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AUDIT COMMITTEE
Supplementary Agenda

Date	Wednesday 26 February 2025
Time	5.00 pm
Venue	Council Chamber, Civic Centre, Oldham, West Street, Oldham, OL1 1NL
Notes	1. DECLARATIONS OF INTEREST- If a Member requires advice on any item involving a possible declaration of interest which could affect his/her ability to speak and/or vote he/she is advised to contact Alex Bougatef or Constitutional Services at least 24 hours in advance of the meeting.

2. CONTACT OFFICER for this agenda is email constitutional.services@oldham.gov.uk

3. PUBLIC QUESTIONS - Any Member of the public wishing to ask a question at the above meeting can do so only if a written copy of the question is submitted to the contact officer by 12 noon on Friday, 21 February 2025.

4. FILMING - The Council, members of the public and the press may record / film / photograph or broadcast this meeting when the public and the press are not lawfully excluded. Any member of the public who attends a meeting and objects to being filmed should advise the Constitutional Services Officer who will instruct that they are not included in the filming.

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https://www.oldham.gov.uk/homepage/1449/attending_council_meetings

MEMBERSHIP OF THE AUDIT COMMITTEE
Councillors Al-Hamdani, Arnott, Aslam, Chowhan, Davis, S. Hussain, Rustidge, Sykes and Wilkinson

Independent Chair- Grenville Page

Oldham Council

Item No

5 2023/24 Annual Statement of Accounts (Pages 3 - 178)

The Statement of Accounts for 2023/24 for approval.

6 External Auditors Reports (Pages 179 - 298)

The Audit Completion Report and Auditor’s Annual Report from External Auditors.

Report to Audit Committee

2023/24 Annual Statement of Accounts

Portfolio Holder: Councillor Abdul Jabbar MBE – Cabinet Member for Value for Money & Sustainability

Officer Contact: Chris Kelsall – Director of Finance

Report Author: James Postle – Senior Finance Manager

Contact: james.postle@oldham.gov.uk

26 February 2025

Purpose of the Report

To present to the Audit Committee, the Statement of Accounts for 2023/24 for approval.

Executive Summary

The Council's draft Statement of Accounts for 2023/24 was published on the Council's website on 7th June 2024 along with the Notice of Public Inspection.

As part of the audit process a number of adjustments to disclosures have been identified and the draft Statement of Accounts has been amended to reflect these. However, the adjustments have not changed significantly from the draft accounts presented to Audit Committee on 27 June 2024. The adjustments are detailed in the Audit Completion Report elsewhere on the agenda. A revised set of accounts is attached as appendix 1. The Management Letter of Representation for the 2023/24 Accounts is attached as appendix 2 for the Audit Committee to note.

Recommendation

That members of the Audit Committee approve the Council's draft Statement of Accounts for 2023/24 and note Management Letter of Representation.

Oldham Council

Oldham Council

Statement of Accounts

2023/24

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1.0 Preface

Introduction to the 2023/24 Statement of Accounts by Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Value for Money and Sustainability (Cabinet Member for Finance and Low Carbon during 2023/24)

Councillor Abdul Jabbar MBE

This Statement of Accounts presents to the people of Oldham and other users of the accounts how the Council has performed in the year, the costs of providing its services and the assets which have been developed in the borough. It is also an opportunity to reflect on the previous financial year and the major events that have occurred.

Firstly, I am delighted to welcome our new Director of Finance, Sarah Johnston, to the role and to the Council. The knowledge and experience she brings will greatly benefit the Council and wider community.

Moving onto the Council's performance, I would like to reflect briefly on the directorate outturn for 2023/24 which is a product of the difficult environment in which we operate. For many years I have talked about the demand led pressures around social care and this has only accelerated this year, resulting in an additional contribution from Earmarked Reserves being required of over £16m. These pressures are a common theme across the sector and an increasing number of local authorities are now facing financial difficulties. This year, as in the last few years, the Council has financed much of the increased spending through its reserves but in order to maintain financial stability, this is simply not sustainable. The Council is therefore accelerating its programme to transform the way it delivers services, all the time continuing to meet the needs of the most vulnerable within society.

Work to formulate the 2024/25 budget took place throughout the year and once again hard decisions about budget reductions were required amidst the growing pressures. This task was more difficult than ever this year, given unprecedented demand for children's residential care provision and for temporary accommodation for the homeless.

As part of this introduction to the accounts, I would also like to reflect on the major capital projects that are underway. This year saw Council staff move to the new offices in Spindles, bringing life back to the shopping centre and the wider town centre. In 2023, the Council appointed Muse as its development partner to transform Oldham Town Centre with a view to building over 2000 new homes. The Council was also successful in securing £8.7m of grant funding to procure a Delivery Partner to accelerate the deployment of low carbon infrastructure across the borough. This includes renewable energy, electric vehicle charging housing retrofit and – subject to the outcome of the extensive feasibility work now under way - a pioneering district heat network to provide clean energy to the town centre.

Finally, as always, I would like to recognise the hard work and dedication shown by the Finance and Internal Audit teams throughout the year. Along with colleagues across the Council, they have worked diligently to support the provision of essential Council services through often difficult circumstances.

Councillor Abdul Jabbar MBE
Deputy Leader and Cabinet Member for Value for Money and Sustainability

1.1 Narrative Report

Message from the Director of Finance (during 2023/24) – Sarah Johnston

I would like to welcome you to my first Statement of Accounts as Director of Finance. Oldham is a diverse and exciting borough and I am particularly delighted to rejoin the Council where I trained and qualified as an accountant.

2023/24 was a challenging year, with the macro-economic pressures inevitably impacting upon all local councils. This year saw an unprecedented rise in demand for housing and social care services in Oldham. However, despite the financial challenges I have been nothing but impressed with the resilience and resourcefulness of Council staff, Oldham residents and businesses.

When setting its budget for 2023/24, the Council approved the use of £11.5m of Earmarked Reserves to support additional expenditure in those services facing increasing levels of demand, in particular Children's Services. Unexpected and unprecedented pressures in Children's, but also other services meant that a further contribution from reserves of £16m was required. This is a concerning situation and the Council's current reliance on reserves to fund annual expenditure must be addressed as a matter of urgency. Further detail is contained within the Narrative Statement and the Annual Governance Statement, both of which form part of the overall Statement of Accounts.

A key objective of the Oldham Council Finance Team is to prepare the Statement of Accounts to the highest standards and in accordance with the guidance for Local Authorities in the UK. The Statement of Accounts provides information so that members of the public, including electors and residents of Oldham, Council Members, partners, stakeholders and other interested parties can have:

- A full and understandable explanation of the overarching financial position of the Council including its ability to meet its future obligations; and
- Confidence that the public money with which the Council has been entrusted has been used and accounted for in an appropriate manner.

The draft Accounts were submitted to the External Auditor on 07 June 2024. The deadline for the completion of the audit of the 2023/24 accounts is 30 September 2024 but due to national challenges impacting on the completion of other Local Authority audits, there is a risk that the audit of the 2023/24 Accounts will not be completed in accordance with the deadline. Indeed, the audit of the Council's 2022/23 Accounts was not completed until 28 March 2024 due to sector wide, technical accounting issues over which Oldham Council had no control. However, I am pleased to note that the 2022/23 Accounts received an unqualified Audit Opinion.

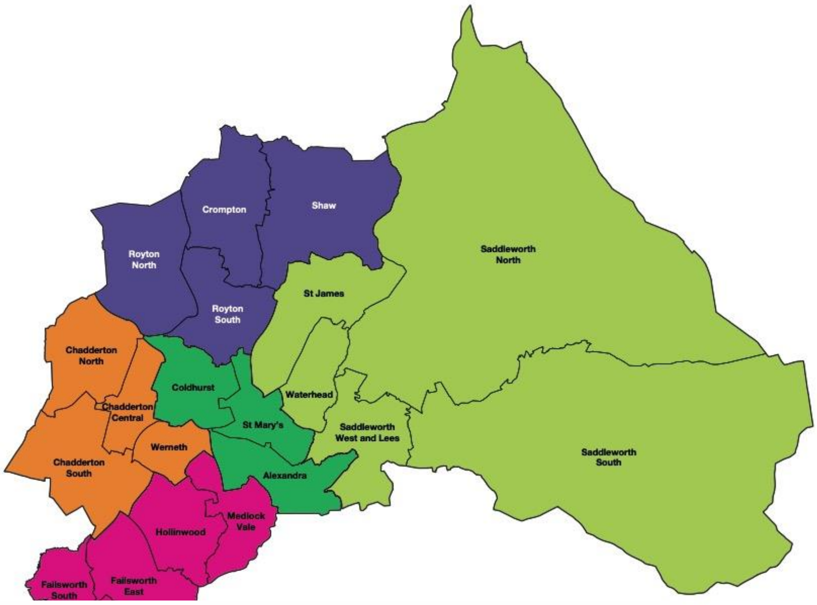
The following Narrative Report provides information about Oldham, including the key issues affecting the Council and its accounts. It also provides a summary of the financial position as at 31 March 2024.

Narrative Report

The narrative report aims to provide context for the financial information included in the Statement of Accounts, providing key information on the Council, its main objectives, strategies, and the principal risks it faces. The report provides a commentary on how the Council has used its resources in year and how this aligns with its objectives. The report will focus on those events that have impacted the Council most in the past financial year.

About Oldham

- Oldham is 1 of 10 Local Authorities in Greater Manchester
- The borough of Oldham is 175 years old
- There are around 3,000 Council employees
- We are the gateway to the Saddleworth Moors and Yorkshire
- Oldham is the home of Colin the Caterpillar
- Oldham Athletic FC were founder members of the English Premier League



Total population

The population of Oldham is **242,100**(2021 Census).

- **25.0%** aged under 18
- **58.8%** aged 18-64
- **16.2%** aged 65+

The age structure of Oldham is relatively youthful with a high proportion of residents aged under 18 (**25%**). Since 2001, the population across Oldham and England has aged, with more people aged over 65 and fewer under 18s. This change has been influenced by an increase in the average life expectancy.*Source: ONS Census 2021*

Population projections 2023-2033

There will be over the next ten years:

- A **3.2%** increase in those aged under 64.
- A **14%** increase in those aged 65-84.
- A **27.8%** increase in those aged over 85.

Given the growth in Oldham's over 85 population over the next ten years there will be significant changes in demand of adult social care and health provision.*Source: Oldham Council Strategy & Performance Service Population Projections, 2023*

Life expectancy 2018-2020

Life Expectancy

Oldham's life expectancy is significantly lower than the average in England.

- For men it's 77.2 years compared to the national average of 79.4
- For women it's 80.5 years compared to the national average of 83.1

Healthy Life Expectancy

Oldham's healthy life expectancy is also significantly lower than the average in England.

- For men it's 56.6 years v national average of 63.1
- For women it's 58.2 years v national average of 63.9

Source: ONS, calculated by OHID

Deprivation & Inequality

On average, those living in the most deprived areas of Oldham can expect to live shorter lives than those in the least deprived.

Between Alexandra (Most deprived) and Saddleworth South (Least deprived) the difference is:

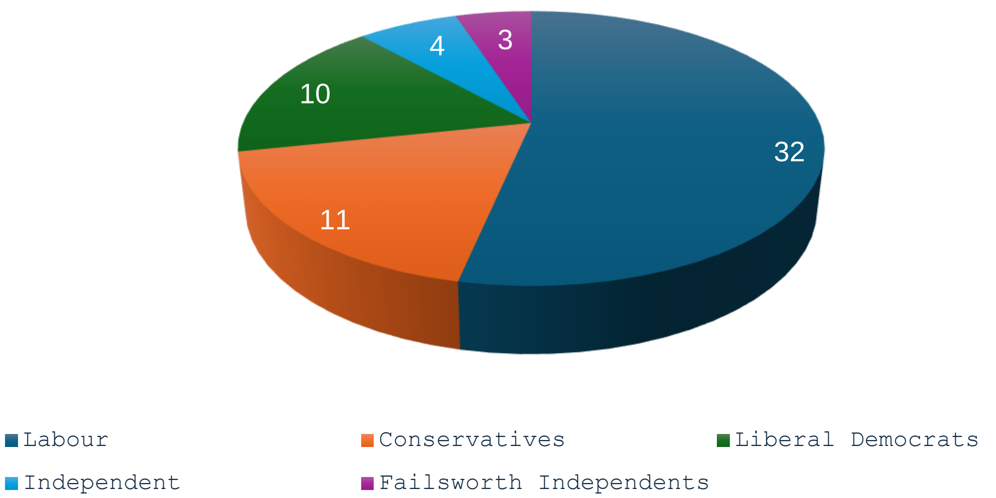
- **12.7** years for males.
- **12.8** years for females.

Source: Local Health

About the Council - Political Structure

The Council is made up of 60 Councillors from the 20 wards across the borough. Following a local election on 4 May 2023, in which all Council seats were contested, the Labour Party retained control of the Council, albeit with a reduced majority. On 24 May 2023 Cllr Arooj Shah was formally appointed as Leader of the Council. The diagramme below details the political composition of the Council following the May 2023 elections.

Oldham Councillors – 4 May 2023



From May 2023 to February 2024 the Conservative group was the main opposition. However on 15 February 2024, two Councillors left the Conservative group to serve as independent Councillors, reducing the Conservative group to 9 Members, which meant from this point onwards the Liberal Democrats group became the official opposition.

The Council operates a 'Strong' Leader and Cabinet model and the Leader of the Council has responsibility for the appointment of Members of the Cabinet, the allocation of Portfolios and the delegation of executive functions.

The Cabinet is comprised of a Leader and nine Councillors, exercising responsibility for strategic decision making, implementation of agreed policies, providing political leadership and recommending proposals for approval by full Council on the budget, Council Tax levels and the Council's policy framework.

Cabinet Portfolios are broadly aligned to the Council's key service Directorates, enabling the joint sharing of priorities. There is a strong working relationship between Officers and Elected Members with Cabinet Members regularly meeting with their respective Senior Officer leads to monitor the progress of business plans, consider key service developments and improvements, and address any areas of concern.

Cabinet Members are held to account by a system of scrutiny which is set out in the Constitution. Scrutiny arrangements were amended and enhanced during the year with four Scrutiny Boards being established to oversee scrutiny of executive decisions. The following boards were established during 2023/24:

- Strategy, Governance and Resources Scrutiny Board

- Adults Social Care & Health Scrutiny Board
- Place, Economic Growth and Environment Scrutiny Board
- Children & Young People Scrutiny Board

Following the Local Election on 2 May 2024, the Council moved to a position of no overall control. Labour remained the largest administration with 27 of the 60 seats. At the Council meeting of 22 May 2024, Cllr Arooj Shah was confirmed as the Leader of the Council, leading a minority adminstration.

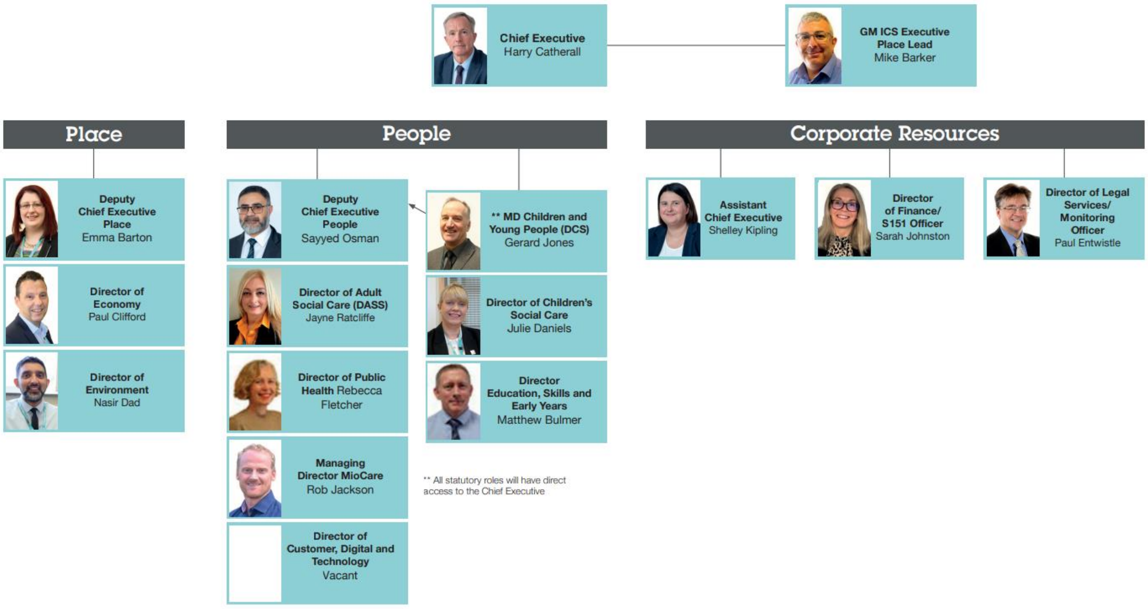
About the Council - Senior Management Team

Supporting the work of Elected Members is the organisational structure of the Council headed by the Chief Executive, Harry Catherall. The Chief Executive leads the management of the Council via a Management Board comprising of all senior officers at Director level and above.

The Chief Executive and the members of Management Board provide managerial leadership of the Council and support Elected Members in:

- Developing strategies;
- Identifying and planning resources;
- Delivering plans;
- Reviewing the Authority's effectiveness with the overall objective of delivering a Co-operative future where everyone does their bit to create a confident and ambitious borough;
- Delivering effective services for the borough's diverse communities; and
- Ensuring that Oldham plays a full part in national, regional and sub-regional activities.

Director Leadership Team structure during 2023/24



About the Council - Strategies

The Oldham Plan - Our Future Oldham: A shared vision for 2030 / The Corporate Plan

Our Future Oldham: A Shared Vision for 2030 sets the direction for the borough as a whole, based on extensive consultation with residents and partners. It shows what the Council is trying to achieve overall, and specifically the minimum expectations every resident should have by 2030. The Corporate Plan is the Council's contribution. It sets out five policy priorities as follows:

- Healthy, safe and well supported residents
- A great start and skills for life
- Better jobs and dynamic businesses
- Quality homes for everyone
- A clean and green future

Delivering against these priorities means the Council can help residents and make Oldham the best place it can be. Our experience during the pandemic showed what a difference we can make. It also showed the power and leadership of our residents. A key learning for the future is that by empowering residents to take the lead, amazing things can happen. In addition, the Corporate Plan provides a link between the Greater Manchester priorities and the borough of Oldham.

The Corporate Plan describes how the Council will maximise the impact of its efforts and resources to improve the lives of residents in the borough over the next five years. The Plan, which (as outlined above) aligns with Our Future Oldham, focuses specifically on the impact on children and young people, establishing investment in children and young people as the top priority for the Council. It acknowledges the present and future challenges created by the cost of living crisis and describes how services across the Council will be improved for residents.

GM Priority:

- A Greener Greater Manchester

Our Future Oldham Aim:

- A clean, green and healthy environment

Corporate Plan Priority:

- A clean and green future

GM Priority:

- A Fairer Greater Manchester

Our Future Oldham Aims:

- A clean, green and healthy environment;
- Diverse opportunities to get together, with regular activities to boost physical and mental health and community spirit;
- A home that is affordable, well maintained, and appropriate

Corporate Plan Priorities:

- Healthy, safe and well supported residents;
- Quality homes for everyone

GM Priority:

- A More Prosperous Greater Manchester

Our Future Oldham Aims:

- The opportunity to get a decent job that pays well and offers security and flexibility;
- A local area that meets people's needs and makes them proud;
- Quick, cheap and easy transport to every part of the city region;
- A well-rounded, enriching, life-long education

Corporate Plan Priorities:

- Better jobs and dynamic businesses;
- A great start and skills for life

Revenue Budget Monitoring

The Council's operations are divided into directorates. Each directorate has an approved budget which is revised throughout the year as additional funding is made available to the Council. Monitoring of actual expenditure against the revised budget takes place frequently, with monitoring reports progressing to Cabinet each quarter. The final outturn position for 2023/24, which is considered in more detail over the following pages, is taken to Cabinet for consideration.

Directorates

Revenue Outturn

For the financial year 2023/24, the Council approved a net revenue budget of £287.051m at its meeting on 1 March 2023. During the year, a number of amendments were approved to the budget to reflect additional grant receipts such that by the year end the approved net revenue budget was £298.906m.

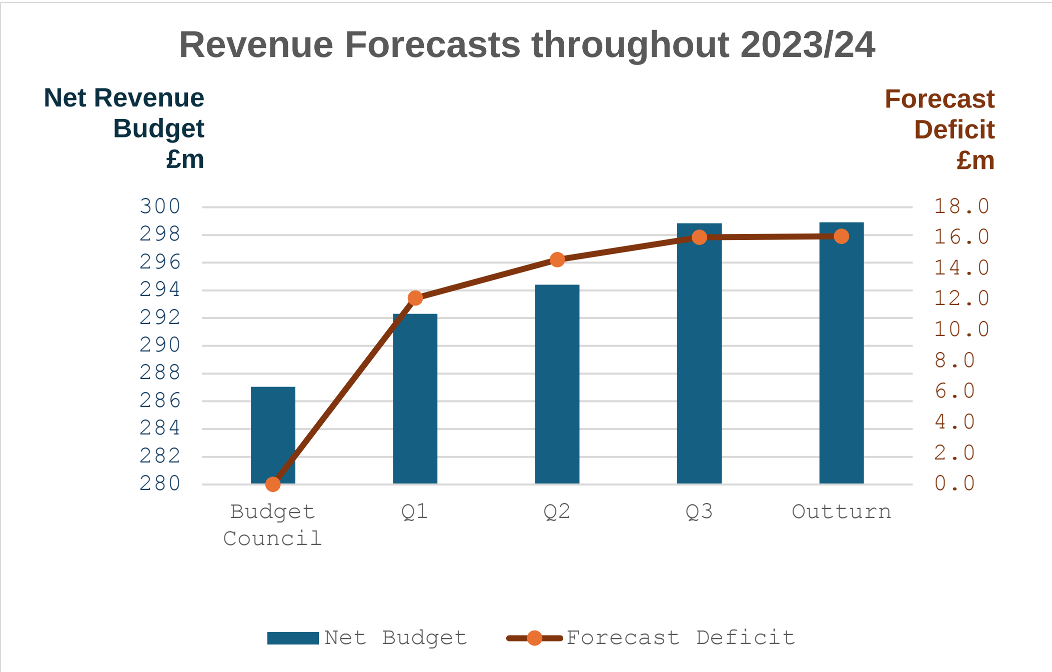
Since the start of the financial year, the Council has seen significant pressure on the Revenue Budget. At Quarter 1, the forecast revenue outturn for 2023/24 was an adverse variance of £12.104m after the application of £7.385m of reserves. This forecast adverse variance was at this point driven by pressures being reported in three directorates; Community Health and Adult Social Care (£0.518m), Place and Economic Growth (£3.553m) and more significantly, Children's Services (£10.886m) which were regarded as an early indication of a potential overspend at year end.

The adverse forecast outturn position increased further at Quarter 2 with the projected deficit increasing by £2.454m to £14.588m after allowing for approved and pending transfers to and from reserves. Identified pressures and projected overspends continued to centre around the same three Directorates: Community Health and Adult Social Care (£0.558m), Place and Economic Growth (£4.797m) and Children's Services (£12.593m). These overspends were offset by favourable variances in Public Health, Communities, Corporate Services and Corporate Accounting.

The final formal reporting period of the year at Quarter 3 saw a further worsening of the outturn position with the projected adverse variance increasing by £2.054m to £16.642m. The increase in the projected overspend arose due to increased pressures in Community Health and Adult Social Care (£0.864m), Place and Economic Growth (£5.442m) and Children's Services (£14.240m).

Outturn spend against the approved net revenue budget was £313.038m, an overall adverse variance against budget of £16.114m. To balance the budget and to prevent an impact on the Council's General Fund, an unbudgeted contribution from Earmarked Reserves of £16.114m was made to fund the overspend.

The graph below, highlights the budget movement during the year together with the forecast adverse position throughout 2023/24.



The Council's 2023/24 outturn position is shown in the following table.

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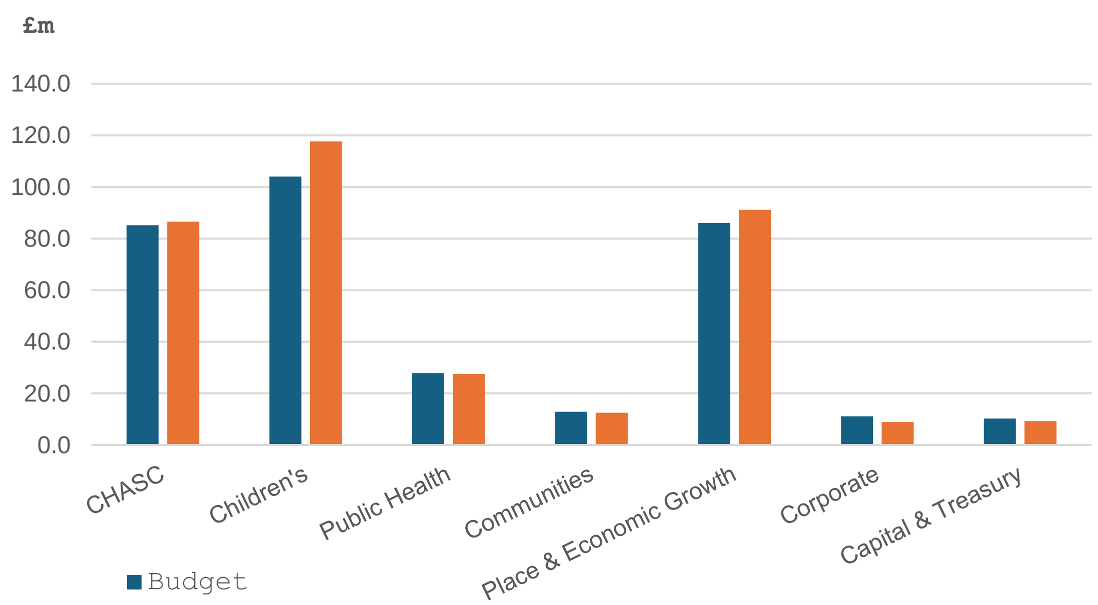
Revenue Outturn 2023/24	Budget £000	Actual £000	Variance £000
Net revenue expenditure			
Community Health and Adult Social Care	81,764	83,189	1,424
Children's Services	72,322	86,018	13,695
Public Health	24,346	23,940	(406)
Communities	9,337	8,941	(396)
Place & Economic Growth	68,057	73,055	4,998
Corporate Services	32,636	30,411	(2,225)
Capital, Treasury and Technical Accounting	10,444	7,485	(2,960)
Net Directorate Expenditure	**298,906**	**313,038**	**14,132**
Financed by:			
Locally Generated Income	(163,006)	(163,005)	1
Government Grants	(119,120)	(117,675)	1,445
Capital Grants	(1,073)	(1,073)	-
Transfer to Earmarked Reserves - Business Rates Retention Pilot Gain	1,209	1,209	-
Use of Earmarked Reserves - General	(12,786)	(12,243)	543
Technical Adjustment - Collection Fund	(4,130)	(4,137)	(7)
Total Financing	**(298,906)**	**(296,924)**	**1,982**
Current Net Overspend	**-**	**16,114**	**16,114**
Use of General Earmarked Reserves	-	(16,114)	(16,114)
		-	**(0)**

Analysis of Directorate Revenue Outturn

The following chart shows the individual directorate outturns which have contributed to the overall deficit.



The following major movements occurred across the directorates:

Community Health & Adult Social Care (CHASC)

The CHASC outturn position was a £1.424m overspend; an increase of £0.561m compared to £0.863m reported at Quarter 3. The overspend arose primarily due to increased costs in care packages.

Childrens' Services

Children's Services outturn position was an overspend of £13.695m. Much of the overspend (£12.849m) relates to pressures within the Children's Social Care and Preventative Services budget which funds social care placements, including high-cost external residential packages. The overspend is partially offset by increased Continuing Health Care funding, income receivable from the Home Office for Unaccompanied Asylum Seekers and foster carer payments. In addition, pressures in the Children's with Disabilities Service, assistance to families, and use of agency staff in the Fieldwork and Family Support created further overspends however these were in part offset by vacant posts across Business Support and Preventative Services.

Place & Economic Growth

The Place & Economic Growth directorate overspent by £4.998m. Much of the pressures on the directorate budget arose from two main areas: firstly an increased demand for temporary accommodation leading to an overspend of £2.317m against the available budget. Secondly, a £2.565m overspend against the Estates and Property Management budget arose as a result of increased repairs and maintenance to the Council's asset base, increased expenditure on rates and the non-achievement of planned savings in respect of the Creating a Better Place Programme. Increased expenditure on day to day operations in Highways led to a £0.479m overspend in this area.

Overspends in the areas highlighted above were offset by underspends in Corporate Services, Public Health and Communities and Leisure, driven primarily through due to staff vacancies.

Transfers from Earmarked Reserves have been used to mitigate the impact of the overspend on the General Fund resulting in a nil change to the overall General Fund balance. As outlined elsewhere in this report, the use of Earmarked Reserves to combat overspends is a short-term measure and cannot be used indefinitely.

Capital Spending

During 2023/24, capital monitoring reports were prepared monthly from month 3 through to month 9. Quarterly reporting of the capital programme to Cabinet was completed alongside revenue monitoring. These reports highlighted and sought approval for the reprofiling of the programme. The capital expenditure incurred during the year compared to the final month 9 forecast is shown in the table below.

Portfolio	2023/24 Original Budget £000	2023/24 Forecast M9 £000	2023/24 Actual £000	Variance To M9 £000
Community Health & Adult Social Care	3,023	5,302	6,946	(1,644)
Children's Services	10,258	4,282	4,440	158
Communities	400	186	70	(116)
Place and Economic Growth	83,936	61,607	63,995	2,388
Housing Revenue Account	1,000	764	64	(700)
Corporate/Information Technology	5,958	4,726	3,096	(1,630)
Capital, Treasury & Technical Accounting	4,238	2,600	2,600	-
Funding for Emerging Priorities	1,492	-	-	-
Total Expenditure	**110,305**	**79,466**	**81,211**	**(1,744)**

The Summer review of the programme resulted in a reduction in forecast expenditure from £110.305m to £79.466m and reflected a re-phasing of projects that had not progressed as much as originally forecast in March 2023. As highlighted above, the Council spent £81.211m against the revised Capital Programme in 2023/24, resulting in a variance of £1.744m compared to the revised position reported at month 9. The variance was mostly due to an acceleration of capital spend over the latter part of the year.

The table below details the financing of the 2023/24 capital expenditure.

Financing	2023/24 Original Budget £000	2023/24 M9 Forecast £000	2023/24 Actual £000	Variance To M9 £000
Prudential Borrowing	(40,549)	(29,069)	(40,448)	(11,379)
Capital Receipts	(7,569)	(7,841)	(6,536)	1,305
Revenue Contributions	(1,000)	(1,079)	(1,606)	(527)
Government Grants & Contributions	(61,186)	(41,477)	(32,621)	8,856
Total Financing	**(110,305)**	**(79,466)**	**(81,211)**	**(1,745)**

Medium Term Financial Strategy (MTFS)

The Council presented its budget for 2024/25, together with its forward estimates to Council for approval on 28 February 2024. Whilst presenting a balanced budget for 2024/25, the MTFS highlighted the major challenges facing the Council which included:

- The continued pressure on Children’s Services due to demand for and the costs associated with placements.
- Adults Social Care demand and demographic pressures.
- Escalating numbers of individuals and families presenting as homeless and requiring accommodation, a trend that is exacerbated by a chronic lack of housing supply.

The pressures facing the Council reflect nationwide issues affecting the Local Government sector as a whole. There is no indication that these trends will curtail in the future meaning the Council must continue to make difficult decisions to maintain financial resilience and continue to provide effective services in the future. Ambitious savings and transformation plans have been implemented across the Council to address these pressures, however as detailed in the table below, significant budget gaps remain to be addressed over the forthcoming years.

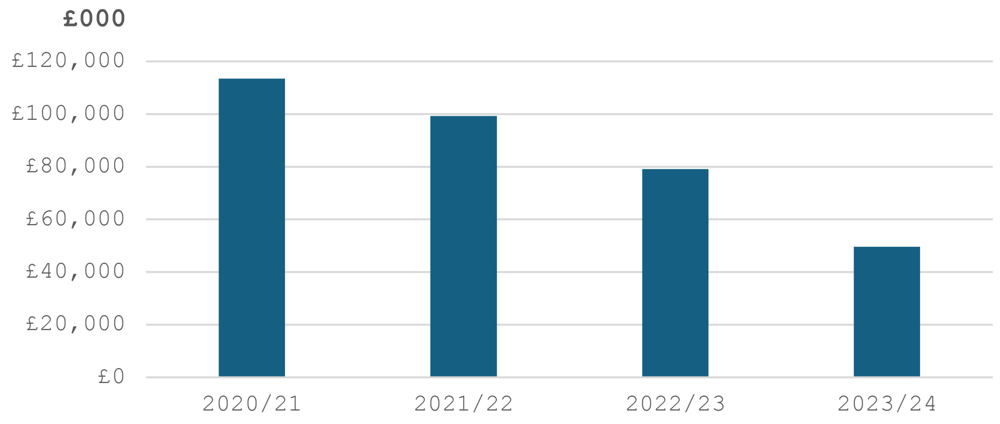
Budget Reduction Requirement

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
Total expenditure	322,244	328,069	323,628	328,555	339,772
Total funding	(289,064)	(301,591)	(307,020)	(318,412)	(329,509)
Other adjustments	(33,180)	(15,172)	(4,734)	(3,598)	(2,600)
Net gap/budget reduction requirement	**-**	**11,305**	**11,874**	**6,546**	**7,663**

The gap shown above incorporates the delivery of £19.8m agreed savings targets in 2024/25 and a further £11.1m agreed savings targets for 2025/26. Even if all these savings are achieved, the remaining budget gap presents a significant challenge to the Council to be addressed during future budget setting processes.

In previous years, the Council has utilised its Earmarked Reserves to meet shortfalls in funding. The following graph shows the Earmarked Reserves balances since 2020/21. There has been a general downward trend in balances since that time and an overall decrease of 56.35%.

Revenue Account Earmarked Reserves balances



The continued use of reserves and one-off measures has had the impact of deferring the changes required to balance the revenue budget by on-going sustainable means. The implementation of the Council's transformation programme over the MTFS period seeks to address this challenge. However, the expected benefits of the transformation programme will be phased over several financial years and whilst the programme will contribute to the delivery of significant savings which will assist in reducing the gap, in its current form, the programme will not generate sufficient savings to bridge the overall gap.

Plans to address this in 2024/25 include:

- The establishment of a Delivery Board, chaired by the Leader to monitor the delivery of approved saving targets and ensure they are a primary focus of directors;
- The implementation of detailed service reviews to identify additional cost reduction proposals that can be approved during 2024/25 for delivery in future financial years; and
- Additional controls (introduced in January 2024) in respect of authorising expenditure and new recruitment.

Ongoing financial resilience will depend on the Council eliminating its reliance on the use of reserves to balance its budgets. In order to scrutinise the level of reserves held by the Council, the policy on Earmarked Reserves was considered by the Audit Committee on 27 June 2023 and it is proposed to action a review undertaken by the Governance, Strategy & Resources Scrutiny Board during 2024/25.

Capital Strategy

The Capital Strategy for the 5-year period from 2024/25 to 2028/29 was approved by Cabinet and subsequently Full Council alongside the MTFS on 28 February 2024.

The Capital Strategy was influenced by the principles which shaped the overarching budget process for the Council and is driven by the ethos of a Co-operative Council. The areas of expenditure and sources of funding are summarised below:

Proposed Capital Spending	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
Community Health and Adult Social Care	4,443	1,000			
Children's Services	4,724	5,058	3,188	2,000	
Communities	100	173			
Place and Economic Growth	83,226	68,621	26,601	17,859	1,000
Housing Revenue Account (HRA)	628	95			
Corporate/ Information Technology (IT)	2,919	2,809	2,039	3,661	1,000
Capital, Treasury & Technical Accounting	2,600	-	125	10,120	
Funding for Emerging Priorities	1,043	3,318	2,885	2,000	
Total Expenditure	**99,683**	**81,076**	**34,838**	**35,640**	**2,000**
Funding	**2024/25 £000**	**2025/26 £000**	**2026/27 £000**	**2027/28 £000**	**2028/29 £000**
Ringfenced Grants	(33,506)	(24,273)	(1,387)		
Un-ringfenced Grants	(10,145)	(4,360)	(5,107)	(4,054)	
Other Contributions	(183)				
Capital Receipts	(5,581)	(702)	(493)	(92)	
Prudential Borrowing	(49,638)	(51,646)	(27,851)	(31,494)	(2,000)
Revenue (HRA & GF)	(630)	(95)			
Total Funding	**(99,683)**	**(81,076)**	**(34,838)**	**(35,640)**	**(2,000)**

(subject to rounding – tolerance +/- £1k)

Potential projects are appraised so that capital investment is directed to make a real and demonstrable impact on the economy of Oldham by:

a) Regenerating the borough; building on the established investment programme by attracting and securing significant amounts of external investment to supplement Council resources and deliver an enhanced borough-wide regeneration offer.

b) Prioritising regeneration schemes to develop the local economy through for example:
   - Taking forward the vision for Oldham town centre, facilitated by the acquisition and redevelopment of the Spindles and Town Square Shopping Centres;
   - Implementing key strands of the Housing Strategy to improve the housing offer;
   - Improving connectivity across the borough; and
   - Supporting job creation and the Get Oldham Working initiative which are key to the economic and social recovery of the borough as it addresses the legacy from the COVID-19 pandemic and the challenges facing the economy arising from national and international developments.

The table above shows that some £160m (63%) of the approved capital programme would be funded by prudential borrowing. This may reduce over time as the Council continues to review potential funding opportunities and apply for grant funding where appropriate. The overall borrowing requirement will be kept under review in light of the Council's forecast revenue position and any contractually uncommitted projects reliant on borrowing may be deferred or cancelled accordingly.

A more detailed list is provided as part of the Capital Strategy report and can be found on the Council's website.

LGA Corporate Peer Challenge

During 2023/24 the Local Government Association (LGA), conducted a peer challenge of Oldham Council. Peer challenges are delivered by experienced Elected Members and officers from a range of Councils across the Country and the LGA itself. The review considered the following five themes which are critical to the Councils' performance.

1. Local priorities and outcomes
2. Organisational and place leadership
3. Governance and Culture
4. Financial planning and management
5. Capacity for improvement

In addition to these areas, the Council asked the peer team to provide feedback on the Council's approach to 'Resident Focus'.

The Peer Challenge provided valuable feedback to the Council and the full report was taken to Cabinet on 22 January 2024. This included nine key recommendations made by the peer team, including, agreeing to deliver a budget for 2024/25 and 2025/26 that deals with the budget deficit without relying on the continued use of reserves.

In respect of Financial Planning and Management, the Peer Challenge noted positively that:

- The whole organisation is aware of the financial challenges ahead and the need to address them.

- The Leader, Cabinet and Chief Executive recognise the need to agree and deliver a budget for 2024/25 onwards that no longer relies on the continuing use of reserves.
- Revenue and Capital budget monitoring reported to Cabinet regularly.
- The Council has managed to turn around the Dedicated Schools Grant (DSG) deficit position and is beginning to build a £3m reserve – a significant achievement.

Further areas recommended for the Council to consider included:

- The need for ownership of the financial challenge across the organisation;
- The budget development timetable to be brought forward in future years;
- To develop a clearer line of sight between the expected deliverables of the transformation programme and the budget;
- Look to accelerate the plans to reduce children's placement costs; and
- Explore ways in which the new Adult Social Care model could be accelerated.

The Council is in the process of implementing these recommendations during the course of 2024/25.

Non-Financial Achievements linked to the Corporate Plan

Healthy, Safe and Well Supported Residents

During the year, Chadderton Total Care Limited went into administration, risking the closure of a prominent care home in Chadderton.

This meant over 100 residents, many with complex needs requiring specialist nursing care faced potential relocation, probably outside the borough away from families. The Council considered that this would have a highly negative impact on the wellbeing and health of the residents as well as resulting in a loss of some 200 jobs and further decrease residential care provision within Oldham. Therefore, in July 2023, Cabinet confirmed that the Council should step in to protect both staff and residents through the purchase of the business and assets of Chadderton Total Care Limited. Oldham Total Care Limited – wholly owned by the Council – now operates and manages the home.

Better Jobs and Dynamic Businesses

Oldham Council has become a member of the Greater Manchester Good Employment Charter, marking a recognised commitment to providing good working practices for staff.

The Charter is a voluntary membership and assessment scheme which aims to raise employment standards across Greater Manchester. By becoming a member, Oldham Council has made a pledge to provide all employees with a positive and supportive working environment.

To achieve membership, the Council demonstrated seven characteristics of Good Employment. These included providing staff with secure work, paying the Real Living Wage, and offering wellbeing support.

The Charter's commitment to improvement aligns with Oldham Council's own ongoing dedication to equality, diversity and inclusion in its recruitment and staff retention programme.

The year saw major progress in the various projects that are transforming the Town centre, as well as bringing in significant investment, creating new jobs and apprenticeships.

Earlier in the year, the steel frame for the new market hall in Parliament Square was completed. Members of the Tommyfield Traders' Association visited the site to sign their names on one of the steel beams and see the work taking place on Oldham's brand-new market.

Opposite the new market will be the revamped Egyptian Room, with a street-food court hall. On 24 July 2023 Cabinet members approved plans for an exciting new public space within Oldham's Cultural Quarter - meaning a new open area for arts and events is now set to be developed. The space will be able to hold an outdoor stage and will also be adaptable to suit activities such as outdoor arts classes, theatre performances and more.

As part of the work, improvements will also be made to Southgate, Ashworth, and Greaves Street to include planting, new trees, seating areas, external lighting, and improved paving.

Quality Homes for Everyone

Phase 2 of the Spindles redevelopment is now complete, meaning Council staff commenced moving into the Spindles in January 2024. This is a significant step in securing the continued viability of Oldham Town centre and once the move is complete in 2025, this will free up the Civic Centre site for redevelopment, as part of the new partnership with Muse, to build 2,000 homes in the town centre. The Spindles redevelopment will also include a new events space, new archives, and brand-new offices for Oldham Council staff as well as a co-working space for small businesses and entrepreneurs.

A Great Start and Skills for Life

The Council has been awarded £3.5m of funding to develop family hubs across the borough, joining up and enhancing services delivered through transformed family hubs across the brough, ensuring all parents and carers can access the support they need when they need it.

A brand-new space for families officially opened on Thursday 20 July 2023, providing a one-stop shop for health services and support for parents and children of all ages. The Beever Family Hub in Saint Mary's brings maternity, health visitors, speech and language support, early learning opportunities, community support groups, and activities under one roof. There is also support for children and young people with special educational needs or disabilities (SEND) up to age 25.

A Clean and Green Future

During the year the Council invested over £14m in its highway infrastructure with a continued emphasis on enabling sustainable travel. This ensures the transport network continues to be fit for purpose will ensure people can get around easier to access work, training, or leisure opportunities, whether they are walking, using public transport, cycling, or driving.

In December 2023, the Council secured £8.7m of grant funding to procure a Delivery Partner to accelerate the deployment of low carbon infrastructure across the borough. This includes renewable energy, electric vehicle charging housing retrofit and – subject to the outcome of the extensive feasibility work now under way - a pioneering district heat network to provide clean energy to the town centre.

Corporate Risks

The Council has an embedded process to manage risks and assist in the achievement of its objectives, alongside national and local performance targets. Risk Management is incorporated into the Business Planning Process with all risks reviewed and monitored quarterly.

The Corporate Risk Register, which is refreshed quarterly, plays an integral role in supporting production of the Corporate Plan and is subject to regular review by the Audit Committee.

They encompass:

- Changes to the Council's financial resilience due to uncertainty and matters outside of the Council's control such as the future level of Government support mean that the Council cannot set a legal budget;
- The impact of changes in the delivery of Health and Care Services in Oldham creates uncertainty and disrupts integration plans;
- The internal control environment on Adult Social Care systems;
- Cyber and information risks;
- The key regeneration projects planned for the future as detailed in the Creating a Better Place programme; and
- Workforce resilience.

The Annual Governance Statement outlines the arrangements through which the Council manages risks. It identifies the future risks challenges the Council faces and actions requires to mitigate those risks to a reasonable level. Significant issues identified include:

- The need to control expenditure and reduce the reliance on reserves;
- The impact of new Public Procurement Regulations;
- Challenges associates with delivering the Creating a Better Place Programme;
- The impact of the financial pressures facing Manchester NHS in the light of provision of health and care services through Integrated care Partnerships;
- Partnership governance including the impact of establishing Oldham Total Care Limited during the year; and
- The increasing challenges associated with maintaining cyber security and protection of data.

Main Changes to the Statements and Significant Transactions

The Council has followed the guidance in the CIPFA Code of Practice on Local Authority Accounting 2023/24 and subsequent bulletin for the closure of the 2023/24 Financial Statements. However, the Council has continued its policy of diverging from the Code in relation to the accounting treatment for the depreciation charge against Housing Revenue Account (HRA) dwellings. Details are provided in Section 4.1 of the Accounts. The Council's management believes that this alternative treatment is required in order to present a true and fair view of the financial position of the Council's HRA.

Basis of Preparation and Presentation of the Accounts

The Council prepares its Statement of Accounts on a going concern basis, on the assumption that it will continue in existence into the foreseeable future. Disclosures are included within the Statement of Accounts based on an assessment of their materiality. A disclosure is considered material if through an omission or a misstatement, the decisions made by users of the accounts would be influenced. This could be due to the value or the nature of the disclosure.

The Council considers disclosures against an internally calculated materiality threshold which is reviewed each year. However individual items of income and expenditure over £6.000m which are not disclosed on the face of the Comprehensive Income and Expenditure Statement (CIES) are considered to be significant and are disclosed in Note 7. Some disclosures are included due to their nature even if the value of transactions is not over the materiality threshold, an example of this is Note 9 Officers' Remuneration.

The assessment of materiality also influences the Council's decision to produce Group Accounts. Each year the Council assesses the entities it exerts control or significant influence over to identify which fall within the group boundary. If the value of transactions for the group as a whole is material, Group Accounts are produced. The accounts for 2023/24 therefore consolidate the MioCare Community Interest Company.

Explanation of the Statements to the Accounts

The Accounts and Audit (Amendment) Regulations 2022 require the Council to produce a Statement of Accounts for each financial year. These statements contain several different elements which are explained below:

Statement of Responsibilities for the Statement of Accounts sets out the respective responsibilities of the Authority and the Chief Financial Officer (Director of Finance).

Auditor's Report gives the auditor's opinion of the financial statements and of the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources (this Report is not included in the draft accounts).

Financial Statements

- **Comprehensive Income and Expenditure Statement (CIES)** shows the cost of providing services in the year in accordance with International Financial Reporting Standards. The top part of the CIES provides an analysis by Directorate and reflects the Council's local reporting format. The bottom half of the statement deals with corporate transactions and funding.

- **Movement in Reserves Statement** is a summary of the changes to the Council's reserves over the course of the year. Reserves are divided into "usable", which can be invested in capital projects or service improvements, and "unusable" which must be set aside for specific purposes.

- **Balance Sheet** shows the value of the Council's assets, liabilities and reserves at a point in time.

- **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 the day to day running of the Council (operating activities), investing activities or financing activities.

- **Housing Revenue Account (HRA)** shows the in-year economic cost of providing housing services in accordance with generally accepted accounting practices.

- **Collection Fund Statement** shows the transactions of the Billing Authority in relation to the collection from taxpayers of Council Tax and Business Rates and its distribution to precepting bodies. For Oldham, the Council Tax precepts payable are for the Mayoral Police and Crime Commissioner precept and the Mayoral General precept (including Fire & Rescue Services).

- **Group Accounts** show the group position of the Council and its material subsidiaries. The Council considers the Group Statements to be of equal prominence to the single entity statements.

Receipt of Further Information

If you would like to receive further information about these accounts, please do not hesitate to contact Sarah Johnston at the Finance Department, Oldham Council, West Street, Oldham, OL1 1UG.

Acknowledgements

The production of the Statement of Accounts would not have been possible without the exceptionally hard work and dedication of staff across the Council. I would like to express my gratitude to all colleagues, from the Finance team and other services, who have assisted in the preparation of this document. I would also like to thank them for all their support during the financial year.

Sarah Johnston CPFA
Director of Finance, Section 151 Officer (during 2023/24)

2.0 Statements to the Accounts

2.1 Statement of Responsibilities for the Statement of Accounts

2.1.1 The Council's Responsibilities

The Council is required to:

i. 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 Oldham Council, that officer is the Director of Finance.
ii. Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
iii. Approve the Statement of Accounts.

2.1.2 The Director of Finance Responsibilities

The Director of Finance is responsible for the preparation of Oldham Council's Statement of Accounts in accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy 2023/24 Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

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

i. Selected suitable accounting policies and then applied them consistently.
ii. Made judgements and estimates that were reasonable and prudent.
iii. Complied with the Code of Practice on Local Authority Accounting.
iv. Kept proper accounting records which were up to date.
v. Taken reasonable steps for the prevention and detection of fraud and other irregularities.

2.1.3 Certification of Accounts

I certify that the Statement of Accounts gives a true and fair view of the financial position of Oldham Council at 31 March 2024 and its income and expenditure for the year then ended.

Chris Kelsall, BA (Hons) ACA
Section 151 Officer.
Dated: 26 February 2025

Approval of Accounts

In accordance with the Accounts and Audit (Amendment) Regulations 2022, I certify that the Statement of Accounts was approved by the Audit Committee on 26 February 2025.

Chair of Audit Committee
Dated: 26 February 2025

2.2 Auditors Report

To be provided by the Council's External Auditors, Forvis Mazars LLP, on completion of the 2023/24 audit process.

Financial Statements and Explanatory Notes

3.1 Comprehensive Income and Expenditure Statement (CIES)

2022/23 Gross Expenditure £000	2022/23 Gross Income £000	2022/23 Net Expenditure £000		Note	2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net Expenditure £000
26,710	(11,678)	15,032	Corporate Services		22,326	(13,369)	8,957
10,416	(1,375)	9,041	Communities		13,890	(1,806)	12,084
317,428	(219,188)	98,240	Children's Services		341,703	(233,561)	108,142
136,326	(53,729)	82,597	Community Health and Adult Social Care		146,789	(59,003)	87,786
40,952	(44,038)	(3,086)	Capital, Treasury and Technical Accounting		50,915	(48,764)	2,151
6,851	-	6,851	Corporate and Democratic Core		7,642	-	7,642
89,001	(37,005)	51,996	Place and Economic Growth		97,651	(37,042)	60,609
33,039	(5,182)	27,857	Public Health		31,567	(4,889)	26,678
18,559	(29,108)	(10,549)	Housing Revenue Account		21,021	(29,151)	(8,130)
679,282	**(401,303)**	**277,979**	**Cost of Services**		**733,504**	**(427,585)**	**305,919**
			Other Operating Expenditure				
		314	Parish Council precepts				329
		185	Payments to Housing capital receipts to government pool				444
		33,289	Levies	**12**			34,292
		(2,094)	(Gains)/losses on the disposal of non-current assets				(951)
		31,694	**Total Other Operating Expenditure**				**34,114**
		24,898	Financing and Investment Income and Expenditure	**3**			17,695
		(303,784)	Taxation and Non-Specific Grant Income	**4**			(321,604)
		30,787	**(Surplus) or Deficit on Provision of Services**				**36,124**
			Other Comprehensive Income and Expenditure				
		(73,528)	Revaluation (gains)/losses non-current assets	**16a**			(78,990)
		106	Impairment losses on non-current assets	**16a**			130
		(9,404)	(Surplus) or deficit on Financial Assets measured at Fair Value through Other Comprehensive Income				(25,027)
		(509,383)	Remeasurement of net defined benefit liability	**31**			(65,098)
		102,092	Asset Ceiling Adjustment	**31**			178,037
		(490,117)	**Total Other Comprehensive Income and Expenditure**				**9,052**
		(459,330)	**Total Comprehensive Income and Expenditure**				**45,176**

3.2 Movement in Reserves Statement

2023/24	Note	Usable Reserves									
		General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Housing Revenue Account £000	Usable Capital Receipts £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Usable Reserve £000	Unusable Reserves £000	Total Reserves £000
Balance at 1 April Brought Forward		(18,865)	(99,152)	**(118,016)**	(22,585)	-	(1,004)	(22,298)	**(163,904)**	(572,901)	**(736,805)**
Movement in reserves during 2023/24				**-**					**-**		**-**
Total Comprehensive Income and Expenditure		35,005	-	**35,005**	1,119	-	-	-	**36,124**	9,052	**45,176**
Adjustments between accounting basis and funding basis under regulations	**14**	(8,352)	(41)	**(8,393)**	360	-	(218)	(6,008)	**(14,259)**	14,259	**-**
Net (increase)/decrease before transfers to Earmarked Reserves		**26,653**	**(41)**	**26,612**	**1,479**	**-**	**(218)**	**(6,008)**	**21,865**	**23,311**	**45,176**
Transfers to/from Earmarked Reserves	**15**	(26,653)	26,653	**-**	-	-	-	-	**-**	-	**-**
(Increase)/Decrease in Year		**-**	**26,612**	**26,612**	**1,479**	**-**	**(218)**	**(6,008)**	**21,865**	**23,311**	**45,176**
Balance at 31 March carried forward		**(18,865)**	**(72,540)**	**(91,405)**	**(21,106)**	**-**	**(1,222)**	**(28,306)**	**(142,039)**	**(549,590)**	**(691,629)**

2022/23	Note	Usable Reserves									
		General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Housing Revenue Account £000	Usable Capital Receipts £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Usable Reserve £000	Unusable Reserves £000	Total Reserves £000
Balance at 1 April Brought Forward		(20,012)	(120,150)	**(140,161)**	(21,721)	-	(884)	(15,947)	**(178,714)**	(98,761)	**(277,475)**
Movement in reserves during 2022/23				**-**					**-**		**-**
Total Comprehensive Income and Expenditure		31,018	-	**31,018**	(230)	-	-	-	**30,787**	(490,117)	**(459,330)**
Adjustments between accounting basis and funding basis under regulations	**14**	(8,872)	-	**(8,872)**	(634)	-	(120)	(6,351)	**(15,978)**	15,978	**-**
Net (increase)/decrease before transfers to Earmarked Reserves		**22,145**	**-**	**22,145**	**(864)**	**-**	**(120)**	**(6,351)**	**14,810**	**(474,140)**	**(459,330)**
Transfers to/from Earmarked Reserves	**15**	(20,998)	20,998	**-**	-	-	-	-	**-**	-	**-**
(Increase)/Decrease in Year		**1,147**	**20,998**	**22,145**	**(864)**	**-**	**(120)**	**(6,351)**	**14,810**	**(474,140)**	**(459,330)**
Balance at 31 March carried forward		**(18,865)**	**(99,152)**	**(118,016)**	**(22,585)**	**-**	**(1,004)**	**(22,298)**	**(163,904)**	**(572,901)**	**(736,805)**

3.3 Balance Sheet

31 March 2023 £000		Note	31 March 2024 £000
710,436	Property, Plant & Equipment	17	791,202
165,298	Infrastructure Assets	18	169,298
21,141	Heritage Assets	19	21,141
20,791	Investment Property	20	19,624
5,350	Intangible Assets		6,033
48,246	Long Term Investments	22	72,725
40,044	Long Term Debtors	23	42,754
70,217	Pension Asset	31	-
1,081,523	**Long Term Assets**		**1,122,777**
20,390	Short Term Investments	22	10,273
678	Inventories		642
58,966	Short Term Debtors	23	61,557
30,094	Cash & Cash Equivalents	24	7,652
610	Assets Held For Sale (less than 1 year)		610
110,738	**Current Assets**		**80,734**
(1,690)	Short Term Borrowing	22	(21,820)
(74,037)	Short Term Creditors	25	(83,265)
(5,918)	Short Term Provisions	26	(5,302)
	Short Term Liabilities		
(10,716)	- Private Finance Initiatives	22,29	(11,406)
(262)	- Finance Leases	22	(302)
(6)	- Transferred Debt	22	(6)
(92,629)	**Current Liabilities**		**(122,101)**
(6,864)	Long Term Provisions	26	(7,134)
(161,494)	Long Term Borrowing	22	(161,484)
	Other Long Term Liabilities		
-	- Pension Liabilities	31	(38,380)
(193,110)	- Private Finance Initiatives	22,29	(181,704)
(213)	- Finance Leases	22	(445)
(33)	- Transferred Debt	22	(27)
(17)	- Deferred Credits		(17)
(1,097)	Capital Grants Receipts In Advance		(590)
(362,828)	**Long Term Liabilities**		**(389,781)**
736,804	**Net Assets**		**691,629**
(163,904)	**Usable Reserves**	MiRS	(142,039)
(572,900)	**Unusable Reserves**	MiRS,16	(549,590)
(736,804)	**Total Reserves**		**(691,629)**

3.4 Cash Flow Statement

	Notes	2022/23 £000	2023/24 £000
Net deficit on the provision of services		(30,787)	(36,124)
Adjustment to surplus or deficit on the provision of services for non-cash movements	32	59,824	57,869
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	32	(46,603)	(46,826)
Net cash flows from operating activities		**(17,566)**	**(25,081)**
Net Cash flows from Investing Activities	33	5,226	(6,702)
Net Cash flows from Financing Activities	34	(15,420)	9,341
Net increase or (decrease) in cash and cash equivalents		**(27,760)**	**(22,442)**
Cash and cash equivalents at the beginning of the reporting period		57,854	30,094
Cash and cash equivalents at the end of the reporting period		**30,094**	**7,652**

3.5 Index of Explanatory Notes to the Accounts

3.6 Explanatory Notes to the Financial Statements

Introduction

The financial statements have been prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code) and the Accounting Policies set out in Note 35. The Notes that follow (1 to 39) set out explanatory information for readers of the accounts.

1. Expenditure and Funding Analysis

The Expenditure and Funding Analysis demonstrates how the funding available to the Council for the year 2023/24 (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 (GAAP). 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 GAAP is presented more fully in the Comprehensive Income and Expenditure Statement.

1a. Expenditure and Funding Analysis

2023/24 Directorate	As reported for resource management (including HRA) £000	Adjustment to arrive at the net amount chargeable to the General Fund and HRA balances £000	Net Expenditure Chargeable to the General Fund and HRA Balances £000	Adjustments between Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
Corporate Services	8,498	(2,601)	5,897	3,059	8,956
Communities	11,541	(3,495)	8,046	4,039	12,085
Children's Services	119,524	(30,670)	88,854	19,288	108,142
Community Health and Adult Social Care	86,362	(2,314)	84,048	3,738	87,786
Capital, Treasury and Technical Accounting	(38,159)	86,718	48,559	(46,407)	2,152
Corporate and Democratic Core	7,642	-	7,642	-	7,642
Place and Economic Growth	97,953	(58,426)	39,527	21,081	60,608
Public Health	28,243	(1,830)	26,413	265	26,678
Housing Revenue Account	-	(7,770)	(7,770)	(360)	(8,130)
Net cost of services	**321,604**	**(20,388)**	**301,216**	**4,703**	**305,919**
Other income and expenditure	(321,604)	48,519	(273,085)	3,289	(269,796)
Surplus or Deficit	**-**	**28,131**	**28,131**	**7,992**	**36,123**

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The table below shows the comparative information for 2022/23.

2022/23 Directorate	As reported for resource management (including HRA) £000	Adjustment to arrive at the net amount chargeable to the General Fund and HRA balances £000	Net Expenditure Chargeable to the General Fund and HRA Balances £000	Adjustments between Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
Corporate Services	12,429	(3,782)	8,647	6,385	15,032
Communities	10,113	(3,748)	6,365	2,676	9,041
Children's Services	105,417	(33,067)	72,350	25,890	98,240
Community Health and Adult Social Care	79,398	(1,068)	78,330	4,267	82,597
Capital, Treasury and Technical Accounting	(26,335)	62,369	36,034	(39,120)	(3,086)
Corporate and Democratic Core	6,851	0	6,851	0	6,851
Place and Economic Growth	89,346	(56,198)	33,148	18,848	51,996
Public Health	27,713	(1,163)	26,550	1,307	27,857
Housing Revenue Account	(0)	(11,184)	(11,184)	635	(10,549)
Net cost of services	**304,932**	**(47,841)**	**257,091**	**20,888**	**277,979**
Other income and expenditure	(303,785)	67,972	(235,813)	(11,379)	(247,192)
(Surplus) or Deficit	**1,147**	**20,131**	**21,278**	**9,509**	**30,787**

The table below reconciles between the opening and closing balances of the General Fund (including Earmarked Reserves) and Housing Revenue Account (HRA) balances.

Additional information on the movements in General Fund and HRA balances can be found on the Movement in Reserves Statement.

Movement in General Fund and HRA Balance	2022/23 £000	2023/24 £000
Opening General Fund and HRA Balance as at 1 April	(161,822)	(140,601)
Add (Surplus)/Deficit on General Fund and HRA Balance in Year	21,281	28,091
Closing General Fund and HRA Balance as at 31 March	**(140,601)**	**(112,510)**

1b. Note to the Expenditure and Funding Analysis

This note provides a reconciliation of the main adjustments to net expenditure chargeable to the General Fund and HRA balances to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement				Adjustments between Accounting Basis and Funding Basis 2023/24			
	Movement in Reserves £000	Other Adjustments £000	Total to arrive at amount charged to the general fund & HRA £000	Adjustment for capital purposes (i & ii) £000	Net change for pension adjustment (iii) £000	Other Differences (iv) £000	Total Adjustments £000
Corporate Services	(30)	(2,571)	**(2,601)**	3,489	(430)	-	3,059
Communities	1,012	(4,507)	**(3,495)**	4,107	(67)	-	4,040
Children's Services	(3,862)	(26,807)	**(30,670)**	19,931	(644)	-	19,287
Community Health and Adult Social Care	2,453	(4,767)	**(2,314)**	3,929	(190)	-	3,739
Capital, Treasury and Technical Accounting	14,953	60,732	**75,684**	(44,290)	(2,366)	248	(46,408)
Corporate and Democratic Core	-	-	**-**	-	-	-	-
Place and Economic Growth	1,064	(59,490)	**(58,426)**	21,660	(580)	-	21,080
Public Health	30	(1,860)	**(1,830)**	330	(65)	-	265
Central Services	11,034	-	**11,034**	-	-	-	-
Housing Revenue Account	1,478	(9,248)	**(7,770)**	(142)	-	(217)	(359)
Net cost of services	**28,131**	**(48,519)**	**(20,388)**	**9,014**	**(4,342)**	**31**	**4,703**
Other income and expenditure from the Expenditure and Funding Analysis	-	48,519	**48,519**	-	-	3,289	3,289
Difference between General Fund surplus/deficit and Comprehensive Income and Expenditure Statement surplus/deficit	**28,131**	**-**	**28,131**	**9,014**	**(4,342)**	**3,320**	**7,992**

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement				Adjustments between Accounting Basis and Funding Basis 2022/23			
	Movement in Reserves £000	Other Adjustments £000	Total to arrive at amount charged to the general fund & HRA £000	Adjustment for capital purposes (i & ii) £000	Net change for pension adjustment (iii) £000	Other Differences (iv) £000	Total Adjustments £000
Corporate Services	496	(4,278)	**(3,782)**	3,342	3,043	-	6,385
Communities	(485)	(3,263)	**(3,748)**	2,462	335	(121)	2,676
Children's Services	(1,521)	(31,546)	**(33,067)**	24,017	4,426	(2,552)	25,891
Community Health and Adult Social Care	3,200	(4,268)	**(1,068)**	2,972	1,296	-	4,268
Capital, Treasury and Technical Accounting	15,013	47,356	**62,369**	323	10,062	(49,505)	(39,120)
Corporate and Democratic Core	-	-	**-**	-	-	-	-
Place and Economic Growth	2,549	(58,747)	**(56,198)**	16,673	4,024	(1,849)	18,848
Public Health	1,744	(2,907)	**(1,163)**	1,499	544	(737)	1,306
Housing Revenue Account	(865)	(10,319)	**(11,184)**	5,570	-	(4,936)	634
Net cost of services	**20,131**	**(67,972)**	**(47,841)**	**56,858**	**23,730**	**(59,700)**	**20,888**
Other income and expenditure from the Expenditure and Funding Analysis	-	67,972	**67,972**	-	-	(11,379)	(11,379)
Difference between General Fund surplus/deficit and Comprehensive Income and Expenditure Statement surplus/deficit	**20,131**	**-**	**20,131**	**56,858**	**23,730**	**(71,079)**	**9,509**

(i) Adjustments for Depreciation/Rental Income

For resource management purposes, the Council includes depreciation in its reporting at Directorate level. However, these charges are removed as they are not included in the net expenditure chargeable to the General Fund and HRA balances. Also, the Council includes rental income from investment properties in the Place and Economic Growth Directorate. However, this is reported in the financial statements below the cost of services line and, therefore the table above shows the item being reallocated.

(ii) Adjustments for Capital Purposes

Depreciation, impairment charges and revaluation gains and losses are included within the net cost of services. In addition:

- **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 (MRP) and other revenue contributions, are deducted from other income and expenditure as these are not chargeable under GAAP.
- **Taxation and non-specific grant income and expenditure –** capital grants are adjusted for income not chargeable under GAAP. 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.

(iii) Net Change for Pension Adjustments

The removal of pension contributions and the addition of the International Accounting Standard (IAS) 19 Employee Benefits pension related expenditure and income are reflected as follows:

- **For the net cost of services –** the removal of the employer pension contributions made by the Council as determined 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 CIES.

(iv) Other Differences

Other 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 for the timing differences for premiums and discounts for Long Term Borrowing.
- **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 GAAP. This is a timing difference as any difference is brought forward in the surpluses or deficits on the Collection Fund.

2. Expenditure and Income Analysed by Nature

	2022/23 £000	2023/24 £000
Expenditure		
Employee Benefit Expenses	248,843	244,611
Other services expenses	382,915	439,613
Depreciation, amortisation and impairment	44,429	55,573
Interest Payments	34,547	21,727
Precepts and levies	33,603	34,621
Payments to the housing capital receipts pool	185	444
Loss on transfer to academy status	-	6,588
Movement on Pooled Investments	2,743	542
Total expenditure	**747,265**	**803,719**
Income		
Fees, charges and other service income	(94,530)	(101,298)
Interest and investment income	(6,734)	(8,022)
Income from Council Tax and Business Rates	(158,949)	(164,364)
Government grants and contributions	(421,013)	(452,969)
(Gain)/Loss on the disposal of assets	(2,094)	(7,540)
Other revenue receipts	(33,158)	(33,402)
Total income	(716,478)	(767,594)
(Surplus)/Deficit on the Provision of Services	**30,787**	**36,124**

3. Financing and Investment Income and Expenditure

	2022/23 £000	2023/24 £000
Interest payable and similar charges	26,154	25,085
Net interest on the net defined benefit liability	8,392	(3,358)
Interest receivable and similar income	(5,260)	(7,180)
Income and expenditure in relation to investment properties and changes in their fair value	(2,556)	(945)
Other investment income	(1,474)	(842)
Expected Credit Loss	(3,101)	4,393
Fair Value movement on Pooled Investment Funds	2,743	542
Total	**24,898**	**17,695**

4. Taxation and Non-Specific Grant Income

The Council raises Council Tax, Business Rates and receives non-specific unringfenced grants from Central Government each year to finance revenue expenditure. This income is not attributable to specific services. The Council Tax and Retained Business Rates income together with non-specific unringfenced Government Grants underpin the overall expenditure of the Council. The Grants are set out below:

	2022/23 £000	2023/24 £000
Council Tax Income - General Purposes	(90,423)	(94,675)
Council Tax Income - Adult Social Care Precept	(12,549)	(14,874)
Retained Business Rates	(55,977)	(54,814)
Business Rates Top Up Grant	(42,922)	(45,974)
Grants in Lieu of Business Rates	(19,348)	(25,162)
Other Capital Grants and Contributions	(38,762)	(39,566)
Private Finance Initiative (PFI) Grant	(7,621)	(7,126)
Improved Better Care Fund Grant	(11,188)	(11,188)
Social Care Support Grant	(12,132)	(21,454)
Independent Living Fund Grant	(2,580)	-
Housing and Council Tax Benefit Administration Grants	(1,185)	(810)
New Homes Bonus Grant	(562)	(252)
Lower Tier Services Support Grant	(437)	-
Services Grant	(4,467)	(2,620)
Homes for Ukraine Grant	(1,018)	-
Family Hubs and Start for Life Programme Grant	(845)	(1,444)
Other Non-Ringfenced Government Grants	(1,768)	(1,645)
Total	**(303,784)**	**(321,604)**

5. Grant Income Credited to Services

The Council credited the following grants and contributions to the CIES:

	2022/23 £000	2023/24 £000
Government Grants		
Dedicated Schools Grant (DSG)	(168,686)	(176,286)
Housing Benefit Subsidy - Rent Allowances	(35,633)	(36,707)
Housing Benefit Subsidy - Rent Rebates	(5,341)	(5,738)
Private Finance Initiative (PFI) Credit	(24,447)	(24,942)
Household Support Fund	(4,839)	(4,679)
Pupil Premium	(9,635)	(9,893)
Discretionary Housing Payments	(427)	(429)
Education and Skills Funding Agency (ESFA) - Adult and Community Learning Income	(2,722)	(3,050)
Holiday Activities and Food Grant	(1,435)	(1,340)
Other Government Grants	(20,081)	(28,302)
Other Grants	(2,929)	(4,362)
Total	**(276,177)**	**(295,728)**

6. Dedicated School's Grant (DSG)

The Council's expenditure on schools is financed primarily by Dedicated Schools Grant (DSG) provided by the Education and Skills Funding Agency (ESFA). DSG is ring-fenced and can only be used to finance expenditure that is included in the School's Budget, as defined in the School Finance and Early Years (England) Regulations 2024. The School's Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each Council maintained school.

Details of the deployment of the DSG receivable for 2023/24 are as follows:

		2023/24		
		Central Expenditure	Individual Schools Budget	Total
Note		**£000**	**£000**	**£000**
A	Final DSG for 2023/24 before academy and high needs recoupment			322,019
B	Academy and high needs figure recouped for 2023/24			(145,733)
C	Total DSG after academy and high needs recoupment for 2023/24			**176,286**
D	Plus: Brought forward from 2022/23			**3,713**
E	Less: Carry-forward to 2024/25 agreed in advance			(616)
F	Agreed initial budgeted distribution in 2023/24	61,138	118,245	**179,383**
G	In year adjustments	(101)	38	(63)
H	**Final budget distribution for 2023/24**	**61,037**	**118,283**	**179,320**
I	Less: Actual central expenditure	(55,460)	-	(55,460)
J	Less: Actual ISB deployed to schools		(117,960)	(117,960)
K	Plus: Local authority contribution for 2023/24	-	-	-
L	**In Year Carry-forward to 2024/25**	**5,577**	**323**	**5,900**
M	Plus: Carry-forward to 2024/25 agreed in advance			616
N	Carry-forward to 2024/25			6,516
O	DSG unusable reserve at the end of 2022/23			(2,773)
P	Addition to DSG unusable reserve at the end of 2023/24			(41)
Q	Total of DSG unusable reserve at the end of 2023/24			(2,814)
R	**Net DSG position at the end of 2023/24**			**3,702**

A Final DSG figure before any amount has been recouped from the Authority as published in March 2023, excluding an Early Years Block adjustment to be made based on January 2024 pupil numbers.
B Figure recouped from the Authority in 2023/24 by the Department for Education (DfE) for the 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 2023/24, as published March 2024.
D Balance brought forward (where in surplus) from 2022/23.
E The amount which the Authority decided after consultation with the School's Forum to carry forward to 2023/24 rather than distribute in 2023/24 (£0.616m).
F Budgeted distribution of DSG as agreed with the School's Forum.
G Changes to the initial distribution, for the final Early years Block adjustment re 2022/23.
H Budgeted distribution of DSG as at the end of the financial year.
I Actual amount of central expenditure items in 2023/24.
J Amount of ISB distributed to schools in 2023/24.
K Any Local Authority contribution for 2023/24 - there was no contribution from Oldham Council in 2023/24.
L In year carry-forward to 2024/25.
M Carry-forward to 2024/25 already agreed (£0.616m).
N Carry-forward to 2024/25 (before any unusable reserve brought forward).
O DSG unusable reserve at the end of 2022/23.
P Addition to DSG unusable reserve at the end of 2022/23- there is no addition for Oldham at the end of 2023/24.
Q Total of DSG unusable reserve at the end of 2023/24.
R Net DSG position at the end of 2023/24.

At the end of 2023/24 the DSG surplus has increased to £3.702m an increase of £2.803m compared to the 2022/23 surplus of £0.899m.

2022/23 DSG position

		2022/23		
		Central Expenditure	Individual Schools Budget	Total
Note		£000	£000	£000
A	Final DSG for 2022/23 before academy and high needs recoupment			300,473
B	Academy and high needs figure recouped for 2022/23			(131,787)
C	Total DSG after academy and high needs recoupment for 2022/23			**168,686**
D	Plus: Brought forward from 2021/22			
E	Less: Carry-forward to 2023/24 agreed in advance			(439)
F	Agreed initial budgeted distribution in 2022/23	24,367	143,880	**168,247**
G	In year adjustments	23	79	102
H	**Final budget distribution for 2022/23**	**24,390**	**143,959**	**168,349**
I	Less: Actual central expenditure	(24,415)	-	(24,415)
J	Less: Actual ISB deployed to schools		(140,701)	(140,701)
K	Plus: Local authority contribution for 2022/23	-	-	-
L	**In Year Carry-forward to 2023/24**	**(25)**	**3258)**	**3,233**
M	Plus: Carry-forward to 2023/24 agreed in advance			439
N	Carry-forward to 2023/24			3,672
O	DSG unusable reserve at the end of 2021/22			(2,773)
P	Addition to DSG unusable reserve at the end of 2022/23			-
Q	Total of DSG unusable reserve at the end of 2022/23			(2,773)
R	**Net DSG position at the end of 2022/23**			**899**

7. Material Items of Income and Expenditure

This note identifies material items of income and expenditure that are not disclosed on the face of the Comprehensive Income and Expenditure Statement. For the purposes of this note the Council considers material items to be those greater than £6.000m.

Blackshaw Lane School was derecognised on the Council's balance sheet as it transferred to Academy Status in 2023/24. The value of the disposal is £6.355m.

8. Members' Allowances

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

	2022/23 £000	2023/24 £000
Allowances	1,166	1,143
Expenses	-	1
Total	1,166	1,144

9. Officers' Remuneration

The remuneration of senior employees is detailed below.

	2022/23				2023/24				Note
	Salary, Fees and Allowances	Compensation for Loss Office of	Pension Contribution	Total	Salary, Fees and Allowances	Compensation for Loss Office of	Pension Contribution	Total	
	£000	£000	£000	£000	£000	£000	£000	£000	
H Catherall, Chief Executive Oldham Council, Head of Paid Service	164	-	-	**164**	156	-	-	**156**	**A**
Deputy Chief Executive: People Services	139	-	29	**168**	144	-	27	**171**	**B**
Deputy Chief Executive – Place		-			70	-	13	**83**	
Executive Director: Place and Economic Growth	124	-	25	**149**	65	-	12	**77**	**C**
Assistant Chief Executive	98	-	20	**118**	102	-	19	**121**	
Managing Director Children and Young People (Director of Children's Services)	132	-	27	**159**	137	-	26	**163**	**D**
Managing Director Community Health and Adults Social Care Services (Director of Adult Social Services)	29	-	6	**35**	-	-	-	**-**	**E**
Director of Adult Social Care Services (Director of Adult Social Services)	84	-	17	**101**	116	-	22	**138**	
Director of Education, Skills and Early Years (Chief Education Officer)	98	-	20	**118**	27	-	5	**32**	**F**
Director of Education, Skills and Lifelong Learning		-			76	-	14	**90**	**G**
Director of Finance and Chief Financial Officer (Section 151 Officer)	105	-	8	**113**	110	-	18	**128**	**K**
Director of Legal Services and Monitoring Officer	105	-	22	**127**	108	-	21	**129**	**H**
Director of Public Health	98	-	20	**118**	25	-	5	**30**	**I**
(Interim) Director of Public Health	-	-	-	-	80	-	15	**95**	**J**

Senior Officers served for the whole of 2022/23 and 2023/24 unless stated below:

A The Chief Executive and Head of Paid Services: reduced hours from 1 January 2024.

B The Deputy Chief Executive Place: a loss of office payment of £97k was agreed during 2023/24, however, the actual leaving date was in 2024/25, 30 April 2024.

C The Executive Director Place and Economic Growth was appointed Deputy Chief Executive Place on 1 October 2023.

D The Managing Director Children and Young People (Director of Children's Services): a loss of office payment of £23k was agreed in 2023/24, however, the actual leaving date will be in 2024/25.

E The Managing Director Community Health and Adults Social Care Services (Director of Adult Social Services) was disestablished during 2022/23 and replaced with the post of Director of Adult Social Care Services (Director of Adults Social Services).

F The Director of Education, Skills and Early Years (Chief Education Officer): left the Council on 2 July 2023.

G The Director of Education, Skills and Lifelong Learning: was appointed 1 June 2023.

H The Director of Legal and Monitoring Officer: a loss of office payment of £236k was agreed during 2023/24, however, the actual leaving date will be in 2024/25.

I The Director of Public Health: left the Council on 30 June 2023.

J The Interim Director of Public Health: was appointed 19 June 2023 and permanently appointed to the Director of Public Health on 22 February 2024.

K The Director of Finance left the Council on 31 October 2023, a new Director of Finance was appointed on 13 November 2023.

All of the Council's employees (excluding the Chief Executive, other Executive Management Team members and statutory officers) receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

	2022/23 Number of Employees Including Severance or Other Related Payments	2023/24 Number of Employees Including Severance or Other Related Payments
£50,000 - £55,000	149	178
£55,001 - £60,000	87	121
£60,001 - £65,000	46	42
£65,001 - £70,000	25	42
£70,001 - £75,000	20	29
£75,001 - £80,000	18	13
£80,001 - £85,000	16	18
£85,001 - £90,000	6	13
£90,001 - £95,000	4	8
£95,001 - £100,000	3	-
£100,001 - £105,000	3	3
£105,001 - £110,000	-	4
£110,001 - £115,000	2	1
£115,001 - £120,000	-	-
£120,001 - £125,000	1	2
Total	**380**	**474**

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)	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	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	
							£	£
£0 - £20,000	13	2	16	18	29	20	197,365	128,427
£20,001 - £40,000	3	-	6	1	9	1	249,890	28,382
£40,001 - £60,000	-	-	2	3	2	3	100,446	133,153
£60,001 - £80,000	-	-	-	1	-	1	-	70,867
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
Total	**16**	**2**	**24**	**23**	**40**	**25**	**547,701**	**360,829**

10. External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts by the Council's External Auditors, which for 2022/23 and 2023/24 was Forvis Mazars LLP.

	2022/23 £000	2023/24 £000
Fees payable to Forvis Mazars LLP with regard to external audit services carried out by the appointed auditor for the year.	126	360

The 2022/23 amount has increased to £163k due to additional fee notifications in relation to the 2022/23 audit received in the 2023/24 financial year.

11. Pooled Budget

Section 75 Agreement

Since April 2016, Greater Manchester has been working to deliver its own sustainable Health and Social Care system. Oldham Council and Oldham CCG jointly developed a Locality Plan which describes the strategic ambition for Oldham's Health and Care system and how the partners will address the challenges presented for Health and Social Care transformation; initially covering the period 2016/17 to 2020/21, an initial extension to 2023/24 has again been refreshed and extended for 2024/25 and beyond. The two organisations have worked closely together and for a number of years have entered into a pooled funding agreement under the powers of the NHS Act 2006 to facilitate a whole system approach to delivering care to the citizens of Oldham.

The aims and benefits of the Partners in entering into the Section 75 Agreement are to;

- improve the quality and efficiency of service provision;
- meet the national conditions of funding streams, such as the Better Care Fund and local objectives;
- make more effective use of resources through the establishment and maintenance of an aligned fund for revenue expenditure on services;
- ensure that people in Oldham will be independent, resilient and self-caring so fewer people reach crisis point; and
- develop an integrated health and care system, for those that need it that enables people to proactively manage their own care with the support of their family, community and the right professionals at the right time in a properly joined up system.

In July 2022 the Health and Social Care Act was enacted with the subsequent dissolution of CCGs to Integrated Care Boards (ICB). The responsibility for all NHS contracts, independent sector Acute contracts, and Primary Care delegated commissioning for Oldham CCG were transferred to NHS Greater Manchester ICB. At the same time, at a locality level, the Oldham Integrated Care Partnership (ICP) was established, building on progress already made to deliver efficiencies, more effective services and to contribute to budget savings through collaboration, networks and alliances within the framework of the Locality Plan. During 2023/24, governance and oversight of health and social care integration services and developments within Oldham remained through the Commissioning Partnership Board.

During 2023 the Government announced a call for evidence on Section 75 agreements to support further use of pooled budgets. The areas for consultation included widening the range of services in scope of the Section 75 (including public health) and widening the scope of organisations (voluntary third sector) that can enter arrangements under the Section 75 agreement. The NHS Greater Manchester Integrated Care Board (GM ICB) have also been undertaking a review of the Section 75 agreement with the aim to standardise across its ten localities with the draft template being released in February 2024. As a consequence, the approved Section 75 Agreement for 2022/23 was carried forward into 2023/24 and the Commissioning Partnership Board in February 2024 approved the 2023/24 (schedule 8) Oldham Pooled Budget contributions for 2023/24. The Agreement incorporates the following:

- Better Care Fund (including the Disabled Facilities Grant);
- Improved Better Care Fund;
- Health and Social Care Integration Transformation Fund; and
- Funding in relation to services commissioned by Oldham Council and services commissioned by Oldham CCG/NHS Greater Manchester.

The Section 75 Agreement relates to pooled funds. The pooled funds are split into two elements:

- A pooled budget that relates solely to the Integrated Community Equipment Service which is hosted by the Council but for which partners equally share the risk associated with any variance to budget; and
- A pooled aligned budget covering the majority of funding and expenditure where funds are held in the host organisation's budget.

As shown in the table below the Council spent pooled funds of £248.449m and Oldham NHS Integrated Care Board - Oldham Locality spent £97.874m; a total pooled fund of £346.323m. Each of the partner organisations accounts for their own contributions and details are contained within the respective organisation's annual accounts.

For the reasons outlined above, the NHS contribution through the CCG stopped part way through 2022/23 with the inception of the Oldham Locality Integrated Care Board, whose contribution for 2023/24 is for the full 12 months compared to 9 months in the previous financial year. The Council's contribution to the Agreement has increased following significant investment in those areas of the Council's budget and expenditure that are within the scope of the Section 75 Agreement linked to the wider determinants of health.

The variance between funding provided to the pool and met from the pool by respective partners is due to funds being transferred from one partner to facilitate expenditure by the other partner.

Section 75 incorporating Better Care Fund & Improved Better Care Fund	2022/23 £000	2023/24 £000
Funding provided to the pooled funds:		
Council	(188,991)	(221,257)
Oldham CCG	(98,049)	
NHS GM Integrated Care Board – Oldham Locality	(86,003)	(125,066)
	(373,043)	**(346,323)**
Expenditure met from the pooled funds:		
Council	215,886	248,449
Oldham CCG	91,654	
NHS GM Integrated Care Board – Oldham Locality	65,502	97,874
	373,043	**346,323**
Net surplus arising on the pooled budget during the year	**-**	**-**

12. Related Parties

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

Central Government

Central Government has significant influence over the general operations of the Council. It is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. Council Tax billing, Housing Benefit administration). Grants received from Government Departments are disclosed in Notes 4 and 5.

Elected Members of the Council

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' Allowances paid in 2023/24 is disclosed in Note 8.

The Register of Members' Interests is open to public inspection at the Civic Centre during office hours, on application, and is also available on the Council's website. The Council is compliant in this regard with the requirements of the Localism Act 2012.

Any material transactions with entities disclosed by Members have been incorporated into the Related Party Transactions table below.

Officers

There are no material related party transactions identified between the entities disclosed by Chief Officers as interests/related parties during the both the 2022/23 and 2023/24 financial year.

Other Public Bodies (subject to common control by Central Government)

The Council has a pooled fund (Section 75) arrangement. The agreement encompasses a range of Council services as follows, for further details see Note 11 Pooled Budget.

The Council also pays levies towards the services provided by the Greater Manchester Combined Authority (GMCA) for Waste Disposal and for Transport services (plus a statutory charge for Transport) and also to the Environment Agency. The levies payable are shown in the following table.

Levying Body/Statutory Charging Body	31 March 2023 £000	31 March 2024 £000
Greater Manchester Combined Authority - Waste Disposal	17,121	17,477
Greater Manchester Combined Authority - Transport (Levy and Statutory Charge)	16,057	16,700
Environment Agency	111	115
Total	**33,289**	**34,292**

The following table shows the income and expenditure and balances attributable to the Council's subsidiaries, associate companies, joint ventures and non-group entities where appropriate.

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Related Party Transactions	Details of Arrangement	2022/23 Receipts £000	2022/23 Payments £000	2022/23 Outstanding Balances / Commitments £000	2023/24 Receipts £000	2023/24 Payments £000	2023/24 Outstanding Balances / Commitments £000
Subsidiaries							
MioCare Group Community Interest Company (formerly Oldham Care Services Limited)	MioCare Group CIC is a care and support provider and is wholly owned by the Council. It delivers services through two subsidiaries: Oldham Care and Support Ltd (OCS); and MioCare Services Ltd (formerly Oldham Care and Support at Home (OCSH)).	(1,159)	17,076	(251)	(953)	19,172	225
Unity Partnership Limited (Unity)	On 2 July 2018 the ownership of Unity Partnership Ltd transferred to Oldham Council and Unity Partnership became a 100% wholly owned Council subsidiary company providing a variety of services within the Council and to residents. On 1 April 2022, the staff of the Unity Partnership Ltd were transferred back into the Council and the Company's functions were taken over by the Council.	(2,046)	2,385	202	12	67	1
Oldham Economic Development Association Limited (OEDA)	OEDA is a company without share capital which is wholly owned by the Council and was set up to aid economic development and regeneration across the Borough. The company has remained inactive in the past year because of the restrictions which apply to companies wholly owned by a Local Authority.	-	-	-	-	-	-
Southlink Developments Limited	The principal activity of the company is that of a property developer. However, the development land now owned by the company is reduced to a few acres located on Southlink Business Park. The continued inactivity of the company is the result of the restrictions which apply to companies wholly owned by a Local Authority.	-	-	-	-	-	-
Meridian Group	The Meridian Group is comprised of the Meridian Development Company Ltd and its subsidiary, Interurban, was created to enable the purchase and development of key sites in Oldham. In 2021/22, the Council became the sole shareholder of the Company.	-	89	-	-	72	-
Northern Roots (Oldham) Ltd	Northern Roots (Oldham) Ltd is a Charity limited by shares and a wholly owned Council company incorporated to develop and operate a new Urban Park in the Snipe Clough area of Oldham. The Council is the sole shareholder.	-	-	(107)	-	-	-
Oldham Total Care	Oldham Total Care, formerly Chadderton Total Care, is a company wholly owned by Oldham Council that provides 24-hour residential care services to adults in the borough of Oldham. The company was incorporated on 11 July 2023 following the failure of the previous independent provider.	-	-	-	(7)	1,288	3,842
Associates							
Joint Ventures							
Oldham Property LLP (OP LLP)	OP LLP is a joint venture between the Council and Brookhouse Group Ltd and was incorporated on 13 February 2013. During 2021/22, the joint venture disposed of its only key site. The Council has retained a small shareholding in the company.	-	-	-		-	-
Community 1st Oldham (Chadderton) Ltd	Community 1st Oldham (Chadderton) Ltd was incorporated on 29 March 2008 and commenced trading on 30 April 2008. The principal activity of the company is the development and property management of a Multi-Purpose Health and Wellbeing Centre in Chadderton.	(137)	1,636	152	(153)	2,197	2
FO Development LLP	This joint venture was formed to deliver the development of the Foxdenton employment area in order to create a premium business location, new jobs and housing. The Council has a 20% shareholding.	-	-	-	(663)	-	-
Non-Group Entities							
Positive Steps Oldham	The Council has a number of contracts with Positive Steps which is a charitable trust that delivers a range of targeted and integrated services for young people, adults and families. It is a not for profit company for which Council Members occupy 4 of the 12 Trustee positions.	(17)	2,437	-	(18)	2,888	2
	Total	**(3,359)**	**23,623**	**(4)**	**(1,782)**	**25,684**	**4,072**

13. Leases

The Council as Lessor

Operating Leases

The Council leases out property to third parties under operating leases, to include but not limited to, the following purposes:

- for the provision of community services, such as community centres; and
- for economic development purposes to provide suitable affordable accommodation for local businesses.

The future minimum lease payments receivable under non-cancellable leases in future years are:

	2022/23 £000	2023/24 £000
No later than 1 year	3,489	3,899
Later than 1 year and not later than 5 years	11,413	11,436
Later than 5 years	171,824	127,630
Total	**186,725**	**142,965**

The only material leased out asset is the Spindles Shopping centre. The Council, through its managing agent, leases retail units to individual retailers. The lease payments are generally fixed for the period of the lease, although, some tenants are subject to rents based wholly or partially on the tenant's turnover. Lease periods are typically between 5 to 15 years for individual tenants. There were 67 individual leases in operation during the 2023/24 financial year.

14. 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.

	2022/23						2023/24					
	Usable Reserves						Usable Reserves					
	General Fund Balance £000	Housing Revenue Account (HRA) £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000	General Fund Balance £000	Housing Revenue Account (HRA) £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account:												
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:												
Charges for depreciation of non-current assets	(34,180)	(5,714)	-	-	-	39,894	(39,479)	(5,937)	-	-	-	45,416
Charges for impairment of non-current assets	(1,091)	-	-	-	-	1,091	(3,780)	-	-	-	-	3,780
Revaluation losses on Property, Plant and Equipment	(1,499)	(215)	-	-	-	1,714	(4,734)	(6)	-	-	-	4,740
Movements in the fair value of Investment Properties	869	-	-	-	-	(869)	(820)	-	(225)	-	-	1,045
Amortisation of intangible assets	(1,729)	-	-	-	-	1,729	(1,637)	-	-	-	-	1,637
Capital grants and contributions applied	25,340	-	-	-	-	(25,340)	25,301	-	-	-	-	(25,301)
Revenue expenditure funded from capital under statute	(12,597)	-	-	-	-	12,597	(10,413)	(508)	-	-	-	10,921
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	(7,106)	(12)	-	-	-	7,118	618	(114)	-	-	-	(504)
Amounts written off on disposal of Academy Schools to the Comprehensive Income and Expenditure Statement	-	-	-	-	-	-	(6,588)	-	-	-	-	6,588
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:												
Statutory provision for the financing of capital investment	15,680	4,606	-	-	-	(20,286)	11,418	5,420	-	-	-	(16,838)
Voluntary provision for the financing of capital investment	-	-	-	-	-	-	1,000					(1,000)
Capital expenditure charged against the General Fund and HRA balances	27	210	-	-	-	(237)	69	320	-	-	-	(389)
Adjustments primarily involving the Capital Grants Unapplied Account:												
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	13,422	-	-	-	(13,422)	-	14,265	-	-	-	(14,265)	-
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	-	-	7,071	(7,071)	-	-	-	-	8,257	(8,257)
Adjustments primarily involving the Capital Receipts Reserve:												
Transfer of cash sales proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	8,978	371	(9,348)	-	-	-	6,067	968	(7,035)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	9,271	-	-	(9,271)	-	-	6,817	-	-	(6,817)
Contributions to the Capital Receipts Pool	(185)	-	185	-	-	-	(444)	-	444	-	-	-
Repayment of Long Term Loans	-	-	(108)	-	-	108						

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	2022/23						2023/24					
	Usable Reserves						Usable Reserves					
	General Fund Balance £000	Housing Revenue Account (HRA) £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000	General Fund Balance £000	Housing Revenue Account (HRA) £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
Adjustments primarily involving the Major Repairs Reserve (MRR):												
Transfer of Excess of Depreciation over Notional MRA to MRR	-	(5,594)	-	5,594	-	-	-	(5,720)	-	5,720	-	-
Credit MRR with a sum equal to HRA Depreciation	-	5,714	-	(5,714)	-	-	-	5,937	-	(5,937)	-	-
Adjustments primarily involving the Financial Instruments Adjustment Account:												
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	294	-	-	-	-	(294)	294	-	-	-	-	(294)
Adjustments primarily involving the Financial Instruments Revaluation Reserve:												
Amount by which Financial Instruments held under Fair Value through Profit & Loss are subject to MHCLG statutory over-ride.	(2,743)	-	-	-	-	2,743	(542)	-	-	-	-	542
Adjustments primarily involving the Pensions Reserve:												
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 31)	(52,921)	-	-	-	-	52,921	(18,680)	-	-	-	-	18,680
Employer's pension contributions and direct payments to pensioners payable in the year	29,189	-	-	-	-	(29,189)	23,022	-	-	-	-	(23,022)
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	12,369	-	-	-	-	(12,369)	(2,779)	-	-	-	-	2,779
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	(991)	-	-	-	-	991	(510)	-	-	-	-	510
Adjustments primarily involving the Dedicated Schools Grant Adjustment Account												
Transfer of Dedicated Schools Grant (DSG) overspend to the DSG Adjustment Account	-	-	-	-	-	-	(41)	-	-	-	-	41
Total Adjustments	**(8,872)**	**(634)**	**-**	**(120)**	**(6,351)**	**15,978**	**(8,393)**	**360**	**-**	**(217)**	**(6,008)**	**14,259**

15. Earmarked Reserves

This note discloses the amounts set aside from the General Fund as Earmarked Reserves to provide financing for future expenditure plans. The note also discloses the value of transfers to or from General Fund Earmarked Reserves during 2022/23 and 2023/24. All Earmarked Reserves are managed in accordance with the Council's reserves policy.

	Balance as at 31 March 2022 £000	Transfers Out 2022/23 £000	Transfers In 2022/23 £000	Balance as at 31 March 2023 £000	Transfers Out 2023/24 £000	Transfers In 2023/24 £000	Balance as at 31 March 2024 £000
Integrated Working Reserve	(18,383)	6,032	(600)	(12,951)	3,991	(471)	(9,431)
Transformation Reserve	(6,396)	2,643	(1,500)	(5,253)	42	-	(5,211)
Adverse Weather Reserve	(1,000)	-	-	(1,000)	-	-	(1,000)
Regeneration Reserve	(2,168)	1,061	(1,000)	(2,107)	1,272	-	(835)
Emergency and External Events Reserve	(2,000)	-	-	(2,000)	-	-	(2,000)
Council Initiatives Reserve	(2,944)	1,653	(700)	(1,991)	268	-	(1,723)
Fiscal Mitigation Reserve	(20,820)	61,397	(68,648)	(28,071)	24,427	(6,592)	(10,236)
Life Cycle Costs Reserve	(1,643)	125	-	(1,518)	218	-	(1,300)
Insurance Reserve	(10,020)	6,880	-	(3,140)	735	-	(2,405)
Directorate Reserve	(2,674)	1,983	(3,145)	(3,836)	2,714	(1,653)	(2,775)
Balancing Budget Reserve	(30,618)	20,686	(6,786)	(16,718)	12,786	(8,253)	(12,185)
District Partnership Reserve	(561)	207	(191)	(545)	-	-	(545)
Total Revenue Account Earmarked Reserves	**(99,228)**	**102,667**	**(82,570)**	**(79,130)**	**46,453**	**(16,969)**	**(49,646)**
Other Earmarked Reserves							
Revenue Grants Reserve	(10,731)	5,545	(2,783)	(7,968)	2,454	(2,285)	(7,800)
Schools Reserve	(10,192)	10,195	(8,384)	(8,381)	8,381	(8,578)	(8,578)
Dedicated Schools Grant Surplus Reserve	-	-	(3,672)	(3,672)	-	(2,844)	(6,516)
Total Other Earmarked Reserves	**(20,922)**	**15,740**	**(14,839)**	**(20,022)**	**10,835**	**(13,707)**	**(22,894)**
Total Earmarked Reserves	**(120,150)**	**118,407**	**(97,409)**	**(99,152)**	**57,288**	**(30,694)**	**(72,540)**

Revenue Account Earmarked Reserves

Integrated Working Reserve - this represents funding that has been set aside to support initiatives arising from the Greater Manchester devolution agenda and Greater Manchester Places for Everyone Framework including joint working with the Greater Manchester Integrated Care Partnership around Health and Adult Social Care, other Greater Manchester Councils and the Greater Manchester Combined Authority.

Transformation Reserve – this represents funding that has been set aside to provide for any exceptional costs arising from implementing the budget reductions required by the Council's revenue budget for 2024/25 and also the programme of change as the Council moves to address funding reductions in future years by the continued transformation of its services.

Adverse Weather Reserve – this represents funds set aside to cover the exceptional costs of the winter maintenance of Oldham's roads due to adverse weather conditions.

Regeneration Reserve – the Council has an extensive and ambitious regeneration agenda and resources have been set aside to support a number of regeneration projects which span more than one financial year.

Emergency and External Events Reserve – this reserve has been established to ensure that the Council has sufficient resources to address costs arising from events such as flooding including the requirement to undertake emergency repairs.

Council Initiatives Reserve – there are a number of projects and programmes of work which the Council considers to be priority initiatives and has therefore set reserve funds aside to ensure that these can be undertaken.

Fiscal Mitigation Reserve – this reserve has been established to fund future costs expected to arise from reforms to Central Government Funding, pressures resulting from legislative change and the potential requirement to support performance improvement in selected services. This also includes funds set aside to strengthen the Council's financial resilience over the medium-term.

Life Cycle Costs Reserve – the Council has a number of service areas including PFI schemes which require reserves to ensure that there is funding to provide for future costs including unitary charge inflationary increases.

Insurance Reserve – this has been established in order to finance costs (e.g. claims and premium payments) associated with insurable risk. The Council also has an Insurance Fund and the Insurance Reserve will also meet expenditure relating to various types of future claims which are not covered by the Insurance Fund.

Directorate Reserve – there are a wide range of Directorate initiatives which span more than one financial year or for which funds have been budgeted but not yet started. The Directorate Reserve will ensure that such initiatives can be completed.

Balancing Budget Reserve – this holds the sum of reserves required to balance the 2024/25 budget approved by Council on 28 February 2024 and the reserves required to balance the indicative 2025/26 budget (also approved on the 28 February 2024).

District Partnership Reserve – this represents sums set aside to fund projects already agreed by the District Executives which are programmed for a future financial year or span more than one financial year.

Other Earmarked Reserves

In addition to the reserves detailed above there are three Earmarked Reserves held in the Council's General Fund which have to be itemised separately given the nature of the funds held. These are:

- **Revenue Grants Reserve** - this represents income from grants received which have no conditions attached or where the conditions have been met but no expenditure has yet been incurred.

- **Schools Reserve** - this includes the balances held by Schools under the scheme of delegation.

- **Dedicated Schools Grant Surplus Reserve** – this reserve contains any surpluses in the DSG and offsets the DSG unusable reserve deficit position which is shown under unusable reserves within the MiRS.

16. Unusable Reserves

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

	Note	31 March 2023 £000	31 March 2024 £000
Revaluation Reserve	16a	(390,514)	(442,438)
Financial Instruments Revaluation Reserve	16b	(15,885)	(40,369)
Capital Adjustment Account	16c	(108,132)	(120,046)
Financial Instruments Adjustment Account	16d	7,638	7,343
Deferred Capital Receipts	16e	(523)	(523)
Pensions Reserve	16f	(70,217)	38,380
Collection Fund Adjustment Account	16g	(3,747)	(968)
DSG Adjustment Account	16h	2,773	2,814
Accumulated Absences	16i	5,706	6,216
Total Unusable Reserves		**(572,900)**	**(549,590)**

(16a) 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.

	2022/23 £000	2023/24 £000
Balance at 1 April	(338,165)	(390,515)
Upward revaluation of assets	(81,118)	(78,990)
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	7,695	130
Difference between fair value depreciation and historic cost depreciation	17,743	22,288
Accumulated gains on non-current assets sold or decommissioned (excluding Academies)	3,330	801
Accumulated gains on Academy assets sold or decommissioned	-	3,848
Balance at 31 March	**(390,515)**	**(442,438)**

(16b) Financial Instruments Revaluation Reserve

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.

	2022/23 £000	2023/24 £000
Balance at 1 April	(9,224)	(15,885)
Transfer from AFS		
Revaluation of Shareholding in Manchester Airport	(992)	(26,300)
Reversal of Pooled Investment Funds	1,639	(1,104)
	647	(27,404)
Other movements	(8,412)	1,274
Financial Instruments held under Fair Value through Profit & Loss subject to DLUHC Statutory override*	1,104	1,646
Balance at 31 March	**(15,885)**	**(40,369)**

* The Department of Levelling Up, Housing and Communities introduced a statutory override to protect the General Fund balance from any fluctuations in fair value movements in quoted investment funds. In the Council's case this relates to its investments in the Churches, Charities and Local Authorities (CCLA) Property Fund. The override has been extended to 31 March 2025.

(16c) 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 CIES (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 subsequent costs.

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

	2022/23 £000	2023/24 £000
Balance at 1 April	(88,234)	(108,131)
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement		
Charges for depreciation of non-current assets	39,894	45,416
Charges for impairment of non-current assets	1,091	3,780
Revaluation (gains)/losses on Property, Plant and Equipment	1,714	4,740
Amortisation of intangible assets	1,729	1,637
Revenue expenditure funded from capital under statute	12,597	10,921
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 (excluding Academies)	7,110	(504)
Amounts written off on disposal or sale as part of the gain/loss on disposal of Academies to the Comprehensive Income and Expenditure Statement	8	6,588
Adjusting amounts written out of the Revaluation Reserve – Academy disposals		(3,848)
Adjusting amounts written out of the Revaluation Reserve	(21,074)	(23,087)
Repayment of Long Term Debtors	108	-
Capital financing applied in the year:		
Use of the Capital Receipts reserve to finance new capital expenditure	(9,271)	(6,817)
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(25,340)	(25,301)
Application of grants to capital financing from the Capital Grants Unapplied Account	(7,071)	(8,257)
Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(20,286)	(16,838)
Voluntary MRP	-	(1,000)
Capital expenditure charged against the General Fund and HRA balances	(237)	(389)
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	(869)	1,045
Balance at 31 March	**(108,131)**	**(120,046)**

(16d) 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 CIES when they are incurred but reversed out of the General Fund Balance to the Account in the MiRS. Over time, the net expense is posted back to the General Fund balance in accordance with statutory arrangements for spreading the burden on Council Taxpayers. In the Council's case this period is the unexpired term that was outstanding on loans when they were redeemed.

	2022/23 £000	2023/24 £000
Balance as 1 April	7,933	7,638
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	(329)	(329)
Proportion of discounts received in previous financial years to be transferred to the General Fund Balance in accordance with statutory requirements	34	34
Balance at 31 March	**7,638**	**7,343**

(16e) Deferred Capital Receipts Reserve

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. The balance of this reserve was £0.523m for the year end of 2022/23 and 2023/24.

(16f) Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the CIES 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. In 2023/24, the actuarial valuation has seen a significant movement from a deficit to a surplus position. Under the International Accounting Standard (IAS 19) the Council must disclose the lower of the actuarial valuation or Asset Ceiling calculation. The Asset Ceiling calculation resulted in a lower valuation and has therefore been included within the accounts for 2023/24.

	2022/23 £000	2023/24 £000
Balance at 1 April	313,342	(70,217)
Remeasurement of net defined benefit liability	(509,383)	(65,098)
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	52,921	18,680
Employer's pension contributions and direct payments to pensioners payable in the year	(29,189)	(23,022)
Asset Ceiling Adjustment	102,092	178,037
Balance at 31 March	**(70,217)**	**38,380**

(16g) Collection Fund Adjustment Account

The Collection Fund Adjustment Account is used to manage the differences arising from the recognition of Council Tax and Business Rates income in the CIES 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.

(16h) Dedicated Schools Grant (DSG) Adjustment Account

On 6 November 2020, the Secretary of State for the Department of Levelling Up, Housing and Communities previously 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 statutory override came into effect from 29 November 2020.

The instrument amended 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 requirement being that 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', thereby separating schools budget deficits from the Councils' General Fund. The accounting treatment introduced by this regulation was initially for a period of three financial years and was applicable to the financial reporting periods 2020/21, 2021/22 and 2022/23 to provide time for Government and Councils to look at budgetary and financial management strategies to reduce the deficit.

The provision was due to expire at the end of March 2023, however the local government finance policy statement 2023/24 to 2024/25, Published on 12 December 2022, confirmed that the override for the Dedicated Schools Grant will be extended for the next three years from 2023/24 to 2025/26.

(16i) Accumulated Absences Reserve

The Short-term 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.

17. Property, Plant and Equipment

Movements on Balances

2023/24	Property, Plant and Equipment (PPE)						
	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	PPE Under Construction £000	Total PPE £000
Cost or Valuation							
At 1 April 2023	**84,585**	**622,315**	**43,842**	**3,260**	**5,582**	**3,608**	**763,193**
Additions	64	49,984	3,346	15	341	-	**53,750**
Revaluation Increases/(decreases) to Revaluation Reserve	2,858	44,787	-	-	(255)	-	**47,390**
Revaluation Increases/(decreases) to Surplus/Deficit on the Provision of Services	(1)	(4,616)	-	(45)	(316)	-	**(4,978)**
Derecognition-Disposals	(220)	(5,335)	-	-	(1,029)	-	**(6,584)**
Other Reclassifications	-	(145)	-	-	267		**122**
At 31 March 2024	**87,286**	**706,990**	**47,188**	**3,230**	**4,590**	**3,608**	**852,893**
Accumulated Depreciation and Impairment							
At 1 April 2023	**5,618**	**6,588**	**33,713**	**3,231**	**-**	**3,608**	**52,758**
Depreciation Charge	5,819	29,358	2,631	-	-	-	**37,810**
Depreciation written out on revaluation	(5,548)	(26,031)	-	-	-	-	**(31,579)**
Depreciation written out to Surplus/Deficit on the Provision of Services	-	(238)	-	-	-	-	**(238)**
Impairment losses/reversals to Revaluation Reserve	-	109	-	-	-	-	**109**
Impairment losses/reversals to Surplus/Deficit on the Provision of Services	-	3,339	-	(6)	-	-	**3,333**
Derecognition-Disposals	(11)	(406)	(83)	-	-	-	**(501)**
At 31 March 2024	**5,878**	**12,719**	**36,261**	**3,225**	**-**	**3,608**	**61,691**
Net Book Value							-
At 31 March 2024	**81,408**	**694,271**	**10,927**	**5**	**4,590**	**-**	**791,202**
At 31 March 2023	**78,967**	**615,727**	**10,129**	**29**	**5,582**	**-**	**710,437**

Comparative Movements in 2022/23

2022/23	Property, Plant and Equipment (PPE)						
	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	PPE Under Construction £000	Total PPE £000
Cost or Valuation							
At 1 April 2022	**83,486**	**551,919**	**41,372**	**3,231**	**10,261**	**3,623**	**693,892**
Adjustments between cost/value & depreciation/impairment	-	-	(18)	-	-	-	**(18)**
Additions	390	28,371	2,663	29	256	-	**31,711**
Revaluation Increases/(decreases) to Revaluation Reserve	1,067	47,083	-	-	(3,861)	-	**44,290**
Revaluation Increases/(decreases) to Surplus/Deficit on the Provision of Services	(206)	(1,800)	-	-	71	-	**(1,936)**
Derecognition-Disposals	(151)	(3,988)	(174)	-	(295)	-	**(4,608)**
Other Reclassifications	-	730	-	-	(850)	(15)	**(135)**
At 31 March 2023	**84,585**	**622,315**	**43,842**	**3,260**	**5,882**	**3,608**	**763,193**
Accumulated Depreciation and Impairment							
At 1 April 2022	**5,799**	**5,959**	**31,007**	**3,231**	**-**	**3,608**	**49,603**
Adjustments between cost/value & depreciation/impairment	-	-	(18)	-	-	-	**(18)**
Depreciation Charge	5,601	23,081	2,773	-	-	-	**31,454**
Depreciation written out on revaluation	(5,592)	(21,736)	-	-	-	-	**(27,328)**
Depreciation written out to Surplus/Deficit on the Provision of Services	-	(222)	-	-	-	-	**(222)**
Impairment losses/reversals to Revaluation Reserve	(180)	(1,545)	-	-	-	-	**(1,726)**
Impairment losses/reversals to Surplus/Deficit on the Provision of Services	-	1,091	-	-	-	-	**1,091**
Derecognition-Disposals	(10)	(40)	(50)	-	-	-	**(100)**
At 31 March 2023	**5,618**	**6,588**	**33,713**	**3,231**	**-**	**3,608**	**52,756**
Net Book Value							
At 31 March 2023	**78,967**	**615,727**	**10,129**	**29**	**5,582**	**-**	**710,437**
At 31 March 2022	**77,687**	**545,960**	**10,365**	**-**	**10,261**	**15**	**644,286**

Depreciation

The following asset lives have been used in the calculation of depreciation:

Council Dwellings	Up to 50 years
Other Land and Buildings	Up to 50 years
Vehicles, Plant, Furniture and Equipment	Between 3 and 20 years

Capital Commitments

As at 31 March 2024 the Council had entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment with outstanding contractual commitments of £23.113m (similar commitments were £22.852m at 31 March 2023). The major commitments are:

Scheme	Commitment £000
Royton Town Hall & Library	1,260
Spindles	7,680
Old Library Refurbishment	13,930
Northern Roots	243
Total	**23,113**

Revaluations

The Council undertakes a rolling programme of valuation that ensures that all Property, Plant and Equipment required to be measured at current value is revalued at least every five years. All valuations of land and buildings were carried out in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations are carried out by Internally by a team of suitably qualified professionals.

The revaluation programme was carried out throughout the year and the effective date of each revaluation is the date that the valuation was carried out, however, the valuer reviews in-year valuations to ensure that the valuations are reflective of the value of the assets at the balance sheet date.

The significant assumptions applied in estimating current values (fair value for Surplus Assets) are that:

- good title can be shown, and all valid planning permissions and statutory approvals are in place;
- the property is connected and has a right to use mains services and that sewers, main services and roads giving access to it have been adopted;
- an inspection of those parts not inspected would not reveal defects that would affect the valuation;
- the testing of electrical or other services would not reveal defects that would cause the valuation to alter; and
- there are no deleterious or hazardous materials or existing or potential environmental factors that would affect the valuation.

In addition, the Council instructed its valuers to undertake a review of all assets held at depreciated replacement cost in the other land and buildings category to ensure that the carrying value of assets is not materially different from their current value at the balance sheet date.

The review concluded that the current value for assets valued at Depreciated Replacement Cost (DRC) experienced a significant change in values due to increases in building costs. As a result of this review, desktop valuations were conducted for all assets that are valued on a DRC basis.

Where there is a known change in assets held at Existing Use Value the assets are included in the valuation programme and revalued in year.

Gross Valuations by Valuation Date

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Community Assets £000	Surplus Assets £000	Assets under Construction £000	Total £000
Carried at historical cost	-	-	47,188	3,230	-	3,608	54,026
Valued at fair value as at:							
31 March 2024	79,253	66,698	-	-	4,576	-	150,527
31 March 2023	2,160	501,168	-	-	14	-	503,342
31 March 2022	-	62,340	-	-	-	-	62,340
31 March 2021	5,370	32,683	-	-	-	-	38,053
31 March 2020	503	44,101	-	-	-	-	44,604
Total Cost or Valuation	**87,286**	**706,990**	**47,188**	**3,230**	**4,590**	**3,608**	**852,893**

18. Highways Infrastructure Assets

Movements on balances

Highways Infrastructure Asset	2022/23 £000	2023/24 £000
Net Book Value (modified Historical Cost)		
Balance as 1 April	**161,587**	**165,298**
Additions	12,152	11,607
Depreciation	(8,441)	(7,607)
Net Book Value Balance at 31 March	**165,298**	**169,298**

In accordance with the temporary relief offered by the Update to the Code on Infrastructure Assets (The Local Authorities (Capital Finance and Accounting) (England) (Amendment) 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 of the Council to the users of the financial statements.

The Council has determined in accordance with Regulation 30M 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.

The Council has an individual asset life for each of the components of its Highways Network. All asset life estimates have been calculated with the methodology and basis for estimation in consultation with the Council's internal Highways department and external highways partners. The following table indicate the asset life for each component of the network. Further information can be found in the Council's Accounting Policies in Note 35.

Category of the Highway Network	Useful Life / Years
Carriageways	27
Footways and Cycle Tracks	45
Structures	107
Street Lighting	40
Street Furniture	40
Traffic Management Systems	15

19. Heritage Assets

Tangible and Intangible Heritage Assets

The three principal collections of heritage assets held in Gallery Oldham include:

- **Natural History -** Gallery Oldham holds an extensive natural history collection, made up of over 110,000 items of invertebrate, vertebrate and geological specimens.

- **Social History -** This collection consists of around 22,000 items and is of significant value as material evidence of the social history of Oldham and its people. The collections relate to the area's industrial history, archaeology, textiles and ephemera representing the everyday life of the Borough.

- **Fine and Decorative Art -** This collection consists of over 450 oil paintings, 500 watercolours and around 1,400 prints. Of particular interest are the Charles Lees collection of oil paintings, watercolours, drawings and engravings and 55 watercolours and drawings from the S. C. Turner Collection. A valuation in 2020 (see paragraph below) identified three paintings in the collection each with a market value in excess of £1.000m. These are works by J. W. Waterhouse. Alfred Munnings and William Orpen. There are also a small number of assorted photographic prints, drawings and mixed media works, sculptures, and decorative arts.

The Gallery Oldham collections were valued by external valuer, James Glennie (Arts & Antiques Appraisals) on a market value basis and assessed at £18.296m in March 2020.

In addition to the above three collections, the Council also has Civic Regalia which is either stored or displayed at the Civic Centre, statues and other heritage assets.

- **Civic Regalia** - The Council's Civic Regalia is reported in the Balance Sheet at the insurance valuation, and at 31 March 2024, the value was £1.520m.

- **Statues/Other -** Council owned statues are held on the Balance Sheet at their nominal value, and at 31 March 2024, the value was £1.325m.

Regularly, the Council's Gallery Team use their expert knowledge and understanding to determine if a change in insurance valuation is needed. This is based on the valuations given to items when agreeing loans to other museums and galleries as required. The 2020 valuation was based on wide research into sale prices at auctions around the world. This valuation was commissioned from Arts & Antiques Appraisals for the Gallery Oldham Collection, and this has been updated accordingly. It is the view of the Council that the most recent valuation is still relevant and there are no events which would materially change the financial statements.

Heritage assets are deemed to have indeterminate lives, hence the Council does not consider it as appropriate to charge depreciation.

The following table summarises balances relating to Heritage Assets and the movements during the year:

	Art Collection £000	Civic Regalia £000	Statues / Other £000	Total Assets £000
Cost or Valuation				
1 April 2022	18,292	1,442	36	19,770
Amendment to opening balance	3	-	-	3
Revaluation Gains/(Losses) Recognised in the Revaluation Reserve	-	79	-	79
Additions	-	-	1,274	1,274
Transfer from Assets Under Construction	-	-	15	15
31 March 2023	**18,295**	**1,521**	**1,325**	**21,141**
Cost or Valuation				
1 April 2023	18,295	1,521	1,325	21,141
Additions	-	-	446	446
Impairment to CIES	-	-	(446)	(446)
31 March 2024	**18,295**	**1,521**	**1,325**	**21,141**

20. Investment Properties

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line of the CIES:

	2022/23 £000	2023/24 £000
Rental Income from Investment Properties	(2,430)	(2,620)
Direct Operating Expenses (including repairs and maintenance)	877	855
Net Gain	**(1,553)**	**(1,765)**
Fair value movements on investment properties	(869)	1,045
(Profit)/Loss on disposal	(134)	(225)
Total Income and Expenditure on relation to investment properties and changes in their fair value	**(2,556)**	**(945)**

The movement in the value of investment properties is disclosed below:

	2022/23 £000	2023/24 £000
Balance at 1 April	**19,801**	**20,790**
Disposals	(10)	(13)
Net (Loss)/Gain from Fair Value Adjustments	879	(1,031)
Transfers (to)/from Other Land and Buildings	120	(122)
Balance at 31 March	**20,790**	**19,624**

Fair Value Hierarchy

All the Council's investment properties have been valued as Level 2 on the fair value hierarchy for valuation purposes (see Note 35 Accounting Policy Section 1.23 for an explanation of the fair value levels).

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 considers 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 existingtenants, and data and market knowledge gained in managing the Council's Investment Property 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 estimating the fair value of the Council's investment properties, the highest and best use is their current use.

21. Capital Expenditure and Capital Financing

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.

	2022/23 £000	2023/24 £000
Opening capital financing requirement	**468,895**	**465,723**
Capital Investment		
Property Plant and Equipment	31,711	53,750
Infrastructure Assets	12,152	11,607
Heritage Assets	1,274	446
Revenue Expenditure Funded from Capital Under Statute	12,597	10,921
Intangible Assets	1,299	2,320
Long Term Debtors	-	2,814
Sources of Finance		
Capital Receipts	(9,271)	(6,817)
Government Grants and Other Contributions	(32,411)	(33,558)
Sums Set aside from Revenue	(20,523)	(18,226)
Closing Capital Financing Requirement	**465,723**	**488,980**
Explanation of movements in year		
Decrease in Need to Borrow Supported by Government Financial Assistance	(2,742)	(2,742)
(Decrease)/Increase in Need to Borrow Unsupported by Government Financial Assistance	(675)	25,353
Assets Acquired Under Finance Leases	246	646
Increase/(Decrease) in Capital Financing Requirement	**(3,172)**	**23,257**

22. 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.

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Council.

All of the Council's financial liabilities held during the year are measured at amortised cost and comprised:

- long-term loans from the Public Works Loan Board and commercial lenders;
- short-term loans from other Local Authorities;
- lease payables;
- Private Finance Initiative contracts detailed in Note 29; and
- trade payables for goods and services received.

Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Council. The financial assets held by the Council during the year are accounted for under the following classifications:

- Amortised cost (where cash flows are solely payments of principal and interest and the Council's business model is to collect those cash flows) comprising:
    - cash in hand;
    - bank current and deposit accounts with banks;
    - fixed term deposits with banks and building societies;
    - loans to other Local Authorities;
    - certificates of deposit and covered bonds issued by banks and building societies;
    - treasury bills and gilts issued by the UK Government;
    - loans to strategic partners made for service purposes;
    - lease receivables; and
    - trade receivables for goods and services provided.

- Fair value through other comprehensive income (where cash flows are solely payments of principal and interest and the Council's business model is to both collect those cash flows and sell the instrument; and equity investments that the Council has elected into this category) consisting of equity investments in Manchester Airport Group, Oldham Property

Partnership, Community 1st Oldham and Meridian Developments held for service and strategic purposes.

- Fair value through profit and loss (all other financial assets) consists of pooled bond, equity and property funds managed by CCLA.

Financial assets held at amortised cost and some assets held at fair value through other comprehensive income are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council for general debt. Individual significant debtors are examined on a case-by case basis.

Financial Instruments – Balances

The financial liabilities disclosed in the Balance Sheet are analysed across the following categories:

Financial Liabilities	Long Term		Short Term	
	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000
Loans at Amortised Cost				
Principal sum borrowed	(160,742)	(160,742)	(254)	(20,367)
Accrued Interest	-	-	(1,436)	(1,453)
Effective Interest Rate (EIR) Adjustment	(752)	(742)	-	-
Total Borrowing *	**(161,494)**	**(161,484)**	**(1,690)**	**(21,820)**
Loans at Amortised Cost				
Bank Overdraft				
Total Cash Overdrawn	**-**	**-**	**-**	**-**
Liabilities at Amortised Cost				
Finance Leases	(213)	(445)	(262)	(302)
PFI arrangements	(193,110)	(181,704)	(10,716)	(11,406)
Transferred Debt	(33)	(27)	(6)	(6)
Total Other Long-term Liabilities	**(193,355)**	**(182,176)**	**(10,984)**	**(11,714)**
Liabilities at Amortised Cost				
Trade Payables			**(52,543)**	**(56,688)**
Included in Creditors **	**-**	**-**	**(52,543)**	**(56,688)**
Total	**(354,850)**	**(343,660)**	**(65,217)**	**(90,222)**

* The total short-term borrowing includes £1.452m (2022/23: £1.436m) representing accrued interest and principal repayments due within 12 months on long-term borrowing.

** The creditors lines on the Balance Sheet include £26.577m (2022/23: £20.799m) short-term creditors that do not meet the definition of a financial liability as they relate to non-exchange transactions

The financial assets disclosed in the Balance Sheet are analysed across the following categories:

Financial Assets	Long Term		Short Term	
	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000
At Amortised Cost				
Principal	226	221	20,000	10,000
Accrued Interest	-	-	245	273
At Fair Value Through Other Comprehensive Income				
Equity Investments elected FVOCI	34,123	59,150	-	-
At Fair Value Through Profit and Loss				
Fair Value	13,896	13,354	145	-
Total Investments *	**48,246**	**72,725**	**20,390**	**10,273**
At Amortised Cost				
Principal	-	-	30,015	7,606
Accrued Interest	-	-	79	46
Loss Allowance	-	-	(3,101)	4,393
Total Cash and Cash Equivalents	**-**	**-**	**26,993**	**12,044**
At Amortised Cost				
Trade Receivables	-	-	25,665	25,233
Loans made for service purposes	30,906	33,605	-	-
Accrued Interest	7,329	9,149	-	-
Included in Debtors **	**40,044**	**42,754**	**25,665**	**25,233**
Total	**88,290**	**115,479**	**73,049**	**47,550**

* The total short-term investments includes £0.000m (2022/23: £0.145m) representing accrued interest on long-term investments.

** The debtors lines on the Balance Sheet include £36.326m (2022/23: £33.301m) short-term debtors that do not meet the definition of a financial asset as they relate to non-exchange transactions or payments in advance.

Equity Instruments Elected to Fair Value through Other Comprehensive Income

The Council has elected to account for the following investments in equity instruments at fair value through other comprehensive income because they are long-term strategic holdings and changes in their fair value are not considered to be part of the Council's annual financial performance.

	Fair Value Level	Valuation technique used to measure Fair Value	Fair Value	
			2022/23 £000	2023/24 £000
Manchester Airport Shares	2	Earnings Based	20,100	46,300
Manchester Airport Car Park (1) Shares	2	Earnings Based	4,300	4,400
Oldham Property Partnership (OPP)	2	Earnings Based	2,256	2,245
Meridian Developments	2	Earnings Based	5,424	4,162
Community 1st Oldham (Chadderton) Ltd	2	Earnings Based	2,043	2,043
Total			**34,123**	**59,150**

The Council holds a 3.22% share 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 means 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.

The Council along with the other nine Greater Manchester District Councils holds an equity investment in Manchester Airport Car Park (1) Limited. The Council's total original investment of £5.610m was to assist in funding the capital build of a car park in return for the issue of 3 C Shares in Manchester Airport Car Park (1) Limited. The valuation of the Council's shareholding was undertaken by BDO. The value has increased in year as can be seen in the above table. As in 2022/23, the shareholding is classed as a financial instrument and held at fair value on the Council's Balance Sheet. Under IFRS 9 the shareholding (investment) is 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. This means that there is no impact on the revenue budget and the Council's decision to designate to fair value through other comprehensive income is irrevocable.

The Council also holds shares in both Oldham Property Partnership, Meridian Developments and Community 1st Oldham (Chadderton) Limited which have been elected to be accounted as fair value through other comprehensive income. For further information see Note 37 Critical Judgements in Applying Accounting Policies.

Financial Instruments Gains and losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments consist of the following:

	Financial Liabilities at Amortised Cost £000	Financial Assets					
		Amortised Cost £000	Fair Value through OCI £000	Elected to Fair Value through OCI £000	Fair Value through Profit & Loss £000	2023/24 Total £000	2022/23 Total £000
Interest Expense	25,085	-	-	-	-	**25,085**	**26,155**
Losses on de-recognition	-	-	-	-	-	**-**	-
Losses from changes in fair value	-	-	-	1,274	542	**1,816**	**3,243**
Interest Payable and similar charges and derecognition losses and fair value losses	**25,085**	**-**	**-**	**1,274**	**542**	**26,901**	**29,398**
Interest Income	**-**	(3,477)	**-**	(3,702)	-	**(7,179)**	(5,260)
Dividend Income	**-**	**-**	**-**	(323)	(519)	**(842)**	(1,474)
Gains from changes in fair value	**-**	**-**	**-**	(28,456)	-	**(28,456)**	(9,904)
Interest, investment income and Fair Value Gains	**-**	**(3,477)**	**-**	**(32,481)**	**(519)**	**(36,477)**	**(16,638)**
Movement in Expected Credit Loss	**-**	**4,393**	**-**	**-**	**-**	**4,393**	**-**
Net Impact on (surplus)/deficit on provision of services	**25,085**	**916**	**-**	**(31,207)**	**23**	**(5,183)**	**12,760**

Fair Value of Financial Instruments

The fair value of a financial instrument is the price that would be received when selling an asset, or the price that would be paid when transferring a liability, to another market participant in an arms-length transaction. Where liabilities are held as an asset by another party, such as the Council's borrowing, the fair value is estimated from the holder's perspective.

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For most assets, including shares in money market funds and other pooled funds, the fair value is taken from the market price. The fair value of shares in Oldham Property Partnership, Meridian Developments and Community 1st Oldham (Chadderton) Limited, have been calculated from the company's balance sheet net assets.

Financial instruments classified at amortised cost are carried in the Balance Sheet at their amortised cost. Their fair values disclosed below have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2024, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for Local Authority loans.

- Discount rates for “Lender’s Option Borrower’s Option” (LOBO) loans have been reduced to reflect the value of the embedded options. The size of the reduction has been calculated using proprietary software.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31 March.
- The fair values of financial guarantees have been estimated based on the likelihood of the guarantees being called and the likely payments to be made.
- The fair values of finance lease assets and liabilities and of PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the appropriate AA-rated corporate bond yield.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low interest rate environment.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- Level 2 – fair value is calculated from inputs that are observable for the asset or liability, other than quoted prices, e.g. interest rates or yields for similar instruments
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness

The Council holds a 3.22% share in Manchester Airports Holdings Limited (MAHL) and 10% of the issued C Shares in Manchester Airport Car Park (1) Limited which represents a minority holding and does not confer any voting rights. The shares in both these companies are not traded in an active market; however, the fair value in MAHL shown above is based on a high degree of comparability to listed company data including any movement in share prices. The earnings-based method has been employed which takes as its basis 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 the audited accounts of MAHL for the annual periods between 2021/22 and 2022/23 along with an interim 6-month report for the period ending 30 September 2024. These shares are subject to an annual valuation. In 2023/24 this has seen an increase in value of £26.2m. The valuation of the shareholdings was undertaken by independent valuers, BDO, on behalf of the Council.

The 10% holding in Manchester Airport Car Park (1) Limited is valued on the updated financial forecast and taking into account the Council valuation of its shareholding in MAHL. 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.

The Council also holds units within the CCLA Property Fund. The fair value has been calculated using quoted share prices.

The valuation treatment used for Oldham Property Partnership (OPP), Meridian Developments and Community 1st Oldham (Chadderton) Limited, is to fair value and the Council has elected to charge the movements on value of the investments through other comprehensive income. In line with IFRS 9 the shareholding investment is designated as a strategic investment and not held for trading, the Council's decision to designate through FVOCI is irrevocable.

All other long-term investments are carried at historic cost, as these are the Council's investments in subsidiaries and associates. The total value of the other long-term investments at 31 March 2024 is £0.226m.

	Fair Value Level	31 March 2023		31 March 2024	
		Balance sheet £000	Fair Value £000	Balance sheet £000	Fair Value £000
Financial Liabilities held at amortised cost:					
Long-term loans from PWLB	2	(35,373)	(24,286)	(35,377)	(24,938)
Long-term LOBO loans	2	(87,153)	(105,869)	(86,149)	(102,795)
Other long-term loans	2	(40,659)	(35,123)	(40,409)	(35,217)
Lease payables and PFI Liabilities	2	(204,339)	(279,760)	(193,618)	(271,181)
Total financial liabilities		**(367,524)**	**(445,038)**	**(355,553)**	**(434,131)**
Recorded on balance sheet as:					
Short-term creditors		(52,543)	(52,543)	(56,688)	(56,688)
Short-term borrowing		(255)	(255)	(20,369)	(20,369)
Total financial liabilities		**(420,322)**	**(497,836)**	**(432,610)**	**(511,188)**

	Fair Value Level	31 March 2023		31 March 2024	
		Balance sheet £000	Fair Value £000	Balance sheet £000	Fair Value £000
Financial Assets held at Fair Value:					
Property funds and non-traded REITs	2	13,896	13,896	13,354	13,150
Strategic Partner Loans	2	38,914	52,753	41,809	50,432
Total financial assets		52,811	66,649	55,163	63,582
Recorded on balance sheet as:					
Short-term debtors		25,665	25,665	25,233	25,233
Short-term investments		20,245	20,245	10,273	10,273
Cash and cash equivalents		30,015	30,015	7,606	7,606
Long-term debtors		1,130	1,130	3,940	3,940
Long-term investments		34,349	34,349	59,371	59,371
Total financial assets		**111,405**	**111,405**	**106,423**	**106,422**

Financial Instruments - Risks

The Council complies with CIPFA's Code of Practice on Treasury Management and Prudential Code for Capital Finance in Local Authorities, both revised in December 2021.

In line with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year, for the year 2023/24 this was approved at full Council 1 March 2023. The Strategy sets out the parameters for the management of risks associated with financial instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks. This Strategy was set using Arlingclose as the Council's Treasury Management advisors.

The Treasury Management Strategy includes an Investment Strategy in compliance with the Central Government guidance on Local Government Investments. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Management Strategy and its Treasury Management Practices seek to achieve a suitable balance between risk and return or cost.

The main risks covered are:

- *Credit Risk:* The possibility that the counterparty to a financial asset will fail to meet its contractual obligations, causing a loss to the Council.
- *Liquidity Risk:* The possibility that the Council might not have the cash available to make contracted payments on time.
- *Market Risk:* The possibility that an unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

Credit Risk: Overview

The Council is exposed to credit risk on the following categories of financial assets and commitments:

Exposure Category	31 March 2023 £000	31 March 2024 £000
Treasury Investments	70,780	23,600
Treasury Loan Commitments	40,044	42,857
Trade Receivables	22,792	27,797
Total Credit Risk Exposure	**133,616**	**94,254**

Credit Risk: Treasury Investments and Commitments

The Council manages credit risk by ensuring that treasury investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities, the UK Government, other Local Authorities and organisations without credit ratings upon which the Council has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap and equity prices when selecting commercial entities for investment.

The Annual Investment Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made unless they meet the minimum requirements of the investment criteria outlined above and detailed below.

Oldham Council used the creditworthiness service provided by Arlingclose for the financial year ending 31 March 2024. This service used 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 (CDS) spreads to give early warning of likely changes in credit ratings; and
- Sovereign ratings to select counterparties from only the most creditworthy countries.

Institutions are split into colour bandings to determine the maximum level and duration of the investment.

The table below summarises the credit risk exposures of the Council's treasury investment portfolio by credit rating and remaining time to maturity:

Credit Rating	31 March 2023		31 March 2024	
	Long - term £000	Short - term £000	Long - term £000	Short - term £000
AAA	-	35,780	-	13,600
A +	-	-	-	-
A -	-	10,000	-	-
Unrated Local Authorities	-	10,000	-	10,000
Total Credit Risk Investments	**-**	**55,780**	**-**	**23,600**

Loss allowances on treasury investments have been calculated by reference to historic default data published by credit rating agencies, multiplied by 86% (2022/23: 112%) to adjust for current and forecast economic conditions. They are determined to be credit-impaired when awarded a "D" credit rating or equivalent. At 31 March 2023, £0.000m (2022/23: £0.008m) of loss allowances related to treasury investments.

Credit Risk: Trade and Lease Receivables

The Council's credit risk on lease receivables is mitigated by its legal ownership of the assets leased, which can be repossessed if the debtor defaults on the lease contract.

The following analysis summarises the Council's trade and lease receivables, by due date. Only those receivables meeting the definition of a financial asset are included.

Credit Rating	2022/23 Trade Receivables £000	2023/24 Trade Receivables £000
Neither past due nor impaired	5,649	10,669
Past due < 3 months	4,353	1,722
Past due 3 - 6 months	816	1,958
Past due 6 - 12 months	3,452	3,175
Past due 12 + months	8,521	10,273
Total Receivables	**22,792**	**27,797**

As at 31 March 2024, the Council had a balance of short-term debtors of £115.135m. A review of significant balances suggested that an expected credit loss of £53.578m was appropriate and sufficient. (£105.140m short- term debtors with an expected credit loss of £46.174m as at 31 March 2023). The calculation is based on the life-time expected credit losses for trade receivables, and they have been collectively assessed according to the groupings shown in the Note 23, for the purposes of calculating expected credit losses. Write offs occur only when all possible debt recovery procedures have been unable to secure payment. The Council's Long-Term Debtors have been reviewed and assessed for an Expected Credit Loss. This review has not identified that any impairment is required.

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.

Credit Risk: Service Loans and Loan Commitments

In furtherance of the Council's service objectives, it has lent money to a strategic partner. The amounts recognised on the balance sheet, and the Council's total exposure to credit risk from these instruments are:

Exposure Type	31 March 2023		31 March 2024	
	Balance Sheet £000	Risk Exposure £000	Balance Sheet £000	Risk Exposure £000
Loans at market rates	29,665	29,665	29,665	29,665
	29,665	**29,665**	**29,665**	**29,665**

Liquidity Risk

The Council has ready access to borrowing at favourable rates from the Public Works Loan Board and other Local Authorities, and at higher rates from banks and building societies. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. It is however exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of unfavourably high interest rates. This risk is managed by maintaining a spread of fixed rate loans. The Council holds £13.360m (2022/23: £35.780m) of liquid financial assets that can be withdrawn or sold at short notice if required to meet cash outflows on financial liabilities.

The maturity analysis of financial liabilities is as follows.

31/03/2024	< 1 yr	1 -2 yrs	2 - 5 yrs	5- 10 yrs	10 20 yrs	20 - 30 yrs	30 - 40 yrs	> 40 yrs	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Borrowing	(77,208)	(5,000)	(27,500)	(12,741)	(5,000)	(5,000)	(5,000)	(45,001)	**(182,450)**
Trade Payables	(56,688)	-	-	-	-	-	-	-	**(56,688)**
Financial Liabilities	**(133,896)**	**(5,000)**	**(27,500)**	**(12,741)**	**(5,000)**	**(5,000)**	**(5,000)**	**(45,001)**	**(239,138)**
Liquid financial assets	13,360								**13,360**
Net Liquidity Risk	**(120,536)**	**(5,000)**	**(27,500)**	**(12,741)**	**(5,000)**	**(5,000)**	**(5,000)**	**(45,001)**	**(225,778)**

31/03/2023	< 1 yr	1 -2 yrs	2 - 5 yrs	5- 10 yrs	10 20 yrs	20 - 30 yrs	30 - 40 yrs	> 40 yrs	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Borrowing	(57,190)	(5,000)	(27,500)	(12,741)	(5,000)	(5,000)	(5,000)	(45,001)	**(162,432)**
Trade Payables	(52,543)	-	-	-	-	-	-	-	**(52,543)**
Financial Liabilities	**(109,733)**	**(5,000)**	**(27,500)**	**(12,741)**	**(5,000)**	**(5,000)**	**(5,000)**	**(45,001)**	**(214,976)**
Liquid financial assets	35,780								**35,780**
Net Liquidity Risk	**(73,953)**	**(5,000)**	**(27,500)**	**(12,741)**	**(5,000)**	**(5,000)**	**(5,000)**	**(45,001)**	**(179,196)**

The Council has £85.500m (2022/23: £85.500m) of “Lender’s option, borrower’s option” (LOBO) loans where the lender has the option on set dates to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty. The lender therefore has the effective right to demand repayment and these loans are therefore shown in the tables above as maturing on the next option date.

Market Risk – Interest Rate Risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense will rise;
- borrowings at fixed rates – the fair value of the liabilities will fall;
- investments at variable rates – the interest income will rise; and
- investments at fixed rates – the fair value of the assets will fall.

Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. 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. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the Provision of Services as appropriate.

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

	31/03/2023 £000	31/03/2024 £000
Decrease in fair value of loans and investments at amortised cost	558	234
Decrease in fair value of fixed rate borrowing	(1,624)	(1,824)

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

The Council has £85.500m (2022/23: £85.500m) of "Lender's option, borrower's option" (LOBO) loans with maturity dates between 2053 and 2078 where the lender has the option to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty.

Market Risks: Price Risk

The market prices of the Council's units in pooled bond funds are governed by prevailing interest rates and the price risk associated with these instruments is managed alongside interest rate risk as described above.

The Council does not generally invest in equity shares or marketable bonds but does have shareholdings to the value of £72.625m in a number of other entities and in local companies. Whilst these holdings are generally illiquid, the Council is consequently exposed to losses arising from movements in the prices 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 £59.050m have 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) may occur, which would have resulted in a £2.952m gain or loss being recognised in the Financial Instrument Revaluation Reserve for 2023/24.

The Council holds investment units within the CCLA Property Fund that have been classified as Fair Value through Profit and Loss, however the Council has chosen to use the override as allowed by DLUHC that provides a statutory override which allows the Fair Value movements during the year (any gain or loss in price) to be taken to the Financial Instrument Revaluation Reserve. A loss of £0.542m was also recognised in 2023/24 in relation to the Council's holding in the CCLA Property Fund.

In 2023/24 the Council's holding in Manchester Airport, was re-valued resulting in a gain of £26.200m along with a gain of £0.100m in relation to the shareholding in Manchester Airport Car Park (1) Limited both of which were recognised in the Financial Instruments Revaluation Reserve.

The Council also holds shares in both Oldham Property Partnership, Meridian Developments and Community 1st Oldham (Chadderton) limited which have been elected to be accounted as fair value through other comprehensive income. Losses of £1.274m have been recognised in the Financial Instrument Revaluation Reserve.

Market Risks: Foreign Exchange Risk

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

23. Debtors

The Council's short-term debtors (net of the expected credit loss) are as follows:

	31 March 2023 £000	31 March 2024 £000
Central Government Bodies	10,083	9,467
Other Local Authorities	803	1,236
NHS Bodies	3,572	5,051
Capital Debtors	8,011	4,123
Other Entities and Individuals	31,875	34,964
Payments in Advance	4,622	6,716
Total	**58,966**	**61,557**

The Council's long-term debtors (net of the expected credit loss) are as follows:

	31 March 2023 £000	31 March 2024 £000
Mortgages	6	6
Loans to Trusts, Community Interest Groups & Third Sector Organisations	301	301
Other Capital Loans & Advances	39,737	42,447
Total	**40,044**	**42,754**

24. Cash and Cash Equivalents

	31 March 2023 £000	31 March 2024 £000
Cash held by the Authority	113	110
Bank Current Accounts	41,414	17,743
Bank Overdraft	(11,433)	(10,201)
Total	**30,094**	**7,652**

25. Creditors

The Council's creditors are as follows:

	31 March 2023 £000	31 March 2024 £000
Central Government Bodies	(5,342)	(6,552)
Other Local Authorities	(1,510)	(2,885)
NHS Bodies	(3,009)	(170)
Capital Creditors	(3,867)	(6,496)
Other entities and individuals	(50,582)	(54,899)
Accumulated Absences	(5,706)	(6,216)
Receipts in Advance	(4,021)	(6,047)
Total	**(74,037)**	**(83,265)**

26. Provisions

The Council's provisions are as follows:

	Short Term		
	Insurance Provision £000	Other Provisions £000	Total £000
Balance at 1 April 2023	(594)	(5,325)	(5,919)
Provisions released in 2023/24	344	2,139	2,483
Increase in Provision 2023/24	-	(1,866)	(1,866)
Balance at 31 March 2024	**(250)**	**(5,052)**	**(5,302)**

	Long Term		
	Insurance Provision £000	Other Provisions £000	Total £000
Balance at 1 April 2023	(4,364)	(2,500)	(6,864)
Provisions released in 2023/24	-	-	-
Increase in Provision 2023/24	(270)	-	(270)
Balance at 31 March 2024	**(4,634)**	**(2,500)**	**(7,134)**

The Insurance Provision covers all historic legal liability claims including risks to employees whilst carrying out their duties, risks to the public and all other liability claims.

The Other Provisions represent amounts set aside to meet potential future liabilities; this includes a provision for Business Rates Appeals and changes in legislation.

27. 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 the following contingent assets at 31 March 2024.

Housing Stock Transfer

The Housing Stock Transfer has resulted in two remaining contingent assets to the Council.

a) Right to Buy Sharing Agreement

As with other agreed housing stock transfers, the Council entered into an agreement with First Choice Homes Oldham (FCHO) and the Council's Housing PFI partners relating to the future sales under the Prescribed Right to Buy (PRTB) regulations. This relates to any future sales of the transferred stock to existing tenants.

The Council will receive capital receipts at the end of each financial year for any properties sold within the year. The value of the receipt is calculated using a formula that takes the net income forgone by FCHO/Housing PFI from the total proceeds from the sale of dwellings for that year.

b) VAT Shelter Arrangements

In normal circumstances, FCHO is not able to reclaim VAT on improvement works to dwellings. The VAT Shelter is an arrangement, used in every housing stock transfer since 2002, with HMRC's agreement, whereby FCHO can reclaim VAT on future improvement works to the transferred housing stock. Of the £229.792m of improvement works to be undertaken, an estimated £45.958m of VAT would be recoverable by FCHO over the 15 years post transfer.

The Council agreed a 50/50 share of the VAT Shelter with FCHO, after FCHO has retained its first tranche of recoverable VAT; this is a sum of £14.900m. This first tranche of VAT was utilised by FCHO during the first 4 years post transfer. FCHO also retained a second tranche of VAT shelter savings, totalling £6.000m. This second tranche was used solely for asbestos works that exceeded the amount estimated within the Stock Condition Survey of £7.200m, (net of inflation, fees, and VAT). This arrangement was agreed to mitigate the Council's overall risk of a contingent liability through an asbestos warranty. If the total amount of the second tranche is not needed, the remaining balance will be shared under the 50/50 sharing agreement.

The estimated value of VAT shelter savings for the Council is £14.900m. The amount received in any given year by the Council will be dependent on the value of works undertaken by FCHO on which VAT can be reclaimed. The Council received VAT savings totalling £7.084m up to 31 March 2024 and will continue to receive payments up to the values given above. The savings that are received by the Council will be treated as a capital receipt to support the Council's capital programme.

28. 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 at 31 March 2024.

1) Stock Transfer Warranties

The Council agreed to a number of warranties under the stock transfer agreements with First Choice Homes Oldham (FCHO) and other housing providers. Such arrangements give rise to a possible obligation of the Council, which will be confirmed upon the occurrence or non-occurrence of the invocation of the warranties.

2) Historical Disputes

There are potential liabilities arising from an education premises where a former employee has been convicted of criminal offences. As some of these actions are at an early stage there is insufficient certainty about the potential implications and the amounts being claimed.

29. PFI and Similar Contracts

Oldham Library and Lifelong Learning Centre

The financial year 2023/24 was the nineteenth of a 25-year PFI contract for the construction, maintenance and operation of Information Technology (IT) and Facilities Management (FM) services of the Library and Lifelong Learning Centre in the town centre. The Council has rights under the contract to specify the opening times of the facility. The contract specifies minimum standards for the services to be provided by the contractor, with deductions from the fee payable being made if the facilities are unavailable or performance is below the minimum standards. The contractor was obliged to construct the centres and to maintain them to a minimum acceptable condition, and to procure and maintain the plant and equipment needed to operate the facility. The building, and any plant and equipment installed, will transfer to the Council at the end of the contract for nil consideration. The Council only has rights to terminate the contract if it compensates the contractor in full for costs incurred including the repayment of any of the contactor's outstanding debt attributable to the contract. There have been no changes to the arrangement during the financial year.

Housing PFI Schemes

Sheltered Housing

The financial year 2023/24 was the eighteenth of a 30-year PFI contract with Oldham Retirement Housing Partnership (ORHP) for the demolition and new build (or refurbishment of), and the provision of management and maintenance services to, sheltered and warden supported properties in the Housing Revenue Account (HRA).

The dwellings will transfer to the Council at the end of the contract for nil consideration.

Gateways to Oldham Housing

The financial year 2023/24 was the thirteenth of a 25-year PFI contract with Inspiral Oldham Limited (Inspiral) for the demolition and new build (or refurbishment of), and the provision of management and maintenance services to management of 620 HRA dwellings with. The contract also includes minor works to the external fabric of 153 leaseholder/owner occupied properties, for which the majority of associated costs will be met by the leaseholders/owner occupiers. The management of the dwellings within the HRA will transfer back to the Council at the end of the contract for nil consideration unless a separate contract is entered into either with Inspiral or an alternative contractor.

The Council has rights under both PFI housing contracts to specify arrangements around the demolition, new build and refurbishment of the dwelling together with the tenancy management services to be supplied. The contracts specify minimum standards for the services to be provided by the contractor, with deductions from the fee payable being made if facilities are unavailable or performance is below the minimum standards. The contractors are obliged to demolish and rebuild/refurbish the dwellings and to maintain them to a minimum acceptable condition over the life of the contract.

The Council has rights to terminate the contracts in the event of non-performance but will be required to compensate the contractors, potentially including the repayment of any of the contactors' outstanding debt attributable to the contracts. There have been no changes to the arrangements during the financial year.

Chadderton Wellbeing Centre

The financial year 2023/24 was the fifteenth of a 30-year Local Improvement Finance Trust (LIFT) Lease Plus Agreement to build and maintain the Chadderton Wellbeing Centre. The Centre incorporates a library, sports centre, café and community rooms. The Council has rights under the contract to specify the opening times of the facility. The contract specifies minimum standards for the services to be provided by the contractor, with deductions from the fee payable being made if the facilities are unavailable or performance is below the minimum standards. The contractor was obliged to construct the centre and to maintain it to a minimum acceptable condition and to procure and maintain the plant and equipment needed to operate the facility. The Council has the option to purchase the Wellbeing Centre at the end of the contract and the cost of the eventual purchase has been factored into the Minimum Lease Payments. The Council only has rights to terminate the contract if it compensates the contractor in full for costs incurred including the repayment of any of the contractor's outstanding debt attributable to the contract. There have been no changes to the arrangement during the financial year.

Street Lighting PFI Scheme

The financial year 2023/24 was the thirteenth of a 25-year joint PFI contract, with Rochdale Council, for the replacement of approximately 23,000 streetlights in Oldham in the first five years and the ongoing management and maintenance of the streetlights over the life of the contract. The Council has rights under the contract to detail the specification of the streetlights. The contract specifies minimum standards for the services to be supplied by the contractor, with deductions from the fee payable being made if performance is below the minimum standards. The contractor is obliged to replace and maintain the streetlights over the life of the contract. The streetlights will transfer to the Council at the end of the contract for nil consideration. The Council only has rights to terminate the contract if it compensates the contractor in full for costs incurred, including the repayment of any of the contractor's outstanding debt attributable to the contract. There have been no changes to the arrangement during the financial year.

Education Services PFI Schemes

Schools (Radclyffe and Failsworth)

The financial year 2023/24 was the seventeenth of a 25-year PFI contract for the construction and maintenance of two secondary schools, Radclyffe and Failsworth, along with the provision of Facilities Management and IT services over the life of the contract. The schools and any plant and equipment installed in them will transfer to the Council at the end of the contract for nil consideration.

Building Schools for the Future

The financial year 2023/24 was the twelfth of a 25-year PFI contract for the construction and maintenance of a secondary school, The Blessed John Henry Newman RC Secondary School; along with provision of Facilities Management services, over the life of the contract.

The Council has rights, under both education services PFI contracts, to specify the opening times of the schools. The contracts specify minimum standards for the services to be provided by the contractors, with deductions from the fee payable being made if the facilities are unavailable or performance is below the minimum standards. The contractors were obliged to construct the schools and to maintain them to a minimum acceptable condition and to procure and maintain the plant and equipment needed to operate the facility. The Council only has rights to terminate the contract, if it compensates the contractors in full for costs incurred including the repayment of any of the contractors' outstanding debt attributable to the contract. There have been no changes to the arrangements during the financial year.

Analysis of Payments due to be made under PFI and similar Contracts

The following table shows payments due to be made under PFI and similar Contracts in future financial years from 2024/25 onwards. All the payments under PFI and similar Contracts are linked in full or in part to Retail Price Index inflation and can be reduced if the contractor fails to meet availability and performance standards in any given financial year but are otherwise fixed. Lifecycle replacement costs have been included in the Service Charges element detailed in the table below:

	Library and Lifelong Learning Centre £000	Sheltered Housing £000	Gateways to Oldham Housing £000	Chadderton Wellbeing Centre £000	Street Lighting £000	Schools £000	Building Schools for the Future £000	Total £000
2024/25								
Repayment of Liability	849	4,087	1,983	31	357	2,885	1,214	11,406
Interest	721	6,683	3,312	987	1,110	2,258	2,415	17,487
Service Charges	1,588	6,743	4,619	586	3,573	4,376	2,241	23,727
Total	**3,158**	**17,513**	**9,915**	**1,604**	**5,040**	**9,518**	**5,871**	**52,620**
2025/26 to 2028/29								
Repayment of Liability	4,379	13,213	9,546	408	2,173	10,652	6,413	46,783
Interest	2,148	24,630	12,055	4,440	4,031	6,821	8,807	62,933
Service Charges	6,495	34,440	19,328	1,980	14,596	21,770	8,931	107,539
Total	**13,022**	**72,283**	**40,929**	**6,828**	**20,800**	**39,243**	**24,150**	**217,255**
2029/30 to 2033/34								
Repayment of Liability	2,565	26,046	19,762	875	7,460	14,476	9,507	80,691
Interest	840	26,521	13,800	6,317	5,656	2,746	6,477	62,357
Service Charges	2,781	43,015	20,705	2,349	14,380	22,267	15,837	121,332
Total	**6,185**	**95,582**	**54,268**	**9,540**	**27,496**	**39,489**	**31,821**	**264,380**
2034/35 to 2038/39								
Repayment of Liability	-	19,009	14,473	1,331	5,339	-	9,027	49,180
Interest	-	9,975	5,675	7,005	1,912	-	1,827	26,395
Service Charges	-	21,123	10,366	2,457	5,737	-	12,063	51,746
Total	**-**	**50,108**	**30,514**	**10,794**	**12,988**	**-**	**22,917**	**127,321**
2039/40 to 2040/41								
Repayment of Liability	-	-	-	5,050	-	-	-	5,050
Interest	-	-	-	816	-	-	-	816
Service Charges	-	-	-	366	-	-	-	366
Total	**-**	**-**	**-**	**6,232**	**-**	**-**	**-**	**6,232**
Repayments Total	**7,792**	**62,355**	**45,765**	**7,695**	**15,329**	**28,013**	**26,161**	**193,110**
Interest Total	**3,709**	**67,809**	**34,843**	**19,566**	**12,710**	**11,825**	**19,527**	**169,988**
Service Charges Total	**10,864**	**105,321**	**55,018**	**7,738**	**38,285**	**48,412**	**39,072**	**304,710**
Grand total	**22,365**	**235,485**	**135,626**	**34,998**	**66,324**	**88,250**	**84,759**	**667,807**

Analysis of Liabilities as a result of PFI and Similar Contracts

The payments to the contractor are described as Unitary Charges. They have been calculated to compensate the contractor for the fair value of the services the contractor provides, the capital expenditure incurred and the interest payable whilst the capital expenditure remains to be reimbursed. The liability to pay the contractors for capital expenditure incurred is as follows:

Scheme	Liability 31 March 2022 £000	Repayments £000	Liability 31 March 2023 £000	Repayments £000	Liability 31 March 2024 £000
Library and Lifelong Learning Centre	9,329	(737)	8,592	(800)	7,792
Sheltered Housing	68,689	(2,851)	65,838	(3,483)	62,355
Gateways to Oldham	49,455	(1,755)	47,700	(1,935)	45,765
Chadderton Wellbeing Centre	7,849	(121)	7,728	(33)	7,695
Street Lighting	16,839	(943)	15,896	(567)	15,329
Schools	32,399	(1,545)	30,854	(2,841)	28,013
Building Schools for the Future	28,223	(1,007)	27,216	(1,055)	26,161
Total	**212,784**	**(8,959)**	**203,824**	**(10,714)**	**193,110**

Assets as result of PFI and Similar Contracts

	Library and Lifelong Learning Centre	Sheltered Housing	Gateways to Oldham Housing	Chadderton Wellbeing Centre	Street Lighting	Schools	Building Schools for the Future	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
As at 1 April 2023	18,142	44,541	23,186	13,150	24,457	93,932	44,863	**262,271**
Revaluations recognised in Revaluation Reserve	1,736	755	1,776	872	-	9,729	4,457	**19,325**
Derecognition-disposals	-	-	(102)	-	-	-	-	**(102)**
As at 31 March 2024	**19,878**	**45,296**	**24,860**	**14,022**	**24,457**	**103,661**	**49,320**	**281,494**
Accumulated Depreciation & Impairment								
As at 1 April 2023	-	3,841	1,641	-	5,335	-	-	**10,817**
Depreciation Charge	1,022	3,909	1,790	692	491	6,424	2,807	**17,135**
Depreciation Written out to Revaluation Reserve	(1,022)	(3,840)	(1,634)	(692)	-	(6,424)	(2,807)	**(16,419)**
	-	-	(8)	-	-	-	-	**(8)**
As at 31 March 2024	**-**	**3,910**	**1,789**	**-**	**5,826**	**-**	**-**	**11,525**
Net Book Value at 31 March 2023	**18,142**	**40,700**	**21,545**	**13,150**	**19,122**	**93,932**	**44,863**	**251,454**
Net Book Value at 31 March 2024	**19,878**	**41,386**	**23,071**	**14,022**	**18,631**	**103,661**	**49,320**	**269,969**

	Library and Lifelong Learning Centre	Sheltered Housing	Gateways to Oldham Housing	Chadderton Wellbeing Centre	Street Lighting	Schools	Building Schools for the Future	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
As at 1 April 2022	16,452	43,421	23,351	12,250	24,457	82,109	39,201	**241,241**
Additions	-	267	-	-	-	-	-	**267**
Revaluations recognised in Revaluation Reserve	1,690	853	(26)	900	-	11,823	5,662	**20,902**
Derecognition-disposals	-	-	(139)	-	-	-	-	**(139)**
As at 31 March 2023	**18,142**	**44,541**	**23,186**	**13,150**	**24,457**	**93,932**	**44,863**	**262,271**
Accumulated Depreciation & Impairment								
As at 1 April 2022	-	3,745	1,630	-	4,817	-	-	**10,192**
Depreciation Charge	845	3,823	1,641	585	518	4,961	2,214	**14,587**
Depreciation Written out to Revaluation Reserve	(845)	(3,727)	(1,620)	(585)	-	(4,961)	(2,214)	**(13,952)**
Derecognition -disposals	-	-	(10)	-	-	-	-	**(10)**
As at 31 March 2023	**-**	**3,841**	**1,641**	**-**	**5,335**	**-**	**-**	**10,817**
Net Book Value at 31 March 2022	**16,452**	**39,676**	**21,721**	**12,250**	**19,640**	**82,109**	**39,201**	**231,049**
Net Book Value at 31 March 2023	**18,142**	**40,700**	**21,545**	**13,150**	**19,122**	**93,932**	**44,863**	**251,454**

30. Pension Schemes Accounted for as Defined Contribution Schemes

Teachers' Pension Scheme

Teachers employed by the Council are members of the Teachers' Pension Scheme administered by Capita Teachers' Pensions on behalf of the Department for Education. 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 2023/24, the Council paid £10.742m (£10.723m in 2022/23) to the Teachers Pensions Scheme in respect of teachers' retirement benefits, representing 22.47% (22.80% in 2022/23) of pensionable pay.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside the terms of the Teachers' Scheme. These costs are accounted for on a defined benefits basis and are detailed in Note 31.

31. Defined Benefit Pension Schemes

Participation in Pension Schemes

As part of the terms and conditions of the employment of its Officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until the employees retire, the Council has a commitment to make the payments that need to be disclosed at the time the employees earn their future entitlement. The Council participates in the Local Government Pension Scheme (LGPS) which is administered locally by Tameside Metropolitan Borough Council. This is a funded defined benefit final salary pension 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.

Transactions Relating to Post-employment 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 MiRS. The following transactions have been made in the CIES and the General Fund Balance through the MiRS during the year:

	2022/23 £000	2023/24 £000
Service Cost		
Current service cost	(44,230)	(20,908)
Past service cost (including curtailments)	(1,670)	(993)
Effect of Settlements	1,371	(137)
Total service cost	**(44,529)**	**(22,038)**
Financing and Investment Income and Expenditure		
Interest income on scheme assets	35,728	62,922
Interest cost on defined benefit obligation	(44,120)	(54,715)
Interest on the effect of the asset ceiling	-	(4,849)
Total net interest	**(8,392)**	**3,358**
Total Post Employment Benefits Charged to the Deficit on the Provision of Services	**(52,921)**	**(18,680)**
Remeasurements of the Net Defined Liability Comprising:		
Return on plan assets excluding amounts included in net interest	(12,094)	32,078
Changed in demographic assumptions	11,494	7,826
Actuarial Gains/(losses) arising from changes in financial assumptions	601,957	62,993
Other experience and actuarial adjustments	(91,974)	(37,799)
Changes in the effect of the asset ceiling	-	106,941
Asset Ceiling Adjustment	(102,092)	(284,978)
Total Remeasurements Recognised in Other Comprehensive Income	**407,291**	**(112,939)**
Total Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement	**354,370**	**(131,619)**
Movement in Reserves Statement		
Reversal of net charges made to the deficit on the provision of services	52,921	18,680
Employers' Contributions Payable to the Scheme	**(29,189)**	**(23,022)**

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

	2022/23 £000	2023/24 £000
Fair value of plan assets	1,335,959	1,409,171
Present value of funded liabilities	(1,133,679)	(1,133,580)
Present value of unfunded liabilities	(29,971)	(28,993)
Asset Ceiling Adjustment	(102,092)	(284,978)
Net Liability Arising From Defined Benefit Obligation	**70,217**	**(38,380)**

Asset Ceiling

Following the pensions valuation by the Council's actuary, Hymans Robertson LLP, the Council determined that the fair value of its pension plan assets outweighed the present value of the plan obligations at 31 March 2024 resulting in a pension plan asset. IAS 19 Employee Benefits requires that, where a pension plan asset exists, it is measured at the lower of:

- The surplus in the defined benefit plan; and
- The asset ceiling.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The Council's actuary calculated the asset ceiling as the net present value of future service costs less net present value of future contributions.

The Council has therefore limited the Pension asset recognised in its balance sheet to the asset ceiling, which was nil in 2023/24. The remaining represents the unfunded liabilities (comprising £15.833m LGPS and £13.160m Teachers unfunded, £16.665m LGPS and £13.306m in 2022/23) which are not included in the asset ceiling adjustment and any liabilities as a result of past contributions. The adjustment has been recognised within other comprehensive income and expenditure of the CIES.

	2022/23 £000	2023/24 £000
Asset Ceiling Balance at 1 April	-	(102,092)
Interest on the Effect of Asset Ceiling	-	(4,849)
Changes on the Effect of Asset Ceiling	(102.092)	(178,037)
Asset Ceiling Balance 31 March	**(102,092)**	**(284,978)**

Reconciliation of the Movements in Fair Value of Scheme Assets

	2022/23 £000	2023/24 £000
Opening fair value of scheme assets	1,257,748	1,335,959
Effect of Settlements	(1,275)	(2,876)
Effect of Business Combinations and Disposals	83,501	-
Interest income	35,728	62,922
Remeasurement loss		
Return on plan assets excluding amounts included in net interest	(12,094)	32,078
Other Experience	-	-
Contributions from employer into the scheme	6,477	20,300
Contributions from employees into the scheme	6,563	6,912
Benefits paid	(40,689)	(46,124)
Closing Fair Value of Scheme Assets	**1,335,959**	**1,409,171**

The Council's share of pension fund assets is rolled forward, by the actuary, from the latest formal valuation date. The roll forward amount is then adjusted for investment returns, the effective contributions paid into and estimated benefits paid from the fund by the Council and its employees. As such this estimate may differ from the actual assets held by the Pension Fund on 31 March 2024.

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

	2022/23 £000	2023/24 £000
Opening fair value of scheme liabilities	1,555,515	1,163,650
Current service cost	44,230	20,908
Effect of Settlements	(2,646)	(2,739)
Interest cost	44,120	54,715
Effect of Business Combinations and Disposals	76,364	-
Contributions from scheme participants	6,563	6,912
Remeasurement gain		
Actuarial (gains)/losses arising from changes in financial assumptions	(601,957)	(62,993)
Changes in demographic assumptions	(11,494)	(7,826)
Other experience and actuarial adjustments	91,974	37,799
Past service cost	1,670	993
Benefits paid	(40,689)	(48,846)
Closing Fair Value of Scheme Liabilities	**1,163,650**	**1,162,573**

Pension Scheme Assets

	Period Ended 31 March 2023				Period Ended 31 March 2024			
	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	Percentage Total of Asset	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	Percentage Total of Asset
Equity Securities								
Consumer	80,270		**80,270**	6%	85,328	-	**85,328**	6%
Manufacturing	73,857		**73,857**	6%	77,914	-	**77,914**	6%
Energy and Utilities	65,948		**65,948**	5%	76,107	-	**76,107**	5%
Financial Institutions	113,980		**113,980**	9%	119,625	-	**119,625**	8%
Health and Care	66,911		**66,911**	5%	70,467	-	**70,467**	5%
Information Technology	94,291		**94,291**	7%	73,505	-	**73,505**	5%
Other	15,189		**15,189**	1%	15,736	-	**15,736**	1%
Debt Securities								
Corporate Bonds (investment grade)	53,242		**53,242**	4%	58,590	-	**58,590**	4%
UK Government	31,926		**31,926**	2%	37,332	-	**37,332**	3%
Other	39,766		**39,766**	3%	43,989	-	**43,989**	3%
Private Equity								
All		99,931	**99,931**	7%	-	96,600	**96,600**	7%
Real Estate								
UK Property		51,977	**51,977**	4%	-	57,070	**57,070**	4%
Investment Funds and Unit Trusts								
Equities	71,362		**71,362**	5%	65,899	-	**65,899**	5%
Bonds	118,554		**118,554**	9%	141,292	-	**141,292**	10%
Infrastructure		106,759	**106,759**	8%	-	119,515	**119,515**	8%
Other	32,568	185,539	**218,107**	16%	32,439	201,111	**233,549**	17%
Derivatives								
Other				0%	-	-	**-**	0%
Cash and Cash Equivalents								
All	33,890		**33,890**	3%	36,654	-	**36,654**	3%
Totals	**891,754**	**444,206**	**1,335,959**	**100%**	**934,876**	**474,295**	**1,409,171**	**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 valuation of the scheme as of 31 March 2024.

The significant assumptions used by the actuary have been:

	2022/23	2023/24
Mortality assumptions:		
Longevity at 65 for current pensioners:		
men	19.8	19.7
women	23.1	22.9
Longevity at 65 for future pensioners:		
men	21.1	20.9
women	24.9	24.6
Rate of increase in salaries	3.75%	3.55%
Rate of increase in pensions	2.95%	2.75%
Rate for discounting scheme liabilities	4.75%	4.85%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below is based on possible changes to the assumptions occurring at the end of the reporting period. For each assumption change all 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 cost method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in 2022/23.

Change in Assumptions at 31 March 2024	Approximate % Increase to Employee Liability	Approximate Monetary Amount £000
0.1% decrease in real discount rate	2%	20,393
1 year increase in member life expectancy	4%	46,503
0.1% increase in the salary increase rate	0%	764
0.1% increase in the pension increase rate	2%	20,005

Impact on the Council'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 contribution rate set by the current triennial valuation took effect from the financial year starting 1 April 2023.

The scheme has taken 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 for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits.

32. Cash Flows from Operating Activities

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:	2022/23 £000	2023/24 £000
Depreciation	39,894	45,416
Impairment and downward valuations	2,805	8,519
Amortisation	1,729	1,637
Increase/(decrease) in creditors	(16,648)	5,945
(Increase)/decrease in debtors	(7,680)	(6,656)
(Increase)/decrease in inventories	(144)	36
Movement in pension liability	39,307	(4,342)
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	5,618	6,084
Other non-cash items charged to the net surplus or deficit on the provision of services	(5,057)	1,230
	59,824	**57,869**
The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:		
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	8	-
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(7,849)	(7,260)
Any other items for which the cash effects are investing or financing cash flows	(38,762)	(39,566)
	(46,603)	**(46,826)**
The cash flows for operating activities include the following items:		
Interest received	3,126	6,736
Interest paid	(26,168)	(24,962)
Dividends received	1,474	842
	(21,568)	**(17,384)**

33. Cash Flow from Investing Activities

	2022/23 £000	2023/24 £000
Purchase of property, plant and equipment, investment property and intangible assets	(46,657)	(64,765)
Purchase of short-term and long-term investments	(10,000)	(13,000)
Other payments for investing activities	-	(2,813)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	7,849	7,260
Proceeds from short-term and long-term investments	18,999	23,005
Other receipts from investing activities	35,036	43,611
Net cash flows from investing activities	**5,227**	**(6,702)**

34. Cash Flows from Financing Activities

	2022/23 £000	2023/24 £000
Cash receipts of short and long-term borrowing	-	20,000
Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance Sheet PFI contracts	(9,324)	(11,173)
Repayments of short and long-term borrowing	(6,605)	(6)
Other payments for financing activities	509	520
Net cash flows from financing activities	**(15,420)**	**9,341**

34a. Reconciliation of Liabilities Arising from Financing Activities

	1 April 2023 £000	Financing cash flows £000	Acquisition £000	Other non-cash changes £000	31 March 2024 £000
Long-term borrowings	161,494	-	-	(10)	161,484
Short-term borrowings	1,690	20,000	-	130	21,820
Lease Liabilities	475	(457)	729	-	747
Transferred Debt	39	(6)	-	-	33
On balance sheet PFI Liabilities	203,826	(10,716)	-		193,110
Amounts included as part of (debtor)/creditor balances:					
Amounts owed to/from Collection Fund preceptors	284	520	-	-	804
Total Liabilities from financing activities	**367,808**	**9,341**	**729**	**120**	**377,998**

	1 April 2022 £000	Financing cash flows £000	Acquisition £000	Other non-cash changes £000	31 March 2023 £000
Long-term borrowings	161,504	-	-	(10)	161,494
Short-term borrowings	8,293	(6,600)	-	(3)	1,690
Lease Liabilities	618	(365)	246	(24)	475
Transferred Debt	44	(5)	-	-	39
On balance sheet PFI Liabilities	212,785	(8,959)	-		203,826
Amounts included as part of (debtor)/creditor balances:					
Amounts owed to/from Collection Fund preceptors	(225)	509	-	-	284
Total Liabilities from financing activities	**383,019**	**(15,420)**	**246**	**(37)**	**367,808**

35. Accounting Policies

1.1 General Principles

The Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code) supported by International Financial Reporting Standards (IFRS).

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

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

Unless otherwise stated the convention used in this document is to round the amounts to the nearest thousand pounds. All totals are the rounded totals of unrounded figures and, therefore, may not be the strict sums of the figures presented in the text or tables. Throughout the Statements all credit balances are shown with parentheses e.g. (£1,234).

1.2 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 £10,000 de minimis limit for the recognition of Capital Expenditure.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

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.

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:

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

Depreciation

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

Deprecation is calculated on the following bases:

- dwellings and 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 –See section below.

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.

Component Accounting

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item and/or whose life is significantly different to the life of the host (main) asset, the components are depreciated separately.

Components are recognised in the financial year where:

- there has been a revaluation of assets;
- there has been an acquisition of assets within the financial year; and
- enhancement expenditure has been incurred within the financial year.

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). For 2023/24 the Council can benefit from the flexibilities in the amendment on Right to Buy (RTB) receipts. For 2023/24 the Council can retain 100% RTB receipts to finance capital expenditure on housing projects. 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.

Infrastructure Assets

Highways infrastructure assets include carriageways, footways and cycle tracks, structures, street lighting, street furniture, traffic management systems and land which together form a single integrated system.

- Recognition

Expenditure on the acquisition or replacement of components of the network is capitalised on an accruals basis, provided that it is probable that the future economic benefit associated with the item will flow to the Council and the cost of the item can be measured reliably.

- Measurement

Highways infrastructure assets are measured at depreciated historical cost. This is, however, a modified form of historical cost. Opening balances for highways infrastructure assets were originally recorded in the balance sheet at amounts of capital undischarged for sums borrowed as at 1 April 1994, which was deemed at the time to be historical cost.

- Impairment

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

- Depreciation

Depreciation is provided on the parts of the highways network infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives.

Annual depreciation is the depreciation amount allocated each year. The useful lives of the various parts of the highways network are detailed below:

Elements of the Highway Network	Useful Life
Carriageways	27
Footways and Cycle Tracks	45
Structures	107
Street Lighting	40
Street Furniture	40
Traffic Management Systems	15

Disposal and Derecognition

When a component of the network is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet is written off the 'Other Operating Expenditure' line in the Comprehensive Income & Expenditure Statement as part of the gain or loss on disposal. Receipts from disposal (if any) are credited to the same line in the Comprehensive Income & Expenditure Statement, also as part of the gain or loss on disposal (i.e., netted off against the carrying value of the asset at the time of disposal). The written off amounts of disposal are not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are transferred to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

1.3 Heritage Assets

The Council's Heritage Assets are held by the Council principally for their contribution to knowledge and/or culture. They are recognised and measured, including treatment of revaluation gains and losses, in accordance with the Council's Accounting Policies on Property Plant and Equipment. 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 and the Council has no records of the original cost of the asset, then there is a narrative disclosure of the asset.

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.

1.4 Investment Property

Investment properties are those assets that are used solely to earn rental income 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.

1.5 Private Finance Initiative (PFI) and Similar Contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the Property, Plant and Equipment needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes, and as ownership of the Property, Plant and Equipment assets will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the Property, Plant and Equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as Property, Plant and Equipment owned by the Council.

The amounts payable to the PFI operators each year are analysed into five elements:

- The value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement.
- Finance cost – an interest charge is raised on the outstanding Balance Sheet liability and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The interest rate is calculated for each scheme so that the Balance Sheet liability is zero at the end of each contract.
- Contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- Payment towards liability – applied to write down the Balance Sheet liability.
- Lifecycle replacement costs – are split between revenue and capital costs. Revenue lifecycle costs are debited to the relevant service in the Comprehensive Income and Expenditure Statement. Capital lifecycle costs are debited to Property Plant and Equipment to reflect the enhancement of the PFI Asset.

1.6 Accounting for 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 Trust
- 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 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 status 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.

1.7 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.

1.8 Capital Charges to Revenue for Non-Current Assets

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

- depreciation attributable to the assets used by the relevant service.
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- amortisation of intangible non-current assets attributable to the service.

The Council is not required 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.

1.9 Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) 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, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES 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 CIES, 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 CIES to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets measured at:

- amortised cost;
- fair value through profit or loss (FVPL); and
- fair value through other comprehensive income (FVOCI).

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 (CIES) 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 CIES 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 CIES.

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

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price; and
- other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the accounting policy set out in section 1.23 Fair Value Measurement.

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 CIES.

IFRS 9 Financial Instruments sets out that investments in equity should be classified as fair value through profit and loss unless there is an irrevocable election to recognise changes in fair value through other comprehensive income. The Council will assess each investment on an individual basis and assign an IFRS 9 category. The assessment will be based on the underlying purpose for holding the financial instrument.

Any changes in the fair value of instruments held at fair value through profit or loss will be recognised in the net cost of service in the CIES and will have a General Fund impact.

Financial Assets measured at Fair Value through other Comprehensive Income (FVOCI)

The Council has equity instruments designated at fair value through other Comprehensive Income (FVOCI).

The Council has made an irrevocable election to designate three of its equity instruments as FVOCI on the basis that it is held for non-contractual benefits, it is not held for trading but for strategic purposes. The assets are initially measured and carried at fair value. The value is based on the principal that the equity shares have no quoted market prices and is based on an independent appraisal of the company valuation.

Dividend income is credited to Financing and Investment Income and Expenditure in the Comprehensive Income and Expenditure Statement when it becomes receivable by the Council.

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.

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.

Instruments Entered into Before 1 April 2006

The Council entered into a number of financial guarantees that are not required to be accounted for as financial instruments. These guarantees are reflected in the Statement of Accounts to the extent that provisions might be required, or a contingent liability note is needed under the policies set out in the section on Provisions, Contingent Liabilities and Contingent Assets.

1.10 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 two principle 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).

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' scheme means that liabilities for these benefits cannot be identified specifically to the Council. The scheme is therefore accounted for as if it is a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Children's Services line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pension Scheme in the year.

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-Distributed Costs;
- 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 is 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.
- Asset ceiling adjustment - This adjustment ensures that the net pension does not exceed the asset ceiling as determined in accordance with relevant accounting standards, and represents the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan

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 balance that arises on the Pensions Reserve thereby measures the 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.

1.11 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.

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

1.12 Cash and Cash Equivalents

Cash is represented by cash in hand 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.

1.13 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.

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.

1.14 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 payment; 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, it is 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.

1.15 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.

1.16 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.

1.17 Tax 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 Authority, 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.

1.18 Overheads and Support Services

The costs of overheads and support services are charged to the relevant services in accordance with the Authority's arrangements for accountability and financial performance, with the exception of:

- Corporate and Democratic Core – costs relating to the Council's status as a multi-functional, democratic organisation;
- Non Distributed Costs – changes in past service costs and impairment losses chargeable on Assets Held for Sale.

Corporate and Democratic Core is identified as a separate heading in the Comprehensive Income and Expenditure Statement. Non Distributed Costs form part of the Capital, Treasury and Technical Accounting Portfolio line with the Council's local reporting format.

1.19 Value Added Tax (VAT)

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

1.20 Interests in Companies and Other Entities

The Council has material interests in external entities that are classified as subsidiaries and therefore group accounts have been prepared. In the Council's single-entity accounts the Council's interest in companies and other entities are recorded as financial assets at cost less any impairment. Any gains or losses are recognised in the Comprehensive Income and Expenditure Statement.

1.21 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.

1.22 Events after the Balance Sheet Date

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

- Adjusting Events - Those events that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- Non-Adjusting Events - Those events that are indicative of conditions that arose after 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 of the nature of the events and either their estimated financial effect or a statement that such an estimate cannot be made reliably.

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

1.23 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 from the sale of an asset or paid over 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:

a) in the principal market for the asset or liability, or;

b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Council uses 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.

36. 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 2023/24 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 2024/25 Code are:

a) IFRS 16 Leases, where authorities, including Oldham Council, did not elect to implement voluntarily in 2023/24. The main impact is to remove (for lessees) the traditional distinction between finance leases and operating leases, requiring lessees to recognise the majority of assets subject to leases as right of use assets on the balance sheet, along with a corresponding lease liability rather than being treated as a ‘pay as you go’ type of arrangement. Under IFRS16 additional leases will be recognised as right of use assets on the balance sheet. Work on the implementation of the Code changes is ongoing and the full impact on the council’s accounts has not yet been fully assessed. However, preliminary calculations estimate that approximately £1.785m worth of assets will be brought on to the balance sheet, with corresponding liabilities of £1.785m being also added. The impact of the transition to IFRS 16 will impact the treatment of the Council’s PFI schemes. Currently only the minimum lease payments are taken into account when calculating PFI Lease liabilities and interest payments, under IFRS 16 the full value of future lease payments will be included in the calculation of lease liabilities and interest payments. The Council is currently assessing the impact of the change for it’s PFI schemes.

b) Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
c) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
d) Non-current Liabilities with Covenants (Amendments to IAS 1)
e) International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12)
f) Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

Work on the implementation of the Code changes is still ongoing and the full impact on the Council’s single entity and group accounts has not been fully assessed yet, however it is likely that items b) to d) will have no significant impact on the amounts to be reported in the Council’s financial statements and items e) and f) are not anticipated to be relevant to the Council.

37. 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. Critical estimation uncertainties are described in the note.

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 Authority maintained schools should be recognised in accordance with the asset recognition tests relevant to the arrangements that prevail for the property. The Council recognises school land and buildings on its Balance Sheet where it directly owns the assets or where the school or school Governing Body own the assets or where rights to use the assets have been transferred from another entity.

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 are shown below:

Type of School	No. of Primary Schools	No. of Secondary Schools	No. of Special Schools	Total
Community	22	1	1	**24**
Voluntary Controlled (VC)	5	-	-	**5**
Voluntary Aided (VA)	24	1	-	**25**
Foundation/Foundation Trust	4	1	-	**5**
Maintained Schools	**55**	**3**	**1**	**59**
Academies	31	11	6	**48**
Total	**86**	**14**	**7**	**107**

All 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 has entered into Private Finance Initiative (PFI) agreements to build and operate three schools in the Borough. One is a VA school; one is a Foundation Trust school and the remaining school is an Academy. Whilst the land which the buildings are sited on has been transferred to the respective Diocese, Trust and Academy, the ownership of the buildings is determined by who holds the balance of control in line with accounting standards. The Council considers the buildings associated with these schools should be included on its Balance Sheet because:

- The reversion clause within the PFI agreement results in the Council having a residual interest in the buildings at the end of the agreement
- The services provided and the use of the building is controlled by the Council through the PFI agreement
- The PFI agreement is between the PFI contractor and the Council

Legal ownership of VC school land and buildings usually rests with a charity, normally a religious body. Four VC schools are owned by the Diocese which have granted a licence to the school to use the land and buildings. Under this licence arrangement, the rights of use of the land and buildings have not transferred to the school and thus are not included on the Council's Balance Sheet. The remaining VC school land and buildings are owned by the Council and included on the Balance Sheet.

Legal ownership of the VA school land and buildings rests with the relevant Diocese. The Diocese has granted a licence to the school to use the land and buildings. Under this licence arrangement, the rights of use of the land and buildings have not transferred to the school and thus are not included on the Council's Balance Sheet.

Foundation and Foundation Trust schools were created to give greater freedom to the Governing Body responsible for school staff appointments and who also set the admission criteria. There are five Foundation schools in the Borough. For one school, the Governing Body has legal ownership of the land and buildings and thus these are included on the Council's Balance Sheet. For the remaining Foundation Trust school, a separate Trust owns the land and buildings so these assets are not included on the Council's Balance Sheet.

Academies are not considered to be maintained schools in the Council's control. The land and building assets are not owned by the Council and are therefore not included on the Council's Balance Sheet.

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 2023/24. The Council has identified one subsidiary who are considered to be material and will be consolidated into its group accounts. The subsidiary included is MioCare Group Community Interest Company (CIC). Further details can be found in the group accounts in section 5.

Investment Properties

Investment properties have been assessed using the identifiable criteria under the International Accounting Standards (principally IAS 40 Investment Property) 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.

Equity Investments

The Council has equity investments in Oldham Property Partnership, Meridian Developments and Community 1st Oldham (Chadderton) Ltd. Following a review of the Council's equity investments under the accounting standard IFRS 9 Financial Instruments, the default valuation method of the Council's equity holdings would be Fair Value through Profit and Loss. However, these equity investments are strategic investments and not held for trading, therefore the Council, has designated the investment 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 these investments.

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

Pension Asset/Liability

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

During 2023/24 the Council's actuaries advised that the net pension asset had increased by £176.381m to a surplus position of £246.598m. In line with the Code of Practice where there is a surplus position, the Council requested an Asset Ceiling calculation from the actuary. This resulted in a movement totalling £284.978m and a final asset position of nil with a pension liability of £38.380m recognised on the balance sheet.

The effect of changes in the individual assumptions can be measured. For instance, a 0.1% decrease in the real discount rate assumption would result in an increase in the pension liability of £20.393m. A 0.1% increase in the assumed salary increase rate would result in a £0.764m increase in the pension liability and an increase of 0.1% in the assumed pension increase rate would increase the pension liability by £20.005m.

Property Valuations

The valuation of the Council's Property, Plant and Equipment (PPE) is a significant area of estimation uncertainty. This includes Council Dwellings, Other Land and Buildings and Surplus Assets. The Council's valuer uses a combination of methodologies to value these operational assets, including Depreciated Replacement Cost (DRC), Existing Use Value (EUV and Social Housing EUV) and market/comparable methods. These methods can cause estimation uncertainty due to the indices and inputs that must be used to applying valuations. If the actual values differ from the assumptions used to value PPE, there is a risk of material adjustment to the carrying value of PPE within the next financial year. A reduction in estimated valuation would result in a reduction to the Revaluation Reserve and/or a loss recorded in the Comprehensive Income and Expenditure Statement. An increase in estimation valuation would result in an increase in the Revaluation Reserve and/or gain recorded in the Comprehensive Income and Expenditure Statement. As an example, the impact of a 1% change in the valuation of the Council's property would be £7.757m. Note 17, Property, Plant and Equipment, to the accounts sets out the Council's approach to valuation of its PPE.

39. Events after the Reporting Period

The Statement of Accounts was authorised for issue by the Director of Finance on 7 June 2024. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

4.1 Housing Revenue Account (HRA)

Housing Revenue Account Income and Expenditure Statement

HRA Income and Expenditure Statement	2022/23 £000	2023/24 £000
Expenditure		
Repairs and Maintenance	4.123	4,799
Supervision and Management	5,248	6,108
Rent, rates, taxes and other charges	3,113	3,518
Depreciation, impairment and revaluation losses of non-current assets	5,929	6,451
Debt management costs	145	145
Total Expenditure	**18,558**	**21,021**
Income		
Dwellings rents	(9,118)	(9,122)
Non-dwelling rents	(34)	(30)
Charges for services and facilities	(1,114)	(1,146)
Contributions towards expenditure	(44)	(54)
PFI Credits receivable	(18,799)	(18,799)
Total Income	**(29,109)**	**(29,151)**
Net Surplus relating to HRA Services as included in the Comprehensive Income and Expenditure Statement	**(10,550)**	**(8,130)**
HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement:		
Gain on sale of HRA non-current assets	**(359)**	**(854)**
Adjustment to the loss allowance	79	100
Interest payable and similar charges	10,867	10,403
HRA Interest and investment income	(268)	(400)
(Surplus)/Deficit for the year on HRA Services	**(231)**	**1,119**

Statement of Movement in the Housing Revenue Account

Movement on the HRA Statement	Prior Year £000	Current Year £000
Opening Balance	(21,719)	(22,585)
(Surplus)/Deficit for the year on the HRA Income and Expenditure Statement	(231)	1,119
Adjustments between accounting basis and funding basis under statute	(634)	360
(Increase)/Decrease in the HRA Balance	(866)	1,479
Closing Balance	**(22,585)**	**(21,106)**

Note to Movement on the HRA Statement	Prior Year £000	Current Year £000
Analysis of adjustments between accounting basis and funding basis under statute		
Depreciation, impairment and revaluation losses of non-current assets	(5,941)	(6,565)
Minimum Revenue Provision	4,606	5,420
Gain or loss on sale of HRA fixed assets	371	968
Capital Expenditure funded by the HRA	210	320
Transfer to Major Repairs Reserve	120	217
Net Adjustment	**(634)**	**360**

The HRA Income and Expenditure 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.

Note on the Preparation of the Housing Revenue Account

The Council has followed the guidance in the CIPFA Code of Practice on Local Authority Accounting 2023/24 for the production of its 2023/24 Statement of Accounts. However, there is one area where, in order to achieve a true and fair view, the Council has departed from the guidance which is explained below.

From 2017/18 the transitional arrangements which allowed for the reversal of the depreciation charge from the Housing Revenue Account (HRA) came to an end. The new Item 8 Determination issued by the Ministry of Housing, Communities and Local Government (formerly the Department for Communities and Local Government) on 24 January 2017 confirmed that depreciation should be charged to the HRA in accordance with proper accounting practices. Therefore from 2017/18 a charge equal to depreciation should have been made to the HRA and passed to the Major Repairs Reserve (MRR) for the purpose of future repairs and maintenance.

However, as the majority of the Council HRA dwellings are covered by Private Finance Initiative (PFI) contracts (until 2036), any future repairs and maintenance costs are already included within the unitary charge the Council pays on PFI schemes. The Council will therefore have no need to build up the MRR and the HRA would, in effect, be charged twice for repairs and maintenance of dwellings. If the Council began to charge the HRA with deprecation (without reversal) the HRA would quickly fall into deficit and build up a significant MRR that would not be required.

Previously, the Department of Levelling Up, Housing and Communities (formerly known as MHCLG) has confirmed that depreciation need not be charged to the HRA in respect of Oldham's PFI housing stock. Therefore, the Council will continue with the accounting treatment previously permitted under the transitional arrangements and has reversed the depreciation charge from the HRA to the Capital Adjustment Account.

The financial impact of the accounting treatment prescribed by CIPFA is shown in the table below.

	Current 2023/24 Balance £000	Adjustment for the Item 8 Determination £000	Adjusted 2023/24 Balance £000
Housing Revenue Account	(21,106)	5,705	(15,401)
Major Repairs Reserve	(1,222)	(5,705)	(6,927)

The HRA financial statements present a true and fair view of the Council's HRA financial position, financial performance and cash flows, the Council has complied with the CIPFA Code of Practice in all areas except that which is described above.

4.1.1 Explanatory Notes to the Housing Revenue Account

H1. Housing Revenue Account Housing Stock Numbers and Valuations

As of 31 March 2024, the Council had a total housing stock of 2,085 dwellings. This was comprised of 1,231 Houses and Bungalows, and 854 Flats and Maisonettes.

The balance sheet value of HRA assets was as follows:

	31 March 2023 £000	31 March 2024 £000
Dwellings	76,514	81,408
Other Operational Property	7,613	738
Plant and Machinery	946	858
Total	**85,073**	**83,004**

The Vacant Possession Dwellings valuation is £210.348m as of 31 March 2024. The difference between the vacant possession value and the Balance Sheet value of dwellings within the HRA shows the cost of providing Council housing at less than open market rents.

H2. Housing Revenue Account Depreciation and Impairment of Assets

Depreciation and impairment of Property, Plant and Equipment is shown below.

Depreciation	Operational Assets £000
Balance at 1 April 2023	5,897
Depreciation written off during the year	(5,559)
Depreciation during the year – Dwellings	5,819
Depreciation during the year - Other land and Buildings/Plant & Machinery	91
Balance at 31 March 2024	**6,248**

Impairment and Revaluation Loss	Operational Assets £000
Balance at 1 April 2023	(4,530)
Revaluation loss during the year	(235)
Balance at 31 March 2024	**(4,765)**

The HRA assets are subject to an annual revaluation programme, as a result any impairments or revaluation losses are written off against the revised revaluation and reflected in the gross value.

4.2 Collection Fund

Collection Fund Statement

2022/23 Total £000		2023/24 Council Tax £000	2023/24 Business Rates £000	2023/24 Total £000	Note
	Income				
(125,813)	Council Tax Payers	(133,434)		(133,434)	C2
(49,171)	Income from Business Ratepayers		(50,437)	(50,437)	C3
(174,984)		**(133,434)**	**(50,437)**	**(183,871)**	
	Expenditure				
	Precepts:				
103,246	- Oldham Council	109,324	-	109,324	
13,116	- Greater Manchester Mayoral Police and Crime Commissioner Precept	14,233	-	14,233	
5,914	- Greater Manchester Mayoral General Precept (including Fire Services)	6,315	-	6,315	
	Allocation of previous year's Estimated Collection Fund Surplus				
(2,438)	- Oldham Council	40	-	40	
(306)	- Greater Manchester Mayoral Police and Crime Commissioner Precept	5	-	5	
(130)	- Greater Manchester Mayoral General Precept (including Fire Services)	2	-	2	
-	**Business Rates:**			-	
51,850	- Payments to Oldham Council	-	53,682	53,682	
524	- Greater Manchester Mayoral General Precept (including Fire Services)	-	542	542	
	Allocation of previous year's Estimated Collection Fund Surplus				
(10,274)	- Payments from Oldham Council	-	4,090	4,090	
(104)	- Greater Manchester Mayoral General Precept (including Fire Services)	-	41	41	
294	Cost of Collection	-	293	293	
45	Transitional Protection Payments Due for the Year	-	(5,363)	(5,363)	
3,627	Change in Allowance for Non Collection	3,322	818	4,140	
-	Write-offs charged to Collection Fund	(27)	-	(27)	
(3,230)	Change in provision for alteration of lists and appeals	-	(679)	(679)	
162,134		**133,215**	**53,423**	**186,638**	
(12,850)	**Deficit/(Surplus) for the year**	**(220)**	**2,987**	**2,767**	
	Collection Fund Balance				
9,133	Balance brought forward at 1 April	410	(4,127)	(3,717)	
(12,850)	Deficit/(Surplus) for the year	(220)	2,987	2,767	
(3,717)	**Balance carried forward at 31 March**	**190**	**(1,140)**	**(950)**	
	Allocated to:				
(3,741)	- Oldham Council	160	(1,129)	(969)	
45	- Greater Manchester Police and Crime Commissioner	21	-	21	
(21)	- Greater Manchester Mayoral General Precept (including Fire Services)	9	(11)	(2)	
(3,717)		**190**	**(1,140)**	**(950)**	

C1. General

The Council is required to maintain a separate agency Collection Fund account. The Collection Fund account includes all transactions relating to collection of Business Rates and Council Tax income from taxpayers and their distribution to Local Government bodies. The Collection Fund is accounted for separately from the General Fund.

Any Collection Fund surpluses or deficits declared by Oldham Council (the Billing Authority) in relation to Council Tax are apportioned to the relevant precepting bodies in the subsequent financial year. For Oldham, the Council Tax precepting body is the Greater Manchester Combined Authority (GMCA) for both the Mayoral Police and Crime Commissioner Precept and the Mayoral General Precept (including Fire and Rescue Services).

Business Rates surpluses or deficits are distributed in accordance with the relevant proportions set out in the localised Business Rate regulations. The Council continues to be part of the Greater Manchester 100% Business Rates Retention pilot scheme, therefore for 2023/24 the Oldham Council share is 99% with the remainder paid to the GMCA for the Mayoral General Precept (including Fire Service).

C2. Council Tax

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

The Council Tax base for 2023/24 was 58,500 (57,450 in 2022/23) and was approved at the Cabinet meeting on 23 January 2023, the Tax Base was calculated as follows:

Band	Chargeable Dwellings	Proportion of Band D Tax	Equivalent Band D Dwellings
A Reduced	157	5/9	83.1
A	49,466	6/9	29,232.5
B	17,183	7/9	12,203.7
C	16,191	8/9	13,335.4
D	7,065	9/9	6,669.0
E	3,392	11/9	3,949.3
F	1,561	13/9	2,150.1
G	905	15/9	1,438.8
H	60	18/9	113.5
Net effect of premiums and discounts			(8,710)
Tax Base before adjustment for collection rate			60,465.1
Estimated collection rate			96.75%
Tax Base for the Calculation of Council Tax			**58,500**

Dwellings for residents entitled to ‘disabled relief reduction’ are reduced to the next lowest band for the calculation of Council Tax. As band ‘A’ is the lowest band, ‘A reduced’ has been introduced to give effect to this reduction for those who reside in Band A properties. Income received from Council Tax taxpayers in 2023/24 was £133.434m (£125.813m 2022/23).

C3. Business Rates

The Council collects Business Rates for its area based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by a uniform business rate set nationally by Central Government.

For 2023/24, the total non-domestic rateable value at 31 March 2024 is £165.737m (£155.560m in 2022/23). The Government once again decided to freeze the business rate multipliers, therefore for both 2023/24 and 2022/23 the multipliers were set at 49.9p for qualifying Small Businesses, and the standard multiplier being 51.2p for all other businesses.

5.0 Group Accounts

Introduction

The Council is a complex organisation and undertakes a broad range of activities, often in conjunction with external organisations. In some cases, the Council has an interest in these organisations demonstrated through ownership or control/significant influence.

The CIPFA Code of Practice requires that where an Authority has material financial interests and a significant level of control over one or more entities, it should prepare group accounts. The aim of these statements is to give an overall picture of the Council's financial activities and the resources employed in carrying out those activities.

As a subsidiary entity, MioCare Group CIC (MioCare), has been consolidated on a line by line basis with all intra-group transactions and balances removed.

5.1 Group Comprehensive Income and Expenditure Statement (CIES)

2022/23 Gross Expenditure £000	2022/23 Gross Income £000	2022/23 Net Expenditure £000		2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net Expenditure £000
137,472	(53,803)	83,669	Community Health and Adult Social Care	147,329	(59,161)	88,168
317,428	(219,188)	98,240	Children's Services	341,704	(233,561)	108,142
33,039	(5,182)	27,856	Public Health	31,567	(4,889)	26,678
10,416	(1,375)	9,041	Communities	13,890	(1,806)	12,084
89,001	(36,730)	52,270	Place and Economic Growth	97,651	(36,769)	60,882
26,654	(11,663)	14,992	Corporate Services	22,219	(13,347)	8,873
40,952	(44,038)	(3,086)	Capital, Treasury and Technical Accounting	50,916	(48,764)	2,152
6,851	-	6,851	Corporate and Democratic Core	7,642	-	7,642
18,559	(29,108)	(10,550)	Housing Revenue Account	20,927	(29,151)	(8,224)
680,371	**(401,087)**	**279,284**	**Cost of Services**	**733,844**	**(427,448)**	**306,396**
			Other Operating Expenditure			
		314	Parish Council precepts			329
		185	Payments to Housing capital receipts to government pool			444
		33,289	Levies			34,292
		(2,094)	(Gains)/losses on the disposal of non-current assets			(951)
		31,694	**Total Other Operating Expenditure**			**34,113**
		24,909	Financing and Investment Income and Expenditure			16,691
		(303,784)	Taxation and Non-Specific Grant Income			(321,604)
		32,103	**(Surplus) or Deficit on Provision of Services**			**35,597**
		250	Tax expense of Subsidiaries			**(1)**
		32,353	**Group (Surplus)/Deficit**			**35,596**
			Other Comprehensive Income and Expenditure			
		(73,528)	Revaluation (gains)/losses non-current assets			(78,990)
		106	Impairment losses on non-current assets			130
		(9,404)	(Surplus) or deficit on revaluation of available for sale financial assets			(25,026)
		(531,803)	Remeasurement of net defined benefit liability			(68,915)
		102,092	Asset Ceiling Adjustment			194,119
		-	Deferred Tax Related Other Comprehensive Income and Expenditure			-
		(512,537)	**Total Other Comprehensive Income and Expenditure**			**21,318**
		(480,184)	**Total Comprehensive Income and Expenditure**			**56,914**

5.2 Group Movement in Reserves Statement

This statement shows the movement in the year of the different reserves held by the Group, analysed into usable reserves (i.e. those that can be applied to fund expenditure) and other resources. The 'Surplus or Deficit on the Provision of Services' line shows the true economic cost of providing the Group's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund and Housing Revenue Account for Council Tax setting and dwelling rent setting purposes.

Movement in Reserves during 2023/24	General Fund Balance	Earmarked General Fund Reserves	Total General Fund Balance	HRA	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Council Reserves	Restated Council's Share of Group reserves*	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2023	(18,865)	(99,193)	**(118,058)**	(22,585)	- -	(1,004)	(22,298)	**(163,945)**	(572,860)	**(736,804)**	(21,305)	**(758,109)**
Total Comprehensive Income and Expenditure	16,786	-	**16,786**	1,119	-	-	-	**17,905**	9,052	**26,957**	29,343	**56,912**
Adjustments Between Accounting Basis and Funding Basis under regulations	(8,352)	-	**(8,352)**	360	-	(218)	(6,008)	**(14,218)**	14,218	**-**	-	**-**
Adjustments Between Group Accounts and Authority Accounts	18,219	-	**18,219**	-	-	-	-	**18,219**	-	**18,219**	(18,219)	**-**
Net (Increase)/Decrease before transfers to Earmarked Reserves	**26,653**	**-**	**26,653**	**1,479**	**-**	**(218)**	**(6,008)**	**21,906**	**23,270**	**45,176**	11,736	**56,912**
Transfers To/(From) Earmarked Reserves	(26,653)	26,653	**-**	-	-	-	-	**-**	-	**-**	-	**-**
(Increase)/Decrease in year	**(0)**	**26,653**	**26,653**	**1,479**	**-**	**(218)**	**(6,008)**	**21,906**	**23,270**	**45,176**	**11,736**	**56,912**
Balance at 31 March	**(18,865)**	**(72,540)**	**(91,405)**	**(21,106)**	**-**	**(1,222)**	**(28,306)**	**(142,039)**	**(549,590)**	**(691,629)**	**(10,181)**	**(701,811)**

Movement in Reserves during 2022/23	General Fund Balance	Earmarked General Fund Reserves	Total General Fund Balance	HRA	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Council Reserves	Council's Share of Group reserves	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Restated Balance as at 1 April 2022	(20,012)	(120,191)	**(140,203)**	(21,721)	-	(884)	(15,947)	**(178,755)**	(98,720)	**(277,475)**	(450)	**(277,925)**
Total Comprehensive Income and Expenditure	15,100	-	**15,100**	(230)	-	-	-	**14,870**	(490,117)	**(475,247)**	(4,936)	**(480,184)**
Adjustments Between Accounting Basis and Funding Basis under regulations	(8,872)	-	**(8,872)**	(634)	-	(120)	(6,351)	**(15,978)**	15,978	**-**	-	**-**
Adjustments Between Group Accounts and Authority Accounts	15,918	-	**15,918**	-	-	-	-	**15,918**	-	**15,918**	(15,918)	**-**
Net (Increase)/Decrease before transfers to Earmarked Reserves	**22,145**	**-**	**22,145**	**(864)**	**-**	**(120)**	**(6,351)**	**14,810**	**(474,139)**	**(459,329)**	(20,855)	**(480,184)**
Transfers To/(From) Earmarked Reserves	(20,998)	20,998	**-**	-	-	-	-	**-**	-	**-**	-	**-**
(Increase)/Decrease in year	**1,147**	**20,998**	**22,145**	**(864)**	**-**	**(120)**	**(6,351)**	**14,810**	**(474,139)**	**(459,329)**	**(20,855)**	**(480,184)**
Balance at 31 March	**(18,865)**	**(99,193)**	**(118,058)**	**(22,585)**	**-**	**(1,004)**	**(22,298)**	**(163,945)**	**(572,859)**	**(736,804)**	**(21,305)**	**(758,109)**

5.3 Group Balance Sheet

The Group Balance Sheet summarises the financial position of the Council and its subsidiary as a whole. It shows the value of group assets and liabilities at the end of the financial year.

31 March 2023 £000		31 March 2024 £000
710,436	Property Plant and Equipment	791,202
165,298	Infrastructure Assets	169,298
21,141	Heritage Assets	21,141
20,791	Investment Property	19,624
5,350	Intangible Assets	6,033
48,246	Long Term Investments	72,725
40,044	Long Term Debtors	42,754
91,558	Pension Asset	-
(390)	Deferred Tax Asset	
1,102,474	**Long Term Assets**	**1,122,777**
20,390	Short Term Investments	10,273
678	Inventories	642
58,771	Short Term Debtors	62,169
31,227	Cash and Cash Equivalents	8,766
7	Current Tax Asset	-
610	Assets Held For Sale (Less than one year)	610
111,683	**Current Assets**	**82,460**
(1,690)	Short Term Borrowing	(21,820)
(74,628)	Short Term Creditors	(84,269)
(5,918)	Short Term Provisions	(5,302)
-	Short Term Liabilities	
(10,716)	- Private Finance Initiatives	(11,406)
(262)	- Finance Leases	(302)
(6)	- Transferred Debt	(6)
(93,220)	**Current Liabilities**	**(123,105)**
(6,864)	Long Term Provisions	(7,134)
(161,494)	Long Term Borrowing	(161,484)
	Other Long Term Liabilities	
-	- Pension Liabilities	(28,921)
-	- Private Finance Initiatives	(181,704)
(193,110)	- Finance Leases	(445)
(213)	- Transferred Debt	(27)
(33)	- Deferred Credits	(17)
(17)	Capital Grants Receipts In Advance	(590)
(1,097)	Deferred Tax	-
(362,828)	**Long Term Liabilities**	**(380,322)**
758,721	**Net Assets**	**701,810**
(185,209)	Usable Reserves	(152,219)
(572,900)	Unusable Reserves	(549,590)
(758,109)	**Total Reserves**	**(701,809)**

5.4 Group Cash Flow Statement

	2022/23 £000	2023/24 £000
Net surplus or (deficit) on the provision of services	(32,014)	(35,596)
Adjustment to surplus or deficit on the provision of services for non-cash movements	60,902	57,323
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(46,640)	(46,826)
Net cash flows from operating activities	**(17,752)**	**(25,099)**
Net Cash flows from Investing Activities	5,263	(6,702)
Net Cash flows from Financing Activities	(15,420)	9,341
Net increase or (decrease) in cash and cash equivalents	**(27,909)**	**(22,460)**
Cash and cash equivalents at the beginning of the reporting period	59,136	31,227
Cash and cash equivalents at the end of the reporting period	**31,227**	**8,766**

5.5 Explanatory Notes to the Group Accounts

Where figures in the group accounts differ materially from the Council's single entity 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.

G1. Group Accounting Policies

The Accounting Policies of the Council's subsidiary companies have been aligned with the Council's Accounting Policies contained in Note 35. Any statutory adjustments between accounting basis and funding basis included in the Council's Accounting Policies do not apply to the subsidiary companies.

Inclusion within the Group Accounts

The Council has business relationships with a number of entities over which it has varying degrees of control or influence. These are classified into the categories of subsidiaries, associates and joint ventures. The meaning of these terms are outlined below:

Subsidiary - "A subsidiary is an entity including an unincorporated entity such as a partnership that is controlled by another entity (the Council), known as the parent." MioCare Group CIC is classified as a subsidiary of Oldham Council and has therefore been consolidated. More detail regarding this organisation can be found in note G3.

Associate - "An associate is an entity over which an investor (the Council) has significant influence."

Joint Venture - "A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement"

The Council does not currently have any material associate or joint venture arrangements with any other entities.

A number of entities have not been included in the group accounts on the grounds of materiality, details of the Council's relationship with each of them can be found in note G2.

Consolidation of Subsidiaries

As a subsidiary entity, MioCare Group CIC (MioCare) has been consolidated on a line by line basis with all intra-group transactions and balances removed.

G2. Bodies Not Consolidated

The following have not been consolidated into Group Accounts.

Entity	Reason
Oldham Economic Development Association Limited	Subsidiary although not material.
Southlink Developments Limited	Subsidiary although not material.
Meridian Group	Subsidiary although not material.
Northern Roots (Oldham Ltd.)	Subsidiary although not material.
Oldham Total Care Ltd.	Subsidiary although not material.
Foxdenton LLP	Joint venture although not material.
Community 1st Oldham (Chadderton) Ltd.	Joint venture although not material.
Oldham Property LLP	Joint venture although not material.

Further details can be found in Note 12 Related Parties.

G3. Bodies Consolidated

The Council has consolidated one Subsidiary in the 2023/24 Group Accounts, MioCare Group Community Interest Company (MioCare).

MioCare is a care and support provider and is fully owned by Oldham Council. It delivers services through two subsidiaries: Oldham Care and Support Ltd (OCS) and MioCare Services Ltd.

The draft accounts for the year to 31 March 2024 for MioCare have been summarised below, with comparator figures for the previous reporting period.

MioCare Group CIC	31 March 2023 £000	31 March 2024 £000
Net Assets	16,529	21,913
Surplus/(Deficit) - before tax	(1,432)	641
Surplus/(Deficit) - after tax	(1,226)	519

G4. Group Defined Benefit Pension Schemes

Transactions Relating to Post-employment Benefits

The following transactions have been made in the Group Comprehensive Income and Expenditure Statement and the General Fund Balance through the Group Movement in Reserves Statement during the year: Further details relating to the Council's pension schemes can be found in Note 30 and Note 31.

	2022/23 £000	2023/24 £000
Service Cost		
Current service cost	(46,661)	(22,160)
Past service cost (including curtailments)	(1,760)	(1,192)
Effect of Settlements	1,371	(137)
Total service cost	**(47,050)**	**(23,489)**
Financing and Investment Income and Expenditure		
Interest income on scheme assets	37,439	65,967
Interest cost on defined benefit obligation	(45,842)	(56,756)
Interest on the effect of the asset ceiling	-	(4,849)
Total net interest	**(8,403)**	**4,362**
Total Post Employment Benefits Charged to the Deficit on the Provision of Services	**(55,453)**	**(19,127)**
Remeasurements of the Net Defined Liability Comprising:		
Return on plan assets excluding amounts included in net interest	(12,712)	33,633
Change in demographic assumptions	11,892	8,132
Actuarial gains/(losses) arising from changes in financial assumptions	627,530	65,895
Other Experience and actuarial adjustments	(94,907)	(38,958)
Changes in the effect of the asset ceiling	-	106,941
Asset Ceiling Adjustment	(102,092)	(301,060)
Total remeasurements recognised in other comprehensive income	**429,711**	**(125,417)**
Total Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement	**374,258**	**(144,454)**
Movement in Reserves Statement		
Reversal of net charges made to the deficit on the provision of services	56,426	19,127
Employers' Contributions Payable to the Scheme	**(20,128)**	**(24,065)**

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

	2022/23 £000	2023/24 £000
Fair value of plan assets	1,399,736	1,478,218
Present value of funded liabilities	(1,176,115)	(1,177,086)
Present value of unfunded liabilities	(29,971)	(28,993)
Asset Ceiling Adjustment	(102,092)	(301,060)
Net Liability Arising From Defined Benefit Obligation	**91,558**	**(28,831)**

Reconcilliation of Asset Ceiling Adjustment

	2022/23 £000	2023/24 £000
Asset Ceiling Balance at 1 April	-	(102,092)
Interest on the effect of Asset Ceiling	-	(4,849)
Changes in the effect of Asset Ceiling	(102.092)	(194,119)
Asset Ceiling Balance 31 March	**(102,092)**	**(301,060)**

Reconciliation of the Movements in Fair Value of Scheme Assets

	2022/23 £000	2023/24 £000
Opening fair value of scheme assets	1,319,572	1,399,736
Effect of Settlements	(1,275)	(2,876)
Effect of Business Combinations and Disposals	83,501	-
Interest Income	37,439	65,967
Remeasurement loss		
Return on plan assets excluding amounts included in net interest	(12,712)	33,633
Other Experience	-	-
Contributions from employer	7,686	21,343
Contributions from employees into the scheme	6,939	7,261
Benefits paid	(41,414)	(46,846)
Closing Fair Value of Scheme Assets	**1,399,736**	**1,478,218**

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

	2022/23 £000	2023/24 £000
Opening fair value of scheme liabilities	1,617,095	1,206,086
Current service cost	46,661	22,160
Interest cost	45,842	56,756
Effect of Settlements	(2,646)	(2,739)
Effect of Business Combinations and Disposals	76,364	-
Contributions from scheme participants	6,939	7,261
Remeasurement gain		
Actuarial losses arising from changes in financial assumptions	(627,530)	(65,895)
Change to demographic assumptions	(11,892)	(8,132)
Other experience and actuarial adjustments	94,907	38,958
Past service cost	1,760	1,192
Benefits paid	(41,414)	(49,568)
Closing Fair Value of Scheme Liabilities	**1,206,086**	**1,206,079**

Pension Scheme Assets

	31 March 2023 £000	31 March 2024 £000
Equities	725,108	728,132
Debt Instruments	253,054	291,560
Property	381,945	415,658
Cash	39,630	42,868
Total	**1,399,737**	**1,478,218**

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 Council and MioCare have engaged Hymans Robertson LLP, an independent firm of actuaries to assess their respective pension schemes, estimates being based on the latest full valuation of the scheme as at 31 March 2024 for MioCare and Oldham Council.

The significant assumptions used by the actuary have been:

MioCare Services CIC	2022/23	2023/24
Mortality assumptions:		
Longevity at 65 for current pensioners:		
men	19.1	19.0
women	22.8	22.6
Longevity at 65 for future pensioners:		
men	20.0	19.8
women	24.4	24.2
Rate of increase in salaries	3.75%	3.55%
Rate of increase in pensions (CPI)	2.95%	2.75%
Rate for discounting scheme liabilities	4.75%	4.85%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below is based on possible changes to the assumptions occurring at the end of the reporting period and assumes for each assumption change all 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 cost method.

MioCare Group CIC Change in Assumptions at 31 March 2024	Approximate % Increase to Employee Liability	Approximate Monetary Amount £000
0.1% decrease in real discount rate	2%	924
1 year increase in member life expectancy	4%	1,740
0.1% increase in the salary increase rate	0%	151
0.1% increase in the pension increase rate	2%	789

The significant assumptions used to assess the Council's Pension scheme assets and liabilities can be found in Note 31, along with an associated sensitivity analysis.

G5. Fees Payable to the Group External Auditor

The Group has incurred the following costs in relation to audit fees for the external audit of the Council's Statement of Accounts and the audit of the accounts of MioCare Group CIC.

Saffrey LLP were engaged to complete the audit of MioCare CIC accounts in 2023/24 (Mazars LLP 2022/23). The audit of the Council's accounts was completed by Forvis Mazars LLP in both years.

The cost for Oldham Council has been revised for 2022/23 to 163 as per note 10. The total external audit costs for the group were £0.201m for 2022/23.

	2022/23 £000	2023/24 £000
Fees payable to Forvis Mazars LLP with regard to external audit services carried out by the appointed auditor for the year for Oldham Council	126	360
Fees payable to Forvis Mazars LLP/Saffrey LLP with regard to external audit services carried out by the appointed auditor for the year for MioCare Services CIC.	38	54
Total	**164**	**414**

6.0 Annual Governance Statement

INTRODUCTION

The Council (the Authority) is required by law to review its governance arrangements at least annually. Preparation and publication of the Annual Governance Statement (AGS) is done in accordance with the CIPFA/ SOLACE 'Delivering Good Governance in Local Government' Framework.

This AGS is a key corporate document which is intended to provide an accurate representation of the corporate governance arrangements in place which have supported the delivery of organisational objectives during the year. The governance framework has been in place across the Authority for the year ending 31 March 2024 and up to the date of approval of the Statement of Accounts.

SCOPE OF RESPONSIBILITY

The Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and provides value for money. The Authority also has a duty under the Local Government Act 1999 to plan to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

In discharging this overall responsibility, the Authority must put in place proper arrangements for the governance of its affairs, which include arrangements for the management of risk, whilst facilitating the effective exercise of its functions.

The Authority has established governance arrangements which are consistent with the seven principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' and it has adopted a Local Code of Corporate Governance (LCCG) which was approved by the Standards Committee on 12 July 2022. A copy of the LCCG is available on the Council's website.

This Statement sets out how the Authority has complied with the Code of Corporate Governance and meets the requirements of Regulation 6(1)(b) of the Accounts and Audit (Amendment) Regulations 2022 which requires all relevant bodies to prepare an Annual Governance Statement.

PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, culture, values, and behaviours, by which the Authority's activities are directed and controlled, which it accounts to, engages with, and leads the community, citizens and service users. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services. It also enables the Authority to demonstrate to the public that it has effective stewardship of the public funds it is entrusted to spend.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level consistent with the risk appetite of the Council. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically.

THE GOVERNANCE FRAMEWORK & REVIEW OF EFFECTIVENESS

As noted above, the Authority has adopted a local governance framework consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' 2016 edition. The Authority aims to achieve good standards of corporate governance by adhering to the seven core principles of good governance as outlined in the CIPFA/ SOLACE guidance:

a) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
b) Ensuring openness and comprehensive stakeholder engagement.
c) Defining outcomes in terms of sustainable economic, social and environmental benefits.
d) Determining the interventions necessary to optimise the achievement of the intended outcomes.
e) Developing the entity's capacity, including the capability of leadership and the individuals within it.
f) Managing risk and performance through robust internal control and strong public financial management.
g) Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The Authority has conducted a review of its effectiveness, against each of the CIPFA/ SOLACE principles, which is detailed below.

REVIEW OF EFFECTIVENESS

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
A new Code of Conduct was adopted by the Council in 2022/23, following approval by the Standards Committee on 12 July 2022 and reviewed on 12 June 2023. Under the new Code all Elected Members are required to confirm adherence to the code. Throughout the year the conduct of Elected Members is monitored by the Monitoring Officer who reports annually on the outcome of complaints reported through to the Standards Committee. The Standards Committee has met twice during 2023/24 to investigate complaints about Members and Co-opted Members. Registers of declarations of interests, gifts and hospitality are held for both employees and Elected Members. Elected Members register of interests are published on the Council's website. The Council's Constitution is updated annually and was approved by Council on 12 July 2023. The Financial Procedure Rules and Contract Procedure Rules were presented to Audit Committee for scrutiny and approval on 20 July 2023. The Employee Code of Conduct is available to all staff on the intranet. There is also a summary document which explains the standards expected of officers. The Code of Conduct training forms part of the mandatory eLearning programme and officers are expected to complete this training course every two years. The Authority has a comprehensive suite of e-learning for staff which includes 12 mandatory modules. The system allows managers to monitor employees completion and compliance with policies. The Head of Internal Audit maintains a comprehensive suite of counter fraud and anti-corruption policies. An annual fraud and loss assessment is undertaken which feeds into the annual audit and counter fraud plan which is reported regularly to Audit Committee. This work feeds into the annual report on the adequacy and effectiveness of internal controls. The Director of Legal Services is the Council's Monitoring Officer and maintains the Council's Whistleblowing Policy and receives allegations on behalf of the Council. Legal advice is sought where required. All legal challenges are recorded in a legal risk register, which is reviewed by the Monitoring Officer. Cases with significant implications for the Council are discussed with the Chief Executive and where appropriate referred to Management Board for consideration. Regular 'Golden Triangle' meetings between the Chief Executive, Monitoring Officer and Director of Finance. The Council uses its Equality Impact Assessment (EIA) tool to ensure that impact on disadvantaged or vulnerable residents is considered when introducing new policies and decisions and consideration of EIA implications is a mandatory requirement for all formal reports.

Principle B: Ensuring openness and comprehensive stakeholder engagement
Effective mechanisms are in place for engaging with and consulting with relevant stakeholders. All Committee meetings have been held in public unless legislation prevents this or allows them not to be. All meeting dates, agendas and minutes have been published in accordance with legislation and are available online and in local libraries. The Corporate Plan was refreshed in 2022. Setting out a vision for the borough through to 2027, the Plan was launched following extensive engagement with other local public services, businesses, community and voluntary organisations. Progress on Council priorities and plans are published annually through the Council newspaper which is sent to all households, with electronic updates sent monthly to subscribers. As part of the process of developing the Local Plan, the Council has undertaken in depth consultation with local residents and organisations and national organisations to help inform and shape the development of the plan. Feedback was received from 77 individuals and organisations and the outcome of the consultation has been fed into the process of bringing the plan forward for adoption by the deadline of December 2025. The Council continues to engage with all sectors of the community through Partnership and Community Engagement, District Partnership engagement and panels, Area Committees, Ward Committees and Scrutiny Committees, and through targeted consultation and engagement. In addition to corporate consultation exercises, directorates conduct specific consultation. The Peer Review Challenge acknowledged the Council's openness to external support and challenge – using models such as the 'Getting to Good' board which has had a positive impact, with a similar arrangement recently in SEND too (following the recent inspection of the system). The Council is committed to engaging with its staff and does this in a number of methods. In 2021 the Council reintroduced a full staff survey to understand levels of engagement and satisfaction amongst staff. The outcome of this survey led to the development of an action plan to address issues raised and continuing with the pledge to maintain engagement, a further survey was carried out in the early part of 2024. The results of this exercise will be socialised with staff in the coming months and areas for improvement will be highlighted. Weekly Team Briefings are distributed to staff via an e-newsletter. This briefing includes important service updates, upcoming events and a range of initiatives that staff can get involved with. Weekly updates from the Chief Executive are distributed that summarises the key themes from the weekly Management Board meeting. There is also an a 'Ask Harry' email address, which staff can use at any time to provide direct feedback or ideas to the Chief Executive.

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits
The Oldham Corporate Plan is based around the vision for creating a future Oldham with a long term vision to deliver five key priorities: • Healthy, safe and well supported residents • A great start and skills for life • Better jobs and dynamic businesses • Quality homes for everyone • A clean and green future The Corporate Plan is supplemented by the development of the Our Future Oldham Plan - Shared Vision until 2030. These plans are aligned to establish a clear link between Local, Central Government and Greater Manchester regional priorities. It establishes the Council's priorities developed in partnership with key stakeholders and the local community around the delivery of the core business of the Council. It is a collective action statement setting out the areas that would add the most value to achieving the ambition that Oldham and the Region is a productive and co-operative place with healthy, prosperous, fairer, greener and cleaner communities. The Corporate Plan is developed and agreed within the context of the Council's budget and underpinned by the Medium-Term Financial Strategy, Capital Programme and Treasury Management Strategy. The Plan provides a clear basis for corporate and service planning which is carried out in accordance with the Corporate Planning cycle and presented to Cabinet and the Governance, Strategy & Resources Scrutiny Board. All reports, be they delegated or through to Council, Cabinet or any other formal Committee, contain financial, social and environmental considerations. The Council has introduced a new Equality Impact Assessment tool to ensure that impacts on disadvantaged or vulnerable residents is considered when introducing new policies and decisions. The Council produces comprehensive quarterly performance reports which are considered through Management Board and directorate management teams. These ensure that the Council reviews and monitors the achievement of key outcomes.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes
The Council has processes in place to demonstrate that decision makers follow due process and that decisions are properly documented and taken having regard to all relevant considerations. This is supported by robust options appraisals, risk assessments and consideration of the impact of decisions on delivery of outcomes, including consideration of alternative options. The Council actively consults with stakeholders and service users when making decisions about service improvements, changes to service delivery or proposing any reductions to service delivery. This is supported by effective service planning, budget planning and performance planning processes, all of which are underpinned by the Medium-Term Financial Strategy. The Council has invested in an ambitious transformation programme which is focused around three objectives: demand management, income maximisation and service reviews. Core themes of the programme are around children and adults change and improvement, Creating a Better Place, place based integration, income maximisation and commissioning, procurement and contract management. All programmes are aimed at making sustainable change in these areas and driving efficiencies. The Council has been on a Social Value journey since 2012 supporting residents, businesses and communities to thrive. In March 2024, Cabinet approved the Council's Social Value Policy. The policy reflects the Council's commitment to enhancing Oldham's social fabric, creating a lasting positive impact, ensuring every £ we spend has the maximum impact for Oldham's communities. Much work has been achieved in this space and, through the Creating a Better Place programme, 14.72% added social value has been achieved against the value of works.

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it
A full training programme for both established and recently Elected Members (the Local Leaders' Programme) continues to be delivered to support the vision of a Co-operative Council. The content of the programme changes annually but the emphasis remains on all Members demonstrating community leadership and includes an introductory module to Local Government finance. The planned programme is supported by ad hoc training for Members who have specific Committee responsibilities. To support the achievement of the Council's strategic priorities, the Authority reviews the organisational framework annually to ensure that it has the right people with the right skills. To support this, the Council has an agreed People (workforce) Strategy. This is supported within a performance framework covering all officers including the refreshed appraisal system, Let's Talk, with targeted, relevant training. Due to challenges in recruiting and retaining staff in key areas, a new Workforce Strategy is currently being developed and rolled out. Focussing on the employee lifecycle, the refreshed strategy will prioritise key areas including recruitment pressures, skills gaps and workforce planning. All human resources policies and procedures are available to staff on the Council's intranet site, together with an Employee Handbook and a Manager's Handbook. The latter forms the basis of the manager's induction and management development package. There are targeted programmes, often using e-learning, within the Organisational Development Team supporting these policies and helping ensure appropriate consideration is given to the future capacity of the organisation. The training courses are aligned to the Co-operative ambition and underpinned by the Council's values and behaviours. Staff are required to complete a programme of mandatory training every two years. Progress is recorded centrally and service managers are informed of non-compliance.

Principle F: Managing risk and performance through robust internal control and strong public financial management
A Risk management policy is in place and was updated in July 2023. Decision making is supported by risk management arrangements. All Council and Committee reports include a risk management section. All Service Business Plans contain risk matrices and significant risks are captured in the Corporate Risk Register. The Corporate Risk Register is regularly updated from the risks highlighted in the business plans alongside corporate risks identified separately. Management Board receive regular in-year updates, at least quarterly on the management of risks within the Corporate Risk Register and the updated Corporate Risk Register is shared with Audit Committee. There are robust policies, guidance and systems in place to ensure that data is as secure as possible. Annual mandatory data protection and cyber awareness training is in place for all staff. The Data Protection team, led by the Data Protection Officer provide a corporate approach to information governance processes and procedures ensuring they are met and implemented. The Authority's Senior Information Risk Owner (SIRO) is the Director of Finance and reports through to Management Board and Audit Committee annually on security breaches, information risk issues and other data issues. During 2022, the Internal Audit Section was independently assessed by CIPFA as part of its five yearly assessment cycle which confirmed full compliance with the Public Sector Internal Audit Standards. The Head of Internal Audit and Counter Fraud reports regularly to the Audit Committee. Progress against the audit plan and the outcomes of all audits are reported through to Audit Committee throughout the year and follow ups are routinely revisited as part of the following year's audit plan. The Head of Internal Audit also provides an Annual Report and Opinion to the Audit Committee on the adequacy of the Council's Internal Control Environment for the year. Whilst the Council faces governance and internal control challenges in a number of areas including Social Care, Special Educational Needs and Regeneration, all of which are reflected nationally and are discussed in greater detail in the section of this statement below which discusses the Council's significant governance issues, the Head of Internal Audit's opinion is that the Council's control environment during 2023/24 continued to be adequate in meeting its needs in monitoring and controlling its performance and resources. Work was undertaken during the year to assess the Council's compliance with the CIPFA Financial Management Code. This was reported by the Director of Finance to the Audit Committee on 5 September 2023 and advised Members that the Council complied with the key requirements of the Code. Whilst the exercise identified strong financial management practice during the year the Authority has faced significant pressures on the revenue budget arising as a consequence of demand pressures in social care services, homelessness and in respect of premises costs. In the year these pressures manifested into a £20m overspend against the approved budgets. The overall impact was mitigated downwards due to underspends in Corporate Services however in balancing the budget a further £16m of Earmarked Reserves had to be applied. The impact of this has been to reduce balances to less than £50m which in turn impacts on financial resilience. Further action will be required during 2024/25 to avoid similar action being required to balance the budget.

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability
The Council publishes a wide range of information on its website, with the aim of increasing transparency and accountability. The Council has a clear process for dealing with Freedom of Information (FOI) requests from the public. These are logged onto a central system and the Council's Information Governance team co-ordinate and track progress on all requests to ensure responses are properly co-ordinated and to the right quality, standard and timescales. The Council complies with the requirements of the Local Government Transparency Code 2015. This information can be found on the Council's website at https://www.oldham.gov.uk/info/100004/about_the_council/1429/open_data/3 Work has been undertaken to ensure commissioning and procurement is fair, transparent, ethical and based on the needs of the community and an understanding of the marketplace. To ensure a consistency of approach and decision making, an e-procurement system (the Chest), is used to support procurement activity. The Audit Committee is chaired by an independent member and the Committee oversees the work of Internal and External Audit. Annual external training is provided to Members of the Audit Committee to help them dispense with their responsibilities. To assist in developing the skills and capacity of the Committee, recruitment has commenced to bring in a second independent member to the Committee. The Authority has a comprehensive annual audit and counter fraud plan which takes a risk based approach to identifying an organisational wide internal audit plan. The plan is developed in conjunction with Directors and Management Board. The Council's fundamental financial systems are reviewed annually and the output from these audits provides significant input into the Head of Internal Audit's annual opinion. It is a requirement of the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 that, "Where an authority is in a group relationship with other entities and undertakes significant activities through the group, the review of the effectiveness of the system of internal control should include its group activities". This has been undertaken via the development of a Partnership Dashboard, that sets out the key financial risks associated with the Council's subsidiaries and other related parties. During the year, two reports were submitted to the Audit Committee and one to the Governance, Strategy & Resources Scrutiny Board highlighting the risks. During the year the Council was subject to a Peer Challenge Review which whilst broadly very positive about the governance arrangements in place at the Council, identified a number of improvements in respect of strengthening Overview and Scrutiny through Member training, dedicated support to the Scrutiny function and development of work plans. An action plan has been developed to support implementing and addressing these issues.

Key Sources of Assurance

In assessing the effectiveness of arrangements, consideration has been given to a range of sources through which the Council gains assurances.

Internal Audit	• Annual Head of Internal Audit Opinion • Internal Audit reports • Public Sector Internal Audit Standards compliance
External Audit	• Annual Statement of Accounts audit • Value for Money opinion • Grant certification
Information Governance (IG)	• IG policies and procedures • Annual SIRO reporting
Counter fraud	• Whistleblowing arrangements • Counter fraud policies • Annual report
Risk Management	• Corporate Risk Register • Service Risk Registers • Quarterly reporting on risk • Internal audit reviews
Complaints	• Internal complaints procedure • Internal complaints monitoring and reporting • Ombudsman
External Reviews	• Ofsted Children's Service Inspection • Local Government Association (LGA) Peer Review
Management and Statutory Officers	• Monitoring officer (legal assurances and ethics) • Chief Finance Officer role compliance
Committees	• Scrutiny • Standards reports • Audit Committee self-assessment

SIGNIFICANT GOVERNANCE ISSUES

Based on the work undertaken to complete this AGS, the most significant governance issue facing the Council relates to its financial position and its financial resilience.

As detailed above, the Council's financial position has become more challenging as a result of significant overspends in key demand led service areas. Over the past couple of years there has been a high reliance on applying reserves to support the budget. Whilst reserves were available to support this approach, this was not a sustainable long term plan and could only be applied as part of a strategy to try to lessen the severity of the budget reductions required to achieve financial sustainability.

A significant part of the challenge that the Council faces relates to significant pressure in respect of services such as social care and homelessness, both in terms of the numbers accessing the services but also in respect of the costs to the Council in commissioning packages of care.

Children's Services has faced the biggest impact, primarily due the increased cost and number of residential care placements for looked after children. In 2022/23 the service overspent by £13.5m and this resulted in Council approving an additional £14.7m to meet this demand when setting its budget for 2023/24. Despite this increased resource, Children's Service overspent by a further £13.7m in 2023/24 and early indications are that the demand for services is continuing to grow.

The other major factor that has impacted on the Council's financial position is the failure to generate savings in line with the underlying need to reduce the budget. Over the last couple of years, the Council has employed a strategy of applying specific earmarked reserves to mitigate the impact of the necessary budget reductions to protect front line services. Whilst this has to some extent insulated services, this strategy inevitably could not be continued indefinitely and as Earmarked Reserves are now less than £50m, the focus for 2024/25 onward is on achieving financial sustainability without continued reliance on contributions from reserves.

Significant savings plans are in train to help address the budgetary challenges over the next twelve to twenty four months, however over the projected MTFS, residual budget gaps remain. One of the greatest challenges the Council will face is ensuring that programmes are kept to plan to ensure delivery in line with expected timescales. Slippage from this will undoubtedly present challenges.

To address these issues, a number of actions have been put in place:

- Moving to bi-monthly (from quarterly) reporting of the Council's financial position.
- Incorporating savings updates as part of the Budget Monitoring Reporting cycles together with the Establishment of a Delivery Board, chaired by the Leader, to hold directors to account in respect of the savings proposals put forward.
- Devising a new and accelerated budget timetable to support early decision making with strong support from the Administration.
- Reviewing and refreshing the transformation and change programme to identify options for acceleration of schemes that will drive financial savings.
- Work to align financial planning with colleagues at the ICB to ensure resource planning is efficient and aligned.
- Demonstrating how risks identified have informed the budget setting process and MTFS financial strategy.
- Ensuring that all income and debts due to the Council are collected efficiently and effectively. All debt management activity will be centralised under the Assistant Director for Revenues and Benefits with new consistent debt management policies.

RISKS AND OTHER KEY ISSUES

The table below highlights some of the key risk and issues that the Council faces, together with proposed actions to reduce and mitigate these risks.

Issue	Proposed Action
New Public Procurement Regulations The new public procurement regulations go live in August 2024. The new regulations will differ substantially in certain respects from previous EU guidance.	All Procurement sections are required to undertake training and readiness preparation for the go live. The Procurement function is facing challenges with recruiting and retaining staff so there will be a challenge to ensure the Council retains sufficient in-house knowledge to drive through and implement these changes. A review of the function is currently underway with a view to supporting the team with readiness and ensuring learning is embedded.
Regeneration – Creating a Better Place The Council has a number of key regeneration projects planned for the future as detailed in the Creating a Better Place Programme. This programme is central both to the regeneration of the Borough and the projected savings stemming from asset rationalisation. Failure to deliver on any aspect of this programme is likely to have a financial impact on the Council: either through loss of budgeted grant income, reputational damage and/or an increase in the overall financing of current plans from the Council's own resources.	The move to bi-monthly reporting will provide early warnings of pressures. An annual review of major Regeneration Projects included within the agreed Capital Programme will be undertaken by the Council during 2024/25 to assess the affordability of the Capital Programme in light of the revised cost forecasts, the MTFS position and continued uncertainty over long-term funding. There will continue to be close engagement with the Department for Levelling Up, Housing and Communities who administer key grant programmes. Where there is considered a risk of slippage, agreement to re-profile expenditure to later financial years will be sought.
Health Integration Under the Health and Care Act 2022, Integrated Care Systems (ICS) are now responsible for planning and funding health and care services in the area they cover. There are 42 ICSs across England and Greater Manchester is an ICS on its own with Oldham being one of ten Localities under the GM ICS. ICSs are partnerships that bring together the health and care organisations in a particular local area, to improve population health and healthcare, tackle unequal outcomes and access, enhance productivity, value for money, and help the NHS to support broader social and	The Council can, with its current Decision-Making processes, increase its flexibility to increase/ decrease the contribution to the pooled budget managed under a Section 75 Agreement with Oldham NHS partners in the locality (using the powers of the NHS Act 2006). This is on the assumption this flexibility will enable the whole health and care system to implement future efficiencies to generate overall savings/ improved service. This flexibility will be kept under continued review to maximise future opportunities for efficiency in Adult Social Care.

Issue	Proposed Action
economic development - the cited Triple Aim - better health for everyone, better care for all and efficient use of health and care resources. GM ICS has significant financial pressures that the Locality and System arrangements are intended to address. There is a potential risk that the new ways of working and the reform to Health Integration do not result in the efficiencies anticipated due to increased demand caused by several factors including the residual impact of the recent increases in the cost of delivering services.	The Oldham Commissioning Business Partnership Board retains the duty to agree plans for spending against the Better Care Fund which are the funds that currently make up the Section 75 pooled budget. Oldham's integrated system mechanism for measuring and monitoring performance, improvement and assurance is currently being enhanced. The developing framework will enable Oldham to provide regular reports of the impact that integrated system working is achieving. The reporting mechanism at Locality and GM will be to ensure Oldham benefits and has access to GM initiatives and resources and ensure the Council is involved at the GM system level. The Council will consider all the emerging risks arising from Health Integration throughout 2024/25 and it will be considered as part of the review of the Council's reserves/ financial resilience and the on-going budget monitoring for 2024/25.
Partnership Governance The Council has a number of wholly owned subsidiaries including MioCare CIC, Northern Roots and the newly acquired Oldham Total Care Limited (OTC). Separate governance arrangements are required to monitor the Council's exposure to risks associated with its subsidiaries and other related party undertakings. In particular the purchase of a distressed care home through OTC presents the challenge of restoring the business to a financially sustainable business model.	The Partnership Dashboard, which identifies the risks and issues faced by all the Council's partnerships, will continue to be updated and presented to Audit Committee for review. In respect of OTC: • Governance arrangements including the composition of the board of directors will be reviewed to ensure they meet the long term needs of the organisation. • A robust business plan will be developed to outline optimal and sustainable long term arrangements for both the Council and OTC.
IT Security Failure to protect the Council network from external and internal attacks could lead to a loss of service for a period of time potentially resulting in harm to individuals, damage to reputation and financial loss.	The Council has a number of mitigations in place for cyber security but cannot provide full details of these in this document. These include: managed detection and response, 24/7 SOC, network traffic analysis, lateral movement detection, unidentified devices, immutable backup storage and multiple layered ransomware detection. All of these including plans, policies, training and controls underpin the Council's threat detection. The Council has backup solutions which underpin its recovery strategies.

SUMMARY

The Council has strong governance arrangements in place which we believe protect its interests and provide necessary assurances to citizens and stakeholders. However, like all organisations, we cannot stand still and therefore we seek to take steps to address issues and strengthen the internal control environment as necessary and enhance our governance arrangements.

Councillor Arooj Shah
Leader of Oldham Council

Harry Catherall
Chief Executive Oldham Council

7.0 Glossary of Terms

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/Agencies
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 undertaken by the Public Sector Audit Appointments Limited (PSAA), an independent company limited by guarantee and incorporated by the Local Government Association in August 2014. Forvis Mazars LLP is the Council's appointed auditor.

Asset
Items of worth that are measurable in terms of value. Current assets may change daily, 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).

Associate 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 Authority represent the accumulated surplus of income over expenditure on any of the Funds.

Better Care Fund (BCF)
The BCF was announced by Government in the June 2013 spending round to ensure a transformation in health and social care.

Capital Adjustment Account
The 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 of non-current assets that has been consumed and the amount that has 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.

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.

Central Services
Central support services which are recharged to frontline services as overheads to measure total cost.

Chartered Institute of Public Finance and Accountancy (CIPFA)
CIPFA is the leading professional accountancy body for public services.

CIPFA LASAAC Local Authority Code Board
This board is responsible for preparing, maintaining, developing and issuing the Code of Practice on Local Authority Accounting for the United Kingdom (the Code). The board is a partnership between CIPFA (England, Northern Ireland and Wales) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC).

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 Rates 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, may have restrictions on their disposal. Examples include parks and historical buildings not used for operational purposes.

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.

Contract Procedure Rules
The Council's Contract Procedure Rules form part of the Council's Constitution. They are in place to ensure that any procurement processes for goods and services achieve best value and are transparent, open and fair making it possible for all decisions to be audited satisfactorily.

Co-operative Council
This is the ethos of the Council embodied by the desire that citizens, partners and staff work together to improve the borough and create a confident and ambitious place.

Corporate Resources
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.

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.

Dedicated Schools Grant (DSG)
The DSG is a ringfenced grant payable to Local Authorities for the funding of both academies and maintained schools. It can only be used to finance expenditure that is included in the school's budget, as defined in the School Finance and Early Years (England) Regulations 2024. The schools budget includes elements for a range of educational services provided on an Authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each academy and Council maintained school.

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 assets.

Defined Benefit Scheme
This is a pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions 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.

Department for Education (DfE)
The Department for Education is a Central Government department responsible for children's services and education, including early years, schools, higher and further education policy, apprenticeships and wider skills in England.

Department for Levelling Up, Housing and Communities (DLUHC)
DLUHC is a Central Government department with the overriding responsibility for determining the allocation of general resources to Local Authorities.

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 from 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.

Education & Skills Funding Agency (ESFA)
The ESFA brings together the former responsibilities of the Education Funding Agency (EFA) and Skills Funding Agency (SFA) to create a single agency accountable for funding education and skills for children, young people and adults.

External Audit
The independent examination of the activities and accounts of Local Authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the Authority 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 Management Code
Published by CIPFA it provides guidance for good and sustainable financial management in local authorities. By complying with the principles and standards within the code authorities will be able to demonstrate their financial sustainability.

Financial Regulations
These are the written code of procedures approved by the Council, intended to provide a framework for proper financial management. Financial regulations usually set out rules on accounting, audit, administrative and budgeting procedures.

Financial Reporting Council (FRC)
The Financial Reporting Council (FRC) promotes transparency and integrity in business. It regulates auditors, accountants and actuaries, and sets the UK’s Corporate Governance and Stewardship Codes.

Generally Accepted Accounting Principles (GAAP)
Generally accepted accounting principles, or GAAP, are standards that encompass the details, complexities, and legalities of accounting. The Financial Accounting Standards Board (FASB) uses GAAP as the foundation for its comprehensive set of approved accounting methods and practices.

General Fund
This is the main revenue fund of the Authority and includes the net cost of all services financed by local taxpayers and Government grants.

Greater Manchester Combined Authority (GMCA)
Created by the Local Government, Economic Development and Construction Act, the Greater Manchester Combined Authority (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 the 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.

Greater Manchester Integrated Care Partnership
The Greater Manchester Integrated Care Partnership (Greater Manchester ICP) brings together all health and social care partners across Greater Manchester and wider public sector and community organisations to improve the health and wellbeing of the 2.8 million people who live in Greater Manchester.

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 Authority's own tenants are known as rent rebate and that paid to private tenants as rent allowance.

Housing Revenue Account (HRA)
Local Authorities are required to maintain a separate account - the Housing Revenue Account - which sets out the expenditure and income arising from the provision of social housing. Other services are charged to the General Fund.

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 generally cannot be sold and from which benefit can be obtained only by continued use of the asset created. 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, licenses 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 statements 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
- Products and services 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.

Lessor and Lessee
The **lessor** is the legal owner of the asset or property, and he gives the **lessee** the right to use or occupy the asset or property for a specific period. Although the **lessor** retains ownership of the asset, they have reduced rights to the asset during the course of the agreement.

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.

Local Government Information Unit (LGiU)
The Local Government information Unit (LGiU) is a Local Government membership body, thinktank and registered charity. Established in 1983 as a membership organisation for UK local authorities, the LGiU aims to strengthen local democracy and put citizens in control of their own lives, communities and services.

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 Oldham it usually covers a four or five year timeframe.

Minimum Revenue Provision (MRP)
MRP is the minimum amount which must be charged to an Authority's revenue account each year and set aside as provision for credit liabilities, as required by the Local Government and Housing Act 1989.

Movement in Reserves Statement (MiRS)

The MiRS shows the movement during the year on the different reserves held by the Council, analysed into usable reserves (those that can be applied to fund expenditure or reduce taxation) and other unusable reserves.

Non Domestic Rates (NDR) (also known as Business Rates)
NDR 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 Authorities.

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.

NHS Greater Manchester Integrated Care ('NHS GM')
This new organisation is the statutory body in charge of NHS money and is responsible for making sure services are in place to put plans into action in regard to health provision in Greater Manchester including Oldham.

Ofsted
Ofsted is the Office for Standards in Education, Children's Services and Skills. Ofsted inspects services providing education and skills for learners of all ages and regulates services that care for children and young people.

Outturn
Actual expenditure and income compared to the budget.

Pension Asset Ceiling Adjustment
The pension asset ceiling adjustment is made to ensure sure that the Council's balance sheet properly reflects how the value of any defined benefit deficit or surplus is affected by the pensions scheme's rules and funding requirements.

Pooled Aligned Budget
A pooled fund, arising from a Section 75 Agreement between Oldham Council and Oldham CCG (to 30/06/2022) and subsequently with the Oldham Integrated Care Partnership (ICP), but the partners' respective financial contributions to such a fund are held in their own bank accounts.

Pooled Budget
A pooled fund, arising from a Section 75 Agreement between Oldham Council and Oldham ICP, 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 2023/24 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.

Private Finance Initiative (PFI)
A Central Government initiative which aims to increase the level of funding available for public services by attracting private sources of finance. The PFI is supported by a number of incentives to encourage Authorities' participation.

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

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 Sector Audit Appointments (PSAA)
Public Sector Audit Appointments Limited (PSAA) is a company established in 2014 by the LGA which secures efficient and effective arrangements for the independent appointment of auditors and audit services for opted-in Local Government bodies.

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 Authorities.

Related Parties
Related parties are Central Government, other Local Authorities, precepting and levying bodies, subsidiary and associated companies, Elected Members, 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 Benefit Liability (asset) comprises:

a) actuarial gains and losses
b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset), and
c) any change in the 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 Authority 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 (S.75) Agreement
An agreement made between a Local Authority and an 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 Oldham Council and Oldham ICP.

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 Authority 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.

TUPE (Transfer of Undertakings (Protection of Employment) Regulations)
TUPE regulations protect an employee’s rights on transfer to a new employer.

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.

Unusable Reserves
In addition to useable reserves, the Council also details unusable reserves within the financial statements. These reserves hold costs that the Council has accrued but not yet financed and they cannot be spent on Council services.

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Forvis Mazars
One St Peters Square
Manchester
M2 3DE

Dear Daniel,

Oldham Metropolitan Borough Council - Audit for Year Ended 31 March 2024

This representation letter is provided in connection with your audit of the financial statements of Oldham Metropolitan Borough Council the "Council" and its Group for the year ended 31 March 2024 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 2023/24 (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 ourselves 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, as amended by the Code and applicable law.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which I am 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 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 and committee meetings, have been made available to you.

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

Accounting estimates, including those measured at fair value
I confirm that the methods, significant assumptions and the data used by the Council and Group in making the accounting estimates, including those measured at current or fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.

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 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, as amended by 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 and Group has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Fraud and error
I acknowledge my responsibility as Director of Finance for the design, implementation and maintenance of internal control to prevent and detect fraud and error and I believe I have appropriately fulfilled those responsibilities.

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 and Group'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, as amended by the Code and applicable law.

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

Impairment review
To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment and intangible assets below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

Charges on assets
All the Council and Group's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

Future commitments
The Council and Group has no plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Service Concession Arrangements
I am not aware of any material contract variations, payment deductions or additional service charges in 2023/24 in relation to the Council and Group's service concession arrangements that you have not been made aware of.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code, as amended by 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.

Impacts of Russian Forces entering Ukraine
I confirm that I have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the Council and Group, including the impact of mitigation measures and uncertainties, and that the disclosure in the Annual Report and the subsequent events note to the financial statements fairly reflects that assessment

Reinforced Autoclaved Aerated Concrete (RAAC)
I can confirm we have carried out an assessment of the potential impact of Reinforced autoclaved Aerated Concrete (RAAC) on the Council. Based on this there is no indication of a need for a material impairment of the Council's property, plant and equipment or investment property balances.

Going concern
To the best of my knowledge there is nothing to indicate that the Council and Group 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.

Annual Governance Statement
I am satisfied that the Annual Governance Statement (AGS) fairly reflects the Council and Group's risk assurance and governance framework and I confirm that I am not aware of any significant risks that are not disclosed within the AGS.

Narrative Report
The disclosures within the Narrative Report fairly reflect my understanding of the Council and Group's financial and operating performance over the period covered by the financial statements.

Unadjusted misstatements
I confirm that the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this letter as an Appendix to this letter.

Arrangements to achieve economy, effectiveness and efficiency in Use of Resources (Value for Money arrangements)

I confirm that I have disclosed to you all findings and correspondence from regulators for previous and ongoing inspections of which I am aware. In addition, I have disclosed to you any other information that would be considered relevant to your work on value for money arrangements.

Yours faithfully,

Chris Kelsall BA (Hons) ACA
Section 151 Officer

Appendix 1 -Single entity unadjusted misstatements 2023/24

Details of Adjustment	Assets £000	Liabilities £000	Reserves £000	Income Statement £000
Dr Pension Asset Cr Pension reserve	3,149		 - 3,149	
Description of adjustment The impact of the minor errors identified in the GMPF accounts and pooled investment vehicles by the GMPF auditor				
Dr Revaluation reserve Cr PPE	 - 4,030		4,030	
Description of adjustment An error resulted in the overstatement of the gross PPE values in the assets register because it wasn't updated with the correct figures from the valuation listing. The impact on depreciation was deemed immaterial and entire amount was classified as revaluation reserve				
Dr Fees and Charges Cr Reserves			 - 3,347	3,347
Description of adjustment An error of £3,125 was taken to SSC and extrapolated, this relates to amount relating to 22/23 that was not accrued in the relevant period and included in 23/24 income				
Dr Debtors (Prepayments) Cr Expenditure	8,746			 - 8,746
Description of adjustment Missed two accruals where expenditure related to 24/25 yet was recognised in 23/24. samples totalled £31,713.39 which when extrapolated provides a total misstatement to the population of £8.745,562				
Total uncorrected misstatements	**7,865**		**-2,466**	**-5,399**

Audit Completion Report

Oldham Metropolitan Borough Council – year ended 31 March 2024

January 2025

forvis mazars

Audit Committee

Oldham Metropolitan Borough Council

Civic Centre
West Street
Oldham
OL11UT

Forvis Mazars

one St Peter's Square

Manchester

M2 3 DE

26th February 2025

Dear Committee Members,

Audit Completion Report – Year ended 31 March 2024

We are pleased to present our Audit Completion Report for the year ended 31 March 2024. The purpose of this document is to summarise our audit conclusions. The scope of our work, including identified significant audit risks, and other key judgement areas, was outlined in our Audit Strategy Memorandum, which we presented to you on 25th July 2024.

We have reviewed our Audit Strategy Memorandum and concluded that the significant audit risks and other key judgement areas set out in that report 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 07909 985 324

Yours faithfully

Daniel Watson

Forvis Mazars LLP

Contents

01

Executive Summary

Executive summary

Principal conclusions and significant findings

The detailed scope of our work as your appointed auditor for 2023/24 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, key audit matters and areas of management judgement. in our Audit Strategy Memorandum, which include:

- Valuation of Land & Buildings
- Valuation of Investment Property
- Valuation of the Defined Benefit Pension Liability

Misstatements and internal control recommendations

Section 5 sets out internal control recommendations and section 6 sets out audit misstatements; unadjusted misstatements total £7.9m. Section 7 outlines our work on the Council 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 2024.

At the time of preparing this report, matters remaining outstanding as outlined in section 2 once the audit of these items are completed, we will provide a follow up letter to you setting out the outcomes of these remaining areas.

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 anticipate having no significant weaknesses in arrangements to report in relation to the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources. Further detail on our Value for Money work is provided in section 7 of this report.

Whole of Government Accounts (WGA)
We anticipate completing our work on the Council 's WGA submission, in line with the group instructions issued by the NAO. We have not yet received details of the samples authorities selected by the NAO for audit review. We are unable to commence our work in this area until the sample has been received

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.
We have not received any such questions or objections for 2023/24.

02

Status of the audit

Status of our audit

Our audit 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 satisfactory resolution of the outstanding matters set out below.

Area of work		
Group financial statements	We are completing our work on Group accounts	● (green)
Area of work		
Financial statements, Annual Governance Statement and Completion	We will complete our final review of the financial statements upon receipt of the signed version of the accounts and letter of representation.	● (green)

Status

● (red)	Likely to result in a material adjustment or a significant change to disclosures in the financial statements.
● (yellow)	Potential to result in a material adjustment or a significant change to disclosures in the financial statements.
● (green)	Not considered likely to result in a material adjustment or a change to disclosures in the financial statements.
● (blue)	Work on value for money arrangements

03

Audit Approach

Audit Approach

Changes to our audit approach

There have been no changes to the audit approach we communicated in our Audit Strategy Memorandum, issued in July 2024.

Materiality

Our provisional materiality at the planning stage of the audit was set at is £14.9m for the single entity, and £15m for the Group, using a benchmark of 2% of gross operating expenditure at the surplus/deficit level.

Our final assessment of materiality, based on the final financial statements and qualitative factors is £15.85m for the Group financial statements and £15.8m for the Council single-entity statements using the same benchmark.

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Service organisations

We set out in our Audit Strategy Memorandum our approach to auditing the Council's service organisations. We confirm there have been no service organisations during the audit.

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 – NAO's consulting actuary
Valuation of Manchester Airport land	Colliers International Property Consultants Ltd	Mazars in-house valuation team
Valuation of shareholding in Manchester Airport Holding Limited	BDO LLP	Mazars in-house valuation team
Valuation of Financial Instruments	Arlingclose Ltd	We reviewed Arlingclose's methodology for providing the fair value disclosures.

Audit approach and risk summary

Audit risk/ key area of judgement	Fraud risk	Judgement	Error	Key audit matter	Substantive audit procedures	Tests of controls	Misstatement identified	Control recommendations	Conclusion	Page ref to finding
Management override of controls	●	●	●	○	●	○	○	●	Risk satisfactorily addressed.	19
Valuation of the defined benefit liability (Council and Group)	○	●	●	●	●	○	●	○	Risk satisfactorily addressed	16
Valuation of property assets	○	●	●	●	●	○	●	○	Risk satisfactorily addressed	15
Valuation of investment property assets	○	●	●	●	●	○	○	○	Risk satisfactorily addressed	14
Valuation of shareholding in Manchester Airport (Council)	○	●	●	○	●	○	○	○	Risk satisfactorily addressed	17

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Audit approach and risk summary

Overview of our group audit approach

Based on our risk assessment and the financial information for the 2023/2024, we determined that certain components consolidated into the group financial statements should be subject to either a full scope audit or a specific scope audit, as set out in the table below

Group component	Auditor	Scope	Changes to scope since planning?	Key points or other matters to report
Oldham MBC	Forvis Mazars LLP		No	The Forvis Mazars audit team undertook the full audit of the Council
Miocare CIC Ltd	Saffery LLP		No	The Forvis Mazars audit team undertook testing of Miocare's defined benefit pension liability and payroll expenditure and carried out review procedures of the remaining consolidated accounting entries. The component materiality used for these procedures was £4.8m.

Full audit
Performance of an audit of the component's financial information prepared for group reporting purposes using component materiality

Audit of balances and/or disclosures
Performance of an audit of specific balances and/or disclosures included in the component's financial information prepared for group reporting purposes, using component materiality

Specific audit procedures
Performance of specific audit procedures on the component's financial information

Review procedures
Review of the component's financial information prepared for group reporting purposes using the component materiality assigned

04

Significant findings

Significant findings

The significant findings from our audit include our findings and conclusions on key audit matters, including:

- 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 19 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.

Key Audit Matters

Valuation of investment properties (Council)

Description of the key audit matter

The CIPFA Code requires that where Investment Property assets are subject to revaluation, their year-end carrying value should reflect the fair value at that date. The valuation of Investment Property involves the use of a management expert (the valuer) and incorporates assumptions and estimates which impact materially on the reported value. There are risks relating to the valuation process. The Council employs valuation experts to provide valuations, however there remains a high degree of estimation uncertainty associated with the valuations of property, plant and equipment due to the significant judgements and number of variables involved.

How our audit addressed the key matter

Our audit procedures included:

- Obtaining an understanding of the skills, experience and qualifications of the valuer, and considering the appropriateness of the Council's instructions to the valuer.
- Obtaining an understanding of the basis of valuation applied by the valuer in the year.
- Obtaining assurance on the appropriateness of the methodology and assumptions adopted by the Council's valuer.
- Comparing the valuation to our external valuation expert's estimate of the valuation.
- Sample testing the completeness and accuracy of underlying data provided by the Council and used by the valuer as part of their valuations.

Our observations

Based on the work carried out to date there are no matters to bring to the Committee's attention.

Significant findings

Key Audit Matters

Valuation of property, plant and equipment (Council)

Description of the key audit matter

The CIPFA Code requires that where assets are subject to revaluation, their year-end carrying value should reflect the current value at that date. The Council has adopted a rolling revaluation model which sees all such property, plant & equipment revalued in a five-year cycle. The valuation of property, plant & equipment involves the use of a management expert (the valuer) and incorporates assumptions and estimates which impact materially on the reported value. There are risks relating to the valuation process, with regards to estimation, assets not revalued in year are valued at the current balance sheet date.

How our audit addressed the key matter

Our audit procedures included:

- Obtaining an understanding of the skills, experience and qualifications of the valuer, and considering the appropriateness of the Council's instructions to the valuer.
- Obtaining an understanding of the basis of valuation applied by the valuer in the year.
- Obtaining an understanding of the Council's approach to ensure that assets not subject to revaluation in 2023/24 are materially fairly stated.
- Obtaining an understanding of the Council's approach to ensure that assets revalued through 2023/24 are materially fairly stated at the year end.
- Sample testing the completeness and accuracy of underlying data provided by the Council and used by the valuer as part of their valuations.
- Using relevant market and cost data to assess the reasonableness of the valuation as at 31 March 2024.
- Testing the accuracy of how valuation movements were presented and disclosed in the financial statements

Our observations

Our work identified a £4m overstatement in the gross book value of land and buildings due to an input error. Further detail is set out in section 6, summary of misstatements.

Significant findings

Key Audit Matters

Valuation of Council’s and the Groups Defined benefit scheme

Description of the key audit matter

The net pension liability represents a material element of the Council and the Group balance sheet. The Council and its consolidated subsidiaries are admitted bodies of Greater Manchester Pension Fund. 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 and the subsidiaries’ overall valuations. There are financial assumptions and demographic assumptions used in the calculation of the valuation. The assumptions should also reflect the profile of the Council’s and the subsidiaries’ 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 pension obligations are not reasonable or appropriate to the Council’s or the subsidiaries’ circumstances. This could have a material impact to the Council and Group net pension liability in 2023/24.

How our audit addressed the key matter

Our procedures included:

- Obtaining an understanding of the skills, experience and qualifications of the actuary, and considering the appropriateness of the instructions to the actuary.
- Obtaining confirmation from the auditor of the Greater Manchester Pension Fund that the Pension Fund has designed and implemented controls to prevent and detect material misstatement. This includes the controls in place to ensure data provided to the Actuary by the Pension Fund for the purposes of the IAS19 valuation of the gross asset and liability is complete and accurate.
- Evaluating and challenging the work performed by the Pension Fund auditor on the Pension Fund investment assets and considering whether the outcomes would materially impact our consideration of the Council’s share of Pension Fund assets.
- Reviewing the actuarial allocation of Pension Fund assets to the Council by the actuary, including comparing the Council’s share of the assets to other corroborative information.
- Reviewing the appropriateness of the Pension Asset and Liability valuation methodology applied by the Pension Fund Actuary, and the key assumptions included within the valuation. This includes comparing them to expected ranges, utilising information provided by PwC, consulting actuary engaged by the National Audit Office.
- Agreeing the data in the IAS 19 valuation report provided by the Pension Fund Actuary to the pension accounting entries and disclosures in the Council’s financial statements.

Our observations

We have completed our work on this area. Section 6 outlines some misstatements identified from our work. Although some of the misstatements are material, they are technical accounting and disclosure adjustments and do not indicate significant weaknesses in the Council’s reporting arrangements.

In addition to our findings and conclusions on key audit matters, the findings from our audit include our conclusions regarding those significant risks and key areas of management judgement set out in our Audit Strategy Memorandum that were not determined to be key audit matters, which are set out in this section.

Other significant Risks

Management override of controls

Description of the risk

In all entities, 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, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.

How we addressed this risk

We addressed this risk through performing audit work over:

- Accounting estimates impacting amounts included in the financial statements;
- Consideration of identified significant transactions outside the normal course of business; and
- Journal entries recorded in the general ledger and other adjustments made in preparation of the financial statements

Audit conclusion

We completed our procedures as planned. Our work identified that the financial system has no facility to approve journals input. Further detail is provided in section 5 internal control recommendations There are no other matters to bring to the Committee’s attention in respect of our work on management override of controls.

Significant findings

Key areas of management judgement

Valuation of shareholding in Manchester Airport (Council)

Description of the key area of management judgement

The Council uses an external valuation expert to determine the value of its investment in Manchester Airport Holdings Limited at 31 March 2024. The valuation is determined according to a methodology and applying assumptions. Council officers challenge the valuation assumptions and reach judgements on the valuation to include in the financial statements.

How our audit addressed the key area of management judgement

Our approach to auditing the investment in Manchester Airport Holdings Limited includes the involvement of the Mazars in-house valuation team.

The Forvis Mazars in-house valuation team reviewed the methodology and key assumptions used by management’s expert, considering the appropriateness of the methodology and the reasonableness of the assumptions used

Our observations

Based on the work carried out to date there are no matters to bring to the Committee’s attention.

forvis mazars

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 CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 appropriately tailored to the Council's circumstances.

Draft accounts were received from the Council on 7th June 2024. The accounts were of good quality, and supporting working papers were made available to facilitate the audit process, aiding our progress. Council finance officers have been responsive to our detailed audit queries throughout the audit. We acknowledge the increased pressures faced by the Council finance team this year, due to changes in responsibilities within the team. Despite these challenges, the finance team has continued to work collaboratively with us. We appreciate the high priority the Council's team places on supporting the audit of the financial statements and completing the audit as promptly as possible.

Significant matters discussed with management

During our audit we communicated the following significant matters to management:

Application of previous Minimum Revenue Provision overpayments

Each year the Council is required to make a minimum revenue provision for unsecured capital expenditure. We noted that the 2023/24 MRP charge included the application of £4.8m of overpayments made in 2020/21. Our discussions with the Council identified that the Council had not made disclosure of the planned use in the 2023/24 MRP Statement to the Council. As required by the Capital Finance: guidance on minimum revenue provision (4th edition). The Council had identified the issue subsequently and this was rectified and disclosure made in the 2024/25 MRP Statement.

Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties and we have had the full co-operation of management.

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;
- make an application for judicial review; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2023/24 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.

05

Internal control conclusions

Internal control conclusions

Overview of engagement

As part of our audit, we obtained an understanding of Council's internal control environment and control activities relevant to the preparation of the financial statements, which was sufficient to plan our audit and determine the nature, timing, and extent of our audit procedures. Although our audit was not designed to express an opinion on the effectiveness of Council's internal controls, we are required to communicate to Audit Committee any significant deficiencies in internal controls that we identified in during our audit.

Deficiencies in internal control

A deficiency in internal control exists if:

- a control is designed, implemented, or operated in such a way that it is unable to prevent, detect, and/ or correct potential misstatements in the financial statements; or
- a necessary control to prevent, detect, and/ or correct misstatements in the financial statements on a timely basis is missing

The purpose of our audit was to express an opinion on the financial statements. As part of our audit, we have considered Council's internal controls relevant to the preparation of the financial statements 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 Council's internal controls or to identify any significant deficiencies in their design or operation.

The matters reported in this section of our report are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and which 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 report or concluded that some of the reported deficiencies need not in fact have been reported.

Our comments in this section should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

The deficiencies Council's internal controls that we have identified as at the date of this report are in set out on the following pages.

Significant deficiencies in internal control

A significant deficiency in internal control is one which, in our professional judgement, has the potential for financial loss, damage to reputation, or a loss of information which may have implications on the achievement of business strategic objectives. Our view is that observations categorised as a significant deficiency is of sufficient importance to merit the attention of Audit Committee. We have not identified any significant deficiencies in the Council's internal controls as at the date of this report.

Other observations

We also record our observations on the Council's internal controls where, in our professional judgement, there is a need to strengthen internal control or enhance business efficiency that do not constitute significant deficiencies in internal control but which we view as being important for consideration by management.

We do not have any other internal control observations to bring to your attention as at the date of this report.

Whether internal control observations merit attention by Audit Committee and/ or management is a matter of professional judgment, taking into account the risk of misstatement that may arise in the financial statements as a result of those observations.

Other deficiencies in internal control

In our view, there is a need to address the deficiencies in internal control set out in this section (which are not deemed to be significant deficiencies) to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

Description of deficiency

Our testing of the collection fund identified that the Council's rateable value disclosed in Note 3 of the Collection Fund Statement was verified against the (Valuation Office Agency) VOA report. However, we were unable to trace this value back to the Council's system, Academy or any other supporting documents, suggesting that sufficient records were not maintained.

Potential effects

The rateable value and number of business properties in the Council's system are inconsistent with the VOA records.

Recommendation

We recommend that the Council should keep relevant records from Academy that reconciles with VOA records.

Management response

The Academy system was updated to ensure it was consistent with VOA records. Academy is a dynamic system and therefore going forward the Council will ensure that a screenprint of the VOA rateable value to be disclosed in the accounts will be taken from the Academy system at financial year end.

Other deficiencies in internal control

Description of deficiency

Our testing of the Collection fund identified that the Council was not performing timely reconciliations for total non-domestic rateable values. Our review revealed that the last reconciliation for the year 2023/24 was completed on 04/02/2024. Consequently, the VOA report dated 28/03/2024 was not reconciled.

Potential effects

Errors may fail to be rectified and corrected in a timely manner

Recommendation

We recommend the Council to put in place a robust reconciliation review process that helps identify and correct errors in line with best practice

Management response

No errors have been detected but going forward Council to ensure that a year-end reconciliation is available for review.

Internal control conclusions continued

Other deficiencies in internal control

Description of deficiency

Our journal testing Identified that the Council currently has no facility in Agresso to approve journals, and they are posted to the ledger once input. The control measures they rely on include ongoing budget monitoring and analysis of transactions (by both finance staff and service managers), regular budget monitoring reports for revenue and capital items to ensure that items are not miscoded, ongoing reconciliations to the bank account and other key feeder systems, and the process for completing working papers at year-end to ensure system accuracy. These are detective controls. Therefore, they should implement preventative measures to reduce the risk associated with control risk.

Potential effects

Errors may fail to be detected and corrected in a timely manner.

Recommendation

The Council should enhance their system design to include a feature that allows a different person from the preparer to approve, thereby preventing errors through proactive measures rather than relying solely on detective controls.

Management response

Inputting of journals are restricted to finance staff only. Journals are input for a range of different reasons including correction of errors identified, recharges and technical accounting adjustments. For effective preventative measures to be meaningful, the person reviewing journals would potentially duplicate work and the processes would be significantly delayed as the result of any approval process. This is therefore not considered practical.

Internal control conclusions continued

Other deficiencies in internal control

Description of deficiency

Our testing of Journals identified that the list of approved personnel to process journals included several individuals who have left the organsation. These former employees had not yet been removed from the approved list despite their departure.

Potential effects

This poses several risks, including unauthorized access to sensitive financial data and the potential for fraudulent activities.

Recommendation

The approved list should be regularly updated, and the approval rights of individuals who have left the organization should be removed from the system as soon as they depart from the Council.

Management response

The Council operates a single sign on policy for IT access as a whole which includes the financial system (i.e. there is no separate login / password). The full process and what managers are required to complete is available on the intranet.

Regardless of this the financial systems team also asks for the information to be sent separately to the team so that the finance system can be kept clean and user numbers retained only for live employees. In addition to this, the finance system team also receives periodic reports from payroll on leavers and will cross reference this to active users to ensure nobody has been missed from the central IT procedure. As a final cleansing, any user who has not accessed the system for a period of 6 months is automatically parked in the system with no direct access.

Journal access is limited to finance staff only and in the interim (until a move to the cloud with more limited access), the finance systems team will action a further regular check of leavers in that service to ensure any lists, whether restricted or not by single sign on, do not contain individuals who have left the organisation.

Internal control conclusions continued

Other deficiencies in internal control

Description of deficiency

Our testing for Cash and cash equivalents identified that the client has bank accounts that have not been in operation for a number of years, that are still open and have very low or nil balances. One example of such an account is related to a school that was academised in 2017.

Potential effects

The bank accounts may be used to commit fraudulent activities.

Recommendation

The Council should close all bank accounts that are not required in a timely manner. There should be an annual review to ensure that relevant bank accounts are maintained, relevant closures actioned and that there are appropriate signatories in place.

Management response

Council to ensure timely review of all bank accounts and signatories, closing / amending where necessary.

Internal control conclusions continued

Other deficiencies in internal control

Description of deficiency

Our testing of the fixed asset register to the valuation program reconciliation identified discrepancies between the figures in the asset register and the Valuation listing. Furthermore, a reconciliation between the asset register, Valuation program, and Gross Valuation note 17 revealed a misstatement, indicating that no reconciliations were performed between the three and that the asset register was not updated.

Potential effects

Errors in brought forward figures are undetected, the PPE figures may be inaccurate, due to there being no checks on the accuracy of the information.

Recommendation

The Council should perform reconciliations between the Asset Register, Valuation Program, and Gross Values in PPE Note 17, and ensure the Fixed Asset Register (FAR) is updated in a timely manner.

Management response

Council to incorporate checks against Asset Register Gross Value, Valuation Program and PPE Note into existing quality assurance processes for accounting for fixed assets.

Follow up on previous internal control points

We set out below an update on internal control points raised in the prior year.

Description of deficiency

Testing for existence and rights and obligations identified an asset that was disposed of but not removed from the asset register. We note that the Council has begun a review of the asset register to remove disposed assets.

Potential effects

The asset register may contain assets that do not exist or for which the Council does not have the rights

Recommendation

The Council should continue with the process to update the asset register to ensure that it correctly reflects assets that are held and owned by the Council.

Current position

Council to continue with the process to update the asset register to ensure that it correctly reflects assets that are held and owned by the Council.

Internal control conclusions continued

Follow up on previous internal control points

We set out below an update on internal control points raised in the prior year.

Description of deficiency

Our testing noted that the iTrent system is double counting an element of shared cost AVCs. The Council has confirmed this is an ongoing issue.

Potential effects

The payroll reconciliations continue to generate errors as a result of this system issue.

Recommendation

The Council should continue to work with consultants to rectify the problem.

Current position

Whilst the payroll team are confident that employee deductions and pension fund pay overs are correct, the interface file produced for the financial system is doubling up the revenue and balance sheet code entries.

This is known to Finance and a corrective journal input was made at the end of the 2023/24 financial year to ensure amounts were reported properly.

An internal working group between HR and Finance has been established to address the issue and currently there is an open case with the payroll software providers to investigate why this is happening. If not rectified in the payroll system before the end of the 2024/25 financial year, a similar corrective journal entry will be input again by Finance to correct the amounts in the accounts.

Internal control conclusions continued

Follow up on previous internal control points

We set out below an update on internal control points raised in the prior year.

Description of deficiency

The Council's process to identify related party transactions relies in part on member declarations of interest. In some cases the disclosures were based on declarations dating back to 2021. The process should use up-to-date information to ensure the disclosures are complete and accurate.

Potential effects

The related party disclosures could contain errors based on out of date declarations.

Recommendation

The Council incorporates checks on declarations to ensure that they are up to date as part of the closedown process.

Current position

The Council will work to overhaul the member declaration process, ensuring that these are updated on an annual basis by all elected and co-opted members. This will be introduced by May 2025

06

Summary of misstatements

Summary of misstatements

We set out below and on the following pages a summary of the misstatements we identified during our audit, above the trivial threshold for adjustment of £475K

The first table in this section sets out the misstatements we identified which management has assessed as not being material, individually or in aggregate, to the financial statements and does not plan to adjust. The second table outlines the misstatements we identified that have been adjusted by management.

Our overall materiality, performance materiality, and clearly trivial (reporting) threshold were reported in our Audit Summary Memorandum, issued on 25th July 2024 Any subsequent changes to those figures are set out in the section 3 of this report.

Unadjusted misstatements

Management has assessed the misstatements in the table below as not being material, individually or in aggregate, to the financial statements and does not plan to adjust. We only report to you unadjusted misstatements that are either material by nature or which exceed our reporting threshold.

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	**Cr (£'000)**	**Dr (£'000)**	**Cr (£'000)**
1	Dr: Revaluation reserve			£4,030	
	Cr: PPE				£4,030
	An error resulted in the overstatement of the gross PPE values in the asset register because it wasn't updated with the correct figures from the valuation listing. The net effect on the Balance Sheet is nil				

Summary of misstatements Continued

Unadjusted misstatements continued

Management has assessed the misstatements in the table below as not being material, individually or in aggregate, to the financial statements and does not plan to adjust. We only report to you unadjusted misstatements that are either material by nature or which exceed our reporting threshold.

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
2	Dr: Debtors(Prepayments)			£8,746	
	Cr: Expenditure		£8,746		
	Our testing identified expenditure relating to 2024/25 that have been incorrectly included in 2023/24. The £8.7m extrapolated error should have been included as a prepayment in the 2023/24 financial statements. The net effect is increase in prepayments of £8.7m				
	Aggregate net effect of unadjusted misstatements	0	8,746	8,746	0

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Summary of misstatements Continued

Adjusted misstatements

The misstatement in the table below have been adjusted by management. We report all individual misstatements above our reporting threshold that we identify during our audit and which management has adjusted and any other misstatements we believe Those Charge With Governance should be made aware of.

		Group Comprehensive Income and Expenditure Statement		Group Balance Sheet	
		Dr (£'000)	**Cr (£'000)**	**Dr (£'000)**	**Cr (£'000)**
1	Dr: Debtors			£1,793	
	Cr: Usable reserves				£1,793
	For adjustments 1 to 6 below the difference is due to the updated figures based on the audited accounts of Miocare Group CIC from the interim accounts that was initially used				
2	Dr: Cash and cash equivalent	£3,357			
	Cr: Usable reserves				£3,357

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Summary of misstatements Continued

Adjusted misstatements continued

		Group Comprehensive Income and Expenditure Statement		Group Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
3	Dr: Reserves			£3,509	
	Cr: Creditors				£3,509
	The difference is due to the updated figures based on the audited accounts of Miocare Group CIC from the interim accounts that was initially used				
4	Dr: Usable Reserves			£685	
	Cr: Deferred Tax relating to pension scheme				£685

Summary of misstatements Continued

Adjusted misstatements continued

		Group Comprehensive Income and Expenditure Statement		Group Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
5	Dr: Long term Deferred tax assets			£1,913	
	Cr: Reserves				£1,913
	The difference is due to the updated figures based on the audited accounts of Miocare CIC from the interim accounts that was initially used				
6	Dr: Short term current assts(deferred tax)			£803	
	Cr: Usable Reserves				£803

Summary of misstatements Continued

Adjusted misstatements continued

		Group Comprehensive Income and Expenditure Statement		Group Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
7	Dr: Unusable Reserves			£15,992	
	Cr: Pension Asset				£15,992
	Our work identified that Miocare Group CIC pension asset was recognised in full, the adjustment reflects the application of the pension asset ceiling.				
	Aggregate effect of adjusted misstatements	3,357	0	24,695	24,695

Summary of misstatements

Disclosure misstatements

We identified the following disclosure misstatements during our audit that have been corrected by management:

- Note 17 PPE Gross values corrected, various other amendments
- Note 13 Leases calculations updated
- Note 16 Unusable reserves calculation error corrected.
- Note 22 Financial instruments various amendments
- Cashflow statement difference in creditors and debtors corrected.
- Note 31 Pensions included disclosure for expected employer contributions in 2024/25
- Note 31 Adjustment relating to the Council's share of the £70m error in the pension fund assets identified by the GMPF auditor, the overall impact of the adjustment would increase the net pension asset by £3.1m. However, these increases would be netted down to nil by the impact of the asset ceiling meaning there is no overall impact on the balance sheet. Therefore, in the financial statemen this would be a disclosure amendment to note 35. Given this is immaterial no adjustment has been made to the financial statements.
- Note 31 – Pension schemes – Disclosure narrative added for Virgin case
- Note 31 Pensions. inclusion of pension asset ceiling reconciliation table
- Group pension note - inclusion of pension asset ceiling reconciliation table

07

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; and
- **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 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 on 26th February 2025.

Status of our work

We have completed our work in respect of the Council's arrangements for the year ended 31 March 2024 and we have not identified any significant weaknesses in arrangements that have required us to make a recommendation.

Our draft audit report at Appendix B confirms that we have matters to report in respect of significant weaknesses. As noted above, our commentary on the Council's arrangements will be provided in the Auditor's Annual Report on 26th February 2025.

forvis mazars

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Auditor communication

Auditor Communication

The Audit Committee met 7 times over the 2023/24 financial year. The dates of the meetings and confirmation of our attendance are included in the table below and minutes of the meetings attended can be found on the Council's website.

Meeting date	Meeting attended by Forvis Mazars?	Agenda items presented by Forvis Mazars
08/06/2023	Yes	N/A
27/06/2023	Yes	Audit Progress Report June 2023
20/07/2023	Yes	Audit Strategy Memorandum for 2022/23
05/09/2023	Yes	Audit Progress Report September 2023
31/10/2023	Yes	Audit Completion Report Draft – Year ended 31 March 2023
15/01/2024	Yes	Audit Progress Report January 2024
26/03/2024	Yes	Annual Report Draft and Draft Follow Up Letter – Year ended 31 March 2023

Appendices

A: Draft management representation letter

B: Draft audit report

C: Confirmation of our independence

D: Other communications

Appendix A: Draft management representation letter

Forvis Mazars

One St Peters Spquare

Manchester

M2 3DE

29/01/2025

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Dear Daniel

Oldham Metropolitan Borough Council - Audit for Year Ended 31 March 2024

This representation letter is provided in connection with your audit of the financial statements of Oldham Metropolitan Borough Council the "Council" and its Group for the year ended 31 March 2024 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 2023/24 (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 ourselves 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, as amended by the Code and applicable law.

Appendix A: Draft management representation letter

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which I am 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 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 and committee meetings, have been made available to you.

Accounting policies

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

Accounting estimates, including those measured at fair value

I confirm that the methods, significant assumptions and the data used by the Council and Group in making the accounting estimates, including those measured at current or fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.

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 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, as amended by 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 and Group has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Fraud and error

I acknowledge my responsibility as Director of Finance for the design, implementation and maintenance of internal control to prevent and detect fraud and error and I believe I have appropriately fulfilled those responsibilities.

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 and Group'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, as amended by the Code and applicable law.

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

Impairment review
To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment and intangible assets below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

Charges on assets
All the Council and Group's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

Future commitments
The Council and Group has no plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Service Concession Arrangements
I am not aware of any material contract variations, payment deductions or additional service charges in 2023/24 in relation to the Council and Group’s service concession arrangements that you have not been made aware of.

Subsequent events
I confirm all events subsequent to the date of the financial statements and for which the Code, as amended by 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.

Impacts of Russian Forces entering Ukraine
I confirm that I have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the Council and Group, including the impact of mitigation measures and uncertainties, and that the disclosure in the Annual Report and the subsequent events note to the financial statements fairly reflects that assessment

Reinforced Autoclaved Aerated Concrete (RAAC)

I can confirm we have carried out an assessment of the potential impact of Reinforced autoclaved Aerated Concrete (RAAC) on the Council. Based on this there is no indication of a need for a material impairment of the Council's property, plant and equipment or investment property balances.

Going concern

To the best of my knowledge there is nothing to indicate that the Council and Group 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.

Annual Governance Statement

I am satisfied that the Annual Governance Statement (AGS) fairly reflects the Council and Group's risk assurance and governance framework and I confirm that I am not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

The disclosures within the Narrative Report fairly reflect my understanding of the Council and Group's financial and operating performance over the period covered by the financial statements.

Unadjusted misstatements

I confirm that the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this letter as an Appendix to this letter.

Arrangements to achieve economy, effectiveness and efficiency in Use of Resources (Value for Money arrangements)

I confirm that I have disclosed to you all findings and correspondence from regulators for previous and ongoing inspections of which I am aware. In addition, I have disclosed to you any other information that would be considered relevant to your work on value for money arrangements.

Yours faithfully,

Director of Finance

Independent auditor’s report to the members of Oldham Metropolitan Borough Council

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Oldham Metropolitan Borough Council (‘the Council’) and its subsidiaries (‘the Group’) for the year ended 31 March 2024, which comprise of the Council Comprehensive Income and Expenditure Statement, the Council Movement in Reserves Statement, the Council Balance Sheet, the Council Cash Flow Statement, the Housing Revenue Account (HRA) Income and Expenditure Statement, the Statement of Movement in the Housing Revenue Account, the Collection Fund statement, the Group Comprehensive Income and Expenditure Statement, the Group Movement in Reserves Statement, the Group Balance Sheet, the Group Cash Flow Statement, and notes to the financial statements and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Council and the Group as at 31st March 2024 and of the Council’s and the Group’s expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

Independent auditor’s report to the members of Oldham Metropolitan Borough Council

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities section of our report. We are independent of the Council and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applicable to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director of Finance’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Note 35 of the financial statements explains how the Director of Finance’s formed their judgement that it is appropriate to adopt the going concern basis of preparation for the Council and the Group.

In accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, our review of management’s assessment of going concern was focused on the extent to which there are any indications that the functions of the Council and Group will not continue in operational existence for the foreseeable future.

Our audit procedures to evaluate the Director of Finance’s assessment of the Council’s and the Group’s ability to continue to adopt the going concern basis of accounting included but were not limited to:

- undertaking an initial assessment at the planning stage of our audit to identify events or conditions that may cast significant doubt on the Council’s and the Group’s ability to continue as a going concern in the context of the guidance in Practice Note 10;

- making enquiries of the Director of Finance's to understand the period of assessment considered by them, the assumptions they considered and the implication of those when assessing the Council's and the Group's continuation of service;
- considering whether the Director of Finance's assessment is proportionate to the risks associated with going concern for the local government sector; and
- evaluating the appropriateness of the Director of Finance's disclosures in the financial statements on going concern

Based on the work we have performed, and taking into account the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Council's and Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director of Finance's with respect to going concern are described in the relevant sections of this report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matters in forming our audit opinion above, together with an overview of the principal audit procedures performed to address each matter and, where relevant, key observations arising from those procedures. These matters, together with our findings, were communicated to those charged with governance through our Audit Completion Report.

Key Audit Matter	How our scope addressed this matter
Valuation of Council Property, Plant and Equipment (land and buildings including council dwellings) Note 17 to the financial statements discloses information on the Council's holding of property, plant and equipment (PP&E) which includes £81.4m of Council Dwellings and £694.3m of Other Land & Buildings held at current value at 31 March 2024. The Code of Practice on Local Authority Accounting requires that where assets are subject to revaluation, their year-end carrying value should reflect the current value at that date. The Council has adopted a rolling revaluation model which sees all such property, plant & equipment revalued in a five-year cycle. The valuation of property, plant & equipment involves the use of a management expert (the valuer) and incorporates assumptions and estimates which impact materially on the reported value. There are risks relating to the valuation process. The Council employs a valuation expert to provide valuations, however there remains a high degree of estimation uncertainty associated with the valuations of property, plant and equipment due to the significant judgements and number of variables involved.	**Our audit procedures included, but were not limited to:** • Obtaining an understanding of the skills, experience and qualifications of the valuer, and considering the appropriateness of the instructions to the valuer from the Council. • Obtaining an understanding of the basis of valuation applied by the valuer in the year. • Critically assessing the Council's approach to ensure that assets not subject to revaluation in 2023/24 are materially fairly stated by reviewing movements in line with our independently sourced indices. • Critically assessing the Council's approach by challenging and corroborating the assumptions applied by the valuer to ensure that assets revalued through 2023/24 are materially fairly stated at the year end. • Sample testing the completeness and accuracy of underlying data provided by the Council and used by the valuer as part of their valuations by agreement back to supporting evidence.

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Key Audit Matter	How our scope addressed this matter
Valuation of Council Property, Plant and Equipment (land and buildings including council dwellings) 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 the current value at the balance sheet date. In addition, as the valuations are undertaken through the year there is a risk that the current value of the assets could be materially different at the year end. Housing adjustment factor is prescribed in DLUHC guidance, but this guidance indicates that where a valuer has evidence that this factor is different in the Council's area they can use their more accurate local factor. There is a risk that the Council's application of the valuer's assumptions is not in line with the statutory requirements and that the valuation is not supported by detailed evidence.	• Using relevant market and cost data to assess the reasonableness of the valuation as at 31 March 2024. • Substantively testing for a sample of assets how valuation movements were presented and disclosed in the financial statements. **Our observations** We obtained sufficient appropriate evidence to conclude that the valuation of land & buildings including council dwellings included in the financial statements is materially stated.

Key Audit Matter	How our scope addressed this matter
Valuation of Council Investment Property *The Council's Balance Sheet presents its Investment Properties valued at £19.6m as at 31 March 2024.* The Code of Practice on Local Authority Accounting requires that Investment Property assets' year-end carrying value should reflect the fair value at that date. The valuation of Investment Property involves the use of a management expert (the valuer) and incorporates assumptions and estimates which impact materially on the reported value. There are risks relating to the valuation process. The Council employs valuation experts to provide valuations, however there remains a high degree of estimation uncertainty associated with the valuations of investment properties due to the significant judgements and number of variables involved.	Our audit procedures included, but were not limited to: • Obtaining an understanding of the skills, experience and qualifications of the valuer, and considering the appropriateness of the instructions to the valuer from the Council. • Critically assessing the basis of valuation applied by the Authority's valuer in the year. This included an independent review via our internal valuation expert, of the airport land valuation. We tested and corroborated the underlying assumptions and methodology. • Critically assessing the appropriateness of the methodology and assumptions adopted by the Council's valuer by challenging and corroborating the assumptions used in the process. • For a sample of assets, utilising our valuation expert to consider the reasonableness of the valuation approaches adopted by the Council and to challenge the key assumptions used in the valuations by agreeing the inputs to source data and supporting evidence. **Our observations** We obtained sufficient appropriate evidence to conclude that the valuation of investment properties included in the financial statements is materially stated.

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Key Audit Matter	How our scope addressed this matter
Valuation of the Council's and the Group's Defined Benefit Net Pension Liability *The Council's Balance Sheet presents the Council's net pension liability to be valued at £38.4m at 31 March 2024 and comprises assets of £1,409.2m and funded and unfunded liabilities of £1,162.6m. and asset ceiling adjustment of £284.9m.* *The Group Balance Sheet presents the Group net pension liability to be valued at £28.9mm at 31 March 2024 and comprises assets of £1,478.2m and total funded and unfunded liabilities of £1,206.1m and the asset ceiling adjustment of £284.9m.* The net pension liability represents a material element of the Council and the Group Balance Sheets. The Council and its consolidated subsidiaries are admitted bodies of Greater Manchester Pension Fund, which had its last triennial valuation completed as at 31 March 2022. The valuation of the Local Government Pension Scheme relies on several assumptions, most notably around the actuarial assumptions, and actuarial methodology which results in the Council's and the subsidiaries' overall valuations.	Our audit procedures included, but were not limited to • subsidiaries' share of the assets to other corroborative information. • Challenging the appropriateness of the Pension Asset and Liability valuation methodology applied by the Pension Fund Actuary, and the key assumptions included within the valuation. This included comparing them to expected ranges utilising information provided by our consulting actuary. • Agreeing 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. **Key observations** We obtained sufficient appropriate evidence to conclude that the valuation of the defined benefit pension liability included in the financial statements is materially stated.

Key Audit Matter	How our scope addressed this matter
There are financial assumptions and demographic assumptions used in the calculation of the valuation, such as the discount rate, inflation rates and mortality rates. The assumptions should also reflect the profile of the Council's and the subsidiaries' 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 pension obligations are not reasonable or appropriate to the Council's or the subsidiaries' circumstances. This could have a material impact to the Council and Group net pension liability in 2023/24.	

Our application of materiality and an overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing, and extent of our audit procedures on the individual financial statement line items and disclosures, and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Council	Group
Overall materiality	£15.80m	£15.85m
Basis for determining materiality	Materiality has been determined as approximately 2% of gross expenditure at the surplus/deficit on provision of services level	
Rationale for benchmark applied	Gross expenditure at the surplus/deficit on provision of services level was chosen as the appropriate benchmark as this is a key measure of financial performance for the Council/Group and for users of the financial statements	
Performance materiality	£11.80m	£11.9m
Reporting threshold	£0.475m	£0.476m

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at where the Director of Finance made subjective judgements such as making assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of a risk assessment, our understanding of the Council and Group, its environment, controls, and critical business processes, to consider qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

Our group audit scope included an audit of the Group and the Council's financial statements. Our approach to auditing the Group was based on our understanding of the group structure and an assessment of the significance of individual components to the group financial statements. Based on our risk assessment:

- full scope audit procedures were carried out on the Council which represents (99.8%) of the Group's total assets, (97.9%) of the Group's total liabilities, (99.92%) of the Group's income and (97.1%) of the Group's expenditure.
- Specific audit procedures were carried out on the net defined benefit pension liabilities of Miocare Group Community Interest Company.
    - For Miocare Group Community Interest Company the net pension liability represents 1.8% of the Group's total liability.
- analytical procedures were performed on Miocare Group Community Interest Company which were included in the Group financial statements.

We also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Director of Finance is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Director of Finance for the financial statements

As explained more fully in the Statement of the Director of Finance's Responsibilities, the Director of Finance is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, and for being satisfied that they give a true and fair view. The Director of Finance is also responsible for such internal control as the Director of Finance determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Director of Finance's is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and prepare the financial statements on a going concern basis on the assumption that the functions of the Council and Group will continue in operational existence for the foreseeable future. The Director of Finance's is responsible for assessing each year whether or not it is appropriate for the Council and Group to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Council and Group, we identified that the principal risks of non-compliance with laws and regulations related to the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015, and the Local Government and Housing Act 1989 and we considered the extent to which non-compliance might have a material effect on the financial statements.

Appendix B: Draft audit report continued

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- gaining an understanding of the legal and regulatory framework applicable to the Group and the Council, the environment in which they operate, and the structure of the Group, and considering the risk of acts by the group and the Council which were contrary to the applicable laws and regulations, including fraud;
- inquiring with management and the Audit Committee, as to whether the Council is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit;
- considering the risk of acts by the Council which were contrary to applicable laws and regulations, including fraud;
- reviewing minutes of board meetings in the year; and
- discussing amongst the engagement team the laws and regulations listed above, and remaining alert to any indications of non-compliance.

We evaluated the Director of Finance’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Audit Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

As a result of our procedures, we did not identify any key audit matters relating to irregularities. The risks of material misstatement that had the greatest effect on our audit, including fraud, are discussed under “Key audit matters” within this report.

We are also required to conclude on whether the Director of Finance’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in November 2024.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on the Council's arrangements for securing economy, efficiency, and effectiveness in its use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our view we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We have nothing to report in this respect.

Responsibilities of the Council

The Council is responsible for putting in place proper arrangements to secure economy, efficiency, and effectiveness in the Council's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency, and effectiveness in the use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency, and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Other matters which we are required to address

We were appointed as the Council's auditor by Public Sector Audit Appointments Ltd, in its role as appointing person under the Local Audit (Appointing Person) Regulations 2015, on 14th December 2017. The period of total uninterrupted engagement, including previous renewals and reappointments of the firm, is 6 years covering the audit of the financial years ending 31 March 2019 to 31 March 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Council or Group and we remain independent of the Council and Group in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

Use of the audit report

This report is made solely to the members of Oldham Metropolitan Borough Council, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Council's Whole of Government Accounts consolidation pack.

Daniel Watson, Key Audit Partner
For and on behalf of Forvis Mazars LLP

One St Peter's Square

Manchester

M2 3DE

Appendix C: Confirmation of our independence

We communicate any matters which we believe may have a bearing on our independence or the objectivity of Forvis Mazars LLP and the audit team. 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 confirm that no new threats to independence have been identified since issuing our Audit Strategy Memorandum and therefore we remain independent.

We confirm that we have not made arrangements for any of our activities as auditor to be conducted by another firm that is not a Forvis Mazars member firm, nor have we used the work of external experts.

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 regulation. 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 Director of Finance that Oldham Metropolitan Borough 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
System of Quality Management	To address the requirements of ISQM (UK) 1, the firm's ISQM 1 team completes, as part of an ongoing and iterative process, a number of key steps to assess and conclude on the firm's System of Quality Management: • Ensure there is an appropriate assignment of responsibilities under ISQM1 and across Leadership • Establish and review quality objectives each year, ensuring ISQM (UK) 1 objectives align with the firm's strategies and priorities • Identify, review and update quality risks each quarter, taking into consideration of number of input sources (such as FRC / ICAEW review findings, AQT findings, RCA findings, etc.) • Identify, design and implement responses as part of the process to strengthen the firm's internal control environment and overall quality • Evaluate responses to identify and remediation process / control gaps We perform an evaluation of our system of quality management on an annual basis. Our first evaluation was performed as of 31 August 2023. Details of that assessment and our conclusion are set out in our 2022/2023 Transparency Report, which is available on our website here.

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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 where appropriate 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.

Contact

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Auditor’s Annual Report

Oldham Metropolitan Borough Council – year ended 31 March 2024

February 2025

Contents

01

Introduction

Purpose of the Auditor's Annual Report

Our Auditor's Annual Report (AAR) summarises the work we have undertaken as the auditor for Oldham Metropolitan Borough Council ('the Council') for the year ended 31 March 2024. Although this report is addressed to the Council it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 and the Code of Audit Practice ('the Code') issued by the National Audit Office ('the NAO'). The remaining sections of the AAR outline how we have discharged these responsibilities and the findings from our work. These are summarised below.

Opinion on the financial statements
We issued our audit report on 28th February 2025. Our opinion on the financial statements was unqualified.

Value for Money arrangements
We did not identify any significant weaknesses in the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. Section 3 provides our commentary on the Council's arrangements.

Wider reporting responsibilities
We cannot formally conclude the audit and issue an audit certificate until the National Audit Office has communicated the work we are required to undertake as component auditors for the Whole of Government Accounts.

02

Audit of the financial statements

Audit of the financial statements

Our audit of the financial statements

Our audit was conducted in accordance with the requirements of the Code, and International Standards on Auditing (ISAs). The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Council and whether they give a true and fair view of the Council's financial position as at 31 March 2024 and of its financial performance for the year then ended. Our audit report, issued on 28th February 2025 gave an unqualified opinion on the financial statements for the year ended 31 March 2024.

A summary of the significant risks we identified when undertaking our audit of the financial statements and the conclusions we reached on each of these is outlined in Appendix A. In this appendix we also outline the uncorrected misstatements we identified and any internal control recommendations we made.

Significant difficulties during the audit

There were no significant difficulties during the audit, working papers were provided on request, and the finance team provided good support in relation to responding to audit queries.

Other reporting responsibilities

Reporting responsibility	Outcome
Narrative Report	We did not identify any significant inconsistencies between the content of the annual report and our knowledge of the Council.
Annual Governance Statement	We did not identify any matters where, in our opinion, the governance statement did not comply with the guidance issued by CIPFA/LASAAC Code of Practice on Local Authority Accounting.

03

Our work on Value for Money arrangements

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; and
- **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 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 on 26th February 2025.

Status of our work

We have completed our work in respect of the Council's arrangements for the year ended 31 March 2023 and we have not identified any significant weaknesses in arrangements that have required us to make a recommendation. Our draft audit report at Appendix B confirms that we have no matters to report in respect of significant weaknesses. As noted above, our commentary on the Council's arrangements will be provided in the Auditor's Annual Report on 26th February 2025.

Our draft audit report at Appendix B confirms that we have matters to report in respect of significant weaknesses. As noted above, our commentary on the Council's arrangements will be provided in the Auditor's Annual Report on 26th February 2025.

VFM arrangements

Overall Summary

VFM arrangements – Overall summary

Approach to Value for Money arrangements work

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.

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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.

Our work is carried out in three main phases.

Phase 1 - Planning and risk assessment

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Council has in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements.

We obtain our understanding or arrangements for each of the specified reporting criteria using a variety of information sources which may include:

- NAO guidance and supporting information
- Information from internal and external sources, including regulators
- Knowledge from previous audits and other audit work undertaken in the year
- Interviews and discussions with officers

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 there are further risks of significant weaknesses.

VFM arrangements – Overall summary

Phase 2 - Additional risk-based procedures and evaluation
Where we identify risks of significant weaknesses in arrangements, we design a programme of work to enable us to decide whether there are actual significant weaknesses in arrangements. We use our professional judgement and have regard to guidance issued by the NAO in determining the extent to which an identified weakness is significant.

Phase 3 - Reporting the outcomes of our work and our recommendations
We are required to provide a summary of the work we have undertaken and the judgments we have reached against each of the specified reporting criteria in this Auditor's Annual Report. We do this as part of our Commentary on VFM arrangements which we set out for each criteria later in this section.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Council. We refer to two distinct types of recommendation through the remainder of this report:

- **Recommendations arising from significant weaknesses in arrangements -** we make these recommendations for improvement where we have identified a significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Where such significant weaknesses in arrangements are identified, we report these (and our associated recommendations) at any point during the course of the audit.
- **Other recommendations -** we make other recommendations when we identify areas for potential improvement or weaknesses in arrangements which we do not consider to be significant, but which still require action to be taken.

The table on the following page summarises the outcome of our work against each reporting criteria, including whether we have identified any significant weaknesses in arrangements, or made other recommendations.

Overall summary by reporting criteria

Reporting criteria	Commentary page reference	Identified risks of significant weakness?	Actual significant weaknesses identified?	Other recommendations made?
Financial sustainability	45	No	No	No
Governance	51	No	No	No
Improving economy, efficiency and effectiveness	55	No	No	No

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VFM arrangements

Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services

VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria

Background to financial sustainability in 2023/24

The Council entered the 2023/24 financial year with levels of inflation increasing and there has been continued financial and operational challenges posed by the legacy of the Covid-19 pandemic particularly on Adult Social Care, Children's Social Care and Homelessness. All Covid related funding ceased at the end of 2021/22 therefore, the Council has had to address residual pressures from its own resources. In addition, there have been other pressures in the year, including increasing interest rates, and rising prices impacting energy and general commodity prices, which has led to wage inflation. The Council's financial sustainability challenges from the legacy of the pandemic and economic issues will continue through the medium term and this places considerable pressure on the Council to maintain effective financial sustainability arrangements.

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The Council's financial planning and monitoring arrangements

In March 2023 the Council set a balanced budget for the 2023/24 financial year with a total net budget for Council services of £298.9m. This required an increase in Council Tax of 3.99% (including 2% Adult Care precept). Throughout the year the Council regularly updated its budget forecast, enabling budgets to remain up-to-date in the fast-changing and uncertain operating environment. The final net budget reported for the year was £315m, the increase predominantly caused by the increased demand for Children's services, and Adult social care. Within the original budget approved in March 2023, the Council had identified a budget reduction (savings) requirement of £16.3m alongside the planned use of £11.6m of reserves.

The Council's financial planning and budgeting arrangements are well established and include a wide range of activities and consultations. The budget setting process includes engagement with senior Council officers and incorporates discussion about the delivery of statutory services/priorities and the impact on resources. Where additional resources are required these are scrutinised and challenged before they are included in the budget estimates. Workshops with officers and members are a key part of the budgeting arrangements, and these are detailed and extensive.

The Council approved £16.3m of budget savings from directorates, these are monitored on a month by month basis and reported to Cabinet quarterly. The monitoring includes a traffic light assessment of the risk that the savings plans can be delivered. During the year, a number of schemes were assessed as amber and red, and remedial actions were taken to address the risks. At the outturn £14.9m (91%) of the savings were delivered.

The Council reported its revenue outturn position for 2023/24 as an overall overspend of £16.1m. During the year, the Council provided regular reports of its financial position to Cabinet between months 3 (June 2023) and 9 (December 2023). We have reviewed a sample of the reports presented for 2023/24. These reports were detailed and comprehensive and incorporate monitoring of the revenue budget, the capital programme and a wide range of other financial measures. The Council follows an established timetable for reporting to Cabinet which includes reporting to directorate management teams and the strategic management team.

Overall commentary on the Financial Sustainability reporting criteria – continued

The Council's arrangements for identifying, managing and monitoring funding gaps and savings

The overspend in 2023/24 was mainly due to Children's Social Care, Place & Economic Growth and Adult Social Care. The drivers of the overspend is increasing demand due to homelessness, increased demand for children's social care placements. This is despite there being additional funding being allocated to these areas at the budget setting stage, this included £11.3m for Children's services and £16.5m for Adult social Services. The level of demand and the increase in the cost of placements has outpaced the increases in funding and delivery of savings in these areas. The Council has in place a programme of change. This is based around three areas which are demand management, income maximisation and service review. For example, the transformation plan includes a project which has overseen the provision of providing child placements in-house in order to reduce reliance on third party provision, and also the Adult Social Care whole service improvement programme, which has resulted in improvements in delivery of service to residents in their own home.

The Council produces a Medium-Term Financial Strategy (MTFS) each year alongside its annual budget. The MTFS sets out the resources available to deliver the Council's overall commitment to provide services that meet the needs of people locally over a five year period.

A key part of the MTFS is to highlight the budget issues that need to be addressed by the Council in each of the years covered. It reflects assumptions made to allow forecasting of the level of available resources from all sources together with the budget pressures relating to both capital and revenue spending. It also assesses the adequacy of reserves held which may impact on the Council's resources.

The Council's budget setting process, which begins in the summer, is a detailed and comprehensive process. There is detailed consultation and discussion with officers and members on the assumptions and principles on which the budget is to be based. As part of the budget setting process, the Council explicitly identifies its budget reduction requirements for the following years through detailed consideration of the budgetary pressures, funding estimates, and impact of national and local initiatives and policies. A range of officer workshops are held to review proposals for budget reductions with each proposal supported by evidenced assessments of deliverability. Proposals are subject to consultation with staff, officers and members and are presented to meetings attended by Cabinet & Deputy Cabinet Members and senior officers, Overview & Scrutiny, and Cabinet before submission to, and approval at, Full Council. We reviewed a range of the budget preparation documents and meetings held as part of the budget setting process. Our review confirmed that the documents were comprehensive and detailed and the workshops and meetings were timely and delivered the intended outcomes to assist with the budget preparation.

The budget reduction requirement identified in the MTFS 2023/24 to 2027/28 for 2023/24 was £27.9m with a further £49.4m required in the following two years. In setting the 2023/24 budget and MTFS, the budget reduction requirement for the period 2024/25 to 2027/28 was estimated at £48.4m after the use of £3.9m of reserves and after applying other budget reduction schemes. The budget reports for each year are clear on the means by which the savings will be delivered and clearly articulate the size of the challenge the Council faces in the medium term.

VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria – continued

Council's arrangements and approach to 2024/25 and 2025/26 financial planning

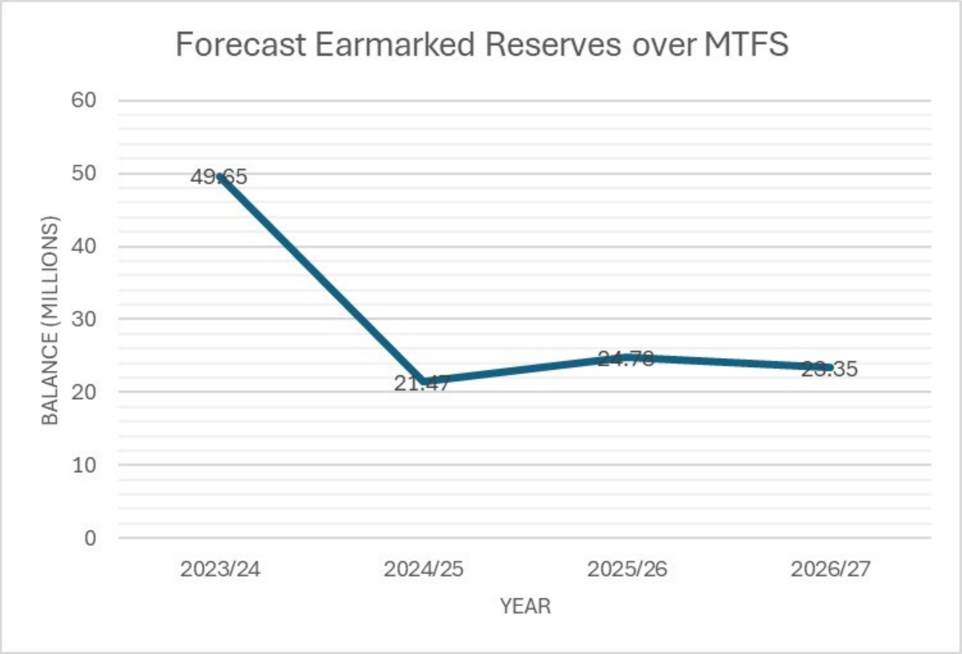
The Council's arrangements for the 2024/25 budget setting process largely followed the arrangements in place for 2023/24.

The budget for 2024/25 was approved at the February 2024 Council meeting. The Council set a balanced budget with a total net budget for Council services of £299.8m with an increase in Council Tax of 3.99% (including 2% Adult Care precept). The budget included £19.8m of budget reduction proposals, and £10.8m use of reserves. This has seen an increase from the 23/24 budget strategy that approved the use of £2.5m of reserves for 24/25. This is funded from the Balancing Budget and Fiscal Mitigation Reserves, both of which were created to deal with the increasing fiscal pressures.

We have reviewed the supporting evidence relating to the preparation of the 2024/25 budget and these demonstrate that the arrangements are consistent with the previous year, detailed and robust and properly applied.

The budget reductions identified as part of the 2024/25 budget setting and medium term financial strategy were £11m for 2024/25, £4.8m for 2025/26. Subsequent to this a budget gap remains for 24/25 and 25/26 of £12.3m which are to be funded from the Balancing Budget reserve. These levels of budget reductions require the Council to continue to make difficult decisions on resource deployment and prioritisation.

The Council has included the planned use of reserves within the budget setting process for a number of years, the chart below shows the expected movements of reserves for the current MTFS.



Overall commentary on the Financial Sustainability reporting criteria – continued

This along with the unplanned use of reserves seen in 2023/24 and 2024/25 has seen the level of earmarked reserves reduce over the last few years ahead of expectations. See the table below.

	2023/24 (£m's)	2024/25 Forecast (£m's)
Planned use of reserves	11.6	2.6
Unplanned use of reserves	16.1	10.8
General fund balance	18.9	18.9
Earmarked Reserves	49.6	35.7

In response to the financial situation the Council has established a Delivery Board, led by the Council leader, to robustly monitor the approved savings and to drive focus on achieving budget savings, holding responsible officers to account. There has been an increase in the regularity of reporting, so the deteriorating position in relation to 2024/25 has been identified earlier, this has prompted an increased focus on 2025/26. This work led to £6.1m of budget saving plans, which could be implemented in 2024/25 for partial in-year benefit.

The Council's approach to delivering a balanced budget includes the delivery of a transformation programme, this has been refreshed during 2023/24 based on the updated corporate plan and demonstrates the link to expected deliverables. The Councils approach to delivery of its new corporate objectives are based on 8 themes including demand management, income maximisation and service review.

This is managed through the Change and Transformation Board and led by the deputy chief executive. The programme has identified the investment needed to deliver the long-term recurrent savings in key areas, for example Creating a Better Place (CaBAP) focuses on investment in the town centre, including the provision of housing, thereby increasing the council tax base by 500 Band D equivalent properties by 2025/26. In addition the rationalisation of Council office accommodation has seen the recent move of Council services to offices in Spindles shopping centre. The children's residential programme aims to replace external out of borough placements with internal provision where possible.

Alongside the use of reserves to support the implementation of the Transformation plan the Council has reviewed the adequacy of reserves in the Statement of Robustness and increased the minimum level of reserves from £20m to £30m. There is recognition that there are earmarked reserves to invest in the transformation program and that there has not been the opportunity in 2023/24 to replenish reserves, however there are still adequate reserves to support the revenue budget in the short term, and for the longer term the investment in the transformation plan, should deliver the longer time savings.

VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria – continued

Overall the Council faces a challenging financial environment, that requires close monitoring of savings plans, awareness of the changing environment as demand for services continues to increase. The Council has planned to use reserves, however it should be noted that there cannot be continued reliance on reserves to balance the budget, as this is not sustainable in the long term. Delivery of the Council's Transformation Plan is critical to ensuring the long-term financial sustainability of the Council.

Notwithstanding the pressures faced by the Council, we are satisfied there is not a significant weakness in the Council's arrangements in relation to financial sustainability.

Other Recommendation	
The Council have continued to include planned use of reserves to balance the budget in 2024/25, and in the recent MTFS. While the Council has demonstrated that it has arrangements in place to identify plans to bridge funding gaps and achieve savings plans, the continued reliance on reserves to balance the budget is not sustainable in the long term.	The Council should ensure that it continues its arrangements to identify and monitor efficiency savings included in the annual budget throughout 2025/26. They should also continue to monitor the progress of the transformation plan, to ensure that the financial impact of projects continues to be measured, and feeds into updating the MTFS

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VFM arrangements

Governance

How the body ensures that it makes informed decisions and properly manages its risks

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria

The Council's risk management and monitoring arrangements

The Council has a firmly established risk management system in place that is embedded in the governance structure of the organisation. The risk management arrangements incorporate service and directorate risk registers informed by detailed assessments of the key risks impacting on each area. These detailed registers inform the Council's corporate risk register which sets out the key strategic and corporate risks.

The risk registers apply a risk score both before and after mitigation measures and enable the Council to manage the risks actively and long-standing where necessary. We have reviewed the risk management strategy along with examples of service risk registers and the corporate risk register. Our review confirms the strategy is clear and detailed, and the registers appear comprehensive, containing sufficient and appropriate detail for Council officers and members.

The Council reports its risk registers through its governance framework, culminating in regular reports to the Audit Committee. Our attendance at the Audit Committee meetings has confirmed that the Committee understands its role in the risk management framework. It provides an appropriate level of challenge to management on the risk registers and corresponding risks and mitigating actions.

The Council has a team of internal auditors, led by the Head of Internal Audit and Counter Fraud, who provide assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud. The annual Internal Audit plan is agreed with management at the start of the financial year and is reviewed by the Audit Committee prior to final approval. The audit plan is based on an assessment of risks the Council faces and is determined to ensure there is of governance, risk management and control.

The planned work is supplemented by ad hoc reviews in respect of suspected irregularities and other work to respond to emerging risks and issues. We have reviewed the Internal Audit plans for 2023/24 and 2024/25 and confirmed they are consistent with the addition, approach.

Our review of internal audit reports for 2023/24 identified a number of, areas that received an inadequate opinion. The first of which relates to payroll, our review notes that the key objectives of the system to pay the workforce on time, and accurately were met however it has been noted that there has been a loss of key staff, and a general difficulty in recruiting and retaining suitably experienced staff to these roles, which has seen issues arise in relation to the weakness of controls. The recommendations raised have in a significant number of cases been brought forward from previous years due the turnover of staff.

In addition, there has been a weak opinion within Adult Social Care Residential Payments, there are a number of long-standing recommendations that have been in place for a number of years. Internal Audit worked closely with ASC, and a joint report with the Director of Adult Social Care was provided to update the Audit Committee, this saw the assessment improve from weak to inadequate. There has been significant work on areas such as the completion of annual care reviews on a timely basis, The service has undergone a restructure, the aim of which is to become more efficient and effective in managing demand and meeting the needs of vulnerable residents.

The Council has comprehensive anti-fraud and corruption policies which are updated as required. In 2023/24 there was a continued significant focus of the Council's anti-fraud work was in implementing processes to minimise any loss on via Direct payments in Children's and Adult Social care by monitoring client spending is in line with the agreed Support Plan.

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Overall commentary on the Governance reporting criteria - continued

Internal Audit progress reports are presented to each Audit Committee meeting, including follow up reporting on recommendations from previous Internal Audit reports. From our attendance at meetings, we are satisfied this allows the Committee to effectively hold management to account.

At the end of each financial year the Head of Internal Audit provides an opinion based on the work completed during the year. For 2023/24 the Head of Internal Audit concluded that an adequate level of assurance could be given that the Council's overall framework of governance, risk management and control remains appropriate and has been complied with. Whilst this reflected the significant impact of the pandemic, the annual report highlighted the significant improvements that continued to be made in key control areas.

Throughout the year we have attended all Audit Committee meetings. These meetings have received regular updates on both internal audit progress and risk management. Audit Committee members engage with the reports and challenge the papers and reports which they receive from management, internal audit and external audit.

Council arrangements for budget setting and budgetary control

The 2023/24 Budget Report was approved in March 2023, setting out the estimates of the financial challenge for the financial year 2023/24 and following years. During 2023/24, this was updated regularly and the likely financial position for 2023/24 and 2024/25 was reported to Cabinet. Monthly financial monitoring reports were prepared for 2023/24 which highlighted key issues which may impact on 2024/25, with the financial monitoring reports presented to senior managers, Members and then to Cabinet for approval. It was noted throughout the year that there were significant pressures arising from Children's Social Care, Community Health & Adult Social Care and temporary accommodation provision. This was monitored closely with actions being taken to mitigate the impact.
During the summer months of 2023, there were a series of officer and member workshops to consider the updated financial position and to agree budget reduction proposals for consultation with staff and the public.

Members were engaged closely in discussions about the level of Council Tax and have appropriate reports on the council tax base information. Members agreed to use the opportunity to increase this by the maximum of 2% for the Adult Social Care Precept. This was linked to a pledge to support the adoption of the Living Wage Foundation National Living Wage for adult social care providers. This resulted in a final increase of 3.99%.

The Council has well established budget monitoring arrangements in place. The Finance service is configured to align to the Council's management portfolio structure. Members of the Finance Team are assigned to specific service areas and work closely with cost centre managers to review, discuss and agree the financial pressures/ issues impacting on specific service areas. At the end of each month, a Portfolio dashboard is prepared which contains all relevant financial information. Forecasts are produced for cost centres, service areas and the whole Portfolio. These are discussed and agreed with relevant Directors and managers.

Overall commentary on the Governance reporting criteria - continued

There is a detailed budget monitoring timetable to which the Finance service works to ensure that reports are timely. Overall financial monitoring reports are prepared encompassing the whole Council position for both Capital and Revenue. During 2023/24, these budget monitoring reports were prepared for Cabinet for months 3 through to 9. The format of the report has been subject to review to ensure relevant information was available. Budget monitoring reports were also presented to the Performance and Value for Money Overview and Scrutiny Committee for consideration.

Council decision making arrangements and control framework

The Council's decision making arrangements are established in the Council Constitution. Decisions are either made by members (Council, Cabinet, or other decision making committees) or delegated to Cabinet portfolio leads, or officers.

All Cabinet and Key Decision reports include Statutory Officer Comments and Risks, and an assessment of financial impacts and other key impact areas such as human resources, IT and property. The Council has a range of overview and scrutiny committees that challenge and scrutinise Council decisions.

The Council operates an Audit Committee which has the appropriate status in the organisation to challenge management and obtain assurance on the operation of the internal control framework. The Committee has an agreed workplan and where necessary asks management to report on specific internal control issues. The Audit Committee met regularly throughout the year and routinely considered key reports on internal controls. During the year the Committee identified that it required additional assurance on the Council's partnership arrangements. The Audit Committee was able to review the report on the partnership dashboard on the wider risks.

Based on the above considerations we are satisfied there is not a significant weakness in the Council's arrangements in relation to governance.

Other Recommendation	
The internal audit recommendations relating to Payroll noted that there are issues with recruiting to senior roles, and a number of control issues. Of which a significant proportion relate to reviews completed in 2021/22 and 2022/23. The review of payroll has found that the system continues to meet the main objectives, however the staffing issues are impacting how controls in the department operate.	The Council should look to recruit and retain suitable qualified staff. Monitor progress on the recommendations made to date to ensure there is sufficient progress being made to rectify the control weaknesses identified.

VFM arrangements

Improving Economy, Efficiency and Effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services

Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria

The Council's arrangements for assessing performance and evaluating service delivery

The Council prepares performance monitoring and financial monitoring reports which are presented to senior management, Cabinet and Overview & Scrutiny Committee. The overarching financial monitoring position is included in the performance reports. During 2023/24, financial monitoring reports provided information about the financial pressures being experienced. This highlighted new or increased service demand in some areas. These reports also noted that in 23/24 the budges have consolidated COVID-19 legacy costs into the mainstream budgets of Children's and Adult Social Care. These reports are also used to identify service delivery challenges, for example where increased costs are incurred to address service backlogs or underlying underperformance. Where such issues are highlighted through financial monitoring, the resources required as an investment to address this are identified. Performance reporting was revised through the year to take account of the circumstances.

The Council agrees and establishes a range of performance indicators for all directorates. These indicators are reviewed by services and reported initially to senior officers so that issues requiring action are understood including additional investment. Corporate performance reports are reported to senior management and members. During 2023/24, performance monitoring reports were prepared for the Governance Strategy & Resources Scrutiny Board Committee. We have reviewed a sample of these reports and this confirmed that they clearly articulate the Council's performance and contain appropriate and detailed information.

The Council has a business planning process which requires detailed business plans to be agreed with respective Cabinet Members. Key performance indicators and measures then are encompassed within the corporate performance report. The Directorate plans are managed and monitored using a standard format. Reporting includes indicators such as the percentage of invoices paid in 30 days, the movement in the number of business in the borough, and the number of new homes completed in the year against targets.

During 2023/24 performance updates are required from responsible officers at the end of each quarter, with a strict requirement for adherence to timelines. The business planning cycle has been closely aligned to the risk management process through work undertaken in previous years. The reports have been further developed in 23/24 with the inclusion of benchmarking data from LG Inform.

In addition to the corporate performance reporting, the Council has a range of internal performance and management information dashboards which enable it to evaluate performance and identify areas for improvement. For example Oldham safeguarding Children's Partnership dashboard, we have reviewed a sample of these dashboards and this confirmed that they clearly articulate the Council's performance and are appropriate for managing performance.

Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria - continued

The Council's arrangements for effective partnership working

The Council monitors its delivery on key partnerships including an ongoing assessment of risk as set out in the Partnership Dashboard which reports regularly to the Audit Committee. This identifies both current issues and emerging issues, for example, where there are plans to set up new partnerships to deliver key future priorities. As at 31 March 2024 the assessment of risk on partnerships operated by the Council was reported as low. The Council's key partnerships include NHS Greater Manchester ICP (Integrated Commissioning Partnership) and its wholly owned subsidiary company, MioCare Community Interest Company

Miocare is a Council owned company and works closely with the Council as its significant customer. There are key governance arrangements in place within the Council to ensure efficient oversight of the company including annual reports to Scrutiny Committees and the Council appointing Members to the company Board.
During 2023/24 the Council continued to work closely with the ICP to manage services with the significant impact of the Covid-19 pandemic on health and social care. The Council is party to a pooling of funds with the ICB and operates joint scrutiny arrangements to oversee the joint working arrangements. During 2023/24 some joint management responsibilities were in place across the Council and the ICP these remain unchanged from 2022/23. The Council has a joint Commissioning Partnership Board on which the Leader and Cabinet Members for Adult Social Care represent the Council. This Board oversees the pooled fund agreement and receives financial performance reports relating to the arrangement.

The Council also works in collaboration with the other Greater Manchester councils, and with the combined Authority. Bringing together resources to meet local objectives. Project skyline is an example where Oldham is part of the sufficiency programme. The project involves providing children's residential Care Shared service. This has included 9 new homes to provide a range of support for children with complex needs. A memorandum of understanding has been signed and the project is moving forwards. Working in parentship with the other GM councils brings the advantage of increasing resources available locally, with less reliance on third parties, thereby supporting the budget and the underlying demand within the borough.

Oldham is also part of the Places For Everyone joint development plan, which is dealing with strategic planning issues including jobs, homes, transport, and the natural environment. The plan was approved in 22nd March 2024.

Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria - continued

The Council's arrangements for procurement and commissioning services

The Council's Constitution contains a chapter on the Contract Procedure Rules. This sets out the detailed process that the Council must follow when procuring goods or services. We have reviewed the procedure rules and this confirms that they are comprehensive and cover the procedures, the quotation and tender process, using frameworks, post tender evaluation and contract monitoring procedures.

The Council has an experienced Commercial Procurement Unit leading on procurement and commissioning. The team appoints 'Category Leads' who work closely with commissioners to develop the forward view pipeline over the medium term. This enables the Council to be able to plan its procurement and commissioning activities well in advance. We reviewed the pipeline and confirmed it was detailed and comprehensive and facilitated the Council's proactive management of its procurement over the medium term.

The category lead role includes working with commissioners to develop the specifications, identifying opportunities for possible collaboration or amalgamation of contracts, engaging with the market, developing KPIs, reviewing contract management information, maintaining an active dialogue with suppliers, and ensuring that the contracts stay up to date through the contract period.

Where contract management information suggests that contracts are not being delivered to the specification, the Council engages with suppliers to put in place improvements. Maintaining a routine dialogue with suppliers is crucial in managing the relationship and in ensuring disputes and disagreements are minimised or avoided.

The Council established the expected outcomes and benefits from procurement in a series of key performance indicators in each contract. These are tailored specifically to the specification of each contract and are actively monitored to ensure the benefits are being delivered. Regular dialogue between the category leads and the Council's commissioners and suppliers ensures the delivery benefits are up to date and remain appropriate through the contract, and that any innovation or efficiencies identified is included in updated contract terms. We reviewed a sample of procurement monitoring reports and key performance indicators and confirmed that they were detailed and appropriate.

Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria - continued

The work of other regulators

In May 2024 the Council had an inspection of Children's Services by OFSTED. The overall assessment was good across all areas under review. The Council has had a relentless focus on improvement driven by a strong and stable leadership team. The pace of change ensures that children now benefit from good quality help and support. Political and corporate commitment has translated into financial investment to strengthen services, and to address the areas identified for improvement from the previous inspection in 2019. For example, leaders have sustained a good level of service in early help at the 'front door' despite increased levels of demand.

There has been an inspection of SEND and the Oldham Local Area Partnership in October 2023, which identified systemic failings, the report identifies that the partnership continues to be tied in legacy commissioning arrangements. In addition there is a lack of strategic oversight of priorities, clarity of responsibility. The Council in response to the findings established a 'Getting to Good' board, which was externally chaired and involved lead officers from Children's services and have developed a priority action plan, a review finds that the programme has established priority areas aligned to the findings of the external inspection, with owners and clear success criteria, timescales and monitoring of progress to date. The action plan now forms part of the overall SEND and Inclusion Improvement Programme that underpins the SEND and Inclusion strategy 2023-2027.

The LGA undertook a peer review in November 2023, and noted the positive actions and programmes that were being undertaken throughout the Council. Such as the ambitious Transformation programme, that encompasses 8 change programmes including CaBP, procurement, construct management and business insight all of which have dedicated briefs, governance boards and lead officers. It has been noted that the Council has in recent years relied on reserves, and that there is work ongoing to no longer rely n reserves.

A progress review was completed by the LGA in November 2024 to review progress on the nine recommendations made. The CPC found that good progress was made on the recommendations for example the Council commissioned an external review of the CaBP programme, which has led to increased level of specialist capacity being available, and process of further prioritisation of schemes.

Based on the above considerations we are satisfied there is not a significant weakness in the Council's arrangements in relation to improving economy, efficiency and effectiveness.

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Other reporting responsibilities

Other reporting responsibilities

Matters we report by exception

The Local Audit and Accountability Act 2014 provides auditors with specific powers where matters come to our attention that, in their judgement, require specific reporting action to be taken. Auditors have the power 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 the law; and
- issue an advisory notice.

We have not exercised any of these statutory reporting powers

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. We did not receive any such objections or questions.

Reporting to the NAO in respect of Whole of Government Accounts consolidation data

We cannot formally conclude the audit and issue a certificate until the National Audit Office has communicated the work we are required to undertake as component auditors for the Whole of Government Accounts.

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Audit fees and other services

Appendices

Appendix A: Further information on our audit of the financial statements

Appendix A: Further information on our audit of the financial

Significant risks and audit findings

As part of our audit of the Council, we identified significant risks to our opinion on the financial statements during our risk assessment. The table below summarises these risks, how we responded and our findings

Risk	Our audit response and findings
Valuation of Investment Properties The CIPFA Code requires that where Investment Property assets are subject to revaluation, their year-end carrying value should reflect the fair value at that date. The valuation of Investment Property involves the use of a management expert (the valuer) and incorporates assumptions and estimates which impact materially on the reported value. There are risks relating to the valuation process. The Council employs valuation experts to provide valuations, however there remains a high degree of estimation uncertainty associated with the valuations of property, plant and equipment due to the significant judgements and number of variables involved	**Our audit procedures included:** • Obtaining an understanding of the skills, experience and qualifications of the valuer, and considering the appropriateness of the Council's instructions to the valuer. • Obtaining an understanding of the basis of valuation applied by the valuer in the year. • Obtaining assurance on the appropriateness of the methodology and assumptions adopted by the Council's valuer. • Comparing the valuation to our external valuation expert's estimate of the valuation. • Sample testing the completeness and accuracy of underlying data provided by the Council and used by the valuer as part of their valuations. **Our observations** Based on the work carried out to date there are no matters to bring to the Committee's attention.

Appendix A: Further information on our audit of the financial

Significant risks and audit findings continued

Risk	Our audit response and findings
Valuation of Property, Plant & Equipment The CIPFA Code requires that where assets are subject to revaluation, their year-end carrying value should reflect the current value at that date. The Council has adopted a rolling revaluation model which sees all such property, plant & equipment revalued in a five-year cycle. The valuation of property, plant & equipment involves the use of a management expert (the valuer) and incorporates assumptions and estimates which impact materially on the reported value. There are risks relating to the valuation process, with regards to estimation, assets not revalued in year are valued at the current balance sheet date.	**Our audit procedures included:** • Obtaining an understanding of the skills, experience and qualifications of the valuer, and considering the appropriateness of the Council's instructions to the valuer. • Obtaining an understanding of the basis of valuation applied by the valuer in the year. • Obtaining an understanding of the Council's approach to ensure that assets not subject to revaluation in 2023/24 are materially fairly stated. • Obtaining an understanding of the Council's approach to ensure that assets revalued through 2023/24 are materially fairly stated at the year end. • Sample testing the completeness and accuracy of underlying data provided by the Council and used by the valuer as part of their valuations. • Using relevant market and cost data to assess the reasonableness of the valuation as at 31 March 2024. • Testing the accuracy of how valuation movements were presented and disclosed in the financial statements **Our observations** Our work identified a £4m overstatement in the gross book value of land and buildings due to an input error. Further detail is set out in section 6, summary of misstatements.

Significant risks and audit findings continued

Risk	Our audit response and findings
Valuation of Council's and the Group's Defined Benefit Scheme The net pension liability represents a material element of the Council and the Group balance sheet. The Council and its consolidated subsidiaries are admitted bodies of Greater Manchester Pension Fund. 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 and the subsidiaries' overall valuations. There are financial assumptions and demographic assumptions used in the calculation of the valuation. The assumptions should also reflect the profile of the Council's and the subsidiaries' 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 pension obligations are not reasonable or appropriate to the Council's or the subsidiaries' circumstances. This could have a material impact to the Council and Group net pension liability in 2023/24.	**Our procedures included:** • Obtaining an understanding of the skills, experience and qualifications of the actuary, and considering the appropriateness of the instructions to the actuary. • Obtaining confirmation from the auditor of the Greater Manchester Pension Fund that the Pension Fund has designed and implemented controls to prevent and detect material misstatement. This includes the controls in place to ensure data provided to the Actuary by the Pension Fund for the purposes of the IAS19 valuation of the gross asset and liability is complete and accurate. • Evaluating and challenging the work performed by the Pension Fund auditor on the Pension Fund investment assets and considering whether the outcomes would materially impact our consideration of the Council's share of Pension Fund assets. • Reviewing the actuarial allocation of Pension Fund assets to the Council by the actuary, including comparing the Council's share of the assets to other corroborative information. • Reviewing the appropriateness of the Pension Asset and Liability valuation methodology applied by the Pension Fund Actuary, and the key assumptions included within the valuation. This includes comparing them to expected ranges, utilising information provided by PwC, consulting actuary engaged by the National Audit Office. **Our observations** We have completed our work on this area. Section 6 outlines some misstatements identified from our work. Although some of the misstatements are material, they are technical accounting and disclosure adjustments and do not indicate significant weaknesses in the Council's reporting arrangements.

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Significant risks and audit findings continued

Risk	Our audit response and findings
Management Overside of Controls In all entities, 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, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.	**We addressed this risk through performing audit work over:** • Accounting estimates impacting amounts included in the financial statements; • Consideration of identified significant transactions outside the normal course of business; and • Journal entries recorded in the general ledger and other adjustments made in preparation of the financial statements **Audit conclusion** We completed our procedures as planned. Our work identified that the financial system has no facility to approve journals input. Further detail is provided in section 5 internal control recommendations There are no other matters to bring to the Committee's attention in respect of our work on management override of controls

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We set out below and on the following pages a summary of the misstatements we identified during our audit, above the trivial threshold for adjustment of £475K

The first table in this section sets out the misstatements we identified which management has assessed as not being material, individually or in aggregate, to the financial statements and does not plan to adjust. The second table outlines the misstatements we identified that have been adjusted by management.

Our overall materiality, performance materiality, and clearly trivial (reporting) threshold were reported in our Audit Summary Memorandum, issued on 25th July 2024 Any subsequent changes to those figures are set out in the section 3 of this report.

Unadjusted misstatements

Management has assessed the misstatements in the table below as not being material, individually or in aggregate, to the financial statements and does not plan to adjust. We only report to you unadjusted misstatements that are either material by nature or which exceed our reporting threshold.

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Revaluation reserve			£4,030	
	Cr: PPE				£4,030
	An error resulted in the overstatement of the gross PPE values in the asset register because it wasn't updated with the correct figures from the valuation listing. The net effect on the balance sheet is nil				

Unadjusted misstatements

Management has assessed the misstatements in the table below as not being material, individually or in aggregate, to the financial statements and does not plan to adjust. We only report to you unadjusted misstatements that are either material by nature or which exceed our reporting threshold.

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	**Cr (£'000)**	**Dr (£'000)**	**Cr (£'000)**
4	Dr: Debtors(Prepayments)			£8,746	
	Cr: Expenditure		£8,746		
	An error of £31.7k relating to 24/25 expenditure that was not accrued at the year end and was incorrectly included in 23/24 period. The error has been extrapolated. The net effect is increase in prepayments of £8.7m				
	Aggregate net effect of unadjusted misstatements	0	8,746	8,746	0

Other deficiencies in internal control

In our view, there is a need to address the deficiencies in internal control set out in this section (which are not deemed to be significant deficiencies) to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

Description of deficiency

Our testing of the collection fund identified that the Council's rateable value disclosed in Note 3 of the Collection Fund Statement was verified against the (Valuation Office Agency) VOA report. However, we were unable to trace this value back to the Council's system, Academy or any other supporting documents, suggesting that sufficient records were not maintained.

Potential effects

The rateable value and number of business properties in the Council's system are inconsistent with the VOA records.

Recommendation

We recommend that the Council should keep relevant records from Academy that reconciles with VOA records.

Management response

The Academy system was updated to ensure it was consistent with VOA records. Academy is a dynamic system and therefore going forward the Council will ensure that a screenprint of the VOA rateable value to be disclosed in the accounts will be taken from the Academy system at financial year end.

Other deficiencies in internal control

In our view, there is a need to address the deficiencies in internal control set out in this section (which are not deemed to be significant deficiencies) to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

Description of deficiency

Our testing of the Collection fund identified that the Council was not performing timely reconciliations for total non-domestic rateable values. Our review revealed that the last reconciliation for the year 2023/24 was completed on 04/02/2024. Consequently, the VOA report dated 28/03/2024 was not reconciled.

Potential effects

Errors may fail to be rectified and corrected in a timely manner

Recommendation

We recommend the Council to put in place a robust reconciliation review process that helps identify and correct errors in line with best practice

Management response

No errors have been detected but going forward Council to ensure that a year-end reconciliation is available for review.

Other deficiencies in internal control

In our view, there is a need to address the deficiencies in internal control set out in this section (which are not deemed to be significant deficiencies) to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

Description of deficiency

Our journal testing Identified that the Council currently has no facility in Agresso to approve journals, and they are posted to the ledger once input. The control measures they rely on include ongoing budget monitoring and analysis of transactions (by both finance staff and service managers), regular budget monitoring reports for revenue and capital items to ensure that items are not miscoded, ongoing reconciliations to the bank account and other key feeder systems, and the process for completing working papers at year-end to ensure system accuracy. These are detective controls. Therefore, they should implement preventative measures to reduce the risk associated with control risk.

Potential effects

Errors may fail to be detected and corrected in a timely manner.

Recommendation

The Council should enhance their system design to include a feature that allows a different person from the preparer to approve, thereby preventing errors through proactive measures rather than relying solely on detective controls.

Management response

Inputting of journals are restricted to finance staff only. Journals are input for a range of different reasons including correction of errors identified, recharges and technical accounting adjustments. For effective preventative measures to be meaningful, the person reviewing journals would potentially duplicate work and the processes would be significantly delayed as the result of any approval process. This is therefore not considered practical.

Other deficiencies in internal control

In our view, there is a need to address the deficiencies in internal control set out in this section (which are not deemed to be significant deficiencies) to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

Description of deficiency

Our testing of Journals identified that the list of approved personnel to process journals included several individuals who have left the organization. These former employees had not yet been removed from the approved list despite their departure.

Potential effects

This poses several risks, including unauthorized access to sensitive financial data and the potential for fraudulent activities.

Recommendation

The approved list should be regularly updated, and the approval rights of individuals who have left the organization should be removed from the system as soon as they depart from the Council.

Management response

The Council operates a single sign on policy for IT access as a whole which includes the financial system (i.e. there is no separate login / password). The full process and what managers are required to complete is available on the intranet.

Regardless of this the financial systems team also asks for the information to be sent separately to the team so that the finance system can be kept clean and user numbers retained only for live employees. In addition to this, the finance system team also receives periodic reports from payroll on leavers and will cross reference this to active users to ensure nobody has been missed from the central IT procedure. As a final cleansing, any user who has not accessed the system for a period of 6 months is automatically parked in the system with no direct access.

Journal access is limited to finance staff only and in the interim (until a move to the cloud with more limited access), the finance systems team will action a further regular check of leavers in that service to ensure any lists, whether restricted or not by single sign on, do not contain individuals who have left the organisation.

Other deficiencies in internal control

In our view, there is a need to address the deficiencies in internal control set out in this section (which are not deemed to be significant deficiencies) to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

Description of deficiency

Our testing for Cash and cash equivalents identified that the client has bank accounts that have not been in operation for a number of years, that are still open and have very low or nil balances. One example of such an account is related to a school that was academised in 2017.

Potential effects

The bank accounts may be used to commit fraudulent activities.

Recommendation

The Council should close all bank accounts that are not required in a timely manner. There should be an annual review to ensure that relevant bank accounts are maintained, relevant closures actioned and that there are appropriate signatories in place.

Management response

Council to ensure timely review of all bank accounts and signatories, closing / amending where necessary.

Other deficiencies in internal control

In our view, there is a need to address the deficiencies in internal control set out in this section (which are not deemed to be significant deficiencies) to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

Description of deficiency

Our testing of the fixed asset register to the valuation program reconciliation identified discrepancies between the figures in the asset register and the Valuation listing. Furthermore, a reconciliation between the asset register, Valuation program, and Gross Valuation note 17 revealed a misstatement, indicating that no reconciliations were performed between the three and that the asset register was not updated.

Potential effects

Errors in brought forward figures are undetected, the PPE figures may be inaccurate, due to there being no checks on the accuracy of the information.

Recommendation

The Council should perform reconciliations between the Asset Register, Valuation Program, and Gross Values in PPE Note 17, and ensure the Fixed Asset Register (FAR) is updated in a timely manner.

Management response

Council to incorporate checks against Asset Register Gross Value, Valuation Program and PPE Note into existing quality assurance processes for accounting for fixed assets.

Follow up on previous internal control points

We set out below an update on internal control points raised in the prior year.

Description of deficiency

Testing for existence and rights and obligations identified an asset that was disposed of but not removed from the asset register. We note that the Council has begun a review of the asset register to removed disposed assets.

Potential effects

The asset register may contain assets that do not exist or for which the Council does not have the rights

Recommendation

The Council should continue with the process to update the asset register to ensure that it correctly reflects assets that are held and owned by the Council.

Current position

Council to continue with the process to update the asset register to ensure that it correctly reflects assets that are held and owned by the Council.

Follow up on previous internal control points

We set out below an update on internal control points raised in the prior year.

Description of deficiency

Our testing noted that the iTrent system is double counting an element of shared cost AVCs. The Council has confirmed this is an ongoing issue.

Potential effects

The payroll reconciliations continue to generate errors as a result of this system issue.

Recommendation

The Council should continue to work with consultants to rectify the problem.

Current position

Whilst the payroll team are confident that employee deductions and pension fund pay overs are correct, the interface file produced for the financial system is doubling up the revenue and balance sheet code entries.

This is known to Finance and a corrective journal input was made at the end of the 2023/24 financial year to ensure amounts were reported properly.

An internal working group between HR and Finance has been established to address the issue and currently there is an open case with the payroll software providers to investigate why this is happening. If not rectified in the payroll system before the end of the 2024/25 financial year, a similar corrective journal entry will be input again by Finance to correct the amounts in the accounts.

Follow up on previous internal control points

We set out below an update on internal control points raised in the prior year.

Description of deficiency

The Council's process to identify related party transactions relies in part on member declarations of interest. In some cases the disclosures were based on declarations dating back to 2021. The process should use up-to-date information to ensure the disclosures are complete and accurate.

Potential effects

The related party disclosures could contain errors based on out of date declarations.

Recommendation

The council incorporates checks on declarations to ensure that they are up to date as part of the closedown process.

Current position

The Council will work to overhaul the member declaration process, ensuring that these are updated on an annual basis by all elected and co-opted members. This will be introduced by May 2025

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