

## Annual Governance Statement 2020/21

### Scope of Responsibility

Governance is about how the Council ensures it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. Good governance leads to effective:

- leadership and management;
- performance and risk management;
- stewardship of public money; and
- public engagement and outcomes for our citizens and service users.

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

In discharging the overall responsibility, the Council is responsible for putting 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.

Bury Council acknowledges its responsibility for ensuring there is a sound system of governance. The Council has adopted a Code of Corporate Governance, which is consistent with the seven principles of the CIPFA / SOLACE Framework "Delivering Good Governance in Local Government".

This statement reports on the Council's governance framework that has been in place during 2020/21 and explains how it has complied with its own code of corporate governance, including how the effectiveness of arrangements has been monitored. This meets the requirements of regulation 6 (1) of the Accounts and Audit (England and Wales) Regulations 2015 which requires all relevant bodies to prepare an annual governance statement.

In addition to this, the annual governance statement sets out how the Council has complied with the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 which have amended the Accounts and Audit Regulations (England and Wales) 2015. The Coronavirus amendment revised the deadlines applicable for Local Authorities as follows:

- Approval of draft accounts 31 July (previously 31 May)
- Public inspection Period to start on or before first working day of August 2021 (previously included first 10 working days of June)
- Publish Final Audited Accounts 30 November (previously 31 July)

The Council's financial management arrangements are consistent with a number of the governance requirements of the CIPFA statement on the role of the Chief Finance Officer in Local Government (2016). The Statement requires that the Chief Finance Officer should report directly to the Chief Executive and be a member of the leadership team, with a status at least equivalent to others. The Joint Chief Finance Officer (and designated Section 151 Officer) is a joint appointment across both the Council and the CCG. They are a member of, and

attend, the meetings of the Joint Executive Team which integrates the Executive Teams for the Council and the Clinical Commissioning Group. All statutory officers have access to the Chief Executive. The Council considers that its management arrangements are appropriate in the context of compliance with the CIPFA Statement.

## **The purpose of the governance framework**

The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor its achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The governance framework is designed to manage risk to a reasonable level. The associated processes 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 ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

## **The Council's governance framework**

Governance generally refers to the arrangements put in place to ensure that intended outcomes are defined and achieved. As set out in its Code of Corporate Governance, the Council aims to achieve good standards of governance by:

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

The key policies, procedures and arrangements that support compliance with these principles are set out in the Code. As part of the compilation of this Annual Governance Statement it has been confirmed that the documents and arrangements referenced remain current. It is however recognised that a refresh of the documents and the Constitution would be beneficial going forward. Key elements of the governance framework are as follows:

## **Organisational Priorities**

The Council has undergone significant organisational change during the year as it brings together two separate organisations to deliver joined up and integrated delivery models that support joint commissioning and outcomes. The Bury Council and Bury CCG Corporate Plan 2020-22 sets out delivery priorities and performance measures that will guide the work of the partnership. This plan describes how the Council and CCG will deliver its contribution to the Let's do it! ten-year strategy for the Borough of Bury, which seeks to guide recovery from the local impact of the Covid-19 pandemic and set the strategic direction for longer term growth and prosperity.

Progress achieved during the year against the objectives within the Corporate Plan is set out in the following table:

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| Covid-19 Response and Recovery | <p>The partnership's response to the pandemic has focussed on protecting the health and care system and most vulnerable in our communities through a comprehensive response and recovery strategy as follows:</p> <ul style="list-style-type: none"> <li>• <b>Containing COVID</b> by managing Infection prevention control including outbreak management, restrictions, including enforcement, ensuring clear tiers of intervention, enabling test and trace arrangements, supporting self-isolation, mortality planning and preparing plans for the vaccination programme. We have established 4 vaccine centres in addition to administering first dose vaccines to all care homes in the Borough, and over 41,000 registered patients</li> <li>• <b>Supporting our Health and Social Care System</b> through Planned, Urgent &amp; Community based Health &amp; Care, providing support for children in need of help and protection, addressing Population Health including mental health and Strategic Finance</li> <li>• <b>Mitigating the impacts</b> by supporting children and families deemed vulnerable to reduce the risks of widening inequalities, enabling schools, early years providers and FE colleges to mitigate the detrimental impacts of Covid-19 on learning, establishing the Neighbourhood Model of integrated, early help, including community safety and cohesion and Business and town centres including local jobs.</li> <li>• <b>Supporting Our Communities</b> through clear and consistent communications and engagement and providing humanitarian aid through a network of volunteers, supporting the lonely, those facing hardship and <b>OVER 13500</b> Clinically Extremely Vulnerable residents through our Community Hubs.</li> <li>• A Covid <b>Recovery</b> Strategy which responds to issues such as poverty and the health impacts of Covid-19 on our communities and the health system</li> </ul> |
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| Inclusion                            | <p>In 2020 the Partnership commissioned an independent equalities review and, as a result, agreed a fundamental new Inclusion Strategy which aims to</p> <ul style="list-style-type: none"> <li>• establish inclusion at the core of our values;</li> <li>• embed high quality practice in equalities and inclusion within all our practice as employers; and</li> <li>• demonstrate leadership across the wider community network which inspires others to do the same.</li> </ul> <p>Progress towards delivery of the Inclusion Strategy this year has included:</p> <ul style="list-style-type: none"> <li>• establishment of an Inclusion Working Group comprised of the Council, CCG and other Team Bury partners and including staff, political and clinical leaders</li> <li>• development of an integrated Equality Assessment tool and training all managers on its use</li> <li>• inclusion training for all Council Members and membership of the Strategic Commissioning Board</li> <li>• developing a task and finish staff group tasked with developing a plan to meet the commitment for a high impact focus on race inclusion during 2021/22</li> <li>• establishment of and appointment to a leadership role – Director of People and Inclusion</li> <li>• development of a detailed delivery plan going forward</li> </ul>   |
| Community leadership<br>Let's do it! | <p>This year, the partnership has been a key architect in the development of the Bury <i>Let's do it! vision for 2030</i>. The strategy defines an ambition for the Borough to achieve faster economic growth than the national average, whilst at the same time lower than average levels of deprivation. It sets out the priorities for the coming two years to guide the work of partners in achieving this vision together with a set of outcome measures which will be tracked. A comprehensive performance data baseline was provided to Members in Q1 2020/21</p> <p>The Council and CCGs <b>mission</b> is to make a direct and robust contribution to <i>Let's do it!</i> by aligning all our services, resources and culture to the vision. This year, we have made significant progress towards:</p> <ul style="list-style-type: none"> <li>• an <b>economic recovery</b> strategy including the statutory development plan and <b>regeneration</b> plans in our townships including agreeing the Strategic Regeneration Framework for Radcliffe</li> <li>• Agreement of a carbon neutrality strategy and progress in <b>decarbonising</b> public buildings</li> <li>• Establishing the neighbourhood model including developing our integrated <b>neighbourhood teams</b> in health and care and children's early help and refreshing the funding and performance framework of the Voluntary Community and Faith Alliance (VCFA) to orientate towards prevention and a personalised "whole person" approach to building on individual and</li> </ul> |

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|                         | <p>community strengths and assets</p> <ul style="list-style-type: none"> <li>• Delivering on key priority areas for <b>health and care</b> transformation: urgent care, planned care, community-based services, mental health and well-being and learning disabilities and a greater emphasis on prevention</li> <li>• <b>Educational</b> improvement including delivery of the new high school in Radcliffe and Special School in the borough.</li> <li>• The Locality plan for health and care is currently being updated to chart the progress made since 2017 and reflect the changing delivery context including the increasing health and economic inequalities due to Covid and the national NHS changes which will impact on place-based arrangements. The emerging plan defines the following objectives for the next three years: <ul style="list-style-type: none"> <li>○ We will seek to <b>influence the factors that improve population health</b> and wellbeing and reduce health inequalities</li> <li>○ We will <b>support residents to be well, independent, and connected</b> to their communities and to be in control of the circumstances of their lives</li> <li>○ We will support <b>residents to be in control of their health and well being</b></li> <li>○ We will support <b>people to take charge of their health and care and to live well at home</b>, as independently as possible</li> <li>○ We will support <b>children to 'start well'</b> and to arrive at school ready to learn and achieve</li> <li>○ We will ensure residents <b>have access to integrated out of hospital services</b> that promote independence, prevention of poor health, and early intervention</li> <li>○ We will secure <b>timely access to hospital services where required</b></li> <li>○ We will work to <b>reduce dependence of people on institutional care</b> – hospitals and care homes.</li> <li>○ We will work to ensure <b>high quality responsive services</b> where people describe a good experience of their treatment</li> </ul> </li> </ul> |
| Internal Transformation | <p>This year the foundational work was completed for a fundamental internal transformation programme, including;</p> <ul style="list-style-type: none"> <li>• a governance refresh, including: <ul style="list-style-type: none"> <li>○ the agreement of a new constitution for the council which seeks to simplify and clarify decision making processes</li> <li>○ updated corporate procurement regulations</li> <li>○ a refresh of the council's risk register and</li> <li>○ an improvement plan for information governance and major focus on staff training compliance</li> </ul> </li> </ul>   |

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|  | <ul style="list-style-type: none"> <li>• development of a Medium-Term Financial strategy, including capital and revenue budgets; detailed budget and savings plans for departments; the Housing Revenue account and a strategy to stabilise the Dedicated Schools Grant; The Council was fortunate to secure funding under the Government safety valve project which will see the Dedicated schools grant reserve return to financial surplus by 2024/25 year end and</li> <li>• investment in and stabilisation of the Council's digital platform</li> </ul> <p>In July 2021 the Cabinet will be presented with a comprehensive strategy for internal transformation over the next two years through three co-ordinated programmes of work across estate; customer interface and internal improvement. The strategy is forecast to achieve savings of over £6m by 2025 and is a central part of plans to achieve a balanced budget as well as driving culture and outcomes improvements.</p> |
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## **Key Elements of the Governance Framework**

The key elements of the Council'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 the 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.

There is a register of Members Interests, in which Members' disclosable pecuniary interests, personal interests and prejudicial interests are registered. A copy of Members interests are available on the Council website. Both Members and Officers record any gifts and hospitality received in accordance with the Authority's agreed procedure.

The Council has a code of conduct for elected and co-opted Members as required by the Localism Act 2011. Allegations that the code has been breached are heard by the Standards Subcommittee. The operation of the code of conduct is currently being reviewed in light of LGA model guide revisions. (constitution Part 5 – section 1 Councillor Code of Conduct). The standards committee consider allegations of inappropriate behaviour

In order to enable third party challenge to Authority operations there is a publicised complaints procedure. There is also a Whistleblowing Policy which enables concerns to be raised in a confidential manner and dealt with in a proportionate manner. This provides protection for individuals who raise any serious concerns they have about suspected illegal or illegitimate practices at the council, and explains how these will be investigated (Constitution Part 5 – section 4 – Anti Fraud and corruption – whistleblowing).

The Scrutiny process as detailed in the Constitution enables those who are not Cabinet Members to call in key decisions.

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. Emergency decision making powers were introduced in response to the COVID-19 crisis.

Staff behaviour is covered by the Employees Code of Conduct,(constitution Part 4 section 2) which places duties on Officers to declare their standing interests or interests relating to matters as they arise to their Head of Service.

The Council's Director of Law and Governance undertakes the role of Monitoring Officer. The Monitoring Officer ensures that Council decisions are taken in a lawful and fair way ensuring that laws and regulations are complied with.

The Council has measures to assess breaches of its legal and regulatory powers. The Council's monitoring officer has statutory reporting duties in respect of unlawful decision making and maladministration.

The Executive Director of Finance has statutory reporting duties in respect of unlawful and financially imprudent decision making,

The Council ensures it complies with CIPFA's statement on the role of the Chief Finance Officer in Local Government (2016)

The Council led by the development of the *Let's do it!* Strategy for the whole borough. *Let's* is an acronym for a framework of core operating principles which is intended to drive a common mindset across all partners in Bury to:

- Operate **Locally** through a neighbourhood model which means truly understanding and engaging with local communities
- Drive **enterprise**
- Work **Together** with inclusion at our core and
- Take a **strengths**-based approach

A framework of **organisation development** has been specified within the council to refresh internal values against the *Lets* framework and ensure all managers and staff have the skills and mindset to embed this approach. Investment has been made in a new post of Director People & Inclusion to lead this work and the Corporate Plan specifies the milestones of work during the 2021/22 financial year

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 this year the Council also lead the work to begin to scope a social value model across the Team Bury partnership which maximises the local supply chain and seeks to secure a contribution towards borough-wide outcomes from all our commissioned providers

Bury Council declared a climate Emergency - Proposals to make the declaration were waved through together with an "aspiration" for Bury to be carbon neutral by 2030, following a commitment earlier in the year to become single-use plastic free by 2022

In the 2021 budget setting process the Council also committed to becoming a Living Wage employer which means payment of all staff and suppliers at Living Wage values and accreditation by the Foundation. The development of a detailed strategy for compliance is underway.

### **Principle B – Ensuring openness and comprehensive stakeholder engagement**

The Council has led the development of a ten-year vision for the borough which engages partners across the Borough in delivery – Team Bury. The Strategy defines the vision; outcome measures and delivery plan to achieve a challenging vision for the borough – to achieve: **faster economic growth than the national average, with lower than national average levels of deprivation**. To direct the council's contribution to this strategy a Corporate Plan has been produced and quarterly monitoring reports are produced for the council's Cabinet.

All Council and Committee meetings are held in public (other than in limited circumstances where consideration of confidential or exempt information means the public are excluded), with agenda and reports being produced on the Council's website. During the pandemic the council has live streamed a range of meetings including Council, Cabinet and scrutiny, as well as providing on line access to recordings of other meetings.

The council publishes a forward plan, notices of key decisions to notify the public of the most significant decisions it is due to take, this is available on line.

Cabinet and the Overview and Scrutiny committees are provided with quarterly updates on delivery of the Corporate Plan Including progress against delivery plans as well as Key Performance Indicators across each department . Scrutiny of the use of resources and risk management is provided by the Audit Committee. The Council currently has 2 Overview and Scrutiny Committees – Health Scrutiny Committee and the Overview and Scrutiny Committee. In addition to this, there is a Joint Health Scrutiny Committee for Pennine Acute NHS Trust. The Overview and Scrutiny Committee work programme reflects the corporate business planning cycle and provides an opportunity to triangulate oversight of the council's use of resources through a remit which includes:

- budget monitoring;
- delivery of strategy and priorities within the Corporate Plan and
- performance outcomes, for which a committee sub group is now being planned.

The Council leads wider stakeholder and community involvement in the Borough strategy through:

- the network of Community Hubs in each neighbourhood which are designed to co-ordinate engagement across Ward Councillors; local residents themselves and the wider voluntary and community sector
- the Team Bury Leadership Group, chaired by the Leader of the Council, which engages Chairs/Non Executive leaders of key Bury partnership organisations in long term strategy, ideas and innovations
- the Team Bury network of the Bury system at Chief Executive level, chaired by the Deputy Chief Executive, which aims to represent wider partners in delivery of the strategy and the work of the Council.

- engagement of health and care system leaders through the Health and Wellbeing Board which was refreshed this year with a clear remit around tackling health inequalities, as well as playing a key leadership role in health network including the System Board; GP networks and Strategic Commissioning Board, and the System Strategic Finance Group

The Bury Business Leaders group also meets on a regular basis to influence and shape the economic strategy and business engagement within the Borough. The network has met weekly during the COVID-19 crisis and has been invaluable in supporting the work to target and despatch business grants and local economic support. To further extend business engagement a series of new Town Centre Recovery Boards have also been established, to input to the recovery strategy and direct local economic support and interventions.

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.

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;
- Information on payments over £500

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 of each of the districts meet regularly to consider matters of common interest and agree a common approach on shared issues including companies where the Authorities are key shareholders.

In order to ensure its message is effectively communicated to its citizens the Council's Communications function proactively prepare appropriate press releases to support activities undertaken by the Council and keep residents informed. The Council's website has been updated throughout the year and was further updated as the COVID-19 crisis impacted. A refresh of the Communications and Engagement strategy is currently underway.

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

The Let's do it! Strategy and associated Corporate Plan sets out the immediate and long-term vision for Bury and the work of the Council and CCG. This planning framework seeks to drive and continually measure progress against seven overarching outcomes for the Borough, which are

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

## 7. Improved digital connectivity

The 2020/21 budget delivered within the agreed resource allocation supported this strategy.

Full Council agreed the budget for 2020/21 on 26 February 2020. This included all budgets – Revenue, Capital, Dedicated Schools Grant and the Housing Revenue Account. Due to increasing cost pressures on Adult Social Care, the Council Tax recommendation resulted in a specific 2% increase for the Adult Social Care Precept to be implemented for one year only and a 2% general Council Tax increase for each year in the planning period.

2019/20 was the last year of the budget cycle and a new 5 year medium term financial strategy has been developed from 2020/21 onwards. In developing and balancing the budget, the Council identified options for efficiencies and also agreed for the use of one of reserves in order to achieve a balanced position. The Council also agreed investment through the capital programme and capital strategy.

The Council aligned a significant part of its budget into the pooled fund with the CCG. In 2019/20 in recognition of the fact that additional funding could be accessed for the whole care system in Bury, the Council made an additional contribution of £10.5m to the pooled fund. This was fully compensated for in 2020/21 when a lower contribution of the same value was made. The pooling arrangement has provided a significant opportunity to align commissioning outcomes and intentions of the both the Council and the CCG and to utilise funding to provide an integrated and co-ordinated approach to commissioning and delivery of services.

### **Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes**

The organisational structure is fully integrated with the CCG. All key statutory posts have been filled substantively this year and continuity of service and leadership for all services was maintained.

The Constitution defines and documents the roles and responsibilities of Officers and Members and delegation arrangements, protocols for decision making and codes of conduct for Members and staff. A full refresh of the Constitution was completed during 2020/21 to update and, where possible, streamline the Constitution. Delegation of decision making to officers is detailed in the constitution, so that they can deal with the day to day running of the service. Details of what decisions are taken in this way is set out in the Council's constitution. The underpinning Scheme of Delegation is now subject to appropriate updates. Further specific delegations may be granted, through recommendations in public reports to Committees.

All meetings of the Cabinet and key Committees are publicised and are open to public scrutiny which has been enhanced by the virtual meetings now taking place. 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.

The Standards Committee reviews Members' conduct following the receipt of complaints about official conduct on Council business by commissioning

independent investigations. Where appropriate matters are reported and considered by full Council.

Cabinet portfolios are assigned on a functional basis rather than by directorate and subject to appropriate officer support. Officers meet with portfolio holders on a regular basis to discuss new and emerging issues and a Policy Advisory Group comprised of the Council's Cabinet and Executive Team provides an informal forum for the development of policy proposals and relationships. Officers also meet with opposition leaders and both main opposition parties submitted alternative budget proposals for the 2020/21 and 2021/22 budgets. Opposition leaders were supported by officers in developing their options and confidentiality was maintained throughout the process.

The Executive Director of Finance for the Council and NHS Bury CCG is the nominated Chief Financial Officer in accordance with Section 151 of the Local Government Act 1972. The Joint Chief Finance Officer was appointed on 1 June 2019 and replaced the former Executive Director of Resources and Regulation as the Council's S151 Officer.

The Head of Legal Services was the Council's Monitoring Officer during much of 2020/21 but this post is now filled substantively. Senior Officers have the primary responsibility for ensuring decisions are properly made within a scheme of delegation at appropriate levels of responsibility.

The medium term financial strategy that has been developed from 2020/21 onwards reflects the long-term view of the resources available to the Authority in the context of the best estimate of Government grants supported by the revenue it can generate itself.

Funding however remains a considerable risk for the future due to the continuance of one year funding settlements. The Council has worked with the resources available and has adopted a set of planning assumptions to inform resource forecasting for future years. There however remains great uncertainty and the planned 3 year CSR that was expected in early 2020/21 didn't happen and instead a further 1 year settlement was given. This means that the Council is likely to be planning for the longer term but with short term funding announcements. Scenario planning and updates to the medium term financial strategy will be presented at key points throughout the year to ensure the Council has a robust plan for delivering a budget for future years and is aware of the risks and uncertainties that exist.

All Directors prepare a service plan which demonstrates how they will deliver their responsibilities within the Corporate Plan, as well as business as usual activity. Plans were included in the Corporate Plan which was presented to Full Council with the budget for the year. The plans were agreed by Full Council in February 2021.

#### **Principle E – Developing the entity's capacity including the capability of its leadership and the individuals with in it**

The Council is committed to a programme of leadership development as part of an organisation development strategy and early financial provision is made within the transformation strategy. Initial external facilitation of the top team is underway to establish a new leadership proposition which will be cascaded, through equivalent engagement of other colleagues. Staff training plans at all

levels will be developed and linked to performance and development plans, as part of the new organisation development approach.

The Council has many policies and procedures relating to HR and these are available on the Council's intranet site and are easily accessible. It is intended that the policy framework will be reviewed during the next financial year and a staff handbook developed, to ensure consistent and high-quality people management across the Council.

Services are required to have regular team meetings, and one to ones with line managers and these are in addition to the annual performance setting discussions that inform key priorities and outcomes for the year. There is a weekly Executive team briefing, regular weekly staff e-mail communications providing staff broadcasts and wellbeing support.

The Council has active engagement with the Trade Unions and there are regularly convened Corporate and departmental Joint Consultative Committees to discuss restructures and specific service matters. The Trade Unions also play an active role in consultations with staff and feedback comments to the Council.

To keep staff aware of changes as a result of COVID19, including the requirement for all remote workers to remain "planned, Present and Productive", a bespoke workforce guidance document was produced and regular updates to staff were issued by the corporate communications team. This provides essential advice and support for people working at home including practical advice, risk assessment frameworks, as well as specialist advice through an Employee Assistance Programme. The welfare and wellbeing of staff has been recognised as a key priority for the Council particularly through COVID and a comprehensive staff wellbeing offer was developed. As a result staff absence is currently on a downward trajectory although ongoing improvement in staff attendance levels remain a risk.

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

Risk management arrangements are in place and risk registers are available at a Corporate and Directorate level. During the course of the year, work has been undertaken to consolidate risks across the whole of the organisation between the Council and the CCG to ensure the consistency of approach and model. There is however a need to embed risk management in services and to ensure that risk is considered at all times.

The risk register is presented to, and discussed by, the Executive Team throughout the year. The Council is still reviewing whether an integrated approach to risk with the CCG supports the organisation to the level required or whether a dedicated risk manager is required within the Council. Through the 2020/21 financial year this function has been supported by a lead officer within the CCG with responsibility for governance and risk management.

In addition to this, internal audit report findings on audit reports to the Audit Committee throughout the year. Other senior officers throughout the organisation report to both the Council's Cabinet and the Strategic Commissioning Board as well as various Overview and Scrutiny Boards. The Council has three scrutiny Committees which hold decision makers to account ad play a key role in ensuring

that public services are delivered in a way residents want, The agenda, reports and minutes are publicly available on the Council website.

Reports to Committees also include a section that sets out the risks to any proposals and recommendations. Equality Impact Assessments are undertaken, particularly when options for meeting the budget gap are considered by Cabinet and Council. An independent Equalities Review was completed this year and an Inclusion Strategy and action plan developed in response. Early progress has included the development of a new Equality Assessment template and training of all responsible leaders and managers to ensure the Council is assured of fulfilling the Public Sector Equality Duty standards.

All reports presented to Cabinet are signed off by both the Monitoring Officer and the S151 officer (or nominated individual) to ensure appropriate financial and legal oversight is provided on all recommendations. Legal and financial implications are set out in all reports to ensure that the implications of recommendations are fully understood prior to a decision being made.

The processing of personal data is essential to the services and functions of the Council. The council complies with Data protection legislation which includes the GDPR (General Data Protection Regulation) and the Data protection act 2018 (DPA 2018). This will ensure that processing is carried out fairly, lawfully and transparently.

The Council reviews its policies to ensure they remain consistent with the law, any compliance advice or code of practice/guidance issued by the Information Commissioners office. Staff undertake annual training on information governance. The Deputy Chief Executive is the Senior Risk Information Officer for the Council (SIRO)

The council complies with the Local Government Transparency Code 2015 by publishing accurate data within appropriate time frames. The Council makes information available to the public via the regimes set out in the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. Data protection legislation including the Data protection Act 2019, provides individuals with rights, the Council has policies in place to respond to these requests.

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.

Quarterly financial reports submitted to Cabinet detailing estimated out-turn against the approved budget. The 2020/21 month 9 budget monitoring report highlighted that the Council was forecasting a small underspend as a consequence of government grants received to support services, businesses and the population during the pandemic. However, the report did highlight that the position was very difficult to predict in view of the ever changing national and regional impact of the pandemic. This was highlighted by the change in position that had moved by £7m since the half year point. Whilst the improvement in the position was welcome this was as a consequence of non recurrent one off funding support from the Government and many of the Council's original savings plans had slipped which impacts upon delivery of recurrent ongoing benefits to address budget pressures.

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

The Council has a key role in the Greater Manchester Strategy including that under devolution 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 health at both a Greater Manchester wide level and Bury area.

In addition to this, the Council is a member of the Greater Manchester Health and Care Partnership Board and Joint Commissioning Board. As part of the Transparency Agenda the Authority publishes Senior Officer Salaries over £50,000 and payments over £500 on its web site.

The Authority, as part of the 2011 Localism Act and accountability in local pay, agreed its annually updated Pay Policy Statement for 2020/21.

The Council welcomes peer challenges and internal and external review and audit. An ICO inspection and Peer Review revisit took place in July 2021.

The Council is in regular liaison with key Government bodies and is also fully engaged with the Local Government Association (LGA), Greater Manchester Association of Municipal Treasurers and specialist region wide initiatives such as the greater Manchester Growth Hub.

Due to the pandemic and for consistency the Audit Committee had no new members in 2020/21 but has got significant new members in 2021/22 therefore, a refresh of the training plan will be undertaken and implemented during 2021/22 to ensure members of the Committee understand their role and are able to discharge their statutory duties effectively. However, during 2020/21 the Committee did receive a presentation updating Members on the work carried out to administer the NNDR grant schemes 2020/21 and the work in relation to minimising fraud and carrying out investigations.

The Group Companies of Six town Housing and Persona have produced accounts for the period ended 31 March 2021.

All External audit work is conducted with regard to the Code of Practice produced by the National Audit Office.

**Partnership Arrangements**

The Council currently delivers a range of services, which often involve working in partnership with others. The Council established a pooled budget arrangement with NHS Bury CCG that commenced during 2019/20. This has resulted in the pooling or aligning of budgets in excess of £470m with a further £40m in view of the Strategic Commissioning Board, which is a Board made up of elected members of the Council and CCG Governing Body members, who undertake shared decision making.

In addition to this the Council has group relationships with:

### **Bury MBC Townside Fields Limited**

This is a wholly owned subsidiary and was set up to develop Townside Fields including: Q Park, 3KP, Townside Fields, Premiere Inn and the NHS Building.

### **Townside Fields Management Company**

This is a company in which Bury MBC owns a third of the shareholding.

### **Six Town Housing**

An Arm's Length Management Organisation to provide housing provision across the borough. The Council signed a ten year management agreement with Six Town Housing this year; during 2020 the Council has significantly strengthened performance management arrangements and reporting with STH including agreement of a set of Key Performance Indicators and establishment of a Partnership Board chaired by the Cabinet Member for Housing and underpinning Growth and Performance Committees.

### **Persona**

A Local Authority Trading Company established to provide a number of adult social care services

It is a requirement of the Code of Practice on Local Authority Accounting 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'.

Arrangements are in place for the Council and the group companies to work together in setting priorities and overseeing and reporting on performance. The internal audit service also carry out audits of these organisations as part of the requirement to fulfil statutory S151 duties.

There is an opportunity to raise any concerns during the year through Executive meetings between the Chief Executives of the Council and the ALMO (Six town Housing) and through the CCG Audit Committee of which the Joint Chief Finance Officer is a member. This has been taken into account and incorporated in the Statement of Accounts and the 'issues for consideration' in the Annual Governance Statement.

### **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; and comments made by the External Auditors and other review agencies and inspectorates.

### **Internal Audit**

An internal audit programme is undertaken, as a consequence of the pandemic, reprioritising of staff, services and resources the 2020/21 plan was a risk based plan and focused on areas that had an in year risk. Where specific matters were brought to the attention of Internal Audit in year these have been investigated in accordance with the Policies of the Council.

At the end of 2019/20 the Council commissioned a high level review of internal audit to look at its effectiveness and to assess the audit approach. A high level report was produced and some key recommendations were made. As a consequence of the review a number of improvements have already been actioned. These include a refresh of the internal audit reports, strengthened internal review and challenge process along with better client engagement. There is still further work required and this will continue into 2021/22.

The 2020/21 annual internal report was presented to the Audit Committee in July 2021. The report provided an overall substantial audit opinion, with 88% of audits completed providing either a full or substantial level of assurance. However, there was one report which received a limited level of assurance due to the number of recommendations within the report. A number of follow up audits have also been undertaken and the majority of recommendations had been actioned. There is a need to ensure that controls and governance frameworks are properly embedded in all services.

### ***Financial Position and Outlook***

In restructuring the organisation, the Council's budget has been considered. Financial resilience is critical, particularly when facing the COVID-19 pandemic and the opportunity to consolidate all resources has been taken with the creation of a new reserves policy that was considered by Cabinet in 2020/21. During 2019/20, the opportunity to release further funding across the whole of the integrated care system was identified and to enable this to happen, a higher than planned contribution to the pooled fund of £10.5m was made. This was offset in 2020/21 by an equivalent reduction in the Councils' contribution. In 2020/21 the CCG has also made a higher than planned contribution to the pooled fund of a further £4.5m. The full Health and Care system has worked as one during the pandemic and accessed funding from the most appropriate source. The hospital discharge programme is a testament to the integrated approach.

The delivery of savings has been challenging in 2020/21 due to the pandemic. As a result of this financial discipline will need to be strongly enforced within the organisation throughout 2021/22.

Bury Children's Services received an inspection from Ofsted under the Inspection of Local Authority Children's Services (ILACS) framework from 25th October to 5th November 2021. Arising from the inspection the Secretary of State for Children and Families has issued a draft improvement notice. The improvement notice requires the Council, working with its partner agencies, to :

- a) produce an improvement plan to address the areas identified in the Ofsted report and any recommendations made by the advisor;
- b) maintain an improvement board with an independent chair who will oversee implementation of the plan and report to the board on progress to a timetable agreed by the Department; and
- c) aim for actions included in the plan to be delivered by the end of December 2022 or sooner if appropriate.

The improvement notice will last a minimum 12 months with formal reviews at least every six months and more regularly if appropriate.

The Council's response is organised into three phases:

- a) immediate action following the LGA Peer Review of July 2021 and then responding to the Ofsted findings;
- b) a detailed one year action plan; and

- c) a three-year strategic improvement plan

Since the inspection report was received work has progressed at pace on developing a framework for the Improvement Plan which will be submitted to the Department for Education by the end of March.

To strengthen financial governance, work to ensure budgets were realistic, remain challenging but deliverable was a key focus of the 2020/21 budget setting process. External advisers were used to sense check all savings plans and involved significant engagement with Directors. However, nobody could have fully predicted the impact Covid would have on all our services, businesses, staff and residents. This was apparent in the way that Government released funding on an ad hoc basis throughout the year. It will take a number of years for some services and investments to recover, which has a financial impact on the Council's reserves and demand for services.

### ***Final Accounts***

The final accounts, of which this Statement is an integral part, outline the out-turn of the Authority and are prepared in accordance with professional standards and are subject to external audit review.

Additional staffing resources were targeted to the Statement of Accounts in 2019/20, resulting in an updated set of accounts in a new format, revamped and updated notes to the accounts and a standardised approach to working papers. A dedicated group of finance staff were brought together to produce the accounts and, in doing so, addressed some longer term issues around capital accounting. All these changes were noted and praised by the external auditors. Further refinements to the notes and working papers have been introduced in 2020/21, to build on the 2019/20 improvements.

External valuers were again used in 2020/21 to support the in house team and ensure that valuations were carried out in accordance with the agreed requirements. Reconciliations between the Council's property system and the financial system have been undertaken, and finance staff knowledge of the systems increased.

### **Governance**

A specialist legal adviser was engaged throughout 2020 to progress work around the Constitution and support improvements in governance generally. This work was overseen by Group Leaders through the Democratic Arrangements Forum

Further external support was commissioned to review procurement, internal audit and risk management. Findings from each phase were reported to the Audit Committee throughout the year.

**To the best of our knowledge, the governance arrangements, as outlined above remain fit for purpose and have been effectively operating during the year in accordance with the governance framework. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.**

**Signed on behalf of Bury Council:**



**Leader of the Council  
14 January 2022**



**Chief Executive  
14 January 2022**

## Progress in addressing the Council's governance challenges

| Issues   | Update on Action Plan for 2020/21  | Lead Officer                    |
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| <p><b>Constitution</b></p> <p>The Constitution has now been refreshed. The revised constitution is available on the council web site. This has been a significant achievement.</p> <p>The Monitoring Officer will now review and with the Executive Director of Finance review schemes of delegation and financial regulations.</p>  | <p><b>Revision of schemes of delegation.</b></p> <p><b>Report of the Monitoring Officer to Council in November 2021 to consider any minor updates as part of an annualised review of the constitution</b></p>  | <b>Monitoring Officer</b>       |
| <p><b>Financial Strategy</b></p> <p>The Medium Term Financial Strategy (MTFS) was updated in February 2021 and will be updated again in the autumn to take account of changes of assumptions and a greater understanding of the impact of COVID-19</p> <p>COVID-19 has placed even greater financial pressure on local authorities. The volatility and significant financial, fiscal and economic risk makes forecasting and planning difficult.</p> | <p>Regular monthly monitoring is provided to Exec Team and quarterly monitoring to Cabinet. Report on slippage on savings is reported.</p> <p>Framework for developing the budget for 2022/23 to be agreed and actioned over Summer for consideration by Cabinet</p> | <b>Exec Director of Finance</b> |

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| <p>The lack of funding announcements for future years and the delay in the CSR provides an additional layer of risk and longer term planning more uncertain.</p> <p>Financial resilience and sustainability is a significant risk for the future.</p>  |  |                                 |
| <p><b>Homes England Grant Claims</b></p> <p>Homes England audit reviews identified key weaknesses in the grant claims and gave the council the lowest possible rating. This is the second year this has happened. The reputational risk to the Council and the potential to not be considered for future grant funding rounds is a risk.</p> | <p>Full audit review of Homes England grant claims undertaken. Discussions have highlighted opportunities to improve processes.</p> <p>Higher level signoff of all grant claims introduced.</p> <p><b>Complete.</b> Investigation into grant process inadequacies complete and lessons learned reflected in new constitution and approvals processes</p> | <b>Exec Director of Finance</b> |
| <p><b>Risk Management Framework</b></p> <p>The risk management approach across the council is inconsistent and the approach to risk assessment and scoring does not align to best practice. The potential of not identifying all major risks is possible.</p>  | <p><b>Underway.</b> Risk framework reviewed and corporate and departmental risk registers all updated. Accountability for risk management transferred to the finance department as part of this process; Head of Risk Management post currently vacant, to be addressed in finance restructure</p>   | <b>Exec Director of Finance</b> |

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| <p><b>Audit Assurances</b></p> <p>c40% of audit carried out in 2019/20 were assessed as below adequate/unsatisfactory. There is a risk that the council will not be able to obtain assurance from the audit manager in the future regarding the effectiveness of internal control.</p> | <p>A review of audit reports, formats and assurance levels has been carried out and updates introduced.</p> <p>Executive Directors will be more actively engaged in the audit progress</p> <p>Improved monitoring arrangements will be introduced and communicated to the executive team and more follow up audits will be carried out.</p> <p>Performance monitoring of audit plans will be introduced to ensure audits are conducted on a timely basis and that responses from managers are timely too.</p> <p><b>Complete</b> Audit report formats have been updated, more engagement with clients before, during and after the audits. Review of draft audit reports by the Exec Director of Finance and engagement with the service Exec at draft and final report stage</p> | <b>Exec Director of Finance</b> |
| <p><b>Internal Audit Provision</b></p> <p>A review of the internal audit service has identified some weaknesses in service provision, and the approach adopted for internal audit across the council. An independent review identified</p>   | <p>An audit improvement plan has been developed and will be implemented. The external consultant is currently providing additional advice and support as part of the wider governance review</p>  | <b>Exec Director of Finance</b> |

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| <p>a number of recommendations to improve the overall approach and quality of the service.</p> <p>If action is not taken to address these, there is a risk that the Council does not have an effective internal audit provision and overall governance and measures of assurance are ineffective. This will weaken the internal governance arrangements for the Council.</p>                | <p>including an assessment of the service against national standards.</p> <p>Capacity and skills update for the team will be considered and factored into the wider finance restructure.</p> <p><b>Ongoing</b> Various options are being considered to support what is a very small fragile team within the Council</p> |                                 |
| <p><b>Procurement</b></p> <p>Processes in relation to procurement need updating and training provided to managers. The reputational risk caused by failure to follow processes and procedures is significant.</p> <p>The consolidated contracts register is not up to date which also means that opportunities for consolidating contracts is lost and that lost value is not achieved.</p> | <p><b>Complete.</b> Contracts register updated; contract procedure rules updated as part of new constitution. Procurement transferred to the Finance function. Ongoing improvements in procurement efficacy and strategy including social value included in corporate transformation programme 2021-23</p>              | <b>Exec Director of Finance</b> |
| <p><b>Capital</b></p> <p>The capital financial framework and accounting process requires a refresh in order to ensure that capital accounting records and standards are maintained and are effective. A review of capital processes is also needed to avoid slippage and to ensure that schemes are delivered on time.</p>  | <p>Refresh and update the capital strategy.</p> <p>Review, update and reset the capital programme in light of COVID-19 and the funding available.</p> <p>Train and upskill staff to ensure specialist capital knowledge of a high standard is available within the Council.</p>   | <b>Exec Director of Finance</b> |

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|  | <p><b>Ongoing</b> Capital strategy updated as part of February budget setting and will be reviewed and refreshed in autumn to take account of Cabinet decisions around disposals and further capital schemes.</p> <p>Work still ongoing to support staff capability and capacity</p>   |  |
| <p><b>DSG</b></p> <p>The deficit on the DSG reserve has increased by c£5m in 2019/20 and is over £20m in total. There is a danger that the deficit could be greater than the annual High Needs allocation which will make recovery of the position extremely challenging.</p> <p>The DSG Recovery Plan. Agreed with the DfE does deliver a break-even position and therefore sustainability of services may be an issue.</p> | <p>Full root and branch review of the DSG recovery plan to consider options for the future.</p> <p>Establishment of a task and finish recovery group with corporate representation to enable a wider corporate position to be taken.</p> <p>Reports to Cabinet throughout the year.</p> <p><b>Complete</b> As part of the Safety Valve project regular monitoring returns are required to update on progress</p> | <b>Exec Director of Finance and Director of Childrens Services</b> |
| <p><b>Health and Social Care Integration</b></p> <p>The ability to deliver savings attributed to health and social care integration may be a reality and will impact on the financial plans of both the Council and the CCG.</p>   | <p><b>Complete</b>. Pooled fund budget monitoring now reported to Strategic Commissioning Board. OCO achieved 103% of savings target for 2021/22</p>   | <b>Exec Director of Strategic Commissioning</b>                    |

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| <p><b>Fraud</b></p> <p>The opportunity for fraud during the COVID-19 crisis has increased. Fraudulent claims of business grants and potentially other benefits is likely to have occurred.</p>  | <p>Engagement in wider national fraud initiatives focused on these issues.</p> <p>Review of cases that have been identified as unusual and require investigation. Fraud team to report on approach, findings and outcomes to the Audit Committee.</p> <p><b>Ongoing</b> Presentation to Audit Committee during the year focussing on these issues. NFI matches still being worked through</p>  | <p><b>Exec Director of Finance</b></p> |
| <p><b>Leadership and workforce development</b></p> <p>The absence of a corporate leadership development does not allow assurance that leaders have the skills and mind-set to drive forward corporate priorities.</p> <p>The workforce skills/ “behaviour” framework will require review as part of the new Corporate Plan, when developed, to ensure alignment with key skills base and delivery outcomes.</p> | <p><b>Underway</b>. Leadership engagement strengthened through establishment of Strategic Leaders’ and Senior Managers’ forums which meet every c6 weeks and ensure corporate engagement of all senior managers. Structured development of these groups has begun around corporate priorities including the new constitution; a generic leadership development module and equalities. New post of Director of People and Inclusion established to lead on organisation development (OD) including leadership and management; proposed OD framework included in 2021/22 corporate plan and additional</p> | <p><b>Deputy Chief Exec</b></p>        |

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|  | investment included in the transformation programme. |  |
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