
Scope of Responsibility

The Council (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. That duty has grown in importance with the reduction in resources being made available for Local Authorities as part of the Government's on-going austerity programme.

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 Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Framework - Delivering Good Governance in Local Government. It has adopted a Local Code of Corporate Governance (LCCG) which has been refreshed and will be presented to the Audit Committee on 9 June 2022. The current LCCG is publicised on the Council's website and will be updated following the Audit Committee meeting.

The Annual Governance Statement sets out how the Authority has complied with the Code and meets with regulation 4(2) of the Accounts and Audit (Coronavirus) (Amendment) Regulations 2021 which have amended the Accounts and Audit Regulations (England and Wales) 2015. Due to the COVID-19 pandemic, there was a continued requirement for certain decisions to be taken under emergency protocols up to 19 July 2021. The Authority adopted enhanced management arrangements with a structure based on Gold (strategic), Silver (tactical) and Bronze (operational) groups for this period of 2021/22. The approach to the management of the Authority's response to the pandemic was reported (including the revised priorities for service delivery) and agreed by full Council meetings on 14 July 2021, 3 November 2021, 15 December 2021 and 16 March 2022. The arrangements enabled the Council to make its decisions as promptly and as transparently as possible whilst managing to operate using systems and processes adopted before the pandemic and adjust its priorities in service delivery.

The Authority meets the requirements of Regulation 6 (1) b of the Accounts and Audit (Coronavirus) (Amendment) Regulations 2021 in relation to the publication of a statement on internal control. It is subject to detailed review by the Audit Committee when it considers firstly the draft Statement of Account and subsequently the final Statement of Accounts before they are formally approved. The accounts are reported to Cabinet and full Council for information after the Scrutiny process and formal approval by the Audit Committee.

The Authority undertook a review throughout the financial year 2021/22 of its compliance with the CIPFA Financial Management Code which outlines the principles of good financial management. This was reported to the Audit Committee on 17 January 2022.

The review identified that for the first part of the financial year, the Authority's financial management arrangements were consistent with a number of the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

The key principles for which there was compliance were that the Chief Financial Officer (Director of Finance):

- is actively involved and is able to bring influence on the Authority's financial strategy;
- is actively involved and is able to bring influence on all material business decisions;
- leads the whole Authority in the delivery of good financial management;
- directs a fit for purpose finance function; and
- is professionally qualified and suitably experienced.

In addition, the Statement requires that the Chief Financial Officer should report directly to the Chief Executive and be a member of the leadership team, with a status at least equivalent to others. Until the change in Chief Executive (26 August 2021), the Director of Finance (the Chief Financial Officer and designated Section 151 officer) was not a member of the Councils Executive Management Team (EMT). However, whilst not a standing member, during the pandemic, the Director of Finance attended meetings of the EMT / Joint Leadership Team (which included senior officers of Oldham Clinical Commissioning Group. The Director of Finance but was a member of and attended the meetings of the Senior Management Team which integrated EMT and all Directors via a single management meeting. All Statutory Officers had access to the Chief Executive.

Although not delivering full compliance, the Council considered that its management arrangements were appropriate in the context of the CIPFA Statement and requirements of the CIPFA Financial Management Code.

From 26 August 2021 the management arrangements of the Council changed, and the line management of the Director of Finance was revised with a direct reporting line to the Chief Executive with membership of the Management Board which assumed the role of the Executive Leadership Team. This was therefore consistent with the principles of the Financial Management Standard and improved compliance with the Financial Management Code.

The issues identified as significant governance issues and the progress made by management throughout the financial year 2021/22 to address these issues, have been reported regularly to the Audit Committee together with an assessment made in reducing the risk as part of its Governance role within the Council.

The 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 (i.e., so they deliver value for money – efficiently, effectively, and economically).

The financial year 2021/22 required the continuation of changes implemented during the financial year 2020/21 to the standard decision-making processes adopted by the Authority. This was to enable it to take decisions under the command structure put into place to respond to the pandemic and support partners to be continued (until 19 July 2021, when all COVID-19 restrictions were lifted). This approach was ratified by full Council and key groups of officers and Members provided independent scrutiny in key areas such as grant administration and one-off support to suppliers. Following the easing of restrictions related to the pandemic which ended on 19 July 2021, the Council decision-making process has then operated in compliance with its agreed Constitution.

The governance framework which has been in place at the Authority for the year ended 31 March 2022 has seen regular reports submitted to the Audit Committee on the progress made on issues identified in the previous Annual Governance Statement and identified any issues for consideration in this Statement. This has included issues arising from the response to the pandemic which have highlighted where future practice could be improved.

The Governance Framework

The Authority is a Metropolitan District which was set up in 1974 combining 7 Urban Districts, which provided services to the local population. Its strategic vision and Co-operative objectives including self-sustainability are set out in the Council Corporate Plan. The control environment encompasses the strategies, policies, plans, procedures, processes, structures, attitudes, and behaviours required to deliver good governance to all.

The key message and values are:

Communicating the Authority's Vision

The Authority Vision is set out in both the Oldham Plan and the Corporate Plan supplemented by the development of the COVID-19 Recovery Strategy which deferred the updating/refreshing of these Plans until it was clear the pandemic had ended. These plans are aligned to establish a clear link between; Local, Central Government and Greater Manchester regional priorities, including the devolution of health services. 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.

The Council initially endorsed the vision in July 2017. It is a collective action statement covering the period 2017/2022 setting out the areas that would add the most value as a partnership to achieve the ambition that Oldham is a productive and co-operative place with healthy, aspirational and sustainable communities.

The Oldham Plan is based around the Oldham Model – three change platforms are enabled and complemented by public service reform and empowering communities. These are:

Inclusive Economy

The vision is for Oldham to become Greater Manchester's Inclusive Economy capital by making significant progress in living standards, wages and skills for everyone.

Thriving Communities

The vision is for people and communities to have the power to be healthy, happy and able to make positive choices and both offer and access insightful and responsive support when required.

Co-operative Services

The vision is to collaborate, integrate and innovate to improve outcomes for residents and create the most effective and seamless services in Greater Manchester.

Clearly, the delivery of the vision as initially planned has been interrupted by COVID-19, although the response to the pandemic has been framed around the guiding principles. Updates on the action taken to support the response to the pandemic, following the established principles have been reported to regular business meetings of the Council.

Co-operative Council in a Co-operative Borough

Oldham has been a Co-operative Council since 2011 and the Council continues its commitment to delivering a co-operative future where everybody does their bit, and everyone benefits. This is being achieved by a real commitment to change and working closely with residents, partners and the wider communities to create a confident and ambitious borough.

The Corporate Plan sets out how everyone can do their bit to support service delivery of the ambitions and outcomes:

#our bit is what Oldham Council is doing or contributing to improve something.

#your bit is how local people, businesses and partners are helping to make change happen.

The **#result** is how we are all benefiting from working together.

The ethos of the Co-operative Council sets the framework for key Council strategies.

Like many other Local Authorities, Oldham Council has had to make significant budget reductions since the start of the Government's austerity programme. Although the pandemic has had a huge impact on the finances of the Council since the start of 2021/22, it is important to note that arising from Government announcements and the Emergency Budget, introduced after the May 2010 General Election, the Council has been required to balance its budget by making a significant level of budget reductions, which up to and including the recurrent budget reductions of £8.793m approved at the 2021/22 Budget Council, cumulatively total £198m.

Further recurrent budget reductions of £6.268m were agreed at the 2022/23 Budget Council meeting for implementation in 2022/23 plus there was confirmation of £5.467m of budget reductions with a 2022/23 impact that were initially presented for consideration at the 2021/22 Budget Council. In total, the savings total for 2022/23 was a total of £11.735m. The Medium Term Financial Strategy (MTFS) approved at the March 2022 Budget Council also highlighted approved budget reductions of £8.570m that will have an impact over the period 2023/24 to 2025/26. Even after allowing for these forward commitments, there remains a significant savings target over the period covered by the current MTFS (2023/24 to 2026/27)

It was clear that the Council could not continue to deliver services in the same way it has always delivered them and a response to the financial challenge is required. The response followed the ethos of the Co-operative Council, because it is believed that:

1. a co-operative approach offers the best opportunity to do things radically differently;
2. it offers a sustainable solution to the unprecedented challenges we face; and
3. it offers the best opportunity to make the most of the assets/strengths that lie in its communities.

This means that, whilst the Council continues to provide its statutory services and duties, it will continue to work more closely with all partners and stakeholders in Oldham to ensure that the services delivered continue to; provide value for money, meet the specific needs of Oldham's communities, remove duplication and ensure the combined skills, resources and influence are used to improve the circumstances of every member of the Oldham community.

The ways in which the Council is doing this include:

- Implementing and embedding the Council Ethical Framework and its Social Value Procurement Framework.
- Monitoring the impact of the Social Value Portal to implement the Themes, Outcomes and Measures framework on the Creating a Better Place Programme.
- Paying the Living Wage Foundation National Living Wage to ensure that all staff are paid appropriately and introducing this for paid carers from 1 October 2022.
- Giving employees up to three days paid time away from their duties to volunteer locally.

COVID-19 Pandemic

Throughout the financial year 2021/22, the public health challenge due to the COVID-19 pandemic continued within the United Kingdom. Due to its role both as a provider of key public services and as a partner to the NHS, Oldham Council continued where appropriate to operate its service continuity measures to ensure the continued provision of its essential, albeit at a lesser intensity than the previous financial year. This included the enactment of emergency decision-making powers which were appropriate continued until 19 July 2021 as it became clear the pandemic remained a serious public health issue that required longer term management over a two year period.

In order to support the wider Government response to the pandemic the Council both directly and acting as an Agent for Government departments, delivered services in response to the pandemic and provided Financial Support to third parties including businesses within the area. This support has been significant with the Council managing over £26m in COVID-19 related Business Rates Relief plus other specific COVID-19 grants and where appropriate this has required the reallocation of staffing resources from business as usual to ensure the administration process used was sound and effectively undertaken.

The impact of the pandemic on the Council still has the potential to be long-term, particularly from a financial perspective, through increasing demand for Statutory Services. Provision has been made in the Medium Term Financial Strategy to reflect this. The impact upon the long-term financial position is very difficult to accurately assess with key elements of the Statutory Accounts such as the Collection Fund (which manages Council Tax and Business Rate collection) not recovering financially as quickly as originally envisaged. The Government is allowing Councils to manage Collection Fund losses over a three-year period (2021/22 to 2023/24) to phase the impact of income lost during 2020/21 and allow time for collection to recover. This is reflected in the long-term financial planning of the Council. If this recovery

does not happen, then there is a risk of the legacy of COVID-19 having a more longer lasting financial impact on the Council.

Key elements of the Governance Framework

The key elements of the Authority's governance framework are detailed against each principle in the CIPFA/SOLACE Framework - Delivering Good Governance in Local Government as follows:

Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

In order to ensure both its Members and Officers behave with integrity to lead its culture of acting in the public interest, there is appropriate training provided to safeguard all parties against conflicts of interest. Both Members and Officers record any gifts and hospitality received in accordance with the Authority's agreed procedure. To enable third party challenges to Authority operations there is a publicised complaints procedure. There is also a Whistleblowing Policy, last updated and approved by full Council in July 2020. This enables concerns to be raised in a confidential manner and dealt with in a proportionate manner.

The Scrutiny process as detailed in the Constitution enables those who are not Cabinet Members to call in key decisions should this be required. The Scrutiny process was subject to a detailed review during 2020/21 and a revised approach was implemented following the Annual Council Meeting in May 2021. When required, issues of governance/ scrutiny which highlight where improvements could be made in processes arising from lessons learned from other local authorities (based on information reported in the public domain), are reported to appropriate Committees to enable them to better discharge their roles. This included the continual review of partnership governance within the Council which was reported to the both the Audit Committee (on two occasions) and also to the Performance Overview and Scrutiny Committee in March 2022.

Members take the lead in establishing this culture by completing an annual register of their interests which is published on the Council's website. There is also a Standards Committee in place to consider allegations of inappropriate behaviour, which meets when required to discuss appropriate matters. Any matters for investigation are assigned to an independent investigator and supported by reports, which are considered by the Committee. Staff behaviour is covered by the Officers' Code of Conduct, which places duties on Officers to declare their standing interests or interests relating to matters as they arise to their Head of Service. These declarations are maintained in an E-Register by the Director of Legal Services to the Council in his role as Monitoring Officer.

The Council is managed by a Cabinet system as set out in the agreed Council Constitution. This sets out the scheme of delegation between elected Members and Officers. In the financial year 2021/22 in accordance with government guidelines, all formally constituted meetings (Executive and Regulatory) were held in person.

In order to encourage the community to engage in more co-operative activities, Members in their role as Community Champions often, either individually or in partnership with the District Elected Lead Member, network with key community groups and individuals to deliver local priorities. In order to demonstrate their achievements, each Councillor is encouraged to produce an annual report which is then published on the Council's website and included in a report to full Council.

The Council has a clear set of values and behaviours which are shared borough-wide with residents, partners and the business community. Internally these values and behaviours have been converted into five co-operative behaviours which outline the priority focus for staff at all levels. Living these values and behaviours has enabled real change to be delivered so that the Council can meet its vision of building a co-operative borough. The response to the pandemic has given staff the opportunity to demonstrate these values.

Staff have been assisted in this aspect by the introduction of Let's Talk which replaced the Corporate Personal Performance Framework in the later part of 2021. Let's Talk is based on open two-way conversations which focus wellbeing, performance, and development. The employer supported volunteering (ESV) programme helps Council employees to volunteer with organisations in Oldham. From using existing skills to taking on a new challenge, the scheme gives staff the time and support to volunteer to do their bit. The pandemic required the Council to work extensively with its partners with some Council staff, in the first half of the financial year, continuing to be redeployed to support partner service provision.

The agreed Procurement Policy focuses on procurement activity, which has the aim of ensuring the optimum balance between cost, quality and local service value, whilst also ensuring that any significant commercial risks are identified and mitigated at the commissioning stage. During the pandemic the Council, in providing support to suppliers followed Government advice to preserve the supply chain where appropriate, to guarantee future service delivery.

The Procurement Policy ensures value for money and social value outputs are measured in an integrated way, in order to support the Council's co-operative agenda. In this way, the Council ensures it secures the greatest social, economic and environmental benefit from the Council's purchasing power.

Member and Officer relationships are mutually supportive and based on openness, honesty, trust and appropriate challenge. The latter is essential in ensuring the Authority maintains its leading position as a Cooperative Council and will be vital in making a reality of both service changes and more self-sufficiency from citizens.

The Corporate Peer Review findings formally received in March 2020, indicated this relationship works well in taking forward improvements within the Borough. Whilst the Authority hoped to take forward the recommendations over the past two financial years, it has not been possible to make the significant progress that was originally planned due to the pandemic. Now that the Council is returning to working practices developed pre pandemic, it will be possible to introduce any remaining changes/improvements.

In July 2018 the "Big Green Survey" – Oldham's biggest ever environmental survey of residents – gave people a say on key green issues such as wildlife, parks, food growing, clean energy and air quality. Cabinet approved a strategy to work towards becoming a single-use plastic free borough promoting the use of non-plastic recyclable alternatives. This was supplemented in 2020/21 by the Council, at its meeting on 9 September 2020, supporting the United Nations Sustainable Development Goals.

The Authority has also demonstrated its support of sustainability by appropriate self-financing of capital investment in renewable energy. In previous financial years it has supported the creation of an independent Community Interest Company which is now operating in a sustained and independent manner (with the potential to expand), administered the warm homes project to alleviate fuel poverty and provided oversight to the Greater Manchester Green Grants Scheme including overseeing energy improvements on Social Housing within Oldham. In 2018/19 approval was given to develop a new eco-centre at Alexandra Park with

construction beginning in 2021/22 immediately following the completion of a Gateway Review. This is further supported by a project financed from the Government's Decarbonisation Fund to install an eco-friendly/ carbon efficient heating system including heat source pumps. A further project to instal LED Lighting at the Oldham Leisure Centre was also financed from the Decarbonisation Fund in the financial year 2021/22.

At its meeting on 11 September 2019, the Council agreed to declare a Carbon Emergency and set itself the challenging target of being Carbon Neutral by 2025 with an aspiration of Carbon Neutrality for the Borough by 2030. In addition, the Council supported specific green projects with continued work to develop the concept of Northern Roots which is a future eco-friendly sustainable development of an Urban Space consistent with the green aspirations of the Council. This project was on-going throughout 2021/22 with the Council creating a charitable company to further develop the concept and utilise Towns Fund and Sports England grant from Government to support future development works.

The feasibility of a Solar Farm at the Wrigley Head site was also further developed with planning permission secured to reflect the potential for taking forward this scheme should future affordability be demonstrated, with energy prices increases and the Council's desire to facilitate the construction. Rising energy prices suggest this project may soon move to the construction phase.

The Green Agenda is a key element of the Creating a Better Place Initiative. To this end, funding was also secured during 2021/22 to undertake a feasibility study in 2022/23 into whether a District Heating Network using underwater mine heating sources could be developed for the Town Centre and associated residences.

The Chief Executive of Oldham Council is the Head of Paid Service. For the first part of the 2021/22 financial year, the Chief Executive was supported by the Executive Management Team (EMT) and Senior Management Team (SMT) and continued to undertake the role of Accountable Officer for the Oldham Clinical Commissioning Group, integrating both organisations through a Joint Leadership Team management structure. When the Council recruited a new Chief Executive, the joint appointment ceased with the role of Accountable Officer for Oldham CCG being performed by an officer of the NHS. The two organisations have however, continued to work collaboratively. Given the significant change in NHS operating arrangements at place level that will be implemented from July 2022, with the implementation of Integrated Commissioning Systems, the close working relationship between the Council and NHS will be redefined. The Executive Management structure will continue to be subject to regular review as the integration with the NHS develops in Oldham.

Cabinet portfolios are assigned on a functional basis rather than by Directorate and subject to appropriate officer support. Shadow Cabinet Members from both of the main Opposition Parties also met with support officers on a regular basis throughout 2021/22 to ensure appropriate political scrutiny. As part of the budget process, Opposition parties have the facility to prepare alternative proposals. During the latter part of 2020/21, the Liberal Democrat Opposition Party prepared and alternative budget for 2021/22. This was subject to scrutiny before consideration by full Council. During the latter part of 2021/22 both the Liberal Democrats and Conservative Opposition Parties presented alternative budgets for 2022/23 which were subject to scrutiny and Council consideration.

The Director of Finance is the nominated Chief Financial Officer in accordance with Section 151 of the Local Government Act 1972. Internal Audit Services are provided in-house, supported by a partnership with Salford Council for Computer Audit. The Internal Audit team achieved compliance with Public Sector Internal Audit Standards as evidenced by the Independent External Review of the service, undertaken in 2017/18. The Head of Internal Audit (The Assistant Director of Corporate Governance and Strategic Financial Management

at Oldham Council during 2021/22) has direct access to all members of EMT, SMT and subsequently the Management Board as well as all Members and has utilised this discretion when appropriate. CIPFA's guidance on the Role of the Head of Internal Audit was issued in early April 2019 and a compliance review identifying the Council followed best practice was reported to the Audit Committee on 25 June 2019.

The system of internal financial control is based upon a framework of comprehensive financial regulations and procedures, which are incorporated within the Council's Constitution, and comply with Good Practice. A substantial update of The Finance Procedure Rules was agreed by full Council at its meeting on 8 January 2020. Control is based on regular management information, management supervision, and a structure of delegation and accountability. If there are fundamental failures in internal control these are subject to investigation. A further revision of the Contract Procedure Rules (CPR) was undertaken during 2021/22 and these revisions are awaiting ratification at full Council during the Municipal Year 2022/23.

The Director of Legal Services is the Monitoring Officer and is responsible for ensuring the Authority acts in accordance with the Constitution. Senior Officers have the primary responsibility for ensuring decisions are properly made within a scheme of delegation at appropriate levels of responsibility. The Constitution contains Codes of Conduct and protocols for Members and Officers.

In order to have appropriate scrutiny of the Authority the Audit Committee has the capacity to appoint three Independent Members. The Council has struggled to recruit to these roles. The recruitment of an Independent Chair was not successful despite three separate adverts. A further exercise was deferred in both 2020/21 and 2021/22 due to the pandemic. This recruitment will now be undertaken in 2022/23.

The Audit Committee members receive appropriate briefings supported by training from key officers and third parties to enhance the Governance Framework. In the financial year 2021/22 there were some changes to the membership of the Audit Committee and specific training was provided in two tailored sessions delivered by the Chartered Institute of Public Finance.

The Standards Committee utilise independent investigators from outside the organisation to supplement in-house resources where appropriate to investigate any serious allegations into Member misconduct. There were a number of matters referred to the Standards Committee throughout 2021/22.

Principle B. Ensuring openness and comprehensive stakeholder engagement

The Authority, at the Council meeting in July 2017 agreed its long-term Corporate Plan which sets out the Authority's Co-operative vision and values, assimilating them into its strategic objectives. This links the objectives through to outcomes, identifying the service areas responsible and performance indicators. The Authority works closely with other local public bodies, community and voluntary groups via a partnership approach to ensure effective delivery of its services. The operation of the Oldham Leadership Board recognises that the Council is a body that champions Oldham.

The regular reports to full Council on the response to COVID-19 reset the immediate Council Objectives for service delivery reiterating the Council's Co-operative vision.

The Council Leader, on an annual basis presents to full Council, the forthcoming priorities of the administration. This is used to influence and shape the policies and strategies produced

by the Authority. Council meetings are streamed live giving every citizen of the borough the chance to review and challenge these priorities.

In addition to the above, the Council is a constituent District of the Greater Manchester Combined Authority (GMCA) which exercises a number of new powers devolved from Central Government. The GMCA meetings are also held in the public domain and streamed live. The Leader of the Council is a constituent member of the GMCA. During 2021/22, the Leader of the Council was the GMCA lead for Community, Cooperatives and Inclusion across the region.

Progress on delivering the Corporate Plan is communicated through a performance management framework. The Performance Overview Scrutiny Committee received quarterly reports on both performance against the Corporate Plan/ Objectives and budget monitoring. These quarterly reports focus by exception and set out corrective measures where key performance indicators or the agreed budget reductions have not been met or where there is overspending against budget.

The Policy Overview and Scrutiny Committee receives reports on specific matters and policy initiatives to be considered by Cabinet at future meetings, the Health Scrutiny Committee reviews initiatives involving Health and Adult Social Care whilst overall scrutiny around governance matters is provided by both the Audit & Standards Committees.

During the financial year 2021/22 the Council strengthened its Scrutiny arrangements by reviewing the Terms of Reference for its scrutiny Committees and revising the operational arrangements as recommended by the Peer Review Process. One major change was to introduce a requirement for scrutiny of the overall budget to be undertaken by the Policy Overview and Scrutiny Committee whilst budget monitoring was undertaken by the Performance Overview and Scrutiny Committee.

In order to demonstrate its openness, the Authority also publishes its:

- Pay Policy Statement to support the Annual Budget;
- Constitution;
- Council, Cabinet and Committee Reports;
- Scheme of delegation reports;
- Information on payments over £500; and
- Health and Safety Action Plan.

The Council operates a system of a District Lead Elected Member supported by a system whereby individual ward members have a specific budget (£0.005m in 2021/22) to spend on local priorities. Working through their local contacts, these local representatives utilising their budgets were able to support a number of community groups during the financial year.

All reports taken as “closed reports” benefit from Monitoring/ Deputy Monitoring Officer and Director of Finance sign off and appropriate advice before the matter receives due consideration including training where appropriate.

Those Members of the Authority undertaking the role as a District Lead Member receive regular training to support them discharge the role and bring challenge to Officers. This training programme is overseen by the Organisational Development Team.

There is regular contact with the other nine constituent Districts through the meetings of the GMCA. Lead Members and Officers feedback issues to the constituent Districts on pertinent matters. Separately the Statutory Regulatory Officers for Finance and Legal Services meet regularly to consider matters of common concern and agree a common approach on shared issues.

In order to ensure its message is effectively communicated to its citizens the Council's Communications function proactively prepares appropriate press releases to support the Co-operative vision of the Council. A user friendly and well-designed Oldham Council website ensures all citizens are aware of the co-operative vision, strategies, policies and initiatives available. This website was redesigned in the 2019/20 financial year is subject to consistent review and ensures the communication medium with the Council and its residents remains up to-date. This was an important means of communication with citizens and source of information as the Council emerged from the pandemic during 2021/22.

To enable the public to highlight concerns in an appropriate manner the Authority and selected key contractors of high-profile services have complaints procedures which enables issues to be linked into future contract performance.

The Authority has spent its resources within the overall agreed budget for the financial year 2021/22 with a small underspend of £2.749m. Whilst the continuation of the pandemic in 2021/22 resulted in further additional expenditure, additional funding was provided to offset some of this cost. For example, the Council received £7.737m of unringfenced COVID-19 funding for 2021/22 with an additional £0.351m compensation for the loss of Sales, Fees and Charges income for quarter one. There were also additional COVID-19 specific ringfenced grants received in year for the Council and Schools which totalled £19.199m.

Further financial support for Adult Social Care was received from the NHS via Oldham CCG to support hospital discharges but also more specific adult social care functions. However, the Hospital Discharge Programme Funding ceased on 31 March 2022. This was facilitated via the Section 75 pooled budget agreement.

As 2021/22 began, the Council continued to administer the payment of Business Grants on behalf of Central Government. In addition to finalising payments for 2020/22 grant, new funding allocations were received. In total during the 2021/22 financial year, an additional £13.461m was received covering Restart Grants (£10.543m, a further round of Additional Restrictions Grant (£1.214m) and Omicron Hospitality and Leisure and / Omicron Additional Restrictions Grant (a total of £1.704m). By the end of March the Business Grant process had closed, all eligible businesses had been paid and the closure of accounts process ensured a subsequent reconciliation of grants received from the Government.

Consideration and approval by the Authority of its budget for 2022/23 took place at its 2 March 2022 full Council meeting. Due to increasing cost pressures on Adult Social Care, the Council Tax recommendation resulted in a specific 2% increase to be implemented to finance expenditure in this area and a 1.99% Council Tax increase for general services.

The budget was set having regard to the anticipated financial legacy of COVID-19 and the impact on future financial resilience together having regard to the removal of Central Government support. The Council prepared its budget with £12m of resources specifically to address COVID-19 legacy in 2022/23. The Council has allocated resources over the period 2023/24 to 2025/26 reducing year on year in recognition that the financial legacy of COVID-19 will continue to impact on the longer-term resilience of the Council. Clearly, the position will be reviewed on an annual basis as the long-term residual impact of the pandemic is established.

The Council's Four-Year Efficiency Plan was initially prepared to give certainty over the level of Central Government funding from 2016/17 to 2019/20, and effectively planned for year on year reductions to budgets. This was initially agreed by Cabinet on 5 September 2016 and the period the plan covered is now complete. This underpinned the Medium-Term Financial Strategy (MTFS) of the Council at the time supported the budget process until the end of the

Financial Year 2019/20. It supported the financial resilience of the Authority enabling it to withstand unforeseen events and pressures by maintaining an appropriate level of reserves and balances to support on-going resilience and future development of efficiencies. Since then, the Government has provided only three single year financial settlements although the 2022/23 financial settlement was supported by an indicative three year spending review from Government (SR 21 which was issued in October 2021) which enabled the preparation of the MTFS including a range of key assumptions about future Government grant support. Whilst there is a national commitment to Levelling Up, the present MTFS takes a prudent approach with no expectation of a significant increase in resources. It is expected that the Levelling Up agenda will take time to implement and therefore will not substantially benefit the Council over the MTFS period.

The reserves are managed by reference to the approved Reserves Policy which is regularly reviewed by the Audit Committee. The level of balances is informed by the budget process.

The availability of reserves during the 2022/23 budget process facilitated planned one-off financial support (over 3 financial years) to enable the efficient transformation of both the Council and the Locality with a plan of change and improved efficiency implemented in a managed manner. It supports the continued increase in the pooling of resources with health service partners to deliver future efficiencies and greater effectiveness in the use of resources.

With the pandemic occurring over two financial years, it impacted in the short-term on the plans for transformation for both 2020/21 and 2021/22. It is the principle of one-off reserve which supports short-term to medium term financial resilience so the Council can continue service provision and the response required from the COVID-19 pandemic and allow further time for the transformational activity to be embedded.

The overall financial strategy following the COVID-19 pandemic enabled Council Tax rises to be set at a level, which balanced the needs of the Council in relation to on-going financial resilience with affordability to residents. It has also enabled the Council to manage successfully, continued pressures of demand around Adults and Children's Social Care within its overall 2021/22 budget.

The 2022/23 budget was set before the inflationary pressures which the country is facing were fully apparent (in part exacerbated by the conflict in Ukraine). The specific challenge to the Council of price rises for goods and services, energy and potentially pay awards have been addressed in the budget, however there will be a need to monitor the position closely to ensure that the budgetary provision is sufficient. The Council has set aside specific reserves at the end of 2021/22 to address any inflationary pressures that arise. The impact of the cost of living pressures on Oldham citizens and hence potential increased demand for support from the Council will also be closely monitored.

Appropriate consultation was considered in the production and design of the detailed Authority Strategies which aim to deliver appropriate co-operative solutions to benefit both present and future generations. The Get Oldham Working Initiative embedded in the Council has helped to create year on year work-related opportunities for our citizens. This led to the development of the Oldham Work and Skills Strategy which has 4 strategic goals to support the Council's co-operative vision. Already it is clear that this type support will have to continue to adapt due to a significant number of Oldham residents losing their jobs as a result of the pandemic.

Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits

The Corporate Plan, supported by individual Service Business Plans, the work of the GMCA and the Oldham Locality Plan set out the immediate and long-term vision of the Council. The 2021/22 budget delivered within the agreed resource allocation, supported this vision.

The 2021/22 budget was set during the pandemic during the period that the vaccination programme was being rolled out. The resources available to the Council reflected the changing operating environment linked into various phases of the pandemic and the uncertainty as to how long the pandemic would last. Nonetheless, the business as usual objectives remained, and resources were deployed to continue to improve performance and reflect the agreed vision of a Co-operative Council in a Co-operative Borough. These principles and aspirations of the Council have not changed but the implementation of the vision will require review as the full impact (the legacy of COVID-19) to both service provision and on financial resilience of emerges.

Risk management is integral to the governance arrangements in the Authority and the key risks are considered by the Audit Committee during 2021/22 considered firstly by EMT and then in the latter part of the year, by the Management Board. During the financial year 2019/20 an opportunity was taken to update and refresh the Risk Management Framework. This revised approach was becoming embedded in the Council pre pandemic and was incorporated into the production of Service Plans for 2021/22 with the Corporate Risk Register reported to the Audit Committee at its September meeting. There was a refresh of the Risk Management Framework on 29 July 2021 which updated the approach to support the production of service business plans.

Regular updates on Corporate Governance are reported to the Audit Committee. In advance of each meeting of the Audit Committee there is the opportunity for the External Auditor to hold an informal meeting with the Head of Paid Service and the Statutory Finance Officer to determine if any matters need highlighting to the Audit Committee. The risks are managed by the risk holders that are predominantly members the Management Board.

The Authority's risk management framework consists of:

- a risk management policy statement;
- an Authority Risk Register and specific Risk Registers on key initiatives;
- ensuring that risk management is integral to the planning process and linked to key Authority and Contract objectives within business plans;
- regular updates of the Annual Governance Statement produced for the Audit Committee;
- allocated responsibilities;
- systems for mitigating and controlling risks; and
- systems for monitoring and reviewing risks and controls assurance

Controls Assurance is an important part of the process to assure the Authority that the identified risks are being properly managed. This is carried out during the financial year by:

- the Audit Committee;
- the Standards Committee;

- Chief Executive;
- Deputy Chief Executive, Assistant Chief Executive, the Executive Director, Managing Directors and Directors;
- Directors of Finance and Legal Services;
- Statutory Officers for Children's Services, Education, Adults Social Services and Public Health Services;
- Internal/External Audit.; and
- Appropriate Scrutiny arrangements which hold the Cabinet to account.

In 2021/22 the reports produced by the Authority to support key decisions included appropriate risk comments.

The Constitution defines and documents the roles and responsibilities of Officers and Members with clear delegation arrangements, protocols for decision making and Codes of Conduct for Members and staff. It is supported by an extended Members' training package which has received positive feedback from Members.

Member and Officer relationships are mutually supportive and based on openness, honesty, trust and appropriate challenge. The latter is essential in ensuring the Authority maintains its leading position as a Co-operative Borough and are vital in making service changes to turn its 'Co-operative' vision into a reality, with its citizens more able to self-serve.

All changes to Service are supported by an Equality Impact Assessment. This results in alternative access arrangements being made where necessary, with information provided in multiple formats including on the website. This reflects the diverse nature of the wards that make-up the Authority. This is demonstrated in the Council budget meeting with high risk budget proposals being supported by an Equality Impact Assessment. It is also demonstrated in standard reports produced to support key decisions.

Principle D – Determining the interventions necessary to optimise the achievement of the intended outcome

The management structure continued to be realigned during 2021/22 to take account of both the Co-operative Vision, continual challenging financial targets of the Authority, the continuing integration of health and social care services, the appointment of a new Chief Executive and realignment of the Council relationship to the Oldham CCG Accountable Officer the requirement to respond to the specific service challenges as both organisations emerged from the pandemic. This meant a shift in certain areas of management responsibility during the year.

The decision making process has now reverted back to those in place prior to the pandemic which were based on rigorous and transparent scrutiny and an excellent relationship between Officers and Members based on mutual trust. That trust is maintained by openness and appropriate arrangements which ensure the involvement of all relevant parties at the right level of responsibility ensuring all strategic decisions are led by Members.

The implementation of the agreed policies at officer level during the first part of 2021/22 was overseen by EMT supported by the Senior Management Team and the Joint Leadership Team (which had senior Council and NHS officer membership). Arising from the change to the officer leadership from August 2021, this was overseen by the Management Board.

In order to achieve the long-term financial targets, the Authority at its 2 March 2022 meeting set a budget for the financial year 2022/23 supported by an appropriate assessment of risk by the Director of Finance. All the expected risks post the pandemic as at 2 March 2022 were considered in the budget report. The future savings required by the Council with the planned achievement from future transformational activity were also presented. At this meeting the assessment of risk reflected the situation before the full impact of the current conflict in Ukraine became apparent and as such the consequent impact on energy, fuel and food inflation as well as construction costs. Since the Council budget meeting, inflation has continued to increase. The financial position will be closely monitored, and any on-going impact will be included within the review of the MTFS forecast.

Financial resilience was supported by an agreed Reserves Policy which is subject to regular review underpinning the long-term financial resilience of the Council and supporting the vision of a Co-operative Council in a Co-operative Borough.

At the expiry of the 2016/27 to 2019/20 Government approved efficiency plan which provided some certainty about Government funding intensions, the financial years 2020/21 and 2021/22 were both single year financial settlements. The Spending Review of October 2021 provided indicative high level funding allocations for three financial years 2022/23 to 2024/25, the Local Government Finance Settlement when issued, provided funding certainty for only one year. Without the detail for years two and three and with the potential for some significant changes to the Local Government Finance system and funding allocations, as well as the agreed reform of Adult Social Care, the preparation of the MTFS was challenging. The financial projections that have been prepared and agreed by Members may require considerable revision when the Government provides the detailed information. However, given external factors such as the Ukraine conflict, the focus on the cost of living increases and discussions with the EU about the Northern Ireland protocol, it is becoming increasingly unlikely that the Government will make Parliamentary time available for Local Government funding reform.

The reserves and balances available to the Council supporting its immediate financial resilience are therefore important in the context of managing a period of potential significant financial turbulence.

Building on the Income Strategy, Corporate Property Investment Strategy and Corporate Property Strategy which were approved prior to 31 March 2019, the Income Strategy and the Commercial Property Investment Strategy were refreshed on 16 December 2019. These are key to ensure that the Council makes the most efficient and effective use of resources and its property assets and can also deliver approved budget reductions. The Council complies with the recent reforms introduced to Treasury Management and Capital Expenditure practices and minimise the loss to Council Taxpayers from investments designed to deliver a purely commercial return.

A Transformation Programme was already in progress pre pandemic under the joint working arrangements with the CCG, which sought to generate more effective service delivery and future efficiencies. The future work programme has been influenced by the impact of the pandemic during both 2020/21 and 2021/22 and will be influenced by the forthcoming national changes to the delivery of NHS functions and the planned reforms to Adult Social Care.

All meetings of the Cabinet and key Committees are publicised and are open to public scrutiny. During 2021/22, there was a reversion to in-person meetings rather than the virtual arrangements which were in place for a large proportion of 2020/21 when meetings were held virtually. All decisions are formally recorded. In addition, decisions taken under delegated powers are also recorded electronically and are reported via the Council's Electronic Decision Recording System. Several urgent decisions for the financial year 2021/22 were required under emergency procedures due to the nature of the pandemic.

The Audit Committee is an essential part of good governance. It reviewed the control environment for all the Council during 2021/22 and considered the progress made on issues highlighted in the Annual Governance Statement, including specific reports on certain issues such as the improvements to the internal control of the payroll system.

Internal and External Audit both have direct access to and support the Committee including the ability of the External Auditor to have direct contact, without Officers of the Authority being present. To support the Committee, specific training was provided in the financial year 2021/22 and as the Committee membership changed at the start of the municipal year, it was therefore important to ensure that new Members were appropriately skilled to carry out their functions. All meetings in 2021/22 were held in person.

The detailed matters reviewed by the Audit Committee during 2021/22 were:

- Treasury Management matters including Council borrowing including investment and loans;
- earmarked Reserves;
- future Internal and External Audit Work;
- the findings of both External and Internal Audit on control matters, including payroll;
- key developments impacting on financial resilience of other local authorities due to poor governance such as partnership governance;
- the 2020/21 Statement and Accounts and associated external audit findings;
- issues linked into data protection and cyber security;
- The Local Code of Corporate Governance; and
- the Internal Audit Charter
- the Council's compliance with the Financial Management Code

The Council, in order to discharge its statutory functions in relation to overseeing all health matters in the Borough, operates a dedicated Scrutiny Committee which met throughout the year. Partnership working in the Borough with the Council, Health Services and key partners is supported by the Health and Wellbeing Board which met on a number of occasions during 2021/22. This Committee has an objective to improve the public health in the area and to oversee integration of health and local authority service provision under the Locality Plan which is produced under the Greater Manchester devolution remit. To improve Scrutiny a specific Committee to review health matters was created during 2019/20. Its role on Health Scrutiny was unchanged after the wider Scrutiny review was implemented in 2021/22.

The Standards Committee reviews Members' conduct following the receipt of any complaints about official conduct on Council business by commissioning independent investigations. Where appropriate matters are reported and considered by full Council. The Standards Committee operated as expected throughout 2021/22 with a number of complaints received and outcomes determined where appropriate.

All Directors prepare Divisional Plans that contain key actions and performance targets necessary to deliver the co-operative objectives of the Council. These targets are reported through the Council's performance framework.

Independent service reviews are carried out under the performance management frameworks which results in formal quarterly reports to both the Cabinet and the Performance and Overview Scrutiny Committee. Where performance is perceived to be below corporate standards, specific reports are presented to the Scrutiny Committee or in the case of Educational attainment at schools, a special session is arranged to discuss issues including

conversion to an Academy status. In addition, in 2021/22 the Performance Overview and Scrutiny Committee reviewed the impact of budget monitoring reports quarterly given the pressure on both income, expenditure and the impact of receipt of government financial support which was notified at different points in the financial year.

Educational attainment in the Borough is acknowledged as a particular priority and the Oldham Opportunity Area has been set up with a vision to create a “Self-improving education system where schools, colleges and all interested parties work together in a new collaborative partnership”. The aim is to improve results in this area for the longer term, so children and young people will be School Ready, Work Ready and Life Ready.

Additional resources were agreed within the 2021/22 budget as funded growth to implement associated improvements identified by the detailed 2020/21 Ofsted and Care Quality Commission Inspection of Special Education Needs and Disabilities service provision. The Council was then subjected to further targeted OFSTED inspection during 2021/22 on its child protection arrangements. This found the service had improved from the previous inspection despite the extra pressure the increased demand generated for working practices. In addition, the Adult Education Service was subjected to a detailed OFSTED Inspection. These findings are influencing current and future service delivery.

Scrutiny of budget matters including those of the administration and the two main opposition parties were, for the first time as per the reforms to the Scrutiny process, during 2021/22, carried out by the Policy Overview and Scrutiny Committee. This ensures openness and transparency in the way in which Officers/Members engage and had ownership in the budget challenge process. The previous version of the MTFS approved for 2021/221 to 2022/24 reflected the estimated resources available to the Authority in the context of the projected level of Government grants supported by locally generated income (primarily Council Tax and Business Rates). The ability to collect these local funding streams was impacted by the pandemic (and the introduction of Business Rate Reliefs), thus making future budget setting including the production of updated MTFS more challenging.

An initiative which has helped support the Councils long-term financial sustainability, is the Greater Manchester Business Rates Retention pilot scheme. In preparation for the reform of Business Rates and in support of the Greater Manchester devolution agenda, the Government piloted 100% Business Rates Retention in Greater Manchester (GM) which has enabled the ten Greater Manchester Authorities to test and shape the potential new financing regime whilst at the same time benefitting from funding gains offered to pilot Authorities. The introduction of a new national Business Rates regime has been expected for several financial years and has been continually deferred. It is now becoming clearer that the fundamental reform of Business Rates will not be implemented in the immediate future, other than a Business Rates reset which will be introduced in 2023/24.

The Contract Procedure Rules (CPR) within the Constitution alongside the Co-operative Values and Behaviours set out in the Corporate Plan, clearly establish the Authority's requirements on social value. These have been subject to revision in 2021/22 with Council agreeing the revisions on 19 May 2021. A further update of CPR's is in progress and it is planned to present these to Council for approval in 2022/23.

Principle E – Developing the entity’s capacity including the capability of its leadership and the individuals within it.

To support the achievement of its strategic priorities, the Authority reviews the organisational framework annually to ensure it has the right people with the right skills. The Authority has an

agreed Workforce Strategy, working in partnership with NHS partners. Recognising that staff are its greatest asset the Council refreshed this Strategy in 2020. This is supported within a performance framework covering all officers including an appraisal system recently refreshed to the “Let’s Talk” programme with targeted, relevant training.

The Human Resources Policy and Procedures applicable to the appointments process is transparent, and available to staff via the Council’s intranet site.

There are targeted programmes often utilising E-Learning with the Organisational Development team supporting these policies ensuring appropriate consideration is given to the future capacity of the organisation. These training courses are aligned to the co-operative ambition and underpinned by the Council’s co-operative values and behaviours. There are regular team meetings, and one to ones (1:1s).

The Authority implements the national agreement on pay and conditions of service. The Authority has achieved its commitment to pay the Living Wage Foundation National Living Wage (LWFNLW) for its entire staff and is seeking to also achieve that through its contractual arrangements (the 2022/23 budget confirmed the commitment to provide resources to enable Adult Social Care providers to pay the LWFNLW from 1 October 2022 using an increase in the Adult Social Care Precept).

A full training programme for both established and recently elected Members (the Local Leaders’ Programme) continued to be delivered in 2021/22 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. The planned programme is supported by ad hoc training for Members who have specific Committee responsibilities. Individual Members produce information published on the website which outlines their role in the Authority and achievements.

To ensure an independent review of its systems, the Council operates an Internal Audit Service which complies with best practice as set out by Public Sector Internal Audit Standards. The findings of Internal Audit are reported to the Audit Committee which includes an annual opinion on the internal control environment. The overall opinion, based on the work undertaken for 2021/22 is adequate, indicating the continuation of a well-managed Council.

Delegated decisions are recorded and are publicly available on the internet. Certain key partners who provide essential Council Services are subject to independent oversight by the Performance Overview and Scrutiny Committee.

To support decision making the Authority works with its Partners to maintain accurate and timely data to ensure decisions are based on a comprehensive understanding of financial costs and performance. Monthly data reported through the agreed partnership monitoring process is used to assess performance against the Cooperative objectives.

The Constitution is reviewed on an annual basis and key updates were undertaken in 2021/21.

Arrangements and processes are in place to safeguard Members and employees against conflicts of interest. An annual reminder to complete declarations of interest is sent to all Members and followed up as needed. A gift/hospitality register, and complaints procedures are also in place and are actively used. Appropriate matters identified are investigated with regard to due Council Process.

Principle F – Managing risks and performance through robust internal control and strong public management

The Council's Risk Management Framework which was refreshed during 2019/20 and updated in 2021 has been set out under Principle C. This ensures there is continuous monitoring and reporting of risk.

Each year in the electoral cycle, new Members of the Council are inducted prior to the Authority's Annual General Meeting (AGM). This is of vital importance, given the technical complexity of the Council's core operations, the decision-making structure and the financial value of the transactions controlled by the Authority. There were elections in 2021/22 which resulted in the new members requiring specific training.

All Statutory Officers are appropriately skilled and experienced, undertake training and support to carry out their duties effectively and, as appropriate, participate in continuous professional development.

The Cabinet meets on a monthly basis at set times to consider key matters including those on performance and risk. Items for decision are published in the Key Decision Document to enable the public to be aware of future decisions. All reports include reference to the corporate objectives of the Council. In the event of an urgent item requiring a decision not published in the Key Decision Document, the agreement of the Chair of the Policy Overview and Scrutiny Committee must be obtained to exempt the decision from agreed scrutiny protocols.

In addition to the quarterly performance reports, Cabinet receives financial monitoring reports. During 2020/21, the frequency of reporting was increased reflecting the unprecedented operating arrangements and uncertain financial position. During 2021/22 reporting reverted back to more traditional timelines with reports presented to Cabinet and for scrutiny presenting the financial position at the end of months 3, 6, 8 and 9. The reports present the estimated outturn against the approved budget. The 2021/22 month 9 budget monitoring report highlighted that the Council outturn was expected to reflect an underspend of £2.672m compared to the agreed budget. The final outturn marginally increased the surplus compared to the projection although the outturn on Adult Social Care was lower than projected due to the increased financial support from Oldham CCG and the use of Government specific grants to support the additional costs of COVID-19.

During 2021/22, management of the use of reserves was in accordance with the agreed Reserves Policy and careful financial stewardship has ensured that in year an overall underspend against the budget was achieved which will be used to increase balances and support the short to medium-term financial resilience of the Council. Overall, there has been a decrease in earmarked reserves (largely the result of the impact of a technical adjustment arising from the payment of grant to support Business Rate Reliefs and the use of COVID-19 grants carried forward into 2021/22). The level of reserves remains appropriate to support the present budget strategy as set out at the meeting on 2 March 2022.

The annual budget is supported by the Director of Finance commenting upon its deliverability and the availability of an appropriate reserves policy. The final accounts, of which this Statement is an integral part, outline the outturn of the Authority and are prepared in accordance with professional standards and are subject to external audit review.

In order to demonstrate robust internal control, the Authority has:

- a Risk Management Framework linked into the Authority Structure;

- an appropriate suite of Anti-Fraud and Corruption Policies;
- a balanced budget supported by appropriate reserves to underpin financial resilience; and
- Audit and Standards Committees, which are supported by independent Members.

The Council undertook a survey of all its staff in 2021/22 to assess their views on a range of issues including management, staff engagement and wellbeing. The findings have been made available to all staff and actions are in train to address areas of concern.

The findings are currently being considered in the context of the refresh of the Corporate Plan and incorporated into the production of service plans and priorities from 2022/23 onwards.

Principle G – Implementing good practices in transparency, reporting and audit to deliver effective accountability

The Authority is proactive in engaging with citizens and other key stakeholders, and the pandemic which dominated the Council's working practices from mid-February 2020 onwards albeit that this has tapered down from 19 July 2021 drove ever closer working relationships with the National Health Service and accelerated integrated working.

The Authority in 2021/22 has demonstrated it was proactive in engaging and communicating with key stakeholders to boost and support the public. This has included working in partnership with the Towns Board to facilitate the delivery of the four projects agreed in the successful Towns Fund bid approved by the Department of Levelling Up, Housing and Communities.

The Council has a key role in taking forward the Greater Manchester Agenda including devolution initiatives by:

- taking part in the monthly meetings of the Combined Authority with the Leader representing the Council;
- agreeing to both innovation and risk by piloting new initiatives at a regional level such as 100% business rates retention;
- locality working with the NHS at both a Greater Manchester wide level and Oldham area; and
- supporting new initiatives such as increased devolution of Adult Education

As part of the Transparency Agenda the Authority publishes Senior Officer Salaries over £50,000 and payments for works, goods and services over £500 on its website. As part of this process, improvements have been made to internal control procedures on procurement, which ensure Commissioning and Procurement is fair, transparent, ethical and based on the needs of the community and an understanding of the marketplace. The Authority is attentive to the need to meet wider social and economic objectives whilst achieving value for money (VfM). Consistent decisions are sustained through an e-procurement system (the Chest), supported by internal Policies and Procedures.

The Authority, as part of the 2011 Localism Act and accountability in local pay, agreed its annually updated Pay Policy Statement at the Budget Council meeting prior to the start of 2021/22 to further support the Authority's preference for openness and transparency.

Apart from regular liaison with key Government bodies the Authority is also fully engaged with the Local Government Association (LGA), Greater Manchester Association of Municipal

Treasurers and specialist region wide initiatives such as the Association of Greater Manchester Authorities (AGMA) Low Carbon Hub.

Internally there are well established and clear routes on how staff and their representatives are consulted and involved in decision making. These includes programmed staff surveys, regular staff briefings, internal briefings, and team meetings and staff appraisals.

During 2018/19 there was a handover of External Audit responsibilities from Grant Thornton (UK) LLP to Mazars LLP. Mazars LLP has been the Councils External Auditor since 2018/19 and will undertake the 2021/22 audit. The audit of the Housing Benefit subsidy claims, and Teachers Pension Service Return are being undertaken via arrangements agreed as a collaborative procurement across all Greater Manchester Councils and is being undertaken by KPMG LLP.

All External audit work is conducted with regard to the Code of Practice produced by the National Audit Office. Going forward certain changes are expected to external oversight as the recommendations from the Redmond Review are considered and implemented. For 2021/22 it is likely following a consultation that the deadline for the completion of the audit of the accounts will be extended to 30 November 2022 from 30 September 2022.

Partnership Arrangements

The Authority currently delivers a wide range of services, which often involve working in partnership with others, many of which involve considerable levels of funding. In the financial year 2021/22 the Council considered its future options for the wholly owned Unity Partnership Ltd. and formally agreed (Cabinet of 24 January 2022) to transfer the services and staff back in-house from 1 April 2022.

The Council has another wholly owned Company MioCare Community Interest Company (CIC) to assist it to provide key Adult Social Care Services. This Company has operated for a number of years since becoming operational on 1 December 2013.

In the financial year 2021/22 the Council acquired the remaining equity stake in the company (previously a joint venture with private investors) and voting shares in the company (Interurban).

In the financial year 2021/22 the Council facilitated the acquisition of site at Bloom Street in central Oldham for the construction of a new Secondary School (the Brian Clarke Academy) from its partnership arrangement with Brookhouse Group. The site was subsequently transferred to the Department of Education to enable the work on site to begin.

The Council's vision to set up an urban farm has been reflected by a successful bid for funding from the Towns Fund. In order to enable this development to progress it has set up a wholly owned Charitable Company Northern Roots (Oldham Ltd) which will oversee the development of the Eco Park as set out in the present Masterplan.

The Authority has continued its plans to integrate with NHS services to improve the efficiency of public services. The continued partnership working of adult social care services and Oldham CCG in 2021/22 highlights the extent of the joint working taking place.

In response to governance failures reported elsewhere in the public domain the Audit Committee commissioned a review of risks associated with the governance of wider partnerships linked into the Council. This review reported on the risk from the Council's

involvement in partnerships, initially as of 31 March 2021 and then in two further reports. The conclusion was that risk is currently being well managed.

It is a requirement of the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 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 continued development of the partnership dashboard with two reports submitted to the Audit Committee and one to the Performance Overview and Scrutiny Committee highlighting the risks. This has been incorporated into the production of this Statement of Accounts and issues for consideration in the Annual Governance Statement.

Risks on Current Significant Projects

The Authority has completed some significant projects, over the last 3 years, which were included in the capital programme. An on-going strategy, "Creating a Better Place", is a complex initiative which will involve working in partnership with others. Some elements of partnership working require considerable levels of one-off and recurrent funding from the Council. The Reserves Policy which was subject to review by the Audit Committee supports the resilience of the Council to deliver its aspirations as set out in the capital programme.

Given the complexity of some projects and changes in the construction market including increases in the level of inflation there remains an on-going risk to manage in relation to the oversight of the long-term financial commitments arising from these projects. The Director of Finance has considered the latest position on this financial risk in both the Statement of Accounts and Reserves Policy. Individual reports to support investment in projects have been prepared for consideration by Cabinet in 2021/22 with appropriate comments by key officers to enable appropriate review of the issues included risks before a decision is made. This analysis of risk reflects the expenditure incurred on Town Centre Developments and new schools in the financial year 2021/22.

The issues on both partnership risk and current project risk have been incorporated into this Annual Governance Statement where necessary.

Review of Effectiveness

The Authority annually reviews the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the Authority who have responsibility for the development and maintenance of the governance environment; The Annual Report of the Head of Internal Audit and comments made by the External Auditors and other review agencies and inspectorates.

The Authority's strategy and objectives are established and embedded through an annual refined Business Planning process, which also sets out the framework for the work programme focusing predominantly on achieving efficiencies, managing risk and the transformation of services where the most significant savings may be made. This is developed in tandem with the Annual Budget Cycle, and the MTFs, underpinned by the Reserves Policy to evidence and support financial resilience.

An internal audit programme is undertaken, which in 2021/22 has focused on key items in the Audit Plan such as financial systems, systems assurance, grant audit and providing data for the National Fraud Initiative. This is reported to the Audit Committee in relation to the Governance, Treasury Management, Fundamental Financial Systems, and operational

controls. There were no specific matters brought to the attention of Internal Audit that required investigation in accordance with the Policies of the Council.

In the financial year 2021/22 it has been possible to concentrate on a full year of internal audit work and therefore in the Annual Report of the Head of Audit provides greater assurance than in 2020/21 when only limited assurance could be provided due to non-audit work been undertaken on the administration of COVID-19 business grants.

An external audit of the accounts for the year ending 31 March 2021 was undertaken by Mazars LLP and was reported to the Audit Committee on several occasions. At the time of the production of this Statement there remains the issue of the audit of the 2020/21 Whole of Government Accounts which still remains outstanding from an external audit perspective. This is a technical issue not under the control of the Council. Despite the challenges in finalising sign off of the 2020/21 accounts, the Auditor commented positively about the standard of the accounts and high quality working papers.

The 2021/22 accounts were submitted for audit within the Councils deadline of 31 May 2022 and will be presented to the Audit Committee for consideration at its meeting on 21 June 2021.

Significant Governance Issues

The Annual Governance Statement identifies the following governance issues and major risks for the Authority. These are:

2020/21 Issues	Planned Management Action to Reduce Risk
<p>The internal control environment on Adult Social Care systems did not sustain the improvements in the financial year 2021/22 for the fourth successive year compared to 2017/18. Issues identified in the 2021/22 internal audits need to be implemented as a priority to improve internal control.</p>	<p>Added impetus will be given to strengthen the financial processes linked into the Mosaic system as the services pressures related to the COVID-19 pandemic are beginning to reduce. This will involve regular meetings of key staff responsible for the implementation of improvements identified. This will include a six-monthly report to the Director of Finance on the progress made on emerging issues and any improvements identified throughout the year.</p>
<p>There are future changes to the Council's financial resilience due to uncertainty and matters outside of the Council's control such as the residual impact of Brexit, the longer term costs of the COVID-19 pandemic, the future level of government support for areas of high deprivation identified in the Levelling Up Agenda, planned reforms to Adult Social Care and the cost of living pressures which impact on the Council's plans for change. An added pressure is that the Council's previous plans to deliver savings by transformation may</p>	<p>During 2022/23, despite continuing to deal with the ongoing day to day pressures and statutory change, there are plans to improve efficiency around:</p> <ul style="list-style-type: none"> • Delivering further transformation across all areas of the Authority via the plans to deliver budget savings. • Continued integration and co-operation with the NHS. • Collection of revenues due to the Council. • Managing capital resources and expenditure and taking forward the regeneration programme within the Creating a Better Place initiative.

2020/21 Issues	Planned Management Action to Reduce Risk
<p>continue to be constrained by the events outside its direct control.</p>	<ul style="list-style-type: none"> • Realising the value of entities in which the Council has a financial interest. <p>This will be supported by:</p> <ul style="list-style-type: none"> • The Policy Team reviewing on-going updates of national and local policy. • An agreed Reserves Policy subject to regular review. • Joint working with key partners such as the NHS to better align resources. • Regular financial and performance monitoring which will highlight the achievement of budget reductions and efficiencies delivered by transformation. <p>The Director of Finance considers the risks as part of the closure of accounts and during the financial monitoring arrangements for 2022/23.</p>
<p>The Council has a number of key regeneration projects planned for the future as detailed in the Creating A Better Place Programme. Should one of these high-profile projects not be delivered as planned it is likely to result in reputational damage and/or an increase the financial pressure. This is more challenging in 2022/23 due to the impact of inflationary pressure on the construction market as the cost of construction contracts are increasing. In addition, the market conditions are in some instances, making it difficult to obtain insurance.</p>	<p>The Capital Investment Programme Board receives bimonthly reports on the high value projects once construction is underway.</p> <p>From month 3 there is detailed monitoring of the capital programme and specific schemes which will provide early warnings of pressures.</p> <p>The Council's Reserves Policy is reviewed on a regular basis by the Director of Finance to reflect the agreed risks linked into the capital strategy.</p> <p>An annual review of major Regeneration Projects included within the agreed Capital Programme will be undertaken by the Council during 2022/23 to assess the affordability of the capital programme in light of the inflationary increases and continued uncertainty over long-term funding.</p> <p>The Director of Finance considers the risks as part of the closure of accounts and during the future financial monitoring arrangements for 2022/23.</p>
<p>The audit opinion of the internal control environment for the operation of payroll including pension's administration continued to improve as of 31 March 2022 with the opinion upgraded to "adequate" at the year-end. The system requires these improvements to be maintained in the financial year</p>	<p>The administration of the payroll system will be subject to regular review by the Internal Audit Service.</p> <p>A report will be prepared for the Audit Committee at its meeting in December 2022 outlining the progress made in improving internal control informed by the half year Internal Audit Fundamental Financial System review of the system. The full year review</p>

2020/21 Issues	Planned Management Action to Reduce Risk
<p>2022/23 as previous practice indicates that improvements in the internal control system have not been maintained.</p>	<p>completed at the end of 2022/23 will inform the completion of the 2023/24 AGS.</p>
<p>The continued compliance with the National Transparency Agenda has increased the risk to the Council of a future fraud and this has been enhanced by the COVID-19 pandemic. Information included in the public domain and obtained under Freedom of Information requests is used to exploit the Council.</p>	<p>There are regular reviews of the internal control mechanism including documenting changes to procedures operated due to home working to ensuring adequate controls are in place to prevent third parties receiving inappropriate payments.</p> <p>Ongoing review of the published information which is a legislative requirement under the Transparency Agenda is undertaken to balance whether the wider public interest test is served by publication of the data.</p>
<p>The future reforms to Health Integration do not result in the efficiencies anticipated due to increased demand caused by a number of factors including the residual impact of the pandemic.</p>	<p>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 CCG (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</p> <p>The Director of Finance considers the emerging risks arising from the transformation as part of the closure of accounts for 2021/22, The ongoing review of the council's reserves/ financial resilience and ongoing budget monitoring for 2022/23.</p>
<p>The present contractual arrangements with a number of key suppliers needs to be reviewed and better documented. This would enable any amendments required in a future emergency can be minimised.</p>	<p>A group of key officers led by the Director of Finance meets as and when required throughout 2022/23 to review the present contract documentation in place for contracted suppliers. This will ensure that appropriate revisions are made to ensure future improvements are made.</p> <p>Should the Director of Finance require it, a report will be prepared by a Service Area to be presented to the Audit Committee outlining plans to contract and commission future services.</p>

2020/21 Issues	Planned Management Action to Reduce Risk
<p>There are outstanding legal matters linked into ongoing action against other local authorities which have the potential to impact on past custom and practice within the Authority which could have a significant future financial impact.</p>	<p>Key cases will be subject to regular review by Statutory Officers within the Council to assess the risk of an adverse financial impact.</p> <p>Regular reports which monitor the risk to the Council of issues highlighted in the Annual Governance Statement will be presented to the Audit Committee. The reports will advise of developments and any action taken or required.</p>
<p>In order to comply with the deadline on submitting the accounts by 31 May 2022 it will be necessary to submit the valuation of infrastructure assets using the method used to close the 2020/21 accounts. There is an ongoing consultation about the methodology for future valuation of such assets which has the potential to require the 2021/22 accounts to be restated.</p>	<p>The outcome of the consultation will be evaluated once the outcome is known (expected to be 30 June 2022 at the earliest) and if required the accounts will be restated using the new methodology. The timescale for undertaking this action is less than clear as new valuations will need to be commissioned by the Council. As this is a national issue, it impacts on all Local Authorities.</p>

Summary

The Authority has in place strong governance arrangements which we are confident protect its interests and provide necessary assurances to our citizens and stakeholders. However, like all organisations we cannot stand still and thus we propose to continue to take steps to address the above matters to enhance further our governance arrangements. We are satisfied that the steps described address the need for improvement identified in the Authority's review of effectiveness and will monitor their implementation and operation, not only as part of our next annual review, but also continuously throughout the year.



Councillor Amanda Chadderton
Leader of Oldham Council



Sayyed Osman
Deputy Chief Executive Oldham Council