	
Restructuring Costs	2,000	2,000	-	
Treasury Management	11,603	11,342	(261)	2.16
Covid Legacy Costs	6,298	6,298	-	
Transfers to / (from) Earmarked Reserves	(1,643)	(1,643)	-	
Net Corporate Items	25,818	25,557	(261)	
Collection Fund	(132,968)	(132,968)	-	
Top Up	(20,426)	(20,426)	-	
Section 31 Grant *	(6,961)	(6,961)	-	
Covid Funding	(6,298)	(6,298)	-	
Other Funding	(6,664)	(6,664)	-	
Funding	(173,317)	(173,317)	-	
NET POSITION 2021/22	297	2,840	+2,543	

* Since the Council budget was approved the Government have announced an extension to the Retail, Hospitality and Leisure Retail Relief scheme, thereby reducing the Council's income from business ratepayers in 2021/22. The Government will provide a separate section 31 Grant to compensate for this, which will need to be set aside in the Covid-19 reserve during 2021/22 to meet the deficit that needs to be charged in 2022/23. At this stage this is forecast to be in the region of £15.0m.

2.5 The original approved budget has been revised to include adjustments arising from the outturn position for 2020/21 (subject to audit) which was considered by Cabinet on 23 June 2021. The revision to the original budget includes:

- (i) Acceleration of £159k of earmarked reserve funded schemes from 2021/22 into 2020/21

- (ii) Carry forward of earmarked reserve funded schemes of £893k into 2021/22 from 2020/21
- (iii) Carry forward of £297k budget provision from 2020/21 where specific service commitments are continuing into 2021/22
- (iv) Approved use of earmarked reserves in the period and funding no longer required and returned to reserves
- (v) Neutral 'technical adjustments' between portfolios (e.g. recharges)

Details of portfolio budget movements can be found in Annex A.

Portfolio Budget Position

2.6 For 2021/22 an in-year overspend of £2.543m against the current budget is currently projected based on the respective forecast outturn positions, as shown in table 1. Commentary in relation to the key portfolio variations is detailed in section 2.7 to 2.14, and section 2.16 provides a narrative on the corporate variations.

2.7 Education, Skills and Business

Education Skills and Business	Current Expend. Budget 2021/22 £000 (a)	Current Income Budget 2021/22 £000 (b)	Current Net Budget 2021/22 £000 (c)=(a)+(b)	Forecast Outturn 2021/22 £000 (d)	Variance 2021/22 £000 (e) =(d)-(c)
People's Services Directorate					
Schools					
School's Dedicated Budget	116,261	(116,261)	0	0	0
Schools Total	116,261	(116,261)	0	0	0
Non Schools					
Other Expenditure Attributable to Schools	7,569	(3,107)	4,462	4,462	0
Early Years Development (incl. PVI's)	8,288	(8,067)	221	221	0
Support for Children with SEND	8,578	(6,914)	1,664	1,664	0
Behaviour Support Services	3,615	(3,563)	52	52	0
Home to School/College Transport	3,235	(69)	3,166	3,216	+50
Youth Service	390	(30)	360	435	+75
Management & Other Support Services	3,786	(2,191)	1,595	1,595	0
Non Schools Total	35,461	(23,941)	11,520	11,645	+125
Total People's Services	151,722	(140,202)	11,520	11,645	+125
Place Services Directorate					
Economic Development	1,378	(1,033)	345	345	0
Place and Economic Delivery	218	0	218	218	0
Total Place Services	1,596	(1,033)	563	563	0
Total	153,318	(141,235)	12,083	12,208	+125

- 2.7.1 The delivery of a number of savings are subject to formal consultation processes which will commence shortly. Based on the indicative consultation timescales, there are forecast budget pressures of £50k for Home to School / College Transport and up to £75k for the Youth Service. The department will continue to monitor and assess this position and look to identify and deliver mitigating temporary efficiencies across the portfolio to address such pressures as necessary.
- 2.7.2 It is anticipated that, as seen in recent years, there will continue to be a budgetary pressure in respect of the high needs block of the ring-fenced Dedicated Schools Grant (DSG). This is a challenge faced by many local authorities and the department are currently assessing the potential impact for the forthcoming year.

The Department for Education have recently consulted on proposed changes to the way that high needs funding is allocated within the DSG. The consultation forms the first stage of a longer-term review of the high needs national funding formula which will be taken forward once the national SEND (Special Educational Needs & Disabilities) review has concluded. The changes proposed in this consultation present a financial risk to the Authority as if implemented, they would result in a reduction in funding that would exacerbate the existing SEND budget pressure.

- 2.7.3 It is currently forecast that there is an overall budget pressure of £125k for the portfolio.

2.8 Children and Young People

Children and Young People	Current Expend. Budget 2021/22 £000 (a)	Current Income Budget 2021/22 £000 (b)	Current Net Budget 2021/22 £000 (c)=(a)+(b)	Forecast Outturn 2021/22 £000 (d)	Variance 2021/22 £000 (e) =(d)-(c)
Social Care and Commissioning Teams	9,806	(357)	9,449	9,513	+64
Children Looked After	29,525	(4,003)	25,522	25,787	+265
Child Protection	2,057	(103)	1,954	1,954	0
Children's Centres / Early Help Service	2,624	(524)	2,100	2,450	+350
Support for Disabled Children	1,943	(385)	1,558	1,558	0
Family Support Services	2,871	(753)	2,118	2,358	+240
Management & Other Support Services	2,676	(2,536)	140	140	0
Youth Offending Teams	1,284	(767)	517	517	0
Total	52,786	(9,428)	43,358	44,277	+919

- 2.8.1 The 2021/22 budget contains a challenging programme of efficiencies, in particular those relating to the future delivery of services associated with Early Help / Children's Centres and Family Support. It is currently forecast that there could be budget pressures of up to £350k and £240k respectively for these service areas. These pressures are based on the likely formal consultation timescales. The department continues to actively progress these

reviews to seek to limit, as far as possible, the potential financial pressures arising from any delay to the date of full implementation.

- 2.8.2 It is forecast that there will be a budget pressure of approximately £265k in respect of costs associated with the care of looked after children, including those young people being supported by the Leaving Care Service. The 2021/22 budget included efficiencies totalling over £1.5m for these services but the current profile of children and young people being accommodated is resulting in a projected budget pressure.

Expenditure in relation to children looked after can be volatile and is impacted by the needs and demographics of service users as the complexity of support required can impact significantly on placement costs. However, the department is currently developing a demand management strategy which will help to mitigate against these financial challenges.

- 2.8.3 It is currently forecast that there is an overall budget pressure of £919k for the portfolio.

2.9 Integrated Care and Health

Integrated Care and Health	Current Expend. Budget 2021/22 £000 (a)	Current Income Budget 2021/22 £000 (b)	Current Net Budget 2021/22 £000 (c)=(a)+(b)	Forecast Outturn 2021/22 £000 (d)	Variance 2021/22 £000 (e) = (d)-(c)
Physical Support - Frail & Elderly	31,151	(18,874)	12,277	12,383	+106
Sensory Support	1,056	(196)	860	879	+19
Support with Memory & Cognition	12,181	(4,905)	7,276	6,630	(646)
Learning Disability Support	27,822	(7,953)	19,869	20,838	+969
Mental Health Support	3,999	(900)	3,099	3,432	+333
Assistive Equipment & Technology	2,210	(1,609)	601	595	(6)
Care Management - Assessment & Review	8,298	(2,540)	5,758	5,681	(77)
Transport and Generic Services	1,401	(1,401)	0	(15)	(15)
Management, Commissioning & Support Services	4,937	(4,937)	0	(10)	(10)
Total	93,055	(43,315)	49,740	50,413	+673

- 2.9.1 Early estimates of service demand and package costs show an anticipated pressure for the portfolio of £673k.

- 2.9.2 Occupancy in residential and nursing for the over 65 age group remains at anticipated levels at this point in the year and the utilisation of Covid-19 funding and anticipated staff slippage is resulting in an underspend of £330k. The savings programme is mostly denoted as green and will be achieved. Those denoted as amber have been delayed. However, it is still anticipated that these will be achieved as work progresses through the year or via overachievement in other areas.

- 2.9.3 However, supported living services for people requiring support for a Learning Disability are under pressure of an estimated £969k. This is a continuation of the demand seen in

2020/21 due to the high volume and complexity of care packages coming into the service in the last 18 months. The savings programme for 2021/22 in this area remains on track and is mainly made up of the reconfiguration of in-house services. Reviews of care packages continue, and efficiencies will be identified in year where possible. Specialist project work resource is now in place and it is anticipated that the service redesign in this area will address the underlying demand and complex package costs in the longer term for example via the introduction of co-produced care settings, similar to recent local developments in this area.

2.9.4 Uncertainty remains around the reorganisation of the NHS over the coming year. As an integrated function, the portfolio will continue to work closely with Health colleagues and, as more details are received, any financial impact for the portfolio will be assessed and reported.

2.10 Wellbeing, Culture and Heritage

(i) Public Health Services

Public Health Services	Current Expend. Budget 2021/22 £000 (a)	Current Income Budget 2021/22 £000 (b)	Current Net Budget 2021/22 £000 (c)=(a)+(b)	Forecast Outturn 2021/22 £000 (d)	Variance 2021/22 £000 (e) = (d)-(c)
Sexual Health	2,104	0	2,104	2,065	(39)
Primary Care	102	0	102	86	(16)
Public Health Advice	636	0	636	632	(4)
Obesity	1,072	0	1,072	1,149	+77
Physical Activity	1,416	0	1,416	1,458	+42
Substance Misuse	2,878	0	2,878	2,832	(46)
Stop Smoking Services and Interventions	546	0	546	595	+49
Healthy Child Programme	4,723	0	4,723	4,702	(21)
Miscellaneous Public Health Services	1,491	(100)	1,391	1,422	+31
Management & Support Services	2,185	(2,185)	0	(108)	(108)
Public Health Grant	0	(14,868)	(14,868)	(14,833)	+35
Total	17,153	(17,153)	0	0	0

2.10.1 The Public Health Grant is currently expected to be balanced for the year. The savings programme is largely on track but negotiations are still on going with providers and yet to be concluded. The savings denoted as at risk or which will not be achieved in year total £359k which will be funded from the carried forward grant balance for 2021/22. £341k of this total is due to the shortfall in grant allocation for 2021/22 which was 0.67% instead of the anticipated 5%.

2.10.2 The Public Health Team have also secured additional funding of £618k in relation to programmes for Adult Weight Management and Drug Treatment Crime and Harm Reduction. Further bids are in the process of being submitted in relation to funding for Child and Family Weight Management and Better Mental Health.

(ii) Culture and Heritage

Culture and Heritage	Current Expend. Budget 2021/22 £000 (a)	Current Income Budget 2021/22 £000 (b)	Current Net Budget 2021/22 £000 (c)=(a)+(b)	Forecast Outturn 2021/22 £000 (d)	Variance 2021/22 £000 (e) =(d)-(c)
Adult Community Learning	622	(615)	7	7	0
Arts Development & Support	440	(40)	400	385	(15)
Archiving	271	(110)	161	156	(5)
Sports Development	800	(437)	363	352	(11)
Indoor Sports & Recreation	4,309	(3,706)	603	701	+98
Outdoor Sports & Recreation	469	(143)	326	350	+24
Library Services	2,233	(155)	2,078	2,322	+244
Tourism & Events	276	(26)	250	250	0
Total	9,420	(5,232)	4,188	4,523	+335

2.10.3 This area of the portfolio is currently projecting a pressure of £335k. The main area of saving in the portfolio relates to implementation of the Localities model £496k. A report on the Localities model was presented to Cabinet on 24 March 2021. Consultation will commence shortly on the Libraries Strategy, which is linked to the Localities model, but co-location of services will take some time to deliver. Slippage on vacant posts being held to mitigate the impact of the delay in implementation is £203k.

2.11 Finance & Governance and Reset & Recovery

Finance and Governance	Current Expend. Budget 2021/22 £000 (a)	Current Income Budget 2021/22 £000 (b)	Current Net Budget 2021/22 £000 (c)=(a)+(b)	Forecast Outturn 2021/22 £000 (d)	Variance 2021/22 £000 (e) =(d)-(c)
Local Tax Collection	2,705	(847)	1,858	1,858	0
Emergency Planning	83	0	83	83	0
Local Welfare Assistance Schemes	175	0	175	175	0
Grants & Donations	50	(4)	46	46	0
Non-Distributed Costs	2,004	0	2,004	2,004	0
Finance	6,429	(6,429)	0	0	0
Coroners Court Services	220	0	220	220	0
Registration of Births, Deaths & Marriages	216	(195)	21	21	0
Democratic Representation & Management	1,424	0	1,424	1,424	0
Elections	408	(2)	406	406	0
Human Resources	2,985	(2,985)	0	0	0
Legal Services	1,433	(1,433)	0	0	0
Governance & Administration	226	(226)	0	0	0
Total	18,358	(12,121)	6,237	6,237	0

Reset and Recovery	Current Expend. Budget 2021/22 £000 (a)	Current Income Budget 2021/22 £000 (b)	Current Net Budget 2021/22 £000 (c)=(a)+(b)	Forecast Outturn 2021/22 £000 (d)	Variance 2021/22 £000 (e) =(d)-(c)
Corporate Management	1,403	0	1,403	1,403	0
I.T.	7,802	(7,802)	0	0	0
Press and Public Affairs	588	(588)	0	0	0
Policy Development	626	(626)	0	0	0
Other Services	129	(129)	0	0	0
Corporate Training	251	(251)	0	0	0
Total	10,799	(9,396)	1,403	1,403	0

2.11.1 Based upon current vacancies within the two portfolios within Corporate Services Department, the slippage budgets would not be met. However, from previous years' experience, it is expected that vacancies will arise as the year progresses due to staff movement and therefore targets will be met.

2.11.2 Significant budget savings have been made across supplies and services within the portfolios for 2021/22, because of new Ways of Working. Current estimates suggest that expenditure for the financial year will be contained within budget, but this will be closely monitored as the year progresses and updates will be provided accordingly. At this stage savings for both portfolios are expected to be achieved in 2021/22.

2.12 Environment and Transport

Environment and Transport	Current Expend. Budget 2021/22 £000 (a)	Current Income Budget 2021/22 £000 (b)	Current Net Budget 2021/22 £000 (c)=(a)+(b)	Forecast Outturn 2021/22 £000 (d)	Variance 2021/22 £000 (e) =(d)-(c)
Parks & Open Spaces	2,258	(77)	2,181	2,291	+110
Street Cleansing	1,790	(176)	1,614	1,607	(7)
Cemetery and Crematorium	1,434	(2,456)	(1,022)	(942)	+80
Waste Collection	2,472	(1,000)	1,472	1,830	+358
Recycling	6,147	(2,176)	3,971	4,098	+127
Parking Services	1,409	(1,527)	(118)	(85)	+33
Highway Maintenance	10,549	(1,927)	8,622	8,457	(165)
Street Lighting	1,782	(161)	1,621	1,614	(7)
Traffic Management & Road Safety	704	(213)	491	597	+106
Direct Services	18,404	(18,370)	34	155	+121
Management & Support Services	1,677	(1,677)	0	(55)	(55)
Councillor Improvement Fund	425	0	425	425	0
Total	49,051	(29,760)	19,291	19,992	+701

2.12.1 The portfolio is projecting an overspend of £701k. One of the pressures is due to the current non-achievement of savings around staffing. Vacant posts are being held to mitigate the impact pending implementation of the Phase 3 restructure. The net impact is a pressure of £153k. The portfolio also has a challenging income target for commercialisation and work is ongoing to try to achieve this but at this point in the year a shortfall is projected of £358k.

2.12.2 Other pressures within the portfolio relate to Waste Collection and Recycling (£127k). Additional vehicles are on hire to deal with the additional tonnages of waste being generated, with the corresponding staffing requirements covered by agency staff.

2.13 Regeneration and Planning

Regeneration and Planning	Current Expend. Budget 2021/22 £000 (a)	Current Income Budget 2021/22 £000 (b)	Current Net Budget 2021/22 £000 (c)=(a)+(b)	Forecast Outturn 2021/22 £000 (d)	Variance 2021/22 £000 (e) =(d)-(c)
Building Control	630	(353)	277	290	+13
Development Control	1,315	(918)	397	428	+31
Planning Policy	881	(100)	781	769	(12)
Estates - Industrial & Commercial Premises (including Town Centre)	4,871	(5,126)	(255)	(193)	+62
Market Undertakings	767	(477)	290	317	+27
Economic Development	1,019	(65)	954	1,054	+100
Management & Support Services	1,265	(1,265)	0	0	0
Transport Planning, Policy & Strategy	650	(352)	298	299	+1
Building Support Services	5,769	(5,769)	0	(32)	(32)
Estates Management	344	(344)	0	(2)	(2)
Total	17,511	(14,769)	2,742	2,930	+188

2.13.1 The portfolio is projecting a pressure of £188k, of which £129k relates to current non-achievement of staff savings offset by slippage on vacant posts. Vacancies are being held pending implementation of the Phase 3 restructure.

2.14 Safer, Stronger Communities

Safer, Stronger Communities	Current Expend. Budget 2021/22 £000 (a)	Current Income Budget 2021/22 £000 (b)	Current Net Budget 2021/22 £000 (c)=(a)+(b)	Forecast Outturn 2021/22 £000 (d)	Variance 2021/22 £000 (e) =(d)-(c)
Housing Services	2,705	(1,807)	898	972	+74
Homelessness	832	(529)	303	303	0
Housing Benefit Administration	49,753	(49,834)	(81)	(81)	0
Supporting People	5,250	0	5,250	5,030	(220)
Community Safety	1,151	(208)	943	928	(15)
Environmental Health	1,439	(421)	1,018	1,060	+42
Trading Standards	535	(15)	520	502	(18)
Licencing & Land Charges	556	(653)	(97)	(97)	0
Total	62,221	(53,467)	8,754	8,617	(137)

2.14.1 The portfolio is currently projecting an underspend of £137k. Current non achievement of staff savings is projected to be £104k. However, savings on the Supporting People contracts that were to be implemented over two years have been implemented in 2021/22.

Providers have been awarded two year contracts which provides some cost certainty for 2021/22 and 2022/23. This has produced an additional saving in 2021/22 of £220k.

- 2.15 This report also provides details of the forecast outturn position on a priority basis at Annex B.

Corporate Items

- 2.16 The forecast Minimum Revenue Provision charge for 2021/22 has reduced by £261k as a consequence of rephasing of schemes within the capital programme into future years, as reported in the Revenue and Capital Outturn Report considered by Cabinet on 23 June 2021.

Covid-19 Financial Implications

- 2.17 Table 2 details the pressures arising from additional spending and income losses during 2021/2022, alongside the estimated funding available from Government Emergency Funding in 2021/22 and the SFC compensation scheme for the period April to June 2021.

Table 2 - Covid-19 Position	£000
Total Emergency Funding 2021/22	5,837
Budgeted SFC compensation scheme Income	461
Total Emergency & SFC Compensation Funding	6,298
Forecast Additional Spending Pressures 2021/22	1,903
Forecast Loss of Sales, Fees & Charges Income 2021/22	3,849
Forecast Loss of Commercial and Other Income 2021/22	546
Total Forecast Additional Costs / Income Loss	6,298

- 2.18 The most significant areas of additional expenditure relate to supporting hospital discharges, and adaptations to public buildings to ensure safe working and are fully Covid compliant. The key income loss areas relate to parking, leisure services, fees for attendance at day centres and court fee income.

SECTION 3: IMPLEMENTATION OF 2021/22 SAVINGS PROPOSALS

3.1 The Council's 2021/22 budget was approved by Council on 3 March 2021, and in setting the budget members agreed to the delivery of £13.44m savings during the year across all portfolios.

3.2 Table 3a below details those savings which are forecast to be achieved in year (green). Savings of £341k are at risk of not being achieved (red). Those savings detailed as amber are where there is some degree of slippage on implementing the saving and a risk of not being delivered in 2021/22. Management are reviewing the plans for each amber saving to either ensure the saving is made or identify alternative options to address that risk.

Table 3a Progress of Budget Savings Proposals 2021/22	Total Saving 2021/22 £000	Saving Achievable 2021/22 £000	Slippage on Saving 2021/22 £000	Saving not Achievable 2021/22 £000
Children's Services	3,486	2,442	1,044	0
Integrated Care and Health	4,387	3,790	597	0
Public Health	1,112	753	18	341
Place Services	3,352	2,134	1,218	0
Corporate Services	1,103	1,103	0	0
Total	13,440	10,222	2,877	341
%	100%	76.05%	21.41%	2.54%

3.3 At this stage, 23.95% of savings equating to £3.218m are forecast to potentially be at risk or will not be delivered in the year. It must be noted that some of the savings annotated as 'green' deliverable in the year would present a significant financial risk should the saving fail to be implemented. It is critical that action plans continue to be identified and implemented to ensure savings are managed and delivered and ensure 'green' savings remain on track.

3.4 The savings for Public Health included an assumed grant increase of 5%. The actual increase has been confirmed as 0.67% and therefore for 2021/22 this saving is not achievable.

3.5 Within Children's Services, there is some forecast slippage against savings targets, based on likely formal consultation timescales. Sections 2.7 and 2.8 provide additional commentary. The Department continues to actively progress these reviews and is seeking to limit and mitigate the financial pressures arising from delays in implementation.

3.6 Within Place Services, there has been a delay in the delivery of some savings, particularly in relation to service reviews and reductions in staffing costs. Vacant posts are being held to mitigate the impact pending the implementation of the Phase 3 structure. In addition, work is ongoing in relation to the challenging income targets for commercialism, with risk of non-delivery based on the current position and projections. The approved saving in relation to Supporting People has been accelerated and this will partly offset the financial risks of other Place Services savings that may not be delivered in 2021/22. Sections 2.10, 2.12, 2.13 and 2.14 provide further detail.

3.7 In relation to Integrated Care and Health, there have been delays in some saving areas, which present a consequential financial risk. However, it is still anticipated that these will be achieved as specialist project work progresses throughout the year, reviews of care

packages continue, and service redesign is undertaken. Section 2.9 provides additional commentary.

3.8 Table 3b details the deliverability of savings for 2021/22 by type of saving proposal.

Table 3b - Nature of Saving Proposal	Total 2021-22 £000	Green £000	Amber £000	Red £000
Integrated Care and Health Service Reviews				-
- Care Home Placement Modelling	1,320	1,320	-	-
- Learning Disability Service Reviews	1,090	813	277	-
- Commissioned Services	500	280	220	-
- Care Packages	857	857	-	-
- Other Services	620	520	100	-
Total Integrated Care and Health	4,387	3,790	597	-
Children's Social Care Service Reviews				
- Residential and Foster Care Placement /Young People Leaving Care	1,550	1,285	265	-
- Children's Centres and Early Help Services	700	350	350	-
- Family Support Services	480	240	240	-
- Department Wide	84	20	64	-
Total Children's Social Care	2,814	1,895	919	-
Children's Services Service Reviews				
- Education Services	145	95	50	-
- Young People's Services	150	75	75	-
- Department Wide	377	377	-	-
Total Children's Services	672	547	125	-
Public Health Service Reviews				
- Review of Public Health Funded Programmes	769	751	18	-
- Other Public Health	343	2	-	341
Total Public Health	1,112	753	18	341
Place Service Reviews				
- Councillor Improvement Fund	75	75	-	-
- Department Wide Service Reviews	2,013	1,285	728	-
- Supporting People	245	245	-	-
- Income Generation	567	209	358	-
- Other	452	320	132	-
Total Place Services	3,352	2,134	1,218	-
Corporate Service Reviews				
- Department Wide	360	360	-	-
- Income Generation	41	41	-	-
- Pensions Prepayment	330	330	-	-
- Other	372	372	-	-
Total Corporate Services	1,103	1,103	-	-
TOTAL	13,440	10,222	2,877	341
%	100%	76.05%	21.41%	2.54%

SECTION 4: CAPITAL PROGRAMME 2021/22 to 2023/24

- 4.1 The capital budget has been updated to reflect the outturn position for 2020/21 (subject to audit), as reported to Cabinet on 23 June 2021. The programme has also been revised and includes the addition of new schemes for 2021/22 financial year and beyond, including St Helens Southern Gateway (£4,894k) funded from the Transforming Cities Fund through the Liverpool City Region Combined Authority and nursery provision at The District CE Primary School (£825k). Funding confirmations have been received from the Department for Education in relation to a number of school capital grants. Additional highways funding has been provided by the Liverpool City Region Combined Authority and Cabinet approved the allocation of the funding on 23 June 2021. Annex E provides further detail on these schemes alongside commentary on the progress of other existing large capital schemes.
- 4.2 In setting the 2021/22 budget a number of strategic capital investment schemes totaling £16.583m were agreed in principle subject to approval following detailed feasibility and design work. Two of these schemes have been included in the revised capital programme following subsequent approval - External Works to the Gamble Building (£1,400k) and the Climate Change Emergency Response (£120k). These schemes will be funded from borrowing. Other pipeline schemes will be added to the programme at quarter2 and 3 subject to the required approval being secured.
- 4.3 Table 4 presents a summary of the Council's current 3-year capital programme. The detailed programme is provided at Annex E.

Table 4 - Capital Programme 2021/22 to 2023/24	2021/22 £000	2022/23 £000	2023/24 £000
Education, Skills and Business	19,438	4,429	2,300
Children and Young People	110	-	-
Integrated Care and Health	55	-	-
Wellbeing, Culture and Heritage	1,020	-	-
Reset and Recovery	354	950	-
Environment and Transport	28,059	24,076	8,353
Regeneration and Planning	8,021	450	450
Safer, Stronger Communities	5,051	3,209	2,774
Total	62,108	33,114	13,877
FINANCED BY			
Grants and Other Contributions	38,884	28,377	12,727
Capital Receipts	4,182	1,798	200
Revenue Contribution	1,417	1,200	250
Borrowing	17,625	1,739	700
Total	62,108	33,114	13,877

SECTION 5: RESERVES AND BALANCES

5.1 General Balances

The general balances position at 31 March 2022 is forecast to be as follows, having regard to the net current forecast outturn position as detailed in Table 1. This position assumes that the Council's continued financial exposure from Covid-19 can be contained within the 2021/22 funding and the earmarked Covid-19 reserve.

Table 5 – General Balances	Original Estimate £000	Forecast Outturn £000
General Balances at 1 April 2021	12,000	12,780
Net Position 2021/22	-	(2,840)
General Balances at 31 March 2022	12,000	9,940

The Council recognises that the level of reserves it should maintain must be set having regard to its future sustainability, priorities, and the operational and financial risks facing the authority. The Council's Reserve Strategy is included within the *Medium-Term Financial Strategy 2021-2024 and Revenue and Capital Budget 2021/22* report considered by Cabinet on 24 February 2021 and approved by Council on 3 March 2021.

5.2 Earmarked Balances

The forecast position in relation to Earmarked Balances at 31 March 2022 is provided in Table 6. Annex C details approved use of Earmarked Balances during the period and Annex F provides details of Earmarked Balances to 2023/24.

Table 6 – General Earmarked Balances	£000
General Earmarked Reserves at 1 April 2021	41,740
Forecast Net Position 2021/22	(13,926)
Forecast General Earmark Balances at 31 March 2022	27,814

5.3 Schools Balances

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

Table 7 – School Balances	£000
School Balances at 1 April 2021	11,656
Forecast Net Position 2021/22	(656)
Forecast School Balances at 31 March 2022	11,000

5.4 Usable Capital Receipts

Table 8 – Usable Capital Receipts	£000
Capital Receipts brought forward at 1 April 2021	23,466
Receipts set-aside for the Land and Property Acquisition Fund	(10,000)
Receipts generated in year to date	0
Receipts from the repayment of Council grants and loans ring-fenced for future years' Housing Programme	(135)
Required to fund Capital Programme 2021/22 to 2023/24 *	(6,180)
Available Balance (after taking commitments into account) **	7,151

* Excludes building demolition costs at Redbank School site as detailed in the Cabinet Report of the 8th January 2019. The costs of demolition subsequently being reimbursed to the capital receipts reserve upon any future disposal of the site by Redbank Schools Ltd.

** Excludes the use of capital receipts under the capital receipts flexibility – see 5.5 below.

5.5 Flexible Use of Capital Receipts

- 5.5.1 To support support local authorities deliver more efficient and sustainable services, the Government have provided a time limited flexibility to use capital receipts from the disposal of property, plant and equipment assets to fund the revenue cost of service transformation.
- 5.5.2. Under normal rules, capital receipts can only be used to fund capital expenditure such as the purchase of capital assets or improvements to existing assets. The current flexibilities enable Councils to use income from the sale of certain assets to fund the short-term revenue costs that support invest-to-save and efficiency projects in order to provide revenue savings in the future.
- 5.5.3 These flexibilities fit well with the Council's Medium Term Financial Strategy and its plan for achieving financial sustainability through transformation projects, including efficiency measures, invest-to-save projects and new income generation plans. Given the level of savings required over the medium-term and the number and scope of projects required, it is important to provide the necessary level of resource input and related funding for these projects to be successful. The flexible use of capital receipts means that these essential projects can be progressed without putting additional pressure on revenue resources or existing earmarked reserves.

Rules of Qualification

- 5.5.4 Revenue expenditure qualifies to be funded from the capital receipt flexibility if it has been incurred on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners.
- 5.5.5 It is a condition of the direction that the flexible use of capital receipts only applies to capital receipts which have been received in the years to which the directive applies, which currently runs through to 31 March 2022. However, as part of the 2021/22 Local Government Finance Settlement, the Government announced intention for a 3-year

extension from 2022/23 onwards and advised that further details of the extension would be provided in due course.

- 5.5.6 The Guidance contains provision that set up and implementation costs of any new processes or arrangements can be classified as qualifying expenditure whereas the ongoing revenue costs of the new processes or arrangements cannot. Examples of qualifying expenditure, as contained in the Guidance, are provided in Annex F.

Strategy for Use of Flexibility

- 5.5.7 Over many years the Council has been delivering savings programmes as a consequence of Government funding reductions and unavoidable cost pressures, including those arising in demand led services such as adult and children's social care.
- 5.5.8 The flexibility provides an alternative way of funding the one-off transformation costs and up-front investment associated with delivery of recurring savings which are required to deliver a balanced budget in future years.
- 5.5.9 It is recommended that capital receipts totalling £1.5m are made available to resource transformation costs incurred in the current financial year and (subject to the extension beyond 31 March 2022 being confirmed) future projects that will deliver the required savings in the Medium Term Financial Strategy.
- 5.5.10 Having regard to the currently projected overspend for 2021/22, consideration will be given to reduce the level of risk within the Medium-term Financial Strategy by using the flexibility to offset current and planned transformation costs that would otherwise need to be funded from general fund resources.
- 5.5.11 It is proposed that delegation is provided to the Chief Executive and Executive Director of Corporate Services to identify and approve projects where the use of the flexibilities will be applied. Further reports will report on each project that plans to make use of the capital receipts flexibility and, on a project-by-project basis, details of the expected savings/service transformation will be provided.

SECTION 6: OTHER FINANCIAL MONITORING MATTERS

6.1 Other Matters

6.1.1 Troubled Families

The Financial Framework for the Troubled Families Programme consists of two funding streams; Service Transformation Funding to provide intensive family support services; and funding for achieving targets for successful family outcomes (also known as Payments by Results funding). The Ministry of Housing, Communities and Local Government (MHCLG) has confirmed the Service Transformation Funding for 2021/22 is £571k.

6.1.2 Rough Sleeping Initiative

Since April 2018, a duty has been placed on Councils to prevent homelessness under the Homelessness Reduction Act 2017. Persons with complex needs who are homeless and rough sleeping have been identified as a key area where additional provision is needed. The MHCLG Rough Sleeper Initiative Round 4 Fund provides funding to address this need as part of the Government's national Rough Sleeping Strategy, and St Helens has been awarded £368k.

6.1.3 Early Repayment of Financial Assistance

On 24 March 2021, Cabinet approved the delegation to the Executive Director of Corporate Services in conjunction with the Cabinet Member for Finance and Governance to agree the terms of the early repayment arrangement with St Helens Clinical Commissioning Group (CCG). Members are asked to note that the CCG made full repayment of the financial assistance made during 2016/17 in March 2021.

6.1.4 Taxation Income Guarantee (TIG)

MHCLG provided details of the proposed methodology for determining the sums due to authorities under the TIG scheme in May 2021, to compensate for loss of business rates and council tax income in 2020/21. However, on 30 June 2021 MHCLG informed the Chief Finance Officer of each local authority that there was an error in the methodology and the TIG calculator. For St Helens this resulted in a reduction in TIG Funding of £194k and a corresponding reduction in the level of the Covid-19 Reserve at 31 March 2021.

Section 5.2.2 of the Revenue and Capital Outturn Report approved by Cabinet on 23 June 2021 detailed a balance on the Covid-19 Reserve of £28,747k at 31 March 2021. The revised balance reflecting the above adjustment is £28,553k.

SECTION 7: TREASURY MANAGEMENT POSITION STATEMENT

- 7.1 A summary of the Council's Treasury position at the end of the reporting period is included in Table 9. A more detailed breakdown of the Treasury Management position is included at Annex F.

Table 9 – Treasury Management Position	As at 1 April 2021	As at Current Period
Investments Outstanding	£137.4m	£153.6m
Investment Returns (average for the year to date)	-	0.36%
Benchmark Returns	-	0.00%
Borrowing	£121.6m	£121.6m

Budget Movements since the previous reporting period

Annex A

PORTFOLIO	Approved Budget	Carry Forward	Carry Forward / Acceleration of Earmarked Reserves	Use of Earmarked Reserves in Period	Technical & Accounting Adjustments	Current Budget
	£000	£000	£000	£000	£000	£000
	*1	*2	*3	*4	*5	
Education, Skills and Business	11,738	187	158	-	-	12,083
Children and Young People	43,374	-	21	-	(37)	43,358
Integrated Care and Health	48,963	-	-	-	777	49,740
Wellbeing, Culture and Heritage	3,950	34	141	-	63	4,188
Finance and Governance	6,250	-	27	-	(40)	6,237
Reset and Recovery	1,358	-	(111)	45	111	1,403
Environment and Transport	19,167	-	183	-	(59)	19,291
Regeneration and Planning	2,435	76	281	-	(50)	2,742
Safer, Stronger Communities	8,719	-	34	(34)	35	8,754
TOTAL DIRECTORATE BUDGETS	145,954	297	734	11	800	147,796
Council Wide Budgets	(145,954)	-	(734)	(11)	(800)	(147,499)
Net Position 2020/21	-	297	-	-	-	297

*1 Approved budget as detailed in the report to Council on 3 March 2021

*2 Approved budget carry forward from 2020/21 for commitments continuing into 2021/22 (see section 2.5.1)

*3 Approved earmarked reserve carry forward from 2020/21 into 2021/22 and acceleration of earmarked reserves from 2021/22 into 2020/21 (see section 2.5.1)

*4 Use of earmarked reserves during the period (see Annex C)

*5 Neutral technical and accounting adjustments (e.g. recharges, depreciation)

Portfolio Budgets on a Priority Basis

	Current Net Budget 2021/22 £000	Forecast Outturn 2021/22 £000	Variance 2021/22 £000
Priority 1 – Ensure children and young people have a positive start in life	54,878	55,922	+1,044
Priority 2 – Promote good health, independence and care across our communities	49,740	50,413	+673
Priority 3 – Create safe and strong communities and neighbourhoods for all	8,754	8,617	(137)
Priority 4 – Support a strong, thriving, inclusive and well-connected local economy	3,194	3,415	+221
Priority 5 – Create green vibrant places that reflect our heritage and culture	24,187	25,110	+923
Priority 6 – Be a responsible modern Council	7,043	7,123	+80
Total	147,796	150,600	+2,804

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

This table details the approved decisions to utilise Earmarked Reserves during the period / or funding returned to reserves as not required in 2021/22				
Portfolio / Corporate Items	Reserve	Detail	Decision Reference	Cash Limit Change 2021/22 £000
Reset and Recovery	Transformation	Funding of £180k to support the management of the digital transformation programme profiled over 3 years	CORP000877	+45
Safer, Stronger Communities	Community Investment Reserve	Funding for Capital Works at Sherdley Road	Cabinet 25 Match 2020	(34)
Corporate Items	Transformation	A decision of the Merseyside Pension Fund in March 2021 to defer anticipated pension contribution increases for 2021/22 until the next actuarial review results in the provision for these liabilities no longer being required in the year	N/A	(1,267)
Total				(1,256)

GENERAL EARMARKED RESERVES 2020/21 to 2023/24

Reserve	Balance at 1 April 2021 £000	Balance at 1 April 2022 £000	Balance at 1 April 2023 £000	Balance at 1 April 2024 £000
Transformation Reserve *	18,377	7,418	16,461	16,416
Growth Reserve	6,571	4,171	4,171	4,171
Essential Equipment Fund	1,482	946	446	446
Councillor Improvement Fund	702	452	452	452
Insurance & Contingent Liability Reserve	4,518	4,518	4,518	4,518
Waste Management Development Fund	1,249	495	485	485
Inflationary Reserve	1,000	2,000	3,000	4,000
Community Improvement Reserve	997	587	587	587
Restructuring Reserve	1,617	0	0	0
Funding Reform and Volatility Reserve	5,227	7,227	9,227	11,227
TOTAL	41,740	27,814	39,347	42,302

*During 2021/22, £9.1m will be used to fund the Pensions prepayment to Merseyside Pension Fund, with this sum being reimbursed during 2022/23.

The above table excludes:

- The sum of £510k approved as match funding to support a bid to the Department for Transport (DfT) for Highways Pinch Point Funding. The match is only required in the event the bid being approved by the DfT, as detailed in the Cabinet Report of 26 February 2020.
- Any funding requirement from Earmarked Reserves in relation to the Glass Futures Regeneration Programme approved by Cabinet on 7 October 2020.

CAPITAL PROGRAMME SUMMARY 2021/22 TO 2023/24

	Capital Programme				Funding			
	2021/22	2022/23	2023/24	Total	Borrowing	Capital Receipts	Revenue	Grants / Conts.
	£000	£000	£000	£000	£000	£000	£000	£000
Education, Skills & Business	19,438	4,429	2,300	26,167	4,129	784	45	21,209
Children & Young People	110	0	0	110	0	0	0	110
Integrated Care & Health	55	0	0	55	0	0	0	55
Wellbeing, Culture & Heritage	1,020	0	0	1,020	636	0	0	384
Reset & Recovery	354	950	0	1,304	0	0	1,304	0
Environment & Transport	28,059	24,076	8,353	60,488	9,185	2,934	780	47,589
Regeneration & Planning	8,021	450	450	8,921	5,313	2,205	738	665
Safer, Stronger Communities	5,051	3,209	2,774	11,034	801	257	0	9,976
TOTAL	62,108	33,114	13,877	109,099	20,064	6,180	2,867	79,988

CAPITAL PROGRAMME 2021/22 TO 2023/24

EDUCATION, SKILLS AND BUSINESS PORTFOLIO	Capital Programme				Funding			
	2021/22	2022/23	2023/24	Total	Borrowing	Capital Receipts	Revenue	Grants / Conts.
	£000	£000	£000	£000	£000	£000	£000	£000
Primary Schools								
Ashurst Primary Rebuild	5,312	1,500	0	6,812	0	0	0	6,812
Bleak Hill Primary Expansion	95	0	0	95	0	0	0	95
Grange Valley Primary - Remodel Staff Room	55	0	0	55	0	0	45	10
The District Primary - Nursery Provision	825	0	0	825	0	0	0	825
Special & Other Schools								
Launchpad Roof Renewal	100	0	0	100	0	0	0	100
Penkford Relocation	5,112	1,500	0	6,612	4,129	784	0	1,699
Other Schemes								
Other Schemes less than £50k	360	0	0	360	0	0	0	360
Uncommitted Grant Funding								
Healthy Pupils Capital Funding	125	0	0	125	0	0	0	125
School Devolved Formula Capital	715	300	300	1,315	0	0	0	1,315
SEND Capital Grant	649	0	0	649	0	0	0	649
Basic Need Uncommitted	2,764	129	1,000	3,893	0	0	0	3,893
School Condition Funding Uncommitted	3,326	1,000	1,000	5,326	0	0	0	5,326
TOTAL	19,438	4,429	2,300	26,167	4,129	784	45	21,209

CHILDREN AND YOUNG PEOPLE PORTFOLIO	2021/22	2022/23	2023/24	Total	Borrowing	Capital Receipts	Revenue	Grants / Conts.
	£000	£000	£000	£000	£000	£000	£000	£000
	Children and Families Accommodation	110	0	0	110	0	0	0
TOTAL	110	0	0	110	0	0	0	110

INTEGRATED CARE AND HEALTH PORTFOLIO
Mental Health Tenancy Support
Brookfield Centre Internal Door Replacement
TOTAL

2021/22	2022/23	2023/24	Total
£000	£000	£000	£000
30	0	0	30
25	0	0	25
55	0	0	55

Borrowing	Capital Receipts	Revenue	Grants / Conts.
£000	£000	£000	£000
0	0	0	30
0	0	0	25
0	0	0	55

WELLBEING, CULTURE AND HERITAGE PORTFOLIO
Libraries ICT Refresh
Newton Le Willows Health and Fitness Centre Equipment
Sutton Leisure Centre - Swimming Provision
Sutton Leisure Centre - Third Generation Pitch
TOTAL

2021/22	2022/23	2023/24	Total
£000	£000	£000	£000
53	0	0	53
65	0	0	65
391	0	0	391
511	0	0	511
1,020	0	0	1,020

Borrowing	Capital Receipts	Revenue	Grants / Conts.
£000	£000	£000	£000
53	0	0	0
65	0	0	0
391	0	0	0
127	0	0	384
636	0	0	384

RESET AND RECOVERY PORTFOLIO
ICT Device Refresh
TOTAL

2021/22	2022/23	2023/24	Total
£000	£000	£000	£000
354	950	0	1,304
354	950	0	1,304

Borrowing	Capital Receipts	Revenue	Grants / Conts.
£000	£000	£000	£000
0	0	1,304	0
0	0	1,304	0

ENVIRONMENT AND TRANSPORT PORTFOLIO	2021/22	2022/23	2023/24	Total	Borrowing	Capital Receipts	Revenue	Grants / Conts.
	£000	£000	£000	£000	£000	£000	£000	£000
Highway Schemes								
A49 to M6 Junction 22 Link Road	13,637	18,341	5,440	37,418	6,170	0	0	31,248
A570 St Helens Linkway	17		0	17	17	0	0	0
A58 Liverpool Rd/A580 East Lancs Rd	506	0	0	506	506	0	0	0
Junct.Impvts (Pewfall). KRN (Employment Hubs)								
Accessibility Improvements Supporting Regeneration	40	0	0	40	0	0	0	40
Active Travel Fund - Tranche 1	32	0	0	32	0	0	0	32
Active Travel Fund - Tranche 2	936	0	0	936	0	0	0	936
Bridge Strengthening & Maintenance	440	0	0	440	0	0	0	440
Carriageway Maintenance	2,141	0	0	2,141	0	0	0	2,141
Highways Challenge Fund	952	0	0	952	0	0	0	952
Highway / Road Investment	464	0	0	464	153	311	0	0
Key Route Network	393	0	0	393	0	0	0	393
LCR Sustainable Urban Development	824	0	0	824	0	0	0	824
Local Safety Schemes	210	0	0	210	0	0	0	210
Local Transport Plan Unallocated	45	2,213	2,213	4,471	0	0	0	4,471
Safer Routes to Schools	163	0	0	163	35	0	15	113
SCP - Amber Flashing Lights	10	0	0	10	0	0	10	0
Section 106 Arrangements	81	0	0	81	0	0	0	81
St.Helens Southern Gateway Package	2,774	2,120	0	4,894	0	0	0	4,894
Street Lighting	421	0	0	421	0	0	0	421
Traffic Calming & Restraint	40	0	0	40	0	0	0	40
Traffic Management & Signing	40	0	0	40	0	0	0	40
Urban Traffic Control	220	0	0	220	0	0	0	220
Walking & Cycling Measures	40	0	0	40	0	0	0	40

ENVIRONMENT AND TRANSPORT PORTFOLIO (Cont.)
Environmental Schemes
Climate Change Emergency Response Fund
Recycling & Waste Collection
Section 106 Arrangements (Non-Highway Schemes)
Other Schemes
Vehicle Replacement Programme
TOTAL

2021/22	2022/23	2023/24	Total
£000	£000	£000	£000
120	0	0	120
800	0	0	800
53	0	0	53
2,660	1,402	700	4,762
28,059	24,076	8,353	60,488

Borrowing	Capital Receipts	Revenue	Grants / Conts.
£000	£000	£000	£000
120	0	0	0
0	45	755	0
0	0	0	53
2,184	2,578	0	0
9,185	2,934	780	47,589

REGENERATION AND PLANNING PORTFOLIO
Demolition of Chalon Way Car Park
Ground Conditions Survey
Town Centre Development
Town Centre Strategic Acquisition
Town Hall Roof - Remedial Works
Hardshaw Brook Depot Review
Modernisation of St Helens Crematorium
The Gamble Building and Earlestown Town Hall
The Gamble Building (External works)
Feasibility and Project Management
TOTAL

2021/22	2022/23	2023/24	Total
£000	£000	£000	£000
665	0	0	665
61	20	20	101
38	0	0	38
1,295	0	0	1,295
114	0	0	114
755	0	0	755
3,219	0	0	3,219
94	0	0	94
1,400	0	0	1,400
380	430	430	1,240
8,021	450	450	8,921

Borrowing	Capital Receipts	Revenue	Grants / Conts.
£000	£000	£000	£000
0	0	0	665
21	80	0	0
0	0	38	0
0	1,295	0	0
0	114	0	0
673	82	0	0
3,219	0	0	0
0	94	0	0
1,400	0	0	0
0	540	700	0
5,313	2,205	738	665

SAFER, STRONGER COMMUNITIES PORTFOLIO
Housing Schemes
Disabled Facilities Grants and Adaptations
General Fund Housing (Housing Assistance)
Housing Clearance and Enforcement
Insulation Measures and Fuel Poverty
TOTAL

2021/22	2022/23	2023/24	Total
£000	£000	£000	£000
4,508	2,834	2,774	10,116
60	50	0	110
99	50	0	149
384	275	0	659
5,051	3,209	2,774	11,034

Borrowing	Capital Receipts	Revenue	Grants / Conts.
£000	£000	£000	£000
140	0	0	9,976
110	0	0	0
149	0	0	0
402	257	0	0
801	257	0	9,976

TOTAL

62,108	33,114	13,877	109,099
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20,064	6,180	2,867	79,988
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2021/22 CAPITAL BUDGET QUARTER 1 MONITORING - UPDATE

EDUCATION, SKILLS AND BUSINESS PORTFOLIO	Budget	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget	Narrative
	£000	£000	£000	£000	£000	
Primary Schools						
Ashurst Primary Rebuild	5,312	0	0	0	5,312	The planning application is currently being assessed and it is anticipated that a decision will be reached by the end of June 2021. Once the outcome is known, the Authority will work with the contractor to finalise drawings and costings. It is hoped that work will commence during late summer. However, it is now likely that the scheme will extend beyond the original planned completion date of September
Bleak Hill Primary Expansion	95	0	0	0	95	Construction of the classrooms has been completed and these are currently being prepared for the September 2021 intake. Works are still progressing to complete some external areas, including the new drop-off zone. It is currently anticipated that these will conclude prior to the end of the summer term. However, construction of the new facilities identified a number of issues with both the drainage of the site and other utilities works that were not included in the original cost plan. Officers have worked with utility providers and are currently preparing the estimated final account. It is currently forecast that this will result in extra costs of approximately £300k.
Grange Valley Primary - Remodel Staff Room	0	55	0	55	55	New Scheme 2021/22 as approved in Administrative Decision ENVP001943.
The District CE Primary - Nursery Provision	0	825	0	825	825	New Scheme 2021/22. Pending the outcome of the submitted planning application work will commence during the summer school holiday period with a view to works completing by November 2021.
Special & Other Schools						
Launchpad Roof Renewal	100	0	0	0	100	Delivery of the scheme has been paused pending identification and evaluation of the optimal solution, in terms of both the existing building and the needs of the service.

EDUCATION, SKILLS AND BUSINESS PORTFOLIO (Cont.)	Budget	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget	Narrative
	£000	£000	£000	£000	£000	
Penkford Relocation	5,112	0	0	0	5,112	Planning consent was granted in May 2021 and the Authority are currently working with the contractor and Quantity Surveying Consultant to finalise the cost plan and programme of works. However, there is a risk that the existing budget estimate is insufficient as there has been significant volatility in both material costs and availability. The Authority are currently working to finalise this matter. Subject to resolution, the scheme will deliver the new provision for the commencement of the 2022/23 academic year
Other Schemes						
Other Schemes less than £50k	360	0	0	0	360	
Uncommitted Grant Funding						
Early Education for 2 Year Olds	75	-75	0	-75	0	Funding has been applied to the new District Primary Nursery Scheme. Added to the capital programme at Q1.
Healthy Pupils Capital Funding	125	0	0	0	125	
School Devolved Formula Capital	712	3	0	3	715	The 2021/22 Devolved Formula Capital allocation has been confirmed as £313k. Prior year funding available £402k.
SEND Capital Grant	0	649	0	649	649	A further award of SEND Capital Grant has been announced for 2021/22. The allocation for St Helens is £649k.
Basic Need Uncommitted	2,764	0	0	0	2,764	Local Authorities receive an annual capital allocation from the Department for Education to ensure that there are adequate numbers of school places available. The 2021/22 grant (£2.818m) has been provided to ensure that there is sufficient capacity in schools from September 2022. Officers work closely with schools and their governing bodies, and to date, £54k has been committed. Further schemes will be brought forward should the need for works to deliver additional capacity be identified.
School Condition Funding Uncommitted	2,886	440	0	440	3,326	The 2021/22 School Condition Allocation has been confirmed as £1.796m. Prior year available funding £1.530m.
TOTAL	17,541	1,897	0	1,897	19,438	

CHILDREN AND YOUNG PEOPLE PORTFOLIO	Budget	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget	Narrative
	£000	£000	£000	£000	£000	
Children and Families Accommodation	110	0	0	0	110	This scheme relates to adaptations to two properties and it is anticipated works will be delivered during 2021/22, subject to planning approval where appropriate.
TOTAL	110	0	0	0	110	

INTEGRATED CARE AND HEALTH PORTFOLIO	Budget	New Schemes/ Funding Changes	Reprofiled into future Years	Changes to be approved in this Period	Revised Budget	Narrative
	£000	£000	£000	£000	£000	
Mental Health Tenancy Support	30			0	30	
Brookfield Centre Internal Door Replacement	25			0	25	
TOTAL	55	0	0	0	55	

WELLBEING, CULTURE AND HERITAGE PORTFOLIO	Budget	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget	Narrative
	£000	£000	£000	£000	£000	
Libraries ICT Refresh	53			0	53	The scheme is currently on hold pending a review of the costs. Additional surveys are being undertaken and anticipate a further report will be prepared for Cabinet in September.
Newton Le Willows Health and Fitness Centre Equipment	65			0	65	
Sutton Leisure Centre - Swimming Provision	391			0	391	
Sutton Leisure Centre - Third Generation Pitch	511			0	511	Scheme completed 8 June 2021.
TOTAL	1,020	0	0	0	1,020	

RESET AND RECOVERY PORTFOLIO	Budget	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget	Narrative
	£000	£000	£000	£000	£000	
ICT Device Refresh	446	-92		-92	354	£92k transferred to revenue 2021/22.
TOTAL	446	-92	0	-92	354	

ENVIRONMENT AND TRANSPORT PORTFOLIO	Budget	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget	Narrative
	£000	£000	£000	£000	£000	
Highway Schemes						
A49 to M6 Junction 22 Link Road	13,637			0	13,637	Decision on planning inquiry anticipated July/August 21.
A570 St Helens Linkway	17			0	17	
A58 Liverpool Rd/A580 East Lancs Rd Junct. Impvts (Pewfall). KRN (Employment Hubs)	506			0	506	Scheme is practically complete.
Active Travel Fund - Tranche 1	28	4		4	32	Additional funding Cycle Hubs
Active Travel Fund - Tranche 2	1,030	-94		-94	936	Part of the funding transferred to revenue (£94k)
Highways Challenge Fund	952			0	952	Anticipate work will be complete by July.
Highway / Road Investment	464			0	464	Investment in final phase of street lighting invest to save.
LCR Sustainable Urban Development	824			0	824	Tender is due to be released on the CHEST.
SCP - Amber Flashing Lights	10			0	10	
Section 106 Arrangements	81			0	81	
St.Helens Southern Gateway Package	0	2,774		2,774	2,774	Cabinet approved on 21 April 2021 the acceptance of Transforming Cities Funding of £4.894m over two years 2021/22 and 2022/23 for the delivery of St Helens Gateway cycling and walking schemes.
Local Transport Plan Unallocated	2,259	-2,214		-2,214	45 *	
Accessibility Improvements Supporting Regeneration	0	40		40	40 *	
Bridge Strengthening & Maintenance	240	200		200	440 *	
Carriageway Maintenance	0	2,141		2,141	2,141 *	
Local Safety Schemes	0	210		210	210 *	
Safer Routes to Schools	113	50		50	163 *	* Allocation of Highways Capital Funding approved by Cabinet on 23 June 2021 -Additional funding
Street Lighting	171	250		250	421 *	£1,017k allocated to various schemes.
Traffic Calming & Restraint	0	40		40	40 *	
Traffic Management & Signing	0	40		40	40 *	
Urban Traffic Control	0	220		220	220 *	
Walking & Cycling Measures	0	40		40	40 *	
Key Route Network	0	393		393	393	Additional funding as per Cabinet Report 23 June 2021.
Environmental Schemes						
Climate Change Emergency Response Fund	0	120		120	120	Delegated Executive Decision is being progressed for a Climate Change Response Fund to support the delivery of energy related projects.
Recycling & Waste Collection	755	45		45	800	Delivery of Scheme is dependent on the Waste & Recycling Review.
Section 106 Arrangements (Non-Highway Schemes)	53			0	53	
Other Schemes						
Vehicle Replacement Programme	2,660			0	2,660	At this stage it is anticipated the budget will be fully committed.
TOTAL	23,800	4,259	0	4,259	28,059	

REGENERATION AND PLANNING PORTFOLIO	Budget	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget	Narrative
	£000	£000	£000	£000	£000	
Demolition of Chalon Way Car Park	665			0	665	Demolition of Chalon Way completed, remediation works ongoing.
Ground Conditions Survey	61			0	61	
Town Centre Development	38			0	38	
Town Centre Strategic Acquisition	1,295			0	1,295	The Scheme is linked to the Town Centre development and pending the outcome from the announcement of the Towns Centre bid.
Town Hall Roof - Remedial Works	114			0	114	The works are complete and costs within budget.
Urban Skatepark	192	-192		-192	0	Funding to be re-applied for once scheme developed & location decided.
Hardshaw Brook Depot Review	755			0	755	Health and Safety schemes - budget is committed. Further report to be presented to Cabinet later in the year.
Modernisation of St Helens Crematorium	3,219			0	3,219	Work commenced on site 12 June 21, with completion due in March 2022.
The Gamble Building and Earlestown Town Hall	94			0	94	Award of contract for feasibility for Earlestown Town Hall is imminent
The Gamble Building (External works)		1,400		1,400	1,400	Cabinet approval on 24 March 21 to undertake an External Works Improvement Project. The Contract award is imminent.
Feasibility and Project Management	430	-50		-50	380	Budget transferred to revenue for Parr Facility Feasibility Study - Administrative Decision ENVP001987.
TOTAL	6,863	1,158	0	1,158	8,021	

SAFER, STRONGER COMMUNITIES PORTFOLIO	Budget	New Schemes/ Funding Changes	Reprofiled into / from Future Years	Changes to be approved in this Period	Revised Budget	Narrative
	£000	£000	£000	£000	£000	
Community Safety Schemes	35	-35	0	-35	0	Funding transferred to Revenue.
Housing Schemes						
Disabled Facilities Grants and Adaptations	4,134	374	0	374	4,508	Additional Disabled Facilities Grant allocation May 21. Progress updates on delivery will be reported at Q2
General Fund Housing (Housing Assistance)	60	0	0	0	60	
Housing Clearance and Enforcement	99	0	0	0	99	
Insulation Measures and Fuel Poverty	384	0	0	0	384	
TOTAL	4,712	339	0	339	5,051	

TOTAL ALL PORTFOLIOS	54,547	7,561	0	7,561	62,108	
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CAPITAL PROGRAMME 2021/22 FINANCING

EDUCATION, SKILLS AND BUSINESS PORTFOLIO	Revised Budget	FINANCING ELEMENTS					Total Funding
		Borrowing	Capital Receipts	Revenue Contributions / Reserves	Capital Grants	Capital Contributions	
		£000	£000	£000	£000	£000	
Primary Schools							
Ashurst Primary Rebuild	5,312	0	0	0	5,312	0	5,312
Bleak Hill Primary Expansion	95	0	0	0	95	0	95
Grange Valley Primary - Remodel Staff Room	55	0	0	45	10	0	55
The District Primary - Nursery Provision	825	0	0	0	825	0	825
Special & Other Schools		0	0	0	0	0	
Launchpad Roof Renewal	100	0	0	0	100	0	100
Penkford Relocation	5,112	3,413	0	0	1,699	0	5,112
Other Schemes							
Other Schemes less than £50k	360	0	0	0	360	0	360
Uncommitted Grant Funding							
Healthy Pupils Capital Funding	125	0	0	0	125	0	125
School Devolved Formula Capital	715	0	0	0	715	0	715
SEND Capital Grant	649	0	0	0	649	0	649
Basic Need Uncommitted	2,764	0	0	0	2,764	0	2,764
School Condition Funding Uncommitted	3,326	0	0	0	3,326	0	3,326
TOTAL	19,438	3,413	0	45	15,980	0	19,438
CHILDREN AND YOUNG PEOPLE PORTFOLIO	Revised Budget	Borrowing	Capital Receipts	Revenue Contributions / Reserves	Capital Grants	Capital Contributions	Total Funding
	£000	£000	£000	£000	£000	£000	£000
Children and Families Accommodation	110	0	0	0	110	0	110
TOTAL	110	0	0	0	110	0	110
INTEGRATED CARE AND HEALTH PORTFOLIO	Revised Budget	New Schemes	Capital Receipts	Revenue Contributions / Reserves	Capital Grants	Capital Contributions	Total Funding
	£000	£000	£000	£000	£000	£000	£000
Mental Health Tenancy Support	30	0	0	0	30	0	30
Brookfield Centre Internal Door Replacement	25	0	0	0	25	0	25
TOTAL	55	0	0	0	55	0	55

WELLBEING, CULTURE AND HERITAGE PORTFOLIO	Revised Budget	Borrowing	Capital Receipts	Revenue Contributions / Reserves	Capital Grants	Capital Contributions	Total Funding
	£000	£000	£000	£000	£000	£000	£000
Libraries ICT Refresh	53	53	0	0	0	0	53
Newton Le Willows Health and Fitness Centre Equipment	65	65	0	0	0	0	65
Sutton Leisure Centre - Swimming Provision	391	391	0	0	0	0	391
Sutton Leisure Centre - Third Generation Pitch	511	127	0	0	0	384	511
TOTAL	1,020	636	0	0	0	384	1,020

RESET AND RECOVERY PORTFOLIO	Revised Budget	Borrowing	Capital Receipts	Revenue Contributions / Reserves	Capital Grants	Capital Contributions	Total Funding
	£000	£000	£000	£000	£000	£000	£000
ICT Device Refresh	354	0	0	354	0	0	354
TOTAL	354	0	0	354	0	0	354

ENVIRONMENT AND TRANSPORT PORTFOLIO	Revised Budget	Borrowing	Capital Receipts	Revenue Contributions / Reserves	Capital Grants	Capital Contributions	Total Funding
	£000	£000	£000	£000	£000	£000	£000
Highway Schemes							
A49 to M6 Junction 22 Link Road	13,637	6,170	0	0	0	7,467	13,637
A570 St Helens Linkway	17	17	0	0	0	0	17
A58 Liverpool Rd/A580 East Lancs Rd Junct.Impvts (Pewfall). KRN (Employment Hubs)	506	506	0	0	0	0	506
Accessibility Improvements Supporting Regeneration	40	0	0	0	0	40	40
Active Travel Fund - Tranche 1	32	0	0	0	0	32	32
Active Travel Fund - Tranche 2	936	0	0	0	0	936	936
Bridge Strengthening & Maintenance	440	0	0	0	0	440	440
Carriageway Maintenance	2,141	0	0	0	0	2,141	2,141
Highways Challenge Fund	952	0	0	0	0	952	952
Highway / Road Investment	464	153	311	0	0	0	464
Key Route Network	393	0	0	0	0	393	393
LCR Sustainable Urban Development	824	0	0	0	412	412	824
Local Safety Schemes	210	0	0	0	0	210	210
Local Transport Plan Unallocated	45	0	0	0	0	45	45
Safer Routes to Schools	163	35	0	15	0	113	163
SCP - Amber Flashing Lights	10	0	0	10	0	0	10
Section 106 Arrangements	81	0	0	0	0	81	81
St.Helens Southern Gateway Package	2,774	0	0	0	0	2,774	2,774
Street Lighting	421	0	0	0	0	421	421
Traffic Calming & Restraint	40	0	0	0	0	40	40
Traffic Management & Signing	40	0	0	0	0	40	40
Urban Traffic Control	220	0	0	0	0	220	220
Walking & Cycling Measures	40	0	0	0	0	40	40
Environmental Schemes							
Climate Change Emergency Response Fund	120	120	0	0	0	0	120
Recycling & Waste Collection	800	0	45	755	0	0	800
Section 106 Arrangements (Non-Highway Schemes)	53	0	0	0	0	53	53
Other Schemes							
Vehicle Replacement Programme	2,660	784	1,876	0	0	0	2,660
TOTAL	28,059	7,785	2,232	780	412	16,850	28,059

REGENERATION AND PLANNING PORTFOLIO	Revised Budget	Borrowing	Capital Receipts	Revenue Contributions / Reserves	Capital Grants	Capital Contributions	Total Funding
	£000	£000	£000	£000	£000	£000	£000
Demolition of Chalon Way Car Park	665	0	0	0	665	0	665
Ground Conditions Survey	61	21	40	0	0	0	61
Town Centre Development	38	0	0	38	0	0	38
Town Centre Strategic Acquisition	1,295	0	1,295	0	0	0	1,295
Town Hall Roof - Remedial Works	114	0	114	0	0	0	114
Hardshaw Brook Depot Review	755	673	82	0	0	0	755
Modernisation of St Helens Crematorium	3,219	3,219	0	0	0	0	3,219
The Gamble Building and Earlestown Town Hall	94	0	94	0	0	0	94
The Gamble Building (External works)	1,400	1,400	0	0	0	0	1,400
Feasibility and Project Management	380	0	180	200	0	0	380
TOTAL	8,021	5,313	1,805	238	665	0	8,021

SAFER, STRONGER COMMUNITIES PORTFOLIO	Revised Budget	Borrowing	Capital Receipts	Revenue Contributions / Reserves	Capital Grants	Capital Contributions	Total Funding
	£000	£000	£000	£000	£000	£000	£000
Community Safety Schemes	0	0	0	0	0	0	0
Housing Schemes							
Disabled Facilities Grants and Adaptations	4,508	80	0	0	4,419	9	4,508
General Fund Housing (Housing Assistance)	60	60	0	0	0	0	60
Housing Clearance and Enforcement	99	99	0	0	0	0	99
Insulation Measures and Fuel Poverty	384	239	145	0	0	0	384
TOTAL	5,051	478	145	0	4,419	9	5,051

TOTAL ALL PORTFOLIOS	62,108	17,625	4,182	1,417	21,641	17,243	62,108
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Examples of qualifying expenditure

There are a wide range of projects that could generate qualifying expenditure and the list below is not prescriptive. Examples of projects include:

- Sharing back-office and administrative services with one or more other council or public sector bodies;
- Investment in service reform feasibility work, e.g. setting up pilot schemes.
- Collaboration between local authorities and central government departments to free up land for economic use.
- Funding the costs of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation.
- Sharing Chief-Executives, management teams or staffing structures.
- Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible;
- Aggregating procurement on common goods and services where possible, either as part of local arrangements or using Crown Commercial Services or regional procurement hubs or Professional Buying Organisations;
- Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy – this could include an element of staff training.
- Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, through selling services to others); and
- Integrating public facing services across two or more public sector bodies (for example children's social care, trading standards) to generate savings or to transform service delivery

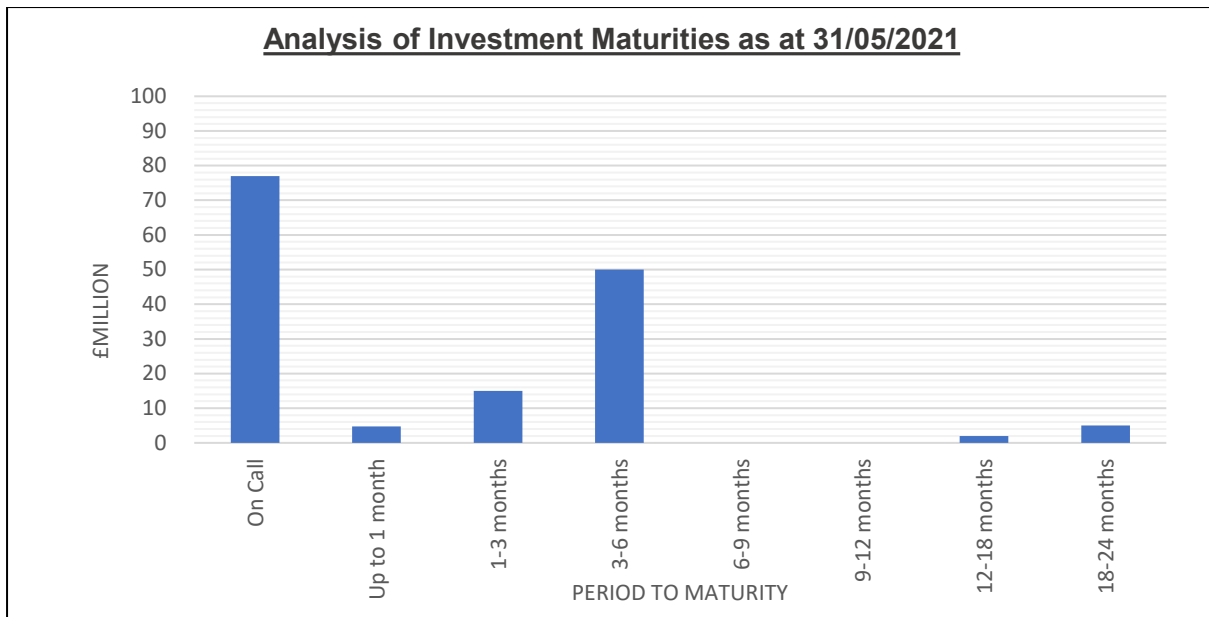
TREASURY MANAGEMENT POSITION STATEMENT

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

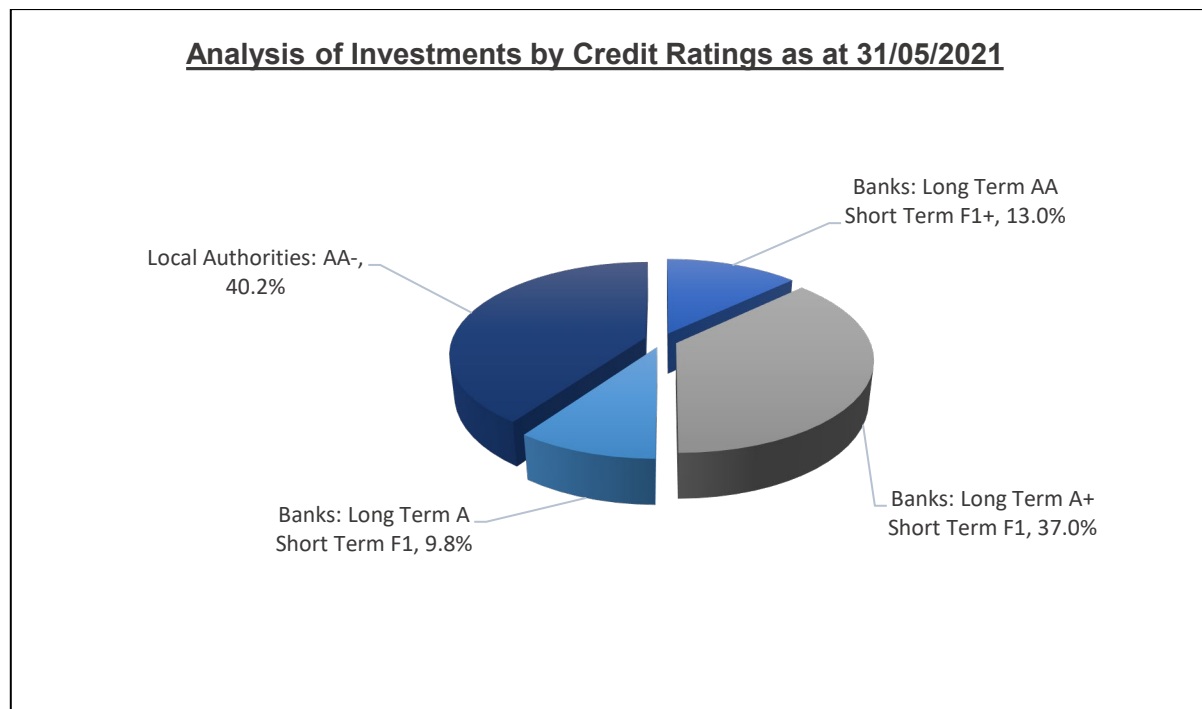
Investments

- 1.2 As detailed in the Council's Annual Investment Strategy (which is incorporated into the annual Treasury Management Strategy Statement) the Council's investment priorities are the security of capital and liquidity of funds. The Council's investment dealings in the period, therefore, have been undertaken in order to achieve the optimum return on its investments, commensurate with the proper levels of security and liquidity and having properly assessed all inherent risks.
- 1.3 In the current economic climate it is considered appropriate to ensure that all investments are placed with highly credit rated financial institutions in line with the Council's authorised Counterparty List (i.e. those institutions with whom we invest monies). It has also been deemed appropriate to ensure that the Council maintains a high degree of liquidity with its investments, to ensure cash is available to deal with emerging pressures due to the current COVID-19 pandemic.
- 1.4 The Council has sought to maintain a mix of investments with the Counterparties who meet the Council's criteria. However, the profile of maturities has been influenced by a number of factors:
- i) the availability of advantageous call rates from some high quality Counterparties;
 - ii) limits on the duration of investments with certain counterparties;
 - iii) availability of investment opportunities in excess of one year with a number of Counterparties.

The following chart provides an overview of the Authority's investments, by maturity period, as at 31 May 2021.



1.5 At the time of drafting this report, the Council has investments of £153.630m. The chart below details the split of the Council's investment by type and the credit rating assigned to the different groups of Counterparties.



These investments include funds (circa. £15.0m) held in relation to Schools and Merseyside Recycling and Waste Authority.

- 1.6 Of the institutions identified in the pie chart above, 13.0% of funds are invested with counterparties which have a Long Term credit rating of AA or above. All of these institutions are Banks. Of the remaining investments, 87.0% are held with counterparties with a Long Term credit rating of at least A but below AA.
- 1.7 The average level of funds available, for investment purposes, for the period April to May 2021 was £148.226m. Investment rates available in the market remain low and have reduced due to economic uncertainties as a result of the Covid-19 pandemic but,

despite this, the Council has performed above benchmark returns, as detailed in the following table.

Investment Returns 2021/22 up to 31/05/2021

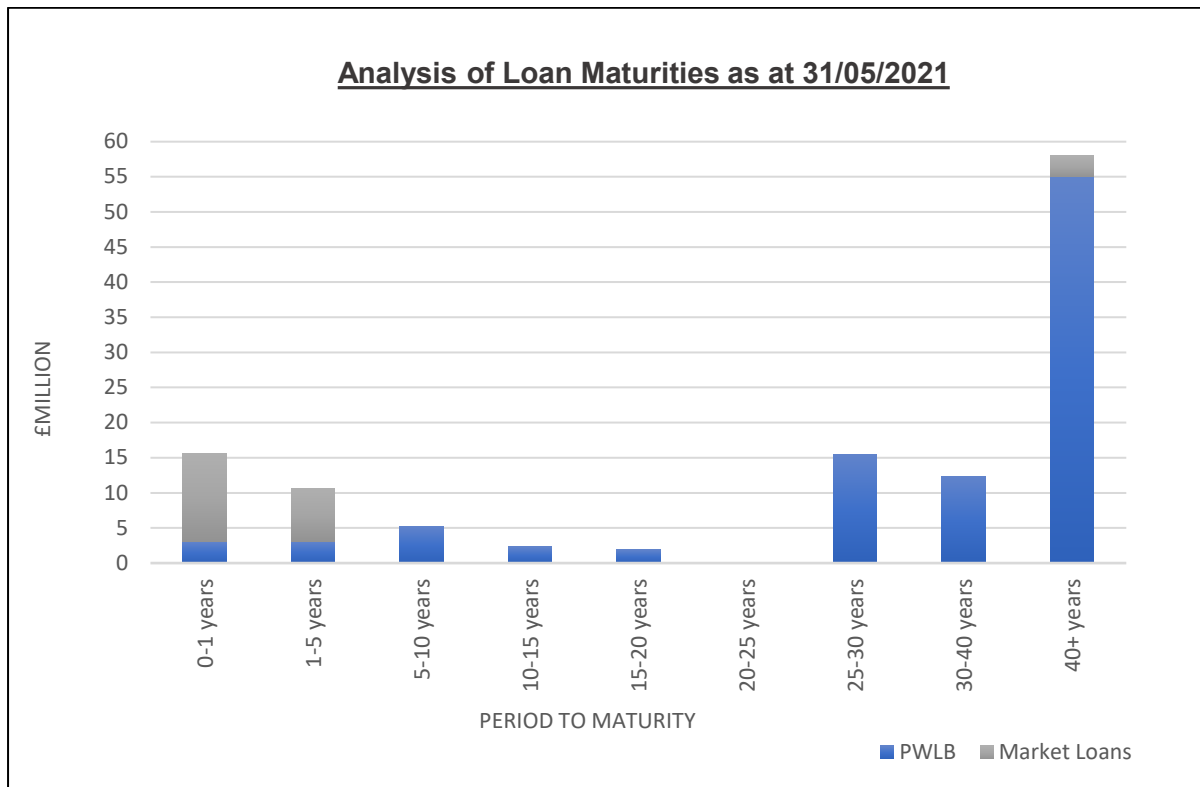
	<u>Returns Achieved</u>			<u>Benchmark Returns</u>			<u>Performance relative to Benchmarks</u>		
	Fixed Term Investments	Call Accounts	Combined Return	1 Year LIBID	7 Day LIBID	Combined LIBID	Fixed Term	Call	Overall +/- return
April	0.511%	0.083%	0.368%	0.040%	-0.080%	0.000%	0.471%	0.163%	0.368%
May	0.535%	0.99%	0.346%	0.040%	-0.080%	-0.012%	0.495%	0.179%	0.358%

1.8 Cash holdings are currently in line with forecast levels in the Treasury Management Strategy Statement. However, the ongoing impact of Covid-19, and any future level of funding from Government, is uncertain and could impact upon cash holdings during the year.

Borrowing

1.9 At the time of drafting this report, the Council has outstanding debt of £121.562m. No new borrowing has been taken during the period.

1.10 The chart below shows the maturity profile of the Council's loan portfolio as at 31 May 2021.



- 1.11 In accordance with the revised Prudential Code, the maturity of borrowing should be determined by reference to the earliest date on which the lender can require payment. If the lender does have the right to increase the interest rate payable (as is the case with a Market Loan (LOBO – Lender Option Borrower Option loan), then this should be treated as a right to require payment. In accordance with this guidance, the maturity dates of the Council's LOBO loans have been profiled as the next call date for each loan. This has made the Council's position look much more short term when all of these loans have maturity dates of 28+ years.