AGENDA FOR

AUDIT COMMITTEE

Contact: Andrea Tomlinson
Direct Line: 0161 253 5133
E-mail: a.j.tomlinson@bury.gov.uk
Web Site: www.bury.gov.uk

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:	Thursday, 12 October 2023
Place:	Council Chamber, Bury 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 - 12)*

The Minutes of the last meeting of the Audit Committee held on 31st July 2023 are attached.

4 **MATTERS ARISING** *(Pages 13 - 26)*

Action log from last meeting is attached.

Composite note from the Chief Executive requested at the last meeting is attached.

5 **RISK REGISTER 2023/24 Q2** *(Pages 27 - 118)*

Risk Register is attached.
Deep Dives reports:
Regeneration & Development (CR15)
SEND (CR16)
Financial Sustainability (CR1)

6 **FINAL ACCOUNTS 2021/22** *(Pages 119 - 336)*

A report from the Executive Director of Finance is attached.
Appendix 1 – Audit Completion report – Report from the External Auditors Attached
Appendix 2 – Statement of Accounts - Attached

7 **PROCUREMENT UPDATE**

Representatives from the Procurement Department will provide Members with a verbal update.

8 **INFORMATION GOVERNANCE REPORT** *(Pages 337 - 344)*

Report attached.

9 **INTERNAL AUDIT PROGRESS REPORT** *(Pages 345 - 382)*

A report from the Council's Section 151 Officer is attached.
Appendix A attached
Appendix B attached

10 **ANNUAL FRAUD PLAN** *(Pages 383 - 406)*

Report attached.

11 MAZARS PROGRESS REPORT *(Pages 407 - 418)*

Report 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 419 - 484)*

Reports attached.

14 INTERNAL AUDIT SPECIAL INVESTIGATIONS *(Pages 485 - 488)*

Report attached.

15 MEMBERS' FEEDBACK

This page is intentionally left blank

Agenda Item 3

Minutes of: **AUDIT COMMITTEE**

Date of Meeting: 31 July 2023

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

Also in attendance: Sam Evans, Section 151 Officer
Jacqui Dennis, Monitoring Officer
Ruth Whittingham, Head of Legal Services
Simon Peet, Chief Accountant
Karen Murray, Mazars
Dawn Watson, Mazars
Julie Gallagher, Head of Democratic Services
Chris Horth, Unit Manager, Environment
Laura Swann, Assistant Director, Operations
Phil Cole, Head of Homelessness and Housing Option
Liz Cook, Director of Housing
Isobel Booler, Director of Education
Paul Lakin, Executive Director, Place

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

Apologies for Absence: There were no apologies for absence.

AU.1 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

AU.2 **CORPORATE RISK REGISTER**

It is the responsibility of the Audit Committee to review and scrutinise risks where the impact has the potential to disrupt achievement of the Council's priorities. The Council's Section 151 Officer presented to Members an updated Risk Register. The accompanying report provides an updated position with regards to the risks identified and assessed on the Council's Corporate Risk Register.

Following a decision at the last meeting of the Audit Committee, Members asked for a further information in respect of the following areas of concern:

CR6 Climate Change

CR28 Asylum and Immigration

CR21 Project Safety Valve.

Officers from each of those service areas attended the meeting and provided an update on work undertaken to mitigate risk, in addition, accompanying reports were circulated to Members ahead of the meeting.

Member's present in considering the following points and issues were raised:

CR6 Climate Change

The Assistant Director, Operations and the Unit Manager, Environment provided members with an overview of the issues of concern in relation to this risk.

Responding to a Member's Question the Assistant Director, Operations reported that the financial climate remains difficult; the Council has established the role of Climate Action Officer and it is hope that these roles will become self financing and may in time generate further income.

Members discussed the Council's ability to adapt to the changing climate as well as its resilience; the Unit Manager, Environment reported that extreme weather will impact on a number of Council services; Council buildings, transport, emergency services, education and schools and in particular vulnerable residents. To address some of the issues the Council may consider retrofitting buildings and designing green spaces in urban areas to improve the environment.

In response to a question concerning community engagement, the Unit Manager reported that a Climate Action Board has been established with community and voluntary groups represented, in addition there is a subgroup with specific responsibility for communication. The Unit Manager reported that they are very much aware of the necessity to bring the "community with you" in relation to delivering on the climate agenda.

The Unit Manager reported that work is ongoing to try and stimulate the market in terms of environmental friendly solutions eg; heat pumps etc. It is hoped that by stimulating the market, uptake might increase and ultimately lead to economies of scale and reductions in price.

Responding to Members questions regarding disposal of batteries and mining natural resources, the Unit manager reported that it is important as a Council that we follow and where we can influence Government advice and guidance.

CR28 Asylum and Immigration

The Director of Housing and the Head of Homelessness and Housing Options provided members with an overview of the issues of concern in relation to this risk.

Members discussed the impact on Community Cohesion, local services and the voluntary sector as a result of the dispersal scheme. The Head of Homelessness and Housing Options reported that a migration operational group has been established to work collaboratively to reduce tensions. The Council with partners also collates data to assess if there is an increase in anti-social behaviour or hate crime in areas where there is a prevalence of Asylum seekers.

The Head of Homelessness and Housing Options reported concerns that central government are passing on the responsibility to Local Government for moving Asylum Seekers out of hotels and into other accommodation. This will affect over 8000 Asylum seekers nationally including 880 in Greater Manchester. In the Borough of Bury there are only 22 properties available and a very small private rented sector and the money provided is not sufficient to source the properties and provide the support.

Responding to a Member's question, The Head of Homelessness and Housing Options reported that the once voluntary dispersal scheme is now compulsory, it was hoped that this would create greater equity in the system but as rents are less expensive in northern cities this has not been the case.

The Head of Homelessness and Housing Options reported that the next 12 months will be very challenging for the services.

CR21 Project Safety Valve

The Director of Education provided members with an overview of the issues of concern in relation to this risk.

In response to a Member question in relation to the requirement to reduce demand, the Director of Education reported that the Council has now introduced robust legal timescales and established a multi -agency panel to assess review.

The Director of Education reported that Bury Council is the 5th Highest ranked Council nationally for ECHP, this is due to a number of factors, the 2014 code of practice was not adopted strategically within the organisation, greater work is required to identify and meet need at the earliest opportunity and early help needs re-investment.

Responding to a Member's question, the Director of education reported that the Council have made significant savings to try an achieved the project safety valve targets set by central government. This has however been offset with higher activity levels, the Director of Education reported that she continues to have positive conversations with the DfE with regards to the deficit.

The Director of Education reported that the national data does show an increasing trend nationally for SEND provision and some of this is as a result of the Covid pandemic. There has been a 63% increase in requests for new plans with a refusal rate of 37% in Bury, the increase can be attributed to late adoptions of the SEND reforms, both the 2017/2019 inspections, fractured parental pressure and the requirement for cultural change across the school system.

The Audit Committee agrees to:

1) The closure of risks from the Council's Corporate Risk Register, namely: • CR24 – Elections Act 2022
2) Thank officers in attendance.
3) Ask the Chief Executive to prepare for the next meeting of the Audit Committee due to be held on 12th October; a composite note addressing the concerns raised in respect of all 3 deep dives listed for consideration at this meeting.
4) Receive more detailed information in respect of the following areas of the Risk Register at the next meeting, due to be held on 12th October:

- Financial Sustainability – Sam Evans
- SEND – Isobel Booler
- BGI – 3 major regeneration projects – Rob Summerfield

AU.3 MINUTES OF THE LAST MEETING

Councillor Berry asked that minutes be amended to include the following:

Councillor Berry referred to the question that he had asked in relation to the demand for SEND in Bury being high. It had been 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. Councillor Berry had asked for clarification on why the need at Bury was so high compared to other Local Authorities, but this had not been addressed in the Minutes.

Jeanette had explained that SEN support would ideally be in place before a request for an EHCP is received. This was not in place in Bury but work was ongoing to implement.

It was also explained that Bury and Bolton were more severely impacted by COVID 19 that other LAs.

It was agreed:

The minutes be amended to incorporate the above comments.

AU.4 **MATTERS ARISING**

The work programme be noted.

AU.5 **DRAFT 2022/23 ACCOUNTS**

The Council's Section 151 Officer presented the draft Accounts for 2022/23.

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.

An accompanying report was circulated to members in advance of the meeting and the Section 151 Officer reported that the report provides:
• The overarching financial position of the Council and the 2022/23 financial outturn;
• Confidence that public money with which the Council has been entrusted has been used and accounted for appropriately, and;
• Assurance of the robustness of the council's financial standing.

Members in considering the report raised the following issues:

Councillor Gartside sought clarification in relation to Covid Grant spend. The Section 151 Officer committed to provide an update in advance of the next meeting.

The Section 151 Officer confirmed that only deadlines for Capital spend is associated with the two levelling up grants.

The monies paid in respect of the Manchester airport loans was suspended during Covid.

It was agreed:

The Section 151 Officer would provide further clarification in respect of the £1.5 million Covid grant spend, ahead of the next meeting.

AU.6 **COUNCIL CONSTITUTION UPDATE REPORT - DEBT WRITE OFF**

The Head of Democratic Services reported that the Council's 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.

As with any Constitution it is important that the document is reviewed and updated regularly. It was agreed that the following areas of review (under the remit of the Audit Committee) would be:

- Debt write off
- Whistleblowing Policy
- Financial regulations

Debt write off –
A refresh of the Council Write-off Policy and Procedure has been undertaken, the updated policy proposes uplifting the current authorised debt write-off thresholds that have been in place since 2004.

In considering the proposed appended policy, Members raised concerns regarding the engagement of insolvency practitioners, the Chair also raised concerns that there were actions for staff without clear deadlines for completion.

In light of the concerns raised by Members in respect of the proposal and amended policy, it was agreed:

A revised policy would be drafted, taking in to account the concerns raised. Once re-drafted this will be shared with the Chair of the Audit Committee and once agreed forwarded to Council for consideration.

AU.7 INTERNAL AUDIT ANNUAL REPORT

In the absence of the Head of Internal Audit, the Council's Section 151 Officer presented the internal audit annual report.

The 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.

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 in the opinion of the Head of Internal Audit is that the Authority's control environment provides moderate assurance that the significant risks facing the Authority are addressed.

Responding to a Member's question, the Monitoring Officer reported following an internal audit report a summary of recommendations and levels of compliance will be overseen by the Council's internal Corporate Governance Board. This Board will be responsible for tracking compliance across the Council.

It was agreed:

The report be noted.

AU.8 INTERNAL AUDIT PROGRESS REPORT

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.

It was agreed:

The report be noted.

AU.9 ANTI FRAUD AND CORRUPTION STRATEGY, WHISTLEBLOWING POLICY AND FRAUD AND CORRUPTION PROSECUTION POLICY

The Council's Section 151 Officer presented an overview of the Anti-Fraud and Corruption Strategy, the Whistleblowing (Confidential Reporting) Policy and the Fraud and Corruption Prosecution Policy.

Members asked that staff be made aware of the new policies and the Section 151 Officer agreed that she would organise a "staff re-launch" to highlight the changes.

It was agreed
- Members approve the Anti-Fraud and Corruption Strategy
- Members Approve the Whistleblowing (Confidential Reporting) Policy
- Members approve the Fraud and Corruption Prosecution Policy

AU.10 EXTERNAL AUDIT UPDATE

Representatives from Mazars attended the meeting to provide and update on the work they have undertaken in relation to their external audit responsibilities.

An accompanying report was circulated to Members ahead of the meeting which provided details of:

- Audit Progress 2020/21

The final remaining responsibility relates to the Authority's whole of government accounts (WGA) return. The Auditors 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

The Auditors presented our Audit Completion Report in March 2023. A number of items were shown as outstanding.
The Auditors 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

The Auditors work is in progress. The Auditors 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.

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.

The Auditors 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.

The Auditors will agree a detailed timetable for our work following resolution of the outstanding areas of work on 2021/22.

It was agreed;

The report be noted.

AU.11 EXCLUSION OF PRESS AND PUBLIC

AU.12 INTERNAL AUDIT REPORTS

Members noted the content of the report.

AU.13 INTERNAL AUDIT SPECIAL INVESTIGATIONS

Members noted the content of the report and asked that the Executive Director, Place attend the December meeting of the Audit Committee to update members on the action plan in relation to CBRE.

COUNCILLOR M WHITBY
Chair

(Note: The meeting started at 7pm and ended at 9.40pm)

Item	Action	Lead	Completed
Risk Register	Chief Exec to produce for the next meeting a Composite note in relation to concerns raised in respect of the deep dives	Lynne Ridsdale Follow up email sent	12th October CE informed, paper to be considered at Oct meeting
Risk Register	Items for consideration at the next meeting Financial Sustainability SEND BGI Financing of 3 major Regen projects Energy Price Increases (December)	Louise Kirkman	12th October Updates to be considered at Oct meeting
Special investigations report – Procurement of CBRE	Paul Lakin to provide an update on the action plan	Paul Lakin	December meeting
Special investigations report – Procurement of CBRE	Concerns raised by Members and Officers in relation to procurement support across the Council – procurement update be presented at the next meeting	Nichola Cooke	12th October
Minutes	Amendment of wording	JG to speak with AT	12th October Completed
Work Programme	Updated following proposed amendments	Julie Gallagher	12th October Completed
Drat Accounts	Covid grant funding (p.32) Sam to provide a detailed breakdown of the spend	Sam Evans	12th October
Debt Write Off	Concerns raised re attached policy: Lack of engagement with insolvency practitioners (p.12) No clear time limits/deadlines for staff	Simon Peet to amend and meet with Chair and agree and sign off before onwards circulation to September Council	31st August Policy amended and approved at Council on the 13th Sept.
Policies	Re-launch of charges to whistleblowing policies – staff to be made aware	Sam Evans	12th October
Finance special investigations report	Concerns raised that the Council may lose accreditation – assurance sought in advance of the next meeting	Sam Evans	12th October

This page is intentionally left blank

Classification: Open	Decision Type: N/a

Report to:	Audit Committee	**Date:** 12 October 2023
Subject:	Corporate Risk Register – Deep dive assurance report	
Report of	Lynne Ridsdale, Chief Executive, Bury Council.	

Summary

At the Audit Committee on the 31st July 2023, Members considered the Corporate Risk Register and 3 deep dives:

- Asylum and migration (appendix 1)
- Project Safety Valve (appendix 2)
- Climate change (appendix 3)

Following discussion of the item, Members of the Audit Committee resolved to seek further assurance as well as oversight from the Chief Executive regarding actions to reduce risk and effectively manage impacts.

The Committee resolved to receive a composite note from the Chief Executive at the next Audit committee (In relation to all 3 of the above issues).

Recommendation(s)

Members note the report.

Report Author and Contact Details:

Name: Julie Gallagher
Position: Head of Democratic Services
Department: Corporate Core
E-mail: Julie.Gallagher@bury.gov.uk

Links with the Corporate Priorities:

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:

See Appendices

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
In undertaking their role as an Audit Committee, Members have identified areas of key consideration	The Chief Executive has drafted a composite note, to inform and provide assurance in respect of the areas identified.

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.

Background papers:

Audit agenda 31st July 2023

https://councildecisions.bury.gov.uk/ieListDocuments.aspx?CId=133&MId=3394&Ver=4

Appendix 1

CR28 -Asylum and Migration

Following the Deep Dive to the Audit Committee on the 31st July 2023 further assurance was requested with regard to actions to reduce risk and effectively manage impacts.

1.0 Current Position

The complexity and number of asylum seekers, new arrivals and refugees continue to increase within the Borough as the Government introduce and implement new and changed approaches to managing migration. The Home Office initiatives to reduce the backlog of asylum decisions and placements into hotels to manage the numbers of asylum seekers entering the UK are increasing the speed of the decision-making process which is increasing the pressure on local government services as people leave Home Office provision.

Current projected numbers indicate significant risks due to the lack of current accommodation and capacity to provide support. Principally the main factors include:

- Fast track system on asylum decision by the Home Office
- Afghan Bridging hotels scheme
- New Home Office dispersal and resettlement scheme
- Afghan refugee crisis
- Ukrainian refugee crisis

In Bury that due to the implementation of the Afghan Bridging hotel scheme it is estimated that that 82 singles and 23 families will initially be referred to the Homelessness and Housing Options Service.

These will include statutory or non-statutory with an estimated peak in numbers during September – November 2023, there is scepticism that the Home Office will meet these targets and numbers across Greater Manchester (GM). Heat maps containing the data on numbers in Bury and across GM are available and are being analysed.

2.0 Demand

Following the report to Audit Committee on the 31st July 2023. The demands continue to increase.

- Statutory emergency accommodation at capacity and been full for several weeks and demand is increasing.
- Temporary Accommodation provision increased from 40 to 115 units – 364 bed spaces in the last 2 years.
- B&B provision is being used to supplement this provision.
- Rough Sleeper provision full and has a waiting list. Non statutory provision - ABEN – 25 units. Rough sleeper numbers are increasing due to migration.

- RTOF worker – commissioned through Stepping Stones is supporting 20 asylum seekers.
- RSAP – 10 properties in the PRS – full / allocated – Stepping Stones
- ARAP – 10 properties in the PRS – all now allocated – Stepping Stones
- Ukrainian refugees some host arrangements failing due to length of conflict and arrangements being a short-term solutions– adding to homeless stat pressures.

The Homelessness and Housing Options Service is currently supporting 800+ cases to prevent homelessness, and the Service is operating a capacity.

3.0 Risks & Impact

- Demand increases risk the Services being unable to meet statutory accommodation duties.
- Potential for legal challenge.
- Increased number rough sleepers via migration route due to high number of singles that will be not classed as in priority need and have no recourse to public funds.
- Impact on asylum seekers / family coming through the service from Home Office Accommodation provided by Serco.
- Recent reduction in TA Huntley House closed (19 units), the Service is proactively looking for other accommodation.
- The affordability of the PRS market in Bury is limited die the Local Housing Allowance rates in relation to rent levels.
- Serco are actively procuring in Bury and in closed post code areas A closed post code area is due to high levels of ASB, Hate crime and high concentration data in a specific post code provided by GMP & Community Safety.
- Serco and the Home office continue to procure in the most deprived neighbourhoods due to costs / lower rent levels which then impacts and risks community cohesion.
- Impact on demands and pressure on the service is having impacts on staff due to high levels of pressure and the inability to source placements.

4.0 Solutions, risk mitigation – immediate / medium / long term

- Approval to increase staffing levels to meet demands has been given, funded by external migration funding.
- Recruitment is a challenge Currently recruiting for 2 temporary migration officers & 1 PRS officer to specifically to source accommodation for migration - 2 / 3-month process.
- B&B usage will significantly increase costs (ie £80pn vs £80pw for dispersed TA)
- GM Family leasing scheme –£306k funding achieved for 20 properties, working with an RP partner to source homes.
- Bringing empty homes is a priority but the capacity to deliver is limited.

- Development of specialist and supported housing to meet complex needs is a priority working with RP providers, however the lead in times are medium term which includes 30 units for complex single homeless & rough sleepers.
- Assessment of private sector developments are being explored to increase social, affordable and temporary housing options.
- Partnership working with RP's in the Borough to incentivise Bury as the place to build affordable and social housing. A review of the RP partnership arrangements is underway to expand the number of active partners in the Borough.
- Continued partnership working with GMCA / Regional Strategic Migration Partnership to identify solutions provide a collective response and feedback to the Home Office on local impacts and issues.

5.0 Summary Position

The impact of migration pressures in the Borough must be considered in the context of increased homelessness and the availability of social and affordable housing. The Council allocates @400 homes per year.

The increase in homelessness is a result of socio-economic factors, due to the cost of living and affordability and access to housing options and legislative change specifically changes in the private rented sector is leading to a significant number of landlords leaving the market.

The lack of move on accommodation and the people staying put due to the lack of other housing options to buy, affordability or move is slowing the market and access to social and affordable rent.

The impact is that many households are spending significant periods in temporary accommodation, 12 months+ which is creating the demand for increased levels of temporary accommodation while permanent rehousing is resolved.

There is serious concerns about the impact on all homelessness services across GM and the impact households and individuals within our communities, the concern is recognised nationally and requires a transformational change in address.

Appendix 2

Project Safety Valve

Background

Bury Council has been managing a deficit of c£20m on the High Needs Block of the Dedicated Schools grant for a number of years. In 2021 the Council was accepted on to Project Safety Valve (PSV); a partnership arrangement with the Department for Education to seek to eradicate the deficit through a project of reform and cost reduction.

The programme has been subject to a series of delays due to the scale of work required for delivery and significant increases in demand in recent years. In response, the new Chief Executive engaged specialist resource to fundamentally review and reconfigure the programme in order that the deficit can be reprofiled and an achievable plan approved.

Latest position

The proposed updated PSV programme has recently been submitted and presented to the DfE programme lead and advisors. The plan was well received, with DfE confirming that the plan was suitable for recommendation to the Minster, subject to the final QA of individual workstream plans. The plan comprised of the following workstreams:

- Managing demand through a graduated approach
- Developing the Local Offer
- Creating additional provision through two new special schools, a strengthened Education Other Than At School (EOTAS) offer, Alternative Provision and additional Resource Provision places in existing schools
- Establishing new arrangements for Assessment and inclusion Panels
- A strategic banding review and
- Structured approach to reducing the use of expensive out of borough provision when existing arrangements conclude as per approved plans.

The re-cast plan is now with advisors, there will be a final check in with advisors on October 11 and our finalised management plan will be formally submitted on October 13 for DfE to submit to minsters for approval and, if accepted, would achieve eradication of the deficit by 2028/29. The proposed revised delivery timeframe is outside of the originally approved timetable but has a significantly improved delivery confidence rating.

Risk management

The scale and value of the PSV programme means that it is high-risk. As part of new governance, a bespoke risk register has been developed to ensure all risks were identified and mitigations applied, as below

Key Strategic Risk	Mitigation
Delay in the two new Special Schools opening.	DfE management of build. Any delay would be difficult to mitigate timing of savings and sufficiency due to scale.
Delay in additional mainstream provision.	1. Appointment of Capital PM to liaise with contractors and schools. 2. Relationship management with schools from senior LA leaders.
Existing Special Schools and IMNMS reduce sufficiency to Bury before our new special schools open.	1. Develop commissioning strategy to include potential partnerships for future, but reduced, demand. 2. Relationship management by LA senior leaders
Stakeholder opposition, disengagement, and reputational damage to the council with schools, parents, carers, and other partners if savings are delivered but outcomes decline.	1. Robust service improvement and SEND strategy. 2. Culture and stakeholder workstream will deliver robust engagement with all stakeholders. 3. Forma governance structure around the programme and individual workstreams.
Trajectory of growth of SEND cohorts greater than planned.	1. Grip and responsiveness of the demand management workstreams, including Graduated Response and Local Offer. 2. Risk register embedded in each workstream to be regularly reviewed
Lack of governance leads to delays in intended outcomes.	1. Appoint 1FTE PSV strategic lead 2. Strengthen with 0.5 FTE Programme Manager, 1 FTE Project Manager and 1 FTE Project Support Officer. 3. Continued support from finance including analyst and data intelligence.
Significant change to national SEND policy.	1. SEND strategy reflects current national policy with any changes monitored by SEND Board.
Change to key financial assumptions, including DSG funding and inflation.	1. Regular and robust review of expenditure with financial analysis. 2. Follow DfE guidance in potential changes to targets. 3. Relationship with DfE that recognises and can respond to economic change factors.
Loss of confidence of Head Teachers / Managers of setting	1. Work via Head Teacher Reference 2. Shared ownership Workshop Oct 3. Vulnerable Pupils tracker meeting 4. Matrix work between SEND Inclusion Leads and School Improvement 5. Engagement of Head on Resource Panel 6. Collaborative development of Outreach

Key Strategic Risk	Mitigation
Loss of confidence of Parent	1. Use of CDC to lead collaborative working. 2. Development of comm Strat with CDC to increase senior leadership presence. 3. Development around the Phone system in EHCP linked to input via customer care team. 4. Increase parent presence in contract monitoring. 5. QA work to include parental direct contact
Impact of SEND Inspection	1. Awareness of multiagency role and ownership 2. Action plan and SEND strategy.

In addition to the above overall risk register each workstream has its individual risk register summary.

Governance

Delivery of the PSV programme is reported to a monthly project Safety Valve Board, which is chaired by the Executive Director Children's Service and held in consultation with the Department for Education.

Governance of the plan has been strengthened by the inclusion of the following:

Programme Strategic Lead (PSV Expert)	1.0	To end 31/03/2028
Programme Manager 0.5 FTE	0.5	To end 31/03/2028
Project Manager 1 FTE	1.0	To end 31/03/2029
Project Support 1 FTE	1.0	To end 31/03/2029

Appendix 3

Briefing Note – Climate Change

As a council we appreciate the risk that climate change poses to the health and wellbeing of our communities and for this reason we declared a climate emergency and set a target to be carbon neutral by 2038. In addition, Our Let's Do It Strategy commits to putting "carbon neutrality at the heart of new ways of living and working in a covid secure society".

We acknowledge the huge behaviour change challenge we face to meet our carbon neutral target. We know that we need to install up to 75,000 heat pumps, retrofit insulation in 76,000 houses, install solar panels on most of our roofs in the borough and provide the necessary electric vehicle charging infrastructure for 90,000 local EVs. This scale of change will need Government along with all local stakeholders to work together with an adequate financial resource which is estimated to be £3.5billion. When facing this level of change and investment there are naturally many significant risks that need to be allowed for.

The main risks we face in meeting our target can be placed into the following main categories which will be addressed in the text that follows:

- **Insufficient Government resource/support**
- **Cost of low carbon measures e.g., Heat Pumps /Supply chain and local skillset**
- **Council officer resource and training**
- **Adaptation ad resilience**
- **Heavy Vehicle solutions**

Insufficient Government resource/support

To address this issue, we will continue to work with the GMCA, TfGM and our neighbouring GM councils to seek Government funding wherever it is available to help us progress our carbon neutral agenda. Our collaborative approach develops larger ambitious city region schemes which are more likely to generate successful bids. Via the GMCA we will also feedback to the Government and their agencies the limitations of existing funding mechanisms in delivering the level of change we require. It is envisaged that this line of communication from a city region will carry some weight is shaping future government policy. Bury were also one of the first UK local authorities to have a Local Area Energy Plan developed by the Energy Systems Catapult. Energy Systems Catapult was set up to accelerate the transformation of the UK's energy system and ensure UK businesses and consumers capture the opportunities of clean growth on the way to net zero.

Energy Systems Catapult is an independent, not-for-profit centre of excellence that bridges the gap between industry, government, academia and research. They use a whole systems view of the energy sector to identify and address innovation priorities and market barriers, in order to decarbonise the energy system at the lowest cost. This information can then be used to help inform Government policy on reaching net zero. The information that ESC gathered in relation to Bury identified the extent of the challenge and the likely cost to society of reaching net zero. They have now carried out Local Area Energy Plans for all the Greater Manchester local authorities and their findings will hopefully help Government to recognise the need to significantly step up their level of intervention.

The Local Area Energy Plans also show in geographical detail where the main interventions will be required, and this highlights that there will be a significant number of lower cost properties that will require expensive retrofits. It is likely that more vulnerable members of our communities occupy these properties and therefore the Local Area Energy Plan work clearly identifies the need for targeted help in deprived areas to ensure that vulnerable members of our community can benefit from carbon neutral housing and therefore be protected from future energy price rises. Hopefully these findings will help shape Government's approach to prioritising funding.

Our deep dive report outlined that Government regeneration funding often has a "value for money" criteria which can prevent progress due to the additional costs involved in installing net zero measures such as heat pumps. Most regeneration projects take place on brownfield sites which already carry additional cost relating to land remediation and therefore the cost of net zero measures can become impossible within the "value for money" criteria. With our Radcliffe development we have been able to install heat pumps in the new Radcliffe Hub using the Levelling Up funding. However nearby residential schemes are restricted by the "value for money "criteria which means they will be built with gas boilers. This situation is clearly not acceptable and therefore we will feedback to the funding agency that the funding mechanisms are not consistent with our carbon neutral targets and are also not helping to achieve Government net zero targets.

Cost of low carbon measures e.g., Heat Pumps /Supply chain and local skillset

The current cost of heat pumps is determined by market forces, and this is currently quite expensive as a result of general low demand and the domination of gas boilers as the main accepted means of heating in this country. To help address this we can attempt to stimulate the local market by promoting and facilitating the installation of heat pumps wherever we can. By generating demand, we can hopefully increase supply which should lower costs. At this stage we are working with GMCA to attempt to stimulate the market by continuing to look for opportunities to install heat pumps wherever they are feasible and where the business cases work. As mentioned, our new Radcliffe Hub will be completely heated by air source heat pumps, and we hope to use the same heating technology in Prestwich and the other town centre regeneration projects where we can.

"Your Home Better" is s GMCA scheme to help the "able to pay" members of our communities to install low carbon measure including heat pumps. It is anticipated that this scheme will also make heat pumps more accessible and hopefully start to drive costs down.

By stimulating and increasing demand as described above, Bury Council can stimulate and develop local supply chains which will also lead to the development of the necessary skillsets amongst our local workforce. This should ensure that Bury is able to make the most of the economic opportunities that a growing green economy presents.

Council officer resource and training

We need to ensure we have a stable officer resource to push this agenda and to ensure it receives the required level of engagement across the council. Our existing financial circumstances have required that we currently employ only 2 FTE Climate Action related officers on temporary contracts. We accept that this both limits the level of progress we can achieve and presents risks in relation to the retention of officers. We will aim to make these posts permanent whenever the financial situation allows. In the meantime, we will be seeking Government grants for capital projects that allow us to claim money for officer's resource. This should help us to fund the existing temporary roles for a longer term.

It is vital that all staff understand the importance of reducing our carbon emissions. As a result, a 1 hour online Carbon literacy course has been made mandatory for council employees and 750 staff have completed it so far. This year we are looking to get mare staff fully trained in carbon literacy across the council and partner organisations to increase awareness.

Adaptation and Resilience

We completely acknowledge that we are already on track for a certain level of climate change which will mean our communities will be subject to more extremes of hot and cold weather and more extreme weather events. We have some existing plans that would help to address this such as the Emergency Plan and we have some systems in place for tackling extreme heat and cold. However, we know we need to systematically address all the risks that the projected change in climate will bring over the next 10 – 20 years. This year our Climate Action Board has identified this area of work as a priority and the Climate Action Team are setting up a working group to produce and publish an adaptation and resilience plan in 2024.

Heavy Vehicle Solutions

As a council we have commenced the decarbonisation of our fleet by replacing some of our diesel vans with equivalent electric vehicles. We have also installed the relevant charging infrastructure at both Bradley Fold Depot and our Bury Cemetery facilities. Unfortunately, zero carbon solutions for larger vehicles such as refuse collection vehicles are still prohibitively expensive.

The potential for hydrogen as a suitable fuel is likely to be an option longer term but currently there are no viable zero carbon options for the heavier vehicles in our fleet. Over the next few years as demand increases it is likely that financially viable carbon neutral options will be developed, and we will be able to take advantage of these as current leases expire. However, in the meantime we will continue to replace our light goods vehicles with electric equivalents and keep a close eye on the market for developments in zero carbon heavier vehicles. Also, where suitable funding is made available, we will seek to operate pilot trials of heavy vehicles that could meet our needs.

Agenda Item 5

Classification	Item No.
Open	

Meeting:	Audit Committee
Meeting date:	12th October 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.

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
- **16** 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).

Of these **22** risks:

- **1** has increased in score
- **0** have decreased in score
- **20** have remained static
- **1** has been newly introduced

Recommendation(s)

That:

The Audit Committee:

- Note the update provided;
- 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 one further risk to receive a "Deep Dive" review to be presented at the next meeting of the Audit Committee.

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	1	1
3			1		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
	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:

As this is the Corporate risk register, by their very nature some of the risks are financially specific others may require financial resource to mitigate 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
sam.evans@bury.gov.uk

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
H&C	Health & Care
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 2 2023/24** and is the second report for the current financial year.

2. Background

2.1. Following revision to the Council's approach to Risk Management, the Executive Team have developed a risk register that captures events and circumstances which have 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 16 risks (73%) are rated as significant:

No. Risks	Low (1-3)	Moderate (4-6)	High (8-12)	Significant (15-25)
22	0	0	6	16

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	3			1	2	
CC	5			2	3	
CYP	3			1	2	
Finance	2				2	
H&C	3			1	2	
OPS	5			1	4	
Multi (CR29)	1				1	
TOTAL	**22**	**0**	**0**	**6**	**16**	**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, **1** risk has increased in score:
- **CR6 – Climate Change**

Risks that have decreased in score

4.3 During this reporting period, **0** risks have decreased in score

Risks that have remained static

4.4 During this reporting period, **20** risks have remained static:
- **CR1 – Financial Sustainability**
- **CR3 – Security & Resilience**
- **CR4 – Digital Transformation**
- **CR5 – Increasing Demand Pressures**
- **CR7 – ICS Implementation & Establishment**
- **CR9 – Workforce Skills & Capability**
- **CR11 – Building Management**
- **CR12 – Children's Social Care Services**
- **CR13 – Regulatory Compliance**
- **CR14 – Staff Safety & Wellbeing**
- **CR15 – Regeneration & Development**
- **CR16 – Special Educational Needs & Disabilities**
- **CR19 – Financial Capacity**
- **CR20 – Increasing Energy Prices**
- **CR21 – Project Safety Valve**
- **CR23 – Adult Social Care Reform**
- **CR25 – Housing Conditions**
- **CR26 – Increasing Fuel Costs & New Red Diesel Restrictions**
- **CR27 – General Contract / Tender Inflation**
- **CR28 – Asylum & Immigration**

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 **3** risks have reached their target level.

- **CR12 – Children's Social Care Services** *(proposed to remain for oversight)*
- **CR13 – Regulatory Compliance** *(proposed to remain for oversight)*
- **CR26 – Increasing Fuel Costs & New Red Diesel Restrictions** *(proposed to remain for oversight)*

New risks

4.7 During this reporting period **1** new risk has been added to the Corporate Risk Register:

- **CR29 Reinforced Autoclaved Aerated Concrete**

5 Risks Presented for Closure

5.1 Since the last meeting of the Audit Committee, **0** risks have been identified as recommended for closure.

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 At the July meeting, the Audit Committee requested detailed reports in respect of the following 3 risks:

- **CR1 – Financial Sustainability**
- **CR15 – Regeneration & Development**
- **CR16 – Special Educational Needs & Disabilities**

6.3 These reports are included within Appendix C for review, analysis and discussion.

6.4 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. During the meeting in July, **CR20 – Increasing Energy Prices** was selected for the meeting to be held in December, therefore 1 further risk requires selection.

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 are 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, during the meeting in July 2023, the Audit Committee approved the review and refresh of the Risk Management Strategy and work is well underway with this. A further updated position will be presented to Audit Committee during the meeting in December 2023.

8 Recommendations

8.1 The Audit Committee is asked to:

- Note the update provided;
- 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 one further risk to receive a "Deep Dive" review to be presented at the next meeting of the Audit Committee.

Bury Council

Corporate Risk Register 2023/2024

Quarter 2

SUMMARY

Risk Ref	Risk Title	Impact	Likelihood	Score	Page
CR1	Financial Sustainability	5	5	25	3
CR3	Security & Resilience	4	5	20	6
CR4	Digital Transformation	3	4	12	8
CR5	Increasing Demand Pressures	4	5	20	10
CR6	Climate Change	5	4	20	12
CR7	ICS Implementation & Establishment	3	4	12	16
CR9	Workforce Skills & Capability	4	5	20	18
CR11	Building Management	4	5	20	20
CR12	Children's Social Care Services	2	5	10	22
CR13	Regulatory Compliance	3	4	12	24
CR14	Staff Safety & Wellbeing	4	4	16	26
CR15	Regeneration & Development	4	5	20	28
CR16	Special Educational Needs & Disabilities	5	5	25	30
CR19	Financial Capacity	4	5	20	33
CR20	Increasing Energy Prices	5	5	25	35
CR21	Project Safety Valve	5	5	25	37
CR23	Adult Social Care Reforms	3	5	15	40
CR25	Housing Conditions	3	3	9	41
CR26	Increasing Fuel Costs & Red Diesel Restrictions	3	4	12	43
CR27	General Contract/Tenders Inflation	4	5	20	44
CR28	Asylum & Immigration	5	5	25	46
CR29	Reinforced Autoclaved Aerated Concrete	5	3	15	51

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	On target	Static	November 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 recession impacting ability to continue to deliver effective services.	• Medium Term Financial Strategy and plan being updated to be presented to November Cabinet; monthly monitoring of general fund budgets and DSG, revised DfE 'Safety Valve' deficit recovery management plan being developed; close scrutiny and escalation to Executive Team and Members.	• Scrutiny through externally chaired Financial Improvement Panel which will monitor delivery against the financial improvement plan and increased reporting to Cabinet - work plan is multi-faceted and includes increased financial rigour, rationalisation of reserves, increased training and accountability for financial management

• 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. • 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.	• Reserve Strategy and Financial Management and reporting refresh being undertaken as part of financial improvement plan. • Budget Strategy Principles, complete review of all budgets as part of zero based budgeting approach and increased reporting to Departmental Management Teams. • DfE Recovery Plan being updated; DFE engagement; Transformation plan priorities agreed with key stakeholders; review of expenditure and rebaselining being undertaken; additional capital funding secured for in-borough SEND provision. • Rationalisation of admin buildings as part of transformation programme to reduce utilities expenditure and generate capital receipts which can be used for transformation under the flexible use of capital receipts policy.	and control • Rebaseline of capital programme for 23/4 was undertaken at Q1 but further work needed as part of MTFP for future years 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, this is also having an impact on revenue budgets due to increased costs of borrowing. • Early implementation of future years savings programmes where possible. As part of the monitoring and assurance process of the 2023/24 savings plan delivery and the budget challenge sessions as part of the 24/5 MTFP work 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. • Monitoring of the spend moratorium which was put in place in July 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. This has also identified areas for tightening of financial governance and training • Lobbying of GMCA and Government for additional funding and support to LAs. A motion was passed at September Council on this and further discussions have been had at Treasurers • Use of apprentices and training of existing workforce to ensure a workforce which meets both current and future needs. • Reporting to Cabinet on revised modelling of MTFP, developed through zero based budgeting of key services with highest spend and demand

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	November 2023

Key Potential Impacts	Current Controls	Planned Actions
1) • Ongoing national threat from terrorism resulting in potential resurgence of terrorist activity and radicalisation of vulnerable members of community. • Crisis in Ukraine following the Russian invasion is also leading to increased risk of cyber attack and community tensions.	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.

• External threat to data and systems potentially impacting system functionality/causing a data breach. 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. • Security arrangements reviewed, following the recent cyber attack against St Helen's Council 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	November 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	November 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 workforce challenges in the NHS, particularly in relation to volume and acuity of patients requiring discharge. In addition a key control is	• 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 providers of care to ensure early warning are in place.	Continued delivery of Adult Social Care Transformation plan, with a particular focus on transition, adults of working age, strengths based working, and market sustainability

the work being undertaken on the national front runners discharge programme at FGH on discharge of those with dementia and a wider programme on strengths based working. This is having an effect on reducing ALOS, reducing the number of days patients are kept away from home, and limiting the loss of independence (and therefore complexity of care package)	• 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	

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	5	4	20	3	4	12

Risk Owner	D. Ball

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
L. Swann	Some slippage	Increased	November 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 partnership work across GM. • Climate Action Board will continue to meet Quarterly. • Gathering progress reports from projects funded by Climate Action Fund. • Continued delivery of Social Housing Decarbonisation bid.

• 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 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.	• £100k of community action funding distributed to 12 community groups. • Successful project from Six Town Housing and the Council to decarbonise over 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 10 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. • 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.	• Long term resources need to be secured to deliver Climate Change agenda - officers are temporary to the end of June 2024. • 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. • 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

• Lack of carbon neutral solutions for larger vehicles.	• 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 52.4% staff have completed. • 68% of streetlights are now LED lanterns. • Working Group established for Climate Change Adaptation & Resilience.	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. • 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. • Produce the annual update of the Climate Action Plan to maintain a relevant document, monitor progress and highlight areas for more focussed action.

		• 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. • Exploring the feasibility of a heat network in Bury Town Centre.

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	November 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 Urgent Care System response meeting, operating as Gold, across the whole GM health and care system • Working with colleagues across the GM system to ensure the GM ICS operating	• 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. • Bespoke communication approach to address this agenda.

• Implementation - functional alignment review process of establishing GM ICS has the potential to reduce locality focus and capacity of previous CCG staff.	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. • Conclusion of NHS GM staff transitional process in October 2023	• 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	November 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 sees	• Prioritisation through the Corporate Plan and strengthened approach to Departmental Planning & Employee Reviews, including analysis of areas of cross-over and total capacity requirements • Agreed recruitment and retention strategies for both Childrens and Adults Social Care.	• 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. • Values and behaviours work and

the creation of a number of posts, however services continue to run with a high level of agency staff.	• 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 through Apprenticeship Strategy • New OD team developed through HR restructure • Focus on values and behaviours through the LET'S Challenge	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	Some slippage	Static	November 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 (BGI) to manage and oversee the disposal of selected buildings. • Establishment of a "Health and Safety Taskforce" with Union representation, to oversee delivery against internal audit recommendations implemented through	• 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 (Led by BGI). • Develop a proposal for a Facilities Management Service to act as a central point of expertise to provide support to services under a Business

	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. • Faculties Management Board established 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 order to operate safely or report issues. • Head of FM recruited.	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**	2	5	10	2	5	10	2	5	10

Risk Owner	J. Richards

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
J. Richards	On target	Static	November 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. • High caseloads continue to lead to social worker high turnover which then impacts on	• 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. • Regular Ofsted Monitoring visits	• International recruitment was successful with 23 offers made in January 2023. First cohort (4 social workers) started on 12th June and a fifth started on 11th September, with SWE registration received for a further 3 and we are now progressing through to visa applications and hope to have them on board in the next 2 months. Waiting for

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.	• 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.	Social Work England (SWE) registration for the remaining 15 (delays are a national issue). • Develop a whole system approach to QA - building on the QA Framework already in place and taking learning on board from recent monitoring visits, while ensuring a whole system approach that will lead to 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 • 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	November 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, reviewed arrangements to embed reporting arrangements agreed by Executive in August 2023.	• 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). • Review capacity to support the Data Protection Officer.

	• 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 • Report to Executive on a weekly basis on FOI/SAR progress	• 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.

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	On target	Static	November 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 and additional operational management capacity in place • Health & Safety Policy reviewed and new incident reporting process live. • Health and Safety staff drop-in sessions and inclusion in mandatory management training programme	• 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 in response to external review • Delivery of targeted action plan related to staff sickness absence.

	• Robust governance arrangements, action planning and partnership working with the TUs now in place. • New improved Occupational Health provider 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 completed.	• Review of health and safety related training. Including new mandatory E-Learning and strengthened training assurance •Development of 3 year Health and Safety Improvement Strategy • Review of sickness absence policy • Review of Risk Assessment Process

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	3	5	15

Risk Owner	P. Lakin

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
R. Summerfield C. Logue	Some slippage	Static	November 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. • Rising construction inflation and interest rate shifts increasing cost of delivering town	• 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, Planning, Skills and	• 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 applica-

centre regeneration and housing programmes. • Challenges in leveraging council assets due to macro economic environment. • Availability of Council / External funding. • Skills/resource availability for regeneration delivery • Removal of revenue funding for regeneration delivery (puts at risk resource/capacity for implementation).	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.	tions made for regeneration/development projects. Joint Bid being prepared to GM Growth Fund to further support project delivery and promotion. Bury have appointed an externally funded, 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. • Establish JV structures to leverage private sector capacity.

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**	5	5	25	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	Static	November 2023

Key Potential Impacts	Current Controls	Planned Actions
• Further increase in LGO ombudsman complaints and general complaints. • Further loss of parental trust and further increase in parental complaints (400% increase of complaints since March 2023) • Current reduction in SEND tribunals is reversed. • Reduction in compliance in regard to 20 week timescales (which has improved).	• SEND Strategic Board and plan, with clear governance and Independent Chair appointed. * Focused SEND inspection preparation activity - plan in place and fortnightly meetings with Local Area SEND SLT 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. • Implement strengthened architecture re. SEND Development Plan clearer ownership of plans and clarity around

• Ofsted/CQC inspection finds the local area to have systemic weaknesses in a local area SEND inspection, 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.	• Co-production with strategic partner Bury2Gether. • Following education restructure increased capacity in EHCP team - increased investment in data case surgeries and inclusion surgeries now in place. • Graduated response co-produced and implemented • Local Offer Newsletter continues to be well received. • Regular operational meetings with Health partners and Education and SC. • Redesigned EHCP processes bringing parents earlier in the process including the advice with EP service advising. • Second a social worker to the EHCP team to ensure social care advice is statutory. • Revised Senco networks	highlight reports and reporting frequency. • Continue working with managers to ensure Annex A in place, to ensure we can respond promptly when we are notified of inspection. • Develop and launch a communication and engagement strategy. • Specific review around phone calls to SEN EHCP team and revise phone set up.
	• 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.	• 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 continue 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**	4	5	20	4	5	20	2	4	8

Risk Owner	S. Evans

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
S. Evans	On target	Static	November 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	• 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. Additional capacity has also been retained through CIPFA

• 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. Capacity is also being stretched due to the significant work that is required as part of the finance improvement plan, as a consequence of business partnering being a new concept for Bury, the financial position of Bury and the work needed to address the budget and demand pressures • 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.	there were not enough candidates of 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 in the form of a childrens transformation consultant has been commissioned and an additional interim finance BP for childrens services has been retained.	

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	November 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. • Projected energy prices in 24/25 currently showing reduced costs - impact on budgets currently being assessed.	• 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. • Centralising energy budgets across

	- 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 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. • 68.72% streetlights converted to LED lanterns. • £500K bid submitted to Swimming Pool Grant Fund - will find out if successful in Sept 23.	the Council to be managed by the Energy Team going forward. • Further energy saving opportunities being investigated by Energy Saving Working Group. • Wave (new provider) to send new Water Supply contract to Legal Team for signing and new contract start date will be 1st November 2023. All affected sites have been asked to prepare for the migration to the new contract. • Feasibility studies being carried out on 23 corporate buildings for potential solar PV opportunities. • Exploring the feasibility of a heat network in Bury Town Centre to secure stable energy costs in the future.

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**	5	5	25	5	5	25	2	5	10

Risk Owner	J. Richards

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
I.Booler	Some slippage	Static	November 2023

Key Potential Impacts	Current Controls	Planned Actions
• 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 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	• 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	• Revising plans on the page to capture all the activity including the enabling workstreams Revise Special School top up bandings based on other local authorities and implement. • Internet launch of Graduated Approach toolkit. • September launch of Matching Provision to Need tool.

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 and currently the High Needs Block is projecting an in year overspend. • 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.	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. • Education restructure has strengthened the SEN EHCP team and has also created a SEN support enhanced offer. • The Graduated Approach has been launched with a toolkit and the Senco networks have been revised. • Finance developed tracking and reporting mechanisms to report on progress against PSV. • Plan in place to create Resource Provision within primary and secondary mainstream schools, the first of has gone live in September 2023. • Completing DSG Management Plan for DfE Advisers and regular meetings with DfE Advisers. External consultant	• Recruit a schools capital programme manager. • Review internal capacity around the PSV programme. • Revise the management plan and the plans to eradicate the deficit for submission on 29th September. • All workstreams being reviewed and new Plans on a Page being created to ensure clarity and consistency.

	brought in to provide additional expertise and 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)
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	November 2023

Key Potential Impacts	Current Controls	Planned Actions
• Preparation for the CQC inspection • There is insufficient workforce or Government funding for additional workforce to carry out the assessments required to enable customers to access their care accounts • Further contribution to the Council's financial pressures.	• Briefing paper on Adult Social Care reforms submitted to Cabinet, Scrutiny and Locality Board. • Project Manager appointed to oversee implementation of reforms.	• Review of IMC capacity to ensure right capacity and balanced portfolio

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	November 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.	• Monthly performance reports from Six Town Housing on compliance on damp and mould 1 00% stock condition survey in progress, 68% stock assessed 100% by April 2024 • Introduction of Tenant Satisfaction	• Additional resources achieved – GMCA Pathfinder funding to increase resources in PRS Enforcement Team and introduce civil penalties • Develop a winter communication plan to tenants and residents

• Inability to deliver proactive support to landlords and tenants to address existing housing concerns as a result of limitations on current capacity. • Risk of adverse publicity and reputational damage.	Measures April assessed monthly • Regular communication with tenants to encourage reporting. • Service standards in place to address tenant reports & remedial works • Staff awareness "Eyes wide open" process reviewed to ensure all staff are reporting issues and concerns & communication and customer pathways for complaints and being heard. • Safeguarding referrals where property condition is a factor, integrated into operating model • PSR enforcement team triage system in place. • Participation in Good Landlord scheme approved & staff appointed. • Recruitment of PRS Unit Manager complete.	

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**	3	4	12	3	4	12	3	4	12

Risk Owner	D. Ball

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
D. Dixon	On target	Static	November 2023

Key Potential Impacts	Current Controls	Planned Actions
• 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.	• 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	**Risk Action Status**	**Trend**	**Next Risk Review Date**
P. Stokes	On target	Static	November 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 con-	• 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 • Score will reduce once buildings reduce	• 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 • Ensure contingency allowed for in

struction projects in the Highways and Engineering Service leading to increased costs and delays. • Similar impacts are being felt across other non-construction related services e,g, Grounds Maintenance have seen circa 500% increase in the cost of herbicides	significantly and when CLL in place • Robust budget monitoring	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**	5	5	25	5	5	25	2	5	10

Risk Owner	L. Cook

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
L. Cook P. Cole	Some slippage	Increased	November 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. • The Council's statutory and non-statutory	• 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 prop-

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. • 100%+ projected increase in asylum dispersal numbers over the next 12 months • Use of B&B provision to meet temp accommodation demands which has increase expenditure. • Projected significant increase in rough	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 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	erties back into use. Following the appointment of maternity cover unit 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 exisitng numbers. Therefore numbers could increase by 100% in the next 6 to 12 months - circa increase from 440 to 1000+. • ELA partnership: GMCA 'Let Us' - Needs refreshing with targets & outcomes.

sleeper numbers and street homeless via migration pathways and the Home office / serco – non statutory single males being the main co-hort, some with no recourse to public funds. Existing rough sleeper provision – i.e. ABEN is always at capacity / full. • Significant lack of affordable and social housing to meet current and projected demands with limited solutions in the short to medium term. Longer term solutions dependant on future funding streams aligned with the general needs housing strategy and delivery. Similar to wider homelessness pressures.	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 including serco to help manage and support. Bi-monthly • 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	• 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 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. • Opdec produced and in the process

	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. Signed up to National find your own home scheme in the PRS to avoid increasing demands on social housing. • Home office fast track system - HO scheme to speed up asylum decisions in their serco dispersed accommodation and pass duty to LA's. Planned actions to manage increased demands. • Strategic migration meeting - monthly but lacking support and buy in by other services and partners. • External migration funding budgets & reserves available to meet demands and now being appropriately managed and governed with finance.	of approval to increase migration staffing by 3 fulltime temp posts to increase capacity to meet increasing demands to reduce risks. New increased governance and approvals delaying the recruitment process that may increase risk due to unexpected internal delays. Funded wholly via external migration funding. • Homelessness Hub – 30 bed complex needs provision - Continued development of the business case for Council consideration / approval in Q3/4 – 2023/24.

	• Audit committee deep dive report 31/7/23 provided & presented to members for updates and feedback with further migration report to CEO for assurance to emphasis risks and mitigation of risks. • Externally funded RTOF (Regional Transitional Outcomes Fund) worker to support 20 asylum seekers – 2 years commissioned contract with Stepping stones to deliver. • Always exploring new opportunities to increase affordable housing supply and temp emergency housing solutions / provision.	

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)
CR29	**Reinforced Autoclaved Aerated Concrete (RAAC)**	-	-	-	5	3	15	5	1	5

Risk Owner	
	I. Booler L.Swann P.Lakin

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
L.Swann M.Beswick P.Cooke R.Summerfield	On target	New	November 2023

Key Potential Impacts
• The limited durability of RAAC roofs and other RAAC structures has long been recognised; however recent experience (which in-

Current Controls	Planned Actions
• All local authority-maintained schools, for which Bury is the Responsible Body, have been surveyed to identify the pres-	• Priority to be given to identifying building leads for all buildings in the master list. Where building lead cannot be identified the Exec Directors will

cludes two roof failures with little or no warning) suggests the problem may be more serious than previously appreciated and that many building owners are not aware that it is present in their property. • Council needs to review all our buildings as a matter of urgency to understand if RAACs is present in any of them and the appropriate action can then be taken.	ence of RAACs and there are no outstanding issues. Assurances have been provided by all other Responsible Bodies with schools in Bury, and there are no reported concerns.	need to be named (Sep-23) • Agreed standard response to FOIs and Press Enquiries (Sep-23) • Produce an email to send to those responsible for buildings to explain the issue and to ask them to complete spreadsheet and provide information (to include date building was constructed, any extensions and date and copies of any building condition surveys they may have commissioned). Ensure deadline (Sep-23) • Assess information returned to consider next steps and where to commission surveys (Oct-23) • Identify if Development Control have information on construction materials used in buildings (Oct-23) • Information to be shared with LS how Schools procured Pick Everard to commission surveys at a cost of approx £25k - £30k for 40 schools, the brief given to the contractor and cost information (Sep-23) • Explore how contractor/consultant could be appointed to carry out surveys and consider asbestos management (Oct-23) • Identify what could be sent to Commercial Estate and consider responsi-

		bility in terms of the Commercial Estate (Oct-23) • Gather information from other LA’s on their actions in response to RAAC (Oct-23) • Work with STH to check how they are responding (Oct-23)

This page is intentionally left blank

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

This page is intentionally left blank

APPENDIX C – DEEP DIVES

Report to	**Audit Committee**
From	**Robert Summerfield – Assistant Director (Regeneration Delivery)**
Risk Reference	**CR15**
Risk Description	**Regeneration & Development**
Recommendation	**For analysis and discussion**

Context

Risk CR15 relates to the Council's Regeneration and Development capacity, operational activities and projects. The Council delivers a number of functions and projects in accordance with Bury's Corporate Strategy (LET'S Do It!) and in line with regional and national initiatives such as Levelling Up, Places for Everyone and Brownfield Housing development. The activities are delivered either through external funding in the form of grants or via the Council's own resources.

Regeneration activity is complex and multi-disciplinary requiring joint working across the Business Growth & Infrastructure Directorate itself and other Directorate areas.

Specific Services providing leadership on this agenda include:
- Major Capital Projects
- Land & Property
- Planning (Strategic & Development Control)
- Inward Investment & Skills
- Economic Development

Key interfaces for regeneration activity are between the above functions and:
- Legal & Democratic Services
- Finance Services
- Procurement
- Communications
- Operations (Communities and Highways).
- Leisure Services
- Public Health

Regeneration Projects and initiatives

Major regeneration activity is currently focused on the following initiatives:

Places for Everyone – Joint Development Plan

Places for Everyone (PfE) is a long-term plan of nine Greater Manchester districts (Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Tameside, Trafford and Wigan) for jobs, new homes, and sustainable growth. The plan will determine the kind of development that takes place, maximising the use of brownfield land and urban spaces while protecting Green Belt land from the risk of unplanned development.

It will also ensure all new developments are sustainably integrated into Greater Manchester's transport network or supported by new infrastructure. This plan:

- sets out how the nine boroughs should develop over the next 15+ years;
- identifies the amount of new development that will come forward across the 9 districts, in terms of housing, offices, and industry and warehousing, and the main areas in which this will be focused;
- supports the delivery of key infrastructure, such as transport and utilities;
- protects the important environmental assets across the city region;
- allocates sites for employment and housing outside of the existing urban area; and
- defines a new Green Belt boundary for Greater Manchester

<u>Northern Gateway</u>

- The site straddles Bury and Rochdale and is the most significant proposal for employment development within the Places for Everyone Joint Plan.
- Occupies a strategic location adjacent to the M60, M62 and M66 and will attract high quality businesses and employment opportunities, including advanced manufacturing processes to support product innovation and research activity in Manchester city centre.
- Potential to be genuinely transformational, delivering an internationally significant employment development of an equivalent scale to Trafford Park and will fundamentally strengthen the North's ability to compete on a global scale.
- 1.2 million sq.m. of industrial and warehousing floorspace generating around 17,000 new jobs as well as £1.1 billion in GVA for the Greater Manchester economy.
- The delivery of the site would be a key driver in achieving a more balanced Greater Manchester economy by significantly boosting the competitiveness of the northern districts and in delivering the aspirations.

<u>Bury Flexi Hall & Market</u>

Development of; a new, multi-functional events venue, the construction of two new roof canopies to replace the existing, dilapidated coverings that currently protect the outdoor market stalls, and the creation of an enhanced public realm that will provide seating and space for outdoor events, with hard and soft landscaping that will incorporate sustainable urban drainage (SuDS). The public realm improvements will also create a much more visible and higher profile entrance from the key points of arrival. The scheme is being co-funded by the Council to support the acquisition of properties that will facilitate the construction of the Flexi Hall.

Radcliffe Hub and Market Chambers

Circa £40 million project comprising:
- The construction of a Civic Hub in Radcliffe town centre, replacing the southern side of the 1960s era former shopping precinct. Facilities including:
- New library facility (larger than Radcliffe's existing library) as well as spaces for use by community groups and Adult Learning Services.
- Leisure facilities including 6 lane x 25m main pool, learner pool with movable floor, 100-station gym space, rooftop activity space.
- Commercial facilities including a Clip 'n' Climb and café.
- Office space for the Council's Adult Safeguarding, Revenues and Benefits, and Integrated Neighbourhood Team

Prestwich Village

The project aims to create 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.

Our vision is to create a low-carbon neighbourhood to support a sustainable future and enhance the environment for future generations in Prestwich.

The project will deliver:
- A community hub
- Retail and leisure facilities
- Market hall
- Travel hub/multi storey car park
- Public realm improvements
- Residential housing at scale

Mill Gate Re-development

Bury Council entered into a Joint Venture with Bruntwood to develop the Mill Gate site. Plans for the site include remodelling and improving the existing centre and bringing forward some residential units.

There is the opportunity to re-purpose/refurbish existing buildings at the Mill Gate – extending their lifespan and avoiding the embodied carbon involved in new construction.

Brownfield Housing Programme

This programme will deliver significant housing numbers on Council-owned brownfield land, alongside scheduled land disposals approved under the Council's Accelerated Land Disposal Programme. The programme generates capital receipts to fund the wider Bury Capital Programme, whilst securing external funding and competent developers to bring forward quality housing development at scale.

Strategic Asset Development Plan

The Council has an extensive land and property portfolio. Chronic budget pressures, the increased cost of operating buildings and the introduction of new 'Hub' buildings mean we need now to act to rationalise the estate.

This project covers all land and property ownerships of the Council. It incorporates the administration buildings the Council operates services from, a portfolio of commercial properties, properties held through JV's, a land bank accumulated over the years, surplus buildings which either formerly hosted services or community activity, buildings in parks, sports playing fields, the estates which a portfolio of 7,500 council houses are owned and a range of smaller land plots, many of which border highways or have bene historically acquired. The project aims to consolidate and improve value from the Council's non-current asset base whilst improving efficiency and effectiveness in service delivery. This workstream encompasses the following projects:

- Administrative Estates Programme
- Accelerated Land Disposal Programme (ALDP)
- Smaller Sites Disposal Programme
- Housing Estates Programme
- Commercial Estates Transformation Programme
- Town Hall Project

BGI Regeneration activity is also responsible for the implementation of the following masterplans and strategies:

- Bury Local Plan
- Bury Town Centre Masterplan
- Radcliffe Strategic Regeneration Framework
- Ramsbottom Town Centre Plan
- Whitefield Town Centre / High Streets Task Force
- Greater Manchester Transport Strategy 2040
- City Region Sustainable Transport Settlement (delivered alongside Operations)
- Greater Manchester Transport Infrastructure Pipeline
- Bury Housing Strategy 2021
- Strategic Housing Review – Future Management & Maintenance of Council Housing in Bury Council
- Economic Development Strategy

Risk CR15: Regeneration & Development

Risk CR15 relates to the effective delivery of the multi-disciplinary agenda outlined above.

In assessing risks associated with Regeneration and Development, officers have assessed the following factors:

- Development viability and associated factors.
- Supply chain availability and maturity
- Macro-economic conditions
- Staff resources & skills
- Strategic development agenda
- Internal & External funding environment

[Risk Owner: Paul Lakin]

Key Potential Impacts

Impact	Description
• Availability of Council / External Funding • Removal of revenue funding for regeneration delivery (puts at risk resource/capacity for implementation).	Regeneration activity is dependent on external funding (e.g. Levelling Up Fund [LUF] / Brownfield Land Release Funding [BLRF] and internal Council capital (in the form of capital receipts and Prudential Borrowing.) Availability of funding has been impacted by: • Reducing availability of revenue funding associated with unprecedented budget reductions to BGI and removal of reserves. This has reduced the ability of BGI to develop shovel ready projects suitable for external grant funding. • Reduced revenue funding available to service required Prudential Borrowing / gap or match funding. • Salary Capitalisation targets allocated to BGI have substantially reduced operational management and Land & Property resources. • Short term nature of external regeneration funding (e.g. LUF) prevents long term regeneration initiatives and horizontal supply chain management processes required to maximise value and achieve social value uplift in procurement.

	• Increased uncertainty of pipeline of external funding initiatives due to current political environment. • Lack of internal financial support resource within the Council.
• Challenges in leveraging council assets due to macro economic environment. • Rising construction inflation and interest rate shifts increasing cost of delivering town centre regeneration and housing programmes.	• High interest rates and unprecedented construction inflationary pressures affect desirability of brownfield and other development land within Bury. Additional internal/external funding required to address viability gaps or will require a reduction in expected capital receipts under ALDP. • Viability gaps also set to increase following adoption of Biodiversity Net Gain requirements.
• Skills/resource availability for regeneration delivery	• Reduced operational resources in Land & Property / Economic Growth team following imposition of salary capitalisation savings target. • Lack of available professionals in the market alongside significant salary level competition.
• Northern Gateway - failure to grasp opportunity presented by the largest regeneration project to impact this part of the country.	• Significant effort required across the Council/GM to ensure the Northern Gateway opportunity is delivered effectively. • Challenges associated with bringing together diverse land interests, stakeholders, infrastructure requirements, funding and delivery resources.

Current Controls

Impact	Control
• Availability of Council / External Funding • Removal of revenue funding for regeneration delivery (puts at risk resource/capacity for implementation).	• Strong project governance and control via the “Regeneration Board” mechanism – Senior Officer Membership. • Value Management activity has been implemented across major regeneration projects to ensure project costs remain within budget.

	This has required de-scoping of some outputs. • Close working relationships have been developed with external funding partners at GMCA, Homes England, DLUHC etc. Bury Pipeline projects now registered with Combined Authority and partner organisations (e.g. MIDAS). • Bury growth zones allocated under GMCA Local Investment Framework [LIF] (Spatial Priority Areas).
• Challenges in leveraging council assets due to macro-economic environment. • Rising construction inflation and interest rate shifts increasing cost of delivering town centre regeneration and housing programmes.	Acquisition of external “gap” funding (e.g. BLRF for Pyramid Park). Options under development to “package” housing and development sites for greater viability. Use of integrated procurement systems and co-procurement between major projects to increase value and lower fixed project delivery cost.
• Skills/resource availability for regeneration delivery	Establish Joint Venture organisations to deliver major projects to leverage Private Sector development resources. These have been established at Mill Gate (Bruntwood) and Prestwich (Muse). Development training currently being delivered by BGI senior management to bring on graduate/trainee staff members across the Council to deliver major projects/regeneration activity. Use of consultant Project Management Resources to supplement in-house officers.
Northern Gateway - failure to grasp opportunity presented by the largest regeneration project to impact this part of the country.	Dedicated Project Management resource appointed for Northern Gateway in August 2023.

	Bury Council integrated into Northern Gateway project delivery structure with GMCA support. Strong leadership of the programme by BGI senior management Submission of funding bids for project enabling resources by Bury Council officers.

REPORT FOR AUDIT COMMITTEE			
To:	**Audit Committee**		
Contact Officer:	**Director of Education & Skills**		
Risk Reference:	**CR16**		
Risk Description:	**Special Educational Needs and Disabilities**		
Reason for Briefing Note:	**Information** ☐	**Analysis & Discussion** ☒	**Decision** ☐

1. **Context**

The Special Educational Needs and Disability (SEND) reforms were introduced in September 2014 under the Children and Families Act. Bury was inspected as a 'Local Area' in 2017 with a follow-up visit in 2019; both visits found that Bury had not been effective in its implementation of the SEND reforms.

A new SEND inspection framework was introduced in January 2023; under the new arrangements all local areas will receive an inspection every 5 years. Where weaknesses have been identified on a previous visit, or if there are serious concerns raised at any time, the local area will be subject to monitoring inspections. Within the new inspection framework the approach has shifted and it is now very much based on parental observation and lived experiences. The inspection will have one of three judgements:

- The local area partnership's SEND arrangements typically lead to **positive experiences and outcomes** for children and young people with SEND. The local area partnership is taking action where improvements are needed.
- The local area partnership's arrangements lead to **inconsistent experiences and outcomes** for children and young people with SEND. The local area partnership must work jointly to make improvements.
- There are widespread and/or systemic failings leading to **significant concerns about the experiences and outcomes** of children and young people with SEND, which the local area partnership must address urgently.

Systemic failures will impose a requirement on the local area to produce a priority action plan which will be reviewed as part of a monitoring inspection.

There are historical challenges in Bury that will be included in the scope of our SEND inspection:

1. Historical mistrust of Bury SEND by parents

2. Demand for EHCPs
3. Rising levels of complexity of need
4. Insufficient local specialist provision to meet need
5. Growth in the number of children placed in INMSS (independent and non-maintained special schools)
6. Waiting times and pathways for Health services
7. Limited integration and ownership of the SEND agenda
8. Silo working
9. Early years universal offer

The SEND Code of Practice was not implemented early enough in Bury, such as the graduated response, funding arrangements and re-design of the EHCP service and this is a significant factor in our continued increase in demand. The current strategy is to ensure that we are fully compliant with the Code of Practice, which will see a realignment of resources with more children's needs being met at SEN support and this will in turn reduce demand.

This report provides an overview as to completed and planned actions to mitigate these risks, it should be noted that while lots has been done, this will take time to fully embed and gain the trust of parents and partners.

This risk is related to the Project Safety Valve (PSV) risk which is reported separately.

2. Key Potential Impacts

1. Failure to have a strong local offer, graduated response and appropriate support for children in mainstream provision could see an increase in EHC referrals and plans, putting increased pressure on system and difficulties in meeting provision set out within the EHCPs. This in turn will place increased pressure on SEND special school place sufficiency.

2. Further loss of parental trust - senior officers have worked closely with parents and carers to rebuild the relationships, and build trust. This remains very work in progress and is supported through a range of activities including parental drop-ins, webinars, co production activity in partnership with The Council For Disabled Children

3. Further increase in LGO ombudsman complaints, SEND Tribunals and general complaints as parents are not happy with decisions taken around EHCPs, or where we are not meeting the identified needs of the child.

4. Relationship with schools may be negatively affected as we instruct them to maintain children with EHCPs in their schools, when they feel it is more appropriate to place in specialist provision.

5. Impact on waiting times as we require more assessment and interventions from health & CAMHS. Important to note that decisions around commissioning of these services takes place at GM level.

6. Reduction in compliance in regard to the 20 week timescale for EHCPs due to increased demand.

7. Increase in EHCP assessments which is disproportionate to population, leading to sufficiency issues. Children are also potentially being incorrectly labelled and this can have a negative impact.

8. Increased usage of independent schools and the related impact on the High Needs overspend.

9. Council liable to fines from the ombudsman where we fail to provide transport for a child with SEND, in line with our Transport Policy.

10. Lack of an early years offer means that children's SEN needs are not addressed early enough, the impact of the disability is then greater which leads to an increased needs and therefore increased EHCPs.

11. Ofsted could judge the local area to have systemic weaknesses in a local area SEND inspection, impacting further on reputation.

12. Impact on our ability to meet the requirement of Project Safety Valve.

3. Current Controls

We have implemented changes to **decisions around issuing EHCPs** but as a consequence we may be met with some resistance and there could be an increase in complaints. We are currently the 5th highest local area in terms of numbers of EHCP per head of population, suggesting that our threshold is lower than it should be and to re-align this will potentially create tension both in terms of parents as well as schools.

We have improved the timeliness of issuing new EHCPs which is currently 70% (from a previous 27% annual rate in 2021). To enable the EHCP team to be able to meet the statutory requirement we have **increased the staffing establishment** to reduce caseloads down to 350 per officer (from 450+). We have re-structured to create a new assessment team and an annual review team to ensure we are able to complete the statutory annual review work which was a significant weakness for us. The team has been stabilised for the last year and all posts are permanent members of staff.

Significant progress has been made to reduce waiting times for a range of therapies which supports more effective identification of need and we are now compliant with NICE guidance.

We are working in **co-production** with parents and carers, through strategic partner Bury2Gether. Bury2Gether are members of our SEND Strategic Partnership Board and they also have dedicated time each week with the Head of Service for SEND and Inclusion, to ensure that they have opportunity to bring issues but also so that we can work together in planning services for our families.

Bury's SEN Strategy has a strong emphasis upon meeting a wider range of needs at SEN Support by embedding Bury's **graduated approach** (GA) to identifying, assessing, and meeting SEN needs earlier. Key features of our approach are:

1. Graduated Approach Toolkit (GAT) was co-produced and soft launched in October 2022, to provide a strong emphasis on meeting a wider range of needs at SEN Support stage by identifying, assessing, and meeting SEN needs earlier and ensuring that the universal offer is fully understood.

2. The GAT exists on paper form and has been a central focus on the SENCo networks and a Headteacher conference (May 2023) which was well attended and had 92% positive feedback.

3. SENCo networks to support the Graduated Approach were re-launched in 2022 and will be run jointly by ElmsBank and the Local Authority in 2023 with both in-reach and outreach training opportunities.

4. To embed the Graduated Approach the Inclusion Panel has been reviewed and, from September, will operate as a proactive multi-agency panel with a remit to ensure that SEN Support plans are being used to support any child where there is consideration of additional support and that this is addressed before any request for an EHCP can be made. The Panel will act as a direct referral route to a range of support systems and training as well as supporting children and young people where there has been a EHCP assessment, but the outcome is that needs can be met at SEN Support.

5. To support the success of the Graduated Approach we have developed SEND practice fortnights so that all our workforce is aware of the universal offer and the targeted offer.

6. To ensure consistency of identification and to support the embedding of the Graduated Approach a ‘Matching provision to Need Tool’ has been developed. This is all age with resources for Early Years, Primary, secondary and post 16. This tool is to be launched in September 2023 and is supportive of Bury’s increased continuum of provision.

Bury has focused on a total refresh of its **Local Offer** and has revised the SENCo network and headteacher training offer. The revision of our Local Offer has been strengthened in the following key areas:

1. Supporting parents to access universal and Early Help support to meet their child's needs in a timely which has been ongoing since May 2023.

2. We have Launched the ‘Friends of the Local offer initiative and we launched a Local Offer newsletter in January 2022 which has continued to be issued and has been well received.

3. We have held two full SEND Local Offer days in October 22 and July 2023 with feedback that all parents surveyed gained additional information with a 90% satisfaction rate.

4. The Local Offer has been restructured so that parents can easily identify and access support through the universal offer reducing the need for targeted intervention. The restructures Local Offer will be live from the end of October

in the new format as requested by parents. In advance of this the updated information has already been uploaded onto the current Local Offer site.

5. A series of Local Offer co-production events have been held with parents to ensure that parents have actively contributed to it and ensuring ease of accessibility.

6. This work has been progressed through the leadership of a SEND ambassador and by revising the SENCo network including high quality CPD and networking opportunities across the borough, including the Headteacher development offer, within clusters of schools and bespoke to individual settings.

7. SEND navigators are now being recruited to and trained Barnardos – initially based at Redvales they will provide offline access to the Local Offer.

8. Our Local Offer Newsletter continues to be well received.

Our **refreshed finance panel process** is now in place in terms of managing individual applications. This reinvigorated and strengthened review EHCP panel membership now includes finance, transport, health, and social care all represented each week with more robust decision making in place. Paperwork has been reviewed and revised and a tracking system is in place to capture any decisions that have a cost saving element. There are strengthened links in governance between this panel and the joint commissioning panel to ensure the best places are commissioned as per the need of the CYP.

A **Local Area SEND Senior Leadership Team (SLT)** is meeting fortnightly to review progress against key priorities and preparing for our local area inspection. This includes Executive Director for Children's Services, Executive Director, Health and Adult Care and Deputy Place Based Lead and Director of Education & Skills. There is also a bi-monthly SEND Multi-Agency Leadership Group meeting to support seamless working across all services; this is co-chaired by the Head of Service for SEND and Inclusion and NHS Programme Manager.

The Education restructure is now complete which is focused on statutory functions and as part of this we have appointed a new lead for **school attendance**. The re-designed service will include a focus on children electively home educated with EHC plans, EOTAS (Education Other Than At School) packages and emotional based school avoidance (EBSA).

We have appointed Cathy Hamer as **Independent Chair to the SEND Strategic Partnership Board**. She is recognised regionally and nationally and has a skill base from working with early years to preparing for adulthood, and the post-16 agenda.

She will support the development of the Board to ensure that partners are being held to account regarding delivery of services that meet the needs of children and families with SEND in Bury. This is a significant shift in revised accountability and governance.

The **SEND Delivery Plan** has been refreshed; maintaining the structure agreed with our families when the plan was originally co-produced, we have ensured that the actions against each of the 9 outcomes are focused on 2023-24 activity. Progress updates have been revisited to ensure that they are more focused on impact than a checklist of activity. We are working with the Council for Disabled Children to refresh the wording of the outcomes so that they are more child centred.

We have developed a draft **Quality Assurance (QA) framewor**k and held two multi-agency audits, which have been shared with the SEND Strategic Board. Audits will review local practice to ensure that we are making a difference to children, and also that their needs are being met at the most appropriate level.

4. Planned Actions

The Education Restructure is now complete and so we are moving to recruit to our **SEND Support Outreach Service** – created through the restructure, this will provide SEN support leads to support and challenge schools and the development of an increased outreach offer. There has been agreement for a SALT therapist and an Occupational Therapist to join the outreach team to ensure a multi-disciplinary training offer. We have produced a directory of outreach support that schools can commission themselves to be launched September 2023.

Bury Council are currently progressing plans to establish the first of a planned network of **family hubs** to provide all-age prevention support and developed a business case for investment in identified insufficiency of HV/SN capacity. The Council is working to re-establish the **1001 days** pathways and place early years as the core offer in a new network of Family Hubs. Pending these medium-term policy and resource changes immediate recruitment is underway to four temporary early years workers who will be trained on SPALT to form a task force to lead on early help for settings. These posts are currently being recruited to with an expected start date of November 2023.

We have successfully commenced re-development of Bury's **Educational Psychology** service: we have appointed a Deputy Principal Educational Psychologist (EP), our Principal EP remains in Salford until we fully migrate our service. It is our intention to have a standalone Bury service by Autumn 2024.

By the end of September, our **Education Health Care Plan (EHCP) team** will be fully permanent, with no agency staff which will support better relationships with families and stakeholders.

We have received approval for Phase 2 of our **Autism in Schools Project** which will see 3 further mainstream schools having ASC support as part of a whole school approach, in addition to the 3 schools that were part of phase 1. Phase 2 will be operational from October 2023. We remain part of the GM network around ASC to ensure best practice.

Health have launched the **Mental Health Support Teams (MHSTs)** now established in wave one schools, wave two is mobilising, this will see the teams operating across 30% of Bury schools. As part of the offer there is a focus on emotional based school avoidance (EBSA) and a pathway is becoming embedded. Further to this, a successful system business case was recently developed and was agreed by the ICB for £1.4m investment into Bury CAHMs over 2 years to support development of a robust core offer to 18 and an increase in therapies.

To support the success of the Graduated Approach we have developed **SEND practice fortnights** so that all our workforce is aware of the universal offer and the targeted offer, this is supported by annual SEND Information Days as a means to ensure a shared understanding of the SEND offer. To ensure consistency of identification and to support the embedding of the Graduated Approach a ‘Matching provision to Need Tool’ has been developed. This is all age with resources for Early Years, Primary, secondary and post 16. This tool is to be launched in September 2023 and is supportive of Bury’s increased continuum of provision.

Following the successful development of the **EHCP panel** to include partners we have agreed to move to the next phase of development so that following the decision to assess or not the panel considers those where the EHCP needs assessment has been completed and the decision to make is in relation to whether a EHCP is needed or whether the child can be affectively supported by SEND Support. We are currently correcting the practice and we will review all EHCPs issued to under 5s. They have remained at a high level. The need that has increased most significantly in SLCN (Speech Language and Communication) it is likely that this has been contributed to by health waiting lists for those children with ASD as numbers here have declined. The rise in SLCN is also likely to have been exacerbated by the impact of COVID and children not attending settings pre-school.

We are committed to creating an **additional 250 places** through the creation of two special free schools: the expansion of our existing special school and additional resource provision places.

Delivery of both new free special schools is being led by DFE. A delay was experienced with the first free special school due to protracted design work. This has now been resolved and we have a commitment of an opening date of January 2024 (originally September 2023). Temporary spaces have also been negotiated for pupils from September 23, to mitigate any adverse impact on the programme. This project is now on track to the revised schedule. We continue to evaluate whether there will be any net impact from the delay after the mitigation temporary places. To support the scale of this programme a specialist Major Capital Programme Manager is being recruited to ensure strong oversight and grip on the delivery of these complex projects. The expectation is they will be in post by November 2023.

Report to	**Audit Committee**
From	**Sam Evans – Executive Director of Finance**
Risk Reference	**CR1**
Risk Description	**Financial Sustainability**
Recommendation	**For analysis and discussion**

Context

The Quarter 1 Cabinet report identified a forecast overspend in year of £13.2m. This is largely driven by increased demand in childrens and adults services. The childrens pressures continue from those that were reported in the last financial year following an inadequate OFSTED report in December 2021.

Bury has for a number of years used reserves to balance its annual budgets and whilst not uncommon and the value was much reduced at £4.8m for 2023/24 this does mean that there is very little unallocated reserves remaining to offer a buffer against any in year overspends or to smooth any future years savings delivery.

The national picture of financial sustainability within Local Government is also one of challenge with a number of Councils reporting S114s, most noticeably Birmingham recently. If a S114 is declared then the Council loses all control of its own spending and Commissioners are sent in by DLUHC who will cease all spending which is not subject to a legally binding contract or to protect the most vulnerable in our Borough and therefore all services would operate at statutory minimum.

Bury also has the added challenge of being in deficit on its Dedicated Schools Grant and has for a number of years been part of Project Safety Valve with the DfE to try to eradicate this deficit. Unfortunately progress has not been as planned and therefore there is a risk that Bury could be removed from the programme putting at risk any further monies from the DfE towards eradicating the deficit.

Key Potential Impacts

Failure to give the DfE confidence that we can eradicate the DSG deficit within the extended timeframe may result in Bury being removed from the programme and the remaining £6m of DfE monies not being received

Failure to bring general fund revenue spending under control in 2023/24 may result in the full utilisation of all available reserves meaning that there are no reserves available to support future years budget setting or in year overspends

Failure to identify sufficient savings or demand management control strategies to close the future years projected financial gap between anticipated income and expenditure will result in the Council being unable to set a legal balanced budget.

All capital projects that have not commenced or are not fully grant/externally funded are stopped

Councils S151 officer issues a S114 notice and DLUHC send in the commissioners

Current Controls

Spend moratorium was put in place for all non essential spend that is Council funded rather than schools or grant funded at the end of July. This in part has resulted in the month 5 forecast reducing to £11.8m overspend from the £13.2m reported at qtr 1

Increased scrutiny by Departmental management teams and Executive team on monthly budget information and forecasts to reduce in year spend.

External Childrens transformation lead engaged to support the service to identify where areas of efficiency or changes in practice can deliver savings, using models and benchmarks used elsewhere to challenge the assumptions.

Establishment of an independently chaired finance improvement panel who monitor delivery against the finance improvement plan and through the external members bring with them a wealth of experience and best practice that can be used in Bury. The workplan is multi faceted and whilst a significant amount of it is focussed on the development of the medium term financial plan and supporting strategy it also encompasses training, development and cultural changes required across the organisation and the finance team.

Over the summer future years budgets were developed using a zero based budgeting approach. Following this a process of departmental budget challenge meetings have taken place where Execs have been challenged on their savings delivery, how they can mitigate their overspends and emerging pressures, whether they can disestablish any vacant posts and what their services would look like if they had to reduce by 5 and 10%.

The 2024/25 Capital programme has also been reviewed to determine the correct phasing and if schemes can be removed in order to assess the impact on the cost of borrowing

Planned Actions

A key part of the finance improvement plan is to embed rigour, financial control and good governance. In order to do this the financial ledger will require significant development and cleansing. This process has begun but further work is required.

Further work is required to develop and embed financial capability across all parts of the organisation and a finance training programme will be developed.

Continued challenge sessions with all Departmental management teams, implementation of a monthly star chamber review process chaired by the Chief Executive to hold Execs and their teams to account for their budgets.

Further development of in year mitigation proposals and future years savings proposals to close the financial gap

Improved debt collection through supporting businesses and residents to claim all benefits and grants available and also by closer working with the departments and the residents for sundry debts and adult social care contributions

Council approved a motion in September to commence a campaign for a fair funding deal for Bury

This page is intentionally left blank

Classification: Open	Decision Type: Key

Report to:	Audit Committee	**Date:** 12 October 2023
Subject:	Statement of Accounts 2021-22	
Report of	Executive Director of Finance	

Summary

1.1 In accordance with the Accounts and Audit Regulations 2015 (as amended by the Accounts and Audit (Amendment) Regulations 2021) the Draft 2021/22 Statement of Accounts were signed by the Executive Director for Finance, S151 Officer on 29 July 2022 ahead of the 31 July 2022 deadline.

1.2 The year-end audit is undertaken by the external auditors Mazars, the Draft 2021/22 Statement of Accounts were issued to Mazzars on the 29 July 2022, at the time of this report the audit of the accounts has been substantially concluded. This report details the changes made to the published Draft 2021/22 Statement of Accounts arising from the findings of the audit to date.

1.3 The Committee are asked to consider the updated 2021/22 Statement of Accounts (Appendix 2) and subject to there being no further material changes, delegate authority to the Chair of the Audit Committee, to sign-off the audited 2021/22 Statement of Accounts once the external auditors have confirmed completion of the 2021/22 audit.

Recommendation(s)

2.1 Note the changes to the 2021/22 Statement of Accounts as a result of the annual audit as detailed in paragraphs 3.6 to 3.8 and 2021/22 Statement of Accounts Appendix 2).

2.2 The Committee are asked to consider the updated 2021/22 Statement of Accounts (Appendix 2) and subject to there being no further material changes, delegate authority to the Chair of the Audit Committee, to sign-off the audited 2021/22 Statement of Accounts once the external auditors have confirmed completion of the 2021/22 audit.

2.3 Delegate authority to the Chair of the Audit Committee and the Executive Director of Finance, S151 Officer, to sign the Letter of Representations upon completion of the 2021/22 audit.

Report Author and Contact Details:

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

Background

Reasons for Recommendation(s)

3.1 Under the Local Government and Housing Act 1989 preparation of the Council's accounts must follow proper practices, which includes compliance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting.

3.2 It is a legal requirement that the Statement of Accounts 2021/22 are considered and approved by this committee, following the audit, and signed by the person presiding at this meeting. The legislation, Accounts and Audit Regulations 2015, as amended, set a target date for publication of the Audited accounts of 30 November 2022. The Statement of Accounts must be published by that date or as soon as reasonably practicable after the receipt of the auditor's final findings.

Report to Those Charged with Governance (ISA260) 2021/22

3.3 The draft Audit Completion Report for 2021/22 (ISA260) was presented at the March 2023 Audit Committee (Appendix 1).

3.4 At the time of writing this report, Mazzars propose to issue:

- An unqualified audit opinion without modification, on the 2021/22 financial statements. The proposed audit opinion is included in Appendix B of the draft auditor's report.
- Value for Money arrangements work is not yet complete and Mazzars will report their findings in our Auditor's Annual Report later in the year. On the basis of the work completed to date Mazzars expect to report significant weaknesses in arrangements in relation to the Council's arrangements for financial reporting and in respect of the outcome of the Ofsted inspection of children's services. Further detail on our value for money arrangements work is provided in section 7 of the draft auditor's report.

3.5 A summary of the key headlines is set out within of the draft Audit Completion Report and in the various appendices.

Summary of the Audit Findings and Amendments

3.6 There are a number of adjustments to the Statement of Accounts arising from the findings of the audit. The updated Statement of Accounts are available at Appendix 2.

3.7 The main adjustments to the statements identified by both officers and the external audit team are outlined below:

- The external valuation of Manchester Airport was revised downwards by £14.8m. This impacted on Bury's accounts and a prior period adjustment was required. There was a significant change to the value of long-term investments shown on Bury's Balance Sheet and on other changes on the Financial Instrument notes. The revision of the external valuation of Manchester Airport impacted on all Greater Manchester Councils, who also owned shares in Manchester Airport.

- There were a number of amendments relating to the asset register, which have been adjusted for. These amendments were mainly caused by historical issues on the Council's asset register. The amendments were:

- A £4.6m adjustment between two unusable reserves – the Revaluation Reserve and the Capital Adjustment Account – was required. The amendment was required due to historical errors relating to the processing of technical revaluation transactions on Investment property. The amendment did not impact on cash reserves.

- Investment property revaluations of £0.5m were incorrectly posted to the revaluation reserve and should have been posited to the CIES.

- A school was incorrectly included on the Council's Balance Sheet at 31 March 2022, overstating Property, Plant and Equipment by £2.2m. Since the school had converted to an academy, it should have been shown as a disposal in accordance with the Council's accounting policy.

- There were a number of technical revaluation adjustments increasing the value of Housing Revenue Account stock by £6.8m. These were generally caused by the sequencing of revaluation and depreciation transactions in the context of the way the Fixed Asset register was set up.

- An historical debtor balance of £1.4m was also identified and needed to be written off.

- A debtor raised to correct an error within creditors was identified, that overstated both creditors and debtors by £3.8m within the balance sheet.

- Several errors were found in the calculation of the insurance provision, these errors meant provisions and expenditure had both been overstated by £0.7m.

- An amendment of £1.2m was required to correctly reflect timings of payment of insurance provisions between those due to be paid in the next year and those over a longer period.

- There was an amendment to the Capital Financing Requirement note that was updated by Management after the submission of the draft accounts and prior to the start of the external audit.

- There were adjustments to disclosure notes, including the Dedicated Schools Grant note, Remuneration disclosure notes and the Expenditure and Funding Analysis by Nature. These included some offsetting amendments between short- and long-term provisions and debtors and creditors.

- There was also a number of miscellaneous changes relating to disclosure notes.

3.8 Following the issue of the draft Audit Completion Report for 2021/22 (ISA260) presented at the March 2023 Audit Committee (Appendix 1). Further adjustments have been made to the statements identified by both officers and the external audit team as outlined below:

- The incorrect index had been used by the valuers, for the revaluation of two schools, the revised downward revaluation required an amendment of £1m.

- The debtor/creditor of collection fund preceptor balances had been overstated by £3m.

- The actuaries on behalf of the Greater Manchester Pension Fund issued revised IAS19 actuarial valuation reports that increased the overall pensions liability by £11m.

Unadjusted Misstatements

3.9 There are several misstatements identified during the audit that management has assessed as not being material either individually or in aggregate to the financial statements and have not been adjusted, of:

- Cut off income testing identified 2 invoices that had been posted to 2022-23 in error, these errors totalled £39k.
- Cut off testing identified one error which related to expenditure having been posted to the incorrect accounting period, this error was £5k.
- Testing of Debtors identified a number of historic balances that were no longer collectable, these totalled £1.8m of which £1.4m has been written off as part of the amendments to the financial statements listed above, leaving the balance to be investigated which has not been amended within these accounts.

Other Issues

4.1 There was a nationwide technical issue on the treatment of infrastructure assets within Local Authority accounts. This was in relation to whether accounting rules should require any additional capital expenditure on infrastructure assets to be transacted alongside de-recognition of replaced components. The eventual solution to this technical issue was a statutory override approved by Parliament in December 2022. The statutory override will remain in place until 31 March 2025.

4.2 External audit raised challenges to the Greater Manchester Pension Fund on some stated asset values within their accounts. A share of these asset values form part of the quoted pension fund deficit shown within Bury's accounts. There are strict accounting rules to estimate pension fund deficits which require specific models to be applied to the valuation of pension assets versus the promised benefits to employees. All Greater Manchester Councils were in the same position in relation to the knock-on impact on their accounts, the solution was to instruct revised IAS19 reports be issued for 2021/22, these were received and the form part of the amendments listed above.

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.

A strong financially sustainable Council is essential to the delivery of the Let's do it Strategy.

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:

There are no implications to an increased carbon impact of this decision.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
There is a risk of misstatement	Accounts are reviewed by Mazars and their opinion of these accounts is independent to the council.

Legal Implications:

The requirement to externally audit the Council's statement of accounts is set out in the Accounts and Audit (England) Regulations 2015.

This report is submitted to Audit committee in accordance with the financial regulations as set out in the Council constitution.

Financial Implications:

The statement of accounts are an essential part of any organisation and represent the financial position of the business for that particular financial year. For public sector organisations they are statutory and give the public and central government assurance that tax payers money is being expended in an economic and efficient way. These accounts not only report the in year position but also the future stability of the organisation through the strength of its balance sheet and cash flow.

Background papers:

Appendix 1: draft Audit Completion Report (ISA260)

Appendix 2: 2021/22 Statement of Accounts

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

Term	Meaning

This page is intentionally left blank

Audit Completion Report

Bury Metropolitan Borough Council – Year ended 31 March 2022

March 2023

mazars

Contents

Members of the Audit Committee

Bury Metropolitan Borough Council
Knowsley Place
Knowsley Street
Bury
BL9 0SW

Mazars LLP
One St Peter's Square
Manchester
M2 3DE

30 March 2023

Dear Committee Members

Audit Completion Report – Year ended 31 March 2022

We are pleased to present our Audit Completion Report for the year ended 31 March 2022. The purpose of this document is to summarise our audit conclusions based on the work we have completed to date.

The scope of our work, including identified significant audit risks and other areas of management judgement, was outlined in our Audit Strategy Memorandum which we presented on 15 March 2022. We have reviewed our Audit Strategy Memorandum and concluded that the original significant audit risks and other areas of management judgement remain appropriate.

We would like to express our thanks for the assistance of your team during our audit.

If you would like to discuss any matters in more detail then please do not hesitate to contact me on 07721 234 043.

Yours faithfully

Karen Murray

Karen Murray

Mazars LLP

01

Section 01:

Executive summary

1. Executive summary

Principal conclusions and significant findings

The detailed scope of our work as your appointed auditor for 2021/22 is set out in the National Audit Office's (NAO) Code of Audit Practice. Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 and, as outlined in our Audit Strategy Memorandum, our audit has been conducted in accordance with International Standards on Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 4 of this report, we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum, which include the:

- Management override of controls;
- Net defined benefit liability valuation;
- Valuation of property, plant and equipment and investment properties; and
- Valuation of shareholding in the Manchester Airport Group PLC

Misstatements and internal control recommendations

Section 5 sets out internal control recommendations and section 6 sets out audit misstatements; unadjusted misstatements total £68k. Section 7 outlines our work on the Council's arrangements to achieve economy, efficiency and effectiveness in its use of resources.

Status and audit opinion

We have substantially completed our audit in respect of the financial statements for the year ended 31 March 2022.

At the time of preparing this report, matters remaining outstanding as outlined in section 2. We will provide an update to you in relation to the significant matters outstanding through issuance of a follow up letter.

Subject to the satisfactory conclusion of the remaining audit work, we have the following conclusions:

Audit opinion

We anticipate issuing an unqualified opinion, without modification, on the financial statements. Our proposed audit opinion is included in the draft auditor's report in Appendix B.

Value for Money

We have not yet completed our value for money arrangements work and will report our findings in our Auditor's Annual Report later in the year. On the basis of the work completed to date we expect to report significant weaknesses in arrangements in relation to the Council's arrangements for financial reporting and in respect of the outcome of the Ofsted inspection of children's services. Further detail on our value for money arrangements work is provided in section 7 of this report.

Whole of Government Accounts (WGA)

For 2021/22, the threshold for completing detailed audit work on the Council's WGA return has increased. The Council is below the revised threshold, however we expect the National Audit Office to select a sample of Councils where auditors will undertake detailed procedures. We are unable to commence our work in this area until we receive the list of sampled Councils.

Wider powers

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Council and to consider any objection made to the accounts.

02

Section 02:

Status of the audit

2. Status of the audit

Our work is substantially complete and there are currently no matters of which we are aware that would require modification of our audit opinion, subject to the outstanding matters detailed below.

Audit area	Status	Description of the outstanding matters
Property, Plant and Equipment		Our detailed audit testing is complete. We are currently working with management to ensure all of the required amendments have been posted through the Council's Financial Statements. We will provide a verbal update at the meeting
Pensions		We are awaiting the conclusion on an error identified by the pension fund auditor at the Greater Manchester Local Government Pension Scheme fund.
Debtors		We are awaiting supporting evidence in relation to Collection Fund Debtors
Consolidated Accounts		We are currently awaiting responses to queries raised and agreement of amendments following receipt of audited subsidiary accounts. The group consolidation will also be impacted from the resolution of the GMPF error.
Value for Money		Our value for money work remains in progress.
Manager and Engagement Lead review		The work above will be subject to Manager and Engagement Lead review prior to final sign off.
Technical Review of Financial Statements		We are in the process of resolving queries arising from our technical review.
Financial statements, Annual Governance Statement and letter of representation		We will complete our final review of the financial statements upon receipt of the signed version of the accounts and letter of representation.

Likely to result in material adjustment or significant change to disclosures within the financial statements.

Potential to result in material adjustment or significant change to disclosures within the financial statements.

Not considered likely to result in material adjustment or change to disclosures within the financial statements.

03

Section 03:

Audit approach

3. Audit approach

Changes to our audit approach

We provided details of our intended audit approach in our Audit Strategy Memorandum presented to Audit Committee in March 2022. We have not made any changes to our audit approach since we presented our Audit Strategy Memorandum.

Materiality

Our materiality level, set at the planning stage of the audit, was £10.9m using a benchmark of 2% of gross operating expenditure. No changes to the materiality level set at the planning stage have been made.

Use of experts

We set out in our Audit Strategy Memorandum our planned use of experts to assist in our audit procedures. There were no changes to our planned approach.

Item of account	Management's expert	Our expert
Defined benefit pension assets and liabilities	Hyman Robertson actuaries	PwC – Consulting actuary appointed by the National Audit Office.
Property, Plant and Equipment and Investment Property valuation	Align Property Services Carter Jonas (Council Dwellings)	We used available third party information to challenge the key valuation.
Financial instrument disclosures.	Link Asset Services	We reviewed Link's methodology to gain assurance that the fair value disclosures of the Council's financial assets and liabilities are materially correct. We engaged our valuation experts to consider the methodology for the fair value valuation of loans to the airport.
Valuation of Manchester Airport land	Jacobs Ltd	Mazars' In House Property Valuations Team
Valuation of shareholding in Manchester Airport Holding Limited	BDO LLP	Mazars' Internal Valuations Team

3. Audit approach

Group audit approach

The Council prepares Group accounts and consolidates the following bodies

- Six Town Housing Ltd,
- Bury MBC Townside Fields Ltd and
- The Persona Group of Companies.

Within our audit strategy memorandum, we set out our approach to the group audit. There has been no change to our planned procedures to the group accounts.

We have received the subsidiaries financial information and the Council's consolidation working papers. As highlighted in section 2 our work on the group consolidation remains in progress. We will report any matters arising from our remaining work in our follow up letter.

04

Section 04:
Significant findings

4. Significant findings

In this section we outline the significant findings from our audit. These findings include:

- our audit conclusions regarding other significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 17 we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year;
- any further significant matters discussed with management; and
- any significant difficulties we experienced during the audit.

Significant risks

Management override of controls	**Description of the risk** Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.
	How we addressed this risk We addressed this risk by performing audit work over: • accounting estimates; • journal entries; and • significant transactions outside the normal course of business or that are otherwise unusual.
	Audit conclusion We completed our procedures as planned. There are no matters to bring to the Committee's attention in respect of our work on management override of controls.

4. Significant findings

Net defined benefit liability valuation

Description of the risk

The net pension liability represents a material element of the Council's balance sheet. The Council is an admitted body of Greater Manchester Pension Fund, which had its last triennial valuation completed as at 31 March 2019.

The valuation of the Local Government Pension Scheme relies on a number of assumptions, most notably around the actuarial assumptions, and actuarial methodology which results in the Council's overall valuation. There are financial assumptions and demographic assumptions used in the calculation of the Council's valuation, such as the discount rate, inflation rates and mortality rates. The assumptions should also reflect the profile of the Council's employees, and should be based on appropriate data. The basis of the assumptions is derived on a consistent basis year to year, or updated to reflect any changes.

There is a risk that the assumptions and methodology used in valuing the Council's pension obligation are not reasonable or appropriate to the Council's circumstances. This could have a material impact to the net pension liability in 2021/22.

How we addressed this risk

To address this risk we

- reviewed the controls the Council has in place over the information sent to the scheme Actuary, including the Council's processes and controls with respect to the assumptions used in the valuation;
- evaluated the competency, objectivity and independence of the scheme Actuary, Hymans Robertson;
- reviewed the appropriateness of the methodology applied, and the key assumptions included within the valuation, comparing them to the expected ranges, utilising the information provided by PwC, the consulting actuary engaged by the National Audit Office.
- reviewed the methodology applied in the valuation of the liability by Hymans Robertson.
- agree the data in the IAS 19 valuation report provided by the Pension Fund Actuary for accounting purposes to the pension accounting entries and disclosures in the Council's and Group's financial statements

Audit conclusion

As highlighted in Section 2, our work on the valuation of the net defined benefit liability remains in progress. Work completed to date identified a misstatement relating to errors from the audit of GMPF. These are detailed in section 6. We will report any matters arising from our remaining work in our follow up letter.

4. Significant findings

Valuation of property, plant and equipment and investment properties

Description of the risk

The CIPFA Code requires that where assets are subject to revaluation, their year end carrying value should reflect the fair value at that date. The Council has adopted a rolling revaluation model which sees all land and buildings revalued in a five year cycle.

The valuation of property, plant & equipment and investment property involves the use of management experts, and incorporates assumptions and estimates which impact materially on the reported value. There are risks relating to the valuation process which reflect the significant impact of the valuation judgements and assumptions and the degree of estimation uncertainty.

As a result of the rolling programme of revaluations, there is a risk that individual assets which have not been revalued for up to four years are not valued at their materially correct fair value. In addition, as the valuations are undertaken at the start of the year there is a risk that the fair value as the assets is materially different at the year end.

How we addressed this risk

We addressed this risk by:

• assessing the Council's valuers' qualifications, objectivity and independence to carry out such valuations
• reviewing the valuation methodology used for assets subject to revaluation in 2021/22, including testing the underlying data and assumptions;
• engaging our internal valuations team as our auditors expert to review the valuations of the land at Manchester Airport
• reviewing the approach the Council has adopted to address the risk that those assets not subject to valuation in the 2021/22 are materially misstated and consider the robustness of that approach in light of the valuation information reported by the Council's valuers; and
• considering movements in market indices between valuation dates and the year end in order to determine whether these indicate fair valuers have moved materially over that time.

Audit conclusion

As set out in section 2, we have completed our detailed audit testing and other procedures as planned.

Following the resolution of the sector-wide issue of accounting for infrastructure assets the Council carried out further work. As a result the Council has updated its accounting policy for infrastructure assets and updated the disclosure of these assets. The Council calculated the difference in depreciation in 2021/22 would be only £288k, and has not amended the balance of infrastructure assets as a result.

We are currently working with management to ensure the required amendments are correctly reflected in the financial statements. We will provide a verbal update to the meeting.

4. Significant findings

Key areas of management judgement

Valuation of shareholding in Manchester Airport	**Description of the management judgement** The Council's shareholding in the Manchester Airport Group PLC has been valued by a firm of financial experts based on assumptions about financial performance, stability and key business projections. The figure disclosed in your accounts in relation to Manchester Airport Holdings Limited is at fair value. There is a risk that the assumptions and methodology used by your experts are not appropriate and we will need to obtain assurance that accounting entries are not materially misstated.
	How our audit addressed this area of management judgement We addressed this risk by: • Assessing the scope of work performed/terms of engagement, qualifications, objectivity and independence of the expert engaged to carry out the valuation assessment of the airport shares. • Utilising the services of our internal valuation experts to review the work completed by BDO as the Management expert and evaluate the appropriateness of the assumptions applied to arrive at the figure in the financial statements.
	Audit conclusion We completed our procedures as planned. Our work identified an adjustment affecting both the prior period and current year. This has been detailed within section 6 of this report.

4. Significant findings

Qualitative aspects of the Council's accounting practices

We have reviewed the Council's accounting policies and disclosures and concluded they comply with the 2021/22 Code of Practice on Local Authority Accounting, appropriately tailored to the Council's circumstances.

The draft accounts were received from the Council on 29 July 2022 in line with agreed timescales. However, the draft accounts were not prepared to the required quality standards. Although there has been some improvement since the previous year, the accounts presented for audit contained several internal inconsistencies and material errors have been identified during the course of the audit.

Of particular concern, the draft statements published on the Council's website were subject to almost immediate change, before our audit began. This indicates the published draft statements had not been subject to an appropriate quality control review and challenge by management before they were made available for public inspection.

Furthermore, the working papers and other information required to support the accounts were not always available at the start of our work. In some cases, the working papers provided did not agree to the figures disclosed within the accounts once they were made available to us. The level of errors identified in the draft accounts and volume of amendments required has resulted in the need for additional work and has delayed completion.

We have had the full co-operation of management throughout the process.

We have reviewed the Council's accounting policies and disclosures and concluded they comply with the 2021/22 Code of Practice on Local Authority Accounting, appropriately tailored to the Council's circumstances.

Significant matters discussed with management

During the audit we maintained a regular dialogue with management. Among the matters discussed through these conversations were:

Covid-19

We continue to discuss the impact of the Covid-19 pandemic on the Council's operations and financial statements. In particular we focussed on the accounting treatment of grant income, and whether the Council accounts for these grants as a principal or agency relationship. We are satisfied there are no issues arising from the Council's treatment of Covid related grants.

Impact of the War in Ukraine

The ongoing situation in Ukraine has far-reaching consequences for public sector organisations. As part of our audit we have discussed with management the impact of the war on the Trust's operations, and whether any disclosures are required in the Trust's financial statements. We are satisfied there are no issues arising which would require specific disclosures in the Trust's financial statements.

Accounting for infrastructure assets

The Council holds a material value of Infrastructure Assets within its Property, Plant and Equipment balance on the balance sheet. During 2021/22 a national technical issue arose in respect of accounting for infrastructure assets. Normal custom and practice for (highways) infrastructure assets is that derecognition does not affect asset balances because the assets are expected to have been fully used up before the replacement expenditure takes place; this does require that assets are properly depreciated in line with the requirements of the Accounting Code. This issue arises in part because of limitations on historical information relating to when the assets were first recorded on balance sheets in the early 1990s, and where there have been transfers of assets because of local authority reorganisations. It is also extremely difficult to clearly identify the parts of the assets which are being replaced.

A Statutory override was approved by DLUHC in December 2022 with supporting guidance issued by CIPFA in January 2023. Our work in response is now complete and there are no matters to report.

Manchester Airport Holdings Limited Valuation

The Council uses an external valuation expert to determine the value of its investment in Manchester Airport Holdings Limited at 31 March 2022. The valuation is determined according to a methodology and applying assumptions. Our approach to auditing this investment includes the involvement of Mazars in house valuation team. As a result of audit questions, the Council's external valuation expert revised their methodology and provided the Council with a revised valuation report for 2021/22. This reduced the Council's shareholding by £14.8m to £23.3m. The error in methodology applied to previous years as well as 2021/22 and the reduction in the valuation at 31 March 2021 was £14.3m. The Council has revised its draft financial statements and included a disclosure of a prior period adjustment reflecting the material value of the adjustment.

4. Significant findings

Significant difficulties during the audit

During the course of the audit we did encounter some difficulties in:

- agreeing the accounting treatment for valuation movements for the Council's Property Plant and Equipment assets to ensure compliance with CIPFA code.
- obtaining confirmation of gross book values disclosed within the accounts
- the provision of transaction lists which reconcile to the draft statements from which to select an audit sample
- obtaining a year end analysis of debtors and creditor balances at a transaction level which show year end balances only.

However, we had the full co-operation of management in resolving the above.

Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2021/22 audit.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. No such objections have been raised. No such questions were asked.

05

Section 05:

Internal control recommendations

5. Internal control recommendations

The purpose of our audit was to express an opinion on the financial statements. As part of our audit we have considered the internal controls in place relevant to the preparation of the financial statements in order to design audit procedures to allow us to express an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

The matters reported are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and that we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control we might have identified more deficiencies to be reported or concluded that some of the reported deficiencies need not in fact have been reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Our findings and recommendations are set out below. We have assigned priority rankings to each of them to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action. In summary, the matters arising fall into the following categories:

Priority ranking	Description	Number of issues
1 (high)	In our view, there is potential for financial loss, damage to reputation or loss of information. This may have implications for the achievement of business strategic objectives. The recommendation should be taken into consideration by management immediately.	1
2 (medium)	In our view, there is a need to strengthen internal control or enhance business efficiency. The recommendations should be actioned in the near future.	3
3 (low)	In our view, internal control should be strengthened in these additional areas when practicable.	2

5. Internal control recommendations

Significant deficiencies in internal control – Level 1

Description of deficiency

The draft accounts were not prepared to the required quality standards. Although there has been some improvement since the previous year, the accounts presented for audit contained several internal inconsistencies and material errors have been identified during the course of the audit. Of particular concern, the draft statements published on the Council's website were subject to almost immediate change, before our audit began. This indicates the published draft statements had not been subject to an appropriate quality control review and challenge by management before they were made available for public inspection.

Furthermore, the working papers and other information required to support the accounts were not always available at the start of our work. In some cases, the working papers provided did not agree to the figures disclosed within the accounts once they were made available to us. The level of errors identified in the draft accounts and volume of amendments required has resulted in the need for additional work and has delayed completion.

Potential effects

The Council may not have a good understanding of its financial position.

Public confidence in the financial governance of the Council could be undermined.

Recommendation

Management should undertake a full debrief of the accounts preparation process to identify how the errors in the financial statements occurred.

Management should ensure there is an appropriate arrangement for quality control review in future years.

Management response

A lessons learnt review from the 2020/21 accounts and audit was undertaken and presented to Audit Committee. A comprehensive accounts closure timetable was also prepared which assigned key tasks and responsibilities across a wider range of staff. Unfortunately the interim Chief accountant who was working with the authority and produced both of these documents left the Council before the end of March and another interim Chief accountant had to be engaged.

The 90 day consultation on the finance restructure was launched in March 2021 and the recruitment to the permanent posts is now nearly complete. Some long established staff who were part of the close down team left during the process which has caused some loss of continuity, this included the senior accountant and the capital accountant, other have been on extended periods of sick leave. Unfortunately errors have also been identified within this years accounts and delays have been experienced

The permanent Chief accountant took up post on the 6th March this year and has quickly got to grips with reviewing the closedown timetable for this year, providing year end accounts training for all staff involved and the corporate planning team have already established model working papers for year end

5. Internal control recommendations

Other recommendations in internal control – Level 2

Description of deficiency

Our review of Debtors included a review of the Councils control account reconciliation of the year end balances shown on the debtors system to that shown on in the ledger. The reconciliation detailed differences between the two of £109k. This difference had not been investigated.

Potential effects

Failure to investigate and clear differences increases the risk that errors are not detected and debtors are not collected.

Recommendation

The Council should ensure differences are identified and investigated promptly.

Management response

A balance sheet reconciliation register will be compiled and implemented during 2023/24, this will include the identification of the key control accounts to include debtors, creditors, financial instruments, bank reconciliation, payroll, collection fund cash accounts etc. All balance sheet account codes will be assigned to a responsible and review officer and a timetable established to ensure frequent reviews are undertaken throughout the financial year with reporting to senior officers of those key controls.

5. Internal control recommendations

Other recommendations in internal control – Level 2

Description of deficiency

Our review of Debtors identified a significant number of debtors balances that were historic and no longer collectable. Debtors contained £1.8m of historic collection fund debtors that were no longer collectable. This meant that debtors were overstated.

Potential effects

Failure to understand and review debtors balances on a periodic basis increases the risk that errors are not detected and debtors are incorrectly stated.

Recommendation

The Council should the understand the detail within the debtor balance and undertakes a periodic review to ensure that debts are appropriate and collectable.

Management response

There is a significant piece of work about to commence to review all historic debt owed to the Council, this will include both collection fund and general fund debt initially. As part of this work all balance sheet control accounts and bad debt provisions will be reviewed and consideration given to the most appropriate way of collecting the debt and whether some of it is no longer collectable and should be written off, but this will be once all avenues of collection have been explored.

5. Internal control recommendations

Other recommendations in internal control – Level 2

Description of deficiency

As part of our cash and bank testing we identified that the Paypoint account had year end balances had not been included in the Council statements. At year end the balance not transferred to the Council was £67k.

Potential effects

Cash balances are understated and corresponding debtors may be overstated.

Recommendation

The Council should ensure that all bank accounts are identified and included as appropriate.

Management response

5. Internal control recommendations

Other recommendations in internal control – Level 3

Description of deficiency

Through our review of school bank reconciliations, we have identified a number of old reconciling items dating back to 2020. Total value of payments and receipts over 6 months old is £128,269.97 payments with unreconciled receipts totalling £3,926.47.

Potential effects

Failure to clear reconciling items increase the risk of errors on the reconciliation not being identified.

Recommendation

The Council should ensure un reconciled difference are cleared promptly.

Management response

This will be covered through the implementation of a balance sheet reconciliation register process throughout the financial year.

5. Internal control recommendations

Other recommendations in internal control – Level 3

Description of deficiency

Our IT audit work identified active generic accounts on the Agresso Application system with privilege access rights in which the passwords are not managed through a secured password vault.

Potential effects

Generic user IDs reduce the accountability of actions performed on the application because it may be difficult to trace to a specific user.

Recommendation

The use of generic accounts should be discouraged. All accounts on the application systems should be created for specific purposes and mapped to specific individuals or processes. In the event generic accounts are required, these should be managed securely through a password safe.

Management response

5. Internal control recommendations

Follow up on previous internal control points

Description of deficiency

The draft financial statements which were submitted for audit were not to the required standard. A number of material errors within the financial statements were identified during the audit process

Potential effects

There is a risk that fundamental errors in the Council's reported financial position could be caused by a reoccurrence of these events.

Recommendation

Management should undertake a full debrief of the accounts preparation process to identify how the errors in the financial statements occurred.

Management should ensure there is an appropriate arrangement for quality control review in future years.

2021/22 update

Although improvements have been made the Council still doesn't have sufficiently robust arrangements in place to ensure the accounts submitted for audit were of the required standard, due to a number of interim key finance positions.. Matter remains open.

Description of deficiency

The Council's in-house valuer did not retain any supporting records and evidence to support the work carried out to arrive at the Council Dwellings valuation included within the draft accounts.

Potential effects

Management have not complied with the requirement to maintain appropriate underlying financial records.

Errors in the valuation cannot be identified.

Additional costs are incurred where revaluations need to be re-performed.

Delays to the audit processes.

Recommendation

Management should ensure that the experts used understand the requirements of keeping adequate records of work completed in order to evidence the values within the accounts.

2021/22 update

The Council now uses an external valuer to undertake the valuation of Council Dwellings. Our testing did not identify any similar issues in 2021/22.

5. Internal control recommendations

Follow up on previous internal control points

Description of deficiency

As part of our work on PPE and investment properties it was identified that there were 50 assets which were classified within the fixed asset register and the draft accounts as investment properties but which were PPE assets. This suggests a deficiency in the controls around the fixed asset register.

Potential effects

The incorrect classification of assets within the fixed asset register could lead to the assets being subjected to an incorrect valuation method. This could lead to material misstatements within the accounts.

Recommendation

Management sure ensure that there is adequate review processes in place to ensure that the assets within the fixed asset register are both classified correctly and valued on the correct basis for the relevant classification.

2021/22 update

Our work on PP&E and investment properties did not identify any miss classification in 2021/22.

Description of deficiency

As part of our audit work on debtors and creditors we identified a number of disclosure errors relating to the classification of debtors and creditors over the relevant categories within the notes. This is due to the year end balances in the accounts receivable and accounts payable systems not being analysed.

Potential effects

This is likely to lead to material disclosure errors within the debtors and creditors notes within the statement of accounts.

Recommendation

Management should implement processes to ensure that all year end debtors and creditors are correctly analysed.

2021/22 update

Our debtors and creditors testing did not identify any classification errors.

5. Internal control recommendations

Follow up on previous internal control points

Description of deficiency

As part of our audit review of property, plant and equipment we identified a number of assets within the fixed asset register had an incorrect asset life recorded. This resulted in the depreciation calculation for the year being inaccurate. We also noted that the asset lives for buildings had not been reviewed for a number of years.

Potential effects

Inaccuracies in the asset lives data within the fixed asset register could lead to depreciation being materially misstated within the financial statements.

Recommendation

For all asset entries ensure there is a check of reasonableness and accuracy of the asset lives data input into the system prior to posting to prevent inaccuracy in the depreciation calculation.

The instructions provided to the valuer should be request that the valuer provides an indication of the remaining useful lives of the assets subject to revaluation. This will provide assurance over the asset lives that are used are up to date and the resulting deprecation calculation will be more accurate.

2021/22 Update

Our testing of PP&E did not identify differences in asset lives used.

Description of deficiency

Our audit work identified a number of leases where the contract had expired but the lease arrangement remained in place informally with the tenant continuing to occupy the properties and paying the rent without a contract in place.

Potential effects

These informal arrangements could lead to the tenants vacating the properties at short notice as there is no contractual arrangement in place with an agreed end date. The Council may also not be receiving an appropriate market rent due to the rent not being subjected to a regular review.

There may also be implications for financial reporting under IFRS 16 once implemented.

Recommendation

The Council should ensure that all leases are reviewed regularly, including a review of rent. It should also be ensured that the Council holds up to date lease documentation signed by both parties to the lease.

20/21 update

Our 2021/22 testing of leases did not identify any further issues.

5. Internal control recommendations

Follow up on previous internal control points

Description of deficiency

Our IT audit work identified some employees who had left the Council but who had retained access to Agresso and the Active Directory.

Potential effects

Failure to remove user accounts from users who have left presents the risk that activities are performed by those not authorised to perform them.

Recommendation

Ensure that leavers are communicated to the system custodians promptly and that access is revoked on or before the users' leave date.

2021/22 Update

Description of deficiency

Our IT audit work identified that disaster Recovery tests were not performed during the year. Further, we noted that the Disaster Recovery site is in close proximity to the primary server.

Potential effects

A lack of testing disaster recovery plans means any deficiencies in the effectiveness of the Council's resilience may not be detected.

Locating the Disaster Recovery site close to the primary server means that environmental issues affecting the primary server have a higher probability of also affecting the secondary server.

Recommendation

Disaster Recovery should be tested at least annually to ensure resilience to issues affecting the primary server.

The Council should reposition the disaster recovery server at a greater distance from the primary server. If this is not possible the Council should implement controls to ensure the secondary server is protected from being affected by environmental issues which might affect the primary.

2020/21 update

06

Section 06:

Summary of misstatements

6. Summary of misstatements

This section outlines the misstatements identified during the course of the audit, above the trivial threshold for adjustment of £327k (group threshold £329K). The first table outlines the misstatements that were identified during the course of our audit which management has assessed as not being material either individually or in aggregate to the financial statements and does not currently plan to adjust.

The second table outlines the misstatements that have been adjusted by management during the course of the audit.

Unadjusted misstatements

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	**Cr (£'000)**	**Dr (£'000)**	**Cr (£'000)**
1	Dr: Accruals			526	
	Cr: Income		526		
	Our cut off income testing identified 2 invoices that had been posted to 2022-23 in error. These errors totalled £39k. The above represents the total potential error when the error rate is extrapolated across the untested population				
2	Dr: Expenditure	458			
	Cr: Accruals				458
	Our expenditure cut off testing identified one error which related to expenditure having been posted to the incorrect accounting period. This error was £5k. The above represents the total potential error when the error rate is extrapolated across the untested population				

6. Summary of misstatements

Unadjusted misstatements (continued)

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
3	Dr: Pension Liability			6,786	
	Cr: Pension Reserves				6,786
	Represents the Council' share of an error identified in the GMPF auditor testing of pension assets				
	Dr. Debtors - Expected Credit Loss			465	
4	Cr. Debtors				465
	Our testing of Debtors identified a number of historic balances that were no longer collectable. These totalled £1.8m. £1.3m has been written of as part of the amendments to the financial statements as detailed on page 32 leaving the above to be subsequently reviewed and corrected during 2022-23.				
	Total unadjusted misstatements	458	526	7,777	7,709
	Net impact of unadjusted misstatement		68		68

6. Summary of misstatements

Adjusted misstatements

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Loss on Disposal	2,183			
	Cr. CIES Depreciation		37		
	Cr: PP&E Other land and Buildings				2,146
	Greenhill School converted to an academy in year. However, the Council did not remove the asset from its accounts.				
2	Dr: Financial Instrument Revaluation Reserve			14,800	
	Cr: Long Term Investments				14,800
	The Councils valuation expert revised their value of the Council's shareholding in Manchester Airport Holdings Limited, reducing the value of the investment by £14.8m. This amendment also impacts on the reported 2020/21 valuation, reducing it by £14.3m, along with impacts on Other Comprehensive Income in the CIES and disclosure notes. The corresponding adjustment reduces the unusable reserves.				

6. Summary of misstatements

Adjusted misstatements (Continued)

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
3	Dr: Earmarked Reserves			1,370	
	Cr: Debtors				1,370
	Our debtors testing identified a number of historical debtors that no longer existed and should have been written off.				
4	Dr: Creditors			3,770	
	Cr: Debtors				3,770
	Our debtors testing identified an error relating to a debtor raised to correct an error within creditors. This overstated both creditors and debtors within the balance sheet.				

6. Summary of misstatements

Adjusted misstatements (continued)

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
5	Dr: Provisions			652	
	Cr: Expenditure		652		
	Our work identified several errors in the calculation of provisions. These errors meant provisions and expenditure are both overstated. These differences included an item for which a provision had been made with a value of £785k which was actually covered by a separate insurance policy meaning no liability falls to the Council and a provision is not required. .				
6	Dr. Capital Adjustment Account			523	
	Cr. CIES, Financing and Investment Income and Expenditure		523		
	Investment property revaluations were incorrectly posted to the revaluation reserve. They should have been posited to the CIES				

6. Summary of misstatements

Adjusted misstatements (Continued)

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
7	Dr: LT Provisions			1,200	
	Cr: ST Provisions				1,200
	Amendment required to correctly reflect timings of payment of insurance provisions between those due to be paid in the next year and those over a longer period.				
	Total adjusted misstatements	2,183	1,212	22,315	23,286

6. Summary of misstatements

Disclosure amendments

Our review of the financial statements identified that a number of amendments were required to the disclosures in the financial statements to ensure compliance with the CIPFA Code. We have summarised the most significant of them below:

- **Prior Period Adjustment –** A prior period adjustment was required relating to the Council's investment in Manchester Airport. This reduced the value of the Council's investment by £14.3m in 2020/21 and adjusted the opening balance as at 1/4/2020 by £8.9m
- **DSG note –** the note has been revised to correct the totals disclosed within the note.
- **Financial Instruments Note - T**he comparative figure for 2020/21 for the fair value of Loans to Manchester Airport has been amended from £110m to £49m. The amendment was made to reflect the revised methodology and approach the Council's expert applied in 2021/22 which should also have been retrospectively applied to 2020/21. Additional amendments have been made relating to classification of short and long term debtors of £550k and to include the fair value 2021/22 disclosure of the Manchester Airport Loans of £50,274k.
- **Senior Officer Remuneration Note –** The table has been updated to correct the fees and allowances and pension contributions for 3 of the roles disclosed.
- **Employees above £50k Note – C**hanges made to the teaching staff numbers and to correct the remuneration banding for Deputy Chief Executive Officer.
- **Assets held for Sale Note –** Narrative changes made to ensure appropriate disclosure. An amendment was also between reclassifications and additions to correctly disclose the position.
- **Intangible Assets Note – The** brought forward values were amended by £5m
- **Revenue Grants receipts in Advance** – These grants were material in 2021/22. This means a disclosure note is required but this was not prepared for the draft accounts.
- **Capital Grants Receipts in Advance –**These grants were material in 2021/22. This means a disclosure note is required but this was not prepared for the draft accounts.
- **Expenditure and funding Analysis note 2.1 –** Various changes required to this note to reflect amendments made elsewhere.
- **Expenditure and funding Analysis note 2.2 –** Various changes to the values disclosed within this note as a result of the amendments made elsewhere.
- **Expenditure and Income Analysed by Nature note – T**he note has been revised to ensure consistency with the CIES.
- **Grant Income Credited to Services –** An adjustment of £367k has been made to note 30 to ensure consistency within the accounts
- **Accounting for Schools Note –** Changes to the number of academies

6. Summary of misstatements

Disclosure amendments (Continued)

- **Provisions Note –** Further narrative added relating to Insurance provisions.
- **Leases Note** – The operating leases disclosure notes for both lessee and lessor have been amended to correct a formulae error within the calculations provided.
- **Audit Fee Note -** the note has amended to reflect the correct fee.
- **Pensions Disclosure Notes –** Amendment to reflect detail within the Actuary's IAS19 report.
- **MIRS –** A number of changes were made to the entries within the MIRS to reflect the adjustments made to the accounts
- **Adjustment Between Accounting and Funding Basis Note -** A number of changes were made to the entries within the note to reflect the changes made to the accounts.
- **Reserves Notes –** Changes to disclosure notes to reflect adjustments made to the accounts.
- **Other Comprehensive Income –** Changes reflects amendments made elsewhere within the accounts.

07

Section 07:

Value for Money

7. Value for Money

Approach to Value for Money

We are required to consider whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:

- **Financial sustainability** - How the Council plans and manages its resources to ensure it can continue to deliver its services
- **Governance** - How the Council ensures that it makes informed decisions and properly manages its risks
- **Improving economy, efficiency and effectiveness** - How the Council uses information about its costs and performance to improve the way it manages and delivers its services

At the planning stage of the audit, we undertake work to understand the arrangements that the Council has in place under each of the reporting criteria and we identify risks of significant weaknesses in those arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest significant weaknesses in arrangements exist.

The table overleaf outlines the risks of significant weaknesses in arrangements that we have identified, the risk-based procedures we have undertaken, and the results of our work.

Where our risk-based procedures identify actual significant weaknesses in arrangements we are required to report these and make recommendations for improvement. Where such significant weaknesses are identified, we report these in the audit report.

The primary output of our work on the Council's arrangements is the commentary on those arrangements that forms part of the Auditor's Annual Report. . We intend to issue the Auditor's Annual Report within three months of giving the opinion on the financial statements.

Status of our work

We are yet to complete our work in respect of the Council's arrangements for the year ended 31 March 2022. On the basis of the work completed to date we expect to report significant weaknesses in arrangements in relation to the Council's arrangements for financial reporting and in respect of the outcome of the Ofsted inspection of children's services.

Our commentary on the Council's arrangements will be provided in the Auditor's Annual Report within 3 months of the date of our audit opinion.

.

Appendices

A: Draft management representation letter

B: Draft audit report

C: Independence

D: Other communications

Appendix A: Draft management representation letter

To be provided to us on client headed note paper

[Date]

Dear Karen

Bury Metropolitan Borough Council - audit for year ended 31 March 2022

This representation letter is provided in connection with your audit of the financial statements of Bury Metropolitan Borough Council ('the Council') for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code) and applicable law.

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy myself that I can properly make each of the following representations to you.

My responsibility for the financial statements and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code and applicable law.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Council and Group you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Executive Director of Finance that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

Accounting records

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Council, Cabinet and committee meetings, have been made available to you.

Appendix A: Draft management representation letter (continued)

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with Code and International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Councils financial position, financial performance and cash flows.

Accounting estimates, including those measured at fair value

I confirm that any significant assumptions used by the Council in making accounting estimates, including those measured at current or fair value, are reasonable.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no undisclosed contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Council and Group have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code and applicable law.

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Council has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Appendix A: Draft management representation letter (continued)

Fraud and error

I acknowledge my responsibility as Executive Director of Finance for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Council and Group involving:
  - management and those charged with governance;
  - employees who have significant roles in internal control; and
  - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees, analysts, regulators or others.

Related party transactions

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the requirements of the Code and applicable law.

I have disclosed to you the identity of the Council's related parties and all related party relationships and transactions of which I am aware.

Future commitments

I am not aware of any plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code and applicable law, require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Appendix A: Draft management representation letter (continued)

Covid-19

I confirm that the Council has carried out an assessment of the potential impact of the Covid-19 Virus pandemic on the Council and Group, including the impact of mitigation measures and uncertainties, and that the disclosures in the Narrative Report fairly reflects that assessment.

Going concern

To the best of my knowledge there is nothing to indicate that the Council will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

Yours faithfully

Sam Evans

Executive Director of Finance

Appendix B: Draft audit report

The draft audit report will be included at the conclusion of the audit.

Appendix C: Independence

As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.

Appendix D: Other communications

Other communication	Response
Compliance with Laws and Regulations	We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations. We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.
External confirmations	We did not experience any issues with respect to obtaining external confirmations.
Related parties	We did not identify any significant matters relating to the audit of related parties. We will obtain written representations from management confirming that: a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.
Going Concern	We have not identified any evidence to cause us to disagree with the Executive Director of Finance that the Council will be a going concern, and therefore we consider that the use of the going concern assumption is appropriate in the preparation of the financial statements. We will obtain written representations from management, confirming that all relevant information covering a period of at least 12 months from the date of approval of the financial statements has been taken into account in assessing the appropriateness of the going concern basis of preparation of the financial statements.

Appendix D: Other communications

Other communication	Response
Subsequent events	We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor's report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework. We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.
Matters related to fraud	We have designed our audit approach to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. In addition to the work performed by us, we will obtain written representations from management, and the Audit Committee, confirming that a. they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud; b. they have disclosed to the auditor the results of management's assessment of the risk that the financial statements may be materially misstated as a result of fraud; c. they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving: i. Management; ii. Employees who have significant roles in internal control; or iii. Others where the fraud could have a material effect on the financial statements; and d. they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

Mazars

Karen Murray

Partner

Phone: 0161 238 9248

Mobile: 07721 234043

Email: karen.murray@mazars.co.uk

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.

*where permitted under applicable country laws.

mazars

Statement of Accounts 2021/2022

Table of Contents

Introduction by Executive Director of Finance

I am pleased to introduce our financial accounts for 2021/22. 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 and the Update to the Code and Specifications for Future Codes for Infrastructure Assets. 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 2021/22 financial out-turn;
- 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.

This narrative report is set out in five parts. The first part provides some key information on what the Council does, how it does it and its plans for the future. The second part provides further detail on how we plan to resource the Council's activities. This section also considers the factors in the external environment that influence our decisions and highlights some of the key risks that we have identified to our priorities.

The third part summarises our financial and other performance in 2021/22 and our effectiveness in the use of our resources and the fourth part describes our outlook ahead and into the new financial year. It includes some of the key pressures facing the Council over the next few years and the changes taking place in the Council to respond to those challenges. Finally, this report sets out how the Financial Accounts for 2021/22 are prepared and set out.

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 2022, and its income and expenditure for the year ended 31 March 2022.

Sam Evans

Executive Director of Finance and S151 Officer

XX XXXX, 2023

Approval of Accounts

In accordance with the Accounts and Audit Regulations 2015, I certify that the Statement of Accounts for the financial year ended 31 March 2022, was approved under delegated powers as agreed by the Audit Committee at the meeting held on xx xxxxx, 2023.

Narrative report

Introduction to Bury

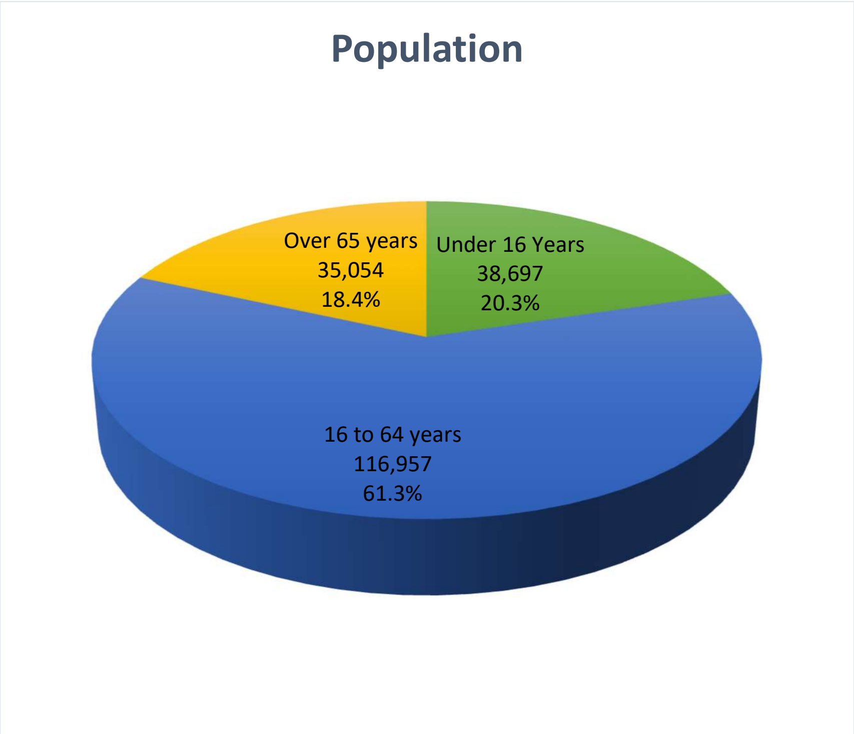
Bury Council is one of ten local authorities in the Greater Manchester region. Bury is a place of independent shops, regeneration, thriving businesses and strong communities making it a place where people want to live, work and spend their leisure time.

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.

Key Facts

Population

The Office for National Statistics (ONS) 2020 mid-year population estimate report Bury's total population as 190,708. 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.

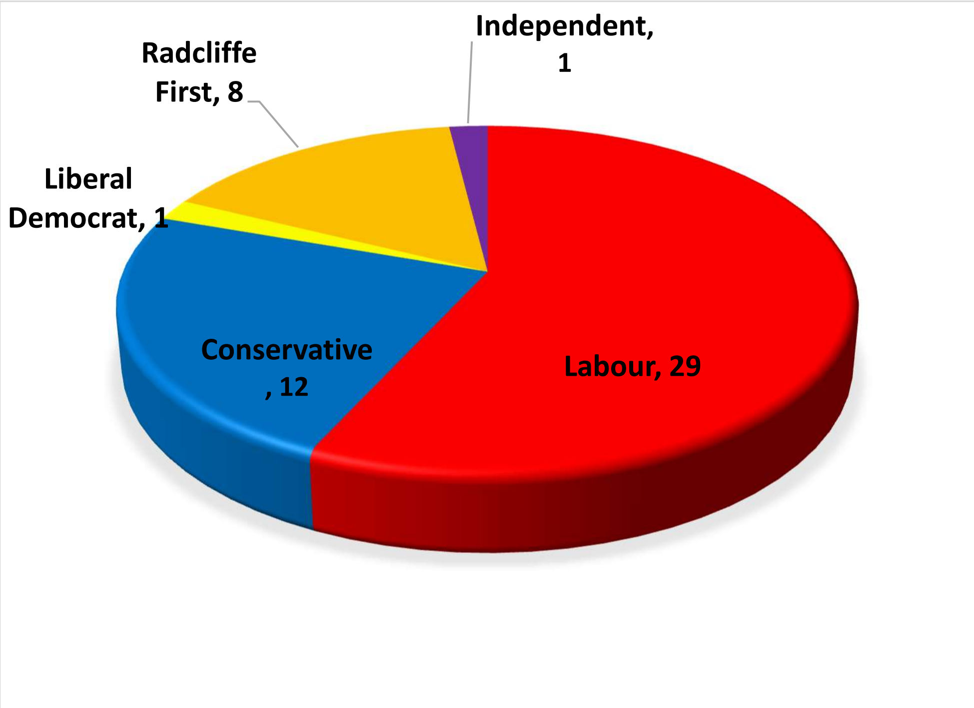
The population is expected to increase to 207,091 by 2043. There is expected to be a high increase in those residents aged 80 and over from 8,800 in 2018 to 14,935 in 2043, with resulting increases in demand for health and social care services.

Local Economy

Bury's economy is strong and delivers good employment to its residents. Bury's employment levels were expected to increase over the medium to long term. Strong links with the business communities and support through the council are in place to ensure that employment levels are maintained.

Political Structure

Bury is made up of 17 wards with 3 Councillors representing each ward giving an overall total of 51 members. During 2021/22 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 2021/22 consisted of a Leader and 8 Cabinet Member Councillors each of whom hold a Cabinet Member portfolio. These were as follows:

- Leader and Cabinet Member for Finance and Growth
- Deputy Leader and Cabinet Member for Children, Young People and Skills
- First Deputy and Cabinet Member for Health and Wellbeing
- Cabinet Member for Corporate Affairs and HR
- Cabinet Member for Environment, Climate Change and Operations
- Cabinet Member for Communities
- Cabinet Member for Culture and The Economy
- Cabinet Member for Housing Services

Cabinet members are also held to account through Overview and Scrutiny Committees: Health Scrutiny Committee; Joint Health Overview and Scrutiny Committee for Pennine Acute NHS Trust, Children and Young People Scrutiny Committee, Overview and Scrutiny Committee, Performance and Finance – Overview and Scrutiny Sub-group.

Corporate Executive Team Structure

The Council' Executive Team provides leadership to the Council and supports the work of Councillors. During the year, the Council's Chief Executive was supported by a Deputy Chief Executive and 4 Executive Directors – One Commissioning Organisation, Children and Young People, Operations and Business, Growth and Infrastructure. The Council's Executive Director of Finance also supports the wider Council/CCG and is employed in the capacity of a joint role. In recognition of the wider integration with Bury CCG, the Chief Executive is also supported by an Executive Team of the CCG who work together with the Council's Executive Team. In carrying out their roles, the Executive Team support the Council in:

1. Developing the Council's strategies
2. Identifying and planning resources
3. Delivering Council plans
4. Reviewing the Council's performance and effectiveness in delivering services to residents across the borough

Council Employees

At the start of 2021, the Council, excluding staff directly employed by schools, employed 1,955 full time equivalents and this had decreased to 1,858 full time equivalents by the end of the financial year. The reduction is part of a response to delivering savings through more efficient ways of working and integrated working. Investing in 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 2021/22 and future years. 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 organization. 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. The partnership with the NHS is a key enabler for the Council and the ability to integrate and work alongside our partners is key.

Council Plan

In 2021/22 the Council continued to lead the Team Bury partnership to deliver the ten-year vision and strategy for the borough of Bury: "to be a place which stands out as achieving faster economic growth than the national average, with lower than national average levels of deprivation". Underpinning this ambition are seven core outcome measures:

1. Improved quality of life
2. Improved early years development
3. Improved educational attainment
4. Increased adult skill levels and employability
5. Inclusive economic growth
6. Carbon neutrality by 2038
7. Improved digital connectivity

The strategy to achieve this vision is for public services to secure a very different relationship with residents, where people are more self-reliant within their networks and empowered to take greater responsibility for themselves and control over resources.

Meeting this ambition will require a high performing council that gets its basics right; creates a culture of community collaboration and enables self-reliance through the conditions of economic growth and quality of statutory services. Included within the strategy is a recognition of the need for a programme of transformation to develop these capabilities.

A new performance management framework has also been developed against which progress can be monitored. Updates on progress are now being presented quarterly to Cabinet and will continue to do so into 2022/23 and beyond.

Impact of Covid

The continuing impact of the Covid pandemic was significant during the year. Priorities for the Council changed throughout the year as the Council responded to new and emerging issues. Enhanced management arrangements were quickly established at the start of the pandemic and remained in place throughout part of 2021/22.

During the pandemic to ensure the Council was able to respond quickly, existing resources from services that were unable to operate were redeployed to priority areas including newly established Community Hubs that provided a central point of contact to those most vulnerable within the borough. To a lesser extent staff were redeployed to support key roles in 2021/22, for example payment of grants to businesses affected by the lockdowns. Business continuity arrangements became a key focus to ensure that the most critical of services could continue to operate.

As well as dealing with the impact of the pandemic, the Council also had to support new requirements placed on them by Government, in particular support for businesses that were closed or impacted financially by the pandemic.

To support Councils with additional financial pressures, the government made available grants some of which were un-ringfenced and others that were targeted to specific initiatives. Updates on the grants and how these have been utilised have been reported throughout the year as part of the Council’s financial monitoring arrangements and also to the Overview and Scrutiny Finance and Performance Sub Committee.

The Council submitted regular returns to the Ministry of Health, Communities and Local Government (MHCLG) to monitor the financial impact of the pandemic. The key financial risks for the Council were, and continue to be, increased demand for services and also loss of income. Income loss in both 2020/21 and continuing into 2021/22 was substantial and included loss of income on fees and charges, reduced collection rates for council tax and business rates and loss of the airport dividend. It is likely that the impact of Covid will continue into future financial years and the Council’s Medium Term Financial Strategy (MTFS) will be updated to ensure that any impact is fully reflected and that appropriate planning arrangements are put in place.

Greater Manchester Devolution and Partnership Working

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.

Resourcing Our Activities

The budget for 2021/22 was set around the Council's priorities and key deliverables. The creation of the £5.8m transformation fund in 2020/21 was in recognition of the fact that the Council needed to create some funding to support council wide transformation that would lead to cost reductions and efficiencies in the future. Work began in earnest in 2021/22 to start to deliver the transformational projects which will help Bury Council to become an organisation that is digitally enabled.

Revenue and Capital Spending expenditure

We use our resources in two ways through revenue and capital spending. Broadly our revenue spending relates to income received in year and spending on items used in one year. Most of our salary costs are included in revenue expenditure. Our capital expenditure relates to items we have bought, created or improved and which will be used for more than one year.

Revenue allocations are made to services through a process which balances demand forecasts, inflation and other price increases, commitment to our statutory duties and the investment choices which the Council wishes to make to improve services or reduce costs. By law we must set a balanced budget which ensure the Council meets not only its existing commitments but also remains on a firm footing for the future.

Revenue Budget

Our revenue budget for the year was £171.851m and was set by Full Council in February 2021. Throughout the year, Cabinet has received reports on the Council's financial position and this has also been used to inform the development of the 2022/23 budget and the Medium Term Financial Strategy. Our revenue budget for the year was allocated over our Directorates and funded through our main sources of income including business rates, council tax and government grants:

Directorate	Budget	Actual Expenditure	Variance (Under)/Over Spend
	£m	£m	£m
Business, Growth and Infrastructure	3.6	3.7	0.1
Children, Young People and Culture	45.4	48.1	2.6
Corporate Core Services	14.2	13.4	(0.8)
Housing General Fund	0.7	1.3	0.6
Non-Service Specific	5.2	(0.2)	(5.4)
One Commissioning Organisation	81.3	80.2	(1.1)
Operations	21.5	21.3	(0.2)
Creation of Utilities Earmarked Reserve	0.0	1.5	1.5
Increase Children's Earmarked Reserve	0.0	0.5	0.5
Increase Smoothing Reserve	0.0	1.5	1.5
Balance at 31 March	171.9	171.2	(0.7)

Capital Resources

Capital Programme Original Budget 2021/22	**2021/22 Actual £m**	**2022/23 Forecast £m**
Capital Grants and Contributions	15.258	28.025
Receipts from the Sale of Assets	0.613	0.453
Direct Application of Revenue Resources	12.631	19.255
Borrowing (To be repaid from revenue resources) Includes slippage brought forward from previous years	17.234	99.012
Total Capital Resources	**45.736**	**146.745**

Our capital allocations are made in line with our Capital Strategy, which includes two key elements: capital maintenance works to ensure our assets continue to be fit for purpose and able to support the provision of services; and capital investment to create and develop new assets. Each element has a number of strands that ensure a clear focus on the purpose of capital spending and the prioritisation of proposals, underpinned by specific service asset management strategies.

Allocations included in the maintenance programme meet one of the following three criteria:

- maintaining our assets to ensure services can continue to be delivered;
- statutory health and safety and other regulatory requirements;

- annual equipment and/or vehicle replacement programmes.
- Our capital spending power is the combination of external income which must be spent on capital (such as specific grants or contributions and the receipts from the sale of our assets) and the extent to which the Council is willing to meet the costs associated with borrowing money from its revenue resources.

Our annual maintenance programme includes allocations from the Government grants received for schools and highways maintenance plus revenue funding used for the replacement of vehicles, where this is more cost effective than leasing the vehicle. We also finance some maintenance from borrowing.

Investment schemes are, by their nature, not routine and so are only considered if they move the organisation towards the delivery of our outcomes. Where we have discretion in how to apply capital financing, we use a structured evaluation process that assesses:

- what we are trying to achieve for the Bury residents, businesses and visitors by investing in particular assets;
- the contribution of the new assets to the delivery of the corporate outcomes;
- the financial costs and benefits over the short, medium and long-term; and
- the risks inherent in the delivery of the scheme itself and the expected benefits, with a focus on better up-front planning and timetabling.

Investment schemes may be funded by any of the sources in the above table, and often a combination of these is used. It should be noted that included in the 2022/23 budgeted figures are £60.117m of schemes that have been brought forward from the 2021/22 financial year. When the capital programme for 2022/23 was set in February 2022, slippage of £57.734m was reflected in the programme. Since then, there has been further slippage of £2.383m that will be carried forward.

It should be noted that delivery of the capital programme was significantly impacted by the Covid pandemic. At some times during the year, works were unable to continue and when they were shortages of equipment and resources have impacted.

During 2021/22 the Council was successful with both of its submissions to receive £20m of levelling up funds. One for Radcliffe and one for the Bury market flexihall project.

There will be a significant review of the capital gateway and prioritisation process in 2022/23.

Savings and efficiencies

Bury has delivered £93.107m in savings between 2010 and 2021, with a further £5.533m being delivered in 2021/22. The delivery of some of these continued to be impacted by Covid as in the previous year and, where possible, alternative efficiencies were identified. All of the agreed savings targets remain in the budget for 2022/23 as it is considered that these are still achievable in the longer term. The Council recognises the need for savings plans to be delivered, and the Council has previously worked with external advisors to test assumptions and deliverability of savings options for future years. Since then, project management capacity has been increased and a programme that supports and monitors the delivery and deliverability of savings is in place. This embedded support will continue into future years.

Reserves

Reserves are resources we have accumulated over time and set aside for a particular purpose as part of an integrated approach to the successful financial management of the authority over the short, medium and long term. We hold reserves to:

- ensure future events outside of our control do not undermine the authority’s overall financial position or impact on service delivery;
- plan for the effective use of resources over time for a specific purpose;
- ensure we meet funding conditions (set either by an external funding body or a specific decision of Members) in our use of any available resources;
- retain any other accumulated underspends prior to decisions on their use.

Our budget is set to include anticipated levels of reserves added or drawn down in the year; these plans may change as the year progresses to react to emerging pressures or other events and are approved in our quarterly monitoring process.

Some reserves are held at a corporate level to support overarching risks and strategies. The level of general reserves is consistent with the overall financial environment and the key financial risks faced by the Council. These risks are assessed at least annually and take account of circumstances at the time of assessment as well as trends into the future.

As part of the year end review with the Executive team, the consolidation of some reserves that were no longer needed was agreed to create a capacity reserve to support the delivery of the savings programme and ensure that the collective benefit could be maximised and that a more strategic approach could be put in place. Further additions were also made to the children’s reserve created during 2021/22 and a smoothing reserve created as part of the 2022/23 budget setting. A reserve was also created to support the rising costs of energy if they could not be contained through other measures.

The Council has previously reported a deficit on the Dedicated Schools Grant Reserve. This deficit has increased annually largely as a result of increased demand for out of borough placements for children with Special Educational Needs (SEN) and an increase in Education, Health and Care Plans. During the year, the department for education (DfE) continued to work with Bury as part of Project Safety Valve, in the period of the plan to reduce the deficit and recover the deficit over a defined period of time.

Regular monitoring is in place with the DfE to ensure that plans are being delivered and to highlight any variances.

The table below sets out the position on General Fund and Earmarked Reserves at the end of 2021/22.

Analysis of Reserves as at 31 March 2022	
Reserve	**£m**
General Fund Reserve	24.468
Directorate Risk Reserves	9.257
Volatility and Fiscal Risk	37.675
Total Management of Risk Reserves	**71.400**
COVID-19 Related Grants	4.691
Corporate Priorities	17.799
External Funding/Grants	19.427
Other Earmarked Reserves	12.080
Total Earmarked Reserves	**53.997**
TOTAL COUNCIL RESERVES	**125.397**
Schools Reserves	8.846
TOTAL NET RESERVES	**134.243**

Borrowing and investments

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 are updated 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 2021/22. 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 paid and will be payable.

Pensions

The majority of the Council's employees are members of the Greater Manchester Local Government Pension Scheme, which is administered on behalf of all of the Greater Manchester Local Authorities by Tameside Council. The valuation of the scheme reflects the valuation by the fund valuers at the end of the 2021/22 financial year taking into account the impact of Covid. As a defined benefit scheme, the Scheme is shown as a long term liability in our accounts.

However, statutory arrangements for funding this deficit are in place, including increased contributions over the working life of employees, and means that our financial position remains healthy.

Management of Risk

The successful delivery of the Council's plans and our sustainability into the future are dependent on our ability to manage and respond to the risks we face. Many potential issues will remain on the risk register and be regularly monitored, while others are actively managed to reduce the risk or its impact. Further information can be found in the Annual Governance Statement section within this document.

Investment strategies are updated and approved by Members annually. Interest income and expenditure as a result of investments or borrowing is reflected in our revenue budgets. The Council has some investment properties, the performance on which is reported annually. In addition to this, the Council has investment in the Manchester Airport Group, dividend and interest income from which is included in the Council's budgets. To manage the risk in fluctuations, the Council has a volatility and fiscal risk reserve that includes an airport equalisation reserve.

Our Performance 2021/22

Over the past 12 months, whilst delivering throughout the ongoing COVID-19 pandemic, the Council has focussed on delivering business as usual services and also begun to implement some transformation programmes which will be key to a successful recovery going forward. This delivery is set out in the Corporate Plan which was refreshed early in 2021 and monitored internally and externally through newly strengthened governance processes. Progress through the year has been set out below against the themes described in the Leader's annual report.

Covid-19 response

- As the Covid-19 pandemic dawned upon our borough and the country at large. Our number one priority was to provide help and support to our borough's residents and our businesses.

- When the chance came up for us to support the mammoth effort to end this pandemic by supporting the vaccination efforts we stepped up. We transformed the Elizabethan Suite into a vaccination centre and supported efforts to bring Covid-19 vaccines to the Prestwich Walkin Centre, Bealey's in Radcliffe, and Ramsbottom Civic Hall.

- We also opened a 'pop-up' Covid vaccination clinic at the Jinnah Centre aimed at Bury's South Asian community. This was led by local GPs, clinical pharmacists, and the community, together with Bury Council and NHS Bury CCG. It offered vaccinations to people who were eligible for a jab but had not yet taken up the offer.

- As of the 9th May 2021, our tremendous vaccination efforts meant we had given a first dose of the Covid-19 vaccine to at least 100,000 residents, with 61,000 having received a second vaccine and being fully vaccinated.

- **Business:** We have set up town centre boards in each of our townships to bring together local firms and help co-ordinate recovery post-Covid. We have a dedicated business support team, which has administered more than £30 million in local business grants through the various Local Restrictions Support Grants, Additional Restrictions Grants, closed business lockdown payments, and Restart Grants.

Recovery

We are also pleased to announce that we completed our 10-point plan for recovery set last July. This includes: Summer provision for our children; No rough sleepers; The Bury opportunity guarantee; Anti-poverty strategy refresh; Year of Culture; Health and care recovery; Backing Bury businesses; Working well; Economic recovery strategy; and championing the borough's key workers.

- **Opportunity:** Guarantee We progressed our work to ensure every resident of the Borough has the opportunity to maximise their life chances, including responding from the impact of Covid-19. The Opportunity Guarantee is aimed at all ages, from Early Years, through education including transition, to ensure opportunities to promote work and life readiness. The guarantee will provide a joined-up approach to skills provision, in one place, showcasing the variety of options regardless of circumstance. We are making a guarantee that everybody in the Borough has the opportunity to develop themselves or others and to get involved in their community as a volunteer.

- **Apprenticeships:** Earlier this year we proudly announced that we will be putting into place a policy which ensures that Bury Council apprenticeships will be ringfenced for our own residents. This will increase employment and training opportunities for people living in Bury. Plans will be brought forward in the coming months to make the most of this opportunity with residents as they come forward. This is on top of our work to create over 30 jobs through the government's Kickstart job creation programme.
- **Real Living Wage:** At the beginning of this pandemic, we clapped for the NHS and our key workers. The past year has proven to us how important our key workers are, and how we must not take the services they deliver for granted. Now, the council has gone one step further and committed to paying our employees, whether directly employed by the Council or contracted out, the Real Living Wage (£9.50ph). For people currently working full time on the minimum wage (£8.91 for over 25s) this could mean a pay increase of over £100 per month, potentially taking many people above the poverty line (21% of employees are paid below the Real Living Wage – Resolution Foundation) This is likely to have a huge difference for the thousands of staff we employ in our social care services and for those who clean our buildings to make them as safe as possible during the pandemic.

- **Environment:** At Bury Council we are taking our climate emergency pledge seriously as we continue to reduce our carbon footprint and make our air cleaner for our residents. This pledge has only been strengthened during the pandemic with a shift to home-working and a greater appreciation of our green spaces and parks, proving that we need to Build Back Better out of this pandemic. All six towns should be thriving and sustainable and by 2030 we will have delivered key regeneration opportunities within our town centres. Everyone will be living in a high quality carbon-neutral environment by 2038. We have signed up to a huge range of green/climate change initiatives, from carbon neutral pledges to tree planting, solar panels and new green bin wagons. We invested £3.5 million in a new 'fit for purpose' fuel efficient fleet of 19 waste collection vehicles to boost efficiency. Fourteen of the new vehicles are 'state of the art' Rotopress vehicles. The main noticeable difference with Faun Zoeller Rotopress vehicles is that the main body of the vehicle is in the form of a cylindrical drum. This rotates while the vehicle is stationary and on the move, to shift the waste to the front of the vehicle. Savings of nearly £140,000 will be made after the installation of solar panels at the council's operations HQ at Bradley Fold. Some 69 panels have been fitted to the south-facing roof of the vehicle workshop of the depot. The panels will generate around 22,000kWh of electricity annually and reduce carbon emissions by 10 tons a year.

- **Parks and green spaces:** We agreed to spend £1.1m last year to improve our parks, which all have Green Flag status. All the borough's parks have been inspected and the first phase will be to refurbish three parks in East Bury which were considered to be most in need of investment – Manchester Road Park, Hoyles Park and Openshaw Park. In addition, most parks will benefit: work will include improvements to paths, structures, fencing, access, drainage, bins, play areas, ball zones, access and landscaping. There will also be a contribution to enhancements to car parking at Burrs Country Park and support for a scheme led by the Friends of Nuttall Park, plus work at St Mary's, Whitefield and Close parks. We pledged £350,000 of funding for upgrades to Clarence Park, which includes £150,000 to restore the skate park. A public consultation which attracted more than 600 responses found many users wanted to skate park to return. The park will also see refurbishment of the tennis courts, play area, ball zone, paths, railings, signage, landscaping, benches and bins. In the budget earlier this year we took the decision to invest a further £600,000 in green spaces in its next phase of an ongoing programme to upgrade Bury's Green Flag parks. This complements the £1.1m green spaces improvement programme approved in November 2020. There will also be provision for further development of the Burrs Strategy as well as health and safety works and developing external funding bids towards the longer term sustainability of this well used country park Other key enhancements to the borough's leisure facilities include improvements to all tennis courts over 2 years, athletics track development, public rights of way works, development of 3G all-weather football pitches and improvements to play areas and ball zones.

- **Infrastructure:** We agreed to invest a further £10 million in road improvements. Out of the £10 million, £4.5 million was allocated to structural maintenance (e.g. resurfacing), £3 million on preventative maintenance (e.g. surface dressing), leaving £2.5 million for reactive maintenance (e.g. potholes, patching).

- **Town of Culture:** Arts organisations in the borough creatively moved activities online to ensure culture could continue to flourish during our year as the first Greater Manchester Town of Culture. We were delighted to hear that our year of culture was extended for another year due to the impact of Covid-19, an opportunity we could not refuse. Bury's own The Met hosted much of the United We Stream programme in the first lockdown, featuring DJs, big name acts like Elbow and Brandon Flowers, performance, arts and food. We are now making final preparations to develop a new Cultural Strategy for the borough. Central to the strategy is the need for strong partnership and engagement activity to develop and deliver the borough's cultural vision together. It will also explore how Town of Culture activity can be used as means for conversations with wider communities to generate future cultural initiatives.

- **Health and fitness:** The pandemic has shown us how important leading healthy lives can be. During the first lockdown many of us took the opportunity to get outdoor for our daily exercise. As a result, we took the decision to give our council owned gyms an upgrade to encourage people to keep fit or improve their fitness in the future. Our three gyms have had a £500k upgrade to improve the digital experience of their thousands of visitors. The improvements at Castle Leisure Centre, Radcliffe Leisure Centre and Ramsbottom Pool & Fitness Centre were carried out in time to welcome customers back on 12 April when coronavirus lockdown restrictions were lifted. The council partnered with Matrix Fitness to install 135 of the latest machines across the three sites, including those which focus on building strength, function fitness and cardiovascular capacity.

Regeneration

- **Radcliffe:** We set out major short, medium and long-term regeneration plans for Radcliffe, to transform the area for generations to come. The plans for Radcliffe include: Civic Hub: a new public services hub in the heart of Radcliffe town centre which will bring real regenerative benefits into the core of the town and provide confidence for other owners to invest in their property/the town. Uses currently being explored include Council offices to accommodate staff relocating from Whittaker Street; Creative workspaces; a health-related facility; a community space; and retail / active frontage on the ground floor. Market Chambers: Refurbishment work is expected to commence in 2021. The SRF proposal is to bring the whole of the building back into active use, with potential to include flexible working space for young start-up businesses and entrepreneurs, particularly those in the technology and creative industries sectors, as well as retail and office use. Residential Development: The development of key brownfield sites will provide much needed new homes for Radcliffe residents and help to bring forward considerable investment and confidence into the town. East Lancashire Paper Mill (ELPM) - This site is being delivered jointly with Homes England On the School Street site over £880,000 of funding has been secured through Greater Manchester's allocation of the Brownfield Land Fund. Phase 2 of this project will involve identifying new opportunities for new large scale residential sites within Radcliffe. Phase 3 of the work will look at other potential sites in and around the centre, which are likely to be longer term opportunities.

- **A new High School for Radcliffe**: Thanks to the work of the Council and STAR Academies to make the Coney Green Site available for a new secondary school in Radcliffe, STAR were able to submit a successful big to government for funding for a new secondary school. The new school will accommodate 750 pupils, opening one year at a time, i.e. start with a Year 7 with an intake of 150 and growing over 5 years to 750 pupils. Star Academies runs a group of 29 primary and secondary schools in Lancashire, Greater Manchester, West Yorkshire, the Midlands and London. The trust is one of the country's leading education providers. In 2018 and 2019, it was the top-performing trust in England for the progress pupils make at its secondary schools. Star Academies schools promote excellence in everything they do, with around half of all Star schools judged to be 'Outstanding' by Ofsted.

- **3G football pitch:** Earlier this year we worked with the Football Foundation and Lancashire County FA on developing a funding application for a 'state of the art' 3G football facility in Radcliffe. This would be the third of its kind in the borough, the others being at Goshen Playing Field and at Elton High School.

- **Prestwich Regeneration:** Over the past year we took our regeneration proposals a step further, including our proposals to transform the heart of Prestwich. We took the decision to buy the Longfield shopping centre from its current owners in order to drive forward multi-million pound regeneration of the village.

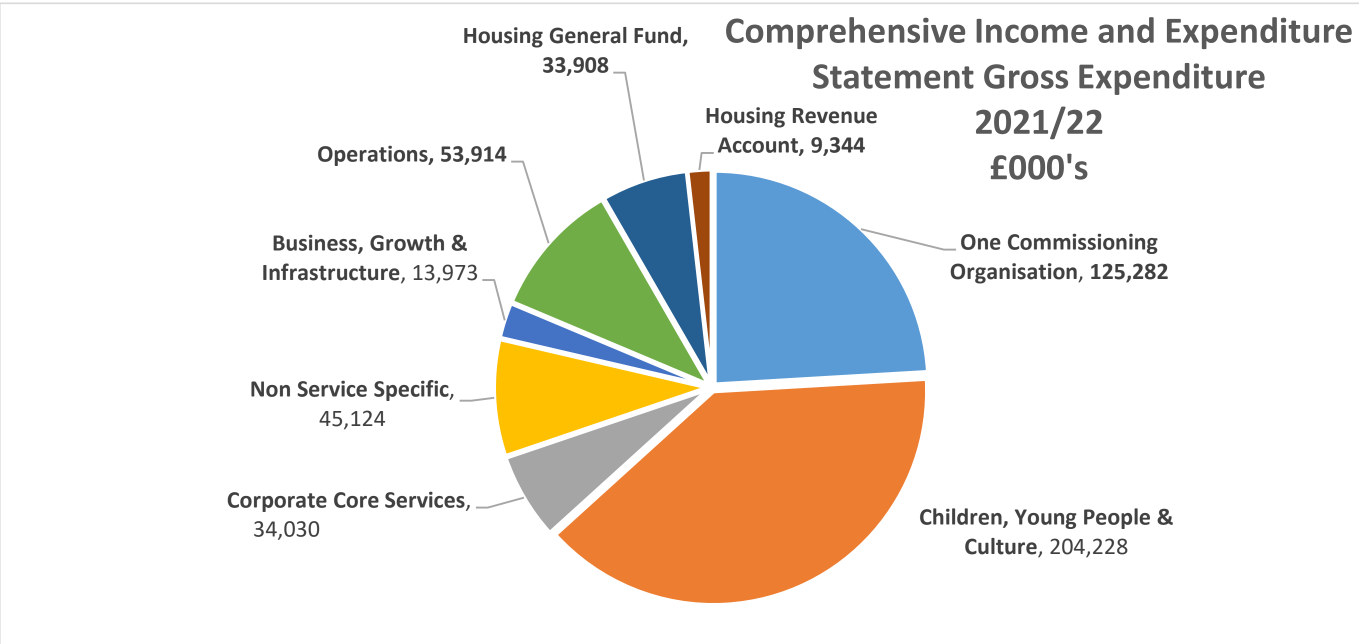
- **Masterplan for Bury Town Centre:** We are also developing plans to transform Bury town centre (including the transport interchange and Bury Market). We have bid successfully, and have submitted more bids, to build affordable housing on brownfield land in the area. We are consulting on our Housing Strategy to make sure we have the type of housing needed for the future.

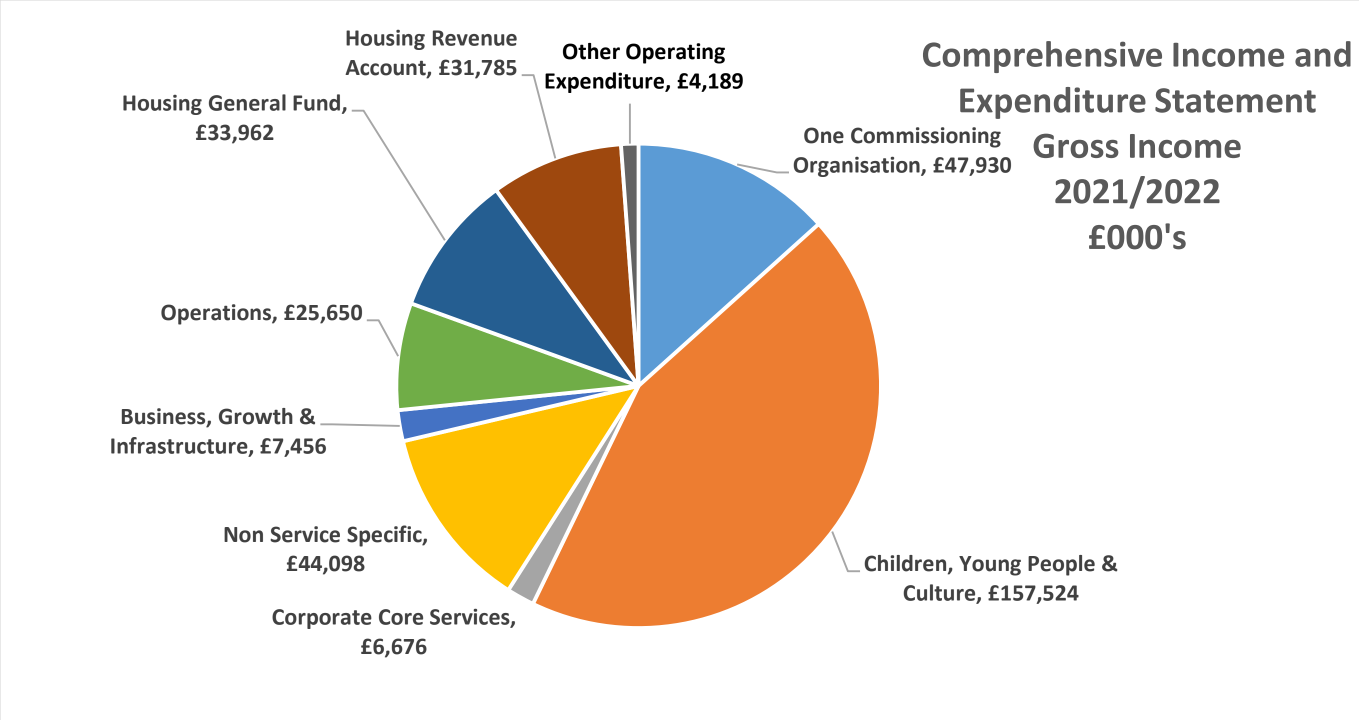
- **Ramsbottom Town Plan:** In November 2020, Cabinet approved proposals to engage consultants to prepare a public realm and place management plan for Ramsbottom. The plan will principally set out a series of initiatives to improve public realm, townscape and movement within the town centre and explore opportunities to improve its visitor offer in order to help maintain its role as a quality destination for the next 10 to 15 years.

Financial Performance 2021/22

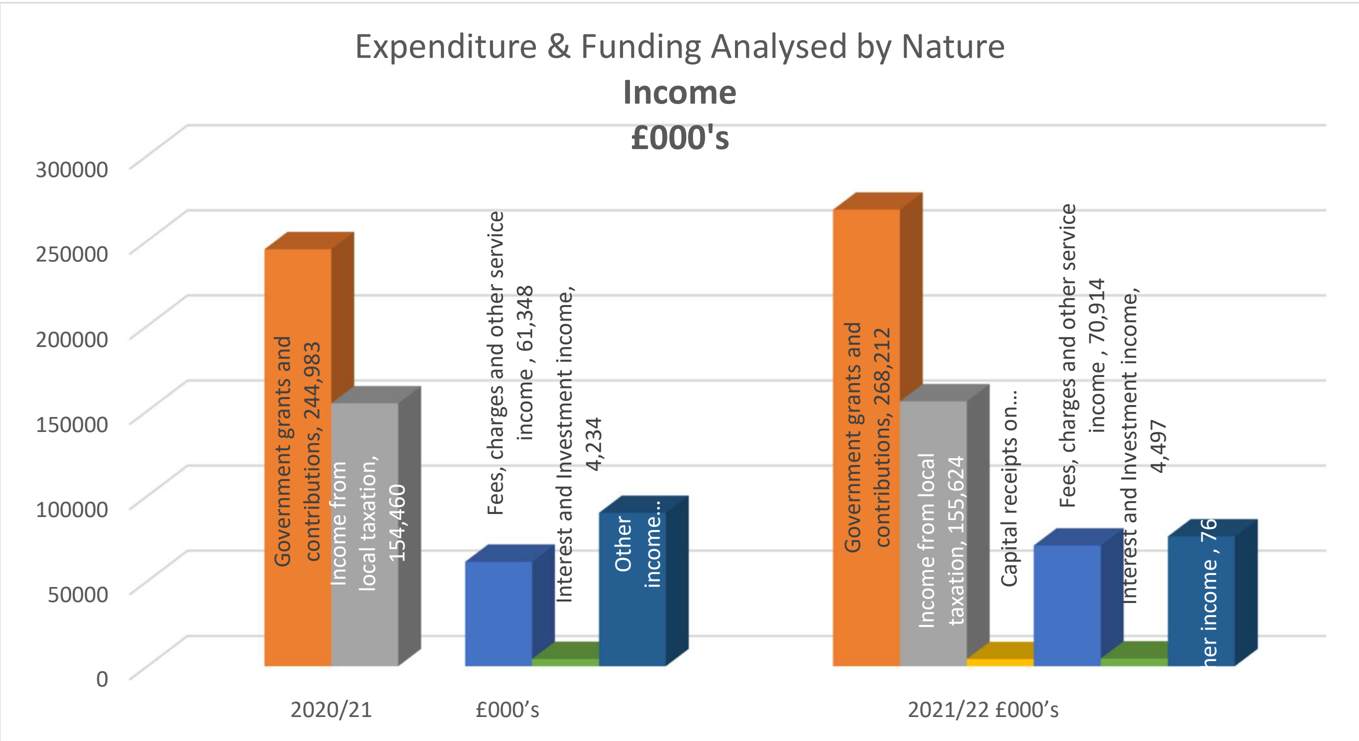
Our total revenue income from all sources in 2021/22 was £579.667m. We have spent £583.572m on providing our services, included schools. Both this income and spend includes technical accounting adjustments and makes up the "Surplus or Deficit on Provision on Services" shown within the Council's Comprehensive Income and Expenditure Statement. This income and spend is also analysed by department and by nature below:

By department:

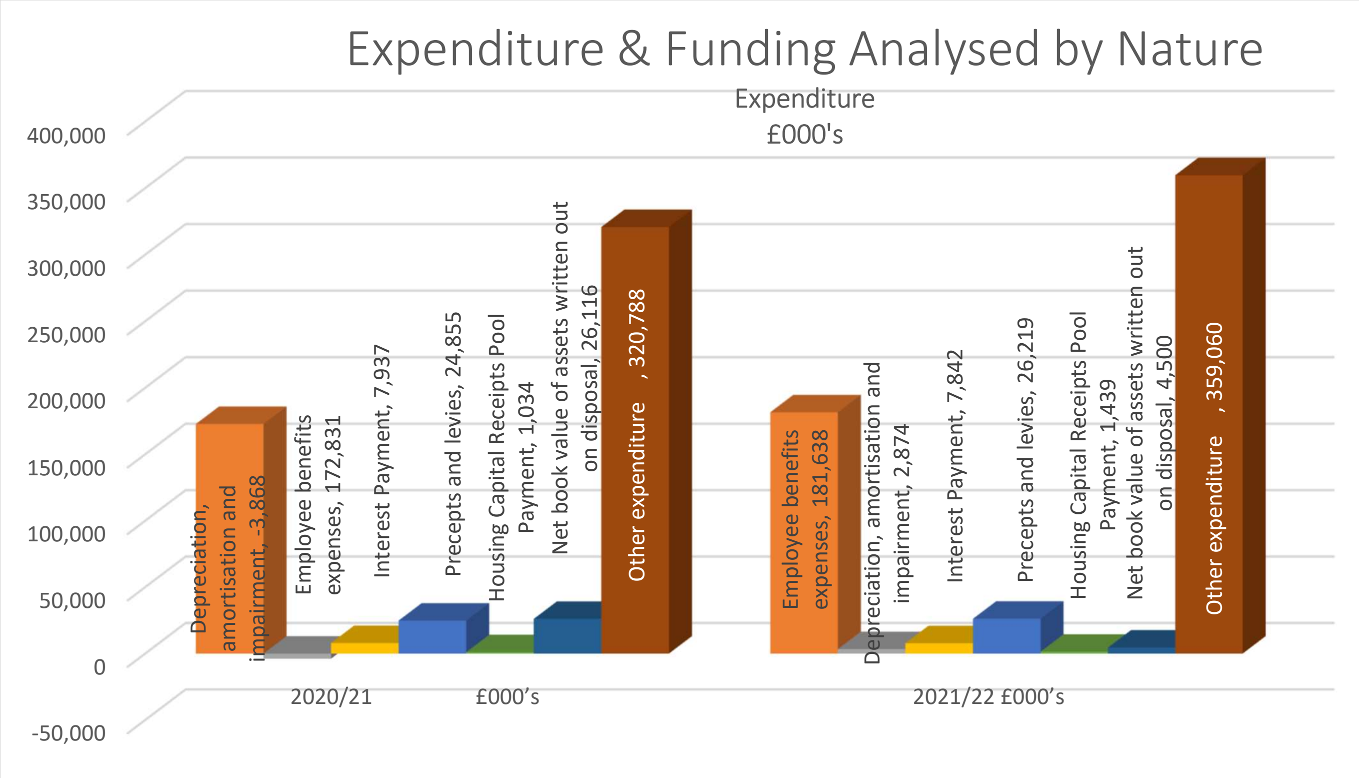



Comprehensive Income and Expenditure Statement Gross Income 2021/2022 £000's
One Commissioning Organisation, £47,930
Children, Young People & Culture, £157,524
Corporate Core Services, £6,676
Non Service Specific, £44,098
Business, Growth & Infrastructure, £7,456
Operations, £25,650
Housing General Fund, £33,962
Housing Revenue Account, £31,785
Other Operating Expenditure, £4,189

By nature:


Expenditure & Funding Analysed by Nature
Income
£000's
300000
250000
200000
150000
100000
50000
0
Government grants and contributions, 244,983
Income from local taxation, 154,460
Fees, charges and other service income , 61,348
Interest and Investment income, 4,234
Other income...
Government grants and contributions, 268,212
Income from local taxation, 155,624
Capital receipts on...
Fees, charges and other service income , 70,914
Interest and Investment income, 4,497
ner income , 76
2020/21 £000's
2021/22 £000's

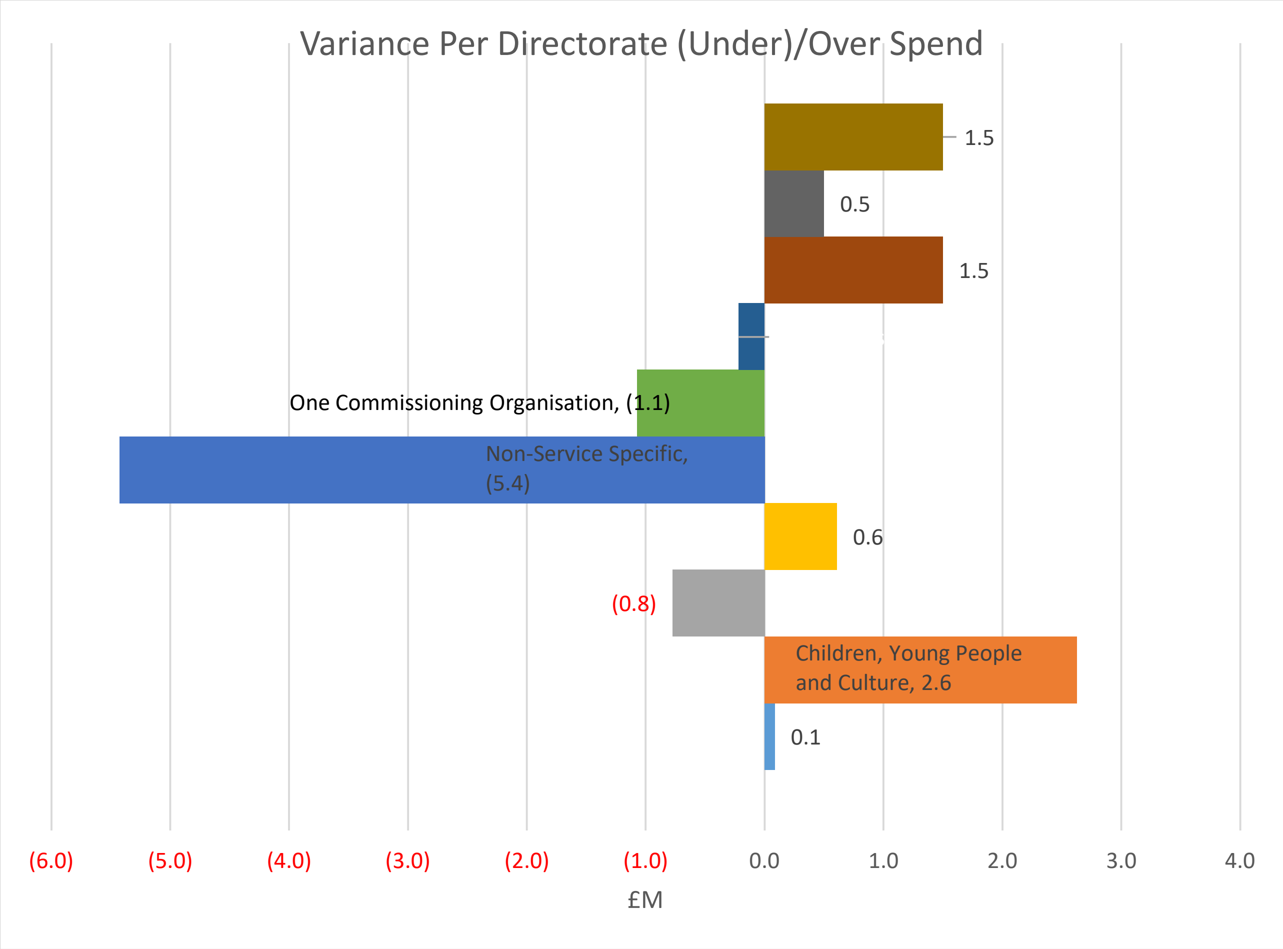
The ‘Other expenditure’ block above includes all payments made to suppliers for goods and services received during the year.



Revenue Underspends/Overspends

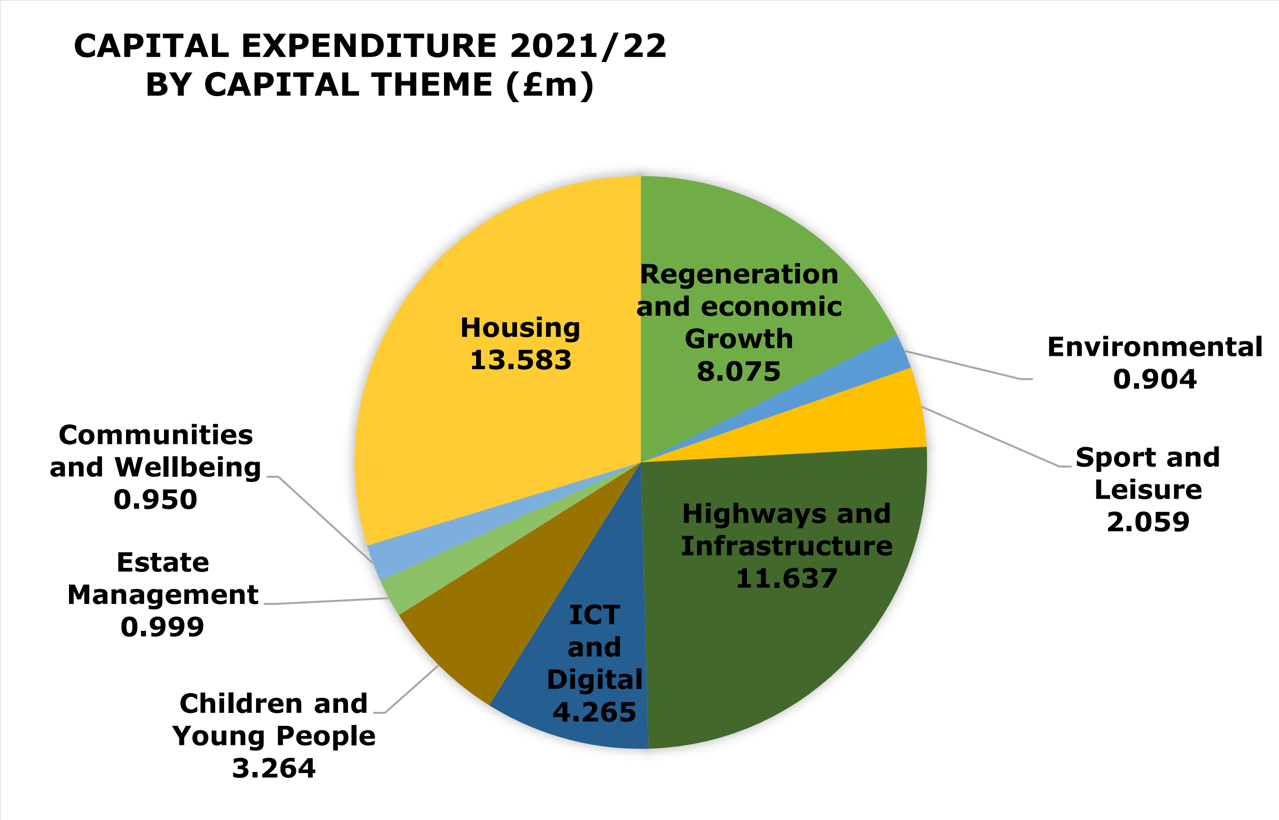
The net value of the funding and expenditure is an underspend of **£**0.666m. This follows the transfers to reserves in respect of children, smoothing reserve and utilities.

The under/overspends are as follows:



Capital Spending and the value of our assets

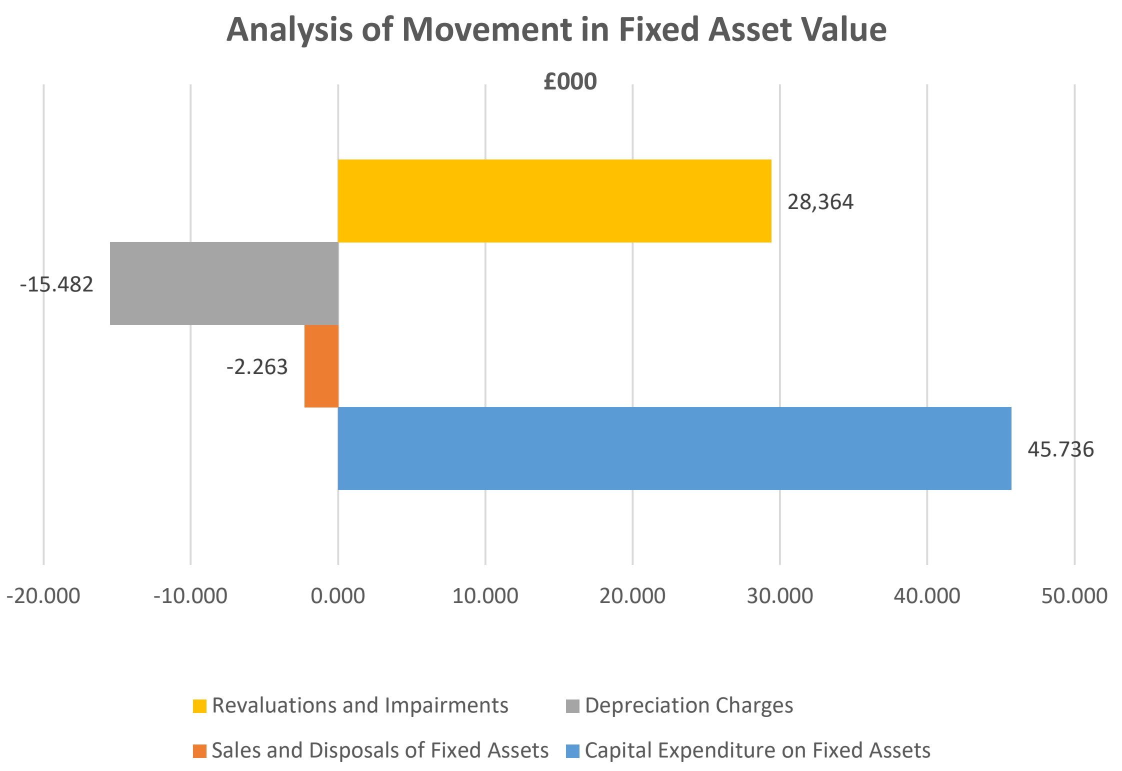
We spent £45.736m on capital related activities. This was £61.461m less than was included in the original capital programme and taking account of slippage brought forward from the 2020/21 financial year. The main reasons for the underspend were delays in the delivery of capital projects throughout the year. The Council has carried forward £60.117m of slippage into the 2022/23 financial year. The capital expenditure of £45.736m is analysed by theme in the chart below:



The capital expenditure of £45.736m is analysed by asset type in the table below:

2021/22	Analysis of Movement	Capital Expenditure £000
PPE	Community Assets	1,067
	Council Dwellings	12,648
	Infrastructure	7,779
	Other Land & Buildings	10,503
	Surplus Assets	25
	Vehicles Plant & Equipment	3,974
	Assets Under Construction	5,398
Other Long Term	Intangible Assets	951
	Investment Properties	5
	Long Term Investment	0
Other Expenditure Funded by Capital	Held for Sale	0
	Revenue expenditure funded from capital under statute	3,385
Total		**45,736**

Overall, the value of our long term assets has increased from £662.248m to £707.343m in 2021/22. While the capital expenditure of £45.736m was a significant reason for this increase, there were other causes, including the results of an external valuation. All the reasons for the increase are analysed below:



Reserves

There was a £7.732m planned use of General Fund reserves to balance the 2021/22 position.

In addition to General Fund reserves, Earmarked reserves have also 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 £109.775m in earmarked reserves and a General Fund balance of £24.468m as at 31 March 2022, totalling £134.243m. Some of our reserves reflect the fact that the Government allocated grant funding to support Councils manage the financial impact crated by additional requirements or increased demand.

The 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 2021/22 out turn on the collection fund is a deficit of £9.446m.

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	497	28,140	28,637
Prior Year estimated deficit paid in during the year	(550)	(25,143)	(25,693)
Deficit for the year	(4,849)	11,351	6,502
Closing Cumulative (surplus) / Deficit carried forward	**(4,902)**	**14,348**	**9,446**
Allocated to:			
Bury Council	(4,144)	14,205	10,061
GMCA Mayoral General	(223)	143	(80)
GMCA Mayoral Police and Crime Commissioner	(535)	0	(535)
Total Allocation	**(4,902)**	**14,348**	**9,446**

As part of the Council’s 2021/22 budget setting process, the Council declared a (£25.693m) Collection Fund deficit for the year. In line with the legislation that governs the Collection Fund accounting, £25,356m has been contributed from the Council’s General Fund in 2021/22 and £0.337m has been contributed from the GMCA Mayoral General precept and the GMCA Mayoral Police and Crime Commissioner Precept. The balance of £2.944m (£28,637m less £25.693m) will be required to be received into the Collection Fund 2022/23. The variance relates to the differences between the estimated position as at January 2022 and the final outturn position.

The year-end net deficit balance of £9.446m of which £14.348 relates to NNDR. This is largely due to the additional reliefs which were awarded to ratepayers in 2021/22 due to the COVID-19 pandemic, primarily the extended Retail Discount and Nursery Relief, with compensating grant of £11.123m being received which will partially mitigate this.

Due to the impact on the Council’s ability to collect both Council Tax and Business Rates, an important change to Collection Fund accounting was introduced for 2020/21, which (with the exception of the 2020/21 £24.899m Government grant funded Business Rate reliefs) mandated the smoothing of the impact of COVID related exceptional deficit over three financial years, thus reducing the impact on the revenue budget. The Council’s 2021/22 budget and future years budget estimates have been prepared using this new facility.

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.

It was always the intention that the Greater Manchester region as a whole would benefit from the 100% Business Rates Retention Pilot and on this basis, it was agreed that a minimum of 50% of the benefit would be retained by Greater Manchester Authorities and that the balance would be retained by GMCA. During 2020/21 it was agreed that there would not be a no detriment payment to GMCA due to the impact of COVID 19 and the large deficit being reported. This agreement has again been amended for 2021/22 so that 75% of the benefit is retained by the Greater Manchester Authorities and the balance of 25% is retained by GMCA. The Council retained £1.072m of the 2021/22 benefit of £1.429m, and this is reflected in our out turn position. The GMCA share will be used to support the delivery of Greater Manchester priorities outlined in the GMCA 2020/21 budget reports.

Whilst the Council will continue to pilot the 100% retention of Business Rates in 2022/23, it is difficult to accurately budget for the expected benefit at the beginning of the financial year and as such a prudent approach was taken and the budget was set with the level of assumed benefit remaining constant and no further growth was built in. 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 would continue for a further year in 2022/23.

Borrowing and Investments

Our treasury management activity generated an investment rate of 0.10%. Our investments have been managed prudently. Our long-term debt outstanding is £207.903m as at 31 March 2022, and is £6.808m higher than at the end of the 2020/21 financial year when the level of borrowing was £201.095m. At the end of 2021/22 we were holding £34.773m in cash or cash equivalents.

Pensions

As at 31 March 2022, our pensions liability was £230.442m, a decrease of £126.150m over the year. This remains within the expected range and we are confident that this liability is well managed within the statutory arrangements.

Outlook

Pre Existing Financial Challenges

2020/21 was the first year of the Council's new Medium term Financial Strategy (MTFS). When the 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;
- Pension cost increase arising from revaluations and any Central Government decisions about the Local Government Pension Scheme's funding mechanisms.

Covid-19

The financial impact of the pandemic has been widespread and has affected all Government bodies. For Bury, the impact was largely due to:

- Additional expenditure incurred in response to the pandemic
- The impact on the local economy and the impact on collection rates of both council tax and business rates as well as a fall in income from sales, fees and charges,
- A delay in the delivery of some of the agreed savings targets.

The impact of the pandemic has been mitigated, to some extent, by additional grant funding provided to Councils by Central Government. Some of the funding received was un-ringfenced and other funding to offset the cost of implementing new requirements and support, particularly that to businesses.

There does however remain a significant element of uncertainty for future years. The impact of the pandemic will continue for some time and the risk in the longer term remains.

Mitigation

The risks to the financial strategy are common to all local authorities and we continue to combat these through a mix of active management and financial planning

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 £0.579m on the HRA balance bringing it to £9.843m as at 31 March 2022. On an accounting basis, the 2021/22 outturn position on the HRA is a surplus of £18,847m.

Group Accounts

The Council’s Group Accounts include those entities where there is a material financial interest and the Council holds a significant level of control. The Council’s Group boundary comprises of:

- Six Town Housing Ltd.,
- Bury MBC Townside Fields Ltd.,
- The Persona group of companies, Persona Care and Support Ltd and Persona Group Ltd.

In accordance with the Code, consideration has been given as to whether these entities should be consolidated in the Council’s Group Accounts. Six Town Housing Ltd, Bury MBC Townside Fields Ltd and the Persona group of companies, are consolidated into the Council’s Group Accounts.

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.

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;
- 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 the United Kingdon and the Update to the Code and Specifications for Future Codes for Infrastructure Assets, 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 31^{st} March 2022.

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;
- 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.

BLANK PAGE FOR AUDIT REPORT

BLANK PAGE FOR AUDIT REPORT

BLANK PAGE FOR AUDIT REPORT

BLANK PAGE FOR AUDIT REPORT

BLANK PAGE FOR AUDIT REPORT

Financial Statements and Explanatory Notes

Comprehensive Income and Expenditure Statement. (This statement shows the accounting cost during the year of providing services in accordance with generally accepted accounting practice.)

2020/21			Comprehensive Income and Expenditure Statement	Note	2021/22		
Gross Expenditure £000's	Gross Income £000's	Net Expenditure £000's	Description		Gross Expenditure £000's	Gross Income £000's	Net Expenditure £000's
107,261	(50,214)	57,047	One Commissioning Organisation		125,282	(47,930)	77,352
208,807	(169,429)	39,378	Children, Young People & Culture		204,228	(157,524)	46,704
32,337	(11,701)	20,636	Corporate Core Services		34,030	(6,676)	27,354
19,409	(32,583)	(13,174)	Non Service Specific		45,124	(44,098)	1,026
9,431	(6,906)	2,525	Business, Growth & Infrastructure		13,973	(7,456)	6,517
45,982	(20,551)	25,431	Operations		53,914	(25,650)	28,264
39,221	(35,916)	3,305	Housing General Fund		33,908	(33,962)	(54)
5,714	(31,176)	(25,462)	Housing Revenue Account		9,344	(31,785)	(22,441)
468,162	**(358,476)**	**109,686**	**Cost of Services**		**519,803**	**(355,081)**	**164,722**
52,005	(591)	51,414	Other Operating Expenditure	5	32,158	(4,189)	27,969
29,526	(20,133)	9,393	Financing & Investment Income & Expenditure	6	31,611	(21,224)	10,387
0	(176,511)	(176,511)	Taxation & Non-Specific Grant Income & Expenditure	7	0	(199,173)	(199,173)
549,693	**(555,711)**	**(6,018)**	**Surplus or Deficit On Provision of Services**		**583,572**	**(579,667)**	**3,905**
		(13,872)	(Surplus)/Deficit on revaluation of Property, Plant & Equipment				(15,559)
		10,080	Impairment Losses on Non-Current assets charged to the Revaluation Reserve				7,309
		3,510	(Surplus)/Deficit from investments in Equity Instruments designated at fair value through Comprehensive Income				0
		95,446	Actuarial (gains)/losses on Pension assets & liabilities				(154,327)
		95,164	**Total Other Comprehensive Income & Expenditure**				**(162,577)**
		89,146	**Total Comprehensive Income & Expenditure**				**(158,672)**

Movement in Reserves Statement

The Statement shows the movement in the year on the different reserves held by the Council, analysed into usable (cash) reserves unusable (non cash) reserves.

Movement in Reserves Statement 2021/22	Usable 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	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
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**	(162,577)	**(158,672)**
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**	**(173,197)**	**(158,672)**
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**	(173,197)	**(158,672)**
Balance at 31 March carried forward	**(24,468)**	**(109,775)**	**(134,243)**	**(9,843)**	**(6,967)**	**0**	**(16,119)**	**(167,172)**	**(105,134)**	**(272,306)**

The following table is provided for comparative purposes:

Movement in Reserves Statement 2020/21	Usable 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**	**Unusable Reserves**	**Total Reserves**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Balance at 1 April Brought Forward	**(6,990)**	**(52,626)**	**(59,616)**	**(8,393)**	**(6,974)**	**(46)**	**(9,982)**	**(85,011)**	**(117,769)**	**(202,780)**
Movement in reserves during 2020/21										
Total Comprehensive Income and Expenditure	15,219	-	**15,219**	(21,237)	-	-	-	**(6,018)**	95,164	**89,146**
Adjustments between accounting basis and funding basis under regulations	(112,367)	-	**(112,367)**	19,208	2,085	32	374	**(90,668)**	90,668	**-**
Net (increase) / decrease before transfers to Earmarked Reserves	**(97,148)**	**0**	**(97,148)**	**(2,029)**	**2,085**	**32**	**374**	**(96,686)**	**185,832**	**89,146**
Transfers to/from Earmarked Reserves	73,256	(73,256)	**-**	-	-	-	-	**-**	-	**-**
(Increase)/Decrease in Year	(23,892)	(73,256)	**(97,148)**	(2,029)	2,085	32	374	**(96,686)**	185,832	**89,146**
Balance at 31 March carried forward	**(30,882)**	**(125,882)**	**(156,764)**	**(10,422)**	**(4,889)**	**(14)**	**(9,608)**	**(181,697)**	**68,063**	**(113,634)**

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. Net Assets match the reserves held by the Council. Reserves comprise two categories: Usable reserves represent real cash available to the Council, while unusable reserves do not represent real cash.

1st April 2020 Restated £000's	31st March 2021 Restated £000's	Balance Sheet Description	Note	31st March 2022 £000's
553,206	548,374	Property, Plant & Equipment	9	589,879
24,592	26,353	Heritage Assets	10	26,353
18,998	16,708	Investment Property	11	17,005
2,219	3,271	Intangible Assets	12	3,544
23,170	23,400	Long Term Investments	13	23,400
31,816	44,142	Long Term Debtors	14	47,162
654,001	**662,248**	**LONG TERM ASSETS**		**707,343**
5,269	521	Short Term Investments	13	5,504
1,269	1,069	Stocks & Work in progress		1,392
58,349	62,997	Sundry Debtors & Advance Payments	14	52,463
21,190	11,044	Cash and Cash Equivalents	15	34,773
511	622	Assets Held For Sale	16	624
86,588	**76,253**	**CURRENT ASSETS**		**94,756**
(23,439)	(6,392)	Short Term Loans Outstanding	13	(14,344)
(177)	(145)	Deposit & Client Funds		(140)
(5,626)	(3,948)	Short Term Provisions	19	(1,876)
(51,397)	(43,466)	Sundry Creditors & Advance Receipts	17	(43,569)
(250)	(73)	Revenue Grants In Advance	17	(15,536)
(80,889)	**(54,024)**	**CURRENT LIABILITIES**		**(75,465)**
(193,987)	(201,095)	External Loans Outstanding	13	(207,903)
(2,184)	(4,272)	Capital Grants Receipts in Advance	19	(10,017)
(49)	(27)	Finance Lease Liabilities	13	(4)
(1,866)	(970)	Deferred Liabilities	13	(13)
(250,464)	(356,592)	Pension Liability	18	(230,442)
(8,370)	(7,887)	Long Term Provisions	19	(5,949)
(456,920)	**(570,843)**	**LONG TERM LIABILITIES**		**(454,328)**
202,780	**113,634**	**NET ASSETS**		**272,306**
85,011	181,697	Usable Reserves	20	167,172
117,769	(68,063)	Unusable Reserves	21	105,134
202,780	**113,634**	**TOTAL RESERVES**		**272,306**

Cash Flow Statement

The Cash Flow Statement shows the changes in the Council's cash and cash equivalents during the year and quantifies the movements in balances attributable to day to day running of the Council (operating activities), investing activities or financing activities.

Cash Flow Statement	**Note**	**2020/21 £000's**	**2021/22 £000's**
Net surplus or (deficit) on the provision of services		6,018	(3,905)
Adjustment to surplus or deficit on the provision of services for noncash movements		12,286	47,054
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		(4,358)	(25,904)
Net Cash flows from Operating Activities	22	**13,946**	**17,245**
Net cash flows from Investing Activities	23	(11,514)	(8,262)
Net cash flows from Financing Activities	24	(12,578)	14,746
Net increase or (decrease) in cash and cash equivalents		**(10,146)**	**23,729**
Cash and cash equivalents at the beginning of the reporting period		**21,190**	**11,044**
Cash and cash equivalents at the end of the reporting period	**15**	**11,044**	**34,773**

Index for the Notes to the Core Financial Statements

Notes to the Core Financial Statements

1 Accounting Policies for the 2021/22 Statement of Accounts

General Principals

Basis of preparation

The Statement of Accounts summarises the Council's transactions for the 2021/22 financial year and its position at the year end of 31 March 2022. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 (and the Accounts and Audit (Coronavirus) (Amendment) Regulations 2021) which require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Council Accounting in the United Kingdom 2021/22 (the Code) and the Update to the Code and Specifications for Future Codes for Infrastructure Assets, 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 may occur between the balance sheet date and the date when the Statement of Accounts is authorised for issue, which may have a bearing upon the financial results of the past year. Two types of events can be identified:

- Conditions existing at the end of the reporting period:
    - The Statement of Accounts would be adjusted to reflect such events.
- Conditions arising after the end of the reporting period:
    - The Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes to the accounts 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 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.

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.

Revenue and expenditure recognised but cash not received or paid. A debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Capital Charges to Revenue for Non-Current Assets

Services, are charged with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service.

- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.

- amortisation of intangible non-current 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 the approved Minimum Revenue Provision policy. Depreciation, revaluation and impairment losses, and amortisation are replaced by Minimum Revenue Provision (MRP). This adjusting transaction is included in the Movement in Reserves Statement with the Capital Adjustment Account charged with the difference between the two amounts.

Council Tax and Non Domestic Rates income

Council Tax, Retained Business Rates and Business Rates Top-up Grant income included in the Comprehensive Income and Expenditure Statement for the year will be treated as accrued income.

Business Rates, Business Rates Top-up Grant and Council Tax income will be recognised in the Comprehensive Income and Expenditure Statement within the Taxation and Non-Specific Grant Income line. As a billing Council, the difference between the Business Rates and Council Tax included in the Comprehensive Income and Expenditure Statement and the amount required by regulation credited to the General Fund is taken to the Collection Fund Adjustment Account and reported in the Movement in Reserves Statement. Each major preceptor's share of the accrued Business Rates and Council Tax income is available from the information that is required to be produced in order to prepare the Collection Fund Statement.

Business Rates and Council Tax income is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the Council, and the amount of revenue can be measured reliably.

Revenue relating to Council Tax and Business Rates is measured at the full amount receivable (net of any impairment losses) as they are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates

Depreciation

Depreciation is provided for 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).

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.
Infrastructure	Straight line allocation over the standard life for the category: • Roads – 25 Years • Bridges – 80 Years • Street Furniture – 30 Years • Street Lighting – 40 Years • Footways & Cycle Tracks – 25 Years

Revaluation gains are 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.

Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include 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.

Employee Accumulated Absence Accrual

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 which 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 so that holiday benefits are charged to revenue in the financial year in which the holiday entitlement occurs.

Termination Benefits

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 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.

Post-Employment Benefits

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.

The Greater Manchester Local Government Pension Scheme

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:

• 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 will be 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 - 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 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 – 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.

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 appropriations 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.

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 that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

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 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.

Revenue Recognition

Revenue is defined as income arising as a result of the Council's normal operating activities and where income arises from contracts with service recipients it is recognised when or as the Council has satisfied a performance obligation by transferring a promised good or service to the service recipient.

Revenue is measured as the amount of the transaction price which is allocated to that performance obligation. Where the Council is acting as an agent of another organisation the amounts collected for that organisation are excluded from revenue

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.

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.

Financial Instruments

Classification of Financial Instruments

The Council's financial assets and liabilities have been classified as follows:

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 an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

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.

Financial Assets Measured at Fair Value through Profit of Loss (FVPL)

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.

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 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.

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, based on the highest and best use value of the asset. Investment properties are not depreciated, and an annual valuation programme ensures that they are held at highest and best use value at the Balance Sheet date. 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.

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, infrastructure 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. For 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.

Component Accounting

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

Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset 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 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

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

2.1 Expenditure and Funding Analysis

The purpose of the Expenditure and Funding Analysis is to demonstrate how the funding available to the Council for the year 2021/22 (i.e. Government grants, rents, Council Tax and Business Rates) has been used to provide services in comparison with those resources consumed or earned under generally accepted accounting practice. The Expenditure and Funding analysis also shows how this expenditure is allocated for decision making purposes between the Council's Directorates. Income and expenditure accounted for under generally accepted accounting practice is presented more fully in the Comprehensive Income and Expenditure Statement.

2020/21			Expenditure and Funding Analysis	2021/22		
Expenditure Chargeable to General Fund & HRA £000's	**Adjustment between Funding & Accounting Basis £000's**	**Net Expenditure £000's**		**Expenditure Chargeable to General Fund & HRA £000's**	**Adjustment between Funding & Accounting Basis £000's**	**Net Expenditure £000's**
56,234	813	57,047	One Commissioning Organisation	74,332	3,020	77,352
4,990	34,388	39,378	Children, Young People & Culture	31,699	15,005	46,704
18,828	1,808	20,636	Corporate Core Services	23,472	3,882	27,354
(56,090)	42,916	(13,174)	Non Service Specific	23,704	(22,678)	1,026
1,297	1,228	2,525	Business, Growth & Infrastructure	1,750	4,767	6,517
20,340	5,092	25,432	Operations	19,651	8,613	28,264
3,304	0	3,304	Housing General Fund	(54)	0	(54)
(6,633)	(18,829)	(25,462)	Housing Revenue Account	(3,614)	(18,827)	(22,441)
42,270	**67,416**	**109,686**	**Cost of Services**	**170,940**	**(6,218)**	**164,722**
(141,447)	25,743	(115,704)	Other Income and Expenditure	(147,840)	(12,977)	(160,817)
(99,177)	**93,159**	**(6,018)**	**Surplus or Deficit On Provision of Services**	**23,100**	**(19,195)**	**3,905**

Movement in General Fund and HRA Balance	2020/21 £000's	2021/22 £000's
Opening General Fund and HRA Balance Surplus/Deficit on General Fund & HRA Balance in Year	(200) (49,949)	(50,149) 6,992
Closing General Fund and HRA Balances at 31st March	**(50,149)**	**(43,157)**

2.2 Note to the Expenditure and Funding Analysis

This note explains the main adjustments from Net Expenditure Chargeable to the General Fund and HRA Balances to arrive at the amounts in the Comprehensive Income and Expenditure Statement:

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts 2021/22	Adjustment for Capital Purposes £000's	Change For Pension Adjustment £000's	Other £000's	Total Adjustment £000's
One Commissioning Organisation	98	2,922	0	3,020
Children, Young People & Culture	6,602	9,101	(698)	15,005
Corporate Core Services	1,028	3,454	(600)	3,882
Non Service Specific	(4,464)	0	(18,214)	(22,678)
Business, Growth & Infrastructure	3,851	916	0	4,767
Operations	4,163	4,450	0	8,613
Housing General Fund	0	0	0	0
Housing Revenue Account	(18,827)	0	0	(18,827)
Net Cost of Services	**(7,549)**	**20,843**	**(19,512)**	**(6,218)**
Other Income & Expenditure From the Expenditure & Funding Analysis	(20,311)	7,334	0	(12,977)
Difference between General Fund Surplus or Deficit and CIES Surplus or Deficit on the Provision of Service	**(27,860)**	**28,177**	**(19,512)**	**(19,195)**

Notes:

a) Adjustments for Capital Purposes – this column adds in depreciation and impairment and revaluation gains and losses in the net cost of service.

- **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.

b) Change for Pension Adjustment – this column removes employer pension contributions and adds IAS19 Employee Benefits related expenditure and income as follows:

- **For the net cost of services –** 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).

c) Other – this 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 differences column recognises adjustments to the General Fund of the timing differences for premiums and discounts.
- **For taxation and non-specific grant income –** the charge represents the difference between what is chargeable under statute for Council Tax and Business Rates to that which was forecast 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.

The table below shows the comparative information for 2020/21.

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts 2020/21	Adjustment for Capital Purposes £000's	Change For Pension Adjustment £000's	Other £000's	Total Adjustment £000's
One Commissioning Organisation	143	670	0	813
Children, Young People & Culture	10,010	2,269	22,109	34,388
Corporate Core Services	1076	784	(52)	1,808
Non Service Specific	(1,318)	0	44,234	42,916
Business, Growth & Infrastructure	1,020	208	0	1,228
Operations	4,031	1,061	0	5,092
Housing General Fund	0	0	0	0
Housing Revenue Account	(18,829)	0	0	(18,829)
Net Cost of Services	**(3,867)**	**4,992**	**66,291**	**67,416**
Other Income & Expenditure From the Expenditure & Funding Analysis	20,053	5,690	0	25,743
Difference between General Fund surplus or deficit and CIES Surplus or Deficit on the Provision of Service	**16,186**	**10,682**	**66,291**	**93,159**

3 Expenditure and Income Analysed by Nature

The Council's expenditure and income is analysed as follows:

Expenditure and Income Analysed by Nature	2020/21 £000's	2021/22 £000's
Expenditure		
Employee benefits expenses	172,831	181,638
Depreciation, amortisation, revaluations and impairment	(3,868)	2,874
Interest Payment	7,937	7,842
Precepts and levies	24,855	26,219
Housing Capital Receipts Pool Payment	1,034	1,439
Net book value of assets written out on disposal	26,116	4,500
Other expenditure	320,788	359,060
Total Expenditure	**549,693**	**583,572**
Income		
Government grants and contributions	(244,983)	(268,212)
Income from local taxation	(154,460)	(155,624)
Capital receipts on disposed assets	(591)	(4,189)
Fees, charges and other service income	(61,348)	(70,914)
Interest and Investment income	(4,234)	(4,497)
Other income	(90,095)	(76,231)
Total Income	**(555,711)**	**(579,667)**
Deficit on the Provision of Services	**(6,018)**	**3,905**

4 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 the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

Adjustments Between Accounting Basis & Funding Basis Under Regulations	Usable Reserves 2020/21					Movement in Unusable Reserves	Usable Reserves 2021/22					Movement in Unusable Reserves
	General Fund Balance £000's	Housing Revenue Account £000's	Capital Receipts Reserve £000's	Major Repairs Reserve £000's	Capital Grant Unapplied £000's	£000's	General Fund Balance £000's	Housing Revenue Account £000's	Capital Receipts Reserve £000's	Major Repairs Reserve £000's	Capital Grant Unapplied £000's	£000's
Adjustments primarily involving the Pensions reserve												
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(28,141)	-	-	-	-	28,141	(45,423)	-	-	-	-	45,423
Employer's pension contributions and direct payments to pensioners payable in the year	17,459	-	-	-	-	(17,459)	17,246	-	-	-	-	(17,246)
Adjustments primarily involving the Financial Instruments Adjustment Reserve												
Financial Instruments	2	-	-	-	-	(2)	2	-	-	-	-	(2)
Adjustments primarily involving the Collection Fund Adjustment Account												
Amount by which Council Tax and Business Rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(44,235)	-	-	-	-	44,235	18,214	-	-	-	-	(18,214)
Adjustments primarily involving the Accumulated Absences Account												
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from the remuneration chargeable in the year in accordance with statutory requirements	(650)	-	-	-	-	650	1,362	-	-	-	-	(1,362)
Adjustments primarily involving the DSG Adjustment account												

Transfer of Dedicated Schools Grant (DSG) over/(underspend) to the DSG Adjustment Account	(21,407)	-	-	-	-	21,407	(66)	-	-	-	-	66
Adjustments involving the Capital Adjustment Account: reversal of items debited or credited to the Comprehensive Income and Expenditure statement												
Depreciation, amortisation & impairment of non-current assets	(15,643)	10,278	-	-	-	5,365	(9,495)	6,329	-	-	-	3,166
Movements in the Fair Value of Investment Properties						-	292	-	-	-	-	(292)
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	(26,376)	409	-	-	-	25,967	(917)	600	-	-	-	317
Revenue Expenditure Funded from Capital under Statute	(3,369)	-	-	-	-	3,369	(4,586)	-	-	-	-	4,586
Capital grant and contributions unapplied credited to CI&E	8,553	-	-	-	(489)	(8,064)	13,476	-	-	-	-	(13,476)
Adjustments primarily involving the Capital Receipts Reserve												
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	-	-	(554)	-	-	554	-	-	(4,136)	-	-	4,136
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	1,605	-	-	(1,605)	-	-	613	-	-	(613)
Payments to the Government Housing Receipts Pool	(1,034)	-	1,034	-	-	-	(1,445)	-	1,445	-	-	0
Adjustments primarily involving the Major Repairs Reserve												
Use of the Major Repairs reserve to finance capital expenditure	-	-	-	7,358	-	(7,358)				7,404		(7,404)
Transfer of Excess of Depreciation over Notional MRA to MRR	-	7,326	-	(7,326)	-	-		7,390		(7,390)		-
Insertion of items not debited or credited to the Comprehensive Income and Expenditure statement												
Statutory provision for the repayment of debt	2,426	-	-	-	-	(2,426)	2,602	-	-	-	-	(2,602)
Capital expenditure financed from revenue balances	48	1,195	-	-	-	(1,243)	214	5,107	-	-	-	(5,321)
Adjustments primarily involving the Capital Grants unapplied Account												
Application of capital grants to finance capital expenditure	-	-	-	-	863	(863)	8,293	-	-	-	(6,511)	(1,782)
Total Adjustment	**(112,367)**	**19,208**	**2,085**	**32**	**374**	**90,668**	(231)	**19,426**	**(2,078)**	**14**	**(6,511)**	**(10,620)**

5 Other Operating Expenditure

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

Other Operating Expenditure	**2020/21 £000's**	**2021/22 £000's**
(Gain)/Loss on Disposal of Non Current (Fixed) Assets	25,525	310
Contribution of Housing Capital Receipts to Government Pool	1,034	1,440
Levies	24,855	26,219
Total	**51,414**	**27,969**

6 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	**2020/21 £000's**	**2021/22 £000's**
Interest Payable and similar charges	7,937	7,596
Interest receivable and similar income	(3,850)	(4,021)
Income and expenditure in relation to investment properties	(384)	(522)
Pension Interest Cost and Expected Return on Pension Asset	5,690	7,334
Total	**9,393**	**10,387**

7 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	2020/21 £000's	2021/22 £000's
Council Tax income	(89,668)	(95,807)
Retained Business Rates	(23,130)	(38,621)
Business Rates Top Up	(3,286)	(3,439)
Grants in lieu of Business Rates	(37,305)	(17,757)
Improved Better Care Fund	(7,404)	(7,404)
Housing & Council Tax Benefit Grants	(791)	(762)
New Homes Bonus	(458)	(253)
Independent Living Fund	(288)	(288)
Social Care Support Grant	(4,770)	(5,696)
Capital Grants and Contributions	(8,553)	(21,769)
Local Council Tax Support Grant 21/22	0	(2,081)
Lower Tier Services grant 21/22	0	(253)
Other Government Grants	(857)	(5,043)
Total	**(176,511)**	**(199,173)**

8 Material Items of Income and Expenditure

Individually Material Items of Income & Expenditure Item	2021/22 £000's
None	0
Total	**0**

The above note contains 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.

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.

9 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 asset lives 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 2021/22 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 continued in 2021/22. In 2021-22, 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 2021/22 revaluations was 1 March 2022.

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 2021/22, means that they have yet to be revalued. This will take place in subsequent years.

Non-operational property, plant and equipment (surplus assets)

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)

The fair value of investment properties has been measured on a comparable based market approach and/or the investment approach for surplus property assets. This approach uses prices and other relevant information generated by market transactions involving identical or comparable (ie similar) assets. This approach has been undertaken having regard to the relevant comparable evidence from the local and surrounding areas.

	Assets Under Construction	**Community Assets**	**Council Dwellings**	**Infrastructure Assets**	**Other Land & Buildings**	**Surplus Assets**	**Vehicles, Plant & Equipment**	**Total**
	£000	£000	£000	£000	£000	£000	£000	£000
Depreciated Historical Cost	8,884	3,054		45,022			7,737	64,697
Valued at Current Value:								
31.03.2018								
31.03.2019			59		492	60		611
31.03.2020		1,323	1,244		76,654	11,442	1,134	91,797
31.03.2021			1,965		48,334	2,400		52,699
31.03.2022			284,219		88,327	7,529		380,075
	8,884	4,377	287,487	45,022	213,807	21,431	8,871	589,879

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

Opening NBV	**4,687**	**3,310**	**266,749**	**209,152**	**19,179**	**5,946**	**509,023**
Total Movement	**4,197**	**1,067**	**20,738**	**4,655**	**2,252**	**2,925**	**35,834**
Closing NBV	**8,884**	**4,377**	**287,487**	**213,807**	**21,431**	**8,871**	**544,857**

The following table is provided for comparative purposes:

Property, Plant and Equipment Note 2020/21	Assets Under Construction £000's	Community Assets £000's	Council Dwellings £000's	Other Land & Buildings £000's	Surplus Assets £000's	Vehicles, Plant & Equipment £000's	TOTAL £000's
Certified Value as at 1st April 2020	**6,252**	**5,364**	**256,602**	**247,657**	**19,712**	**17,875**	**553,462**
Additions & Acquisitions	4,991	92	7,943	3,120	261	1,627	**18,034**
Revaluations Recognised in the Revaluation Reserve	-	-	5,161	(1,277)	(1)	-	**3,883**
Revaluations Recognised in the Surplus/Deficit on the Provision of Services	-	-	11,684	(2,690)	(6)	-	**8,988**
Disposals	(1,299)	-	(1,591)	(23,921)	(99)	-	**(26,910)**
Reclassifications & Asset Transfers	(4,987)	-	1,664	3,453	87	-	**217**
Movement in Cost/Valuation	**(1,295)**	**92**	**24,861**	**(21,315)**	**242**	**1,627**	**4,212**
Amount as at 31st March 2021	**4,957**	**5,456**	**281,463**	**226,342**	**19,954**	**19,502**	**557,674**
Accumulated Depreciation & Impairments as at 1st April 2020	**(270)**	**(2,146)**	**(13,818)**	**(6,581)**	**(775)**	**(12,517)**	**(36,107)**
Depreciation charged in year	-	-	(7,388)	(4,506)	-	(1,039)	**(12,933)**
Depreciation written out to the Revaluation Reserve	-	-	7,082	831	-	-	**7,913**
Depreciation written out to Surplus/Deficit on Provision of Services	-	-	1	438	-	-	**439**
Depreciation Written out on Disposal	-	-	30	412	-	-	**442**
Reclassifications & Asset Transfers	-	-	-	-	-	-	**0**
Impairments Written Out on Revaluation	-	-	6,706				**6,706**
Impairments Written Out on Sale of Asset	-	-	479				**479**
Impairments Written to Revaluation Reserve	-	-	(7,081)	(2,999)	-	-	**(10,080)**
Impairments Recognised in the Surplus/Deficit on the Provision of Services	-	-	(725)	(4,785)	-	-	**(5,510)**
Movement in Depreciation & Impairment	-	**-**	**(896)**	**(10,609)**	-	**(1,039)**	**(12,544)**
Amount as at 31st March 2021	**(270)**	**(2,146)**	**(14,714)**	**(17,190)**	**(775)**	**(13,556)**	**(48,651)**
Opening NBV	**5,982**	**3,218**	**242,784**	**241,076**	**18,937**	**5,358**	**517,355**
Total Movement	**(1,295)**	**92**	**23,965**	**(31,924)**	**242**	**588**	**(8,332)**
Closing NBV	**4,687**	**3,310**	**266,749**	**209,152**	**19,179**	**5,946**	**509,023**

INFRASTRUCTURE ASSETS

Movements on balances

In accordance with the temporary relief offered by the Update to the Code and Specifications for Future Codes for 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 £000's
Certified Valuation or Cost at 1 April	**39,351**
Additions in Year	7,779
Depreciation charged in year	(2,108)
As at 31st March	**45,022**

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

	2021/22 £000's
Infrastructure Assets	45,022
Other PPE Assets	544,857
Total PPE Assets	**589,879**

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.

10 Heritage Assets

Heritage Assets	Artifacts and Gifts £000's	Pictures £000's	Civic Regalia £000's	Total Assets £000's
Cost or Valuation 1 April 2020	31	23,931	629	24,591
Revaluation Gains/(Losses) Recognised in the Revaluation Reserve	-	1,762	-	1,762
Additions	-	-	-	-
31 March 2021	**31**	**25,693**	**629**	**26,353**
Cost or Valuation 1 April 2021	31	25,693	629	26,353
Revaluation Gains/(Losses) Recognised in the Revaluation Reserve	-	0	-	0
Additions	-	-	-	0
31 March 2022	**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 councils 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.

11 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	**2020/21 £000's**	**2021/22 £000's**
Rental income from investment property	(497)	(382)
Direct operating expenses arising from investment property	113	152
Movement in fair value of investment properties	0	(292)
Net Gain	**(384)**	**(522)**

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. However, we are currently paying the business rates, utilities and maintenance costs on an empty investment property.

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

Investment Properties	**2020/21 Investment Properties £000's**	**2021/22 Investment Properties £000's**
Certified Valuation or Cost at 1 April	**18,997**	**16,708**
Additions in Year	87	5
Disposals in Year	(57)	0
Reclassifications of Assets	(1,580)	0
Net Gain (Loss) from fair value adjustment	(739)	292
At 31 March	**16,708**	**17,005**

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.

12 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.

Intangible Assets	**Software Licences £000's**
Certified Valuation or Cost at 01/04/2021	8,789
Amortisation to 1 April 2021	(5,518)
Balance at 1 April 2021	**3,271**
Purchase in Year	952
Reclassifications in Year	
Amortisation in Year	(679)
Balance at 31 March 2022	**3,544**

13 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.

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

Financial Assets

Financial Assets	**Non-Current**				**Current**				**Total**
	Investments		**Debtors**		**Investments**		**Debtors**		
	31st March 2021 £000s	**31st March 2022 £000s**	**31st March 2021 £000s**	**31st March 2022 £000s**	**31st March 2021 £000s**	**31st March 2022 £000s**	**31st March 2021 £000s**	**31st March 2022 £000s**	**31st March 2022 £000s**
Amortised Cost									
Principal	-	-	44,142	47,162	500	5,500	-	-	52,662
Investment Accrued Interest	-	-	-	-	21	4	-	-	4
Cash & Cash Equivalents (CCE)	-	-	-	-	11,036	34,766	-	-	34,766
CCE Accrued Interest	-	-	-	-	8	7	-	-	7
Debtors	-	-	-	-	-	-	40,728	34,816	34,816
Amortised Cost Total	-	-	44,142	47,162	11,565	40,277	40,728	34,816	122,255
Fair Value through other comprehensive income - designated equity instruments	-	-	-	-	-	-	-	-	-
Fair Value through other comprehensive income - other	23,400	23,400	-	-	-	-	-	-	23,400
Total Financial Assets	23,400	23,400	44,142	47,162	11,565	40,277	40,728	34,816	145,655
Non - Financial Assets	-	-	-	-	-	-	22,269	17,647	17,647
Total	**23,400**	**23,400**	**44,142**	**47,162**	**11,565**	**40,277**	**62,997**	**52,463**	**163,302**

Financial Liabilities

Financial Liabilities	Non-Current		Current				Total
	Borrowings		Borrowings		Creditors		
	31st March 2021 £000's	31st March 2022 £000's	31st March 2021 £000's	31st March 2022 £000's	31st March 2021 £000's	31st March 2022 £000's	31st March 2022 £000's
Amortised Cost							
Borrowings - PWLB	145,526	162,336	190	3,190	-	-	165,526
Borrowings - Market Debt	55,300	45,300	5,000	10,000	-	-	55,300
Borrowings - Temporary Loans	-	-	-	-	-	-	-
Loans Accrued Interest	-	-	1,202	1,154	-	-	1,154
Market Loans Effective Interest Rate Adjustment	269	267	-	-	-	-	267
PFI, Finance lease and transferred debt	997	17	-	-	-	-	17
Creditors	-	-	-	-	28,430	30,560	30,560
Total Financial Liabilities	202,092	207,920	6,392	14,344	28,430	30,560	252,824
Non - Financial Liabilities	-	-	-	-	15,036	13,010	16,025
Total	**202,092**	**207,920**	**6,392**	**14,344**	**43,466**	**43,570**	**265,834**

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 2022 as fair value through other comprehensive income:

Investments in equity instruments designated at fair value through other comprehensive income	Nominal £000's	Fair Value £000's	Change in fair value during 2021/22 £000's	Dividend 2021/22 £000's
Manchester Airport Shares	10,214	18,600	900	-
Manchester Airport Car Park (1) Limited	5,610	4,800	(900)	-

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:

	2020/21			**2021/22**		
Items of Income, Expense, Gains or Losses	**Surplus or Deficit on the provision of services £000's**	**Other Comprehensive Income & Expenditure £000's**	**Total £000's**	**Surplus or Deficit on the provision of services £000's**	**Other Comprehensive Income & Expenditure £000's**	**Total £000's**
Net gains / losses on: Financial Assets measured at fair value through other comprehensive income	-	(3,510)	(3,510)	-	0	0
Total net gains / (losses)	-	**(3,510)**	**(3,510)**	-	**0**	**0**
Interest income: Financial Assets measured at amortised cost	2,974	-	2,974	4,497	-	4,497
Other Financial Assets measured at fair value through other comprehensive income	-	-	-	-	-	-
Total interest income	**2,974**	-	**2,974**	**4,497**	-	**4,497**
Interest expense	**(7,810)**	-	**(7,810)**	**(7,665)**	-	**(7,665)**

Fair Value of Financial Instruments

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 31/03/2021 Fair Value £000's	As at 31/03/2022 Fair Value £000's
Fair Value through other Comprehensive Income				
Manchester Airport	Level 2	Earnings Based	23,400	23,400
Total			**23,400**	**23,400**

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 a price earnings ratio to maintainable or prospective earnings or post tax profits 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 annual periods between 2015 and 2018/19 along with interim 6 month reports for the period ending 30 September 2021. These shares are subject to annual valuation. In 2021/22 this has seen an increase in value of £0m.

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	31st March 2021		31st March 2022	
	Carrying amount £000's	Fair value £000's	Carrying amount £000's	Fair value £000's
PWLB Loans	146,447	180,481	166,258	198,497
LOBO/Market Loans	61,037	84,254	55,986	77,274
Temporary Loans	-	-	-	-
Local Bonds	3	3	3	3
Short-term Creditors	28,430	28,430	30,560	30,560
Financial liabilities	**235,917**	**293,168**	**252,807**	**306,334**

The fair value of the liabilities is greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans at the Balance Sheet date. This shows a notional future loss (based on economic conditions at 31 March 2022) arising from a commitment to pay interest to lenders above current market rates.

The Fair Values of Financial Assets that are not measured at Fair Value	31st March 2021		31st March 2022	
	Carrying amount £000's	Fair value (Restated) £000's	Carrying amount £000's	Fair value £000's
Cash & Cash Equivalents	11,044	11,044	34,773	34,773
Short-term Investments	521	521	5,504	5,504
Short-term Debtors	40,728	40,728	34,816	34,816
Long-term Debtors	44,142	49,056	47,162	50,274
Financial Assets	**96,435**	**101,349**	**122,255**	**125,367**

(47,712 less £550k = £47,162; 39,405k plus £550k = £39,955k-£3,770=£36,185-£1,370=£34,815)

The fair value of the assets is greater than the carrying amount because the Council's portfolio of investments includes a number of fixed rate loans where the interest rate receivable is higher than the rates available for similar loans in the market at the Balance Sheet date. This guarantee to receive interest above current market rates increases the amount that the Council would receive if it agreed to early repayment of loans.

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

Fair value of long-term receivables was significantly higher than the carrying value for the year ended 31 March 2021 primarily due to the inclusion of airport loans, where the coupon rate of the loans was much higher than market rates. This showed a significant notional future gain based on economic conditions at 31 March 2021, arising from a commitment by the airport to pay interest above current market rates.

The methodology used for 2021/22, however is different from previous years' as the interest payments on these loans are currently being deferred and will therefore incur an additional rate. The valuation therefore includes a significantly higher "market rate" comparator (PWLB maturity rate plus 7% risk margin), reflecting the higher underlying risk pertaining to these loans. The valuations generated for fair value purposes are still a proxy valuation but are more appropriate than using the PWLB annuity or maturity rate used in previous years.

The methodology used for 2020/21 has also been restated, so that a consistent approach has been used as at 31 March 2022 and 31 March 2021.

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

31st March 2022 **Recurring fair value measurements using:**	**Other significant observable inputs (Level 2)** **£000**
Financial liabilities	
Financial liabilities held at amortised cost:	
PWLB	162,333
Non- PWLB	45,570
Short term debt	14,344
PFI and finance lease liability	17
Total	**222,264**
Financial assets	
Financial assets held at amortised cost	40,277
Total	**40,277**

31st March 2021 **Recurring fair value measurements using:**	**Other significant observable inputs (Level 2)** **£000**
Financial liabilities	
Financial liabilities held at amortised cost:	
PWLB	145,522
Non- PWLB	55,572
Short term debt	6,392
PFI and finance lease liability	997
Total	**208,483**
Financial assets	
Financial assets held at amortised cost	11,565
Total	**11,565**

The fair value for financial liabilities and financial assets that are not measured at fair value included in Levels 2 and 3 in the table above have been arrived at using a discounted cash flow analysis with the most significant inputs being the discount rate detailed.

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;
- 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 uses the creditworthiness service provided by Link Asset Services. 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 2021/22 was approved by Council on 24/02/21 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 £40.277m deposited with a number of financial institutions as 31 March 2022. 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 2022 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 £23.4m 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.

Expected Credit Loss Model

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. 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.

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.

Amounts Arising from Expected Credit Losses	**Amounts at 31 March 2022**	**Historical experience of default**	**Historical experience adjusted for market conditions as at 31 March 2022**	**Estimated maximum exposure to default and uncollectability**
	£000's	**%**	**%**	**£000s**
Deposits with banks and other financial institutions	40,277	0.00%	0.00%	-
Bonds and other securities	-	0.00%	0.00%	-
Sundry Debtors	34,816	0.53%	0.53%	185
Total	**75,093**			**185**

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	31 March 2022 £000's
Less than three months	7,680
Three to four months	4,157
Four months to one year	5,349
More than one year	6,843
Total	**24,029**

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 2021 £000's	31 March 2022 £000's
Less than 1 year	74,562	95,755
Between 2 and 3 years	-	-
Between 1 and 2 years	-	-
More than 3 years	67,542	70,562
Total	**142,104**	**166,317**

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 2021 £000's**	**31 March 2022 £000's**
Less than 1 year	6,391	14,154
1 - 2 years	13,000	5,000
2 - 5 years	7,300	2,850
5 - 10 years	5,550	51,000
More than 10 years	175,245	149,243
Total	**207,486**	**222,247**

Of the £38m of Lender Option Borrower Option (LOBO) loans, all loans mature in more than 10 years (the average maturity time being 48 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

Interest Rate Risk

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 2022, if all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

Interest Rate Risk 2021/22	**£000's**
Increase in interest payable on variable rate borrowings	330
Increase in interest receivable on variable rate investments	(297)
Impact on Surplus or Deficit on the Provision of Services	**33**
Decrease in fair value of fixed rate investment assets	-
Impact on Other Comprehensive Income and Expenditure	**-**
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)	38,371

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 £32.070m 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, £32.070m 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 £1.604m 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.

14 Analysis of Short and Long Term Debtors

The Council's short-term debtors, less credit losses, are as follows:

Analysis of Short Term Debtors	**2020/21 £000**	**2021/22 £000**
Central Government Bodies	5,990	3,672
Other Local Authorities	1,505	3,689
NHS Bodies	6,457	7,615
Payments in Advance	2,779	2,396
Capital Debtors	695	130
Collection Fund	32,053	28,819
Bodies External to General Government	33,637	28,662
Gross Debtors Total	**83,116**	**74,983**
Less Expected Credit Loss	(20,119)	(22,520)
Net Debtors	**62,997**	**52,463**

The Council's long-term debtors are as follows:

Analysis of Long Term Debtors	**2020/21 £000's**	**2021/22 £000's**
Loan Accounts	32,888	32,658
Bury MBC Townside Fields	7,257	7,257
Airport Loan Interest	3,985	7,237
Debt Managed for Probation Services	12	10
Total	**44,142**	**47,162**

15 Cash and Cash Equivalents

Cash and Cash Equivalents	2020/21 £000's	2021/22 £000's
Cash held by the Authority	71	59
School Bank Accounts	796	1,178
Bank Call Accounts	15,428	38,062
Bank Overdraft	(5,251)	(4,526)
Total	**11,044**	**34,773**

16 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	2020/21 £000's	2021/22 £000's
Balance at 1st April	**511**	**622**
Additions	-	
Disposals	-	-
Revaluations Recognised in the Revaluation Reserve	(2)	0
Revaluations Recognised in CIES	(12)	0
Reclassifications & Asset Transfers	125	2
Movements in Year	**111**	**2**
Balance as 31st March	**622**	**624**

17 Analysis of Creditors

The Council’s creditors are as follows:

Analysis of Creditors	2020/21 £000's	2021/22 £000's
Central Government Bodies	(7,584)	(4,918)
Other Local Authorities	(3,912)	(3,242)
NHS Bodies	(105)	(1,135)
Income in Advance	(5,435)	(6,137)
Capital Creditors	(5,995)	(2,762)
Collection Fund	(7,019)	(2,131)
Bodies External to General Government	(13,416)	(23,245)
Total	**(43,466)**	**(43,570)**

Revenue Grants received in Advance	2020/21 £000's	2021/22 £000's
Council Tax Rebate Scheme	0	(11,413)
Covid Additional Relief Fund	0	(3,022)
DfE PE & Sports Premium Grant Various Schools	0	(272)
Sports England and similar	0	(247)
Planning Grant	(63)	(165)
DfE School Led Tutoring Grant	0	(124)
DfE Holiday Activities & Food Grant	0	(98)
Public Health/Substance Misuse	0	(77)
DfE Grants Parrenthorn High	0	(63)
DfE Grants the Virtual School	0	(31)
DfE School-Led Tutoring Grant the Elton High School	0	(17)
DfE PE & Sports Premium Our Lady of Lourdes RCP	0	(7)
Miscellaneous Grants	(6)	0
Bury Adult Learning Centre	(4)	0
Closing Balance	**(73)**	**(15,536)**

18 Pension Liability

Defined Contribution Scheme

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 defined benefit scheme; however, the scheme is unfunded. The Department for Education uses a notional fund as the basis for calculating the employer's contribution rate paid by Local Authorities. 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 2021/22, the Council paid £9.354m (£10.281m in 2020/21) to Capita Teachers Pensions in respect of teachers' retirement benefits, representing 23.68% (23.68% in 2020/21) of pensionable pay.

In 2022/23, it is estimated that the Council will pay £9.067m to Capita Teachers Pensions in respect of teachers retirement benefits.

The Authority 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.

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 2021/22, the Council paid £0.09m (£0.09m in 2020/21) to the EA Finance NHS Pensions for members of the NHS pension scheme's retirement benefits, representing 14.4% (14.4% in 2019/20) of pensionable pay.

In 2022/23, it is estimated that the Council will pay £0.06m to the EA Finance NHS Pensions.

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.

Defined Benefit Scheme

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 and this needs to be disclosed 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 authority 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 and Housing Revenue Account 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 Retirement benefits

The cost of retirement benefits is recognised in the reported cost of services when they are earned by the employees rather than when they are eventually paid as pensions. However, the charge 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 through the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance through the Movement in Reserves Statement during the year:

Employers Contributions Payable to the Scheme	2020/21 £000	2021/22 £000
Service Cost		
Current service cost	(25,086)	(37,407)
Past service cost (including curtailments)	2,635	(682)
Total service cost	**(22,451)**	**(38,089)**
Financing and Investment Income and Expenditure		
Interest income on scheme assets	15,899	16,727
Interest cost on defined benefit obligation	(21,589)	(24,061)
Total net interest	**(5,690)**	**(7,334)**
Total Post Employment Benefits Charged to the Deficit on the Provision of Services	**(28,141)**	**(45,423)**
Remeasurements of the Net Defined Liability Comprising:		
Return on plan assets excluding amounts included in net interest	141,684	77,019
Actuarial (losses)/gains arising from changes in financial assumptions	(239,290)	70,201
Actuarial (losses)/gains arising from changes in demographic assumptions	(6,417)	12,507
Other experience and actuarial adjustments	8,577	(5,400)
Total remeasurements recognised in other comprehensive income	**(95,446)**	**154,327**
Total Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement	**(123,587)**	**108,904**
Movement in Reserves Statement		
Reversal of net charges made to the deficit on the provision of services	28,141	45,423
Employers' Contributions Payable to the Scheme	**(17,459)**	**(17,246)**

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	2020/21 £000	2021/22 £000
Fair value of plan assets	841,328	887,993
Present value of funded liabilities	(1,167,829)	(1,091,734)
Present value of unfunded liabilities	(30,091)	(26,701)
Net Liability Arising From Defined Benefit Obligation	**(356,592)**	**(230,442)**

Reconciliation of the Movements in Fair Value of Scheme Assets

Reconciliation of the Movement in Fair Value of Scheme Assets	2020/21 £000	2021/22 £000
Opening fair value of scheme assets	691,732	841,328
Interest income	15,899	16,727
Remeasurement loss		
Return on plan assets excluding amounts included in net interest	141,684	77,019
Other experience and actuarial adjustments	0	(38,242)
Contributions from the employer into the scheme	14,950	14,833
Contributions from employees into the scheme	4,601	4,575
Benefits paid	(27,538)	(28,247)
Closing Fair Value of Scheme Assets	**841,328**	**887,993**

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

Reconciliation of the Movements in Fair Value of Scheme Assets	2020/21 £000	2021/22 £000
Opening fair value of scheme liabilities	942,196	1,197,920
Current service cost	25,086	37,407
Interest cost	21,589	24,061
Contributions from scheme participants	4,601	4,575
Remeasurement gain		
Actuarial (gains)/losses arising from changes in financial assumptions	239,290	(70,201)
Actuarial (gains)/losses arising from changes in demographic assumptions	6,417	(12,507)
Other experience and actuarial adjustments	(8,577)	(32,842)
Past service cost	(2,635)	682
Benefits paid	(30,047)	(30,660)
Closing Fair Value of Scheme Liabilities	**1,197,920**	**1,118,435**

Pension Scheme Assets

Asset Category	Period Ended 31 March 2021 Quoted Prices in active markets £000	Period Ended 31 March 2021 Quoted Prices not in active markets £000	Period Ended 31 March 2021 TOTAL £000	Period Ended 31 March 2021 Percentage of Total Assets	Period Ended 31 March 2022 Quoted Prices in active markets £000	Period Ended 31 March 2022 Quoted Prices not in active markets £000	Period Ended 31 March 2022 TOTAL £000	Period Ended 31 March 2022 Percentage of Total Assets
Equity Securities:								
Consumer	73,826	-	73,826	9%	58,769		58,769	7%
Manufacturing	65,750	-	65,750	8%	57,980		57,980	7%
Energy and Utilities	40,799	-	40,799	5%	47,985		47,985	5%
Financial Institutions	88,378	-	88,378	11%	87,776		87,776	10%
Health and Care	42,050	-	42,050	5%	46,464		46,464	5%
Information Technology	44,439	-	44,439	5%	43,365		43,365	5%
Other	13,593	-	13,593	2%	9,928		9,928	1%
Debt Securities				0%				
Corporate Bonds (investment grade)	40,666	-	40,666	5%	34,101		34,101	4%
Corporate Bonds (non-investment grade)	-	-	-	0%			0	0%
UK Government	-	-	-	0%	16,544		16,544	2%
Other	10,929	-	10,929	1%	28,125		28,125	3%
Private Equity				0%				
All	-	50,075	50,075	6%		64,958	64,958	7%
Real Estate				0%				
UK Property	-	31,436	31,436	4%		40,265	40,265	5%
Overseas Property	-	-	-	0%				0%
Investment Funds and Unit Trusts				0%				
Equities	75,594	-	75,594	9%	55,563		55,563	6%
Bonds	106,621	-	106,621	13%	87,104		87,104	10%
Infrastructure	-	42,889	42,889	5%		59,483	59,483	7%
Other	18,236	80,002	98,238	12%	16,107	104,040	120,147	13%
Derivatives				0%				
Other	(676)	-	(676)	0%	(4,938)		(4,938)	-1%
Cash and Cash Equivalents				0%				
All	16,721	-	16,721	2%	34,374		34,374	4%
Totals	**636,926**	**204,402**	**841,328**	**100%**	**619,247**	**268,746**	**887,993**	**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 2022.

The significant assumptions used by the actuary have been:

Mortality assumptions	2020/21	2021/22
Mortality assumptions:		
Longevity at 65 for current pensioners:		
- men	20.5	20.6
- women	23.3	23.7
Longevity at 65 for future pensioners:		
- men	21.9	21.8
- women	25.3	25.4
Rate of inflation	2.85%	3.20%
Rate of increase in salaries	3.60%	3.98%
Rate of increase in pensions	2.85%	3.20%
Rate for discounting scheme liabilities	2.00%	2.70%

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 31st March 2022	Approximate % Increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.1% decrease in real discount rate	2%	19,738
0.1% increase in the salary increase rate	0%	2,270
0.1% increase in the pension increase rate	2%	17,311
1 year increase in member life expectancy	4%	44,737

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 current triennial valuation took effect from this financial year starting 1 April 2020.

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 is anticipated to pay £14.351m in contributions to the scheme in 2022/23.

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 2022.

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.

19 Short and Long 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	**Insurance Provision £000's**	**Business Rates Provision £000's**	**Other Provisions £000's**	**Total £000's**
Balance at 1 April 2021	0	(3,141)	(807)	(3,948)
Additional provisions made in 2021/22	0	-	0	0
Amounts used in 2021/22	0	-	-	0
Amounts transferred to/from short term provisions	(548)	1,936	684	2,072
Balance at 31 March 2022	**(548)**	**(1,205)**	**(123)**	**(1,876)**

Long term Provisions	**Insurance Provision £000's**	**Business Rates Provision £000's**	**Other Provisions £000's**	**Total £000's**
Balance at 1 April 2021	(5,160)	(785)	(1,942)	(7,887)
Additional provisions made in 2021/22	(1,559)	(40)	0	(1,599)
Amounts used in 2021/22	1,183	2,481	608	4,272
Amounts transferred to/from short term provisions	1,200	(1,935)	0	(735)
Balance at 31 March 2022	**(4,336)**	**(278)**	**(1,335)**	**(5,949)**

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. This may include the impact on Business Rates income previously paid into the National Non-Domestic Rates pool prior to the introduction of the Business Rates Retention Scheme which was implemented on 1st April 2013

Insurance Provision – Provision for outstanding claims relating to 31 March 2022 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.

20 Usable Reserves

20.1 Summary of Usable Reserves

Reserve	2020/21 £000's	2021/22 £000's
Earmarked & Schools Balances	108,237	92,188
Capital Receipts Unapplied	4,889	6,967
Capital Grants Unapplied	9,608	16,119
General Fund	30,881	24,468
Housing Revenue Account	10,422	9,843
Dedicated Schools Grant	8,846	8,846
Section 106 Commuted Sums	4,286	4,228
Manchester Airport Share Reserve	4,513	4,513
Other Minor Reserves	15	0
Balance at 31 March	**181,697**	**167,172**

20.2 General Fund Balance

General Fund Balance	General Fund £000's
Balance at 31 March 2021	**30,881**
Surplus/(Deficit) for the Year	1,319
Planned Contribution to General Fund	(7,732)
Balance at 31 March 2022	**24,468**

To ensure that the Council can manage financial risks whilst being able to maintain services, the Council is required to hold funds to meet these costs as and when they arrive. The level of this reserve is set by the Section 151 Officer as the minimum amount required, based on their assessment of the financial risks facing the organisation and the extent to which these are covered elsewhere. In-year contributions have been made to the reserve.

20.3 Earmarked Reserves

This note sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2021/22. The following table and note explains the amount and purpose of the earmarked reserves held by the Council

Earmarked Reserves	**Balance at 31 March 2020 £000's**	**Transfer to DSG Adj Account £000's**	**Restated balances at 1st April 2020 £000's**	**Transfers in 2020/21 £000's**	**Transfers out 2020/21 £000's**	**Balance at 31 March 2021 £000's**	**Transfers in 2021/22 £000's**	**Transfers out 2021/22 £000's**	**Balance at 31st March 2022 £000's**
Management of Financial Risk - Corporate									
- Community Safety	**49**	-	**49**	-	-	**49**	-	-	**49**
- Climate Change	**150**	-	**150**	-	-	**150**	-	(150)	**0**
- Culture	**40**	-	**40**	44	-	**84**	-	(57)	**27**
- Corporate	**1,921**	-	**1,921**	103	-	**2,024**	-	(167)	**1,857**
- Adults Social Care Transformation	**1,247**	-	**1,247**	-	-	**1,247**	3,222	0	**4,469**
- Childrens Social Care Transformation	**94**	-	**94**	245	-	**339**	77	-	**416**
- Homelessness	**987**	-	**987**	50	-	**1,037**	-	(50)	**987**
- Housing	**123**	-	**123**	-	-	**123**	-	-	**123**
- Skills	**2,086**	-	**2,086**	618	-	**2,704**	-	(458)	**2,246**
- ICT	**893**	-	**893**	108	(51)	**950**	251	-	**1,201**
- Council Transformation	**206**	-	**206**	5,800	(700)	**5,306**	1,118	0	**6,424**
COVID-19 Related Grants	-	-	**0**	10,523	-	**10,523**	0	(5,832)	**4,691**
Management of Financial Risk - Directorate	**993**	-	**993**	2,720	(201)	**3,512**	5,745	0	**9,257**
Volatility and Fiscal Mitigation	**29,674**	-	**29,674**	7,422	-	**37,096**	579	0	**37,675**
Earmarked External Funding	**17,522**	-	**17,522**	36,305	(14,040)	**39,787**	0	(20,360)	**19,427**
Investment Funds	**3,270**	-	**3,270**	36	-	**3,306**	33	-	**3,339**
Sub-Total	**59,255**	**-**	**59,255**	**63,974**	**(14,992)**	**108,237**	11,025	**(27,074)**	**92,188**
Section 106 Commuted Sums	**4,040**	-	**4,040**	425	(179)	**4,286**	0	(58)	**4,228**
Manchester Airport Share Reserve	**4,513**	-	**4,513**	-	-	**4,513**	-	-	**4,513**
Schools Reserve	**(15,182)**	**20,067**	**4,885**	8,845	(4,884)	**8,846**		-	**8,846**
Total Earmarked Reserves	**52,626**	**20,067**	**72,693**	**73,244**	**(20,055)**	**125,882**	11,025	**(27,132)**	**109,775**

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.

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 21.2

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

21 Unusable Reserve

All unusable reserves are described below, the movements in year for all reserves with a material balance are also disclosed.

Summary of Unusable Reserves

Reserve	**2020/21 £000's**	**2021/22 £000's**
Financial Instruments Adjustment Reserve	(271)	(269)
Financial Instruments Revaluation Reserve	7,576	7,576
Collection fund Adjustment Account	(28,275)	(10,061)
Accumulated Absences	(4,781)	(3,419)
Pension Reserve	(356,592)	(230,442)
DSG Adjustment Account	(21,407)	(21,473)
Capital Adjustment Account	219,148	244,351
Deferred Capital Receipts	(1)	(1)
Revaluation Reserve	116,540	118,872
Balance at 31st March	**(68,063)**	**105,134**

21.1 Revaluation Reserve

The Revaluation Reserve includes 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	**2020/21 £000's**	**2021/22 £000's**
Balance at 1 April	**124,128**	**116,540**
Upward revaluation of assets	8,635	28,483
Downward revaluation of assets and impairment losses not charged to the surplus/deficit on the provision of services	(4,843)	(20,231)
Surplus or deficit on revaluation of non-current assets not posted to the surplus or deficit on the provision of services	**3,792**	**8,252**
Difference between fair value depreciation and historical cost depreciation	(1,213)	(1,099)
Accumulated gains on assets sold or scrapped	(10,167)	(778)
Revaluation balances adjustment	0	(4,043)
Amount written off to the capital adjustment account	**(11,380)**	**(5,920)**
Balance at 31 March	**116,540**	**118,872**

21.2 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 4 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

Capital Adjustment Account	2020/21 £000's	2021/22 £000's
Balance at 1 April	**221,462**	**219,148**
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	(14,018)	(14,769)
Revaluation losses on Property, Plant and Equipment	10,343	12,280
Amortisation of intangible assets	(474)	(679)
Revenue expenditure funded from capital under statute	(3,369)	(4,586)
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	(26,521)	(4,453)
Adjusting amounts written out of the Revaluation Reserve	10,166	5,920
Repayment of Long Term Debtors	(1)	0
Net written out amount of the cost of non-current assets consumed in the year	**(23,874)**	**(6,287)**
Capital financing applied in the year:		
Use of the Capital Receipts reserve to finance new capital expenditure	1,605	613
Use of the Major Repairs Reserve to finance new capital expenditure	7,358	7,404
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	8,066	13,476
Application of grants to capital financing from the Capital Grants Unapplied Account	862	1,782
Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	2,426	2,602
Capital expenditure charged against the General Fund and HRA balances	1,243	5,321
Reclassification of Manchester Airport Reserve item to Unusable Reserve	0	0
Movements in the market value of investment properties debited or credited to the Comprehensive Income and Expenditure Statement	0	292
Balance at 31 March	**219,148**	**244,351**

21.3 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.

21.4 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	**2020/21 £000**	**2021/22 £000**
Balance at 1 April	(272)	(271)
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	1	2
Balance at 31 March	(271)	(269)

21.5 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	**2020/21 £000's**	**2021/22 £000's**
Balance at 1st April	11,086	7,576
Transfer from Available for Sale Financial Investment Account	-	-
Revaluation of Shareholding in Manchester Airport	(3,510)	-
Surplus on Revaluation of Financial Instrument Revaluation Reserve	-	-
Financial Instruments held under Fair Value through Profit & Loss subject to MHCLG Statutory Over-Ride	-	-
Balance at 31st March	**7,576**	**7,576**

21.6 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	2020/21 £000	2021/22 £000
Balance at 1 April	(4,131)	(4,781)
Amount by which officer remuneration charged to the CI&E on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(650)	1,362
Balance at 31 March	**(4,781)**	**(3,419)**

21.7 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.

The regulations require this technical adjustment in order to smooth any potential volatility in the local taxation system which would otherwise impact on the Councils general fund. Due to the impact of COVID, the exceptional difference which has occurred in 2021/22 has been offset by compensatory grants of £11.778m. These amounts are held within reserves to be utilised in 2022/23 when the deficit amount is required in statute to be repaid into the Collection Fund.

Collection Fund Adjustment Account	2020/21 £000's	2021/22 £000's
Opening Balance	(15,960)	28,275
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 regulations	44,235	(18,214)
Total	**28,275**	**10,061**

21.8 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 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	**2020/21** **£000's**	**2021/22** **£000's**
Balance at 1 April	(250,464)	(356,592)
Remeasurement of net defined liability	(95,446)	154,327
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	(28,141)	(45,423)
Employer's Pension Contributions and direct payments to pensioners payable in the year	17,459	17,246
Balance at 31 March	**(356,592)**	**(230,442)**

21.9 Dedicated Schools Grant (DSG) Adjustment Account

On the 6 November 2020, the Secretary of State for the Ministry of Housing, Communities and Local Government laid before Parliament a statutory instrument (the instrument) to amend The Local Authorities (Capital Finance and Accounting) Regulations (the 2003 Regulations). The provisions came into effect from 29 November 2020.

The instrument amends the 2003 Regulations by establishing new accounting practices in relation to the treatment of local authorities' schools budget deficits such that where the Council has a deficit on its schools budget relating to its accounts for a financial year beginning on 1 April 2020, 1 April 2021 or 1 April 2022, 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. Therefore, the accounting treatment introduced by this regulation is limited to the financial reporting periods 2020/21, 2021/22 and 2022/23 to provide time for Government and the Council to look at budgetary and financial management strategies to reduce the deficit.

Dedicated Schools Grant (DSG) Adjustment Account (Schools and Central Spend)	**2020/21 £000's**	**2021/22 £000's**
Balance at 1 April	-	(21,407)
DSG Opening balance	(20,067)	
Restated Opening Balance	(20,067)	0
In year DSG (over)/under spend	(1,340)	(66)
Balance at 31 March	**(21,407)**	**(21,473)**

22 Cash Flow Statement – Operating Activities

The cash flows for Operating Activities include the following items:

Operating Activities	**2020/21 £000's**	**2021/22 £000's**
Interest received	4,256	3,963
Interest paid	(7,939)	(7,645)
Dividends received	-	

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

Non-Cash Movements	**2020/21 £000's**	**2021/22 £000's**
Depreciation	14,018	14,763
Impairment and downward valuations	(4,452)	(12,278)
Amortisation	474	679
Movement in contract assets, liabilities and costs (IFRS 15)	0	0
Deferred revenue/ deferred payment agreements (IFRS 15)	0	0
Increase/(decrease) in impairment for credit losses	0	0
Increase/(decrease) in creditors	(9,398)	14,067
(Increase)/decrease in debtors	(18,604)	1,817
(Increase)/decrease in inventories	200	(324)
Movement in pension liability	5,690	28,177
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	26,521	4,455
Movements in the Value of Investment Properties	0	(292)
Other non-cash items charged to the net surplus or deficit on the provision of services	(2,163)	(4,010)
	12,286	**47,054**

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	**2020/21 £000's**	**2021/22 £000's**
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	4,750	0
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(555)	(4,135)
Any other items for which the cash effects are investing or financing cash flows	(8,553)	(21,769)
	(4,358)	**(25,904)**

23 Cash Flow Statement – Investing Activities

Cash Flow Statement - Investing Activities	**2020/21 £000's**	**2021/22 £000's**
Purchase of property, plant and equipment, investment property and intangible assets	(20,622)	(33,840)
Purchase of short-term and long-term investments	(3,740)	(5,500)
Other payments for investing activities	-	0
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	2,207	4,135
Proceeds from short-term and long-term investments	-	0
Other receipts from investing activities	10,641	26,943
Net cash flows from investing activities	**(11,514)**	**(8,262)**

24 Cash Flow Statement – Financing Activities

Cash Flow Statement - Financing Activities	**2020/21 £000's**	**2021/22 £000's**
Cash receipts of short- and long-term borrowing	12,300	20,000
Other receipts from financing activities	-	918
Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	(22)	(23)
Repayments of short- and long-term borrowing	(23,133)	(6,149)
Other payments for financing activities	(1,723)	0
Net cash flows from financing activities	**(12,578)**	**14,746**

Reconciliation of Liabilities Arising from Financing Activities

	Balance at 1 April 2021 £000's	Financing cash flows £000's	Non cash changes £000's	Balance at 31 March 2022 £000's
Long Term borrowings	201,095	7,000	(192)	207,903
Short Term borrowings	6,392	8,000	(48)	14,344
Lease liabilities	27	(23)	0	4
Transferred debt	970	(957)	0	13
Amounts included as part of (debtor)/creditor balances:				
Amounts owed to/from Collection Fund preceptors	7,019	918	*(5,761)	2,176
Total Liabilities from financing activities	**215,503**	**14,938**	**(6,001)**	**224,440**

*Non cash adjustments include the inclusion of balances relating to the full Collection Fund shares of preceptors.

	Balance at 1 April 2020 £000's	Financing cash flows £000's	Non cash changes £000's	Balance at 31 March 2021 £000's
Long Term borrowings	193,987	12,300	(5,192)	201,095
Short Term borrowings	23,439	(22,237)	5,190	6,392
Lease liabilities	49	(22)	-	27
Transferred debt	1,866	(896)	-	970
Amounts included as part of (debtor)/creditor balances:				
Amounts owed to/from Collection Fund preceptors	8,742	(1,723)	-	7,019
Total Liabilities from financing activities	**228,083**	**(12,578)**	**(2)**	**215,503**

25 Capital Expenditure and 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 a decrease in the Capital Financing requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

Capital Expenditure and Financing Requirement	2020/21 £000's	2021/22 £000's
Opening Capital Financing Requirement	**259,305**	**278,487**
Capital Investment		
Property Plant and Equipment	22,484	41,395
Investment Assets	87	5
Heritage Assets	-	
Revenue Expenditure Funded from Capital Under Statute	3,369	3,385
Long Term Investment	3,740	0
Intangible Assets	1,290	951
Long Term Debtors	9,677	
Assets Held for Sale	-	
Source of Finance		
Capital Receipts	(1,605)	(613)
Government Grants And Other Contributions	(16,191)	(22,662)
Sums Set aside from Revenue	(3,669)	(7,922)
Closing Capital Financing Requirement	**278,487**	**293,026**
Explanation of movement in year		
Increase in Need to Borrow Supported by Government Financial Assistance	-	
Increase in Need to Borrow Unsupported by Government Financial Assistance	21,607	17,141
Assets Acquired Under Finance Leases	-	
Minimum Revenue Provision and other repayments in the year	(2,426)	(2,602)
Increase in Capital Financing Requirement	**19,181**	**14,539**

Capital commitments as at 31st March 2022 total £7.683m and include:

Scheme	£000
ICT Projects	333
Street Lighting	211
Estate Management – Corporate Landlord	10
Vehicle Replacement Strategy	1,825
Regeneration	367
Housing	4,937
Total	**7,683**

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

26 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 2022.

27 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 2022.

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 2022 is £2.175m which would attract a levy of £0.531m should a Trigger Event arise. The amended liability that the Council may be required to repay is £1.644m (£2.175m les £0.531m levy) in respect of claims previously settled. There are 2 outstanding claims with MMI totalling £0.031m.

28 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). DSG is ring-fenced and can only be used to finance expenditure that is included in the Schools Budget, as defined in the School Finance and Early Years (England) Regulations 2020. The Schools Budget includes elements for a range of educational services provided on a Council wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each Council maintained school.

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

DISCLOSURE OF DEPLOYMENT OF DEDICATED SCHOOLS GRANT 2021/22			
	Central Expenditure £000	**Individual Schools Budget £000**	**Total £000**
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			-21,407
E. Less: Carry-forward to 2021/22 agreed in advance			21,407
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	N/A	46,959
J. Less: Actual ISB deployed to schools		82,320	82,320
Plus: Local authority contribution for 2021/22	0	0	0
In year carry-forward to 2022/23	-75	9	-66
Plus: Carry-forward to 2022/23 agreed in advance			-21,407
K. Carry-forward to 2022/23			-21,473

A: Final DSG figure before any amount has been recouped from the Council.

B: Figure recouped from the Council in 2021/22 by the Department for Education (DfE) for conversion of maintained schools into Academies and for high needs payments made by the ESFA.

C: Total DSG figure after Academy and high needs recoupment for 2021/22.

D: Figure brought forward from 2020/21 agreed with the DfE

E: Any amount which the Council decided after consultation with the Schools Forum to carry forward to 2021/22.

F: Budgeted distribution of DSG as agreed with the Schools Forum.

G: Changes to the initial distribution.

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

I: Actual amount of central expenditure items in 2021/22.

J: Amount of ISB actually distributed to schools.

K: Carry forward to 2022/23.

Disclosure of Deployment of Dedicated Schools Grant		**2020-21**		
		Central Expenditure	**Individual Schools Budget**	**Total**
Note		**£000**	**£000**	**£000**
A	Final DSG before academy recoupment			(177,641)
B	Academy Recoupment			49,599
C	**Total DSG after academy recoupment**			**(128,042)**
D	Balance Brought Forward			(20,067)
E	Carry forward to 2020/21 agreed in advance			20,067
				(128,042)
	Agreed initial budget distribution	(28,375)	(99,667)	(128,042)
G	In year adjustments	(6,000)		(6,000)
H	**Final budget distribution**	**(34,375)**	**(99,667)**	**(134,042)**
I	Less: Central expenditure	35,715	-	35,715
J	Less: ISB deployed to schools	-	99,667	99,667
K	**Carried forward**	**1,340**	**-**	**21,407**

Details of the deployment of the DSG receivable for 2020/21 is as follows:

A: Final DSG figure before any amount has been recouped from the Council.

B: Figure recouped from the Council in 2020/21 by the Department for Education (DfE) for conversion of maintained schools into Academies and for high needs payments made by the ESFA.

C: Total DSG figure after Academy and high needs recoupment for 2020/21.

D: Figure brought forward from 2019/20 agreed with the DfE

E: Any amount which the Council decided after consultation with the Schools Forum to carry forward to 2020/21.

F: Budgeted distribution of DSG as agreed with the Schools Forum.

G: Changes to the initial distribution.

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

I: Actual amount of central expenditure items in 2020/21.

J: Amount of ISB actually distributed to schools.

K: Carry forward to 2021/22.

29 External Audit Costs

In 2021/22 the Council 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	2020/21 Restated £000's	2021/22 Restated £000's
Fees payable with regard to external audit services carried out by the appointed auditor for the year	90	90
Additional fee agreed for 20/21 after publication of accounts per PSAA	57	0
Total	**166**	**124**

30 Grant Income

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

Grant Income Credited to Services	2020/21 £000's	2021/22 £000's
Dedicated Schools Grant (DSG)	(134,042)	(129,716)
Pupil Premium Grant	(5,899)	(5,467)
Housing Benefit Subsidy - Rent Allowances	(22,907)	(21,259)
Housing Benefit Subsidy - Rent Rebates	(12,800)	(12,408)
Discretionary Housing payments	(209)	(270)
COVID 19 grants	(36,446)	(48,194)
Asylum Seekers (UASC)	(825)	(367)
Other Government Grants	(9,847)	(6,992)
Total	**(222,975)**	**(224,673)**

Capital Grants received in Advance	2020/21 £000's	2021/22 £000's
Opening Balance at 1st April	2,184	4,272
Grants received in year with conditions attached	6,116	14,353
Total grants received in advance available to meet capital expenditure	**8,300**	**18,625**
Grants applied to financing of capital expenditure from grants received in year	(3,607)	(7,455)
Grants applied to financing of capital expenditure from grants brought forward from previous years	(421)	(1,153)
Total Grants applied to financing of capital expenditure at 31st March	**(4,027)**	**(8,608)**
Closing Balance	**4,272**	**10,017**

Capital Grants received in Advance (Non-Current)		
2020/21 £000's	**Grant**	**2021/22 £000's**
(59)	Devolved Formula Capital (Department for Education)	(49)
0	Levelling Up Fund (Department for Levelling Up Housing and Communities)	(4,146)
(1,977)	Disabled Facilities Grant (Department for Levelling Up Housing and Communities)	(4,050)
0	Next Steps Accommodation (Homes England)	(2)
0	Emergency Active Travel Fund (Greater Manchester Combined Authority)	(10)
0	Public Sector Decarbonisation (Greater Manchester Combined Authority)	(105)
(944)	Brownfield Fund (Greater Manchester Combined Authority)	0
(421)	GM Minor Works (Greater Manchester Combined Authority)	(421)
0	Highway maintenance (Department for Transport)	(180)
(153)	Flood Grant Department for Transport)	(150)
(81)	Environmental grants (Environment Agency)	(81)
(459)	Social Care Single Capital Pot (Department of Health)	(459)
(69)	Empty Properties (S106)	(136)
(109)	Shared Ownership Housing (S106)	(177)
0	Wheeled Sports (The Veolia Environmental Trust)	(50)
(4,272)		**(10,017)**

31 Leases

31.1 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	**2020/21 £000's**	**2021/22 £000's**
Not later than one year	3,175	3,123
Later than one year and not later than five years	9,403	8,716
Later than five years	131,651	133,047
Total	**144,229**	**144,886**

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 £000's	Vehicles, Plant and Equipment £000's
Not later than one year	1,387	49
Later than one year and not later than five years	5,124	0
Later than five years	11,638	0
Total	**18,149**	**49**

31.2 Finance Leases

Authority as Lessee:

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 2021 £000's	31 March 2022 £000's
Vehicles, Plant, Furniture and Equipment	44	22
Total	**44**	**22**

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 2021 £000's	31 March 2022 £000's
Finance Lease Liabilities (net present value of minimum lease payments)	27	4
Minimum Lease Payments	**27**	**4**

Finance Lease Liability	Minimum Lease Payments		Finance Lease Liabilities	
	31 March 2021 £000's	31 March 2022 £000's	31 March 2021 £000's	31 March 2022 £000's
Not later than 1 year	23	4	23	4
Later than 1 year not later than 5 years	4	-	4	-
Later than 5 years	-	-	-	-
Total	**27**	**4**	**27**	**4**

32 Members' Allowances

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

Members' Allowances & Expenses	2020/21 Restated £000's	2021/22 £000's
Allowances *	667	678
Expenses	1	3
TOTAL	**668**	**681**

* includes a £16k correction of an error to the prior year comparative figures

33 Officers' Remuneration and Termination Benefits

33.1 Employees in Higher Earning Bands

The remuneration of senior employees is detailed below. Disclosure of Senior Officers whose salary in 2021/22 was £100,000 (pro rata) or more per year, the previous years are also included as a comparator.

	2020/21					2021/22					
	Salary, Fees and Allowances £000	Expenses Allowances £000	Compensation for Loss of Office £000	Pension Contribution £000	Total £000	Salary, Fees and Allowances £000	Expenses Allowances £000	Compensation for Loss of Office £000	Pension Contribution £000	Total £000	Note
G Little, Chief Executive & Accountable Officer NHS Bury CCG	187			38	225	190			39	229	A
L Ridsdale - Deputy Chief Executive (Corporate Core)	143.5			29.2	172.7	152			31	183	
Executive Director: Children & Young People	67.6			13.9	81.5						B
Executive Director: Children & Young People	66.5			12.5	79	104			15	119	C
Executive Director: Children & Young People	0			0	0	31			6	37	D
D Ball - Executive Director of Operations	127.9			26.2	154.1	132			27	160	
Executive Director: Strategic Commissioning	29.4			3.3	32.7	126			18	144	E
Executive Director: Places (Interim)*	25.5			0	25.5	44			0	44	F
Executive Director: Places						50			10	60	G
Director Community Commissioning	107.8			22	129.8	97			20	117	H
Director of Public Health	105.3			15	120.3	107			15	122	
Director of People & Inclusion	0			0	0	70			14	84	I
Director of Economic Regeneration & Capital Growth	104.5			21.4	125.9	59			12	71	J
Director of Housing Growth & Development (Interim)	0			0	0					0	
Director of Education & Skills	0			0	0	93			19	112	K
Joint Chief Information Officer	94.1			19.2	113.3	100			21	121	
Director of Law & Democratic Services	0			0	0	93			19	112	L
Assistant Director: Legal & Democratic Services (Monitoring Officer and DPO)	93.6			15.4	109	0				0	M
Strategic Advisor - Legal & Democratic Services	135.1			0	135.1					0	N
J Kramer - Interim Assistant Director Education and Learning	223.7			0	223.7					0	O
L Kitto – Deputy Chief Finance Officer (Interim) / Director of Financial Transformation (Interim)	302			0	302	19			0	19	P/Q

- PPA Includes 2020-21 has been adjusted for a £10,000 payment owing in 2020-21 but paid in 2021-22, but which was not accrued.

Senior Officers served for the whole of 2020/21 and 2021/22 unless stated below.

Notes:

A:	The Chief Executive is also the Accountable Officer at the Bury CCG, no recharge was made to NHS Bury CCG during 2020/21 but 50% was recharged in 2021/22.
B:	The Executive Director for Children & Young People left the Council on 4 October 2020.
C:	The Executive Director for Children & Young People was appointed on 30 September 2020. The appointee was in post until 31 October 21.
D:	The Executive Director for Children & Young People was appointed on 4 January 2022.
E:	The Executive Director for Strategic Commissioning was appointed on the 06 July 2020, the annualised salary would have been over the £100,000 threshold. This is a joint role between the Council and the CCG, the CCG contributed 50% of his salary in 2020-21 and 2021-22.
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 Places was appointed on 25 November 2021.
H:	The Director of Community Commissioning acted up into the Executive Director for Strategic Commissioning prior to the appointment of the new director in 2020/21 financial year.
I:	The Director of People & Inclusion was appointed on 24 May 2021.
J:	The Director of Economic Regeneration & Capital Growth was in post until 24 November when he was recruited to the Executive Director Places. This role remained vacant to the end of the 2021/22 year.
K:	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 financial year. (7 September 2021 to 3 January 2022.)
L:	The Monitoring officer role in 2021/22 sits with the Director of Law & Democratic Services.
M:	The Assistant Director for Legal & Democratic Services (Monitoring Officer) left the Council in 2020, the post was covered on an interim basis internally pending the permanent recruitment in April 2021. The permanent recruitment began on 1 April 2021.
N:	The Strategic Advisor for Legal & Democratic Services was contracted through an agency.
O:	The Interim Assistant Director of Education & Learning was paid via an agency.
P:	The Interim Deputy Chief Finance Officer was paid £151,000 for this role (April 2020 to September 2020) and £151,000 for the role of Interim Director of Financial Transformation (October 2020 to March 2021). Both roles were paid via an agency. This also included the Section 151 role for April at the start of the 2021-22 financial year.
Q:	The Executive Director of Finance is now the appointed Section 151 Officer for the Council and 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. The postholder in 2020/21 left the post of Joint Chief Finance Officer of the Council and CCG on 31 January 2021. The new incumbent began with the Council and CCG on 3 May 21.

33.2 The number of employees, including senior employees (in Table 33.1 above) and teachers, whose remuneration, excluding employer pension contributions, was £50,000 or more.

Salary Range	**2020/21 Teaching Staff**	**2021/22 Teaching Staff**	**2020/21 Non-Teaching Staff**	**2021/22 Non-Teaching Staff**
£50,000 - £55,000	48	51	28	26
£55,001 - £60,000	32	25	10	18
£60,001 - £65,000	25	28	11	14
£65,001 - £70,000	21	15	2	7
£70,001 - £75,000	8	11	1	5
£75,001 - £80,000	9	9	2	3
£80,001 - £85,000	1	3	1	1
£85,001 - £90,000	1	2	3	2
£90,001 - £95,000	4	3	2	2
£95,001 - £100,000	-	1	-	1
£100,001 - £105,000	-	-	-	-
£105,001 - £110,000	1	-	-	-
£110,001 - £115,000	-	1	-	1
TOTAL	**150**	**149**	**60**	**80**

33.3 Exit Packages – Total

The number 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)	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
	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	
							£000	£000
£0 - £20,000	5	2	3	27	8	29	85	186
£20,001 - £40,000	-	-	6	7	6	7	165	187
£40,001 - £60,000	-	-	-	-	-	0	-	-
£60,001 - £80,000	-	-	1	-	1	0	70	-
£80,001 - £100,000	-	-	-	-	-	0	-	-
Total	**5**	**2**	**10**	**34**	**15**	**36**	**320**	**373**

34 Pooled Funds

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.

Bury Council and the Bury Clinical Commissioning Group (CCG) 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. The single fund is overseen by the Bury Strategic Commissioning Board (SCB), a sub-committee of the CCG Governing Body and Council Cabinet. Its membership includes equal representation from the CCG and 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 SCB.
- **Aligned Services Budget**: For services that cannot be pooled under Section 75 legislation or the Council and CCG 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.

Risk share agreement

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 Strategic Commissioning 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 2021/22 Bury Council made an additional contribution to the ICF pooled budget of £2.5m (See table 1). It was previously agreed that the Council would make an additional contribution of £4.5m during 2021/22. However the SCB agreed to a rephasing of this contribution so that an additional contribution of £2.5m is made by the Council in 2021/22 with the remaining additional contribution of £2m made in 2022/23. This phasing of additional contributions complies with the Section 75 agreement to ensure contributions are balanced over the 4 year term of the arrangement. 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	**2020/21 £'000s**	**2021/22 £'000s**
Integrated Commissioning Fund Contribution		
Bury Council (Note 1)	(88,047)	(105,673)
Bury CCG	(244,248)	(239,066)*
Sub Total	**(332,295)**	**(344,739)**
Integrated Commissioning Fund Costs		
Bury Council	103,804	101,609
Bury CCG	228,911	241,737
Sub Total	**332,715**	**343,346**
Net (Surplus)/deficit arising on the pooled budget during the year	**420**	**(1,393)**

*** As noted 2021/22 Bury Council made an additional contribution to the ICF pooled budget of £2.5m, see below:**

Table 2

Organisation	**2019/20 £'000s**	**2020/21 £'000s**	**2021/22 £'000s**	**2022/23 £'000s**	**Total £'000s**
Council	11,000	(15,000)	2,500	2,000	0
CCG	(11,000)	15,000	(2,500)	(2,000)	0
Total	**0**	**0**	**0**	**0**	**0**

35 Related Parties

The Council is required to disclose material transactions with related parties. Related parties are individuals or organisations that have the ability to control or significantly influence the Council or be controlled or influenced by the Council. 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 framework within which the Council operates. It also provides the majority of funding for Council services. Grants received from government departments are set out in Note 30.

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 2021/22 is shown in Note 32.

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 both 2021/22 and 2020/21.

Related Party Transactions with Other Public Bodies

The Council has a pooled fund arrangement with Bury CCG which encompasses Council Adult Social Care budgets and CCG commissioned expenditure, together with expenditure funded by the Better Care Fund, Improved Better Care Fund and the GM Health and Social Care Transformation Fund. For further detail see Note 34 Pooled Funds.

Greater Manchester Combined Authority

Greater Manchester Combined Authority (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	2020/21 £000's	2021/22 £000's
GM Waste Disposal Authority	11,840	12,745
GM Passenger Transport Authority	12,911	12,963
Environment Agency	104	103
Total	**24,855**	**25,811**

Other related parties disclosed elsewhere in the Statement of Accounts

Pension funds are disclosed in other notes to the Core Financial Statements.

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 BMBC Townside Fields Ltd.

Related Party Transactions	2020/21				2021/22			
	Receipts	Payments Management Fee	Payments Other	Outstanding Balances / Commitments	Receipts	Payments Management Fee	Payments Other	Outstanding Balances / Commitments
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Subsidiaries								
Six Town Housing Ltd.,	(11,750)	13,059	5,929	(5,613)	(3,795)	13,059	13,481	(3,237)
Persona Group Ltd., Persona Care and Support Ltd.,	(669)	12,075	1,578	(62)	(778)	11,068	1,444	(90)
Bury MBC Townside Fields Ltd.,	(344)	-	-	(165)	(313)			(1,007)
Total	**(12,763)**	**25,133**	**7,507**	**(5,840)**	**(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. In 2021/2022 Six Town Housing made a loss after tax of £1.654m compared to a profit of £0.031m in 2020/2021. Bury Council paid management fees of £13.059m in 2021/2022 (£13.059m in 2020/2021) 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 a profit before tax of £0.529 for the year ended 31st March 2022, compared to a loss before tax of £0.045m for the period to 31st March 2021. Bury Council paid management fees of £11.068m in 2021/22 (£12.075m in 2020/2021).

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 profit before tax of £0.580m for the year ended 31st March 2022 compared to a profit before tax of £0.044m for the year ended 31 March 2021. As at 31st March 2022, Bury Council has £7.257m invested in Bury MBC Townside Fields Ltd.

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

36 Critical Judgements in Applying Accounting Policies

The following disclosure sets out critical judgements applied to the accounting policies of the Council that have a significant impact on the presentation of the financial statements.

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.

The types of schools that have been assessed as at 31 March 2022 are shown below:

Type of School	Nursery Schools	Primary Schools	Secondary Schools	Special Schools (including PRU)	Total Schools
Community	1	20	4	3	28
Voluntary Controlled (VC)	-	7	-	-	7
Voluntary Aided (VA)	-	18	1	-	19
Total Maintained	**1**	**45**	**5**	**3**	**54**
Academies	-	19	8	1	28
Total Schools and Academies	**1**	**64**	**13**	**4**	**82**

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.

Pooled Budgets

The Council is the host partner of the pooled funds. 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 are organisations. The pool is jointly controlled by Bury MBC and Bury CCG constituting a joint operation and accounted for under IFRS 11. The pool is hosted by Bury MBC and governed by the Strategic Commissioning Board (SCB). The CCG Governing Body and Council Cabinet have delegated management of the pool to the SCB whose membership is made up of equal representation from the Council and CCG.

Whilst the section 75 agreement between the CCG and Bury Council does constitute a 'joint operation' under IFRS 11, the substance of the commissioning transactions related to the Fund's spending plan indicates that neither the CCG nor Bury Council are either a joint operator or lead commissioner but are acting as single entities. Therefore, each organisation accounts for its own transactions without recognising its interest in its share of total assets, liabilities, revenue and expenditure that relate to the whole Fund.

Group Boundaries

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 2021/22 and has subsidiaries who are considered to be material and will be consolidated into its group accounts.

Basis of Consolidation

Six Town Housing, Bury MBC Townside Fields Ltd and Persona Group Ltd have been identified as subsidiaries of Bury Council and as such their financial statements have been consolidated on a line by line basis to comply with IFRS 10 – consolidated financial statements.

The accounting for business combinations basis for consolidation has been used for the 3 subsidiaries as Bury Council, the parent company, has taken 100% control of the companies.

In order to create Six Town Housing and Persona Group, part of the Council has been externalised and therefore at the formation of the company the assets and liabilities were transferred at fair value which did not give rise to good will.

Six Town Housing was incorporated on 30 October 2003 and trading began on 1 April 2005. Bury MBC Townside Fields Limited was incorporated on the 14th October 2009. Both are wholly owned subsidiaries of Bury Council.

The financial year of all 3 subsidiaries is the same as that of Bury Council, from 1 April 2020 to 31 March 2021, therefore no adjustments are required regarding the accounting year.

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

The LOBO maturity profile assumes that the lender will not exercise their option until maturity particularly given the current low interest rate environment. Therefore, we have taken the decision to disclose these as long-term liabilities.

37 Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

Long Term Assets – Manchester Airport Holdings Limited (MAHL)

The Authority's shareholding in the Manchester Airport Group is 3.22% as at 31 March 2022. 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. A firm of financial experts and valuers have been engaged by the Authority to provide an independent valuation which includes reviewing the financial performance, stability and business assumptions of the MAHL. The valuation provided is based on estimations and assumptions and therefore should the Authority sell its shareholding the value held in these statements may not be realised.

As at 31 March 2021 the Authority's valuers advised of an increase of £0.5m in the fair value Authority share from £37.700m to £38.200m which has been reflected in the financial statements.

Business Rates

Following the introduction of the Business Rates Retention Scheme in April 2013, Local Authorities are liable for a share of the cost of successful appeals by businesses against their rateable value in 2021/22 and earlier financial years. A provision has therefore been recognised in the statement of accounts. The provision estimate has been calculated using the latest Valuation Office (VAO) ratings list of ratings appeals and the analysis of successful appeals to date.

38 Events after the Balance Sheet Date

The unaudited Statement of Accounts was authorised for issue by the Executive Director of Finance on 29 July 2022. 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 2022, the figures in the financial statements and notes are 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 2021-22 Statement of Accounts.

Three non-adjusting event are disclosed for the 2021-22 Statement of Accounts: in March 2022 the Council signed a Joint Venture with an external entity for the purchase and development of the Millgate Estate including the Shopping Centre. The funds to purchase the Estate are being provided by the Council. To finance this a PWLB loan has been drawn down. This was drawn down 28th March 2022 and was held as cash at the year end. Subsequently in the 2022-23 financial year, the funds were used to purchase the Estate.

As at 31 March 2022, the Council had an outstanding short-term loan for £0.5m to Six Town Housing. Subsequently, following review by Bury Council’s Architect’s Team, this loan has been offset against Council creditors with Six Town Housing. There is no net impact on the assets and liabilities shown as at 31 March 2022 and the decision to offset these amounts was only made during the 2022/23 financial year.

Springside Primary School converted to an academy as at 1 June 2022. The net book value of Springfield Primary school will be removed from the Council’s asset register for the 2022-23 financial year, in accordance with its accounting policies. The net book value as at 31 March 2022 was £2.2m. As an academy, operational direction falls outside the responsibility of the Council.

As at 31 March 2022, Bury Council had a £4.5m creditor balance with Six Town Housing. Following discussions between the two entities, it was agreed to reduce this creditor balance to £3.9m, during 2022-23.

39 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 2021/22 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.

Accounting changes that are introduced by the 2022/23 Code are:

- IFRS 16 Leases (but only for those local authorities that have decided to adopt IFRS 16 in the 2022/23 year).

- Annual Improvements to IFRS Standards 2018–2020. The annual IFRS improvement programme notes 4 changed standards: • IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS

- IAS 37 (Onerous contracts) – clarifies the intention of the standard

- IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material

- IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.

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

40 Prior Period Adjustments

(A) Long-Term Investment: Manchester Airport

Bury Council has a part share investment in Manchester Airport, along with other authorities in the Greater Manchester Region.

The expert valuer has changed their opinion on the value of Manchester Airport, with Bury's share shown on its balance sheet as a Long-Term Investment. As a result, the value of this investment has declined from £38.2m to £24.7m. This is shown in the Table below:

31st March 2022 £000's	Prior Period Adjustment 2022 £000's	Balance Sheet Description	2021 Note	31st March 2022 £000's
38,200	(14,800)	Long Term Investments	13	23,400
38,200	**(14,800)**	**LONG TERM ASSETS**		**23,400**

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 regulations; 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	2020/21 £000's	2021/22 £000's
Income			
Dwelling Rents (gross)		(29,896)	(30,324)
Non-Dwelling Rents		(170)	(192)
Charges for Services and Facilities		(971)	(1,019)
Contributions towards expenditure		(139)	(250)
Total Income		**(31,176)**	**(31,785)**
Expenditure			
Repairs and Maintenance		6,877	6,808
Supervision and Management		8,812	8,110
Rents, Rates, taxes & other charges		28	31
Depreciation and Impairment of Property, Plant & Equipment	5,6	(10,287)	(6,334)
Revaluation (gains) / losses on non-current assets		9	0
Debt management costs		39	41
Increased Provision for Bad & Doubtful Debts	8	236	288
Total Expenditure		**5,714**	**8,944**
Net Cost of HRA Services as included in the Comprehensive Income and Expenditure Statement		**(25,462)**	**(22,841)**
HRA services share of Corporate and Democratic Core		0	400
Net Cost of HRA Services		**(25,461)**	**(22,441)**
HRA Share of Operating Income and Expenditure included in the Comprehensive Income and Expenditure Statement:			
(Gain) or loss on sale of HRA non-current assets		(410)	(600)
Interest payable and other similar charges		4,649	4,209
Interest and investment income		(16)	(19)
(Surplus) or Deficit for the year on HRA Services		**(21,239)**	**(18,847)**

Statement of Movement on the Housing Revenue Account

Movement on the HRA Statement	**2020/21 £000's**	**2021/22 £000's**
Opening Balance	(8,393)	(10,422)
(Surplus) or Deficit for the year on the HRA Income and Expenditure Statement	(21,237)	(18,847)
Adjustments between accounting basis and funding basis under statute	19,208	19,426
Increase before transfers to/from reserves	**(2,029)**	**579**
Transfers to/(from) Earmarked Reserves	0	0
Increase in year on the HRA	**(2,029)**	**579**
Closing Balance	**(10,422)**	**(9,843)**

Note to the Movement on the HRA Statement	**2020/21 £000's**	**2021/22 £000's**
Analysis of adjustments between accounting basis and funding basis under statute		
*Depreciation, impairment and revaluation losses of non-current assets	15,470	6,329
Minimum Revenue Provision	0	0
Gain or loss on sale of HRA fixed assets	410	600
Capital Expenditure funded by the HRA	1,195	5,107
Transfer to Major Repairs Reserve	7,326	7,390
Net Adjustment	**24,401**	**19,426**

***The 2021/22 year is presented so that depreciation, impairment, and revaluation losses of non-current assets are shown where included in adjustments between accounting basis and funding basis.**

Notes to the Housing Revenue Account

1. 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	**2020/21**	**2021/22**
Flats & maisonettes	3,329	3,325
Bungalows	803	768
Houses	3,733	3,732
Total	**7,865**	**7,825**

The above housing stock numbers exclude 46 Council house's were disposed off during the financial year.

The total capital receipts realised from the disposal of Council houses during the year was £2.545m. This figure represents an increase of over 66% compared to the 2020/21 figure of £1.528m. 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	2020/21 £000's	2021/22 £000's
Dwellings	191,673	221,469
Land	56,119	62,910
Shops, Offices and Garage Colonies	3,321	3,108
Total	**251,113**	**287,487**

2. Vacant Possession

i) The Vacant Possession Value (VPV) of dwellings within the Council’s HRA as at 1st April 2022 was £716.4m representing an increase of approximately 11.9% over the 1st April 2020 figure of £640.5m. The new value was established as a result of the revaluation of the Housing Stock completed in the year.

ii) 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.

iii) 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 £287.487m at the valuation in 2022.

3. 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, an element 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)	2020/21 £000's	2021/22 £000's
Balance as at 1st April	**46**	**14**
Transferred to MRR during the year	7,326	7,389
Credit in respect of General Fund depreciation	0	0
Transferred from MRR to HRA during the year	0	0
Debits in respect of capital expenditure within HRA	(7,358)	(7,403)
Balance as at 31st March	**14**	**0**

4. 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	2020/21 £000's	2021/22 £000's
Total capital expenditure within the HRA	**8,553**	**12,511**
Financed by:		
External contributions	0	0
Revenue contributions	1,195	5,108
Capital receipts	0	0
Major Repairs Reserve	7,358	7,403
Total	**8,001**	**12,511**

5. Depreciation

The HRA is charged an amount for depreciation of assets.

HRA Depreciation	2020/21 £000's	2021/22 £000's
Council Dwellings	7,327	7,390
Shops, Offices and Garage Colonies	46	47
Total	**7,373**	**7,437**

6. 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	2020/21 £000's	2021/22 £000's
Council Dwellings	7,806	12,518
Shops, Offices and Garage Colonies	0	0
Total	**7,806**	**12,518**

7. Revenue Expenditure Funded From Capital Under Statute

No revenue expenditure funded from capital under statute is attributable to the HRA.

8. Rent Arrears / Impairment Allowance

Rent Arrears

The rent arrears as at 1 April 2021 totalled £2,050,113, and at 31 March 2022 totalled £1,921,174. Of the arrears 70.25% at 31 March 2022 related to current tenants (60.12% at 31st March 2021) and 29.75% related to former tenants (39.88% at 31st March 2021). The figures stated represent gross arrears and are not shown net of advances as in previous years.

Impairment Allowance

Impairment Allowance	2020/21 £000's	2021/22 £000's
Opening credit loss Provision	**1,822**	**1,882**
Charged to HRA	236	288
Written off	(176)	(396)
Re-instated previously written off amount	-	-
Net increase / (decrease)	**60**	**(108)**
Closing Impairment Allowance	**1,882**	**1,774**

The Collection Fund

Collection Fund Statement:

Income and Expenditure Account	Note	2020/21 Total £000's	2021/22 Council Tax £000's	2021/22 NNDR £000'S	2021/22 Total £000's
Income					
Council Tax	1	(108,058)	(114,397)		(114,397)
Council Tax Annexe Grant		0	(1)		(1)
Transitional Relief		0	0		0
Business Rates Receivable	2	(23,189)	0	(39,424)	(39,424)
Business Rates Transitional Protection Payments		920		1,962	1,962
Contributions towards previous year's deficit		0			0
Bury MBC		0	(464)	(24,892)	(25,356)
Central Government		0	(60)	0	(60)
Greater Manchester Fire & Civil Defence Authority		0	(26)	(251)	(277)
Total Income		**(130,327)**	**(114,948)**	**(62,605)**	**(177,553)**
Expenditure					
Precepts and Demands on Collection Fund					
Bury		140,287	91,060	49,859	140,919
Police		11,503	11,751		11,751
Fire		5,540	4,896	504	5,400
Central Government		0			0
Cost of Collection		232		237	237
Expected Credit Losses		0			0
Change in expected credit loss provision		4,608	1,611	499	2,110
Write Offs		173	128	180	308
Contribution to (+)/ from (-) appeals provision		(3,021)		(2,466)	(2,466)
Transfer of Surplus		0			0
Police		968	0	0	0
Fire		459	0	0	0
Bury		15,808	0	0	0
Total Expenditure		**176,557**	**109,446**	**48,813**	**158,259**
Movement in collection fund Balance during year		46,230	(5,399)	(13,792)	(19,191)
Fund Balance brought forward		(17,490)	600	28,140	28,740
Closing cumulative (surplus)/ deficit carried forward		**28,740**	**(4,902)**	**14,348**	**9,446**

Notes to the Collection Fund Statement

1. Council Tax

Band	Valuation	Total Number of Dwellings	Specified Ratio	Band D Equivalent
A reduced	Less than £40,000	48.5	5/9	27
A	Less than £40,000	25,570	6/9	17,046
B	£40,000 to £52,000	16,529	7/9	12,856
C	£52,000 to £68,000	15,776	8/9	14,023
D	£68,000 to £88,000	8,492	1	8,492
E	£88,000 to £120,000	5,183	11/9	6,335
F	£120,000 to £160,000	1,758	13/9	2,540
G	£160,000 to £320,000	1,205	15/9	2,008
H	More than £320,000	160	18/9	320
		74,722		**63,647**
	Less allowance for losses on collection			(3,133)
	Impact of Council Tax Support Scheme			(6,686)
	Council Tax Base 2021/22			**53,828**

i) The actual number of properties was 84,222 but after adjusting for single person discounts, empty properties etc, the notional number of dwellings is 74,721.50

ii) The Band D Council Tax levied for the year was £2,000.92 (£1,911.30 in 2020/21):

Band D Council Tax Levied	2020/21 £000'S	2021/22 £000'S
Bury Council	1,612.05	1,691.67
Greater Manchester Police Authority	208.3	218.3
Greater Manchester Fire & Civil Defence Authority	90.95	90.95
Total	**1,911.30**	**2,000.92**

2. 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 rate set for 2021/22 was 51.2p in the pound (51.2p in 2020/21) and at 31st March 2022 the estimated non-domestic rateable value of the Borough was £129.98 million (£132.41 million at 31st March 2021). In addition, in 2021/22 the Small Business Rate was set at 49.9p in the pound (49.9p for 2020/21).

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.

The Council has prepared the following Group Accounts due to its' relationship with three organisations over which it has substantial control and influence. Six Town Housing Ltd, Bury MBC Townside Fields Ltd and the Persona group of companies, Persona Care and Support Ltd and Persona Group Ltd, have been identified as subsidiaries of Bury Council.

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

2020/21 Restated Gross Expenditure £000's	Gross Income £000's	Net Expenditure £000's	Group Comprehensive Income and Expenditure Statement	2021/22 Gross Expenditure £000's	Gross Income £000's	Net Expenditure £000's
107,554	(50,790)	56,764	One Commissioning Organisation	123,853	(48,796)	75,057
208,807	(169,395)	39,412	Children, Young People & Culture	204,184	(157,524)	46,660
32,577	(10,282)	22,295	Corporate Core Services	34,036	(6,290)	27,746
36,876	(52,635)	(15,759)	Non Service Specific	66,850	(41,013)	25,837
9,431	(6,677)	2,754	Business, Growth & Infrastructure	13,778	(6,992)	6,786
45,982	(20,125)	25,857	Operations	53,848	(23,225)	30,623
39,221	(35,916)	3,305	Housing General Fund	33,908	(33,962)	(54)
(12,411)	(13,051)	(25,462)	Local Authority Housing	(16,839)	(31,708)	(48,547)
468,037	**(358,871)**	**109,166**	**Cost of Services**	**513,618**	**(349,510)**	**164,108**
52,005	(591)	51,414	Other Operating Expenditure	32,509	(4,189)	28,320
29,681	(19,714)	9,967	Financing & Investment Income & Expenditure	34,472	(20,959)	13,513
0	(176,511)	(176,511)	Taxation & Non-Specific Grant Income & Expenditure	0	(199,173)	(199,173)
549,723	**(555,687)**	**(5,964)**	**(Surplus) or Deficit On Provision of Services**	**580,599**	**(573,831)**	**6,768**
		(13,872)	(Surplus)/Deficit on revaluation of Property, Plant & Equipment			(15,559)
		10,080	Impairment Losses on Non-Current assets charged to the Revaluation Reserve			7,309
		3,510	(Surplus)/Deficit from investments in Equity Instruments designated at fair value through Comprehensive Income			0
		109,313	Actuarial (gains)/losses on Pension assets & liabilities			(173,227)
		109,031	**Total Other Comprehensive Income & Expenditure**			**(181,477)**
		103,067	**Total Comprehensive Income & Expenditure**			**(174,709)**

Group Movement in Reserves Statement

Group Movement in Reserves Statement	Usable Reserves							Council Unusable Reserves	Subsidiary Entities Unusable Reserves	Total Unusable Reserves	Total Reserves
	Earmarked Reserves/ General Fund Balances	Housing Revenue Account	Usable Capital Receipts	Major Repairs Reserve	Capital Grants Unapplied	Subsidiary Entity Reserves	Total Usable Reserves				
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Balance at 1 April Brought Forward	**(156,764)**	**(10,422)**	**(4,889)**	**(14)**	**(9,608)**	**(11,052)**	**(192,749)**	**68,063**	**24,054**	**92,117**	**(100,632)**
Movement in reserves during 2021/22											
Total Comprehensive Income and Expenditure	22,752	(18,847)	0	0	0	2,863	**6,768**	(162,577)	(18,900)	**(181,477)**	**(174,709)**
Adjustments between accounting basis and funding basis under regulations	(231)	19,426	(2,078)	14	(6,511)	(3,670)	**6,950**	(10,620)	3,670	**(6,950)**	**(0)**
Net (increase)/decrease before transfers to Earmarked Reserves	**22,521**	**579**	**(2,078)**	**14**	**(6,511)**	**(807)**	**13,718**	**(173,197)**	**(15,230)**	**(188,427)**	**(174,709)**
Transfers to/from Earmarked Reserves	0	0	0	0	0	0	**0**	0	0	**0**	**0**
(Increase)/Decrease in Year	22,521	579	(2,078)	14	(6,511)	(807)	**13,718**	(173,197)	(15,230)	**(188,427)**	**(174,709)**
Balance at 31 March carried forward	**(134,243)**	**(9,843)**	**(6,967)**	**0**	**(16,119)**	**(11,859)**	**(179,031)**	**(105,134)**	**8,824**	**(96,310)**	**(275,341)**

Group Balance Sheet

1st April 2020 (Restated) £000's	31st March 2021 (Restated) £000's	Group Balance Sheet Description	31st March 2022 £000's
562,984	557,906	Property, Plant & Equipment	599,189
24,592	26,353	Heritage Assets	26,353
26,638	24,168	Investment Property	24,805
2,656	3,597	Intangible Assets	3,744
23,170	23,400	Long term Investments	23,400
21,262	33,695	Long term debtors	36,329
661,302	**669,119**	**Long term assets**	**713,820**
5,269	521	Short Term Investments	5,504
1,377	1,177	Stocks & Work in progress	1,503
53,035	60,162	Sundry Debtors & Advance Payments	49,128
30,335	21,051	Cash and Cash Equivalents	46,577
511	622	Assets Held For Sale	624
90,527	**83,533**	**Current Assets**	**103,336**
(23,439)	(6,392)	Short Term Loans Outstanding	(14,344)
(177)	(145)	Deposit & Client Funds	(140)
(5,626)	(3,948)	Short Term Provisions	(1,876)
(49,298)	(43,749)	Sundry Creditors & Advance Receipts	(43,800)
(250)	(73)	Revenue Grants Receipts In Advance	(15,536)
(78,790)	**(54,307)**	**Current Liabilities**	**(75,696)**
(193,878)	(201,567)	External Loans Outstanding	(207,903)
(2,184)	(4,272)	Capital Grants Receipts in Advance	(10,675)
(49)	(27)	Finance Lease Liabilities	(4)
(3,018)	(1,640)	Deferred Liabilities	(685)
(261,425)	(382,312)	Pension Liability	(240,888)
(8,692)	(7,895)	Long Term Provisions	(5,964)
(469,246)	**(597,713)**	**Long Term Liabilities**	**(466,119)**
203,793	**100,632**	**Net Assets**	**275,341**
85,011	181,697	Usable Reserves – Council	167,172
10,265	11,052	Usable Reserves – Subsidiaries	11,859
117,769	(68,063)	Unusable Reserves – Council	105,134
(9,252)	(24,054)	Unusable Reserves – Subsidiaries	(8,824)
203,793	**100,632**	**Total Reserves**	**275,341**

Note: the Council's unusable reserve includes a prior period adjustment (Note 40) for the updated valuation of the investment in Manchester Airport.

Group Cash Flow Statement

Group Cashflow Statement	2020/21 £000's	2021/22 £000's
Net surplus or (deficit) on the provision of services	5,870	(6,768)
Adjustment to surplus or deficit on the provision of services for noncash movements	13,385	51,744
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(4,354)	(25,904)
Net Cash flows from Operating Activities	**14,901**	**19,072**
Net cash flows from Investing Activities	(11,607)	(8,291)
Net cash flows from Financing Activities	(12,578)	14,746
Net increase or (decrease) in cash and cash equivalents	**(9,284)**	**25,526**
Cash and cash equivalents at the beginning of the reporting period	30,335	21,051
Cash and cash equivalents at the end of the reporting period	**21,051**	**46,577**

Group Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

Group Cash Flows for Operating Activities	2020/21 £000's	2021/22 £000's
Interest received	3,822	4,398
Interest paid	(7,937)	(7,645)
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	2020/21 £000's	2021/22 £000's
Depreciation	14,470	14,971
Impairment and downward valuations	(3,861)	(12,618)
Amortisation	474	812
Movement in contract assets, liabilities and costs (IFRS 15)	0	0
Deferred revenue/ deferred payment agreements (IFRS 15)	0	0
Increase/(decrease) in impairment for expected credit losses	0	0
Increase/(decrease) in creditors	(7,016)	14,209
(Increase)/decrease in debtors	(21,190)	2,706
(Increase)/decrease in inventories	200	(328)
Movement in pension liability	5,951	31,803
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	26,521	4,491
Movements in the Value of Investment Properties	0	(292)
Other non-cash items charged to the net surplus or deficit on the provision of services	(2,163)	(4,010)
	13,386	**51,744**

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	2020/21 £000's	2021/22 £000's
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	4,750	0
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(551)	(4,135)
Any other items for which the cash effects are investing or financing cash flows	(8,553)	(21,769)
	(4,354)	**(25,904)**

Group Cash Flow Statement – Investing Activities

Group Cash Flow Statement - Investing Activities	2020/21 £000's	2021/22 £000's
Purchase of property, plant and equipment, investment property and intangible assets	(20,715)	(33,869)
Purchase of short-term and long-term investments	(3,740)	(5,500)
Other payments for investing activities	0	0
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	2,207	4,135
Proceeds from short-term and long-term investments	0	0
Other receipts from investing activities	10,641	26,943
Net cash flows from investing activities	**(11,607)**	**(8,291)**

Group Cash Flow Statement – Financing Activities

Group Cash Flow Statement - Financing Activities	2020/21 £000's	2021/22 £000's
Cash receipts of short- and long-term borrowing	12,300	20,000
Other receipts from financing activities	0	918
Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	(22)	(23)
Repayments of short- and long-term borrowing	(23,133)	(6,149)
Other payments for financing activities	(1,723)	0
Net cash flows from financing activities	**(12,578)**	**14,746**

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 2020 to 31 March 2021, therefore no adjustments are required regarding the accounting year.

Their financial statements have been consolidated on a line by line basis.

1. 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

2. 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 35.

Six Town Housing's Statement of Accounts 2021/2022 are audited by RSM and will be submitted to their Audit, Standards, Risk and Performance Committee on 2nd September 2022, followed by the Board meeting on 22nd September 2022.

Financial Transactions and Operations: In 2021/2022 Six Town Housing made a deficit of £2.191m compared to a surplus of £0.119m in 2020/2021. Bury Council paid management fees of £13.059m in 2021/2022 (£13.059m in 2020/2021) 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 a number of loans to Six Town Housing at commercial rates of interest. There was an additional loan of £0.5m in 2021/22, see table below:-

Loans by Bury Council to Six Town Housing							
	No of years of loan	**2011/12 £m**	**2013/14 £m**	**2014/15 £m**	**2015/16 £m**	**2021/22 £m**	**Total £m**
Redbank Housing Project	35.5	1.140					1.140
Mortgage Rescue	18		0.410	0.166			0.576
AGMA Loans	25			1.869	0.250		2.119
Short term loan	<1					0.500	0.500
TOTAL		**1.14**	**0.41**	**2.035**	**0.25**	**0.5**	**4.335**

Copies of Six Town Housing Ltd 2021/22 Statement of Accounts can be obtained from Six Town Housing Finance Department, 6, Knowsley Place, Angouleme Way, Bury BL9 0EL.

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 profit after tax of £0.579m for the year ended 31 March 2022 compared to a loss of £0.059m for the period to 31 March 2021. As at 31 March 2022, 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 2022 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 a loss before tax of £0.529m for the year ended 31 March 2022, compared to a loss of £0.045m for the period to 31 March 2021. Bury Council paid management fees of £11.068m in 2021/22 (£12.075m in 2020/21).

The Persona group of companies pre-audit accounts for the year ended 31 March 2022 have been used to prepare the group accounts. Both companies are audited by Horsfield and Smith Ltd.

3. 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 2021/22	Assets Under Construction £000's	Community Assets £000's	Council Dwellings £000's	Other Land & Buildings £000's	Surplus Assets £000's	Vehicles, Plant & Equipment £000's	TOTAL £000's
Certified Value as at 1st April 2021	**4,957**	**5,456**	**292,247**	**226,362**	**19,954**	**20,082**	**569,058**
Additions & Acquisitions	5,398	1,067	12,747	10,503	25	4,001	**33,741**
Revaluations Recognised in the Revaluation Reserve	-	-	3,651	290	2,251	-	**6,192**
Revaluations Recognised in the Surplus/Deficit on the Provision of Services	-	-	18,875	(2,026)	(24)	-	**16,825**
Disposals	(1,201)	-	(1,938)	(2,582)	-	(13)	**(5,734)**
Other Adjustments & Restatements	0	-	-	-	-	-	-
Reclassifications & Asset Transfers	-	-	-	-	-	-	**-**
Other Movements in Cost or Valuation	(270)	-	(26,631)	(4)	-	-	**(26,905)**
Movement in Cost/Valuation	**3,927**	**1,067**	**6,704**	**6,181**	**2,252**	**3,988**	**24,119**
Amount as at 31st March 2022	**8,884**	**6,523**	**298,951**	**232,543**	**22,206**	**24,071**	**593,177**
Accumulated Depreciation & Impairments as at 1st April 2021	**(270)**	**(2,146)**	**(16,259)**	**(17,192)**	**(775)**	**(13,860)**	**(50,503)**
Depreciation charged in year	-	-	(7,582)	(4,178)	-	(1,124)	**(12,884)**
Depreciation written out to the Revaluation Reserve	-	-	7,309	2,076	-	-	**9,385**
Depreciation written out to Surplus/Deficit on Provision of Services	-	-	0	539	-	-	**539**
Depreciation Written out on Disposal	-	-	45	15	-	5	**65**
Other Adjustments & Restatements	-	-	-	-	-	-	-
Reclassifications & Asset Transfers	-	-	-	-	-	-	**-**
Impairments Written to Revaluation Reserve	-	-	(7,309)	0	-	-	**(7,309)**
Impairments Recognised in the Surplus/Deficit on the Provision of Services	-	-	(5,209)	0	-	-	**(5,209)**
Other Movements in Depreciation and Impairment	270	-	26,631	4	-	-	**26,905**
Movement in Depreciation & Impairment	**270**	**-**	**13,885**	**(1,544)**	**0**	**(1,119)**	**11,492**
Amount as at 31st March 2022	**0**	**(2,146)**	**(2,374)**	**(18,736)**	**(775)**	**(14,980)**	**(39,010)**
Opening NBV	**4,687**	**3,310**	**275,988**	**209,169**	**19,179**	**6,222**	**518,556**
Total Movement	**4,197**	**1,067**	**20,589**	**4,638**	**2,252**	**2,869**	**35,611**
Closing NBV	**8,884**	**4,377**	**296,577**	**213,807**	**21,431**	**9,091**	**554,167**

Property, Plant and Equipment Note 2020/21	Assets Under Construction £000's	Community Assets £000's	Council Dwellings £000's	Other Land & Buildings £000's	Surplus Assets £000's	Vehicles, Plant & Equipment £000's	TOTAL £000's
Certified Value as at 1st April 2020	**6,252**	**5,364**	**267,381**	**247,657**	**19,712**	**18,412**	**564,778**
Additions & Acquisitions	4,991	92	7,948	3,137	261	1,673	**18,102**
Revaluations Recognised in the Revaluation Reserve	-	-	5,161	(1,277)	(1)	0	**3,883**
Revaluations Recognised in the Surplus/Deficit on the Provision of Services	-	0	11,684	(2,690)	(6)	0	**8,988**
Disposals	(1,299)	-	(1,591)	(23,921)	(99)	-	**(26,910)**
Reclassifications & Asset Transfers	(4,987)	-	1,664	3,453	87	0	**217**
Movement in Cost/Valuation	**(1,295)**	**92**	**24,866**	**(21,298)**	**242**	**1,673**	**4,280**
Amount as at 31st March 2021	**4,957**	**5,456**	**292,247**	**226,359**	**19,954**	**20,085**	**569,058**
Accumulated Depreciation & Impairments as at 1st April 2020	**(270)**	**(2,146)**	**(15,117)**	**(6,581)**	**(775)**	**(12,755)**	**(37,644)**
Depreciation charged in year	-	-	(7,634)	(4,506)	-	(1,108)	**(13,248)**
Depreciation written out to the Revaluation Reserve	-	-	7,082	831	-	-	**7,913**
Depreciation written out to Surplus/Deficit on Provision of Services	-	-	1	438	-	0	**439**
Depreciation Written out on Diposal	-	-	30	412	-	-	**442**
Reclassifications & Asset Transfers	-	-	-	-	-	-	**0**
Impairments Written Out on Revaluation	-	-	6,706	-	-	-	**6,706**
Impairments Written Out on Sale of Asset	-	-	479	-	-	-	**479**
Impairments Written to Revaluation Reserve	-	-	(7,081)	(2,999)	-	-	**(10,080)**
Impairments Recognised in the Surplus/Deficit on the Provision of Services	0	0	(725)	(4,785)	-	-	**(5,510)**
Movement in Depreciation & Impairment	**0**	**0**	**(1,142)**	**(10,609)**	**0**	**(1,108)**	**(12,859)**
Amount as at 31st March 2021	**(270)**	**(2,146)**	**(16,259)**	**(17,190)**	**(775)**	**(13,863)**	**(50,503)**

Opening NBV	**5,982**	**3,218**	**252,264**	**241,076**	**18,937**	**5,657**	**527,134**
Total Movement	**(1,295)**	**92**	**23,724**	**(31,907)**	**242**	**565**	**(8,579)**
Closing NBV	**4,687**	**3,310**	**275,988**	**209,169**	**19,179**	**6,222**	**518,555**

INFRASTRUCTURE ASSETS

Movements on balances

In accordance with the temporary relief offered by the the Update to the Code and Specifications for Future Codes for 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 £000's
Certified Valuation or Cost at 1 April	**39,351**
Additions in Year	7,779
Depreciation charged in year	(2,108)
As at 31st March	**45,022**

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

	2021/22 £000's
Infrastructure Assets	45,022
Other PPE Assets	552,395
Total PPE Assets	**597,417**

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.

4. Pensions

Employees of Bury Council and Six Town Housing Limited are enrolled in the Greater Manchester Pension Fund. 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 18.

Newer employees of Persona Care and Support Limited are enrolled in a defined contribution pension scheme. The pensions charge for the year ended 31 March 2022 was £0.158m (31 March 2021 - £0.152m).

The underlying assets and liabilities for retirement benefits attributable to the Group participation in the Greater Manchester Pension Fund as at 31 March are as follows:

	GMPF (Bury Council) £0	GMPF (Six Town Housing) £0	GMPF (Persona Care & Support) £0	31 Mar 2022 Total £0	31 Mar 2021 Total £0
Estimated Employers' Assets	887,993	54,575	42,271	984,839	926,183
Present Value of Scheme Liabilities	-1,118,435	-60,833	-46,459	-1,225,727	-1,308,495
Net Pension (Liability)/Asset	-230,442	-6,258	-4,188	-240,888	-382,312

The characteristics of the GMPF are set out in the single entity statements Note 18.

For Six Town Housing and for Persona Care & Support, the main financial assumptions are 3.15% for pensions increases (31 March 2021 - 2.80%); 3.93% for salary increases (31 March 2021 – 3.55%) and a discount rate of 2.75% (31 March 2021 - 2.05%). The major categories of group company plan assets as a percentage of total plan assets is as follows:

	31 March 2021 %	31 March 2022 %
Equity	71	66
Bonds	18	18
Property	9	11
Cash	3	4
	100	100

A reconciliation of the group position on the Greater Manchester pension fund is set out below:

Changes in the Fair Value of Plan Assets	Period ended 31 March 2022 Net (liability)/ Assets £000	Period ended 31 March 2022 Assets £000	Period ended 31 March 2022 Obligations £000	Period ended 31 March 2021 Net (liability)/ Assets £000	Period ended 31 March 2021 Assets £000	Period ended 31 March 2021 Obligations £000
Fair Value of Employer Assets	926,183	926,183	0	759,991	759,991	0
Present value of funded liabilities	(1,278,403)	0	(1,278,403)	(992,028)	0	(992,028)
Present value of unfunded liabilities	(30,091)	0	(30,091)	(29,388)	0	(29,388)
Opening position	(382,311)	926,183	(1,308,494)	(261,425)	759,991	(1,021,416)
Service Costs:						
- current service cost*	(42,519)	0	(42,519)	(28,608)	0	(28,608)
- past service costs (including curtailments)	(882)	0	(882)	2,607	0	2,607
Total service cost	(43,401)	0	(43,401)	(26,001)	0	(26,001)
Net Interest:						
- interest income on plan assets	18,482	18,482	0	17,488	17,488	0
- interest cost on defined benefit obligation	(26,374)	0	(26,374)	(23,446)	0	(23,446)
Total net interest	(7,892)	18,482	(26,374)	(5,958)	17,488	(23,446)
Total defined benefit cost recognised in Profit or (Loss)	(51,293)	18,482	(69,775)	(31,959)	17,488	(49,447)
Cashflows:						
- Contributions from Members	0	5,275	(5,275)	0	5,301	(5,301)
- Contributions from Employer	17,077	17,077	0	17,152	17,152	0
- Contributions in respect of unfunded benefits	2,413	2,413	0	2,509	2,509	0
- Benefits paid	0	(29,608)	29,608	0	(28,619)	28,619
- Unfunded benefits paid	0	(2,413)	2,413	0	(2,509)	2,509
Cashflows	19,490	(7,256)	26,746	19,661	(6,166)	25,827
Expected closing position	(414,114)	937,409	(1,351,523)	(273,723)	771,313	(1,045,036)
Remeasurements on Plan Assets:						
- Return on assets excluding amounts included in net interest	84,855	84,855	0	154,870	154,870	0
- Other experience	(37,425)	(37,425)	0	0	0	0
Remeasurements on Defined Benefit Obligation:						
- Changes in demographic assumptions	14,373	0	14,373	(6,873)	0	(6,873)
- Changes in financial assumptions	78,377	0	78,377	(265,835)	0	(265,835)
- Other experience	33,047	0	33,047	9,249	0	9,249
Total Remeasurements recognised in CIES	173,227	47,430	125,797	(108,589)	154,870	(263,459)
Fair Value of Employer Assets	984,839	984,839	0	926,183	926,183	0
Present Value of Funded liabilities	(1,199,025)	0	(1,199,025)	(1,278,404)	0	(1,278,404)
Present Value of Unfunded liabilities	(26,701)	0	(26,701)	(30,091)	0	(30,091)
Closing Position as at 31 March 2022	(240,887)	984,839	(1,225,726)	(382,312)	926,183	(1,308,495)

5. Cash and Cash Equivalents

Cash and Cash Equivalents	2020/21 £000's	2021/22 £000's
Cash held by the Authority	10,078	11,863
School Bank Accounts	796	1,178
Bank Call Accounts	15,428	38,062
Bank Overdraft	(5,251)	(4,526)
Total	**21,051**	**46,577**

6. Subsidiary Income and Expenditure

The operating expenditure and income of Six Town Housing has been included within "Non Service Specific". The operating expenditure and income of Bury MBC Townside Fields Limited has been included within "Corporate Core Services" whilst that of Persona Care & Support Limited has been included within "One Commissioning Organisation".

7. 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.

8. 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:

1. Recognising
2. Selecting measurement bases for, and
3. 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.

Ministry of Housing, Communities and Local Government (MHCLG)

MHCLG 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, but the partners' re4spective 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, 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 2021/22 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.

This page is intentionally left blank

Bury Council

Classification Open	Item No.

Meeting:	Audit Committee
Meeting date:	12th October 2023
Title of report:	Information Governance Update
Report by:	Julie Gallagher, Democratic Services Manager and Data Protection Officer
Decision Type:	For Information
Ward(s) to which report relates	All

Executive Summary:

Information Governance (IG) is the strategy or framework for handling personal information in a confidential and secure manner to appropriate ethical and quality standards, ensuring compliance with the relevant statutory and regulatory requirements. This report highlights improvements in training compliance, performance at responding to requests for information and dealing with data breaches. While the overall trend shows an increasing awareness of information governance in the Council, it is essential that this momentum is continued. Areas of particular focus over the coming months will be around reducing the levels of training non-compliance, and reinforcing lessons learned from data breaches.

Recommendation(s)

That Audit Committee note the 2023/24 performance from May to 30 September 2023.

Key considerations

Background

This report is to update Audit Committee on the Council's Information Governance activity up to the end of September 2023. As mentioned in the report to the July 2022 committee meeting, these reports now focus on the Council's 'business as usual' performance in the delivery of Information Governance.

Update of the Record of Processing Activities (RoPA)

Extensive work has previously been carried out to update the RoPA since the time of the ICO's visit in 2021 in order to develop a comprehensive RoPA, together with central repositories of related Information Governance documentation, such as Data Protection

Impact Assessments, Data Sharing Agreements, Data Processing Agreements, Privacy Notices, service delivery contracts.

Since the staffing changes in May, however, the Information Governance team does not have capacity to develop the RoPA and as such no progress has been made since that time. Recruitment for a new IG Manager is ongoing, at which time work to continue the RoPA will recommence.

Subject Access Requests (SAR) and SAR reviews

From May to 30 September 2023 we received 92 SARs

May: 19 SARs across the Council

June: 19 SARs across the Council

July: 18 SARs across the Council

August: 17 SARs across the Council

September: 19 SARs across the Council

We are currently developing a new approach to logging requests for SAR reviews, but we have received approximately nine reviews for Children's Services SARs.

We have experienced issues with delays in responding to SARs from the Children and Young People Directorate. When the requestor is unhappy with either the outcome of the SAR or the timescales involved the DPO undertakes a review of how the request was handled. The delays and issues have led to a number of DPO reviews and, in addition, investigations from the ICO regarding timescales.

These delays are a result of a number of factors: officers and social workers were replying to a number of similar SAR requests at the time, and there was a fairly large amount of information being collated.

When we receive a SAR the Business Support team undertake a thorough sift of the information before it is referred to a social work team manager for them to undertake further sifts and checks. As a result of the issues outlined above, in a particular case there was a delay in a social worker making time to check all the information sent out to ensure that any third party information was redacted, and this resulted in a data breach. The delays in this particular incident were as a result of the social worker's availability to undertake this second sift of the information.

These problems have been raised and discussed with Senior Managers in both Children's Services and Business Support to avoid this recurring in future. Both service areas are looking into changing procedures and processes to do this, including the recruitment of additional social work staff.

Freedom of Information (FOI) Requests and Reviews

From May to 30 September 2023 we received 179 FOIs

From May to 30 September 2023 we received 7 requests to review FOI responses.

	May	June	July	Aug	Sep
Total FOI Requests received	33	38	31	44	33
FOI Reviews	2	0	1	1	3

It should be noted that a significant number of FOI reviews were left outstanding following the previous IG Manager's departure and officers have been working to close these cases. These historical reviews are being closed, but with severely delayed timescales. Members are assured, however, that these delays will not continue for future reviews now this backlog of FOI reviews has been addressed and a new casework management tool for FOI is being introduced as a result of a review of our systems and processes relating to the management of Freedom of Information requests.

The system changes will improve our case management and reporting arrangements, so that performance reporting is more efficient as we will minimise the time spent on the manual intervention, which will release capacity for quality checking. It will also provide additional benefits of increased automation, for example requestors will receive an automatic acknowledgement; reminders will be issued at key stages leading up to the 20 working day deadline to mitigate delays, and strengthened record keeping which will also be automated.

Data Breaches

From May to 30 September 2023 we received a total of 56 breaches.

	May	June	July	August	September
BGI	0	3	1	0	0
Corp. Core	3	4	6	9	3
CYP	2	2	3	2	5
Health & Adult Care	2	3	1	1	1
Operations	1	0	2	1	1
Other	1	0	0	0	0
Total	**9**	**12**	**13**	**13**	**10**

Although numbers have seen an increase, this is continuing a trend observed from the last 12 months following promotion of awareness of the need to report data breaches.

Officers are therefore confident that these figures reflect the better reporting practices, rather than mistakes happening more. This is supported by the large number of emails and calls IG officers receive asking for general IG advice (i.e. determining whether a breach has occurred, asking for guidance before sending responses, enquiring about good practice, etc.).

Members are assured that the vast majority of these breaches are relatively minor mistakes, with limited risk of harm to individuals. Almost all breaches are due to human error. Some of the themes and recurring issues are that of:

- Incorrect contact information being used (either from auto-populated addresses or similarly named recipients);
- Incorrect information on service software;
- Attachments not being double checked before being sent.

The DPO reviews every data breach and provides advice in terms of mitigation (e.g. further training, implementing an auto-delay on emails being sent, informing those affected etc.) to close off risk of harm to the individuals involved, and to learn lessons from the mistake and prevent it happening again. We log all data breaches; these are shared with the Exec team and the Corporate Governance Group, and a letter is sent to the person undertaking the breach.

For more serious breaches (generally those that involve children or vulnerable people’s data), the DPO contacts the ICO for advice and assistance. For example, the incorrectly redacted SAR case outlined above was proactively reported to the ICO which was deemed no further action upon their review.

Complaints upheld by the ICO

From May to end of September 2023, we received no decision notices from the ICO. We are awaiting the ICO’s response on one outstanding case currently.

Despite no decision notices being issued, the ICO have issued warnings over delayed timescales. These are predominantly the Children’s Services responses to SARs, as outlined previously in this report.

The DPO has a good working relationship with ICO, contacting them as needed for advice and guidance on more serious breaches. Most of these are not reportable, and ICO officers are satisfied with the actions Bury Council has taken as a result of breaches which indicates our response and mitigation actions are appropriate, proportionate, and prompt.

Training

Training is monitored on a monthly basis, with a spreadsheet of non-compliant officers considered by IG Officers, the Exec Team, and the Corporate Governance Group. The DPO sends through a spreadsheet of non-compliant officers with Executive Directors and Assistant Directors, who then share names with relevant Heads of Service, who should then liaise with officers (either directly or through Line Managers) to highlight the importance of completing this training in the next two weeks.

If, two weeks later, any officers still appear on the list of non-compliance, the DPO will send a warning directly to officers to let the officer know their access to ICT will be revoked should the training not be carried out within a two week period. If this is missed again, access will be revoked.

This process has been underway since July; the non-compliance figures for each department are as follows:

	July	August	September	October
BGI (111 staff in department)	11 users (recurrent not tracked)	12 users ↑ 7 recurrent	15 users ↑ 10 recurrent ↑	6 users ↓ 4 recurrent ↓
Corporate Core (373 staff in department)	23 users (recurrent not tracked)	33 users ↑ 15 recurrent	29 users ↓ 21 recurrent ↑	15 users ↓ 8 recurrent ↓
CYP (512 staff in department)	82 users (recurrent not tracked)	87 users ↑ 74 recurrent	135 users ↑ 71 recurrent ↓	114 users ↓ 106 recurrent ↑
Finance (152 staff in department)	21 users (recurrent not tracked)	17 users ↓ 12 recurrent	17 users ⇔ 11 recurrent ↓	4 users ↓ 3 recurrent ↓
Health & Adult Care (431 staff in department)	68 users (recurrent not tracked)	57 users ↓ 43 recurrent	62 users ↑ 46 recurrent ↑	48 users ↓ 39 recurrent ↓
Operations (866 staff in department)	265 users (recurrent not tracked)	262 users ↓ 252 recurrent	275 users ↑ 248 recurrent ↓	294 users ↑ 271 recurrent ↑

Non-compliance broadly increased from August to September, likely as a result of summer holidays and annual leave. Figures then mostly reduced in October, probably due to officers returning in September from leave and catching up with training requirements.

It should be noted that Ops have high numbers of non-compliance, but this is skewed from the large number of frontline staff who do not have regular access to ICT and are unable to complete the training online. The current process for frontline staff is that they are talked through a hard copy training guide as part of a 'toolbox talk' or team meeting. Once complete, the manager completes a spreadsheet and sends it to PSD to update training records, but this can take some time to process and feed into the figures IG officers receive. Although holding the highest levels of non-compliance, it should be noted that Operations teams are responsible for very few data breaches, reflecting the high number of frontline staff who do not habitually interact with personal data.

Compliance remains an area that officers are working to improve, with Exec Team regularly informed of non-compliance figures.

Community impact/links with Community Strategy

Equality Impact and considerations:

Equality Analysis	*Please provide a written explanation of the outcome(s) of either conducting an initial or full EA.*
N/A	

Assessment of Risk:

The following risks apply to the decision:

Risk / opportunity	**Mitigation**
Without a robust framework in place to support good Information Governance practice, there is a risk that the Council may not comply with the duties set out in the UK General Data Protection Regulations (GDPR) or Data Protection Act leading to possible data breaches, loss of public confidence, reputational damage and prosecution / fines by the Information Commissioner.	Approval and Implement of the Information Governance Framework Implementation of a comprehensive Information Governance work programme

Consultation:

Legal Implications:

This report provides an update to audit committee regarding the embedding of our obligations across the organisation. The report references the Council's statutory duties and obligations under the UK GDPR, Data protection Act 2018, FOIA and associated legislation and guidance. The Council has duties under this legislation in terms of accountability and compliance and must ensure it has appropriate policies and procedures in place. A failure to ensure compliance could result in enforcement action by the ICO.

Financial Implications:

With the exception of the procurement of appropriate training there are no direct financial implications arising from this report. However, there are implications in relation to a potential ICO fine if the Council had a data breach and the ICO found that we as an organisation were negligent.

Report Author and Contact Details:
Julie Gallagher
Democratic Services Manager and Data Protection Officer
julie.gallagher@bury.gov.uk

Background papers:

Report to Audit Committee 1 December 2022 - https://councildecisions.bury.gov.uk/documents/s33397/Information%20Governance%20Update%20011222%20Final.pdf

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

Term	Meaning
BGI	Business Growth and Improvement
CYP	Children and Young People
DPO	Data Protection Officer
FOIA	Freedom of Information Act 2000
GDPR	General Data Protection Regulations 2018
HAC	Health and Adult Care
IG	Information Governance
Ops	Operations

ROPA	Record of Processing activity
SAR	Subject Access Request

Classification: Open	Decision Type: N/a

Report to:	Audit Committee	**Date:** 12 October 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.
- Twelve reviews have concluded, and reports have been issued to Members since the beginning of the financial year. Eight reports relate to the 2022/23 annual audit plan and were considered when formulating the annual audit opinion for 2022/23. Four reports relate to the 2023/24 annual audit plan.
- Work on 2023/24 plan is progressing. Sixteen reviews are ongoing, two reviews are at draft report stage. Three reviews which were in progress have been put on hold and deferred until quarter 4 of 2023/24.
- Ten follow up exercises have been completed during Quarter 2.
- An additional second-follow up exercise has been introduced to pick up any recommendations not implemented or only partially implemented.
- Resources originally calculated as available for the delivery of the annual plan need to be reduced by 100 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

---

Report Author and Contact Details:

Name: Janet Spelzini
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 July 2023 to 30th September 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 second report of the 2023/24 financial year covering the period from 1st July 2023 to 30th September 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 September 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.

..

2.2.2 Eight audits that have been finalised and issued since 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, and 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 were provided to Committee Members for each of these reviews, during the Committee meeting on 31st July 2023.

2.2.3 The Table below summarises four audits that have been finalised and issued since 30th June 2023, and the corresponding number of agreed actions and overall level of assurance provided for each of those audits. These reports will be considered when formulating the annual opinion of the Head of Fraud, Audit, Insurance and Risk which will be reflected in the Annual governance Statement for 2023/24.

Table 1: Final Reports Issued during Quarter 2 2023/24

Audit	Number of agreed actions and priority				Level of Assurance
	Fundamental	Significant	Merits Attention	Total	
Bury Council					
Chesham Primary School	13	17	0	30	Limited
Home Care Packages	0	4	2	6	Substantial
Housing Benefit Key Controls 2022/23	0	2	0	2	Substantial
Housing Development Programme	0	0	1	1	Full
Total	13	23	3	39	

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).

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 three 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.

Since last reporting to Audit Committee in July 2023, Internal Audit processes have been amended, to support the strengthening of Corporate Governance within the organisation, and a second follow up will be undertaken six weeks after the first follow up, to pick up on any recommendations that have not been implemented or only had partial implementation. Updates will be provided to Audit Committee.

A recommendation tracker has been developed and all fundamental and significant recommendations made and, progress to implement these recommendations, will also be reported to the newly established Corporate Governance Group, which is headed by the Council Monitoring Officer.

There are no plans for a third follow-up process. Any reviews with recommendations which have not been implemented / only partially implemented will then be considered for inclusion in future audit plans for a full audit review.

Since July a further 10 first follow up exercises have taken place, two of which were to follow up recommendations made to Six Town Housing. For those follow-ups relating to recommendations made to the Council, the details are summarised, (unshaded background), in the table below. Further information is shared in part B of the meeting on 12th October 2023. The follow ups for Six Town Housing have yet to be presented to Six Town Housing Audit Committee, these will be brought to Council Audit Committee in December 2023.

Table 1: First Follow Ups Undertaken during 2023/24

Audit	Number of agreed actions and priorities (fundamental and significant only)		
	Fundamental	Significant	Follow up number of recs fully implemented
Complaints Procedures - CYP	0	1	0 of 1
Contracts Register	0	2	1 of 2
Debtors Key Controls 21/22	2	4	1 of 6
Housing Benefits Key Controls 21/22	1	0	0 of 1
NNDR Key Controls 21/22	0	2	0 of 2

Council Tax Key Controls 21/22	0	2	0 of 2
Main Accounting Key Controls 21/22	2	4	3 of 6
Transport Stores	3	10	8 of 13

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 was reported to July 2023 Committee that it was expected that draft reports for these subjects would be issued in August 2023, with final reports being brought to Audit Committee in October 2023. These reviews are still ongoing and being finalised. Reviews have been delayed due to a variety of reasons, including auditor being required to undertake other unplanned works and delays ascertaining system access and gathering information to progress the review, It is expected that these reviews will be completed with final reports being brought to Audit Committee in December 2023.

2023/24

- Car Parking Income *
- Rent Collection from Commercial Tenants *
- Persona – Property & Building Maintenance *
- CCTV Code of Practice
- Persona – Debtors
- Persona – Creditors
- Persona – Payroll
- Independent Foster Agency

- School and College Transport
- STH – Right to Buy
- NNDR
- Substance Misuse Commissioning
- Department of Work & Pensions – Memorandum of Understanding

The July 2023 report indicated that for those subjects marked *, draft reports would be issued to client before Audit Committee met in October 2023. There have been delays progressing these reviews for a variety of reasons, including one auditor providing support to the Insurance section of the FAIR Team, one auditor being required to undertake unplanned works and for one review, delays engaging with the client to commence a review.

It is expected that as a minimum, draft reports will have been issued to client before next Audit Committee which meets in December 2023.

It was also reported in July 2023 that three audit reviews, Debtors Key Controls 2022/23, Council Tax Key Controls 2022/23 and Corporate Complaints were being undertaken. These audits have been put on hold and will be completed in quarter 4 of this financial year. A request has been received from the Council monitoring Officer to defer the Complaints review to allow a new process to embed, and for the audit to therefore add more value by testing the controls in the new procedures. The key control audits normally focus on transactions made in the previous financial year, in this case, 2022/23, however as there are many changes currently being made to finance systems and procedures, to address previous audit recommendations, and also due to changes to staffing responsibilities following the Finance Department restructure, the key control reviews have been deferred to quarter 4 and will focus on examining the revised processes using 2023/24 transactions.

2.4.2 Assurance work – Draft reports

- Six Town Housing – Debtor Invoice Processing
- Fleet Management

It is expected that final reports will have been issued to client and Audit Committee Members before Audit Committee meets in December 2023.

2.4.3 Grants

There have been no grants reviewed during the current financial year.

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 of 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.

Advice since last Committee in July 2023:-

- Advice and guidance has been provided to enhance the current processes and procedures in relation to verification of bank details and amendments to details within the Councils finance system.
- Work is undertaken with Registrars on a monthly basis to securely destroy any spoilt certificates.
- Support has been provided to the Insurance Team, analysing information within budgets.
- Advice and guidance has been provided to ICT in relation to device purchases and transfer of work mobile phone numbers.

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 2,983 matches have been progressed and no frauds have yet been identified. 350 errors have been identified, and a sum of £20,585.15 is in the process of being recovered. Additionally, projected future savings to date, i.e. savings which potentially will be made by updating records from information identified in NFI matches, are £222,148.50

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 been undertaken to review the document. Three areas were considered and presented to and approved by Audit Committee in July 2023: -

- Bury Anti -Fraud and Corruption Strategy
- Bury Fraud and Corruption Prosecution Policy
- Bury Council Whistleblowing Policy

Two final sections have been reviewed and are presented as a separate agenda item to this Audit Committee: -

- Anti-Money Laundering Guidance
- Anti-Bribery Policy

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 have consulted with colleagues from Childrens Services and have developed a school audit plan to be delivered during 2023/24. Request have been made for 10 school reviews to be undertaken. This has been provisionally agreed but caveated that the time taken to complete reviews will be monitored and there may be a need to take uncompleted reviews forward into the 2024/25 financial year. Schools audit visits are to commence after October half term.

In addition, arrangements remain in place that Internal Audit will undertake School Audits on requests received, during the year, 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.

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 / Deferral of ongoing work

2.8.1. <u>Staffing</u>

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.
- A member of the internal audit team having to be seconded over for 1 to 2 days per week to provide help within the insurance team to maintain stability due to vacancies and a long-term sickness.
- Since the Audit Committee met in July 2023, work took place examining the annual key controls for eight finance systems. Approximately 40 days were spent on this work and the work has now been put on hold until quarter 4, for reasons explained in 2.4.1 of this report.

The total number of days which may need to be removed from the plan are 100, 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. The progress against the current plan will continue to be monitored and the plan will be reviewed and any proposed revisions will be brought to Audit Committee in December 2023.

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

This page is intentionally left blank

Annex 1 Internal Audit Plan 2023/24

Updated to show position as at end of September 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 Deferred to Q4 23/24 on request of Director of Law and Democratic Services
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 Reviews completed: - Housing Benefits Other reviews deferred to Q4: • Debtors • Creditors • Council Tax • Main Accounting • Treasury Management • Payroll • Cash Collection and Banking NNDR key controls will not be assessed but subject to a full system review.

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 Accountancy team are undertaking a zero-based budget exercise across the organisation and, additionally Finance Improvement Panel are scrutinising Council Financial position. Potential for review to be removed from plan. Consider when review audit plan in quarter 3.
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. In progress
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 Review in progress.
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 Audit to be deferred to Q4 due to staff sickness and vacancies

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 No grant claims have been received to date.
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 Review in progress.
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	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

		of services to residents.				
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 Review in progress
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 Review in progress

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 benchmarking processes are in place and review.	15	QTR3	Roll forward from 22/23
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. One review undertaken at request of Childrens Services – Chesham Primary School. Completed – Final report issued.

						Now agreed a schedule of 10 schools for audit review, caveat, that time spent to be monitored and not all 10 may be deliverable and school reviews may have to roll forward into 2024/25. School Audits to commence after October half-term.
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 Review in progress
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
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments

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 Review in progress
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 Review in progress – draft report prepared.
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 Review in progress
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	15	QTR 3	Roll forward from 22/23

			initiation, procurement of works, ongoing monitoring, and administration of payments, record keeping and post project implementation review.			
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	 Complete – Final report issued Complete - Final report issued to Members Complete – Final report issued Review in progress Draft report issued to client – awaiting response
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 – Review in progress • Procurement • Housing Rents Key Controls 2023/24 – moved to Q4. Also, complete two reviews outstanding from 2022/23 • Invoice Processing – Draft report issued to client. • Arrears Prevention – Review in progress and undertake 6 follow up exercises to reports issued in 2022/23. Provision for Persona 20 – plan now agreed with Persona:- • Debtors – Review in progress • Creditors – Review in progress • Payroll – Review in progress • Property – Leasing and Building Maintenance – Review in progress. • 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 Follow ups completed quarter 2:- • Complaints Procedures – Childrens Services • Contracts Register • STH – Anti-Social Behaviour • Debtors Key Controls 21/22 • Housing Benefit Key Controls 21/22 • NNDR Key Controls 21/22 • STH – No Access • Council Tax Key Controls 21/22 • Main Accounting Key Controls 21/22 • Transport Stores Follow ups currently in progress: • STH – Hoarders • Cash and Bank Key Controls 21/22 • Creditors Key Controls 21/22 • Treasury Management Key Controls 21/22 • STH – Procurement & Delivery of Capital Programme • STH – Whistleblowing Allegations • Transport Stores

		• CBRE
Contingency for GMCA Collaboration / reactive GM assurance work	5	PSIAS Reviews to be undertaken at two North West Councils.
Contingency for Investigations and supporting the council's counter fraud strategy, including revision of whistleblowing policy.	60	Provision increased from 22/23. Whistleblowing case investigated and report prepared.
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 and reduced duplication of effort. • Developing a recommendation tracker using excel • Commenced review of Anti-fraud and corruption strategy Quarter 2 • Audit server further cleansed and restructured. • Audit working paper package reviewed and a number of administrative processes reduced.

		• Developed a recommendation tracker using excel. • Introduced a formal file closure process. • Reviewed and amended the follow up process.
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 – engagement process starter – Auditors due on site in October 2023. • Software Licensing – planned for Q3 or early Q4
Total:	714	
Combined Total:	1337	
Audit days to be delivered	**898**	(Exclude 155+284)

This page is intentionally left blank

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.

This page is intentionally left blank

Classification: Open	Decision Type: N/a

Report to:	Audit Committee	Date: 12 October 2023
Subject:	Annual Fraud Plan	
Report of	Section 151 Officer	

Summary

This report presents the Annual Fraud Plan for 2023/24 and also provides an update of the work undertaken by the Fraud Team from 1st April.2023 to 30th September 2023

The conclusions drawn from the report are:

- The Counter Fraud Team have reviewed and updated 5 policies:-
    - Anti-Fraud and Corruption Strategy
    - Fraud and Corruption Prosecution Policy
    - Whistleblowing Policy
    - Anti-Bribery and Corruption Policy
    - Anti- Money Laundering Policy
- The National Fraud Initiative results are being checked. The Fraud Team have checked 731 entries resulting in 340 Blue Badges being cancelled with a Cabinet Office estimated saving of £221,000.
- A review has been conducted of Business Rates accounts following work generated from Covid-19 Business Support Grants. 58 Business Rates accounts have been identified where there may be income totalling £740,000 which may be eligible for recovery. Additionally, covid-grant overpayments of £245,000 have also been identified, All this information has been passed to the Revenues and Benefits Team for their review and appropriate recovery action.

Recommendation(s)

- Members Approve the Annual Fraud Plan
- Members note this report and the work undertaken by the fraud team.

Report Author and Contact Details:

Name: Janet Spelzini
Position: Head of Fraud, Audit, Insurance and Risk
Department: Corporate Core - Finance
E-mail: j.spelzini@bury.gov.uk

:

Background

- The Fraud Investigators are members of the FAIR (Fraud, Audit, Insurance and Risk) Team. The team comprises two Senior fraud Investigators, one of which is part-time, (FTE 84%) and one Fraud Investigator. The team have been established for approximately 8 years; however, they were previously based within the Revenue and Benefits Team and transferred to FAIR following the restructure of the Finance Department which was implemented in January 2023.

- A plan has been compiled which sets out the work the team aims to deliver throughout 2023/24. This is the first time that a plan has been drawn up for the team and it is very much based on the teams' experience and knowledge of work undertaken in previous years. It is the intention that the plan will be under continuous review and will be developed. The team have contacts within Councils both within the boundaries of GMCA and in other regions in the country. By networking and liaising with other teams, the team become aware of any topics / subject areas which fraudsters may be targeting and become aware of work and developments that other colleagues are undertaking. This knowledge will be taken-into account and topics identified will be considered for inclusion in future plans for the Bury team.

ISSUES

- The annual plan for 2023/24 provides for 464 days to be delivered throughout 2023/24. The plan is attached to this report, Appendix A.

- It is intended that updates of the work of the team, including details of any reports produced and funds recovered, will be shared with Audit Committee Members. All the work undertaken is of a confidential nature and therefore will be presented in Part B of the meeting, which is closed to the press and public.

- This report also provides the first update to Audit Committee of the work undertaken from 1st April 2023 to 30th September 2023.

Fraud Awareness and Prevention

The Counter Fraud Team have reviewed and updated 5 policies. Three policies were presented to and approved by Audit Committee in July 2023. These were: -

- Anti-Fraud and Corruption Strategy
- Fraud and Corruption Prosecution Policy
- Whistleblowing Policy

The remaining two policies are presented to Audit Committee on 12th October 2023. These are: -

- Anti-Bribery and Corruption Policy
- Anti- Money Laundering Policy

Pro-Active Counter Fraud Activity

National Fraud Initiative (NFI)

- This year, the Counter Fraud Team are leading on checking data matches that are received from the NFI.

- A total of 731 matches have been checked during quarters 1 and 2, resulting in 340 Blue Badges being cancelled with a Cabinet Office estimated saving of £221,000. The team have since received two reports of Blue Badge misuse from badge numbers included in those 340 cancelled. This shows if the badges were still in circulation (over the 3-year period) it could result in a considerable loss in parking charges to the Council.

- Other NFI matches have resulted in further cases being opened for investigation which are ongoing.

Operation Challenger

- The Counter Fraud Team not only investigates cases of fraud, but also provides a wealth of advice across the Council to services and to external bodies including immigration and the police.

- A combination of intelligence, skills and powers from the different enforcement agencies are used to prevent and detect fraud within the Borough.

- Currently the following cross-agency teams attend the bi-monthly meeting: GMP – Organised Crime Team; Safeguarding, Intelligence Officers, Bury Council - Fraud; Trading Standards; Private Sector Housing, DWP – Fraud, Probation Service, Immigration Services and the Fire Service.

The Counter Fraud Team have dealt with 35 ‘police checks’ on Bury Council systems, to help the police gather intelligence to tackle crime. These checks include some in-depth requests providing information to combat organised crime which have resulted in the discovery of several large cannabis farms.

The Counter Fraud Team participated in a day of action on 28th June 2023. The day of action resulted in fraud referrals being made in respect of Business Rates. These referrals are still being investigated and there is the possibility that successful results will lead to increased income for the Council in this and future years.

Responsive Investigation Activity

A total of 444 fraud referrals were received during the first 2 quarters of this financial year which include 28 Blue Badge misuse referrals and 43 Right to Buy applications requiring additional checks including Money Laundering checks.

The main sources of these referrals came from the National Fraud Initiative exercise (NFI), NSL Limited (Council’s contractor for car parking inspections), Six Town Housing, anonymous referrals and referrals from other members of Council staff.

A number of these referrals do not progress to formal investigation by the team because after initial examination and research there is not enough information to progress the matter.

The team completed one HR investigation which resulted in a final written warning being issued to the Council employee.

Other Counter Fraud Activity

The Counter Fraud Team have continued to deal with fraud work related to COVID-19, including allegations of fraud arising from the Pandemic.

The team have documented the details of their findings which highlights Business Rates accounts which require a review of charges and grant eligibility.

The report outlines 58 Business Rates accounts for review with a potential value of approximately £740,000 in additional Business Rates charges which may need to be recovered and £245,000 in Covid-19 grant overpayments. This information has been passed to the Business Rates Team for review and to take any appropriate recovery action. The Fraud Team will continue to liaise with the Business Rates Team and will bring any further updates on this exercise to future Audit Committees.

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 and also work in partnership with other agencies, e.g. Greater Manchester Police, 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, in particular that Bury funds are protected to deliver services to Bury residents.

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:

The Council must have a sound system of internal control which includes the work of the fraud team having an effective annual plan and regular review of the key policies is good practice to ensure that the Council meets its legal obligations and ensures compliance with the Council's constitution.

Financial Implications:

Whilst there are no direct financial implications arising from this report, the work of the fraud team to prevent, detect fraud and prosecute where fraud is found to have occurred can result in recovery of funds to the Council.

Background papers:

Please list any background documents to this report and include a hyperlink where possible.

- Counter Fraud Strategy
- Fraud Plan 2023/24

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

Term	Meaning

FAIR Team	Fraud, Audit, Insurance and Risk Team

This page is intentionally left blank

Bury Council

2023-24 Counter Fraud Plan

The Plan is intended to provide a clear picture of how the Council intends to use the Counter Fraud team, reflecting all areas of work that the team may be involved in during the financial year.

The Counter Fraud Team comprises two Senior Fraud Investigators and one Fraud Investigator. After taking into account provisions for non- fraud duties, such as, holidays, sickness, training and administration / management time, totaling 325 days, there are 464 working days available to undertake fraud duties.

The plan includes, activity linked to fraud awareness and prevention, proactive counter fraud work and responsive investigations.

It should be noted that some of the activity is aspirational and dependent on the resource available as the investigation of suspected fraud must take priority. For example, if the data matching activity linked to the National Fraud Initiative creates a significant volume of cases to be investigated, it may not be appropriate to undertake further pro-active exercises.

Fraud Awareness & Prevention

Ref	Activity	Scope	Target quarter for completion	Days Allocated	Comments
1	Corporate Policies	Review and refresh the following policies to ensure they remain in line with best practice. • Anti-Fraud and Corruption Strategy • Fraud and Corruption Prosecution Policy • Whistleblowing Policy • Anti-Bribery and Corruption Policy • Anti-Money Laundering Policy	Q1 Q2 Q1 Q2 Q2	10	Completed – all policies reviewed, and presented to Audit Committee July and October 2023

2	Fraud Awareness Training	Review and if required refresh e-learning training module for fraud awareness Plan awareness sessions and training for a range of staff and Members to increase knowledge of fraud risks, their role in prevention activity and the processes to refer suspicions to the counter fraud team.	Q4 Q4	5	
3	Fraud Risk Assessments	Identify fraud risk areas in the Council by developing working arrangements with service departments.	Q4	5	
4	Corporate Working Groups	Attend Corporate Working Group meetings and Project Boards to offer advice on fraud risks and prevention.	Ongoing	2	Attended group with Parking Services and Customer Services to advise of Resident Parking Permit process. Attended group meeting for Business Rates. Attended group meeting with Six Town Housing.
5	Review of Right to Buy Processes	Taking a digital first approach and moving forms online Review fraud risks of the application stages of the RTB process.	Q3 Q4	15	Work in progress – advising in the process of moving paper based right to buy applications to an online process Undertake fraud checks on RTB applications throughout the year.

					Link in with Internal Audit review of the RTB Process, and assist with any fraud checks / advice to support the review.
6	Review of Blue Badge Processes	Establish process for badges confiscated by other authorities Re-establish links with Parking Services and NSL to encourage the real time reporting of Blue Badge misuse to enable better case outcomes.	Q1 Q4	4	Complete – worked with contact centre to establish process for handling badges which have been confiscated by other authorities, as being mis-used, and returned to Bury. Agreed process for returning the badge to the holder.
7	Communicate Successful cases	Develop communications strategy to publish counter fraud and corruption news internally and externally.	Ongoing	3	

Pro-Active Counter Fraud Activity

Ref	Activity	Scope	Target	Days Allocated	Comments
1	NFI	Coordinate the Council's participation in National Fraud Initiative Exercises, including assessments of referrals received and liaison with relevant departments on actions required.	Q3	75	Work in progress

2	Right to Buy Checks	Perform checks on all Right to Buy applications to identify any potential fraud including money laundering.	Ongoing	50	Ongoing
3	Stand alone Council Tax Support	Perform checks on a sample of accounts where Council Tax Support has been awarded where Benefits payments are not in place, ensuring that the homeowner is eligible for Council tax Support	Q4	30	
4.	Welfare Payments	Perform checks on a sample of Welfare payments made by the Revenues and Benefits Services to ensure that the recipient was eligible for the payment.	Q4	30	
5.	Adult Care - Direct Payments	Perform checks on a sample of Direct payments made to individuals who arrange their own care to ensure that the applicant was eligible for the payment and that the payments are being used appropriately. .	Q4	30	

Responsive Investigation Activity

Ref	Activity	Scope	Target	Days Allocated	Comments
1	Responsive investigation work(external)	Conduct investigations into referrals of suspected fraud committed against the Council by external sources. This may include but is not limited to illegal subletting of council houses, Council Tax single person discount fraud, Council Tax Support Fraud, Blue Badge misuse, Business Rates Relief frauds and invoice fraud.	Ongoing	131	Ongoing
2	Responsive investigation work(Internal)	Conduct investigations into suspected fraud or malpractice and assist with disciplinary investigations as required.	Ongoing	20	Ongoing

Other Counter Fraud Activity

Ref	Activity	Scope	Target	Days Allocated	Comments
1	Review findings of COVID 19 Grant cases	Investigate and review individual allegations of COVID 19 Grant fraud and assess any further impact on Business Rates Accounts for discounts, reliefs and exemptions.	Q2	25	Completed
2	Keep up to date with best practice	Assess ourselves against Fighting Fraud & Corruption Locally Strategy Attend Lancashire & Greater Manchester Fraud Investigators Group	Q4 Ongoing	8	Ongoing
3	Responding to information requests	Respond to information requests from the Police, local authorities and other investigatory bodies under exemptions in the Data Protection Act/General Data Protection Regulations.	Ongoing	14	Ongoing
4	Partnership working	Attend Organised Crime Group meetings, share information and participate in days of action to support Greater Manchester Police in making Bury a hostile environment for criminal activity.	Ongoing	7	Ongoing

Non-Fraud Activity (325 days)

Ref	Activity	Scope	Target	Days Allocated
1	Management / Admin	Supervision, HR responsibilities (e.g. 1:1's, Health and Safety / risk assessments), CE briefings Administration – electronic file maintenance / server maintenance	Ongoing	83
3	Training	Senior Fraud Investigator commencing CIPFA in September Management Development Programme (2 Senior Fraud Investigators Fraud Investigator completed Counter Fraud Investigator Level 4	Ongoing	78

4	Annual leave / banked leave / purchased leave/ bank holidays / sickness		Ongoing	164
	Total			325

ANTI-BRIBERY POLICY

What is bribery?

Bribery is an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage.

Bribery could be through:

- The giving, promising to give or offering payment, gift or hospitality in the hope of gaining a business advantage.
- Accepting a payment from a third party when you know or suspect that it is offered with the expectation of business advantage.

Anyone receiving, or providing, gifts and hospitality, or having a business or personal interest beyond their main role within the Council, needs to consider whether their actions leave themselves and/or the Council vulnerable to allegations of bribery. Procurement, recruitment, key decision-making, and contract management are all areas of vulnerability.

Council's statement

Bribery is a criminal offence. The Council does not pay or accept bribes or offer or accept improper inducements.

The Council is committed to the prevention and detection of bribery and aims to maintain arrangements to ensure compliance.

The Council is committed to:

- setting and maintaining a clear anti-bribery policy
- making all members and employees aware of this policy
- ensuring there are appropriate mechanisms for Members and employees to report any potential conflicts of interest
- encouraging vigilance
- ensuring there are suitable channels for Members, employees and the general public to report concerns.
- taking appropriate action when a concern comes to light.

Bribery Act 2010

The Act sets out the offences that relate to the behaviour of an individual.

- Bribery of another person (section 1)
- Accepting a bribe (section 2)
- Bribing a foreign official (section 6)

The Act also sets out the corporate responsibility by the offence of failing to prevent bribery (section 7). The organisation will have a defence to this corporate offence if it can demonstrate that it had adequate procedures in place to prevent bribery.

What are the penalties?

For an individual who commits an offence under this act the maximum penalties are:

- Conviction in a magistrates' court – imprisonment term of 12 months and a fine of £5,000
- Conviction in a crown court – imprisonment term of 10 years and an unlimited fine

If the Council was found to have committed the offence under section 7 there is an unlimited fine.

Employees who are found to have breached this policy may also be subject to disciplinary action.

Who in the Council is covered by this policy?

This policy covers all personnel.

This includes all levels and grades of employees, employed on a permanent or temporary basis, working in all areas of the Council's business. It also includes contractors, volunteers and consultants. For ease of reference when this policy refers to "employees" it relates to all of the above. The policy is also relevant to Members.

The Council will share this policy with schools to ensure that they are aware of the policy and are able to introduce their own policy which should be complied with.

The Council will also seek to promote this policy with partners and suppliers and will expect them to bring it to the attention of their staff when they are working for the Council and for large partner organisations and suppliers to have similar policies in place.

Employee responsibilities

All employees are required to:

- act with honesty and integrity at all times
- avoid activity that breaches this policy
- read and understand this policy
- raise concerns if they believe/suspect a conflict with this policy has occurred, or is likely to occur in the future

Corporate responsibilities

There is a corporate responsibility to ensure that the policy and procedures in place are appropriate.

Proportionality

The policy and procedures have been developed based on the nature of the risk that the Council faces. In order to determine this the level and nature of the risk has been assessed.

Top level commitment

The lead officer is the Director of Law and Democratic Services (The Monitoring Officer). The Corporate Management Team is committed to upholding the highest standards of probity and integrity. The policy is presented to Audit Committee and formally approved by Council for inclusion within the Constitution.

Due diligence

The Council applies due diligence procedures taking a proportionate and risk based approach.

Communication/training

This policy is published to all employees, and on the Council's website, thereby demonstrating the top level commitment.

Monitoring/review

The number and nature of incidents reported will be recorded and reported annually to Audit Committee. Detailed reports of any investigations undertaken will also be provided to Audit Committee along with any lessons learned.

The policy will be subject to annual review.

Raising a concern

Employees and Members have a responsibility to raise any concern that bribery may be taking place within the organisation.

Employees and Members can raise their concerns by following the guidance in the Whistleblowing policy.

Any subsequent investigations will be undertaken in line with the process detailed in the Whistleblowing policy.

Reporting mechanism

The Director of Law and Democratic Services has overall responsibility for this policy and will report annually to Audit Committee.

Any investigated incidents will be reported to the Audit Committee.

This policy should be read in conjunction with:

- Financial Regulations
- Contract Procedure Rules
- Members code of conduct
- Employee code of conduct
- Whistleblowing policy

Anti-Money Laundering Policy

1.0 Introduction

Bury Council ("The Council") is committed to the highest standards of openness, probity and accountability and has put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements.

The aim of this policy is to set out the procedures which must be followed where money laundering is suspected within the Council.

2.0 Definition of Money Laundering

Money laundering is the illegal process of making large amounts of money, generated by criminal activity, appear to have come from a legitimate source.

The Proceeds of Crime Act (POCA) 2002 makes it an offence to; -

- conceal, disguise, convert, transfer or remove criminal property from the UK and**/or**
- enter into or become concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of *criminal property by or on behalf of another person and**/or**
- acquire, use or have possession of criminal property

These primary offences carry a maximum penalty of 14 years' imprisonment and/or an unlimited fine.

3.0 Scope of the Policy

This policy applies to all Council employees, whether permanent or temporary, and Members of the Council. Its aim is to enable Council employees and Members to respond to a concern which may arise within the course of their Council duties. Any concern, relating to a matter outside the Council, should be referred directly to the Police.

4.0 Council obligations

Whilst Local Authorities are not directly covered by the requirements of the Money Laundering Regulations, there is the risk of reputational and/or financial loss. Guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) suggests that public service organisations should comply with the underlying spirit of the legislation and regulations and as such the Council is committed to ensuring compliance as follows:

- To appoint a money laundering reporting officer ("MLRO") to whom any suspicions of money laundering activity can be reported
- Implement a procedure to enable the reporting of suspicions of money laundering
- Maintain client identification procedures in certain circumstances

- Maintain record keeping procedures

5.0 The Money Laundering Reporting Officer (MLRO)

This is the Head of Fraud Audit, Insurance and Risk who has the ability to act upon reported cases. The deputy MLRO role is undertaken by both Senior Auditors within the Fraud, Audit, Insurance and Risk Team.

6.0 Reporting Procedure for Suspicions of Money Laundering

Where money laundering activity is suspected of taking/has taken place, this must be disclosed as soon as practicable to the MLRO using the disclosure report, attached at Appendix 1 to this policy. The disclosure report must include as much detail as possible including; -

- Full details of the people involved
- Full details of the nature of their/your involvement.
- The types of money laundering activity involved
- The dates of such activities
- Whether the transactions have happened, are ongoing or are imminent
- Where they took place
- How they were undertaken
- The (likely) amount of money/assets involved
- The reasons for the suspicions.
- Any other available information to enable the MLRO to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable a report to the National Crime Agency (NCA), where appropriate, to be prepared.

Copies of any relevant supporting documentation must also be provided to the MLRO.

Once the matter has been reported to the MLRO all subsequent directions from the MLRO must be followed, no further enquiries into the matter should be made as any necessary investigation will be undertaken by the National Crime Agency (NCA)

All Council employees will be required to co-operate with the MLRO and any other bodies, as directed, during any subsequent money laundering investigation.

At no time and under no circumstances should suspicions be voiced to the person(s) suspected of money laundering, or reference made on any client file without the specific consent of the MLRO. Alerting an individual to the fact that a referral has been made or making reference to this on a client file, which the client may subsequently exercise their right to see, could result in the Council employee committing an offence known as “tipping off”, for which they could be prosecuted.

The MLRO will keep the appropriate records in a confidential manner.

7.0 Consideration of the disclosure by the Money Laundering Reporting Officer

Upon receipt of a suspicion of a money laundering transaction the MLRO or nominated representative will update the money laundering incident log and undertake appropriate investigations to determine whether a report to the National Crime Agency (NCA) is required.

Once the MLRO has evaluated the allegation and any other relevant information, they will make a timely determination as to whether; -

- there is actual or suspected money laundering taking place; **or**
- there are reasonable grounds to know or suspect that is the case; **and**

- whether they need to seek consent (in liaison with the Section 151 Officer from the NCA for a particular transaction to proceed.

Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then they will update the money laundering incident log and give consent for any ongoing or imminent transaction(s) to proceed.

All suspicions referred to the MLRO and reports made by them to the NCA will be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years.

If a money laundering allegation involves a member of staff who is subsequently prosecuted then Human Resources will be informed so it can be considered under the disciplinary procedure.

8.0 Policy Review

This policy will be reviewed annually - **Review Date – September 2023**

Appendix 1

CONFIDENTIAL

REPORT TO MONEY LAUNDERING REPORTING OFFICER RE: SUSPECTED

MONEY LAUNDERING ACTIVITY

To: Money Laundering Reporting Officer (MLRO)

From: ……………………………………… [Name of employee]

Department: ……………………………………… [Post title and Service Area]

Ext / Tel No: ………………………………………

DETAILS OF SUSPECTED OFFENCE:

Name(s) and address(es) of person(s) involved: [If a company / public body please include details of nature of business]

Nature, value and timing of activity involved: [Please include full details e.g. what, where, how].

Nature of suspicions regarding such activity:

Has any investigation been undertaken (*as far as you are aware*)? Yes / No

If yes, please include details below:

Have you discussed your suspicions with anyone else? Yes / No

If yes, please provide details of who the discussions took place with and explain why such discussion was necessary:

Have you consulted any supervisory body for guidance? Yes / No **If yes, please specify below:**

Do you feel there is a reasonable justification for not disclosing the matter to the NCA?
Yes / No
If yes, please specify below:

Please set out below any other information you feel is relevant:

Please be aware that you should not discuss the content of this report with anyone you believe to be involved in the suspected money laundering activity, as to do so may constitute a tipping off offence, under the legislation, for which you could be prosecuted.

Signed: ………………………………………… Dated: ……………………………………

Audit Progress Report

Bury Metropolitan Borough Council

October 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, since we last reported to the Committee in July 2023 in delivering our responsibilities as your external auditors. It also includes, at Section 2, a summary of recent national reports and publications for your information.

Audit progress

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 working with the Council's finance team to complete the remaining outstanding work. Items currently in progress are

- Agreement of the amendments required in respect of Property, Plant & Equipment
- Agreement of the amendments required in respect of pensions accounting and disclosures and
- Resolution of queries from the technical review of the financial statemen
- Final file review and closure.

We will issue a follow up letter to this Committee following the completion of the outstanding work.

2021/22 VFM

We have commenced our work on the Council's value for money arrangements. Following some initial queries, we received further supporting evidence and we are currently reviewing this.

We plan to complete and report our Value for Money arrangements work alongside the remaining aspects of work on the financial statements.

Audit Progress

2022/23 audit.

The Council published its draft Accounts and annual governance statement on 31st May 2023, in line with the statutory timetable.

We will agree a detailed timetable for our work following resolution of the outstanding areas of work on 2021/22.

02

Section 02:

National Publications

National publications

	Publication/update	Key points
Publications		
1	Public Interest Report – Croydon Council	Following the publication of a public interest report in October 2020, Croydon Council commissioned local government expert Richard Penn, through the Local Government Association to compile an independent report on the issues at the council.
2	Local authority administered COVID support schemes in England	This reports evaluate government's approach in relation to distribution of grants through local authorities, highlight failures and provide recommendation for better management of government grants.
3	NAO insight - Financial management in government: Enablers of success	The NAO has published a guide Financial management in government: Enablers of success aimed at senior finance leaders in government departments and other public bodies.
4	DLUHC webinar on local audit – 01 August 2023	The Department for Levelling Up, Housing & Communities (DLUHC) hosted a webinar looking at emerging proposals for tacking the backlog of audits in local government.
5	Public Sector Audit Appointments Limited: Quality of Audit Services Feedback Survey	In August 2023 Public Sector Auditor Appointments Ltd (PSAA) published its fourth annual report on feedback from Finance Directors and Audit Committee Chairs of local authorities on their satisfaction with the audit services provided by local auditors. The feedback was obtained in March 2023 and relates to audit work delivered during 2022. In that year, Mazars was one of five firms delivering local audits to local authorities in England.

NATIONAL PUBLICATIONS

Public Interest Report

1. Croydon Council Public Interest Report – February 2023

Following the publication of a public interest report in October 2020, Croydon Council commissioned local government expert Richard Penn, through the Local Government Association to compile an independent report on the issues at the council. His report, completed in March 2021, but only just published in February 2023 found that the dysfunctional leadership and poor governance arrangements contributed to the authority's financial collapse.

Fairfield Hall is an arts, entertainment and conference centre situated in Croydon. Refurbishment of this building was agreed by Croydon Council and work was undertaken between June 2016 and September 2019. It was delivered late and cost substantially more than the original £30m budget agreed by cabinet. Originally a Value for Money review, this became a Report in the Public Interest by their Internal Auditors Grant Thornton which highlighted failings of financial control and governance of this project.

The report found that the 'governance gaps' at the time 'prevented scrutiny and challenge that may have allowed corrective action to have been taken.' The report found that the statutory officers and chief officers throughout the time of the refurbishment failed to fulfil their statutory duties. All have since left the council. An action plan will be put in place to address the recommendations arising from this report.

This has led the Council putting in place new measures to address the findings. The Council has overhauled and strengthened its financial, legal, decision-making and other governance processes, and through its Croydon Renewal Plan is creating a new culture of good decision-making, transparency, accountability, and value for money.

It also led the council to undertake an external independent review of its companies and company structures. Following that review, the council's intention is to wind down its development company Brick by Brick once it has completed its outstanding building work. The Fairfield Halls refurbishment contracts were taken back under direct Council control. The full report, which includes a number of lessons that other Councils can learn from, can be seen here:

https://www.croydon.gov.uk/council-and-elections/budgets-and-spending/reports-and-reviews/report-public-interest-fairfield-halls

Other

2. Local authority administered COVID support schemes in England

The government introduced a series of grant schemes to help businesses deal with the impacts of the COVID-19 pandemic on their businesses, including the effects of restrictions put in place to protect public health. Using funding from government, local authorities in England distributed £22.6 billion in grants to local businesses between March 2020 and March 2022. There were eight separate schemes that can be grouped into three separate ‘cohorts’, primarily corresponding to significant waves of COVID-19 restrictions.

HM Treasury decided the key features of each of the schemes, including the types of businesses they should cover and the level of funding available, and the Department for Business, Energy and Industrial Strategy (BEIS) was responsible for their implementation. The Department for Business and Trade (DBT) is now accountable for this funding, including the recovery of money paid out as a result of error or fraud.

The creation and delivery of these grant schemes was a partnership between local authorities and central government. Local authorities were responsible for identifying eligible businesses in their areas and paying grants to them, making 4.5 million payments over the course of the pandemic. BEIS created the detailed guidance for the schemes and oversaw their implementation by local authorities.

The full report, which includes a number of recommendations and conclusions, can be seen here:

https://committees.parliament.uk/publications/41164/documents/202555/default/

3. NAO insight - Financial management in government: Enablers of success

The NAO has published a guide Financial management in government: Enablers of success aimed at senior finance leaders in government departments and other public bodies. The guide sets out what good looks like for different aspects of financial management and shows why it’s important and what finance leaders can do to achieve it. The guide looks at three critical areas that underpin every phase of the financial management lifecycle:

• Leadership, governance and culture – setting the right tone from the top, securing strong governance and oversight, defining clear accountabilities, and promoting a culture of openness and transparency are essential to creating an environment where the finance team can thrive

• Skills and capabilities – having the right range of professional and technical skills, prioritising flexibility and responsiveness, and working well with stakeholders enables finance teams to maximise their impact

• Data and management information – using data for decision-making, ensuring data quality and having effective management information systems can result in better outcomes for finance teams

Financial management in government: Enablers of success - NAO insight/

NATIONAL PUBLICATIONS

Other

4. DLUHC webinar on local audit – 01 August 2023

Department for Levelling Up, Housing & Communities (DLUHC) hosted a webinar yesterday looking at emerging proposals for tacking the backlog of audits in local government. The webinar was chaired by Nico Heslop (DLUHC), supported by Neil Harris (FRC), Elizabeth Parcker (DLUHC), and Siobhan Jones (DLUHC). It was attended by 425 attendees, with125 questions submitted.

The webinar is a first step in wider engagement with the sector on the proposals set out in the cross-system statement which is available publicly. Two key elements of DLUHC's proposals were set out as:

• DLUHC and NAO working together to set 'backstop dates' for accounts and audit completions to bring a better balance between quality and timeliness; and

• Ensuring auditor's duties on VFM arrangements and wider public reporting powers remain a key feature of local public audit.

The webinar acknowledged that there may be more qualifications and possibly disclaimers, but confirmed the system's intention is that as much assurance as possible is still delivered. Auditor reports will be expected to fully explain the circumstances that gave rise to the opinion given.

DLUHC confirmed that it is looking to implement proposals as soon as possible, subject to appropriate consultation and due Parliamentary process. DLUHC is also considering whether it would be helpful to introduce ways to mitigate the impact of qualified or disclaimed opinions on the opening balances for subsequent years.

DLUHC also explained that the programme is running alongside wider work looking at financial reporting for local authorities, for example valuations of operational assets and pensions reporting.

5. Public Sector Audit Appointments Limited – Quality of Audit Services Feedback Survey

In August 2023 Public Sector Auditor Appointments Ltd (PSAA) published its fourth annual report on feedback from Finance Directors and Audit Committee Chairs of local authorities on their satisfaction with the audit services provided by local auditors. The feedback was obtained in March 2023 and relates to audit work delivered during 2022. In that year, Mazars was one of five firms delivering local audits to local authorities in England.

This feedback provides the Audit Committee with an independent view on the client service that the Mazars Public Sector Audit team provides in delivering audits under the Local Audit and Accountability Act 2014 and the National Audit Office's Code of Audit Practice.

The overall response rate from the Finance Directors was 47 per cent (220/467) and from Audit Committee Chairs, 30 per cent (142/467).

You can view the full PSAA report at [PSAA-Quality-of-Audit-Services-2021-22-feedback-survey.pdf]

Contact

Mazars

Partner: Karen Murray

Mobile: 07721 234043

Email: karen.murray@mazars.co.uk

Audit Manager: Dawn Watson

Mobile: 07580 602848

Email: dawn.watson@mazars.co.uk

Follow us:

LinkedIn:
www.linkedin.com/company/Mazars

Twitter:
www.twitter.com/MazarsGroup

Facebook:
www.facebook.com/MazarsGroup

Instagram:
www.instagram.com/MazarsGroup

WeChat:
ID: Mazars

mazars

This page is intentionally left blank

By virtue of paragraph(s) 1, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank