AGENDA FOR

AUDIT COMMITTEE

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To: All Members of Audit Committee

Councillors : A Arif, D Berry, C Birchmore, I Gartside, M Hayes, L McBriar, E Moss, M Rubinstein and M Whitby (Chair)

Dear Member/Colleague

Audit Committee

You are invited to attend a meeting of the Audit Committee which will be held as follows:-

Date:	Monday, 31 July 2023
Place:	Town Hall
Time:	7.00 pm
Briefing Facilities:	If Opposition Members and Co-opted Members require briefing on any particular item on the Agenda, the appropriate Director/Senior Officer originating the related report should be contacted.
Notes:	

AGENDA

1 APOLOGIES FOR ABSENCE

2 DECLARATIONS OF INTEREST

Members of the Audit Committee are asked to consider whether they have an interest in any of the matters on the agenda and, if so, to formally declare that interest.

3 MINUTES OF THE LAST MEETING *(Pages 5 - 14)*

The Minutes of the last meeting of the Audit Committee held on

4 MATTERS ARISING *(Pages 15 - 18)*

Annual Work Programme Attached.

5 DRAFT 2022/23 ACCOUNTS *(Pages 19 - 162)*

Report from the Executive Director Finance attached
The Draft Statement of Accounts 2022/2023 are attached

6 CORPORATE RISK REGISTER *(Pages 163 - 252)*

The Corporate Risk Register is attached.
Appendix A
Appendix B
Appendix C

7 COUNCIL CONSTITUTION UPDATE REPORT - DEBT WRITE OFF *(Pages 253 - 268)*

8 INTERNAL AUDIT ANNUAL REPORT *(Pages 269 - 286)*

9 INTERNAL AUDIT PROGRESS REPORT *(Pages 287 - 322)*

Report from the S.151 Officer is attached
Appendix A
Appendix B

10 ANTI FRAUD AND CORRUPTION STRATEGY, WHISTLEBLOWING POLICY AND FRAUD AND CORRUPTION PROSECUTION POLICY *(Pages 323 - 368)*

Report from the S.151 Officer is attached
Anti-Fraud & Corruption Strategy – attached
Anti-Fraud & Corruption Prosecution Policy attached
Whistleblowing Policy attached

11 EXTERNAL AUDIT UPDATE *(Pages 369 - 382)*

Update report from Bur's External Auditors Mazars is attached

12 EXCLUSION OF PRESS AND PUBLIC

To consider passing the appropriate resolution under Section 100(A)(4) of the Local Government Act 1972 that the press and public be excluded from the meeting during consideration of the following items of business since they involve the likely disclosure of the exempt information stated.

13 INTERNAL AUDIT REPORTS *(Pages 383 - 518)*

Report from the S.151 Officer attached
Internal Audit Reports Issued – Attached

14 INTERNAL AUDIT SPECIAL INVESTIGATIONS *(Pages 519 - 524)*

Report from the S.151 Officer attached

15 MEMBERS' FEEDBACK

Agenda Item 3

Minutes of: **AUDIT COMMITTEE**

Date of Meeting: 30 March 2023

Present: Councillor M Whitby (in the Chair)
Councillors A Arif, R Bernstein, D Berry, D Duncalfe, E FitzGerald, M Hayes, J Lancaster and E Moss

Also in attendance:

Public Attendance: No members of the public were present at the meeting.

Apologies for Absence: Councillor N Jones

AU.1 **DECLARATIONS OF INTEREST**

There were no declarations of interest made at the meeting.

AU.2 **MINUTES OF THE LAST MEETING**

Delegated decision:

That the Minutes of the last meeting held on 1 December 2022 be agreed as a correct record.

AU.3 **MATTERS ARISING**

There were no matters arising from the Minutes of the last meeting.

AU.4 **CORPORATE RISK REGISTER 2022/2023**

Sam Evans presented a report providing an update on the Corporate Risk Register.

It was explained that the report provided an update position with regards to the risks identified and assessed on the Council's Corporate Risk Register.

The report set out a total of 23 risks that had been identified:-

- 23 risks are currently present on the Corporate Risk Register
- 17 risks are currently rated as Significant (risk score 15-25)
- 6 risks are currently rated as High (risk score 8-12)
- 0 risks are currently rated as Moderate (risk score 4-6)
- 0 risks is currently rated as Low (risk score 1-3)

Of the23 risks: o

- 15 have remained static
- 2 have increased in score
- 3 have decreased in score
- 1 risk is proposed for closure

- 3 new risks have been introduced during the Quarter 4 reporting period.

At the December meeting of the Audit Committee, a further analysis into two risks present on the Register was requested. Two Deep Dive reports into the following two risks:

- CR14 Staff Safety and Wellbeing
- CR21 Project Safety Valve

CR21 Project Safety Valve

Jeanette Richards, Executive Director of Children and Young People attended the meeting to provide an update on Project Safety Valve and the risk of the Council being withdrawn from the project due to not reducing the deficit in the DSG which would rein a loss of £10m.

At the end of February 2023, full-time internal project management capacity had been secured to support delivery of PSV. This increased capacity would enable the development and monitoring of the plans to improve service provision, increase sufficiency and reduce the deficit. Governance of the programme was currently being strengthened to focus on progress, risks and issues.

Significant progress had been made with improving the EHCP process and working with parents and Bury2gether to continue to deliver an improved SEND service in Bury.
An EHCP Team Manager had been recruited and commenced work d in August 2022 to ensure that the team had remained stable. This had enabled a greater focus on quality and co-production.

It was also explained that weekly reporting was providing a better understanding of the trajectory of demand which allowed the team to plan resources more effectively to deliver quality plans in a timely manner.

Jeanette explained that Project Safety Valve had been challenging to manage, there had been a spike in demand for EHCPs post Covid which had seen an increase of 45%. This had now reduced to 12%.

There were proposals for 2 new special schools in the borough which would see 54 new school places coming on stream.
The DfE were leading the establishment of the Free Special Schools in Bury. There was a basic timeline in place and a requirement for the DfE to create a project group and formalise key milestones. This will enable the Council to work through any local issues regarding legal, land and property, planning and highways. A formal ask will be made of the DfE regarding the project group as progress with the Free Special Schools impacts directly on sufficiency and the ability to reduce out of borough placements.

Jeanette explained that due to the current reliance on non-maintained places it was hoped that increased in house provision would be provided.

The Council had regular contact with the DFE through regular meetings and reporting.

Councillor Berry asked why the demand for SEND in Bury was so high and it was explained that there had been an increase in demand nationally partly due to social, emotional health with younger children not accessing nursery due to covid which then leads to speech and language concerns. This was being regularly reviewed to ensure that the unmet need was identified and understood.

Councillor FitzGerald referred to the increased demand and the costs incurred around this asked what was being done to ensure that the Council wasn't withdrawn from the project.

Jeanette reported that the £10m figure was not correct and it would be more like £8m. It was explained that work is taking place to develop the finance deficit project plan. Once complete, there will be a plan in place to review how the council currently commission out of borough placements, moving to a model where the council can be assured of value for money. The same process will also be applied to Alternative Provision and the Pupil Referral Unit. This will ensure that Bury pay for provision which is based on need at rates comparable to other Local Authorities.

It was also reported that amongst other actions Bury's SEND Graduated Approach Toolkit had been created and will be embedded in the Local Offer. A task and finish group had started to meet monthly at the beginning of March 2023 to roll out training across the SENCO network. This will be a rolling training programme, with the first set completed by the end of October 2023.

The Graduated Approach will be embedded in the induction of all education staff. To support delivery of the approach, Barnardo's has been commissioned to create a volunteer network in Bury to signpost professionals to the support available. This is an important step as the Approach is embedded and pupils are supported. Expected outcomes are:

- An increase in the number of pupils receiving SEN support.
- A decrease in the number of requests for EHCPs.

It was anticipated that the Council will see a difference in the number of pupils receiving SEN support by July 2023.

Sam Evans reported that she had a scheduled meeting with the DFE the following week and that the Executive Directors met with the Chief Executive weekly to review the DSG deficit.

The Committee asked that an update on the planned actions be brought to the next meeting of the Audit Committee.

CR14 Staff Safety and Wellbeing

Sam McVaigh presented a report setting out the work being done in relation to sickness levels across the Council and Health and Safety.

It was explained that the risk concerns the impact on service delivery due to staff sickness levels and the potential for both legal and financial consequences due to failure to comply with health and safety legislation.

The two areas are clearly different in many ways but are reflected together in a single risk under the shared theme of staff safety and wellbeing.

It was explained that in late 2021 an audit of the Council's Health and Safety arrangements gave a 'limited' assurance opinion.

Significant work had been undertaken following the audit to strengthen health and safety governance, assurance and culture with the associated audit recommendations now complete.

The area, however, remains a key priority and a number of recent reportable health and safety incidents have highlighted the need for continued focus.

The Council's sickness absence level as of January 2023 is an average of 13.92 days lost due to absence, per full time equivalent employee, in the proceeding 12 month period. This is significantly greater than the Corporate target of 9.85 days. 'Stress, Depression, Mental Health and Fatigue Symptoms' are the highest cause of absence.

An update on staff sickness absence was presented to the Council's Performance and Finance Scrutiny Sub Group in December . A copy of the report was appended to the report.

It was explained that the risk currently has a score of 16, with a likelihood rating of 4 and impact rating of 4.

This was an increase of 1 point in the likelihood rating since the most recent review because of both the increase in sickness absence and the number and nature of recent health and safety incidents.

The current controls in relation to sickness absence include:
- A strong employee wellbeing programme with localised action informed by both sickness data and the staff Pulse Surveys
- Targeted work to address key sickness hotspots, particularly in the Operations and OCO Departments
- Management training through a new mandatory management development progamme, launched in January of this year
- Improved data, reporting and management prompts for action through the use of the iTrent system
- Strong joint working with the Trade Unions

The planned actions in relation to sickness absence include:
- A review of the Council's Occupational Health function (currently subject to consultation)
- A review of the Council's sickness absence policy
- Continued prioritisation through the 2023/24 Corporate Plan
- Further targeted work with hotspot areas
- Roll-out of a new management information dashboard

• Targeted work to promote positive attendance and to focus on compliance with the Return to Work process.

The current controls in relation to Health and Safety include:
• Approval of a new corporate Health and Safety Policy
• Re-establishment of a formal Health and Safety Joint Consultative Committee (JCC)
• Approval of an annual Health and Safety report via Cabinet
• A programme of quarterly health and safety performance reporting to the Council's Executive Team and Health and Safety JCC
• An annual 'risk assessment needs checker' process, to better understand service level risk profile, and resultant programme of deep-dive health and safety audits flowing from this
• Inclusion of health and safety as a core topic within the new mandatory management development programme.

The planned actions in relation to health and safety include:
• A commissioned external review of health and safety arrangements within the Operations Department, the area of greatest health and safety risk within the Council.
• A strengthened staff training approach including a new mandatory 'elearning' module for all staff and improved automated recording and reporting in relation to essential health and safety training
• Ongoing audit activity and a refresh of the annual 'risk assessment needs checker' process.

Councillor Berry referred to the miscellaneous/unknown category in the sickness reporting form and stated that this was unhelpful. Councillor Berry asked whether this would be reviewed.

Sam reported that this was due to be reviewed and was likely to be removed.

Councillor Hayes referred to the figure of 71 employees returning to work following long term sick and asked what the length of time was in relation to long term sick.

Sam explained that these were cases of 20 days and over. Work was being carried out in relation to these cases and management were making contact with the employee sooner and working closer with union representatives.

It was explained that work was being done to strengthen the return to work process.

Councillor Moss highlighted the increase in sickness levels within the corporate core and asked if there was a specific reason behind this.

Sam reported that the business support team had moved into the corporate which had been an increase of over 100 employees.

Councillor Bernstein referred to the requirement to fulfil services such as waste management and having to bring in agency staff to cover. Councillor Bernstein asked what was being done to bring the levels down and how did Bury compare to other local authorities?

Sam explained that Bury was broadly comparable to other authorities. Work was being done to develop managers in relation to sickness and that all cases of sickness would be escalated to the relevant Executive Director through the iTrent trigger system.

Councillor Whitby referred to the Absence Management Policy and asked whether this was available to all staff.

Sam explained that it was accessible but work was being undertaken to make it more accessible and user friendly. It was explained that the unions were assisting with this work

It was asked whether the previous risk scores could be included within the report for reference.

Delegated decisions:

1. That the Audit Committee notes the update provided;

2. That the Audit Committee approve the recommended closure of risk CR2 COVID-19 Impact

3. That an update in relation to the progress made on Project Safety Valve be brough to the next meeting of the Audit Committee.

4. That previous risk scores be included within the reports for reference.

5. That the following risks be considered in more detail at the next meeting of the Audit Committee:

   CR.6 – Climate Change
   CR.28 – Asylum & Immigration

AU.5 AUDIT COMPLETION REPORT

Karen Murray, Partner at the Council's External Auditors Mazars presented the External Auditors Audit Completion Report year ended 31 March 2022.

The purpose of the document was to summarise Mazars audit conclusions based on the work they had completed to date.

It was explained that the scope of their work, including identified significant audit risks and other areas of management judgement, was outlined in the Audit Strategy Memorandum which was presented to the Audit Committee on 15 March 2022.

Mazars have reviewed their Audit Strategy Memorandum and concluded that the original significant audit risks and other areas of management judgement remain appropriate.

The completion report set out:

- Significant findings
- Internal control recommendations
- Summary of misstatements
- Value for Money

The status of the audit was set out on page 19 of the report, it was reported that the debtors information had now been received.

Karen explained that the work carried out by the finance team in relation to the accounts had shown a positive trajectory but had been hampered by the level of capacity within the team and the reliance on interim staff members which had proved difficult. There was evidence of improvements, but it was recognised that there were still areas where the team were struggling and areas where amendments were required that were out of the Council's gift.

It was explained that while the work of Mazars was substantially complete and there were currently no matters of which they were aware that would require modification of the audit opinion, subject to the following outstanding:-

- Property, Plant and Equipment: It was reported that the detailed audit testing was complete. Mazars were working with management to ensure all of the required amendments have been posted through the Council's Financial Statements.
- Pensions: it was explained that Mazars were awaiting the conclusion on an error identified by the pension fund auditor at the Greater Manchester Local Government Pension Scheme fund.
- Value for Money: It was reported that the value for money work remains in progress

Councillor Bernstein asked when Karen would expect the work to be completed.

It was explained that there were still some talks ongoing with all of the GM Councils, and some technical details required by the actuary, but it was hoped that this would be turned around quickly.

Delegated decision

1. That the contents of the report be accepted.

2. That the Audit Committee's thanks to Mazars be recorded.

AU.6 ACCOUNTING POLICIES UPDATE 2022/23

Sam Evans, Executive Director of Finance presented a report setting out the Council's accounting policies, critical accounting judgements and key sources of estimation that would be used in preparing the 2022-23 Statement of Accounts.

It was explained that the Statement of Accounts summarises the Council's transactions for any given financial year and its assets and liabilities at 31 March for any given year. For the 2022-23 financial year, the timetable for publishing audited local authority accounts is 30 September 2023 and the deadline for publishing the draft accounts has reverted back to 31 May 2023.

Delegated decision:-

1. That the accounting policies to be used in the production of the 2022/2023 Statement of Accounts be approved.

2. That the critical accounting judgements and key sources of estimation set out in Appendix B and C be noted.

AU.7 AUDITED STATEMENT OF ACCOUNTS 2021/2022

It was reported that due to a technical issue relating to the GM Pension scheme, the accounts were unable to be audited and therefore were not presented to the Committee.

It was explained that once the issue had been resolved across Greater Manchester the accounts would be submitted to the Committee for approval.

AU.8 INTERNAL AUDIT PROGRESS REPORT

Janet Spelzini presented a report outlining the work undertaken by Internal Audit between 1st April 2022 to 17th March 2023.

The report updated the Committee in relation to:

- The Annual Audit Plan
- Progress made to date against the Annual Audit Plan
- Audits completed and reports issued
- Follow ups
- Assurance work
- Investigations/Fraud/whistleblowing
- National Fraud Initiative
- Information Governance and Data
- Supporting Transformation and change
- School Audits
- Resources

Delegated decisions:

1. That the content of the report be noted.

2. That the Committee agree that the Chair of Audit Committee approves the deferral of audit reviews in-between Audit Committee meetings.

AU.9 INTERNAL AUDIT ANNUAL STRATEGY AND PLAN 2023/2024

Janet Spelzini presented a report setting out the context of the Internal Audit Service and explaining the approach to the compilation of the 2023/24 internal audit annual plan. The annual plan was incorporated at Annex 1 to the report.

Delegated Decision:

That the Annual Audit Plan for 2023/2024 be approved.

AU.10 MEMBERS DISCRETIONARY GRANTS UPDATE 2022/2023

Andrea Tomlinson, Mayoral and Member Officer presented a report providing an update in relation to the Member's Discretionary Grant Scheme.

It was explained that following approval of the Council Budget for 2023/2024 it had been agreed that the Discretionary Grant scheme would continue for the 2023/2024 financial year.

The annual allocation would remain at £1000 per member.

Appended to the report was information setting out the spend per Councillor for 2022/2023 including recipients.

Delegated decision:

That the contents of the report be noted.

AU.11 EXCLUSION OF PRESS AND PUBLIC

Delegated decision:

That in accordance with Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following items of business since they involved the likely disclosure of exempt information, relating to any action taken, or to be taken in connection with the prevention, investigation and prosecution of crime.

AU.12 INTERNAL AUDIT REPORTS

Janet Spelzini presented a report setting out information in relation to final reports that had been issued since the last meeting of the Audit Committee meeting in December 2022.

Daniela Dixon attended the meeting to update Members in relation to the Transport Stores report.

Sam Evans and Jacqui Dennis attended the meeting to update Members in relation to the Debtors Key Controls report.

Delegated decision:

That the contents of the report be noted

AU.13 **INVESTIGATIONS**

Janet Spelzini, Acting Head of Internal Audit presented a report updating members in relation to Internal Audit Special Investigations reports which have been undertaken to examine significant issues / whistleblowing allegations, raised with the S151 officer.

Delegated decision:

That the contents of the report be noted.

COUNCILLOR M WHITBY
Chair

(Note: The meeting started at 7.00 pm and ended at 10.00 pm)

Audit Committee Forward Plan

Meeting Date	Other items	Lead	Standing Items	Lead
31st July 2023				
	Draft 2022/23 Accounts	Sam Evans	Corporate Risk Register	Louise Kirkman
	Final 2021/22 Accounts (now October)	Sam Evans	Deep Dives: Climate Change Project Safety Valve Asylum and Immigration	Louise Kirkman
	Anti Fraud and Corruption Strategy, Whistleblowing Policy and Fraud and Corruption Prosecution Policy Fraud Plan 2023/24	Janet Spelzini	Internal Audit Reports (Part B) Special Investigation Reports (Part B)	Janet Spelzini
	Internal Audit Annual Report 2022/23	Janet Spelzini	Q1 Internal Audit Progress Report	Janet Spelzini

	Debt Write Off Report – Constitutional update	Simon Peet		
12th October 2023				
	Risk Management Strategy	Louise Kirkman	Corporate Core Risk Register	Louise Kirkman
	Audit Recommendation Tracker	Janet Spelzini	Deep Dive	Louise Kirkman
	Final 2021/22 Accounts (TBC)	Sam Evans	Internal Audit Progress Report	Janet Spelzini
			Internal Audit Reports (Part B) Special Investigation Reports (Part B)	Janet Spelzini
			Information Governance Update	Julie Gallagher
14th December 2023				
	2022/23 Audited Accounts (TBC)	Sam Evans	Corporate Core Risk Register	Louise Kirkman
			Deep Dive	Louise Kirkman
	Financial Regulations	Sam Evans	Internal Audit Progress Report	Janet Spelzini

	Anti Money Laundering Policy	Janet Spelzini	Internal Audit reports (Part B) 0	Janet Spelzini
	Anti Bribery Policy	Janet Spelzini	Special Investigation Reports (Part B)	Janet Spelzini
6th March 2024				
	Accounts, Policies and Statements	Sam Evans	Corporate Core Risk Register	Louise Kirkman
	Audit Plan 2024.25	Janet Spelzini	Deep Dive	Louise Kirkman
			Internal Audit Progress Report	Janet Spelzini
			Internal Audit Reports (Part B) Special Investigation Reports (Part B)	Janet Spelzini
			Information Governance Update	Julie Gallagher

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Agenda Item 5

Classification: Open	Decision Type: N/a

Report to:	Audit Committee	**Date:** 31 July 2023
Subject:	Unaudited 2022/23 Statement of Accounts Update	
Report of	Executive Director of Finance	

Summary

1.1 This report presents the unaudited Statement of Accounts for the 2022/23 financial year and highlights the overall financial position for the year.

1.2 Whilst there is no longer a requirement to present the unaudited accounts to Members before the external audit process commences, the Council has continued this practice as it gives Members early notification of the financial outcome of the previous financial year and is considered to be good practice.

1.3 The unaudited 2022/23 Statement of Accounts were published on the Councils website on the 31 May 2023, in accordance with the specified timetable set out in the Accounts and Audit Regulations 2015.

1.4 There is a requirement to obtain certification of the draft accounts by the responsible financial officer, for the Council this is the Executive Director of Finance. Certification of the audited Statement of Accounts will be required from the Executive Director of Finance and the Chair of the Audit Committee.

Recommendation(s)

2.1 The Committee is asked to consider and note the 2022/23 unaudited Statement of Accounts.

Report Author and Contact Details:

Name: Simon Peet
Position: Chief Accountant
Department: Corporate Finance
E-mail: s.peet@bury.gov.uk

Background

3.1 The unaudited 2022/23 Statement of Accounts were published on the Councils website on the 31 May 2023, and were available for public scrutiny from Thursday 1 June to Wednesday 12 July 2023.

3.2 The 2022/23 Statement of Accounts will be subject to external audit, that is yet to commence. The Accounts and Audit (Amendment) Regulations 2022 changed the publishing date of the audited accounts to the 30 September for the financial years 2022/23 to 2027/28.

3.3 The style and format of the accounts is largely prescribed by the CIPFA Code of Practice (The Code). Audit Committee should assure themselves that the Narrative Report is consistent with the core financial statements.

3.4 The Statement of Accounts for Bury Council comprises of:
- A narrative statement by the Executive Director of Finance and S151 Officer
- The statement of responsibilities for the accounts
- The core financial statements, comprising:
  - The movement in reserves statement
  - The comprehensive income and expenditure statement
  - The balance sheet as at 31 March 2023
  - The cash flow statement
- The notes to the core financial statements
- The Housing Revenue Account
- The Collection Fund
- The Group Accounts

3.5 Elected members are not expected to be financial experts, but they are responsible for approving and issuing the Council's financial statements. In doing this they are playing a key role in ensuring accountability and value for money are demonstrated to the public. However, local authority financial statements are complex and can be difficult to understand: they must comply with CIPFA's Local Authority Code of Practice, which is based on International Financial Reporting Standards and also the accounting and financing regulations of central government

3.6 This covering report explains the key features of the primary statements and notes that make up the 2022/23 Statement of Accounts. The narrative statement provides further information on the key issues for the benefit of readers of the statements.

Narrative Statement

4.1 The purpose of the narrative statement is to provide commentary on the financial statements. It includes an explanation of key events and their effect on the financial statements. The information in the narrative statement is consistent with budget information provided during the year and reconciles to the year-end financial position reported to Cabinet on 12 July 2023.

Core Financial Statements

5.1 Movement in reserves statement
Reserves represent the Council's net worth and show its spending power. Reserves are analysed into two categories: usable and unusable. The level of usable reserves, the Council's spending plans, and other sources of funding determine how much council tax needs to be raised. Unusable reserves derive from technical accounting adjustments and cannot be used to support spending. The movement in reserves statement analyses the changes in each of the authority's reserves between 2021/22 and 2022/23.

5.2 Comprehensive Income and Expenditure Statement
The comprehensive income and expenditure statement reports on how the authority performed during the year and whether its operations resulted in a surplus or deficit. It is produced in a standard format and is made up of five broad sections:
- Cost of services: Presented in the management structure of the Council. It includes service specific income and expenditure.
- Other Operating Income and Expenditure: Includes levies and the surplus or deficit from the sale of property, plant and equipment.

- Financing and Investment Income and Expenditure: Includes interest payable and receivable and investment property income and expenditure.
- Taxation and General Grant Income and Expenditure: Includes revenue from council tax, business rates and government revenue and capital grants.
- Other Comprehensive Income and Expenditure: Includes items which are not allowed to be accounted for elsewhere, such as increases in the value of land and buildings and changes in the actuarial assessment of pension assets/liabilities.

5.3 Balance Sheet
The balance sheet is a 'snapshot' of the authority's financial position at a point in time, showing what it owns and owes at 31 March 2023. It is divided into two halves that, as the name suggests, balance. These are assets less liabilities (the top half) and reserves (the bottom half).

5.4 Cash Flow Statement
The cash flow statement sets out our cash receipts and payments during the year, analysing them into operating, investing and financing activities. Cash- flows are related to income and expenditure but are not equivalent to them. The difference arises from the accruals concept, whereby income and expenditure are recognised in the comprehensive income and expenditure statement when the transactions occurred, not when the cash was paid or received.

5.5 The Notes to the accounts provide further detail for the figures within the core statements as well as other information we are required to include in the Statement of Accounts.

5.6 Housing Revenue Account (HRA)
The Housing Revenue Account (HRA) is intended to record expenditure and income on running a council's own housing stock and related services or facilities which are provided primarily for the benefit of the council's own tenants.
- It is a landlord account recording expenditure and income arising from the provision of housing accommodation.
- It is not a separate account but is a ring-fenced account of defined transactions relating to local authority housing within the General Fund.
- The main expenditure items included are management and maintenance costs, major repairs, loan charges and depreciation costs.
- The main sources of income are from tenants in the form of rents and service charges.

5.7 The Collection Fund
The Collection Fund is a separate account for the administration of Council Tax and Business Rates income from local taxpayers on behalf of the Council, and other major preceptors i.e. the police, fire and mayoral services through the Greater Manchester Combined Authority.

5.8 The Group Accounts
This brings together entities where the Council has a material financial interest and holds a significant level of control. For Bury this includes
- Six Town Housing Ltd.,
- Bury MBC Townside Field Ltd.,
- The Persona group of companies, Persona Care and Support Ltd and Persona Group Ltd.

In 2022/23 the Council formed two joint venture arrangements, whereby the Council agreed to share joint control and has rights to the net assets of the arrangement, of:
- Bury Bruntwood (Millgate) LLP.,

- The Prestwich Regeneration LLP.

Points of Note on the 2022/23 Statement of Accounts

Useable Reserves

6.1 Useable revenue reserves declined by £17.4m from £167.2m at 1 April 2022 to £149.7m at 31 March 2023.

6.2 The General Fund reserve decreased by £1.8m that was used towards supporting the £2.3m overspend outturn position and earmarked reserves decreased by £23.0m mainly due to the ongoing use of Covid grants, application of external funding and reduction in Schools balances.

6.3 The Housing Revenue Account (HRA) ended the 2022/23 year with a £0.6m reduction in useable balances, from £9.8m at 1 April 2022 to £9.2m at 31 March 2023. The £9.2m provides a buffer for financial pressures in the 2023/24 financial year and beyond. £12.2m of capital expenditure to maintain the Decent Homes Standard was also funded from the Housing Revenue Account during 2022/23.

6.4 Capital grants unapplied increased by £4.1m from £16.1m at 1 April 2022 to £20.2m at 31 March 2023 and the capital receipts reserve increased by £3.9m from £7.0m at 1 April 2022 to £10.9 at 31 March 2023. These grants and receipts cannot be used to fund day to day costs within the revenue budget. However, they are available for investment in long-term assets within the Council's capital programme.

6.5 The 31 March 2023 position on useable reserves, revenue and capital, will inform the development of the Medium-Term Strategy 2024/25 to 2026/27 and budget setting for 2024/25 and beyond.

Collection Fund

6.6 By regulation, the Council receives the exact amount (precepts) budgeted for in relation to Council Tax and Business Rates; the receipt of these precepts funded the revenue budget and impacts on the available revenue reserves. These precepts are paid from a separate account managed by the Council, called the Collection Fund. This account also pays out precepts to the Police and the Greater Manchester Fire and Civil Defence Authority (known as preceptors). The difference between the precepts paid out and the Council Tax and Business Rates collected, results in a surplus or deficit at the end of the financial year, to be recovered in future years and factored into the budget setting.

6.7 Overall, for 2022/23, the Collection Fund had a deficit of £7.7m (Council Tax (£0.7m) surplus and NNDR £8.4m deficit) with Bury's share being £7.7m (Council Tax (£0.6m) surplus and NNDR £8.3m deficit). Bury's share is equal to the overall Collection Fund deficit because it includes amounts brought forward from previous years and the deficit is split differently in different years.

Capital

6.8 The Council also spent £48.4m on long term infrastructure, within its capital programme. This expenditure was funded £17.8m from capital grants, £13.0m directly from revenue budgets (including the £12.2m from the HRA), £0.2m from capital receipts and £17.4m of borrowing. Spend on long term infrastructure was lower than expected, due to the impact of the pandemic which slowed building projects.

Pensions

6.9 The Council's net worth increased by £343.0m, from £283.3m at 1 April 2022 to £626.3m at 31 March 2023. However, a key cause of this is the nominal valuation of the defined benefit pension fund, in accordance with technical accounting rules, the pension liability flipped to a pension asset in 2022/23, thus a reduction of £310.1m, from a pension liability of (£219.4m) at 1 April 2022 to a pension asset of £90.7m at 31 March 2023. This was due to a change in actuarial financial assumptions (the main contributing item being the corporate bond yield that the discount rate is derived increased over the period, that reduced the employer's obligations and led to a gain of c.£350m).

6.10 It is important to note though, that these actuarial projections are volatile between years and do not determine the actual rate of employer pension contributions paid out of the revenue budget. The actual pension contribution rate is determined by a separate triennial actuarial valuation using different rules.

Links with the Corporate Priorities:

The production and publication of the Statement of Accounts provides valuable information to the residents of the Council and to its suppliers.

Equality Impact and Considerations:

The statement of Accounts is a record of past financial expenditure. It does not determine future resource allocation.

Environmental Impact and Considerations:

None

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
The report is for information purposes and does not propose or require a decision.	

Legal Implications:

External auditors verify the Council's financial statements, producing the Annual Statement of Accounts. The purpose is to give public confidence to that the Council has properly accounted for monies received and spent, it also comments on the Council's financial standing. The Local Audit and Accountability Act 2014 governs the work of the Auditors. The Accounts and Audit Regulations 2015 and the Local Audit (Public Access to Documents) Act 2017 covers the duties and responsibilities and rights of Local Authorities. Non compliance may lead to the issue of an advisory notice by the External Auditor.

Financial Implications:

All financial implication are covered within the report and the attached Statement of Accounts.

Background papers:

None

Appendices:

Appendix 1: Bury Draft Unaudited Statement of Accounts 2022/23

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning

Statement of Accounts 2022/2023

Table of Contents

Introduction by Executive Director of Finance

I am pleased to introduce our financial accounts for 2022/23. The purpose of these accounts is to present a true and fair view of the financial results of our activities for the year and the value of our assets and liabilities at the end of the year. The Statement of Accounts have been prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom. The Statement of Accounts play a vital role in providing Bury residents, Council Members and other interested parties with an understanding of the Council's financial position, providing assurance that public resources have been used and accounted for in an appropriate manner.

It aims to ensure the readers of the Statement of Accounts can:
- Understand the overarching financial position of the Council and the 2022/23 financial outturn;
- Have confidence that public money with which the Council has been entrusted has been used and accounted for appropriately, and;
- Be assured of the robustness of the council's financial standing.

The Council's Statement of Accounts is presented as simply and clearly as possible. However, the accounts for such a large and diverse organisation are by their nature both technical and complex. To assist in this, a narrative report has been produced.

Sam Evans
Executive Director of Finance and S151 Officer

Certificate of the Statement of Accounts

I certify that the Statement of Accounts presents a true and fair view of the financial position of Bury Council at 31 March 2023, and its income and expenditure for the year ended 31 March 2023.

Sam Evans
Executive Director of Finance and S151 Officer
31 May 2023

Narrative report

The Narrative Report provides information on the authority, its main objectives and strategies and the principal risks that it faces, as well as providing a commentary on how the authority has used its resources to achieve its desired outcomes in line with its objectives and strategies throughout 2022/23.

The operating environment throughout 2022/23 has been one of change from the previous years and has moved from supporting residents and business through the pandemic to one of recovery out of the pandemic.

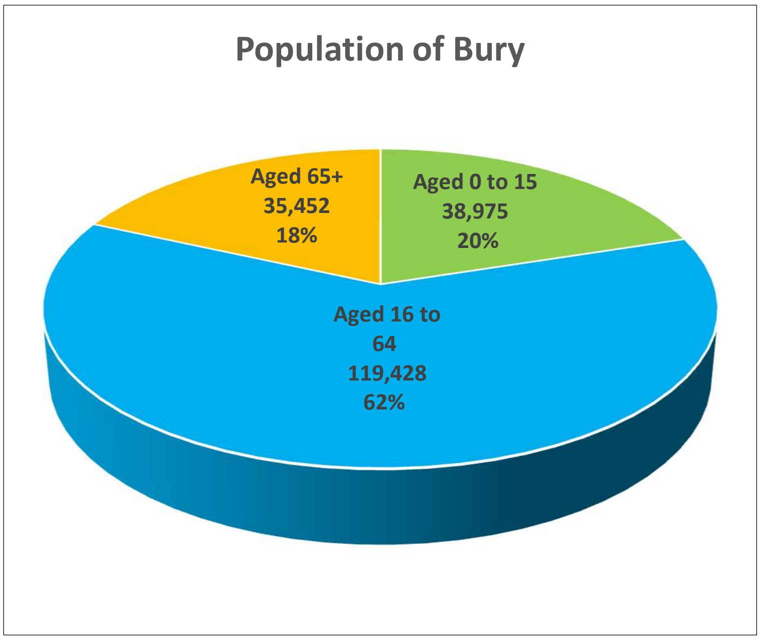
Like many other authorities across the country the Council faces significant financial challenges whilst operating in an environment that is uncertain and volatile. Despite this the Council recognises the need to transform itself and ensure it is a sustainable organisation fit for the future. The Council's Medium Term Financial Strategy has been updated to reflect the Council's priorities and to take account of the financial challenges, opportunities and risks both now and in the future.

Introduction to Bury

Bury Council is one of ten local authorities in the Greater Manchester region. Bury is a place of independent shops, regeneration, thriving businesses and strong communities making it a place where people want to live, work and spend their leisure time.

Key Facts

Population
The Office for National Statistics (ONS) 2021 mid-year population estimate report Bury's total population as 193,855. The age profile of the population is shown below.



The working age population (age 16 to 64) as a proportion of the population is slightly lower than the regional and national averages, whilst those over 65 also represent a lower percentage of the population than regional and national averages. Over 85's represent 2.3% of the population compared to 2.5% nationally. Under 16s are higher than regional and national averages.

The population is expected to increase to 207,091 by 2043. There is expected to be a high increase in those residents aged 80 and over from 8,800 in 2018 to 14,935 in 2043, with resulting increases in demand for health and social care services.

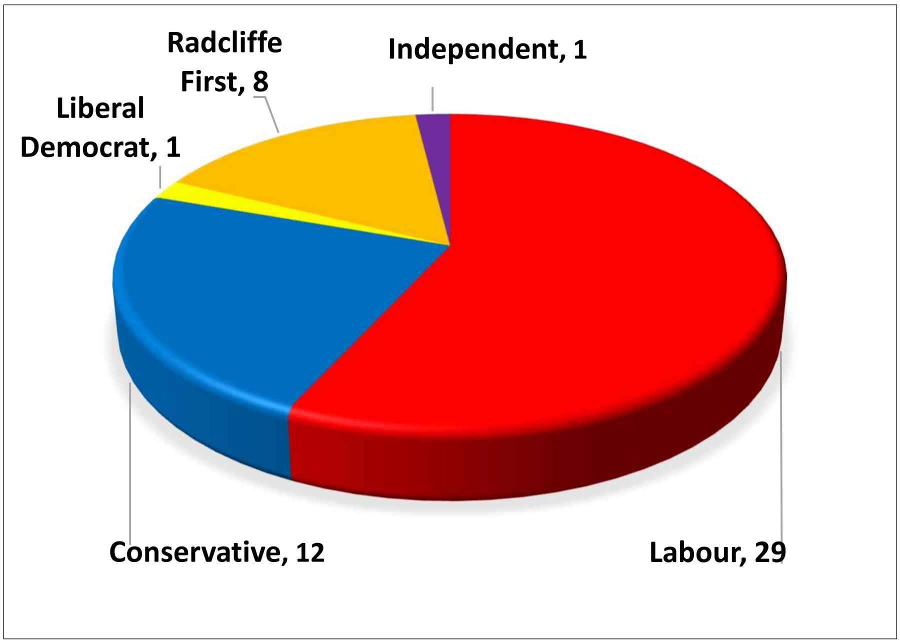
About the Council

Workforce
The Council's Executive Team provides leadership to the Council and supports the work of Councillors. In March a new Chief Executive and NHS GM Place Based Lead took up post following the retirement of the previous post holder. The Chief Executive was supported by a Deputy Chief Executive and 5 Executive Directors – One Commissioning Organisation, Children and Young People, Operations, Business, Growth and Infrastructure and the Executive Director of Finance. The Council's Chief Executive, Executive Director of Finance and Executive Director of the One Commissioning Organisation support the Council and NHS and are employed in the capacity of joint roles.

In carrying out their roles, the Executive Team support the Council in:
- Developing the Council's strategies
- Identifying and planning resources
- Delivering Council plans
- Reviewing the Council's performance and effectiveness in delivering services to residents across the borough

Council Employees
At the start of the 2022/23 financial year, the Council, excluding staff directly employed by schools and casuals, employed 1,959 full time equivalents. This figure has remained broadly consistent throughout the year, with 1,956 full time equivalents employed at the end of the financial year. Beyond this headline stability a significant amount of organisational change activity has been undertaken during the year and which will continue in 2023/24. Investing in and engaging with our staff, and ensuring they have the right skills and knowledge to support effective and efficient delivery is a priority and will continue to be so as the Council continues to transform in 2023/24 and future years. At the core of this will be embedding a new set of organisational values and behaviours aligned to the LET'S Do It! Strategy agreed last year. The Council aims to build a resilient and flexible workforce that is able to deliver the Council's plans and meet the changing needs of the organisation. The Council aims to have the right people, with the rights skills and the right tools in place to do their job across the whole of the Council.

Political structure
Bury is made up of 17 wards with 3 Councillors representing each ward giving an overall total of 51 members. During 2022/23 the political make-up of the Council was:



The Cabinet
The Cabinet is the main decision making body of the Council and is responsible for the strategic management of Council services. The Council in 2022/23 consisted of a Leader and 8 Cabinet Member Councillors each of whom held a Cabinet Member portfolio.

These were as follows:
- Strategic Growth and Skills
- Adult Care, Health, and Wellbeing
- Children and Young People
- Finance and Communities
- Culture and the Economy
- Environment, Climate Change and Operations
- Corporate Affairs and HR
- Housing Services

Cabinet members are also held to account through Overview and Scrutiny Committees. Approval for the creation of a new Overview and Scrutiny Committee focussed on Children's Services was also approved during the year and was operational in 2022/23.

Council Plan
The Bury Corporate Plan 2022/23 set out delivery priorities and performance measures guided the work over the last 12 months. This plan described how the Council and NHS would deliver its contribution to the Let's Do It! Strategy to support the Borough of Bury as it recovers from the local impact of the COVID-19 pandemic.

In 2020 Bury Council and CCG led the development of the ***Let's do it!*** Strategy for the Borough of Bury, which set out the vision for the next ten years. In 2021 a corporate strategic planning process was established, which provided an annual, integrated strategic plan for the Council and CCG partnership to guide the partnership's delivery against the Let's do it! vision.

The plan:
- Set out the context for 2022 strategic delivery, including progress made over the last 12 months and the corporate challenges in the year ahead;
- Proposed strategic priorities for the year ahead within the "Response; Recover;Renewal" Framework and departmental delivery plans against this;
- Provided an overview of the approach to delivery, with a focus this year on strengthening the "basics" through the agreed transformation strategy; strategic finance; organisation development and driving inclusion; and
- Introduced the partnership including the operational "business as usual" and key performance indicators.

The priorities in this plan were developed through:
- Feedback from residents through Community Hubs and our Elected Members;
- The Let's do it! Action plan, which is being updated in parallel by "Team Bury"partners for the year ahead;
- Feedback from external reviews into our services including OFSTED and the Corporate and Children's LGA Peer reviews; and
- Insight from wider governance including performance data, the Medium-Term Financial Strategy and corporate risk registers.

Delivery of this plan will be achieved through the work of our staff and leadership of Elected Members and the NHS partners:
- Every member of staff will have an annual performance and development plan to support these corporate priorities as well as their operational role; and
- Council Cabinet Members have complementary work plans which reflect the milestones in this plan for their portfolio.

Performance was tracked through:

- Monthly highlight reports of delivery against the plans, discussed at the Executive Team and Cabinet Member portfolio meetings; and
- Quarterly performance reports were formally presented to the Council's Cabinet and CCG Governing Body.

The Council and CCG has worked tirelessly to protect residents from the impacts of COVID-19. As a category one emergency responder, our work has fulfilled the national requirements, supported the Greater Manchester Emergency Response programme and also continued to deliver other priorities within ***Let's Do It!***

To deliver the emergency response, the Council developed a planning approach called the '3Rs'. This set out 15 priorities across three strategic themes: response, recovery and renewal.

Response – fulfilling the Council's role as a category one emergency responder and the CCG's leadership in the role in the health system:

- The Local Outbreak Plan was maintained which included delivery of public health advice, humanitarian aid, mass testing centres and rolled out mass vaccination.
- The impacts of COVID-19 on children and young people were mitigated by continued support and leadership for children in need of help and protection. This saw an increase in the percentage of 2-year-olds accessing funded childcare (86%) to help narrow the gap in educational attainment.
- The 'For Each Other' campaign was delivered, including the £250,000 community recovery 'Pitch' participatory budget scheme.
- Support was provided to our businesses and £7,060,817 has been allocated through additional restriction grants (ARG) since December 2020.

Recovery – leading the civil contingencies recovery phase to restore the social, health and economic impacts of COVID-19:

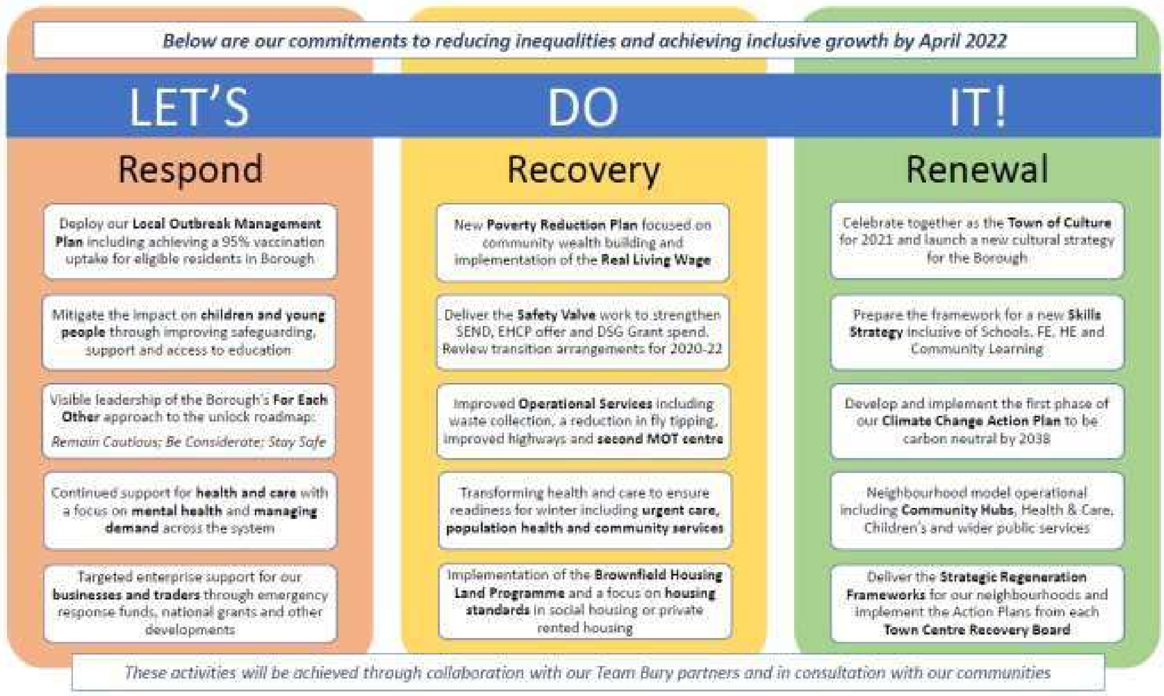
- A total of £1,500,000 in additional financial support was provided, through distribution of national grants and maintenance of free school meals, to prevent and mitigate the hardship impacts of COVID-19.
- Over £700,000 of funding for community recovery and health improvement was administered through a community-led, participatory model in every neighbourhood.
- Bury Council was accredited as a Real Living Wage employer and became a Member of the Greater Manchester Good Employment Standard network, which has improved the pay and conditions of over 4,000 local people.
- The Project Safety Valve programme for children with additional needs is now in delivery phase, endorsed by the Department for Education.
- Operational Services introduced a new waste round, invested in fly tipping and procured a second taxi MOT centre.
- Health and care transformation activity to address increased demand for health and care services, such as elective care waiting lists and demand for mental health provision.
- Town centre delivery boards were established for each town centre.

Renewal – visionary changes to "build back better" in the borough:

- Town of Culture celebrations included the Head for the Hills and Burrs Festival events, as well as the Victoria Wood Foundation Happy Festival.
- Strategic development plans in place for Radcliffe, Bury Town Centre, Prestwich and Ramsbottom as well as ongoing delivery of the Northern Gateway vision.
- Strategic Regeneration Framework for Radcliffe agreed, including confirmed plans for a new high school. This also sets out a People Plan to engage local communities in the regeneration vision.
- Strategy for carbon neutrality by 2038 published.
- Triage model developed for medium risk domestic abuse cases. 25 units of specialist housing have been commissioned and improvement plan delivered for management of high-risk cases.

Additional activity outside of the planned framework was also delivered last year, including:

- The Bury Interchange development forms part of the £1.07 billion award of monies through the City Region Sustainable Transport Settlement (CRSTS).
- Implementation of an Agile Workforce Strategy which has provided a platform for more efficient ways of working. This positions the Council effectively in a challenging recruitment market and makes significant savings from disposal of office estate.
- Launching delivery of the multi-year internal transformation programme, including agreement of a Digital First Strategy and design of a corporate business support service.
- Agreement of a Community Safety Plan for 2022-25. With the following priorities for the next three years: reducing offending and drug-related offending, supporting victims and tackling the causes of domestic abuse, strengthening community cohesion, creating and maintaining safe spaces and tackling crime and anti-social behaviour.
- A refresh of the partnership-wide Health and Social Care Locality Plan and the development of whole new set of partnership arrangements in the light of the transition to a GM Integrated Care System model and the replacement of Bury CCG by a GM Integrated Care Board.



<u>Greater Manchester Devolution and Partnership Working</u>

The Greater Manchester (GM) Devolution agreement with Government has provided the opportunity to better integrate policies and decision making at a local level. This has led to innovation and new models of local service delivery as well as better co-ordination of interventions to drive productivity growth. Most importantly, as highlighted by the GM Combined Authority, outcomes for residents across the city region have been improved. The GM Strategy has provided the vision and aims for the region, agreed between the public sector, businesses and the voluntary, community and social enterprise sector, and implemented through local and national Government working in partnership. This integration is vital for not only improving services but driving productivity and prosperity across Greater Manchester.

GM Devolution is continuing to shape a new way of working across the region on the important issues facing Greater Manchester. Bury is well placed to shape and benefit from these opportunities.

More broadly, the Council and local partners will need to continue to work closely on how we contribute and engage in ongoing devolution developments. The vision for the future of GM has been set through the Places for Everyone strategy, a new Transport Delivery plan, a Housing Vision and Infrastructure Framework.

Governance
Bury Metropolitan Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

The Annual Governance Statement explains how the Council has complied with the CIPFA Financial Management Code and also meets the requirements of regulation 6(2) Accounts and Audit Regulations 2015, in relation to the approval of the Annual Governance Statement.

The Head of Fraud, Audit, Insurance & Risk's opinion for 2022/23, is that there is moderate assurance on the overall control framework for the Council. There is, however, also limited assurance on some of the key financial systems, however, it is noted that the reasons for the limited assurance opinions are mainly due to corporate issues that need to be addressed and are not due to fundamental flaws in the financial systems themselves. These opinions are based on the audit work and consider how the systems of internal control within the Council are designed to meet the organisation's objectives and whether controls are applied consistently. For information, this compares with 2021/22 where the overall opinion was also moderate.

It is important to note that the decision to provide an overall audit opinion of moderate assurance, was based upon 64% of reports receiving limited / moderate assurance, against 36% of reports which received positive, full / substantial, assurance.

In forming this opinion, it does not necessarily mean that all Council controls have diminished significantly in 2022/23. It is important to also frame this decision with a number of other factors:
- Changes to audit planning over recent years has encouraged senior management to be open about risks and concerns to help target towards key risks to optimise value of the audit work.
- Advisory work ongoing around new systems / changes to systems which provides ongoing assurance but does not receive a formal opinion.

Performance
The 2022 plan will continue to be structured against the "3Rs" with a focus on **delivery** to support our commitments to response, recovery and renewal. These are described in the table below and will be revisited on a quarterly basis through the Performance Management Framework. In addition to the long-term work carried forward from 2022, priorities for 2023 will also reflect:
- New activity agreed as part of the children's improvement plan;
- Action plans to support the delivery of our Levelling Up and other regeneration schemes;
- Support to understand the implications of the adult social care reform white paper; and
- Operational support for businesses and residents due to the implementation of the clean air policy and associated regulatory changes.

To address issues raised through our external peer reviews, a cross-cutting commitment has been made to strengthen 'the basics' of how we operate, to maximise available resources and improve effectiveness. The majority of this will be delivered through the internal transformation programme including:
- A staff behaviour framework which defines a consistent, high performing way of working against the LET'S principles
- A re-launch of the Council Customer care standards
- A refreshed system for managing Members' casework
- The Council website update and channel shift priorities
- Improvements in internal HR and finance processes
- Investment in the skills and systems of management
- A framework for identifying and developing strengths in delivering the basics

The "Basics" work will also see the development of:

- A corporate problem-solving methodology.
- An improvement plan for Operational Services including a transformation of leisure services and highway improvement programme.
- Preparation and delivery of the 2023 Local Election.

Progression of these priorities will ensure delivery is right first time, that service user satisfaction is improved and there is an agreed approach to addressing problems when they arise.

Alongside the delivery of the key priorities, we will support enabling activity including:

Internal Transformation, including digital
In July 2021, Cabinet agreed a multi-year internal transformation programme with the objectives of both improving service quality and reducing costs. The programme is comprised of three workstreams:
Let's do it….

- Once – an integrated customer contact strategy.
- Flexibly – estates rationalisation and agile working.
- Well – internal improvement and efficiencies.

Underpinning much of this work is the Council's digital programme, which seeks to promote digital-first user engagement, a digital workplace and improved business intelligence. This work has continued in earnest through 2022/23.

Organisation Development
The partnerships mission is to provide direct and robust leadership of the ***Let's Do It!*** vision through the mindset of staff and impact on their approach to delivery services. A People Strategy will be created, setting out the organisations framework for developing skills, structures and culture needed to drive delivery of the vision. Work here will include:

- Co-creation of a set of values which support our diverse workforce to demonstrate the***'LETS'*** principles, underpinned by practical behaviours which drive a change in culture.
- Development of leaders and managers to equip them with the skills and confidence to deliver on the partnerships ambition. 2022/23 saw the launch of the managers development programme for all managers who line manage staff.
- Strengthening approaches to talent identification and development, including work with apprenticeships to focus on creating opportunities for Bury residents.
- Focus on wellbeing and engagement, emphasising the role of managers, informed by best practice and internal evidence.
- Improvement in the systems and processes that support quality management.

Financial Management
2022/23 saw the long-awaited finance department restructure. A fundamental objective of this restructure was to create and develop a high performing team who support all budget holders and activities within Bury to ensure financial discipline, grip and control is achieved. It is key that finance is seen as an enabler to all departments to achieve the objectives and priories of the Council, whilst ensuring financial sustainability and resilience.

Budget Setting
The budget for 2022/23 was set in February 2022 around the Council's priorities and key deliverables. The LET'S DO IT! Strategy directs the Council's Corporate Plan and comprises:

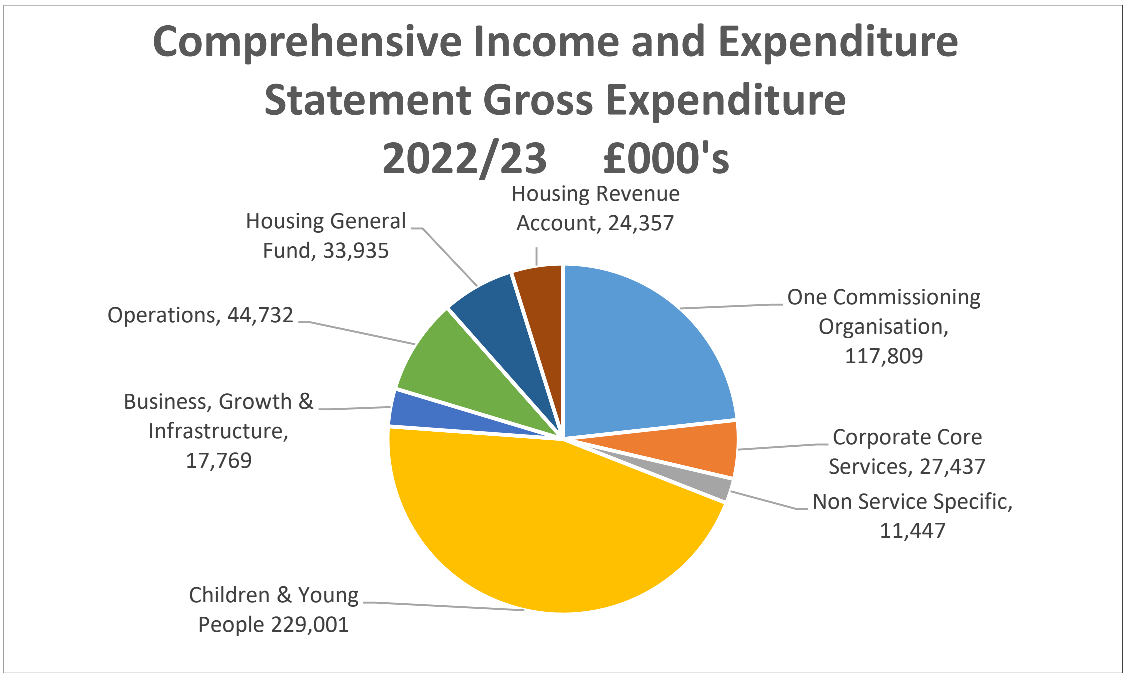
Financial Performance 2022/23

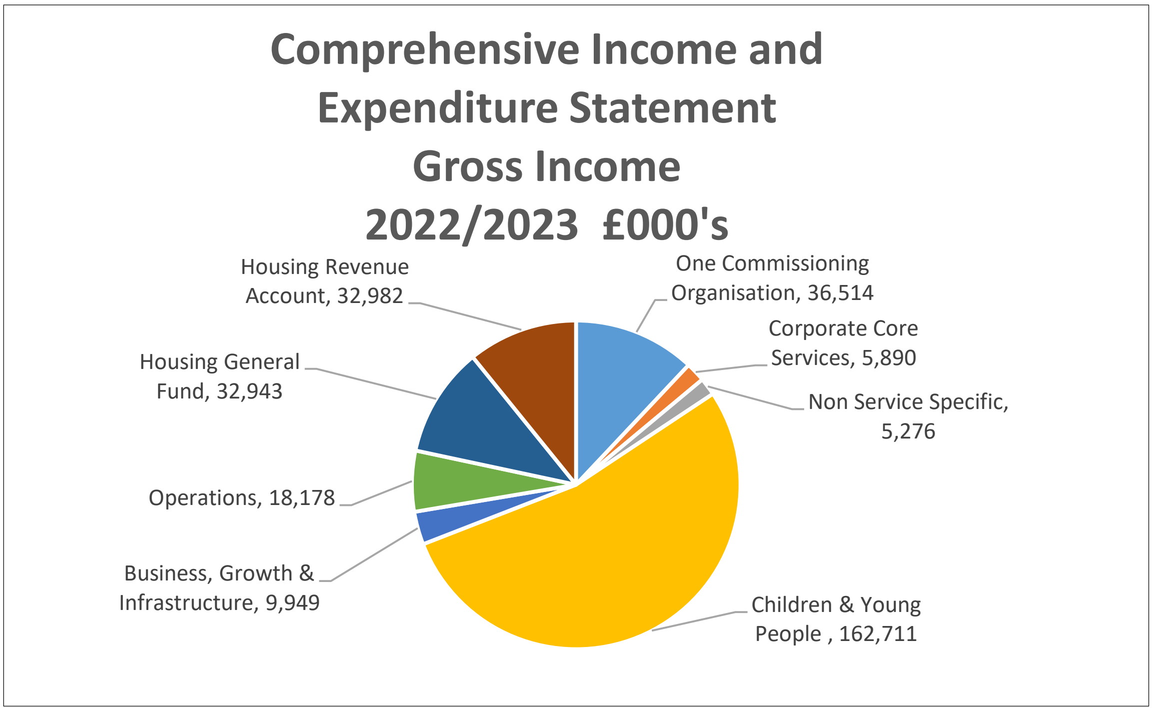
Revenue
The year 2022/23 saw us not only continue the recovery from Covid but experience uncertainty from challenges due to the cost of living crisis.

The General Fund revenue outturn position for 2022/23 is £181.251m (2021/22 £171.185m), this represents a gross overspend of £2.329m (1.3%) (2021/22 overspend of £0.666m) against a General Fund revenue budget of £178.922m (2021/22 £171.851m.)

This Income and Expenditure is analysed by department below:

Dept	Budget £000s	Actual Spend £000s	Variance £000s
One Commissioning Organisation	£79,151	£79,333	£182
Children & Young People	£45,243	£51,357	£6,114
Corporate Core Services	£19,310	£18,106	(£1,205)
Non-Service Specific	£11,384	£8,635	(£2,749)
Business, Growth & Infrastructure	£3,525	£2,518	(£1,006)
Operations	£19,020	£20,311	£1,290
Housing General Fund	£1,288	£992	(£296)
	£178,922	**£181,251**	**£2,329**





Savings
Bury has delivered £98.64m in savings between 2010 and 2022, with a further £12.244m being delivered in 2022/23. The delivery of some of these savings was affected by Covid and, where possible, alternative efficiencies were identified. All of the agreed savings targets remain in the budget for 2023/24 as it is considered that these are still achievable in the longer term. The Council recognises the need for savings plans to be delivered. Project management capacity has increased and a programme that supports and monitors the delivery and deliverability of savings is in place for 2023/24 supported by the Executive Delivery Board.

Dedicated Schools Grant (DSG)
Approved on the 6th November 2020 but coming into effect from 29 November 2020 parliament agreed to establishing new accounting practices in relation to the treatment of local authorities' schools budget deficits. Where the Council has a deficit on its schools budget it must not charge the amount of that deficit to a revenue account. The Council must record any such deficit in a separate account established solely for the purpose of recording deficits relating to its school's budget. The new accounting practice has the effect of separating schools budget deficits from the Councils' general fund for a period of three financial years. This issue can only be fully resolved by closing the deficits.

At the end of 2022/23 the Council held a net deficit balance of £18.601m on its DSG account, a reduction from £21.473m at the end of 2021/22. The overall outturn was a decrease in the deficit position as a result of the continuing work completed as part of Project Safety Valve. A number of workstreams have been, and continue to be developed, which will further reduce the DSG deficit position. A particular focus of this activity is around the High Needs Block and the demands against this funding stream. The Council is working with Department for Education colleagues on these workstreams and the Council's position over the short to medium term.

Reserves
There was a £14.355m planned use of reserves to balance the 2022/23 position.

Earmarked reserves have however been used throughout the year to deliver key priorities and deliver outcomes where specific funding had been received and was being held in reserves.

The accounts show that the Council has £86.708m (£109.773m at 31 March 2022) in earmarked reserves at 31 March 2023 and £22.701m (£24.468 at 31st March 2022) in General Reserves.

The Council is faced with an uncertain financial climate over the medium to long-term which presents a high risk to the authority and there remains potential for further, as yet unrecognised, risks. For this reason, a prudent approach to the level of reserves held by the Council remains a sensible and necessary approach that underpins the financial resilience of the organisation.

Usable Reserves	**2021/22 £000s**	**2022/23 £000s**
General Fund	(£24,468)	(£22,701)
Earmarked General Fund Reserve	(£109,773)	(£86,708)
Housing Revenue Account	(£9,843)	(£9,176)
Major Repairs Reserve	£0	£0
Capital Receipts Unapplied	(£6,967)	(£10,890)
Capital Grants Unapplied	(£16,119)	(£20,268)
Balance at 31 March	**(£167,170)**	**(£149,742)**

Pension liabilities
The Council has reported a net pension asset of £90.745m as at 31 March 2023 (Liability of £219.411m as at 31 March 2022). Pension assets & liabilities are based on the requirements of IAS 19, Employee Benefits, and calculations are carried out using a prescribed method. The liability is not an immediate deficit that has to be met now. The sum is the current assessment taking a long-term view of the future liabilities for existing pensioners and current employees who are accruing pension entitlement and of future expected investment performance.

Capital
We spent £45.736m on capital related activities. This was £61.461m less than was included in the original capital programme and taking account of slippage brought forward from the 2021/22 financial year. The main reasons for the underspend were delays in the delivery of capital projects throughout the year. The Council has carried forward £60.117m of slippage into the 2023/24 financial year.

Housing Revenue Account (HRA)
Under legislation, income and expenditure on council housing is ringfenced within the HRA. This means the Council is not able to make contributions to or from its General Fund from or to the HRA.

After taking into account adjustments between the accounting basis and the funding basis under legislation and transfers to and from earmarked reserves there is a reduction of £0.667m on the HRA balance bringing it to £9.176m as at 31 March 2023. On an accounting basis, the 2022/23 outturn position on the HRA is a surplus of £5.313m. This is the net position after gains and losses through sale and interest costs.

Collection Fund
The council is required by legislation to maintain a separate account for the administration of Council Tax and Business Rates income. All income collected from local taxpayers is paid into this account and then distributed to the Council's General Fund, and to the Greater Manchester Combined Authority (GMCA) for the GMCA Mayoral Police and Crime Commissioner precept and the GMCA Mayoral General precept (including fire services). The 2022/23 out turn on the collection fund is a deficit of £7.699m a movement of £1.747m from the start of the year.

The Council's and the Precepting Authorities share of the surplus is shown in the table below:

The Collection Fund	**Council Tax £000s**	**Business Rates £000s**	**Total £000s**
Balance Brought Forward (Surplus)/Deficit	(£4.902)	£14.348	**£9.446**
Prior Year estimated deficit paid in during the year	£5.364	(£12.870)	**(£7.123)**
(Surplus)/Deficit for the year	(£1.178)	£6.554	**£5.376**
Closing Cumulative (surplus) / Deficit carried forward	**(£0.716)**	**£8.415**	**£7.699**
Allocated to:			
Bury Council	(£0.604)	£8.332	**£7.728**
GMCA Mayoral General	(£0.076)	£0.000	**(£0.076)**
GMCA Mayoral Police and Crime Commissioner	(£0.036)	£0.084	**£0.048**
Total Allocation	**(£0.716)**	**£8.416**	**£7.700**

There has been a net deficit B/forward of £1.861m, write offs of £1.274m during the year and a net contribution to the allowance for impairment of debt of £2.322m which has contributed to the deficit position.

Greater Manchester 100% Business Rates Retention Pilot

On 1 April 2017, the GMCA, Bury Council and the nine other GM districts commenced a pilot scheme for the 100% local retention of Business Rates. The participants agreed to pilot full Business Rates Retention on the basis that no district would be worse off than they would have been under the original '50/50' arrangements whereby Business Rates revenues are shared between Central Government and the Local Authority sector. This has become known as the 'no detriment' principle. Under the pilot scheme, additional rates income is offset by reductions in other funding streams such as the Revenue Support Grant (RSG) and Public Health Grant.

The Council continued to pilot the 100% retention of Business Rates in 2022/23. Business rates income is a complex and volatile tax, changes in rateable values and increases in appeals by businesses are difficult to predict and can have a significant impact on the actual benefit realised at the end of the financial year.

From the Government's perspective, the primary purpose of the pilot was to develop and trial approaches to manage risk and reward in a Local Government finance system that included the full devolution of Business Rates revenues. Government plans subsequently changed with a 75% Business Rates Retention Scheme expected to be introduced.

There have been delays to the expected reform of Local Government Funding, including the Business Rates Retention scheme (including the adoption of a national 75% rates retention scheme) however, it has been confirmed, that the Greater Manchester 100% Business Rates Retention pilot scheme will continue in 2023/24.

Treasury Management

We undertake treasury management activities in a prudent and flexible manner to ensure we retain sufficient liquid funds to provide for day to-day cash flow requirements whilst funding our capital spend at the lowest cost. These activities are managed within an overall framework determined by the Treasury Management and investment strategies that were agreed by Full Council in February 2022 and reviewed bi-annually. Interest income and expenditure as a result of investments or borrowing are reflected in our revenue budgets. Included in our investment income is the Council's interest in Manchester Airport Group. The airport has been significantly impacted by Covid and the dividend payable has not been received in 2022/23. As a planning assumption, the loss of dividend has been assumed. As part of the capital development of the Manchester Airport Group, the Greater Manchester authorities agreed a loan totalling £300m of which Bury's share is £9.677m. Interest from the loan is still being accrued and will be payable.

Risks

The Accounts and Audit Regulations 2015 and Public Sector Internal Audit Standards 2017 require the Council to maintain a robust, adequate and effective system of risk management in its delivery of core services. Operation of an effective and embedded risk management framework is an important element of such a system so that the Council effectively discharges its corporate governance responsibilities.

The Executive Team is responsible for reviewing the Corporate Risk Register, ensuring that the management of risk continues to be within the Council's risk appetite. Audit Committee is responsible for considering the effectiveness of the council's Corporate risk management arrangements.

The Council's strategic risks are determined by the Executive Team, and comprise of key risks which either:

- Are relevant and important to all or most of the Council's services and functions;
- Are external to the Council but which have potential significant impacts on the Borough, or parts of the Borough, as a whole; or
- Have potentially severe reputational consequences should they materialise.

The strategic risk register contains 28 risks in total.

Outlook

MTFS

When the 2022/23 budget was set, it was recognised that a reliance on reserves and the non-delivery of savings was impacting on the Council's financial resilience and sustainability and could not be continued. A rolling 5-year financial strategy was developed that realigned budgets, addressed historic savings targets that had never been delivered, reduced reliance on reserves, increased corporate capacity and built in a mechanism to increase reserves on a planned basis.

A review of the collection fund, provisions and reserves also further supported the strategy by ensuring that funding reflected a more accurate position on council tax receipts and growth and that one-off funding was released to increase general reserves and to provide some one-off funding to support transformation. Provisions and reserves were also better aligned to reflect the risks facing the Council. In developing this approach, the financial strategy recognised the need for a number of risks to be monitored, managed and where uncontrollable, to be financially underwritten:

- Prolonged uncertainty around central Government's future funding including a new funding model for adults social care to replace the social care council tax and the better care fund grants;
- Dependency upon locally collected Business Rates placing greater reliance on the need to maintain reserves to manage volatility;
- Designing and delivering sustainable delivery of Special Educational Needs within the Dedicated Schools Grant;
- The broader economic impact, such as the impacts of movements in inflation, council tax base and interest rates on our day to day costs, income and debt repayments; and
- Pension cost increase arising from revaluations and any Central Government decisions about the Local Government Pension Scheme's funding mechanisms.

Risk Management
The Local Government Finance Settlement published in December 2022 only provided certainty for 2023/24 and the longer term future remains uncertain. The MTFS only includes assumptions on the future based on government announcements to date. The MTFS will continue to be updated as the government release information on their funding plans. It is important that Bury spends within this approved budget, especially with additional pressures on current resources.

There are significant risks involved in delivering a balanced budget over the medium term including:
- Loss of income due to economic climate such as Council Tax and Business Rate income
- Non-delivery of approved savings
- Social care placement costs
- The cost of High Needs within the Dedicated Schools Grant and overspends from previous periods.

The risks are monitored and reported
- Included in the Corporate Risk Register
- Regularly reported to Overview and Scrutiny Committee
- Reviewed through quarterly monitoring and updates to Cabinet.

Financial Statements
The Accounts and Audit Regulations 2015, as amended, set out the statutory deadlines for an authority to publish both the unaudited Statement of Accounts by 31 May and audited Statement of Accounts by 30 September.

The Statement of Accounts provide an overview of the Council's financial position for 2022/23. The 2022/23 set of accounts conform to the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the Code), which is based on International Financial Reporting Standards (IFRSs).

Explanatory Statements
Statement of Responsibilities - explains the responsibilities of the Council and its Chief Financial Officer in relation to the Council's financial affairs and the Statement of Accounts.

Core Statements

Comprehensive Income and Expenditure 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 (or rents). Authorities raise taxation (and rents) to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the expenditure and funding analysis and the movement in reserves statement.

Movement in Reserves Statement shows the movement from the start of the year to the end 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 'unusable reserves'. The statement shows how the movements in year of the authority's reserves 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 chargeable to council tax (or rents) for the year. The net increase/decrease line shows the statutory general fund balance and Housing Revenue Account (HRA) balance movements in the year following those adjustments.

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.

Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.

Notes to the Core Financial Statements
All the notes to the core statements above are collected in one place. Later in this document there is an explanation of the policies used in the preparation of the figures in these accounts, especially changes made during the year.

Other Statements
The Collection Fund and notes reflects the Council's statutory obligation to maintain a separate Collection Fund for its transactions as a billing authority in relation to Council Tax and Non-Domestic Rates.

Housing Revenue Account and notes shows the in-year economic cost of providing housing services in accordance with generally accepted accounting practices.

Group Accounts
In accordance with the Code the following have been consolidated in the Council's Group Accounts:

The Council relationship with three organisations over which it has substantial control and influence that have been identified as Subsidiaries of Bury Council, of:

- Six Town Housing Ltd
- Bury MBC Townside Fields Ltd
- Persona Care and Support Ltd and Persona Group Ltd

The two joint arrangements formed during 2022/23, whereby the Council has agreed to share joint control and has rights to the net assets of the arrangement, have been classed as a Joint Venture, of:

- Bury Bruntwood (Millgate) LLP
- The Prestwich Regeneration LLP

Further details on the Group entities and the Group Accounts can be found in the Group Accounts section of the Council's statement of Accounts.

Glossary
At the end of the statement there is a glossary which explains some of the technical terms used in these accounts.

Further information
As a result of complying with regulation these accounts can be complex to read. However, I hope you find them informative in helping you understand how the Council manages it's finances and it's service delivery. If you have any questions or comments please e-mail closedown@bury.gov.uk or write to the Executive Director of Finance, Bury Metropolitan Council, Town Hall, Knowsley Street, Bury BL9 0SW

Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council 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 Bury that Officer is the Section 151 Officer.
- To manage its affairs to secure economic, efficient and effective use of its resources and safeguard its assets.
- To approve the Statement of Accounts.

The Responsibilities of Audit Committee

Audit Committee is required:
- To monitor the integrity of the financial statements of the Council and to review significant financial reporting judgements contained in them;
- To review the Council's internal financial controls including its risk management systems;
- To monitor and review the effectiveness of the Council's internal audit function;
- To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process;
- To consider significant accounting policies, any changes to them, and any significant estimates and judgements;
- To review the clarity and completeness of disclosures in the financial statements and consider whether the disclosures made are set properly in context; and
- To approve the audited Statement of Accounts.

The Responsibilities of the Section 151 Officer

The Section 151 Officer is responsible for the preparation of the Authority's Statement of Accounts which, in terms of CIPFA's Code of Practice on Local Authority Accounting in Great Britain, is required to present **a true and fair view** of the financial position, financial performance and cash flows of the Authority at the accounting date and its income and expenditure for the year ended 31st March 2023.

In preparing the Statement of Accounts the Section 151 Officer has:
- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent; and
- Complied with the Code of Practice on Local Authority Accounting.

The Section 151 Officer has also:
- Kept proper accounting records which are up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities;
- Signed the letter of representation with the External Auditor;
- Signed and dated the draft Statement of Accounts, confirming satisfaction that it presents a true and fair view of the authority's financial position at the balance sheet date, the authority's income and expenditure for the year;
- Commenced the period for the exercise of public rights with regards to the inspection of the statement of accounts;
- Notified the External Auditor of the date on which that period began;
- Assessed the Authority's [and the Group's] ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- Used the going concern basis of accounting on the assumption that the functions of the Authority [and the Group] will continue in operational existence for the foreseeable future;
- Maintained such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and

- Reconfirmed satisfaction that the accounts present a true and fair view of the financial position at the balance sheet date and the income and expenditure for the year, upon conclusion of the public inspection period and immediately prior to approval of the audited accounts by Audit Committee.

Independent Auditors Report

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Core Financial Statements and Explanatory Notes

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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 [or rents]. Authorities raise taxation [and rents] to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the expenditure and funding analysis and the Movement in Reserves Statement.

2021/22			Comprehensive Income and Expenditure Statement		2022/23		
Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	Description	Note	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s
£125,282	(£47,930)	**£77,352**	One Commissioning Organisation		£117,809	(£36,514)	**£81,295**
£204,228	(£157,524)	**£46,704**	Children, Young People & Culture		£229,001	(£162,711)	**£66,289**
£34,030	(£6,676)	**£27,354**	Corporate Core Services		£27,437	(£5,890)	**£21,547**
£45,124	(£44,098)	**£1,026**	Non Service Specific		£11,447	(£5,276)	**£6,171**
£13,973	(£7,456)	**£6,517**	Business, Growth & Infrastructure		£17,610	(£9,790)	**£7,820**
£53,914	(£25,650)	**£28,264**	Operations		£44,732	(£18,178)	**£26,554**
£33,908	(£33,962)	**(£54)**	Housing General Fund		£33,935	(£32,943)	**£992**
£9,344	(£31,785)	**(£22,441)**	Housing Revenue Account		£20,596	(£32,982)	**(£12,387)**
£519,803	**(£355,081)**	**£164,722**	**Cost of Services**		**£502,567**	**(£304,286)**	**£198,281**
£27,969	£0	**£27,969**	Other Operating Expenditure	10	£27,838	£0	**£27,838**
£31,611	(£21,224)	**£10,387**	Financing & Investment Income & Expenditure	11	£12,693	(£5,492)	**£7,201**
0	(£199,173)	**(£199,173)**	Taxation & Non-Specific Grant Income & Expenditure	12	£0	(£199,460)	**(£199,460)**
£579,383	**(£575,478)**	**£3,905**	**(Surplus) or Deficit On Provision of Services**		**£543,099**	**(£509,238)**	**£33,861**
		(£15,559)	(Surplus)/Deficit on Revaluation of Property, Plant & Equipment				**(£45,372)**
		£7,309	Impairment Losses on Non-Current Assets Charged to the Revaluation Reserve				**£0**
		£0	(Surplus)/Deficit from Investments in Equity Instruments Designated at Fair Value through Comprehensive Income				**(£1,000)**
		(£165,358)	Actuarial (gains)/losses on the Remeasurement of the Net Defined Benefit Liability/(Asset)				**(£330,522)**
		(£173,608)	**Total Other Comprehensive Income & Expenditure**				**(£376,894)**
		(£169,703)	**Total Comprehensive Income & Expenditure**				**(£343,033)**

<u>Movement in Reserves Statement</u>

This statement shows the movement from the start of the year to the end 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 'unusable reserves'. The Movement in Reserves Statement shows how the movements in year of the authority's reserves 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 chargeable to council tax [or rents] for the year. The net increase/decrease line shows the statutory General Fund balance and Housing Revenue Account balance movements in the year following those adjustments.

Movement in Reserves Statement 2022/23	**Usable Reserves**									
	General Fund Balance £000s	Earmarked General Fund Reserves £000s	**Total General Fund Balance £000s**	Housing Revenue Account £000s	Usable Capital Receipts £000s	Major Repairs Reserve £000s	Capital Grants Unapplied £000s	**Total Usable Reserves £000s**	**Unusable Reserves £000s**	**Total Reserves £000s**
Balance at 1 April Brought Forward	**(£24,468)**	**(£109,775)**	**(£134,243)**	**(£9,843)**	**(£6,967)**	**£0**	**(£16,119)**	**(£167,172)**	**(£116,165)**	**(£283,337)**
Movement in Reserves During 2022/23:										
Total Comprehensive Income and Expenditure	£42,936	£0	**£42,936**	(£9,075)	£0	£0	£0	**£33,861**	(£376,894)	**(£343,033)**
Adjustments between Accounting Basis and Funding Basis Under Regulations	(£18,103)	£0	**(£18,103)**	£9,741	(£3,923)	£0	(£4,149)	**(£16,433)**	£16,433	**£0**
Net (Increase)/Decrease before Transfers to Earmarked Reserves	£24,833	£0	**£24,833**	£666	(£3,923)	£0	(£4,149)	**£17,428**	(£360,461)	**(£343,033)**
Transfers (to)/from Earmarked Reserves	(£23,065)	£23,065	**£0**	£0	£0	£0	£0	**£0**	£0	**£0**
(Increase)/Decrease in Year	£1,768	£23,065	**£24,833**	£666	(£3,923)	£0	(£4,149)	**£17,428**	(£360,461)	**(£343,033)**
Balance at 31 March Carried Forward	**(£22,700)**	**(£86,710)**	**(£109,410)**	**(£9,177)**	**(£10,890)**	**£0**	**(£20,268)**	**(£149,744)**	**(£476,626)**	**(£626,370)**

The following table is provided for comparative purposes:

Movement in Reserves Statement 2021/22	Usable Reserves								Unusable Reserves	Total Reserves
	General Fund Balance	Earmarked General Fund Reserves	**Total General Fund Balance**	Housing Revenue Account	Usable Capital Receipts	Major Repairs Reserve	Capital Grants Unapplied	**Total Usable Reserves**		
	£000s	£000s	**£000s**	£000s	£000s	£000s	£000s	**£000s**	**£000s**	**£000s**
Balance at 1 April Brought Forward	**(£30,882)**	**(£125,882)**	**(£156,764)**	**(£10,422)**	**(£4,889)**	**(£14)**	**(£9,608)**	**(£181,697)**	**£68,063**	**(£113,634)**
Movement in Reserves During 2021/22:										
Total Comprehensive Income and Expenditure	£22,752	£0	**£22,752**	(£18,847)	£0	£0	£0	**£3,905**	(£173,608)	**(£169,703)**
Adjustments between Accounting Basis and Funding Basis Under Regulations	(£231)	£0	**(£231)**	£19,426	(£2,078)	£14	(£6,511)	**£10,620**	(£10,620)	**£0**
Net (Increase)/Decrease before Transfers to Earmarked Reserves	£22,521	£0	**£22,521**	£579	(£2,078)	£14	(£6,511)	**£14,525**	(£184,228)	**(£169,703)**
Transfers (to)/from Earmarked Reserves	(£16,107)	£16,107	**£0**	£0	£0	£0	£0	**£0**	£0	**£0**
(Increase)/Decrease in Year	£6,414	£16,107	**£22,521**	£579	(£2,078)	£14	(£6,511)	**£14,525**	(£184,228)	**(£169,703)**
Balance at 31 March Carried Forward	**(£24,468)**	**(£109,775)**	**(£134,243)**	**(£9,843)**	**(£6,967)**	**£0**	**(£16,119)**	**(£167,172)**	**(£116,165)**	**(£283,337)**

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 are 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 (for example the capital receipts reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31st March 2021 £000s	31st March 2022 £000s	Balance Sheet Description	Note	31st March 2023 £000s
£548,374	£589,879	Property, Plant & Equipment	14	£647,620
£26,353	£26,353	Heritage Assets	15	£26,353
£16,708	£17,005	Investment Property	16	£18,704
£3,271	£3,544	Intangible Assets	17	£2,778
£23,400	£23,400	Long-Term Investments	19	£24,400
£44,142	£47,162	Long-Term Debtors	21	£69,188
£0	£0	Pension Asset	21	£90,745
£662,248	**£707,343**	**LONG TERM ASSETS**		**£879,788**
£521	£5,504	Short-Term Investments	19	£469
£622	£624	Assets Held For Sale	18	£1,285
£1,069	£1,392	Stocks & Work in Progress		£1,821
£62,997	£52,463	Short-Term Debtors	21	£54,037
£11,044	£34,773	Cash and Cash Equivalents	22	(£5,757)
£76,253	**£94,756**	**CURRENT ASSETS**		**£51,854**
(£6,392)	(£14,344)	Short-Term Borrowing	19	(£40,589)
(£43,611)	(£43,709)	Short-Term Creditors	23	(£37,147)
(£3,948)	(£1,876)	Short-Term Provisions	24	(£1,753)
(£73)	(£15,536)	Revenue Grants in Advance	33	(£1,073)
(£54,024)	**(£75,465)**	**CURRENT LIABILITIES**		**(£80,563)**
(£27)	(£4)	Long-Term Creditors		(£4)
(£7,887)	(£5,949)	Long-Term Provisions	24	(£6,731)
(£201,095)	(£207,903)	Long-Term Borrowing	19	(£204,709)
(£970)	(£13)	Deferred Liabilities		(£12)
(£356,592)	(£219,411)	Pension Liability	38	£0
(£4,272)	(£10,017)	Capital Grants Receipts in Advance	33	(£13,255)
(£570,843)	**(£443,297)**	**LONG TERM LIABILITIES**		**(£224,711)**
£113,634	**£283,337**	**NET ASSETS**		**£626,369**
(£181,697)	(£167,172)	Usable Reserves	9	(£149,742)
£68,063	(£116,165)	Unusable Reserves	26	(£476,627)
(£113,634)	**(£283,337)**	**TOTAL RESERVES**		**(£626,369)**

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources that are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.

Cash Flow Statement	Note	Restated 2021/22 £000s	2022/23 £000s
Net (Surplus) or Deficit on the Provision of Services		£3,905	£33,861
Adjustment to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements		(£51,668)	(£34,055)
Adjust for Items Included in the Net (Surplus) or Deficit on the Provision of Services that are Investing and Financing Activities		£25,899	£26,085
Net Cash flows from Operating Activities	27	**(£21,864)**	**£25,891**
Net Cash Flows from Investing Activities	27	£12,757	£37,044
Net Cash Flows from Financing Activities	27	(£14,621)	(£22,405)
Net Increase or (Decrease) in Cash and Cash Equivalents		**(£23,729)**	**£40,531**
Cash and Cash Equivalents at the Beginning of the Reporting Period		**(£11,044)**	**(£34,773)**
Cash and Cash Equivalents at the End of the Reporting Period	**22**	**(£34,773)**	**£5,757**

Expenditure and Funding Analysis

The objective of the expenditure and funding analysis is to demonstrate to council tax [and rent] payers how the funding available to the authority (ie government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The expenditure and funding analysis also shows how this expenditure is allocated for decision making purposes between the council's directorates [services or departments]. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement

Expenditure and Funding Analysis	2022/23							
	Outturn as Reported to Cabinet	Adjustments to Management Reporting (EFA Note 1)	Net Expenditure Chargeable to the GF and HRA	Adjustments for Capital Purposes (EFA Note 2)	Net Change for Pensions Adjustments (EFA Note 3)	Other Statutory Differences (EFA Note 4)	Adjustments Between Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
One Commissioning Organisation	**£79,333**	£187	**£79,521**	£162	£1,613	£0	**£1,774**	**£81,295**
Children & Young People	**£51,357**	(£86)	**£51,271**	£10,083	£7,968	(£3,035)	**£15,017**	**£66,287**
Corporate Core Services	**£18,106**	£11	**£18,117**	£1,728	£2,036	(£334)	**£3,430**	**£21,547**
Non-Service Specific	**£8,635**	(£5,631)	**£3,004**	£3,169	£0	£0	**£3,169**	**£6,173**
Business, Growth & Infrastructure	**£2,519**	(£1,673)	**£846**	£6,469	£506	£0	**£6,974**	**£7,820**
Operations	**£20,310**	(£865)	**£19,445**	£4,923	£2,186	£0	**£7,109**	**£26,554**
Housing General Fund	**£992**	£0	**£992**	£0	£0	£0	**£0**	**£992**
Housing Revenue Account	**£0**	(£3,380)	**(£3,380)**	(£9,007)	£0	£0	**(£9,007)**	**(£12,387)**
Net Cost of Services	**£181,252**	**(£11,436)**	**£169,815**	**£17,526**	**£14,308**	**(£3,368)**	**£28,466**	**£198,281**
Other Income and Expenditure	**(£179,483)**	£35,168	**(£144,316)**	(£23,823)	£6,058	(£2,339)	**(£20,104)**	**(£164,420)**
(Surplus) or Deficit on the Provision of Services	**£1,768**	**£23,731**	**£25,500**	**(£6,297)**	**£20,366**	**(£5,707)**	**£8,362**	**£33,861**

Opening General Fund and HRA Balance 1 April 2022 *	(£144,084)
Less/Plus (Surplus) or Deficit on General Fund Balance In-Year	£25,500
Reserve Transfers	£0
Closing General Fund and HRA Balance 31 March 2023 *	(£118,585)

** For a further split of this balance – see the Movement in Reserves Statement*

Expenditure and Funding Analysis	Outturn as Reported to Cabinet	Adjustments to Management Reporting (EFA Note 1)	Net Expenditure Chargeable to the GF and HRA	Adjustments for Capital Purposes (EFA Note 2)	Net Change for Pensions Adjustments (EFA Note 3)	Other Statutory Differences (EFA Note 4)	Adjustments Between Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	2021/22							
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
One Commissioning Organisation	**£80,190**	(£5,858)	**£74,332**	£98	£2,922	£0	**£3,020**	**£77,352**
Children & Young People	**£48,054**	(£16,355)	**£31,699**	£6,602	£9,101	(£698)	**£15,005**	**£46,704**
Corporate Core Services	**£13,390**	£10,082	**£23,472**	£1,028	£3,454	(£600)	**£3,882**	**£27,354**
Non-Service Specific	**£3,935**	£19,769	**£23,704**	(£4,464)	£0	(£18,214)	**(£22,678)**	**£1,026**
Business, Growth & Infrastructure	**£3,680**	(£1,930)	**£1,750**	£3,851	£916	£0	**£4,767**	**£6,517**
Operations	**£21,288**	(£1,637)	**£19,651**	£4,163	£4,450	£0	**£8,613**	**£28,264**
Housing General Fund	**£1,312**	(£1,366)	**(£54)**	£0	£0	£0	**£0**	**(£54)**
Housing Revenue Account	**£0**	(£3,614)	**(£3,614)**	(£18,827)	£0	£0	**(£18,827)**	**(£22,441)**
Net Cost of Services	**£171,849**	**(£909)**	**£170,940**	**(£7,549)**	**£20,843**	**(£19,512)**	**(£6,218)**	**£164,722**
Other Income and Expenditure	**(£171,849)**	£24,009	**(£147,840)**	(£20,311)	£7,334	£0	**(£12,977)**	**(£160,817)**
(Surplus) or Deficit on the Provision of Services	**£0**	**£23,100**	**£23,100**	**(£27,860)**	**£28,177**	**(£19,512)**	**(£19,195)**	**£3,905**

Opening General Fund and HRA Balance 1 April 2021 *	(£167,184)
Less/Plus (Surplus) or Deficit on General Fund Balance In-Year	£23,100
Reserve Transfers	
Closing General Fund and HRA Balance 31 March 2022 *	(£144,084)

** For a further split of this balance – see the Movement in Reserves Statement*

Note to the Expenditure and Funding Analysis:

a) Adjustments to Management Reporting
This column adjusts the outturn figures reported to management for items chargeable to the General Fund (GF) and Housing Revenue Account (HRA) column, for:

Net Cost of Services – the insertion of both the Housing Revenue Account and Schools, income and expenditure.

Financing & Investment Income & Expenditure – the reallocation of Investment Properties and Financing & Investment Income & Expenditure to/from the Net Cost of Services to Other Operating Income and Expenditure.

Reserves – the removal of transfers to/from reserves included in the management outturn report as these are not shown on the face of the Comprehensive Income and Expenditure Account.

b) Adjustments for Capital Purposes
This column adds in depreciation and impairment and revaluation gains and losses in the net cost of service, for:

Other Operating Expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

Finance and Investment Income and Expenditure – the statutory charges for capital financing, i.e. Minimum Revenue Provision and other revenue contributions, are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

Taxation and Non-Specific Grant Income and Expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable during the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied within the year.

c) Net Change for the Pension Adjustments
This column removes employer pension contributions and adds IAS19 Employee Benefits related expenditure and income, as follows:

For the Net Cost of Services – this represents the removal of the employer pension contributions made by the Council as allowed by statute and their replacement with current service costs and past service costs.

For Financing and Investment Income and Expenditure – the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement (CIES).

d) Other Statutory Adjustments
This column shows the differences between amounts debited/credited to the CIES and amounts payable/receivable to be recognised under statute are set out below:

For Financing and Investment Income and Expenditure – the other statutory adjustments column recognises adjustments to the General Fund of the timing differences for premiums and discounts.

For Taxation and Non-Specific Grant Income – represents the difference between what is chargeable under statute for Council Tax and Business Rates to that which was estimated to be received at the start of the year, and the income recognised under general accepted accounting practices. This is a timing difference as any difference is brought forward in the surpluses or deficits on the Collection Fund.

Index for the Notes to the Core Statement

Notes to the Core Financial Statements

01. Accounting Policies for the 2022/23 Statement of Accounts

General Principals

Basis of preparation

The Statement of Accounts summarises the Council's transactions for the 2022/23 financial year and its position at the year end of 31 March 2023. The Council 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 under Section 21 of the 2003 Act primarily comprise the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Council Accounting in the United Kingdom 2022/23 (the Code) supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The accounts have been prepared on a going concern basis, under the assumption that the Council will continue in existence for the foreseeable future.

Events after the Balance Sheet Date

Events after the Balance Sheet reporting period are those events, both favourable and unfavourable, that occur between the Balance Sheet date and the date when the statement of accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the statement of accounts is adjusted to reflect such events.
- those that are indicative of conditions that arose after the reporting period – the statement of accounts is not adjusted to reflect such events, but where such a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

Group Accounts

The Council has material interests in companies and other entities that have the nature of subsidiaries and joint ventures and require it to prepare group accounts. In the Council own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses.

The Council has material interest in external entities that are classified as subsidiaries and which are consolidated into the Council's group accounts on a line-by-line basis, after eliminating intra group transactions.

The Council has material interests in Joint Venture arrangements, IFRS 11 requires that a joint venturer shall recognise its interest in a joint venture using the equity method.

The equity method for accounting for joint ventures requires an investor to bring an investment into its Group Balance Sheet at cost (identifying any goodwill arising) and then to adjust the carrying value by the change in the investor's share of the joint venture's net assets. The investor calculates its share of the joint venture's operating results for the year and includes this amount in the Group Comprehensive Income and Expenditure Statement immediately after its group operating result. The share is the aggregate of the holdings in the joint venture by the authority (and its subsidiaries).

An entity could be material but still not consolidated if all of its business is with the Council and eliminated on consolidation – i.e. the consolidation would mean that the group accounts are not materially different to the single entity accounts.

Pooled Budgets
The Council is the host partner of the pooled funds in respect of Health and Social care and the Better Care Fund. The arrangements are made in accordance with section 75 of the National Health Service Act 2006 and allows budgets to be pooled between authorities and health and social care organisations.
The arrangements are accounted for as joint operations and, therefore, the Council accounts for its share of the funds' assets, liabilities, expenditure and income.

Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors
Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

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 and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) 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 opening balances and comparative amounts for the prior period.

Accounting Policies for Income and Expenditure
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:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- 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 (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure 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 in financing and investment income and expenditure for the income that might not be collected.

Charges to Revenue for Non-Current Assets
Services, support services and trading accounts are charged an accounting estimate of the cost of holding non-current assets during the year. This comprises:
- 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 against which the losses can be written off.
- amortisation of intangible assets attributable to the service.

The Council is not allowed to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement [equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance, as approved Minimum Revenue Provision policy].

Depreciation, revaluation and impairment losses, and amortisation are therefore replaced by the contribution in the General Fund balance [MRP or the statutory repayment of loans fund advances]. By way of an adjusting transaction with the capital adjustment account in the Movement in Reserves Statement for the difference between the two.

Council Tax and Non-Domestic Rates income
Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the collection fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the collection fund, billing authorities, major preceptors and central government (for NDR) share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

<u>Accounting for council tax and NDR</u>
The council tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the authority's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the collection fund adjustment account and included as a reconciling item in the Movement in Reserves Statement. The Balance Sheet includes the authority's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Employee Benefits
<u>Benefits Payable During Employment</u>
Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, paid sick leave, flexi and time off in lieu (TOIL) as well as bonuses and non-monetary benefits (e.g. mobile phones) for current employees and are recognised as an expense for services in the year in which employees render service to the Council.

<u>Employee Accumulated Absence Accrual</u>
An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end that employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the current accounting year. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday benefits are charged to revenue in the financial year in which the holiday entitlement occurs.

<u>Termination Benefits</u>
Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the relevant services lines in the Comprehensive Income and Expenditure Statement, at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

<u>Post-Employment Benefits</u>
Employees of the Council are members of three separate pension schemes:
- The Greater Manchester Local Government Pension Scheme, administered by Tameside Metropolitan Borough Council.
- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).
- The NHS Pension Scheme, administered by EA Finance NHS Pension

These schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees working for the Council.

However, the arrangements for the teachers' and NHS schemes means that liability for these benefits cannot be identified specifically to the Council. These schemes are therefore accounted for as if they are a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet.

<u>The Greater Manchester Local Government Pension Scheme</u>
The Greater Manchester Local Government Pension Scheme is accounted for as a defined benefits scheme.

- The liabilities of the Greater Manchester Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit 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 future 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 a basket of high quality corporate bonds, Government gilts and other factors).
- The assets of the Greater Manchester Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:
  - quoted securities – current bid price
  - unquoted securities – professional estimate
  - unitised securities – current bid price
  - property – market value

The change in the net pension liability is analysed into following components:
- Service cost comprising:
  - **Current service cost** – the increase in liabilities as a result of years of service earned in the current year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
  - **Past service cost** – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Service Specific.
  - **Net interest on the net defined benefit liability**, i.e. net interest expense for the authority - the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period - taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

- Remeasurement comprising:
  - **The return on plan assets** – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
  - **Actuarial gains and losses** – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
  - **Contributions paid to the Greater Manchester Pension Fund** - cash paid as employer contributions to the pension scheme in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve, to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. 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.

Discretionary Benefits
The Council 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.

Government Grants and Contributions
Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:
- the Council will comply with the conditions attached to the payments, and
- 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 future economic benefits or service potential must 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 creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) 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. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Where revenue grants are credited to the Comprehensive Income and Expenditure Statement but have yet to be used to fund revenue expenditure, they are posted to the Revenue Grant Reserve. When eligible expenditure is incurred in future years the grant is transferred 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.

Overheads and Support Services
The costs of support services such as administration and management are charged to services in accordance with the Council's arrangements for accountability and performance

Provisions, Contingent Liabilities and Contingent Assets
Provisions
Provisions are made where an event has taken place on or before the Balance Sheet date:
- that gives the Council a present (legal or constructive) obligation
- that probably requires settlement by a transfer of economic benefits or service potential, and
- where a reliable estimate can be made of the amount of the obligation.

If it is not clear whether an event has taken place on or before the Balance Sheet date, it is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the Balance Sheet date. The present obligation can be legal or constructive.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council 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. When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made) the provision is reversed and credited back to the relevant service revenue account.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim) it is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

Revenue Expenditure Funded from Capital under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year.

Where the Council 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.

Value Added Tax (VAT)

Value Added Tax payable is included as an expense only to the extent that it is not recoverable from HMRC. VAT receivable is excluded from income.

Accounting policies for assets and liabilities

Cash and Cash Equivalents

Cash is represented by cash in hand, school bank accounts and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of a 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.

Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in 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. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings held by the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts 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 gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. When a premium or discount has been incurred and paid in full by a grant from an external body it is accounted for in full in the year that the grant is received. 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.

Financial Assets
Financial assets are classified based on 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 of financial assets measured at:
- amortised cost
- fair value through other comprehensive income (FVOCI), and
- fair value through profit or loss (FVPL).

The Council's business model is to hold investments to collect contractual cash flows i.e. payments of interest and principal. Most of the Council's financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost
Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of a financial asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Expected Credit Loss Model
The Council recognises expected credit losses on all of its financial assets held at amortised cost (or where relevant FVOCI), either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Financial Assets measured at Fair Value through other Comprehensive Income (FVOCI)
These assets relate to financial instruments where the amounts received relating to them are solely principal and interest but they are held to collect cash and sell the assets. The interest received on these assets is spread evenly over the life of these instruments.

Changes in fair value are posted to Other Comprehensive Income and Expenditure and are balanced by an entry in the Financial Instruments Revaluation Reserve.

When the asset is de-recognised, the cumulative gain or loss previously recognised in Other Comprehensive Income and Expenditure is transferred from the Financial Instruments Revaluation Reserve and recognised in the Surplus or Deficit on the Provision of Services.

<u>Financial Assets Measured at Fair Value through Profit of Loss (FVPL)</u>
These assets relate to financial instruments where the amounts received relating to them are not principal and interest (e.g. equity investments). Dividends received are accounted for at the point they are received.

The fair value measurements of the financial assets are based on the following techniques:
- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

An equity instrument that has been classed as FVPL can be designated as FVOCI if it is not held for trading (e.g. a strategic investment). Once this designation has been made it cannot be reversed. This designation would mean that any gains and losses would be held in the Financial Instruments Revaluation Reserve.

Fair Value Measurement
The Council measures some of its assets and liabilities at fair value at the end of the reporting period. Fair value is the amount that would be received to sell an asset or paid to transfer a liability at the measurement date. The fair value measurement 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 a principal market, in the most advantageous market for the asset or liability.

The Council uses both in house and external valuers to provide a valuation of its non-financial assets and liabilities, for recognition or disclosure as appropriate, in line with the highest and best use definition within IFRS 13 Fair Value Measurement.

The highest and best use of the asset or liability being valued is considered from the perspective of a market participant. Inputs to the valuation techniques in respect of the Council's fair value measurement of its assets and liabilities are categorised within the fair value hierarchy as follows:
- **Level 1** – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council 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.

Heritage Assets
The Council's Heritage Assets are held by the Council principally for their contribution to knowledge and/or culture. These include Civic Regalia, Artefacts and various gifts & bequests some of which are held in the Museum and Art Gallery. These are recognised and measured, including treatment of revaluation gains and losses, in accordance with the Council's accounting policies on Property Plant and Equipment.

The land and building assets identified to date include Radcliffe Tower, the Dungeon and Rodger Worthington's grave. As there is no available valuation for these assets they have been reported at nominal value as recommended by the Council's property valuer.

However, some of the measurement rules are relaxed allowing the Council's Heritage Assets to be included on the Balance Sheet at their insured value where available. Where insurance valuations are not available there is a narrative disclosure.

Heritage assets are deemed to have an indefinite life, therefore are not depreciated as the charge made would be minimal and immaterial. Nevertheless, where there is evidence of physical deterioration to a Heritage Asset, or doubts arise to its authenticity, the value of the asset has to be reviewed.

Investment Property
Investment properties are those assets 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 or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Investment properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are charged 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 charged to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Useable Capital Receipts Reserve.

Intangible Assets
Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at cost less accumulated depreciation and any accumulated impairment loss. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the other operating expenditure line in the Comprehensive Income and Expenditure Statement.

Infrastructure Assets
Highways infrastructure assets include carriageways, footways and cycle tracks, structures (e.g. bridges), street lighting, street furniture (e.g. illuminated traffic signals, bollards), traffic management systems and land which together form a single integrated network.

<u>Recognition</u>
Expenditure on the acquisition or replacement of components of the network is capitalised on an accrual basis, provided that it is probable that the future economic benefits associated with the item will flow to the authority and the cost of the item can be measured reliably.

<u>Measurement</u>
Highways infrastructure assets are generally measured at depreciated historical cost. However, this is a modified form of historical cost – opening balances for highways infrastructure assets were originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April 1994, which was deemed at that time to be historical cost.

Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

<u>Depreciation</u>
Depreciation is provided on the parts of the highways network infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives. Depreciation is charged on a straight-line basis.

Annual depreciation is the depreciation amount allocated each year.

Useful lives of the various parts of the highways network are assessed by the Chief Highways Engineer using industry standards where applicable as follows:

Part of Highways Network	Useful Life
Roads	25 Years
Bridges	80 Years
Street Furniture	30 Years
Street Lighting	40 Years
Footways & Cycle Tracks	25 Years

Disposals and derecognition
When a component of the network is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet is written off to the 'Other operating expenditure' line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (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).

The written-off amounts of disposals are 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 transferred to the capital adjustment account from the General Fund Balance in the Movement in Reserves Statement.

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

Long-term Contracts
Long-term contracts are accounted for on the basis of charging the surplus or deficit on the provision of services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

Leases
Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee
Operating Leases:
Rental paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Council as Lessor
Operating Leases:
Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

Property, Plant and Equipment

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

Recognition

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 does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred. The Council has a £15,000 de-minimis limit for the recognition of Capital Expenditure.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price.
- 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 initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Assets that are being constructed by the Council will initially be recognised at cost.

The Council does not capitalise borrowing costs incurred in the cost of acquisition, construction and completion of qualifying assets.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

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

Category	**Measurement Basis**
Community assets and assets under construction	Depreciated historical cost
Dwellings	Current value, determined using the basis of existing use value for social housing (EUV-SH).
Surplus Assets	Fair value, determined by the measurement of the highest and best use value of the asset
All Other operational 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 that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included on the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year end, but as a minimum every five years.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for as follows:
- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant Portfolio 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 an asset 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 impairment losses are identified, they are accounted for as follows:
- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant Portfolio line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant Portfolio line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain community assets) and assets that are not yet available for use (i.e. assets under construction).

Deprecation is calculated on the following bases:

Category	**Measurement Basis**
Dwellings	Component Life
Other Buildings	Straight line allocation over the useful life of the property as estimated by the valuer.
Vehicles, plant, furniture, and equipment	Straight-line allocation over the useful life of the asset as estimated by a suitably qualified officer.

Where an item of property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the revaluation reserve to the capital adjustment account.

Component Accounting

Component accounting is applied only to housing stock in accordance with the analysis provided by the valuer.

Disposals 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 immediately before reclassification and then 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 other operating expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the surplus or deficit on the provision of services. Depreciation is not charged on assets held for sale.

If assets no longer meet the criteria to be classified as assets held for sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale; and their recoverable amount at the date of the decision not to sell.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet ((whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals 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.

The written-off asset value of disposals is not a charge against the General Fund, 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.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. If the disposal relates to housing assets a proportion of the capital receipt is payable to the Government (75% for dwellings, 50% for land and other assets, net of statutory deductions and allowances). The balance of receipts is required to be credited to the Useable Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council’s underlying need to borrow (the capital financing requirement). Receipts are transferred to the Useable Capital Receipts Reserve from the General Fund Balance in the Movement in Reserves Statement.

Reserves
The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring 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 held to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Council. These reserves are further explained in the relevant policies.

Schools
In line with accounting standards and the Code on group accounts and consolidation, all maintained schools are considered to be entities controlled by the Council. Rather than produce group accounts the income, expenditure, assets, liabilities, reserves and cash flows of each school are recognised in the Council’s single entity accounts.

The Council has the following types of maintained schools under its control:
- Community
- Voluntary Aided
- Voluntary Controlled
- Foundation (Applicable to 2021/22 due to Peel Brow converting to an Academy on 1 March 2022)

Schools' non-current assets (school buildings and playing fields) are recognised on the Balance Sheet where the Council directly owns the assets, where the Council holds the balance of control of the assets or where the school or the school governing body own the assets or have had rights to use the assets transferred to them through a licence arrangement.

When a maintained school converts to an Academy, the school's non-current assets held on the Council's Balance Sheet are treated as a disposal. The carrying value of the asset is written off to Other Operating Income and Expenditure in the Comprehensive Income and Expenditure Statement. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

The written-off asset value is not a charge against the General Fund, as the cost of non-current asset disposals resulting from schools transferring to an Academy 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

02. Accounting Standards Issued, Not Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard which has been issued but is yet to be adopted by the 2022/23 Code.

The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified, this would, therefore result in an impact on disclosures spanning two financial years.

The standards introduced by the 2023/24 Code where disclosures are required in the 2022/23 financial statements, in accordance with the requirements of the Code, are:

a) IFRS 16 Leases (but only for those local authorities that have decided to voluntarily implement IFRS 16 in the 2023/24 year).

b) Where an authority adopted IFRS 16 in 2022/23 but chose to defer implementation of IFRS 16 to PFI/PPP arrangements until 2023/24 information on that more specific accounting change will be required in its 2022/23 Statement of Accounts.

c) Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.

d) Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.

e) Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.

f) Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

These changes are not expected to have a material impact on the Council's single entity statements or group statements.

03. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the 2022/23 statement of accounts are:

Accounting for Schools – Balance Sheet Recognition of Schools
The Council recognises the land and buildings used by schools in line with the provisions of the Code of Practice. It states that property used by Local Council maintained schools should be recognised in accordance with the asset recognition tests relevant to the arrangements that prevail for the property.

The Council recognises schools land and buildings on its Balance Sheet where it directly owns the assets. Where the land and building assets used by the school are owned by an entity other than the Council, school or school Governing Body then it is not included on the Council's Balance Sheet. The exception is where the entity has transferred the rights of use of the asset to the Council, school or school Governing Body.

The Council has completed a school by school assessment across the different types of schools it controls within the Borough. Judgements have been made to determine the arrangements in place and the accounting treatment of the land and building assets.

In 2014/15 the Council completed a school by school assessment across the different types of schools it controls within the Borough. Letters of confirmation were received from the Diocese of Manchester, Salford Diocese, Peel Brow Foundation School, Manchester Mesivta * and Bury and Whitefield Jewish Primary School that state that the schools occupy the school premises subject to the direction of the Trustees who own the land on which the schools are sited.

All decisions relating to land and buildings rest with the Trustees and there has been no assignment of rights to the property. No formal documentation exists, the schools occupy the premises under a "mere" license which has passed no interest to the school's governing body and which is terminable by the Trustees at any time. As such none of the schools are included on the Council's balance sheet.

(*The Department for Education (DfE) purchased the land occupied by Manchester Mesivta in January 2016 and the Trustees have a 125 year lease arrangement with the DfE. This does not affect the local authority accounts.)

All 28 community schools are owned by the Council and the land and buildings used by the schools are included on the Council's Balance Sheet. The Council recognises on its Balance Sheet the playing fields located within the boundaries of Voluntary Aided and Voluntary Controlled schools that remain in the control of the Council.

Academies are not considered to be maintained schools in the Council's control. The existing schools' land and building assets are transferred to academies on conversion date on a long-term lease of 125 years. The nominal value shown on the Council's Balance Sheet at year end reflects this arrangement.

For local authority maintained schools transferring to academy status an academy conversion accounting policy is in place that sets out the critical actions that must be completed in order for the school to transfer to an academy trust. This includes the treatment of transactions and balances of the schools being derecognised from the local authority single entity financial statements and the consideration of non-current assets.

Group Boundary
The Council carries out a complex range of activities, often in conjunction with external organisations. Where those organisations are in partnership with or under the ultimate control of the Council a judgement is made by management as to whether they are within the Council's group boundary. This judgement is made in line with the provisions set out in the Code and relevant accounting standards.

Those entities which fall within the boundary and are considered to be material are included in the Council's group accounts. Profit and loss, net worth, and the value of assets and liabilities are considered individually for each organisation against a materiality limit set by the Council. An entity could be material but still not consolidated if all of its business is with the Council and eliminated on consolidation – i.e. the consolidation would mean that the group accounts are not materially different to the single entity accounts. The assessment of materiality also considers qualitative factors such as whether the Council depends significantly on these entities for the continued provision of its statutory services or where there is concern about the level to which the Council is exposed to commercial risk.

The Council has assessed its group boundary for 2022/23 and has Subsidiaries and Joint Ventures who are considered to be material and will be consolidated into its group accounts.

Basis of Consolidation

The Council relationship with three organisations over which it has substantial control and influence that have been identified as Subsidiaries of Bury Council., of:

- Six Town Housing Ltd
- Bury MBC Townside Fields Ltd
- Persona Care and Support Ltd and Persona Group Ltd

Basis of consolidation, line-by-line consolidation

The two joint arrangements formed during 2022/23, whereby the Council has agreed to share joint control and has rights to the net assets of the arrangement, have been classed as a Joint Venture, of:

- Bury Bruntwood (Millgate) LLP
- The Prestwich Regeneration LLP

Basis of consolidation, equity method

Investment Properties

Investment properties have been assessed using the identifiable criteria under the international accounting standards and are being held for rental income or for capital appreciation. Properties have been assessed using these criteria, which is subject to interpretation to determine if there is an operational reason for holding the property such as regeneration.

Airport Investment

The Council has a 3.22% shareholding in Manchester Airport Holdings Limited (MAHL). Following the adoption of accounting standard IFRS 9 Financial Instruments which came into effect 1 April 2018, the default valuation method of the Council's equity holdings would be Fair Value through Profit and Loss. However, the shareholding is a strategic investment and not held for trading and therefore the Council has designated the investment as fair value through other comprehensive income. It is the Council's view that this is a reasonable and reliable accounting policy for the investment.

The Council has made an equity investment in Manchester Airport Car Park (1) Limited, (along with the other nine Greater Manchester District Councils). The Council's investment is to provide car parking facilities at Manchester Airport. The Council holds 3 Class C ordinary shares. The shareholding will be classed as a financial instrument and held at fair value on the Council's Balance Sheet. Under IFRS 9 the shareholding (investment) will be designated as a strategic investment and not held for trading therefore the Council has opted to designate it as fair value through Other Comprehensive Income. The decision to designate to fair value through Other Comprehensive Income is irrevocable and it is the Council view that this is a reasonable and reliable accounting policy for this investment.

Borrowing – Lender Option Borrower Option (LOBO) Loans

LOBO loans contain options which allow, on specific dates, the lender to alter the interest rate on the loan, and the Council then has an option to decide to either accept the new rate or repay the loan without penalty. These loans have a fixed rate of interest, but the options mean it could change over the life of the loan. This means that there cannot be any certainty as to whether the loans will be paid early, and therefore the Council has treated these loans as fixed loans which will run to their existing maturity. Therefore, we have taken the decision to disclose these as long-term liabilities.

04. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The statement of accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. The assumptions and other sources of estimation uncertainty disclosed below relate to the estimates that require the Council's most difficult, subjective or complex judgements. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increases, those judgements become more subjective and complex. As a result, balances cannot be determined with certainty and actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Property, Plant and Equipment – Depreciation
Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.

Long-Term Assets – Manchester Airport Holdings Limited (MAHL)
The Authority's shareholding in the Manchester Airport Group is 3.22%. The asset is valued using the earnings based method resulting in the asset being valued at fair value rather than historic cost, therefore requiring an annual valuation. The valuation includes reviewing the financial performance, stability and business assumptions of the MAHL and is based on estimations and assumptions.

Pensions Liability
Estimation of the pensions net liability depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the authority with expert advice about the assumptions to be applied.

Provision for NNDR Appeals
Following the introduction of the Business Rate Retention Scheme in 2013/14 and the 100% GM Business Rates Pilot in 2017/18. The Council is responsible for a 99% share of the cost of successful appeals by businesses against their rateable value. A provision is recognised in the statement of accounts, that has been calculated using the latest Valuation Office (VAO) ratings list of ratings appeals and potential appeals against the analysis of successful appeals to date.

05. Material Items of Income and Expense

The Code requires individual items of income or expenditure that exceed materiality and have not been individually recorded on the face of the financial statements or in one of the other notes to the accounts to be disclosed in this note.

For the purposes of this note, the materiality is set at £5m.

There were no individual items above £5m which have not been individually disclosed.

06. Events After the Reporting Period

The statement of accounts was authorised for issue by the Executive Director of Finance on 31 May 2023. 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 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There are no adjusting events after the Balance Sheet date, in relation to the 2022/23 Statement of Accounts.

07. Expenditure and Income Analysed by Nature

2022/23													
	One Commissioning Organisation £000s	Children & Young People £000s	Corporate Core Services £000s	Non-Service Specific £000s	Business, Growth & Infrastructure £000s	Operations £000s	Housing General Fund £000s	Other Income and Expenditure £000s	**Outturn as Reported to Cabinet £000s**	Adjustments to Management Reporting (EFA Note 1) £000s	**Net Expenditure Chargeable to the GF and HRA £000s**	**Adjustments Between Funding and Accounting Basis £000s**	**Net Expenditure in the Comprehensive Income and Expenditure Statement £000s**
Fees & Charges	(£16,041)	(£1,100)	(£4,272)	(£1,636)	(£5,735)	(£16,314)	£0	£0	**(£45,098)**	(£36,456)	**(£81,554)**	**£0**	**(£81,554)**
Other Service Income	(£19,554)	(£1,848)	(£1,308)	(£139)	(£1,706)	(£1,805)	£0	£0	**(£26,360)**	(£11,948)	**(£38,308)**	**£0**	**(£38,308)**
Financing and Investment Income	£0	£0	£0	(£4,769)	£0	£0	£0	£0	**(£4,769)**	(£723)	**(£5,492)**	**£0**	**(£5,492)**
Government Grants and Contributions	(£919)	(£3,347)	(£310)	(£3,502)	(£2,850)	(£60)	(£32,943)	(£39,747)	**(£83,678)**	(£137,621)	**(£221,299)**	**(£24,781)**	**(£246,080)**
Income from Council Tax	£0	£0	(£517)	£0	£0	£0	£0	(£101,381)	**(£101,898)**	£0	**(£101,898)**	**£3,540**	**(£98,358)**
Income from Business Rates	£0	£0	(£29)	£0	£0	£0	£0	(£33,541)	**(£33,570)**	£0	**(£33,570)**	**(£5,877)**	**(£39,447)**
Total Income	**(£36,514)**	**(£6,295)**	**(£6,437)**	**(£10,046)**	**(£10,291)**	**(£18,178)**	**(£32,943)**	**(£174,668)**	**(£295,373)**	**(£186,747)**	**(£482,120)**	**(£27,118)**	**(£509,238)**
Employee Benefits Expenses	£19,344	£31,327	£26,655	(£13,112)	£4,906	£25,511	£0	£0	**£94,630**	£87,579	**£182,209**	**£13,812**	**£196,021**
Other Service Expenses	£97,392	£27,073	£8,220	£6,816	£5,311	£10,207	£32,568	£130	**£187,717**	£87,401	**£275,118**	**£0**	**£275,118**
Support Service Charges	£912	£2,408	(£9,296)	£762	£979	£3,429	£1,367	£0	**£560**	£380	**£940**	**£0**	**£940**
Depreciation, Amortisation, Revaluations and Impairment	£0	£0	£0	£0	£0	£0	£0	£0	**£0**	£0	**£0**	**£27,378**	**£27,378**
Capital Expenditure Financed from Revenue Balances	£0	£0	£0	£0	£0	£663	£0	£0	**£663**	£5,288	**£5,951**	**(£5,952)**	**(£0)**
Revenue Expenditure Funded from Capital Under Statute & De-minimis	£0	£0	£0	£0	£0	£0	£0	£0	**£0**	£0	**£0**	**£1,412**	**£1,412**
Financing and Investment Expenses	£0	£0	£1	£5,692	£0	£0	£0	£0	**£5,693**	£4,319	**£10,012**	**£4,381**	**£14,393**
Precepts and Levies	£0	£0	£0	£25,888	£0	£491	£0	£0	**£26,379**	£0	**£26,379**	**£0**	**£26,379**
Payments to Housing Capital Receipts Pool	£0	£0	£0	£0	£0	£0	£0	£0	**£0**	£0	**£0**	**£0**	**£0**
(Gain) or Loss on Disposal of Non-Current Assets	£0	£0	£0	£0	£0	£0	£0	£0	**£0**	£0	**£0**	**£1,459**	**£1,459**
Posting of HRA Resources from Revenue to the MRR	£0	£0	£0	£0	£0	£0	£0	£0	**£0**	£7,012	**£7,012**	**(£7,012)**	**£0**
Total Expenditure	**£117,647**	**£60,808**	**£25,580**	**£26,046**	**£11,195**	**£40,300**	**£33,935**	**£130**	**£315,642**	**£191,978**	**£507,620**	**£35,479**	**£543,099**
Contributions to/from Reserves	(£1,800)	(£3,155)	(£1,038)	(£7,366)	£1,614	(£1,811)	£0	(£4,945)	**(£18,500)**	£18,500	**£0**	**£0**	**£0**
(Surplus) or Deficit on the Provision of Services	**£79,333**	**£51,357**	**£18,106**	**£8,635**	**£2,519**	**£20,310**	**£992**	**(£179,483)**	**£1,768**	**£23,731**	**£25,500**	**£8,362**	**£33,861**

2021/22													
	One Commissioning Organisation £000s	Children & Young People £000s	Corporate Core Services £000s	Non-Service Specific £000s	Business, Growth & Infrastructure £000s	Operations £000s	Housing General Fund £000s	Other Income and Expenditure £000s	**Outturn as Reported to Cabinet £000s**	Adjustments to Management Reporting (EFA Note 1) £000s	**Net Expenditure Chargeable to the GF and HRA £000s**	**Adjustments Between Funding and Accounting Basis £000s**	**Net Expenditure in the Comprehensive Income and Expenditure Statement £000s**
Fees & Charges	(£12,519)	(£1,216)	(£3,357)	(£566)	(£4,698)	(£13,470)	£0	£0	**(£35,826)**	(£35,088)	**(£70,914)**	**£0**	**(£70,914)**
Other Service Income	(£29,561)	(£3,825)	(£23,922)	(£2,618)	(£3,258)	(£22,110)	(£24)	£0	**(£85,318)**	£25,823	**(£59,495)**	**£0**	**(£59,495)**
Financing and Investment Income	£0	£0	£0	(£4,001)	£0	£0	£0	£0	**(£4,001)**	(£496)	**(£4,497)**	**(£16,727)**	**(£21,224)**
Government Grants and Contributions	(£6,921)	(£2,229)	(£778)	(£41,430)	(£764)	(£335)	(£33,938)	(£42,703)	**(£129,098)**	(£138,352)	**(£267,450)**	**(£21,703)**	**(£289,153)**
Income from Council Tax	£0	£0	(£640)	£0	£0	£0	£0	(£90,595)	**(£91,235)**	£0	**(£91,235)**	**(£4,560)**	**(£95,795)**
Income from Business Rates	£0	£0	(£39)	£0	£0	£0	£0	(£25,204)	**(£25,243)**	£0	**(£25,243)**	**(£13,654)**	**(£38,897)**
Total Income	**(£49,001)**	**(£7,270)**	**(£28,736)**	**(£48,615)**	**(£8,720)**	**(£35,915)**	**(£33,962)**	**(£158,502)**	**(£370,721)**	**(£148,113)**	**(£518,834)**	**(£56,644)**	**(£575,478)**
Employee Benefits Expenses	£17,746	£23,965	£22,559	(£18,347)	£5,607	£27,325	£0	£0	**£78,855**	£83,304	**£162,159**	**£19,481**	**£181,640**
Other Service Expenses	£109,545	£32,727	£21,045	£42,057	£6,441	£30,135	£35,274	£459	**£277,683**	£48,508	**£326,191**	**£0**	**£326,191**
Support Service Charges	£0	£0	£0	£0	£0	£0	£0	£0	**£0**	£0	**£0**	**£0**	**£0**
Depreciation, Amortisation, Revaluations and Impairment	£0	£0	£0	£0	£0	£0	£0	£0	**£0**	£0	**£0**	**£2,885**	**£2,885**
Capital Expenditure Financed from Revenue Balances	£0	£0	£0	£8	£99	£73	£0	£0	**£180**	£5,141	**£5,321**	**(£5,321)**	**£0**
Revenue Expenditure Funded from Capital Under Statute & De-minimis	£0	£0	£0	£0	£0	£0	£0	£0	**£0**	£0	**£0**	**£4,586**	**£4,586**
Financing and Investment Expenses	£0	£0	£14	£10,185	£0	£0	£0	£0	**£10,199**	£4,455	**£14,654**	**£21,458**	**£36,112**
Precepts and Levies	£0	£0	£0	£25,755	£0	£465	£0	£0	**£26,220**	£0	**£26,220**	**£0**	**£26,220**
Payments to Housing Capital Receipts Pool	£0	£0	£0	£0	£0	£0	£0	£0	**£0**	£0	**£0**	**£1,439**	**£1,439**
(Gain) or Loss on Disposal of Non-Current Assets	£0	£0	£0	£0	£0	£0	£0	£0	**£0**	£0	**£0**	**£310**	**£310**
Posting of HRA Resources from Revenue to the MRR	£0	£0	£0	£0	£0	£0	£0	£0	**£0**	£7,389	**£7,389**	**(£7,389)**	**£0**
Total Expenditure	**£127,291**	**£56,692**	**£43,618**	**£59,658**	**£12,147**	**£57,998**	**£35,274**	**£459**	**£393,137**	**£148,797**	**£541,934**	**£37,449**	**£579,383**
Contributions to/from Reserves	£1,900	(£1,368)	(£1,489)	(£7,108)	£253	(£795)	£0	(£13,809)	**(£22,416)**	£22,416	**(£0)**	**£0**	**(£0)**
(Surplus) or Deficit on the Provision of Services	**£80,190**	**£48,054**	**£13,393**	**£3,935**	**£3,680**	**£21,288**	**£1,312**	**(£171,852)**	**£0**	**£23,100**	**£23,100**	**(£19,195)**	**£3,905**

08. Adjustments between Accounting Basis and Funding Basis Under Regulations

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

The following sets out a description of the reserves that the adjustments are made against:

General Fund balance
The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund balance, which is not necessarily in accordance with proper accounting practice. The General Fund balance therefore summarises the resources that the council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the council is required to recover) at the end of the financial year. [For housing authorities however, the balance is not available to be applied to funding HRA services.]

Housing Revenue Account balance
The HRA balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

Major Repairs Reserve
The authority is required to maintain the major repairs reserve, which controls an element of the capital resources limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the capital resources that have yet to be applied at the year-end.

Capital Receipts Reserve
The capital receipts reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied
The capital grants unapplied account (reserve) holds the grants and contributions received towards capital projects for which the council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

2022/23	Revenue Reserves		Capital Reserves			Total Usable Reserves	Total Unusable Reserves	Total Authority Reserves
	General Fund Balance	Housing Revenue Account	Major Repairs Reserve	Capital Receipts Reserve	Capital Grants Unapplied			
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
ADJUSTMENTS TO THE REVENUE RESOURCES								
Pensions Costs (transferred to (or from) the Pension Reserve)	£20,366	£0	£0	£0	£0	**£20,366**	**(£20,366)**	**£0**
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	(£2)	£0	£0	£0	£0	**(£2)**	**£2**	**£0**
Council Tax & NDR (transfers to (or from) the Collection Fund Adjustment Account	(£2,337)	£0	£0	£0	£0	**(£2,337)**	**£2,337**	**£0**
Holiday Pay (transferred to the Accumulated Absences Reserve)	(£496)	£0	£0	£0	£0	**(£496)**	**£496**	**£0**
DSG Deficits (transferred to the DSG Adjustment Account)	(£2,873)	£0	£0	£0	£0	**(£2,873)**	**£2,873**	**£0**
Reversal of Entries Included in the Surplus or Deficit on the Provision of Services in Relation to Capital Expenditure (these items are charged to the Capital Adjustment Account or Capital Grants Unapplied)	£6,701	£5,817	£0	£0	£6,954	**£19,472**	**(£19,472)**	**£0**
TOTAL ADJUSTMENTS TO THE REVENUE RESOURCES	**£21,359**	**£5,817**	**£0**	**£0**	**£6,954**	**£34,131**	**(£34,131)**	**£0**
ADJUSTMENTS BETWEEN REVENUE & CAPITAL RESOURCES								
Transfer of Non-Current Asset Sale Proceeds from Revenue to the Capital Receipts Reserve	(£876)	(£3,377)	£0	£4,252	£0	**£0**	**£0**	**£0**
Administrative Costs of Non-Current Asset Disposals (funded by a contribution from the Capital Receipts Reserve)	£0	£75	£0	(£75)	£0	**£0**	**£0**	**£0**
Payments to the Government Housing Receipts Pool (funded by a transfer from the Capital Receipts Reserve)	£0	£0	£0	£0	£0	**£0**	**£0**	**£0**
Posting of HRA Resources from Revenue to the Major Repairs Reserve	£0	(£7,012)	£7,012	£0	£0	**£0**	**£0**	**£0**
Statutory Provision for the Repayment of Debt transfer from the Capital Adjustment Account)	(£1,675)	£0	£0	£0	£0	**(£1,675)**	**£1,675**	**£0**
Capital Expenditure Financed from Revenue Balances (transfer to the Capital Adjustment Account)	(£706)	(£5,246)	£0	£0	£0	**(£5,952)**	**£5,952**	**£0**
TOTAL ADJUSTMENTS BETWEEN REVENUE & CAPITAL RESOURCES	**(£3,257)**	**(£15,559)**	**£7,012**	**£4,177**	**£0**	**(£7,627)**	**£7,627**	**£0**
ADJUSTMENTS TO CAPITAL RESOURCES								
Use of the Capital Receipts Reserve to Finance New Capital Expenditure	£0	£0	£0	(£254)	£0	**(£254)**	**£254**	**£0**
Use of the Major Repairs Reserve to Finance New Capital Expenditure	£0	£0	(£7,012)	£0	£0	**(£7,012)**	**£7,012**	**£0**
Application of Unapplied Capital Grants to Finance New Capital Expenditure	£0	£0	£0	£0	(£2,805)	**(£2,805)**	**£2,805**	**£0**
Cash Payments in Relation to Deferred Capital Receipts	£0	£0	£0	£0	£0	**£0**	**£0**	**£0**
Cash Payments in Relation to Long-Term Debtor Loans	£0	£0	£0	£0	£0	**£0**	**£0**	**£0**
TOTAL ADJUSTMENTS TO CAPITAL RESOURCES	**£0**	**£0**	**(£7,012)**	**(£254)**	**(£2,805)**	**(£10,071)**	**£10,071**	**£0**
TOTAL ADJUSTMENTS	**£18,103**	**(£9,741)**	**£0**	**£3,923**	**£4,149**	**£16,433**	**(£16,433)**	**£0**

2021/22	Revenue Reserves		Capital Reserves			Total Usable Reserves	Total Unusable Reserves	Total Authority Reserves
	General Fund Balance	Housing Revenue Account	Major Repairs Reserve	Capital Receipts Reserve	Capital Grants Unapplied			
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
ADJUSTMENTS TO THE REVENUE RESOURCES								
Pensions Costs (transferred to (or from) the Pension Reserve)	£28,177	£0	£0	£0	£0	**£28,177**	**(£28,177)**	**£0**
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	(£2)	£0	£0	£0	£0	**(£2)**	**£2**	**£0**
Council Tax & NDR (transfers to (or from) the Collection Fund Adjustment Account	(£18,214)	£0	£0	£0	£0	**(£18,214)**	**£18,214**	**£0**
Holiday Pay (transferred to the Accumulated Absences Reserve)	(£1,362)	£0	£0	£0	£0	**(£1,362)**	**£1,362**	**£0**
DSG Deficits (transferred to the DSG Adjustment Account)	£66	£0	£0	£0	£0	**£66**	**(£66)**	**£0**
Reversal of Entries Included in the Surplus or Deficit on the Provision of Services in Relation to Capital Expenditure (these items are charged to the Capital Adjustment Account or Capital Grants Unapplied)	(£5,414)	(£4,445)	£0	£0	£8,293	**(£1,566)**	**£1,566**	**(£0)**
TOTAL ADJUSTMENTS TO THE REVENUE RESOURCES	**£3,251**	**(£4,445)**	**£0**	**£0**	**£8,293**	**£7,100**	**(£7,100)**	**£0**
ADJUSTMENTS BETWEEN REVENUE & CAPITAL RESOURCES								
Transfer of Non-Current Asset Sale Proceeds from Revenue to the Capital Receipts Reserve	(£1,644)	(£2,545)	£0	£4,189	£0	**£0**	**£0**	**£0**
Administrative Costs of Non-Current Asset Disposals (funded by a contribution from the Capital Receipts Reserve)	£0	£60	£0	(£60)	£0	**£0**	**£0**	**£0**
Payments to the Government Housing Receipts Pool (funded by a transfer from the Capital Receipts Reserve)	£1,439	£0	£0	(£1,439)	£0	**£0**	**£0**	**£0**
Posting of HRA Resources from Revenue to the Major Repairs Reserve	£0	(£7,389)	£7,389	£0	£0	**£0**	**£0**	**£0**
Statutory Provision for the Repayment of Debt transfer from the Capital Adjustment Account)	(£2,601)	£0	£0	£0	£0	**(£2,601)**	**£2,601**	**£0**
Capital Expenditure Financed from Revenue Balances (transfer to the Capital Adjustment Account)	(£214)	(£5,107)	£0	£0	£0	**(£5,321)**	**£5,321**	**£0**
TOTAL ADJUSTMENTS BETWEEN REVENUE & CAPITAL RESOURCES	**(£3,020)**	**(£14,982)**	**£7,389**	**£2,690**	**£0**	**(£7,922)**	**£7,922**	**£0**
ADJUSTMENTS TO CAPITAL RESOURCES								
Use of the Capital Receipts Reserve to Finance New Capital Expenditure	£0	£0	£0	(£613)	£0	**(£613)**	**£613**	**£0**
Use of the Major Repairs Reserve to Finance New Capital Expenditure	£0	£0	(£7,404)	£0	£0	**(£7,404)**	**£7,404**	**£0**
Application of Unapplied Capital Grants to Finance New Capital Expenditure	£0	£0	£0	£0	(£1,782)	**(£1,782)**	**£1,782**	**£0**
Cash Payments in Relation to Deferred Capital Receipts	£0	£0	£0	£0	£0	**£0**	**£0**	**£0**
Cash Payments in Relation to Long-Term Debtor Loans	£0	£0	£0	£0	£0	**£0**	**£0**	**£0**
TOTAL ADJUSTMENTS TO CAPITAL RESOURCES	**£0**	**£0**	**(£7,404)**	**(£613)**	**(£1,782)**	**(£9,798)**	**£9,798**	**£0**
TOTAL ADJUSTMENTS	**£231**	**(£19,427)**	**(£14)**	**£2,078**	**£6,511**	**(£10,621)**	**£10,621**	**£0**

09. Movement in Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2022/23.

General Fund Earmarked Reserves are held for the following purposes:

Management of Financial Risk: Corporate - These are reserves held to support specific outcomes across the council and are presented on a thematic basis relating to current priorities. Chief Executive approval is required for use of the reserve unless otherwise agreed.

Management of Financial Risk: Directorate - This reserve is utilised to manage in-year financial variations such as fluctuations in demand or any other financial risk.

Covid-19 Related Grants - holds the general fund grants that have been received and are carried forward due to permitted use to fund future Covid pressures

Volatility and Fiscal Mitigation - This reserve is utilised to manage areas of spending where costs in any one year are variable and unpredictable but where annual fluctuations are averaged over the medium term.

Earmarked External Funding - This reserve is utilised to manage external funding received for specific purposes where the decisions on how the funding is used is not wholly within the control of the council.
Investment Funds **-** This reserve is utilised to provide pump-priming investment to deliver the Council's key objectives.

Section 106 Commuted Sums - This reserve represents money received as part of Section 106 agreements from Housing and other developers. The reserve is earmarked and is not available for general use.

Manchester Airport Share Reserve – part of this usable reserve has been re-allocated to an unusable reserve - see note 26.

Dedicated Schools Grant – This includes the balances held by schools under the scheme of delegation.

The following table and note explains the amount and purpose of the earmarked reserves held by the Council.

Usable Reserves	2021/22 £000s	2022/23 £000s
General Fund	(£24,468)	(£22,701)
Earmarked General Fund Reserve *	(£109,773)	(£86,708)
Housing Revenue Account	(£9,843)	(£9,176)
Major Repairs Reserve	£0	£0
Capital Receipts Unapplied	(£6,967)	(£10,890)
Capital Grants Unapplied	(£16,119)	(£20,268)
Balance at 31 March	**(£167,170)**	**(£149,742)**

Earmarked Reserves	Balance at 31 March 2021 £000s	Transfers Between 2021/22 £000s	Transfers Out 2021/22 £000s	Transfers In 2021/22 £000s	Balance at 31 March 2022 £000s	Transfers Between 2022/23 £000s	Transfers Out 2022/23 £000s	Transfers In 2022/23 £000s	Balance at 31 March 2023 £000s
- Community Safety	*(£49)*	*£0*	*£0*	*£0*	*(£49)*	*(£493)*	*£469*	*(£524)*	*(£598)*
- Climate Change	*(£150)*	*£0*	*£150*	*£0*	*£0*	*£0*	*£0*	*£0*	*£0*
- Culture	*(£84)*	*£0*	*£57*	*£0*	*(£27)*	*£0*	*£0*	*£0*	*(£27)*
- Corporate	*(£2,024)*	*£0*	*£167*	*£0*	*(£1,857)*	*£469*	*£0*	*(£450)*	*(£1,838)*
- Adults Social Care Transformation	*(£1,247)*	*£0*	*£0*	*(£3,222)*	*(£4,469)*	*£100*	*£776*	*(£1,150)*	*(£4,743)*
- Childrens Social Care Transformation	*(£339)*	*£0*	*£0*	*(£77)*	*(£416)*	*£0*	*£162*	*(£142)*	*(£396)*
- Homelessness	*(£1,037)*	*£0*	*£50*	*£0*	*(£987)*	*£0*	*£0*	*£0*	*(£987)*
- Housing	*(£123)*	*£0*	*£0*	*£0*	*(£123)*	*£0*	*£0*	*£0*	*(£123)*
- Skills	*(£2,704)*	*£0*	*£458*	*£0*	*(£2,246)*	*£795*	*£1,139*	*£0*	*(£312)*
- ICT	*(£950)*	*£0*	*£0*	*(£251)*	*(£1,201)*	*£300*	*£140*	*(£55)*	*(£816)*
- Council Transformation	*(£5,305)*	*£0*	*£0*	*(£1,118)*	*(£6,423)*	*£1,377*	*£1,561*	*(£167)*	*(£3,653)*
Management of Financial Risk - Corporate	(£14,012)	£0	£882	(£4,668)	(£17,798)	£2,548	£4,247	(£2,488)	(£13,491)
Management of Financial Risk - Directorate	(£3,512)	£0	£0	(£5,745)	(£9,257)	£3,021	£3,893	(£127)	(£2,470)
COVID-19 Related Grants	(£10,523)	£0	£5,832	£0	(£4,691)	£1,364	£1,386	(£15)	(£1,956)
Volatility and Fiscal Mitigation	(£37,096)	£0	£0	(£579)	(£37,675)	(£8,496)	£16,645	(£10,218)	(£39,744)
Earmarked External Funding	(£39,787)	£0	£20,360	£0	(£19,427)	£1,493	£12,599	(£5,273)	(£10,608)
Investment Funds	(£3,306)	£0	£0	(£33)	(£3,339)	£70	£92	(£23)	(£3,200)
Earmarked Balances Sub-Total	**(£108,236)**	**£0**	**£27,074**	**(£11,025)**	**(£92,187)**	**£0**	**£38,861**	**(£18,143)**	**(£71,469)**
Section 106 Commuted Sums	(£4,286)	£0	£58	£0	(£4,228)	£0	£352	(£1,684)	(£5,559)
Schools Reserves	(£8,846)	£0	£0	£0	(£8,846)	£0	£8,358	(£4,681)	(£5,168)
Manchester Airport Share Reserve	(£4,512)	£0	£0	£0	(£4,512)	£0	£0	£0	(£4,512)
Total Earmarked Reserves	**(£125,880)**	**£0**	**£27,132**	**(£11,025)**	**(£109,773)**	**£0**	**£47,572**	**(£24,507)**	**(£86,708)**

10. Other Operating Expenditure

This note provides an analysis of other operating expenditure within the Comprehensive Income and Expenditure Statement.

Other Operating Expenditure	2021/22 £000s	2022/23 £000s
Levies	£26,219	£26,379
Payments to the Government Housing Capital Receipts Pool	£1,440	£0
(Gain)/Loss on Disposal of Non-Current (Fixed) Assets	£310	£1,459
Total	**£27,969**	**£27,838**

11. Financing and Investment Income and Expenditure

This note provides an analysis of financing and investment income and expenditure within the Comprehensive Income and Expenditure Statement.

Financing and Investment Income and Expenditure	2021/22 £000s	2022/23 £000s
Interest Payable and Similar Charges	£7,596	£8,281
Net Interest on the Net Defined Benefit Liability (Asset)	£7,334	£6,058
Interest Receivable and Similar Income	(£4,021)	(£4,991)
Income and Expenditure in Relation to Investment Properties and Changes in their Fair Value	(£522)	(£2,147)
Total	**£10,387**	**£7,201**

12. Taxation and Non-Specific Grant Income

This note provides an analysis of taxation and non-specific grant income within the Comprehensive Income and Expenditure Statement.

Taxation and Non-Specific Grant Income	2021/22 £000s	2022/23 £000s
Council Tax Income	(£95,807)	(£98,358)
Non-Domestic Rates Income and Expenditure	(£59,818)	(£59,018)
Non-Ringfenced Government Grants	(£21,779)	(£20,176)
Capital Grants and Contributions	(£21,769)	(£21,908)
Total	**(£199,173)**	**(£199,460)**

13. Property, Plant and Equipment

Depreciation
The Council carried out depreciation on a straight-line basis of the estimated useful life of the asset which is reviewed as part of the asset revaluing process. The following useful asset lives and depreciation rates have been used in the calculation of depreciation:

- Land - is not depreciated
- Council Dwellings – Componentised *
- Other Land & Buildings – as estimated by the valuer
- Vehicles, Plant, Furniture & Equipment – estimated by a suitably qualified officer
- Infrastructure:
    - Roads – 25 Years
    - Bridges – 80 Years
    - Street Furniture – 30 Years
    - Street Lighting – 40 Years
    - Footways & Cycle Tracks – 25 Years

*Council Dwellings are valued on a beacon basis, in order to ensure that the depreciation is not materially misstated the beacon lives are componentised to reflect the different rates at which the components will be consumed. For 2022/23 the estimated component lives are as follows:

- Main Structure – 50 Years
- Roof – 35 Years
- M&E – 15 Years
- Other Works – 15 Years

Revaluations
The Council undertakes a rolling programme of revaluating assets no more than every 5 years, which is carried out by revaluing 20% of the Council's assets each year. In 2019/20 the Council undertook a full revaluation of assets, which was done partly by external valuers Align (80%) with the remaining 20% carried out by our in-house valuers. In 2020/21 the Council returned to its rolling programme and this has continued in 2022/23.

In 2022/23, all revaluations were carried out externally. The external companies used were Align, who revalued all investment properties and the Property, Plant and Equipment, with the exception of those Property, Plant and Equipment falling managed within the Housing Revenue Account – which was revalued by Carter Jonas.

Fair Values have been calculated in line with the CIPFA Code of Practice and the RICS Valuation standards. This includes reviewing comparable valuations reviewing property of an equivalent nature and location. The effective date of all the 2022/23 revaluations was 31 March 2023.

For the purposes of valuation materiality is set at £50k. However, in order to ensure that any assets below the materiality level which may have moved above the materiality threshold in valuation was captured, all assets above £40k were included in the valuations. There are some assets held at depreciated historical cost in the categories revalued. This is because they were either below the de-minimis level for revaluation or because purchases of new assets and additions to assets, which were below de-minimis during 2022/23, means that they have yet to be revalued. This will take place in subsequent years.

Revaluations 2022/23	Council Dwellings £000s	Other Land & Buildings £000s	Vehicles, Plant & Equipment £000s	Community Assets £000s	Surplus Assets £000s	Assets Under Construction £000s	PPE Note Total £000s	Infrastructure Assets £000s	PPE Total £000s
Depreciated Historical Cost	£45	£0	£9,914	£4,649	£0	£18,250	**£32,858**	£55,660	**£88,518**
Valued at Current Value:									
31.03.2022	£298,443	£209,632	£0	£0	£8,805	£0	**£516,880**	£0	**£516,880**
31.03.2021	£0	£5,602	£0	£0	£5,955	£0	**£11,557**	£0	**£11,557**
31.03.2020	£1,915	£7,165	£0	£0	£2,650	£0	**£11,730**	£0	**£11,730**
31.03.2019	£1,042	£8,567	£0	£1,681	£7,023	£0	**£18,313**	£0	**£18,313**
31.03.2018	£58	£509	£0	£0	£60	£0	**£627**	£0	**£627**
	£301,503	**£231,475**	**£9,914**	**£6,330**	**£24,493**	**£18,250**	**£591,965**	**£55,660**	**£647,625**

Capital Commitments
At 31 March 2023, the Council has entered into a number of contracts for the construction or enhancement of property, plant and equipment in 2023/24 and future years budgeted to cost £10.069m. Similar commitments at 31 March 2022 were £7.683m. The major commitments are:

Scheme	£000s
Schools	£3,192
Housing	£3,076
Vehicle Replacement Strategy	£2,352
Bridges	£594
Street Lighting	£493
Regeneration	£360
Total	**£10,069**

The actual level of expenditure on any of the uncommitted schemes for future years will depend upon the availability of capital financing resources.

Movements on Balances

Property, Plant and Equipment Note 2022/23	Council Dwellings £000s	Other Land & Buildings £000s	Vehicles, Plant & Equipment £000s	Community Assets £000s	Surplus Assets £000s	Assets Under Construction £000s	TOTAL £000s
Certified Value as at 1 April 2022	**£288,068**	**£232,543**	**£23,476**	**£6,523**	**£22,206**	**£8,884**	**£581,700**
Additions & Acquisitions	£13,297	£5,854	£2,526	£1,533	£13	£12,722	**£35,945**
Revaluations Recognised in the Revaluation Reserve	£2,780	£26,930	£0	£0	£4,456	£0	**£34,166**
Revaluations Recognised in the (Surplus)/Deficit on the Provision of Services	£0	(£16,507)	£0	£0	(£1,104)	£0	**(£17,611)**
Disposals	(£2,642)	(£2,299)	£0	£0	(£676)	£0	**(£5,617)**
Reclassifications & Asset Transfers	£0	£0	£70	£420	£373	(£3,357)	**(£2,494)**
Other Movements in Cost or Valuation	£0	£0	£0	£0	£0	£0	**£0**
Movement in Cost/Valuation	**£13,435**	**£13,978**	**£2,596**	**£1,953**	**£3,062**	**£9,365**	**£44,389**
Amount as at 31 March 2023	**£301,503**	**£246,521**	**£26,072**	**£8,476**	**£25,268**	**£18,249**	**£626,089**
Accumulated Depreciation & Impairments as at 1 April 2022	**(£581)**	**(£18,736)**	**(£14,605)**	**(£2,146)**	**(£775)**	**£0**	**(£36,843)**
Depreciation charged In-year	(£7,012)	(£4,462)	(£1,553)	£0	£0	£0	**(£13,027)**
Depreciation written out to the Revaluation Reserve	£3,756	£6,638	£0	£0	£0	£0	**£10,394**
Depreciation written out to (Surplus)/Deficit on Provision of Services	£3,762	£1,415	£0	£0	£0	£0	**£5,177**
Impairments Recognised in the Revaluation Reserve	£0	£0	£0	£0	£0	£0	**£0**
Impairments Recognised in the (Surplus)/Deficit on the Provision of Services	£0	£0	£0	£0	£0	£0	**£0**
Depreciation Written out on Disposal	£75	£99	£0	£0	£0	£0	**£174**
Reclassifications & Asset Transfers	£0	£0	£0	£0	£0	£0	**£0**
Other Movements in Depreciation and Impairment	£0	£0	£0	£0	£0	£0	**£0**
Movement in Depreciation & Impairment	**£581**	**£3,690**	**(£1,553)**	**£0**	**£0**	**£0**	**£2,718**
Amount as at 31 March 2023	**£0**	**(£15,046)**	**(£16,158)**	**(£2,146)**	**(£775)**	**£0**	**(£34,125)**
Opening NBV	**£287,487**	**£213,807**	**£8,871**	**£4,377**	**£21,431**	**£8,884**	**£544,857**
Total Movement	**£14,016**	**£17,668**	**£1,043**	**£1,953**	**£3,062**	**£9,365**	**£47,107**
Closing NBV	**£301,503**	**£231,475**	**£9,914**	**£6,330**	**£24,493**	**£18,249**	**£591,964**

The following table is provided for comparative purposes:

Property, Plant and Equipment Note 2021/22	**Council Dwellings £000s**	**Other Land & Buildings £000s**	**Vehicles, Plant & Equipment £000s**	**Community Assets £000s**	**Surplus Assets £000s**	**Assets Under Construction £000s**	**TOTAL £000s**
Certified Value as at 1 April 2021	**£281,463**	**£226,342**	**£19,502**	**£5,456**	**£19,954**	**£4,957**	**£557,674**
Additions & Acquisitions	£12,648	£10,503	£3,974	£1,067	£25	£5,398	**£33,615**
Revaluations Recognised in the Revaluation Reserve	£3,651	£290	£0	£0	£2,251	£0	**£6,192**
Revaluations Recognised in the (Surplus)/Deficit on the Provision of Services	£18,875	(£2,026)	£0	£0	(£24)	£0	**£16,825**
Disposals	(£1,938)	(£2,562)	£0	£0	£0	(£1,201)	**(£5,701)**
Reclassifications & Asset Transfers	£0	£0	£0	£0	£0	£0	**£0**
Other Movements in Cost or Valuation	(£26,631)	(£4)	£0	£0	£0	(£270)	**(£26,905)**
Movement in Cost/Valuation	**£6,605**	**£6,201**	**£3,974**	**£1,067**	**£2,252**	**£3,927**	**£24,026**
Amount as at 31 March 2022	**£288,068**	**£232,543**	**£23,476**	**£6,523**	**£22,206**	**£8,884**	**£581,700**
Accumulated Depreciation & Impairments as at 1 April 2021	**(£14,714)**	**(£17,190)**	**(£13,556)**	**(£2,146)**	**(£775)**	**(£270)**	**(£48,651)**
Depreciation charged In-year	(£7,334)	(£4,177)	(£1,049)	£0	£0	£0	**(£12,560)**
Depreciation written out to the Revaluation Reserve	£7,309	£2,076	£0	£0	£0	£0	**£9,385**
Depreciation written out to (Surplus)/Deficit on Provision of Services	£0	£539	£0	£0	£0	£0	**£539**
Impairments Recognised in the Revaluation Reserve	(£7,309)	£0	£0	£0	£0	£0	**(£7,309)**
Impairments Recognised in the (Surplus)/Deficit on the Provision of Services	(£5,209)	£0	£0	£0	£0	£0	**(£5,209)**
Depreciation Written out on Disposal	£45	£12	£0	£0	£0	£0	**£57**
Reclassifications & Asset Transfers	£0	£0	£0	£0	£0	£0	**£0**
Other Movements in Depreciation and Impairment	£26,631	£4	£0	£0	£0	£270	**£26,905**
Movement in Depreciation & Impairment	**£14,133**	**(£1,546)**	**(£1,049)**	**£0**	**£0**	**£270**	**£11,808**
Amount as at 31 March 2022	**(£581)**	**(£18,736)**	**(£14,605)**	**(£2,146)**	**(£775)**	**£0**	**(£36,843)**
Opening NBV	**£266,749**	**£209,152**	**£5,946**	**£3,310**	**£19,179**	**£4,687**	**£509,023**
Total Movement	**£20,738**	**£4,655**	**£2,925**	**£1,067**	**£2,252**	**£4,197**	**£35,834**
Closing NBV	**£287,487**	**£213,807**	**£8,871**	**£4,377**	**£21,431**	**£8,884**	**£544,857**

14. INFRASTRUCTURE ASSETS

Movements on balances

In accordance with the temporary relief offered by the Update to the Code on Infrastructure Assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

Infrastructure Assets	**2021/22 £000s**	**2022/23 £000s**
Certified Valuation or Cost at 1 April	**£39,351**	**£45,022**
Additions in Year	£7,779	£10,823
Reclassifications & Asset Transfers	£0	£2,464
Depreciation charged in year	(£2,108)	(£2,649)
As at 31st March	**£45,022**	**£55,660**

As infrastructure assets are not being disclosed on the face of the Balance Sheet a reconciling note has been prepared:

PPE Assets	**2021/22 £000s**	**2022/23 £000s**
Infrastructure Assets	£45,022	£55,660
Other PPE Assets	£544,857	£591,964
Total PPE Assets	**£589,879**	**£647,624**

The authority has determined in accordance with Regulation [30M England] of the Local Authorities (Capital Finance and Accounting) (England/Wales) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

15. Heritage Assets

Reconciliation of the carrying value of heritage assets held by the authority.

Heritage Assets	Artifacts and Gifts £000s	Pictures £000s	Civic Regalia £000s	Total Assets £000s
Cost or Valuation 1 April 2021	**£31**	**£25,693**	**£629**	**£26,353**
Additions	£0	£0	£0	**£0**
Revaluation Gains/(Losses) Recognised in the Revaluation Reserve	£0	£0	£0	**£0**
31 March 2022	**£31**	**£25,693**	**£629**	**£26,353**
Cost or Valuation 1 April 2022	**£31**	**£25,693**	**£629**	**£26,353**
Additions	£0	£0	£0	**£0**
Revaluation Gains/(Losses) Recognised in the Revaluation Reserve	£0	£0	£0	**£0**
31 March 2023	**£31**	**£25,693**	**£629**	**£26,353**

Heritage assets are defined as assets intended to be preserved in trust for future generations because of their cultural, environmental or historical association. They are held by the council in pursuit of our overall objectives in relation to the maintenance of our local heritage. These include Civic Regalia, Artefacts and various gifts & bequests some of which are held in the Museum and Art Gallery. These are recognised and measured, including treatment of revaluation gains and losses, in accordance with the Council's accounting policies on Property Plant and Equipment.

Heritage assets are deemed to have an indefinite life, therefore are not depreciated as the charge made would be minimal and immaterial. Nevertheless, where there is evidence of physical deterioration to a Heritage Asset, or doubts arise to its authenticity, the value of the asset has to be reviewed. Any impairment is recognised and measured in accordance with the Council's general policies on impairment.

Further Information On The Collections

The two principal collections of heritage assets held in Bury Art Museum & Sculpture Centre are:

Fine and Decorative Art – this collection consists of over 1,800 artworks including oil paintings, watercolours, prints, sculpture and other mixed media works. Of particular interest and value are the oil painting, 'Calais Sands: Poissards Gathering Bait' and 4 watercolours by J.M.W. Turner. The collection also has significant paintings by Clausen, Landseer, Riviere and Lady Butler. A selection of works are displayed at Bury Art Museum & Sculpture Centre and works not on display are kept in store and available to view by appointment. Images and information about paintings is available to view on the Art UK searchable website (https://www.artuk.org/visit/venues/bury-art-museum-6547) and also our own website (https://www.buryartmuseum.co.uk)

Social History – This collection consists of around 60,000 items and is of significant value as material evidence of the social history of Bury and its people. The collections relate to the area's archaeology, industrial and domestic history and include ephemera representing the everyday life of the Borough. The founding collection included natural history, geology, and ethnography. Some objects from the collections are of significant historical importance, such as a Thomas Lees long case clock, George III Spade Guineas, Sir Robert Peel's cradle, Bronze Age urns, a Roman bracelet and coins, 2 Celtic heads, Hutchinson family furniture, African ivories, Wedgwood vases and one hundred pieces of Pilkington's Royal Lancastrian pottery.

Civic Regalia – forms part of the Social History Collection and is stored in the Strong Room.

Other Heritage Assets – Additionally, the Authority has in its care three Historic Buildings that are classed as Heritage Assets these carried in the accounts at a nominal value only and are named as the Radcliffe Tower in Radcliffe, The Dungeon in Tottington and Rodger Worthington's Grave in Hawkshaw.

16. **Investment Properties**

The following table identifies items of income and expense that have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Items accounted for in the Financing & Investment Income & Expenditure [CIES]	2021/22 £000s	2022/23 £000s
Rental Income from Investment Property	(£382)	(£501)
Direct Operating Expenses Arising from Investment Property	£152	£54
Movement in Fair Value of Investment Properties	(£292)	(£1,700)
Net (Gain)/Loss	**(£522)**	**(£2,147)**

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or to repair, maintain or enhance it.

The following table summarises the movement in the fair value of investment properties over the year:

Movement in Fair Value of Investment Properties	2021/22 £000s	2022/23 £000s
Balance at 1 April	**£16,708**	**£17,005**
Additions in Year	£5	£0
Disposals in Year	£0	£0
Reclassifications of Assets	£0	£0
Net Gain (Loss) from fair value adjustment	£292	£1,700
Balance At 31 March	**£17,005**	**£18,705**

Fair Value Hierarchy
All of the Council's investment properties have been value assessed as Level 2 on the fair value hierarchy for valuation purposes (please refer to accounting policy – fair value measurement for more information) Valuation Techniques Used to Determine Level 2 Fair Values for Investment Properties.

The fair value of investment properties has been measured using a market approach, which takes into account quoted prices for similar assets in active markets, existing lease terms and rentals, research into market evidence including market rentals and yields, the covenant strength for existing tenants, and data and market knowledge gained in managing the Council's Investment Asset portfolio. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised as level 2 on the fair value hierarchy. There has been no change in the valuation techniques used during the year for investment properties.

Highest and Best Use

In Council's estimates the fair value of our investment properties by taking the highest and best use value of the asset at the balance sheet date.

17. Intangible Assets

The Council regards the cost of purchased software as an intangible asset, which is carried at the historical cost of purchase and amortised over it expected useful life.

Economic lives for the purposes of amortisation have been assessed at 5 and 10 years as per the Council's accounting policies.

The movement on intangible asset balances during the year is as follows:

Intangible Assets	**2021/22 Software Licences £000's**	**2022/23 Software Licences £000's**
Gross Carrying Amount	£8,789	£9,741
Accumulated Amortisation	(£5,518)	(£6,197)
Net Carrying Amount at 1 April	**£3,271**	**£3,544**
Additions	£952	£205
Amortisation in Year	(£679)	(£971)
Net Carrying Amount at 31 March	**£3,544**	**£2,778**

Comprising:		
Gross Carrying Amount	£9,741	£9,946
Accumulated Amortisation	(£6,197)	(£7,168)
Net Carrying Amount at 31 March	**£3,544**	**£2,778**

18. Assets Held for Sale

This note contains assets that are held for sale and are shown as non-current assets on the balance sheet as they are expected to be sold within 1 year. In accordance with the CIPFA Code of Practice, these assets are available for immediate sale in their present condition and are being actively marketed for sale.

Assets Held for Sale	**2021/22 £000s**	**2022/23 £000s**
Balance at 1 April	**£622**	**£624**
Assets Newly Classified as Held for Sale	£0	£30
Additions	£0	£8
Revaluations Recognised in the Revaluation Reserve	£0	£813
Revaluations Recognised in CIES	£0	£3
Assets Sold	£0	(£193)
Assets Declassified as Held for Sale	£0	£0
Other Movements	£2	£0
Movements in Year	**£2**	**£661**
Balance as 31 March	**£624**	**£1,285**

19. Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity. Non exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

Categories of Financial Instruments
The following categories of financial instrument are carried in the Balance Sheet:

Financial Assets

Financial Assets	Non-Current				Current				Total	
	Investments		Debtors		Investments		Debtors			
	31 March 2022 £000s	31 March 2023 £000s	31 March 2022 £000s	31 March 2023 £000s	31 March 2022 £000s	31 March 2023 £000s	31 March 2022 £000s	31 March 2023 £000s	31 March 2022 £000s	31 March 2023 £000s
Amortised Cost										
Long-Term Debtor Loans	£0	£0	£47,162	£69,188	£0	£0	£0	£0	**£47,162**	**£69,188**
Investments	£0	£0	£0	£0	£5,504	£469	£0	£0	**£5,504**	**£469**
Deposits (Short Maturity) and Bank Accounts	£0	£0	£0	£0	£34,713	(£5,813)	£0	£0	**£34,713**	**(£5,813)**
Short-Term Debtors (Financial Assets)	£0	£0	£0	£0	£0	£0	£33,626	£31,766	**£33,626**	**£31,766**
Amortised Cost Total	**£0**	**£0**	**£47,162**	**£69,188**	**£40,217**	**(£5,344)**	**£33,626**	**£31,766**	**£121,005**	**£95,610**
Fair Value through Other Comprehensive Income - Designated Equity Instruments	£0	£0	£0	£0	£0	£0	£0	£0	**£0**	**£0**
Fair Value through Other Comprehensive Income - Other	£23,400	£24,400	£0	£0	£0	£0	£0	£0	**£23,400**	**£24,400**
Total Financial Assets	**£23,400**	**£24,400**	**£47,162**	**£69,188**	**£40,217**	**(£5,344)**	**£33,626**	**£31,766**	**£144,405**	**£120,010**
Short-Term Debtors (Non-Financial Assets)	£0	£0	£0	£0	£0	£0	£18,837	£22,271	**£18,837**	**£22,271**
Total	**£23,400**	**£24,400**	**£47,162**	**£69,188**	**£40,217**	**(£5,344)**	**£52,463**	**£54,037**	**£163,242**	**£142,281**

Financial Liabilities

Financial Liabilities	Non-Current				Current				Total	
	Borrowings		Creditors		Borrowings		Creditors			
	31 March 2022 £000s	31 March 2023 £000s	31 March 2022 £000s	31 March 2023 £000s	31 March 2022 £000s	31 March 2023 £000s	31 March 2022 £000s	31 March 2023 £000s	31 March 2022 £000s	31 March 2023 £000s
Amortised Cost										
Borrowings - Temporary Loans	£0	£0	£0	£0	£0	(£17,103)	£0	£0	**£0**	**(£17,103)**
Borrowings - PWLB Loans	(£162,333)	(£159,141)	£0	£0	(£3,925)	(£3,864)	£0	£0	**(£166,258)**	**(£163,005)**
Borrowings - LOBO/Market Loans	(£45,567)	(£45,565)	£0	£0	(£10,419)	(£19,622)	£0	£0	**(£55,986)**	**(£65,187)**
Borrowings - Local Bonds	(£3)	(£3)	£0	£0	£0	£0	£0	£0	**(£3)**	**(£3)**
PFI, Finance Lease and Transferred Debt	£0	£0	(£17)	(£16)	£0	£0	£0	£0	**(£17)**	**(£16)**
Short-Term Creditors (Financial Assets)	£0	£0	£0	£0	£0	£0	(£31,210)	(£24,478)	**(£31,210)**	**(£24,478)**
Total Financial Liabilities	**(£207,903)**	**(£204,709)**	**(£17)**	**(£16)**	**(£14,344)**	**(£40,589)**	**(£31,210)**	**(£24,478)**	**(£253,474)**	**(£269,792)**
Short-Term Creditors (Non-Financial Liabilities)	£0	£0	£0	£0	£0	£0	(£12,498)	(£12,669)	**(£12,498)**	**(£12,669)**
Total	**(£207,903)**	**(£204,709)**	**(£17)**	**(£16)**	**(£14,344)**	**(£40,589)**	**(£43,708)**	**(£37,147)**	**(£265,972)**	**(£282,461)**

Investments in Equity Instruments Designated at Fair Value through other Comprehensive Income
With the introduction of IFRS 9 the Council has designated the following equity at 31 March 2023 as fair value through other comprehensive income:

Investments in Equity Instruments Designated at Fair Value through Other Comprehensive Income	Nominal £000s	Fair Value £000s	Change in Fair Value during 2022/23 £000s	Dividend 2022/23 £000s
Manchester Airport Shares	£10,214	£20,100	£1,500	£0
Manchester Airport Car Park (1) Limited	£5,610	£4,300	(£500)	£0
Total	**£15,824**	**£24,400**	**£1,000**	**£0**

The Council holds 3.22% shares in Manchester Airport Holdings Ltd, the shareholding is a strategic investment and not held for trading and therefore the Council has opted to designate it as fair value through Other Comprehensive Income. This would mean that there is no impact on the revenue budget and the decision to designate to fair value through other comprehensive income is irrevocable. Any gains or losses on the valuation of the shareholding will therefore be transferred to a Financial Instruments Revaluation Reserve.

Items of Income, Expense, Gains or Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

Items of Income, Expense, Gains or Losses	2021/22			2022/23		
	Surplus or Deficit on the Provision of Services £000s	Other Comprehensive Income & Expenditure £000s	Total £000s	Surplus or Deficit on the Provision of Services £000s	Other Comprehensive Income & Expenditure £000s	Total £000s
Net Gains/Losses on:						
Financial Assets Measured at Fair Value through Other Comprehensive Income	£0	£0	**£0**	£0	(£1,000)	**(£1,000)**
Total Net Gains/(Losses)	**£0**	**£0**	**£0**	**£0**	**(£1,000)**	**(£1,000)**
Interest Income:						
Financial Assets Measured at Amortised Cost	(£4,021)	£0	**(£4,021)**	(£4,991)	£0	**(£4,991)**
Other Financial Assets Measured at Fair Value through Other Comprehensive Income	£0	£0	**£0**	£0	£0	**£0**
Total interest income	**(£4,021)**	**£0**	**(£4,021)**	**(£4,991)**	**£0**	**(£4,991)**
Interest Expense	**£7,596**	**£0**	**£7,596**	**£8,281**	**£0**	**£8,281**

Fair Value of Financial Assets and Liabilities

Fair Values of Financial Assets
Some of the Council's financial assets are measured in the Balance Sheet at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

Recurring Fair Value Measurements	Input Level in Fair Value Hierarchy	Valuation Technique Used to Measure Fair Value	As at 31/03/2022 Fair Value £000s	As at 31/03/2023 Fair Value £000s
Fair Value through Other Comprehensive Income				
Manchester Airport	Level 2	Earnings Based	£23,400	£24,400
Total			**£23,400**	**£24,400**

The Council holds a 3.22% share in Manchester Airport Holdings Limited (MAHL). The shares in this company are not traded in an active market; however, the fair value shown above is based on a high degree of comparability to listed company data including any movement in share prices. An earnings-based method has been employed which takes as its basis for the profitability of the company, assessing its historic earnings and arriving at a view of "maintainable" or "prospective" earnings.

The method involves the application of an EV/EBITDA multiple (Enterprise Value by Earnings before Interest, Taxes, Depreciation and Amortisation) to the maintainable or prospective earnings and draws on data from comparable quoted companies. The data is then adjusted by discount factors to allow for the fact that the shares are not publicly traded and that the Council holds a minority interest with no voting rights. These unobservable inputs have been developed using the best information about the assumptions that the market participants would use when pricing the asset.

The valuation has been made using annual audited accounts of MAHL for the financial year 2021/22, along with interim 6 month reports for the period ending 30 September 2022. These shares are subject to annual valuation. In 2022/23 this has seen an increase in value of £1m.

Fair Values of Financial Assets and Financial Liabilities that are not measured at Fair Value

Except for the financial assets carried at fair value (described in the table above), all other financial liabilities and financial assets represented by loans and receivables and long-term debtors and creditors 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 instruments (Level 2) using the following assumptions:

- For loans from the Public Works Loan Board (PWLB) payable, borrowing rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures.
- For non-PWLB loans payable, prevailing market rates have been applied to provide the fair value under PWLB debt redemption procedures;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be carrying amount or the billed amount.

The fair values are calculated as follows:

The Fair Values of Financial Liabilities that are Not Measured at Fair Value	31 March 2022		31 March 2023	
	Carrying Amount £000s	Fair Value £000s	Carrying Amount £000s	Fair Value £000s
Temporary Loans	£0	£0	(£17,103)	(£17,103)
PWLB Loans	(£166,258)	(£198,497)	(£163,005)	(£141,389)
LOBO/Market Loans	(£55,986)	(£77,274)	(£65,187)	(£73,729)
Local Bonds	(£3)	(£3)	(£3)	(£3)
PFI, Finance Lease and Transferred Debt	(£17)	(£17)	(£16)	(£16)
Short-Term Creditors (Financial Assets)	(£31,210)	(£31,210)	(£24,478)	(£24,478)
Financial liabilities	**(£253,474)**	**(£307,001)**	**(£269,792)**	**(£256,718)**

The fair value of the liabilities is lower than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is 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 2023) arising from a commitment to pay interest to lenders below current market rates.

The Fair Values of Financial Assets that are Not Measured at Fair Value	31 March 2022		31 March 2023	
	Carrying Amount £000s	Fair Value £000s	Carrying Amount £000s	Fair Value £000s
Long-Term Debtor Loans	£47,162	£50,274	£69,188	£70,188
Investments	£5,504	£5,504	£469	£498
Deposits (Short Maturity) and Bank Accounts	£34,713	£34,713	(£5,813)	(£5,813)
Short-Term Debtors (Financial Assets)	£33,626	£33,626	£31,766	£31,766
Financial Assets	**£121,005**	**£124,117**	**£95,610**	**£96,639**

Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

Fair Value hierarchy for Financial Assets and Financial Liabilities that are not measured at Fair Value

Recurring Fair Value Measurements Using:	Other Significant Observable Inputs (Level 2)	Other Significant Observable Inputs (Level 2)
	31 March 2022 £000s	31 March 2023 £000s
Financial Liabilities		
Temporary Loans	£0	(£17,103)
PWLB Loans	(£198,497)	(£141,389)
LOBO/Market Loans	(£77,274)	(£73,729)
Total	**(£275,771)**	**(£232,221)**
Financial Assets		
Long-Term Debtor Loans	£50,274	£70,188
Total	**£50,274**	**£70,188**

The fair value for financial liabilities and financial assets that are not measured at fair value included in Level 2 in the table above have been arrived at using a discounted cash flow analysis with the most significant inputs being the discount rate detailed.

20. Nature and Extent of Risks Arising from Financial Instruments

The Council's activities expose it to a variety of financial risks. The key risks are:

- **Credit risk** – the possibility that other parties might fail to pay amounts due to the Council;
- **Liquidity risk** – the possibility that the Council might not have funds available to meet its commitments to make payments;
- **Re-financing risk** – the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms; and
- **Market risk** – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates or stock market movements.

Overall Procedures for Managing Risk
The Council's management of treasury risks actively works to minimise the Council's exposure to the unpredictability of financial markets and to protect the financial resources available to fund services. The Council has fully adopted CIPFA's Code of Treasury Management Practices and has written principles for overall risk management as well as written policies and procedures covering specific areas such as credit risk, liquidity risk and market risk.

Credit Risk
Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

This risk is minimised through the Annual Treasury Management Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor's Credit ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits with a financial institution.

This Council used the creditworthiness service provided by Link Asset Services throughout 2022/23. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies, forming the core element. However it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- Credit watches and credit outlooks from credit rating agencies;
- Credit Default Swap spreads to give early warning of likely changes in credit ratings; and
- Sovereign ratings to select counterparties from only the most creditworthy countries.

The full Investment Strategy for 2022/23 was approved by Council on 23 February 2022 and is available on the Council's website.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with individual credit limits being set in accordance with parameters set by the Council.

The council has a total of £1.720m (excluding bank overdraft of £7.064m) deposited with a number of financial institutions as 31 March 2023. The Council's maximum exposure to credit risk in relation to this amount cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Council's deposits, but there was no evidence at the 31 March 2023 that this was likely to crystallise.

The Council does not generally invest in quoted equity shares where there is an active market. It does have a shareholdings valued at £24.4m in the Manchester Airport Group. The Council is therefore exposed to the risk of a loss in the valuation of its investments arising as a result of poor performance by the Group. The Council would not normally attempt to spread its risk by diversifying its portfolio.

<u>Expected Credit Loss Model</u>
The Council recognises expected credit losses on all its financial assets held at amortised cost (or where relevant FVOCI), either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

We have assessed the Council's investments (all short-term) and concluded that the expected credit loss is not material therefore no allowances have been made.

Only lifetime expected credit losses (simplified approach) have been recognised for trade receivables (debtors) held by the Council.

Loss Allowance by Asset Class (Amortised Cost)	**Amounts at 31 March 2023 £000s**	**Lifetime Expected Credit Losses: Simplified Approach %**	**Loss Allowance Opening Balance £000s**	**Amounts Written Off £000s**	**Changes in Models/Risk Parameters £000s**	**Loss Allowance Closing Balance £000s**
Short-Term Debtors (Financial Assets)	£31,826	18.94%	**(£4,200)**	£177	(£2,004)	**(£6,027)**
Total	**£31,826**		**(£4,200)**	**£177**	**(£2,004)**	**(£6,027)**

Loss Allowance by Asset Class (Amortised Cost)	Amounts at 31 March 2022 £000s	Lifetime Expected Credit Losses: Simplified Approach %	Loss Allowance Opening Balance £000s	Amounts Written Off £000s	Changes in Models/Risk Parameters £000s	Loss Allowance Closing Balance £000s
Short-Term Debtors (Financial Assets)	£33,626	12.49%	**(£3,417)**	£670	(£1,453)	**(£4,200)**
Total	**£33,626**		**(£3,417)**	**£670**	**(£1,453)**	**(£4,200)**

No credit limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

The Council does not generally allow extended credit for customers, but some of the current balances is past its due date for payment. The past due but not impaired amount can be analysed by age as follows:

Aged Debt Analysis - Past Due but Not Impaired	31 March 2022 £000s	31 March 2023 £000s
Less than three months	£7,680	£4,696
Three to four months	£4,157	£2,459
Four months to one year	£5,349	£1,827
More than one year	£6,843	£2,263
Total	**£24,029**	**£11,245**

Liquidity Risk

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when needed.

The Council has ready access to borrowings from the money markets to cover any day to day cash flow need, and the PWLB and money markets for access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The maturity analysis of financial assets is as follows:

Maturity Analysis of Financial Assets	31 March 2022 £000's	31 March 2023 £000's
Less than 1 year	£95,755	£26,422
Between 2 and 3 years	£0	£0
Between 1 and 2 years	£0	£0
More than 3 years	£70,562	£69,188
Total	**£166,317**	**£95,610**

Refinancing and Maturity Risk

The Council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters.

This includes:

- Monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- Monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

The maturity analysis of financial liabilities is as follows:

Maturity Analysis of Financial Liabilities	**31 March 2022 £000's**	**31 March 2023 £000's**
Less than 1 year	(£14,154)	(£41,597)
1 - 2 years	(£5,000)	(£43,703)
2 - 5 years	(£2,850)	(£1,192)
5 - 10 years	(£51,000)	(£52,174)
More than 10 years	(£149,243)	(£131,126)
Total	**(£222,247)**	**(£269,792)**

Of the £38m of Lender Option Borrower Option (LOBO) loans, all loans mature in more than 10 years (the average maturity time being 47 years).

While the terms of the LOBO state that loans could be recalled within 12 months; this has never happened and is something we deem to be highly unlikely. We have therefore taken the decision to disclose these as long-term liabilities as they are very likely to be on our balance sheet for a period of greater than 12 months and so the classification of long-term creditors provides the most realistic status of these loans to the users of the accounts.

Market Risk

The Council is exposed to market risk in terms of its exposure that the value of an instrument will fluctuate because of changes in:

- Interest rate risk;
- Price risk; and
- Foreign Exchange rate risk

<u>Interest Rate Risk</u>

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise;
- Borrowings at fixed rates – the fair value of the borrowing will fall (no impact on revenue balances);
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and 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. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in the Other Comprehensive Income and Expenditure Statement.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The central treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns, similarly the drawing of longer term fixed rates borrowing would be postponed.

According to this investment strategy, at 31 March 2023, if all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

Interest Rate Risk	**2022/23 £000's**
Increase in Interest Payable on Variable Rate Borrowings	£234
Increase in Interest Receivable on Variable Rate Investments	(£16)
Impact on Surplus or Deficit on the Provision of Services	**£218**
Decrease in Fair Value of Fixed Rate Investment Assets	£0
Impact on Other Comprehensive Income and Expenditure	**£0**
Decrease in Fair Value of Fixed Rate Borrowing Liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	£27,091

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. These assumptions are based on the same methodology as used in the Note – Fair value of Assets and Liabilities carried at Amortised Cost.

Price Risk

The Council does not generally invest in equity shares but does have shareholdings to the value of £24.4m in local industry. Whilst these holdings are generally illiquid, the Council is exposed to losses arising from movements in the price of the shares.

As the shareholdings have arisen in the acquisition of specific interests, the Council is not in a position to limit its exposure to price movements by diversifying its portfolio. Instead it only acquires shareholdings in return for "open book" arrangements with the company concerned so that the Council can monitor factors that might cause a fall in the value of specific shareholdings.

Of the shares mentioned above, £24.4m has been elected as Fair Value through Other Comprehensive Income, meaning that all movements in price will impact on gains and losses recognised in the Financial Instruments Revaluation Reserve. A general shift of 5% in the general price of shares (positive or negative) would thus have resulted in a £1.220m gain or loss being recognised in the Financial Instruments Revaluation Reserve.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

21. Analysis of Long and Short-Term Debtors

Analysis of Short-Term Debtors	2021/22 £000s	2022/23 £000s
Gross Trade Receivables	£28,914	£31,476
less Trade Receivables Impairment Allowance	(£2,426)	(£4,116)
Net Trade Receivables	**£26,488**	**£27,360**
Payments in Advance	**£2,396**	**£2,510**
Related Parties	**£7,010**	**£4,406**
Gross NNDR Payers	£10,781	£11,170
less NNDR Payers Impairment Allowance	(£6,923)	(£6,827)
Net NNDR Payers	**£3,858**	**£4,343**
Gross Council Tax Payers	£16,869	£19,871
less Council Tax Payers Impairment Allowance	(£9,775)	(£13,108)
Net Council Tax Payers	**£7,093**	**£6,764**
Collection Fund Preceptors	**£138**	**£459**
Gross Housing Benefit	£5,065	£4,810
less Housing Benefit Impairment Allowance	(£1,621)	(£1,454)
Net Housing Benefit	**£3,444**	**£3,356**
Gross Housing Rent	£1,902	£1,911
less Housing Rent Impairment Allowance	(£1,774)	(£1,911)
Net Housing Rent	**£128**	**£0**
Other Receivables	**£1,907**	**£4,840**
Total	**£52,463**	**£54,037**

Analysis of Long-Term Debtors	2021/22 £000s	2022/23 £000s
Loan Accounts	£32,658	£52,787
Bury MBC Townside Fields	£7,257	£7,257
Airport Loan Interest	£7,237	£9,134
Debt Managed for Probation Services	£10	£11
Total	**£47,162**	**£69,188**

22. Cash and Cash Equivalents

Cash and Cash Equivalents	2021/22 £000s	2022/23 £000s
Cash held by the Authority	£59	£55
School Bank Accounts	£1,178	(£372)
Bank Call Accounts	£38,062	£1,251
Bank Overdraft	(£4,526)	(£6,691)
Total	**£34,773**	**(£5,757)**

23. Analysis of Creditors

Analysis of Short-Term Creditors	2021/22 £000s	2022/23 £000s
Trade Payables	(£19,958)	(£13,852)
Receipts in Advance	(£1,114)	(£2,002)
Related Party Payables	(£5,114)	(£4,370)
NNDR Payers	(£2,800)	(£3,218)
Council Tax Payers	(£1,912)	(£2,140)
Collection Fund Preceptors	(£79)	£0
Deposits and Client Funds	(£140)	(£159)
Finance Lease	£0	£0
Other Payables	(£12,592)	(£11,406)
Total	**(£43,708)**	**(£37,147)**

24. Long and Short-Term Provisions

Provisions are amounts set aside by the Council to meet the cost of a future liability, for which the timing of the payment is uncertain. The amounts represent the best estimate of that liability where an exact cost is not able to be determined. In line with the Code of Practice, the provision is charged to service revenue accounts in the year it is established. When the liability falls due, the costs are charged directly to the provision.

Short-Term Provisions	Business Rates Appeals Provision £000s	Insurance Provision £000s	Other Provisions £000s	Total £000s
Balance at 1 April 2022	**(£1,205)**	**(£548)**	**(£123)**	**(£1,876)**
Additional Provisions Made In-Year	£0	£0	£0	**£0**
Amounts Used In-Year	£0	£0	£123	**£123**
Unused Amounts Reversed In-Year	£0	£0	£0	**£0**
Balance at 31 March 2023	**(£1,205)**	**(£548)**	**£0**	**(£1,753)**

Long-Term Provisions	Business Rates Appeals Provision £000s	Insurance Provision £000s	Other Provisions £000s	Total £000s
Balance at 1 April 2022	**(£278)**	**(£4,336)**	**(£1,335)**	**(£5,949)**
Additional Provisions Made In-Year	(£3,312)	£0	£0	**(£3,312)**
Amounts Used In-Year	£917	£1,510	£103	**£2,530**
Unused Amounts Reversed In-Year	£0	£0	£0	**£0**
Balance at 31 March 2023	**(£2,673)**	**(£2,827)**	**(£1,232)**	**(£6,731)**

Business Rates Provision – Provision for potential backdated liability of refunding Business Rates payers as a result of reductions in Rateable Values, following successful appeals or alterations to Valuation lists.

Insurance Provision – Provision for outstanding claims relating to 31 March 2023 and before, where there are potential settlement costs attributable to the Council.

Other Provisions - This is the total of all other amounts set aside as provisions that are individually insignificant.

25. Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement and Note 9 Movement in Earmarked Reserves.

26. Unusable Reserve

Summary of Unusable Reserves:

Reserve	**2021/22 £000s**	**2022/23 £000s**
Revaluation Reserve	(£118,872)	(£162,477)
Capital Adjustment Account	(£244,351)	(£244,344)
Deferred Capital Receipts	£1	£1
Financial Instruments Revaluation Reserve	(£7,576)	(£8,576)
Financial Instruments Adjustment Reserve	£269	£267
Collection fund Adjustment Account	£10,061	£7,724
Accumulated Absences	£3,419	£2,923
DSG Adjustment Account	£21,473	£18,601
Pension Reserve	£219,411	(£90,745)
Balance at 31st March	**(£116,165)**	**(£476,627)**

Revaluation Reserve

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

- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; and
- disposed of and gains are realised.

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.

Revaluation Reserve	**2021/22 £000s**	**2022/23 £000s**
Balance at 1 April	**(£116,540)**	**(£118,872)**
Upward Revaluation of Assets	(£28,483)	(£65,841)
Downward Revaluation of Assets and Impairment Losses Not Charged to the (Surplus)/Deficit on the Provision of Services	£20,231	£20,469
(Surplus) or Deficit on Revaluation of Non-Current Assets not Posted to the (Surplus) or Deficit on the Provision of Services	**(£8,252)**	**(£45,372)**
Difference between Fair Value Depreciation and Historical Cost Depreciation	£1,099	£1,191
Accumulated Gains on Assets Sold or Scrapped	£778	£576
Revaluation Balances Adjustment	£4,043	£0
Amount Written off to the Capital Adjustment Account	**£5,920**	**£1,767**
Balance at 31 March	**(£118,872)**	**(£162,477)**

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 element 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 Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 8 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

Capital Adjustment Account	**2021/22 £000s**	**2022/23 £000s**
Balance at 1 April	**(£219,148)**	**(£244,351)**
Reversal of Items Relating to Capital Expenditure Debited or Credited to the Comprehensive Income and Expenditure Statement:		
Charges for Depreciation and Impairment of Non-Current Assets	£14,769	£15,676
Revaluation Losses on Property, Plant and Equipment	(£12,280)	£12,431
Amortisation of Intangible Assets	£679	£971
Revenue Expenditure Funded from Capital Under Statute	£4,586	£1,412
Amounts of Non-Current Assets Written-off on Disposal or Sale as Part of the (Gain)/Loss on Disposal to the Comprehensive Income and Expenditure Statement	£4,453	£5,636
Sub-total	**£12,207**	**£36,126**
Adjusting Amounts Written-out of the Revaluation Reserve	(£5,920)	(£1,767)
Net Written-out Amount of the Cost of Non-Current Assets Consumed in the Year	**£6,287**	**£34,359**
Capital financing applied in the year:		
Use of the Capital Receipts reserve to finance new capital expenditure	(£613)	(£254)
Use of the Major Repairs Reserve to finance new capital expenditure	(£7,404)	(£7,012)
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(£13,476)	(£14,954)
Application of grants to capital financing from the Capital Grants Unapplied Account	(£1,782)	(£2,805)
Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(£2,602)	(£1,675)
Capital expenditure charged against the General Fund and HRA balances	(£5,321)	(£5,952)
Reclassification of Manchester Airport Reserve item to Unusable Reserve	£0	£0
Sub-total	**(£31,198)**	**(£32,652)**
Movements in the market value of investment properties debited or credited to the Comprehensive Income and Expenditure Statement	(£292)	(£1,700)
Repayment of Long Term Debtors	£0	£0
Balance at 31 March	**(£244,351)**	**(£244,344)**

Deferred Capital Receipts

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets for which cash settlement has yet to take place. Under statutory arrangements the Council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

Financial Instrument Revaluation Account

The Financial Instruments Revaluation Reserve contains the gains made by the Council arising from increases in the value of its investments that are measured at fair value through other comprehensive income. The balance is reduced when investments with accumulated gains are:

- revalued downwards or impaired and the gains are lost; and
- disposed of and the gains are realised.

Financial Instruments Revaluation Reserve	2021/22 £000s	2022/23 £000s
Balance at 1st April	**(£7,576)**	**(£7,576)**
Upward Revaluation of Investments	£0	(£1,500)
Downward Revaluation of Investments	£0	£500
Balance at 31st March	**(£7,576)**	**(£8,576)**

Financial Instrument Adjustment Account

The Financial Instrument Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenditure relating to certain financial instruments and for bearing losses or benefitting from gains per statutory provisions.

The Council uses the Account to manage premiums paid and discounts received on the early redemption of loans. Premiums are debited and discounts are credited 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 net expense is posted back to the General Fund balance in accordance with statutory arrangements for spreading the burden on Council Tax payers. In the Council's case this period is the unexpired term that was outstanding on loans when they were redeemed.

Financial Instrument Adjustment Account	2021/22 £000s	2022/23 £000s
Balance at 1 April	**£271**	**£269**
Premiums Incurred in the Year and Charged to the Comprehensive Income and Expenditure Statement	£0	£0
Proportion of Premiums Incurred in Previous Financial Years to be Charged Against the General Fund Balance in Accordance with Statutory Requirements	(£2)	(£2)
Balance at 31 March	**£269**	**£267**

Collection Fund Adjustment Account

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

Collection Fund Adjustment Account	2021/22 £000s	2022/23 £000s
Balance at 1 April	**£28,275**	**£10,061**
Amount by Which Council Tax and Non-Domestic Rate Income Credited to the Comprehensive Income and Expenditure Statement is Different from Council Tax and Non-Domestic Rate Income Calculated for the Year in Accordance with Statutory Requirements	(£18,214)	(£2,337)
Balance at 31 March	**£10,061**	**£7,724**

Accumulated Absences

The Accumulated Absences 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.

Accumulative Absences	2021/22 £000s	2022/23 £000s
Balance at 1 April	**£4,781**	**£3,419**
Settlement or Cancellation of Accrual Made at the End of the Preceding Year	(£4,781)	(£3,419)
Amounts Accrued at the End of the Current Year	£3,419	£2,923
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	(£1,362)	(£496)
Balance at 31 March	**£3,419**	**£2,923**

Dedicated Schools Grant (DSG) Adjustment Account

The Dedicated Schools Grant adjustment account holds accumulated deficits relating to the schools budget. Where the authority has incurred a deficit on its schools budget in years beginning 1 April 2020 ending 31 March 2026, the Local Authorities (Capital Finance and Accounting) Regulations do not allow for such amounts to be included in the General Fund and instead must be held in this adjustment account.

Dedicated Schools Grant (DSG) Adjustment Account	2021/22 £000s	2022/23 £000s
Balance at 1 April	**£21,407**	**£21,473**
School Budget Deficit Transferred from General Fund in Accordance with Statutory Requirements	£66	(£2,872)
Balance at 31 March	**£21,473**	**£18,601**

Pension 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 Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer’s contributions to pension funds or eventually pays any pension for which it is directly responsible. The debit balance on the Pensions Reserve in 2021/22 therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits are due for payment.

Pension Reserve	2021/22 £000s	2022/23 £000s
Balance at 1 April	**£356,592**	**£219,411**
Remeasurements of the Net Defined Benefit Liability/(Asset)	(£165,358)	(£330,522)
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	£45,423	£38,659
Employer's Pension Contributions and Direct Payments to Pensioners Payable in the Year	(£17,246)	(£18,293)
Balance at 31 March	**£219,411**	**(£90,745)**

27. Cash Flow Statement Notes

Operating Activities
The cash flows for Operating Activities include the following items:

Operating Activities	Restated 2021/22 £000s	2022/23 £000s
Interest Received	(£1,082)	(£3,066)
Interest Paid	£7,647	£8,039
Dividends Received	£0	£0

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

Non-Cash Movements	Restated 2021/22 £000s	2022/23 £000s
Depreciation	(£14,776)	(£15,676)
Impairment and Downward Valuations	£12,278	(£12,431)
Amortisation	(£679)	(£971)
Increase/(Decrease) in Impairment for Credit Losses	(£2,400)	(£4,896)
Increase/(Decrease) in Creditors	(£17,322)	£18,046
(Increase)/Decrease in Debtors	(£2,140)	£5,911
(Increase)/Decrease in Inventories	£324	£428
Movement in Pension Liability	(£28,177)	(£20,366)
Carrying Amount of Non-current Assets and Non-current Assets Held for Sale, Sold or Derecognised	(£4,440)	(£5,636)
Other Non-cash Items Charged to the Net (Surplus) or Deficit on the Provision of Services:		
(Increase)/Decrease in Provisions	£4,010	(£659)
Movements in the Value of Investment Properties	£292	£1,700
(Increase)/Decrease in Accumulated Absences	£1,362	£496
	(£51,668)	**(£34,055)**

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

Investing and Financing Activities	Restated 2021/22 £000s	2022/23 £000s
Proceeds from Short-term (not considered to be cash equivalents) and Long-term Investments (includes investments in associates, joint ventures and subsidiaries)	£0	£0
Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	£4,130	£4,177
Grant Receipts for the Financing of New Capital Expenditure	£21,769	£21,908
	£25,899	**£26,085**

Investing Activities

Cash Flow Statement - Investing Activities	Restated 2021/22 £000s	2022/23 £000s
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	£39,707	£49,137
Purchase of Short-term and Long-term Investments	£292,791	£339,025
Other Payments for Investing Activities	£203	£20,425
Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	(£4,130)	(£4,177)
Proceeds from Short-term and Long-term Investments	(£287,790)	(£344,049)
(Proceeds) from Other Long Term Loans	(£232)	(£847)
Grant (Receipts) for the Financing of New Capital Expenditure	(£27,793)	(£22,470)
Net Cash Flows from Investing Activities	**£12,757**	**£37,044**

Financing Activities

Cash Flow Statement - Financing Activities	Restated 2021/22 £000s	2022/23 £000s
Cash (Receipts) of Short-Term and Long-Term Borrowing	(£20,000)	(£36,000)
Cash (Receipts) from Other Short-Term and Long-Term Liabilities	£0	£0
Repayments of Short-Term and Long-Term Borrowing	£5,190	£13,193
Repayments of Other Short-Term and Long-Term Liabilities	£957	£1
Cash Payments for the Reduction of Outstanding Liabilities Relating to Finance Leases and on-Balance Sheet PFI Contracts	£23	£0
Discount/Premium on Early Repayment of Debt	£2	£2
Billing Authority Collection Fund Adjustments	(£793)	£400
Net Cash Flows from Financing Activities	**(£14,621)**	**(£22,405)**

Reconciliation of Liabilities Arising from Financing Activities

Liabilities from Financing Activities	Balance at 1 April 2022 £000s	Financing Cash Flows £000s	Non-Cash Changes £000s	Balance at 31 March 2023 £000s
Long-term Borrowings	(£207,903)	(£15,806)	£19,000	**(£204,709)**
Long-term Borrowings Other	(£13)	£1	£0	**(£12)**
Short-term Borrowings	(£14,344)	(£7,000)	(£19,245)	**(£40,589)**
Lease Liabilities	(£4)	£0	£0	**(£4)**
Total Liabilities from Financing Activities	**(£222,265)**	**(£22,805)**	**(£245)**	**(£245,314)**

Liabilities from Financing Activities	Balance at 1 April 2021 £000s	Financing Cash Flows £000s	Non-Cash Changes £000s	Balance at 31 March 2022 £000s
Long-term Borrowings	(£201,095)	(£14,808)	£8,000	**(£207,903)**
Long-term Borrowings Other	(£970)	£957	£0	**(£13)**
Short-term Borrowings	(£6,392)	£0	(£7,953)	**(£14,344)**
Lease Liabilities	(£27)	£23	£0	**(£4)**
Total Liabilities from Financing Activities	**(£208,484)**	**(£13,828)**	**£47**	**(£222,265)**

28. <u>Pooled Funds</u>

Section 75 of the National Health Service Act 2006 allowed joint working arrangements between NHS organisations and local authorities. Pooled funds enable these bodies to work collaboratively to address specific local health issues.

The Clinical Commissioning Group (CCG) ceased to exist as a legal entity from the 1st of July 2022 with NHS Greater Manchester Integrated Care (NHS GM) being the successor entity from the 1st of July 2022. On this basis, NHS GM will be a party to the S75 with the Council moving forward.

The pooling of budgets between the two organisations, Bury Council and NHS GM, is in line with NHSE guidelines to progress integration of Adult Social Care and Health and is in accordance with the decision made by Cabinet and what was the CCG Governing Body.

Bury Council and NHS GM have worked together to support health and social care integration within the locality. From 1 October 2019 the Integrated Commissioning Fund (ICF) includes the total revenue budget allocations of both the Council and the CCG (Now NHS GM).

The single fund is overseen by The Bury Integrated Care Partnership Locality Board whose membership includes equal representation from the NHS GM and the Council.

The ICF supports the 4 strategic priorities of the Bury Locality Plan:

- **Building new relationships:** We will enable a radical shift in both the relationship between local people and public services, and the way in which public services work together towards a common set of outcomes.
- **Staying well for longer:** We will support local people to remain well for longer by systematically tackling the causes of illness, radically up-scaling prevention, and implementing a whole system wellness and wellbeing programme.
- **Reducing failure demand:** We will identify and remove the demand that exists in most Public Service systems that occur as a result of the way in which services are delivered and the way in which organisations work together within the system.
- **Tackling wider determinants of health**: We will make a concerted system-wide effort to tackle the wider determinants which impact upon the health and wellbeing of local people such as deprivation, work and skills, housing, education and the environment.

The ICF is made up of 3 component sections:

- **Section 75 Pooled Budget**: Decisions on the utilisation of this budget are delegated to the Strategic Commissioning Board (SCB).
- **Aligned Services Budget**: For services that cannot be pooled under Section 75 legislation or the Council and CCG/NHS GM have agreed are not yet in a position to pool. Recommendations on the utilisation of this budget are made by the SCB with decisions taken by the appropriate sovereign organisation.
- **In View Services Budget:** For services that are influenced but not directly commissioned by the partners. Decisions on the utilisation of in-view budgets are made by committees/bodies outside of Bury and are shared for information purposes only.

<u>Risk share agreement</u>
Under the risk share arrangements of the ICF each organisation shares financial risk on a 50:50 basis. Each partner organisation accounts for their own contributions and details of the spend from the pool are reported to the Bury Locality Board.

In addition to the risk share the ICF financial framework allows for contributions from partners to vary in year as long as partner contributions are fully restored and balanced by the end of 2022/23.

In 2022/23 Bury Council made an additional contribution to the ICF pooled budget of £2m (See table 1)

The impact of the contribution variations across years and by partner is shown in the Table 2 below.

Table 1

Integrated Commissioning Fund incorporating the Better Care Fund and Improved Better Care Fund	2021/22 £000s	2022/23 £000s
Integrated Commissioning Fund Contribution		
Bury Council (Note 1)	(£105,673)	(£108,017)
Bury CCG/NHS GM Bury Locality	(£239,066)	(£132,544)
Sub-Total	**(£344,739)**	**(£240,561)**
Integrated Commissioning Fund Costs		
Bury Council	£101,609	£110,409
Bury CCG/NHS GM Bury Locality	£241,737	£132,330
Sub-Total	**£343,346**	**£242,739**
Net (Surplus)/deficit arising on the pooled budget during the year	**(£1,393)**	**£2,178**

Note 1: In 2022/23 Bury Council made an additional contribution to the ICF pooled budget of £2m.

Table 2

Organisation	2019/20 £000s	2020/21 £000s	2021/22 £000s	2022/23 £000s	Total £000s
Council	£10,500	(£15,000)	£2,500	£2,000	**£0**
CCG/NHS GM Bury Locality	(£10,500)	£15,000	(£2,500)	(£2,000)	**£0**
Total	**£0**	**£0**	**£0**	**£0**	**£0**

29. Members' Allowances

The council paid the following amounts to Members of the Council during the year:

Members' Allowances & Expenses	2021/22 £000s	2022/23 £000s
Allowances	£678	£820
Expenses	£3	£0
TOTAL	**£681**	**£820**

30. Officers' Remuneration and Termination Benefits

The remuneration of senior employees, which is defined as those who are members of the Executive Leadership Team, those holding statutory posts, or those whose remuneration is £150,000 or more per year, is set out below. Salary, (including Fees and Allowances) includes elements such as market supplements and honoraria. No payments were made for bonuses, benefits in kind & expense allowances in either year.

Senior Officers
The remuneration paid to the authority's senior employees is as follows:

Authority's Senior Employees	2021/22						2022/23					
	Note	Salary, Fees and Allowances £000s	Expenses Allowances £000s	Compensation for Loss of Office £000s	Pension Contribution £000s	**Total £000s**	**Note**	Salary, Fees and Allowances £000s	Expenses Allowances £000s	Compensation for Loss of Office £000s	Pension Contribution £000s	**Total £000s**
Chief Executive & Accountable Officer NHS Bury CCG [G Little]	A	£190	£0	£0	£39	**£229**	A	£176	£0	£0	£36	**£212**
Deputy Chief Executive (Corporate Core) [L Ridsdale]		£152	£0	£0	£31	**£183**	B	£154	£0	£0	£32	**£186**
Executive Director: Strategic Commissioning [W Blandamer]	B	£126	£0	£0	£18	**£144**		£131	£0	£0	£19	**£150**
Executive Director: Children & Young People	C	£104	£0	£0	£15	**£119**		£0	£0	£0	£0	**£0**
Executive Director: Children & Young People [J Richards]	D	£31	£0	£0	£6	**£37**		£130	£0	£0	£27	**£157**
Executive Director: Operations [D Ball]		£132	£0	£0	£27	**£159**		£134	£0	£0	£28	**£162**
Executive Director: Places	E	£50	£0	£0	£10	**£60**		£118	£0	£0	£24	**£142**
Executive Director: Places (Interim)	F	£44	£0	£0	£0	**£44**		£0	£0	£0	£0	**£0**
Executive Director: Finance	G	£0	£0	£0	£0	**£0**	F	£0	£0	£0	£0	**£0**
Executive Director: Finance (Interim)	H	£19	£0	£0	£0	**£19**		£0	£0	£0	£0	**£0**
Director of Law & Democratic Services	I	£93	£0	£0	£19	**£112**		£98	£0	£0	£20	**£118**
Director Community Commissioning (DAS)		£97	£0	£0	£20	**£117**		£106	£0	£0	£22	**£128**
Director of Public Health		£0	£0	£0	£0	**£0**	D	£25	£0	£0	£5	**£30**
Director of Public Health		£107	£0	£0	£15	**£122**	C	£82	£0	£0	£12	**£94**
Director of Education & Skills	J	£93	£0	£0	£19	**£112**		£102	£0	£0	£21	**£123**
Director of Housing		£0	£0	£0	£0	**£0**	E	£84	£0	£0	£17	**£101**
Director of Economic Regeneration & Capital Growth	K	£59	£0	£0	£12	**£71**		£0	£0	£0	£0	**£0**
Joint Chief Information Officer		£100	£0	£0	£21	**£121**		£104	£0	£0	£21	**£125**
Director of People & Inclusion	L	£70	£0	£0	£14	**£84**		£86	£0	£0	£18	**£104**

Senior Officers served for the whole of 2021/22 and 2022/23 unless stated below.

2022/23 Notes:

A The Chief Executive retired on the 1 March 2023, The Chief Executive is also the Place Based Lead for NHS GM, 50% was recharged to NHS GM in 2022/23.
B The Deputy Chief Executive was appointed as the Chief Executive and Placed Based Lead for NHS GM from the 1 March 2023.
C The Director of Public Health left the Council on the 2 January 2023.
D The Director of Public Health was appointed on the 3 January 2023.
E The Director of Housing was appointed on the 30 May 2022.
F The Executive Director of Finance (Section 151 Officer for the Council), the post is remunerated through the NHS, rather than Bury Council. The annual salary falls within a range of £125,000 and £129,999.

2021/22 Notes:

A The Chief Executive is also the Accountable Officer at the Bury CCG, 50% was recharged to NHS Bury CCG in 2021/22.
B The Executive Director for Strategic Commissioning is a joint role between the Council and the NHS, the NHS contributed 50% towards salary in 2021-22.
C The Executive Director for Children & Young People left the Council on the 31 October 2021.
D The Executive Director for Children & Young People was appointed on 4 January 2022.
E The Executive Director Places was appointed on 25 November 2021.
F The Interim Executive Director for Places started with the Council in February 2021 and is paid through an agency on a part-time basis.
G The Executive Director of Finance (Section 151 Officer for the Council) was appointed on 3 May 2021, the post is remunerated through Bury NHS CCG, rather than Bury Council. The annual salary falls within a range of £115,000 and £119,999.
H The Executive Director of Finance (Section 151 Officer for the Council) post was covered by interim arrangements via an agency during April 2021.
I The Monitoring Officer Role in 2021/22 sits with the Director of Law & Democratic Services.
J The Director of Education & Skills acted up into the Executive Director for Children & Young People prior to the appointment of the new director in 2021/22 (7 September 2021 to 3 January 2022).
K The Director of Economic Regeneration & Capital Growth was in post until recruited into the Executive Director Places on 24 November 2021. This role remained vacant to the end of the 2021/22 year.
L The Director of People & Inclusion was appointed on 24 May 2021.

Remuneration Bands

The Council's other employees receiving more than £50,000 remuneration for the year (excluding employer pension contributions) were paid the following amounts:

Remuneration Band	2021/22 Teaching Staff	2021/22 Non-Teaching Staff	2022/23 Teaching Staff	2022/23 Non-Teaching Staff
£50,000 - £54,999	51	26	67	37
£55,000 - £59,999	25	18	32	28
£60,000 - £64,999	28	14	27	12
£65,000 - £69,999	15	7	16	5
£70,000 - £74,999	11	5	13	1
£75,000 - £79,999	9	3	9	2
£80,000 - £84,999	3	1	6	1
£85,000 - £89,999	2	2	0	1
£90,000 - £94,999	3	2	1	1
£95,000 - £99,999	1	1	3	3
£100,000 - £104,999	0	0	1	0
£105,000 - £109,999	0	0	1	0
£110,000 - £114,999	1	1	0	0
£115,000 - £119,999	0	0	1	0
£120,000 - £124,999	0	0	0	0
£125,000 - £129,999	0	0	0	0
£130,000 - £134,999	0	0	0	1
TOTAL	**149**	**80**	**177**	**92**

Exit Packages

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below.

Exit Package Cost Band (including special payments)	Number of Compulsory Redundancies		Number of Other Departures Agreed		Total Number of Exit Packages by Cost Band		Total Cost of Exit Packages in Each Band	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22 £000s	2022/23 £000s
£0 - £20,000	2	13	27	36	**29**	**49**	£186	£318
£20,001 - £40,000	0	3	7	3	**7**	**6**	£187	£164
£40,001 - £60,000	0	1	0	0	**0**	**1**	£0	£48
£60,001 - £80,000	0	0	0	1	**0**	**1**	£0	£67
£80,001 - £100,000	0	1	0	1	**0**	**2**	£0	£181
Total Cost Included in Bandings and in the CIES	**2**	**18**	**34**	**41**	**36**	**59**	**£373**	**£778**

31. External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Council's External Auditors:

External Audit Costs	2021/22 £000s	2022/23 £000s
Fees Payable with Regard to External Audit Services Carried Out by the Appointed Auditor for the Year	£124	£106
Additional Fee Agreed for 21/22 After Publication of Accounts per PSAA	£0	£0
Fees Payable in Respect of Other Services Provided by External Auditors During the Year	£0	£30
Total	**£124**	**£136**

32. Dedicated Schools Grant

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

Details of the deployment of the DSG receivable for 2022/23 are as follows:

DISCLOSURE OF DEPLOYMENT OF DEDICATED SCHOOLS GRANT 2022/23				
Note		**Central Expenditure £000s**	**Individual Schools Budget £000s**	**Total £000s**
A.	Final DSG for 2022/23 before Academy and High Needs Recoupment			£198,705
B.	Academy and High Needs Figure Recouped for 2022/23			£73,642
C.	**Total DSG after Academy and High Needs Recoupment for 2022/23**			**£125,063**
D.	Plus: Brought-forward from 2021/22			£0
E.	Less: Carry-forward to 2023/24 Agreed in Advance			£0
F.	**Agreed Initial Budgeted Distribution in 2022/23**	£51,308	£73,756	**£125,063**
G.	In-year Adjustments	£4,839	(£715)	£4,123
H.	**Final Budget Distribution for 2022/23**	**£56,146**	**£73,040**	**£129,187**
I.	Less: Actual Central Expenditure	£54,139		£54,139
J.	Less: Actual ISB Deployed to Schools		£73,070	£73,070
K.	Plus: Local Authority Contribution for 2022/23	£895	£0	£895
L.	**In-year Carry-forward to 2023/24**	**£2,902**	**(£29)**	**£2,872**
M.	Plus: Carry-forward to 2023/24 Agreed in Advance			£0
N.	**Carry-forward to 2023/24**			**£2,872**
O.	DSG Unusable Reserve at the End of 2021/22			(£21,473)
P.	Addition to DSG Unusable Reserve at the End of 2022/23			£0
Q.	**Total of DSG Unusable Reserve at the End of 2022/23**			**(£21,473)**
R.	**Net DSG Position at the End of 2022/23**			**£18,601**

A: Final DSG figure before any amount has been recouped from the Council as published March 2023. Do not include the adjustment to the 2021/22 DSG for early years made during 2022/23 based on January 2022 numbers or top-up funding (see G below).

B: Figure recouped from the Council in 2022/23 by the DfE for the conversion of maintained schools into academies and for high needs payments made by ESFA.

C: Total DSG figure after academy and high needs recoupment for 2022/23, as published March 2023. (Do not deduct centrally funded licences.)

D: Figure brought forward from 2021/22. There can only be an entry here if this is a surplus or zero; a deficit must have been placed in the DSG unusable reserve created by MHCLG's amending regulations (see line O).

E: Any amount which the Council decided after consultation with the schools forum to carry forward to 2023/24 rather than distribute in 2022/23 – this may be the difference between estimated and final DSG for 2022/23, or a figure brought forward from 2021/22 that the Council is carrying forward again.

F: Budgeted distribution of DSG, adjusted for carry-forward, as agreed with the schools forum. Note that the ISB column should include only money distributed to schools (including high needs place funding) and to other early years providers; centrally held schools block items such as the growth fund belong in the central expenditure column.

G: Changes to the initial distribution, for example adjustments for exclusions, NNDR payments, or the final early years block adjustment for 2021/22 made during 2022/23 based on January 2022 numbers. Safety valve payments count as DSG and should be included here if paid in 2022/23.

H: Budgeted distribution of DSG as at the end of the financial year.

I: Actual amount of central expenditure items in 2022/23 – amounts not actually spent, eg money that is moved into earmarked reserves, should be included in items L20 or L21 as carried forward.

J: Amount of ISB actually distributed to schools (ISB is regarded for DSG purposes as spent by the Council once it is deployed to schools' budget shares). Note that budget shares include early years funding, sixth form funding and high needs place funding; they do not include high needs top-up funding, which is treated as central expenditure.

K: Any contribution from the local Council in 2022/23 that will have the effect of substituting for DSG in funding the schools budget. Do not include any change in balances held by schools as they are not to be recorded in this note.

L: In-year position at end of 2022/23, ie:

- For central expenditure, difference between final budgeted distribution of DSG (item H12) and actual expenditure (item I15), plus any local Council contribution (item K17).
- For ISB, difference between final budgeted distribution (item H13) and amount actually deployed to schools (item J16), plus any local Council contribution (item K18).

M: Plus/minus any carry-forward to 2023/24 already agreed (Item E5).

N: Total carry-forward on central expenditure (item L20) plus carry-forward on ISB (item L21) plus/minus any carry-forward to 2023/24 already agreed (item E5). To be entered in this line, this figure can only be a surplus or zero; if it results in a deficit, enter zero. Any in-year deficit in 2022/23 must be recorded as part of the DSG unusable reserve (item P26).

O: DSG unusable reserve at end of 2021/21(if any) – any amount placed in the unusable reserve at the end of 2020/21 and/or 2021/22 in accordance with the MHCLG amending regulations.

P: Any addition to DSG unusable reserve in 2022/23 because of an in-year deficit in 2022/23; figure 24 is to be entered here rather than at N when it is a deficit.

Q: Total of DSG unusable reserve at end of 2022/23; this is the total of O25 and P26.

R: Net DSG position at the end of 2022/23; this is a memorandum item designed to show the overall position on DSG. It is calculated by taking the figure (if any) at N24 and deducting the figure (if any) at Q27 and will therefore show any net deficit that the local Council would have if the unusable reserve were not held separately.

Details of the deployment of the DSG receivable for 2021/22 is as follows:

DISCLOSURE OF DEPLOYMENT OF DEDICATED SCHOOLS GRANT 2021/22				
Note		**Central Expenditure £000s**	**Individual Schools Budget £000s**	**Total £000s**
A.	Final DSG for 2021/22 before Academy and High Needs Recoupment			£190,358
B.	Academy and High Needs Figure Recouped for 2021/22			£65,459
C.	**Total DSG after Academy and High Needs Recoupment for 2021/22**			**£124,899**
D.	Plus: Brought-forward from 2020/21			£0
E.	Less: Carry-forward to 2022/23 Agreed in Advance			£0
F.	**Agreed Initial Budgeted Distribution in 2021/22**	£42,570	£82,329	**£124,899**
G.	In-year Adjustments	£4,314	£0	£4,314
H.	**Final Budget Distribution for 2021/22**	**£46,884**	**£82,329**	**£129,213**
I.	Less: Actual Central Expenditure	£46,959		£46,959
J.	Less: Actual ISB Deployed to Schools		£82,320	£82,320
K.	Plus: Local Authority Contribution for 2021/22	£0	£0	£0
L.	**In-year Carry-forward to 2022/23**	**(£75)**	**£9**	**(£66)**
M.	Plus: Carry-forward to 2022/23 Agreed in Advance			£0
N.	**Carry-forward to 2022/23**			**(£66)**
O.	DSG Unusable Reserve at the End of 2020/21			(£21,407)
P.	Addition to DSG Unusable Reserve at the End of 2021/22			(£66)
Q.	**Total of DSG Unusable Reserve at the End of 2021/22**			**(£21,473)**
R.	**Net DSG Position at the End of 2021/22**			**£21,407**

A: Final DSG figure before any amount has been recouped from the authority as published March 2022. Do not include the adjustment to the 2020/21 DSG for early years made during 2021/22 based on January 2021 numbers or top-up funding (see G below).

B: Figure recouped from the authority in 2021/22 by the DfE for the conversion of maintained schools into academies and for high needs payments made by ESFA.

C: Total DSG figure after academy and high needs recoupment for 2021/22, as published March 2022. (Do not deduct centrally funded licences.)

D: Figure brought forward from 2020/21. There can only be an entry here if this is a surplus or zero; a deficit must have been placed in the DSG unusable reserve created by MHCLG's amending regulations (see line O).

E: Any amount which the authority decided after consultation with the schools forum to carry forward to 2022/23 rather than distribute in 2021/22 – this may be the difference between estimated and final DSG for 2021/22, or a figure brought forward from 2020/21 which the authority is carrying forward again.

F: Budgeted distribution of DSG, adjusted for carry-forward, as agreed with the schools forum. Note that the ISB column should include only money distributed to schools (including high needs place funding) and to other early years providers; centrally held schools block items such as the growth fund belong in the central expenditure column.

G: Changes to the initial distribution, for example adjustments for exclusions or the final early years block adjustment for 2020/21 made during 2021/22 on the basis of January 2021 numbers or top-up funding.

H: Budgeted distribution of DSG as at the end of the financial year.

I: Actual amount of central expenditure items in 2021/22 – amounts not actually spent, eg money that is moved into earmarked reserves, should be included in items L20 or L21 as carried forward.

J: Amount of ISB actually distributed to schools (ISB is regarded for DSG purposes as spent by the authority once it is deployed to schools' budget shares). Note that budget shares include early years funding, sixth form funding and high needs place funding; they do not include high needs top-up funding, which is treated as central expenditure.

K: Any contribution from the local authority in 2021/22 that will have the effect of substituting for DSG in funding the schools budget. Do not include any change in balances held by schools as they are not to be recorded in this note.

L: In-year position at end of 2021/22, ie:

- For central expenditure, difference between final budgeted distribution of DSG (item H12) and actual expenditure (item I15), plus any local authority contribution (item K17).
- For ISB, difference between final budgeted distribution (item H13) and amount actually deployed to schools (item J16), plus any local authority contribution (item K18).

M: Plus/minus any carry-forward to 2022/23 already agreed (Item E5).

N: Total is carry-forward on central expenditure (item L20) plus carry-forward on ISB (item L21) plus/minus any carry-forward to 2022/23 already agreed (item E5). To be entered in this line, this can only be a surplus or zero; if it results in a deficit, enter zero. Any in-year deficit in 2021/22 must be recorded as part of the DSG unusable reserve (item P26).

O: DSG unusable reserve at end of 2020/21 (if any) – any amount placed in the unusable reserve at the end of 2020/21 in accordance with the MHCLG amending regulations.

P: Any addition to DSG unusable reserve in 2021/22 as a result of an in-year deficit in 2021/22; figure 24 is to be entered here rather than at N when it is a deficit.

Q: Total of DSG unusable reserve at end of 2021/22; this is the total of O25 and P26.

R: Net DSG position at the end of 2021/22; this is a memorandum item designed to show the overall position on DSG. It is calculated by taking the figure (if any) at N24 and deducting the figure (if any) at Q27, and will therefore show any net deficit that the local authority would have if the unusable reserve were not held separately

33. Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement:

Grant Income Credited to Services	**2021/22 £000s**	**2022/23 £000s**
Dedicated Schools Grant (DSG) (including PSV)	(£129,716)	(£129,187)
Housing Benefit Subsidy - Rent Allowances	(£21,259)	(£21,124)
Housing Benefit Subsidy - Rent Rebates	(£12,408)	(£11,394)
Pupil Premium Grant	(£5,467)	(£5,475)
COVID 19 grants	(£48,194)	(£4,492)
Asylum Seekers (UASC)	(£367)	(£556)
Discretionary Housing payments	(£270)	(£421)
Other Government Grants	(£6,992)	(£11,775)
Total	**(£224,673)**	**(£184,424)**

Taxation and Non-Specific Grant Income	**2021/22 £000s**	**2022/23 £000s**
Business Rates Top-Up and S31 Compensation Grants	**(£20,932)**	**(£19,571)**
Non-ringfenced Government Grants:		
Social Care Support Grant	(£5,696)	(£7,841)
Improved Better Care Fund	(£7,404)	(£7,628)
Lower Tier and Services Grant	(£253)	(£2,753)
Housing Benefit Administration Grants	(£762)	(£748)
Market Sustainability	£0	(£551)
Independent Living Fund	(£288)	(£288)
Council Tax Rebates & BR Reliefs New Burdens	£0	(£208)
Council Tax Rebate Administration Grant	£0	(£102)
New Homes Bonus	(£253)	(£47)
COVID-19 Grants	(£5,033)	£0
Local Council Tax Support Grant	(£2,081)	£0
Other Government Grants	(£9)	(£10)
Non-ringfenced Government Grants	**(£21,779)**	**(£20,176)**
Capital Grants and Contributions:		
DfE Schools Capital Grants	(£8,552)	(£5,474)
DLUHC Levelling Up Funding	(£3,500)	(£5,186)
DfT (GMCA) Highways Funding	(£4,957)	(£4,416)
TfGM Local Authority Delivered Transport Schemes	(£1,579)	(£2,490)
GMCA Delivery of Public Sector Decarbonisation Scheme (PSDS) Grant	(£764)	(£1,453)
DLUHC Disabled Facilities Grant	£0	(£1,141)
BEIS Social Housing De-Carbonisation Fund (SHDF)	£0	(£963)
DLUHC Traveller Site Fund	£0	(£630)
DCMS Greater Manchester Local Full Fibre Network (LFFN) Grant	(£1,390)	£0
DLUHC Brownfield Land Release Funding	(£944)	£0
Other Capital Grants and Contributions	(£83)	(£155)
Capital Grants and Contributions	**(£21,769)**	**(£21,908)**
Total	**(£64,480)**	**(£61,656)**

The authority has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. The balances at the year-end are as follows:

Revenue Grants Received in Advance (Current)	**Balance 31 March 2021 £000s**	**Receipts 2021/22 £000s**	**Applied 2021/22 £000s**	**2022/23 £000s £000s**	**Receipts 2022/23 £000s**	**Applied 2022/23 £000s**	**2022/23 £000s £000s**
UK Shared Prosperity Fund	**£0**	£0	£0	**£0**	(£334)	£0	**(£334)**
DLUHC Distribution of the Levy Account Surplus (2324 LGFS)	**£0**	£0	£0	**£0**	(£302)	£0	**(£302)**
DfE Schools Grants	**£0**	(£483)	£0	**(£483)**	(£211)	£483	**(£211)**
Digital Inclusion	**£0**	£0	£0	**£0**	(£118)	£0	**(£118)**
Evergreen Funding	**£0**	£0	£0	**£0**	(£75)	£0	**(£75)**
DfE Non-Schools Grants	**£0**	(£129)	£0	**(£129)**	(£27)	£129	**(£27)**
Supplemental Substance Misuse Treatment & Recovery Grant	**£0**	£0	£0	**£0**	(£6)	£0	**(£6)**
Council Tax Rebate Scheme	**£0**	(£11,413)	£0	**(£11,413)**	£0	£11,413	**£0**
Covid Additional Relief Fund	**£0**	(£3,022)	£0	**(£3,022)**	£0	£3,022	**£0**
Sports England and similar	**(£63)**	(£247)	£63	**(£247)**	£0	£247	**£0**
Planning Grant	**£0**	(£165)	£0	**(£165)**	£0	£165	**£0**
Public Health/Substance Misuse	**£0**	(£77)	£0	**(£77)**	£0	£77	**£0**
Bury Adult Learning Centre	**(£4)**	£0	£4	**£0**	£0	£0	**£0**
Miscellaneous Grants	**(£6)**	£0	£6	**£0**	£0	£0	**£0**
Total	**(£73)**	**(£15,536)**	**£73**	**(£15,536)**	**(£1,073)**	**£15,536**	**(£1,073)**

Capital Grants received in Advance (Non-Current)	Balance 31 March 2021 £000s	Receipts 2021/22 £000s	Applied 2021/22 £000s	2022/23 £000s £000s	Receipts 2022/23 £000s	Applied 2022/23 £000s	2022/23 £000s £000s
DLUHC Disabled Facilities Grant	(£2,343)	(£2,073)	£0	(£4,416)	(£954)	£0	(£5,370)
DLUHC Levelling Up Funding	£0	(£4,146)	£0	(£4,146)	(£1,200)	£0	(£5,346)
DfE Schools Capital Grants	(£34)	(£95)	£108	(£21)	(£602)	£68	(£555)
DoH Social Care Single Capital Pot	(£459)	£0	£0	(£459)	£0	£0	(£459)
DfT (GMCA) Highways Funding	(£199)	(£160)	£34	(£325)	(£112)	£26	(£411)
TfGM Local Authority Delivered Transport Schemes	(£211)	(£194)	£135	(£270)	(£175)	£108	(£337)
Homes England	(£69)	(£71)	(£67)	(£207)	(£34)	£0	(£241)
The Veolia Environmental Trust	£0	(£49)	£0	(£49)	(£72)	£0	(£121)
Evergreen	£0	£0	£0	£0	(£117)	£0	(£117)
DCMS Greater Manchester Local Full Fibre Network (LFFN) Grant	£0	£0	£0	£0	(£69)	£0	(£69)
GMCA Delivery of Public Sector Decarbonisation Scheme (PSDS) Grant	£0	(£105)	£0	(£105)	£0	£95	(£10)
DLUHC Brownfield Land Release Funding	(£944)	£0	£934	(£10)	£0	£0	(£10)
DoH Social Care Single Capital Pot	£0	£0	£0	£0	£0	£0	£0
Other Capital Grants and Contributions	(£13)	(£4)	£9	(£8)	(£200)	£0	(£208)
Total	**(£4,272)**	**(£6,897)**	**£1,153**	**(£10,016)**	**(£3,535)**	**£297**	**(£13,254)**

34. Related Parties

The Council is required to disclose material transactions with related parties. Related parties are bodies, individuals or organisations that have the potential to control or significantly influence the Council or to be controlled or significantly influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the authority.

This note sets out details of transactions between related parties and the Council.

Central Government: the Government has significant influence 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 for Council services and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grants received in 2022/23 and outstanding at 31 March 2023 from government departments are shown in Note 33.

Members of the Council have direct control over the Council's financial and operating policies. Details of Members' interests, both pecuniary and non-financial are recorded in the Register of Members' Interests, which is open to public inspection. Members' interests are also available to view via the Council's web site.

The total of members' allowances paid in 2022/23 is shown in Note 29.

Corporate Directors and Service Directors are required on an annual basis to make a declaration of related parties. In addition, there is a code of conduct under which such officers must disclose any pecuniary and non-financial interests.

No such disclosures have been made for 2022/23.

Other Public Bodies [subject to common control by central government]
The Council has a pooled fund arrangement with NHS GM which encompasses Council Adult Social Care budgets and NHS commissioned expenditure, together with expenditure funded by the Better Care Fund and Improved Better Care Fund. For further details see Note 28 Pooled Funds.

Greater Manchester Combined Authority (GMCA)
GMCA co-ordinates key economic development, regeneration, transport and waste disposal functions. The Council pays levies to GMCA for transport and waste disposal functions and the following amounts are included in the Comprehensive Income and Expenditure Statement, within Other Operating Expenditure.

Related Parties	**Restated 2021/22 £000s**	**2022/23 £000s**
GM Waste Disposal Authority	£13,152	£13,384
GM Passenger Transport Authority	£12,963	£12,887
Environment Agency	£104	£108
Total	**£26,219**	**£26,379**

Entities controlled or significantly influenced by the authority
The Council prepares Group Accounts for entities where it has material financial interests and a significant level of control. The Bury Council Group comprises Six Town Housing Ltd, Persona Care and Support Ltd and Persona Group Ltd, and Bury MBC Townside Fields Ltd.

Related Party Transactions	2022/23			
	Receipts £000s	Payments Management Fee £000s	Payments Other £000s	Outstanding Balances / Commitments £000s
Subsidiaries				
Six Town Housing Ltd.,	(£3,904)	£13,059	£12,228	(£4,002)
Persona Group Ltd., Persona Care and Support Ltd.,	(£766)	£11,731	£1,355	(£192)
Bury MBC Townside Fields Ltd.,	(£320)	£0	£0	£0
Total	**(£4,990)**	**£24,790**	**£13,583**	**(£4,194)**

Related Party Transactions	2021/22			
	Receipts £000s	Payments Management Fee £000s	Payments Other £000s	Outstanding Balances / Commitments £000s
Subsidiaries				
Six Town Housing Ltd.,	(£3,795)	£13,059	£13,481	(£3,237)
Persona Group Ltd., Persona Care and Support Ltd.,	(£778)	£11,068	£1,444	(£90)
Bury MBC Townside Fields Ltd.,	(£313)	£0	£0	(£1,007)
Total	**(£4,886)**	**£24,127**	**£14,925**	**(£4,334)**

Six Town Housing Ltd was set up to manage and maintain the housing stock of Bury Council. Six Town Housing has no share capital and is wholly owned by the Authority. It is an ALMO (arms-length management organisation) of the Council and is a company limited by guarantee. It was incorporated on 30 October 2003.

Six Town Housing made a loss before tax of £1.140m in 2022/23 compared to a loss before tax of £2.191m in 2021/22. Bury Council paid management fees of £13.059m in 2022/23 (£13.059m in 2021/22) to Six Town Housing for the management of its housing stock.

The Persona group of companies comprise of Persona Group Ltd, and Persona Care and Support Ltd. These companies were formed to provide social care services to older people and people with disabilities. The company's share capital (Called up Share Capital £3) is wholly owned by Bury Council.

The Persona group of companies made profit before tax of £0.429m in 2022/23, compared to a profit before tax of £0.529m in 2021/22. Bury Council paid management fees of £11.731m in 2022/23 (£11.068m in 2021/2022).

Bury MBC Townside Fields Ltd was formed to facilitate the development of Knowsley Place and was incorporated on 14 October 2009. The company's share capital (Ordinary Share Capital £1) is wholly owned by Bury Council.

Bury MBC Townside Fields Limited made a loss before tax of £0.475m in 2022/23, compared to a profit before tax of £0.598m in 2021/22. As at 31 March 2023, Bury Council has £7.257m invested in Bury MBC Townside Fields Ltd.

Bury Bruntwood (Millgate) LLP
A 50/50 Joint Venture company was formed on 25 January 2022, between the Council and Bruntwood LLP, to acquire, hold and manage the Millgate Estate and Shopping Centre, alongside the development of a long-term masterplan to secure and enhance the estate in line with other important town centre projects, including the Flexi Hall and transport interchange.

Bury Bruntwood (Millgate) LLP acquired the Mill Gate Estate and Shopping Centre in April 2022, that was funded by the Council through PWLB borrowing and providing loans totalling £20.350m to the Joint Venture.

Bury Bruntwood (Millgate) LLP made a profit of £800k before tax in 2022/23.

The Prestwich Regeneration LLP
Following the Council acquisition of the Longfield Shopping Centre in July 2021, a 50/50 Joint Venture company was formed on 19 October 2022, between the Council and MUSE Developments Ltd, to shape a new masterplan for the site, creating new spaces to help people and businesses to thrive, with a mix of high-quality homes and family-friendly spaces, as well as a new community hub that promotes health and wellbeing.

At the 31 March 2023, The Prestwich Regeneration LLP has only undertaken design works, as such there is no trading activity, as all the expenditure incurred is classed as work in progress on the Balance Sheet.

More information can be found at The Group Accounts section to the Statement of Accounts.

35. Capital Expenditure and Capital Financing Requirement

The total value of capital expenditure incurred during the year is disclosed in the table below (including the value of assets acquired under finance leases), 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 Council, the expenditure results in an increase in the Capital Financing requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

Capital Expenditure and Financing Requirement	2021/22 £000s	2022/23 £000s
Opening Capital Financing Requirement	**£278,487**	**£293,025**
Capital Investment		
Property Plant and Equipment	£41,394	£46,766
Heritage Assets	£0	£0
Investment Properties	£5	£0
Intangible Assets	£951	£205
Assets Held for Sale	£1	£8
Long-term Investment	£0	£0
Long-term Debtors	£0	£0
Revenue Expenditure Funded from Capital Under Statute	£3,385	£1,412
Source of Finance		
Capital Receipts	(£613)	(£254)
Government Grants And Other Contributions	(£15,258)	(£17,760)
Major Repairs Reserve	(£7,404)	(£7,012)
Sums Set Aside from Revenue:		
Direct Revenue Contributions	(£5,321)	(£5,951)
MRP/The Statutory Repayment of Loans Fund Advances	(£2,602)	(£1,675)
Closing Capital Financing Requirement	**£293,025**	**£308,764**
Explanation of movement in year		
Increase in Underlying Need to Borrow (Supported by Government Financial Assistance)	£0	£0
Increase in Underlying Need to Borrow (Unsupported by Government Financial Assistance)	£17,140	£17,414
Assets Acquired Under Finance Leases	£0	£0
Increase/(Decrease) in Capital Financing Requirement	**£17,140**	**£17,414**

36. Leases

Authority as Lessor

Operating Leases

The Council has numerous operating leasing agreements with private individuals and entities regarding shops, other premises and land where the Council acts as the lessor. The most significant of these is for land leased to Manchester Airport until 31.03.2085 for an annual rental of £530,526.

The future minimum lease payments receivable are shown in the table below:

Operating Leases - Lessor	2021/22 £000s	2022/23 £000s
Not later than one year	£3,123	£2,465
Later than one year and not later than five years	£8,716	£8,116
Later than five years	£133,047	£124,245
Total	**£144,886**	**£134,826**

Authority as Lessee

Operating Leases
The Council also leases land and buildings, vehicles, plant and other equipment under the terms of operating leases. The table below shows the future minimum lease payments due under non-cancellable leases in future years:

Operating Leases - Lessee	Land and Buildings £000s	Vehicles, Plant and Equipment £000s
Not later than one year	£1,637	£231
Later than one year and not later than five years	£5,374	£0
Later than five years	£10,956	£0
Total	**£17,967**	**£231**

Finance Leases
The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

Finance Leases - Lessee	31 March 2022 £000s	31 March 2023 £000s
Vehicles, Plant, Furniture and Equipment	£22	£0
Total	**£22**	**£0**

The Authority is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Authority and finance costs that will be payable by the Authority in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

Finance Lease Liability	31 March 2022 £000s	31 March 2023 £000s
Finance Lease Liabilities (net present value of minimum lease payments)	£4	£4
Minimum Lease Payments	**£4**	**£4**

Finance Lease Liability	Minimum Lease Payments		Finance Lease Liabilities	
	31 March 2022 £000s	31 March 2023 £000s	31 March 2022 £000s	31 March 2023 £000s
Not later than 1 year	£4	£4	£4	£4
Later than 1 year not later than 5 years	£0	£0	£0	£0
Later than 5 years	£0	£0	£0	£0
Total	**£4**	**£4**	**£4**	**£4**

37. <u>Pension Schemes Accounted for as Defined Contribution Schemes</u>

Teachers' Pension Scheme
Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by Capita Teachers' Pension on behalf of the Department for Education (DfE). The Scheme provides teachers with specified benefits upon their retirement and the Council contributes towards the cost by making contributions based on a percentage of scheme members' pensionable salaries.

The Scheme is a multi-employer defined benefit scheme. The scheme is unfunded and the Department for Education (DfE) uses a notional fund as the basis for calculating the employer's contribution rate paid by Local Authorities. Valuations of the notional fund are undertaken every four years.

The scheme has in excess of 3,700 participating employers and consequently the Council is not able to identify its share of the underlying financial position and performance of the scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2022/23, the Council paid £9.163m (£9.354m in 2021/22) to Capita Teachers Pensions in respect of teachers' retirement benefits, representing 23.68% (23.68% in 2021/22) of pensionable pay.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis as detailed below.

The Council is not liable to the scheme for any other entities' obligations under the plan.

NHS Pension Scheme
Public Health employees are members of the NHS Pension Scheme, administered by the EA Finance NHS Pensions. This scheme provides its members with specified benefits on their retirement and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The NHS Pension Scheme is operated in a similar way to the Teachers' Pension Scheme, in that Employer Contributions are set nationally and all contributions from employers and employees are paid into one pot.

In 2022/23, the Council paid £0.053m (£0.09m in 2021/22) to the EA Finance NHS Pensions for members of the NHS pension scheme's retirement benefits, representing 14.38% (14.38% in 2021/22) of pensionable pay.

The Council is responsible for any additional benefits awarded upon early retirement outside of the terms of the NHS pension scheme. These costs are accounted for on a defined benefit basis as detailed below.

38. <u>Defined Benefit Pension Schemes</u>

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

All employees (except teachers and members of the NHS pension scheme) are, unless they have opted out, members of the Greater Manchester Pension Fund which is administered by Tameside MBC and operates in accordance with the rules of the Local Government Pension Scheme (LGPS). This is a funded defined benefit career average (previously final salary scheme), meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

The Greater Manchester Pension Scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the pension committee of Tameside Council. Policy is determined in accordance with the Pension fund Regulations. The investment managers of the fund are appointed by the committee and consist of the Director of Finance and Resources of Tameside Council.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.

Discretionary Post-retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they may eventually fall due.

Transactions Relating to Post-employment Benefits

The cost of retirement benefits in the reported cost of services is recognised when they are earned by the employees, rather than when the benefits are eventually paid as pensions. However, the charge that is requires to be made against Council Tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

Comprehensive Income and Expenditure Statement	2021/22 £000s	2022/23 £000s
Cost of Services:		
Service Cost Comprising:		
Current Service Cost	£37,407	£35,559
Past Service Cost (including curtailments)	£682	£0
(Gain)/Loss from Settlements	£0	(£2,958)
Total Service Cost	**£38,089**	**£32,601**
Financing and Investment Income and Expenditure:		
Interest income on scheme assets	(£16,727)	(£24,793)
Interest cost on defined benefit obligation	£24,061	£30,851
Total Net Interest Expense	**£7,334**	**£6,058**
Total Post Employment Benefits Charged to the (Surplus)/Deficit on the Provision of Services	**£45,423**	**£38,659**
Other Post-Employment Benefits Charged to the Comprehensive Income and Expenditure Statement		
Remeasurements of the Net Defined Liability Comprising:		
Return on Plan Assets (excluding amounts included in net interest)	(£76,949)	£4,586
Actuarial Gains/(Losses) Arising from Changes in Demographic Assumptions	(£10,820)	(£14,504)
Actuarial Gains/(Losses) arising from changes in financial assumptions	(£78,968)	(£399,270)
Other Experience and Actuarial Adjustments	£1,379	£78,666
Total remeasurements recognised in other comprehensive income	**(£165,358)**	**(£330,522)**
Total Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement	**(£119,935)**	**(£291,863)**
Movement in Reserves Statement:		
Reversal of Net Charges Made to the (Surplus)/Deficit on the Provision of Services for Post Employment Benefits in Accordance with the Code	(£45,423)	(£38,659)
Actual Amount Charged Against the General Fund Balance for Pensions in the Year:		
Employers' Contributions Payable to the Scheme & Benefits Paid	£17,246	£18,293

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amounts included in the Balance Sheet arising from the council's obligation in respect of its defined benefit scheme is as follows:

Pensions Assets and Liabilities Recognised in the Balance Sheet	2021/22 £000s	2022/23 £000s
Fair Value of Plan Assets	£926,165	£897,213
Present Value of Funded Liabilities	(£1,118,607)	(£783,947)
Present Value of Unfunded Liabilities	(£26,969)	(£22,521)
Net Asset / (Liability) Arising From Defined Benefit Obligation	**(£219,411)**	**£90,745**

Reconciliation of the Movements in Fair Value of Scheme (Plan) Assets

Reconciliation of the Movement in Fair Value of Scheme (Plan) Assets	2021/22 £000s	2022/23 £000s
Opening Fair Value of Scheme Assets	**£841,328**	**£926,165**
Interest Income	£16,727	£24,793
Remeasurement Gain/(Loss):		
Return on Plan Assets Excluding Amounts Included in Net Interest Expense	£76,949	(£4,586)
Other Experience and Actuarial Adjustments	£0	(£39,010)
Contributions from The Employer into the Scheme	£14,833	£15,986
Contributions from Employees into the Scheme	£4,575	£5,042
Benefits Paid	(£28,247)	(£27,686)
Other: Settlements	£0	(£3,491)
Closing Fair Value of Scheme Assets	**£926,165**	**£897,213**

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)	2021/22 £000s	2022/23 £000s
Opening Balance at 1 April	**(£1,197,920)**	**(£1,145,576)**
Current Service Cost	(£37,407)	(£35,559)
Interest Cost	(£24,061)	(£30,851)
Contributions from Scheme Participants	(£4,575)	(£5,042)
Remeasurement (Gains)/Losses :		
Actuarial (Gains)/Losses Arising from Changes in Demographic Assumptions	£10,820	£14,504
Actuarial (Gains)/Losses Arising from Changes in Financial Assumptions	£78,968	£399,270
Other Experience and Actuarial Adjustments	(£1,379)	(£39,656)
Past Service Cost (including curtailments)	(£682)	£0
Liabilities Assumed on Entity Combinations	£0	£0
Benefits Paid	£30,660	£29,993
Liabilities Extinguished on Settlements	£0	£6,449
Opening Balance at 31 March	**(£1,145,576)**	**(£806,468)**

Local Government Pension Scheme Assets Comprised

Fair Value of Scheme Assets	Period Ended 31 March 2022				Period Ended 31 March 2023			
	Quoted Prices in Active Markets £000s	Quoted Prices not in Active Markets £000s	TOTAL £000s	Percentage of Total Assets	Quoted Prices in Active Markets £000s	Quoted Prices not in Active Markets £000s	TOTAL £000s	Percentage of Total Assets
Equity Securities:								
Consumer	£61,295	£0	**£61,295**	**7%**	£53,908	£0	**£53,908**	**6%**
Manufacturing	£60,472	£0	**£60,472**	**7%**	£49,602	£0	**£49,602**	**6%**
Energy and Utilities	£50,048	£0	**£50,048**	**5%**	£44,290	£0	**£44,290**	**5%**
Financial Institutions	£91,549	£0	**£91,549**	**10%**	£76,547	£0	**£76,547**	**9%**
Health and Care	£48,462	£0	**£48,462**	**5%**	£44,937	£0	**£44,937**	**5%**
Information Technology	£45,229	£0	**£45,229**	**5%**	£63,325	£0	**£63,325**	**7%**
Other	£10,355	£0	**£10,355**	**1%**	£10,201	£0	**£10,201**	**1%**
Debt Securities								
Corporate Bonds (investment grade)	£35,567	£0	**£35,567**	**4%**	£35,756	£0	**£35,756**	**4%**
Corporate Bonds (non-investment grade)	£0	£0	**£0**	**0%**	£0	£0	**£0**	**0%**
UK Government	£17,255	£0	**£17,255**	**2%**	£21,441	£0	**£21,441**	**2%**
Other	£29,334	£0	**£29,334**	**3%**	£26,706	£0	**£26,706**	**3%**
Private Equity								
All	£0	£67,751	**£67,751**	**7%**	£0	£67,112	**£67,112**	**8%**
Real Estate								
UK Property	£0	£41,995	**£41,995**	**5%**	£0	£34,907	**£34,907**	**4%**
Overseas Property	£0	£0	**£0**	**0%**	£0	£0	**£0**	**0%**
Investment Funds and Unit Trusts								
Equities	£57,952	£0	**£57,952**	**6%**	£47,926	£0	**£47,926**	**5%**
Bonds	£90,848	£0	**£90,848**	**10%**	£79,619	£0	**£79,619**	**9%**
Infrastructure	£0	£62,040	**£62,040**	**7%**	£0	£71,698	**£71,698**	**8%**
Other	£16,800	£108,512	**£125,312**	**14%**	£21,872	£124,606	**£146,478**	**16%**
Derivatives								
Other	(£5,150)	£0	**(£5,150)**	**-1%**	£0	£0	**£0**	**0%**
Cash and Cash Equivalents								
All	£35,851	£0	**£35,851**	**4%**	£22,760	£0	**£22,760**	**3%**
Total Assets	**£645,867**	**£280,298**	**£926,165**	**100%**	**£598,890**	**£298,323**	**£897,213**	**100%**

Basis for Estimating Assets and Liabilities
Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc.

Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates being based on the latest full valuation of the scheme as at 31 March 2023.

The significant assumptions used by the actuary have been:

Significant Assumptions	2021/22	2022/23
Mortality Assumptions:		
Longevity at 65 for Current Pensioners:		
- men	20.3	20.6
- women	23.2	23.6
Longevity at 65 for Future Pensioners:		
- men	21.6	21.3
- women	25.1	25.1
Rate of Inflation	3.20%	2.95%
Rate of Increase in Salaries	3.95%	3.75%
Rate of Increase in Pensions	3.20%	2.95%
Rate for Discounting Scheme Liabilities	2.70%	4.75%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant.

The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Change in Assumptions at 31 March 2023	Approximate % Increase to Defined Benefit Obligation	Approximate Monetary Amount (£000s)
0.1% Decrease in Real Discount Rate	2%	£13,377
0.1% Increase in the Salary Increase Rate	4%	£32,259
0.1% Increase in the Pension Increase Rate	0%	£1,366
1 year Increase in Member Life Expectancy	2%	£12,208

Impact on the Authority's Cash Flows
The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31 March 2023.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides regulations for the scheme to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits.

The Council’s estimated Employer's contributions for the period to 31 March 2024 will be approximately £15,206,000.

Bury Pension Guarantees
The Council has pension guarantees in place for two organisations Addiction Dependency Solutions and Persona Care and Support Ltd. The guarantees identified are those which the Council has an agreement in place with GMPF. Valuations have been obtained on both an on-going and cessation basis.

We have determined that these pension guarantees meet the definition of an insurance contract in accordance with IFRS4. IFRS4 defines an insurance contract as:
A contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

The Council is the insurer and through the provision of the pension guarantee is accepting the risk of the admission body being unable to fund the benefits earned by its employees.

We have assessed the nature and extent of potential liabilities in respect of these guarantees and the likelihood of cash outflow is low. If any guarantee was invoked, this would be valued on an ongoing basis as the net surplus/liability would be added to the BMBC sub fund as we are a continuing employer.

The overall net surplus/deficit position for guarantees valued on an ongoing basis is a net surplus position – because there is a net surplus and because the likelihood of cash outflow is considered to be remote, no liabilities have been included in the Council’s financial statements at 31 March 2023.

The Council has agreed to meet all contributions to retirement benefit schemes that are the responsibility of Six Town Housing in respect of both transferred and new staff by way of periodic management fee payments to them. The Council has also accepted responsibility for any liabilities of Six Town Housing in respect of transferred employees’ early retirement which may arise subsequent to the Transfer Date. It will (in relation to those transferred Employees who are members of the Local Government Pension Scheme) upon demand make such payments to the Administering Authority as are necessary to ensure the accrued benefits of the Transferred Employees, whilst in the service of the Council, are fully funded.

39. Contingent Liabilities

A contingent liability is a potential liability which depends on the occurrence or non-occurrence of one or more uncertain future events. The Council has identified the following contingent liabilities as at 31 March 2023.

Municipal Mutual Insurance Ltd
On 30 September 1992 the Council's then insurers, MMI Ltd, announced that they were no longer accepting new business. On the 13 November 2012 the directors of MMI triggered a Scheme of Arrangement which now means that the Council may be required to repay amounts for claims previously settled. The scheme provides that following a Trigger Event a levy may be imposed on all those creditors that have been paid in respect of established scheme liabilities, this rate is currently 25%.

The established scheme liabilities of gross claim payments at 31 March 2023 is £2.190m which would attract a levy of £0.535m should a Trigger Event arise. The amended liability that the Council may be required to repay is £1.655m (£2.190m less £0.535m levy) in respect of claims previously settled.

There is 1 outstanding claim with MMI totalling £0.015m.

40. Contingent Assets

A contingent asset is an asset that may be received but only if a future event occurs that is not under the control of the Council. The Council has identified no contingent assets as at 31 March 2023.

Housing Revenue Account

Income and Expenditure Statement

This statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

Since April 2005 the Council's housing stock has been managed by an Arm's Length Management Organisation, Six Town Housing.

HRA Income and Expenditure Statement	Note	2021/22 £000s	2022/23 £000s
Income			
Dwelling Rents		(£30,393)	(£31,549)
Non-Dwelling Rents		(£192)	(£212)
Charges for Services and Facilities		(£1,019)	(£1,020)
Contributions Towards Expenditure		(£250)	(£277)
Sums Directed by the Secretary of State that are Income in Accordance with Proper Practices		£0	£0
Total Income		**(£31,854)**	**(£33,058)**
Expenditure			
Repairs and Maintenance		£6,886	£6,915
Supervision and Management		£8,110	£9,736
Rents, Rates, Taxes & Other Charges		£22	£37
Depreciation, Impairment and Revaluation Losses of HRA Non-current Assets		(£6,334)	£3,250
Debt Management Costs		£41	£44
Movement in the Allowance for Bad Debts		£288	£290
Total Expenditure		**£9,013**	**£20,272**
Net Cost of HRA Services as included in the Comprehensive Income and Expenditure Statement		**(£22,841)**	**(£12,786)**
HRA Services Share of Corporate and Democratic Core		£400	£400
Net Cost of HRA Services		**(£22,441)**	**(£12,386)**
HRA Share of Operating Income and Expenditure included in the Comprehensive Income and Expenditure Statement:			
(Gain)/Loss on Sale of HRA Non-Current Assets		(£596)	(£734)
Interest Payable and Similar Charges		£4,209	£4,266
Interest and Investment Income		(£20)	(£220)
(Surplus) or Deficit for the Year on HRA Services		**(£18,847)**	**(£9,075)**

Movement on the Housing Revenue Account Statement

Movement on the HRA Statement		2021/22 £000s	2022/23 £000s
Balance on the HRA at the End of the Previous Reporting Period		**(£10,422)**	**(£9,843)**
(Surplus) or Deficit for the Year on the HRA Income and Expenditure Statement		(£18,847)	(£9,075)
Adjustments between Accounting Basis and Funding Basis Under Statute		£19,427	£9,741
Net (Increase) or Decrease before Transfers to or from Reserves		**£580**	**£666**
Transfers to/(from) Earmarked Reserves		£0	£0
(Increase) or Decrease in Year on the HRA		**£580**	**£666**
Balance on the HRA at the End of the Current Reporting Period		**(£9,843)**	**(£9,176)**

Adjustments between Accounting Basis and Funding Basis Under Statute

Adjustments between Accounting Basis and Funding Basis Under Statute		2021/22 £000s	2022/23 £000s
Analysis of Adjustments between Accounting Basis and Funding Basis Under Statute			
Gain or Loss on Sale of HRA Non-Current Assets		£596	£734
Capital Expenditure Funded by the HRA		£5,107	£5,246
Transfer to/from the Major Repairs Reserve		£7,389	£7,012
Transfer to/from the Capital Adjustment Account		£6,334	(£3,250)
Net Adjustment		**£19,427**	**£9,741**

Notes to the Housing Revenue Account

01. Housing Stock

In preparing the HRA budget, the Council needs to estimate the total level of income it can raise from rents. In doing so it takes account of current rental income, any likely changes in the size and composition of the Housing Stock and the estimated loss of income from unoccupied dwellings.

The numbers of each type of property at 31st March were:

Housing Stock	**2021/22**	**2022/23**
Flats & maisonettes	3,325	3,330
Bungalows	768	727
Houses	3,732	3,694
Total	**7,825**	**7,751**

The above housing stock numbers excludes 60 (46 in 2021/22) of Council houses that were disposed during the financial year.

The total capital receipts realised from the disposal of Council houses during the year was £3.286m (£2.545m in 2021/22). The figure represents the total selling price of Council houses (net of Right to Buy discount) and other repaid discounts relating to previous sales.

The value of the housing stock was:

Housing Stock Value	**2021/22 £000s**	**2022/23 £000s**
Dwellings	£221,469	£233,599
Land	£62,910	£65,138
Shops, Offices and Garage Colonies	£3,108	£2,767
Total	**£287,487**	**£301,504**

02. Vacant Possession

The Vacant Possession Value (VPV) of dwellings within the Council's HRA as at 31 March 2023 was £736.9m representing an increase of approximately 2.9% over the 31 March 2022 figure of £716.4m.

The new value was established as a result of the revaluation of the Housing Stock completed in the year.

The VPV is an opinion of the best sale price that could have been obtained for the properties on the date of the valuation. The Balance Sheet value of dwellings within the HRA contains an adjustment factor advised by Government to reflect the fact that the properties have sitting tenants enjoying sub-market rents and rights, including 'right-to-buy'. This reflects the economic cost to the Government of providing council housing at less than open market rents.

The current adjustment factor for the North West and Merseyside Region originally set from April 2016 at 40% by DCLG remains, resulting in an adjusted value of £294.7m at the valuation in 2023.

03. Major Repairs Reserve (MRR)

The Major Repairs Allowance (MRA), that used to be paid in past years as part of the HRA subsidy provided authorities with the resources needed to maintain the value of their housing stock over time.

Under the new self-financing model Authorities can use, based on a componentised calculation for depreciation, that is transferred during the year into the Major Repairs Reserve and equates to an amount not less than the previous MRA amount.

Major Repairs Reserve (MRR)	2021/22 £000s	2022/23 £000s
Balance as at 1st April	**£14**	**£0**
Transferred to MRR During the Year	£7,389	£7,012
Debits in Respect of Financing Capital Expenditure within HRA	(£7,403)	(£7,012)
Balance as at 31st March	**£0**	**£0**

04. Capital Expenditure within HRA

The 1989 Act gives local authorities the discretion to finance expenditure for HRA capital purposes from the HRA.

Capital Expenditure within the HRA	2021/22 £000s	2022/23 £000s
Total capital expenditure within the HRA	**£12,511**	**£13,297**
Financed by:		
Capital Receipts	£0	£0
Government Grants And Other Contributions	£0	£964
Major Repairs Reserve	£7,403	£7,012
Direct Revenue Contributions	£5,108	£5,246
Borrowing	£0	£76
Total	**£12,511**	**£13,297**

05. Depreciation

The HRA is charged an amount for depreciation of assets.

HRA Depreciation	2021/22 £000s	2022/23 £000s
Council Dwellings	£7,390	£6,970
Shops, Offices and Garage Colonies	£46	£42
Total	**£7,436**	**£7,012**

06. Impairment Charges

The HRA is charged an amount for the impairment charges of assets in respect of capital expenditure not adding value to the housing stock and other property within the HRA.

HRA Impairment Charge	**2021/22 £000s**	**2022/23 £000s**
Council Dwellings	£12,518	£0
Shops, Offices and Garage Colonies	£0	£0
Total	**£12,518**	**£0**

07. Revenue Expenditure Funded From Capital Under Statute

No revenue expenditure funded from capital under statute is attributable to the HRA.

08. Rent Arrears / Impairment Allowance

Rent Arrears

The rent arrears as at 31 March 2023 totalled £1.926m, and at 31 March 2022 totalled £1.902m.

Of the arrears 71.46% at 31 March 2023 related to current tenants (70.25% at 31st March 2022) and 28.54% related to former tenants (29.75% at 31st March 2022).

Impairment Allowance

Rents Impairment Allowance	**2021/22 £000s**	**2022/23 £000s**
Opening credit loss Provision	**£1,882**	**£1,774**
Additional Provisions Made In-Year	£288	£297
Amounts Written-off In-Year	(£396)	(£161)
Net increase / (decrease)	**(£108)**	**£136**
Closing Impairment Allowance	**£1,774**	**£1,910**

The Collection Fund

Collection Fund Statement:

Income and Expenditure Account	Note	2021/22 Council Tax £000s	2021/22 NNDR £000s	2021/22 Total £000s	2022/23 Council Tax £000s	2022/23 NNDR £000s	2022/23 Total £000s
Income							
Council Tax		(£114,397)	£0	**(£114,397)**	(£120,672)	£0	**(£120,672)**
Council Tax Annexe Grant		(£1)	£0	**(£1)**	(£1)	£0	**(£1)**
Business Rates Receivable		£0	(£39,424)	**(£39,424)**	£0	(£43,634)	**(£43,634)**
Contributions towards Previous Year's Deficit:							
Bury MBC		(£464)	(£24,892)	**(£25,356)**	£0	(£12,362)	**(£12,362)**
Police		(£60)	£0	**(£60)**	£0	£0	**£0**
Fire		(£26)	(£251)	**(£277)**	£0	(£125)	**(£125)**
Total Income		**(£114,948)**	**(£64,567)**	**(£179,515)**	**(£120,673)**	**(£56,121)**	**(£176,794)**
Expenditure							
Precepts and Demands on Collection Fund:							
Bury MBC		£91,060	£49,859	**£140,919**	£96,842	£45,708	**£142,550**
Police		£11,751	£0	**£11,751**	£12,696	£0	**£12,696**
Fire		£4,896	£504	**£5,400**	£5,725	£462	**£6,187**
Central Government		£0	£0	**£0**	£0	£0	**£0**
Transitional Protection Payments		£0	£1,962	**£1,962**	£0	£187	**£187**
Cost of Collection		£0	£237	**£237**	£0	£235	**£235**
Impairment of Debts/Appeals:							
Write-offs of Uncollectable Amounts		£128	£180	**£308**	£240	£1,274	**£1,514**
Increase/(Decrease) in the Allowance for Impairment of Debt		£1,611	£499	**£2,110**	£3,992	(£97)	**£3,895**
Increase/(Decrease) in the Allowance for Impairment of Arrears		£0	(£2,466)	**(£2,466)**	£0	£2,419	**£2,419**
Contributions towards Previous Year's Surplus:		£0	£0	**£0**			
Bury MBC		£0	£0	**£0**	£4,534	£0	**£4,534**
Police		£0	£0	**£0**	£585	£0	**£585**
Fire		£0	£0	**£0**	£245	£0	**£245**
Total Expenditure		**£109,446**	**£50,775**	**£160,221**	**£124,859**	**£50,188**	**£175,047**
Opening Fund Balance		£600	£28,140	**£28,740**	(£4,902)	£14,348	**£9,446**
Closing Fund Balance		(£4,902)	£14,348	**£9,446**	(£716)	£8,415	**£7,699**
Movement on Fund Balance		**(£5,502)**	**(£13,792)**	**(£19,294)**	**£4,186**	**(£5,933)**	**(£1,747)**

Notes to the Collection Fund Statement

01. Council Tax

Band	Valuation	Total Number of Dwellings	Specified Ratio	Band D Equivalent
A reduced	Less than £40,000	41	5/9	**23**
A	Less than £40,000	19,763	6/9	**13,174**
B	£40,000 to £52,000	15,101	7/9	**11,745**
C	£52,000 to £68,000	15,107	8/9	**13,429**
D	£68,000 to £88,000	8,653	9/9	**8,653**
E	£88,000 to £120,000	5,164	11/9	**6,311**
F	£120,000 to £160,000	1,758	13/9	**2,540**
G	£160,000 to £320,000	1,208	15/9	**2,014**
H	More than £320,000	171	18/9	**341**
Total		**66,966**		**58,231**
Less Allowance for Losses on Collection			-4.50%	**(2,620)**
Council Tax Base 2022/23				**55,611**

The actual number of properties was 84,443 but after adjusting for single person discounts, empty properties etc, the notional number of dwellings is 66,966

The Band D Council Tax levied for the year was £2,072.66 (£2,000.92 in 2021/22):

Band D Council Tax Levied	2021/22 £000s	2022/23 £000s
Bury Council	£1,691.67	£1,741.41
Greater Manchester Police Authority	£218.30	£228.30
Greater Manchester Fire & Civil Defence Authority	£90.95	£102.95
Total	**£2,000.92**	**£2,072.66**

02. National Non-Domestic Rates (NNDR)

The Council collects NNDR in respect of business premises by applying a rate poundage set by central Government to the rateable value of the premises.

The national multipliers for 2022/23 were 49.9p for qualifying small businesses (49.9p in 2021/22) and the standard multiplier being 51.2p for all other businesses (51.2p in 2021/22).

The estimated non-domestic rateable value of the Borough at 31 March 2023 is £129.26m (£129.98m as at 31 March 2022).

The Group Accounts

Introduction

The CIPFA Code of Practice requires that where a Council has material financial interests and a significant level of control over one or more entity, it should prepare Group Accounts. The aim of these statements is to give an overall picture of the Authority's financial activities and the resources employed in carrying out those activities.

Definitions

- A group is a parent and all its subsidiaries.
- Group accounts are the financial statements of a group in which the assets, liabilities, reserves, income, expenses and cash flows of the parent (reporting authority) and its subsidiaries plus the investments in associates and interests in joint ventures are presented as those of a single economic entity.
- A subsidiary is an entity, including an unincorporated entity such as a partnership that is controlled by another entity (known as the parent).
- A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Group Accounts Preparation

The Council has prepared the following Group Accounts due to:

The Council relationship with three organisations over which it has substantial control and influence that have been identified as Subsidiaries of Bury Council, of:

- Six Town Housing Ltd
- Bury MBC Townside Fields Ltd
- Persona Care and Support Ltd and Persona Group Ltd

Basis of consolidation, line-by-line consolidation

- Adding like items of assets, liabilities, reserves, income and expenses together line by line to those of other group members in the financial statements.
- Intragroup balances and transactions are eliminated in full.
- 100% of all other balances and transactions are consolidated

The two joint arrangements formed during 2022/23, whereby the Council has agreed to share joint control and has rights to the net assets of the arrangement, have been classed as a Joint Venture, of:

- Bury Bruntwood (Millgate) LLP
- The Prestwich Regeneration LLP

Basis of consolidation, equity method

- Adjusting the investment originally recognised at cost for the Councils post-acquisition change in its share of the net assets of the investee and including the Councils share of profits and losses in the group Comprehensive Income and Expenditure Statement.
- The Councils share of profits or losses generated by transactions between the group members (eg sales of assets) are eliminated.

The Group Accounts comprise the following key financial statements (with appropriate disclosures):

- Group Comprehensive Income and Expenditure Statement;
- Group Movement in Reserves Statement;
- Group Balance Sheet; and
- Group Cash Flow Statement.

Group Comprehensive Income and Expenditure Statement

2021/22			Comprehensive Income and Expenditure Statement		2022/23		
Gross Expenditure £000s	**Gross Income £000s**	**Net Expenditure £000s**	**Description**	**Note**	**Gross Expenditure £000s**	**Gross Income £000s**	**Net Expenditure £000s**
£126,394	(£48,939)	**£77,455**	One Commissioning Organisation		£118,736	(£37,112)	**£81,624**
£204,184	(£157,519)	**£46,665**	Children, Young People & Culture		£228,977	(£162,706)	**£66,271**
£34,167	(£5,534)	**£28,633**	Corporate Core Services		£27,334	(£4,623)	**£22,711**
£45,130	(£44,050)	**£1,080**	Non Service Specific		£11,449	(£5,234)	**£6,215**
£13,778	(£6,992)	**£6,786**	Business, Growth & Infrastructure		£17,398	(£9,313)	**£8,085**
£53,895	(£23,271)	**£30,624**	Operations		£44,140	(£15,775)	**£28,365**
£33,908	(£33,962)	**(£54)**	Housing General Fund		£33,935	(£32,943)	**£992**
£5,646	(£29,575)	**(£23,929)**	Housing Revenue Account		£23,175	(£37,475)	**(£14,300)**
£517,102	**(£349,842)**	**£167,260**	**Cost of Services**		**£505,144**	**(£305,181)**	**£199,963**
£27,969	£0	**£27,969**	Other Operating Expenditure		£27,838	£0	**£27,838**
£15,019	(£4,590)	**£10,429**	Financing & Investment Income & Expenditure		£13,836	(£5,831)	**£8,005**
£0	(£199,173)	**(£199,173)**	Taxation & Non-Specific Grant Income & Expenditure		£0	(£199,460)	**(£199,460)**
£560,090	**(£553,605)**	**£6,485**	**(Surplus) or Deficit On Provision of Services**		**£546,818**	**(£510,472)**	**£36,346**
		£0	Share of the (Surplus) or Deficit on the Provision of Services by Associates and Joint Ventures	07			**(£400)**
		£250	Tax Expenses of Subsidiaries (Group)				**£80**
		£0	Tax Expenses of Associates and Joint Ventures				**£0**
£560,090	**(£553,605)**	**£6,735**	**Group (Surplus) or Deficit**		**£546,818**	**(£510,472)**	**£36,026**
		(£15,559)	(Surplus)/Deficit on Revaluation of Property, Plant & Equipment				**(£45,372)**
		£7,309	Impairment Losses on Non-Current Assets Charged to the Revaluation Reserve				**£0**
		£0	(Surplus)/Deficit from Investments in Equity Instruments Designated at Fair Value through Comprehensive Income				**(£1,000)**
		(£181,411)	Actuarial (gains)/losses on the Remeasurement of the Net Defined Benefit Liability/(Asset)				**(£373,089)**
		£0	Share of Other Comprehensive Income and Expenditure of Associates and Joint Ventures				**£0**
		(£189,661)	**Total Other Comprehensive Income & Expenditure**				**(£419,461)**
		(£182,926)	**Total Comprehensive Income & Expenditure**				**(£383,435)**

Group Movement in Reserves Statement

Movement in Reserves Statement 2022/23	Usable Reserves							Unusable Reserves	Total Reserves	Council Share of Reserves of Subsidiaries, Associates & Joint Ventures	Total Reserves
	General Fund Balance	Earmarked General Fund Reserves	Housing Revenue Account	Usable Capital Receipts	Major Repairs Reserve	Capital Grants Unapplied	**Total Usable Reserves**				
	£000s	£000s	£000s	£000s	£000s	£000s	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**
Balance at 1 April Brought Forward	**(£24,468)**	**(£109,775)**	**(£9,843)**	**(£6,967)**	**£0**	**(£16,119)**	**(£167,172)**	**(£116,165)**	**(£283,337)**	**£2,733**	**(£280,604)**
Movement in Reserves During 2022/23:											
Group (Surplus)/Deficit	£34,171	£0	(£22,481)	£0	£0	£0	**£11,690**	£0	**£11,690**	£24,336	**£36,026**
Other Comprehensive (Income) and Expenditure	£0	£0	£0	£0	£0	£0	**£0**	(£376,894)	**(£376,894)**	(£42,567)	**(£419,461)**
Total Comprehensive Income and Expenditure	£34,171	£0	(£22,481)	£0	£0	£0	**£11,690**	(£376,894)	**(£365,204)**	(£18,231)	**(£383,435)**
Adjustments between Group Accounts and Council Accounts	£8,765	£0	£13,407	£0	£0	£0	**£22,172**	£0	**£22,172**	(£22,172)	**£0**
Adjustments between Accounting Basis and Funding Basis Under Regulations	(£18,102)	£0	£9,741	(£3,923)	£0	(£4,149)	**(£16,433)**	£16,432	**(£1)**	£0	**(£1)**
Net (Increase)/Decrease before Transfers to Earmarked Reserves	£24,834	£0	£667	(£3,923)	£0	(£4,149)	**£17,429**	(£360,462)	**(£343,033)**	(£40,403)	**(£383,436)**
Transfers (to)/from Earmarked Reserves	(£23,065)	£23,065	£0	£0	£0	£0	***£0***	£0	***£0***	£0	***£0***
(Increase)/Decrease in Year	£1,769	£23,065	£667	(£3,923)	£0	(£4,149)	**£17,429**	(£360,462)	**(£343,033)**	(£40,403)	**(£383,436)**
Balance at 31 March Carried Forward	**(£22,699)**	**(£86,710)**	**(£9,176)**	**(£10,890)**	**£0**	**(£20,268)**	**(£149,743)**	**(£476,627)**	**(£626,370)**	**(£37,670)**	**(£664,040)**

The following table is provided for comparative purposes:

Movement in Reserves Statement 2021/22	**Usable Reserves**							**Unusable Reserves**	**Total Reserves**	**Council Share of Reserves of Subsidiaries, Associates & Joint Ventures**	**Total Reserves**
	General Fund Balance	Earmarked General Fund Reserves	Housing Revenue Account	Usable Capital Receipts	Major Repairs Reserve	Capital Grants Unapplied	**Total Usable Reserves**				
	£000s	£000s	£000s	£000s	£000s	£000s	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**
Balance at 1 April Brought Forward	**(£30,882)**	**(£125,882)**	**(£10,422)**	**(£4,889)**	**(£14)**	**(£9,608)**	**(£181,697)**	**£68,063**	**(£113,634)**	**£15,956**	**(£97,678)**
Movement in Reserves During 2021/22:											
Group (Surplus)/Deficit	£14,703	£0	(£31,489)	£0	£0	£0	**(£16,786)**	£0	**(£16,786)**	£23,521	**£6,735**
Other Comprehensive (Income) and Expenditure	£0	£0	£0	£0	£0	£0	**£0**	(£173,608)	**(£173,608)**	(£16,053)	**(£189,661)**
Total Comprehensive Income and Expenditure	£14,703	£0	(£31,489)	£0	£0	£0	**(£16,786)**	(£173,608)	**(£190,394)**	£7,468	**(£182,926)**
Adjustments between Group Accounts and Council Accounts	£8,049	£0	£12,642	£0	£0	£0	**£20,691**	£0	**£20,691**	(£20,691)	**£0**
Adjustments between Accounting Basis and Funding Basis Under Regulations	(£231)	£0	£19,426	(£2,078)	£14	(£6,511)	**£10,620**	(£10,620)	**£0**	£0	**£0**
Net (Increase)/Decrease before Transfers to Earmarked Reserves	£22,521	£0	£579	(£2,078)	£14	(£6,511)	**£14,525**	(£184,228)	**(£169,703)**	(£13,223)	**(£182,926)**
Transfers (to)/from Earmarked Reserves	(£16,107)	£16,107	£0	£0	£0	£0	***£0***	£0	***£0***	£0	***£0***
(Increase)/Decrease in Year	£6,414	£16,107	£579	(£2,078)	£14	(£6,511)	**£14,525**	(£184,228)	**(£169,703)**	(£13,223)	**(£182,926)**
Balance at 31 March Carried Forward	**(£24,468)**	**(£109,775)**	**(£9,843)**	**(£6,967)**	**£0**	**(£16,119)**	**(£167,172)**	**(£116,165)**	**(£283,337)**	**£2,733**	**(£280,604)**

Group Balance Sheet

31st March 2021 £000s	31st March 2022 £000s	Balance Sheet Description	Note	31st March 2023 £000s
£554,985	£596,362	Property, Plant & Equipment		£653,952
£26,353	£26,353	Heritage Assets		£26,353
£24,168	£24,805	Investment Property		£25,779
£3,597	£3,744	Intangible Assets		£2,918
£12,953	£13,067	Long-Term Investments		£14,190
£0	£0	Investments In Associates & Joint Ventures	07	£10,771
£44,142	£47,162	Long-Term Debtors		£58,888
£0	£0	Net Pension Asset		£116,783
£666,198	**£711,493**	**LONG TERM ASSETS**		**£909,634**
£521	£5,504	Short-Term Investments		£469
£622	£624	Assets Held For Sale		£1,285
£1,177	£1,503	Stocks & Work in Progress		£1,937
£63,498	£47,107	Short-Term Debtors		£51,700
£21,051	£46,577	Cash and Cash Equivalents		£5,247
£86,869	**£101,315**	**CURRENT ASSETS**		**£60,638**
(£6,392)	(£14,344)	Short-Term Borrowing		(£40,589)
(£47,079)	(£42,469)	Short-Term Creditors		(£36,764)
(£3,948)	(£1,876)	Short-Term Provisions		(£1,776)
(£73)	(£15,536)	Revenue Grants in Advance		(£1,073)
(£57,492)	**(£74,225)**	**CURRENT LIABILITIES**		**(£80,202)**
(£27)	(£4)	Long-Term Creditors		(£4)
(£7,907)	(£5,964)	Long-Term Provisions		(£6,746)
(£201,095)	(£207,903)	Long-Term Borrowing		(£204,709)
(£1,613)	(£729)	Deferred Liabilities		(£657)
(£382,312)	(£232,704)	Pension Liability		£0
(£4,943)	(£10,675)	Capital Grants Receipts in Advance		(£13,913)
(£597,897)	**(£457,979)**	**LONG TERM LIABILITIES**		**(£226,029)**
£97,678	**£280,604**	**NET ASSETS**		**£664,041**
(£181,697)	(£167,172)	Usable Reserves		(£149,743)
£68,063	(£116,165)	Unusable Reserves		(£476,627)
£15,956	£2,733	Council Share of Reserves of Subsidiaries, Associates & Joint Ventures		(£37,671)
(£97,678)	**(£280,604)**	**TOTAL RESERVES**		**(£664,041)**

Group Cash Flow Statement

Cash Flow Statement	Note	Restated 2021/22 £000s	2022/23 £000s
Net (Surplus) or Deficit on the Provision of Services		£6,485	£36,346
Adjustment to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements		(£56,308)	(£35,876)
Adjust for Items Included in the Net (Surplus) or Deficit on the Provision of Services that are Investing and Financing Activities		£25,899	£26,085
Net Cash flows from Operating Activities		**(£23,924)**	**£26,555**
Net Cash Flows from Investing Activities		£13,020	£37,180
Net Cash Flows from Financing Activities		(£14,621)	(£22,405)
Net Increase or (Decrease) in Cash and Cash Equivalents		**(£25,526)**	**£41,330**
Cash and Cash Equivalents at the Beginning of the Reporting Period		(£21,051)	**(£46,577)**
Cash and Cash Equivalents at the End of the Reporting Period		**(£46,577)**	**(£5,247)**

Operating Activities
The cash flows for Operating Activities include the following items:

Group - Operating Activities	Restated 2021/22 £000s	2022/23 £000s
Interest Received	(£1,086)	(£3,225)
Interest Paid	£8,047	£8,442
Dividends Received	£0	£0

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

Non-Cash Movements	Restated 2021/22 £000s	2022/23 £000s
Depreciation	(£15,006)	(£15,963)
Impairment and Downward Valuations	£12,278	(£12,431)
Amortisation	(£812)	(£1,054)
Increase/(Decrease) in Impairment for Credit Losses	(£2,400)	(£4,912)
Increase/(Decrease) in Creditors	(£12,367)	£17,486
(Increase)/Decrease in Debtors	(£7,997)	£8,922
(Increase)/Decrease in Inventories	£327	£432
Movement in Pension Liability	(£31,803)	(£23,602)
Carrying Amount of Non-current Assets and Non-current Assets Held for Sale, Sold or Derecognised	(£4,476)	(£5,637)
Other Non-cash Items Charged to the Net (Surplus) or Deficit on the Provision of Services:		
(Increase)/Decrease in Provisions	£3,940	(£588)
Movements in the Value of Investment Properties	£632	£975
(Increase)/Decrease in Accumulated Absences	£1,362	£496
Amortisation of Government Grants	£14	£0
	(£56,308)	**(£35,876)**

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

Investing and Financing Activities	Restated 2021/22 £000s	2022/23 £000s
Proceeds from Short-term (not considered to be cash equivalents) and Long-term Investments (includes investments in associates, joint ventures and subsidiaries)	£0	£0
Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	£4,130	£4,177
Grant Receipts for the Financing of New Capital Expenditure	£21,769	£21,908
	£25,899	**£26,085**

Investing Activities

Cash Flow Statement - Investing Activities	Restated 2021/22 £000s	2022/23 £000s
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	£39,852	£49,296
Purchase of Short-term and Long-term Investments	£292,909	£339,002
Other Payments for Investing Activities	£203	£20,425
Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	(£4,130)	(£4,177)
Proceeds from Short-term and Long-term Investments	(£287,790)	(£344,049)
(Proceeds) from Other Long Term Loans	(£232)	(£847)
Grant (Receipts) for the Financing of New Capital Expenditure	(£27,793)	(£22,470)
Net Cash Flows from Investing Activities	**£13,020**	**£37,180**

Financing Activities

Cash Flow Statement - Financing Activities	Restated 2021/22 £000s	2022/23 £000s
Cash (Receipts) of Short-Term and Long-Term Borrowing	(£20,000)	(£36,000)
Cash (Receipts) from Other Short-Term and Long-Term Liabilities	£0	£0
Repayments of Short-Term and Long-Term Borrowing	£5,190	£13,192
Repayments of Other Short-Term and Long-Term Liabilities	£957	£1
Cash Payments for the Reduction of Outstanding Liabilities Relating to Finance Leases and on-Balance Sheet PFI Contracts	£23	£0
Discount/Premium on Early Repayment of Debt	£2	£2
Billing Authority Collection Fund Adjustments	(£793)	£400
Net Cash Flows from Financing Activities	**(£14,621)**	**(£22,405)**

Notes to the Group Accounts

Where figures in the Group accounts differ materially from the Council's accounts, the relevant explanatory notes have been prepared on a consolidated basis. The notes below give information on the areas that have materially changed on consolidation of the group entities into the Council's accounts.

The financial year of all the subsidiaries is the same as that of Bury Council, from 1 April to 31 March, therefore no adjustments are required regarding the accounting year.

The first full accounts of Bury Bruntwood (Millgate) LLP end on the 31 March 2023, however the first full accounts of The Prestwich Regeneration LLP end on 31 December 2023, financial statements prepared as at the 31 March 2023 have been used in the Group Accounts.

01. Accounting Policies

The accounting policies of the Council's consolidated subsidiary companies have been aligned with the Council's Accounting Policies set out in Note 1. Any statutory adjustments between the accounting basis and funding basis included in the Council's accounting policies do not apply to the subsidiary companies.

02. Bodies Consolidated

The Council has consolidated three of its Subsidiaries into its Group Accounts, these are Six Town Housing Ltd, Bury MBC Townside Fields Ltd and the Persona group of companies, Persona Care and Support Ltd and Persona Group Ltd.

Six Town Housing Ltd was set up to manage and maintain the housing stock of Bury Council. Six Town Housing has no share capital and is wholly owned by the Authority. It is an ALMO (arms-length management organisation) of the Council and is a company limited by guarantee. It was incorporated on 30 October 2003.

Percentage of voting rights:
The composition of the Board and the voting rights is as follows:

Board members	Members	% of voting Rights
Bury Council	3	30%
Tenant	2	20%
Independent*	5	50%
Advisory Director	1	-
**Includes Independent Chair*	**11**	**100**

The related party transactions between Council Members on the board of Six Town Housing and Bury Council are detailed in Bury Council Statement of Accounts Note 34.

Six Town Housing's pre-audit accounts for the year ended 31 March 2023 have been used to prepare the group accounts. The company is audited by RSM UK Audit LLP.

Financial Transactions and Operations:
Six Town Housing made a loss before tax of £1.140m in 2022/23 compared to a loss before tax of £2.191m in 2021/22.

Bury Council paid management fees of £13.059m in 2022/23 (£13.059m in 2021/22) to Six Town Housing for the management of its housing stock.

As a wholly owned subsidiary, the Council is committed that, in the event of Six Town Housing being wound up to contribute up to the limit of the guarantee. After the satisfaction of all the debts and liabilities the remaining assets will be transferred to the Council's Housing Revenue Account.

Bury Council has made several loans to Six Town Housing at commercial rates of interest, of:

Loans by Bury Council to Six Town Housing						
	No of Years of Loan	**2011/12 £000s**	**2013/14 £000s**	**2014/15 £000s**	**2015/16 £000s**	**Total £000s**
Redbank Housing Project	35.50	£1,140				**£1,140**
Mortgage Rescue	18.00		£410	£166		**£576**
AGMA Loans	25.00			£1,869	£250	**£2,119**
TOTAL		**£1,140**	**£410**	**£2,035**	**£250**	**£3,835**

Bury MBC Townside Fields Ltd was formed to facilitate the development of Knowsley Place and was incorporated on 14th October 2009. The company's share capital (Ordinary Share Capital £1) is wholly owned by Bury Council.

Bury MBC Townside Fields Limited made a loss before tax of £0.475m in 2022/23, compared to a profit before tax of £0.598m in 2021/22.

As at 31 March 2023, Bury Council has £7.257m invested in Bury MBC Townside Fields Ltd.

Bury MBC Townside Fields Limited pre-audit accounts for the year ended 31 March 2023 have been used to prepare the group accounts. The company is audited by Horsfield and Smith Ltd.

The Persona group of companies comprise of Persona Group Ltd, and Persona Care and Support Ltd. These companies were formed to provide social care services to older people and people with disabilities. The company's share capital (Called up Share Capital £3) is wholly owned by Bury Council.

The Persona group of companies made profit before tax of £0.429m in 2022/23, compared to a profit before tax of £0.529m in 2021/22.

Bury Council paid management fees of £11.731m in 2022/23 (£11.068m in 2021/22).

The Persona Group of companies pre-audit accounts for the year ended 31 March 2023 have been used to prepare the group accounts. Both companies are audited by Horsfield and Smith Ltd.

Following the incorporation of the two Joint Ventures Bury Bruntwood (Millgate) LLP and The Prestwich Regeneration LLP, the Council has included the Council share of the Joint Ventures Net Assets and Financial Results into the Group Accounts for 2022/23.

Bury Bruntwood (Millgate) LLP (OC440763)

A 50/50 Joint Venture company was formed on 25 January 2022, between the Council and Bruntwood LLP, to acquire, hold and manage the Millgate Estate and Shopping Centre, alongside the development of a long-term masterplan to secure and enhance the estate in line with other important town centre projects, including the Flexi Hall and transport interchange.

Bury Bruntwood (Millgate) LLP acquired the Mill Gate Estate and Shopping Centre in April 2022, that was funded by the Council through PWLB borrowing and providing loans totalling £20.350m to the Joint Venture.

Bury Bruntwood (Millgate) LLP made a profit of £800k before tax in 2022/23.

Bury Bruntwood (Millgate) LLP management accounts for the year ended 31 March 2023 have been used to prepare the group accounts.

The Prestwich Regeneration LLP (OC444311)

Following the Council acquisition of the Longfield Shopping Centre in July 2021, a 50/50 Joint Venture company was formed on 19 October 2022, between the Council and MUSE Developments Ltd, to shape a new masterplan for the site, creating new spaces to help people and businesses to thrive, with a mix of high-quality homes and family-friendly spaces, as well as a new community hub that promotes health and wellbeing.

At the 31 March 2023, The Prestwich Regeneration LLP has only undertaken design works, as such there is no trading activity, as all the expenditure incurred is classed as work in progress on the Balance Sheet.

03. Plant, Property and Equipment

Six Town Housing's Property, Plant & Equipment are included as tangible assets; they are valued at either historical cost or fair value determined by DRC. Bury MBC Townside Fields Limited's Property, Plant & Equipment are also valued at historic cost in line with Bury Council's policy. Persona Care & Support Ltd accounts show no Property, Plant & Equipment.

Property, Plant and Equipment Note 2022/23	Council Dwellings £000s	Other Land & Buildings £000s	Vehicles, Plant & Equipment £000s	Community Assets £000s	Surplus Assets £000s	Assets Under Construction £000s	TOTAL £000s
Certified Value as at 1 April 2022	**£295,877**	**£232,543**	**£24,071**	**£6,523**	**£22,206**	**£8,884**	**£590,104**
Additions & Acquisitions	£13,364	£5,854	£2,596	£1,533	£13	£12,722	**£36,082**
Revaluations Recognised in the Revaluation Reserve	£2,780	£26,930	£0	£0	£4,456	£0	**£34,166**
Revaluations Recognised in the (Surplus)/Deficit on the Provision of Services	£0	(£16,507)	£0	£0	(£1,104)	£0	**(£17,611)**
Disposals	(£2,642)	(£2,299)	£0	£0	(£676)	£0	**(£5,617)**
Reclassifications & Asset Transfers	£0	£0	£70	£420	£373	(£3,357)	**(£2,494)**
Other Movements in Cost or Valuation	£0	£0	£0	£0	£0	£0	**£0**
Movement in Cost/Valuation	**£13,502**	**£13,978**	**£2,666**	**£1,953**	**£3,062**	**£9,365**	**£44,526**
Amount as at 31 March 2023	**£309,379**	**£246,521**	**£26,737**	**£8,476**	**£25,268**	**£18,249**	**£634,630**
Accumulated Depreciation & Impairments as at 1 April 2022	**(£2,127)**	**(£18,736)**	**(£14,980)**	**(£2,146)**	**(£775)**	**£0**	**(£38,764)**
Depreciation charged In-year	(£7,225)	(£4,462)	(£1,627)	£0	£0	£0	**(£13,314)**
Depreciation written out to the Revaluation Reserve	£3,756	£6,638	£0	£0	£0	£0	**£10,394**
Depreciation written out to (Surplus)/Deficit on Provision of Services	£3,762	£1,415	£0	£0	£0	£0	**£5,177**
Impairments Recognised in the Revaluation Reserve	£0	£0	£0	£0	£0	£0	**£0**
Impairments Recognised in the (Surplus)/Deficit on the Provision of Services	£0	£0	£0	£0	£0	£0	**£0**
Depreciation Written out on Disposal	£75	£99	£0	£0	£0	£0	**£174**
Reclassifications & Asset Transfers	£0	£0	£0	£0	£0	£0	**£0**
Other Movements in Depreciation and Impairment	£0	£0	£0	£0	£0	£0	**£0**
Movement in Depreciation & Impairment	**£368**	**£3,690**	**(£1,627)**	**£0**	**£0**	**£0**	**£2,431**
Amount as at 31 March 2023	**(£1,759)**	**(£15,046)**	**(£16,607)**	**(£2,146)**	**(£775)**	**£0**	**(£36,333)**
Opening NBV	**£293,750**	**£213,807**	**£9,091**	**£4,377**	**£21,431**	**£8,884**	**£551,340**
Total Movement	**£13,870**	**£17,668**	**£1,039**	**£1,953**	**£3,062**	**£9,365**	**£46,957**
Closing NBV	**£307,620**	**£231,475**	**£10,130**	**£6,330**	**£24,493**	**£18,249**	**£598,297**

The following table is provided for comparative purposes:

Property, Plant and Equipment Note 2021/22	Council Dwellings £000s	Other Land & Buildings £000s	Vehicles, Plant & Equipment £000s	Community Assets £000s	Surplus Assets £000s	Assets Under Construction £000s	TOTAL £000s
Certified Value as at 1 April 2021	**£289,173**	**£226,342**	**£20,102**	**£5,456**	**£19,954**	**£4,957**	**£565,984**
Additions & Acquisitions	£12,747	£10,503	£4,001	£1,067	£25	£5,398	**£33,741**
Revaluations Recognised in the Revaluation Reserve	£3,651	£290	£0	£0	£2,251	£0	**£6,192**
Revaluations Recognised in the (Surplus)/Deficit on the Provision of Services	£18,875	(£2,026)	£0	£0	(£24)	£0	**£16,825**
Disposals	(£1,938)	(£2,562)	(£32)	£0	£0	(£1,201)	**(£5,733)**
Reclassifications & Asset Transfers	£0	£0	£0	£0	£0	£0	**£0**
Other Movements in Cost or Valuation	(£26,631)	(£4)	£0	£0	£0	(£270)	**(£26,905)**
Movement in Cost/Valuation	**£6,704**	**£6,201**	**£3,969**	**£1,067**	**£2,252**	**£3,927**	**£24,120**
Amount as at 31 March 2022	**£295,877**	**£232,543**	**£24,071**	**£6,523**	**£22,206**	**£8,884**	**£590,104**
Accumulated Depreciation & Impairments as at 1 April 2021	**(£16,106)**	**(£17,190)**	**(£13,863)**	**(£2,146)**	**(£775)**	**(£270)**	**(£50,350)**
Depreciation charged In-year	(£7,488)	(£4,177)	(£1,125)	£0	£0	£0	**(£12,790)**
Depreciation written out to the Revaluation Reserve	£7,309	£2,076	£0	£0	£0	£0	**£9,385**
Depreciation written out to (Surplus)/Deficit on Provision of Services	£0	£539	£0	£0	£0	£0	**£539**
Impairments Recognised in the Revaluation Reserve	(£7,309)	£0	£0	£0	£0	£0	**(£7,309)**
Impairments Recognised in the (Surplus)/Deficit on the Provision of Services	(£5,209)	£0	£0	£0	£0	£0	**(£5,209)**
Depreciation Written out on Disposal	£45	£12	£8	£0	£0	£0	**£65**
Reclassifications & Asset Transfers	£0	£0	£0	£0	£0	£0	**£0**
Other Movements in Depreciation and Impairment	£26,631	£4	£0	£0	£0	£270	**£26,905**
Movement in Depreciation & Impairment	**£13,979**	**(£1,546)**	**(£1,117)**	**£0**	**£0**	**£270**	**£11,586**
Amount as at 31 March 2022	**(£2,127)**	**(£18,736)**	**(£14,980)**	**(£2,146)**	**(£775)**	**£0**	**(£38,764)**
Opening NBV	**£273,067**	**£209,152**	**£6,239**	**£3,310**	**£19,179**	**£4,687**	**£515,634**
Total Movement	**£20,683**	**£4,655**	**£2,852**	**£1,067**	**£2,252**	**£4,197**	**£35,706**
Closing NBV	**£293,750**	**£213,807**	**£9,091**	**£4,377**	**£21,431**	**£8,884**	**£551,340**

Infrastructure Assets

Movements on balances
In accordance with the temporary relief offered by the Update to the Code on Infrastructure Assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

Infrastructure Assets	2021/22 £000s	2022/23 £000s
Certified Valuation or Cost at 1 April	**£39,351**	**£45,022**
Additions in Year	£7,779	£10,823
Reclassifications & Asset Transfers	£0	£2,464
Depreciation charged in year	(£2,108)	(£2,649)
As at 31st March	**£45,022**	**£55,660**

As infrastructure assets are not being disclosed on the face of the Balance Sheet a reconciling note has been prepared:

PPE Assets	2021/22 £000s	2022/23 £000s
Infrastructure Assets	£45,022	£55,660
Other PPE Assets	£551,340	£598,297
Total PPE Assets	**£596,362**	**£653,957**

The authority has determined in accordance with Regulation [30M England] of the Local Authorities (Capital Finance and Accounting) (England/Wales) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

04. <u>Pensions</u>

Employees of Bury Council and Six Town Housing Limited are enrolled in the Greater Manchester Pension Fund (GMPF). Employees of Persona Care and Support Limited who retain protected employment rights prior to 1st October 2015 are also enrolled in the Greater Manchester Pension Fund.

Each entity accounts individually for its net defined benefit cost and the resultant asset or liability.

The single entity also participates in the Teachers' Pension Scheme and the NHS Pensions scheme, details of which are given in the single entity statements Note 37.

The following transactions have been made in the Group Comprehensive Income and Expenditure Statement and the Balances via the Movement in Reserves Statement during the year:

Comprehensive Income and Expenditure Statement	2021/22 £000s	2022/23 £000s
Cost of Services:		
Service Cost Comprising:		
Current Service Cost	£42,519	£40,182
Past Service Cost (including curtailments)	£882	£416
(Gain)/Loss from Settlements	£0	(£2,958)
Total Service Cost	**£43,401**	**£37,640**
Financing and Investment Income and Expenditure:		
Interest income on scheme assets	(£18,482)	(£27,421)
Interest cost on defined benefit obligation	£26,374	£33,883
Total Net Interest Expense	**£7,892**	**£6,462**
Total Post Employment Benefits Charged to the (Surplus)/Deficit on the Provision of Services	**£51,293**	**£44,102**
Other Post-Employment Benefits Charged to the Comprehensive Income and Expenditure Statement		
Remeasurements of the Net Defined Liability Comprising:		
Return on Plan Assets (excluding amounts included in net interest)	(£83,551)	£5,113
Actuarial Gains/(Losses) Arising from Changes in Demographic Assumptions	(£79,674)	(£59,347)
Actuarial Gains/(Losses) arising from changes in financial assumptions	(£19,786)	(£401,282)
Other Experience and Actuarial Adjustments	£1,600	£82,427
Total remeasurements recognised in other comprehensive income	**(£181,411)**	**(£373,089)**
Total Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement	**(£130,118)**	**(£328,987)**
Movement in Reserves Statement:		
Reversal of Net Charges Made to the (Surplus)/Deficit on the Provision of Services for Post Employment Benefits in Accordance with the Code	(£51,293)	(£44,102)
Actual Amount Charged Against the General Fund Balance for Pensions in the Year:		
Employers' Contributions Payable to the Scheme & Benefits Paid	£19,490	£20,499

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amounts included in the Balance Sheet arising from the Groups obligation in respect of its defined benefit scheme is as follows:

Pensions Assets and Liabilities Recognised in the Balance Sheet	2021/22 £000s	2022/23 £000s
Fair Value of Plan Assets	£1,020,960	£997,889
Present Value of Funded Liabilities	(£1,226,694)	(£858,585)
Present Value of Unfunded Liabilities	(£26,969)	(£22,521)
Net Asset / (Liability) Arising From Defined Benefit Obligation	**(£232,703)**	**£116,783**

Reconciliation of the Movements in Fair Value of Scheme (Plan) Assets

Reconciliation of the Movement in Fair Value of Scheme (Plan) Assets	2021/22 £000s	2022/23 £000s
Opening Fair Value of Scheme Assets	**£926,183**	**£1,020,960**
Interest Income	£18,482	£27,421
Remeasurement Gain/(Loss):		
Return on Plan Assets Excluding Amounts Included in Net Interest Expense	£83,551	(£5,113)
Other Experience and Actuarial Adjustments	£0	(£36,913)
Contributions from The Employer into the Scheme	£17,077	£18,192
Contributions from Employees into the Scheme	£5,275	£5,755
Benefits Paid	(£29,608)	(£28,922)
Other: Settlements	£0	(£3,491)
Closing Fair Value of Scheme Assets	**£1,020,960**	**£997,889**

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)	2021/22 £000s	2022/23 £000s
Opening Balance at 1 April	**(£1,308,495)**	**(£1,253,663)**
Current Service Cost	(£42,519)	(£40,182)
Interest Cost	(£26,374)	(£33,883)
Contributions from Scheme Participants	(£5,275)	(£5,755)
Remeasurement (Gains)/Losses :		
Actuarial (Gains)/Losses Arising from Changes in Demographic Assumptions	£79,674	£59,347
Actuarial (Gains)/Losses Arising from Changes in Financial Assumptions	£19,786	£401,282
Other Experience and Actuarial Adjustments	(£1,600)	(£45,514)
Past Service Cost (including curtailments)	(£882)	(£416)
Liabilities Assumed on Entity Combinations	£0	£0
Benefits Paid	£32,021	£31,229
Liabilities Extinguished on Settlements	£0	£6,449
Opening Balance at 31 March	**(£1,253,664)**	**(£881,106)**

The characteristics of the GMPF are set out in the single entity statements Note 38.

For Six Town Housing and for Persona Care & Support, the main financial assumptions are:

Significant Assumptions	2021/22	2022/23
Rate of Inflation	3.15%	2.95%
Rate of Increase in Salaries	3.90%	3.75%
Rate of Increase in Pensions	3.15%	2.95%
Rate for Discounting Scheme Liabilities	2.75%	4.75%

The major categories of group company plan assets as a percentage of total plan assets is as follows:

Pension Scheme Assets	31 March 2022 %	31 March 2023 %
Equity	69%	70%
Bonds	13%	14%
Property	8%	8%
Cash	10%	8%
	100%	**100%**

05. Cash and Cash Equivalents

Cash and Cash Equivalents	2021/22 £000s	2022/23 £000s
Cash Held by the Group	£11,863	£11,059
School Bank Accounts	£1,178	(£372)
Bank Call Accounts	£38,062	£1,251
Bank Overdraft	(£4,526)	(£6,691)
Total	**£46,577**	**£5,247**

06. Subsidiary Income and Expenditure

The operating expenditure and income of:

- **Six Town Housing** has been included within "Housing Revenue Account".
- **Bury MBC Townside Fields Limited** has been included within "Income & Expenditure in Relation to Investment Properties and Changes in their Fair Value" of Financing and Investment Income and Expenditure.
- **Persona Care & Support Limited** has been included within "One Commissioning Organisation".

07. Joint Ventures Summarised Financial Information

2021/22		Joint Ventures: Profit/(Loss)	2022/23	
JV Total £000s	Bury Share £000s	Description	JV Total £000s	Bury Share £000s
£0		Turnover	£4,230	
£0		Cost of Sales	(£2,045)	
£0		**Gross Profit/(Loss)**	**£2,185**	
£0		Administration Expenses	(£516)	
£0		**Operating Profit/(Loss)**	**£1,669**	
£0		Interest Payable	(£869)	
£0	**£0**	**Profit/(Loss) before Taxation**	**£800**	**£400**
£0	£0	Taxation	£0	£0
£0	**£0**	**Profit/(Loss) for the Year after Tax**	**£800**	**£400**

2021/22		Joint Ventures: Balance Sheet	2022/23	
JV Total £000s	Bury Share £000s	Description	JV Total £000s	Bury Share £000s
£0		Fixed Assets	£20,013	
£0		Current Assets	£3,124	
£0		Creditors: Amounts Falling due Within One Year	(£1,873)	
£0		Creditors: Amounts Falling after More Than One Year	(£20,464)	
£0	**£0**	**NET ASSETS**	**£800**	**£400**
£0		Profit and Loss Account	(£800)	
£0	**£0**	**TOTAL SHAREHOLDER FUNDS**	**(£800)**	**(£400)**

Bury Bruntwood (Millgate) LLP Member Loans/Capital Summary	Bury £000s	Bruntwood £000s
Members Loans/Capital 50/50 Share	(£10,300)	(£10,300)
Members Loans/Capital Actual	(£20,350)	(£250)
Debtor/Creditor	**£10,050**	**(£10,050)**

The Prestwich Regeneration LLP Member Loans/Capital Summary	Bury £000s	MUSE £000s
Members Loans/Capital 50/50 Share	(£71)	(£71)
Members Loans/Capital Actual	£0	(£142)
Debtor/Creditor	**(£71)**	**£71**

Investments In Associates & Joint Ventures	Bury £000s
Bury Bruntwood (Millgate) LLP	£10,700
The Prestwich Regeneration LLP	£71
Balance	**£10,771**

08. Amount to be met from Government Grant and Local Taxes

This is the same amount as that disclosed in the Comprehensive Income and Expenditure Statement of Bury Council.

09. Goodwill

No goodwill arose in respect of any subsidiaries.

Glossary of Terms

Accounting Principles
Those principles, bases, conventions, rules and practices applied by an entity that specify how the effects of transactions and other events are to be reflected in its financial statements through:
- Recognising
- Selecting measurement bases for, and
- Presenting

Assets, liabilities, gains, losses and changes to reserves.

Accounting policies do not include estimation techniques. They define the process whereby transactions and other events are reflected in the financial statements.

Accruals Basis
The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

Actuarial Gains and Losses
For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or the actuarial assumptions have changed.

Agency Services
These are services that are performed by or for another Authority or public body, where the principal (the Authority responsible for the service) reimburses the agent (the Authority carrying out the work) for the costs of the work.

Amortisation
A charge to the comprehensive income and expenditure statement which spreads the cost of an intangible asset over a number of years in line with the Council's accounting policies.

Appointed Auditors
The appointment of External Auditors to Local Authorities is undertake by the Public Sector Audit Appointments Limited (PSAA), an independent company limited by guarantee and incorporated by the Local Government Association in August 2014. Mazars LLP are the Council's appointed auditor.

Asset
Items that are of worth and are measurable in terms of value. Current assets may change in value on a day-to-day basis, but the Council is expected to yield the benefit within the one financial year (e.g. short term debtors). Non-current assets yield benefit to the Council for a period of more than one year (e.g. land).

Associated Companies
An associate is an entity over which the Council has significant influence.

Association of Greater Manchester Authorities (AGMA)
AGMA represents the ten local authorities in Greater Manchester and works in partnership with Central Government, regional bodies and other Greater Manchester public sector bodies.

Balances
The balances of the Council represent the accumulated surplus of income over expenditure on any of the Funds.

Better Care Fund (BCF)
The BCF was announced by Government in June 2013 spending round to ensure a transformation in health and social care.

Capital Adjustment Account
The capital adjustment account accumulates (on the debit side) the write-down of the historical cost of non-current assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure.

The same process applies to capital expenditure that is only capital by statutory definition (revenue expenditure funded by capital under statute). The balance on the account thus represents timing differences between the amount of the historical cost on non-current assets that have been consumed and the amount that have been financed in accordance with statutory requirements.

Capital Expenditure
This is expenditure on the acquisition of a non-current asset, or expenditure, which adds to, and not merely maintains, the value of an existing non-current asset.

Capital Financing Charges
This is the annual charge to the revenue account in respect of interest and principal repayments and payments of borrowed money, together with leasing rentals.

Capital Receipts
Income received from the sale of land or other capital assets, a proportion of which may be used to finance new capital expenditure, subject to the provisions contained within the Local Government Act 2003.

Carrying Amount
The Balance Sheet value recorded of either an asset or a liability.

Chartered Institute of Public Finance and Accountancy (CIPFA)
CIPFA is the leading professional accountancy body for public services.

Collection Fund
The Council as a billing authority has a statutory obligation to maintain a separate Collection Fund. This shows the transactions relating to the collection of Council Tax and Business Rages and its distribution to Local Government bodies.

Community Assets
These are non-current assets that the Council intends to hold in perpetuity which have no determinable finite useful life and, in addition, any have restriction on their disposal. Examples include parks and historical buildings not used for operation al purposes.

Contingency
This is money set aside in the budget to meet the cost of unforeseen items of expenditure, or shortfalls in income, and to provide for inflation where this is not included in individual budgets.

Contingent Liabilities or Assets
These are amounts potentially due to or from individuals or organisations which may arise in the future but which at this time cannot be determined accurately, and for which provision has not been made in the Council's accounts.

Council Tax Requirement
This is the estimated revenue expenditure on General Fund services that will be financed from the Council Tax after deducting income from fees and charges, General Fund Balances, specific grants and any funding from reserves.

Creditors
Amounts owed by the Council for work done, goods received, or services rendered, for which payment has not been made at the date of the balance sheet.

Current Service Cost
Current service cost is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period, i.e. the ultimate pension benefits 'earned' by employees in the current year's employment.

Current Value
The current value of an asset reflects the economic environment prevailing for the service or function the asset is supporting at the reporting date.

Curtailment
Curtailments will show the cost of the early payment of pension benefits if any employee has been made redundant in the previous financial year.

Debtors
These are sums of money due to the Council that have not been received at the date of the Balance Sheet.

Deferred Capital Receipts
These represent capital income still to be received after disposals have taken place and wholly consists of principal outstanding from the sale of council houses.

Defined Benefit Scheme
This is a pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules refine the benefits independently of the contribution payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

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

Depreciation
This is the measure of the wearing out, consumption, or other reduction in the useful economic life of property, plant and equipment assets.

Depreciated Replacement Cost (DRC)
A method of valuation that provides a proxy for the market value of specialist assets.

Derecognition
Financial assets and liabilities will need to be removed from the Balance Sheet once performance under the contract is complete or the contract is terminated.

Discounts
Discounts represent the outstanding discount received on the premature repayment of Public Works Loan Board loans. In line with the requirements of the Code, gains arising for the repurchase or early settlement of borrowing have been written back to revenue. However, where the repurchase or borrowing was coupled with a refinancing or restructuring of borrowing with substantially the same overall economic effect when viewed as a whole, gains have been recognised over the life of the replacement loan.

Earmarked Reserves
The Council holds a number of reserves earmarked to be used to meet specific, known or predicted future expenditure.

External Audit
The independent examination of the activities and accounts of Local Authorities to ensure the accounts have been prepared in accordance with legislative requirement s and proper practices and to ensure the Council has made proper arrangements to secure value for money in its use of resources.

Fair Value
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fees and Charges
Income arising from the provision of services e.g. the use of trade waste services.

Finance Lease
A finance lease is a lease that transfers substantially all of the risks and rewards of ownership of a non-current asset to the lessee.

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term 'financial instrument' covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

Financial Regulations
These are the written code of procedures approved by the Council, intended to provide a framework for proper financial management. Financial regulation usually set out rules on accounting, audit, administrative and budgeting procedures.

General Fund
This is the main revenue fund of the Council and includes the net cost of all services financed by local taxpayers and Government grants.

Greater Manchester Combined Authority (GMCA)
This organisation was created by the Local Government, Economic Development and Construction Act, the GMCA assumed its powers and duties on 1 April 2011. It took over the functions previously the responsibility of the Greater Manchester Integrated Transport Authority (GMITA), which it replaced. It also took over responsibility for transport planning, traffic control and wide loads, assumed responsibility for transportation resources allocated to the Greater Manchester region and regional economic development functions. From 1 April 2018 it took over responsibilities for activities previously undertaken by the Greater Manchester Waste Disposal Authority, the Greater Manchester Fire and Rescue Service and the Greater Manchester Police and Crime Commissioner.

Heritage Asset
A tangible asset with historical, artistic, scientific, technological, geophysical, or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

Housing Benefit
This is an allowance to persons receiving little or no income to meet, in whole or part their rent. Benefit is allowed or paid by Local Authorities but Central Government refunds part of the cost of the benefits and of the running costs of the services to Local Authorities. Benefits paid to the Council's own tenants are known as rent rebate and that paid to private tenants a rent allowance.

Impairment
A reduction in the value of assets below its value brought forward in the Balance Sheet, Examples of factors which may cause such a reduction in value include general price decreases, a significant decline in a non-current asset's market value and evidence of obsolescence or physical damage to the asset.

Infrastructure Assets
Non-current assets which general cannot be sold and from which benefit can be obtained only by continued use of the asset creased. Examples of such assets are highways, footpaths, bridges and water and drainage facilities.

Intangible Assets
These are assets that do not have physical substance but are identifiable and controlled by the Council. Examples include software, licences and patents.

Interest cost (Pensions)
For a defined benefit scheme, the expected increase during the period on the present value of the scheme liabilities which arises from the passage of time.

International Financial Reporting Standard (IFRS)
Defined Accounting Standards that must be applied by all reporting entities to all financial statement in order to provide a true and fair view of the entity's financial position, and a standardised method of comparison with financial statements of the other entities.

Inventories
Amounts of unused or unconsumed stocks held in expectation of future use. Inventories are comprised of the following categories:

- Goods or other assets purchased for resale
- Consumable stores
- Raw materials and components
- Product and service in intermediate stages of completion
- Finished goods

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

Joint Venture
A joint venture is a joint arrangement whereby the parties who have joint control of the arrangement have rights to the net assets of the arrangement.

Leasing Costs
This is where a rental is paid for the use of an asset for a specified period of time. Two forms of lease exist; finance leases and operating leases.

Lender Option Borrower Option (LOBO)
A LOBO is a type of loan instrument. The borrower borrows a principal sum for the duration of the loan period (typically 20 to 50 years), initially at a fixed interest rate. Periodically (typically every six months to 3 years), the lender has the ability to alter the interest rate. Should the lender make this offer, the borrower then has the option to continue with the instrument at the new rate or alternatively to terminate the agreement and pay back the principal sum without penalty.

Liabilities
These are amounts due to individuals or organisations 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.

Loss Allowance
The allowance for expected credit losses on financial assets, such as debtors.

Materiality
Information is material if omitting it or misstating it could influence the decisions that users make on the basis of financial information about the Council.

Medium Term Financial Strategy (MTFS)
This is a financial planning document that sets out the future years' financial forecasts for the Council. It considers local and national policy influences and projects their impact on the general fund revenue budget, capital programme and HRA. In Bury is usually covers a five year timeframe.

Minimum Revenue Provision (MRP)
MRP is the minimum amount which must be charged to a Council's revenue account each year and set aside as provision for credit liabilities, as required by the Local Government and Housing Act 1989.

Department for Levelling Up, Housing and Communities (DLUHC)
DLUHC is a central government department with the overriding responsibility for determining the allocation of general resources to Local Councils.

National Non-Domestic Rates (NNDR) (also known as Business Rates)
This is the levy on business property, based on a national rate in the pound applied to the 'rateable value' of the property. The Government determines national rate poundage each year which is applicable to all Local Councils.

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

Net Debt
Net debt is the council's borrowings less cash and liquid resources.

Outturn
Actual expenditure and income compared to the budget.

Pooled Aligned Budget
A pooled fund, arising from a Section 75 Agreement between Bury Council and Bury NHS CCG/NHS GM Bury Locality (from 1 July 2022), but the partners' respective financial contributions to such a fund are held in their own bank accounts.

Pooled Budget
A pooled fund, arising from a Section 75 Agreement between Bury council and Bury NHS CCG/NHS GM Bury Locality (from 1 July 2022), comprising financial contributions from both partners hosted by one of the partners in its bank account.

Pooled Fund
This can be either a Pooled Budget or a Pooled Aligned Budget.

Precept
The amount collected by the Council on behalf of other bodies. For 2022/23 the major precepts were payable in relation to the GM Mayor as Police and Crime Commissioner and the Mayoral General Precept (Including Fire Services).

Premiums
These are discounts that have arisen following the early redemption of long term debt, which are written down over the lifetime of replacement loans where applicable.

Prior Period Adjustments
These are material adjustments which are applicable to an earlier period arising from changes in accounting policies or for the correction of fundamental errors.

Provisions
Amounts set aside to meet liabilities or losses which it is anticipated will be incurred but where the amount and/or the timing of such costs are uncertain.

Public Works Loan Board (PWLB)
An arm of Central Government which is the major provider of loans to finance long term funding requirements for Local Councils.

Related Parties
Related parties are Central Government, other Local Authorities, precepting and levying bodies, subsidiary and associated companies, Elected Member, and all senior officers. For individuals identified as related parties, the following are also presumed to be related parties:
- Members of the close family, or the same household; and
- Partnerships, companies, trusts or other entities in which the individual, or member of their close family or the same household, has a controlling interest.

Remeasurement of the Net Defined Benefit Liability
Remeasurement of the Net Defined Liability (asset) companies:
- Actuarial gains and losses
- The return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset), and
- Any change in the net effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Reporting Standards
The Code of Practice prescribes the accounting treatment and disclosures for all normal transactions of a Local Authority. It is based on International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and International Financial Reporting Interpretations Committee (IFRIC) plus UK Generally Accepted Accounting Practice (GAAP) and Financial Reporting Standards (FRS).

Reserves
Amounts set aside to help manage future risks, to provide working balances or that are earmarked for specific future expenditure priorities.

Revaluation Reserve
The Reserve records the accumulated gains on the non-current assets held by the Council arising from increases in value as a result of inflation or other factors (to the extent that these gains have not been consumed by subsequent downward movements in value).

Revenue Contributions
The method of financing capital expenditure directly from revenue.

Revenue Expenditure Funded from Capital Under Statute (REFCUS)
Expenditure incurred during the year that may be capitalised under statutory provision but that does not result in the creation of a non-current asset that has been charged as expenditure to the Comprehensive Income and Expenditure Statement.

Section 75 Agreement
An agreement made between a Local Authority and NHS body under the powers of the National Health Service Act 2006 which facilitates the pooling of resources to improve the delivery of health and social care. Locally the agreement is between Bury Council and Bury NHS CCG.

Subsidiary
A subsidiary is an entity, including an unincorporated entity such as a partnership, which is controlled by the Council.

Treasury Management
This is the process by which the Council controls its cash flow and its borrowing and lending activities.

Treasury Management Strategy (TMS)
A strategy prepared with regard to legislative and CIPFA requirements setting out the framework for treasury management activity for the Council.

Trust Funds
These are funds administered by the council on behalf of charitable organisations and/or specific organisations.

Unsupported (Prudential) Borrowing
This is borrowing for which no financial support is provided by Central Government. The borrowing costs are to be met from current revenue budgets.

Classification	Item No.
Open	

Meeting:	Audit Committee
Meeting date:	31st July 2023
Title of report:	Risk Register
Report by:	Sam Evans Executive Director of Finance
Decision Type:	Non Key
Ward(s) to which report relates	**All**

Executive Summary:

Risk Management is a key part of Bury Metropolitan Borough Council's Code of Corporate Governance and underpins its system of internal control.

The Audit Committee are tasked with the responsibility of reviewing and scrutinizing risks where the impact has the potential to disrupt achievement of the Council's priorities. This is achieved by regular review and their seeking assurance that appropriate controls are implemented to manage these risks.

In addition, this report seeks formal approval from the Audit Committee on the closure of risks from the Council's Corporate Risk Register, namely:

- **CR24 – Elections Act 2022**

This report provides an updated position with regards to the risks identified and assessed on the Council's Corporate Risk Register. These risks have been considered by the Executive Team as those with the potential to disrupt the Council's strategic objectives and service delivery.

A total of **22** risks have been identified as those of a genuine corporate nature and are summarised as follows:

- **22** risks are currently present on the Corporate Risk Register
- **15** risks are currently rated as Significant (risk score 15-25)
- **7** risks are currently rated as High (risk score 8-12)
- **0** risks are currently rated as Moderate (risk score 4-6).

Of these **22** risks:
  - **3** have increased in score
  - **3** have decreased in score
  - **16** have remained static

A total of **1** risk on the Corporate Register is proposed for closure.

Recommendation(s)

That:

The Audit Committee:

- Note the update provided;
- Approve the closure of the **1** risk described in the report;
- Receive the Corporate Risk Register at Appendix A;
- Review the Risk Matrix presented at Appendix B;
- Review the information presented;
- Review, analyse and discuss the Deep Dive Reports at Appendix C;
- Determine whether the level of assurance provided against the risks is sufficient; and,
- Select two further risks to receive a “Deep Dive” review to be presented at the next meeting of the Audit Committee.
- Approve the recommendation for the Risk Management Strategy to be reviewed.

Key Considerations

1. Background

The Corporate Risk Register is routinely presented to Audit Committee. This report provides an update on the work progressed to date and demonstrates that efforts are ongoing to embed a culture of good risk management across the Council.

2. Key Considerations

The work progressed in the last quarter reflects progress toward providing the Audit Committee with adequate assurance of dynamic corporate risk management. The Corporate Risk Register represents a collation of risks identified and assessed as significant risks to Bury Council.

The following heat maps reflect the current and target risk profile in respect to those risks on the appended register:

Current

Impact					
5		1	1	7	5
4			4	2	
3			1		
2					
1					
	1	2	3	4	5
	Likelihood				

Target

Impact					
5		6	1		
4		5	5		1
3		1	1		
2	1				
1					
	1	2	3	4	5
	Likelihood				

Community impact/ Contribution to the Bury 2030 Strategy

Ensuring compliance with Financial Procedures and Policies

Equality Impact and considerations:

24. *Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:*

A public authority must, in the exercise of its functions, have due regard to the need to -

(a) *eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*

(b) *advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*

(c) *foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

25. *The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services*.

Assessment of Risk:

The following risks apply to the decision:

Risk / opportunity	**Mitigation**
• Failure to identify and own major risks that may prevent the Council from achieving one or more of its objectives. • Failure to ensure that the major risks are being managed.	• Review of risk management arrangements at Corporate level. • Review of the Council's risk management strategy and arrangements for the maintenance of risk registers. • Review the associated information management system and reporting arrangements. • Regular review of a Corporate Risk Register in alignment with the revised risk management strategy.

Consultation:

__N/a____

Legal Implications:

The Council constitution sets out that the Audit Committee is responsible for providing assurance on the Council's audit, governance (including risk management and information governance) and financial processes in accordance with the functions scheme. Under the Account and Audit Regulations 2015, Authorities must undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes. Consideration must be given to the Public Internal Audit Standards (PIAS) and sector specific guidance.

Financial Implications:

Mitigating some of the risks may require financial resources and a number of risks are around organisational and services financial resilience.

Report Author and Contact Details:

Sam Evans, Executive Director of Finance
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Background papers:

- Corporate Risk Register at Appendix A;
- Risk Matrix at Appendix B.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
BGI	Business Growth and Infrastructure department
CC	Corporate Core department
CYP	Children and Young People’s department
DSPT	Data Security and Protection Toolkit
OCO	One Commissioning Organisation
FIN	Finance department
ICS	Integrated Care System
IGSG	Information Governance Steering Group

Risk Register Update

1. Introduction

1.1. This report provides an updated position in respect to those risks that have been identified and assessed as significant risks to Bury Council, collectively referred to as the Corporate Risk Register.

1.2. The report presents the risk position and status as at **Quarter 1 2023/24** and is the opening report for the current financial year.

2. Background

2.1. Following revision to the Council's approach to Risk Management, the Executive Team were tasked with developing a risk register that would capture events and circumstances which had the potential to disrupt the Council's ability to meet its strategic and operational objectives.

2.2. The Corporate Risk Register is at Appendix A. This repository captures the Council's key strategic risks agreed by the Executive Team and categorized as warranting regular scrutiny to help the Council minimise future risks and adverse implications. Additionally, it details the existing controls that provide some level of assurance and identifies planned actions being undertaken to mitigate these risks.

2.3. Assessment of each risk has been performed in accordance with the Risk Matrix, introduced within the Council's Risk Management Strategy, attached at Appendix B for ease.

3. Corporate Risk Register

3.1 The Corporate Risk Register captures risks identified as significant to delivery of the Council's key objectives, irrespective of their current scoring.

3.2 There are currently **22** risks on the Corporate Risk Register. All risks have been reviewed by the Risk Owner and assessed to: update the progression of mitigating actions; consider the level of assurance provided by existing controls; and re-evaluate both the likelihood and impact, in order to determine whether the risk score should be increased, decreased or remain static.

3.3 There are currently a total of 22 risks on the corporate risk register, of which 15 risks (77%) are rated as significant:

No. Risks	Low (1-3)	Moderate (4-6)	High (8-12)	Significant (15-25)
22	0	0	7	15

3.4 The following table presents the risks as split across Council directorates:

Department	No. Risks	Low (1-3)	Moderate (4-6)	High (8-12)	Significant (15-25)	Risks Not Scored
BGI				1	2	
CC				3	3	
CYP				1	2	
Finance					2	
OCO				1	2	
OPS				1	4	
TOTAL	**22**	**0**	**0**	**7**	**15**	**0**

3.5 In exercising their duty to scrutinise those risks presented, the Audit Committee are requested to consider the points below in relation to the information detailed for each risk:

- Does the Key Potential Impact accurately describe the real risk to the Council?
- Are the risk scores (Current and Target) reflective of the current position?
- Are the Current Controls still operating effectively?
- Do the Current Controls articulate how they contribute to managing

the risk?
- Have or will the Planned Actions achieve or go towards mitigating the risk further?
- Horizon scanning – Is the Committee aware of any significant changes that could affect the risk in the future?

4 Trend Analysis

4.1 This section of the report reflects the current position of each risk following review by the Risk Owner:

Risks that have increased in score

4.2 During this reporting period, **3** risks have increased in score:
- **CR16 – Special Educational Needs & Disabilities**
- **CR21 – Project Safety Valve**
- **CR28 – Asylum & Immigration**

Risks that have decreased in score

4.3 During this reporting period, **3** risks have decreased in score:
- **CR12 – Children's Social Care Services**
- **CR19 – Financial Capacity**
- **CR26 – Increasing Fuel Costs & New Red Diesel Restrictions**

Risks that have remained static

4.4 During this reporting period, **16** risks have remained static:
- **CR1 - Financial Sustainability**
- **CR3 – Security & Resilience**
- **CR4 – Digital Transformation**
- **CR5 – Increasing Demand Pressures**
- **CR6 – Climate Change**
- **CR7 – ICS Implementation & Establishment**
- **CR9 – Workforce Capability**
- **CR11 – Building Management**
- **CR13 - Regulatory Compliance**
- **CR14 – Staff Safety & Wellbeing**
- **CR15 – Regeneration & Development**
- **CR20 – Increasing Energy process**
- **CR23 – ASC reforms**
- **CR24 – Elections Act 2022**
- **CR25 – Housing Conditions**
- **CR27 – General Contract / Tenders Inflation**

Risks that have not been reviewed

4.5 During this reporting period **0** risks have not been reviewed by their assigned Risk Owners:

Risks that have reached their target level

4.6 During this reporting period **2** risks have reached their target level.

- **CR13 – Regulatory Compliance** *(proposed to remain for oversight)*
- **CR12 – Children's Social Care Services** *(proposed to remain for oversight)*

New risks

4.7 During this reporting period **0** new risks have been added to the Corporate Risk Register

5 Risks Presented for Closure

5.1 Since the last meeting of the Audit Committee, the following risks have been identified as recommended for closure:

- **CR24 – Elections Act 2022**

5.2 The Government has indicated that they will bring forward further changes to the postal vote process, it is not anticipated that this legislation will come forward until the end of the year. Once the legislation has been laid we will review the implications for the delivery of the election in May 2024, it is proposed in the interim that the this matter sits on the service and departmental risk register. This will ensure the matter is reviewed monthly and will be escalated to the Corporate risk register at the appropriate time.

5.3 The risk has therefore been recommended for closure by the risk owner and the proposal supported by the Executive Team.

6 Deep Dives

6.1 The purpose of the Deep Dive Report is to promote discussion and closer scrutiny of specific risks selected by the Audit Committee, to ensure appropriate controls are implemented and rationale adequately explained.

6.2 In this regard, the Audit Committee are requested to select 2 risks from the open risks captured on the Corporate Risk Register, for Deep Dive analysis at their subsequent meeting.

7 Risk Management Strategy

7.1 In November 2019, a revised Risk Management Strategy was introduced, which reinforced the use of a 5x5 matrix (see Appendix B) and provided some descriptors of risk to aid quantification of both impact and likelihood, however the advent of Covid-19 in March 2020 meant that the strategy was not fully rolled out.

7.2 Since June 2020, significant work has been undertaken to implement a robust approach to risk management across Bury Council, commencing with the introduction of a framework that has been rolled out across all directorates. This was later supplemented with information and guidance sessions department by department to further embed a culture of dynamic risk identification and proactive management.

7.3 Risk Owners moved toward a comfortable rhythm of analysing risks due for review in the relevant reporting month and including risk as a standing item on departmental team meetings.

7.4 In March 2023, a new Risk Manager was appointed, who's key role is to shape and lead developments in Risk across the organisation, ensuring that risk management remains an effective and integral part of the Council's governance and decision-making arrangements. They will be responsible for promoting a positive risk management culture within Bury, implementing the risk management framework and approach, and continuing to develop an effective infrastructure for managing and reporting risk across the Council.

7.5 Workshops have been underway since their appointment and the ethos and intention of their objective is already being well embedded. The Corporate Risk Register continues to be reviewed and maintained, Departmental Risk Registers are being reviewed, and Service Risk Registers being developed.

7.6 As the Council and Risk Manager are keen to further improve their approach to risk management in order to mitigate any potential factors that will affect the Council's objectives, the Risk Management Strategy will be reviewed and refreshed, and an updated position will be presented to Audit Committee during the meeting in October 2023.

8 Recommendations

8.1 The Audit Committee is asked to:

- Note the update provided;
- Approve the closure of the risk described in the report:
- Receive the Corporate Risk Register at Appendix A;
- Review the Risk Matrix presented at Appendix B;
- Review the information presented;
- Review, analyse and discuss the Deep Dive Reports at Appendix C;
- Determine whether the level of assurance provided against the risks is sufficient; and,
- Select two risks to receive a "Deep Dive" review to be presented at the next meeting of the Audit Committee.
- Approve the recommendation for the Risk Management Strategy to be reviewed.

Bury Council

Corporate Risk Register 2023/24

Quarter 1

Risk Ref.	Risk Title	Previous Quarter Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR1	**Financial Sustainability**	5	5	25	5	5	25	3	3	9

Risk Owner	S. Evans

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
S. Evans	Some slippage	Static	Sept 2023

Key Potential Impacts	Current Controls	Planned Actions
• Failure to eradicate deficit in Dedicated Schools Grant (DSG) or staying within High Needs Block allocation potentially resulting in Department of Education warning and intervention and budget restrictions. • Public sector spending cuts/ rising inflation/ recovery from the pandemic/ economic	• Medium Term Financial Strategy updated; monthly monitoring and DfE 'Safety Valve' deficit recovery agreement in place; escalation to Executive Team and Members. • Reserve Strategy and Financial Management and reporting refresh.	• Rebaseline of capital programme and closer working with directorates to identify potential pressures earlier in order to put mitigating actions into place: work has commenced on the capital programme but increasing costs due to inflation is putting extra pressure on budgets.

recession impacting ability to continue to deliver effective services. • Winter demands increasing pressure on ASC budgets. • Brexit related pressures such as loss of EU funding, disruption to supply chains and increased inflation. • Failure to deliver savings results in increased pressures on budgets that are already being balanced by use of reserves • Pressures on pay and pressures within both childrens and adults social care which may in part be due to Brexit but are all part of the wider economic pressures facing the UK at the current time. • Financial impact of National Pay Award. • Failure to keep spend within budget which exceeds the availability of reserves to support resulting in the need to issue a S114 notice as the Council may not be financially sustainable • Economic recession will result in increased demand for public services.	• Budget Strategy Principles, complete review of all budgets with a view to a zero based budgeting approach and regular monitoring of budget risk register. • DfE Recovery Plan agreed; DFE engagement; Transformation plan priorities agreed with key stakeholders; review of expenditure and rebaselining undertaken; additional capital funding secured for in-borough provision. • Rationalisation of admin buildings as part of transformation programme to reduce utilities expenditure.	• Early implementation of future years savings programmes where possible. As part of the monitoring and assurance process of the 2023/24 savings plan delivery a much strengthened corporate programme management approach is being implemented with reporting through the Exec Delivery Board and increased reporting through Cabinet of savings delivery. • Put in place a spend moratorium on all discretionary spend to bring budget overspends back in line and bring a clearer focus on what spend can cease on an ongoing basis • Lobbying of GMCA and Government for additional funding and support to Las • Use of Kickstart, apprentices and training of existing workforce to ensure a workforce which meets both current and future needs. • Revised modelling of MTFS, including zero based budgeting of key services with highest spend and demand

• Rising inflation and interest rates has an impact on the affordability of the Council's capital programme and therefore the major regeneration projects which have already commenced.		

Risk Ref.	Risk Title	Previous Quarter Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR3	**Security & Resilience**	4	5	20	4	5	20	2	5	10

Risk Owner	K Waterhouse

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
1) K. Waterhouse 2) J. Dennis	On target	Static	Sept 2023

Key Potential Impacts	Current Controls	Planned Actions
1) • Crisis in Ukraine following the Russian invasion is also leading to increased risk of cyber attack and community tensions. • External threat to data and systems potentially impacting system functionality/causing a data breach.	1) • Emergency response policies, Prevent initiative, GM Resilience Forum and Tension Monitoring Report. • Training and updated Cyber Essentials Toolkit in place for NHS GM; PCN accreditation renewed annually for the Council.	1) • Continued early intervention work and community engagement through the Community Safety Partnership. • Further training and investment in cyber security to be progressed against IG Action Plan timeframes.

2) • General threat to safety and security of Councillors.	• Government guidance shared with parties currently exposed to such attacks. Local Government Assessment Toolkit implemented. • Support from LGA and DLUHC now approved to develop Cyber Treatment Plan and undertake remediation activities. • Managed Security contract in place from July 2022. 2) • Newly appointed Councillors received security awareness training during induction process, following May Elections.	• Cyber Essentials accreditation for the Council to be achieved - Council has submitted it's PSN Certification for another year as a precursor to achieving Cyber Essentials accreditation. 2) • No further actions - situation to remain under review.

Risk Ref.	Risk Title	Previous Quarter Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR4	**Digital Transformation**	3	4	12	3	4	12	2	4	8

Risk Owner	K. Waterhouse

Responsible Officer	**Risk Action Status**	**Trend**	**Next Risk Review Date**
K. Waterhouse	On target	Static	Sept 2023

Key Potential Impacts	**Current Controls**	**Planned Actions**
• Inability to achieve ambition for new ways of working, improved customer and staff experience through delivery of the Digital Strategy.	• Launch of staff consultation on the new Target Operating Model for a reconfigured Digital, Data & technology function commenced in January. Implementation to begin from 1st April 2023.	• Implementation plan for new operating model in development, following staff consultation completing in Quarter Four. • New Target Operating Model to go-live in September 2023 following recruitment to the new structure. • Training and Development Plan to be develop to support staff moving into new roles and ensure appropriate transitions plans are in place.

Risk Ref.	Risk Title	Previous Quarter Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR5	**Increasing Demand Pressures**	4	5	20	4	5	20	2	4	8

Risk Owner	W. Blandamer

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
A. Crook	On target	Static	Sept 2023

Key Potential Impacts	Current Controls	Planned Actions
• Failure to transform services likely result in the Council failing to meet its statutory obligations. Adults and children's care facing a significant increase in demand for services. • There is a risk of unsustainable demand for adult care services as a consequence of the substantial demand pressures and	• Regular transformation programme review meetings, scrutiny of the Executive Committee and appropriate reporting to cabinet. • Fee setting exercise and cost of care comparisons carried out annually. Close working and relationship building with all	• Market Management Plan to be developed in line with government requirements Q3 22/23. Significant focus as part of Bury contribution to national front runner programme on discharge of complex dependency and also a strengths based approach to patients within hospital, both intended

workforce challenges in the NHS, particularly in relation to volume and acuity of patients requiring discharge.	providers of care to ensure early warning are in place. • Real living wage agreed and funded through contracts for all social care packages. • Locality Board review system wide pressures on a monthly basis, in addition to the work of the Urgent Care Board and the Integrated Delivery Collaborative	to improve dependence and reduced acuity on discharge

Risk Ref.	Risk Title	Previous Quarter Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR6	**Climate Change**	4	4	16	4	4	16	3	4	12

Risk Owner	D. Ball

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
L. Swann	On target	Static	Sept 2023

Key Potential Impacts	Current Controls	Planned Actions
• Inability to meet Bury 2038 carbon neutral target due to lack of resources and engagement. Main detailed risks described below : - • Lack of funding and incentives provided by Government or private industry to secure the level of change necessary to achieve carbon neutrality.	• Greenhouse Gas Emissions Report for 2021/22 produced and shows the Council has reduced greenhouse gas emissions by 63% since 2008/09. • Climate Strategy and Action Plan approved and published in October 2021 following public consultation. • Climate Action Board established and is part of the Team Bury Structure.	Continued delivery of Social Housing Decarbonisation bid. • Long term resources need to be secured to deliver Climate Change agenda - officers are temporary to the end of September 2023 and to end of June 2024. • Update of the Climate Action Plan to be completed and presented to the

• Lack of skills and supply chains in the business sector to provide carbon neutral solutions. • Local communities and businesses suffer financial hardship as a result of moving to electricity-based heating systems that could include higher running costs (electricity is much more costly that gas currently). • Those most in need are not able to decarbonise due to lack of funds and support. • Local communities do not embrace active travel and public transport due to lack of motivation, confidence and good safe reliable systems and infrastructure. • Failure to protect our communities from the impacts of climate change. • Insufficient permanent council officer resource to achieve the level of action required. • For council and other commercial buildings, the initial costs to install heat pump systems can be much higher than replacing with a gas boiler. This creates challenging business cases that can make it	• £100k of community action funding distributed to 12 community groups. • Successful bid from Six Town Housing and the Council to decarbonise 100 properties on the Chesham Estate in Bury. • Successful bid from STH to the Social Housing Decarbonisation Fund (SHDF) Wave 2 funding for energy efficiency measures on 200 properties on the Chesham Estate. • 70% of Council vehicles now replaced with lower emissions vehicles with the remaining 30% on order including, 19 small tippers, 5 small Luton vans, 2 RCV's, 1 Ranger pick up, HGV tipper and 11 electric vans (there will be 15 in total). • Public sector Decarbonisation Funding awarded to Bury and used to decarbonise a number of council buildings - completed June 2022. • 2 Business climate events hosted. • Schools climate event took place 7 July 2022.	Climate Strategic Board in January 2023. Refreshed document to be published in June 2023. • Exploring means for securing effective local engagement on the Climate Change agenda using existing neighbourhood networks. • Intention to expand the current car club offer to up to 20 locations through a procurement exercise run by TfGM. • Intention to appoint an Electric Vehicle Charging Infrastructure (EVCI) supplier to install charging points for residents who do not have access to off-street partaking using a potential £2m of combined CRSTS and Local Electric Vehicle Infrastructure (LEVI) funding. • 23 council assets and schools put forward to receive GMCA funded consultancy support to assess the feasibility of solar PV. It is anticipated that this will lead to a number of significant solar PV installations that will both reduce the carbon footprint and the demand on grid electricity from the schools.

vey difficult to justify the carbon neutral option. • Regeneration schemes are not able to justify carbon neutral measures due to the restrictions placed on the available funding streams. • Lack of carbon neutral solutions for larger vehicles	• E Car Club Pilot operating from Prestwich and Bury. • Climate Action Officer and Climate Action Intern roles extended to June 2024. • 22 Council assets are being reviewed for feasibility of installing Solar PV by consultants appointed by GMCA with the view of taking some/all of these through the Go Neutral Framework to appoint a supplier to install the infrastructure. • Working with colleagues from BGI to ensure that regeneration projects take sustainability/decarbonisation in to consideration. • Procured an Electric Vehicle Charging Infrastructure provider to deliver charge points in a large number of our council car parks free of charge. • Carbon literacy course made mandatory for council employees and 750 staff have completed. • Internal communications campaign was delivered to highlight energy saving opportunities within corporate buildings.	• 7 council assets and schools to receive decarbonisation feasibility studies with GMCA funding. These will present business cases for the work required so that the council and schools can consider how best to approach this. • Street lighting column replacement and LED replacement programme to reduce the electricity use and carbon footprint of our streetlighting. • Produce the annual Greenhouse Gas Report for the council so that we can monitor our progress towards decarbonisation and highlight areas where more focussed action is required. • Deliver energy efficiency measures to 80 low-income households using ECO4 grants to reduce the carbon footprint of these houses and to help protect low-income occupants form rising energy prices. • Publish the case study report and video on the outcomes of our Community Climate Action Fund.

	•Team Bury Away day used to raise awareness re: current Team Bury actions and to inspire more accelerated actions across our partners and communities.	• Improve community engagement using dynamic multi-channel communications to engage with all sections of our communities. • Integration of 15 Electric Vehicles into the Council fleet to move towards the decarbonisation of council operations. • Incorporate single use plastic into the procurement policy to reduce both the amount of waste produced by the council and the carbon cost of dealing with this waste. • Continue the promotion of the mandatory Climate Change e-learning to ensure that at least 50% of council staff complete the course. This will involve providing means for those without easy access to a computer to undertake the training. • Produce the annual update of the Climate Action Plan to maintain a relevant document, monitor progress and highlight areas for more focussed action. • Commence climate adaptation and resilience planning to progress the

		council's preparedness for expected changes in climate and resulting potential health impacts in our communities. • Continue to look for opportunities to use Government PSDS (Public Sector Decarbonisation Scheme) funding to further progress the decarbonisation of council assets. • Secure permanent employment contracts for the existing officer resource delivering Climate Action and Active Travel functions to demonstrate the council commitment to this agenda and to help with officer retention. • Secure in-house Mechanical and Electrical Engineer resource to help generate and deliver decarbonisation projects for our assets. • Expand the existing number of Schools Streets to encourage walking and cycling to school and to reduce the number of car miles covered by the “school run”. This will improve air quality and reduce carbon emissions.

Risk Ref.	Risk Title	Previous Quarter Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR7	**ICS Implementation & Establishment**	3	4	12	3	4	12	2	4	8

Risk Owner	W. Blandamer

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
W. Blandamer	On target	Static	Sept 2023

Key Potential Impacts	Current Controls	Planned Actions
• Disruption to the health and care system caused by establishment of the Integrated Care System (ICS) and winter pressures leading to increasing demands on Adult Social Care services.	Working closely as a locality as part of our winter plan - both command structure and proactive planning. • Collaborative working within the GM SORT meeting, operating as Gold, across the whole GM health and care system	• Continue to work with GM partners as GM operating model develops. • Transformation plans continue to be monitored monthly through IDC Board. • Transformation Board and Adult Social Care Savings and Transformation Programme also reported to Cabinet.

• Implementation - functional alignment review process of establishing GM ICS has the potential to reduce locality focus and capacity of previous CCG staff.	• Working with colleagues across the GM system to ensure the GM ICS operating model creates the conditions for our continued placed based transformation, and NCA footprint partners to continue to advocate for the place based approach; building and starting to operate the new Bury Health and Care System Partnership arrangements (including the Locality Board) to provide confidence and assurance of our arrangements. • Issues and risks escalated to Integration Delivery Collaborative Board and to Locality Board. • Representation on the Functional Alignment Steering Group and Check & Challenge Board.	• Bespoke communication approach to address this agenda. • Locality formalisation agreed at Cabinet and Council and Locality Board and submitted to NHS GM Board for final approval. • Receipt of locality budget allocation and reconciliation with largely 'as is' structure on NHS GM – intended to retain resilience to secure on going transformation delivery in Bury ICP programmes.

Risk Ref.	Risk Title	Previous Quarter Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR9	**Workforce Skills & Capability**	4	5	20	4	5	20	3	4	12

Risk Owner	S. McVaigh

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
S. McVaigh	On target	Static	Sept 2023

Key Potential Impacts	Current Controls	Planned Actions
• Adverse impact on delivery of Council priorities should the workforce capability and capacity prove insufficient, as the result of a lack of investment in employee development and / or an inability to fill key roles. Likelihood increased given current regional and national recruitment challenges across a range of roles. • National shortage of Social Workers, recent Children's department restructure	• Prioritisation through the Corporate Plan and strengthened approach to Departmental Planning & Employee Reviews, including analysis of areas of cross-over and total capacity requirements • Additional Transformation capacity in place.	• Continued focus on prioritisation; training and development to be considered in new People Strategy; development of a Talent Strategy. • Resource planning for key new priorities e.g. LUF and Children's Improvement. • Refresh and update core policies and procedures.

sees the creation of a number of posts, however services continue to run with a high level of agency staff.	• Agreed recruitment and retention strategies for both Childrens and Adults Social Care. • International recruitment programme for Children's Social Workers. • Strengthened external recruitment processes, social media presence and advertising, improved processes and new policy. • Management development programme. • Clear two-way staff engagement approach, including regular Pulse Surveys • Skills and capacity development opportunities, including thorough Apprenticeship Strategy	• Values and behaviours work and wider focus on engagement linked to Pulse Survey. • Development of the 'Greater Manchester Pledge' to support Children's Social Worker workforce stability.

Risk Ref.	Risk Title	Previous Quarter Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR11	**Building Management (Operational Health & Safety)**	4	5	20	4	5	20	3	5	15

Risk Owner	D. Ball

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
D. Ball	On target	Static	Sept 2023

Key Potential Impacts	Current Controls	Planned Actions
• Breach of Health and Safety legislation leading to prosecution under the Corporate Manslaughter Act and other Health and Safety Regulations. • Council buildings, facilities and premises must provide safe and effective environments for all building occupants that use them.	• Corporate Health and Safety independent audit undertaken with formal report, findings and recommendations. • Establishment of Estates Transformation Board. • Establishment of a "Health and Safety Taskforce" with Union representation, to oversee delivery against internal audit	Due to inability to provide an overarching Corporate Landlord function (finances) an FM board will be established in July 23 to have oversight of the individual departments responses of asset management, including compliance monitoring. Whilst not responsible for the actual assets, the board will work alongside service building managers to ensure they have the information required in

	recommendations implemented through an improvement plan. • Decant Manager in place to support the decanting of services from buildings (temporary post) • Work underway to look at the future needs of education and Six Town Housing. • Current working practices (Mangers responsible for own buildings) remain in place • Whittaker Street decanted and being prepared for sale.	order to operate safely or report issues. • Develop the use of Concerto to improve information and processes in relation to the management of facilities across the Council's estate. • Produce an Asset rationalisation Plan. • Develop a proposal for a Facilities Management Service to act as a central point of expertise to provide support to services under a Business Partner arrangement • Finalise results of compliance audit undertaken on 26 council buildings and assess current status and any action needed. • Carry out a building condition survey on the Town Hall.

Risk Ref.	Risk Title	Previous Quarter Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR12	**Children's Social Care Services**	3	5	15	2	5	10	2	5	10

Risk Owner	J. Richards

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
J. Richards	On target	Decreased	Sept 2023

Key Potential Impacts	Current Controls	Planned Actions
• Children left in harmful situations and risk. • Following the inadequate ILACs judgement in October 2021 the improvement plan fails to deliver the pace of change needed which is reflected in poor monitoring visits from Ofsted and leaves the service and Council at risk to a greater level of intervention from the DFE.	• Post Ofsted Improvement Plan which has been accepted by Ofsted and the DFE; reviewed with partners individually and via Children's Improvement Board May 2023. • Independently Chaired Improvement Board with key partners to monitor impact of the improvement Plan. • Regular DFE reviews.	• International recruitment was successful with 23 offers made in January 2023. First cohort (4 social workers) started on 12th June. Waiting for Social Work England (SWE) registration for the remaining 19. • Develop a whole system approach to QA - building on the QA Framework already in place, but ensuring a whole system approach that will lead to

• High caseloads continue to lead to social worker high turnover which then impacts on children, families and partners. • Following the inadequate judgement recruitment has become more challenging leading to high staff turnover from senior leaders through to frontline staff, making it difficult to do what is most important - turning around services for children, young people and families in need. • Budget pressures associated with the escalating cost of commissioned placements , planned actions - meets fortnightly.	• Regular Ofsted Monitoring visits • Recruitment and Retention plan following full review aimed at attracting committed professionals to Bury. • Permanent senior team in place • Revised QA and audit processes in place. • Managed team in place pending recruitment to vacancies to ensure reducing social worker caseloads across the service (reduced from 3 teams to 1) • Placement Panel established is to gatekeep requests for high cost placements and review those in high cost provision - meets fortnightly. • Restructure agreed bringing enhanced capacity and management oversight. • Worked with Communications Team to develop online presence to support ongoing recruitment and retention.	improved practice and outcomes for our children and families. • Implement Learning & Development plan which has been produced by the Principal Social Worker to ensure improvement in the quality of practice • Secure exceptions to enable recruitment to the final remaining HoS vacancy (My Home service) • Strengthened system and architecture around the review and update of improvement plan internally and with partners, agreed with Improvement Board

Risk Ref.	Risk Title	Previous Quarter Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR13	**Regulatory Compliance**	3	4	12	3	4	12	3	4	12

Risk Owner	J. Dennis

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
J. Dennis J. Gallagher	On target	Static	Sept 2023

Key Potential Impacts	Current Controls	Planned Actions
• Failure to meet the requirements of data protection legislation and good information governance practice / serious data breach. • Lack of compliance with statutory response times for Subject Access Requests may lead to legal challenge or intervention from the ICO or local government ombudsman.	• Significant progress to completion of actions on ICO Workplan. • Comprehensive IG/Cyber Security training programme implemented. • Data Breach monitoring and processes significantly enhanced.	• Ongoing development of an annual review/refresh process for the Record of Processing Activity. • Escalate weekly reporting to the Director of People and Inclusion (responsible for Business Support Team).

	• IG risk management strategy implemented, including required completion of Data Protection Impact Assessments for any project involving the processing of personal data. • Staff induction process and system access implemented. • IG KPIs reviewed. • 2022/23 DSPT submitted and Standards Met maintained. • Six monthly reporting to Audit committee to ensure that the work is embedded across the Council. • Information Security Policy updated • Weekly performance reporting to Head of Service for Business Support and Data Protection Officer. • Additional capacity in Business Support identified to manage throughout. • Establishment of new Corporate Governance Board to cover all IG matters	• Review capacity to support the Data Protection Officer. • Review communications and engagement with requesters whose claim is outstanding. • Convene working group to strengthen process, roles and responsibilities. • Network of IG Champions refreshed and re-established.

	• Report to Executive on a weekly basis on FOI progress • Restructure of delivery of IG support	

Risk Ref.	Risk Title	Previous Quarter Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR14	**Staff Safety & Wellbeing**	4	4	16	4	4	16	2	4	8

Risk Owner	S. McVaigh

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
S. McVaigh	No significant progress	Static	Sept 2023

Key Potential Impacts	Current Controls	Planned Actions
• Staff wellbeing, welfare and morale may potentially result in increased cases of stress, depression and general absence, thereby impacting service delivery. • Harm to staff and potential legal and financial implications for the authority of failure to comply with health and safety legislation.	• Corporate Health & Safety Team moved under the leadership of the Director of People. • Health & Safety Policy reviewed and new incident reporting process live. • Health and Safety staff drop-in sessions.	Delivery of annual Health and Safety plan including service level risk assessment needs checkers and targeted deep dive audits • Targeted additional work within the Operations Department • Roll out of mental health and health and safety training as part of

	• Robust governance arrangements, action planning and partnership working with the TUs now in place. • Employee assistance programme and comprehensive health and wellbeing offer in place which incorporates mental wellbeing support. • Targeted improvement plan for sickness absence levels, including focus on hotspot services. • External review of Health and Safety in Operations Department commissioned.	mandatory training programme for managers. • Delivery of targeted action plan related to staff sickness absence. • Review of health and safety related training. • Review of occupational health function. • Review of sickness absence policy

Risk Ref.	Risk Title	Previous Quarter Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR15	**Regeneration & Development**	4	5	20	4	5	20	2	5	10

Risk Owner	P. Lakin

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
R. Summerfield C. Logue	On target	Static	Sept 2023

Key Potential Impacts	Current Controls	Planned Actions
• Northern Gateway - failure to grasp opportunity presented by the largest regeneration project to impact this part of the country. • Challenges faced in driving inclusive growth within the region, impacted by a slow housing market and accessing up to date planning policies.	• Detailed working with the JV and Rochdale Council around Northern Gateway has allowed parties to work collectively on a major inward investment project, which has brought national attention to the potential of the site. There are a number of subgroups that have been established to drive forward the project, including Transport,	• Continue to explore funding opportunities - linked to various regeneration schemes: BGI will keep abreast of up-and-coming funding sources through regular contact with GMCA and other public bodies and will work with colleagues to ensure that opportunities are explored, and subsequent applications made for regeneration/development projects.

• Rising construction inflation and interest rate shifts increasing cost of delivering town centre regeneration and housing programmes.	Planning, Skills and Marketing & Promotion. • Progression of Development Plan through to adoption • Hire staff and experts in the field. • Establishment of Projects Board and give delegated powers. • Cost plans for the 'Levelling Up' bids show increased construction inflation, options being worked through for value-engineering and review of overall specification.	Joint Bid being prepared to GM Growth Fund to further support project delivery and promotion. Bury seeking to appoint dedicated PM to ensure internal capacity and skills in place. • The Examination process ended and the Panel has indicated that it can be found sound subject to modifications. These are to be consulted on later in the year before the Plan can be taken forward to adoption. • Value engineering activity / scope reduction in design development for major regeneration projects.

Risk Ref.	Risk Title	Previous Quarter Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR16	**Special Educational Needs & Disabilities**	4	5	20	5	5	25	2	5	10

Risk Owner	J. Richards

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
M. Kemp I. Booler	Some slippage	Increased	Sept 2023

Key Potential Impacts	Current Controls	Planned Actions
Current reduction in SEND tribunals is reversed. • Further increase in LGO ombudsman complaints and general complaints. • Further loss of parental trust and further increase in parental complaints.	• SEND Strategic Board and plan, with clear governance (refreshed May 2023) * Focused SEND inspection preparation activity - plan in place and fortnightly meetings with DCS & Director to review progress. • Strategic lead for SEND and EHCP team manager now in post.	Continue to develop training offer for Statutory assessment team to focus on case resolution. Case surgeries and inclusion service surgeries to continue. • Co-produce and pilot work around EHCP processes bringing parents earlier in the process including the advice with EP service advising.

• Reduction in compliance in regard to 20 week which has improved. • Poor Ofsted CCQ inspection on new January framework impacting further on reputation. • Increase in EHCP assessments which is disproportionate to population increases sufficiency issues. • 63 % increase in EHCP referrals putting increased pressure on system and Council has difficulties meeting provision within EHCPs and increased pressure on SEND special school place sufficiency. • 400% increase of complaints since March 2023	• Co-production with strategic partner Bury2Gether. • Increased capacity in EHCP team - increased investment in data case surgeries and inclusion surgeries now in place. • Graduated response co-produced and implemented (October 2022) • Seconded Headteacher developing continuum of provision and signposting to outreach. • Local Offer Newsletter continues to be well received. • School Roof: - Fortnightly steering group meeting within Bury Council with legal, education and operations - Weekly meetings within school holding builders in account for progress plan - Engaged independent company to assure all plans and structural solutions - Monthly roof checks.	• Second a social worker to the EHCP team to ensure social care advice is statutory. • Implement strengthened architecture re. SEND Development Plan - Operational Board ToR reviewed and agreed, clearer ownership of plan and clear forward plan in place to ensure detail is reviewed in the monthly Board meetings and highlights shared with Strategic Board. • Continue working with managers to ensure Annex A in place, to ensure we can respond promptly when we are notified of inspection • School roof: Independent assurance to continue to check all plans and building as the programme of work progresses. •To continue steering group meetings, independent engagement of assurance of works and to continue engaging with regional director and school. •To develop engagement strategy to include the CEO and DCS in meetings

		with the parents who attend scrutiny in protest. •To revise SEN support strategy and to ensure EHCP data is known across the Local area. •To implement QA framework and to start multi agency audits.

Risk Ref.	Risk Title	Previous Quarter Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR19	**Financial Capacity**	5	5	25	4	5	20	2	4	8

Risk Owner	S. Evans

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
S. Evans	On target	Decreased	Sept 2023

Key Potential Impacts	Current Controls	Planned Actions
• Lack of finance capacity leads to budget holders not receiving a quality service that supports them across a range of functions such as :- • to control costs, • manage their budgets, • identify and deliver savings, • identify and maximise opportunities to generate additional income or external funding for projects,	• Close monitoring and prioritising of all asks for support including reassigning staff to meet high profile/risk pieces of work. •The main post still to be filled is the Deputy Director of Finance, there is an interim in place and whilst the advert for the permanent recruitment closed on the 26th June the process was paused as there were not enough candidates of	• Continued use of interims, and also double running through the use of the transformation budget and new burdens monies where necessary to support services where items of organisational strategic risk exist i.e. childrens.

• to submit government and funding returns, • be supported in financial business case development for project work. • Senior members of the finance department undertaking pieces of work that should be completed by capable qualified staff - resulting in additional pressure on a few key individuals. • The interim market is becoming increasingly fierce with interims demanding inflated costs to do roles that require permanent placement. There is also a shortage of some specialist skills such as DSG and commercial investment which is making it extremely difficult to recruit permanent staff with these skills and harder to find interims and when they are available they are at premium costs.	sufficient calibre to progress to member shortlisting. Due to the needs of the CYP service as a consequence of Project Safety Valve and the pressures on the budget as part of the improvement journey within social care additional support has been commissioned.	

Risk Ref.	Risk Title	Previous Quarter Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR20	**Increasing Energy Prices**	5	5	25	5	5	25	5	4	20

Risk Owner	D. Ball

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
L. Swann J. Kelly	On target	Static	Sept 2023

Key Potential Impacts	Current Controls	Planned Actions
• As a result of global increases in energy prices Bury Council saw significant increases in energy cost in 2022/23 compared to 2021/22 (approximately £3.5 million) • A further increase of approximately £889k is expected from 2022/23 to 2023/34.	• Working group established to look at mitigation options to manage the increase in energy prices. • Delivery of the following building decarbonisation measures using funding from the Public Sector Decarbonisation Scheme (PSDS): - 6 x solar PV - 2 x double glazing	• Street lighting LED replacement programme approved as a further savings option for delivery during 2023/24 and 2024/25. • Building/Estate Rationalisation Programme - reviews currently taking place.

	- 1 x new variable refrigerant flow (VRF) heating system. • Report agreed by Cabinet in September 2022 to utilise the YPO Framework for the purchase of electricity for the next 4 years starting in April 2023. • Regular updates provided to Exec Team and to Schools in relation to rising costs. • Newly developed mandatory Carbon Literacy Training module available for staff and now mandatory. • Team Bury away day on Climate Change and impact of rising energy costs. • Internal communications campaign to highlight energy saving opportunities within corporate buildings.	• Centralising energy budgets across the Council to be managed by the Energy Team going forward. • Further energy saving opportunities being investigated by Energy Saving Working Group. • Government announced further energy bills discount scheme which commenced in April 2023 and is applied to commercial electricity and gas contract. •Grant to open to subsidise energy costs in Leisure facilities - bid to be submitted. • Currently procuring a new water supply contract which will include the fitting of water meters to help monitor and reduce cost. • Feasibility studies being carried out on 23 corporate buildings for potential solar PV opportunities.

Risk Ref.	Risk Title	Previous Quarter Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR21	**Project Safety Valve**	4	5	20	5	5	25	2	5	10

Risk Owner	J. Richards

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
I.Booler	Some slippage	Increased	Sept 2023

Key Potential Impacts	Current Controls	Planned Actions
• Risk of Bury Council being withdrawn from Project Safety Valve (PSV) due to increased activity and therefore not eradicating the deficit on the DSG (Dedicated Schools Grant) resulting in a loss of £6M of funding and potential for clawback of previously received £14m • As long as the rate of issuing new EHCPs continues to run at current levels,	• Strengthened PSV Delivery Board Governance in place and meets monthly with membership from Exec Director of Finance and Chief Exec • Revised and submitted a DSG Management Plan with clear actions in place and modelling which will lead to strengthening tracking	• Tracker being developed between service and Finance based on modelling and affordability to track service activity against planned projections. • An Independent Chair of the SEND strategic Partnership Board to ensure increased support and challenge and accountability across Local Authority and ICB.

pressure on existing budgets grows and it becomes more difficult to remain within HNB funding and reduce the DSG deficit • Risk if the current national protections around the DSG are removed and therefore the DSG deficit needs to be set against reserves this would put the financial viability of the council into question.	• Revised SEND Strategic Partnership Board in Place; Revised SEND delivery plan in place • Strengthened multi agency resource finance panel with greater management oversight where all finance decisions are made with finance as a member • Detailed project plan in place with tracking and nominated workstreams • Implemented EHCP mainstream banding; implemented reduction in Band D+ in special; revied inclusion funding; reviewed all spending against the DSG; reviewed all special school banding; reviewed funding model for PRU • Strengthened panels and processes in place regarding EHCPs – refusal rate 37% in June 2023 • Currently reviewing AP; re commissioning AP • Currently engaged in Commissioning review of all independent out of	• a series of engagement meetings with Bury2gether to collaboratively address risks. • Redevelop our engagement and communication plan with parent and school community Review of Sensory service in Academic year 2023/24 • Regular reporting against tracker at PSV Board • Review all EHCP plans to seek resolution on packages and ensure all are needed, focusing on post 16 first. • Focus on SEND support; implement the Education restructure with enhanced Outreach offer; embed Graduated Approach toolkit • Expand SEND school improvement offer and Autism in school project; Review Bury's Education Psychology Offer • Through Early Years and Starting well- develop stronger links between Early Years and SEND. • Implement and complete actions included in deficit reduction plan including completing the review commissioning of out of borough places, and a review of Alternative

	Borough Places- Meeting with INMS providers to discuss potential cost reduction options. • Regular meetings with DFE advisers both finance and SEND • Additional capacity in place with a joint Commissioning Lead in place and additionality from commissioning expertise. • Aqua review on Commissioning completed • Graduated Approach Launched with toolkit to support SEND support approach • Education Restructure has been consulted and agreed. • PSV programme has been mainstreamed from external project management to internal. • Finalised arrangements for criteria to support the moderation of bandings in special school allocation and throughout RP from a working group.	Provision and a review of the Pupil Referral Unit.

	Moderation of special school bandings completed. • Plan in place to create Resource Provision within primary and secondary mainstream schools, the first of which will go live in September 2023	

Risk Ref.	Risk Title	Previous Quarter Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR23	**Adult Social Care Reforms**	3	5	15	3	5	15	3	4	12

Risk Owner	W. Blandamer

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
A.Crook	On target	Static	Sept 2023

Key Potential Impacts	Current Controls	Planned Actions
• The Council fails to carry out fair cost of care implementation and risks sanction by the Government. • Carrying out the 'fair cost of care' exercise is likely to result in a large increase in payments to care providers, which are not covered by the additional Government funding. • There is insufficient workforce or Government funding for additional workforce	• The exercise will be carried out alongside 9 other Local Authorities in Greater Manchester and 22 in the North West. • Working groups have been set up to share information and plan fee setting collaboratively. • Briefing paper on Adult Social Care reforms submitted to Cabinet, Scrutiny and Locality Board.	• Review of IMC capacity to ensure right capacity and balanced portfolio

to carry out the assessments required to enable customers to access their care accounts, • Further contribution to the Council's financial pressures.	• Project Manager appointed to oversee implementation of reforms. • Fair Cost of Care exercise undertaken and submitted.	

Risk Ref.	Risk Title	Previous Quarter Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR24	**Elections Act 2022**	3	4	12	3	4	12	2	4	8

Risk Owner	J. Dennis

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
J. Dennis R. Everitt	Complete	Static	N/a – proposed for closure

Key Potential Impacts	Current Controls	Planned Actions
• The Returning Officer will be unable to implement the Elections Act 2022 if key policy details are not confirmed and secondary legislation not published in adequate time. • The democratic legitimacy of the Council could be undermined, increasing the risk of challenge by petition following the elections.	•The Elections Board is managing the implementation, the Returning Officer has considered the demographics and harder to reach parts of the electorate and the support they will require. Members training has been provided to increase awareness and assist in the communication of key messages.	• Additional training to be provided to election staff. • Funding from the Government is undergoing review by finance.

• Voter ID may not be successfully introduced, with certain groups more likely to be disadvantaged than others, resulting in increased inequalities. • There may be recruitment issues in attracting polling staff, as they will have greater responsibilities, including challenging voters in regard to ID verification. • There may be insufficient polling stations, as not all existing stations may continue to be suitable due to the need for privacy areas.	• A review of polling stations has been undertaken and the outcomes reported to the Elections Board and DAF. • Additional financing will be provided from the Government for implementation, but this will only cover the costs associated with Voter ID, not additional election costs. • Fees for election staff job roles have been agreed by the Elections Board. • An implementation plan is in place with key deadlines. • Provision of a training session to the Democratic Arrangement Forum, Senior Leaders Group and Corporate Core Management team. • Sessions have been scheduled to brief each political group. • An Officer from the Combined Authority is working with all 10 Local Authorities to see how best practice can be shared. • There will be a Combined Authority Communications strategy to ensure that there are consistent messages across the GM footprint.	

	• Secondary legislation has been received and reviewed. • Funding from the Government has been confirmed and received.	

Risk Ref.	Risk Title	Previous Quarter Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR25	**Housing Conditions (Damp, Mould & Condensation)**	3	3	9	3	3	9	2	3	6

Risk Owner	L. Cook

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
L. Cook	On target	Static	Sept 2023

Key Potential Impacts	Current Controls	Planned Actions
• Negative impact on resident health and wellbeing resulting from unsatisfactory housing conditions. • Poor management of disrepair claims in public and private sector housing and insufficiently robust processes during litigation. • Inability to deliver proactive support to landlords and tenants to address existing	Emergency Board session called by Six Town Housing (24th November 2022) to review the Coroner's Report and ask key questions. • Director of Housing has written to all Housing Association partners operating to the Borough to gain assurance on conditions of non-Council stock.	• Ongoing development of casework relating to how issues and cases can be highlighted through the neighbourhood model. • Recruitment for participation in Good Landlord Scheme completed apprentice appointed.

housing concerns as a result of limitations on current capacity. • Risk of adverse publicity and reputational damage.	• Private Sector Standards Submission provided to DLUHC. • Reponses submitted to Regulator of Social Housing – Council housing action plan in place for systematic review. • Communications plan/ awareness campaign - information updated and published by Six Town Housing: newsletters to tenants and TRA network. • Presentations to H&WB, Childrens Safeguarding Board, referral pathways and information shared across PSR Neighbourhoods. • Review of Council stock undertaken – no structural defects identified. • Disrepairs process reviewed - positive confirmation of the policy to not undertake repairs whilst in litigation is not the practice. • Systems in place for Council Housing / STH to review all reports recording the presence of damp and mould – integrated into performance reporting.	• Recruitment of maternity cover for the PRS Unt Manager post. completed - start date 3rd July 2023

	• Review undertaken of all homes that have heating concerns or energy supply issues - remedial actions monitored. • "Eyes wide open" process reviewed to ensure all staff are reporting issues and concerns & communication and customer pathways for complaints and being heard. • Review undertaken of safeguarding referrals where property condition is a factor, including oversight and communications within the health system – connections between health and housing. Now integrated into system. • Legal services' audit of disrepair claims undertaken. • PSR enforcement team triage system in place. • Participation in Good Landlord scheme approved. • Housing Association Partners responses analysed and feedback given – all partners submitted responses to the Regulator.	

Risk Ref.	Risk Title	Previous Quarter Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR26	**Increasing Fuel Costs & New Red Diesel Restrictions**	4	4	16	3	4	12	3	4	12

Risk Owner	D. Ball

Responsible Officer	Date Added	Risk Action Status	Trend	Next Risk Review Date
D. Dixon	Mar 2023	On target	Decreased	Sept 2023

Key Potential Impacts
• As a result of government changes resulting in the removal of tax relief for red diesel, ground maintenance and street scene have seen a large increase in the cost of diesel. • Combined with the highest fuel prices seen in decades, unprecedented financial pressures is being levied.

Current Controls	Planned Actions
* Member of AGMA Framework to help keep fuel costs to a minimum. * Meeting undertaken to look at the financial implications	* Look at cost of providing all Council drivers to attend a fuel efficient driving course - part of CPC training * Roll out new electric vehicles

Risk Ref.	Risk Title	Previous Quarter Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR27	**General Contract/Tenders Inflation**	4	5	20	4	5	20	1	2	2

Risk Owner	D. Ball

Responsible Officer	Date Added	Risk Action Status	Trend	Next Risk Review Date
P. Stokes	Mar 2023	On target	Static	Sept 2023

Key Potential Impacts	Current Controls	Planned Actions
• The construction industry has been hit hard by the current inflationary environment from the skyrocketing price of steel, lumber and fuel to the significantly increased cost of skilled labour. • Increased demand and a shrinking labour market together with a scarcity of essential materials are having a major impact on construction projects in the Highways and	• Causes cannot be mitigated against. However, management and reprofiling of the resurfacing programme will be required to ensure sufficient headroom to fund the additional costs • Redesign buildings and road schemes within available budgets or seek additional funding	* Amend programmes of work due to increased cost of schemes. • Continue to modify (reduce in scope) programmes of work to meet available budgets • Reduce the number of schemes being delivered to release enough funding to meet the increase in costs

Engineering Service leading to increased costs and delays.	• Score will reduce once buildings reduce significantly and when CLL in place • Robust budget monitoring	• Ensure contingency allowed for in projects and funding bids going forward

Risk Ref.	Risk Title	Previous Quarter Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR28	**Asylum & Immigration**	4	5	20	5	5	25	2	5	10

Risk Owner	L. Cook

Responsible Officer	Date Added	Risk Action Status	Trend	Next Risk Review Date
L. Cook P. Cole	Mar 2023	Some slippage	Increased	Sept 2023

Key Potential Impacts	Current Controls	Planned Actions
• Increasing demands resulting from the two refugee crisis's in the last 12 to 18 months (Afghan & Ukrainian) plus the new Home office asylum dispersal and resettlement scheme the numbers placed into Bury are expected to significantly increase over the next 12 months.	• Partnership working with GMCA and NW RSMP to robustly and collectively feedback to the Home office on their new dispersal and resettlement scheme to help ensure numbers placed in GM and Bury are realistic and can be achieved over the next 12 months. HO still working to 1:200 ratio numbers - therefore 100%	• Empty homes officer appointed to deliver and tasked to develop an Empty Homes Strategy. Appointed. Regular information being received on empty properties with owners/landlord engagement taking place to identify barriers and encourage bringing properties back into use. Following the appointment of maternity cover unit

• The Council's statutory and non-statutory homelessness provision will also be impacted by the cost of living crisis as well as general homelessness increasing. • The risk is capacity to meet immediate emergency / temporary provision and also having sufficient long term permanent affordable housing to meet demand. • Additionally, the Council is at risk of not being able to meet demand and leave families and people vulnerable without appropriate housing. • New impacts by the Home office - fast track system for asylum decisions to move people from HO dispersed accommodation into LA duty. • Home office - Afghan bridging hotel closures - projected further cases and numbers with passed duty to LA's. • Uncontrollable and unmanageable numbers via the Home office - Unable to meet statutory homelessness duty due to staffing capacity but also the lack of emergency temp and permanent accommodation options when factoring in other homelessness pressures such as the cost of living crisis.	increase in projected numbers over the next 6 to 12 months. • Development of the Private rented sector to maximise accommodation opportunities. new incentive scheme developed with identified funding - paused due to PRS Development coordinator leaving and no capacity until recruited. • New DLUHC match funded PRS Development coordinator role (3 years) to create capacity to prevent evictions in the PRS with landlord support + develop better relationships with PRS landlords to create greater access to properties. • New empty homes officer in post to help deliver the new empty homes strategy that has identified 1000+ long terms voids to target for homelessness & social housing applicants – incentivisation scheme for landlords. • Appointed new PRS Development Coordinator - Leaving - recruiting again but months delay due to internal blockages. • Maximising all opportunities with the 20+ registered social landlord providers	manager backfill a project to be explored on engagement event with property owners and possible property developers to encourage redevelopment and bring back into use. • Steering group – timescales to have new allocations policy with common housing register by early to mid-2023. Commissioned provider to be appointed - HQN - awaiting outcomes of exemption approval - timescales - review report complete Nov 23 for Council approval. • Home Office 'Dispersal and Resettlement Scheme' Consultation and feedback now provided collectively via GMCA / NW RSMP – awaiting response from the Home Office. Outcomes received - Home office to continue with 1:200 ratios in Bury and the rest of GM despite GMCA / RSMP collective response on existing numbers. Therefore numbers could increase by 100% in the next 6 to 12 months - circa increase from 440 to 1000+.

	in the Borough to ensure all new developments supported by the Council or wider that they provide either social or affordable housing that's accessible for homelessness inc. asylum seekers / refugees within those new developments to assist with demand. • Reviewing the allocations policy to include a common housing register with all RP's to gain greater access to all social housing across the Borough not just the Council. Now appointed HQN to carry out the independent review by Nov / Dec 23 • Co-delivery of the new Homelessness Strategy with Bury Homeless partnership - ongoing - recent report to the overview and scrutiny committee - well received but highlighted demand and challenges. • Existing pathways with Serco / Home Office emergency accommodation within the Borough and the Council homelessness team to meet statutory provision and accommodation. Set up operational migration meeting with all partners inc serco to help manage and support. Bi-monthly	• ELA partnership: GMCA 'Let Us' - Needs refreshing with targets & outcomes. • Progress delayed due to PRS Development coordinator leaving in June and internal HR blockage in obtaining approval to recruit permanently. Due to capacity this work will be paused until successfully recruited. • New social housing strategy for the Borough to complement the Homelessness Strategy - process and approach to be agreed. • Maximise Migration & Ukrainian funding - future business case to increase staffing levels and capacity to meet support demands and increased numbers. • Explore all opportunities to increase emergency & permanent accommodation - Social, affordable & PRS. Need future strategy with timescales and outcomes to support operational delivery. • Change in Council policy - use of B&B to meet homelessness duty to

	• Existing pathways for non-statutory provision for asylum seekers evicted from Home office accommodation into Council provision. • Internal Ukrainian operational meetings to support refugees via the Homes for Ukraine and the Family Visa route. Now maximising funding since under homeless service control • Commissioned service with Stepping Stones to support the ARAP and Afghan refugees with support and accommodation. Contract extended for 2nd year. • Afghan Bridging hotel impact - Any Afghan persons that have entered the UK on the ARAP and ACRS Scheme and currently in bridging hotels – circa – 8000 nationally, 1500 people in 7 hotels across the NW with 880 in GM hotels across Manchester and Stockport can present to any LA in the UK and therefore will be difficult to project numbers or have a planned approached for Bury - Funding - £35m national funding package, £9500 per person who presents to a LA - £28 per day for 6 months for support provided - Additional £7100 per household. • Home office fast track system - HO	meet demands until more appropriate emergency and permanent housing solutions found - this option is also limited considering B&B provision being used by other GM LA's within the Borough.

	scheme to speed up asylum decisions in their serco dispersed accommodation and pass duty to LA's. • Strategic migration meeting - monthly but lacking support and buy in by other services and partners.	

Appendix B – Risk Matrix

Quantitative Measure of Risk – Impact / Consequence Score

	Impact / Consequence score (severity levels) and examples of descriptors				
	1	**2**	**3**	**4**	**5**
AT RISK	**Very Low**	**Minor**	**Moderate**	**High**	**Severe**
EXAMPLES : NEW POLITICAL ARRANGEMENTS, POLITICAL PERSONALITIES, POLITICAL MAKE-UP					
POLITICAL Associated with the failure to deliver either local or central government policy or meet the local administrations manifest commitment	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.
EXAMPLES : COST OF LIVING, CHANGES IN INTEREST RATES, INFLATION, POVERTY INDICATORS					
ECONOMICAL Affecting the ability to meet financial commitments. These include budgetary pressures, the failure to purchase adequate insurance cover, external macro level economic changes or proposed investment decisions	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.
EXAMPLES : STAFF LEVELS FROM AVAILABLE WORKFORCE, AGEING POPULATION, HEALTH STATISTICS					
SOCIAL Relating to the effects of changes in demographic, residential or social economic trends on council' s ability to meet its objectives	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.

	Impact / Consequence score (severity levels) and examples of descriptors				
	1	**2**	**3**	**4**	**5**
AT RISK	**Very Low**	**Minor**	**Moderate**	**High**	**Severe**
TECHNOLOGICAL Associated with the capacity of the Council to deal with the pace/scale of technological change, or its ability to use technology to address changing demands. May also include consequences of internal technological failures on the Council' s ability to deliver its objectives	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.
EXAMPLES : HUMAN RIGHTS, TUPE REGULATIONS, DATA PROTECTION					
LEGISLATIVE/LEGAL Associated with current or potential changes in national or European law	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.
EXAMPLES : LAND USE, RECYCLING, POLLUTION, WASTE MANAGEMENT					
ENVIOROMENTAL Relating to the environmental consequences of progressing the council' s strategic objectives	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.

	Impact / Consequence score (severity levels) and examples of descriptors				
	1	**2**	**3**	**4**	**5**
AT RISK	**Very Low**	**Minor**	**Moderate**	**High**	**Severe**
EXAMPLES : STAFF RESTRUCTURE, CAPACITY, TRAINING, WORKFORCE NEEDS					
PROFESSIONAL / MANAGERIAL Associated with the particular nature of each profession, internal protocols and managerial abilities	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.
EXAMPLES : BUDGET OVERSPENDS, LEVEL OF COUNCIL TAX, LEVEL OF RESERVES					
FINANCIAL Associated with financial planning and control	Small Loss>£100 The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	Loss>£1,000 The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	Loss>£10,000 The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	Loss>£100,000 . The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	Loss>£1,000,000 The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.
EXAMPLES : SECURITY, ACCIDENTS, HEALTH & SAFETY, HAZARDS, FIRE					
PHYSICAL Related to fire, security, accident prevention and health and safety	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.

	Impact / Consequence score (severity levels) and examples of descriptors				
	1	**2**	**3**	**4**	**5**
AT RISK	**Very Low**	**Minor**	**Moderate**	**High**	**Severe**
EXAMPLES : CONTRACTOR FAILS TO DELIVER, PARTNERSHIP AGENCIS WITH CONFLICTING GOALS					
PARTNERSHIP/CONTACTUAL Associated with failure of contractors and partnership arrangements to deliver services or products to the agreed costs and specification	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.
EXAMPLES : STANDARDS NOT MET, ACCREDITATION,					
COMPETITIVE Affecting the competitiveness of the service (in terms of cost or quality) and /or its ability to deliver best value	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.
EXAMPLES : MANAGING EXPECTATIONS, COMPLAINTS, CONSULTATION, COMMUNICATION EXTERNALLY					
CUSTOMER/CITIZEN Associated with failure to meet the current and changing needs and expectations of customers and citizens	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.

Qualitative measure of risk – Likelihood Score

Descriptor	**1**	**2**	**3**	**4**	**5**
	Rare	**Unlikely**	**Possible**	**Likely**	**Almost certain**
Frequency Time framed descriptors	Not expected to occur for years	Expected to occur annually	Expected to occur monthly	Expected to occur weekly	Expected to occur daily
Frequency Broad descriptors	Will only occur in exceptional circumstances	Unlikely to occur	Reasonable chance of occurring	Likely to occur	More likely to occur than not occur
Probability	1-9% chance	10-24% chance	25-50% chance	51-80% chance	81% or higher

Quantification of the Risk – Risk Rating Matrix

			Likelihood				
			1	**2**	**3**	**4**	**5**
			Rare	**Unlikely**	**Possible**	**Likely**	**Almost certain**
Impact / Consequence	**5**	**Severe**	5	10	15	20	25
	4	**High**	4	8	12	16	20
	3	**Moderate**	3	6	9	12	15
	2	**Minor**	2	4	6	8	10
	1	**Very Low**	1	2	3	4	5

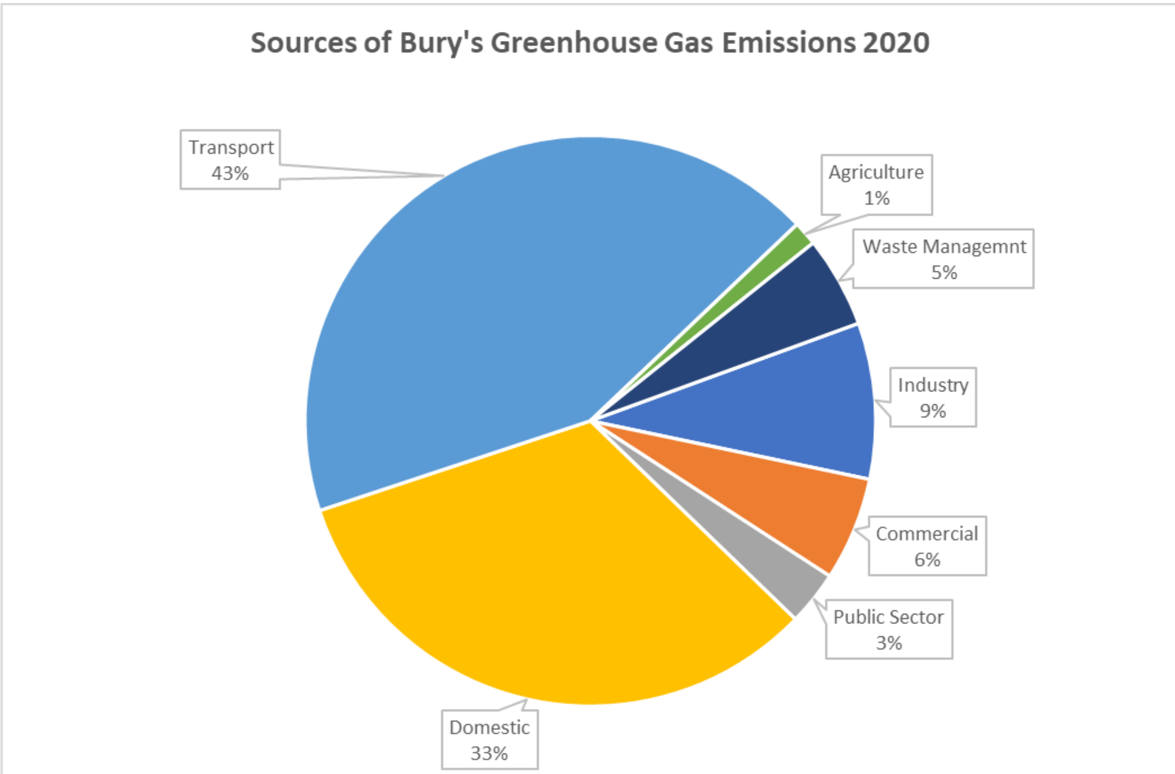
REPORT FOR AUDIT COMMITTEE			
To:	**Audit Committee**		
Contact Officer:	**Assistant Director of Operations Strategy**		
Risk Reference:	**CR6**		
Risk Description:	**Climate Change**		
Reason for Briefing Note:	**Information** ☐	**Analysis & Discussion** ☒	**Decision** ☐

1. **Context**

In 2019 Bury Council declared a Climate Emergency and went on to set a target to be carbon neutral by 2038.

Latest figures available from the Government indicate that Bury's total carbon emissions for 2020 were 838 ktCO_2e and the proportional sources of these emissions are shown in Chart 1 below. To get to carbon neutrality the Council needs to drastically reduce emissions, and this means specifically targeting our main sources which are transport and domestic energy use.

Chart 1



To set out what the transition to carbon neutrality might look like, the council worked with Energy Systems Catapult to produce a Local Area Energy Plan (LAEP) in 2022.

This plan indicates that to reach carbon neutrality we will have to:

- Retrofit insulation and energy efficiency measures in up to 76,000 houses.
- Install up to 75,000 heat pumps in Bury's private and public sector housing stock.
- Provide heat networks to provide decarbonised heat in areas with closer density of housing (approximately 12,000 houses).
- Install solar PV on much of the roof space across the borough and ground mounted systems where feasible.

- Provide EV (Electric Vehicle) charging infrastructure for 90,000 local EV's which will require 65,000 domestic EV chargers in houses with off-street parking and numerous public charging hubs for those who do not.

The LAEP (Local Area Energy Plan) document estimates that this transition requires a total energy system and building level investment of £3.5bn.

Recent research by GMCA (Greater Manchester Combined Authority) has shown that the city region is currently 9.9MTCO_2e above our carbon budget for the period of 2015-2019 and on our current trajectory our carbon budget will expire in 2025. This indicates that we will require a significant step change in activity by everyone (not just public bodies) if we are to get back on track to meet our targets.

It is extremely unlikely, verging on impossible that we will stay within our carbon budget, and we need to be aware that there is a significant amount of climate change that will still take place no matter how much we reduce our carbon emissions in the future. This will bring warmer and wetter weather and we need to start adapting and preparing for this now.

The degree of change required from our residents, businesses and infrastructure is huge and presents a major challenge to all councils, Government and those agencies that influence our communities.

In 2019 GMCA produced a 5-year Environment Plan for Greater Manchester 2019-2024, which described how Greater Manchester will progress towards a 2038 carbon neutral target. To align with this and to take a strategic planned approach to this challenge in Bury, we developed and published our own Climate Action Strategy and Climate Action Plan in 2021. We then refreshed our Climate Action Plan in 2023 to reflect progress and detail areas for further attention.

To help mobilise all sectors of our communities we have set up a Climate Action Board with membership from key partners including representatives from Team Bury, our business community, Bury's youth parliament and community groups.

2. Key Potential Impacts

The most significant risk is that the Council fails to meet the 2038 carbon neutral target. The risks that could lead to this outcome are detailed below:

2.1 General Community Risks

- The necessary transition will require funding, and this presents one of the most significant risks if funding and investment are not forthcoming from either Government or private industry.
- Moving our communities to electric focused heat involves changes to building fabric and internal heating systems (e.g., changes to doors, windows, larger radiators, and improved controls). These changes come with costs (heat pumps are more expensive to install than gas boilers) and works are often more disruptive. It is vital therefore that Government works with local business, local authorities, and other relevant stakeholders to provide suitable incentives to encourage this change. Without these incentives the necessary transition will not be achieved.
- Meeting our 2038 carbon neutral target requires change in a challenging timescale and to ensure this happens we need to urgently scale up and develop skills and supply chains in the low carbon/energy efficiency sector. Again, this requires investment to stimulate the market to increase local demand for carbon neutral goods and services. If the local supply chain and skills are not developed the progress to decarbonisation will be slowed. There is also the major risk that the borough's business sector will not be able to take advantage of the economic opportunities that a decarbonised society presents.
- Without changes to national policy, wider energy market reforms or the introduction of suitable support mechanisms, energy bills are forecasted to increase, mainly because heating buildings using electricity can be more expensive than using gas. If the Government fails to address this matter, we could see an increase in financial hardship within our communities, impacting both residents and businesses.
- Schemes to encourage the installation of carbon neutral measures must be targeted at those most in need to ensure their properties are fit for the future with energy bills that are as low as possible. Without this there is a further risk of financial hardship to our vulnerable residents which will worsen existing inequalities in our communities.

- In addition to decarbonising properties, we will also need to move people away from private car use towards more active travel and use of public/shared transport options. Unfortunately, people are very attached to their cars, and most have built their lives around using a private vehicle. We have also seen local opposition to some active travel infrastructure schemes eg the new Cyclops junction outside the Town Hall and some of the Low Traffic Neighbourhoods. This change is clearly a huge challenge, and it is essential that we work with our communities to ensure they are ready to accept these changes and that the changes suit their lifestyles. This careful approach to transition will require adequate officer and financial resource.
- All heavier vehicles within our communities will also need to move to a carbon neutral solution. However, zero carbon vehicles available now are prohibitively expensive. Currently, there are not financially viable zero carbon options for the heavier vehicles on our roads. It is expected that hydrogen may provide a solution, but this requires suitable fuelling infrastructure and for the technology to become more accessible and affordable. Until a suitable financially viable option is available for heavier vehicles, there is a risk that some of our local businesses will not be able to decarbonise their fleets.
- We are already experiencing climate change, and our communities are and will continue to be subject to more extremes of hot and cold weather and more extreme weather events. The Boxing Day floods of 2015 demonstrate the level of damage and disruption that such events can inflict on our infrastructure and on the health of our residents. We have an Emergency Plan and various systems in place for tackling extreme heat and cold, but it is important that we systematically address all the risks that the projected change in climate will bring over the next 10–20 years. Due to limited officer and financial resource, there has been very little progress on this area of work so far and it is vital that this is stepped up. Looking at climate adaptation and resilience is a priority for this year. If we do not plan for Climate Change and take action, we will fail to protect the health and wellbeing of our communities.

2.2 Council specific Risks

2.2.1. Officer resources

- The council currently has a very limited officer resource to drive the climate change agenda across the council. There are currently 2FTEs (1x Climate Change officer and 1x Climate Action Intern) both on temporary contracts. There is a limit to what these officers can achieve, and their lack of job security creates issues around retention and the potential to lose their acquired knowledge and expertise. We will continue to explore opportunities for funding to enable the posts to be made permanent in the future.
- Encouraging active travel is an essential part of our carbon neutral transition as it brings health benefits as well as environmental benefits. Moving our residents and businesses away from the car is a significant challenge in a society that has developed and prioritised car use for many years. To tackle this difficult issue, Bury Council have 1FTE Move More Officer on a temporary contract. Again, there is limit to what 1FTE can achieve and the temporary contract causes issues with officer retention. Options to enable the post to be made permanent will continue to be explored.
- Our Local Area Energy Plan shows that we need to retrofit improved insulation in 76,000 houses and install heat pumps in 75,000 houses before 2038. This is a huge challenge and work towards these targets needs to be progressing now. Most of our housing is privately owned and therefore the council have a significant role to play in helping residents to achieve this level of change. We have mentioned above that this requires Government and industry to provide sufficient investment along with suitable incentives. However, the council will need sufficient officer resource to help and encourage our residents to access any funding and also to administer any locally based schemes.
- Without sufficient permanent Climate Action roles there is a real risk that the council will fail to deliver sufficient progress and generate adequate momentum in our communities to make sufficient progress and achieve our target.

2.2.2. Council Property and Activities

- It is important that the council decarbonises our own estate and that we make progress towards our target. This will also help to stimulate the local low carbon supply chain and set an example to our communities. Decarbonisation currently means replacing our gas boilers with heat pumps. However, heat pumps are considerably more expensive than gas boilers and can also require additional work such as replacing radiators. This additional cost makes the business case very challenging which can make gaining approval difficult under current financial limitations. This challenge creates a risk that Bury Council will not be able to justify the additional expense of decarbonisation options, and this will severely limit progress.

- There are opportunities for Bury council to influence regeneration projects either directly where we are project owners or indirectly where we have some leverage or a part stake in the development. Most regeneration schemes rely on Government funding and the mechanisms for awarding this funding demand that schemes meet specific "value for money" requirements. Unfortunately, many of these regeneration sites are on brownfield land and have challenges that generate additional costs and therefore impact on viability. It therefore becomes very difficult, if not impossible, to also add ambitious decarbonisation measures to the project and keep within the set "value for money" criteria. Consequently, some residential schemes, for example in the Radcliffe Regeneration Project, will be built with gas boilers. To reach our 2038 target these boilers, and probably their radiators, will all need to be replaced within the next 15 years.
- All council vehicles will need to be decarbonised by 2038. This process has already commenced with the replacement of some diesel vans with equivalent electric vehicles. However, as mentioned in the "General Community Risks" zero carbon solutions for larger vehicles such as refuse collection vehicles are prohibitively expensive. Currently, there are not financially viable zero carbon options for the heavier vehicles in our fleet. It is expected that hydrogen may provide a solution, but this requires suitable fuelling infrastructure and for the technology to become more accessible and affordable. Until a suitable financially viable option is available for heavier vehicles, there is a risk that we will not be able to decarbonise the entire vehicle fleet.

3. <u>Current Controls</u>

The Council, along with our Team Bury partners, have made a good level of progress so far and created a foundation to generate and mobilise activity across the community. Significant actions are described below:

- We have published our Climate Action Strategy and Action Plan which describes our strategic planned approach to addressing climate change in Bury.
- We have established a Climate Action Board which is part of the Team Bury structure with representatives from key partners and our community.
- The Council's Greenhouse Gas Emissions Report for 2021/22 shows the Council has reduced greenhouse gas emissions by 63% since 2008/09.
- The Council awarded £100k of community action funding to 12 community groups and most projects are now completed.
- Successful bid from Six Town Housing (STH) and the Council to decarbonise 200 properties on the Chesham Estate in Bury.
- 70% of council vehicles are now replaced with low emission vehicles and the remaining 30% are on order including, 19 small tippers, 5 small Luton vans, 2 RCV's, 1 Ranger pick-up, HGV tipper and 11 electric vans (there will be 15 in total).
- Infrastructure for charging electric vans installed at Bradley Fold and Bury Cemetery.
- Public sector Decarbonisation Funding awarded to Bury and used to decarbonise several council buildings - completed June 2022.
- 2x Business climate events hosted.
- Schools' Climate Event took place 7th July 2022.
- E-Car Club Pilot operating from Prestwich and Bury.
- Procurement of an Electric Vehicle Charging Infrastructure provider to deliver charge points in many of our council car parks free of charge.
- Carbon literacy course made mandatory for council employees and 750 staff have completed.
- Internal communications campaign was delivered to highlight energy saving opportunities within corporate buildings.
- Team Bury Away day used to raise awareness re: current Team Bury actions and to inspire more accelerated actions across our partners and communities.

4. Planned Actions

Planned actions/priorities for 2023/24 are listed below:

- 23 council assets and schools put forward to receive GMCA funded consultancy support to assess the feasibility of solar PV. It is anticipated that this will lead to a number of significant solar PV installations that will both reduce the carbon footprint and the demand on grid electricity from the schools.
- 7 council assets and schools to receive decarbonisation feasibility studies with GMCA funding. These will present business cases for the work required so that the council and schools can consider how best to approach this.
- Street lighting column replacement and LED replacement programme to reduce the electricity use and carbon footprint of our streetlighting.
- Produce the annual Greenhouse Gas Report for the council so that we can monitor our progress towards decarbonisation and highlight areas where more focussed action is required.
- Utilise £2 million of CRTS and LEVI (Local Electric Vehicle Infrastructure) funding to significantly increase public Electric Vehicle charge point infrastructure to increase charging infrastructure by 100%. This will help to encourage our communities to make the transition to electric vehicles.
- Deliver energy efficiency measures to 80 low-income households using ECO4 grants to reduce the carbon footprint of these houses and to help protect low-income occupants from rising energy prices.
- Publish the case study report and video to demonstrate the outcomes of our Community Climate Action Fund.
- Improve community engagement using dynamic multi-channel communications to engage with all sections of our communities. Raising awareness and encouraging action will help to build momentum to achieve the level of behaviour change that is needed in our communities.
- Integration of 15 Electric Vehicles into the Council fleet to move towards the decarbonisation of council operations.
- Incorporate single use plastic into the procurement policy to reduce both the amount of waste produced by the council and the carbon cost of dealing with this waste.
- Continue the promotion of the mandatory Climate Change e-learning and provide means for those without easy access to a computer to undertake the training.
- Produce the annual update of the Climate Action Plan to maintain a relevant document, monitor progress and highlight areas for more focussed action.
- Commence climate adaptation and resilience planning to progress the council's preparedness for expected changes in climate and resulting potential health impacts in our communities.
- Continue to look for opportunities to use Government PSDS (Public Sector Decarbonisation Scheme) funding to further progress the decarbonisation of council assets.
- Secure permanent employment contracts for the existing officer resource delivering Climate Action and Active Travel functions to demonstrate the council commitment to this agenda and to help with officer retention.
- Secure in-house Mechanical and Electrical Engineer resource to help generate and deliver decarbonisation projects for our assets.
- Deliver Social Housing Decarbonisation Fund Wave 2 project to progress decarbonisation of a further 200 properties on the Chesham Estate.
- Deliver another School's Climate Change event to engage our young people to ensure their voices are heard and we take onboard their thoughts and ideas.
- Expand the existing number of Schools Streets to encourage walking and cycling to school and to reduce the number of car miles covered by the "school run". This will improve air quality and reduce carbon emissions.

Report to	**Audit Committee**
From	**Head of Homelessness & Housing Options**
Risk Reference	**CR28**
Risk Description	**Asylum & Immigration**
Recommendation	**For analysis and discussion**

Context

Bury has a long history of supporting and welcoming Asylum seekers, immigrants and refugees into the Borough and this commitment remains.

The past restructure of the Homelessness and Housing options service has focused delivery on statutory and non-statutory provision to work smarter and align resources, teams and staffing to be more efficient and effective which has enabled capacity and reinforces the continued commitment within Bury to Asylum and migration.

The development of our place-based approach and the Councils Let Do It! Strategy and how we align Council services locally to target and focus support and deliver services better to this community within Bury.

This commitment is demonstrated with joined up services and support provided to ensure all asylum seekers, immigrants and refugees, either singles, couples or families receive the required support and advice with well-developed pathways and access to services.

Unfortunately, over the past 2 years and since the service restructure there has been further significant external influences on migration with greater demand within the Borough due to the changing Government and Home office approach to asylum and immigration nationally and across the region and Greater Manchester, that is out of our control but will require greater resource and capacity locally.

Current Position

- One manager plus temporary asylum and immigration coordinator post to manage day to day migration demands and outcomes.
- Regional Transitional Outcome Fund (RTOF) – GM external funding to support asylum seekers within the Borough – commissioned service until March 24.
- Lack of staffing capacity to meet projected numbers and demand.
- Lack of affordable and social housing to meet increasing demand.
- Homelessness – numbers increasing due to the cost-of-living impact in addition to increasing migration demands within the Borough
- Circa 440 asylum seekers in Serco / Home office accommodation within the Borough using circa 150 PRS properties. Projected to increased by 100% to 970. High percentage will access homelessness services following Home office asylum decision – either negative or positive decisions.
- Ukrainian crisis – 107 refugees and 62 hosts within the Borough. Permanently rehoused 4 refugee families and families currently placed in statutory temporary accommodation. Refugee crisis ongoing with no conclusion – no longer a temporary / emergency situation with host arrangements ending with the risk of no alternative accommodation that affordable or sustainable.
- Home office fast track system to determine immigration status – projected 70 new cases within Bury over the next 3 months in addition to existing numbers.
- Afghan Bridging Hotels – 8000 refugees nationally, 1500 in the NW with 880 in GM – hotel arrangements to end by Aug 2023 – numbers unknown but could be significant as families can present to any LA, therefore difficult to project, plan and manage.

- Government changes to Housing and Homelessness legislation to provide Afghan and Ukrainian refugees and asylum seekers full access to social housing and LA duty.
- Migration funding streams available but due to unaffordable PRS and lack of affordable and social housing within the Borough this will not provide quick solutions to the demand or quickly increase affordable housing.
- Need future strategy to help mitigate risks and demands on the Local Authority

Key Potential Impacts

All the new Home Office initiatives below are key impacts:-

- Afghan Refugee crisis
- Ukrainian Refugee Crisis
- Home office new dispersal and resettlement programme – now compulsory
- Home office fast track programme
- Closure of Afghan bridging hotels by August 2023.

All the above factors have and are projected to increase asylum and immigration within the Borough.

See embedded recent papers to evidence the work, scope and provide greater detail to further explain and demonstrate the complexities and the continual changing landscape and priorities of asylum and immigration that are generally out of our control and the wider impact projected across the region, GM and Bury.

June 2023 Joint letter WLT 14 June GMCA_Afghan hotel Bury briefing note Operational Decision
to SoS - Afghan Asylu2023_Asylum and refclosures 26 May 23_vtemplate - Item 11 - CForm -Homes for Ukr

The Borough already supports the Home office Afghan Relocations and Assistance Programme (ARAP) with Bury voluntarily pledging 10 properties in the Private rented sector (PRS) to support 30 / 40 Afghan refugees, which has been successfully delivered via a commissioned provider.

The Ukrainian refugee crisis - due to the Russian invasion we saw 165 refugees arrive in Bury between 1/3/22 to 31/12/22 via the Homes for Ukraine scheme. We currently have 107 refugees accommodated with 62 hosts across Bury. This number constantly changes, including the dynamics due to host arrangement ending. The challenge is then finding new hosts with interim temporary accommodation for these families until new hosts can be found. Bury has also been impacted by the family visa scheme which is also open to Ukrainian refugees, we have already re-settled 6 families into permanent accommodation including providing emergency temporary accommodation through statutory services at a time when wider homelessness pressures have and are continuing to increase due to the cost of living crisis.

The new Home office dispersal and resettlement programme which is no longer voluntary for LA's to support and now compulsory for all Local Authorities. Bury and GM LA's have always supported asylum and immigration resettlement within their Boroughs. At present the Home office via Serco their emergency accommodation provider in the NW currently have 440 asylum seekers placed in circa 150 dispersed properties within the private rented sector in Bury. A high percentage of this co-hort eventually come through our statutory homeless services with only 28 days' notice via existing developed pathways with Serco once the Home office have made their asylum decisions.

April 21 to March 22 – 70 cases presented to the service for support with 20 families owed a duty and placed into temporary accommodation. April 22 to March 23 – 132 families presented to the service with 42 owed a duty and placed into our statutory temporary accommodation awaiting permanent housing solutions. This is an increase of 100% in the number of cases over a 12 month period and projected to increase further over the next 12 months.

Asylum seekers with negative decisions are also evicted from Home office temporary accommodation with no planned or managed pathways to repatriate failed asylum seekers back to their Country, therefore this co-hort end up street homeless and rough sleeping with No Recourse to Public Funds (NRPF). Bury support these people and cost via our non-statutory provision such as ABEN (a bed every night) our rough sleeper support and accommodation service. The Home office's current intention in meeting their asylum pressures are to achieve 1:200 cluster limits across all LA's which means in Bury that the numbers could potentially increase from 440 at present to 970 over the next 12 months. This will add further pressures on our already small and expensive private sector due to market forces with simply supply and demand factors. The extra properties procured in our PRS by Serco will result in rent increases and greater affordability issues and will limit the Authorities scope and intention to greater access the PRS to meet our wider homelessness demands and increase capacity.

We currently have 3 former asylum seekers placed in ABEN due to the risk of rough sleeping because they were evicted from Home office accommodation. In the past 12 months we have had 17 individuals accessing this service and some with no recourse or restricted access to public funds and therefore no income or benefit support.

The Home office fast track scheme – this new scheme is intended to create capacity within the Home office dispersed accommodation portfolio to reduce their backlog of asylum decisions and pass duty and responsibility to LA's following their asylum decisions. The process is flawed as the intention is simply to move people and families out of their emergency and temporary accommodation without a robust assessment. At present the projected number for Bury is circa an additional 70 people extra to the normal numbers coming through the existing dispersed accommodation pathways from Serco and the Home office.

The recent Home Office programme to close all Afghan Bridging hotels by August 2023 will add further pressure to the service and the Local Authority but numbers will be hard to predict and then manage due to the way this programme is being implemented by the Home office but the numbers could be significant across GM and Bury considering there are 8000 nationally in hotels, 1500 in the NW and 880 in GM alone.

Unfortunately, Bury has not been selected by DLUHC to access the new Local Authority Housing Fund (LAHF 1 & 2), which is aimed at sourcing accommodation for larger families and would require 60% capital match funding by the Council to purchase properties. Bury has voluntary signed up to the 'Find Your Own Accommodation protocol & pathway' aligned with all the other nine GM LA's. This is a scheme to try and move people and families into the PRS across the region to reduce pressures on social housing and homelessness services. The potential issue in Bury is that our PRS is small but extremely unaffordable and its likely that any of these arrangements would not be sustainable and will eventually add further pressure on our homelessness services and social housing stock. This scheme again will be hard to manage due to the unknown impact and numbers that may want to settle in Bury but considering there are 880 in GM alone, again this could be significant. Another factor only recently highlighted is that the Local Authorities that will benefit from the LAHF funding could source accommodation in other Boroughs and the scope of procuring properties is not limited to their own Boroughs. The funding is based on median property values within a Borough, therefore some LA's may take the opportunity to procure properties in other Boroughs were property prices are cheaper which may then add further pressures to the host Authority and services.

Uncontrollable and unmanageable numbers via the Home office - Unable to meet statutory homelessness duty due to staffing capacity but also the lack of emergency temp and permanent accommodation options when factoring in other homelessness pressures such as the cost of living crisis.

The risks are significant if we do not have capacity to meet these demands, and ultimately, we could have increased street homelessness due to the lack of temporary and permanent accommodation.

Capacity is also key from a staffing perspective to manage and prevent this situation but also provide the required support to the families to integrate within our communities with partnership working with key stakeholders across sectors especially the voluntary sector also being a key objective.

An important factor is the ability to source new and extra affordable accommodation to help prevent but also reduce the pressure and impact on our homelessness services, therefore a risk being unable to meet our statutory duty because DLUHC has changed housing and homelessness legislation to ensure this co-hort are protected under existing homelessness and housing legislation and the responsibility and duty of Local Authorities to provide.

Current Controls

- Partnership working with GMCA and NW RSMP to robustly and collectively feedback to the Home office on their new dispersal and resettlement scheme to help ensure numbers placed in GM and Bury are realistic and can be achieved over the next 12 months.
- Development of the Private rented sector to maximise accommodation opportunities. New incentive scheme developed with identified funding.
- New DLUHC match funded PRS Development coordinator role to create capacity to prevent evictions in the PRS with landlord support + develop better relationships with PRS landlords to create greater access to properties.
- Empty Homes Officer to deliver the new empty homes strategy that has identified 1000+ long terms voids in the private sector to target for homelessness & social housing applicants – incentivisation scheme for landlords.
- Maximising and exploring all opportunities with the 20+ registered social landlord providers in the Borough to ensure all new developments supported by the Council or wider that they provide either social or affordable housing that's accessible for homelessness inc. asylum seekers / refugees within those new developments to assist with demand.
- Reviewing the allocations policy to include a common housing register to gain greater access to all social housing across the Borough not just the Council. Appointed / commissioned Housing Quality Network (HQN) to carry out the independent policy review by Nov / Dec 23.
- Co-delivery of the new Homelessness Strategy with Bury Homeless partnership.
- Existing pathways with Serco / Home Office emergency accommodation within the Borough and the Council homelessness team to manage and meet statutory provision and accommodation.
- Existing pathways for non-statutory provision for asylum seekers evicted from Home office accommodation into Council provision such as ABEN.
- Internal Ukrainian operational partnership meeting to support refugees via the Homes for Ukraine and the Family Visa route. Maximising funding now under homeless service control and governance.
- Commissioned service with Stepping Stones to support the ARAP and Afghan refugees with support and accommodation for 3 years.
- Signed up to the 'Find your own accommodation' scheme in the PRS for Afghan refugees from bridging hotels. Funding - £35m national funding package, £9500 per person who presents to a LA - £28 per day for 6 months for support provided - Additional £7100 per household.
- Internal Strategic Migration meeting for all Council services to align.
- External Operational Migration partnership meeting with all relevant stakeholders.

- Management of the external funding streams to maximise all opportunities to increase capacity both accommodation and staffing / resources.

Planned Actions

- Steering group – timescales to have new allocations policy with common housing register by November 2023 with a new Choice based lettings system by April 24.
- ELA partnership: GMCA 'Let Us' - Needs refreshing with targets & outcomes but capacity to deliver.
- New social housing strategy for the Borough to complement the Homelessness Strategy - process and approach to be agreed.
- Increase homelessness staffing levels and capacity to meet support demands and increased numbers aligned to external ring-fenced funding.
- Maximise Asylum & Immigration external funding streams - future business case to increase migration staffing capacity to provide support to successfully integrate within our communities and promote partnership working to increase capacity to explore all accommodation options and maximise the external Home office and DLUHC funding.
- Explore all opportunities to increase emergency & permanent accommodation - Social, affordable & PRS. Develop future strategy with timescales and outcomes to support operational delivery. i.e. – the return of 16 properties leased to Serco by Irwell Valley for permanent asylum use.
- Change in Council policy - use of B&B to mitigate risk of not meeting homelessness duty and demands until more appropriate emergency and permanent housing solutions are found - limitations due B&B provision being used by other GM LA's within the Borough.
- Develop and create capacity to provide support and community integration to work in partnership across all sectors in Bury such as the voluntary, faith, private and public sectors to explore and maximise all opportunities to increase accommodation provision both temporary and permanent with support by all public services such as Education, adults, childrens etc. This will need Council wide commitment and support by all services.

Report to	**Audit Committee**
From	**Director of Education and Skills**
Risk Reference	**CR21 – Project Safety Valve**
Recommendation	**For analysis and discussion**

Key Potential Impacts

- Risk of Bury Council being withdrawn from Project Safety Valve (PSV) due to increased activity and not being able to eradicate the deficit on the DSG (Dedicated Schools Grant) resulting in a loss of £6m of additional funding and the need to use reserves to pay the remaining of the DSG deficit, when the national dispensation ends.
- Increase in levels of need post Covid and 63% increase in new EHCP assessments mean that the eradication of the deficit will not be achieved within the agreed timescale due to the demand compounded by the continued lack of SEND sufficiency in Borough and the continued need for out of borough places.
- The latest PSV modelling is that despite £6.3m savings achieved in 2022/23, the closing deficit balance was £18.601m.
- There has been joint working across the Council, however modelling including reduced demand through the implementation of a number of strategies including the graduated approach still leaves a deficit on the DSG beyond the original timeframe of the end of 2024/25. Current modelling identifies that the historic deficit will be clear by 2028/29.
- Special educational needs and disabilities improvement adversely impacted by the challenges in regard to the safety valve agreement leading to escalation of complaints.
- Challenges in regard to the special educational needs and disabilities improvement journey result in a poor Local Area SEND inspection.

We remain focused on the original conditions of Project Safety Valve, as agreed with the Department for Education. Despite positive service improvements, in 2022/23 there was an increase in out of borough placements and EHCPs in mainstream schools. Bury was the fifth highest Local Authority for the issuing of EHCP plans and now has the 21st highest proportion of EHCPs per capita and has the 18th highest per capita spend. This is unsustainable and without urgent activity to ensure need is identified and met earlier, spend will continue to escalate and present significant challenges to the DSG deficit eradication.

Background

In January 2021 Bury Council entered into a formal agreement with the DfE on Project Safety Valve to improve SEND services and the experiences and outcomes for children, young people and their families with identified Special Educational Needs and Disabilities and an agreement to eradicate the High Needs Block Deficit by 2024/25.

There are five conditions against which progress and performance are measured in quarterly reports to the DfE:

- Strengthen Special Education Needs assessment and placement process

- Ensure robust planning for future provision, including reducing the use of independent school placements by increasing the availability and suitability of local provision within Bury. This should include developing a model for forecasting future demand.
- Improve quality and timeliness of management information to enable evaluation of impact of central services.
- Support and drive schools in Bury to meet a higher level of need in a more cost effective way within mainstream settings, while maintaining the quality of provision. Develop a culture in which demand is more effectively managed throughout the authority
- Remodel financial practice to ensure accurate contributions from appropriate funding sources

Bury has undertaken extensive work in repairing and rebuilding SEND within the borough in the last two years as part of the Safety Valve programme, this has included rebuilding the Education Health and Care Plan (EHCP) team, reworking the EHCP process and launching a graduated approach. In addition there has been extensive work to reduce the cost of provision in borough and there continues to be work on improving sufficiency in Bury. During this period, the council also reviewed its use of the High Needs Block

All of this has had an impact and is ensuring the deficit hasn't risen but this is against a backdrop of unprecedented demand. The original Safety Valve modelling from the start of the programme did not foresee this, but rather anticipated little or no growth. This has been proved to be wrong and has resulted in a necessary change in the deficit reduction profile. The plan has been updated and now embodies our learning from the past two years and our journey in reforming the local SEND system. With the benefit of hindsight, it is clear that the scale of the need to change the culture in Bury was underestimated. Bury was very slow to adopt the SEN reforms and the 2014 Code of Practice and in its 2017 Local Area SEND inspection and in the re-visit in 2019 was issued with a written statement of action. There has been a number of changes in strategic leadership within Bury's Children Services. When Bury entered the Safety Valve Agreement, Bury was paying more for every type of SEND place than national comparator.

Recently published SEN2 data reinforces this as it shows the significant improvements in our EHCP process, timeliness and compliance rates, while also highlighting the severe demand pressures within the local area.

The council and partnership now have the building blocks for reducing demand – a rigorous assessment process, a graduated approach in schools and are also refocusing our efforts in developing multi-agency early years and early help services with health partners to address need earlier in a child's life, but, as the modelling makes plain, numbers of EHCPs will continue to rise until 2026/27. Through this period we will continue to reduce the deficit through our other activities around reducing cost, improving processes and reducing use of independent schools through improving sufficiency in the borough. However, this should not distract from the essential context: the need to change the local culture around EHCPs with our partners, and building the confidence of local parents. This will remain a key focus for the council's political and officer leadership teams and for those of key partner organisations.

In terms of local capacity to meet local need there is a clear deficit between the demand for specialist school places and local maintained special school capacity. This is leading to much higher-than-average numbers of children being placed in non-maintained independent special schools. This has substantial cost implications for the local SEND system. It also means that children are often travelling outside of Bury for their education.

Strategy

Strategies for managing the pressure on the high needs block can be broken down into key strands:

- Reducing demand by identifying and meeting need earlier hence impacting on a more positive experience and outcomes
- Maximising income and ensuring tripartite funding in joint commissioning
- Reviewing and ensuring the Dedicated Schools Grant and high needs block is used appropriately
- Finance strategy focused on best value for all SEND places
- Ensuring robust processes in place for EHCP including review of panel and processes

Over the last two years Bury has had more success in maximising income; reducing unit costs; reviewing the use of the DSG and Bury now has strengthened EHCP process and has recently increased management oversight and has strengthened the panel and decision making process.

Positive progress in regard to tripartite funding on individual packages and a tripartite agreement to joint commissioning has resulted in an increased contribution from the NHS. Bury has thoroughly reviewed the use of the DSG and has disestablished services including the Curriculum Languages Access Service which had been funded from the DSG. We are confident that all spending is now appropriate.

In its finance strategy Bury has made good progress by introducing mainstream EHCP banding in 2022; reviewing the inclusion hubs in 2022; reviewing special school top up values.

However the aspect of our SEND strategy and Safety Valve Agreement that has been most challenging has been reducing demand. We co-produced and launched the Graduated Approach and have launched the ordinarily available provision in Early Years; we strengthened the SENCo networks and provided in-reach training opportunities.

Current controls

Since February 2023 there has been enhanced internal project management capacity and close working between finance and the service. The Governance structure has been revised; terms of reference of the Project safety Valve Board have been strengthened and there have been three multi agency workshops. There have been weekly joint service meetings to ensure alignment between service activity and spend.

Since March 2023 the existing finance panel and EHCP panel has been strengthened with increased multi-agency membership including commissioning and finance.

An additional jointly commissioned fixed term senior post within children's commissioning has been created to enable a review of our commissioning approach to ensure joint partnership working and best value.

Since April 2023 there has been a focus on developing a partnership DSG management plan with clear demand modelling in place alongside finance activity. There has also been a need to re-work the workstreams and a revised project plan has been created with clear interdependencies outlined following significant input from corporate core.

Significant progress has continued with improving the EHCP process and working with parents and Bury2gether to continue to deliver an improved SEND service in Bury. An EHCP Team Manager started in August 2022 and the team has remained stable. This has enabled a greater focus on quality and co-production. Weekly reporting allows for a better understanding of the trajectory of demand to plan resources more effectively to deliver quality plans in a timely manner. The team have mapped out work and robust tracking has ensured improved compliance.

The implementation of the restructure of Children's Services Education and Early Help will support the safety valve agreement by strengthening the SEN support service to ensure that Bury has an increased offer to enable need to be identified and met earlier and to embed the Graduated Approach.

There has been continued commitment to the overall strategy of reviewing expenditure on the DSG; maximising income; reducing demand and implementing the financial strategy. There was a target of £3.3m of savings activity to be achieved in 2022/23 and £6.338m savings activity was achieved in year. Savings were achieved from reviewing expenditure in the DSG, in particular in regard to the education restructure and the disestablishment of the CLAS service and a review of the inclusion hubs. The Finance strategy has continued with a focus on EHCP banding; inclusion funding; special school banding; AP review. There is an ongoing strategy to increase sufficiency in Bury.

A key strand to the Safety Valve project is to increase sufficiency within the borough of Bury to reduce the need for expensive Out of Borough placements. Although significant progress has been made with the creation of Resource Provision places in primary and secondary schools across Bury, there have been ongoing delays with building work which will impact on timings. These places will specialise in Social Emotional and Mental Health (SEMH), Autism Spectrum Conditions (ASC) and Speech, Language and Communication Needs (SLCN) and will be phased in from September 2023 to match need. These places, alongside the creation of the Free Special Schools (2 agreed) will mean Bury will be less reliant on commissioning Independent Non-Maintained provision to meet the needs of pupils. This will have a real impact on the deficit plan as the cost of placing pupils in Independent Non-Maintained Schools is high. Figure 1 below shows the projected DSG deficit at July 2023.

Figure 1 - Summary DSG Position at July 2023

	Indicative						
	2023/24 Forecast £	**2024/25 Forecast** £	**2025/26 Forecast** £	**2026/27 Forecast** £	**2027/28 Forecast** £	**2028/29 Forecast** £	**2029/30 Forecast** £
HNB Expenditure	47,023,365	47,607,349	48,252,906	50,670,599	50,942,302	51,031,357	50,662,254
HNB Allocation (including recoupment, block transfers, clawbacks and Health contributions)	(47,129,755)	(48,480,016)	(51,870,784)	(53,303,276)	(54,778,742)	(54,298,472)	(55,863,794)
In Year DSG (Surplus) / Deficit	**(106,390)**	**(872,666)**	**(3,617,878)**	**(2,632,676)**	**(3,836,440)**	**(3,267,115)**	**(5,201,540)**
PSV Spend	800,126	419,300	0	0	0	0	0
PSV Income	(3,000,000)	(3,000,000)	0	0	0	0	0
Programme Safety Valve	**(2,199,874)**	**(2,580,700)**	**0**	**0**	**0**	**0**	**0**
In Year High Needs DSG Position including PSV	**(2,306,264)**	**(3,453,366)**	**(3,617,878)**	**(2,632,676)**	**(3,836,440)**	**(3,267,115)**	**(5,201,540)**
DSG Deficit B/F	18,600,523	16,758,259	13,304,893	9,687,015	7,054,338	3,217,899	(49,216)
DSG Deficit In Year (Other blocks) - projected	464,000						
DSG Deficit	**19,064,523**	**16,758,259**	**13,304,893**	**9,687,015**	**7,054,338**	**3,217,899**	**(49,216)**
Revised DSG Deficit after In Year and PSV Income	**16,758,259**	**13,304,893**	**9,687,015**	**7,054,338**	**3,217,899**	**(49,216)**	**(5,250,756)**

Planned actions

Work is continuing to further develop the finance deficit project plan through the reworking of the DSG management plan. There is an immediate need to reduce demand for EHCps through increased focus on earlier identification and meeting need more consistently at SEN support. Bury's SEND Graduated Approach Toolkit has been created and will now be embedded in the Local Offer. There is a rolling training programme, with the first set completed by the end of October 2023. The Graduated Approach will also be embedded in the induction of all education staff. To support delivery of the approach, Barnardo's has been commissioned to create a volunteer network in Bury to signpost professionals to the support available. This is an important step as the Approach is embedded and pupils are supported. Expected outcomes are:

- An increase in the number of pupils receiving SEN support.
- A decrease in the number of requests for EHCPs.

We expect to see a difference in the number of pupils receiving SEN support by July 2024.

We have reviewed all the workstreams and there is a focus on ensuring that Early Years pathways support early identification and intervention. Other enabling workstreams include a strengthening of the panel decision making and governance. Workstreams also include reviewing the funding of the pupil referral unit and a review of all commissioning arrangements for independent non maintained schools.

Within the plan there are actions to review all EHCP plans; a plan to focus on SEND support; implement the Education restructure with enhanced Outreach offer; embed the Graduated Approach toolkit; and review Bury's Education Psychology Offer. Please see a summary of the agreed workstreams below.

	Workstream	Purpose	Delivery Group
1	Early Years provision	Review early years offer and explore the impact this would have on our SEND cohort	Start Well (sub-group of CPSB)
2	Finance Panels (enabler for change)	Ensure stringent procedures and decision making processes are in place to agree any spend against the Dedicated Schools Grant (DSG)	PSV workstream
3	Review of current EHCPs and bandings (enabler for change)	Reviewing current banding descriptions and reviewing EHC plans against banding descriptions	PSV workstream
4a 4b	Out of Area Placements: Block commissioning Individual review	Address spend on out of area placements through a review of the commission to renegotiate new terms and individual review of young people to identify whether there is another provision in area that can meet their needs	PSV workstream
5	Joint commissioning arrangements (new commissions) (enabler for change)	Review of the commissioning arrangements for new commissions, ensuring robust systems and processes	PSV workstream
6	Graduated approach, SEND support & universal OAP	Earlier identification of need, earlier intervention resulting in less escalation of need to an EHCP and ensure increased amount of need met at SEN support	Existing SEND sub-group
7	Post-16	Stronger planning for adulthood and transitions so that more children and young people transfer from special provision to local mainstream college provision, and fewer young people staying out of borough post-16	Existing SEND sub-group
8	Alternative Provision (including section 19)	Design and implement commissioning model for AP; review AP placements commissioned for permanent exclusion, medical need and EHC assessments and ensure effective funding model considering school contributions	PSV workstream
9	School sufficiency	Ensuring sufficiency of high quality local provision in borough for children with SEND	PSV workstream
10	Sensory service review	Review sensory service to ensure cost efficient delivery of service	PSV workstream

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Bury Council

Classification:	Decision Type:
Open	Key

Report to:	Audit Council	**Date: 31st July 2023** **Date:** 13 September 2023
Subject:	Constitution Update Report	
Report of	Cabinet Member for Finance and Communities	

Summary

1. The Council's constitution was reviewed and updated during the municipal year 2020/21 and the last annual update report was presented at the 24 May 2023 Council meeting. As and when Council policies are reviewed and updated, amendments to the Constitution are required to align the policies.

Recommendation(s)

2. Members of the Council are asked to accept the proposed amendments to the authorised debt write-off thresholds set out in the report.

Introduction

3. The Constitution sets out how the Council operates; how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. The Council has a legal duty to publish an up-to-date Constitution and review regularly.

Background

4. A refresh of the Council Write-off Policy and Procedure (appended to this report) has been undertaken, the updated policy proposes uplifting the current authorised debt write-off thresholds that have been in place since 2004, as set out in the table below:

Value	Approval Required	Reported to
Up to £1,000	Responsible Budget Holder	Director
In excess of £1,000 but not more than £10,000	Responsible Director in consultation with the Chief Accountant	Section 151 Officer
In excess of £10,000 but not more than £50,000	Section 151 Officer in consultation with the Monitoring Officer	Relevant Cabinet Member
In excess of £50,000	Cabinet	

The proposals set out in the table above require amendments to the Council Constitution.

Sections to be Updated

5. The following sections of the Constitution require amending to align with the updated Council Write-off Policy and Procedure.

<u>Part 21 Section 7 – Officer Functions</u>
Appendix 1: Delegations to Specific Officers
Section 151 Officer
From:
13. The writing off of debts from £2,001 to £5,000

To:
13. The writing off of debts from £10,001 to £50,000

<u>Part 28 Section 7 – Financial Regulations</u>
4.7.3.5 The Statutory Officers: Chief Finance Officer
From:
(j) the writing-off of debts from £2,001 to £5,000 with the Head of Revenues and Benefits being authorised to write-off debts of less than £2,000

To:
(j) the writing-off of debts from £10,001 to £50,000, with Directors being authorised to write-off debts from £1,001 to £10,000 and budget holders up to £1,000.

4.7.6.4. Income
From:
The Chief Finance Officer is responsible for writing off irrecoverable debts from £2,001 to £5,000; with the Head of Revenues and Benefits writing off debts of less than £2,000; and with write-offs above £5,000 being subject to approval by the Cabinet.

To:
Budget Holders responsible for writing off irrecoverable debts up to £1,000; Directors responsible for writing off irrecoverable debts from £1,001 to £10,000; The Chief Finance Officer responsible for writing off irrecoverable debts from £10,001 to £50,000; and with write-offs above £50,000 being subject to approval by the Cabinet.

Report Author and Contact Details:

Name: Simon Peet
Position: Chief Accountant
Department: Corporate Finance
E-mail: s.peet@bury.gov.uk

Links with the Corporate Priorities:

6. An up-to-date Constitution will ensure decision are taken lawfully and in an open and transparent manner.

Equality Impact and Considerations:

7. An up-to-date Constitution will ensure decisions contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.

Environmental Impact and Considerations:

8. N/A

Assessment and Mitigation of Risk:

Risk / opportunity	**Mitigation**
Legal challenge	An up-to-date Constitution will ensure decisions are taken lawfully and in an open and transparent manner.

Legal Implications:

To be completed by the Council's Monitoring Officer.

9. Section 9P of the Local Government Act 2000 as amended sets out the duty of the Council to prepare and keep up to date its constitution as follows:

(1) A local authority must prepare and keep up to date a document (referred to in this section as its constitution) which contains—
- (a) a copy of the authority's standing orders for the time being,
- (b) a copy of the authority's code of conduct (if any) for the time being under section 28 of the Localism Act 2011,
- (c) such information as the Secretary of State may direct, and
- (d) such other information (if any) as the authority considers appropriate.

A local authority must ensure that copies of their constitution are available at their principal office for inspection by members of the public at all reasonable hours. A local authority must supply a copy of their constitution to any person who requests a copy and who pays to the authority such reasonable fee as the authority may determine. The Bury constitution is made available on our public website.

It is for the Monitoring Officer to monitor and review the operation of the constitution on an ongoing basis and where necessary bring forward amendments to Council.

Financial Implications:

10. There are no financial implications arising from this report.

Appendices:

Bury Write-off Policy and Procedure

Background papers:

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning

Bury Council write off policy and procedure

Contents

Introduction

The purpose of this document is to provide details of the policy for when debts will be considered for write off and procedures that will be followed in these circumstances.

It relates to officers within Bury Council and Six Town Housing when they are considering if it is inappropriate to continue to collect and enforce the recovery of Council Tax, Non-Domestic Rates (business rates), Sundry Debts, Housing Benefit Overpayments and Current and Former Tenant Arrears (Housing Rents).

This document was last reviewed in June 2023

Authority to make decisions

In accordance with Financial Regulations and delegated powers, at Executive on 22 September 2004 (min EX 380), it was resolved to recommend to Council, that the role of writing off irrecoverable debts is delegated to specified officers within Bury Council and Six Town Housing.

This recommendation was ratified by Council (Min C 573) on 3 November 2004.

This decision was reviewed in March 2021 and the authorised officers and write off threshold levels were updated.

Authorised officers

In respect of an individual debtor the following officers will be authorised to write off the following amounts of debt.

Value	Approval required	Reported to
Up to £1,000	Responsible Budget Holder	Director
In excess of £1,000 but not more than £10,000	Responsible Director in consultation with the Chief Accountant	Section 151 Officer
In excess of £10,000 but not more than £50,000	Section 151 Officer in consultation with the Monitoring Officer	Relevant Cabinet Member
In excess of £50,000	Cabinet	

Debts relating to individual debtors in excess of £50,000 will be reported to the Executive at regular intervals stating the name of the debtor, the period of debt, the amount of debt and the reason the debt is irrecoverable.

A Corporate Bad debt provision will be made and reviewed each year, with bad debts determined in accordance with audit guidance (detailed in policy under Bad Debt Provision) and write offs made against the appropriate provision. In the case of Sundry Debts, all debts to be submitted for write off will be advised to the relevant department to ensure that there is adequate bad debt provision to enable the write off.

In line with good accounting practice, write-off schedules should be prepared and submitted regularly. Schedules should be submitted for authorisation as a minimum quarterly but ideally monthly, and in good time to enable the accounts to be written off by the 31st March in any year.

General collection policy

It is Council policy to pursue the collection of all debts owed to the Council as vigorously as possible. Where it is appropriate that a debt is written off, a record will still be retained on file and should further information come to light that will enable recovery processes to be resumed, debts will be re-introduced, and recovery action taken.

It will also be appropriate for the Council to retain discretion in the pursuance of debts and working with the resident and/or debtor to link into any anti-poverty work being carried out directly or involving other agencies.

General write off policy – all debt types

It may necessary to write off irrecoverable debts in a variety of circumstances.

Policies specific to the individual departments are presented in the appendices.

Mandatory write offs

Although the amount of the debt would normally dictate the amount of time and resource allocated in trying to collect the various debts, in some of the circumstances the debt must be written off irrespective of the amounts involved.

Bankruptcy

Upon notification, a proof of debt will be completed covering all charges covered within the bankruptcy period and submitted to the trustee in bankruptcy. Once a claim has been issued the total debt will be submitted for write off.

The debt types as listed, rank as unsecured debts and in the very unlikely event of payment being received in full or part from the bankrupts' estate, this money will be credited back to the relevant account and the appropriate payment written back on.

If no Trustee in bankruptcy has been appointed a proof of debt should be sent to the official receiver

Voluntary Arrangements/Administration Orders

This is an alternative course of action for an individual wishing to avoid the restrictions placed by a bankruptcy order being made. It involves the debtor making an offer to all creditors, which is less than the full amount of the debt outstanding to be repaid over a period of time in full and final settlement. If 75% of creditors agree to the offer, an insolvency practitioner administers the Voluntary Arrangements with Administration Orders administered by the County Court.

Whilst these cases will be monitored periodically for payment, it is accepted as good accounting practice that after a period of 12 months if no payments have been received then the debt should be written off and written back on if any payments are later received. If payments are received in the initial 12 months then keep under review for 5 years or until the payments end and then if no further payments are received write off any remaining balance at the end of the 5 years.

Liquidation

This applies to Limited companies or PLC's (Public Limited Companies) and LLP'S (Limited Liability Partnerships)

Upon notification, a proof of debt will be completed covering all charges covered within the liquidation period and submitted to the liquidator. Once the final payment has been issued, the remaining debt will be submitted for write off.

Company Voluntary Arrangements

This course of action is an alternative course of action available to a company wishing to avoid the making of a winding up order. It involves the directors making an offer to all creditors, which is less than the full amount of the debt outstanding to be repaid over a period of time in full and final settlement. If 75% of creditors agree to the offer as an alternative to winding up proceedings, an insolvency practitioner administers the Voluntary Arrangements.

Whilst these cases will be monitored periodically for payment, it is accepted as good accounting practice that after a period of 12 months if no payments have been received then the debt should be written off and written back on if any payments are later received. If payments are received in the initial 12 months then keep under review for 5 years or until payments end and then if no further payments are received write off any remaining balance at the end of the 5 year period.

Administrative Receivership

This involves an individual being appointed by a lender, usually a bank, which holds a debenture as security over a floating charge over assets of the company, and usually takes effect where the company is in default of agreed lending terms.

It involves an insolvency practitioner taking control of the company in an attempt to sell it as a going concern. Although remaining in occupation, no action can be taken against the receivers appointed to enforce payment of previous or on going rate charges.

In Administrative Receivership cases the debt is only submitted for write off when the Council receives confirmation either that there is no dividend payable, or no prospect of a dividend to non- preferential debtors.

Debts where the debtor is deceased and the estate is insolvent

Where a debtor has died and the estate is insolvent, the debt will be recommended for write off provided that the Executor has produced a letter confirming that there are no assets from which to discharge any outstanding liability.

It is recommended that a probate search is carried out based on the size of the debt before a debt is requested for write off

Discretionary write offs

There will be instances where recovery cannot be enforced because:

- the debtor cannot be traced
- it is deemed inappropriate to recover the monies on the grounds that it is uneconomical to collect based on the value of the debt or on the grounds of an individual's personal circumstances.

Finalised accounts where no forwarding address is known

For any finalised account with a balance under £100, basic checks will be made of Council systems and known third parties such as solicitors or letting agents. But we will not undertake additional ad-hoc checks or issue further documentation. If after a 3-month period, a new address is not advised, the debt will be submitted for write off.

For any finalised account with a balance of £100 or over more comprehensive tracing measures will be undertaken – see 'Tracing debtors' section later in this document. If after all enquires have been completed and a forwarding address has not been established, the amount will be recommended for write off.

Finalised accounts where a forwarding address is known
Prior to billing, every debt of less than £1 will be written off automatically to prevent bills being issued for small debts.

For any finalised account with a balance between £1 and £25, a final bill will be issued requesting immediate payment. If after the bill has been issued the account remains unpaid, no further notices will be sent and the debt will be submitted for write off.

For any finalised account with a balance between £25 and £100, the recovery process will continue in an attempt to recover the debt. If after the reminder notice or final notice the debt still remains outstanding, then the monies will be considered for write off. However, consideration will be given to further recovery action if a person has multiple small debts which consolidate to an amount above £100

Inappropriate to continue recovery action

Each potential write off on the grounds of reasonableness will be considered by the appropriate authorising officer on its individual merits taking into account the person's age, health and financial position.

On rare occasions, it may be considered inappropriate to proceed with high profile enforcement action, such as enforcement agents or committal to prison. This could be because to do so would cause considerable hardship or because the personal circumstances of the individuals concerned may result in unnecessary media attention. By enforcing recovery on those whose circumstances render them already vulnerable, such actions may cause unacceptable hardship and this raises moral as well as cost questions.

It is important to remember that the term hardship does not purely relate to an individual's financial position, and it can also refer to their age, state of health, emotional or mental condition. As the circumstances of individuals vary greatly so there is no definitive list.

In these circumstances, if it is considered that all reasonable recovery attempts have failed, then irrespective of the amounts involved, the debt will be considered for write off.

Examples may be where a person:

- is now permanently exempt from payment of the Council Tax for example because they are severely mentally impaired, but a liability accrued prior to this exemption
- is now receiving care in a nursing home, previously having lived in rented accommodation, and has no assets to pay any outstanding Council Tax.

Debts where a company has ceased to trade leaving no assets

On occasions, limited companies will cease to trade on the grounds of having insufficient assets, but they will not go through the formal process of winding up proceedings which have both legal and cost implications. Where this occurs, the Council could take steps to officially put the company into compulsory liquidation to remove the company from the Companies Register although this action is costly and there is no advantage gained by the Council.

In these circumstances, if it is considered that the Council has failed to recover monies due or identify assets on which an enforcement agent (bailiff) may levy distress, the debt will be considered for write off.

Debts which cannot be legally enforced

Certain debts will fall outside of legal jurisdiction either because the debtor has left the country, or 6 years may have passed before recovery action has been instigated against an individual since the debt was acknowledged.

Where contact in writing has failed to result in payment or an arrangement to pay, the debt will be considered for write off.

Write off working practices

Tracing debtors

If a document is returned as undeliverable by the Post Office, this is usually the first indication that the debtor has left the property.

In the case of Council Tax and business rates accounts, a recovery inhibit will be put on the account to stop further recovery action being taken. Where recovery action has been taken, the account should be put on hold.

The following checks may be undertaken depending on the type of debt and the circumstances of the debtor:

- check Council Tax database to identify if the person has re-registered at another address within the borough.
- check with Six Town Housing if council owned housing.
- check with the Department for Work and Pensions if the account holder is receiving a state benefit.
- contact landlord or letting/estate agent
- if the property has been repossessed, check with the Land Registry or the mortgagor
- if a limited company, check at Companies House
- check directory enquiries/telephone book – may have taken their phone number with them, or new occupier may have a forwarding address if retained the same number
- Check websites of businesses for contact information or alternative addresses
- contact neighbouring local authorities
- check using Experian/LoCTA system or any systems available to us
- if a single occupier or member of a household, check for previous addresses/family home.
- check electoral register.
- undertake visits to property where considered appropriate.

In some cases, the forwarding address will not be the debtor’s permanent home address. It may be their solicitors, parents, relatives or employers address. Further enquiries should be made to try to identify a permanent home address for the debtor.

In the case of bankruptcy or liquidation there is no further action which may be taken against the debtor. Therefore, a claim form will be submitted to the receiver/liquidator. In the event of there being no dividend, as the debt is unsecured and non-preferential, or only a small dividend of so many pence in the pound, any remaining balance should be submitted for write off using the appropriate form.

Recording written off debts

Once all appropriate trace activities have been carried out, then the debt may be considered for write off. The write off document should show the year, account number, name, address, type of debt, the amount and the reason for write off such as deceased, no estate, no trace, or emigrated to.

Bad debt provision

The Council's external auditors have recommended that the Authority should ensure a methodology for calculating the bad debt provision is adopted for all categories of debt and that the calculation is supported by working papers for audit.

The Statements of Recommended Practice (SORP) guidance notes for practitioners regards the procedure for provision for bad debts as identifying a proportion of the authority's debtors that should have their value adjusted to the probable recoverable amount of zero. All debts should be reviewed and a judgment made on the probability of collection for each, but it should be possible to broadly establish a percentage for each type of debt that will eventually be recovered. Working papers should be prepared and retained setting out the reasoning used, and if any material differences occur, then the procedure should be reviewed, having regard to past experience and current knowledge.

In practice, departments raise debtor accounts for a number of the services they provide. Debtor balances are maintained for the different types of debt and an annual review of the likely level of bad debt is undertaken for each type of debt. The review will consider:

- value of debt raised
- age of debt outstanding at year end
- past experience of collection of the specific type of debt (normally by reference to % collection rates)

Where there are any known circumstances which are likely to affect the probability of collection of specific debts of material value then separate provision is made for the potential bad debt, separately from the general calculations.

Working papers for the calculation of bad debt provisions are retained on the final account files for the relevant service.

Post write off procedure

Following write off, a record of each debt will be held for a period of 6 years along with all supporting papers. Should a debtor be traced or new information come to light material to the original decision, the debt will be written back and recovery action commenced as appropriate.

Appendix 1 - Write off policy specific to Council Tax and business rates

Committal proceedings where the debtor has served a custodial sentence

If a case is subject to Committal Proceedings and a debtor has been imprisoned for non-payment of Council Tax or business rates, whilst monies outstanding are not legally remitted on imprisonment, the authority cannot enforce the debt again through the court system in the event of continued non-payment.

It is, therefore, accepted as good practice to write off the monies as irrecoverable.

Debts remitted by the Courts due to hardship

Where there is an application to request the committal of a debtor to prison, one option available to the Magistrates is to remit monies on the grounds of hardship. In order to determine this, the Magistrates must be satisfied that there is an inability to pay.

These debts will be written off in the normal way, but they do not fall under financial regulations, as the Council has no discretion to overrule the decision.

Debts which cannot be legally enforced (The “Encon” case)

There may be occasions where an account may be submitted for write off because of a substantial delay in billing. In Encon Insulation Ltd v Nottingham City Council (1999) (Queen’s Bench Division) Rating Appeal 382, it was confirmed that a council has to ensure that a bill is issued “as soon as is reasonably practicable”, otherwise the charge may be irrecoverable.

Appendix 2 - Write off policy specific to Housing Former Tenant's Arrears

The recovery of housing rent arrears that are outstanding following the termination of a tenancy are known as Former Tenant's Arrears (FTA).

The general write off policy applies to FTA accounts, however special consideration needs to be given where cases are returned from collection agencies as uncollectible (above £50 where a forwarding address is known). This is because the collection of FTAs is recognised as a very difficult debt to collect, often, the threat of eviction has failed to recover outstanding rent, whilst the tenancy was ongoing and now that it has ended the only recourse available is by pursuing action in the County Court.

Often, former tenants are homeless or in temporary accommodation with either no or very little assets to distrain upon. So even if the Council were to obtain a County Court Judgement distress would unlikely to be successful. Equally people who rely upon social housing are often in the most vulnerable of groups, dependant upon state benefits or in low paid employment making the prospects of enforcing a County Court Judgement by direct deductions even more remote.

If the agency is, therefore, unable to collect, they will return the case as uncollectible. Where a case has been returned as uncollectible, it should be reviewed and consideration given to referring to an alternative debt collection agency, referral to Legal Services for County Court action or recommended for write off. Unless there is a good prospect of recovery via the County Court, for instance if it is suspected that the former tenant has sufficient income to pay the arrears but is refusing to do so, then given the costs incurred, the poor collection rate historically and all previous efforts to collect, it is unlikely that large numbers of cases would be passed for legal action and cases would be considered for write off.

Any debts/credits under £50 and irrecoverable will be considered for write off. This measure will enable low value debts to be debited in line with financial regulations, at an appropriate level.

Appendix 3 - Write off policy specific to Customer Accounts (Sundry Debts)

The general write off policy applies to Customer Accounts invoices, however, special consideration needs to be given to the treatment of low value debts (below £100). This is because many departments' invoices raised are for regular, small amounts, which if they are written off automatically under the general policy, will have a detrimental effect upon the budgets of individual departments. Consideration should therefore be given on an individual basis towards referral of low value debts to collection agencies where other methods of collection have already failed.

Invoices under £300 are usually referred to an outside agency for collection. If the agency is unable to collect, they will return the case as uncollectible. Where a case has been returned as uncollectible (whatever the value), it will be reviewed individually. For debts under £100, consideration may be given to referring them to an alternative debt collection agency, or for write off, depending on the facts of each case. Any debts over £100 are usually referred to Legal Services for County Court action. Each case should be considered on its own merits and in consultation with the relevant department responsible for raising the invoice.

In the case of "Housing Rechargeable Works", reference should also be made to Six Town Housing's Recharge Policy, especially in terms of action to be taken when the debtor is deceased.

Classification	Item No.
Open	

Meeting:	Audit Committee
Meeting date:	31st July 2023
Title of report:	Internal Audit Annual Report 2022/23
Report by:	Sam Evans Executive Director of Finance (S151 Officer)
Decision Type:	Council
Ward(s) to which report relates	**All**

Executive Summary:

This report summarises the results of internal audit work during 2022/23 and, as required by the Accounts and Audit Regulations 2015, gives an overall opinion of the Authority's control environment.

The conclusions drawn from the report are:

The Council is going through a period of transformation, which includes changes to governance processes as well as revisions to staffing structures. Whilst going through a period of change there is a knock-on effect which results in significant change to planned priorities and a requirement to focus resources on those critical activities essential to the pandemic recovery, and to areas where more risks are perceived to be.

The internal audit programme was reduced in 2022/23, due to responding to an unprecedented amount of whistleblowing allegations during the year, and the reduced staffing level following a member of staff leaving and another securing a position in another part of finance. The work of internal audit is intended only to provide reasonable assurance on controls.

Based upon the results of audit work undertaken during the year my opinion is that the Authority's control environment provides moderate assurance that the significant risks facing the Authority are addressed.

Recommendation(s)

That:

- Members note the contents of this report.

Key Considerations

Background information to this report is contained in the context section of the main report. There are no decisions required for this report.

Community impact / Contribution to the Bury 2030 Strategy

Ensuring compliance with Financial Procedures and Policies

Equality Impact and considerations:

24. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

    A public authority must, in the exercise of its functions, have due regard to the need to -

    (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

    (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

    (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

25. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.

Assessment of Risk:

The following risks apply to the decision:

Risk / opportunity	Mitigation

Risks are highlighted in Audit Plans and in the terms of reference for each Audit review.	Internal Controls are reviewed in each audit to mitigate identified risks. Actions are reported to managers and progress is monitored and reported on a regular basis.

Consultation:

N/a

Legal Implications:

The Council must have a sound system of internal control which facilitates the effective exercise of its functions, including risk management. This is both a legal requirement and a requirement of the Financial Regulations set out in the Council's Constitution. This report provides information on the work of the Council's Internal Audit Service, in ensuring compliance.

Financial Implications:

There are no financial implications arising from this report. The work of the Internal Audit Service supports the governance framework.

Report Author and Contact Details:

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Background papers:

Internal Audit Plan 2022/23
Internal Audit Progress reports 2022/23

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
NNDR	National Non-Domestic Rates
GDPR	General Data Protection Regulations

Internal Audit Annual Report

2022/23

“Providing assurance on the management of risks”

Internal Audit Annual Report 2022/23

"Providing assurance on the management of risks"

This document summarises the results of internal audit work during 2022/23 and, as required by the Accounts and Audit Regulations 2015, gives an overall opinion of the Authority's control environment.

Opinion

Based upon the results of audit work undertaken during the year my opinion is that the Authority's control environment provides moderate assurance that the significant risks facing the Authority are addressed.

Context

This report outlines the work undertaken by Internal Audit between 1 April 2022 and 31 March 2023.

Management is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements i.e. the control environment. Internal Audit plays a vital role in reviewing whether these arrangements are in place and operating properly and providing advice to managers and assurance to the organisation, Chief Executive, Executive Directors, S151 Officer, the Audit Committee and ultimately the taxpayers that the Council maintains an effective control environment that enables it to manage its significant business risks. On behalf of the Council, Internal Audit review, appraise and report on the efficiency, effectiveness and economy of these arrangements. The assurance work culminates in an annual opinion on the adequacy of the Authority's control environment which feeds into the Annual Governance Statement.

Internal Audit is required by professional standards to deliver an annual audit opinion and report to those charged with governance timed to support the Annual Governance Statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. The annual report must incorporate:

- the opinion;
- a summary of the work that supports the opinion; and
- a statement on conformance with the Public Sector Internal Audit Standards

The impact of Covid19 on public services since the middle of March 2020 has been considerable. It has resulted in significant change to planned priorities and a requirement to focus resources on those critical activities essential to the pandemic response and recovery. The Internal Audit Team have embraced the Council's hybrid working arrangements and adapted their approach to internal auditing in response.

During 2022/23, the audit service had a significant number of investigations to undertake, following the receipt of unprecedented number of whistleblowing concerns during the year. Also, as part of the Finance restructure, a vacancy was created in the Audit Team in the last quarter of the year, when a team member was successful in securing a role in the Accountancy service of the Council. The impact of these two incidents interrupted the delivery of the audit plan. Additionally, some audits proved to take longer than was originally anticipated, the auditors found they had to do extended sampling and have improved their levels of challenge during reviews, and this also has impacted on delivery of the full plan.

The audit service is now returning to business as usual; vacancies have been filled and a full audit team has been in place from 5th June 2023.

Internal audit work during 2022/23

The underlying principle to the 2022/23 plan was risk and accordingly audits were only completed in areas that represent an 'in year risk'.

The methodology adopted in preparing the plan, and the plan itself, was presented to the Audit Committee on 25th July 2022.

Since the original plan was presented to Audit Committee, several planned audits were not undertaken. This was due to a variety of reasons which include: -

- Audit reviews undertaken taking more time than anticipated, with wider scopes being introduced for reviews and a deeper level management review process. However, this has produced higher quality reports which add more value to the service and aid improvement of governance processes within the organisation.

- Planned audit time to complete outstanding work from 2022/23 was underestimated.
- Contingency days for fraud / investigation / management requests was underestimated.

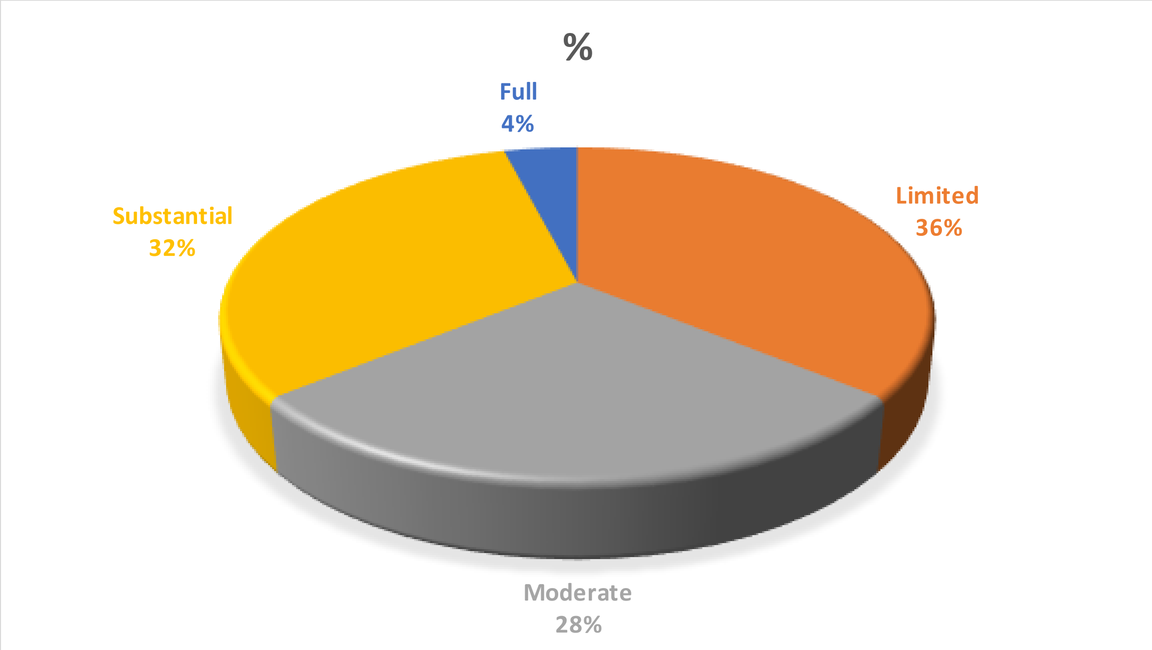
In addition, the Audit Team have been operating at a reduced capacity due to staffing changes.

Variations to the plan during the year are inevitable if the plan is to adequately reflect changing circumstances and the changing organisation. The net effect is that although the work undertaken during the year was different to that anticipated 12 months ago, some of the agreed audits have been completed, or are substantially complete and in the process of being finalised. This work will be carried forward and completed in the 2023/24 annual audit plan.

Summary of assurance work

The key outcome of each audit is an overall opinion on the level of assurance provided by the controls within the area audited. Audits will be given one of four levels depending on the strength of controls and the operation of those controls. The four categories ranging from the lowest to highest are Limited, Moderate, Substantial and Full. The opinion reflects both the design of the control environment and the operation of controls. The Audit Committee has received regular reports during the year summarising audits undertaken.

As shown in the following chart the outcome of 36% of audits (9 reviews), completed in 2022/23 are positive having provided a substantial or full level of assurance to the areas examined. There are however a proportion of audits, 28% (7 reviews), where controls were considered to be moderate. Most of these relate to specific areas rather than represent an across-the-board breakdown in controls but there are some topics which may have a wider impact. There were 9 reviews, (36%), which were considered to give a limited level of assurance. A positive management response was received to all reports to indicate the recommendations would be addressed. To provide some assurance going forward, additional time has been added into the 2023/24 audit plan to carry out follow up audits and to evidence that recommendations have been actioned. The key issues arising from all audits have been reported to the Audit Committee throughout the year.



A full list of the assurance work completed during the year is given in Appendix A.

The Council, and local government generally, continues to face significant challenges, including the ongoing financial challenges and the need to deliver savings, in addition to the impact on service delivery in terms of both increased costs and lost income. The Council has continued in 2022/23 to go through restructuring and it is important that controls and governance remain in place and that there is an understanding of responsibilities and accountabilities. Regularly updated forecasts of income and expenditure pressures against the available funding were provided internally through the Council's monitoring framework. The Council has prepared it's 2021/22 Statement of Accounts, however they have not yet been signed off due to a technical issue which impacts on all Greater Manchester Authorities. However, the external auditors have not raised any other concerns, this creates a significant level of assurance. The draft statement of accounts for 2022/23 and the draft annual governance statement for 2022/23 have also been prepared and published on the Bury Council website. It is expected that the accounts will be audited by the external auditors from the beginning of August 2023.

Recommendations are categorised according to the risks they are intended to mitigate. Categorising recommendations also assists managers in prioritising improvement actions. The current categories used, in increasing order of importance are Merits attention, Significant and Fundamental.

During the year 170 recommendations were made to address weaknesses in control which would not have been identified if the audit had not been undertaken. All the recommendations made were accepted by management and positive responses were received to indicate that they would be implemented.

Recommendations are followed up to ensure that they are implemented, and details of all follow-up reviews undertaken are provided to Audit Committee. Those recommendations showing as “Outstanding” are therefore subject to scrutiny by Audit Committee Members who may call in managers to explain delayed progress where appropriate.

Follow up exercises for reports with limited assurance should be undertaken within 3 months of the final report being issued to client. Follow up exercises for all other reports should be undertaken within six months after the final reports have been issued to the client. However, due to staff vacancies and the requirement of the team to respond and undertake whistleblowing investigations, the follow up targets were not met during 2022/23. It is anticipated that follow up exercises will be brought up to date in 2023/24, when the service restructure has been completed and the team is fully established.

Details of audits which were followed up during 2022/23 are provided at Appendix B.

The existing follow up process only involves 1 follow up in respect of outstanding actions and no subsequent tracking if these have not been undertaken. Further work is required to strengthen this area and this will be developed in 2023/24.

Schools

Individual school reviews were not undertaken in 2022/23. A new approach was introduced in 2020/21, with a thematic approach being adopted to look at topics within schools. This approach was continued throughout 2022/23. Arrangements are in place to undertake a full audit at a school if requested by the Director of Childrens Services, or the Executive Director of Finance. A School Assurance Board has been established, and this is attended by a representative from the Internal Audit Team, and therefore advice and support can be provided as it is requested.

In previous years the annual accounts for a small number of School Voluntary funds and Out of School Care Clubs were examined, as requested by the schools. A small fee was collected for these pieces of work. A decision was taken to withdraw this service for 2022/23, as the time taken in several cases was outweighing the income being collected, and due to audit resources being needed to focus on the services within the Council.

Summary of non-assurance work

Special investigations

The size and complexity of the Council means that some irregularities are inevitable and therefore, in addition to planned assurance work, a number of special investigations were needed during the year. Internal Audit assisted with / advised Human Resources regarding disciplinary issues as well as providing advice to Departments regarding suspected irregularities.

In 2022/23, information regarding 7 special investigations was submitted to Audit Committee. All the investigations have been completed.

Suspected frauds can be reported to our dedicated whistleblowing hotline 0161 253 6446 or by email to Whistleblowing@bury.gov.uk

Advice

Internal audit is most efficient when its advice is utilised to ensure that appropriate controls are incorporated at an early stage in the planning of policy or systems development. This work reduces the issues that will be raised in future audits and contributes to a stronger control environment. During the year advice was requested for a small number of issues

Examples of audit advice and support given include: -

- advice and support to the HR and Payroll teams as they develop the use of the i-trent system;
- Advice to schools to address enquiries regarding petty cash, how to deposit income to the Council bank account, retention of records and pecuniary interest.
- Advice to the Bereavement service regarding the review being undertaken of the income collection system.

Work is continuously undertaken to ensure that Departments are aware that they should approach Internal Audit as a consultancy resource and a contingency has been built into the annual audit plan for 2023/24 so that resources are available to meet any consultancy requests.

Certification

Audit can be required to certify grant claims. Seven grant claims were examined and approved by Internal audit during 2022/23. These were:

- Bus Diversity Net Gain Grant
- Bus Operators Grant
- Pothole Grant

- Public Sector Decarbonisation Grant
- Supporting Families Grant
- Track and Trace Support Payment Grant
- Universal Drugs Treatment Grant

Effectiveness

This section of the report sets out information on the effectiveness of the service and focuses on compliance with the Public Sector Internal Auditing Standards (PSIAS) and customer feedback.

A full externally conducted quality assessment of the service was conducted during 2016. The report of that assessment concluded that the audit service "partially conformed to the expectations of the Public Sector Internal Audit Standards." Work since then has been undertaken to address the recommendations made. The review is due to be undertaken again in 2023/24, a date has yet to be agreed.

To assist with planning for the 2023/24 review and to guide the development of the Internal Audit Service, a high-level review of internal audit was commissioned in 2020/21. This report noted that it had identified that the Internal Audit Team are keen to deliver an effective compliant service within the Council, however, there are a number of historical, operational and cultural factors within both the team and the wider Council that inhibit the effectiveness of the team. The report included a series of recommendations and action has been taken to address these throughout 2020/21, 2021/22 and 2022/23. Internal audit reports have been refreshed, and audit processes have been reviewed and changes have been made, particularly with the internal review process and challenge to the findings in reports, and with client engagement. As the new processes are embedding, there has been a slower turnaround of audit reports, and reviews have taken longer than the original target time provided for in the annual plan, however the quality of the resulting reports has improved. The audit plan for 2023/24 includes a time resource to ensure that developments continue to be made within the service, which include undertaking a self- assessment before the next external review takes place.

In accordance with best practice there is a rigorous internal review of all work undertaken by senior staff and the results feed into the staff appraisal process.

Following most audits a "post audit questionnaire" is issued to the relevant managers asking for their views on the conduct of the audit. The questionnaire includes a range of questions covering the audit approach, reporting format, etc. A key feature of the audit role is the need to sometimes be critical of existing or proposed arrangements. There is therefore an inherent tension that can make it difficult to interpret surveys. Post audit questionnaires are not issued when an investigation is undertaken or if the audit is undertaken by an external partner.

In previous years the post audit questionnaire responses returned continued to evaluate the audit process and value of reports as excellent / good. All feedback received was positive and no negative feedback or comments had been received. For 2022/23, whilst allowing the new working style of audit to embed, audit questionnaires were not issued. These are to be reinstated for 2023/2024.

It is clearly important for any audit service to keep abreast of best professional practice. The internal audit service is fortunate in having strong links with colleagues both within Greater Manchester and nationally. The Service has a membership to the Institute of Internal Auditors providing its staff with technical and professional support. At a regional level there are networking opportunities for auditors specialising in schools, ICT, contracts and fraud. As well as good opportunities for continuing professional development and sharing best practice these activities provide advance information on new developments which can be reflected in the audit plan.

The Authority can be confident that a good quality Internal Audit service continues to be provided.

Opinion

The Council is going through a period of transformation, which includes changes to governance processes as well as revisions to staffing structures. Whilst going through a period of change there is a knock-on effect which results in significant change to planned priorities and a requirement to focus resources on those critical activities essential to the pandemic recovery, and to areas where more risks are perceived to be.

The internal audit programme has been reduced in 2022/23, due to responding to an unprecedented amount of whistleblowing allegations during the year, and the reduced staffing level following a member of staff leaving and another securing a position in another part of finance. It is the responsibility of the Council to develop and maintain the internal control framework. In undertaking its work, Internal Audit has a responsibility under PSIAS to provide an annual internal audit opinion on the overall adequacy and effectiveness of the organisation’s governance, risk and control framework (i.e. the control environment) and a summary of the audit work from which the opinion is derived.

No system of control can provide absolute assurance against material misstatement / loss or eliminate risk, nor can Internal Audit give that assurance. The work of internal audit is intended only to provide -reasonable assurance on controls. In assessing the level of assurance to be given, I have taken into account:

- Audit plan and other audit and assurance and advisory work completed in 2022/23; and audit work from prior years where systems or processes have not been subject to change.
- audits which are in draft and where a management response is awaited.
- any follow-up action taken in respect of audits from previous periods.
- any fundamental recommendations not accepted by management and the consequent risks (this is not applicable in 2022/23 as management accepted all recommendations).
- the effect of non-assurance work undertaken during the year; and
- the effect of any significant changes in the Authority's systems; and matters arising from previous reports to members.

Some significant issues have arisen during the year, with fundamental recommendations being made and limited assurance reports being issued, However, action plans have been agreed with the relevant managers to address the weaknesses identified. Where weaknesses have been identified, they have tended to relate to specific parts of the organisation rather than an across-the-board breakdown in controls. Those audits involving major control weaknesses are in the minority and in general terms, controls are sufficient to prevent or detect serious breakdowns in systems and procedures. However, it is clearly important that issues identified during the year are addressed.

For 2023/24 the Internal Audit Plan confirms resumption of planned audit work in key risk areas, and the Audit team is expected to be fully resourced for the majority of the year, and it is expected that wider coverage of organisational risks will be delivered.

I am satisfied that sufficient internal audit work has been undertaken to allow me to draw a reasonable conclusion as to the adequacy and effectiveness of the Council's governance, control and risk processes.

Based upon the results of work undertaken by Internal Audit during the year my opinion is that the Authority's governance, control and risk management provides moderate assurance that the significant risks facing the Authority are addressed.

Appendix A

Summary of audits completed during the year and total number of recommendations made.

	Audit	Level of Assurance	Report Date	Total number of recs made	No of Fundamental recs made
	Included in annual opinion 2021/22 – so not included in 2022/23				
	Bury Council				
	Estates Property Management	Limited	July 2022	16	7
	Choices for Living Well (KIllelea) Petty Cash	Limited	July 2022	9	3
	Residential Placements	Moderate	June 2022	2	0
	Leisure Income	Limited	June 2022	9	1
	Six Town Housing				
	None				
	Reports to include in annual opinion for 2022/23				
	Bury Council				
1	Contracts Register	Substantial	August 2022	4	0
2	NNDR Key Controls	Moderate	November 2022	3	0
3	Housing Benefit Key Controls	Substantial	November 2022	1	0
4	Council Tax Key Controls	Substantial	November 2022	2	0
5	Debtors Key Controls	Limited	January 2023	8	2
6.	Treasury Management Key Controls	Moderate	February 2023	5	0
7	Childrens Services Complaints	Substantial	January 2023	3	0
8	CCTV	Substantial	January 2023	1	0
9	Payroll Key Controls	Moderate	March 2023	9	0
10	Main Accounting Key Controls	Limited	March 2023	8	2
11	Transport Stores	Limited	March 2023	20	3
12	Supporting Families	Full	April 2023	0	0
13	Payroll and Additional Hours (Operations Department)	Moderate	May 2023	6	0
14	Cash and Bank Key Controls	Limited	May 2023	7	2

15	Creditors Key Controls	Limited	May 2023	4	1
16	Highways Maintenance	Substantial	May 2023	7	0
17	Procurement exercise (Specific creditor)	Limited	June 2023	5	1
	Six Town Housing				
18	Electrical Safety- Furnished Properties	Moderate	February 2022	3	0
19	Electrical Safety – Un furnished Properties	Moderate	February 2022	6	0
20	Disabled Facilities Adaptations	Limited	August 2022	4	2
21	Procurement of Contractors and Delivery of Capital Programme	Moderate	August 2022	4	0
22	Hoarders	Limited	October 2022	10	1
23	Anti Social Behaviour	Substantial	November 2022	3	0
24	No Access - Gas	Limited	April 2023	8	3
25	Housing Rents Key Controls	Substantial	April 2023	3	0

Appendix B

Summary of follow ups completed during the year.

		Report date	Recs made	Recs accepted	Follow up date	Recs implemented
	Bury Council					
1	GDPR (General Data Protection Regulations)	May 2021	15	15	May 2022	15
2	Members Allowances	August 2021	3	3	April 2022	3
3	ICES (Integrated Community Equipment Store)	November 2021	13	13	June 2022	11
4	Payroll Key Controls 2020/21	October 2021	7	7	October 2022	2
5	Council Tax Key Controls 2020/21	October 2021	6	6	July 2022	2
6	Housing Benefit Key Controls 2020/21	October 2021	2	2	June 2022	1
7	NNDR Key Controls	October 2021	5	5	July 2022	3
8	Main Accounting Key Controls 2020/21	October 2021	7	7	August 2022	6
9	Members Discretionary Budgets	November 2021	4	4	April 2022	3
10	Debtors' key controls 20/21	November 2021	5	5	April 2022	5
11	Cash and Bank Key Controls 2020/21	November 2021	4	4	September 2022	1
12	Treasury Management Key Controls 2020/21	November 2021	1	1	April 2022	1
13	Estates Property Management	July 2022	14	14	January 2023	7
14	Leisure Centres Income Review	May 2022	8	8	December 2022	4
15	Residential Placements	June 2022	1	1	February 2023	1
	Six Town Housing					

16	Data Quality	September 2021	4	4	September 2022	3
17	Procurement	November 2021	6	6	July 2022	4
18	Housing rent Key Controls 2020/21	February 2022	1	1	February 2023	1
19	Electrical Safety – Furnished Properties	February 2022	2	2	January 2023	1
20	Electrical Safety – Unfurnished Properties	February 2022	3	3	January 2023	2
21	Fire Safety	February 2022	2	1	January 2023	1

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Classification: Open	Decision Type: N/a

Report to:	Audit Committee	**Date:** 31 July 2023
Subject:	Internal Audit Progress Report	
Report of:	Section 151 Officer	

Summary

1. This report sets out the progress to date against the annual audit plan 2023/24. The report enables Members to monitor the work of the Internal Audit service, raise any issues for further consideration and provide an opportunity to request further information or to suggest areas for additional or follow up work.

The conclusions drawn from the report are:

- The majority of work outstanding from the 2022/23 plan has now been completed and work on 2023/24 plan is progressing.
- Eight reviews have concluded, and reports have been issued to Members since the beginning of the financial year. All reports relate to the 2022/23 annual audit plan and have already been considered when formulating the annual audit opinion for 2022/23.
- Work on 2023/24 plan is progressing. Fourteen reviews are ongoing and four follow up exercises have been completed.
- Resources available for the annual plan need to be reduced by 32 days. However, currently no proposal is made to remove any identified audits from the approved plan.

Recommendation(s)

- Members note this report and the work undertaken by Internal Audit

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Report Author and Contact Details:

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Position: Head of Fraud, Audit Insurance and Risk
Department: Corporate Core - Finance
E-mail: j.spelzini@bury.gov.uk

Background

1.1 This report outlines the work undertaken by Internal Audit between 1st April 2023 to 30th June 2023

1.2 Management is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements i.e., the control environment. Internal Audit plays a vital role in reviewing whether these arrangements are in place and operating properly and providing advice to managers. On behalf of the Council, Internal Audit review, appraise and report on the efficiency, effectiveness and economy of these arrangements and provide assurance to the organisation (Chief Executive, Executive Directors, and the Audit Committee) and ultimately the taxpayers, that the Council maintains an effective control environment that enables it to significantly manage its business risks. The service helps the Council achieve its objectives and provides assurance that effective and efficient operations are maintained.

1.3 The assurance work culminates in an annual opinion given by the Head of Fraud, Audit Insurance and Risk on the adequacy of the Council's control environment, based on the work undertaken, and this opinion feeds into the Annual Governance Statement.

1.4 The Internal Audit Plan for 2023/24 provides for 898 days to be delivered throughout the 2023/24 year across all Council Departments, and group companies i.e., Six Town Housing and Persona. The Audit plan covers a range of themes.

1.5 The 2023/24 plan was approved by Audit Committee at the meeting on 30th March 2023.

1.6 Work has been continuing throughout the year to date, completing outstanding reviews from 2022/23 and addressing audits in the 2023/24 plan. Regular progress reports are produced, informing Members of audit activities, and this is the first report of the 2023/24 financial year covering the period from 3rd April 2023 to 30th June 2023 which includes 13 completed weeks.

2.0 ISSUES

2.1 Annual Audit Plan

2.1.1 The annual plan for 2023/24 was presented to Audit Committee in March 2023 and provided for 898 audit days to be delivered throughout the year.

The original plan is shown at appendix A and has been updated to show the position as at 30th June 2023.

There is currently no proposal to ask for a variation to the approved plan, as all the work is being undertaken in line with resources already earmarked in the 2023/24 plan.

2.2 Audit Plan Progress

This report details the outcome of reviews undertaken, including work reported to Audit Committee in this period, work currently ongoing and draft reports which have been issued to Audit clients.

Audits completed and Reports Issued.

2.2.1 There are two tables detailed below.

Table 1 below summarises the 8 audits that have been finalised and issued since the commencement of the current financial year, and the corresponding number of agreed actions and overall level of assurance provided for each of those audits.

These reports were considered in formulating the annual opinion of the Head of Fraud, Audit, Insurance and Risk, reflected in the Annual Governance Statement for 2022/23 and will not be carried forward and reflected in the opinion for 2023/24.

Full reports are provided to Committee Members for each of these reviews, during the Committee meeting on 31st July 2023.

Summary reports detailing the overall opinion, the findings, recommendations, and action plans of these reviews, are also presented in part B of the Audit Committee meeting. The summary reports are exempt from publication as they may contain information which is likely to reveal the identity of an individual or information relating to the financial or business affairs of any particular person (including the Authority).

No final reports have yet been issued for work undertaken relating to the 2023/24 annual audit plan.

Table 1: Final Reports Issued – already considered in annual opinion for 2022/23

Audit	Number of agreed actions and priority				Level of Assurance
	Fundamental	Significant	Merits Attention	Total	
Bury Council					
Cash and Bank Key Controls 2021/22	2	5	0	7	Limited
Creditors Key Controls 2021/22	1	2	1	4	Limited
CBRE Spend	1	2	2	5	Limited
Highway and Footway Maintenance	0	1	6	7	Substantial
Overtime / Additional Hours	0	4	2	6	Moderate
Supporting Families Programme	0	0	0	0	Full
Six Town Housing					
No Access	3	2	3	8	Limited
Housing Rents Key Controls	0	3	0	3	Substantial
Total	7	19	14	40	

2.2.2 Any level of assurance given to each audit is a balanced judgement based upon the established system of controls, the subject's approach to risk management and the nature of any recommendations and actions agreed. (See appendix B for explanations of the various levels of assurance).

Actions are classified over the categories of Fundamental, Significant and Merits Attention. See appendix B for explanations of the various levels of priority.

2.2.3 The agreed actions are designed to improve the control environment and / or improve "value for money" within the client's area of responsibility and we can report that the actions made in this period have been agreed by management.

Our audit reports include an action plan that records the detail of our findings, the agreed action that management intend to take in response to these findings and the timescale to undertake such action. This provides a record that progress can be measured against when we undertake our Post Implementation Reviews or follow up work.

2.3 Follow ups.

All audit reports are subjected to a follow up review. For those reports issued with limited assurance, a follow up review is undertaken 3 months after the report has been finalised, and for all other reports, a follow up is undertaken after six months. The recommendations which had been graded fundamental or significant are subjected to follow up. Five follow up exercises have been undertaken since 1st April 2023, four which made fundamental and / significant recommendations. The table below details all follow ups which have been undertaken in the current financial year. Further information is shared in part B of the meeting on 31st July 2023.

Audit	Number of agreed actions and priorities (fundamental and significant only)		
	Fundamental	Significant	Follow up number of recs implemented
Pooled Budgets	0	1	1 of 1
Petty Cash – Choices for Living Well	3	6	8 of 9
Taxi Licencing	0	1	0 of 2
CCTV	0	0	1 of 1 (Recommendation - graded as merits attention)
Adoption Services	0	2	1of 2

Follow up matrices with details taken to address the recommendations made can be provided to Audit Committee Members on request.

2.4 Other work

This section details other work completed by the audit team during the period.

2.4.1 Assurance work - Ongoing reviews

There are some audits still being finalised from the 2022/23 plan and work has also commenced to deliver the audits detailed in the audit plan for 2023/24. Audits which are currently taking place are: -

2022/23

- Care Planning Permissions
- Six Town Housing – Arrears Prevention

It is expected that draft reports for these subjects will be issued in August 2023. Final reports will be brought to the Audit Committee which meets in October 2023.

2023/24

- Debtors Key Controls 2022/23
- Council Tax Key Controls 22/23
- Housing Benefits Key Controls 2022/23
- Car Parking Income
- Complaints Procedures
- Rent Collection from Commercial Tenants
- Fleet Management
- Persona – Property and Building Maintenance

It is expected that as a minimum draft reports will have been issued to client before next Audit Committee which meets in October 2023.

2.4.2 Assurance work – Draft reports

- Housing Development Programme
- Six Town Housing – Debtor Invoice Processing
- Home Care Packages
- Chesham Primary School

It is expected that final reports will have been issued to client and Audit Committee Members before Audit Committee meets in October 2023.

2.4.3 Grants

There have been no grants reviewed during quarter 1.

2.4.4 Information Governance and Data / Digital

Internal Audit provide advice and consultative support to the Council's arrangements for information governance and its continued response to the Information

Commissioners Office (ICO) inspection in June 2021. An IG Delivery Group has been established and Internal Audit are represented on this group.

2.4.5 Supporting Transformation and Change

The Internal Audit Plan includes a provision of days to be made available to support services throughout the year by providing consultancy advice or independent assurance as / when our input is appropriate.

- Leisure Centres Concierge system: Support and advice has been given to the service as they develop and implement the concierge system in Castle Leisure Centre.
- Advice has been given to services and schools to address enquiries regarding petty cash and purchase cards.
- Advice has been given regarding Blue Badges
- Work is undertaken with Registrars on a monthly basis to securely destroy any spoilt certificates.

2.5 Investigations / Fraud / Whistleblowing

The team continues to be available to support the business with internal investigations providing technical skills and advice when called upon and managing the whistleblowing hotline / online referrals.

Details of investigations are reported separately to Audit Committee in part B of the meeting.

National Fraud Initiative

The Council is required to take part in the mandatory exercise which is undertaken every two years. Data extracts from a variety of financial systems are submitted to the Cabinet Office, where the information is cross checked to similar information from other organisations. Data was extracted on 30th September 2022 and results were released for checking in January 2023. The results are being checked by Housing Benefits staff and also by members of the Fraud Team.

A total of 3,899 potential matches were identified during the matching exercise, and these are being worked through. A total of 2,572 matches have been progressed and no frauds have yet been identified. Eleven errors have been identified, and a sum of £20,585.15 is in the process of being recovered.

Anti-fraud and corruption policy and strategy

Internal Audit are responsible for updating of the Council anti-fraud and corruption policy and strategy which incorporates the whistleblowing policy.

This strategy was very detailed and covered a variety of topics: -

- Whistleblowing Policy
- Housing Benefit / Council Tax Benefit – Fraud Prosecution Policy

- Standards of Conduct (Local Government Act 2000 PART III)
- Guidance for Members and Officers on how to report suspected fraud and corruption.
- Local Code of Corporate Governance
- Anti-Money laundering Guidance
- Anti-Bribery Policy

Work has commenced to review the documents and three areas have been considered to date: -

- Bury Anti -Fraud and Corruption Strategy
- Bury Fraud and Corruption Prosecution Policy
- Bury Council Whistleblowing Policy

The Anti-Fraud and Corruption Strategy and the Whistleblowing Policy have been included on this agenda

The Fraud and Corruption Prosecution Policy should be brought to the next Audit Committee which is scheduled to meet in October 2023.

The Anti-Money Laundering Guidance and the Anti-Bribery Policy will be reviewed and brought to Audit Committee during 2023/24.

The audit section is also responsible for managing whistleblowing information reported to the Council. A fundamental change has been made to the revised whistleblowing policy, and going forward all whistleblowing investigations will be lead either by a member of the Audit team or a member of the Fraud Team. All investigations undertaken resulting from information disclosed under the whistleblowing guidance, will be brought to Audit Committee for information. As all reports will be confidential, they will be shared during Part B of Audit Committee meetings.

2.6 School Audits

In recent years individual School Audits have not been incorporated in the annual audit plan, they were, replaced with thematic reviews of areas which were covered in the school audit reviews.

For 2023/24 the annual plan includes a mix of thematic reviews, and individual school reviews. The audit team are consulting with colleagues from Childrens Services and are developing the school audit plan, by identifying the schools to be visited from September 2023 onwards.

In addition, arrangements are in place that Internal Audit will undertake School Audits on request from the Executive Director of Children’s Services and / or Executive Director of Finance, where it is thought an audit review would be beneficial to the School and the Council. There have been no requests to date for individual schools to be audited.

A Schools Assurance Group has also been established within the Council and Internal Audit are represented on this group, providing advice to the group on specific issues which may arise at schools.

<u>School funds</u>

In previous years, Internal Audit offered a service to audit school voluntary funds, on receipt of requests from individual schools. This work did generate a small amount of income.

School voluntary funds do not belong to the Council, and to allow the audit resources to be used for undertaking significant reviews for the Council, this service is not currently offered to schools. However, arrangements are in place that if the Director of Children's Services / Executive Director of Finance had concerns regarding a school voluntary fund, then an audit review would be undertaken.

2.7 Collaboration

We have ongoing representation on sub-groups of the Northwest Heads of Internal Audit Group. The groups have been established to share good practice across the region.

- Contract Audit Group
- IT Audit Group
- Schools Audit Group.
- Fraud Group (attended by members of the Counter-Fraud Team, information shared with Internal Audit)

2.8 Resources – Requests for Additional Work / Staffing

2.8.1. Staffing

In 2022/23, following a restructure within the Finance, a number of vacancies became available on the Internal Audit Team. From 5th June 2023, all vacancies on the team have been filled. The Audit Team falls under the portfolio of the Head of Fraud Audit, Insurance and Risk, and comprises two Senior Auditors, and three auditors (one of which is part time).

Since the resources for the 2023/24 plan were calculated, changes need to be made due to: -

- One auditor has been recruited on a reduced hours arrangement.
- Since the beginning of the financial year, staff have purchased additional annual leave, which in addition to enhancing their own work life balance, also attracts a financial saving for the Council.

The total number of days which need to be removed from the plan are 32, however at this point in the year it is not proposed to remove any audits from the plan, as there are contingencies already built into the plan to take on work if requested, e.g. management requests, investigations, work for GMCA (Greater Manchester Combined Authority) There is also scope to reduce the days which have been earmarked for service improvement and Council wide work such as assurance mapping.

Links with the Corporate Priorities:

Please summarise how this links to the Let's Do It Strategy.

- Internal Audit undertakes assurance work to all Departmental Directors and Statutory Officers regarding the systems in place, making recommendations for improvements to control and protect the assets and resources of the Council. The control and mitigation of the loss of funds gives the assurance that public money is used in an appropriate manner to deliver the Corporate Priorities.

Equality Impact and Considerations:

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

(a) eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under this Act.

(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.

(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.

Internal Audit provide assurance to Committee Members and the public that the organisation is delivering services in line with agreed policies and procedures which have considered the requirements of the Equality Act 2010.

Environmental Impact and Considerations:

Please provide an explanation of the carbon impact of this decision.

- N/a – no decision required.

Assessment and Mitigation of Risk:

Risk / opportunity	**Mitigation**
Risks are highlighted in Audit Plans and in the terms of reference for each Audit review.	Internal Controls are reviewed in each audit to mitigate identified risks. Actions are reported to managers and progress is monitored and reported on a regular basis.

Legal Implications:

- The Council must have a sound system of internal control which facilitates the effective exercise of its functions, including risk management. This is both a legal requirement and a requirement of the Financial Regulations set out in the Council's Constitution. This report provides information on the work of the Council's Internal Audit Service, in ensuring compliance.

Financial Implications:

- There are no financial implications arising from this report. The work of the Internal Audit Service however supports the governance framework.

Background papers:

- Internal Audit Plan 2023/24
- Internal Audit Reports issued throughout the course of the year.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
GMCA	Greater Manchester Combined Authority

Annex 1 Internal Audit Plan 2023/24

Updated to show position at end of June 2023

CORPORATE GOVERNANCE AND RISK						
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Corporate Core	Complaints Procedures	Failure to comply with Council policy and regulations, potential for reputational damage should a complaint be taken to the Ombudsman.	Review of system for receiving and dealing with complaints.	15	QTR 1	Roll forward from 22/23 Engagement process taking place.
Corporate Core	FOI /Subject access	Failure to comply with Council policy and regulations, potential for reputational damage should a complaint be taken to the Ombudsman.	Review of system for receiving and dealing with FOI / SAR requests. Specific request to focus testing on Childrens' Services.	15	QTR 2	Roll forward from 22/23

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Corporate Core	ROPA	Failure to comply with Council policy and regulations, potential for reputational damage should the Council fail an ICO inspection.	Review of the processes in place to ensure that the Register of Processing Activities is collated and maintained up to date.	10	QTR 4	Risk Register
Corporate Core	Health and Safety	Potential damage to health / wellbeing or loss of life which may result in claims, reputational damage, litigation or corporate manslaughter / Failure to comply with Council policy and regulations, potential for reputational damage should the Council fail a HSE inspection	Review of Health and Safety at Corporate level - CPFA matrix Review processes in place for the recording and reporting of Health and Safety incidents	20	QTR 2	Previous audit - Limited Assurance

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Operations	Health and Safety	Potential damage to health / wellbeing or loss of life which may result in claims, reputational damage, litigation or corporate manslaughter	Review of Health and Safety arrangements within Operational Services, including the identification of services provided, the risk assessments in place action to address any remedial action identified.	15	QTR 4	Originally planned as a roll forward from 22/23, however HSE enquiries ongoing so allocation to be used for follow up of implementation of recommendation from HSE review.

Financial / HR Systems						
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Corporate Core - Finance	Finance Systems - key controls	Errors and omissions resulting in weaknesses in the integrity of financial data and statements	Routine annual review of high-level controls within the key finance systems, retrospective review looking at transactions in 2022/23, to support closure of accounts process: Council Tax NNDR Housing Benefits Treasury Management Payroll Creditors Main Accounting Debtors Cash Collection and Banking	88	QTR 1 to 4	Annual work required to support statement of accounts Ongoing reviews:- • Debtors • Council Tax • Housing Benefits

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Corporate Core - Finance	Budgetary Control	Failure to identify budget variances promptly and take corrective action.	Routine review of the Council's approach to budget development, monitoring/ forecasting and taking action to address significant variances.	15	QTR2	Roll forward from 22/23
Corporate Core - Finance	National Fraud Initiative	Statutory requirements are not complied with	Manage and co-ordinate the NFI including additional checks on data matches where appropriate.	15	Ongoing through -out the year	Annual work. Ongoing
Corporate Core - Finance	NNDR	Failure to collect NNDR promptly, and failure to apply Business Rates Relief accurately.	Systems review of the processes in place for the billing and collection of National Non-Domestic Rates, including the application of Business Rates Relief	15	QTR 2	Audit knowledge
Corporate Core – Finance	Insurance	Failure to process insurance claims promptly	Review the process in place for the administration of Insurance claims	15	QTR 2	Request from client

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Corporate Core - Finance	Capital Programme	Failure to meet corporate objectives and ineffective use of resources	Evaluate the governance, processes and controls, supporting key capital projects and ensure compliance with procurement rules and regulations	15	QTR 3	Risk Register
Corporate Finance/HR.	iTrent - Payroll – Additional hours / overtime payments	Failure to respond effectively and efficiently to any major incident.	Review arrangements to manage and process timekeeping and overtime effectively as the self-serve module is introduced in iTrent. Cover all directorates, and report to each Executive Director with results of findings.	15	QTR 1	2022/23 looked at Operations, select another department for review.
Corporate Finance / HR	iTrent – Expenses Module	Inaccurate / fraudulent claims for expenses may be made.	Review the processes in place for the submission, authorisation and payment of employee’s expenses.	15	QTR 4	Request from client

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Corporate Finance/HR	Automated Absence Pay	Absence not identified and inaccurate calculations of absence pay	Review the processes in place for the calculation of absence pay	15	QTR 3	Request from client
Children's Services	Recruitment Process	Failure to undertake robust pre-employment checks (right to work in the UK etc.) which may result in reputational damage or financial penalties.	Review of recruitment process – including assurance over the design and operation of the recruitment process including: 1. completeness and timeliness of pre-employment checks 2. completeness, accuracy and timeliness of adding new employees to the payroll 3. monitoring by HR of compliance with pre-employment and recruitment processes 4. an appropriate division of duties is enforced by the system.	15	QTR 3	Roll forward from 22/23

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Operations	Procurement of Contractors	Failure to comply with contract procedure rules, and failure to have adequate systems in place, could result in financial loss and additionally in reputational damage should complaints / allegations be received.	Review of processes in place for the selection of contractors, the award of works and subsequent payments.	15	QTR 2	Request from client

Grants and Verification						
Directorate	**Topic**	**Potential Control / Governance Issue**	**Proposed Audit Coverage**	**Indicative Days**	**Proposed Timing**	**Comments**
Corporate Finance	Grant Claims	Failure to comply with grant arrangements.	Certification of those grant claims required to be certified by the Council's Head of Internal Audit. Anticipated during 2023/24: Public Sector Decarbonisation Scheme Bus Operator Grant Pothole Grant Universal Drug Treatment Grant	15	QTR 1 to QTR 4	. Annual work
Children and Young People	GM Supporting Families (TFG)	Failure to comply with grant requirements and failure to deliver programme objectives.	Routine annual review. GMCA have been granted devolved powers over the programme and are collaborating to develop a more traditional / risk- based approach to the annual assurance work. Reviews to be undertaken once / twice a year as directed by GMCA and the devolution agreement.	10	QTR3/4 (in line with GMCA)	Annual work for GMCA

SERVICE AREAS						
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Corporate Core	CCTV	Failure to adhere to the agreement and follow the CCTV Code of Practice could impact on the Council's reputation and reliance placed on the CCTV function in supporting other agencies and community safety.	Annual review as required by CCTV agreement.	5	QTR 2	. Annual review

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Corporate Core	Members Delegated Funds	Loss of accountability, lack of corporate ownership of decision making and possible failure to deliver the expected level of services to residents.	Routine review to focus on the transparency add compliance of the arrangements in place for administration of payments to Members.	5	QTR 4	Previous audit – limited assurance
Corporate Core – Finance	Cash handling and banking activities	Cash is not handled in a secure manner. Inappropriate reimbursements of expenditure are made.	Review of the processes for reimbursement of petty cash claims, and for the handling of cash and associated banking activities within the Business Support Unit.	15	QTR 3	Request from client
Operations	Stores	Weaknesses in the control of assets and stock may result in losses / increased costs.	Review the arrangements to manage the assets held at the Stores based at Bradley Fold depot.	15	QTR 2	Transport Stores undertaken in 2022/23, look at Building Stores in 2023/24 Auditor knowledge

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
BGI	Estates Property Management	Inaccurate information may be held in the financial accounts and income due may not be collected	Review the management arrangements over the rental estates portfolio to ensure that adequate records are maintained, income due is collected promptly and valuations are regularly undertaken and updated in the Councils accounts.	15	QTR 4	Previous audit – Limited Assurance
BGI	Rent collection from Commercial Tenants	Failure to achieve objectives due to inappropriate or ineffective use of fund	Evaluate the processes and controls over the management of commercial and investment properties to ensure an appropriate return is being generated from the assets and properly accounted for.	15	QTR 1	Risk Register
Operations	Waste Management	Inadequate arrangements in place for the provision of waste services.	Review the management and contractual arrangements in place for the delivery of the Waste Management Service.	15	QTR 4	Request from Monitoring Officer

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Children and Young People	Independent Foster Agency (IFA)	Inability to place "looked after children" with suitable families or promptly as the need arises.	Review of the use of IFA's, including the controls in place to help ensure cost effectiveness and manage quality and quantity of placements.	15	QTR 2	Roll forward from 22/23
Children and Young People	Care Packages	Failure to comply with Council policy and legislation when procuring goods / services / administering contracts with suppliers. Best value may not be achieved, and high-cost care packages may not be challenged.	A review of the process for the calculation and award of care packages for vulnerable children, and the billing and payment processes around care processes to provide assurance that financial risks are mitigated. Review the arrangements in place for ongoing reviews of care packages, to ensure they are still appropriate and consider the financial controls in particular authorisation for changes to rates and providers. Determine if any	15	QTR3	Roll forward from 22/23

			benchmarking processes are in place and review.			
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Children and Young People	Schools	Appropriate financial and operational control is not maintained over school funds.	Provision for undertaking reviews at schools.	45	QTR 1 to QTR 4	Request from client. Programme to be determined, suggest that look at schools forecasting a deficit outturn for the financial year. One review undertaken at request of Childrens Services – Chesham Primary School. Draft report issued to client.
Children and Young People	School and College Transport	Children with special educational needs may be excluded from education as they may not have any available transport or other support to enable them to be able to travel to and from school.	Review the management and contractual arrangements over SEN transport to ensure outcomes for service users are achieved and risks to the service users and the Council are mitigated. Ensure VFM is received by planning routes and consider the make use of shared transport.	15	QTR 2	Roll forward from 22/23

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
One Commissioning Organisation	Integrated Community Equipment Stores	Weaknesses in the control of assets and stock may result in losses / increased costs.	Review the arrangements to manage the assets (equipment) and stock of care equipment.	15	QTR 2	Previous audit – Limited Assurance
One Commissioning Organisation	Substance Misuse Commissioning	Inappropriate procurement processes in place. Contract procedure rules and legislation not followed. Value for money not obtained.	Review the arrangements in place for the procurement of goods / services related to the prevention of Substance Misuse.	15	QTR 2	Request from client
Operations	Fleet Management	Vehicles and plant equipment may not be maintained appropriately and may also be mis–used / mis-appropriated	Review to assess the maintenance and security of the vehicle and plant equipment and the arrangements in place to ensure that all items can be accounted for.	15	QTR 1	Roll forward from 22/23 Ongoing

Operations	Car Parking Income	Income due may not be collected, affecting cash flow of the Council. Additionally, errors and omissions resulting in weaknesses in the integrity of financial data and statements	Review the processes in place to ensure that income due to the service is collected in line with any agreements in place, and that the income is collected and posted to the accounts promptly.	15	QTR 1	Roll forward from 22/23 Background research being undertaken. Preparing for the engagement process
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Operations	Highways - Potholes	Failure to meet corporate objectives and ineffective use of resources	Evaluate the governance and controls over the use of funds provided to improve highways across the Borough.	15	QTR 3	Request from Monitoring Officer
Operations	Climate Change	Due to the Global increase in energy prices, there will be significant increases in gas and electricity costs for 2023/24.	Review processes in place for the monitoring and targeted reduction of energy costs, including energy audits, building conditions surveys, and rationalisation of the estate.	15	QTR 2	Roll forward from 22/23

CONTRACTS						
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Business Growth and Infrastructure	Regeneration Projects	Failure to comply with Council policy and legislation	Identify regeneration projects that have / are taking place. Review a project to ensure that best practice was followed, considering project initiation, procurement of works, ongoing monitoring, and administration of payments, record keeping and post project implementation review.	15	QTR 3	Roll forward from 22/23

SUPPORT / SYSTEMS IMPLEMENTATION						
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Corporate Core – Finance	iTrent	Failure to adequately secure systems could result in a data breach, loss of service / downtime and loss of data.	Provision to support system implementation.	5	Ongoing through the year	Annual Provision - Advice to be given as and when requested.
			TOTAL	623		

OTHER COMMITMENTS		
Activity	***Indicative Days***	***Comments***
Completion of audits commenced in previous years: **<u>2021/22</u>** **Housing Development Programme** **Highways Maintenance** **<u>2022/23</u>** **Home Care** **Care Planning Permissions** **Six Town Housing Invoice Processing**	35	 Draft report issued Complete - Final report issued to Members Draft report issued Background research being undertaken, preparing for the engagement process Draft report being prepared
Audit work for Six Town Housing (STH) and Persona (separate audit plans)	56	STH 36 – separate plan agreed with Six Town Housing Audit Committee – 3 audit reviews • Right to Buy • Procurement • Housing Rents Key Controls 2023/24 Also, complete two reviews outstanding from 2022/23 • Invoice Processing • Arrears Prevention and undertake 6 follow up exercises to reports issued in 2022/23.

		Provision for Persona 20 – plan now agreed with Persona:- • High level key control checks of payroll, debtors and creditors. • Review of Property – Leasing and Building Maintenance. • Also, act as a critical friend to support Persona as they review their own processes of Supported Living.
Post Implementation Reviews and Action Tracking	35	Following up limited assurance reviews in more depth – so increased provision from 22/23 to allow for additional testing. Follow ups completed quarter 1:- • Petty cash – Choices for Living Well • Leisure Centres Income review • Taxi Licencing • CCTV • Adoption Services • STH Fire Safety • Pooled budgets
Contingency for GMCA Collaboration / reactive GM assurance work	5	

Contingency for Investigations and supporting the council's counter fraud strategy, including revision of whistleblowing policy.	60	Provision increased from 22/23
Contingency for reactive or unplanned work, management request, consultancy work	64	
Audit Service Management and administration, including service development, assurance mapping, Quality Assurance and Improvement Programme, Internal Audit Charter and Strategy, (QAIP), anti-fraud and corruption strategy, audit planning and Committee's support	155	Quarter 1 • Audit server cleansed • Audit working paper package reviewed • Audit timesheet monitoring reviewed and updated to enable easier monitoring of individual projects • Developing a recommendation tracker using excel • Commenced review of Anti-fraud and corruption strategy
Provisions for annual leave / training / sickness	284	Increased from 2021.22 – to reflect appointments to vacant posts
Provision of ICT review – by Salford Computer Audit Services (System Licencing)	20	Two reviews planned – to be undertaken September 2023 • IT Asset Management • Software Licensing
Total:	714	
Combined Total:	1337	

Audit days to be delivered	**898**	(Exclude 155+284)

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Explanation of Opinion ratings:

Overall Opinion	Explanation
Full	The framework of governance, risk management and control is adequate and effective.
Substantial	Some improvements are required to enhance the adequacy and effectiveness of governance, risk management and control.
Moderate	There are significant weaknesses in the framework of governance, risk, management and control such that it could be or could become inadequate and ineffective.
Limited	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

Explanation of Recommendation ratings:

Recommendation	Explanation
Fundamental	Action required to address a fundamental breakdown of control and / or to prevent a serious financial loss.
Significant	Action required to address a significant control weakness and /or to significantly improve operational efficiency.
Merits Attention	Action required to enhance control and / or to improve operational efficiency.

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Agenda Item 10

Bury Council

Classification:	Decision Type:
Open	N/a

Report to:	Audit Committee	**Date:** 31 July 2023
Subject:	Anti Fraud And Corruption Strategy, Whistleblowing Policy and Fraud and Corruption Prosecution Policy	
Report of	Section 151 Officer	

Summary

1. This report provides an overview of the Anti-Fraud and Corruption Strategy, the Whistleblowing (Confidential Reporting) Policy and the Fraud and Corruption Prosecution Policy.

2. **Recommendation(s)**

- Members approve the Anti-Fraud and Corruption Strategy
- Members Approve the Whistleblowing (Confidential Reporting) Policy
- Members approve the Fraud and Corruption Prosecution Policy

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Report Author and Contact Details:

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Position: Head of Fraud, Audit, Insurance and Risk
Department: Corporate Core - Finance
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Background

3. The Fraud, Audit, Insurance and Risk (FAIR) Team hold the responsibility of reviewing and updating the Anti-Fraud and Corruption Strategy for the Council.

4. The Anti-Fraud and Corruption Strategy, available on the internet, is dated 2014. Elements of the policy have been reviewed since 2015, and most recently in 2019. The Strategy has been scheduled for review in financial year 2023/24 and this is the first report brought to Audit Committee which presents the revised documents and seeks approval of those documents.

5. The anti-fraud and corruption strategy document available on the internet is made up of several documents which had been collated into one document. These were:

- Policy and Strategy
- Confidential Reporting (Whistleblowing) (last updated 2019)4
- Housing Benefit / Council Tax Benefit Fraud Prosecution Policy
- Standards of Conduct
- Guidance for Members and Officers on how to report suspected fraud and corruption with outside bodies
- Local Code of Corporate Governance
- Ant-money Laundering Guidance (last updated 2015)
- Anti-bribery Policy (Last updated 2015)

5. The overall document is now being reviewed and refreshed, and as sections are reviewed, they will be replaced with updated polices / guidance, which are intended to stand alone as opposed to being collated in one document. The revision is taking place during the first half of 2023/24 and it is expected that all revised documents will have been provided to Audit Committee for approval by the end of October 2023
6. It is not intended that the Standards of Conduct or the Local Code of Corporate Governance will form part of this review. These should form part of the review of the Council Constitution. Additionally, there will be no separate document
7. This report focusses on the revisions made to date, which are:
   - Anti-Fraud and Corruption Strategy,
   - Whistleblowing (Confidential Reporting Policy) and
   - Fraud and Corruption Prosecution Policy.

8. ISSUES

8.1 Bury Anti-Fraud and Corruption Strategy

8.1.1 The previous document had become outdated. The document set out a variety of definitions, including those of fraud, corruption, and the roles of the Audit Committee and Standards Committee, and aimed to set out the Council's philosophy on fraud and how the Council would react to fraud.

8.1.2 The new strategy document, whilst still including a definition of fraud, and of bribery and corruption, has been modernised, and now reflects the best practice guidance for combatting fraud in Local Government. The strategy incorporates the best practice guidance for combatting fraud in Local Government and is based on the following publications:-

- Fighting Fraud Corruption Locally Strategy 2020 | CIPFA
- Code of Practice on Managing the Risk of Fraud and Corruption | CIPFA
- Review into the risks of fraud and corruption in local government procurement | Local Government Association

8.1.3 Bury Council has always recognised the need for the highest standards of probity in dealing with public money and has always been firmly committed to the prevention, detection and investigation of form of fraud and corruption. However, the new strategy now promotes a zero-tolerance commitment to the approach for handling fraud and corruption.

8.1.4 Bury Council will adhere to the key principles set out in the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption in Local Government (the Code) and Fighting Fraud and Corruption Locally (FFCL) strategy as these represent best practice and compliance with these measures will enable Bury Council to demonstrate effective stewardship of public funds.

8.1.5 This new document sets out a two-year plan of how the Council will govern acknowledge, prevent and pursue fraud and corruption.

8.1.7 The document states that Bury Council is committed to enabling and securing the highest standards of conduct, honesty, propriety and accountability from its staff and from individuals and organisations who conduct business with Bury Council in delivering its services and the management of its resources and assets. This includes making sure that the opportunity for fraud, bribery and corruption is minimised and adopting a 'Zero Tolerance' approach to fraud and corruption.

8.1.8 The range, nature, and size of Bury Council activities, means there is an ever-present risk of loss due to fraud and corruption from both internal and external sources. By putting in place effective measures to counter the risk of fraud and corruption, Bury Council can reduce losses which undermine standards of service and reduce the resources available for the good of the Bury community.

8.1.9 The aim of the Anti-Fraud and Corruption Strategy is to raise awareness and educate staff, Councillors and residents about the risk of fraud occurring and the intention is to prevent fraud from occurring and protect the public purse, Bury residents and Bury Council assets and to ensure that fraud and corruption both within and perpetrated against Bury Council are kept to an absolute minimum.

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8.1.10 The strategy sets out Bury Council's approach to managing the risk of fraud and corruption and how an anti-fraud and corruption culture is established and promoted.

8.1.11 The strategy is underpinned by other related anti-fraud policies and behaviour policies including the Whistleblowing Policy, Anti-Fraud and Corruption Prosecution Policy, Anti-Bribery Policy; Anti-Money Laundering Policy and Employee and Member Codes of Conduct.

8.1.12 The strategy details definitions of Fraud and Bribery and Corruption and sets out the roles and responsibilities of staff who have a duty to protect Bury Council assets, including information, as well as property.

8.1.13 The strategy will be reviewed on an annual basis and will be brought to Audit Committee alongside the Internal Audit plan and the Fraud Plan.

8.2 Bury Council Whistleblowing (Confidential Reporting Policy)

8.2.1 The revised policy is very similar to the previous policy however, changes have been made as follows: -

- All investigations will be undertaken by a member of the Fraud, Audit, Insurance and Risk Team, along with a representative of the service, and with an identified HR contact for assistance and support.
- A report template is provided which should be used at the end of each investigation.
- Reports will be brought to Audit Committee for information, and for consideration if there are any resulting pieces of work which need to be undertaken by the Internal Audit Team.

8.2.2 The policy states that Bury Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, it is expected that employees who have concerns about any aspects of the Council's work should come forward and voice those concerns. It is recognised that some cases will have to proceed on a confidential basis

8.2.3 The Whistleblowing (Confidential Reporting) Policy intends to encourage and enable employees to raise any concerns within the Council. The policy applies to all employees. For the purpose of this policy only, the term "employees" also includes contractors and suppliers working for or on behalf of the Council, on Council premises or elsewhere. The policy also outlines reporting arrangements for individuals who are not Council employees and also provides guidance for School employees

8.2.4 The policy aims to:

- encourage employees to feel confident in raising any concerns and to question and act upon concerns about unacceptable behaviour or practice within the Authority
- provide avenues for employees to raise those concerns and receive feedback on any action taken
- ensure that employees receive a response to their concerns and that employees are aware of how to pursue them if they are not satisfied, and
- reassure employees that they will be protected from possible reprisals or victimisation if employees have a reasonable belief that they have made any disclosure in the public interest.

8.2.5 The policy provides guidance on how concerns can be raised, and details the action which will be undertaken to investigate the concerns received

8.2.6 The policy explains that a team of officers will usually be established to investigate the allegations. The team will include as a minimum, to maintain independence, a member of the Fraud, Audit, Insurance and Risk Team and, to ensure someone with knowledge of the service / legislation around the service, an appropriate representative from the service against which the allegation has been made. A HR contact for the duration of the investigation will also be nominated to assist and support the team where required.

8.2.7 The policy explains that at the conclusion of the investigation a report will be written, and a template for use is provided, and that the report will be shared with the Director of People and Inclusion, and the Executive Director of the department responsible for implementing recommendations. The report will also be shared with the Council's Monitoring Officer, Executive Director of Finance, and Chief Executive. The report will also be submitted to Audit Committee Members for their information.

8.2.8 The policy provides other contacts where employees may also raise concerns and details how data provided is protected.

8.3 <u>Bury Council Fraud and Corruption Prosecution Policy</u>

8.3.1 The previous policy in place, set out the specific arrangements in place for taking action in the specialist area of Housing Benefit and Council Tax Benefit Fraud. The Council no longer have the responsibility of investigating and prosecuting for Housing Benefit and Council Tax Benefit Fraud. Since the introduction of The Single Fraud Investigation Service, these subjects are now the responsibility of the Department of Works and Pensions (DWP).

8.3.2 The current fraud team, who are within the Fraud, Audit, Insurance and Risk Team, have a wider remit than Housing Benefit and Council Tax Benefit fraud, and their work extends across all areas of the Council.

8.3.3 The revised fraud and corruption prosecution policy forms part of the Council's overall counter fraud and corruption arrangements. The main change to the policy is that it now covers **all** acts, and/or attempted acts, of fraud or corruption committed by officers or members of the Council, or committed by members of the public, or other organisations or their employees, against the Council.

8.3.4 The policy sets out the circumstances in which the Council will take legal action against the perpetrators of fraud or corruption. It also sets out the circumstances when it is appropriate to consider alternative courses of action such as offering a caution.

8.3.5 In addition to prosecution, where employees are alleged to have committed fraud, an internal investigation may also be undertaken following the Council's Disciplinary, Capability and Grievance Procedures which are detailed on the Council's intranet.

8.3.6 The policy contains specific guidelines for determining the most appropriate course of action when fraud has been identified. Offences other than fraud and corruption (for example those relevant to the enforcement of regulations) are dealt with by the appropriate service departments under other policies and relying on specific legal powers.

8.3.7 The Council is committed to deterring fraud and corruption. As part of its overall strategy to do this, the Council will seek to take appropriate action against anyone suspected to have attempted and/or committed a fraudulent or corrupt act against it. The Council considers that those guilty of serious fraud or corruption must take responsibility for their actions before the courts

8.3.8 The policy is designed to ensure that the Council acts fairly and consistently when determining what action to take against the perpetrators of fraud or corruption.

Links with the Corporate Priorities:

Please summarise how this links to the Let's Do It Strategy.

The Fraud Team undertakes work across the Council, to raise the profile of fraud awareness, and undertake investigations where there is suspicion that fraud may have been perpetrated. They also undertake preventative work, examining applications for Council services / benefits where it is known the opportunity of fraud does exist. The workplans cross all areas of the organisation. The team works closely with the Internal Audit Team and highlights areas for inclusion in the Internal Audit Plan. The Fraud Team are able to make recommendations for improvements to be made to systems in place to improve the control of and protect the assets and resources of the Council. The control and mitigation of the loss of funds gives the assurance that public money is used in an appropriate manner to deliver the Corporate Priorities.

Equality Impact and Considerations:

Please provide an explanation of the outcome(s) of an initial or full EIA.

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

(a) eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under this Act.

(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.

(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.

The Fraud Team provide assurance to Committee Members and the public that the organisation is preventing and investigating fraud. They work alongside Internal Audit and also ensure the areas they examine are being operated in line with legislation and in line with agreed policies and procedures which have considered the requirements of the Equality Act 2010.

Environmental Impact and Considerations:

Please provide an explanation of the carbon impact of this decision.

N/a – no decision required

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
The Council is a large organisation which has the potential to be targeted by fraudsters who try to divert the assets of the Council for improper gain.	The fraud team undertake both proactive and reactive exercises to prevent fraud and to investigate any alleged incidents of fraud. A zero tolerance to fraud and corruption is in place and where appropriate, internal disciplinary action is taken and / or criminal proceedings take place.

Legal Implications:

To be completed by the Council's Monitoring Officer.

The Council must have a sound system of internal control which facilitates the effective exercise of its functions, including risk management. This is both a legal requirement and a requirement of the Financial Regulations set out in the Council's Constitution. This report provides information on the work of the Council's Internal Audit Service, in ensuring compliance.

The Strategy document refers to numerous related policies which each of which has its own legal basis and frameworks. The legal basis, issues and implications for each will be explained in the reports seeking approval for individual policies. In relation to the policies presented for approval with this report members are advised as follows:

1. Fraud and Corruption Prosecution Policy - any individual prosecution for an offence will be assessed and validated for prosecution by a competent lawyer of the Council applying The Code for Crown Prosecutors.
2. Whistleblowing Policy – the policy furthers and adheres to the Public Interest Disclosure Act 1998 which protects employees from reprisals and adverse disciplinary action by the Council in relation to genuine disclosures of concerns about fraudulent and/or corrupt activities for investigation".

Financial Implications:

There are no direct financial implications arising from this report.

Background papers:

Please list any background documents to this report and include a hyperlink where possible.

- Anti Fraud and Corruption Strategy
- Whistleblowing (Confidential Reporting Policy)
- Fraud and Corruption Prosecution Policy

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
FAIR Team	Fraud, Audit, Insurance and Risk Team

Anti-Fraud & Corruption Strategy

Document Control

Title	Bury Council Anti-Fraud & Corruption Strategy
Document Type	
Author	FAIR Team
Owner	Corporate Core - Finance
Subject	Anti-Fraud & Corruption
Date Created	July 2023
Approval Date	
Review Date	

Bury COUNCIL

Contents

1. Introduction

Bury Council is committed to enabling and securing the highest standards of conduct, honesty, propriety and accountability from its staff and from individuals and organisations who conduct business with Bury Council in delivering its services and the management of its resources and assets. This includes making sure that the opportunity for fraud, bribery and corruption is minimised and adopting a ‘Zero Tolerance’ approach to fraud and corruption. We will take decisive action where these offences are found to have been committed.

The range, nature, and size of Bury Council activities, means there is an ever-present risk of loss due to fraud and corruption from both internal and external sources. By putting in place effective measures to counter the risk of fraud and corruption, Bury Council can reduce losses which undermine standards of service and reduce the resources available for the good of the Bury community.

Bury Council will work collaboratively with government, other local authorities and public bodies, including the Greater Manchester Police and National fraud agencies to minimise the impacts of fraud and corruption on the public purse.

Whilst it is difficult to fully quantify, fraud and corruption has been previously estimated by the National Fraud Authority as costing UK Local Government at least £2.2 billion a year, and more recent figures are quoting fraud as costing £7.8bn As such, it is vital that Bury Council has a comprehensive strategy in place to guide our Anti-fraud and Corruption culture, prevention, and response. Through its Elected Members and officers, Bury Council works hard to establish a reputation as a responsible guardian of public funds, but we need to be vigilant to ensure that this reputation is safeguarded.

We will endeavour to do our utmost to foster a culture in which fraud and corruption are kept to a minimum, and any attempt to conduct illegal activity, either internally or externally, against Bury Council will be robustly investigated.

Bury Council will seek to ensure this Anti-Fraud Strategy which outlines our corporate stance on tackling fraud, corruption and wrongdoing is widely publicised and that all stakeholders have access to the appropriate policy and procedural guidance and training. The policy will be posted on the Council’s website, where it can be accessed by both staff and members of the public. Fraud awareness will be promoted throughout the Council which will be delivered via online training modules, newsletters, and briefings and presentations by representatives of the Fraud, Audit, Insurance and Risk Team, to working groups / team meetings across the Council

2. Aims

The aim of this strategy is to raise awareness and educate staff, Councillors and residents about the risk of fraud occurring and the intention is to prevent fraud from occurring and protect the public purse, Bury residents and Bury Council assets and to ensure that fraud and corruption both within and perpetrated against Bury Council are kept to an absolute minimum.

This strategy sets out Bury Council's approach to managing the risk of fraud and corruption and how an anti-fraud and corruption culture is established and promoted. In all instances where fraud cannot be prevented, we will conduct robust investigations and bring fraudsters to account. By adopting this strategy, we are committing to:

- Develop and maintain a culture within Bury in which fraud and corruption are unacceptable.
- Continually assess and monitor our fraud risks and our internal control framework.
- Continually improve the effectiveness of fraud prevention including the use of technology.
- Share information effectively via data matching exercises and analysis to help prevent and detect instances of fraud and error.
- Confirm the responsibilities of Directors and Officers in managing the risk of fraud and corruption; and
- Demonstrate how Bury Council meets best practice principles under the CIPFA guidance Managing the Risk of Fraud and Corruption in Local Government and Fighting Fraud and Corruption Locally (FFCL) Strategy.

This strategy is underpinned by other related anti-fraud policies and behaviour policies including the Whistleblowing Policy, Anti-Fraud and Corruption Prosecution Policy, Anti-Bribery Policy; Anti-Money Laundering Policy and Employee and Member Codes of Conduct.

The effectiveness of this strategy will be subject to regular review, by the Head of Fraud, Audit, Insurance and Risk, Section 151 Officer, Monitoring Officer, and the Audit Committee. In the case of significant changes, the strategy will be presented for approval to the Audit Committee.

3. Scope

This strategy and associated Policies apply to all Bury Council activities and covers all employees, Elected Members and Advisors. It also extends to Consultants, temporary agency staff, external persons working for Bury Council such as contractors, delivery partner staff, and also suppliers, funded bodies and any other external agencies in their business dealings with Bury Council.

4. What is Fraud?

4.1. Fraud

Fraud can be broadly described as acting dishonestly with the intention of making a gain for themselves or another, or inflicting a loss (or a risk of loss) on another, including:

- Dishonestly making a false representation
- Dishonestly failing to disclose to another person, information which they are under a legal duty to disclose
- Committing fraud by abuse of position, including any offence as defined in the Fraud

Act 2006

The Fraud Act 2006 can be found here Fraud Act 2006 (legislation.gov.uk).

4.2. Bribery and Corruption

The Bribery Act 2010 defines bribery as “the inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages whether monetary or otherwise”.

Corruption is the abuse of entrusted power for private gain. It affects everyone who depends on the integrity of people in a position of authority.

- Section 7 of the Act created the offence of failure by an organisation to prevent a bribe being paid for or on its behalf. It is possible to provide a defence by implementing adequate procedures to prevent bribery occurring within the organisation. If these cannot be demonstrated and an offence of bribery is committed within the organisation senior officers of the Council can be held accountable.
- A separate anti-bribery and corruption policy is to be prepared and will be made available on the Council website. Target date for this document to be completed, approved and uploaded to the website is end of October 2023.

5. Roles & Responsibilities

The primary defence against fraud and corruption is the establishment of sound practices and systems that incorporate effective controls, which are subject to regular scrutiny and oversight.

Our staff also play a key role in the prevention and detection of attempts of fraud, corruption, or bribery. We expect and encourage them to be alert to the possibility of acts of fraud, corruption, or bribery and to raise any such concerns at the earliest opportunity.

Staff have a duty to protect Bury Council assets, including information, as well as property. When an employee suspects that there has been fraud or corruption committed against the Council, they must report the matter in line with the Whistleblowing Policy.

Some individuals or groups of individuals have specific responsibilities, as follows:

- Collectively, the Chief Executive, the Executive Team, the Senior Leadership Team, and members of the Senior Managers Forum have responsibility for ensuring that Bury Council has effective measures in place to identify, detect, and deal with matters of a fraudulent nature. The Chief Executive’s Management Team has a responsibility to support and promote an anti-fraud culture.
- The Section 151 Officer and The Head of Fraud, Audit, Insurance and Risk (F.A.I.R) have the responsibility to ensure that proper arrangements are in place to administer the Council’s financial affairs and for the promotion and delivery of the anti-fraud strategy and coordination of key activities.
- Directors of functional areas and Managers contribute to the delivery of the strategy and have a responsibility for ensuring they are aware of the risks of fraud and

irregularity, for obtaining assurance that these risks are being appropriately managed in their area and for raising risks or issues with Senior Management and Internal Audit.
- All staff are required to comply with Bury Councils policies and procedures, to be aware of the possibility of fraud, corruption and theft, to report any genuine concerns to management and to the Head of Fraud, Audit, Insurance and Risk (F.A.I.R), and to ensure that internal controls, within their area of responsibility, for the prevention and detection of fraud, are rigorously observed and applied.
- Whistleblowing arrangements are in place to allow suppliers, contractors, and other stakeholders to report any concerns/suspicions to Internal Audit. These arrangements will provide protection for the complainant, as required, under the Public Interest Disclosure Act 1998 and Bury Council's Whistleblowing Policy. The Whistleblowing Policy is a separate document, approved by Audit Committee in July 2023, and is available on the Council's website.
- Bury Council's Mayor and Elected Member roles and responsibilities in relation to the prevention of fraud and corruption are discharged through the Audit Committee and the Council's Executive Management Team.

6. Managing the Risk of Fraud and Corruption

Our strategy incorporates the best practice guidance for combatting fraud in Local Government and is based on the following publications:

- Fighting Fraud Corruption Locally Strategy 2020 | CIPFA
- Code of Practice on Managing the Risk of Fraud and Corruption | CIPFA
- Review into the risks of fraud and corruption in local government procurement | Local Government Association

Bury Council will adhere to the key principles set out in the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption in Local Government (the Code) and Fighting Fraud and Corruption Locally (FFCL) strategy as these represent best practice and compliance with these measures will enable Bury Council to demonstrate effective stewardship of public funds.

The FFCL highlights the following pillars of activity that local authorities should focus its efforts on, to tackle the thread of Fraud.

GOVERN
Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measurers are embedded throughout the organisation.
This strategy seeks to make sure that those who are charged with governance provide the necessary Executive support required to ensure that there are robust arrangements to embed counter fraud, bribery, and corruption measures throughout Bury Council.
Bury Council Priorities for 2023-25
• Develop a Counter Fraud Strategy. • Review and update of the Policy Framework specifically Whistleblowing, Anti-Money Laundering and Anti-Bribery and Corruption. • Ensuring staff know how to report concerns and are aware of the Whistleblowing procedures • Conduct an Organisational Fraud Risk Assessment (Based on the CIPFA model). • Develop and embed a Risk Management Strategy

ACKNOWLEDGE
Accessing and understanding fraud risks *Committing to the right support and tackling fraud and corruption* *Demonstrating that it has a robust anti-fraud response* *Communicating the risks to those charged with Governance*
Bury Council acknowledges that no organisation is free from the risk of fraud, corruption and wrongdoing.
Bury Council Priorities for 2023-25
Anti-Fraud Response – Develop a fraud response plan and work programme based on the outcome of the fraud risk assessment. This will include a mix of proactive, preventative work and reactive fraud investigation work. Training and Awareness – The Fraud, Audit, Insurance and Risk team will help to develop and promote a strong anti-fraud culture. We will work in conjunction with other Directorates and services to raise staff and public awareness. Collaboration – We will collaborate with Greater Manchester partners and the North West Chief Audit Executive Fraud Sub-Group in sharing understanding of emerging fraud risks and policies and plans. Understanding Fraud Risks – Regularly review emerging fraud risks, our mitigations and exposure.

PREVENT
Making the best use of technology *Enhancing fraud controls and processes* *Developing a more effective anti-fraud culture* *Communicating its' activity and successes*
Preventative measures help to make offences more difficult to carry out. Prevention establishes physical, logical, and procedural barriers to discourage fraud and corruption, by implementing proportionate and cost-effective countermeasures to prevent or reduce the identified fraud risk. This includes: • Delivery of the Internal Audit Plan, which is informed by the organisations' risk registers, which include fraud risks. • The effectiveness of the system of internal control in preventing and detecting fraud, bribery and corruption is reported upon in Bury Council's Annual Governance Statement. • All Bury Council's core financial systems and processes should be fully documented, the documentation kept up to date. • Effective segregation of duties; a prerequisite of a sound system of control over financial transactions is the separation of duties. This principal is an essential preventative control over fraudulent and corruption practices. • Recruitment and selection of employees is a key preventative measure in the fight against fraud and corruption and it is important to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential employees, in terms of propriety and integrity. • Potential conflicts of interest are flagged via the Declaration of Interest protocols at meetings where decisions are taken. • Fraud awareness training is provided via e-learning. Managers are responsible for raising awareness of fraud risks in local induction and on-the-job training
Bury Council Priorities for 2023-25
• Internal Controls and processes - Management at all levels within the organisations have a responsibility for the prevention of fraud and corruption. Internal Audit will work with Managers to ensure that a robust control framework is in place within Bury Council. Audit improvement actions to systems and processes will be monitored via the Audit Tracking Process. • Data Analytics and Use of Technology – we will adopt a collaborative approach working with colleagues in Greater Manchester and Partner organisations to help prevent fraud. We will participate in the National Fraud Initiative (NFI) mandatory Data Matching exercise on a two-year basis to help identify fraud and error and subscribe to other local data analysis initiatives. • Fraud Awareness Training – Developing corporate counter fraud training to be provided via e-learning and targeted training which is aligned to risks. Managers are responsible for raising awareness of fraud risks in local induction and on-the-job training. • Developing a more effective anti-fraud culture – Promoting a culture of good governance and personal and ethical conduct through our organisational behavioural policies. Ensuring we have

effective reporting arrangements and staff are encouraged to raise genuine concerns through the appropriate reporting channels including Whistleblowing.

- Delivering work outlined in the Annual Fraud Plan.
- Publicising Successes – communicating successful outcomes across the organisation to act as a deterrent. Proactively share fraud alerts and scams with staff and details of emerging fraud risks.

PURSUE
Prioritising fraud recovery and use of civil sanctions *Developing capability and capacity to punish offenders* *Collaborating across geographical and sectoral boundaries* *Learning lessons and closing the gaps*
To develop a robust enforcement response to pursue fraudsters and deter others. It is important in maintaining an anti-fraud culture within the organisation, that all offences are dealt with in a consistent manner and that minor unethical practices are not overlooked (such as petty theft or small scale expenses fraud) or dealt with in a unduly lenient manner.
Bury Council Priorities for 2023-25
There is a range of measures • Where there is evidence of fraud or corruption, the matter will be investigated and we may refer the matter to our legal team to consider prosecution. It is recognised that it may not always be in the public interest to refer cases for criminal proceedings. Additionally, disciplinary investigations may also be instigated. These investigations will follow the HR guidance for Disciplinary, capability and grievance procedures which are available to staff on the Council's intranet. • Where fraud and corruption is proved and a financial loss has been suffered, Bury Council will seek to recover the full value of any loss from the perpetrators. This may involve civil proceedings being instigated through the courts. • We will make use of legislation, for example the Proceeds of Crime Act 2002, to ensure that funds are recovered where possible by the organisation. • Bury Council will publicise successful actions it has taken against fraudsters through Press Releases and on Council Intranet and Web pages. • Conducting Lessons Learned reviews where fraud and error has occurred and where improvements are required to strengthen the control framework and reduce the risk of reoccurrence.

7. Monitoring and Review

This strategy is owned and approved by Bury Council's Audit Committee and will be reviewed and approved on an annual basis alongside the annual Internal Audit and Fraud Plans.

The effectiveness of the strategy will be reviewed by the Head of Fraud, Audit, Insurance and Risk and Bury Council's Audit Committee. The review will encompass a review of Anti-fraud arrangements against the key principles set out in the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption in Local Government (the Code) and FFCL strategy as these represent best practice and compliance with these measures will enable Bury Council to demonstrate effective stewardship of public funds.

Progress of fraud related activity will be reported to Audit Committee on a quarterly basis with an annual report presented on the outcome of fraud referrals.

8. Other Relevant Policies

The following polices should be read in conjunction with this Anti-Fraud & Corruption Strategy: [hyperlink these when published on the intranet]

- Whistleblowing Policy
- Anti-Fraud & Corruption Prosecution Policy
- Anti-Money Laundering Policy
- Anti- bribery and corruption Policy
- Annual Fraud Plan
- Code of Conduct for Members
- Code of Conduct for Officers
- Risk Management Strategy (to be developed)

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Fraud and Corruption - Prosecution Policy

Document Control

Title	Bury Council – Fraud & Corruption Prosecution Policy
Document Type	
Author	FAIR Team
Owner	Corporate Core Finance
Subject	Counter Fraud & Corruption
Date Created	July 2023
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Contents

1. Scope and Purpose

The fraud and corruption prosecution policy forms part of the Council's overall counter fraud and corruption arrangements. The policy covers all acts, and/or attempted acts, of fraud or corruption committed by officers or members of the Council, or committed by members of the public, or other organisations or their employees, against the Council.

The policy sets out the circumstances in which the Council will take legal action against the perpetrators of fraud or corruption. It also sets out the circumstances when it is appropriate to consider alternative courses of action such as offering a caution.

In addition to prosecution, where employees are alleged to have committed fraud, an internal investigation may also be undertaken following the Council's Disciplinary, Capability and Grievance Procedures which are detailed on the Council's intranet.

This policy should be read in conjunction with the Council's constitution, financial regulations, the anti-fraud strategy, the whistleblowing policy and the Council's disciplinary policy and procedures.

The policy contains specific guidelines for determining the most appropriate course of action when fraud has been identified. Offences other than fraud and corruption (for example those relevant to the enforcement of regulations) are dealt with by the appropriate service departments under other policies and relying on specific legal powers.

2. Principles

The Council is committed to deterring fraud and corruption. As part of its overall strategy to do this, the Council will seek to take appropriate action against anyone suspected to have attempted and/or committed a fraudulent or corrupt act against it. The Council considers that those guilty of serious fraud or corruption must take responsibility for their actions before the courts.

The policy is designed to ensure that the Council acts fairly and consistently when determining what action to take against the perpetrators of fraud or corruption.

Where evidence is identified that staff and members may have committed fraud or corruption they may be prosecuted in addition to such other action(s) that the Council may decide to take, including disciplinary proceedings and referral to the relevant officer or professional body. Any decision not to prosecute a member of staff for fraud and corruption does not preclude remedial action being taken by the relevant director(s) in accordance with the Council's disciplinary procedures or other policies.

This Policy is also designed to be consistent with council policies on equalities. The Council will be sensitive to the circumstances of each case and the nature of the crime when considering whether to prosecute or not. This document may be made available in alternative language upon request.

The consistent application of the policy will provide a means for ensuring that those who have perpetrated fraud and corruption are appropriately penalised. It will also act as a meaningful deterrent to those who are contemplating committing fraud or corruption. The Council recognises the deterrent value of good publicity and therefore information regarding successful prosecutions and sanctions will be made public.

Any decision taken by the authorised officers to prosecute an individual or to offer a formal sanction will be recorded in writing. The reason for the decision being taken will also be recorded. For cases which recommend prosecution of an employee, the authorised officers who will make the decision to prosecute are the Monitoring Officer in conjunction with the S151 Officer and the Head of Human Resources. For all other cases, the authorised officers making the decision to prosecute are the Head of Fraud, Audit, Insurance and Risk in conjunction with Head of Legal Services.

Irrespective of the action taken to prosecute the perpetrators of fraud and corruption, the Council will take whatever steps necessary to recover any losses incurred, including taking action in the civil courts.

3. Prosecution

In the accordance with The Code for Crown Prosecutors[1] this policy is intended to ensure the successful prosecution of offenders in court. However, not every contravention of the law should be considered for prosecution. The Council will weigh the seriousness of the offence (taking into account the harm done or the potential for harm arising from the offence) with other relevant factors, including the financial circumstances of the defendant, mitigating circumstances and other public interest criteria. All cases will be looked at individually and be considered on their own merit.

To consider a case for prosecution the Council must be satisfied that The Code for Crown Prosecutors two tests have been passed. Firstly, there must be sufficient evidence of guilt to secure a conviction. This is called the **evidential test**. Secondly, it must be in the public interest to proceed – the **public interest test.**

3.1. Evidential Test

[1] https://www.cps.gov.uk/publication/code-crown-prosecutors

To pass the evidential test, authorised officers must be satisfied that there is a realistic prospect of conviction based on the available evidence (that is, there must be sufficient admissible, substantial and reliable evidence to secure a conviction):

3.2. Public Interest Test

To pass the public interest test, the authorised officer will balance, carefully and fairly, the public interest criteria against the seriousness of the offence. The public interest criteria include:

- the likely sentence (if convicted)
- any previous convictions and the conduct of the defendant
- whether there are grounds for believing the offence is likely to be repeated
- the prevalence of the offence in the area
- whether the offence was committed as a result of a genuine mistake or misunderstanding
- any undue delay between the offence taking place and/or being detected and the date of the trial
- the likely effect that a prosecution will have on the defendant
- whether the defendant has put right the loss or harm caused.

It will generally be in the public interest to prosecute if one or more of the following factors applies, subject to any mitigating circumstances:

- the actual or potential loss to the Council was substantial
- the fraud has continued over a long period of time
- the fraud was calculated and deliberate
- the person has previously committed fraud against the Council (even if prosecution did not result) and/or there has been a history of fraudulent activity
- the person was in a position of trust (for example, a member of staff)
- there has been an abuse of position or privilege
- the person has declined the offer of a caution or financial penalty
  the case has involved the use of false identities and/or false or forged documents

Investigating officers and prosecutors will review the appropriateness of pre-charge engagement where prosecution is considered. This is likely to occur where such engagement may lead the defendant to volunteer additional information that may identify new lines of inquiry. Pre-charge engagement may be instigated by the investigating officer, the council prosecutor, the defendant's representative or a defendant themselves (if unrepresented).

4. Mitigating Factors

The following mitigating factors will be taken into account when determining whether to prosecute:

4.1. Voluntary Disclosure

A voluntary disclosure occurs when an offender voluntarily reveals fraud about which the Council is otherwise unaware. If this happens, then the fraud will be investigated but the offender will not be prosecuted unless in exceptional circumstances. However, any person colluding in the crime will still be prosecuted. A disclosure is not voluntary if the:

- admission is not a complete disclosure of the fraud
- admission of the fraud is made only because discovery of the fraud is likely, (for example, the offender knows the Council is already undertaking an investigation in this area and/or other counter fraud activity)
- offender only admits the facts when challenged or questioned
- offender supplies the correct facts when making a claim to Legal Aid

4.2. Ill Health or Disability

The suspects mental and physical health will be taken into account before any decision is made to prosecute. Evidence from a GP or other doctor will be requested. It is also necessary to prove that the person understood the rules governing the type of fraud committed and was aware that their action is wrong. This may not be possible where, for instance, the offender has serious learning difficulties. However, simple ignorance of the law will not prevent prosecution.

4.3. Social Factors

A wide range of social factors may make a prosecution undesirable. The test is whether the court will consider the prosecution undesirable and go on to reflect that in the sentence.

4.4. Exceptional Circumstances

In certain exceptional circumstances the Council may decide not to prosecute an offender. Such circumstances include:

- the inability to complete the investigation within a reasonable period of time
- the prosecution would not be in the interests of the Council
- circumstances beyond the control of the Council make a prosecution unattainable

5. Alternatives to Prosecution

If some cases are considered strong enough for prosecution but there are mitigating circumstances which cast a doubt as to whether a prosecution is appropriate then the Council may consider the offer of a sanction instead. The three sanctions available are:

- a caution, or
- a financial penalty, or
- a civil penalty

5.1. Simple Cautions

A simple caution is a warning given in certain circumstances as an alternative to prosecution, to a person who has committed an offence. All cautions are recorded internally and kept for a period of six years. Where a person offends again in the future, any previous cautions will influence the decision on whether to prosecute or not.

For less serious offences a simple caution will normally be considered where all of the following apply:

- there is sufficient evidence to justify instituting criminal proceedings
- the person has admitted the offence
- there is no significant public interest in prosecution
- it was a first offence
- a financial penalty is not considered to be appropriate.

Only in very exceptional circumstances will a further caution be offered for a second or subsequent offence of the same nature.

Cautions will be administered by the Head of Fraud, Audit, Insurance & Risk, or a Senior Corporate Fraud Officer on behalf of the Council. If a caution is offered but not accepted, the Council will usually consider the case for prosecution. In such cases the court will be informed that the defendant was offered a caution but declined to accept it.

5.2. Financial Penalties – Council Tax and Council Tax Reduction Scheme

The Council Tax Reduction Schemes (Detection of Fraud and Enforcement – England) Regulations 2013, permit a financial penalty to be offered to claimants as an alternative to prosecution. The penalty is set at 50% of the amount of the excess reduction, subject to a minimum of £100 and a maximum of £1000. Once a penalty is accepted, the claimant has 14 days to change their mind.

Subject to the criteria set out in the guidelines below, a financial penalty will normally be offered by the Council in the following circumstances:

- the Council believes that there is sufficient evidence to prosecute
- it was a first offence or a previous offence was dealt with by way of a caution, and
- in the opinion of the Council, the circumstances of the case mean it is not overwhelmingly suitable for prosecution, and
- the claimant has the means to repay both the overpayment and the penalty, and
  there is a strong likelihood that both the excess reduction and the penalty will be repaid

5.3. Civil Penalties for failure to supply information – Council Tax

Schedule 3 of the Local Government Finance Act 1992 allows Bury Council to impose a penalty of £70 where a person fails to comply with certain requirements as to the supply of information.

A penalty can be imposed on any person who:

- has been requested by the Council to supply information to identify the liable person for Council Tax and has failed to supply this information, or
- has knowingly supplied information, with regard to identifying the liable person, which is inaccurate in a material particular, or
- has failed, without reasonable excuse, to notify the Council that the dwelling will not be, or was no longer an exempt dwelling, or
- has failed, without reasonable excuse, to notify the Council that the chargeable amount is not subject to a discount or is subject to a discount of a lesser amount.

It is important to note that the suspect does not need to have admitted the offence for a financial penalty to be offered. Financial penalties will be administered by the Head of Fraud, Audit, Insurance & Risk, or a Senior Corporate Fraud Officer. If a financial penalty is not accepted or is withdrawn, the Council will usually consider the case for prosecution. In such cases, the court will be informed that the defendant was offered a penalty but declined to accept it.

6. Proceeds of Crime Act 2002 (POCA)

In addition to the actions set out in this policy, the Council reserves the right to refer all suitable cases for financial investigation with a view to applying to the courts for restraint and/or confiscation of identified assets. A restraint order will prevent a person from dealing with specific assets. A confiscation order enables the Council to recover its losses from assets which are found to be the proceeds of crime.

7. Review

Bury Council will continue to review its rules and procedures and will make sure that the Fraud and Corruption - Prosecution Policy is regularly reviewed to ensure it stays current, appropriate and effective.

Whistleblowing (Confidential Reporting) Policy

Document Control

Title	Bury Council Whistleblowing (Confidential Reporting) Policy
Document Type	
Author	FAIR Team
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Contents

1. Introduction

The Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, it is expected that employees who have concerns about any aspects of the Council's work should come forward and voice those concerns. It is recognised that some cases will have to proceed on a confidential basis.

This Whistleblowing (Confidential Reporting) Policy intends to encourage and enable employees to raise any concerns within the Council – see Section 4.

This policy applies to all employees. For the purpose of this policy only, the term "employees" also includes contractors and suppliers working for or on behalf of the Council, on Council premises or elsewhere.

If you are not a Council employee, you can still contact the Council to report any concerns or disclosures over wrongdoing and these will be treated in the same way. Unlike disclosures made by employees, protection under the Public Interest Disclosure Act 1998 does not extend to disclosures made by members of the public. You can contact us by:

- Our online form - https://www.bury.gov.uk/my-neighbourhood/fraud
- Phone – 0161 253 6446
- Email - whistleblowing@bury.gov.uk

Child safeguarding concerns, for example that a child may have suffered harm, neglect or abuse, can be reported to Children's Safeguarding on 0161 253 5678 or email childwellbeing@bury.gov.uk; or in an emergency contact the Police direct on 101 or 999 in an emergency.

Adult safeguarding concerns can be reported to the Adult Safeguarding on 0161 253 5151 or email adultcareservices@bury.gov.uk; or in an emergency contact the Police direct (101 for non-urgent and 999 for urgent matters).

If you are a School employee, please refer to Appendix 1 of this document, which details arrangements for whistleblowing for School Employees.

The whistleblowing policy is not to be used where other more appropriate reporting procedures are available, either within the Council, or within a school, for example, in relation to any grievance relating to employment matters or to make a general complaint about a service / school.

This document may be made available in alternative language upon request

2. Aims and scope

This policy aims to:

- encourage employees to feel confident in raising any concerns and to question and act upon concerns about unacceptable behaviour or practice within the Authority
- provide avenues for employees to raise those concerns and receive feedback on any action taken
- ensure that employees receive a response to their concerns and that employees are aware of how to pursue them if they are not satisfied, and
- reassure employees that they will be protected from possible reprisals or victimisation if employees have a reasonable belief that they have made any disclosure in the public interest.

There are existing procedures to lodge a grievance relating to employment matters http://intranet/index.aspx?articleid=12567. The Whistleblowing (Confidential Reporting) Policy is intended to cover all concerns that fall outside the scope of other policies/procedures. It may cover concerns such as:

- Conduct which is an offence or a breach of the law
- Disclosures related to miscarriages of justice
- Damage to the environment
- Unauthorised or inappropriate use of public funds
- Fraud, corruption and bribery
- Health and safety risks, including risks to the public as well as other employees
- Abuse/harassment of a service recipient or council employee
- Vulnerable adult or child safeguarding concerns, for example harm, neglect or abuse
- Modern Slavery, and
- Unethical conduct

Any concerns that employees have about any aspect of service provision or the conduct of officers or Members of the Council or others acting on behalf of the Council can also be reported under the Whistleblowing (Confidential Reporting) Policy within Section 4. This may be about something that:

- is against the Council's Constitution and policies, or
- falls below established standards of practice, or
- amounts to improper conduct.

3. Our assurances to you

3.1. Your Safety

3.1.1. The Council are committed to this policy. If you raise a genuine concern under this policy, you will not be at risk of losing your job or suffering any form of action against you as a result. Not only is the Council committed to this, but you also have legal protection under the Public Interest Disclosure Act 1998. Providing you are acting in good faith, it does not matter if you are mistaken. Of course, we do not extend this assurance to someone who maliciously raises a matter they know is untrue. If you make an allegation, frivolously or for personal gain, disciplinary action may be taken against you.

3.2. Your Confidence

3.2.1. We will not tolerate the harassment or victimisation of anyone raising a genuine concern. Disciplinary action may be taken against those who victimise a person reporting a concern.

3.2.2. We hope that you will feel able to raise concerns openly as this will make it much easier to resolve any issues. We also know that others may well try to deduce the source of any complaint. However, we recognise that you may nonetheless want to raise a concern in confidence under this policy. If you ask us to protect your identity by keeping your confidence, we will not normally disclose it without your consent. If the situation arises where we are not able to resolve the concern without revealing your identity (for instance because your evidence is needed in court or you are at risk of harm) we will discuss with you whether and how we can proceed. Despite your request for confidentiality, there may be circumstances therefore, where the Council must disclose your identity. For example, if safeguarding concerns are identified.

3.3. Anonymous complaints

3.3.1. If you do not tell us who you are, we will still consider anonymous reports, however it will be much more difficult for us to look into the matter, to protect your position or to give you feedback.

4. How to raise a concern

As a first step, employees should normally raise concerns with their immediate manager or their supervisor. This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if employees believe that management is involved, or if they need advice and guidance on how to pursue matters, they should approach:

- Head of Fraud, Audit, Insurance & Risk – 0161 253 5085
- Executive Director of Finance – 0161 253 7858
- Director of Law and Democratic Services – 0161 253 5592
- Director of People and Inclusion – 0161 253 5880
- Chief Executive – 0161 253 5002

Alternately, you can contact the Whistleblowing Hotline:

- Online form - https://www.bury.gov.uk/my-neighbourhood/fraud
- By phone – 0161 253 6446
- By email - whistleblowing@bury.gov.uk

- In writing – by marking your correspondence as private and confidential and addressing to the appropriate Officer to: Town Hall, Knowsley Street, Bury, BL9 0SW

Concerns to the Council may be raised online, verbally or in writing/email. Employees who wish to put their complaints in writing/email should do so using the following format:

  - the background, reasons and history of the concerns
  - who is involved e.g. names of Officer(s), Company/Contractor name(s), name of Councillor(s) etc
  - any relevant dates or times
  - any witnesses
  - any evidence (which can be included within the letter or attached to an email)
  - if anyone else has been informed, along with their name and any other relevant information
  - any additional information you wish to provide e.g. vehicle registration numbers, descriptions etc
- Information about yourself (you do not have to provide this information if you wish to remain anonymous, but a telephone number will be helpful so that we can obtain any further details that we may need, to help with the investigation):
  - Your name
  - Preferred contact number (so that we can obtain further information from you if needed)
  - Preferred time of contact (if you have provided us with a telephone number)
  - Email address

The earlier employees express their concerns, the easier it is to take action. It is important to provide **all** information and evidence from the outset in order for officers to undertake a thorough and timely investigation. You should not try to investigate your concerns before / after reporting them as a whistleblowing concern.

Although employees are not expected to prove the truth of allegations, they will need to demonstrate to the person contacted that there are reasonable grounds for their concerns.

If employees are unwilling to refer the matter of concern to one of the internal sources above, then section 6 contains details of how concerns can be reported elsewhere.

Employees may invite their trade union or professional association representative or workplace colleague to be present during any meetings or interviews in connection with the concerns they have raised.

5. How the Council will respond and handle the matter

Once you have told us of your concern, we will look into it to assess initially what action should be taken. This may involve an internal inquiry or a more formal investigation.

A team of officers will usually be established to investigate the allegations. The team will include as a minimum, to maintain independence, a member of the Fraud, Audit, Insurance and Risk Team and, to ensure someone with knowledge of the service / legislation around the service, an appropriate representative from the service against which the allegation has been made. A HR contact for the duration of the investigation will also be nominated to assist and support the team where required.

In the event that allegations are made against a member of the FAIR Team, the Head of HR and the Monitoring Officer will appoint an investigation team.

The Investigation Team will follow the guidance for conducting effective investigations which is available to Bury Council employees via the intranet (Disciplinary, capability and grievance procedures).

At the conclusion of the investigation a report will be written, (see template at Appendix 2). The report will be shared with the Director of People and Inclusion, and the Executive Director of the department responsible for implementing recommendations. The report will also be shared with the Council's Monitoring Officer, Executive Director of Finance, and Chief Executive. The report will also be submitted to Audit Committee Members for their information .

While the purpose of this policy is to enable us to investigate possible malpractice and take appropriate steps to deal with it, we will give you as much feedback as appropriate. As a minimum, we will let you know when the enquiries have been completed.

Within ten working days of a concern being received, the Head of Fraud, Audit, Insurance & Risk or another designated officer will write to the complainant in those instances where the complainant has provided contact details:

- acknowledging that the concern has been received
- indicating how it is proposed to deal with the matter
- giving an estimate of how long it will take to provide a final response
- indicating whether any initial enquiries have been made
- supplying information on staff support mechanisms, and
- indicating whether further investigations will take place and, if not, why not.

The amount of contact between the investigating officers considering the issues and the relevant employee making the whistleblowing disclosure will depend on the nature of the circumstances. If necessary, further information will be sought from the relevant employee.

Meetings can be arranged at a mutually convenient location, and away from the workplace if required.

6. How matters of concern can be taken further

This policy is intended to provide employees with an avenue to raise concerns within the Authority. However, if employees are reluctant to raise their concern through internal channels, or if they feel that matters of concern previously reported have not been dealt with satisfactorily, then the following are possible contacts if they wish to take matters further:

- Local Councillors – details of how to contact and surgery hours are on the Council's website www.bury.gov.uk
- Mazars - the Council's external auditors. They are completely independent from the Council and can be contacted on 0161 238 9200 or by writing to them at 1 St. Peter's Square, Manchester, M2 3DE
- Relevant professional bodies or other government organisations
- Solicitors
- Greater Manchester Police – telephone number 101
- Protect – this is a whistleblowing charity, which provides free and strictly confidential advice and legal help to anyone concerned about a malpractice which threatens the public interest. They operate a helpline on 020 3117 2520 or can be e-mailed at whistle@protect-advice.org.uk. More information is on their website at www.protect-advice.org.uk.

If employees take matters outside the Authority, it will be necessary to ensure that they do not disclose confidential or legally privileged information. As such, it is advisable that employees take appropriate advice before proceeding.

7. How we will protect your data

The Freedom of Information Act 2000 gives a general right of access to all types of recorded information held by Public Authorities. As such the Council often receives requests for information under the Freedom Of Information Act.

The Council has a legal obligation to provide the information unless it falls under one of the exemptions of the Act.

The Freedom of Information Act contains exemptions which may be applicable to permit the withholding of information identifying the whistleblower, including:

- Section 40 Personal Data
- Section 41 Information which, if disclosed, would give rise to an actionable breach of confidence.

Many people making a disclosure to the Council will wish to protect their identity and the Council will always seek to protect the identity of individuals during the course of progressing an investigation. If the Council receives a request for information identifying a whistleblower, the Council will contact the whistleblower to seek their views beforehand and will, wherever possible, seek to comply with those views.

The principle of maintaining confidentiality should also be applied to the identity of any individual who may be the subject of a disclosure.

The Council will ensure that our handling of concerns meets the requirement of the General Data Protection Regulations and Data Protection Act 2018 and the Freedom of Information Act 2000.

8. How we will monitor complaints

Internal Audit will maintain a central record of all whistleblowing referrals made under this policy and monitor the outcome of these cases. All records will be held securely and confidentially.

As such, details of any allegation should be reported to Internal Audit by the receiving manager on receipt. Internal Audit will log and allocate each case a reference number whether or not Internal Audit are involved in the investigation work. The outcome of the investigation should be notified to Internal Audit by the Investigating Officer.

The records held by Internal Audit will be used to analyse the impact and effectiveness of the arrangements in place in statistical terms. The detailed case records form part of the process of reporting back to Members on the effectiveness and outcomes of the Policy and form the record of actions taken in the case of any matters raised under the Public Interest Disclosure Act. The information will be referred to for monitoring purposes and periodic assurance reports provided to the Audit Committee by the Head of Fraud, Audit, Insurance and Risk as part of this process.

The Chief Executive has overall responsibility for the maintenance and operation of this policy and monitoring the effectiveness of the Council’s Whistleblowing Policy (Confidential Reporting) and Process. The Standards Committee has an overview of this policy.

9. Training and awareness

Chief Officers and Heads of Service are responsible for ensuring that their employees are aware of the whistleblowing policy and process and that any training needs are addressed which may arise from the application of the policy. Raising awareness of the Council’s Whistleblowing Policy should form part of the induction training for all employees and should be addressed as refresher training for all employees.

Employees have a responsibility to ensure that they are aware of and understand the Council’s policy in relation to Whistleblowing.

10. Review

Bury Council will continue to review its rules and procedures and will make sure that the Whistleblowing (Confidential Reporting) Policy is regularly reviewed to ensure it stays current, appropriate and effective.

Appendix 1

Guidance for employees of Schools

Schools maintained by the Council. Such as Community Schools, Special Schools, Voluntary Controlled or maintained nursery school and pupil referral units.

If you are an employee of a School maintained by the Council, such as a community school, special school, voluntary controlled or maintained nursery school and pupil referral units, where the Council is the legal employer, you should report your concerns in accordance with the Schools' own whistleblowing policy. However, if you are reporting a fraud, this must be reported to the Council. This can be done either by using the details of Bury Council whistleblowing policy or by using the form at https://www.bury.gov.uk/my-neighbourhood/fraud

If you are an employee of a school (as previously detailed), and you have a concern that you feel you cannot raise / discuss with the management of the school, or have good reason to believe your complaint or disclosure will not be properly handled, then you may report your concern directly to Bury Council or prescribed regulator using the Councils whistleblowing reporting procedures as detailed in this policy.

Safeguarding concerns - if the concern raised relates to a child protection issue, these should be reported to the Local Authority Designated Officer (LADO) and in line with the specific guidelines outlined in the school's safeguarding policy.

The whistleblowing policy is not to be used where other more appropriate reporting procedures are available within school, for example, in relation to any grievance relating to employment matters or to make a general complaint in relation to the school.

Employees who wish to raise concerns over practices in other schools should report these directly to the Council.

The Council expects these schools to respond to a disclosure or allegation in the same way as the Council would respond. The Headteacher or Chair of Governors would be expected to seek advice as necessary from the Council.

Internal Audit can offer advice and support to schools on the approach to be taken to investigate whistleblowing allegations to ensure concerns are properly addressed.

The action taken by schools in response to allegations made will depend on the nature and seriousness of the concern. Where appropriate, the matters raised may be:

- investigated by school management, or Council's Internal Audit Service;
- referred to the Police;
- referred to the External Auditor;

- subject of an independent enquiry.

For monitoring purposes the Headteacher or Chair of Governors must report at the earliest opportunity the details of all whistleblowing allegations or suspicions of fraud, theft or corruption made within school. These must be reported to the Council's Head of Fraud, Audit, Insurance and Risk. Internal Audit will monitor the outcome of all cases, including action taken to reduce the risk of reoccurrence.

Foundation and Voluntary Aided Schools.

This policy does not extend to staff employed in these schools as in these schools the governing body is the employer and not the Council. It is therefore the governing body who must decide how employees and workers may make a qualifying disclosure under PIDA or raise an allegation of wrongdoing.

The Council's ability to legally investigate disclosures of serious wrongdoing in foundation and voluntary aided schools is reduced unless the allegations relate to safeguarding matters, Special Educational Needs and/or financial mismanagement concerns. The Council should be notified of details of all concerns reported in relation to these matters.

As such each school should have their own whistleblowing policy and arrangements for reporting, logging and investigating concerns.

Academy Schools, Sixth Form Colleges and Free Schools

These institutions should adopt their own whistleblowing policy and procedures as the Council has no legal power to investigate, except for those concerns relating to safeguarding issues and Special Educational Needs.

If the Council receives any disclosures relating to these institutions, we will acknowledge these and seek to advise whistleblowers on an appropriate course of action on matters raised. If the disclosure relates to serious wrongdoing in respect of safeguarding issues involving Children or vulnerable adults the Council has a legal obligation to investigate and will do so irrespective of the status of the school.

In relation to schools that fall outside the scope of the Council's whistleblowing policy, Bury Council does have a process whereby any individual who has concerns of wrongdoing can contact the Council at the same time as making a whistleblowing allegation to the school. Bury Council may not be able to deal with the complaint as a whistleblowing under its own policy as this will have to be done by the school but logging this with Bury Council will enable us to monitor the progress and where possible deal with the concerns having regard to any legal obligations or duty of care in relation to the school

The Council will work with the Regional School Commissioner and Department for Education to review any matter referred to them in relation to Schools in Bury.

Employees who have major concerns about other schools or about other Council services can report these matters to Bury Council as a member of the public.

Appendix 2

Whistleblowing Report

Subject

Report Status	Draft / Final
Report reference	TBC by Investigating Officer from FAIR Team
Report Date	
Investigating Officers	

Report title:

Report Distribution List:

Name	Role Title	Organisation
	Executive Director of Service where allegations had been made against / responsible for implementing recommendations	Bury Council
	Director of People and Inclusion	Bury Council
	Executive Director of Finance (S151 Officer)	Bury Council
	Director of Law and Democratic Services (Monitoring Officer)	Bury Council
	Chief Executive	Bury Council
	Audit Committee Member	Bury Council

Introduction

Outline details of allegations received.

Scope of Investigation

Detail here the work undertaken to investigate the allegations received.

Findings

Summarise here what you found during the investigation

Conclusion

Conclude your work here, including reference as to whether the allegations have been founded or not

Whistleblowing Investigation: Subject

Findings and Management Action Plan

	Allegation	Work Undertaken / Findings	Conclusion	Recommendation / Further Work Required	Response from Executive Director of Service which should capture the action to be taken and by when.
	.				

Audit Progress Report

Bury Metropolitan Borough Council

July 2023

mazars

1. Audit Progress
2. National Publications

01

Section 01:

Audit Progress

Audit Progress

Purpose of this report

This report provides the Audit Committee with an update on progress in delivering our responsibilities as your external auditors.

Audit progress

2020/21 audit

Our final remaining responsibility relates to the Authority's whole of government accounts (WGA) return. We have received the NAO group instructions and are currently waiting final confirmation that no further audits are to be sampled and the 2020/21 WGA has closed. Once we receive this confirmation, we will issue our Audit Certificate to formally close the 2020/21 audit.

2021/22 financial statements audit

We presented our Audit Completion Report in March 2023. A number of items were shown as outstanding.

We are currently agreeing a timetable for completing this remaining work with the Authority's finance team as follows:

Outstanding areas currently outstanding are:

- Agreement of PP&E amendments
- National and GMPF pensions accounting issues
- Consolidated Accounts queries
- Resolution of queries from the technical review of the financial statement
- Audit completion including manager, key audit partner and our Engagement Quality review.

We will issue a follow up letter to this Committee following the completion of the outstanding work.

2021/22 VFM

Our work is in progress. We received much of the information and supporting evidence from the Council during April. However, further supporting evidence has been received in the last few weeks and we are currently reviewing this.

Audit Progress

Members are reminded that, as we reported previously, we have identified two risks of significant weakness in respect of the:

- Council's arrangements for financial reporting; and
- Outcome of the Ofsted inspection of children's services.

We plan to complete and report our Value for Money arrangements work alongside the remaining aspects of work on the financial statements.

2022/23 audit.

The Council published its draft Accounts and annual governance statement on 31st May 2023, in line with the statutory timetable.

Our planning for the audit of these financial statements is now underway. We will agree a detailed timetable for our work following resolution of the outstanding areas of work on 2021/22.

We highlight for the Audit Committee a change to an auditing standard (known as ISA 315) which applies from 2022/23. We have included, at section 3 of this report, a summary of the changes and the expected impact on our audit work.

02

Section 02:

National Publications

National publications

	Publication/update	Key points
Chartered Institute of Public Finance and Accountability (CIPFA)		
1	CiPFA Bulletin 14 Supplement – The Triennial Valuation and IAS 19 Reporting	Covers the impact of the triennial valuation statements on IAS 19 Employee benefits reporting
2	CIPFA Bulletin 14: Closure of the 2022/23 Financial Statements	Provides advice on emerging or urgent accounting issues.
3	Insourcing in the Public Sector: A Practical Guide (2022 edition)	Guidance for practitioners
4	CIPFA Bulletin 12 Accounting for Infrastructure Assets Temporary Solution	Covers the issues to be considered regarding the temporary solution for the accounting and reporting issues relating to infrastructure assets
Department for Levelling up Housing and communities		
5	Local Government Finance settlement	Final local government finance settlement 2023-24
Cross Sectoral		
6	House of Commons Committee of Public Accounts report: Timeliness of local auditor reporting	The Public Accounts Committee (PAC) has published its report on Timeliness of local auditor reporting, following a hearing in March. The report sets out the committee's conclusions and recommendations.
Public Sector Audit Appointments Ltd		
7	Directory of Auditor Appointments from 2023/24	Auditor appointments for PSAA opted-in bodies
8	Publication of the 2022/23 fee scale	External audit fees for 2022/23

NATIONAL PUBLICATIONS

CIPFA

1. CIPFA Bulletin 14 Supplement – The Triennial Valuation and IAS 19 Reporting

The guide is an information source for public bodies to provide advice on the issue of the triennial valuation pf the Local Government Pension Scheme (LGPS) being produced before the auditors have provided their opinion.

file:///C:/Users/ydp02/Downloads/CIPFA%20Bulletin%2014%20Supplement%20The%20Triennial%20Valuation%20and%20IAS%2019%20Reporting%20(1).pdf

2. CIPFA Bulletin 14: Closure of the 2022/23 Financial Statements

The bulletin provides advice on emerging or urgent accounting issues, and guidance that is intended to be best practice.

file:///C:/Users/ydp02/Downloads/CIPFA%20Bulletin%2014%20Closure%20of%20the%20202223%20Financial%20Statements.pdf

3. Insourcing in the Public Sector: A Practical Guide (2022 edition), December 2022

The guide is an information source for public bodies to help widen their understanding of insourcing and support internal discussion on whether services should be brought back in-house and, if so, how they should be brought back in. In recent times, several outsourced arrangements have failed due to poor quality and unreliability of providers. It is important to note that while insourcing does not require a public body to run a full procurement process, it still needs to follow a process and undertake key steps (for example, TUPE and asset transfer) and is equally reliant on the public body having expert and skilled personnel to manage this.

This practical guide will support public sector practitioners in understanding key areas to focus on when considering insourcing as part of future delivery models.

https://www.cipfa.org/policy-and-guidance/publications/i/insourcing-in-the-public-sector-a-practical-guide-2022-edition

NATIONAL PUBLICATIONS

CIPFA

4. CIPFA Bulletin 12 Accounting for Infrastructure Assets Temporary Solution, January 2023

The CIPFA Bulletin 12 – Accounting for Infrastructure Assets – Temporary Solution covers the issues to be considered regarding the temporary solution for the accounting and reporting issues relating to infrastructure assets.

The objective of the bulletin is to provide guidance on the temporary solution for accounting for infrastructure assets, focussing on the reporting of the derecognition provisions where there is replacement expenditure and particularly for highways infrastructure assets

The temporary solution includes the Update to the Code and Specifications for Future Codes for Infrastructure Assets (Update to the Code) from 1 April 2021 to 31 March 2025 which features a temporary relief not to report gross cost and accumulated depreciation for infrastructure assets and the statutory prescriptions from England and Wales and Scotland

The Bulletin also includes guidance on accounting for the pattern of consumption of economic benefits and service potential i.e. depreciation.

The Bulletin includes guidance on materiality, an overview of different elements of the temporary solution, the accounting requirements for derecognition including the statutory prescription, the impact on accounting policies and the reporting requirements for disclosure of gross cost and accumulated depreciation

https://www.cipfa.org/policy-and-guidance/cipfa-bulletins/cipfa-bulletin-12-accounting-for-infrastructure-assets-temporary-solution

Department for Levelling up Housing and communities

5. Local Government Finance Settlement

The final local government finance settlement 2023-24 was announced on 6th February.

Final local government finance settlement: England, 2023 to 2024 - GOV.UK (www.gov.uk)

Cross Sectoral

6. House of Commons Committee of Public Accounts report: Timeliness of local auditor reporting

The Public Accounts Committee (PAC) has published its report on Timeliness of local auditor reporting, following a hearing in March. The report sets out the committee’s conclusions and recommendations.

https://publications.parliament.uk/pa/cm5803/cmselect/cmpubacc/995/summary.html

NATIONAL PUBLICATIONS

Public Sector Audit Appointments Ltd

7. Directory of Auditor Appointments from 2023/24, January 2023

PSAA has published its Directory of Auditor Appointments from 2023/24 following the completion of the 2022 procurement. The PSAA Board agreed the appointments at its meeting on 16 December 2022. Mazars will continue as the Council's external auditor from 2023/24.

https://www.psaa.co.uk/2023/01/directory-of-auditor-appointments-from-2023-24/

8. Publication of the 2022/23 fee scale, November 2022

PSAA has published the 2022/23 audit fee scale following consultation. Information on the fee scale and consultation is available. Most audit work under this fee scale will be undertaken from April 2023 onwards. The Council's scale fee for 2022/23 is £125,673.

The 2022/23 fee scale is the last in the current appointing period which is under the 2017 audit contracts. New contracts will apply from the 2023/24 audit following a procurement during 2022. PSAA intend to consult on the fee scale for the 2023/24 audit in early autumn 2023.

https://www.psaa.co.uk/2022/11/news-release-publication-of-the-2022-23-fee-scale/

03

Section 03:

Revised ISA315

Revised ISA 315

Revised auditing standard for Identifying and assessing the risks of material misstatement: ISA (UK) 315 (Revised 2019)

(*Effective for audits of financial statements for periods beginning on or after December 15, 2021)*

ISA (UK) 315 (Revised 2019) introduces major changes to the auditor's risk identification and assessment approach, which are intended to drive a more focused response from auditors undertaking work to obtain sufficient appropriate audit evidence to address the risks of material misstatement. The main changes relevant to your 2022/23 audit are outlined below:

- **Enhanced risk identification and assessment**

  The standard has enhanced the requirements for the auditor to understand the entity and its environment as well as the applicable financial reporting framework to identify the newly introduced inherent risk factors to drive risk identification and assessment (subjectivity, complexity, uncertainty, change, and susceptibility to misstatement due to management bias or fraud). Using these inherent risk factors, the auditor assesses inherent risk on the "spectrum of inherent risk", at which the higher end lies significant risks, to drive a more focused response to the identified risks. It should also be noticed that the standard requires the auditor to obtain sufficient, appropriate audit evidence from these risk identification and assessment procedures to form the basis of their risk assessment.

  The standard also increases the focus on auditors identifying the assertions where the inherent risk lays. For clarity, we include a table of assertions:

Completeness	Is the balance complete?
Accuracy & valuation	Are transactions accurately recorded and assets and liabilities appropriately measured?
Classification	Is the balance classified correctly?
Occurrence	Did the transaction occur?
Existence	Does the item exist?
Rights & obligations	Does the entity own the item?
Cut-off	Is the item recorded in the correct financial year?
Presentation & disclosure	Is the item presented in the accounts appropriately?

- **Greater emphasis on IT**

  In response to constantly evolving business environments, the standard has placed an increased emphasis on the requirements for the auditor to gain an understanding of the entity's IT environment to better understand the possible risks within an entity's information systems. As a result, auditors are required to gain a greater understanding of the IT environment, including IT general controls (ITGCs). However, the standard acknowledges the fact that there is a need for scalability in gaining this understanding and provides more detailed guidance on how to approach the topic depending on the complexity of the commercial software and/or IT applications.

Revised ISA 315

- **Increased focus on controls**

  Off the back of the emphasis for auditors to gain a greater understanding of the IT environment, the standard has also widened the scope of controls deemed relevant to the audit. Auditors are now required to increase their understanding of controls implemented by management, as well as assess the design and implementation of those controls, which include ITGCs.

Impact on the audit on Bury MBC

Our risk assessment procedures will be more granular than in the prior year and we will be seeking more information from the Council to ensure that we can document our detailed understanding of the Council and the environment that it operates in. This will build on the existing strong knowledge of the Council we already have in place from our previous years' audits. In documenting our risk assessment, we will need to input additional time to assess inherent risks of the spectrum that the auditing standard requires.

In terms of IT, we have established a good understanding of the Council's IT environment and at this stage are not aware of any significant changes. We will keep this under review as part of our planning and interim audits. We do not plan to test ITGCs as we have designed our approach to gain assurance from substantive testing, which in our view remains the most efficient approach to take.

Contact

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

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