OLDHAM TOTAL CARE LIMITED

SINGLE GOVERNANCE SUITE

Board, Shareholder and Steering Group Framework

Company: Oldham Total Care Limited (OTCL)

Shareholder: Oldham Metropolitan Borough Council (OMBC)

Status: Wholly owned Local Authority Trading Company (LATCo)

Governance model: Independent OTCL Board with OMBC oversight through the OTC Steering Group

Version: Draft 1.1

Date: August 2026

This suite is intended to operate alongside OTCL's Articles of Association and OMBC's Constitution. It should be reviewed by the Monitoring Officer, Section 151 Officer and company legal adviser before formal adoption.

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Document Control

Item	Position
Document owner	OTCL Board / OMBC Shareholder Governance
Approval route	OTCL Board and OMBC through the appropriate shareholder decision-making route
Review cycle	Annual and following any material governance, legislative, regulatory or operating-model change
Related documents	OTCL Articles; OMBC Constitution; commissioning contracts; financial regulations; procurement policies; care and safeguarding policies
Primary assurance body	OTC Steering Group
Legal status	Governance framework and protocol; not a substitute for Articles, statute, contract or OMBC constitutional requirements

Suite Structure

1. Part 1 - Governance Framework and Operating Principles
2. Part 2 - Terms of Reference: OTC Steering Group
3. Part 3 - OTCL Board Charter and Directors' Service Level Agreement
4. Part 4 - Shareholder Protocol and Reserved Matters
5. Part 5 - Reporting, Performance, Risk and Escalation Framework
6. Part 6 - Conflicts of Interest and Role-Separation Protocol
7. Part 7 - Commercial, Commissioning and Procurement Protocol
8. Part 8 - Annual Governance and Assurance Cycle
9. Schedules - KPI dashboard, reporting template, decision matrix and declarations

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Part 1 - Governance Framework and Operating Principles

1. Purpose

This Governance Suite establishes a single, integrated framework for the governance of Oldham Total Care Limited. Its purpose is to preserve the legal and commercial independence of OTCL as a company while providing OMBC, as sole shareholder, with structured oversight, challenge, assurance and appropriate control over reserved strategic matters.

The framework is designed specifically to avoid the company being managed as an arm's-length department of Adult Social Care. The shareholder, commissioner, company Board and operational management functions are deliberately separated so that each can discharge its own responsibilities without obscuring accountability.

2. Core Governance Principle

> **OMBC owns OTCL; the OTCL Board governs OTCL; OTCL Executive Management operates the business; and the OTC Steering Group is the structured interface through which OMBC exercises strategic oversight, challenge and shareholder assurance.**

3. Governance Architecture

- OMBC is the sole shareholder and retains those rights and decisions reserved to it by law, the Articles, this suite and any formal shareholder resolution.
- The OTC Steering Group is the principal strategic interface between OMBC and OTCL. It receives performance, finance, risk and assurance information, challenges the company and recommends or routes formal shareholder decisions.
- The OTCL Board is responsible for the direction, governance, strategy and performance of the company and for the discharge of directors' statutory duties.
- OTCL Executive Management is responsible for day-to-day operation and implementation of the Board-approved business plan.
- OMBC commissioning functions specify and manage commissioned outcomes through appropriate contractual and commissioning arrangements and must remain distinguishable from the shareholder function.

4. Board Composition

There will be no serving OMBC elected Members or OMBC officers appointed to the OTCL Board. The Board will comprise Executive Directors and independent Non-Executive Directors selected for the skills necessary to govern a regulated care business and commercially sustainable LATCo.

- An independent Chair or Chair appointed in accordance with the Articles and shareholder arrangements.
- Executive Directors with direct responsibility for the company's management.
- Independent Non-Executive Directors with an appropriate mix of finance, commercial, regulated-care, workforce, governance, risk and transformation expertise.

5. Governing Hierarchy

Nothing in this Governance Suite overrides applicable law, OTCL's Articles of Association or OMBC's Constitution. If an inconsistency arises, the higher legal or constitutional instrument prevails. The suite should then be amended promptly to remove the inconsistency.

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6. Legal and Governance Principles

- Directors' general duties are owed to OTCL as the company.
- The Board must retain genuine responsibility for company decisions and must not be displaced by informal departmental direction.
- OMBC should exercise shareholder control through lawful shareholder mechanisms and the agreed Reserved Matters framework.
- Performance, finance and risk must be reported upstream sufficiently early to allow proportionate intervention.
- Commissioning decisions and shareholder decisions should be recorded through their respective governance routes.
- Commercial expansion must be assessed against the procurement-law basis on which OMBC contracts with OTCL, including any applicable controlled-person / vertical-arrangement requirements.

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Part 2 - Terms of Reference: OTC Steering Group

7. Purpose of the Steering Group

The OTC Steering Group provides OMBC with a formal forum for strategic oversight of its wholly owned company. It bridges the shareholder and company governance arrangements without becoming the company's Board or assuming operational management responsibilities.

Its purpose is to ensure that senior political and officer leadership has timely visibility of the company's financial sustainability, commercial performance, quality, workforce, risk and delivery of shareholder objectives.

8. Membership

Membership should be approved by OMBC and will include elected Members and chief/senior officers as determined by the Council. OTCL shall be represented by the Chair and appropriate Executive Director(s), normally including the Managing Director/Chief Executive and finance lead when required.

- A nominated Steering Group Chair.
- Appropriate OMBC elected Member representation.
- Appropriate OMBC chief/senior officer representation, including finance (Borough Treasurer (section 151)) or representative, governance (Borough Solicitor/Monitoring Officer) or representative and Director of Adult Social Care (or representative) and other expertise where relevant.
- OTCL Chair and nominated OTCL Executive Director representation.
- Other advisers by invitation, without voting rights unless formally appointed.

9. Responsibilities

- Review OTCL's strategic direction and alignment with OMBC's ownership objectives.
- Receive and challenge financial, commercial, operational, workforce, quality and risk performance.
- Review delivery of the approved business and recovery plans.
- Review CareCubed rate alignment and the financial consequences of material divergence from sustainable rates.
- Review occupancy, voids and development of functional income streams.
- Review staffing efficiency, agency use and compliance with safe-care requirements.
- Consider matters requiring formal shareholder decision and route them through the appropriate OMBC mechanism.
- Receive assurance on legal, procurement, subsidy control, regulatory, safeguarding and governance risks.
- Ensure material issues are escalated to the Chief Executive, Leader, Deputy Chief Executive, Section 151 Officer or Monitoring Officer as appropriate.

10. Limitations

The Steering Group shall not direct individual OTCL employees, determine operational rotas, substitute itself for the Board, make individual care decisions, or purport to exercise powers vested by law in OTCL's directors. Where OMBC wishes to exercise shareholder control, the decision must be made through a lawful shareholder route.

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11. Meetings and Information

- Monthly during the recovery and stabilisation period, moving to quarterly only when sustained stability has been demonstrated and agreed by OMBC.
- Agenda and papers normally circulated at least five working days in advance.
- Minutes to identify decisions, recommendations, actions, owners and due dates.
- OTCL to provide a standard performance pack for each meeting.
- Urgent exception reporting must not wait for the next scheduled meeting.

12. Quorum and Decision Status

The Steering Group's quorum and voting arrangements shall be approved by OMBC in its Terms of Reference. The minutes must distinguish between: (a) scrutiny or challenge; (b) a Steering Group recommendation; (c) an action requested of the OTCL Board for consideration; and (d) a formal shareholder decision made under delegated or reserved authority.

Part 3 - OTCL Board Charter and Directors' Service Level Agreement

13. Role of the Board

The Board is collectively responsible for the success, sustainability, governance and proper management of OTCL. It sets strategy, approves the business plan, monitors performance, oversees risk and ensures that care quality and statutory obligations are not compromised by commercial decisions.

14. Duties of Directors

- Act within powers and in accordance with OTCL's constitutional documents.
- Promote the success of OTCL while having proper regard to the company's purpose and obligations.
- Exercise independent judgement and reasonable care, skill and diligence.
- Avoid, declare and appropriately manage actual or potential conflicts.
- Maintain confidentiality and use company information only for proper purposes.
- Ensure significant dissent or unresolved assurance concerns are properly recorded.

15. Executive Directors

Executive Directors combine their company-law responsibilities with responsibility for management delivery. They are accountable to the Board for implementation of strategy, financial control, care quality, workforce performance, commercial development and delivery of agreed KPIs.

- Provide accurate, timely and complete management information.
- Maintain a rolling financial forecast and recovery plan where required.
- Escalate material adverse variance and risk promptly.
- Deliver agreed occupancy, pricing, staffing, agency and quality objectives.
- Ensure decisions requiring Board, Steering Group or shareholder consideration are identified early.

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16. Non-Executive Directors

Non-Executive Directors provide independent judgement, scrutiny and constructive challenge. They are not operational managers. Their role is to test executive assumptions, scrutinise performance and risk and bring specialist expertise to Board decision-making.

17. Chair

- Lead the Board and maintain an effective relationship with the Steering Group Chair.
- Ensure the Board focuses on strategy, performance, risk and assurance rather than routine operational management.
- Ensure directors receive sufficient information and that conflicts are managed.
- Lead annual Board effectiveness and director performance review arrangements.
- Ensure material issues are escalated to the Steering Group and shareholder route when appropriate.

18. Director Standards

- Attend and prepare for Board and committee meetings.
- Undertake induction and continuing development.
- Maintain a current declaration of interests.
- Comply with confidentiality, data protection, safeguarding and governance requirements.
- Act collectively once lawful Board decisions have been taken, while retaining the right to record dissent.

19. Director Performance and Review

The Chair shall ensure annual evaluation of the Board, committees and individual directors. Executive Director objectives shall incorporate commercial, financial, workforce and quality KPIs. Non-Executive review shall assess independence, attendance, challenge, contribution and relevant expertise.

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Part 4 - Shareholder Protocol and Reserved Matters

20. Shareholder Role

OMBC's shareholder role is distinct from its commissioner role. As shareholder, OMBC determines the strategic outcomes expected from ownership, approves reserved matters and holds the company to account for performance and stewardship. It should not routinely manage the company's day-to-day operations.

21. Shareholder Interface

The OTC Steering Group is the normal strategic interface. Where a matter requires a formal shareholder decision, the Steering Group shall recommend or refer that matter to the person or body holding the relevant authority under OMBC's Constitution, delegations and OTCL's constitutional documents.

22. Reserved Matters

Subject to legal review and alignment with OTCL's Articles, the following should normally require prior shareholder approval:

- Adoption or material amendment of the annual Business Plan and strategic plan.
- Material change to the nature or scope of OTCL's business.
- Material acquisitions, disposals or investments outside the approved Business Plan.
- Borrowing, guarantees or security above agreed thresholds.
- Formation, acquisition or disposal of subsidiaries, joint ventures or material interests.
- Changes to share capital or constitutional documents.
- Material capital expenditure outside approved limits.
- Entry into material transactions outside the ordinary course of business.
- Appointment or removal of the Chair where reserved to the shareholder.
- Material changes to director remuneration policy where reserved.
- Voluntary winding-up, insolvency action or material restructuring.
- Any matter which the Articles expressly reserve to the shareholder.

23. Matters for Board Decision

All matters not reserved to the shareholder remain for the Board or Executive Management under the Board's Scheme of Delegation. The Reserved Matters schedule must not be used to convert OMBC shareholder oversight into routine operational control.

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Part 5 - Reporting, Performance, Risk and Escalation Framework

24. Standard Reporting Pack

The OTCL Board shall provide the Steering Group with a concise but comprehensive performance pack. The purpose is to create early visibility and avoid retrospective discovery of accumulated financial or operational failure.

- Actual and forecast income and expenditure, operating result, cash and material variances.
- CareCubed recommended rates, actual rates and quantified rate variance.
- Occupancy, voids, void days, admissions, discharges and lost-income estimate.
- OMBC, out-of-borough and private placement mix.
- Staffing establishment, actual deployment, dependency requirement, agency, overtime, sickness, vacancies and turnover.
- CQC, safeguarding, incidents, complaints and key quality indicators.
- Corporate risk register and movement in principal risks.
- Transformation/recovery actions, benefits delivered, slippage and decisions required.

25. Core Senior Management KPIs

Domain	KPI	Expectation	Escalation
Financial	Monthly operating result / forecast	Within Board-approved budget and recovery trajectory	Material adverse variance
Pricing	CareCubed rate variance	Transparent and commercially sustainable	Any material under-recovery
Occupancy	Occupied beds / void days	Target set in annual Business Plan	Persistent target failure
Commercial	Out-of-borough/private income	Growth consistent with procurement and business strategy	Material variance or legal threshold risk
Workforce	Staffing vs dependency requirement	Safe, efficient and evidence-based	Systematic overstaffing or unsafe understaffing
Agency	Agency spend and hours	Time-bound reduction target	Target breach
Quality	CQC / safeguarding / incidents	Safe and compliant service	Regulatory or serious safeguarding concern
Delivery	Recovery-plan milestones	On time and benefits evidenced	Material slippage

26. Exception Escalation

The OTCL Chair or appropriate Executive Director shall immediately escalate a matter to the Steering Group Chair and relevant OMBC statutory/senior officer where it could materially affect:

- financial sustainability or liquidity;
- continuity or safety of care;

- regulatory standing or safeguarding;
- OMBC's financial or reputational exposure;
- significant litigation or contractual dispute;
- procurement or subsidy-control compliance;
- delivery of the approved recovery plan; or
- the validity of assumptions underpinning the company's operating model.

The governing principle is early escalation, not retrospective notification.

27. Risk Management

OTCL shall maintain a Board-approved strategic risk register. The Steering Group shall receive the principal risks and trend movement, with clear ownership, controls, target risk and mitigating actions. OMBC should consider the cumulative impact of OTCL risk within its own corporate assurance arrangements.

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Part 6 - Conflicts of Interest and Role-Separation Protocol

28. Structural Separation

The governance model deliberately removes serving OMBC officers and elected Members from the OTCL Board. OMBC participation is instead exercised through the Steering Group and formal shareholder mechanisms. This reduces the risk of the same individual simultaneously acting as commissioner, rate-setter and company director.

29. Declarations and Registers

- All OTCL directors must maintain declarations of interests and declare meeting-specific conflicts.
- Steering Group members must comply with OMBC's applicable Member or Officer codes and declaration requirements.
- Potential conflicts between shareholder and commissioner interests must be recorded and managed transparently.
- Where necessary, independent legal, financial or governance advice should be obtained.

30. Commissioner / Shareholder Separation

OMBC Adult Social Care may specify commissioned outcomes, assess care needs, monitor contract delivery and negotiate commissioning arrangements. It should not assume management of OTCL through the commissioning relationship. Strategic disagreements over rates, capacity or service development should be documented through the appropriate contractual route and reported to the Steering Group where material.

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Part 7 - Commercial, Commissioning and Procurement Protocol

31. Commercial Mandate

OTCL shall operate with a commercial framework consistent with its public-service purpose. The Board should seek sustainable operating performance, appropriate cost recovery, efficient asset use and diversified income where legally and strategically appropriate.

32. CareCubed and Rate Setting

CareCubed or an agreed successor methodology shall provide an objective reference point for residential and nursing care rates. The Board and Steering Group must be able to see the difference between the sustainable/reference rate and the actual rate paid.

- OMBC-funded rates.
- Out-of-borough rates.
- Private fee rates.
- Cost-of-care assumptions and material inflation/workforce changes.
- Quantified financial impact of any deliberate rate divergence.

Where OMBC, acting as commissioner, elects to pay below a rate considered sustainable by the OTCL Board, the consequence should be expressly recorded rather than absorbed invisibly within company performance.

33. Voids and Functional Income Streams

Management shall actively convert avoidable void capacity into functional income streams. Options may include permanent placements, private-pay provision, out-of-borough placements, respite, step-down, intermediate care and specialist commissioned services, subject to demand, care capability and legal/procurement constraints.

34. Workforce Efficiency

Staffing shall be based on resident dependency, acuity, safe-care requirements and regulatory expectations rather than historic establishment. The Board shall monitor overstaffing, overtime, agency use and productivity while ensuring that cost reduction does not compromise safe or compliant care.

35. Procurement and Controlled-Person Position

Before material expansion of external or private activity, OMBC and OTCL shall obtain appropriate procurement advice on the legal basis for contracts awarded by OMBC to OTCL. Where reliance is placed on the Procurement Act 2023 vertical-arrangement exemption, the relevant control and activity tests must be monitored, including the requirement that more than 80% of the controlled person's activities are carried out for or on behalf of the controlling authority/authorities or other persons controlled by them.

A commercial growth strategy must therefore include a procurement-law impact assessment rather than treating external-income growth as solely a commercial question.

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Part 8 - Annual Governance and Assurance Cycle

36. Annual Cycle

Timing	Governance Activity	Primary Route
Monthly	Executive performance, finance, workforce, quality and recovery review	OTCL Executive Management
Monthly	Board scrutiny of company performance, risk and decisions	OTCL Board
Monthly during recovery	Shareholder assurance, challenge and action tracking	OTC Steering Group
Quarterly once stable	Strategic shareholder assurance	OTC Steering Group
Annually	Business Plan, budget, pricing, workforce establishment and strategic risk review	Board -> Steering Group -> shareholder approval where reserved
Annually	Board effectiveness and director review	OTCL Chair / shareholder as applicable
Annually	Governance assurance statement	OTCL Board -> OTC Steering Group -> OMBC governance route
Immediate	Material exception escalation	Chair/Executive -> Steering Group Chair and relevant OMBC leadership

37. Annual Governance Assurance Statement

The Board shall provide an annual statement covering compliance with the Articles, this suite, directors' duties, conflicts, financial controls, procurement, risk, regulatory compliance, Board effectiveness, audit recommendations and the effectiveness of the relationship with OMBC.

38. Independent Assurance

OMBC and OTCL should periodically commission independent assurance proportionate to risk. This may include internal audit, external governance review, legal review, procurement assurance, financial assurance and Board effectiveness review. Actions shall have named owners and completion dates and be monitored by the Steering Group.

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Schedule 1 - Governance Decision Matrix

Matter	OTCL Management	OTCL Board	OTC Steering Group / OMBC
Day-to-day service delivery	Decide within delegation	Oversight	No operational direction
Annual Business Plan	Prepare	Approve for submission	Review; formal shareholder approval if reserved
Annual budget	Prepare	Approve for submission	Review; shareholder approval if reserved
CareCubed/rate position	Model and negotiate	Determine company sustainability position	Challenge/consider OMBC commissioner and shareholder implications
Routine recruitment	Decide within delegation	Oversight	No role
Executive appointments	Recommend / as delegated	Decide subject to Articles/reserved matters	Shareholder role only if formally reserved
Major capital/borrowing	Develop proposal	Approve subject to limits	Formal approval where reserved
Material external commercial expansion	Develop proposal	Assess commercial/legal case	Review shareholder/procurement implications; approve if reserved
Serious regulatory/financial event	Manage and escalate	Direct company response	Receive immediate assurance; route OMBC actions

Schedule 2 - Minimum Steering Group Performance Pack

- Executive summary and decisions/assurance required.
- Financial dashboard: actual, budget, forecast, cash and cumulative variance.
- CareCubed rate bridge and quantified under/over-recovery.
- Occupancy, voids and income pipeline.
- Workforce and agency dashboard.
- Quality, CQC, safeguarding and complaints.
- Strategic risk register.
- Recovery/change programme milestones and benefits.
- Reserved matters and formal shareholder decisions required.
- Exceptions and matters requiring Chief Executive/Leader/DCE attention.

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Schedule 3 - Director Declaration

I confirm that I have read and understood the OTCL Governance Suite and acknowledge my statutory and governance responsibilities as a Director of Oldham Total Care Limited.

Director name: _____

Executive / Non-Executive: _____

Signature: _____

Date: _____

Schedule 4 - Adoption and Review

This Governance Suite should be approved through the appropriate OTCL and OMBC governance routes following legal, financial and constitutional review. It shall be reviewed at least annually and whenever there is a material change in legislation, OTCL's operating model, Articles, OMBC's Constitution or the procurement basis of the OMBC-OTCL relationship.

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