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## OVERVIEW (AUDIT) PANEL

**Day:** Monday  
**Date:** 31 July 2017  
**Time:** 2.00 pm  
**Place:** Lesser Hall 2 - Dukinfield Town Hall

Item No.	AGENDA	Page No
1.	<b>APOLOGIES FOR ABSENCE</b> To receive any apologies for the meeting from Members of the Panel.	
2.	<b>DECLARATIONS OF INTEREST</b> To receive any declarations of interest from Members of the Panel.	
3.	<b>MINUTES</b> The Minutes of the meeting of the Overview (Audit) Panel held on 21 November 2016 to be signed by the Chair as a correct record.	1 - 2
4.	<b>AUDIT FINDINGS REPORT (ISA260) - TAMESIDE MBC AND GREATER MANCHESTER PENSION FUND 2016/17</b> To consider a report of the Assistant Director (Finance).	3 - 82
5.	<b>CAPITAL MONITORING - OUTTURN 2016/17</b> To consider a report of the Assistant Director (Finance).	83 - 110
6.	<b>REVENUE MONITORING - QUARTER 4 2016/17</b> To consider a report of the Assistant Director (Finance).	111 - 134
7.	<b>TREASURY MANAGEMENT ACTIVITIES 2016/17</b> To consider a report of the Assistant Director (Finance).	135 - 146
8.	<b>AUDITED STATEMENT OF ACCOUNTS 2016/17</b> To consider a report of the Assistant Director (Finance).	147 - 150
9.	<b>ANNUAL GOVERNANCE STATEMENT 2016/17</b> To consider a report of the Head of Risk Management and Audit Services.	151 - 170
10.	<b>GRANT THORNTON - ASSURANCE FROM OVERVIEW (AUDIT) PANEL CHAIR AND MANAGEMENT 2016/2017</b> To consider a report of the Head of Risk Management and Audit Services.	171 - 184

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From: Democratic Services Unit – any further information may be obtained from the reporting officer or from Charlotte Forrest, Senior Democratic Services Officer on 0161 342 2346 or [charlotte.forrest@tameside.gov.uk](mailto:charlotte.forrest@tameside.gov.uk), to whom any apologies for absence should be notified.

<b>Item No.</b>	<b>AGENDA</b>	<b>Page No</b>
<b>11.</b>	<b>SCRUTINY REPORT - CARERS IN TAMESIDE</b> To consider a report of the Integrated Care and Wellbeing Scrutiny Panel and Executive Member (Adult Social Care and Wellbeing).	185 - 208
<b>12.</b>	<b>SCRUTINY ANNUAL REPORT 2016/17</b> To consider a report of the Director of Governance and Pensions.	209 - 214
<b>13.</b>	<b>SCRUTINY ANNUAL WORK PROGRAMME 2017/18</b> To consider a report of the Director of Governance and Pensions.	215 - 224
<b>14.</b>	<b>URGENT ITEMS</b> To consider any additional items the Chair is of the opinion shall be dealt with as a matter of urgency.	

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From: Democratic Services Unit – any further information may be obtained from the reporting officer or from Charlotte Forrest, Senior Democratic Services Officer on 0161 342 2346 or [charlotte.forrest@tameside.gov.uk](mailto:charlotte.forrest@tameside.gov.uk), to whom any apologies for absence should be notified.

## OVERVIEW (AUDIT) PANEL

21 November 2016

**Commenced:** 2.00 pm

**Terminated:** 2.20 pm

**Present:** Councillors Ricci (Chair), Bailey, Fairfoull, Peet, K Quinn, Taylor and K Welsh

**Apologies for Absence:** Councillors Ryan, Bell, J Fitzpatrick, Kitchen and Pearce

### 19. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 20. MINUTES

The Minutes of the meeting of the Overview (Audit) Panel held on 12 September 2016 were agreed and signed as a correct record.

### 21. GRANT THORNTON 2015/16 ANNUAL AUDIT LETTER

The Assistant Executive Director (Finance) submitted a report, which detailed the annual audit letter for Tameside Metropolitan Borough Council and Greater Manchester Pension Fund from Grant Thornton for the external audit of 2015/16. A copy of the letter was appended to the report.

Representatives from Grant Thornton attended the meeting to present the letter. The annual audit letter summarised the key findings arising from the work carried out for the year ending 31 March 2016. An unqualified opinion on the Council's financial statements had been delivered on 12 September 2016; the audit did not identify any adjustments affecting the Council's expenditure or level of useable reserves. The report highlighted that the Council had put in place proper arrangements to ensure, economy, efficiency and effectiveness in its use of resources during the year.

It was reported that the Code of Practice on Local Authority Accounting required authorities to account for Highways Network Asset at depreciated replacement cost from 1 April 2016. Two briefings had been shared and further briefings would be issued during the coming year to update on key developments and emerging issues.

Members requested that their thanks be conveyed to all involved in another successful audit.

#### **RESOLVED:**

**That the Annual Audit Letter for 2015/16 be noted.**

### 22. SCRUTINY REPORT - HOMELESSNESS AND THE DEMAND FOR TEMPORARY ACCOMMODATION

A report was submitted by the Chair of the People Scrutiny Panel, which commented on the Executive response made by Councillor Gerald Cooney Executive Member (Healthy and Working) in October 2016 to the Scrutiny Review of 'Homelessness and the Demand for Temporary Accommodation' and the recommendations made to support future services, which was concluded in April 2016.

**RESOLVED:**

That the recommendations detailed in section 8 of Appendix 2 to the report be noted.

**23. URGENT ITEMS**

There were no urgent items.

**CHAIR**

# Agenda Item 4.

<b>Report To:</b>	<b>OVERVIEW (AUDIT) PANEL</b>
<b>Date:</b>	31 July 2017
<b>Reporting Officer:</b>	Councillor J M Fitzpatrick - First Deputy Performance and Finance Ian Duncan – Assistant Executive Director Resources (Section 151 Officer)
<b>Subject:</b>	<b>AUDIT FINDINGS REPORT (ISA 260) TAMESIDE MBC AND GREATER MANCHESTER PENSION FUND</b>
<b>Report Summary:</b>	This report highlights the key matters arising from Grant Thornton's audit of the 2016/17 financial statements of both Tameside MBC and Greater Manchester Pension Fund, ( <b>Appendix 3</b> ) which Grant Thornton is required to report under the Audit Commission's Code of Audit Practice and the International Standard of Auditing. This report also incorporates the annual Value for Money conclusion.
<b>Recommendations:</b>	It is recommended that the Panel:- <ol style="list-style-type: none"><li>1. Considers the matters raised in the report.</li><li>2. Notes the positive relationship with the audit team and successful progress of the audit.</li><li>3. Agrees to the adjustments and presentational changes to the accounts, as detailed in the Audit Findings report (<b>Appendix 1 and Appendix 3</b>).</li><li>4. Notes the value for money conclusion included in the Audit Findings report (<b>Appendix 1</b>).</li><li>5. Confirms that the Council has complied with all matters set out in the Letter of Representation and ensure that a signed copy is forwarded to the External Auditor (<b>Appendix 2 and Appendix 4</b>).</li></ol>
<b>Financial Implications: (Authorised by the Section 151 officer)</b>	The Statement of Accounts sets out full details of the Council's financial position as at 31 March 2017. The audit process ensures that this position is stated clearly and accurately in line with the relevant guidance.
<b>Legal Implications: (Authorised by the Borough Solicitor)</b>	This is the annual report/assessment prepared by our external auditors following the audit of the financial statements/accounts and consideration of the Council's financial resilience. It is a key tool in assessing how well the Council is performing in respect of its finance and governance. The report is still draft and the auditors will update at the meeting should there be any material findings.
<b>Links to Community Strategy:</b>	The Community Strategy has helped determine priorities for Council spending, which is summarised in the 2016/17 Annual Report and Accounts.
<b>Policy Implications:</b>	There are no policy implications flowing from the Statement of Accounts.
<b>Risk Management:</b>	The audit provides external verification of the Council's financial statements.

**Access to Information:**

The background papers relating to this report can be inspected by contacting the report writer, Julie Hardman, Financial Management:



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e-mail: [julie.hardman@tameside.gov.uk](mailto:julie.hardman@tameside.gov.uk)

## 1. BACKGROUND

- 1.1 The draft Audit Findings Report (ISA260), as attached at **Appendix 1**, is a standard report delivered by the External Auditors – Grant Thornton.
- 1.2 The draft report highlights the key issues following the results of the audit carried out by Grant Thornton on the Council's Statement of Accounts for the year ended 31 March 2017. A separate **Appendix 3** considers the audit of the accounts of the Greater Manchester Pension Fund. Once these have been considered, the audited accounts can be agreed (subject to any further changes that are proposed by the Panel).
- 1.3 Many of the terms used in the report are defined and have precise meanings. Grant Thornton has guideline formulae, which specify the importance of any adjustments they recommend. These are specific to each Council, but any recommended changes must be considered for their individual and overall impact on the accuracy of the accounts as well as for the specific value of the change. For Tameside MBC, amounts around £250,000 or less are regarded as 'trivial'. Amounts which are above this level but (in total) less than about £10 million are described as 'non-trivial'. Cumulative amounts above £10 million are regarded as material, although this may vary for different statements.
- 1.4 The statutory deadline for the production and publication of the draft 2016/17 statement of accounts is 30 June 2017, with external audit and Overview (Audit) Panel sign off by 30 September 2017. However, for the 2017/18 financial year, the statutory deadlines are being brought forward to 31 May 2018 for the draft accounts and 31 July 2018 for the audited accounts. It was therefore decided that the 2016/17 process be brought forward in preparation for these new tighter timescales, so that lessons could be learned on the accelerated process before it comes into effect. Therefore, these accounts are being laid some six weeks earlier than in previous year, and the accelerated timetable has meant that the full documentation and annexes will not be available until the day of the meeting.

## 2. INTRODUCTION

### **External Auditor – Grant Thornton**

- 2.1 This is the fifth year that Grant Thornton has audited the accounts. The Panel will be aware that subsequent to the Department for Communities and Local Government announcing that the Audit Commission had been wound up, audit work within the North West Region is now carried out by Grant Thornton.

### **Financial Statements**

- 2.2 There have been significant changes in the reporting requirements for the 2016/17 accounts. Details of the proposed accounting policies, critical judgements made in applying the accounting policies and assumptions made about the future and other major sources of estimated uncertainty within the accounts were outlined to Members in May 2017, in preparation for the closure of the accounts.
- 2.3 The accounts have been prepared by Officers on behalf of the Council. Following the conclusion of the audit, possible adjustments are recommended to the Panel by Grant Thornton, as set out in the Audit Findings report in **Appendix 1**.

## 3. OUTCOMES OF THE AUDIT

- 3.1 This year has again proved to be a very challenging year to close the accounts. The finance team has continued to reduce in size following a service review. In addition, there are both substantial legislative changes to the core financial statements and key prior year

re-statements. Efficiencies will be embedded into the closure process for 2017/18 to achieve the earlier statutory publishing deadlines.

- 3.2 Despite these challenges, the year end closure of the accounts and the subsequent external audit process has again been completed well within the statutory timescales and the conclusion of the audit indicates that the accounts continue to be prepared to a high degree of accuracy and reliability. Members should take considerable reassurance from the reliability of the accounts. Once again, this year the auditors have been very positive about the overall quality of the accounts and they have commented on the high level of support given by Council Officers.
- 3.3 The audit identified a number of adjustments and presentational changes to the accounts, as detailed in the Audit Findings report prepared by Grant Thornton (attached at **Appendix 1**). Members are advised that none of the adjustments altered the reported surplus on the Council's General Fund Balance.
- 3.4 The key changes that were agreed and have been made are set out at pages 11 and 12 of the Audit Findings report. They relate to the correction of the value of operating expenses, (to exclude internal charges) and the main amendment to property revaluations reported incorrectly which impacted on the Balance sheet and related notes. These changes had no impact on the overall financial position of the Council.
- 3.5 It should be noted that the absence of any impact from these changes on the General Fund Balance confirms that they are technical and presentational and do not change the financial position of the Council first calculated by Officers.
- 3.6 Officers are currently reviewing the outcomes of the audit and the recommendations arising from it to identify changes needed to improve the closure process in 2017/18.

#### **4. LETTER OF REPRESENTATION**

- 4.1 **Appendix 2** includes the Council's Letter of Representation for 2016/17 for Tameside and **Appendix 4** for the Pension Fund. The Panel are asked to confirm that the Council has complied with all matters set out in the Letter of Representation and ensure that a signed version is forwarded to the External Auditor. **Appendix 2** includes the Council's Letter of Representation for 2016/17. The Panel are asked to confirm that the Council has complied with all matters set out in the Letter of Representation and ensure that a signed version is forwarded to the External Auditor.

#### **5. VALUE FOR MONEY**

- 5.1 Grant Thornton is also required to provide a value for money conclusion. The conclusion as set out in Section 3 of the Audit Findings Report (**Appendix 1**) follows a review of the arrangements put in place by the Council to:-
  - Secure economy, efficiency and effectiveness in its use of resources;
  - Ensure proper stewardship and governance;
  - Review regularly the adequacy and effectiveness of these arrangements.
- 5.2 Grant Thornton is required to give a value for money conclusion based on the following criteria:-
  - Proper arrangements for challenging how it secures economy, efficiency and effectiveness.

- 5.3 The outcome of this detailed review is included in Section 3 of the Audit Findings Report (**Appendix 1**). The key findings from this are as follows:-

*Grant Thornton has determined that except for the matters they have identified in respect of the Ofsted inspection of Children's Services, the Council had proper arrangements in all specific aspects. Grant Thornton therefore propose to issue a 'qualified except for' value for money conclusion stating that the Council has proper arrangements for challenging how it secures economy, efficiency and effectiveness in its use of resources.*

- 5.4 For the fourth year the Council has been deemed to have adequate arrangements in place, as represented by the green award symbol in the IAS 260 report. Green (the most positive outcome) in all categories this demonstrates the council is well placed to deal with the financial challenges that it is faced with.
- 5.5 This outcome is extremely positive within the current financial environment. This reemphasises that the authority has the support of officers, members, internal and external audit in ensuring that strong financial management continues.

## **6. RECOMMENDATIONS**

- 6.1 As set out at the front of the report.

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# The Audit Findings for Tameside Metropolitan Borough Council

This version of the report is a draft. Its contents and subject matter remain under review and its contents may change and be expanded as part of the finalisation of the report.

Year ended 31 March 2017

July 2017

**Mike Thomas**

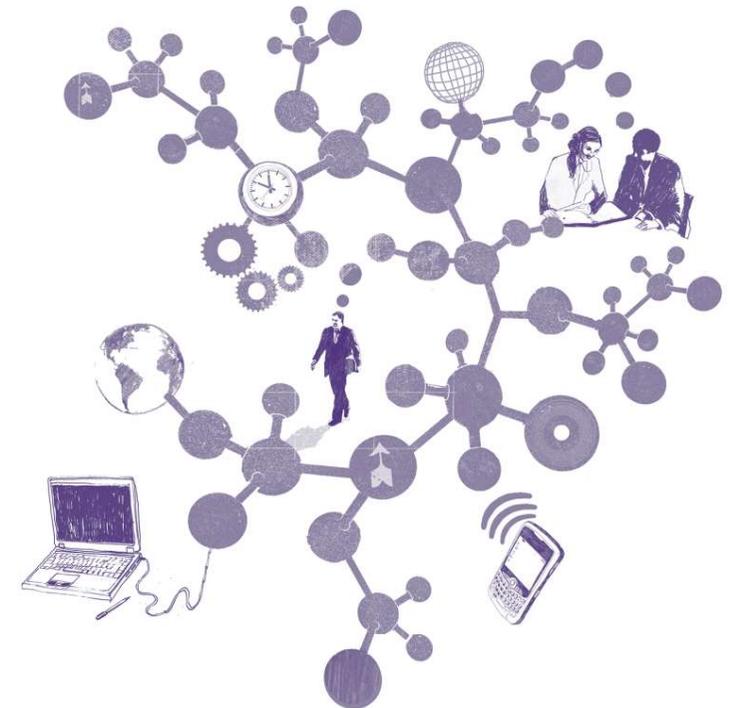
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Private and Confidential

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July 2017

Dear Audit (Overview) Panel

### **Audit Findings for Tameside Metropolitan Borough Council for the year ended 31 March 2017**

This Audit Findings report highlights the key findings arising from the audit that are significant to the responsibility of those charged with governance (in the case of Tameside MBC, the Overview (Audit) Panel), to oversee the financial reporting process, as required by International Standard on Auditing (UK & Ireland) 260, the Local Audit and Accountability Act 2014 and the National Audit Office Code of Audit Practice. Its contents have been discussed with officers.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK & Ireland) ('ISA (UK&I)'), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements and giving a value for money conclusion. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Yours sincerely

*Mike Thomas*

Engagement Lead

#### Chartered Accountants

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## Appendices

- A Letter of representation
- B Audit opinion

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## Section 1: Executive summary

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- 01. Executive summary
- 02. Audit findings
- 03. Value for Money
- 04. Fees, non audit services and independence
- 05. Communication of audit matters

## Purpose of this report

This report highlights the key issues affecting the results of Tameside Metropolitan Borough Council's ('the Council') financial statements for the year ended 31 March 2017. It is also used to report our audit findings to management and those charged with governance in accordance with the requirements of ISA (UK&I) 260, and the Local Audit and Accountability Act 2014 ('the Act').

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion, the Council's financial statements give a true and fair view of the financial position of the Council and its income and expenditure for the year and whether they have been properly prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting.

We are also required to consider other information published together with the audited financial statements (including the Annual Governance Statement (AGS) and Narrative Report, whether it is consistent with the financial statements, apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Council acquired in the course of performing our audit; or otherwise misleading.

We are required to carry out sufficient work to satisfy ourselves on whether the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources ('the value for money (VFM) conclusion'). Auditor Guidance Note 7 (AGN07) clarifies our reporting requirements in the Code and the Act. We are required to provide a conclusion whether in all significant respects, the Council has put in place proper arrangements to secure value for money through economic, efficient and effective use of its resources for the year.

The Act also details the following additional powers and duties for local government auditors, which we are required to report to you if applied:

- a public interest report if we identify any matter that comes to our attention in the course of the audit that in our opinion should be considered by the Council or brought to the public's attention (section 24 of the Act);

- a public interest report if we identify any matter that comes to our attention in the course of the audit that in our opinion should be considered by the Council or brought to the public's attention (section 24 of the Act);
- written recommendations which should be considered by the Council and responded to publicly (section 24 of the Act);
- application to the court for a declaration that an item of account is contrary to law (section 28 of the Act);
- issue of an advisory notice (section 29 of the Act); and
- application for judicial review (section 31 of the Act).

We have had no recourse to exercise any of the above additional powers and duties.

We are also required to give electors the opportunity to raise questions about the accounts and consider and decide upon objections received in relation to the accounts under sections 26 and 27 of the Act.

## Introduction

In the conduct of our audit we have not had to alter or change our audit approach, which we communicated to you in our Audit Plan dated 8 March 2017.

Our audit is substantially complete although we are finalising our procedures in the following areas:

- audit work outstanding in the following areas including journals testing, property valuation and other completion procedures
- review of the final version of the financial statements updated for adjustments to property valuation
- obtaining and reviewing the management letter of representation
- updating our post balance sheet events review, to the date of signing the opinion
- Whole of Government Accounts audit

We received initial draft financial statements on 8 June 2017 and draft accounts with accompanying working papers for audit on 21 June 2017. This was later than originally planned but has not impacted on the timing and completion of our audit procedures.

## Key audit and financial reporting issues

### Financial statements opinion

We have not identified any material adjustments affecting the Council's reported financial position. **(To be confirmed subject to amendments to property valuation)** The draft financial statements for the year ended 31 March 2017 recorded net cost of services of £157,814k. As a result of amendments to property valuation and valuation losses arising from our audit, the net cost of services reduced to £151,221k and property value reduction of £14,711k on the Balance Sheet. Other audit amendments related to the disclosure notes to the accounts and to improve the overall presentation of the financial statements for the reader.

The key messages arising from our audit of the Council's financial statements are:

- the finance team produced draft accounts and supporting working papers ready for audit on 21 June
- where additional working papers and information were requested during the course of the audit, officers have worked hard to provide prompt responses wherever possible
- management agreed to all the amendments to the accounts recommended during the audit. The main amendment which impacted on the Balance Sheet and related notes concerned property valuation being incorrectly reported.

Further details are set out in section two of this report.

We anticipate providing an unqualified audit opinion in respect of the financial statements (see Appendix B).

### Other financial statement responsibilities

As well as an opinion on the financial statements, we are required to give an opinion on whether other information published together with the audited financial statements is consistent with the financial statements. This includes if the Narrative Report and AGS is misleading or inconsistent with the information of which we are aware from our audit.

Based on our review of the Council's Narrative Report and AGS we are satisfied that they are consistent with the audited financial statements. We are also satisfied that the AGS meets the requirements set out in the CIPFA/SOLACE guidance and that the disclosures included in the Narrative Report are in line with the requirements of the CIPFA Code of Practice.

## Controls

### Roles and responsibilities

The Council's management is responsible for the identification, assessment, management and monitoring of risk, and for developing, operating and monitoring the system of internal control.

Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we report these to the Council.

### Findings

Our work has not identified any control weaknesses which we wish to highlight for your attention.

## Value for Money

Our review of the Council's arrangements to secure economy, efficiency and effectiveness has highlighted the following issues which will give rise to a qualified VFM conclusion.

Ofsted published its inspection report on Children's Services in Tameside in December 2016 and judged the service to be inadequate. Ofsted highlighted weaknesses in relation to service delivery, leadership, management and governance.

The Council has responded promptly to the Ofsted Actions and has agreed a multi-agency Improvement Plan which is monitored by an independently chaired Children's Services Improvement Board. The Improvement Plan is backed by significant financial investment to address the issues. It is however too early to conclude that significant progress has been made to address the Ofsted concerns and restore the Council to a satisfactory rating. Failure to continually develop, adopt and implement the Improvement Plan would result in considerable risk to children and families requiring help.

Further detail of our work on Value for Money is set out in section three of this report.

## Other statutory powers and duties

We have not identified any issues that have required us to apply our statutory powers and duties under the Act.

Further details of our work on other statutory powers and duties is set out in section four of this report.

## Grant certification

In addition to our responsibilities under the Code, we are required to certify the Council's Housing Benefit subsidy claim on behalf of the Department for Work and Pensions. At present our work on this claim is in progress and is not due to be finalised until 30 November 2017. We will report the outcome of this certification work through a separate report to those charged with governance later in 2017.

## The way forward

Matters arising from the financial statements audit and our review of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources have been discussed with management.

## Acknowledgement

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff during our audit.

**Grant Thornton UK LLP**  
July 2017

## Section 2: Audit findings

01. Executive summary

02. Audit findings

03. Value for Money

04. Fees, non audit services and independence

05. Communication of audit matters

## Materiality

In performing our audit, we apply the concept of materiality, following the requirements of ISA (UK&I) 320: Materiality in planning and performing an audit. The standard states that 'misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements'.

As we reported in our Audit Plan, we determined overall materiality to be £9,830k (being 2% of 2015/16 gross revenue expenditure). We have considered whether this level remained appropriate during the course of the audit and have made no changes to our overall materiality.

We also set an amount below which misstatements would be clearly trivial and would not need to be accumulated or reported to those charged with governance because we would not expect that the accumulated effect of such amounts would have a material impact on the financial statements. We have defined the amount below which misstatements would be clearly trivial to be £250k. This remains the same as reported in our audit plan.

As we reported in our audit plan, we identified the following items where we decided that separate materiality levels were appropriate. These remain the same as reported in our Audit Plan.

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Balance/transaction/disclosure	Explanation	Materiality level
Related party transactions	Due to public interest in these disclosures and the statutory requirement for them to be made. (misstatements will also be evaluated by reference to how material they are to the other party).	£100,000 however errors will be assessed individually, with due regard given to the nature of the error and its potential impact on the materiality of the other party.
Disclosures of officers' remuneration, salary bandings and exit packages in notes to the statements	Due to public interest in these disclosures and the statutory requirement for them to be made.	£20,000

Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgements about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK&I) 320)

# Audit findings against significant risks

In this section we detail our response to the significant risks of material misstatement which we identified in the Audit Plan. As we noted in our plan, there are two presumed significant risks which are applicable to all audits under auditing standards.

Risks identified in our audit plan	Work completed	Assurance gained and issues arising
<p><b>Management over-ride of controls</b></p> <p>Under ISA (UK&amp;I) 240 it is presumed that the risk of management over-ride of controls is present in all entities.</p>	<ul style="list-style-type: none"> <li>• review of entity controls</li> <li>• review of journal entry process and selection of unusual journal entries for testing back to supporting documentation</li> <li>• review of accounting estimates, judgements and decisions made by management</li> <li>• review of unusual significant transactions.</li> </ul>	<p>Our audit work has not identified any evidence of management over-ride of controls. In particular the findings of our review of journal controls and testing of journal entries has not identified any significant issues.</p> <p>We set out later in this section of the report our work and findings on key accounting estimates and judgements.</p> <p><b>Journals testing to be completed.</b></p>
<p><b>The expenditure cycle includes fraudulent transactions</b></p> <p>Practice Note 10 requires us to consider the risk of material misstatement due to fraudulent financial reporting that may arise from manipulation of expenditure recognition, especially where the body is required to meet targets.</p> <p>For your Council, we have concluded that the greatest risk of material misstatement relates to the completeness of operating expenses and creditor balances.</p>	<ul style="list-style-type: none"> <li>• substantive testing of expenditure for the year</li> <li>• testing of payables and accrued expenditure including reviewing post year end invoices and payments</li> </ul>	<p>We have considered the risk of material misstatement due to fraudulent transactions within the expenditure cycle as set out in Practice Note 10.</p> <p>Our audit work has not identified any evidence of fraudulent transactions within the expenditure cycle.</p>

"Significant risks often relate to significant non-routine transactions and judgemental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgemental matters may include the development of accounting estimates for which there is significant measurement uncertainty." (ISA (UK&I) 315) . In making the review of unusual significant transactions "the auditor shall treat identified significant related party transactions outside the entity's normal course of business as giving rise to significant risks." (ISA (UK&I) 550)

# Audit findings against significant risks continued

Risks identified in our audit plan	Work completed	Assurance gained and issues arising
<p><b>Valuation of property, plant and equipment</b> The Council revalues its assets on a rolling basis over a five year period. The Code requires that the Council ensures that the carrying value at the balance sheet date is not materially different from the current value. This represents a significant estimate by management in the financial statements with regard to revaluation measurements not being correct.</p>	<ul style="list-style-type: none"> <li>• review of management's processes and assumptions for the calculation of the estimate</li> <li>• review of the competence, expertise and objectivity of management's expert valuer, Matthews and Goodman</li> <li>• review of the instructions issued to management's expert valuer and the scope of their work</li> <li>• correspondence with the Council's expert valuer about the basis on which the valuation was carried out, challenging the key assumptions</li> <li>• review and challenge of the information used by the valuer to ensure it was robust and consistent with our understanding</li> <li>• testing of revaluations made during the year to ensure they were input correctly into the Council's asset register</li> <li>• evaluation of the assumptions made by management for those assets not revalued during the year and how management satisfied themselves that these were not materially different to current value</li> <li>• evaluation of management's impairment review</li> </ul>	<p>Our review has not identified any material errors regarding valuation of property, plant and equipment.</p> <p>Approximately 20% of land and buildings were revalued during 2016/17 which resulted in an overall reduction of PPE values by £10.7m to £541.2m.</p> <p>At the outset of the audit there was an imbalance in the reconciliation between the Fixed Asset Register and General Ledger/accounts. This was resolved during the audit.</p> <p><b>To be confirmed – management revisiting school revaluation and restating – TBC.</b></p> <p><b>Also awaiting response from Matthews and Goodman.</b></p>
<p><b>Valuation of pension fund net liability</b> The Council's pension fund net liability, as reflected in its balance sheet, represents a significant estimate in the financial statements.</p>	<ul style="list-style-type: none"> <li>• identifying the controls put in place by management to ensure that the pension fund net liability is not materially misstated and assessing whether those controls were implemented as expected and whether they were sufficient to mitigate the risk of material misstatement</li> <li>• review of the competence, expertise and objectivity of the actuary who carried out the Council's pension fund valuation</li> <li>• carried out procedures to confirm the reasonableness of the actuarial assumptions made including the use of an audit expert and considered whether known outturns are within acceptable tolerances to confirm the reasonableness of the actuary's approach</li> <li>• review of the consistency of the pension fund net liability disclosures in notes to the financial statements with the actuarial report from your actuary</li> </ul>	<p>Our review has not identified any material errors regarding the valuation of the pension fund net liability.</p> <p>The actuarial valuation of the Council's pension scheme liabilities and pension reserve have increased by £20.97m during the year. This is mainly as a result of changes to the financial assumptions used by the pension fund Actuary (Hymans-Robertson). The main change relates to the increase in the discount rate used by the Actuary to discount the future cash flows of the fund. Further details are given in Note 30.</p> <p>The Council agreed to add a narrative disclosure to note 30 to explain the estimation involved in the rolled forward pension fund valuation.</p>

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# Audit findings against other risks

In this section we detail our response to the other risks of material misstatement which we identified in the Audit Plan.

Transaction cycle	Description of risk	Work completed	Assurance gained & issues arising
<p><b>Operating expenses</b></p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 20</p>	<p>Non-pay expenditure represents a significant percentage of the Council’s gross expenditure. Management also uses judgement to estimate accruals of un-invoiced non-pay costs.</p> <p>We identified the completeness of non- pay expenditure in the financial statements as a risk requiring particular audit attention.</p> <p>We also identified creditors being understated or not recorded in the correct period as a risk requiring particular audit attention.</p>	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> <li>• documented our understanding of processes and key controls over the transaction cycle</li> <li>• undertaken walkthrough of the key controls to assess whether those controls were in line with our documented understanding</li> <li>• tested a sample of non-pay operating expenses during the year for accuracy and recording in the correct period</li> <li>• tested a sample of creditors and accruals to supporting evidence to ensure they are correctly recorded in the right period and, where possible, to subsequent payment</li> <li>• reviewed post year end payments to identify any unrecorded creditors</li> </ul>	<p>Our review has not identified any material errors regarding non-pay operating expenditure or creditors.</p> <p>As reported on page 11, the amendment to school valuation had a corresponding impact on capital charges within expenditure categories. This resulted in a net gain of £6,593k to operating expenditure.</p> <p>We identified an error regarding corporate landlord recharge (£5,893k) and Digital Tameside recharge (£419k) which were not netted from income or expenditure in the accounts. Management adjusted both income and expenditure for these errors with no overall impact on net cost of services.</p>

"In respect of some risks, the auditor may judge that it is not possible or practicable to obtain sufficient appropriate audit evidence only from substantive procedures. Such risks may relate to the inaccurate or incomplete recording of routine and significant classes of transactions or account balances, the characteristics of which often permit highly automated processing with little or no manual intervention. In such cases, the entity’s controls over such risks are relevant to the audit and the auditor shall obtain an understanding of them." (ISA (UK&I) 315)

# Audit findings against other risks continued

In this section we detail our response to the other risks of material misstatement which we identified in the Audit Plan.

Transaction cycle	Description of risk	Work completed	Assurance gained & issues arising
<p><b>Employee remuneration</b></p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 21</p>	<p>Payroll expenditure represents a significant percentage of the Council's gross expenditure.</p> <p>We identified the completeness of payroll expenditure in the financial statements as a risk requiring particular audit attention.</p>	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> <li>• documented our understanding of processes and key controls over the transaction cycle</li> <li>• undertaken walkthrough of the key controls to assess the whether those controls were in line with our documented understanding</li> <li>• performed a trend analysis of payroll costs to identify any unusual or unexpected trends</li> <li>• tested a sample of payroll transactions to confirm accuracy and completeness</li> </ul>	<p>Our review has not identified any material errors regarding employee remuneration expenditure.</p>

"In respect of some risks, the auditor may judge that it is not possible or practicable to obtain sufficient appropriate audit evidence only from substantive procedures. Such risks may relate to the inaccurate or incomplete recording of routine and significant classes of transactions or account balances, the characteristics of which often permit highly automated processing with little or no manual intervention. In such cases, the entity's controls over such risks are relevant to the audit and the auditor shall obtain an understanding of them." (ISA (UK&I) 315)

# Accounting policies, estimates and judgements

In this section we report on our consideration of accounting policies, in particular revenue recognition policies, and key estimates and judgements made and included with the Council's financial statements.

Accounting area	Summary of policy	Comments	Assessment
<p><b>Revenue recognition</b></p>	<ul style="list-style-type: none"> <li>NDR and Council tax income is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the Council and the amount of revenue can be measured reliably</li> <li>government grants and third party confirmations and donations are recognised as due when there is reasonable assurance that the Council will comply with conditions attached to the payment and the grants or contributions will be received</li> <li>revenue relating to the provision of services is recognised when the amount of revenue can be measured reliably, it is probable the revenue will be received and the stage of completion of the service can be measured</li> </ul>	<p>Revenue recognition policies are in line with the requirements of the Code of Practice on Local Authority Accounting 2016-17 and accounting standards.</p> <p>We have undertaken substantive testing of grants and other revenues and are satisfied that the Council has recognised income in accordance with its accounting policies.</p>	<p>● Green</p>
<p><b>Judgements and estimates</b></p>	<p>Judgements and estimates have been considered in a number of areas including:</p> <ul style="list-style-type: none"> <li>pension fund valuations and settlements</li> <li>investments in Manchester Airport Group</li> <li>financial instruments fair values</li> <li>provisions and reserves</li> </ul>	<ul style="list-style-type: none"> <li>the Council has disclosed its significant judgements and estimates appropriately</li> <li>the Council has appropriately relied on the work of experts for pension fund valuations, for fair value calculations and the valuation of its investment in Manchester Airport Group</li> <li>our testing of financial instruments has not identified any matters arising</li> <li>our testing of a sample of provisions and reserves has not identified any matters arising</li> </ul> <p>During 2016/17 the Council has reviewed its reserves allocation due to the previous assumption that much of the capital investment programme would be funded from prudential borrowing. However this is no longer considered affordable and therefore the Capital Investment Reserve has seen an increase from £36,649k at 1 April 2016 to £69,210k at 31 March 2017, largely due to a transfer from the Medium Term Financial Strategy Reserve. Members of the Council have been kept updated of the reserves strategy during regular budget and finance reports.</p>	<p>● Green</p>

# Accounting policies, estimates and judgements continued

Accounting area	Summary of policy	Comments	Assessment
<p><b>Judgements - changes to the presentation of local authority financial statements</b></p>	<p>CIPFA has been working on the 'Telling the Story' project, for which the aim was to streamline the financial statements and improve accessibility to the user and this has resulted in changes to the 2016/17 CIPFA Code of Practice.</p> <p>The changes affect the presentation of income and expenditure in the financial statements and associated disclosure notes. A prior period adjustment (PPA) to restate the 2015/16 comparative figures is also required.</p>	<p>We have undertaken the following work:</p> <ul style="list-style-type: none"> <li>reviewed the re-classification of the Comprehensive Income and Expenditure Statement (CIES) comparatives to ensure that they are in line with the Council's internal reporting structure</li> <li>reviewed the appropriateness of the revised grouping of entries within the Movement In Reserves Statement (MIRS)</li> <li>tested the classification of income and expenditure for 2016/17 recorded within the Cost of Services section of the CIES</li> <li>tested the completeness of income and expenditure by reviewing the reconciliation of the CIES to the general ledger</li> <li>tested the classification of income and expenditure reported in the new Expenditure and Funding Analysis (EFA) note to the accounts</li> <li>reviewed the new segmental reporting disclosures within the 2016/17 financial statements to ensure compliance with the CIPFA Code of Practice.</li> </ul>	<p>● Green</p>
<p><b>Going concern</b></p>	<p>The Assistant Executive Director, Resources (s151 officer) has a reasonable expectation that the services provided by the Council will continue for the foreseeable future. Members concur with this view. For this reason, the Council continue to adopt the going concern basis in preparing the financial statements.</p>	<p>We have reviewed the Council's assessment and are satisfied with management's assessment that the going concern basis is appropriate for the 2016/17 financial statements.</p>	<p>● Green</p>
<p><b>Related Parties Review</b></p>	<p>As part of our interim audit testing we reviewed the Companies House website for information on members of the Executive Cabinet and senior officers (Assistant Executive Directors and above) to identify any related party interests.</p>	<p>At our final accounts audit we compared the Companies House information to the Members and Senior Officers register of interests and disclosures in the financial statements. There are no matters arising that we wish to draw to your attention.</p>	<p>● Green</p>
<p><b>Other accounting policies</b></p>	<p>We have reviewed the Council's policies against the requirements of the CIPFA Code of Practice and accounting standards.</p>	<p>The Council's accounting policies are appropriate and consistent with previous years.</p> <p>The Council adjusted its Minimum Revenue Position (MRP) policy for borrowings taken on or after 1 April 2015. MRP is calculated on a straight line basis over 50 years before that date. Borrowing after that date is provided on a straight line over the expected life of the associated asset. Note 8 to the accounts provides a full explanation.</p>	<p>● Green</p>

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**Assessment**

● Marginal accounting policy which could potentially attract attention from regulators

● Accounting policy appropriate but scope for improved disclosure

● Accounting policy appropriate and disclosures sufficient

# Accounting policies, estimates and judgements continued

Accounting area	Summary of policy	Comments	Assessment
<p><b>Housing Benefit and Welfare expenditure</b></p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 24</p>	<p>The Council includes Housing Benefit income based upon the unaudited submission to central government.</p> <p>As part of our work on expenditure we have reviewed the following on welfare expenditure:</p> <ul style="list-style-type: none"> <li>reconciliation of the welfare benefits expenditure system to the general ledger and financial statements;</li> <li>reconciliation of welfare benefit income to subsidy claim;</li> <li>substantively tested a sample of 12 welfare benefit payments (rent allowance and non HRA rent rebates);</li> <li>substantive testing to ensure the welfare benefits system parameters are updated correctly for 2016/17; and</li> <li>analytical review of benefits paid.</li> </ul> <p>These procedures also form part of the Housing Benefit Subsidy Claim audit which has a certification deadline of 30 November 2017.</p>	<p>Our audit has not identified any significant issues in relation to welfare benefit expenditure which would impact on the audit opinion. We will report the findings of our Housing Benefit Subsidy audit in November 2017.</p> <p>Testing to be completed.</p>	<p style="text-align: center;">● Green</p>
<p><b>Prior Year Adjustment</b></p>	<p>The 2015/16 Balance Sheet and associated notes have been re-stated to reflect the removal of New Charter Academy.</p>	<p>New Charter Academy with a value of £37.701m was incorrectly reported in the prior year statements as owned by the Council although ownership had transferred to the Academy.</p>	<p style="text-align: center;">● Green</p>

**Assessment**

● Marginal accounting policy which could potentially attract attention from regulators  
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● Accounting policy appropriate but scope for improved disclosure

● Accounting policy appropriate and disclosures sufficient

## Other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

	Issue	Commentary
1.	<b>Matters in relation to fraud</b>	We have previously discussed the risk of fraud with the Audit (Overview) Panel. We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit procedures.
2.	<b>Matters in relation to related parties</b>	From the work we carried out, we have not identified any related party transactions which have not been disclosed
3.	<b>Matters in relation to laws and regulations</b>	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
4.	<b>Written representations</b>	A standard letter of representation has been requested from the Council (see Appendix A).
5.	<b>Confirmation requests from third parties</b>	We requested and received direct confirmations for bank balances from the Council's bankers. For the Council's borrowings we received confirmations direct from PWLB and from Capita in respect of the Council's commercial LOBO borrowings.
6.	<b>Disclosures</b>	Our review found no material omissions in the financial statements.
7.	<b>Matters on which we report by exception</b>	We are required to report by exception in the following areas if we identify any issues: <ul style="list-style-type: none"> <li>• If the Annual Governance Statement does not meet the disclosure requirements set out in the CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit</li> <li>• The information in the Narrative Report is materially inconsistent with the information in the audited financial statements or our knowledge of the Council acquired in the course of performing our audit, or otherwise misleading.</li> </ul> We have no issues to report.
8.	<b>Specified procedures for Whole of Government Accounts</b>	We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions. As the Council exceeds the specified group reporting threshold of £350m we are required to examine and report on the consistency of the WGA consolidation pack with the Council's audited financial statements. The deadline for submission of the audited Group Return is 29 September 2017 and we will complete our audit in advance of that deadline. We are satisfied that our review will not have any material impact on our audit opinion or VFM conclusion.

# Internal controls

To update with IT auditor audit findings.

	Assessment	Issue and risk	Recommendations
1.		<ul style="list-style-type: none"> <li>TBC</li> </ul>	
2.			

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- Assessment**
- Significant deficiency – risk of significant misstatement
  - Deficiency – risk of inconsequential misstatement

The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

"The purpose of an audit is for the auditor to express an opinion on the financial statements. Our audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters being reported are limited to those deficiencies that the auditor has identified during the audit and that the auditor has concluded are of sufficient importance to merit being reported to those charged with governance." (ISA (UK&I) 265)

## Internal controls – review of issues raised in prior year

As part of our audit we engage the firm's IT specialist auditors to carry out a review of entity level IT controls. Arising from this review were three minor points that management agreed to address which we reported in 2015/16. These related to:

- extending password length to minimum best practice (8 characters);
- improving password complexity to access the Agresso general ledger system; and
- improving the process for removing access to Agresso, Academy and Active Directory.

We do not consider that these matters present a risk to the audit opinion.

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NEED TO UPDATE THIS WITH PROGRESS AGAINST POINT 3

## Adjusted misstatements TBC

A number of adjustments to the draft accounts have been identified during the audit process. We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management. The table below summarises the adjustments arising from the audit which have been processed by management.

### Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £'000
Page 28 1 Revaluation of two PFI assets (XXXX) at 31 March 2017 was incorrectly input to the asset register and the general ledger. Resulting correction for the overstatement in value impacted upon revaluation losses which affected the CIES. Revaluation losses are reported below the Cost of Services on the CIES and therefore do not impact the General Fund. The charge is reversed through the Capital Adjustment Account (CAA) Reserve. There was a corresponding adjustment required to depreciation charges which is also reversed via the CAA .	6,593	14,711	6,593
2 Corporate landlord service income recharge not netted off in the accounts. Corresponding reduction in expenditure.	5,893		Nil
Digital Tameside income recharge not netted off in the accounts. Corresponding reduction in expenditure.	419		Nil
<b>Overall impact</b>	<b>£12,905</b>	<b>£14,711</b>	<b>£6,593</b>

## Misclassifications and disclosure changes **TBC**

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Adjustment type	Value £'000	Account balance	Impact on the financial statements
1 Disclosure	-	Note 28 PFI	Update to valuation disclosure of PFI assets to be consistent with revised valuation at 31 March 2017. PFI asset value decreased from 102,620k to £83,305k. Disclosure note only so no impact on primary statements.
2 Disclosure	-	Various	A small number of narrative amendments were made to the accounts and Narrative Report to improve presentation and aid the reader's understanding, including the Council's response to assessing hazardous cladding arising from the Grenfell fire, Note 5 Capital Grants realignment, and other improvements.

Section 3: Value for Money

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- 01. Executive summary
- 02. Audit findings
- 03. Value for Money**
- 04. Fees, non-audit services and independence
- 05. Communication of audit matters

## Background

We are required by section 21 of the Local Audit and Accountability Act 2014 ('the Act') and the NAO Code of Audit Practice ('the Code') to satisfy ourselves that the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VFM) conclusion.

We are required to carry out sufficient work to satisfy ourselves that proper arrangements are in place at the Council. The Act and NAO guidance state that for local government bodies, auditors are required to give a conclusion on whether the Council has put proper arrangements in place.

In carrying out this work, we are required to follow the NAO's Auditor Guidance Note 3 (AGN 03) issued in November 2016. AGN 03 identifies one single criterion for auditors to evaluate:

*In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.*

AGN 03 provides examples of proper arrangements against three sub-criteria but specifically states that these are not separate criteria for assessment purposes and that auditors are not required to reach a distinct judgement against each of these.

## Risk assessment

We carried out an initial risk assessment in February 2017 and identified a significant risk in respect of specific areas of proper arrangements using the guidance contained in AGN 03. We communicated these risks to you in our Audit Plan dated 8 March 2017.

We have continued our review of relevant documents up to the date of giving our report, and have not identified any further significant risks where we need to perform further work.

### Significant qualitative aspects

AGN 03 requires us to disclose our views on significant qualitative aspects of the Council's arrangements for delivering economy, efficiency and effectiveness.

We have focused our work on the significant risks that we identified in the Council's arrangements. In arriving at our conclusion, our main considerations were:

- The Council is responding well to the findings of Ofsted in December 2016 which rated Children's Services as Inadequate. An Improvement Plan has been developed with the creation of an independently chaired multi-agency Children's Services Improvement Board to oversee progress. It is too early to conclude the level of progress made in addressing the Ofsted concerns and when the rating will be restored to a safe level
- The Council has maintained a tight control of its budget and net expenditure at 31 March 2017 was £8.376m less than plan. The medium term financial plan, approved by the Council in February 2017, extends to 2019/20 and requires a further £14.4m of cost savings to be achieved. This is a challenge to the Council given the increase in demand for services and future funding reductions
- The Council has also continued to invest in the Borough with £35.288m capital spend during the year. The Vision Tameside project has continued with £10.134m regeneration investment including Clarendon Sixth Form College, Skills Centre and new Council administration block. Costs continue to be within budget
- The Council is making good progress with the delivery of the Care Together programme, together with the local CCG and NHS Foundation Trust, to transform healthcare in Tameside and Glossop. Resources were pooled into a single Integrated Commissioning Fund (ICF) underpinned by a financial framework which became fully operational on 1 April 2016. The ICF enables single commissioning arrangements for healthcare with decisions made at a Single Commissioning Board

We have set out more detail on the risks we identified, the results of the work we performed and the conclusions we drew from this work on pages 24 to 25.

### Overall conclusion

Based on the work we performed to address the significant risk, we concluded that:

- except for the matter we identified in respect of the Ofsted inspection of Children's Services, the Council had proper arrangements in all significant respects. We therefore propose to give a qualified 'except for' conclusion on your arrangements for securing economy, efficiency and effectiveness in your use of resources.

The text of our proposed report can be found at Appendix B.

**Key findings**

We set out below our key findings against the significant risks we identified through our initial risk assessment and further risks identified through our ongoing review of documents.

Significant risk	Work to address	Findings and conclusions
<p><b>Ofsted inspection of children's services</b> Ofsted issued a report on the Council's children's services in December 2016 which rated these as 'inadequate' and the Council is currently subject to a follow up review. Until such time as Ofsted has confirmed that adequate arrangements are in place this remains a significant risk to the Council's arrangements.</p>	<p>We reviewed the arrangements the Council has in place to respond to the Ofsted concerns. This included a review of progress made by the Improvement Board and monitoring of the Ofsted action plan.</p> <p>We have reviewed update reports from Ofsted as they become available.</p> <p>We have met with the Director of Children's Services and attended the monthly Children's Services Improvement Board to review progress in responding to the Ofsted concerns.</p>	<p>Ofsted published its inspection report on Children's Services in Tameside in December 2016 and judged the service to be inadequate. Ofsted highlighted weaknesses in relation to service delivery, leadership, management and governance. The Tameside Safeguarding Children Board was judged as "requiring improvement".</p> <p>The Council was already aware of the pressures within the service stemming from an unprecedented increase in service users. Children's Services caseload increased from 1,342 children and young people at 31 March 2016 to 2,753 at 31 March 2017. The 2016/17 budget allocation consequently overspent by £2.8m which was largely to fund additional social workers and placements.</p> <p>The Council has responded promptly to Ofsted's concerns by developing an Improvement Plan and creating a Children's Services Improvement Board to oversee progress. The Improvement Plan was submitted to Ofsted by the 20 March 2017 deadline and incorporated public consultation comments. It also included the views of children and service users under "Voice of the Child". The Improvement Plan is now formally adopted as Council Policy. The Improvement Plan sets out how a fully functioning Children's Service can be delivered, going beyond simply addressing the Ofsted concerns.</p> <p>Delivery of the Improvement Plan is overseen by the multi-agency Children's Services Improvement Board. A Terms of Reference for the Board was prepared and it has met monthly since February 2017. The Board has an independent chair and contains representatives from key stakeholders including an adviser from the Department for Education, Director of Children's Services, Council Leader and Chief Executive, Tameside Hospital, CCG, Police and head teachers to name just a few. The Council is keen to understand what good looks like for each partner agency and progress updates by the Children's Services Improvement Board are presented quarterly to the Executive Cabinet of the Council.</p> <p>The Improvement Plan itself is partnership wide and sets out how the Council and partners across the borough are addressing the Ofsted recommendations to deliver sustainable improvement. The Improvement Plan is framed around six key themes which map to the Ofsted inspection report:</p> <ul style="list-style-type: none"> <li>• Leadership and strategy</li> <li>• Demand and need</li> <li>• Resources and capacity</li> <li>• Quality, practice and compliance</li> <li>• Outcomes for children</li> <li>• Sustainability</li> </ul>

**Key findings continued**

Significant risk	Work to address	Findings and conclusions continued
<p><b>Ofsted inspection of children's services</b> Ofsted issued a report on the Council's children's services in December 2016 which rated these as 'inadequate' and the Council is currently subject to a follow up review. Until such time as Ofsted has confirmed that adequate arrangements are in place this remains a significant risk to the Council's arrangements.</p>	<p>We reviewed the arrangements the Council has in place to respond to the Ofsted concerns. This included a review of progress made by the Improvement Board and monitoring of the Ofsted action plan.</p> <p>We have reviewed update reports from Ofsted as they become available.</p> <p>We have met with the Director of Children's Services and attended the monthly Children's Services Improvement Board to review progress in responding to the Ofsted concerns.</p>	<p>Underpinning each of these key themes is the Voice of the Child which is paramount in ensuring that the needs of children and young people are heard to secure genuine and sustainable improvement.</p> <p>The Improvement Plan is supported by additional recurrent investment of £6m from 2017/18 onwards. This includes investment in Family Group Conferencing, Edge of Care and Care to Success initiatives.</p> <p>The Council recognises that managing the demand for Children's Services is key to delivering sustainable improvement. It is expected that a review of service provision pathways and other initiatives should lead to a reduction in demand in the medium term. This is essential as the increased financial investment is not sustainable in the longer term given decline in resources. Success also depends upon recruiting sufficient Social Workers to deal with service demand. Good Social Workers are in short supply and the Council must compete with neighbouring Boroughs to recruit and fill places whilst controlling costs and not promoting pay inflation.</p> <p>Ofsted has so far carried out two focused follow up monitoring visits during 2017. A review of the Children's Hub took place in February 2017 and Ofsted concluded that some progress was being made. A follow up review of help and protection, with a focus on the safeguarding duty teams by Ofsted in June 2017 reported that only limited progress had been made in addressing the recommendations. It is too early to know when sufficient progress will be made to restore the Ofsted score to a satisfactory rating. The next full Ofsted inspection is not expected until late 2018 at which time overall progress and the quality of the Service will be formally rated again.</p> <p>We consider that the Council has responded appropriately to the issues identified by Ofsted and has created a comprehensive Improvement Plan underpinned by multi-agency independent scrutiny. Working with partners is key to improving the service and ensuring that services are sustainable and not delivered in silos.</p> <p><b>Whilst we recognise the swift response of the Council to the Ofsted findings we concluded that as a result of their findings weaknesses remain in the Council's arrangements for managing risks effectively and maintaining a sound system of internal control, demonstrating and applying the principles and values of good governance, and planning, organising and developing the workforce effectively to deliver strategic priorities.</b></p>

### **Significant difficulties in undertaking our work**

We did not identify any significant difficulties in undertaking our work on your arrangements which we wish to draw to your attention.

### **Significant matters discussed with management**

There were no matters where no other evidence was available or matters of such significance to our conclusion or that we required written representation from management or those charged with governance.

### **Any other matters**

There were no other matters from our work which were significant to our consideration of your arrangements to secure value for money in your use of resources.

## Section 4: Fees, non-audit services and independence

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- 05. Communication of audit matters

We confirm below our final fees charged for the audit and provision of non-audit services (Audit Fees TBC)

### Fees

	Proposed fee £	Final fee £
Council audit	105,017	105,017
Grant certification – Housing Benefits	24,323	T.B.C
<b>Total audit fees (excluding VAT)</b>	<b>129,340</b>	<b>T.B.C</b>

The proposed fees for the year were in line with the scale fee set by Public Sector Audit Appointments Ltd.

### Grant certification

Our fees for grant certification cover only housing benefit subsidy certification, which falls under the remit of Public Sector Audit Appointments Ltd. Fees in respect of other grant work, such as reasonable assurance reports, are shown under 'Fees for other services'.

### Independence and ethics

Ethical Standards and ISA (UK&I) 260 require us to give you timely disclosure of matters relating to our independence. In this context, we disclose the following to you:

- We draw your attention to the fact that an ex-Grant Thornton employee currently occupies a senior position within the Council, although we consider this fact has had no bearing on our audit judgement or independence. The appointment commenced on 17 July 2017
- We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards
- For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The table below summarises all other services which were identified.

### Fees for other services

Service	Fees £	Planned outputs
<b>Audit related:</b>		
Teachers' Pension Return	4,200	Independent accountants' certificate
George Frederick Byrom Trust independent examination	1,000	Independent examiners' statement
<b>Non-audit related:</b>		
CFO Insights software provision	10,000	Access to database and support
<b>Total</b>	<b>15,200</b>	

The above services are consistent with the Council's policy on the allotment of non-audit work to your auditors.

## Independence and non-audit services

We have considered whether non-audit services might be perceived as a threat to our independence as the Council's auditor and have ensured that appropriate safeguards are put in place

	Service provided to	Fees	Threat?	Safeguard
<b>CFO Insights</b> Online service allowing rapid analysis of key financial performance data	Tameside Metropolitan Borough Council	£10,000	The fee is a subscription, for an initial three year period (fees £10,000 per annum), and is therefore a high self-interest threat.	The fee for this work is negligible in comparison to the total fee for the audit and in particular the overall turnover of Grant Thornton UK LLP and the Public Sector Assurance service line. It is also a fixed fee with no contingent element. These factors mitigate the perceived self interest threat to an acceptable level.
	<b>TOTAL</b>	£10,000		

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The above non-audit services are consistent with the Council's policy on the allotment of non-audit work to your auditor.

## Section 5: Communication of audit matters

01. Executive summary

02. Audit findings

03. Value for Money

04. Fees, non audit services and independence

**05. Communication of audit matters**

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# Communication to those charged with governance

ISA (UK&I) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

This document, The Audit Findings, outlines those key issues and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

## Respective responsibilities

The Audit Findings Report has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by Public Sector Audit Appointments Limited (<http://www.psa.co.uk/appointing-auditors/terms-of-appointment/>)

We have been appointed as the Council's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England at the time of our appointment. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the NAO (<https://www.nao.org.uk/code-audit-practice/about-code/>). Our work considers the Council's key risks when reaching our conclusions under the Code.

It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence.	✓	✓
Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged		
Details of safeguards applied to threats to independence		
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements		✓
Non compliance with laws and regulations		✓
Expected modifications to auditor's report, or emphasis of matter		✓
Unadjusted misstatements and material disclosure omissions		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern	✓	✓

# Appendices

A. Letter of Representation

B. Audit Opinion

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# A: Letter of Representation

## We are requesting a standard letter of representation from the Council

July 2017

Dear Sirs

### **Tameside Metropolitan Borough Council Financial Statements for the year ended 31 March 2017**

This representation letter is provided in connection with the audit of the financial statements of Tameside Metropolitan Borough Council for the year ended 31 March 2017 for the purpose of expressing an opinion as to whether the Council's financial statements give a true and fair view in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

#### **Financial Statements**

We have fulfilled our responsibilities for the preparation of the Council financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 ("the Code") which give a true and fair view in accordance therewith.

We have complied with the requirements of all statutory directions affecting the Council and these matters have been appropriately reflected and disclosed in the Council's financial statements.

The Council has complied with all aspects of contractual agreements that could have a material effect on the Council financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the Council financial statements in the event of non-compliance.

We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

We are satisfied that the material judgements used in the preparation of the Council financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. There are no other material judgements that need to be disclosed.

Except as disclosed in the financial statements:

- there are no unrecorded liabilities, actual or contingent
- none of the assets of the Council has been assigned, pledged or mortgaged
- there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.

We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.

Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the Code.

All events subsequent to the date of Council financial statements and for which the Code requires adjustment or disclosure have been adjusted or disclosed.

Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of the Code.

We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The Council financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.

We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the Council financial statements.

We believe that the Council's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Council's needs. We believe that no further disclosures relating to the Council's ability to continue as a going concern need to be made in the financial statements.

**Information Provided**

We have provided you with:

- access to all information of which we are aware that is relevant to the preparation of the Council financial statements such as records, documentation and other matters;
- additional information that you have requested from us for the purpose of your audit; and
- unrestricted access to persons within the Council from whom you determined it necessary to obtain audit evidence.

We have communicated to you all deficiencies in internal control of which management is aware.

All transactions have been recorded in the accounting records and are reflected in the Council financial statements.

We have disclosed to you the results of our assessment of the risk that the Council financial statements may be materially misstated as a result of fraud.

We have disclosed to you all our knowledge of fraud or suspected fraud affecting the Council involving:

- management;
- employees who have significant roles in internal control; or
- others where the fraud could have a material effect on the Council financial statements.

We have disclosed to you all our knowledge of any allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees, regulators or others.

We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the Council's financial statements.

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

We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the Council financial statements.

**Annual Governance Statement**

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

**Narrative Report**

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

**Approval**

The approval of this letter of representation was minuted by the Council's Overview (Audit) Panel at its meeting on 31 July 2017.

Yours faithfully

Signed .....  
 Ian Duncan, Assistant Executive Director, Resources  
 Date.....

Signed.....  
 Councillor Ricci, Chair of Overview (Audit) Panel  
 Date.....

Signed on behalf of the Council

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## B: Audit opinion

We anticipate we will provide the Council with an unmodified audit report

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAMESIDE METROPOLITAN BOROUGH COUNCIL

We have audited the financial statements of Tameside Metropolitan Borough Council (the "Authority") for the year ended 31 March 2017 under the Local Audit and Accountability Act 2014 (the "Act"). The financial statements comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the related notes, the Collection Fund and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Act and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of the Assistant Executive Director, Resources (Section 151 Officer) and auditor

As explained more fully in the Statement of Responsibilities, the Assistant Executive Director, Resources (Section 151 Officer) is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17, which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the "Code of Audit Practice") and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Assistant Executive Director, Resources (Section 151 Officer); and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Narrative Report and Financial Summary and the Annual Governance Statement to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### Opinion on financial statements

In our opinion:

- the financial statements present a true and fair view of the financial position of the Authority as at 31 March 2017 and of its expenditure and income for the year then ended; and
- the financial statements have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and applicable law.

#### Opinion on other matters

In our opinion, the other information published together with the audited financial statements in the Narrative Report and Financial Summary and the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the audited financial statements.

**Matters on which we are required to report by exception**

We are required to report to you if:

- in our opinion the Annual Governance Statement does not comply with the guidance included in 'Delivering Good Governance in Local Government: Framework (2016)' published by CIPFA and SOLACE; or
- we have reported a matter in the public interest under section 24 of the Act in the course of, or at the conclusion of the audit; or
- we have made a written recommendation to the Authority under section 24 of the Act in the course of, or at the conclusion of the audit; or
- we have exercised any other special powers of the auditor under the Act.

We have nothing to report in respect of the above matters.

**Conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources****Respective responsibilities of the Authority and auditor**

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 20(1) (c) of the Act to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

**Scope of the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources**

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria issued by the Comptroller and Auditor General in November 2016, as to whether the Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criteria as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether in all significant respects the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

**Basis for qualified conclusion**

In considering the Authority's arrangements for securing economy, efficiency and effectiveness we identified the following matter:

In December 2016, Ofsted issued its report on the inspection of Children's Services in Tameside, which judged the service provided by the Authority to be inadequate. The report highlighted a number of issues in relation to service delivery, leadership, management and governance.

The Authority has responded with an Improvement Plan which has been submitted to Ofsted and is being overseen by the multi-agency Tameside Children's Services Improvement Board. At the date of our opinion the Improvement Plan is still in operation and a number of the actions are still being progressed.

The Ofsted assessment of inadequate is evidence of weaknesses in proper arrangements for understanding and using appropriate and reliable performance information to support informed decision making and performance management, and for planning, organising and developing the workforce effectively to deliver strategic priorities.

**Qualified conclusion**

On the basis of our work, having regard to the guidance on the specified criteria issued by the Comptroller and Auditor General in November 2016, except for the effects of the matter described in the Basis for qualified conclusion paragraph, we are satisfied that, in all significant respects, the Authority put in place proper arrangements to secure value for money through economic, efficient and effective use of its resources for the year ended 31 March 2017.

**Delay in certification of completion of the audit**

We cannot formally conclude the audit and issue an audit certificate in accordance with the requirements of the Act and the Code of Audit Practice until we have completed the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the Authority for the year ended 31 March 2017. We are satisfied that this work does not have a material effect on the financial statements or on our conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

*To be signed*

Mike Thomas  
for and on behalf of Grant Thornton UK LLP, Appointed Auditor  
4 Hardman Square  
Spinningfields  
Manchester  
M3 3EB  
To be dated July 2017



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ASHTON-UNDER-LYNE · AUDENSHAW · DENTON · DROYLSDEN · DUKINFIELD · HYDE · LONGDENDALE · MOSSLEY · STALYBRIDGE

**Ian Duncan**  
**Assistant Executive Director**  
**Finance**

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Doc Ref  
Ask for Ian Duncan  
Direct Line 0161 342 3864  
Date 31 July 2017

Grant Thornton UK LLP  
4 Hardman Square  
Spinningfields  
Manchester  
M3 3EB

31 July 2017

Dear Sirs

### Tameside Metropolitan Borough Council

### Financial Statements for the year ended 31 March 2017

This representation letter is provided in connection with the audit of the financial statements of Tameside Metropolitan Borough Council for the year ended 31 March 2017 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

#### Financial Statements

- i We have fulfilled our responsibilities for the preparation of the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 ("the Code") which give a true and fair view in accordance therewith.
- ii We have complied with the requirements of all statutory directions affecting the Council and these matters have been appropriately reflected and disclosed in the financial statements.
- iii The Council has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

- vi We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. There are no other material judgements that need to be disclosed.
- vii Except as disclosed in the financial statements:
  - a there are no unrecorded liabilities, actual or contingent
  - b none of the assets of the Council has been assigned, pledged or mortgaged
  - c there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- ix Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the Code.
- x All events subsequent to the date of the financial statements and for which the Code requires adjustment or disclosure have been adjusted or disclosed.
- xi Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of the Code.
- xii The financial statements are free of material misstatements, including omissions.
- xiii We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiv We believe that the Council's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Council's needs. We believe that no further disclosures relating to the Council's ability to continue as a going concern need to be made in the financial statements.

### Information Provided

- xv We have provided you with:
  - a access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
  - b additional information that you have requested from us for the purpose of your audit; and
  - c unrestricted access to persons within the Council from whom you determined it necessary to obtain audit evidence.
- xvi We have communicated to you all deficiencies in internal control of which management is aware.
- xvii All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xviii We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xix We have disclosed to you all our knowledge of fraud or suspected fraud affecting the Council involving:

- a management;
- b employees who have significant roles in internal control; or
- c others where the fraud could have a material effect on the financial statements.

- xx We have disclosed to you all our knowledge of any allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees, regulators or others.
- xxi We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxii We have disclosed to you the identity of all the Council's related parties and all the related party relationships and transactions of which we are aware.
- xxiii We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

**Annual Governance Statement**

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

**Narrative Report**

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

**Approval**

The approval of this letter of representation was minuted by the Council's Overview (Audit) Panel at its meeting on 31 July 2017

Yours faithfully

Name.....  
 Position.....  
 Date.....

Name.....  
 Position.....  
 Date.....

Signed on behalf of the Council

Yours sincerely,



**Ian Duncan**  
**Assistant Executive Director**  
**Finance**

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# The Audit Findings for Greater Manchester Pension Fund

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**Year ended 31 March 2017**

31 July 2017

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**Mike Thomas**

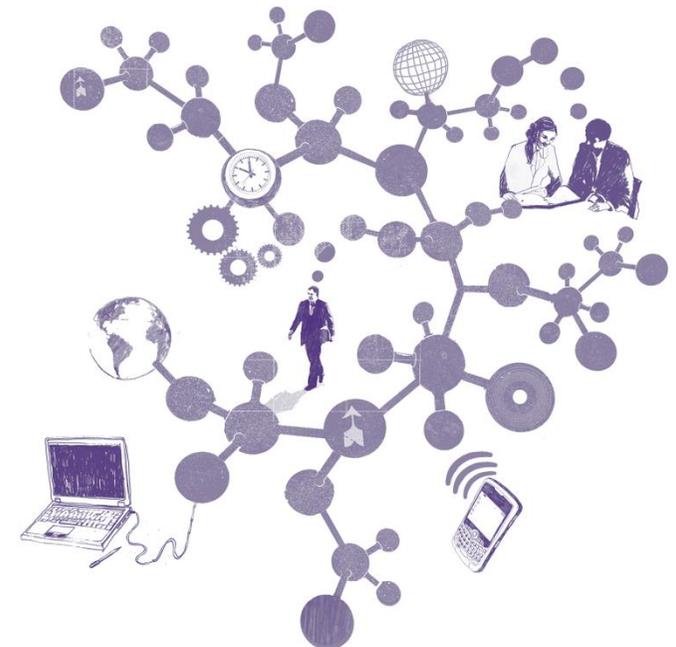
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31 July 2017

Dear Members

### **Audit Findings for Greater Manchester Pension Fund for the year ending 31 March 2017**

This Audit Findings report highlights the key findings arising from the audit that are significant to the responsibility of those charged with governance (in the case of Greater Manchester Pension Fund, the Overview (Audit) Panel of Tameside MBC), to oversee the financial reporting process, as required by International Standard on Auditing (UK & Ireland) 260, the Local Audit and Accountability Act 2014 and the National Audit Office Code of Audit Practice. Its contents have been discussed with Management and presented to the Greater Manchester Pension Fund Management Panel.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK & Ireland) ('ISA (UK&I)'), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Yours sincerely

Mike Thomas  
Engagement lead

#### Chartered Accountants

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## **Appendices**

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- B Audit opinion on Annual Report

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# Section 1: Executive summary

01. Executive summary

02. Audit findings

03. Fees, non audit services and independence

04. Communication of audit matters

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## Purpose of this report

This report highlights the key issues affecting the results of Greater Manchester Pension Fund ('the Fund') and the preparation of the Fund's financial statements for the year ended 31 March 2017. It is also used to report our audit findings to management and those charged with governance in accordance with the requirements of ISA (UK&I) 260, and the Local Audit and Accountability Act 2014 ('the Act').

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion, the Fund's financial statements give a true and fair view of the financial position of the Fund.

## Introduction

In the conduct of our audit we have not had to alter or change our audit approach, which we communicated to you in our Audit Plan dated 23 February 2017.

Our audit is substantially complete although we are finalising our procedures in the following areas:

- review of the final version of the financial statements
- review of the final version of the annual report
- completion of our internal review procedures
- obtaining and reviewing the management letter of representation and
- updating our post balance sheet events review, to the date of signing the opinion

We received draft financial statements on 5 June 2017 and accompanying working papers at the commencement of our work on the 12 June 2017, in accordance with the agreed timetable.

## Key audit and financial reporting issues

### Financial statements opinion

We have identified no adjustments affecting the Fund's reported financial position (details are recorded in section two of this report). Both the draft financial statements and the audited financial statements for the year ended 31 March 2017 recorded net assets of £21.27 billion.

There were no significant issues arising from our work. The draft financial statements provided to audit were of a high quality and supported by good working papers. The finance team responded promptly and knowledgeably to audit requests and queries.

We have recommended a very small number of adjustments to improve disclosures and the presentation of the financial statements, further details of which can be seen within section two of this report.

We anticipate providing an unqualified opinion in respect of the Fund's financial statements.

## Controls

### Roles and responsibilities

The Fund's management is responsible for the identification, assessment, management and monitoring of risk, and for developing, operating and monitoring the system of internal control.

Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we report these to the Fund.

## Findings

Our work has not identified any control weaknesses which we wish to highlight for your attention.

### **The way forward**

Matters arising from the financial statements audit of the Fund have been discussed with the Assistant Executive Director of Pensions.

### **Acknowledgement**

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff during our audit.

**Grant Thornton UK LLP**  
**July 2017**

---

## Section 2: Audit findings

01. Executive summary

02. Audit findings

03. Fees, non audit services and independence

04. Communication of audit matters

This section summarises the findings of the audit, we report on the final level of materiality used and the work undertaken against the risks we identified in our initial audit plan. We also conclude on the accounting policies, estimates and judgements used and highlight any weaknesses found as part of the audit in internal controls. As required by auditing standards we detail both adjusted and unadjusted misstatements to the accounts and their impact on the financial statements.

# Materiality

In performing our audit, we apply the concept of materiality, following the requirements of ISA (UK&I) 320: Materiality in planning and performing an audit. The standard states that 'misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements'.

As we reported in our audit plan, we determined overall materiality to be £173.42 million (being 1% of net assets from the prior year audited statements). We have considered whether this level remained appropriate during the course of the audit and recognised the increase in net assets and revised our overall materiality to £212.71 million (being 1% of net assets reported in the draft financial statements at 31 March 2017).

We also set an amount below which misstatements would be clearly trivial and would not need to be accumulated or reported to those charged with governance because we would not expect that the accumulated effect of such amounts would have a material impact on the financial statements. We have defined the amount below which misstatements would be clearly trivial to be £10.64 million. Our assessment of the value of clearly trivial matters has been adjusted to reflect our revised materiality calculation.

As reported in our audit plan, we identified the following item where we decided that a separate materiality level was appropriate.

Balance/transaction/disclosure	Explanation	Materiality level
Related party transactions	Due to public interest in these disclosures	£20,000

Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK&I) 320)

# Audit findings against significant risks

In this section we detail our response to the significant risks of material misstatement which we identified in the Audit Plan. As we noted in our plan, there are two presumed significant risks which are applicable to all audits under auditing standards.

Risks identified in our audit plan	Work completed	Assurance gained and issues arising
<p><b>The revenue cycle includes fraudulent transactions</b></p> <p>Under ISA (UK&amp;I) 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Greater Manchester Pension Fund, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> <li>• there is little incentive to manipulate revenue recognition;</li> <li>• opportunities to manipulate revenue recognition are very limited; and</li> <li>• the culture and ethical frameworks of local authorities, including the Pension Fund’s administering Authority (Tameside MBC), mean that all forms of fraud are seen as unacceptable.</li> </ul>	<p>Our audit work has not identified any issues in respect of revenue recognition.</p>
<p><b>Management over-ride of controls</b></p> <p>Under ISA (UK&amp;I) 240 it is presumed that the risk of management over-ride of controls is present in all entities.</p>	<p>In accordance with our audit plan we:</p> <ul style="list-style-type: none"> <li>• reviewed entity-level controls – including journal environment</li> <li>• performed a walkthrough review of journal entry processes and controls</li> <li>• tested a sample of journal entries to supporting documentation</li> <li>• reviewed accounting estimates, judgements and decisions made by management</li> <li>• reviewed any unusual significant transactions.</li> </ul>	<p>Our audit work has not identified any evidence of management over-ride of controls. In particular the findings of our review of journal controls and testing of journal controls and testing of journal entries has not identified any significant issues.</p> <p>We set out later in this section of the report our work and findings on key accounting estimates and judgements.</p>

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"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty." (ISA (UK&I) 315) . In making the review of unusual significant transactions "the auditor shall treat identified significant related party transactions outside the entity's normal course of business as giving rise to significant risks." (ISA (UK&I) 550)

# Audit findings against significant risks continued

We have also identified the following significant risks of material misstatement from our understanding of the entity. We set out below the work we have completed to address these risks.

Risks identified in our audit plan	Work completed	Assurance gained and issues arising
<p><b>Level 3 Investments (Valuation is incorrect)</b>                      Under ISA 315 significant risks often relate to significant non-routine transactions and judgemental matters. Level 3 investments by their very nature require a significant degree of judgement to reach an appropriate valuation at year end.</p>	<p>In response to the risk we have:</p> <ul style="list-style-type: none"> <li>• updated our understanding of your process for valuing Level 3 investments.</li> <li>• performed walkthrough tests of the controls identified in the investments process.</li> <li>• tested a sample of indirect property investments valuations to valuation reports and/or other supporting documentation.</li> <li>• tested a sample of private equity investments valuations to Fund Manager valuations and/or obtained and reviewed the audited accounts at latest date for individual investments and agreed these to the fund manager reports at that date and reconciled those values to the values at 31<sup>st</sup> March with reference to known movements in the intervening period.</li> <li>• reviewed the qualifications of the fund managers as experts to value the level 3 investments at year end and gained an understanding of how the valuation of these investments has been reached.</li> <li>• reviewed the nature and basis of estimated values and consider what assurance management has over the year end valuations provided for these types of investments.</li> </ul>	<p>Our audit work has not identified any issues around the valuation of the Level 3 Investments reported at year end</p>

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# Audit findings against other risks

In this section we detail our response to the other risks of material misstatement which we identified in the Audit Plan.

Transaction cycle	Description of risk	Work completed	Assurance gained & issues arising
Investment Income	Investment activity not valid. Investment income not accurate. (Accuracy)	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> <li>• updated our understanding of processes and key controls for investments.</li> <li>• undertaken walkthrough of the key controls to assess whether those controls operated in line with our understanding.</li> <li>• for investments held by fund managers, reviewed reconciliation between JP Morgan, fund managers, HSBC and Pension Fund records, following up any significant variance and gain appropriate explanations/evidence for these.</li> <li>• for other investments (eg direct property), agreed a sample to supporting documentation.</li> </ul>	Our audit work has not identified any significant issues in relation to the risk identified
Investment purchases and sales	Investment activity not valid. Investment valuation not correct	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> <li>• updated our understanding of processes and key controls for investments.</li> <li>• undertaken walkthrough of the key controls to assess whether those controls operated in line with our understanding.</li> <li>• for investments held by fund managers, reviewed reconciliation between JP Morgan, fund managers, HSBC and Pension Fund records, following up any significant variance and gain appropriate explanations/evidence for these.</li> <li>• For direct property investments rationalised income against supporting documentation for expected rental income.</li> </ul>	Our audit work has not identified any significant issues in relation to the risk identified

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"In respect of some risks, the auditor may judge that it is not possible or practicable to obtain sufficient appropriate audit evidence only from substantive procedures. Such risks may relate to the inaccurate or incomplete recording of routine and significant classes of transactions or account balances, the characteristics of which often permit highly automated processing with little or no manual intervention. In such cases, the entity's controls over such risks are relevant to the audit and the auditor shall obtain an understanding of them." (ISA (UK&I) 315)

# Audit findings against other risks continued

Transaction cycle	Description of risk	Work completed	Assurance gained & issues arising
<b>Investment values – Level 2 investments</b>	Valuation is incorrect. (Valuation net)	We have undertaken the following work in relation to this risk: <ul style="list-style-type: none"> <li>• updated our understanding of the Pension Fund’s procedures for investments</li> <li>• performed a walkthrough test to gain assurance that the in-year controls were operating in accordance with our documented understanding.</li> <li>• reviewed the reconciliation of information provided by the fund managers, the custodian, the Accounting partner (HSBC) and the Pension Fund's own records and seek explanations for variances..</li> <li>• for a sample of direct property investments agreed values in total to valuer's report and undertaken steps to gain reliance on the valuer as an expert.</li> </ul>	Our audit work has not identified any significant issues in relation to the risk identified.
<b>Contributions</b>	Recorded contributions not correct. (Occurrence)	We have undertaken the following work in relation to this risk: <ul style="list-style-type: none"> <li>• performed a walkthrough to gain assurance that the in-year controls were operating in accordance with our documented understanding.</li> <li>• tested a sample of contributions to source data to gain assurance over their accuracy and occurrence.</li> <li>• rationalised contributions received with reference to changes in member body payrolls and numbers of contributing pensioners and ensured that any unexpected trends were satisfactorily explained.</li> </ul>	Our audit work has not identified any significant issues in relation to the risk identified.
<b>Benefits payable</b>	Benefits improperly computed/claims liability understated. (Completeness, accuracy and occurrence)	We have undertaken the following work in relation to this risk: <ul style="list-style-type: none"> <li>• performed a walkthrough to gain assurance that the in-year controls were operating in accordance with our documented understanding.</li> <li>• performed controls testing over completeness, accuracy and occurrence of benefit payments.</li> <li>• tested a sample of pension payments, lump sums, and refunds</li> <li>• rationalised pensions paid with reference to changes in pensioner numbers and increases applied in the year and ensured that any unusual trends were satisfactorily explained.</li> </ul>	Our audit work has not identified any significant issues in relation to the risk identified.

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## Audit findings against other risks continued

Transaction cycle	Description of risk	Work completed	Assurance gained & issues arising
<b>Member Data</b>	Member data not correct. (Rights and Obligations)	We have undertaken the following work in relation to this risk: <ul style="list-style-type: none"> <li>• performed a walkthrough to gain assurance that the in-year controls were operating in accordance with our documented understanding.</li> <li>• performed a reconciliation of member numbers.</li> <li>• tested a sample of changes to member data for new member, leavers and new pensioners made during the year to source documentation.</li> </ul>	Our audit work has not identified any significant issues in relation to the risk identified.

# Accounting policies, estimates and judgements

In this section we report on our consideration of accounting policies, in particular revenue recognition policies, and key estimates and judgements made and included with the Fund's financial statements.

Accounting area	Summary of policy	Comments	Assessment
<p>Revenue recognition</p> <p>Page 64</p>	<p>The financial statements include policies for recognition of the following:</p> <ul style="list-style-type: none"> <li>• Contributions</li> <li>• Investment income</li> <li>• Transfers in to the scheme</li> </ul> <p>Contributions and Investment Income are recognised on an accruals basis, whilst transfers in are recognised on a cash basis, with the exception of bulk transfers, which are accounted for on an accruals basis in accordance with the terms of the transfer agreement.</p>	<p>Review of your policies for revenue recognition confirms they are in line with the requirements of the CIPFA Code of Practice and cover all the expected areas in accordance with the Fund's activities.</p> <p>Our testing has confirmed that these policies have been correctly and consistently applied.</p>	<p>●</p> <p>Green</p>
<p>Judgements and estimates</p>	<p>Key estimates and judgements include:</p> <ul style="list-style-type: none"> <li>• Pension Fund Liability – present value of future retirement benefits</li> <li>• Valuation of investments - unquoted equities, infrastructure and special opportunities.</li> </ul>	<p>Our review of your key judgements disclosed in the draft financial statements has confirmed they are complete in accordance with our understanding of the Fund.</p> <p>There have been minor changes to Note 2 on accounting policies to improve the clarity around the fair value of Investments.</p> <p>Our testing has confirmed that the accounting policies in relation to these areas are in accordance with the CIPFA Code of Practice and have been correctly and consistently applied.</p>	<p>●</p> <p>Green</p>
<p>Going concern</p> <p>Assessment</p>	<p>Officers have a reasonable expectation that the services provided by the Fund will continue for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.</p>	<p>We have reviewed the Fund's assessment and are satisfied with management's assessment that the going concern basis is appropriate for the 2016/17 financial statements.</p>	<p>●</p> <p>Green</p>

● Marginal accounting policy which could potentially attract attention from regulators ● Accounting policy appropriate but scope for improved disclosure ● Accounting policy appropriate and disclosures sufficient

# Other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

	Issue	Commentary
1.	<b>Matters in relation to fraud</b>	<ul style="list-style-type: none"> <li>We have previously discussed the risk of fraud with officers and members and have not been made aware of any incidents in the period and no other issues have been identified during the course of our audit procedures.</li> </ul>
2.	<b>Matters in relation to related parties</b>	<ul style="list-style-type: none"> <li>From the work we carried out, we have not identified any related party transactions which have not been disclosed.</li> </ul>
3.	<b>Matters in relation to laws and regulations</b>	<ul style="list-style-type: none"> <li>You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.</li> </ul>
4.	<b>Written representations</b>	<ul style="list-style-type: none"> <li>A standard letter of representation has been requested from the Fund, which is included in the papers for the Overview (Audit) Panel.</li> </ul>
5.	<b>Confirmation requests from third parties</b>	<ul style="list-style-type: none"> <li>We obtained direct confirmations from your fund managers, custodian and accountancy partner for investment balances and from your bank for your cash balances (outside of the cash held by your fund managers). All of these requests have been returned with positive confirmation.</li> </ul>
6.	<b>Disclosures</b>	<p>In addition to the items highlighted on page 18 our review found the following regarding disclosures in the financial statements required by the CIPFA Code of Practice on Local Authority Accounting:</p> <ul style="list-style-type: none"> <li>a small number of new disclosures for investments measured at fair value and Level 3 investments had not been applied. In particular management considered the new disclosure requirements, specifically in respect of the requirements of paragraph 2.10.4.1 of the Code, as part of the accounts preparation and concluded that these new disclosures were not required because they were either already covered by existing disclosure in the accounts, or, in the case of quantifiable sensitivity disclosures, because consultation with industry experts indicated that the required sensitivity information was not readily available. We are satisfied that the omission of these disclosures is not significant to the overall presentation of the financial statements.</li> </ul>
7.	<b>Matters on which we report by exception</b>	<ul style="list-style-type: none"> <li>We are required to give a separate opinion for the Pension Fund Annual Report on whether the financial statements included therein are consistent with the audited financial statements. We have not identified any issues we wish to report.</li> </ul>

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## Internal controls

The purpose of an audit is to express an opinion on the financial statements.

Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. We considered and walked through the internal controls for Investment Purchases and Sales, Investment Valuations – Levels 2 and 3, Contributions, Benefits Payable, and Member Data as set out on pages 10 to 13 within this report.

The controls were found to be operating effectively and we have no matters to report..

## Adjusted and unadjusted misstatements

We are required to report all non-trivial misstatements to those charged with governance, whether or not the financial statements have been adjusted by management. There were no adjusted or unadjusted misstatements identified as a result of our procedures.

## Misclassifications and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Adjustment type	Value £'000	Account balance	Impact on the financial statements
1 Disclosure	N/A	Note 3 Classification of financial Instruments	Reclassify Financial Liabilities from Loans and receivables to Financial Liabilities at amortised cost.
2 Disclosure	N/A	Note 25	Correction of typographical error for Value of Promised Retirement Benefits at 31 March 2016 from £24,051m to £23,051m.
3 Disclosure	N/A	Note 2	Minor disclosure to accounting policies to improve clarity
4 Disclosure	N/A	various	Trivial numerical and typographical amendments.

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## Section 3: Fees, non-audit services and independence

01. Executive summary

02. Audit findings

**03. Fees, non audit services and independence**

04. Communication of audit matters

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We confirm below our final fees charged for the audit and provision of audit related and non-audit services.

### Fees

	Proposed fee £	Final fee £
Pension fund audit	56,341	56,341
IAS 19 fee variation	5,996	TBC
<b>Total audit fees (excluding VAT)</b>	<b>62,337</b>	<b>TBC</b>

The Pension Fund audit fee for the year is in line with the scale fee set by Public Sector Audit Appointments Ltd (PSAA).

The IAS 19 fee for our responsibilities in providing written assurance (on controls over information over information provided by GMPF to the actuary) to PSAA appointed auditor of admitted bodies has yet to be approved by the PSAA.

Grant Thornton UK LLP also provides audit services to:

- Matrix Homes Limited Partnership for audit fees totalling £10,000;
- Plot 5 First Street GP Limited and Plot 5 First Street Partnership Limited for audit fee of £11,000
- GLIL Infrastructure LLP for audit fee of £8,240;
- GLIL Corporate Holdings Limited for audit fee of £2,000
- GMPF Unit Trust £7,450

These are separate engagements outside the remit of Public Sector Audit Appointments Limited.

### Independence and ethics

- We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and confirm that we are independent and are able to express an objective opinion on the financial statements.
- We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.
- For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Fund. The table below summarises all non-audit services which were identified.

### Fees for other services

Service	Fees £
Audit related services:	Nil
Non-audit services - GMPF related partnerships (see next page)	12,550

# Independence and non-audit services

We have considered whether non-audit services might be perceived as a threat to our independence as the Fund's auditor and have ensured that appropriate safeguards are put in place.

	Service provided to	Fees (£)	Threat?	Safeguard
IFRS 102 services	Matrix Homes Limited Partnership	3,000*	No	Separate team
	GMPF Unit Trust	3,000*		
Tax compliance services	GLIL Infrastructure LLP	1,550	No	Separate team
	GMPF Unit Trust	4,000		
Accounts prep and IXBRL tagging	GLIL Infrastructure LLP	500	No	Separate team
	GMPF Unit Trust	500		
	<b>TOTAL</b>	<b>12,550</b>		

\*Estimated one off fees for IFRS 102 conversion

The above non-audit services are consistent with the Fund's policy on the allotment of non-audit work to your auditor

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## Section 4: Communication of audit matters

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- 01. Executive summary
- 02. Audit findings
- 03. Fees, non audit services and independence
- 04. Communication of audit matters**

# Communication to those charged with governance

ISA (UK&I) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

This document, The Audit Findings, outlines those key issues and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

## Respective responsibilities

The Audit Findings Report has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by Public Sector Audit Appointments Limited (<http://www.psa.co.uk/appointing-auditors/terms-of-appointment/>)

We have been appointed as the Fund's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England at the time of our appointment. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the NAO (<https://www.nao.org.uk/code-audit-practice/about-code/>). Our work considers the Fund's key risks when reaching our conclusions under the Code.

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence.	✓	✓
Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged		
Details of safeguards applied to threats to independence		
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements		✓
Non compliance with laws and regulations		✓
Expected modifications to auditor's report, or emphasis of matter		✓
Unadjusted misstatements and material disclosure omissions		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern	✓	✓

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# Appendices

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- A. Audit Opinion
- B. Audit Opinion on the Annual Report

# A: Audit opinion

**We anticipate we will provide the Fund with an unmodified audit report**

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAMESIDE METROPOLITAN BOROUGH COUNCIL

We have audited the pension fund financial statements of Greater Manchester Pension Fund ("the pension fund") for the year ended 31 March 2017 under the Local Audit and Accountability Act 2014 (the "Act"). The pension fund financial statements comprise the Fund Account, the Net Assets Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

This report is made solely to the members of Tameside Metropolitan Borough Council "the Authority", as a body, in accordance with Part 5 of the Act and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members those matters we are required to state in them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the Assistant Executive Director, Resources (Section 151 Officer) and auditor

As explained more fully in the Statement of Responsibilities, the Assistant Executive Director, Resources (Section 151 Officer) is responsible for the preparation of the Authority's Statement of Accounts, which includes the pension fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17, which give a true and fair view. Our responsibility is to audit and express an opinion on the pension fund financial statements in accordance with applicable law, the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the "Code of Audit Practice") and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the pension fund financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the pension fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Assistant Executive Director, Resources (Section 151 Officer); and the overall presentation of the pension fund financial statements.

In addition, we read all the financial and non-financial information in the Authority's Statement of Accounts to identify material inconsistencies with the audited pension fund financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on the pension fund financial statements

In our opinion:

- the pension fund financial statements present a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2017 and of the amount and disposition at that date of the fund's assets and liabilities; and
- the pension fund financial statements have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and applicable law.

### Opinion on other matters

In our opinion, the other information published together with the audited pension fund financial statements in the Authority's Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the audited pension fund financial statements.

Mike Thomas  
Director  
for and on behalf of Grant Thornton UK LLP, Appointed Auditor

4 Hardman Square  
Spinningfields  
Manchester  
M3 3EB

July 2017

# B: Audit opinion on the Annual Report

We anticipate we will provide the Fund with an unmodified audit report

## INDEPENDENT AUDITOR'S STATEMENT TO THE MEMBERS OF TAMESIDE METROPOLITAN BOROUGH COUNCIL ON THE PENSION FUND FINANCIAL STATEMENTS INCLUDED IN THE GREATER MANCHESTER PENSION FUND ANNUAL REPORT

The accompanying pension fund financial statements of Greater Manchester Pension Fund for the year ended 31 March 2017 which comprise the fund account, the net assets statement and the related notes are derived from the audited pension fund financial statements for the year ended 31 March 2017 included in Tameside Metropolitan Council's ('the authority') Statement of Accounts. We expressed an unmodified audit opinion on the pension fund financial statements in the Statement of Accounts in our report dated xx July 2017.

The pension fund annual report, and the pension fund financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on the Statement of Accounts. Reading the pension fund financial statements is not a substitute for reading the audited Statement of Accounts of the Authority.

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 paragraph 20(5) of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our work has been undertaken so that we might state to the members of the Authority those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

### The Assistant Executive Director, Resources (Section 151 Officer) responsibilities for the pension fund financial statements in the pension fund annual report

Under the Local Government Pension Scheme Regulations 2013 the Assistant Executive Director, Resources (Section 151 Officer) is responsible for the preparation of the pension fund financial statements, which must include the fund account, the net asset statement and supporting notes and disclosures prepared in accordance with proper practices. Proper practices for the pension fund financial statements in both the Authority Statement of Accounts and the pension fund annual report are set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

### Auditor's responsibility

Our responsibility is to state to you whether the pension fund financial statements in the pension fund annual report are consistent with the pension fund financial statements in the Authority's Statement of Accounts in accordance with International Standard on Auditing 810, Engagements to Report on Summary Financial Statements.

In addition we read the other information contained in the pension fund annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the pension fund financial statements. The other information consists of the Chair's Introduction, Top 20 Equity Holdings, Investment Report, Financial Performance Report, Actuarial Statement, Scheme Administration, Funding Strategy Statement, Governance Compliance Statement, Investment Strategy Statement and Communications Policy.

### Opinion

In our opinion, the pension fund financial statements in the pension fund annual report derived from the audited pension fund financial statements in the Authority Statement of Accounts for the year ended 31 March 2017 are consistent, in all material respects, with those financial statements in accordance with proper practices as defined in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and applicable law.

Mike Thomas  
Director  
for and on behalf of Grant Thornton UK LLP, Appointed Auditor

Grant Thornton UK LLP  
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July 2017



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Doc Ref  
Ask for Ian Duncan  
Direct Line 0161 342 3864  
Date 31 July 2017

Dear Sirs,

**Greater Manchester Pension Fund**  
**Financial Statements for the year ended 31 March 2017**

This representation letter is provided in connection with your audit of the financial statements of Greater Manchester Pension Fund ('the Fund') for the year ended 31 March 2017 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial transactions of the Fund during the year ended 31 March 2017, and of the amount and disposition at that date of its assets and liabilities, in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 ('the Code') and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

**Financial Statements**

1. We have fulfilled our responsibilities for the preparation of the financial statements in accordance with proper practices as set out in the Code; which give a true and fair view in accordance therewith, and for keeping records in respect of contributions received in respect of active members.
2. We have complied with the requirements of all statutory directions affecting the Fund and these matters have been appropriately reflected and disclosed in the financial statements.
3. The Council has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
4. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect error and fraud.
5. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

6. We acknowledge our responsibilities for making the accounting estimates included in the financial statements. Where it was necessary to choose between estimation techniques that comply with the Code, we selected the estimation technique considered to be the most appropriate to the Fund's particular circumstances for the purpose of giving a true and fair view. Those estimates reflect our judgement based on our knowledge and experience about past and current events and are also based on our assumptions about conditions we expect to exist and courses of action we expect to take.
7. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. There are no other material judgements that need to be disclosed.
8. Except as disclosed in the financial statements:
  - a. there are no unrecorded liabilities, actual or contingent
  - b. none of the assets of the Fund have been assigned, pledged or mortgaged
  - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
9. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the Code.
10. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of the Code.
11. All events subsequent to the date of the financial statements and for which the Code requires adjustment or disclosure have been adjusted or disclosed.
12. We have considered the disclosures changes schedules included in your Audit Findings Report. The financial statements have been amended for these disclosure changes and are free of material misstatements, including omissions.
13. We believe that the Fund's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Fund's needs. We believe that no further disclosures relating to the Fund's ability to continue as a going concern need to be made in the financial statements.
14. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

### **Information Provided**

15. We have provided you with:
  - a. access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
  - b. additional information that you have requested from us for the purpose of your audit; and
  - c. unrestricted access to persons from whom you determined it necessary to obtain audit evidence.
16. We have communicated to you all deficiencies in internal control of which management is aware.
17. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

18. All transactions have been recorded in the accounting records and are reflected in the financial statements
19. We have disclosed to you all our knowledge of fraud or suspected fraud affecting the Fund involving:
  - a. management;
  - b. employees who have significant roles in internal control; or
  - c. others where the fraud could have a material effect on the financial statements.
20. We have disclosed to you all our knowledge of any allegations of fraud, or suspected fraud, affecting the Fund's financial statements communicated by employees, former employees, analysts, regulators or others.
21. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
22. There have been no communications with The Pensions Regulator or other regulatory bodies during the year or subsequently concerning matters of non-compliance with any legal duty.
23. We are not aware of any reports having been made to The Pensions Regulator by any of our advisors.
24. We have disclosed to you the identity of all the Fund's related parties and all the related party relationships and transactions of which we are aware
25. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

**Approval**

The approval of this letter of representation was minuted by the Council's Overview (Audit) Panel at its meeting on 31 July 2017.

Yours faithfully,

.....

Cllr V Ricci, Chair of Overview (Audit) Panel

31 July 2017

.....

Ian Duncan, Assistant Director of Finance (Section 151 Officer)

31 July 2017

Signed on behalf of Tameside Council as administering body of the Greater Manchester Pension Fund

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# Agenda Item 5.

<b>Report To:</b>	<b>OVERVIEW (AUDIT) PANEL</b>
<b>Date:</b>	31 July 2017
<b>Executive Member/Reporting Officer:</b>	Cllr Jim Fitzpatrick - First Deputy (Performance & Finance) Ian Duncan – Assistant Director (Finance)
<b>Subject:</b>	<b>CAPITAL MONITORING REPORT – OUTTURN</b>
<b>Report Summary</b>	<p>This report summarises the capital monitoring position at 31 March 2017.</p> <p>The report shows total capital investment of £35.328 million in 2016/17.</p> <p>Some schemes have been delivered earlier than planned whilst others will be delivered later, as this is set out in the report.</p>
<b>Recommendations:</b>	<p>Members are asked to approve the following:-</p> <ul style="list-style-type: none"><li>(i) The reprofiling to reflect up to date investment profiles.</li><li>(ii) The revised Capital Programme (including changes).</li><li>(iii) The Capital Financing statement for 2016/17.</li></ul> <p>Members are asked to note:</p> <ul style="list-style-type: none"><li>(i) The 2016/17 Capital Outturn position.</li><li>(ii) The current position in regards to compulsory purchase orders (CPOs) and indemnities</li><li>(iii) The capital receipts position</li></ul>
<b>Links to Community Strategy:</b>	The Capital Programme ensures investment in the Council's infrastructure is in line with the Community Strategy.
<b>Policy Implications:</b>	In line with Council Policies.
<b>Financial Implications: (Authorised by the Section 151 Officer)</b>	This is the subject of the report.
<b>Legal Implications: (Authorised by the Borough Solicitor)</b>	It is a statutory requirement for the Council to set a balanced budget. It is important that the capital expenditure position is regularly monitored to ensure we are maintaining a balanced budget and to ensure that the priorities of the Council are being delivered.
<b>Risk Management:</b>	Failure to properly manage and monitor the Council's budget will lead to service failure and a loss of public confidence.
<b>Access to Information:</b>	<p>The background papers relating to this report can be inspected by contacting Tom Austin, Financial Management by:-</p> <p> phone: 0161 342 3857</p> <p> e-mail: <a href="mailto:thomas.austin@tameside.gov.uk">thomas.austin@tameside.gov.uk</a></p>

## 1. INTRODUCTION

- 1.1 This is the final capital monitoring report for 2016/17, summarising the position as at 31 March. All Capital Monitoring reports are submitted to the Strategic Planning and Capital Monitoring Panel, Executive Cabinet and Overview (Audit) Panel.
- 1.2 The report incorporates an update on major capital schemes and an update on Compulsory Purchase Orders (CPOs), indemnities, and potential liabilities.

## 2. KEY POINTS

- 2.1 The Council spent a total of £35.328 million on capital investment in 2016/17; this is £15.830 million less than the total programmed spend for the year (£51.158 million) and is detailed in Section 3. There has been no loss of resource as a result of the underspend position.
- 2.2 Section 3 also details schemes with an in-year variation in excess of £0.100 million and seeks approval to re-profile the capital expenditure of each project into 2017/18. An explanation for the need to re-profile the capital expenditure is also provided.
- 2.3 Table 1 below provides a high level summary of capital expenditure by service area.

**Table 1: Overall capital monitoring statement Outturn 2017**

<b>CAPITAL MONITORING STATEMENT - OUTTURN 2016/17</b>			
	<b>Annual Budget</b>	<b>Actual</b>	<b>Outturn Variation</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b><u>PEOPLE</u></b>			
Children's Services	658	533	(125)
Active Tameside	4,253	4,002	(251)
Adult's Services	918	247	(671)
<b><u>PLACES</u></b>			
Asset Investment			
Partnership Management	16,855	11,022	(5,832)
Stronger Communities	181	145	(36)
Development & Investment	3,908	3,529	(379)
Digital Tameside	658	483	(175)
Engineering Services	9,230	8,673	(557)
Environmental Health	472	31	(441)
Operations	182	161	(21)
Transport	2,520	1,588	(932)
Education	8,401	4,834	(3,567)
<b><u>Exchequer</u></b>	90	80	(10)
Unallocated	2,832	0	(2,832)
<b>Total</b>	<b>51,158</b>	<b>35,328</b>	<b>(15,830)</b>

2.4 Of the total variation of £15.830 million, it is recommended that £12.929 million is re-profiled into the following financial year. This is identified within the individual service area tables below.

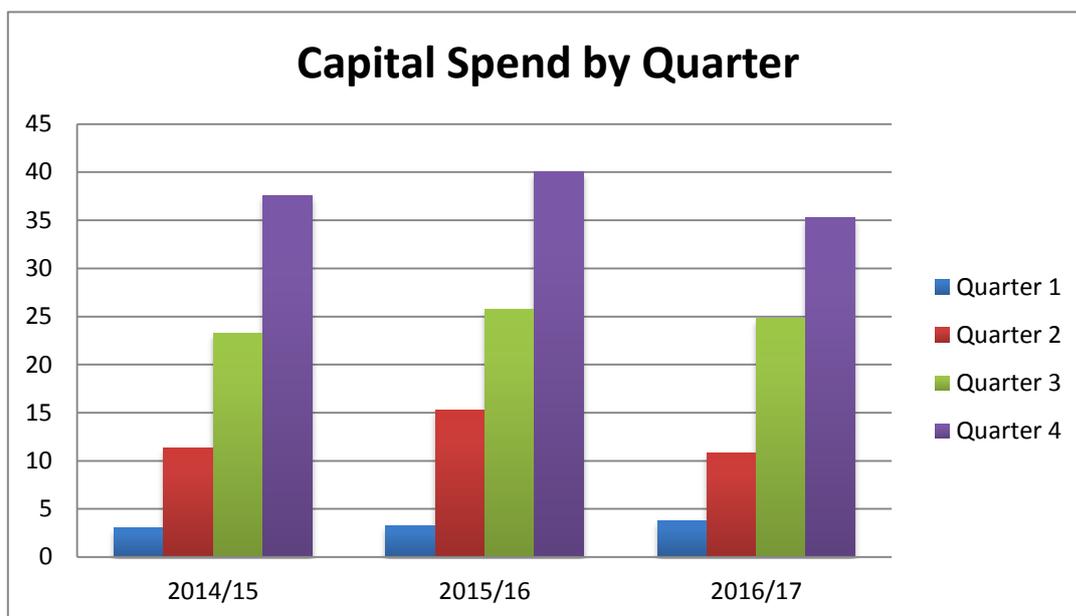
2.5 Table 2 below shows the resources used to finance 2016/17 Capital spend.

**Table 2: Funding statement 2016/17**

Resources	£000
Grants & Contributions	13,520
Revenue Contributions	560
<b>Corporate:</b>	
- Prudential Borrowing	0
- Reserves / Capital Receipts	21,248
<b>Total</b>	<b>35,328</b>

2.6 The chart below shows a year on year comparison of capital expenditure on a quarterly basis.

**Table 3: Comparison of quarterly capital spend levels 2014/15 - 2016/17**



### 3. CAPITAL EXPENDITURE OUTTURN 2016/17

3.1 This section of the report provides an update of capital expenditure along with details of re-profiling to be approved and the overall outturn position of the various projects.

#### Education

3.2 The table below outlines the projected investment for Education services. An explanation has also been provided for the requested re-profiling.

**Table 4a: Detail of Education Capital Investment Programme**

<b>Education Capital Programme Statement</b>				
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Outturn</b>	<b>Outturn Variation</b>	<b>Recommended Re-profiling</b>
Cromwell Enhancements (note 1)	1,441	829	(612)	1,441
Building Schools For The Future Reserve - Funding Stream	683	0	(683)	683
Hyde Targeted Basic Need New School	673	828	155	0
Livingstone Remodelling/Extension	544	419	(125)	125
Devolved Schools Capital	473	473	0	0
Greenside Lighting, Fire Alarm and Small Power	428	412	(16)	16
Specific Capital Reserve	403	0	(403)	403
Two Year Old Entitlement Grant - Funding Stream	264	51	(213)	213
St Damian's Classroom Alterations	246	252	6	0
St James' Hattersley - Additional Classroom	220	160	(60)	60
St Georges CE Primary School	197	0	(197)	197
Livingstone Heat Emitters And Pipework	193	171	(22)	22
Gorse Hall Small Power	189	174	(15)	15
Basic Need - Funding Stream	180	0	(180)	10
Aldwyn Primary Additional Accommodation	135	135	0	0
Wildbank Primary School – Main Scheme	120	0	(120)	120
Discovery Academy - Remodelling/Furniture	115	89	(26)	26
Broadoak Primary External Areas	100	0	(100)	100
St Anne's Denton Flat Roofs	100	0	(100)	100
Hollingworth Kitchen & Dining Refurbishment	62	0	(62)	62
School Condition Related Works Contingency	22	2	(20)	20
Arlies Fan Convector, Controls and Radiator Covers	11	11	0	0
Other Minor Schemes	1,602	830	(772)	837
<b>Total</b>	<b>8,401</b>	<b>4,836</b>	<b>(3,565)</b>	<b>4,446</b>

Notes:

1. The cost of the scheme is partly financed from insurance proceeds which will be used to finance 2016/17 expenditure. Therefore the full budget is recommended for re-profiling.

**Table 4b: Education Capital Investment Programme – Re-profiling**

<b>Explanation of Re-profiling</b>			
<b>Service Area</b>	<b>Capital Project</b>	<b>Explanation for Re-profiling</b>	<b>Amount (£000)</b>
Education	Cromwell Enhancements	This contract is currently on site and is due for completion in September 2017.	1,441
Education	Unallocated Schools Funding Streams	Amount unallocated in year will be re-profiled into 2017/18 and allocated to appropriate schemes.	1,299
Education	St Georges CE Primary School	£197k approved at the March 2017 Strategic Planning and Capital Investment Panel. We are currently liaising with the Diocese who will be carrying out the works.	197
Education	Livingstone Remodelling/Extension	This new two classroom extension was handed over to the Council in February 2017. The work is completed and the final invoices are currently awaited.	125
Education	Wildbank Primary School – Main Scheme	£120k approved at the March 2017 Strategic Planning and Capital Investment Panel and the works are planned for Summer 2017.	120

**Children’s Services**

3.3 The table below outlines the projected investment for Children’s services. Explanations are also provided for requested re-profiling.

**Table 5: Detail of Children’s Services Investment Programme**

<b>Children’s Services Investment Programme</b>				
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Outturn</b>	<b>Outturn Variation</b>	<b>Recommended Re-profiling</b>
Purchase Of Two Children’s Homes	658	533	(125)	125
<b>Total</b>	<b>658</b>	<b>533</b>	<b>(125)</b>	<b>125</b>

**Table 5b: Children’s Services Investment Programme Re-profiling.**

<b>Explanation of Re-profiling</b>			
<b>Service Area</b>	<b>Capital Project</b>	<b>Explanation for Re-profiling</b>	<b>Amount (£000)</b>
Children’s Service	Purchase Of Two Children’s Homes	Delays due to on-going adaption works and asbestos removal. The remaining funding will be utilised in the first half of 2017/18.	125

### Stronger Communities

- 3.4 The table below outlines the projected investment for Stronger Communities. Only minor re-profiling has been requested.

**Table 6: Detail of Stronger Communities Capital Investment Programme**

<b>Stronger Communities Capital Programme Statement</b>				
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Outturn</b>	<b>Outturn Variation</b>	<b>Re-profiling to be approved</b>
Libraries In The 21 <sup>st</sup> Century	142	115	(27)	27
Safe And Secure Project (Alleygating and Burglary Reduction)	38	27	(11)	0
Supporting Customer Experience and Contact	1	0	(1)	1
Street Art In The Community	0	3	3	0
<b>Total</b>	<b>181</b>	<b>145</b>	<b>(36)</b>	<b>28</b>

### Active Tameside

- 3.5 The table below outlines the projected investment for Public Health. An explanation has also been provided for the requested re-profiling.

**Table 7a: Detail of Active Tameside Capital Investment Programme**

<b>Active Tameside Capital Programme Statement</b>				
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Outturn</b>	<b>Outturn Variation</b>	<b>Re-profiling to be approved</b>
Active Tameside Wellness Centre & Wider Investment	3,814	3,580	(234)	234
Hyde United FC	415	415	0	0
Droylsden Youth Centre	24	7	(17)	0
<b>Total</b>	<b>4,253</b>	<b>4,002</b>	<b>(251)</b>	<b>234</b>

**Table 7b: Active Tameside Capital Investment Programme – Re-profiling**

<b>Explanation of Re-profiling</b>			
<b>Service Area</b>	<b>Capital Project</b>	<b>Explanation for Re-profiling</b>	<b>Amount (£000)</b>
Active Tameside	Active Tameside Wellness Centre & Wider Investment	Delayed procurement due to limited interest in the development from the Construction market has led to a delayed start for the scheme	234

### Adult Services

- 3.6 The table below outlines the projected investment for Adult Services. No re-profiling is required at this time.

**Table 8: Detail of Adult Services Capital Investment Programme**

<b>Adult Services Capital Programme Statement</b>				
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Outturn</b>	<b>Outturn Variation</b>	<b>Recommended Re-phasing</b>
CCTV Dukinfield Town Hall	139	153	14	0
Integrated Care Organisation Capital Investment	94	94	0	0
Unallocated Funding	685	0	(685)	0
<b>Total</b>	<b>918</b>	<b>247</b>	<b>(671)</b>	<b>0</b>

### Asset Investment Partnership Management (AIPM)

- 3.7 The table below outlines the projected investment for AIPM. An explanation has also been provided for the requested re-profiling.

**Table 9a: Detail of AIPM Capital Programme**

<b>AIPM Capital Programme Statement</b>				
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Outturn</b>	<b>Outturn Variation</b>	<b>Recommended Re-profiling</b>
Vision Tameside	10,142	9,994	(148)	148
Purchase of Freehold, Whitelands Road	5,400	1	(5,399)	5,399
Building Fabric Works	566	565	(1)	0
Opportunity Purchase Fund (Individual Approval Required)	500	5	(495)	0
Tame Street Emergency Generators	93	83	(10)	10
Development Of Former Stamford High School Site	50	48	(2)	0
Mottram Showground	2	2	0	0
Wellington Works	0	156	156	0
Ashton Town Hall Roof Repairs	0	27	27	0
Public Realm	102	140	38	(38)
<b>Total</b>	<b>16,855</b>	<b>11,021</b>	<b>(5,834)</b>	<b>5,519</b>

**Table 9b: AIPM Capital Investment Programme – Re-profiling**

<b>Explanation of Re-profiling</b>			
<b>Service Area</b>	<b>Capital Project</b>	<b>Explanation for Re-profiling</b>	<b>Amount (£000)</b>
AIPM	Purchase of Freehold, Whitelands Road	Contracts have been exchanged and will be completed in October 2017.	5,399
AIPM	Vision Tameside	This variation takes into account some contingency budget that was allocated in 2016/17 for potential additional costs. As these have not been met it is required that this is re-profiled into 2017/18.	148

**Development and Investment**

3.8 The table below outlines the projected investment for Development and Investment. An explanation for requested re-profiling is provided below.

**Table 10a: Detail of Development and Investment Capital Programme**

<b>Development and Investment Capital Programme Statement</b>				
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Outturn</b>	<b>Outturn Variation</b>	<b>Recommended Re-profiling</b>
Disabled Facilities Grants	1,547	1,461	(86)	73
Ashton Town Centre & Civic Square	1,094	1,492	398	(398)
Ashton Old Baths	916	537	(379)	379
Grant Funding to be Allocated	259	0	(259)	259
St Petersfield Development	65	36	(29)	29
Longlands Mill	24	3	(21)	21
Ashton Market Hall Incubator Units	3	0	(3)	3
<b>Total</b>	<b>3,908</b>	<b>3,529</b>	<b>(379)</b>	<b>366</b>

**Table 10b: Development and Investment Capital Programme – Re-profiling**

<b>Explanation of Re-profiling</b>			
<b>Service Area</b>	<b>Capital Project</b>	<b>Explanation for Re-profiling</b>	<b>Amount (£000)</b>
Development and Investment	Ashton Town Centre & Civic Square	The outturn variance is due to the purchase of materials and the demolition of stalls in preparation for the start of Phase 2 works scheduled in 2018. The overspend in 2016/17 will be funded from budget currently in 2017/18 and will not result in an increase to the overall scheme.	(398)
Development and Investment	Ashton Old Baths	This scheme is running slightly behind schedule. Practical completion was achieved in March 2017	379
Development and Investment	Grant Funding to be Allocating	Housing capital grant monies not yet allocated, as no relevant schemes have been identified. Funding will be required in 2017/18	259

### Digital Tameside

- 3.9 The table below outlines the projected investment for Digital Tameside. Only minor re-profiling is required.

**Table 11: Detail of Digital Tameside Capital Investment Programme**

<b>Digital Tameside Capital Programme Statement</b>				
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Outturn</b>	<b>Outturn Variation</b>	<b>Recommended Re-profiling</b>
Working Differently - ICT Hardware & Software	181	140	(41)	41
Town Centre Wi-Fi	171	121	(50)	0
ICT - Enablement Project	137	105	(32)	32
Digital By Design	124	81	(43)	43
Disaster Recovery Site	45	37	(8)	8
<b>Total</b>	<b>658</b>	<b>484</b>	<b>(174)</b>	<b>124</b>

### Engineering Services

- 3.10 The table below outlines the projected investment for Engineering Services. An explanation has also been provided for the requested re-profiling.

**Table 12a: Detail of Engineering Services Capital Investment Programme**

<b>Engineers Capital Programme Statement</b>				
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Outturn</b>	<b>Outturn Variation</b>	<b>Recommended Re-profiling</b>
Highways Maintenance Funding	2,408	2,327	(81)	81
LED Street Lighting Investment	2,304	2,303	(1)	1
Challenge Funding	1,247	1,190	(57)	57
Denton Link Road	1,053	1,008	(45)	45
Pothole Funding	1,000	993	(7)	7
King Edward Road Retaining Wall	300	291	(9)	9
Ashton Northern Bypass - Stage 2	279	179	(100)	100
Ashton Canal Links	180	29	(151)	151
Link to Velodrome	176	18	(158)	158
Hattersley Station Passenger Facilities	50	18	(32)	32
Dukinfield Corridor	30	43	13	(13)
Other Minor Schemes	203	274	71	17
<b>Total</b>	<b>9,230</b>	<b>8,673</b>	<b>(557)</b>	<b>645</b>

**Table 12b: Detail of Engineering Services Capital Programme – re-profiling**

<b>Explanation of Re-profiling</b>			
<b>Service Area</b>	<b>Capital Project</b>	<b>Explanation for Re-profiling</b>	<b>Amount (£000)</b>
Engineering Services	Ashton Northern Bypass – Stage 2	There is a contingency allocation of £100k for Part 1 claims that cannot be closed down until 7 years after the bypass has opened. This contingency needs to remain until the expiry of this period.	(100)
Engineering Services	Ashton Canal Links	The spend profile was based on the legal agreements being signed between the Council and TfGM (Transport for Greater Manchester). The delay in signing the agreement by TfGM means that the scheme has not been able to start.	151
Engineering Services	Link to Velodrome	The spend profile was based on the legal agreements being signed between the Council and TfGM) The delay in signing the agreement by TfGM means that the scheme has not been able to start..	158

**Environmental Services**

3.11 The table below outlines the projected investment for Environmental Services. An explanation has also been provided for the requested re-profiling.

**Table 13a: Detail of Environmental Services Capital Investment Programme**

<b>Environmental Services Capital Programme Statement</b>				
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Outturn</b>	<b>Outturn Variation</b>	<b>Recommended Re-profiling</b>
Guide Lane Former Landfill Site	465	24	(441)	441
Retrofit (Basic Measures)	7	7	0	0
<b>Total</b>	<b>472</b>	<b>31</b>	<b>(441)</b>	<b>441</b>

**Table 13b: Detail of Environmental Services Capital Programme – Re-profiling.**

<b>Explanation of Re-profiling</b>			
<b>Service Area</b>	<b>Capital Project</b>	<b>Explanation for Re-profiling</b>	<b>Amount (£000)</b>
Environmental Services	Guide Lane Former Landfill Site	The outturn variation of £441k is as a result of anticipated spend for the voluntary acquisition of properties and landscaping works being delayed into 2017/18 following negotiations. The remaining budget allocated of £197k is required to cover any further unforeseen costs associated with this scheme; and to ensure that the council's statutory duties required under Part 2A of the Environmental Protection Act 1990, which are to remediate the land if there is a significant risk of harm to persons or property, in accordance with statutory guidance issued by the Secretary of State, are met.	(441)

**Operations**

3.12 The table below outlines the projected investment for Operations. Only minor re-profiling is required.

**Table 14: Details of Operations Capital Investment Programme**

<b>Operations Capital Programme Statement</b>				
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Outturn</b>	<b>Outturn Variation</b>	<b>Recommended Re-profiling</b>
Stamford Park Infrastructure	20	20	0	0
Dukinfield Park Improvements	20	15	(5)	5
Silver Springs Infrastructure	20	18	(2)	2
Sunnybank Park - Landscaping	19	17	(2)	2
Rocher Vale & Hulmes and Hardy Wood	15	19	4	(4)
Allotment Railings and Infrastructure Improvement	14	13	(1)	1
Tree Planting Programme	10	10	0	0
War Memorials	10	9	(1)	1
Other Minor Schemes	54	41	(13)	12
<b>Total</b>	<b>162</b>	<b>142</b>	<b>(20)</b>	<b>19</b>

## Transport

3.13 The table below outlines the projected investment for Transport. An explanation has also been provided for the requested re-profiling.

**Table 15a: Detail of Transport Capital Investment Programme**

<b>Transport Capital Programme Statement</b>				
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Outturn</b>	<b>Outturn Variation</b>	<b>Recommended Re-phasing</b>
Procurement of Fleet Vehicles	2,442	1,509	(933)	933
Purchase of Mowers	39	39	0	0
Light Vans	39	39	0	0
<b>Total</b>	<b>2,520</b>	<b>1,588</b>	<b>(932)</b>	<b>933</b>

**Table 15b: Explanations of Transport Capital Investment Programme – re-profiling.**

<b>Explanation of Re-profiling</b>			
<b>Service Area</b>	<b>Capital Project</b>	<b>Explanation for Re-profiling</b>	<b>Amount (£000)</b>
Transport	Procurement of Fleet Vehicles	The variance is as a result of the delay in the procurement of one set of vehicles from this scheme. New, Euro 6 engine classification became legislation after the order was raised. However, the tender stipulated that prior to build the vehicles had to comply with the changes in European emission legislation. The new engine for these vehicles initially failed type approval and a subsequent submission had to be re-designed. We have, however, now been given assurances that this is going to be approved mid-June and the vehicles should be ready for delivery mid-August.	933

## Exchequer

- 3.14 The Table below outlines the projected Investment for Exchequer. No re-profiling has been requested.

**Table 16: Detail of Exchequer Capital Investment Programme**

<b>Exchequer Capital Programme Statement</b>				
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Outturn</b>	<b>Outturn Variation</b>	<b>Recommended Re-profiling</b>
Online Forms	90	80	(10)	10
<b>Total</b>	<b>90</b>	<b>80</b>	<b>(10)</b>	<b>10</b>

## 4. COMPULSORY PURCHASE ORDERS, INDEMNITIES AND POTENTIAL LIABILITIES

### Redmond Close

- 4.1 All even numbered properties on Redmond Close have now been purchased and the final phase of the project to make the contaminated land safe as statutorily required is underway, well within the agreed financial envelope.

### Wellington Works

- 4.2 This was a complex compulsory purchase compensation matter, which has now been resolved. All final costs incurred will be managed within the Council capital budget.

### Denton Link Road

- 4.3 A General Vesting Declaration (GVD) has been executed for land required within the CPO in relation to Denton Link Road and so the Council has now assumed responsibility for the same, by registering its legal title to the land with HM Land Registry.
- 4.4 The Council has completed a variation to the CPO Indemnity and Development Agreement to enable the delivery of the link road.

### Hattersley CPO

- 4.5 The Council approved the making of a compulsory purchase order in respect of the one outstanding property in June 2015 in order to facilitate the final phase of the new District Centre for Hattersley and continues to work with its partners, Peak Valley Housing Association and the Homes and Communities Agency. Peak Valley Housing Association have indemnified the Council's CPO costs through a CPO Indemnity Agreement. The CPO has now been made and submitted to the National Casework Unit for confirmation.

## 5. CHANGES TO THE APPROVED 3 YEAR CAPITAL PROGRAMME

- 5.1 Since it was approved in February 2017, there has been an increase in the programme totalling £0.267 million over the period 2016/17 – 2018/19. Full details are listed in **Appendix 1**.

## **6. CAPITAL RECEIPTS**

- 6.1 With the exception of capital receipts earmarked as specific scheme funding, all other capital receipts are retained in the Capital Receipts Reserve and utilised as funding for the Council's corporately funded capital expenditure, together with any other available resources identified in the medium term financial strategy.
- 6.2 £11.3 million of BSF Capital Receipts are to be repaid corporately, to repay temporary corporate funding of the Schools Capital Programme.
- 6.3 Receipts of £4.2 million were generated from the disposal of Council assets in 2016/17.

## **7. PRUDENTIAL INDICATORS**

- 7.1 The revised capital programme is shown at **Appendix 3**, and includes requirements for re-profiling and other required changes.

# APPENDIX 1

## Changes to Capital Programme

SERVICE	SCHEME	SOURCE OF FUNDING	BUDGET CHANGES 2016/17 £000	BUDGET CHANGES 2017/18 £000	BUDGET CHANGES 2018/19 £000	TOTAL £000
<b>Capital Programme Quarter 3 2016/17</b>			<b>62,756</b>	<b>74,073</b>	<b>11,964</b>	<b>148,793</b>
<b>A) Increases to the Programme</b>						
Environmental Services	Hospital Parking	Corporate funding		950		<b>950</b>
Adults	Integrated Care Organisation	Capital Investment	94			<b>94</b>
Education	Hollingworth Kitchen & Dining	Refurbishment	(56)	118		<b>62</b>
Education	Gorse Hall Drainage	Grant	10			<b>10</b>
Active Tameside	Active Tameside Wellness Centre & Wider	Investment		10		<b>10</b>
Education	Asbestos Surveys Phase 1	Grant	7			<b>7</b>
Education	Broadbottom CE Remedial Works	Grant	5			<b>5</b>
			<b>60</b>	<b>1,078</b>	<b>0</b>	<b>1,138</b>
<b>B) Reductions in Programme</b>						
Environmental Services	Green Space Improvements - Hyde	Contribution	(16)			<b>(16)</b>
			<b>(194)</b>	<b>0</b>	<b>0</b>	<b>(194)</b>
<b>C) Funding Transfers in Programme following Q3 Monitoring</b>						
Development And Investment	Ashton Town Centre And Civic Square	Corporate funding/Grant	(1,958)	1,958		<b>0</b>
Education	Aldwyn Primary Additional Accommodation	Grant	(1,057)	1,057		<b>0</b>
Education	Alder Buy Out Fitness Centre	Grant	(1,000)	1,000		<b>0</b>

Engineering Services	Challenge Funding	Grant	(952)	952	0
AIPM	Vision Tameside	Corporate funding	(858)	858	0
Education	Education Grants Reprofiled	Grants	(549)	549	0
Community Services	Libraries In The 21st Century	Corporate funding	(417)	417	0
Engineering Services	Junction Improvements on M60	Grant	(359)	359	0
Environmental Services	Retrofit (Basic Measures)	Grant	(322)	322	0
Engineering Services	Highways Maintenance Funding	Grant	(314)	314	0
Environmental Services	Carbon Reduction - Invest To Save Schemes Approval Required	Corporate funding	(311)	311	0
Engineering Services	Denton Link Road	Corporate funding /Grant/Capital Contributions	(300)	300	0
Engineering Services	Access To Metrolink Stops	Grant	(300)	300	0
Education	Primary Capital Programme - Russell Scott	Grant	(256)	256	0
Engineering Services	Hattersley Station Passenger Facilities	Grant	(254)	254	0
Active Tameside	Active Tameside Wellness Centre & Wider Investment	Corporate funding	(250)	250	0
Digital Tameside	ICT - Vision Tameside	Corporate funding	(240)	240	0
Digital Tameside	Working Differently - IT Hardware & Software	Corporate funding	(230)	230	0
Engineering Services	Ashton-Stalybridge Cycle Route	Grant	(224)	224	0
Engineering Services	Ashton Town Centre Access Improvements	Grant	(191)	191	0
Engineering Services	Huddersfield Narrow Canal	Grant	(180)	180	0
Digital Tameside	Digital by Design	Corporate funding		178	178
Community Services Development And Investment	Supporting Customer Experience	Corporate funding	(178)		(178)
Engineering Services	St Petersfield	Corporate funding	(164)	164	0
Engineering Services	Dukinfield Corridor	Grant	(130)	130	0
Education	Waterloo Boiler And Heat Emitters	Grant	(119)	119	0
AIPM	Prep of Outline Planning Applications / Review of Playing Field Provision	Corporate funding	(116)	116	0
Education	Cromwell Upgrade	Grant	(114)	114	0
Development And Investment	Godley Hill Development And Access Road	Corporate funding	(110)	110	0

AIPM	Public Realm	Corporate funding	102	(102)	0
Education	Seed Challenge: St James' CE - Remodelling	Grant	(73)	73	0
Education	St James Ashton	Grant	(65)	65	0
AIPM	Dukinfield Crematoria Clock Tower	Corporate funding	(54)	54	0
Education	BSF Droylsden Academy	Specific Capital Receipts	(33)	33	0
Education	Wildbank Lighting And Power	Grant	(32)	32	0
Education	Broadoak Primary School	Grant	(31)	31	0
Education	St James' CE Health & Safety	Grant	(30)	30	0
Education	Greswell Walls And Windows	Grant	(25)	25	0
Education	Russell Scott Primary Seed Challenge	Grant	(25)	25	0
Development And Investment	Hyde Town Centre	Corporate funding	(23)	23	0
Education	Linden Road Children's Centre - Refurbishment And Electrical	Grant	(17)	17	0
Education	Furniture And Equipment Contributions - Basic Needs Schemes	Grant	(16)	16	0
Environmental Services	Stamford Park Infrastructure	RCCO	10	(10)	0
Community Services	Street Art In The Community	RCCO	(8)	8	0
Education	St Damian's Classroom Alterations	Grant	(4)	4	0
Education	Longdendale Science Laboratories	Grant	(2)	2	0
<b>Reprofiling recommended in this report</b>					
Children's Services			(125)	125	0
Active Tameside			(234)	234	0
AIPM			(5,519)	5,519	0
Stronger Communities Development & Investment			(28)	28	0
Digital Tameside			(366)	366	0
Engineering Services			(124)	124	0
Environmental Health			(645)	645	0
Operations			(441)	441	0
Transport			(19)	19	0
Education			(972)	972	0
Education			(4,446)	4,446	0

Exchequer	(10)	10		0
	<b>(24,399)</b>	<b>24,399</b>	<b>0</b>	<b>0</b>
<b>Net Changes to Programme</b>	<b>(24,533)</b>	<b>24,800</b>	<b>0</b>	<b>267</b>
<b>Capital Programme 2016/17 Outturn</b>	<b>38,223</b>	<b>98,873</b>	<b>11,964</b>	<b>149,060</b>

RCCO - "Revenue Contribution to Capital Outlay" describes where capital investment is funded from revenue sources.

AIPM - Asset Investment Partnership Management.

Education changes agreed as part of Education Capital Programme Progress update at March Strategic Planning & Capital Monitoring Panel.

## APPENDIX 2

### Capital Financing Statement

	Annual Budget £000	Actual Expenditure £000	Borrowing £000	Grants & Other Contributions £000	Capital Receipts £000	RCCO & Reserves £000	Total £000
<b><u>PEOPLE</u></b>							
Adults	918	247	0	0	0	247	247
Children's	658	533	0	0	0	533	533
Community Services	181	145	0	0	0	145	145
Public Health	4,253	4,002	0		415	3,587	4,002
<b><u>PLACES</u></b>							
Asset and Investment Partnership Management	16,855	11,022	0	2,117	0	8,906	11,022
Development & Investment	3,908	3,529	0	1,464	0	2,065	3,529
Digital Tameside	658	483	0	0	0	483	483
Education	8,401	4,834	0	3,945	4	56	4,834
Engineering Services	9,230	8,673	0	5,066	0	3,607	8,673
Environmental Health	472	31	0	7	0	24	31
Operations	182	161	0	92	0	69	161
Transport	2,520	1,588	0	0	0	1,588	1,588
Exchequer Services	90	80	0	0	0	80	80
Unallocated / Contingency	2,832	0	0		0	0	0
<b>Subtotal</b>	<b>51,158</b>	<b>35,328</b>	<b>0</b>	<b>13,520</b>	<b>419</b>	<b>21,390</b>	<b>35,328</b>

## APPENDIX 3

### Capital Programme (after re-profiling)

	ESTIMATE 2016/17 £000	ESTIMATE 2017/18 £000	ESTIMATE 2018/19 £000	TOTAL £000
<b>CAPITAL PROGRAMME 2016/17 - 2018/19</b>				
<b>Adult And Health Services</b>				
Mental Health Project - Improving Service Access	260	0	0	260
IT Infrastructure	237	0	0	237
Transforming Adult Social Care	169	0	0	169
Autism Innovation	19	0	0	19
CCTV Dukinfield Town Hall	139	0	0	139
ICO Capital Investment	94	0	0	94
<b>Adult And Health Services Total</b>	<b>918</b>	<b>0</b>	<b>0</b>	<b>918</b>
<b>Children's Services</b>				
Purchase of Two Children's Homes	533	135	0	658
<b>Children's Services Total</b>	<b>533</b>	<b>135</b>	<b>0</b>	<b>658</b>
<b>Asset and Investment Partnership Management</b>				
Opportunity Purchase Fund (Individual Approval Required)	500	500	0	1,000
Mottram Showground	2	159	0	161
Dukinfield Crematoria Clock Tower	0	54	0	54
Vision Tameside	9,994	28,077	0	38,071
Public Realm	140	2,491	0	2,631
Document Scanning	0	158	0	158
Development of Former Stamford High School Site	50	0	0	50
Building Fabric Works	566	0	0	566
Prep of Outline Planning Applications / Review of Playing Field Provision	0	116	0	116
Tame Street Emergency Generators	83	9	0	93
Purchase of Freehold, Whitelands Road Ashton	1	5,399	0	5,400
<b>AIPM Total</b>	<b>11,336</b>	<b>36,964</b>	<b>0</b>	<b>48,300</b>
<b>Community Services</b>				
Supporting Customer Experience And Contact	0	1	0	1
Libraries In The 21 <sup>st</sup> Century	114	445	0	559

Street Art In The Community	0	8	0	8
Safe And Secure Project (Alleygating And Burglary Reduction)	38	0	0	38
<b>Community Services Total</b>	<b>152</b>	<b>454</b>	<b>0</b>	<b>606</b>
<b>Education</b>				
BSF Droylsden Academy	0	33	0	33
Milton St John Primary Seed Challenge	18	(5)	0	13
St Paul's Primary Hyde Seed Challenge	0	11	0	11
Milton St John's Fencing	0	5	0	5
St James' CE Health & Safety	2	30	0	32
Stalyhill Infants	0	5	0	5
St Thomas More Secondary Seed Challenge	25	0	0	25
Greswell Primary Drainage	17	0	0	17
Micklehurst Fire Alarm Survey & Works	40	0	0	40
Russell Scott Primary Seed Challenge	0	25	0	25
Dane Bank Primary Seed Challenge	13	1	0	14
Aldwyn Primary Additional Accommodation	135	2,247	0	2,382
Hyde Community College	7	0	0	7
New Charter Academy	10	12	0	22
Discovery Academy - Remodelling/Furniture	89	26	0	115
Seed Challenge: St James' CE - Remodel Main Entrance, Toilets And Admin	0	73	0	73
Devolved Schools Capital	473	0	0	473
Primary Capital Programme - Russell Scott	0	256	0	256
Ravensfield Primary School	4	8	0	12
Specific Capital Reserve	0	403	0	403
Basic Need - Funding Stream	170	6,582	0	6,752
Capital Maintenance - Funding Stream	14	44	0	58
Short Breaks Capital Grant - Funding Stream	0	88	0	88
Two Year Old Entitlement Grant - Funding Stream	51	213	0	264
Bradley Green Primary - Funding Stream	0	30	0	30
Building Schools For The Future Reserve - Funding Stream	0	683	0	683
St Johns CE Dukinfield	8	92	0	100
Alder Buy Out Fitness Centre	0	1,000	0	1,000

Ashton Targeted Basic Need New School	92	2	0	94
Hyde Targeted Basic Need New School	673	0	0	673
BSF ICT Capital	16	0	0	16
Universal Infant Free School Meals	0	3	0	3
St George's CE Kitchen	14	0	0	14
RCCO Reserve	0	7	0	7
Education Improvements – Developer Contributions	0	50	0	50
Broadbottom Drainage Works	6	0	0	6
Hollingworth Kitchen & Dining Refurbishment	0	180	0	180
St Annes Denton Kitchen Extension	53	0	0	53
Leigh Drainages	0	2	0	2
Milton St John Creation of Bulge Class	100	0	0	100
Livingstone Remodelling/Extension	419	125	0	544
The Heys Floor Replacement	34	25	0	59
Gorse Hall Power And Fire Alarm	10	4	0	14
Wildbank Lighting And Power	0	32	0	32
Fairfield Car Park Repairs	37	0	0	37
Linden Road Children'S Centre - Refurbishment And Electrical	0	17	0	17
Milton St John Primary - Temporary Emergency Works	14	32	0	46
Inspire Academy - Pre-Opening Costs	0	44	0	44
Broadoak Primary School Facilities	0	31	0	31
Fairfield Rd Primary	1	0	0	1
St James' Hattersley - Additional Classroom	160	60	0	220
Disabled Access Works At Hurst Knoll, Stalyhill Infants And Bradley Green	8	0	0	8
St Damian's Classroom Alterations	246	4	0	250
Broadoak Primary External Areas	0	100	0	100
Furniture And Equipment Contributions - Basic Needs Schemes	6	14	0	20
School Condition Related Works Contingency	2	21	0	23
Greenside Lighting, Fire Alarm And Small Power	412	16	0	428
Gorse Hall Small Power	174	15	0	189
Livingstone Heat Emitters And Pipework	171	22	0	193
Dowson Lower School Heat Emitters	6	0	0	6

Stalyhill Infants Heat Emitters And Pipework	67	2	0	69
Arlies Fan Convectors, Controls And LST Radiator Covers	11	110	0	121
Waterloo Boiler And Heat Emitters	0	119	0	119
Hurst Knoll Nursery Fan Convectors And Mobile Classroom Air Conditioning	0	36	0	36
Hollingworth Drainage	21	21	0	32
Milton St John's Drainage	0	25	0	25
Rosehill Flooring	18	8	0	26
Arlies Mobile Classroom Roof	31	0	0	31
St Anne's Denton Flat Roofs	0	100	0	100
Micklehurst Water Tower	22	0	0	22
Greswell Walls And Windows	0	50	0	50
Longdendale Science Labs	63	2	0	65
Mechanical & Electrical - Broadbent Fold	0	11	0	11
Mechanical & Electrical - Corrie Primary	0	28	0	28
Mechanical & Electrical - Yew Tree Primary	0	13	0	13
Mechanical & Electrical - Oakdale	0	6	0	6
Mechanical & Electrical - Buckton Vale	0	7	0	7
Safeguarding & Access - Buckton Vale	0	38	0	38
Safeguarding & Access - Waterloo	0	10	0	10
Safeguarding & Access - Cannon Burrows	0	15	0	15
Astley High School - Carpets	1	39	0	40
Inspire Academy - Play Equipment	0	40	0	40
Cromwell Enhancements	0	1,636	0	1,636
Heys Toilet Adaptations	0	5	0	5
Stalyhill Toilet Adaptation	0	5	0	5
St James Ashton Health & Safety	0	65	0	65
Cromwell M&E Upgrade	0	114	0	114
Alder Community High School	0	25	0	25
Astley Community High School	0	25	0	25
Hyde Community College	0	25	0	25
Wildbank Primary School - Main Scheme	0	120	0	120

St Georges CE Primary School	0	197	0	197
Stalyhill Safeguarding And Access Issues	0	10	0	10
Broadbottom CE Remedial Works	0	5	0	5
Micklehurst Drainage	0	10	0	10
Gorse Hall Drainage	0	10	0	10
Funding Stream - Holden Clough	0	15	0	15
Asbestos Surveys Phase 1	0	7	0	7
<b>Education Total</b>	<b>3,955</b>	<b>15,620</b>	<b>0</b>	<b>19,575</b>
<b>Engineering Services</b>				
Borough Wide Minor Works	2	4	0	6
Carriageway Structural Maintenance	18	0	0	18
The Longdendale Integrated Transport Strategy	0	480	0	480
The Longdendale Integrated Transport Strategy (Notional Element)	0	7,809	0	7,809
Ashton Northern Bypass - Stage 2	179	100	0	279
Congestion Performance Fund (Tranche 4)	4	0	0	4
Living Streets	9	0	0	9
Pothole Funding	993	7	0	1,000
Cycle City Ambition Grant	9	0	0	9
Muse Developments	0	15	0	15
Lower Bennett Street	0	16	0	16
Junction Improvements	0	359	0	359
Ashton Town Centre Access Improvemnts	2	189	0	191
LED Street Lighting Investment	2,303	2,305	0	4,608
Highways Maintenance Funding	2,327	3,153	0	5,480
Ashton-Stalybridge Cycle Route	4	224	0	228
Denton Link Road	1,008	345	0	1,353
Challenge Funding	1,190	1,509	0	2,699
King Edward Road Retaining Wall	291	109	0	400
Access To Metrolink Stops	0	300	0	300
Hattersley Station Passenger Facilities	18	732	0	750
Huddersfield Narrow Canal	20	165	0	185

Ashton Canal Links	30	150	0	180
Link To Velodrome	18	158	0	176
Dukinfield Corridor	43	117	0	160
Permanent Pothole Repair	117	0	0	117
<b>Engineering Services Total</b>	<b>8,583</b>	<b>18,248</b>	<b>0</b>	<b>26,831</b>
<b>Environmental Services</b>				
Children's Play	0	20	0	20
Dukinfield Park Improvements	15	25	0	40
Stamford Park Infrastructure	20	0	0	20
Green Space Improvements - Dukinfield	11	0	0	11
Pocket Parks	11	0	0	11
Allotment Railings And Infrastructure Improvement	13	63	0	76
Memorial Gardens Audenshaw	2	0	0	2
Scott Road Memorial Gardens, Droylsden	2	0	0	2
Sunnybank Park - Landscaping	17	2	0	19
Highway Replacement Tree Planting Access Works	6	3	0	9
Rocher Vale & Hulmes And Hardy Wood	19	10	0	29
Carbon Reduction - Invest To Save Schemes Approval Required	0	311	0	311
Retrofit (Basic Measures)	7	322	0	329
Guide Lane Former Landfill Site	24	441	0	465
Assheton Avenue Surfacing	10	0	0	10
War Memorials	9	11	0	20
Audenshaw Environmental Improvements	0	9	0	9
Tree Planting Programme	10	30	0	40
Hospital Parking	0	950	0	950
Silver Springs Infrastructure Improvements	18	2	0	20
<b>Environmental Services Total</b>	<b>193</b>	<b>2,200</b>	<b>0</b>	<b>2,393</b>
<b>Transport</b>				
Light Vans	0	39	0	39
Procurement of Fleet Vehicles	1,509	933	0	2,442
Fleet Replacement 17/18	0	2,256	0	2,256

Refuse Collection Fleet	0	3,060	0	3,060
Ransome Mowers	39	0	0	39
<b>Transport Total</b>	<b>1,547</b>	<b>6,289</b>	<b>0</b>	<b>7,836</b>
<b>Digital Tameside</b>				
Working Differently - ICT Hardware & Software	140	271	0	411
ICT – Vision Tameside	105	822	440	1,367
Disaster Recovery Site	37	8	0	45
Digital By Design	81	238	0	319
Town Centre Wi-Fi	171	0	0	171
<b>Digital Tameside Total</b>	<b>533</b>	<b>1,340</b>	<b>440</b>	<b>2,313</b>
<b>Resources</b>				
Estimated Future Borrowing Approvals / Receipts	2,225	4,262	5,000	11,487
Repayment of Prud Borrowing	607	721	0	1,328
<b>Resources Total</b>	<b>2,832</b>	<b>4,983</b>	<b>5,000</b>	<b>12,815</b>
<b>Development And Investment</b>				
Ashton Town Centre And Civic Square	1,492	1,560	0	3,052
Ashton Market Hall Incubator Units	0	3	0	3
Godley Hill Development And Access Road	0	110	0	110
St Petersfield	36	193	0	229
Hyde Town Centre	0	23	0	23
Ashton Old Baths	537	379	0	916
Longlands Mill	3	21	0	24
Disabled Facilities Grants	1,474	730	0	2,247
Grant Funding Yet To Be Allocated	0	259	0	259
<b>Development And Investment Total</b>	<b>3,542</b>	<b>3,321</b>	<b>0</b>	<b>6,863</b>
<b>Public Health</b>				
Hyde United FC	415	0	0	415
Droylsden Youth Centre	24	0	0	24
Active Tameside Wellness Centre & Wider Investment	3,580	10,174	6,524	20,278
<b>Public Health Total</b>	<b>4,019</b>	<b>10,174</b>	<b>6,524</b>	<b>20,717</b>

**Exchequer**

Online Forms	80	10	0	90
<b>Exchequer Total</b>	<b>80</b>	<b>10</b>	<b>0</b>	<b>90</b>
<b>Total</b>	<b>38,223</b>	<b>99,728</b>	<b>11,964</b>	<b>149,915</b>

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# Agenda Item 6.

<b>Report To:</b>	<b>OVERVIEW (AUDIT) PANEL</b>
<b>Date:</b>	31 July 2017
<b>Executive Member/ Reporting Officer:</b>	Cllr J M Fitzpatrick - First Deputy (Performance and Finance) Ian Duncan – Assistant Executive Director (Finance)
<b>Subject:</b>	<b>REVENUE MONITORING – QUARTER 4 2016/17</b>
<b>Report Summary:</b>	<p>This report shows that at Quarter 4 the overall net service outturn revenue position for 2016/17 is £1.234 million under budget. This is after movements to reserves to assist with future years' budget pressures.</p> <p>The budget for corporate costs is £7.142 million under budget.</p> <p>The report explains the main variations to the Council's approved budget for the year.</p>
<b>Recommendations:</b>	<ol style="list-style-type: none"><li>1) That the revenue outturn position is noted.</li><li>2) That the detail for each service area is noted.</li><li>3) That the changes to revenue budgets as set out in the report are approved.</li><li>4) That the capital outturn position is noted.</li></ol>
<b>Links to Community Strategy:</b>	Budget is allocated in accordance with the Community Strategy.
<b>Policy Implications:</b>	Budget is allocated in accordance with Council Policy.
<b>Financial Implications: (Authorised by the S151 Officer)</b>	This is the subject of the report.
<b>Legal Implications: (Authorised by the Borough Solicitor)</b>	There is a statutory duty to ensure the Council sets a balanced budget and that it is monitored to ensure statutory commitments are met.
<b>Risk Management:</b>	Failure to properly manage and monitor the Council's budgets will lead to service failure and a loss of public confidence.
<b>Access to Information</b>	<p>The background papers relating to this report can be inspected by contacting the report writer, Ian Duncan, Assistant Executive Director (Finance) by:-</p> <p> Telephone: 0161 342 3864</p> <p> e-mail: <a href="mailto:ian.duncan@tameside.gov.uk">ian.duncan@tameside.gov.uk</a></p>

## **1 INTRODUCTION**

- 1.1 This is the final revenue monitoring report of the 2016/17 financial year. The report summarises the unaudited revenue outturn position for service areas of the Council at the 31 March 2017.
- 1.2 Details of the various sections and Appendices within the report are shown below:-
- **Section 2:** Changes to the budget since January 2017.
  - **Section 3:** A summary of the budget and revenue financial position for Service areas.
  - **Section 4:** Savings update.
  - **Section 5:** Council Tax, Business Rates collection performance and write offs.
  - **Section 6:** Commentary about the financial challenges in the local health and social care economy.
  - **Section 7:** Capital Outturn Summary.
  - **Section 8:** Recommendations.
  - **Appendix 1:** Details for each Directorate showing the revenue outturn position and:
    - an explanation of significant variations to budget;
    - an analysis of expenditure and income.
  - **Appendix 2:** Analysis of the Council Tax and Business Rates collection performance.
  - **Appendix 3:** Business Rates, Council Tax and Sundry Debtor Accounts written off.
  - **Appendix 4:** Summary of the capital outturn position
- 1.3 This report details the Council's final revenue outturn position for 2016/17 against the approved budget for the year and shows the net of income and expenditure as a variation to budget.
- 1.4 Also included within the report are details for those budgets that are held corporately and the projected outturn position. These budgets include the cost of capital financing, democracy and where service areas are unable to affect spend against budget e.g. AGMA costs.
- 1.5 Separate tables, which break down the budgets into elements of expenditure and income, are included in **Appendix 1**, to show how Directorates used their allocated funding.
- 1.6 The report also shows the final capital outturn position. A detailed report will be presented to the next meeting of the Strategic Planning and Capital Monitoring Panel.

## **2 SUMMARY OF CHANGES TO THE BUDGET**

- 2.1 There have been no adjustments to the overall net budget since Quarter 3 and remains at £162.3 million. There has been a change between services relating to accommodation for the Clinical Commissioning Group, which has been reflected in Table 1 below.

### 3 SUMMARY OF THE FINANCIAL POSITION

3.1 This report shows that at Quarter 4 the total service overall net revenue expenditure for the 2016/17 financial year is £142.2 million compared to a budget for services of £143.4 million, giving a position of £1.234 million less than the budget.

**Table 1: Outturn revenue position for 2016/17**

Directorate	Service	2016/17 Budget £000	Outturn £000	Variation to Budget £000
People	Children's Social Care	25,878	28,684	2,806
People	Education	3,313	3,213	(100)
People	Adult and Early Intervention Services	42,064	42,019	(45)
	<b>Total Director of People</b>	<b>71,255</b>	<b>73,916</b>	<b>2,661</b>
Place	Asset and Investment Partnership Management	2,580	3,344	764
Place	Environmental Services	46,999	46,068	(931)
Place	Development Growth and Investment	2,286	2,257	(29)
Place	Digital Tameside	1,817	1,817	0
Place	Stronger Communities	7,096	6,652	(444)
	<b>Total Director of Place</b>	<b>60,778</b>	<b>60,138</b>	<b>(640)</b>
Public Health	Director of Public Health	1,400	1,506	106
Governance and Resources	Director of Governance and Resources	9,979	6,618	(3,361)
	<b>Total Service Position</b>	<b>143,412</b>	<b>142,178</b>	<b>(1,234)</b>

- 3.2 The overall net position is that service expenditure is within budget although it can be seen that there are variances, both over and under budget, as summarised in Table 1. Fuller details are set out in **Appendix 1**. In particular Children's Services have faced financial difficulties during the year.
- 3.3 In addition to service budgets, there are corporate budgets which are held to pay for costs such as levies, loan debt etc. as well as the means to cope with in-year volatility. This is £7.1 million less than budget, after contributions to earmarked reserves.

**Table 2**

Directorate	Corporate Budgets	2016/17 Budget £000	Outturn £000	Variation to Budget £000
Other	Corporate Costs, Capital and Financing and Other Cost Pressures	18,889	11,747	(7,142)
	<b>Total</b>	<b>18,889</b>	<b>11,747</b>	<b>(7,142)</b>

- 3.4 The revenue position reported needs to be considered in the context of the Council's Medium Term Financial Strategy (MTFS). An updated MTFS was presented to Full Council on the 28 February 2017 and detailed the remaining gap to be addressed by 2019/20 as shown in Table 3.

**Table 3 - Medium Term Financial Strategy 2017-20**

	2017/18 £000	2018/19 £000	2019/20 £000
<b><u>Resources</u></b>			
Revenue Support Grant	0	0	0
Business Rates Baseline	(47,701)	(49,285)	(51,094)
Business Rates Top-up Grant	(43,635)	(37,267)	(30,865)
Collection Fund Surplus	(1,000)	(1,000)	(1,000)
Amount to be funded from Council Tax	(74,333)	(74,333)	(74,333)
Use of Reserves and Balances	(2,600)	(1,600)	(300)
<b>Total Resources</b>	<b>(169,269)</b>	<b>(163,485)</b>	<b>(157,592)</b>
<b><u>Spending Plans</u></b>			
Director of People	83,117	80,998	79,343
Public Health	16,707	16,740	16,548
Director of Places	58,362	59,550	59,846
Director of Governance and Resources	9,652	9,725	9,824
Corporate Costs	9,558	15,705	19,482
<b>Total Spending</b>	<b>177,396</b>	<b>182,718</b>	<b>185,043</b>
<b><u>Council Tax Increases</u></b>			
<b>Council Tax Increase - 4.99% (1.99% in 2019/20)</b>	<b>(3,824)</b>	<b>(7,871)</b>	<b>(9,597)</b>
<b>Revised Tax Base &amp; Collection Rate</b>	<b>(2,303)</b>	<b>(2,612)</b>	<b>(2,922)</b>
<b>Additional Collection Fund Surplus</b>	<b>(2,000)</b>	<b>(500)</b>	<b>(500)</b>
<b>Remaining Gap to be addressed</b>	<b>0</b>	<b>8,250</b>	<b>14,432</b>

## 4 SAVINGS

- 4.1 Savings targets were allocated in line with consideration of the Council's core purpose, policy priorities, and assessed risks. The Council agreed a savings target of £14 million for 2016/17 as part of a two year budget plan. Detailed savings proposals were drawn up for 2016/17 and agreed by Full Council in February 2015. With the exception of £ 0.860 million within Children's services, the savings targets have been delivered and are summarised below.

Table 3

Directorate	2016/17 Savings Target Achieved £000
People	5,856
Public Health	350*
Place	-
Governance and Resources	-
Corporate Savings	3,589
Capital and Financing	4,305
<b>Total</b>	<b>14,100</b>

\* excludes reduction in Public Health grant of £363k

## 5 COUNCIL TAX, BUSINESS RATES AND SUNDRY DEBTS

- 5.1 The importance of maximising income collection in these areas cannot be overstated given the sums involved.

Council Tax	£92.5 million billed in 2016/17
Business Rates	£43.9 million
Sundry Debts	£61.4 million

- 5.2 **Appendix 2** includes tables showing how the Council has performed against target collection rates in both Business Rates and Council Tax. Any arrears at 31 March 2017 will continue to be pursued vigorously in 2017/18.
- 5.3 Business Rates continues to be a source of some frustration in terms of its predictability and certainty. This is due to the large volume of appeals against rateable values, which remain outstanding: in March 2016 there were 864 appeals outstanding and one year later there are 809 outstanding. As a result the provision set aside for successful appeals has had to be increased to £7.740 million, up from last year's level of £5.952 million. The Business Rates Retention Scheme means that variations in the level of Business Rates income collected has a direct impact on Council resources.
- 5.4 Also attached on **Appendix 3**, are details of irrecoverable debts over £3,000 (council tax and business rates) and accounts with delegated discretion to write off.

## 6 CARE TOGETHER

- 6.1 Under Care Together a single body now commissions health and social care services. The single commissioning function is made up from Tameside & Glossop Clinical Commissioning Group and Tameside Council. The Care Together vision is to significantly raise healthy life expectancy by focussing on health and care needs of communities with a view to achieving

better prosperity, health and wellbeing and to deliver a clinically and financially sustainable health and social care service with the next five years.

- 6.2 On the financial front a first step was to enter into a section 75 agreement with Tameside and Glossop CCG to pool resources, with each organisation agreeing to be responsible for its own financial risks in this first year. The governance arrangements are that the Single Commissioning Management Team and the Single Commissioning Board receive regular budget monitoring reports and will agree mitigating actions as appropriate. The financial information in respect of council services provided to the single commissioning bodies is consistent with information included in the Council's budget monitoring reports albeit there can be timing differences between the two.
- 6.3 In working towards financial sustainability across the whole health and social care economy i.e. including Tameside Hospital Foundation Trust, a single consolidated financial report is now produced on a monthly basis. This is showing a collective surplus of £1.1 million in 2016/17. The revenue financial position is shown below;

**Table 4**

Organisation	Year End			Movement	
	Budget £'000s	Actual £'000s	Variance £'000s	Previous Month £'000s	Movement in Month £'000s
Tameside & Glossop CCG	388,441	381,272	7,169	3,491	3,678
Tameside MBC	69,272	71,904	(2,632)	(4,011)	1,379
<b>Total Single Commissioner</b>	<b>457,713</b>	<b>453,176</b>	<b>4,537</b>	<b>(520)</b>	<b>5,057</b>
ICFT Deficit	(17,300)	(13,840)	(3,460)	(2,525)	(935)
<b>Total Whole Economy</b>	<b>440,413</b>	<b>439,336</b>	<b>1,077</b>	<b>(3,045)</b>	<b>4,122</b>

The outturn consolidated report can be found at:

<http://tameside.moderngov.co.uk/documents/s18811/ITEM%20a%20-%20Care%20Together%20Economy%20Presentation.pdf>

## 7 CAPITAL OUTTURN SUMMARY

- 7.1 The Capital outturn position is detailed in **Appendix 4**. It shows expenditure less than the budget of £15.869 million this is after identified slippage was taken into account at quarter 3. The detail of the variances will be included within the Capital outturn report, which will be presented at the next meeting of the Strategic Planning and Capital Monitoring Panel.

## 8 RECOMMENDATIONS

- 8.1 As stated on the report cover.

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## DIRECTOR OF PEOPLE

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### 1. CHILDREN'S SERVICES

	2016/17 Budget £000	Outturn £000	Variation to Budget £000
Children's Social Care	25,878	28,684	2,806
Education	3,313	3213	(100)
<b>TOTAL</b>	<b>29,191</b>	<b>31,897</b>	<b>2,706</b>

#### Overview

Reasons for the significant variations to budget:

#### CHILDREN'S

##### Employee Expenses:

£000

Employee costs are in excess of budget due to a number of additional Social Workers and agency Social Workers being employed to address caseload capacity issues.

662

##### External Agency Placements - Residential/Fostering and Internal Carer Payments:

External Residential and Foster Care Placements and Internal Carer Payments - The Looked After Children Numbers have increased significantly from 435 at April 16 to 509 at March 17, this has resulted in spend above budget. It should be noted that the service is exposed to significant risk of costs and additional unexpected and complex needs placements throughout the year, which could have an effect on these costs.

1,172

Original Savings yet to be realised - Eligibility Threshold Reductions

215

Original Savings yet to be realised - Boyds Walk Residential saving of external compared to internal

380

Original Savings yet to be realised - Closure of St Lawrence Road

100

Original Savings yet to be realised - Further reductions to External Residential and Fostering Placements

165

##### Sales, Fees and Charges:

Reduction in Inter Agency Adoption fees and other minor variations under £0.05m

268

**Other Variations:**

Other variations amount to £0.156m under budget. The following have been identified as significant areas of variation: Increase in contract value for Children's Right Return Interviews for Missing Children's Service (£0.100m); remand placement expenditure in excess of grant (£0.051m). This is offset by lower than anticipated costs for IT related expenditure (£0.080m), efficiencies in Early Help leading to a reduction in spend (£0.097m), salary contributions to Early Years (£0.076m) and other minor variations under £0.050m. (156)

**Children's Total****2,806****EDUCATION****Employee Costs****£000**

Expenditure is below budget on employee costs due to the vacant Head of Schools Performance & Standards position (£0.085m), some part year vacancies (£0.082m), a reduction/re-distribution of staff within the Pupil Support Service (0.080m) and other minor variations under £0.050m. (362)

**Special Education Transport**

Expenditure is above budget due to an increase in the number of children receiving transport for the academic year 2016-17. 250

**Other Expenditure**

Other Expenditure is below budget due to both the traded Governors Support (£0.062m) and Education Psychology (£0.069m) services spending less on external support and resources than originally planned, the School Improvement Fund (£0.098m) spending less than anticipated, along with other minor variations of less than £0.050m. There was expenditure from the School Improvement Fund of £0.111m which was offset by contributions from schools of £0.093m and earmarked reserves of £0.018m. (184)

**Grants & Other Contributions**

Minor Variations Under £0.050m

**(51)****Non-Academy Schools Income**

Income is less than budgeted for Non-Academy Schools due to a reduction in the buy in from schools to the Behaviour for Learning & Inclusion Service (£0.185m), to the Equality, Multicultural and Access Team (£0.087m), the School Music Service (£0.020m) and the Governors Training Traded Service (£0.016m). 334

**Other Income**

Minor Variations Under £0.050m

**(87)****Education Total****(100)**

## 2. ADULT AND EARLY INTERVENTION SERVICES

	2016/17 Budget £000	Outturn £000	Variation to Budget £000
Adult Social Care	42,064	42,019	(45)
<b>TOTAL</b>	<b>42,064</b>	<b>42,019</b>	<b>(45)</b>

### Overview

£000

#### ADULTS AND EARLY INTERVENTION

Removal of payment for the performance element of Better Care Fund (BCF) has resulted in changes to national conditions around NHS commissioned out of hospital services. There is a minimum requirement in 2016/17 to invest £4.4m of the overall BCF allocation into these services which represents an increase of £1.12m on the previous year's figure. Consequently this has resulted in a £1.12m reduction in the BCF resource available to fund Adult Social Care.

1,120

Additional Homecare Expenditure that had been expected to incur did not materialise. This is a result of commissioned hours being significantly in excess of actual hours provided

(303)

Funded Nursing Care placements income was greater than projected

(356)

Further reductions in Direct Payments expenditure due to a reduction in client numbers and claw backs from clients

(100)

Income from Client Contributions towards community based care packages was higher than expected. This is a significant increase on the previous year's position

(250)

Transfer from Adult Social Care Budget Strategy Reserve

(1,500)

Transfer to Adult Social Care Doubtful Debt Provision (note i)

1,500

Other Minor Variations

(156)

#### **Adults and Early Intervention Total**

**(45)**

*Note i: The Council aims to collect approximately £10.3 million per annum from service users as their means tested financial contribution towards the cost of their care. At 31 March 2017 there were £5.6 million of cumulative arrears covering the past 16 years. An assumption has been made that not all of the debt will ultimately be collected. Debt is only written off as a last resort after all avenues for collection have been exhausted.*

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**DIRECTOR OF PUBLIC HEALTH**

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**3. DIRECTOR OF PUBLIC HEALTH**

	<b>2016/17 Budget £000</b>	<b>Outturn £000</b>	<b>Variation to Budget £000</b>
Director of Public Health	1,400	1,506	106
<b>TOTAL</b>	<b>1,400</b>	<b>1,506</b>	<b>106</b>

**Overview****£000**

The Public Health budget has been charged with the borrowing repayments associated with the major capital investment plan in facilities managed by Active Tameside. No budget provision for this cost was made in 2016/17.

**106****Public Health Total****106**

**4. ASSET AND INVESTMENT PARTNERSHIP MANAGEMENT**

	2016/17 Budget £000	Outturn £000	Variation to Budget £000
Asset and Investment Partnership Management	2,580	3,344	764
<b>TOTAL</b>	<b>2,580</b>	<b>3,344</b>	<b>764</b>

**Overview**

**CORPORATE LANDLORD**

**£000**

This relates to expenditure costs on the completion of a sale, which is over the allowable 4% cost that cannot be off set against the capital receipt, for example small plots of land. There is no allowance in the budget for costs exceeded the 4% threshold.

**136**

Similarly there is no specific budget provision for the following costs that were incurred during the year:

- Expenditure relating to the realisation of capital receipts under £10k;
- Abortive expenditure costs on potential sales of land and buildings;
- Essential building maintenance and repair there was no specific budget for this in 16/17 but has been addressed in 17/18.

**329**

An annual sum is paid to Rochdale Council for the use of their data centre of £50k. Expenditure charged in the years represented 15 months occupation.

**72**

The income budget for capital receipts under £10k was set at the level achieved the previous year of £110k. The amount actually received was £73k which was less than the budget.

**37**

An income budget associated with a DfE grant received in a previous financial year was rolled forward into the 2016/17 budget in error. No such income was received in the year.

**166**

Dukinfield Cemetery And Crematorium Business rates reimbursement backdated to 2010.

**(196)**

Ryecroft Community Association's rent review has reduced the income budget from £46k to £23k. There were other minor rent variations of £3k.

**26**

**ESTATES**

The rental income generated from industrial estates is less than budget.

**136**

The income from charging for the estates function is less than the budget.

**57**

**Asset and Investment Partnership Management Total**

**763**

## 5. ENVIRONMENTAL SERVICES

	2016/17 Budget £000	Outturn £000	Variation to Budget £000
Environmental Services	46,999	46,068	(931)
<b>TOTAL</b>	<b>46,999</b>	<b>46,068</b>	<b>(931)</b>

### Overview

£000

#### WASTE SERVICES

The waste disposal levy budget comprises of a payment to GM Waste Disposal Authority and also a contribution to the waste levy smoothing reserve. The individual components are:

- A payment of £12.974m for the levy during the year which is below budget **(6,390)**
- Waste Disposal Levy year-end transfer to reserve **5,759**
- Other waste disposal related expenditure **631**

Expenditure in excess of budget :

**386**

- Purchase of wheeled bins £225k
- Transport costs - additional hires and workshop recharges £161k

#### OPERATIONS SERVICE

Essential health and safety infrastructure repairs in excess of budget

**167**

#### ENGINEERS SERVICE

Expenditure in excess of budget in Engineering Design :

**170**

- Engineering works £105k
- Supplies and Services £65k

Expenditure in excess of budget in Highways :

**93**

- Engineering works (footways, drainage, street lighting reactive maintenance)

#### CIVIL ENGINEERS SERVICE

- Income in excess of budget

**(1,447)**

Expenditure in excess of budget :

**911**

- Sub-contractors £526k
- General materials £385k

### **Other variations across Environmental Services**

Expenditure less than budget as a result of delayed recruitment following various service re-designs	(591)
Other variations across Environmental Services	400
Savings delivered in advance of 2017/2018	(1,020)
<b>Environmental Services Total</b>	<b><u>(931)</u></b>

### **6. DEVELOPMENT GROWTH AND INVESTMENT**

	<b>2016/17 Budget £000</b>	<b>Outturn £000</b>	<b>Variation to Budget £000</b>
Development Growth and Investment	2,286	2,257	(29)
<b>TOTAL</b>	<b>2,286</b>	<b>2,257</b>	<b>(29)</b>

#### **Overview**

£000

Expenditure less than budget as a result of delayed recruitment following various service re-designs across Development Growth and Investment. Budgets are set to top of scale, and it is anticipated that vacant posts are expected to be filled as soon as possible. (179)

One-off unbudgeted commitments for various economic growth and regeneration initiatives across the borough £200k, one off additional funding received from DCLG to support planning in relation to Godley Green Garden Village £299k carried forward to 2017/18 and other minor variations below £50k across the service amounting to £145k. 648

Employment & Skills grant funding from Salford City Council for GM Commitments (£98k) and one off additional grant funding from DCLG to support planning in relation to Godley Green Garden Village (£299k), other minor variations across the service below £0.50m £28k. (369)

Income less than budget for the Building Control service £153k as a result of vacant posts, therefore inability to complete work. 166

Higher than anticipated income for the Agency Service provided to deliver Disabled Facilities Grant Funded capital scheme for 2016/17 (£50k), and increased income in Employment and Skills (£50k). (100)

Other minor variations across the service below £0.50m (£65k). (65)

Savings being planned 2016/17 to be used to fund service re-design in the Investment and Development service within Development Growth and Investment. (130)

**Development Growth and Investment Total** **(29)**

## 7. DIGITAL TAMESIDE

	2016/17 Budget £000	Outturn £000	Variation to Budget £000
Digital Tameside	1,817	1,817	(0)
<b>TOTAL</b>	<b>1,817</b>	<b>1,817</b>	<b>(0)</b>

### Overview

No variation to budget.

## 8. STRONGER COMMUNITIES

	2016/17 Budget £000	Outturn £000	Variation to Budget £000
Stronger Communities	7,096	6,652	(444)
<b>TOTAL</b>	<b>7,096</b>	<b>6,652</b>	<b>(444)</b>

### Overview

£000

Reduction in Supporting People contracts in effect from part way through the year, full year effect will materialise in 2017/18.

**33**

Contract variation for homelessness demographics due to change in legislation increasing demand not coming into effect until 1st October 2016, waiver for 10 units of temporary supported accommodation for homeless household's full year effect of £52k.

**(106)**

Contract variation for supporting people & homelessness contracts to pay living wage not coming into effect until 1st October 2016, when materialised only affected 3 members of staff.

**(162)**

One-off savings from staff turnover.

**(72)**

Increase in demand and subsequent 23% increase in the number of packages awarded for the Tameside Resettlement Scheme

**50**

Ad-hoc efficiencies across Stronger Communities.

**(187)**

**Stronger Communities Total**

**(444)**

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**DIRECTOR OF GOVERNANCE AND RESOURCES**

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**9. DIRECTOR OF GOVERNANCE AND RESOURCES**

	<b>2016/17 Budget £000</b>	<b>Outturn £000</b>	<b>Variation to Budget £000</b>
Director of Governance and Resources	9,979	6,618	(3,361)
<b>TOTAL</b>	<b>9,979</b>	<b>6,618</b>	<b>(3,361)</b>

**Overview****£000**

Expenditure less than budget as a result of delayed recruitment following various service re-designs severance, on-going restrictions in recruitment and delays in the implementation of service redesign. (1,969)

On-going restrictions in expenditure and efficiencies across the service have resulted in an expenditure level of £674k under budget. This includes reductions in software maintenance costs of £112k, non-commissioning of Project and Professional services expenditure of £173k and advertising costs of £150k. (674)

Income levels in excess of budget provision across the service for external income generation, fee income and recharges total 436k, and the cost of collection surplus of 282k. (718)

**Director of Governance and Resources Total****(3,361)**

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**CORPORATE BUDGETS**

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**10. CORPORATE COSTS**

Directorate	Corporate Budgets	2016/17 Budget £000	Outturn £000	Variation to Budget £000
Other	Corporate Costs, Capital and Financing and Other Cost Pressures	18,889	11,747	(7,142)
	<b>Total</b>	<b>18,889</b>	<b>11,747</b>	<b>(7,142)</b>

**Overview**

As reported in monitoring reports and treasury management updates throughout the year, no borrowing was undertaken by the Council in 2016/17. The saving from this decision was £5.962 million. For information, the 2017/18 budget assumes only limited borrowing will take place.

A change in the placement of the Council's surplus cash has contributed to the generation of additional investment interest of £0.804 million.

The assessment of Business Rates the possible outcome of business rates appeals continues to be a source of frustration. When the budget for 2016/17 was approved in February 2016 it was assumed that a surplus of £1.7million in business rates would be achieved before business rates appeals, but that an equivalent sum would have to be set aside for the backdated cost of appeals.

Savings in insurance costs (£0.555 million) and spend less than budget provision for corporate budgets (£1.160 million).

For transparency, transfers to the earmarked Budget Strategy Reserve were made in the year, amounting to £3.9 million and £3.0 million to the NNDR deficit reserve. This is consistent with the budget assumption and therefore there is no variation to report.

## APPENDIX 2

The tables below detail how the Council is performing against target collection rates in both Business Rates and Council Tax. Arrears are pursued and recovery of current year arrears will continue in future years.

<b>Council Tax In-year Collection Performance 2016/17</b>				
	<b>Cash Collected £m</b>	<b>Cash Collected %</b>	<b>Cash Target %</b>	<b>Variation %</b>
April 2016	9.623	10.42	10.80	-0.38
May 2016	17.800	19.27	19.40	-0.13
June 2016	26.103	28.26	28.40	-0.14
July 2016	34.121	36.89	37.60	-0.71
August 2016	42.443	45.86	46.20	-0.34
September 2016	50.665	54.71	55.30	-0.59
October 2016	58.812	63.51	64.30	-0.79
November 2016	67.166	72.54	73.30	-0.76
December 2016	74.963	80.97	81.80	-0.83
January 2017	83.183	89.94	90.20	-0.26
February 2017	85.689	92.56	92.50	+0.06
March 2017	86.698	93.69	94.40	-0.71

<b>Business Rates In-year Collection Performance 2016/17</b>				
	<b>Cash Collected £m</b>	<b>Cash Collected %</b>	<b>Cash Target %</b>	<b>Variation %</b>
April 2016	10.789	17.18	10.70	+6.48
May 2016	15.863	25.33	18.80	+6.53
June 2016	20.918	33.65	28.80	+4.85
July 2016	23.329	37.54	38.30	-0.76
August 2016	32.069	51.57	46.70	+4.87
September 2016	36.935	59.39	55.10	+4.29
October 2016	42.602	68.73	63.50	+5.23
November 2016	45.088	72.83	72.10	+0.73
December 2016	49.762	80.59	79.50	+1.09
January 2017	55.710	90.23	88.20	+2.03
February 2017	56.248	95.12	92.70	+2.42
March 2017	59.253	96.42	96.20	+0.22

## APPENDIX 3

### IRRECOVERABLE DEBTS OVER £3000

1 January 2017 to 31 March 2017

Note individuals are anonymised

REF:	DEBT:	FINANCIAL YEAR(S)	BALANCE	REASON
15106355	Council Tax	2009 - 2010 £486.32 2010 - 2011 £985.06 2011 - 2012 £963.96 2012 - 2013 £400.89 2013 - 2014 £886.22 2014 - 2015 £490.06	£3751.51	Debt Relief Order granted 19/08/2014
13813422	Council Tax	2005 - 2006 £181.24 2006 - 2007 £867.57 2007 - 2008 £641.59 2008 - 2009 £646.50 2009 - 2010 £457.50 2010 - 2011 £216.49 2011 - 2012 £347.75	£3359.01	Debt Relief Order granted 19/09/2012
<b>COUNCIL TAX</b>		<b>SUB TOTAL - Debt Relief Order</b>	<b>£7110.52</b>	
15380816	Council Tax	2013 - 2014 £790.00 2014 - 2015 £1336.87 2015 - 2016 £1072.00	£3405.33	Individual Voluntary Arrangmnt 11/08/2015
16349938	Council Tax	2013 - 2014 £80.23 2014 - 2015 £1210.87 2015 - 2016 £1227.32 2016 - 2017 £1325.30	£3843.72	Individual Voluntary Arrangmnt 26/05/2016
<b>COUNCIL TAX</b>		<b>SUB TOTAL - Individual Voluntary Arrangement</b>	<b>£7249.05</b>	
16462293	Council Tax	2013 - 2014 £900.30 2014 - 2015 £903.10 2015 - 2016 £1253.02 2016 - 2017 £1165.03	£4221.45	Bankrupt 06/08/2016
<b>COUNCIL TAX</b>		<b>SUB TOTAL - Bankruptcy</b>	<b>£4221.45</b>	
15278656	Council Tax	HomeTrader (North West) Ltd St Helens House King Street Derby DE1 3EE  Company Dissolved 14/04/2016	2011 - 2012 £242.92 2012 - 2013 £455.24 2013 - 2014 £1340.30 2014 - 2015 £1494.60 2015 - 2016 £1281.09	£4814.15

16253437	Council Tax	CH Wrightcare Supported Lodgings Ltd 601 Market Street Whitworth Rochdale OL12 8QS  Company Dissolved 12/11/2016	2011 – 2012 £132.21 2012 – 2013 £819.44 2013 – 2014 £1019.42 2014 – 2015 £1021.40 2015 – 2016 £1036.72 2016 – 2017 £93.02	£4122.21
<b>COUNCIL TAX</b>		<b>SUB TOTAL - Company Dissolved</b>	<b>£8,936.36</b>	
<b>COUNCIL TAX IRRECOVERABLE BY LAW</b>			<b>£27,517.38</b>	
65514407	Business Rates	Best Discount Ltd Oakland Furnishing Company Wharf Point Market Street Droylsden M43 6DD Company Dissolved 28/06/2016	2015 – 2016 £10940.00 2016 – 2017 £5272.28	£16,212.28
65523456	Business Rates	Tech Haulage Ltd Unit E201G Warmco Industrial Estate Manchester Road Mossley OL5 9XA Company Dissolved 02/06/2015	2013 – 2014 £2337.58 2014 – 2015 £3000.98	£5338.56
65454574	Business Rates	Indigo Jeans Ltd 32 Staveleigh Mall Ashton-Under-Lyne OL6 7JJ  Company Dissolved 04/10/2016	2014 -2015 £16863.95 2015 – 2016 £25730.00 2016 – 2017 £660.44	£43,254.39
65502909	Business Rates	CMH Bars Ltd The Bowling Green 91 Manchester Road Denton M34 2AF Company Dissolved 17/05/2016	2016 – 2016 £6721.21	£6721.21
65479535	Business Rates	Battlefield Paintball Ltd Unit 4 Ground Floor 2 Hertford Street Ashton-Under-Lyne OL7 0TB Company Dissolved 19/07/2016	2014 – 2015 £3000.00 2015 – 2016 £8332.17	£11,332.17
65469125	Business Rates	First Bathrooms Ltd 150J & 150K Holland Street Denton M34 3GG Company Dissolved 01/10/2016	2012 – 2013 £3701.65 2013 – 2014 £4968.08	£8669.73

65497830	Business Rates	First Bathrooms Ltd 150B Holland Street Denton M34 3GG Company Dissolved 01/10/2016	2012 – 2013 £1448.97 2013 – 2014 £3701.22	£5150.19
65031490	Business Rates	Flexilight Ltd Gardeners Arms 153 Astley Street Dukinfield SK16 4PU Company Dissolved 01/11/2016	2011 – 2012 £3185.15	£3185.15
65501562	Business Rates	Afeeto Ltd 2 Market Street Ashton under Lyne OL6 6BX Company Dissolved 22/12/2015	2013 – 2014 £2216.29 2014 – 2015 £3249.90 2016 – 2016 £298.62	£5764.81
65494183	Business Rates	Old Fleece Ltd Old Fleece Hotel 29 Market Street Stalybridge SK15 2AL Company Dissolved 23/02/2016	2014 – 2015 £3329.34	£3329.34
65037498	Business Rates	Lessa Tyre Recycling Ltd Oxford Street Sawmills Hertford Street Ashton-Under-Lyne OL7 0QL  Company Dissolved 19/11/2013	2009 – 2010 £14067.00 2010 – 2011 £14114.57 2011 – 2012 £14488.25 2012 – 2013 £7729.11	£50,399.83
65476161	Business Rates	HS Property Management Ltd 1 <sup>st</sup> Floor Portland Mill Portland Street South Ashton-Under-Lyne OL6 7SX Company Dissolved 07/07/2015	2013 – 2014 £4429.48 2014 – 2015 £2767.78	£7197.24
<b>BUSINESS RATES</b>		<b>SUB TOTAL – Company Dissolved</b>	<b>£166,554.90</b>	
65486687	Business Rates	2016-2017 £3544.60	£3554.60	Bankrupt 25/8/2016
<b>BUSINESS RATES</b>		<b>SUB TOTAL – Personal Bankruptcy</b>	<b>£3,554.60</b>	
65166044	Business Rates	2013 – 2014 £6906.00 2014 – 2015 £8342.00 2015 – 2016 £7468.00	£22,716.00	Individual Voluntary Arrgt 18/05/2016
65474042	Business Rates	2013 – 2014 £1858.84 2014 – 2015 £2171.97	£4030.81	Individual Voluntary Arrgt 07/11/2014
<b>BUSINESS RATES</b>		<b>SUB TOTAL – Personal Voluntary Arrangement</b>	<b>£26,746.81</b>	
<b>BUSINESS RATES IRRECOVERABLE BY LAW</b>			<b>£196,856.31</b>	

**DISCRETION TO WRITE OFF OVER £3000**  
**1 January 2017 to 31 March 2017**

Note individuals are anonymised

REF:	DEBT:	FINANCIAL YEAR(S)	BALANCE	REASON
13536609	Council Tax	2004 - 2005 £716.06 2005 - 2006 £968.25 2006 - 2007 £1002.50 2007 - 2008 £1030.50 2008 - 2009 £1065.96 2009 - 2010 £1101.81 2010 - 2011 £1127.25 2011 - 2012 £1134.25 2012 - 2013 £201.39	£7662.27	Absconded, no trace.
13137573	Council Tax	2007 - 2008 £155.05 2008 - 2009 £166.89 2009 - 2010 £885.11 2010 - 2011 £861.69 2011 - 2012 £796.69 2012 - 2013 £796.69 2013 - 2014 £826.37 2014 - 2015 £685.17	£5173.66	Absconded, no trace
13751619	Council Tax	2005 - 2006 £373.03 2006 - 2007 £462.78 2007 - 2008 £474.77 2008 - 2009 £428.99 2009 - 2010 £444.35 2010 - 2011 £455.24 2011 - 2012 £455.24 2012 - 2013 £455.24 2016 - 2014 £1032.39	£4582.03	Absconded, no trace
<b>COUNCIL TAX</b>		<b>SUB TOTAL - Absconded, No Trace</b>	<b>£17,417.96</b>	
<b>COUNCIL TAX DISCRETIONARY WRITE OFF</b>			<b>£17,417.96</b>	
38768	Sundry Debts	FI45068913 12/08/2005	£9441.60	Recovery Exhausted
228808	Sundry Debts	FI45005196 12/09/2002 £942.88 FI45006140 13/08/2003 £208.03 FI45058266 14/08/2003 £4706.15	£5857.06	Recovery Exhausted
<b>SUNDRY DEBTS</b>		<b>SUB TOTAL - Recovery Exhausted</b>	<b>£15,298.66</b>	
<b>SUNDRY DEBTS DISCRETIONARY WRITE OFF</b>			<b>£15,298.66</b>	

Reference		Name and address of company and status	Financial Year	Balance
65034451	Business Rates	Mountrose Ltd 1 Arrow Trading Estate Corporation Road Denton M34 5LR Company in Administration 11/07/2016	2015 – 2016 £6,256.53 2016 – 2017 £6,100.16	£12,356.69
65047136	Business Rates	Norwood Partition Solutions Ltd Unit 13 Hyde Point Dunkirk Lane Hyde SK14 4NL Company in Administration 17/03/2016	2015 – 2016 £3572.42	£3572.42
65052749	Business Rates	Norwood Partition Solutions Ltd Unit 12 Hyde Point Dunkirk Lane Hyde SK14 4NL Company in Administration 17/03/2016	2015 – 2016 £4753.52	£4753.52
<b>BUSINESS RATES</b>		<b>SUB TOTAL – Company in Administration</b>	<b>£20,682.63</b>	
65508877	Business Rates	Nero Ltd Unit 29 Arcades Shopping Centre Warrington Street Ashton-Under-Lyne OL6 7JE Company in Liquidation 18/03/2016	2015 – 2016 £3889.16	£3889.16
65521825	Business Rates	D S Fabrications Ltd Unit E201D Warmco Industrial Estate Manchester Road Mossley OL5 9XA Company in Liquidation 02/09/2016	2015 – 2016 £4777.49 2016 – 2017 £3412.38	£8189.87
65524343	Business Rates	Microshop Trading Ltd Unit D1 Jannat Business Centre Fitzroy Street Ashton-Under-Lyne OL7 0TL Company in Liquidation 21/09/2016	2014 – 2015 £378.02 2015 – 2016 £3119.34	£3497.36
65492156	Business Rates	Northside Distribution Ltd Universal House Robinson Street Ashton-Under-Lyne OL6 8NS Company in Liquidation 18/04/2016	2014 – 2015 £2199.75 2015 – 2016 £14514.25 2016 – 2017 £771.08	£17,485.08

65331893	Business Rates	S.G Turret Ltd Town Lane Denton M34 6LE Company in Liquidation 22/10/2015	2014 – 2015 £753.00 2015 – 2016 £2508.57	£3259.57
65505700	Business Rates	Whitemills Management Ltd Alexandra House 94 Old Street Ashton-Under-Lyne OL6 7SD Company in Liquidation 28/01/2016	2015 – 2016 £3014.46	£3014.46
65423297	Business Rates	Ryecroft Engineering Co Ltd Ryecroft Street Ashton-Under-Lyne OL7 0BS Company in Liquidation 12/01/2015	2014 – 2015 £13872.18	£13,872.18
<b>BUSINESS RATES</b>		<b>SUB TOTAL – Company in Liquidation</b>	<b>£53,207.68</b>	
<b>BUSINESS RATES DISCRETIONARY WRITE OFF</b>			<b>£73,890.31</b>	

**SUMMARY OF UNRECOVERABLE DEBT OVER £3000**

<b>SUMMARY OF UNRECOVERABLE DEBT OVER £3000</b>		
IRRECOVERABLE by law	Council Tax	£ 27,517.38
	Business Rates	£196,856.31
	Sundry	Nil
	<b>TOTAL</b>	<b>£224,373.69</b>
DISCRETIONARY write off – meaning no further resources will be used to actively pursue	Council Tax	£17,417.96
	Business Rates	£73,890.31
	Sundry	£15,298.66
	<b>TOTAL</b>	<b>£106,606.93</b>

## APPENDIX 4

### Capital Outturn Position

<b>CAPITAL MONITORING STATEMENT - OUTTURN 2016/17</b>			
	<b>Annual Budget</b>	<b>Actual</b>	<b>Outturn Variation</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b><u>PEOPLE</u></b>			
Children's Services	658	533	(125)
Active Tameside	4,253	4,002	(251)
Adults' Services	918	247	(671)
<b><u>PLACES</u></b>			
AIPM	16,855	11,022	(5,832)
Stronger Communities	181	145	(36)
Development & Investment	3,908	3,529	(379)
Digital Tameside	658	483	(175)
Engineering Services	9,230	8,673	(557)
Environmental Health	472	31	(441)
Operations	182	161	(21)
Transport	2,520	1,548	(972)
Education	8,401	4,834	(3,567)
<b><u>Exchequer</u></b>	90	80	(10)
Unallocated	2,832	0	(2,832)
<b>Total</b>	<b>51,158</b>	<b>35,288</b>	<b>(15,869)</b>

<b>Resources</b>	<b>£000</b>
Grants & Contributions	13,520
Revenue Contributions	560
<b>Corporate:</b>	
- Prudential Borrowing	0
- Reserves / Capital Receipts	21,209
<b>Total</b>	<b>35,288</b>

# Agenda Item 7.

<b>Report To:</b>	<b>OVERVIEW (AUDIT) PANEL</b>
<b>Date:</b>	31 July 2017
<b>Executive Member/Reporting Officer:</b>	Cllr Jim Fitzpatrick – First Deputy (Finance and Performance) Ian Duncan – Assistant Director, Finance (Section 151 Officer)
<b>Subject:</b>	<b>TREASURY MANAGEMENT ACTIVITIES</b>
<b>Report Summary:</b>	The report sets out the Treasury Management activities for the financial year 2016/17. Given that investment interest rates were lower than external borrowing rates throughout the year, available cash reserves were used to fund internal borrowing on a temporary basis. This resulted in lower than anticipated borrowing costs, with an external interest saving of £6.691 million. Investment returns were £0.803 million higher than estimated.
<b>Recommendations:</b>	<ol style="list-style-type: none"><li>1. That the treasury management activities undertaken on behalf of both Tameside MBC and the Greater Manchester Metropolitan Debt Administration Fund (GMMDAF) are noted.</li><li>2. The outturn position for the prudential indicators in <b>Appendix A</b> is approved.</li><li>3. The counterparty limit for GMPF is increased from £50 million to £75 million.</li></ol>
<b>Links to Community Strategy:</b>	The Treasury Management function of the Council underpins the ability to finance the Council's priorities.
<b>Policy Implications:</b>	In line with Council Policies.
<b>Financial Implications: (Authorised by the Section 151 Officer)</b>	<p>By not taking up the borrowing requirement since 2009/10, a saving on external debt interest payments of £5.888 million was achieved against the 2016/17 original estimate.</p> <p>The investment returns on cash balances in 2016/17 were £0.803 million higher than the original estimate.</p> <p>Therefore the outcome of these treasury management actions, summarised in para 5.25 of the report, resulted in net external interest paid during 2016/17 of £3.945 million, being a saving of £6.691 million compared to the original estimate.</p>
<b>Legal Implications: (Authorised by the Borough Solicitor)</b>	<p>As there is a statutory duty for the Council to set, monitor and comply with its requirements to ensure a balanced budget, sound treasury management is a key tool in managing this process.</p> <p>Demonstration of sound treasury management will in turn provide confidence to the Council that it is complying with its fiduciary duty to the public purse, and in turn allows the Council to better plan and fulfil its key priorities for the coming year.</p> <p>Members should ensure they understand the meaning of <b>Appendix A</b> and the outturn of prudential indicators they are being asked to approve, together with the increase in the counterparty limit for GMPF of £25 million, and the reasons for the same, before making their decision.</p>

**Risk Management:**

Failure to properly manage and monitor the Council's loans and investments could lead to service failure and loss of public confidence.

**Access to Information:**

The background papers relating to this report can be inspected by contacting Tom Austin, Financial Management, by:-



phone: 0161 342 3857



e-mail: [Thomas.austin@tameside.gov.uk](mailto:Thomas.austin@tameside.gov.uk)

## **1. INTRODUCTION**

- 1.1 This is the Annual Report on Treasury Management for the financial year 2016/17. The report is required to be submitted to the Overview (Audit) Panel, in accordance with CIPFA's Code of Practice on Treasury Management, the Council's Financial Regulations and the CIPFA Prudential Code.
- 1.2 The report is in respect of both Tameside and the Greater Manchester Metropolitan Debt Administration Fund (GMMDAF), which is the former Greater Manchester County Council Debt of which Tameside is the responsible Authority on behalf of the ten Greater Manchester Councils.

The objective of the report is:-

- a) To outline how the treasury function was managed during the year and how this compares to the agreed strategy.
- b) To set out the transactions made in the year;
- c) To summarise the positions with regard to loans and investments at 31 March 2017; and
- d) To set out the outturn position of the Council's prudential indicators.

## **2. TREASURY MANAGEMENT**

- 2.1 Treasury Management is defined as:-

*"The management of the local authority's cash flows, its borrowings and its investments, the management of associated risks, and the pursuit of the optimum performance or return associated with these risks".*

- 2.2 Within this definition, the Council has traditionally operated a relatively low risk strategy. This in effect means that controls and strategy are designed to ensure that borrowing costs are kept reasonably low over the longer term, rather than subject to volatility that a high risk strategy might deliver. Where investments are involved, the policy is to ensure the security of the asset rather than pursue the highest returns available. These objectives are in line with the Code of Practice.
- 2.3 The global financial crisis has raised the overall possibility of default. The Council continues to maintain strict credit criteria for investment counterparties to manage this risk. A system of counterparty selection was agreed by the Council as part of the budget setting process.

## **3. DEBT**

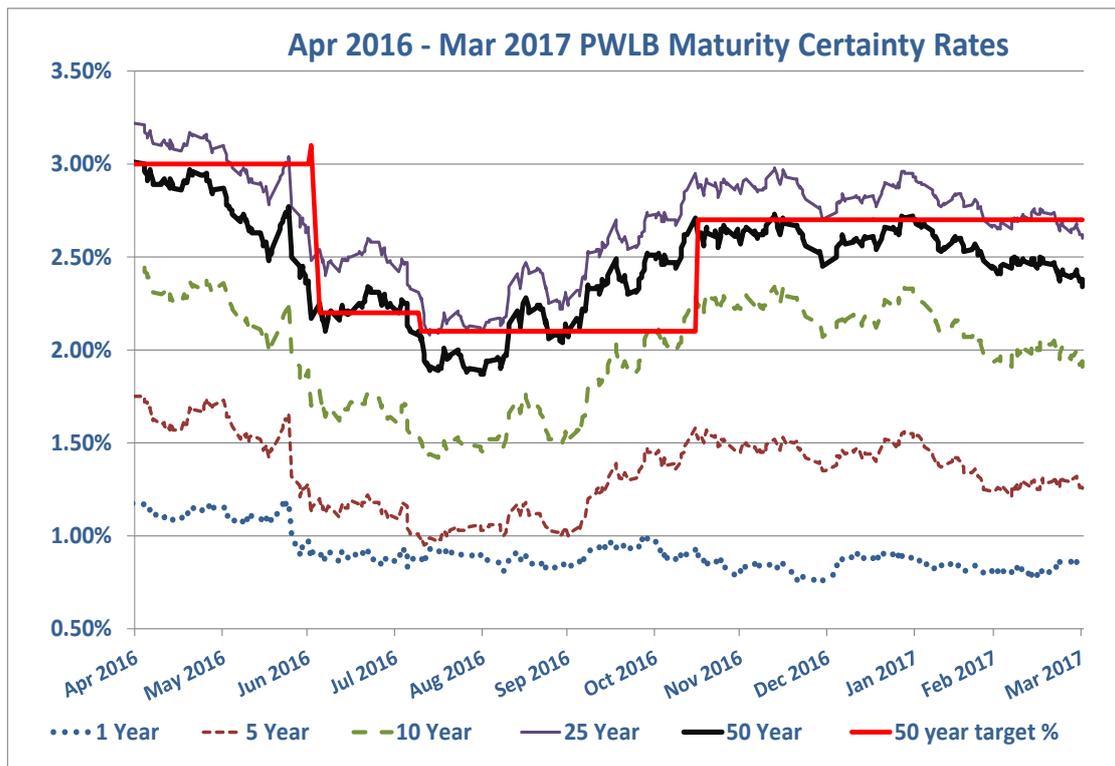
- 3.1 The long-term debt of the Council reflects capital expenditure financed by loans, which are yet to be repaid.
- 3.2 The amount of long-term debt that the Council may have is governed by the Prudential Limits set by the Council at the start of the financial year. This is based on the amount of borrowing which the Council has deemed to be prudent. It also allows for advance borrowing for future years' capital expenditure.

- 3.3 The Council must also allow for repayment of the debt, by way of the Minimum Revenue Provision (MRP). This is the minimum amount that the Council must set aside annually. The Local Authority (Capital Finance and Accounting) Regulations 2008 revised the previous detailed regulations and introduced a duty that an authority calculates an amount of MRP which it considered prudent, although the 2008 Regulations do not define “prudent provision”, they provide guidance to authorities on how they should interpret this.
- 3.4 In 2015/16, the Council’s MRP policy was revised from the previous practice (4% of the capital finance requirement on a reducing balance basis) to a straight line method of 2% of the 2015/16 capital financing requirement over a period of 50 years. The policy was further revised in 2016/17 in order to allow the annuity method to be used for certain investment projects.
- 3.5 Any new prudential borrowing taken up will be provided for within the MRP calculation based upon the expected useful life of the asset or by an alternative approach deemed appropriate to the expenditure in question.
- 3.6 For any finance leases and any on-balance sheet public finance initiative (PFI) schemes, the MRP charge will be equal to the principal repayment during the year, calculated in accordance with proper practices.
- 3.7 There will be no MRP charge for any cash backed Local Authority Mortgage Scheme (LAMS) that the Council operates. As for this type of scheme, any future debt liability would be met from the capital receipt arising from the deposit maturing after a 5 year period. Any repossession losses for this type of scheme would be charged to a LAMS reserve.
- 3.8 The majority of the Council's debt has been borrowed from the Public Works Loan Board (PWLB), and is solely made up of long term fixed interest loans. In previous years use has also been made of loans from banks. The main type of loan used is called a LOBO (Lender’s Option - Borrower’s Option) where after a pre-set time the lending bank has the option of changing the original interest rate. These loans are classified as variable interest rate loans when they reach option date. If we do not agree with the new interest rate, we have the option of repaying the loan. One of the Council’s LOBO providers, Barclays, has confirmed they will waive their right to change the rate on their LOBO. Therefore this essentially converts that loan into a standard fixed rate loan with no risk of any increase in rate.
- 3.9 The mixture of fixed and variable rates means that although the Council can take some advantage when base rates are considered attractive, interest charges are not subject to high volatility which might occur if all debt was variable. However, longer term fixed rates are normally higher than variable rates.
- 3.10 Short term borrowing and lending can be used to support cash flow fluctuations caused by uneven income and expenditure, and to temporarily finance capital expenditure when long term rates are high and expected to fall. It is an extremely important aspect of Treasury Management to ensure that funds are available to meet the Council's commitments, and that temporary surplus funds attract the best available rates of interest.

#### **4. INTEREST RATES**

- 4.1 Interest rates (both long term and short term) vary constantly, even though headline rates (e.g. base rate, mortgage rate) may remain the same for months at a time.
- 4.2 In addition, different banks may pay different rates depending on their need for funds, and more particularly their credit status. Rates for borrowing are significantly higher than lending for the same period.

- 4.3 Long term interest rates are based on Government securities (Gilts), which are potentially volatile with rates changing every day, throughout the day. PWLB fixed loan rates are changed on a daily basis. In view of this, gilts and all matters which affect their prices are continually reviewed.
- 4.4 Following the Comprehensive Spending Review in October 2010, the PWLB increased the borrowing rates above gilt rates by a further 0.75% - 0.85% without changing debt redemption interest rates. However, the PWLB continues to offer a scheme to allow a 0.20% reduction on published borrowing rates known as the “certainty rate”, for Councils that provide indicative borrowing requirements for the next 3 years. The Council has provided this information and has therefore protected its eligibility for the “certainty rate”. This does not however commit the Council to a particular course of action.
- 4.5 The two major landmark events that had a significant influence on financial markets in 2016/17 were the UK EU referendum on 23 June and the election of a new President in the USA on 9 November. The first event had an immediate impact in terms of market expectations of when the first increase in Bank Rate would happen, pushing it back from quarter 3 2018 to quarter 4 2019. At its 4 August meeting, the Monetary Policy Committee (MPC) cut Bank Rate from 0.5% to 0.25% and the Bank of England’s Inflation Report produced forecasts warning of a major shock to economic activity in the UK, which would cause economic growth to fall almost to zero in the second half of 2016. The MPC also warned that it would be considering cutting Bank Rate again towards the end of 2016 in order to support growth. In addition, it restarted quantitative easing with purchases of £60 billion of gilts and £10 billion of corporate bonds, and also introduced the Term Funding Scheme whereby potentially £100 billion of cheap financing was made available to banks.
- 4.6 In the second half of 2016, the UK economy confounded the Bank’s pessimistic forecasts of August. After a disappointing quarter 1 of only +0.2% GDP growth, the three subsequent quarters of 2016 came in at +0.6%, +0.5% and +0.7% to produce an annual growth for 2016 overall, compared to 2015, of no less than 1.8%, which was very nearly the fastest rate of growth of any of the G7 countries. Needless to say, this meant that the MPC did not cut Bank Rate again after August but, since then, inflation has risen rapidly due to the effects of the sharp devaluation of sterling after the referendum.
- 4.7 The table shown below (published by Capita) shows the comparative Public Works Loan Board interest rates available during 2016/17, for a range of maturity periods.



## 5. ACTIVITIES 2016/17

### Borrowing

- 5.1 The Council originally had a potential borrowing requirement for the year of £94.325 million.
- 5.2 The actual amount of long term borrowing which was required due to Council activity was £66.141 million as outlined below:-

	<u>£m</u>
Loan financed capital expenditure:	
outstanding for 2016/17	nil
outstanding for 2015/16	14.072
outstanding for 2014/15	1.429
outstanding for 2013/14	11.845
outstanding for 2012/13	0.908
outstanding for 2011/12	(2.038)
outstanding for 2010/11	12.734
outstanding for 2009/10	29.650
outstanding for 2008/09	0.331
Plus debt maturing in year	1.108
	<b>70.039</b>
Less MRP repayments (excluding PFI)	<b>(3.898)</b>
	<b>66.141</b>
<b>Net under borrowed position</b>	<b>66.141</b>

- 5.3 Due to the unfavourable differences between borrowing rates and investment rates and also to reduce the risk to the Council from investment security concerns, the borrowing requirement of £66.141 million identified above continues to be met from internal borrowing (i.e. reducing the cash balances of the Council rather than taking up additional external borrowing). This has reduced the level of investment balances that would be placed with banks and financial institutions, therefore reducing the Council's exposure to credit risk.
- 5.4 The outstanding borrowing requirement of £66.141 million will be taken up when both interest rates and investment security are deemed to be favourable, in consultation with the Council's treasury management advisors, Capita.

### Rescheduling

- 5.5 Rescheduling involves the early repayment and re-borrowing of longer term PWLB loans, or converting fixed rate loans to variable and vice versa. This can involve paying a premium or receiving a discount, but is intended to reduce the overall interest burden, since the replacement loan (or reduction of investment) is normally borrowed at a lower interest rate.
- 5.6 The use of rescheduling is a valuable tool for the Council, but its success depends on the frequent movement of interest rates, and therefore it cannot be estimated for. It will continue to be used when suitable opportunities arise, in consultation with our treasury management advisors, although such opportunities may not occur.
- 5.7 A key change in the options for borrowing and rescheduling occurred on 1 November 2007 when the PWLB changed its interest rate structure to a more sensitive pricing method and also increased the relative cost of repaying debt. This change has reduced the ability of the Council to achieve savings from the rescheduling of debt.
- 5.8 As mentioned above, in October 2010 the PWLB increased the borrowing rates above gilt rates by a further 0.75% – 0.85% without changing debt redemption interest rates. This change has made new borrowing more expensive and reduced the opportunities for PWLB debt re-scheduling.
- 5.9 The Section 151 Officer and our treasury management advisors will continue to monitor prevailing rates for any opportunities to reschedule debt during the year.

### Year end position

- 5.10 The following table sets out the position of the Council's debt at 1 April 2016, the net movement for the year, and the final position at 31 March 2017.

	<u>Debt O/S</u>	<u>Debt</u>	<u>Loans /</u>	<u>Debt O/S</u>
	<u>01/04/16</u>	<u>Repaid</u>	<u>Investments</u>	<u>31/03/17</u>
<u>Principal Amounts</u>	<u>£000's</u>	<u>£000's</u>	<u>In year</u>	<u>£000's</u>
			<u>£000's</u>	
PWLB - fixed interest	77,195	(340)		76,855
PWLB - variable interest	0			0
Market Loans	40,000			40,000
* Manchester Airport	2,390	(768)		1,622
Temp Loans / (Investments)	(149,041)		(2,765)	(151,806)
Trust Funds, Contractor Deposits etc.	132	13		145
<b>Net loans outstanding</b>	<b>(29,324)</b>	<b>(1,095)</b>	<b>(2,765)</b>	<b>(33,184)</b>

*\* Manchester Airport reflects debt taken over from Manchester City Council on 31 March 1994. In 2009/10 the Airport re-negotiated the terms of this arrangement with the 10 Greater Manchester Authorities, previously the Airport reimbursed all costs, however from 9 February 2010 the Council receives fixed annual interest of 12% of the amount outstanding at that date with a repayment of the debt by 2055.*

5.11 The amount of gross external loans outstanding (£118.5 million) represents 22% of the Council's total long term assets (£541.2 million) as at 31 March 2017.

5.12 In addition, on a temporary basis the Council utilised internal funds, balances and reserves including Insurance Funds and capital reserves, to finance capital expenditure rather than borrow externally.

#### **Investments – managing cash flow**

5.13 Short term cash flow activity was such that throughout the year the Council was always in a positive investment position. Since interest earned on credit balances with our own bankers is low and overdraft rates are high, investment and borrowing is carried out through the London Money Markets. The Council invests large sums of money, which helps ensure the interest rates earned are competitive.

5.14 The Local Government Act 2003 governs investments made by local authorities. The types of investments that may be made are controlled by guidance from the Department for Communities and Local Government. This guidance has split investments into two main categories – specified and non-specified investments.

5.15 Specified investments consist mainly of deposits with very highly rated financial institutions and other local authorities for periods of less than one year. The Council's approved "Annual Investment Strategy" for 2016/17 stated that at least 75% of our investments would be "specified". This requirement was lowered to 50% as part of the 2017/18 Strategy.

5.16 The Council's counterparty list mirrors that of the Council's advisors, Capita. The Capita Asset Services' creditworthiness service uses a wider array of information than just primary ratings. Furthermore, by using a risk weighted scoring system; it does not give undue preponderance to just one agency's ratings.

5.17 Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

5.18 All investments placed in the year agreed with the approved strategy. Within this low risk strategy, the aim is to maximise the rate of return for the investments. In order to gauge whether the performance is satisfactory, it is necessary to compare it with a suitable benchmark. The normal benchmarks used to measure market rates are 7 day London Interbank Offer Rate (LIBOR) for loans, and 7 day London Interbank Bid Rate (LIBID) for investments. The actual returns for loans and investments were therefore measured against the theoretical performance of the above rates, using actual cash flow figures.

5.19 Tameside achieved an average investment rate of 0.48% on the average weekly investment, against a benchmark LIBID rate of 0.32%. This equated to a gain of £254,000. Gains, such as this, can only be made by strategic investment, where interest rates do not follow the general "market" expectations. In effect, some investments were made for longer durations, attracting higher interest rates, while the shorter dated rates did not increase in line with market pricing.

5.20 The annual turnover for investments was £627 million.

5.21 No short term loans were required to aid cash-flow during the year, due to investments being placed with a short maturity profile.

**Interest payable and receivable in the year**

5.22 As detailed above, the £66.141 million outstanding borrowing requirement has been met from internal borrowing during the year. This has reduced the level of investment balances placed with banks and financial institutions.

5.23 The full year impact of the decision not to take up this borrowing requirement has been to reduce external interest payable by £5.988 million. The interest received on investment balances has been £0.803 million higher than estimated.

5.24 The overall result of the various activities undertaken during the year was that net external interest charge was £6.691 million less than the original estimate.

5.25 Interest payments associated with the above activities were:-

	<u>Budget</u> <u>£m</u>	<u>Actual</u> <u>£m</u>	<u>Variation</u> <u>£m</u>
<b>External Interest</b>			
Paid on Loans etc	11.842	5.854	(5.988)
Early repayment Discounts	(0.205)	(0.105)	0.100
Less received on Investments	(1.000)	(1.803)	(0.803)
<b>Net external Interest paid</b>	<b><u>10.637</u></b>	<b><u>3.945</u></b>	<b><u>(6.691)</u></b>
Internal Interest Paid	0.175	0.128	0.046
<b>Total Interest Paid</b>	<b><u>10.812</u></b>	<b><u>4.073</u></b>	<b><u>(6.645)</u></b>

5.26 Accounting rules do not allow interest to be paid on internal funds and revenue balances. Payments however are made in respect of such funds as insurance and trust funds etc. held by the Council on behalf of external bodies. The net effect on the Council is neutral.

**6. CURRENT ACTIVITIES**

6.1 Since the start of the 2017/18 financial year, no new rescheduling opportunities have been identified. The portfolio of loans held by the Council is reviewed on a regular basis by both the Treasury Management Section and by the Council's treasury management advisors (Capita).

6.2 In the 2017/18 Strategy, the Council expanded its counterparty list to include asset backed investments. No investments of this nature have been made yet but they are being actively considered.

6.3 The Council operates a Local Authority Mortgage Scheme to help first time buyers in the area, this involves the Council placing a deposit of £1 million with Lloyds Bank for 5 years. This deposit is deemed to be a policy investment, rather than a treasury management investment and as such is separate to the above criteria.

6.4 There have been several instances where, due to the growth of the Pension Fund, it has proved difficult to identify sufficient suitable counterparties in which to invest the GMPF cash balances. This has been exacerbated by the recent advanced payments made to the Fund by Tameside MBC and several other GM Authorities. In light of this, it is recommended that the counterparty limit for GMPF investments is increased from £50 million to £75 million. This is still seen as a prudent measure given the size of the Fund.

## 7. GMMDAF ACTIVITIES

7.1 The Greater Manchester Metropolitan Debt Administration Fund (GMMDAF) was established in 1986 to administer the debt portfolio for the former Greater Manchester County Council. By law the Fund will end in 2022 by which time all debt will be fully repaid. Each year the total debt outstanding reduces annually by the amount repaid by the constituent authorities. Short term loans and investments are required to maintain the cashflow position, due to the difference in timing between receiving payments from the ten district councils and making loan and interest payments to the PWLB etc. Like the Council, rescheduling opportunities are taken if the right conditions exist.

7.2 During 2016/17 the debt outstanding reduced by £17.087 million. The debt will be fully repaid by 31 March 2022.

7.3 The following table sets out the position at 1 April 2016, the net repayments and the final position at 31 March 2017.

<u>Principal Amounts</u>	<u>Debt O/S</u> <u>01/04/16</u>	<u>Debt</u> <u>Maturing</u>	<u>New Loans/</u> <u>Investments</u>	<u>Debt O/S</u> <u>31/03/17</u>
	<u>£000's</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
PWLB	99,926	(31,963)	0	67,963
Pre 1974 Transferred Debt	238	(47)	0	191
Temp Loans / (Investments)	7,945	0	16,411	24,356
Other Balances	2,673	(1,488)	0	1,185
	<b>110,782</b>	<b>(33,498)</b>	<b>16,411</b>	<b>93,695</b>

7.4 No long term borrowing was required for 2016/17. The timing of any future borrowing will be carried out in consultation with our treasury management advisors, when interest rates are deemed favourable.

7.5 Although the portfolio of loans held by the Fund is reviewed on a regular basis by both Treasury Management officers and by the Council's treasury management advisors (Capita), no rescheduling opportunities were identified in 2016/17. Rescheduling will continue to be used when suitable opportunities arise, however long term borrowing is restricted by the end date of the Fund (2022), which has meant that it is difficult to reschedule debt in the present interest rate yield curve.

7.6 During the year, the fund made overall interest payments of £5.466 million. This equated to an average "pool rate" of 5.09%, against the original estimate of 5.13%, and compares with 5.26% in 2015/16.

7.7 Manchester Airport re-negotiated the terms of its loan arrangement with the 10 Greater Manchester Councils in 2009/10. As a result of this arrangement the 10 Councils took responsibility to service the former Manchester Airport share of the GMMDAF. Previously the debt was serviced by the airport itself.

## **8. PRUDENTIAL LIMITS**

- 8.1 At the start of the financial year the Council sets Prudential Indicators and limits in respect of Capital expenditure and borrowing. The outturn position for the Prudential Indicators are shown at **Appendix A**. Prudential indicators do not provide an effective comparative tool between Local Authorities, and therefore should not be used for this purpose.

## **9. RECOMMENDATIONS**

- 9.1 As set out on the front of the report.

## APPENDIX A

### Prudential Indicators – Actual outturn 2016/17

<u>Indicator</u>	<u>Limit</u>	<u>Actual Outturn</u>
Ratio of financing costs to net revenue stream	8%	6%
Capital financing requirement	£199.173	£185.355m
Capital expenditure in year	£53.288m	£35.328m
Incremental impact on capital investment decisions	£8	£nil
Authorised limit for external debt	£269.568m	£131.254m
Operational boundary for external debt	£249.568m	£131.254m
Upper limit for fixed interest rate exposure	£199.173m	(£28.421m)
Upper limit for variable interest rate exposure	£59.752m	(£17.355m)
Upper limit for total principal sums invested for over 364 days	£30m	£0m

### Maturity structure for fixed rate borrowing

Indicator	Limit	Outturn
Under 12 months	0% to 15%	5.46%
12 months and within 24 months	0% to 15%	0.27%
24 months and within 5 years	0% to 30%	0.89%
5 years and within 10 years	0% to 40%	4.36%
10 years and above	50% to 100%	89.03%

# Agenda Item 8.

<b>Report To:</b>	<b>OVERVIEW (AUDIT) PANEL</b>
<b>Date:</b>	31 July 2017
<b>Reporting Officer:</b>	Councillor J M Fitzpatrick - First Deputy Performance and Finance Ian Duncan – Assistant Executive Director, Resources (Section 151 Officer)
<b>Subject:</b>	<b>AUDITED STATEMENT OF ACCOUNTS 2016/17</b>
<b>Report Summary:</b>	This report represents the audited Tameside MBC and Greater Manchester Pension Fund, which is administered by Tameside Council Statement of Accounts for 2016/17.
<b>Recommendations:</b>	That the Panel approve the audited Statement of Accounts for 2016/17 ( <b>Appendix 1</b> ), including the core statements and the notes to the accounts.
<b>Financial Implications: (Authorised by the Section 151 officer)</b>	The Statement of Accounts sets out full details of the Council's financial position as at 31 March 2017 consistent with International Financial Reporting Standards (IFRS). The Council is required to have the audited accounts accepted by a committee of the Council before 30 September 2017.
<b>Legal Implications: (Authorised by the Borough Solicitor)</b>	There is a statutory duty imposed on the Council to be able to provide adequate evidence for all its financial activities set out in the Local Government and Housing Act 1989. The preparation of the annual accounts and the audit of those accounts is the main mechanism by which the adequacy of those records is tested.
<b>Links to Community Strategy:</b>	The Community Strategy has helped determine priorities for Council spending, which is summarised in the 2016/17 accounts.
<b>Policy Implications:</b>	There are no policy implications flowing from the Statement of Accounts.
<b>Risk Management:</b>	The audit provides external verification of the Council's financial statements.
<b>Access to Information:</b>	Background papers can be obtained from the author of the report, Julie Hardman , Financial Management  0161 342 4363  e-mail: <a href="mailto:julie.hardman@tameside.gov.uk">julie.hardman@tameside.gov.uk</a>

## 1. BACKGROUND

- 1.1 It is necessary to consider the Audit Findings report of the Council's external auditor (Grant Thornton) regarding the Statement of Accounts before agreeing the audited accounts. The Audit Findings report for the Council and the Greater Manchester Pension Fund which is administered by Tameside Council have been considered earlier on this agenda and the adjustments highlighted as part of the audit have been included in the report.

## 2. INTRODUCTION

- 2.1 The current legislation enables the pre-audit Statement of Accounts to be certified by the Assistant Executive Director of Finance, (Section 151 Officer) ; this was completed on the 7 June 2017. This has been achieved earlier than the previous financial year and will be required by the 31 May for the 2017/18 accounts. As a result of the accelerated deadlines, the audit is scheduled to be on going up until 31 July 2017.
- 2.2 Following this, the audit has progressed and an audit outcome has been received. The audit outcome was presented previously on the agenda. No changes have been required which would fundamentally alter any assessment of the Council's overall financial stability, and no issues have been found which cast fundamental doubt on the overall adequacy of the financial records and the accounts maintained by the Council. The adjustments recommended have also helped to improve the overall quality of the accounts and have not impacted on the financial position reported.
- 2.3 The Tameside MBC Statement of Accounts 2016/17 (**Appendix 1**) has been amended in line with the Audit Findings report (ISA260). Due to the on going audit, there is a small risk that the accounts as presented in Appendix 1 could be further amended. However, the substantial audit areas have been tested and any changes, if necessary, are likely to be minor. If it is necessary to make any changes these will be published prior to the meeting on 31 July 2017.
- 2.4 The Audit Findings report (ISA260) has been submitted by Grant Thornton and has been discussed previously at this meeting. The Greater Manchester Pension Fund, which is administered by Tameside Council audit findings and Statement of Accounts were considered at the Greater Manchester Pension Fund, which is administered by Tameside Council Management / Advisory Panel on 21 July 2017.

## 3. ISSUES

- 3.1 The attached Statement of Accounts includes the audited accounts for both the Council and Greater Manchester Pension Fund, which is administered by Tameside Council. The Statement of Accounts 2016/17 have been adjusted for those items which the auditors have recommended and Officers have disclosed. All these changes have been agreed by management and all the amendments have been incorporated.
- 3.2 The main amendments have been :-
- Balance sheet – amendment to the Balance sheet and all related notes for property valuation,
  - Operating expenses – amendments to both income and expenditure relating to internal charges.
- 3.3 The purpose of this report is to recommend that the Panel approves the Statement of Accounts for 2016/17 including the adjustments recommended by the external auditors, which improve the overall accuracy, clarity, and consistency of the document

- 3.4 The Panel is also asked to approve the core statements and the supplementary notes; that is, the overall income and expenditure position, the balance sheet position including the movement in the levels of reserves (general and earmarked) and the cash flow analysis. It should be noted that the accounts are prepared in a nationally adopted format and provide evidence of the overall financial position of the Council. They do not however cover the future financial challenges faced by the Council, which are set out in the Medium Term Financial Strategy.
- 3.5 The Panel should also note that the preparation of the accounts this year has again been a demanding process. There have been substantial changes required to the format of the accounts in line with changes to the accounting requirements , introduced for the 2016/17 Accounts. This achievement would not have been possible without the hard work and professionalism of Council officers, together with a positive working relationship with colleagues from Grant Thornton.

#### **4. RECOMMENDATION**

- 4.1 As set out at the front of the report.

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# Agenda Item 9.

<b>Report To:</b>	<b>OVERVIEW (AUDIT) PANEL</b>
<b>Date:</b>	31 July 2017
<b>Reporting Officer:</b>	Ian Duncan – Assistant Director (Finance) Wendy Poole – Head of Risk Management and Audit Services
<b>Subject:</b>	<b>ANNUAL GOVERNANCE STATEMENT 2016/17</b>
<b>Report Summary:</b>	To present the Annual Governance Statement for 2016/17 to Members for approval ( <b>Appendix 1</b> ).
<b>Recommendations:</b>	To approve the Annual Governance Statement for 2016/17, ahead of it being signed by the Executive Leader and Chief Executive.
<b>Links to Community Strategy:</b>	Demonstrates proper Corporate Governance.
<b>Policy Implications:</b>	The Governance Statement demonstrates proper compliance with the Accounts and Audit Regulations 2015.
<b>Financial Implications: (Authorised by the Section 151 Officer)</b>	Sound corporate governance and proper systems of internal control are essential for the long-term financial health and reputation of the Council.
<b>Legal Implications: (Authorised by the Borough Solicitor)</b>	The production of the statement meets the requirements of the Accounts and Audit Regulations 2015.
<b>Risk Management:</b>	The statement provides assurance that the Council has a sound system of corporate governance in place. It is considered to be an important public expression of how the Council directs and controls its functions and relates to its community.
<b>Access to Information:</b>	The background papers can be obtained from the author of the report, Wendy Poole, Head of Risk Management and Audit Services by:-  Telephone: 0161 342 3846  e-mail: <a href="mailto:wendy.poole@tameside.gov.uk">wendy.poole@tameside.gov.uk</a>

## 1. INTRODUCTION

- 1.1 Corporate Governance is the system by which the Council directs and controls its functions and relates to its community. This is the means by which sound and ethical practice can be assured and unacceptable practice identified and eradicated. Historically there has been a general recognition that all local authorities should be seen to meet the highest standards and governance arrangements that should not only be sound but need to be seen to be sound by the public.
- 1.2 The issues faced by local authorities in recent years reflecting social, economic, and legislative change have led to new, diverse ways of working as opposed to traditional roles. The common theme that continues to run through Government initiatives is the need for local authorities to review the various systems and processes they have in place for managing both their internal affairs and their relationships with their expanding number of key stakeholders. Together these systems comprise corporate governance.

## 2. ANNUAL GOVERNANCE STATEMENT

- 2.1 The preparation and publication of an Annual Governance Statement is necessary to meet the requirements set out in Regulation 6 of the Accounts and Audit Regulations 2015. It requires authorities to “conduct a review at least once in a year of the effectiveness of its system of internal control” and “following the review, the body must approve an annual governance statement prepared in accordance with proper practices in relation to internal control”.
- 2.2 The Annual Governance Statement is based on:-
- Executive Director Assurance Self-Assessments and signed Assurance Statements;
  - Head of Audit’s Annual Report;
  - Review against the Code of Corporate Governance;
  - Review of System of Internal Audit;
  - Annual Audit Letter;
  - Review of the Role of the Chief Financial Officer;
  - Review of the Role of the Head of Internal Audit;
  - Corporate Plan; and
  - Statutory Inspections.
- 2.3 The Annual Governance Statement covers both Tameside MBC and the Greater Manchester Pension Fund.
- 2.4 The Draft Annual Governance Statement was presented to the Senior Management Team for challenge and comments on 2 May 2017 and then presented to the Audit Panel on 30 May 2017. Consultation with Executive Members was undertaken during June 2017. All comments received were incorporated into the document.
- 2.5 The Draft Annual Governance Statement was then certified by the Assistant Director (Finance), before it was submitted to External Audit for review. Comments received from External Audit have been incorporated and the final version is attached at **Appendix 1** for approval.

- 2.6 Once approved by the Panel it will be signed by the Executive Leader and Chief Executive on the same day as the Statement of Accounts are signed off.
- 2.7 The Annual Governance Statement covers the governance framework in place for 2016/17 and up to the date the accounts are signed off by External Audit.

### **3. RECOMMENDATION**

- 3.1 Members are requested to approve the Annual Governance Statement for 2016/17 ahead of it being signed by the Executive Leader and Chief Executive.

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# **Annual Governance Statement 2016/2017**

This is a signed statement by the Executive Leader and Chief Executive certifying that governance arrangements are adequate and operating effectively within the Council.

## **1. Scope of Responsibility**

Tameside MBC (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. 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 this overall responsibility, the Council is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk. These arrangements are intended to make sure that we do the right things, in the right way, for the right people, in good time, and in a fair, open, honest and accountable way. The Council has approved and introduced a Code of Corporate Governance.

This Annual Governance Statement explains how we have followed the above Code and the requirements of the Accounts and Audit (England) Regulations 2015.

The Council, in accordance with the Local Government Pension Scheme (LGPS) Regulations, which are written by the Department for Communities and Local Government (DCLG) and passed by Parliament, administers the Greater Manchester Pension Fund (GMPF).

The Council delegates the function in relation to maintaining the GMPF to the following:-

- Pension Fund Management Panel
- Pension Fund Advisory Panel
- Pension Fund Working Groups
- The Executive Director of Pensions
- The Local Pensions Board

The Management Panel is chaired by the Executive Leader of the Council and all Panels and Working Groups have elected members from the other nine Greater Manchester Authorities, as the fund is accountable to its member Authorities. The Local Board has an equal number of scheme employer and scheme member representatives. Whilst the GMPF has different governance arrangements to other Council Services (which are all detailed on its website), all officers are employees of the Council and therefore comply with the Council's Code of Corporate Governance and Constitution. Specific reference will not be made to GMPF throughout the Annual Governance Statement, unless appropriate to do so, as it is considered to be part of the Council.

## **2. The Purpose of the Governance Framework**

The Governance Framework comprises the systems and processes, and culture and values by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective, services.

The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. 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 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 Governance Framework has been in place at the Council for the year ended 31 March 2017, and up to the date of approval of the annual accounts.

### **3. Governance Framework**

***Developing codes of conduct which define standards of behaviours for members and staff and policies dealing with whistleblowing and conflicts of interest and that these codes and policies are communicated effectively.***

Members and Officers are governed by Codes of Conduct, Cabinet Portfolios, contracts of employment, employment rules and procedures, Professional Codes of Conduct and bound by the Constitution and Code of Corporate Governance. Conflicts of interest are recorded in the minutes of all meetings, where applicable, and a register is maintained for both members and officers by the Monitoring Officer.

The Council is committed to leading on and maintaining the highest standards of behaviour and in support of this hosts and chairs the National Anti-Fraud Network (NAFN). In addition to those mentioned above, documentation to eliminate corruption includes Procurement Standing Orders, Financial Regulations, Terms of Reference, Protocols for Gifts and Hospitality and Standards of Conduct and Ethics.

The Council has a published Whistleblowing Policy on its public website and awareness and updates are provided in the Wire. Allegations received are investigated by either the Monitoring Officer or Internal Audit.

Such guidance is accompanied by training and communications. The work of the Monitoring Officer, Standards Committee and the Standards Panel are fundamental in defining, achieving and monitoring high standards.

***Ensuring compliance with relevant law and regulations, internal policies and procedures, and that expenditure is lawful.***

All reports to Senior Managers, Board, Panels, Working Groups, Council and for Key/Executive Decisions are subject to review by the Executive Director (Governance, Resources and Pension), as the Monitoring Officer and the Assistant Executive Director (Finance), as the Section 151 Officer. Internal Audit assesses compliance with internal policies on an ongoing basis and annually all members of the Executive Team sign an Assurance Statement and complete a self-assessment checklist, which includes questions on the above issues.

Standing Orders, Financial Regulations and the Scheme of Delegation are all reviewed and updated regularly and presented to the Council for approval. All decisions of the Council are minuted and available on the website. Supporting procedure notes/manuals to manage risks and ensure consistency of approach are updated regularly and checked as part of the internal audit process.

The Medium Term Financial Strategy, the Budget Report and a detailed monitoring regime for both revenue and capital expenditure, together with the Section 151 Officer and Monitoring Officer, ensures that expenditure is lawful. Officers of the Council are well trained, competent in their areas of expertise and governed by rules and procedures. Officers have regular supervision meetings to ensure that performance is satisfactory and the attendance at training seminars/courses ensures that officers are up to date with developments in their areas of expertise.

### ***Documenting a commitment to openness and acting in the public interest.***

The Council's Constitution - Access to Information Procedure Rules outlines access to Council meetings, agendas and minutes, so that members of the public can be involved in the governance arrangements of the Council.

In response to the government's desire for increased transparency, the Local Government Transparency Code was published in October 2014 and the Council now produces open data, examples of which are; Expenditure over £500, procurement information, payment of undisputed invoices within 30 days, members allowances, salaries and wages information and fraud data.

Tameside also has a number of Town Councils in place which allow members of the public to participate in the decision making process and the Big Conversation which provides residents and service users the opportunity to express their views and opinions about the services they use and how they can be delivered.

### ***Developing and communicating a vision which specifies intended outcomes for citizens and service users and is used as a basis for planning.***

The Council needs to set out a clear vision that members, employees and the public can identify with and help deliver as public services are changing rapidly due to new legislation and funding cuts. The vision detailed below is set out in the Corporate Plan 2016/21 which can be found [here](#).

The Council as a representative body exists to maximise the wellbeing and health of the people within the borough:-

- Supporting economic growth and opportunity;
- Increasing self-sufficiency and resilience of individuals and families; and
- Protecting the most vulnerable.

Everything the Council does will aim to make this vision a reality by focusing resources on what matters. The core purpose and values put people at the forefront of services to ensure that every decision made supports economic growth and self-sufficiency. The aim is to work with residents by asking them to take on greater responsibility in their families, communities and area, supporting them when they need help.

No one organisation can achieve the change aimed for on its own. The Council and its partners are committed to working together along with the people of Tameside to achieve lasting change for the borough.

The Care Together Programme Board was established in summer 2015, to ensure the smooth transition from the current to the new system of health and care. Its responsibilities include managing risks; ensuring patient quality and safety is at the heart of all the changes, overseeing the development of the models of care and engaging staff and the public. The Board meets on a regular basis and reports to the Health and Wellbeing Board, the body responsible for improving the health and wellbeing of the people of Tameside and Glossop.

The landscape the Council operates in has changed significantly over the last 5 years and this has impacted significant on how the Council delivers against its objectives. The Spending Review of 2015, the Local Government Finance Settlement and key legislation like the Localism Act and the Care Act have all had implications for the work of the Council.

The development of the Council's strategic approach through the Corporate Plan has been informed by a number of factors not least the following (although this list is not exhaustive):-

- Ongoing engagement between the Council and local people;
- Budget Consultation 2015/16 and 2016/17;

- Big Conversation – service specific consultations to inform service redesign;
- Public Service Reform;
- Greater Manchester Devolution Agreement;
- Greater Manchester Health and Social Care Devolution;
- Care Together (health and social care integration);
- Medium Term Financial Strategy, and
- Vision Tameside.

The Tameside pledges are a commitment to deliver work on a number of priority areas that have been identified as being of importance to Tameside Residents. Each of the pledges is delivered through a bespoke programme of activity centring on areas that local residents tell us are important to them, such as supporting local businesses, cleaning up local grot spots and the improvement of recycling facilities. The pledges are:-

- |                                |                              |
|--------------------------------|------------------------------|
| • Honour Our Fallen            | • Generation Savers          |
| • Pothole Buster               | • Every Child a Coder        |
| • Lots More Lighting           | • Get Connected              |
| • Big clean Up                 | • Silver Surfers             |
| • Get Tameside Growing         | • Healthy Lives              |
| • Woodland for Wildlife        | • Mind Your Health           |
| • Keeping it Green             | • Dementia Friendly Tameside |
| • Refresh Tameside Works First | • Do more Together           |

***Translating the vision into courses of action for the Council, its partnerships and collaborations.***

The Tameside Corporate Plan 2016/21 is the Borough’s plan to maximise the wellbeing and health of the people within the Borough. Working with partners across public services, industry, commerce, the community and voluntary sectors the vision is translated into objectives which are detailed service plans, team plans, and individual development plans.

The Care Together Programme and the creation of an integrated system of health and social care brings together Tameside and Glossop Clinical Commissioning Group, Tameside Metropolitan Borough Council and Tameside and Glossop Integrated Care NHS Foundation Trust to reform health and social care services to improve the health outcomes of our residents and reduce health inequalities.

Vision Tameside and Ashton Old Baths are examples of the major projects that the Council has, and is continuing to deliver, with partners that demonstrate that it has translated its vision into objectives.

Educational attainment levels in Tameside are a key priority and 57.3% of pupils achieved 5 or more GCSE’s at grades A\*-C (including English and Maths) in the 2016 results. 63.1% of pupils achieved an A\*-C in both English and Maths which is an improvement of 3% on 2015.

The GMPF helps to support the Council’s vision and its objectives are detailed in service plans which are presented to Working Groups and the Management/Advisory Panel. In conjunction with West Yorkshire Pension Fund and Merseyside Pension Fund the Northern Pool has been approved by Government which creates a £35 billion asset pool, providing greater scope to allow the funds to invest in major regional and national infrastructure projects.

**Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.**

Significant improvements in the quality of life for our residents will only be achieved through effective partnership working. This involves working together through a shared vision for the future

of the borough, to create a prosperous economy where people learn and achieve, feel safe and healthy, and, take active responsibility for their environment.

The Corporate Plan is the key document that communicates the vision for Tameside, and the delivery of the vision is supported by outcome specific networks, joint teams and partnerships.

In addition to the website, the Council has embraced social media (Facebook, Twitter and Instagram) as modern communication channels to endeavour to reach all sections of the community. Council meetings are webcast and the Executive Leader and Executive Members publish Blogs on the Council's website.

The Tameside Engagement Strategy sets out the way the Council will involve local people in shaping delivery of high quality services across the borough. It aims to help ensure that a coordinated and strategic approach to consultation and engagement is undertaken.

Consultation has continued using the Big Conversation which provides residents and service users the opportunity to express their views and opinions about the services they use and how they can be delivered in the future, in light of the financial challenges faced by Tameside.

Accountability is demonstrated by the publication of the Statement of Accounts, the Annual Report in the Citizen Newspaper, the Annual Governance Statement and the review of service plans and the People and Places Scorecard.

***Reviewing the effectiveness of the decision-making framework, including delegation arrangements, decision-making in partnerships, information provided to decision makers and robustness of data quality.***

The Council has a well-defined decision-making process and Scheme of Delegation, which are documented in the Constitution. It publishes a Forward Plan and all agendas and minutes of meetings can be found on the Council's public website. The Safe and Sound Decision Making Framework in place ensures that good processes are in place for making and implementing decisions, which are informed by good information and data, stakeholder views and an open and honest debate, which reflects the interests of the community.

The robustness of data quality is the responsibility of managers and is reviewed as part of the Internal Audit and External Audit functions. Performance indicators, which are collated centrally, are regularly reported to the Senior Management Team and Members, via the People and Places Scorecard. A Corporate Performance Group chaired by the First Deputy (Performance and Finance) meets regularly and is responsible for; performance management and improvement including the oversight of the People and Places Scorecard, the corporate plan, service planning, and service redesign and review.

***Measuring the performance of services and related projects and ensuring that they are delivered in accordance with defined outcomes and that they represent the best use of resources and value for money.***

Effective challenge is an integral part of how the Council and its partners manage Tameside. It ensures that the partnership and constituent organisations remain focused on improvement and achievement. Challenge helps to identify areas for benchmarking and the development of best practice. Similarly, it supports individuals and teams further develop their own skills and capacity, which in turn helps to deliver better outcomes for local people.

The Council's approach includes:-

- Peer assessment and challenge;
- Performance Management – People and Places Scorecard;
- Big Conversation and Service Redesign;

- Scrutiny, and
- Risk Management.

Continual improvement has always been at the heart of the organisation and the results can be seen through our sustained record of achievement. In the External Auditor's Audit Letter dated October 2016, the Council received an unqualified Value for Money conclusion, which means that the Council has proper arrangements in place to secure economy, efficiency and effectiveness in the use of its resources and to ensure proper stewardship and governance. The External Auditor noted that:

"Of particular note is the progress that the Council and partners have made in establishing an Integrated Care Organisation (ICO) to create a sustainable future for health and social care for residents across Tameside. A single commissioning function between the Council and Tameside and Glossop Clinical Commissioning Group became operational in shadow form on 1 April 2016 under the banner of "Care Together".

The Value for Money conclusion assessed by External Audit is based on one single criterion for auditors to evaluate:-

- In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

While planning for the future we remain focused on the present. The need to balance the budget focuses us on service redesign. We ensure service users are engaged and involved, and services they rely on are safeguarded wherever possible. Our Customer Service Excellence award is testament. Tameside gained 100% compliance against all criteria, and eight areas of compliance plus – a discretionary award for 'exceptional best practice'. The report stated "... continued to improve and focus on the development and delivery of customer-focussed services, despite the continuing financial challenges..."

GMPF is leading the way in investment and pooling innovation, particularly in the areas of housing and infrastructure development. Airport City is a joint venture between GMPF, Manchester Airport Group, Carillion and Beijing Construction Engineering Group. The partners are developing over 5 million square feet of hotels, offices, manufacturing, logistics and retail space directly adjacent to Manchester Airport, an ideal gateway to carry out business throughout the UK, Europe and the world.

***Defining and documenting the roles and responsibilities of members and management with clear protocols for effective communication in respect of the Council and partnership arrangements.***

The Council Constitution sets out the roles and responsibilities of each Executive Member, and the responsibilities delegated to the Chief Executive, members of the Executive Team and senior managers of the Council. It includes the post and responsibilities of the Statutory and Proper Officers.

The Chief Executive for the Council is now the Accountable Officer for the Tameside and Glossop Clinical Commissioning Group and from November 2016 joint management arrangements are now in place to foster closer working.

Protocols for effective communication are in place. Meetings have agendas and minutes published on the Council's Website and a Forward Plan is published. The Executive Leader's Annual Key Note Address, the Corporate Plan, the Citizen Magazine, Scrutiny, Consultation via the Big Conversation and, increasingly, the use of Social Media (Facebook, Twitter and Instagram) are examples of how the Council communicates with partners and residents of the Borough.

The constitution is reviewed and updated regularly and changes are disseminated across the Council and Tameside and Glossop Clinical Commissioning Group via the Chief Executives Weekly Brief, The Wire and team briefings.

The Tameside Health and Wellbeing Board is a statutory partnership with health commissioners, providers and other interested parties. It is chaired by the Executive Leader of the Council and has developed the Tameside Health and Wellbeing Strategy that identifies priorities to address local health inequalities.

***Ensuring that financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Finance Officer in Local Government (2015) and where they do not, explain why and how they deliver the same impact.***

The financial management arrangements in place conform with the CIPFA statement and the service was managed by the Assistant Executive Director (Finance), the Council's Section 151 Officer, up to 31 March 2017.

***Ensuring effective arrangements are in place for the discharge of the monitoring officer function.***

The Executive Director (Governance, Resources and Pensions) is the Monitoring Officer for the Council and the function is detailed in the Constitution. A Monitoring Officer Protocol is in place and detailed on the website.

***Ensuring effective arrangements are in place for the discharge of the head of paid service function.***

The Chief Executive is the head of paid service and the role and function are detailed in the Constitution.

***Providing induction and identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.***

Induction guidelines are available for managers including a checklist to ensure consistency across all services. Member induction is delivered by the Monitoring Officer and the Executive Support Team.

Training needs are assessed using Annual Development Reviews for officers. The process takes into account the needs of the service and then identifies any gaps in the skills and knowledge of the workforce to enable it to meet its objectives. All training requirements are reviewed by management and then compiled into service training plans, which are submitted to People and Workforce Development to inform and direct the provision of future training and development opportunities.

Training for members is assessed on an annual basis and a programme of events is scheduled to ensure both local and national subjects are covered.

***Reviewing the effectiveness of the framework for identifying and managing risks and for performance and demonstrating clear accountability.***

The Council empowers its employees to be innovative and to find solutions to problems, but recognises that there are potential risks for the Council. As part of the Service Planning process, individual services develop their own risk registers and monitor controls. Significant and cross cutting service risks are amalgamated into the Corporate Risk Register. Every report presented to Senior Managers, Council, Committees, Board, Panels, Working Groups and for Key/Executive Decisions is risk assessed. The risk management process embraces best practice.

The Information Governance Framework which was introduced in November 2013 and refreshed during 2016 continued to be a key priority for the Council ensuring that the guidance contained in the supporting documents was relevant, disseminated and embedded across all service areas. The Information Governance Group, which was chaired by the Executive Director (Governance, Resources and Pensions), ensured that the framework remained up to date and in line with the requirements of the Information Commissioners Office, the regulatory body for enforcing the requirements of the Data Protection Act. Information Governance, Risk Management and Data Protection training is delivered via a range of media, including briefing notes, the Chief Executive's Briefing, the Wire, workshops, DVD's and E-Tutorials.

***Ensuring effective counter fraud and anti-corruption arrangements are developed and maintained in accordance with the Code of Practice on Managing the Risks of Fraud and Corruption (CIPFA 2014).***

The Council has an Anti-Fraud, Bribery and Corruption Strategy: Statement of Intent as part of the Constitution and all investigations are undertaken by Internal Audit. All investigations are conducted in line with the Fraud Response Plan and operational guidance notes. The Standards Panel receives monthly reports on investigations underway to monitor progress and provide direction, where appropriate. The Council continues to participate in the National Fraud Initiative, which is coordinated by Internal Audit. The work undertaken by the Council in relation to the 2014 exercise was highly commended.

A Whistleblowing Policy is maintained and available on the Council's website.

***Ensuring an effective scrutiny function is in place.***

This role is performed both by the Scrutiny function and by Tameside Members who sit on Outside Bodies' Committees. The Scrutiny function conducts reviews across Tameside which may call into account other public service providers like the NHS. Reviews conducted are reported to the Scrutiny Panels and the programme of reviews and reports are available on the scrutiny website together with an Annual Report. Members who represent the Council on outside bodies are ensuring that service delivery is effective, providing a challenge function and that the needs of Tameside are taken into account.

***Ensuring that assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and, where they do not, explain why and how they deliver the same impact.***

The Council's assurance arrangements conform with the governance requirements of the CIPFA Statement. The Head of Risk Management and Audit Services reported directly to the Assistant Executive Director (Finance) as the Section 151 Officer and reported on a quarterly basis to the Audit Panel and the Greater Manchester Pension Fund Local Board.

***Undertaking the core functions of an Audit Committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA 2013).***

The Audit Panel does comply with the guidance issued by CIPFA and is regularly attended by our External Auditor. Training is assessed for members of the panel based on their existing skills and knowledge.

***Ensuring that the Council provides timely support, information and responses to external auditors and properly considers audit findings and recommendations.***

Information, support and responses are provided to External Audit in a timely manner. Audit findings and recommendations are considered by the Assistant Executive Director (Finance) and the Assistant Executive Director (Pensions Local Investments and Property) and presented to the

Audit Panel, Overview (Audit) Panel, Executive Cabinet and the Pension Fund Management Advisory Panel.

In their Annual Letter of October 2016, Grant Thornton commented that “The Council made the accounts available for audit in line with the agreed timetable, and provided a good set of working papers to support them. The finance team responded promptly and efficiently to our queries during the course of the audit”.

**Incorporating good governance arrangements in respect of partnerships and other joint working and ensuring that they are reflected across the Council’s overall governance structures.**

Good governance arrangements in respect of partnership working were established many years ago when the Tameside Strategic Partnership was created and those standards are still adopted today.

The continued successful delivery of outcomes by the various networks, joint teams and partnerships operating across Tameside to maximise the wellbeing and health of the people of the Borough demonstrates that the arrangements in place are sound. Tameside has always promoted working with partners and this is recognised as ‘The Tameside Way’. It is through our strong and long-standing partnerships, along with new ones that may develop in the future, that help us to produce solutions and real improvements for Tameside.

#### **4. Review of Effectiveness**

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its Governance Framework including the system of internal control. This review of effectiveness is informed by the work of the executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Risk Management and Audit Service’s Annual Report, and also by comments made by the External Auditor and other review agencies and inspectorates.

The process that has been applied in maintaining and reviewing the effectiveness of the Governance Framework includes the following measures and actions:-

- The Council has adopted a Planning and Performance Framework and carries out a programme of monitoring which runs throughout its annual cycle. This includes quarterly monitoring of all budgets, regular monitoring of Service Delivery Plans and the People and Places Scorecard.
- The Corporate Plan is refreshed regularly to take into account changes in circumstances and need. These reviews are influenced from the outcomes of the Business Days held between the Executive Cabinet and the Executive Team.
- The Capital Programme is regularly monitored and reported to the Strategic Planning and Capital Monitoring Panel, Overview (Audit) Panel and the Executive Cabinet.
- The Executive Cabinet carries out its functions in accordance with responsibilities outlined in Cabinet Portfolios, which are detailed in the Council’s Constitution. Several Non-Executive Members are appointed to specific roles to assist Executive Members in the delivery of their particular areas of responsibility. All roles are assigned at the annual meeting of the Council.
- There is a well established Overview and Scrutiny function, which has been revised and updated in the light of experience. Scrutiny Panels review the work of the Council throughout the year; make a series of recommendations to Executive Cabinet, which then

require a formal response and action, as appropriate. There is a public website where the public can access completed review reports and Annual Plans and Annual Reports.

- To support delivery of the Medium Term Financial Strategy and be in a positive position to respond to the financial challenges facing the Council, a structured programme of service reviews/redesigns has continued during the year. The continuation of this work is necessary to ensure that we are in a strong position to manage and use our resources effectively to maintain good outcomes and achieve the level of savings required. Service areas are looking for new and innovative ways of doing things as well as working more closely with our partners. Given the magnitude of the tasks the Council faces, consultation via the Big Conversation has continued so that residents' views on any changes can be taken into consideration. The Assistant Executive Director (Finance) worked with the Executive/Senior Management Team during the budget preparation period to ensure that a robust set of savings plans are in place and a clear delivery plan has been drawn up.
- The Executive Directors have each reviewed the operation of key controls throughout the Council, from the perspective of their own directorates, using a detailed assurance self-assessment checklist. They have provided a signed assurance letter and identified any areas for improvement, which will form the basis of an action plan to this Governance Statement.
- The Code of Corporate Governance has been reviewed and the evidence documented to demonstrate compliance with the principles of good governance. The Review was reported to senior management and the Audit Panel in May 2017.
- The Executive Director (Governance, Resources and Pensions) as the Monitoring Officer, carried out a continuous review of all legal and ethical matters, receiving copies of all agendas, minutes, reports and associated papers, and commented on all reports that go to members and when necessary taking appropriate action, should it be required.
- The Assistant Executive Director (Finance) as the Section 151 Officer, carried out a continuous review of all financial matters, receiving copies of all agendas, minutes, reports and associated papers, and commented on all reports that go to members and when necessary taking appropriate action, should it be required.
- The Standards Committee is responsible for standards and probity, and receives regular reports from the Executive Director (Governance, Resources and Pensions), the Monitoring Officer.
- The role held by the Assistant Executive Director (Finance) from 1 April 2016 conformed to the requirements of the five principles of the CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government.
- The report published by Ofsted in December 2016 on the Inspection of Children's Services in Tameside, which judged the service to be inadequate, highlighted a number of issues in relation to service delivery, leadership, management and governance and a detailed Improvement Plan has been created. Delivery of the Improvement Plan is overseen by the multi-agency Tameside Children's Services Improvement Board. The Board has an independent chair and an advisor from the Department for Education sits on the Board.
- The Audit Panel carries out an overview of the activities of the Council's Risk Management, Internal Audit and External Audit functions. Members are provided with a summary of reports issued and their associated audit opinion. They approve the Annual Plans for each, and receive regular progress reports throughout the year. The Head of Risk Management and Audit Services presents an Annual Report and opinion, and the External Auditor submits an Annual Audit Letter along with other reports during the year. Work in relation to

risk registers and business continuity planning needs to be undertaken to ensure that the systems in place meet the requirements of the organisation and best practice.

- The Internal Audit Service provides a continuous review in accordance with the Council's obligations under the Local Government Act 1972, and the Accounts and Audit Regulations 2015. It operates under the Public Sector Internal Audit Standards and a self-assessment completed for 2016/17 shows that the service is fully compliant with all the standards, and the assessment was reported to the Audit Panel in May 2017.
- The Council's External Auditors review the activities of the Council and issue an annual opinion on the Annual Accounts and a Value for Money conclusion. Conclusions and significant issues arising are detailed in their report to those charged with governance.
- Progress on the further development areas identified in Section 5 are regularly reported to the Audit Panel throughout the year by the Head of Risk Management and Audit Services.

## 5. Level of Assurance

The governance arrangements in place comply with the Principles outlined in the Council's Code of Corporate Governance and can be regarded as fit for purpose. A few areas for development have been identified in the Action Plan attached at **Appendix A**, and addressing these will further enhance the Governance Framework.

Improvements arising from Internal/External Audit Reports and Inspection Reports have already been built into Service Area Action Plans and are monitored as part of the Performance Management Framework.

## 6. Conclusion and Signatures

The Annual Governance Statement has been reviewed by Senior Management, presented to the Audit Panel and approved by the Overview (Audit) Panel. We have been advised on the implications of the review of the effectiveness of the Governance Framework in place, and the action plan compiled to address the further developments identified to ensure the continual improvement of the system in place.

We are satisfied that these steps will address the improvements that have been identified and their implementation will be monitored by the Audit Panel throughout the year and as part of our next Annual Review.

Signed:

Signed:

.....  
Councillor Kieran Quinn  
Executive Leader of Tameside MBC

.....  
Steven Pleasant  
Chief Executive of Tameside MBC

Dated: 31 July 2017

Dated: 31 July 2017

**Annual Governance Statement 2016/17 - Improvement Plan**

**Appendix A**

Area of Review	Improvement Required	Progress to Date	Improvement Owner/ Completion Date
Children's Services (New)	Improvements in response to the Ofsted Report, which have been detailed in the Tameside Children's Services Improvement Plan, need to be implemented and a Project Board is in place to monitor progress.	An independent chair has been appointed to the Children's Services Improvement Board. A partnership wide improvement plan has been agreed together with an investment plan.	Stephanie Butterworth March 2018
Risk Management and Business Continuity Planning (New)	Enhancements are needed to the systems in place so that they meet with the requirements of the organisation and best practice.		Wendy Poole October 2017
Health and Safety	To Review process and procedures in place to ensure consistency of approach and embrace electronic recording where appropriate	Audit of organisation carried out. Report to SCMT regarding current position and improvements. Commenced improvement plan including improved governance arrangements across all Directorates. Further reviews at service level to be carried out. Identify capacity to deliver.	Ian Saxon December 2017
Managing Change (Carry Forward)	The ongoing level of change across the organisation, reduced resources and staff capacity to deliver the challenges faced by the Council, is managed by ensuring that proper governance and risk management procedures are in place to safeguard that the overall control environment is not adversely affected.	A risk based Internal Audit Plan is in place that addresses the keys risks facing the council. Risk management is embedded in service delivery, as all decision have to detail the risk implications to ensure that they are being managed. Assistance from Risk Management and Audit is provided when requested.	Single Commissioning Management Team Ongoing
Care Together (Carry Forward)	As we continue to develop integrated health and social care services and move provision as close to home as possible, strong governance arrangements need to be in place to ensure we deliver our vision, improving healthy life expectancy, reducing inequalities and moving	The Care Together Programme is well established with two key programmes; creation of a strategic commissioning function and an Integrated Care organisation.  The Chief Executive is also now the Accountable Officer for NHS Tameside and Glossop Clinical	Strategic Commissioning Management Team March 2018

Area of Review	Improvement Required	Progress to Date	Improvement Owner/ Completion Date
	<p>towards a financially sustainable economy.</p> <p>Although there has been substantial progress, implementation of the new model of care will need to gather pace to ensure delivery of our core objectives.</p>	<p>Commissioning Group. A single commissioning management team is in place and there is delegated responsibility for decision making to a Single Commissioning Board for a significant pooled budget.</p> <p>The Tameside and Glossop Integrated Care NHS Foundation Trust (ICFT) is now in place with the community services now embedded, a new name and updated governance arrangements. A joint management team including neighbourhood GPs is in place and a range of transformation programmes are being rolled out to support people in their communities.</p>	
Vision Tameside (Carry Forward)	<p>This is a multi-million pound project in partnership with Tameside College, and needs to be delivered in accordance with agreed milestones. It is essential that the risks to service delivery during the interim period are kept under review to minimise disruption to the people and businesses of Tameside so that, together, the mutual benefits of the project will be recognised and celebrated. It is also important to ensure that the benefits of the new building are realised in terms of different ways of working and reducing future running costs.</p>	<p>Regular reports are provided to the Senior Management Team, Board and Cabinet. The Vision Tameside Project Board meets on a regular basis to monitor progress in terms of milestone dates and costs.</p>	<p>Robin Monk Damien Bourke Sept 2018</p>
Pension Fund Pooling of Investments (Carry Forward)	<p>Greater Manchester Pension Fund is working with other large metropolitan LGPS funds to create a £40+ billion asset pool. Pooling of assets will provide greater scope to allow the funds to invest in major regional and national infrastructure projects such as airport expansion, major new road and rail schemes, housing developments and energy production growth, all</p>	<p>The Government has provided approval for the submission made by Greater Manchester Pension Fund, West Yorkshire Pension Fund and the Merseyside Pension Fund to create the Northern Pool.</p> <p>The 3 funds have established a vehicle to make collective direct infrastructure investments and are creating a similar vehicle to make collective</p>	<p>Sandra Stewart Euan Miller Paddy Dowdall Steven Taylor March 2018</p>

Area of Review	Improvement Required	Progress to Date	Improvement Owner/ Completion Date
	driving economic growth and prosperity. Strong governance arrangements will need to be in place, underpinned by robust and resilient systems and procedures, to ensure the desired outcomes are realised.	private equity investments.  Representatives of the Fund will continue to work closely and seek professional advice, as required, in order to create the Pool during 2017 and 2018.	

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# Agenda Item 10.

<b>Report To:</b>	<b>OVERVIEW (AUDIT) PANEL</b>
<b>Date:</b>	31 July 2016
<b>Reporting Officer:</b>	Ian Duncan – Assistant Director (Finance) Wendy Poole – Head of Risk Management and Audit Services
<b>Subject:</b>	<b>GRANT THORNTON – ASSURANCE FROM OVERVIEW (AUDIT) PANEL CHAIR AND MANAGEMENT 2016/2017</b>
<b>Report Summary:</b>	Grant Thornton as part of their risk assessment procedures are required to obtain an understanding of management processes in relation to fraud risk assessment, laws and regulations and going concern considerations as part of their annual audit. The report presents the response to the letters and questionnaires received from Grant Thornton for consideration by the Panel ahead of the document being signed by the Chair of the Panel and the Assistant Director (Finance).
<b>Recommendations:</b>	That members comment and challenge the responses detailed in <b>Appendices A and B</b> , so that the schedule can be signed by both the Chair of the Overview (Audit) Panel and the Assistant Director (Finance) ahead of it being provided to Grant Thornton.
<b>Links to Community Strategy:</b>	Demonstrate proper Corporate Governance
<b>Policy Implications:</b>	External audit of the Council supports the achievement of Council objectives and demonstrates a commitment to high standards of corporate governance.
<b>Financial Implications: (Authorised by the Section 151 Officer)</b>	There are no direct financial implications.
<b>Legal Implications: (Authorised by the Borough Solicitor)</b>	Demonstrates compliance with the Accounts and Audit Regulations 2015.
<b>Risk Management:</b>	Ensuring that the Council meets the required standards in terms of management assurance in relation to fraud risk assessment, laws and regulations and going concern considerations supports corporate governance objectives and ensures risk is minimised.
<b>Access to Information:</b>	The background papers can be obtained from the author of the report, Wendy Poole, Head of Risk Management and Audit Services by:-  Telephone: 0161 342 3846  e-mail: <a href="mailto:wendy.poole@tameside.gov.uk">wendy.poole@tameside.gov.uk</a>

## 1. INTRODUCTION

- 1.1 To comply with International Auditing Standards, Grant Thornton need to establish an understanding of the management processes in place to prevent and detect fraud and to ensure compliance with the law and regulation. They are also required to make inquiries of both management and the Governing Body as to their knowledge of any actual, suspected or alleged fraud.
- 1.2 International Auditing Standards also place certain obligations on auditors to document management's view on some key areas affecting the financial statements.
- 1.3 The three specific areas covered are Fraud Risk Assessment, Law and Regulation and Going Concern Considerations.

## 2. ASSURANCE FROM OVERVIEW (AUDIT) PANEL CHAIR AND MANAGEMENT

- 2.1 A letter was sent to the Chair of the Overview (Audit) Panel requesting responses to a number of questions as follows:-
  - How does the Council oversee management's processes in relation to:
    - carrying out an assessment of the risk the financial statements may be materially misstated due to fraud or error
    - identifying and responding to the risk of breaches of internal control
    - identifying and responding to risks of fraud in the Council (including any specific risks of fraud which management have identified or that have been brought to its attention, or classes of transactions, account balances, or disclosure for which a risk of fraud is likely to exist)
    - communicating to employees its views on appropriate business practice and ethical behaviour (for example by updating, communicating and monitoring against the codes of conduct)?
  - Do you have knowledge of any actual, suspected or alleged frauds? If so, please provide details.
  - How does the Council gain assurance that all relevant laws and regulations have been complied with?
  - Are you aware of any actual or potential litigation or claims that would affect the financial statements?
  - How does the Council gain assurance over its ability to continue as a going concern?
- 2.2 A letter was also sent to the Assistant Director (Finance) requesting responses to a number of questions.
- 2.3 A detailed schedule of questions was provided with each letter, which explores the areas above in more detail and these have been completed and are attached at **Appendices A and B**.
- 2.4 Grant Thornton have requested that the responses to the questions shown in the appendices are discussed at this meeting.

## 3. RECOMMENDATION

- 3.1 That members comment and challenge the responses detailed in **Appendices A and B**, so that the scheduled can be signed by both the Chair of the Overview (Audit) Panel and the Assistant Director (Finance) a head of it being provided to Grant Thornton.

## APPENDIX A

### GOVERNING BODY UNDERSTANDING OF HOW THE COUNCIL GAINS ASSURANCE IN RELATION TO FRAUD RISK ASSESSMENTS, LAW AND REGULATION AND GOING CONCERN CONSIDERATIONS

#### FRAUD RISK ASSESSMENTS

Question	Management response
<p>Has the Council assessed the risk of material misstatement in the financial statements (including the Group statements) due to fraud?</p> <p>What are the results of this process?</p>	<p>The Council has assessed the risk of material misstatement in the financial accounts and to mitigate the risks has put in place:-</p> <p>Systems of internal control which are tested by Internal Audit on a cyclical basis. Acceptable controls were in place in the majority of the systems reviewed.</p> <p>The Council has an experienced Finance Team in place and the financial statements are prepared in accordance with an agreed action plan and checks and balances are incorporated into the process. Regular monitoring is undertaken quarterly for both revenue and capital which highlights any deviations from budget. Cost Centre Managers have to comment on all under/overspends.</p> <p>A report was presented to the Audit Panel on 30 May 2017 setting out the accounting policies and estimates for 2016/17 accounts, covering; the proposed accounting policies, the critical judgements made in applying the accounting policies and assumptions made about the future and other major sources of estimated uncertainty within the accounts.</p>
<p>What processes does the Council have in place to identify and respond to risks of fraud (including risks within Group components)?</p>	<p>Within Internal Audit a dedicated resource is available to respond to all fraud referrals.</p> <p>The Council also has a risk based audit plan which covers key systems and risks and gives assurance to members and officers that the controls in place are operating effectively.</p> <p>Attendance at seminars and fraud groups to ensure that learning is shared and participation in Webinars.</p> <p>The CIPFA Fraud and Corruption Tracker Report and other key fraud reports are reviewed. Fraud Alerts/Bulletins are received from NAFN Data and Intelligence Services and various online resources including CIPFA's TIS Online and the Better Governance Forum.</p> <p>All fraud cases are reported to the Standards Panel.</p>
<p>Have any specific fraud risks, or areas with a high risk of fraud, been identified and what has been done to mitigate these risks?</p>	<p>Financial systems are reviewed on a regular basis.</p> <p>The high risk areas highlighted from available fraud reports and other intelligence are built into the audit planning process.</p>

Question	Management response												
	<p>The learning from frauds is built into audit programmes to ensure that checks undertaken are responsive to issues identified.</p> <p>Where financial irregularities are identified and investigated a control report is produced for management highlighting recommendations for improving the control environment.</p>												
<p>Are internal controls, including segregation of duties, in place and operating effectively across the Council and Group components?</p> <p>If not, where are the risk areas and what mitigating actions have been taken?</p>	<p>Managers are responsible of implementing systems of internal control and this is confirmed annually in the Assurance Statement and Self- Assessment completed by each Director as part of the Annual Governance Statement and budget setting process.</p> <p>Internal controls are reviewed by Internal Audit using a risk based audit plan and a standardised system of internal audit. Each audit is concluded by the production of a Final Report which details the recommendations made in terms of any system weaknesses and includes the management response together with a named responsible officer and deadline date.</p> <p>At the conclusion of a fraud/irregularity investigation a control report is produced making recommendations to systems and again the report includes management responses, a named officer and a deadline date.</p> <p>As the organisation moves to flatter structures and smaller teams; the audit team has to be responsive to the effects of these changes on the traditional controls like segregation of duties and look for compensating controls/automatic system controls to ensure that the control environment is not adversely affected and the Council put at risk.</p> <p>27 irregularities were investigated during 2016/17 and can be summarised as follows:-</p> <table border="1" data-bbox="644 1357 1291 1576"> <tbody> <tr> <td>Direct Payment</td> <td>12</td> </tr> <tr> <td>Procurement/Duplicated Invoices Fraud</td> <td>3</td> </tr> <tr> <td>Misappropriation of Monies/Stock</td> <td>7</td> </tr> <tr> <td>Staff Conduct (Time/HB Fraud)</td> <td>3</td> </tr> <tr> <td>Misappropriation of Grant Monies</td> <td>2</td> </tr> <tr> <td></td> <td><b>27</b></td> </tr> </tbody> </table> <p>Where appropriate learning from irregularity investigations is shared across the Council and with schools.</p>	Direct Payment	12	Procurement/Duplicated Invoices Fraud	3	Misappropriation of Monies/Stock	7	Staff Conduct (Time/HB Fraud)	3	Misappropriation of Grant Monies	2		<b>27</b>
Direct Payment	12												
Procurement/Duplicated Invoices Fraud	3												
Misappropriation of Monies/Stock	7												
Staff Conduct (Time/HB Fraud)	3												
Misappropriation of Grant Monies	2												
	<b>27</b>												
<p>Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets)?</p>	<p>All financial reports are produced from the Council's ledger system Agresso. As part of the audit plan the key systems feeding into Agresso are reviewed to ensure adequate controls are in place.</p> <p>All reporting processes are timetabled and supported by an action plan.</p> <p>All users of Agresso have an individual login and password and a full audit log is maintained.</p> <p>The finance function is lead and managed by professional officers who are members of professional bodies and as</p>												

Question	Management response
	such are bound by codes of conduct/ethics. No one person has sole control.
Are there any areas where there is a potential for misreporting?	<p>Manual intervention can take place throughout the year for reporting purposes where projected outturns are based on estimates of spend. However, at the year end the ledger is solely used and is checked by both internal and external audit.</p> <p>An element of judgement is required in estimating spending to the year end, but this is undertaken using professional insight and evidence.</p>
How does the Audit Panel/Overview (Audit) Panel exercise oversight over officers' processes for identifying and responding to the risks of fraud at the Council and other Group components?	<p>The Head of Risk Management and Audit Services reports to every Audit Panel and the reports contain an update on fraud cases. The Panel receives and approves the Fraud Response Plan, Internal Audit Strategy and Charter.</p> <p>All fraud investigations are reported to the Standards Panel monthly.</p>
What arrangements are in place to report fraud issues and risks to the Audit Panel/Overview (Audit) Panel?	The Head of Risk Management and Audit Services regularly reports to the Audit Panel. The Head of Internal Audit's Annual Report is presented in May and progress reports presented in November and January.
How does the Council communicate and encourage ethical behaviour amongst officers and partners?	<p>Contract Term and Conditions and Partnership agreements.</p> <p>Articles published in the Wire, Chief Executive's Brief and on the staff portal. Manager Team briefings. Code of Conduct in place and on the staff portal. Employment contracts, job descriptions and person specifications and induction.</p> <p>Anti-Fraud, Bribery and Corruption Strategy: Statement of Intent on the staff portal and the public website.</p> <p>Whistleblowing policy in place.</p> <p>Professional staff (e.g. Accountants, Solicitors, Auditors and Social Workers) are also bound by codes of ethics issued by their professional bodies.</p>
<p>How do you encourage staff to report their concerns about fraud?</p> <p>Have any significant issues been reported?</p>	<p>Fraud Response Plan and Whistleblowing Policy in place and available on the intranet/internet.</p> <p>During 2016/17 a number of Direct Payment Frauds, a significant procurement fraud and a grant fraud were investigated which were in excess of £10,000.</p>
Are you aware of any related party relationships or transactions that could give rise to risks of fraud?	No.
Are you aware of any whistleblowing tips or complaints?	Two of the 27 referrals received and investigated during 2016/17 were whistleblowing referrals.
Are you aware of any instances of	Internal Audit has investigated several allegations of fraud

Question	Management response
actual, suspected or alleged, fraud, within the Council since 1 April 2016?	and these are reported to both the Standards Panel monthly and the Audit Panel. Investigations are currently ongoing in respect of a number of serious direct payment frauds and a procurement fraud against the Council.

## **LAWS AND REGULATIONS**

Question	Management Response
What arrangements does the Council have in place to prevent and detect non-compliance with laws and regulations?	<p>Qualified officers in place.</p> <p>Director of Governance, Resources and Pension Fund (Borough Solicitor) reviews all reports presented to Panels, Working Groups, Board, Cabinet and Council to ensure the legal implications have been fully considered.</p> <p>Legal briefings are also circulated weekly to inform Service Unit Managers and above of changes.</p> <p>Internal/External Audit Reviews.</p> <p>External Inspections.</p>
How do officers gain assurance that all relevant laws and regulations have been complied with?	<p>Feedback from Borough Solicitor when reviewing reports.</p> <p>Internal Audit/Inspection Reports.</p> <p>Annual Governance Statement Self-Assessment and Assurance Statements.</p> <p>Appointment of professional and qualified staff.</p>
How is the Overview (Audit) Panel/Audit Panel) provided with assurance that all relevant laws and regulations have been complied with?	<p>The Annual Governance Statement (AGS) and the associated assurance framework is presented to the Audit Panel.</p> <p>All reports are reviewed by Legal to ensure the legal implications have been fully considered.</p> <p>Significant issues identified by Internal Audit would be highlighted in the Annual Report and progress reports by the Head of Risk Management and Audit Services.</p>
Have there been any instances of non-compliance or suspected non-compliance with law and regulation since 1 April 2016?	No.
What arrangements does the Council have in place to identify, evaluate and account for litigation or claims?	<p>The Council holds an internal fund which is actuarially valued every year for Insurance claims. An insurance portfolio is in place for all major insurance covers, which is reviewed annually.</p> <p>We have procured Insurance Brokers to provide independent advice and the Insurance team receive regular industry bulletins keeping them up to date with new claim trends, litigation judgements and risk mitigation strategies.</p> <p>We have always had a strong stance on fighting claims and</p>

Question	Management Response
	<p>work in partnership with departments, legal representatives and our insurers to put forward a strong and robust defence for all litigated claims.</p> <p>Regular liaison between Legal and finance on potential and current claims/litigation.</p>
<p>Is there any actual or potential litigation or claims that would affect the financial statements?</p>	<p>An assessment of litigation and claims is made and included in the Statement of Accounts. Internal funds and reserves mitigate the effect on the financial statements. Note included in the statement of accounts.</p>
<p>Have there been any reports from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance?</p>	<p>None received.</p>

### **GOING CONCERN CONSIDERATIONS**

Question	Management Response
<p>Does the Council have procedures in place to assess the Council's ability to continue as a going concern?</p>	<p>The Council has a Corporate Plan and Medium Term Financial Strategy in place. Regular monitoring reports for both revenue and capital are taken to the Leadership Team, Board and Cabinet. Due to the government austerity measures in place the Council has put in place a detailed system for ensuring that savings targets are managed and achieved. This includes presentations at Board Development Days by all Executive Members on the financial health of the areas within their portfolios and reporting to Board and the Corporate Performance Group. The Section 151 Officer is responsible for ensuring that a balanced budget is set and this is closely monitored throughout the year.</p> <p>In the Audit Letter produced by Grant Thornton for 2015/16 and presented to Executive Cabinet/Audit Panel on 14 December 2016 they concluded that "In all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2016".</p>
<p>Is management aware of the existence of other events or conditions that may cast doubt on the Council's ability to continue as a going concern?</p>	<p>As a local authority reliant on central government funding further cuts in grants will impact on Tameside. However, strong financial management processes and the programme of service redesign and transformation managed by Executive Members and Directors has one objective that Tameside can continue to deliver services to the people of Tameside in line with its vision detailed in the Corporate Plan within specific cost envelopes. The fixed four year settlement has brought greater certainty to the Council's medium term financial position.</p>
<p>Are arrangements in place to report the going concern</p>	<p>The annual budget report and MTFs ensures that the Council keeps within its budget and is approved at Full</p>

Question	Management Response
assessment to the Audit Panel?	Council.
Are the financial assumptions in that report (e.g., future levels of income and expenditure) consistent with the Business Plan and the financial information provided throughout the year?	<p>Yes.</p> <p>Due to the austerity measures in place, the Council has further strengthened comprehensive budget planning and monitoring processes to ensure that the identified savings are achieved and that services are delivered within their allocated funding.</p>
Are the implications of statutory or policy changes appropriately reflected in the Business Plans, financial forecasts and report on going concern?	<p>Reductions in funding has resulted in a major programme of service reviews/redesigns whereby all aspects of the service are reviewed and future plans for delivery link up purpose, requirements, funding and customer needs.</p> <p>Changes in responsibility are included in plans as are changes in financing arrangements e.g. business rates.</p>
Have there been any significant issues raised with those charged with governance (Overview (Audit) Panel/Audit Panel) during the year which could cast doubts on the assumptions made? (Examples include adverse comments raised by internal and external audit regarding financial performance or significant weaknesses in systems of financial control).	<p>No significant issues have been reported to the Audit Panel. Any significant weaknesses highlighted by Internal Audit will have been addressed in an action plan. In relation to financial systems any low level assurance reports are discussed with the Assistant Director (Finance) and the relevant managers to ensure that the improvements needed are implemented.</p> <p>Where a low level of assurance is given a follow up post audit review is undertaken three months after the issue of the final report.</p>
<p>Does a review of available financial information identify any adverse financial indicators including negative cash flow?</p> <p>If so, what action is being taken to improve financial performance?</p>	<p>No.</p> <p>Cash flow is monitored on a daily basis with funds invested on a short term and medium term basis.</p> <p>Collection targets are set for council tax and business rates and monitored on a monthly basis. Majority is collected over 10 months and is therefore ahead of spending need.</p>
<p>Does the Council have sufficient staff in post, with the appropriate skills and experience, particularly at senior manager level, to ensure the delivery of the Council's objectives?</p> <p>If not, what action is being taken to obtain those skills?</p>	<p>The Council has recently reviewed its management structure to reflect the integration and closer working with our colleagues within the Clinical Commissioning Group (CCG) as part of our ground-breaking work to integrate Health and Social Care within Tameside and Glossop through our 'Care Together' programme. The Chief Executive for the Council was appointed as the Accountable Officer for the CCG in summer 2016.</p> <p>The Council and Governing Body of the CCG have agreed a single leadership team, which will lead and manage all functions of the Council and CCG. The new single leadership team has been put in place from 1 June 2017 with all arrangements being fully operational from 1 January 2018.</p> <p>As part of our integration process it will be necessary to review all our working practices and processes to ensure we work as efficiently as possible and avoid unnecessary</p>

Question	Management Response
	<p>duplication of practice.</p> <p>The Council has approved an Improvement Plan for its children's services following the Ofsted Inspection in 2016 which is overseen by an Improvement Panel and, independently chaired. In addition professionally qualified practitioners have been engaged to help deliver the plan.</p>
<p>Have those charged with governance (Overview (Audit) Panel/Audit Panel) assessed the process Management has followed in forming a view on going concern and the assumptions on which the view is based?</p>	<p>Audit Panel members are aware of the Medium Term Financial Strategy and budget strategy as part of their wider role as a councillor. Detailed presentations on the final accounts are undertaken for the Audit Panel and other members.</p> <p>Joint meeting of Overview (Audit) Panel and Cabinet in February to review the budget.</p> <p>Joint meeting of Audit Panel and Cabinet in December to receive External Auditor Audit letter.</p> <p>Revenue and capital monitoring reported to Overview (Audit) Panel.</p>

Signed:

Signed:

Ian Duncan  
Assistant Director (Finance)

Councillor Vincent Ricci  
Chair – Overview (Audit) Panel

Dated: 31 July 2017

Dated: 31 July 2017

## APPENDIX B

### QUESTIONS FOR MANAGEMENT TO GAIN ASSURANCE IN RELATION TO FRAUD RISK ASSESSMENTS, LAW AND REGULATION AND GOING CONCERN CONSIDERATIONS

Question	Management Response
<p>What do you regard as the key events or issues that have a significant impact on the financial statements for 2016/17?</p>	<p>The introductory narrative to the financial statements comments on significant transactions in the year, together with issues faced over the medium term.</p> <p>The key corporate issue remains our response to funding reductions at a time of the increasing demand on services, which does not affect the 2016/17 statements.</p>
<p>Have you considered the appropriateness of the accounting policies adopted by the Council?</p> <p>Have there been any events or transactions that may cause you to change or adopt new accounting policies?</p>	<p>The policies are considered each year by the Audit Panel. No changes have been made to previous policies and no events have occurred that would require that to have happened.</p>
<p>Are you aware of any changes to the Council's regulatory environment that may have a significant impact on the Council's financial statements?</p>	<p>No.</p>
<p>How would you assess the quality of the Council's internal control processes?</p>	<p>From the work undertaken by Internal Audit during 2016/17 it was concluded by the Head of Risk Management and Audit in her Annual Report presented to the Audit Panel on 30 May 2017 that "The Audit Panel can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas reviewed, are suitably designed and applied effectively".</p> <p>The report also stated that "It has to be accepted that the gross risk for the Council has increased in recent years (as we have reduced capacity while still having to deliver a significant change programme to meet our financial challenges). The finding of our work is that controls are in place to mitigate these risks and where improvements have been highlighted, managers have agreed to implement the suggested recommendations. This will aid the management of risks and support the overall control environment".</p> <p>Senior Management is responsible for the control environment and work with Internal Audit throughout the year to ensure that any proposed changes to systems and processes do not adversely affect the control environment.</p> <p>With a reducing work force more reliance is being placed on technological controls rather than on conventional controls like segregation of duties.</p> <p>All Directors sign Assurance Statements annually for the Annual Governance Statement to confirm that internal</p>

Question	Management Response
	controls have been in place in their Directorate during the year.
How would you assess the process for reviewing the effectiveness of internal control?	<p>The effectiveness of internal control is reviewed during the mature process in place to compile the Annual Governance Statement, which involves the Head of Risk Management and Audit, Senior Management Team, Audit Panel and Executive Members.</p> <p>Internal Audit is also reviewed annually to ensure compliance with the Public Sector Internal Audit Standards.</p>
How do the Council's risk management processes link to financial reporting?	The Council is risk aware and financial risks and challenges facing the Council are detailed in the MTFs and the budget report.
How would you assess the Council's arrangements for identifying and responding to the risk of fraud?	<p>The Council has a corporate fraud team in place which responds to all reported fraud. The arrangements in place have been measured against CIPFA's Code of Practice - Managing the Risk of Fraud and Corruption and are compliant.</p> <p>Intelligence is obtained from numerous fraud websites, from NAFN Data and Intelligence Services which is hosted by Tameside MBC and the North West Chief Audit Executives Fraud Sub Group.</p> <p>A Whistleblowing Policy is available on Council's Website and the Intranet for staff/public to raise concerns and whistleblowing referrals are received.</p>
What has been the outcome of these arrangements so far this year?	<p>All reported frauds have been investigated and several prosecutions have been successful.</p> <p>Monthly reports are prepared for the Standards Panel giving the Council's Monitoring Officer the opportunity to input into the process by providing advice and guidance.</p>
What have you determined to be the classes of accounts, transactions and disclosures most at risk to fraud?	<p>Financial systems are reviewed on a cyclical basis to ensure that they are fit for purpose and the controls are operating effectively. No major issues have been identified in any of the systems.</p> <p>Payment systems are considered to present more risks as they are open to external risk factors like the bank mandate fraud.</p>
Are you aware of any whistle blowing potential or complaints by potential whistle blowers? If so, what has been your response?	Several whistleblowing complaints were received during the year and investigated by Internal Audit in accordance with the published policy.
Have any reports been made under the Bribery Act?	No.
As a management team, how do you communicate risks issues (including fraud) to those charged	Through presenting the Risk Management Policy and Strategy to them together with the Corporate Risk Register.

Question	Management Response
with governance?	Regular progress reports from the Head of Risk Management and Audit to the Audit Panel.
As a management team, how do you communicate to staff and employees your views on business practices and ethical behaviour?	<p>Articles in the Wire</p> <p>Chief Executive's Brief</p> <p>Team Briefs</p> <p>Contracts of Employment/Codes of Conduct</p> <p>Gifts and Hospitality Protocol</p> <p>Professional staff are also bound by their Professional Body's Ethical Codes of Practice.</p>
What are your policies and procedures for identifying, assessing and accounting for litigation and claims?	<p>The Council holds an internal fund which is actuarially valued regularly for Insurance claims. An insurance portfolio is in place for all major insurance covers, which is reviewed annually.</p> <p>We have procured Insurance Brokers to provide independent advice and the Insurance team receive regular industry bulletins keeping them up to date with new claim trends, litigation judgements and risk mitigation strategies.</p> <p>Litigation not covered by the Council's insurers is dealt with in-house by the Borough Solicitor and her Legal Team, who will assess cases on their merits, and ensure the appropriate level of expertise is employed, also ensuring that any potentially large claims are reflected appropriately in the Council's contingency arrangements. If it is assessed that a liability is likely to arise from litigation or claims then an appropriate sum will be included in the financial statements.</p>
Is there any use of financial instruments, including derivatives?	No.
What is the current position of those issues included as contingencies and provisions at 31 March 2016?	The contingencies and provisions are kept under review and the latest position is as set out in the financial statements.
Are you aware of any significant transaction outside the normal course of business?	No.
Are you aware of any changes in circumstances that would lead to impairment of non-current assets?	No.
Are you aware of any guarantee contracts?	The Council is guarantor for Tameside Sports Trust in respect of the Pulse Fitness Agreements.
Are you aware of allegations of fraud, errors, or other irregularities during the period?	Yes, twenty seven irregularities were investigated during the year but they did not present any risk to the compilation of the Council's accounts.

Question	Management Response
Are you aware of any instances of non-compliance with laws or regulations or is the Council on notice of any such possible instances of non-compliance?	No.
Have there been any examinations, investigations or inquiries by any licensing or authorising bodies or the tax and customs authorities?	No.
Are you aware of any transactions, events and conditions (or changes in these) that may give rise to recognition or disclosure of significant accounting estimates that require significant judgement?	A report was presented to the Audit Panel on 30 May 2017 outlining Accounting Policies and Estimates for the 2016/17 Accounts.
<p>Where the financial statements include amounts based on significant estimates:</p> <ul style="list-style-type: none"> <li>• how have the accounting estimates been made?</li> <li>• what is the nature of the data used? and</li> <li>• the degree of estimate uncertainty inherent in the estimate?</li> </ul>	<p>Accounting estimates are made on the basis agreed by the Audit Panel at the meeting held on 30 May 2017. Estimates are made based on the best available data from the relevant financial year. This is amended in light of finalised information.</p> <p>Pension's information is estimated based on advice from the independent actuary.</p>
Are you aware of the existence of loss contingencies and/or un-asserted claims that may affect the financial statements?	No.
<p>Has the management team carried out an assessment of the going concern basis for preparing the financial statement?</p> <p>What was the outcome of that assessment?</p>	<p>This is undertaken through budget planning to ensure the ongoing sustainability of the Council. This is led by the Monitoring Officer, Head of Paid Service (Chief Executive) and Section 151/Chief Finance Officer.</p> <p>The Council is assessed as being a going concern.</p>
Although the public sector interpretation of IAS1 means that unless services are being transferred out of the public sector then the financial statements should be prepared on a going concern basis, management is still required to consider whether there are any material uncertainties that cast doubt on the Council's ability to continue as a business. What is the process for undertaking a	<p>The Budget Report and MTFs are prepared in full consultation with the Executive Team and Cabinet with best estimates of the likely expenditure requirements and the resources available. This allows the Council to rigorously assess that the Council continues to be a going concern. Both Capital and Revenue monitoring continue throughout the year to provide reassurance of its belief. Regular reappraisal of the MTFs takes place together with a daily review of the cash flow.</p> <p>A review of the adequacy of reserves is undertaken by the S151 officer each year.</p>

Question	Management Response
<p>rigorous assessment of going concern? Is the process carried out proportionate in nature and depth to the level of financial risk and complexity of the organisation and its operations? How will you ensure that all available information is considered when concluding the organisation is a going concern at the date the financial statements are approved?</p>	
<p>Can you provide details of those solicitors utilised by the Council during the year? Please indicate where they are working on open litigation or contingencies from prior years?</p>	<p>Forbes Solicitors provide legal support to the council in relation to Insurance claims. Forbes will be working on both open cases and contingencies from prior years and are currently representing the Council on 35 open/contingency cases.</p>
<p>Can you provide details of other advisors consulted during the year and the issue on which they were consulted?</p>	<p>Hymans Robertson (Pensions fund actuarial advice). Meridian - Duplicate Payments PFI – Capita (Fair value on PFI liabilities) Other advice provided to or commissioned by service areas from time to time.</p>
<p>Have any of the Council's service providers reported any items of fraud, non-compliance with laws and regulations or uncorrected misstatements which would affect the financial statements?</p>	<p>None reported to Internal Audit. None reported to Finance.</p>

Signed:

Ian Duncan  
Assistant Director (Finance)

Dated: 31 July 2017

<b>Report To:</b>	<b>OVERVIEW (AUDIT) PANEL</b>
<b>Date:</b>	31 July 2017
<b>Executive Member / Scrutiny Panel:</b>	Councillor G Peet – Chair to Integrated Care and Wellbeing Scrutiny Panel Councillor Brenda Warrington, Executive Member (Adult Social Care & Wellbeing)
<b>Subject:</b>	<b>REVIEW OF CARERS IN TAMESIDE</b>
<b>Report Summary:</b>	The Chair to Integrated Care and Wellbeing Scrutiny Panel to comment on the Executive Response ( <b>Appendix 1</b> ) dated 16 March 2017 to the scrutiny review of Carers in Tameside and the recommendations made to support future services ( <b>Appendix 2</b> ) produced in November 2016.
<b>Recommendations:</b>	That the Overview (Audit) Panel note the recommendations detailed in Section 8 of <b>Appendix 2</b> .
<b>Links to Community Strategy:</b>	This review supports the Community Strategy priorities relating to ‘Supportive Tameside’.
<b>Policy Implications:</b>	The review itself has no specific policy implications. Should the recommendations of this report be accepted by the Tameside Council’s Executive, the relevant services will need to assess the policy implications of putting individual recommendations in place.
<b>Financial Implications: (Authorised by the Section 151 Officer)</b>	<p>The Council have committed to ongoing investment of £1.515m in Carers Services for the financial year 2017-18. Adults Social Care represents £1.402m of this figure with the remainder of spend relating to Young Carers within Children’s Services.</p> <p>It is acknowledged that continued investment in Tameside’s carers services provides a cost effective alternative to procuring care from the external market.</p>
<b>Legal Implications: (Authorised by the Borough Solicitor)</b>	<p>The core purpose of adult care and support is to help people to achieve the outcomes that matter to them in their life. Local authorities must promote wellbeing when carrying out any of their care and support functions in respect of a person. This may sometimes be referred to as ‘the wellbeing principle’ because it is a guiding principle that puts wellbeing at the heart of care and support. The wellbeing principle applies in all cases where a local authority is carrying out a care and support function, or making a decision, in relation to a person.</p> <p>Promoting wellbeing involves actively seeking improvements in the aspects of wellbeing set out above when carrying out a care and support function in relation to an individual at any stage of the process from the provision of information and advice to reviewing a care and support plan. A local authority can promote a person’s wellbeing in many ways. How this happens will depend on the circumstances, including the person’s needs, goals and wishes, and how these impact on their wellbeing. The Care Act 2014 signifies a shift from</p>

existing duties on local authorities to provide particular services, to the concept of 'meeting needs'. This is the core legal entitlement for adults to care and support, establishing one clear and consistent set of duties and power for all people who need care and support. The concept of meeting needs recognises that everyone's needs are different and personal to them. Local authorities must consider how to meet each person's specific needs rather than simply considering what service they will fit into. The concept of meeting needs also recognises that modern care and support can be provided in any number of ways, with new models emerging all the time, rather than the previous legislation which focuses primarily on traditional models of residential and domiciliary care. Local authorities should adopt a flexible approach that allows for a focus on which aspects of wellbeing matter most to the individual concerned.

The principle of promoting wellbeing should be embedded through the local authority care and support system, but how the local authority promotes wellbeing in practice will depend on the particular function being performed

**Risk Management:**

Reports of Scrutiny Panels are integral to processes which exist to hold the Executive of the authority to account

**Access to Information:**

The background papers relating to this report can be inspected by contacting Paul Radcliffe by:-



Telephone: 0161 342 2199



e-mail: [paul.racliffe@tameside.gov.uk](mailto:paul.racliffe@tameside.gov.uk)

**Post Scrutiny - Executive Response**

**In Respect of:** Scrutiny Review of Carers in Tameside  
**Date:** 16 March 2017  
**Executive Member:** Councillor Brenda Warrington (Adult Social Care and Wellbeing)  
**Coordinating Officer:** Sandra Whitehead, Assistant Executive Director, Adult Services

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Recommendations	Accepted/ Rejected	Executive Response	Officer Responsible	Action By (Date)
1. That the Council closely monitor the prevalence of poor health among carers assessed in Tameside, with specific support and/or interventions to identify any potential quick fixes to aid health and future capacity.	Accepted	<p>Carers Centre able to collect the health information and provide advice, information and signpost to relevant Health intervention but do not provide health interventions directly.</p> <p>Conversation with Public Health to look at how we can engage and strengthen what is available and accessible.</p>	<p>Julie Moore / Lina Patel</p> <p>Julie Moore / Lina Patel</p>	<p>Ongoing</p> <p>June 2017</p>
2. That the Council focuses on improving awareness of the excellent support provided by Tameside carers, and the significance of their contribution to the local health and social care economy.	Accepted	<p>Development work around increasing awareness across the neighbourhoods to be improved.</p> <p>Promote the involvement of carers in the Integrated Neighbourhood development sessions to ensure carers voice and experience is heard and recognised.</p> <p>Annual report that reflects on carers contributions to be presented at Health and Wellbeing Board.</p>	<p>Neighbourhood Managers</p> <p>Sandra Whitehead</p>	<p>Ongoing</p> <p>Annually</p>

Recommendations	Accepted/ Rejected	Executive Response	Officer Responsible	Action By (Date)
3. That the Council ensures that ongoing emphasis is placed on creating holistic support plans for both adult and young carers that supports the breadth of physical and mental health needs.	Accepted	<p>The Council provides a holistic assessment/support plan for Adults.</p> <p>This action plan will be shared with Children's Services to request that they review and ensure their assessments are holistic.</p> <p>Also need to link with mental health services to enhance the offer.</p> <p>This is included in the revised Carers Strategy so will be implemented across the health and social care economy.</p>	<p>Julie Moore / Lina Patel</p> <p>Sandra Whitehead/ Sheena Wooding</p> <p>Vicki Gee</p> <p>Carers Strategy Group</p>	<p>Ongoing</p> <p>April 2017</p> <p>April 2017</p> <p>Ongoing</p>

Recommendations	Accepted/ Rejected	Executive Response	Officer Responsible	Action By (Date)
4. That the Council and partners look to determine the incidence and impacts that social isolation and loneliness has on carers in Tameside, and possible earlier interventions and support mechanisms.	Accepted	<p>Responsibility in Care Act to prevent and delay the escalation in needs of carers so need to ensure compliance with this.</p> <p>Prevention of social isolation is identified in the Carers Strategy and feedback from recent consultation events will be used to develop support mechanisms and early intervention. There also needs to be a wider knowledge in partner agencies to help them identify new and existing long term carers to ensure timely interventions.</p> <p>As part of the Integrated Neighbourhood developments with Single Commissioning Team Carers Lead a plan will be developed with colleagues with particular focus on GP referrals to receive information much sooner to provide earlier interventions</p>	<p>Carers Strategy Group and Adult Management Team</p> <p>Carers Strategy Group</p> <p>Neighbourhood Managers / Primary Care Commissioner</p>	<p>Immediate and ongoing</p> <p>Ongoing</p> <p>October 2017</p>
5. That the Council explores further locations and options to ensure carer's assessments are carried out in a setting that suits the needs of the carer while allowing clear practical evidence to be gathered.	Accepted	<p>There are currently 14 Carers Hubs plus the carers main centre provided across the borough. Analysis and monitoring of where assessments are carried out will be undertaken.</p> <p>Review instructions to staff to ensure assessments are undertaken at a location that suits the carer.</p>	Julie Moore / Lina Patel	October 2017

Recommendations	Accepted/ Rejected	Executive Response	Officer Responsible	Action By (Date)
6. That the Council closely monitors the number of telephone assessments which result in further re-assessments to meet an originally unidentified need, with a view to increasing ability to meet all needs at the earliest opportunity.	Accepted	Monitoring of the number of telephone assessments that are undertaken will commence.	Lina Patel	April 2017
7. That avenues are explored to improve any possible privacy issues within the centre and also heighten awareness of the current location and offer of the Carer's Centre within communities.	Accepted	<p>This will be reviewed and confidentiality of appointments will be reiterated to ensure that the service provides privacy for carers to confidentially discuss their needs and circumstances.</p> <p>Further awareness raising of the location of the Carers Centre will be made across the borough.</p>	Lina Patel / Julie Moore	April 2017
8. That the Council examines any barriers created by the relocation of the Carer's Centre to inform a possible future decision to find a more suitable location earlier than first planned.	Accepted	<p>The Carers Centre will be returning to the town of Ashton once the new building is ready, this location provides a more suitable base for the centre.</p> <p>Conversation with Estates for alternative accommodation until new centre opens.</p>	Sandra Whitehead	April 2017
9. With heightened responsibilities for the assessment of carers, the Council closely monitors the incidence of respite requests from carers and the Council's ongoing ability to deliver this provision if demand was to increase.	Accepted	The Council will continue to closely monitor the requests from carers and always offer an assessment of need for the cared for to be able to access different forms of respite that meet the eligible needs of the carer and the cared for.	Neighbourhood Managers	Ongoing

Recommendations	Accepted/ Rejected	Executive Response	Officer Responsible	Action By (Date)
10. That the Council looks to build on the current Schools Network that has been established to ensure that there are support groups or trained persons within all schools that young carers can discuss any issues with.	Accepted	The Council's young carers service visit schools on a regular basis to identify and offer support to young carers. Opportunities will be explored to extend further via Children's Carers services.	Bob Berry / Caroline Brierley	October 2017
11. That the Council's Adult and Children's Services work with external partners to establish a more robust data collection and sharing system, to allow more effective monitoring of services and provide more seamless, integrated support for carers.	Accepted	<p>The Carers Strategy will put a focus on this.</p> <p>As part of the carers development work across Integrated Neighbourhoods and with the input/direction from Carers this will be developed.</p> <p>Share recommendations with Children's Services to review, and where appropriate, develop data collection and monitoring.</p>	<p>Carers Strategy Group</p> <p>Neighbourhood Managers</p> <p>Sheena Wooding / Sandra Whitehead</p>	<p>Ongoing</p> <p>Ongoing</p> <p>July 2017</p>

## APPENDIX 2

### 1. INTRODUCTION BY THE CHAIR OF THE INTEGRATED CARE AND WELLBEING SCRUTINY PANEL

- 1.1 I am pleased to present this report of a review undertaken by the Integrated Care and Wellbeing Scrutiny Panel into Carers in Tameside between July and November 2016.
- 1.2 The importance of unpaid care in the UK has become increasingly apparent as pressure on resources has continued to restrict the ability of local authorities to support as wide a range of services. The value of unpaid care in the UK is estimated to be £132 billion, which is almost equivalent to the total NHS spend.
- 1.3 At the time that the 2011 Census was carried out, 24,059 people in Tameside identified themselves as providing unpaid care. The total across England and Wales at the same time was 5,800,246 people, which is an increase of over 600,000 since the previous Census. This rate of increase is faster than the population growth in the two countries over the same time period.
- 1.4 Longer life expectancies and improved health and social care for people of all ages is resulting in a growing need for unpaid care. With people living longer, they are more likely to develop one or more health conditions that require them to be cared for during their lifetime.
- 1.5 The State of Caring Report 2016 by Carers UK estimates that 20% of people providing 50 or more hours of care each week receive no practical support with their caring role. It also reveals that some carers have had to wait up to 6 months to begin receiving the support services agreed within their carer's assessment.
- 1.6 The Panel were aware of the vital role that carers have in ensuring the wellbeing of our population and as such, were driven to take an in-depth look at how carers in Tameside are being supported to fulfil their caring duties, and enjoy living their own lives at the same time.
- 1.7 On behalf of the Integrated Care and Wellbeing Scrutiny Panel, I would like to thank all those who have participated in this review.

Councillor Gillian Peet  
Chair of the Integrated Care and Wellbeing Scrutiny Panel

### 2. BACKGROUND TO THE REVIEW

- 2.1 The Care Act (2014) and Children and Families Act (2014) were both implemented to strengthen the levels of support provided to carers in the UK. The former is the most recent law and set out the care and support that carers can receive, while the latter is a new law for parents and carers of children and young people (aged 0-25 years) with special educational needs or disabilities.
- 2.2 The State of Caring Report 2016 reports that over half (54%) of carers across the country believe that their quality of life will worsen over the course of 2016, despite there being more comprehensive legislative support in place, and an increased emphasis from local authorities on improving support services for carers.

### 3. MEMBERSHIP OF THE PANEL – 2016/17

Councillor Peet (Chair), Councillor Cartey (Deputy Chair).  
Councillors Affleck, Ballagher, Bailey, Bowden, Buglass, Cooper, P Fitzpatrick, Fowler, Kinsey, Middleton, Patrick, Ryan, T Smith, Sweeton, R Welsh, Whitehead, Wild.

### 4. TERMS OF REFERENCE

#### Aim of the Review

- 4.1 To ensure that the Council is able to meet obligations to support carers of all ages in Tameside as a vital asset to improve health and social care outcomes.

#### Objectives

- 4.2
1. To understand the statutory duties of the Council and partners to support and help carers.
  2. To review the range of roles a carer can undertake and the importance of caregiving to the local health economy.
  3. To examine the range and effectiveness of support services that are available to carers of all ages.
  4. To examine changes to the Care Act (2014) and the impact on the Council to deliver the required levels of support.
  5. To review the responsibility of the Council to ensure the physical, social and health needs of carers is being taken into account.
  6. To determine how holistic, partnership work can improve the amount and quality of support that can be provided to carers.
  7. To produce workable recommendations that will help to provide more effective support for carers, and care support plans in Tameside.

#### Value for Money/Use of Resources

- 4.3 It is important that people receiving and providing care in Tameside are given a supportive network and environment that leads to improved outcomes for all residents. It is essential that the Council and partners work collaboratively to establish effective strategies that will recognise the factors affecting and/or limiting carers and improve the level of support they can provide.

#### Equalities Issues

- 4.4 People of all backgrounds and from all sections of Tameside's communities can become carers by personal choice or through circumstance. The review will consider strategies that lead to safe and positive environments for carers of all ages and backgrounds.

#### People and Place Scorecard

- 4.5 The following targets from the People and Place Scorecard relate to the Carers in Tameside review.

<b>Vulnerable Adults</b>	<ul style="list-style-type: none"><li>• Helped to live at home</li></ul>
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### 5. METHODOLOGY

- 5.1 To meet with Sandra Whitehead, Assistant Executive Director (Adult's Services); Julie Moore, Service Unit Manager (Assessment and Care Management); and Lina Patel, Assistant Team Manager (Assessment and Care Management with lead responsibility for Carers and the Carers Centre), to receive an overview of the Council's role in supporting caregivers and detailed information on the different support mechanisms that the Council has put in place to help adult carers.

- 5.2 To meet with Sheena Wooding, Head of the Integrated Service for Children with Additional Needs, to receive information on young carers and the Young Carers Service in Tameside, the common issues impacting them and what support networks are in place to support their needs.
- 5.3 To visit Tameside Carers Centre to understand the different support needs that carers present, and gain first-hand experience of the assessment and eligibility process and how support services can meet the range of carers needs.
- 5.4 To meet with Tameside Carers Action Group, to understand the role it has in supporting and helping current and ex-carers, as well as gain first-hand information on the experiences of carers.
- 5.5 To meet with Carole Hague, a current carer living and providing care in Tameside, to hear first-hand experiences of what it is like to be a carer and access support services and how legislative and local authority support has helped her to continue providing care.

## **6. REVIEW FINDINGS**

### **Local Context**

- 6.1 Providing care can be one of the most rewarding and gratifying jobs a person can do. Although all carers will have different experiences of caring, both positive and negative, providing care to another person can forge strong emotional bonds of friendship and arguably provides a far stronger sense of reward than any other job.
- 6.2 The importance of carers should not be underestimated. Not only do they help to look after and care for those in our communities who are most in need, they also save the national health and social care economy an estimated £132 billion each year. Many carers often have to make financial, emotional or career sacrifices when deciding to be a caregiver.
- 6.3 Data from the 2011 Census showed that a total of 24,059 people identified themselves as providing unpaid care in Tameside. This number equates to roughly 11% of the borough's total population, which is slightly higher than the 10.6% average for Greater Manchester. The Tameside Poverty Strategy 2014-17 states that this figure is likely to be an underestimate of the true number of people providing care in the borough.
- 6.4 Carers UK estimate that the number of carers in the UK will rise by 40% by 2037, bringing the carers population in the UK to over 9 million. Every year over 2.1 million adults become carers, with a significant number finding that their caring responsibilities come to an end. This turnover rate means that caring will touch the lives of a significant proportion of the population.

**Figure 1. The Breakdown of Care Provided in Tameside**

Age	Number of people providing unpaid care	Proportion of people providing unpaid care of total population	Number of people providing 1 to 19 hours of unpaid care a week	Number of people providing 20 to 49 hours unpaid care a week	Number of people providing 50 or more hours unpaid care a week
Total	24,059	11.1%	14,106 (58.6%)	3,594 (14.9%)	6,359 (26.4%)
Age 0 to 15	587	0.3%	454 (77.3%)	75 (12.8%)	58 (9.9%)
Age 16 to 24	1,547	0.7%	1,051 (68.0%)	288 (18.6%)	208 (13.5%)
Age 25 to 34	2,452	1.1%	1,527 (62.3%)	381 (15.5%)	544 (22.2%)
Age 35 to 49	6,757	3.1%	4,219 (62.4%)	1,030 (15.2%)	1,508 (22.3%)
Age 50 to 64	8,080	3.7%	5,084 (63.0%)	1,167 (14.4%)	1,829 (22.6%)
Age 65 and over	4,636	2.1%	1,771 (38.2%)	653 (14.1%)	2,212 (47.7%)

6.5 The table above shows the complete breakdown of the number of carers in Tameside that were identified in the 2011 Census, and the amount of care provided by different age groups. Some of the key findings include:

- The majority (58.6%) of carers active in Tameside provide 1 to 19 hours of care per week.
- A higher proportion of people aged 25 and over provide 50 or more hours of unpaid care per week.
- Older carers comprise over half (52.9%) of the unpaid carers in Tameside and approximately a third (31.8%) of these older carers are providing 50 or more hours of care per week.
- A total of 9.9% of carers aged 15 and under provide 50 or more hours of unpaid care. This is a significant proportion of children in the borough who are predisposed to a greater risk of the impacts of being a carer.

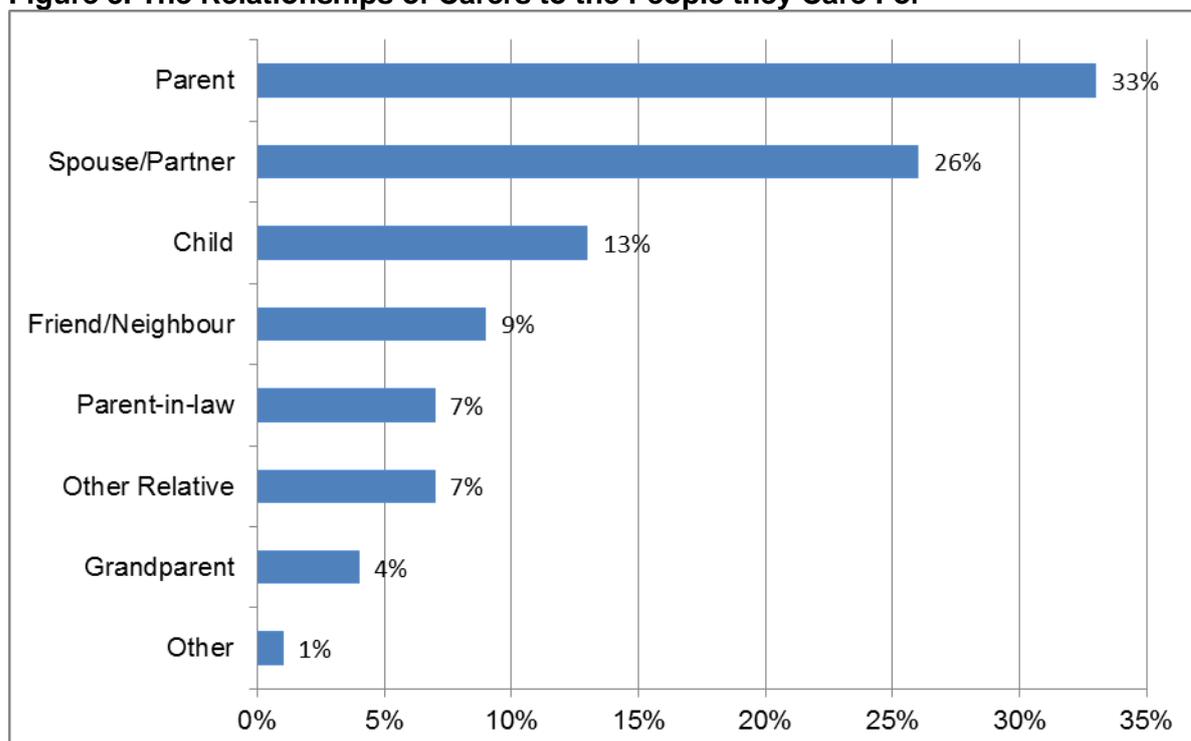
6.6 As at November 2016, the number of young carers registered with the Tameside Young Carers service is 374. The majority of these children (251) are aged 11-16, while 77 are aged 17-18, and 46 are aged 7-10.

**Figure 2. The Health of Carers in Tameside**

Carer	All categories: General health	Very good or good health	Fair health	Bad or very bad health
Provides unpaid care: Total	24,052	16,583 (69.0%)	5,493 (22.8%)	1,976 (8.2%)
Provides 1 to 19 hours unpaid care a week	14,100	10,886 (77.2%)	2,553 (18.1%)	661 (5.7%)
Provides 20 to 49 hours unpaid care a week	3,594	2,334 (64.9%)	936 (26.0%)	324 (9.1%)
Provides 50 or more hours unpaid care a week	6,358	3,363 (52.9%)	2,004 (31.5%)	991 (15.6%)

- 6.7 The table above contains data on the health of carers collected in the 2011 Census. The majority of carers (69%) in Tameside reported having very good or good health, while 8.2% reported having bad or very bad health. In comparison, 72.5% of carers in England and Wales reported to having good or very good health, and 6.7% reported to having bad or very bad health.
- 6.8 Figure 2 also shows that the proportion of people in Tameside experiencing poorer health increases with the number of hours of unpaid care provided per week. According to Carers UK, people providing 50 or more hours of care each week are twice as likely to be in bad or very bad health as a person without any caring responsibilities.
- 6.9 This is also in line with national figures collected in the GP Patient Survey (2013), which found that 51% of non-carers have a long-standing health condition, compared to 60% of all carers and 70% of carers providing 50 or more hours of care a week.
- 6.10 Furthermore, the Personal Social Services Survey of Adult Carers in England 2014-15, reports that over a third of carers (38%) provide over 100 hours of care each week, putting them at a far higher risk of experiencing poor mental and physical health than the average carer and non-carer.
- 6.11 **Roles and Responsibilities** – Carers can have a number of different roles that they carry out depending on the needs of the person they are looking after. The State of Caring Report 2014 by Carers UK surveyed the range of roles provided by carers:
- 93% provide practical help (e.g. preparing meals, doing laundry or shopping).
  - 87% provide emotional support and motivation, and keep an eye on someone either in person or over the phone.
  - 85% arrange and coordinate care services or medical appointments.
  - 83% manage paperwork for financial matters for the person they care for.
  - 71% provide personal care (e.g. help with washing, dressing, eating or using the toilet).
  - 57% help the cared for with their mobility (e.g. getting in and out of bed, moving around the house or going outside).

**Figure 3. The Relationships of Carers to the People they Care For**



- 6.12 The graph above shows the different relationships that carers in the UK have with the person they support for the greatest number of hours. The data, collected in the NHS Information Centre for Health and Social Care Survey of Carers in Households 2009/10, showed that people are most likely to be looking after a close family member.
- 6.13 The same report also found that 83% of carers in the UK provide care for one person, 14% look after two people and 3% look after three or more people. Caring for more than one person is a lot of responsibility and work, and can come with considerable consequences to the health and wellbeing of the caregiver.

#### **Conclusions**

1. A significant number of Tameside adults and children are providing unpaid care within the community.
2. Tameside has a higher proportion of carers reporting to be in bad or very bad health (8.2%) than the rest of England and Wales (6.7%).

#### **Recommendations**

1. That the Council closely monitor the prevalence of poor health among carers assessed in Tameside, with specific support and/or interventions to identify any potential quick fixes to aid health and future capacity.

#### **Impacts of Being a Carer**

- 6.14 Caring is a very challenging role to undertake and can require a lot of strength and resilience. It can be emotionally and physically demanding, often making it difficult to make ends meet. Carers commonly report that they see their own health and wellbeing suffer, have a considerably lower income, and have difficulty staying in touch with friends and family, as a direct result of their caring roles.
- 6.15 Carers of different ages can be impacted in different ways. Older carers, for example, are more likely to see their physical health suffer as a result of lifting and carrying heavy equipment, while younger carers can see their academic and social development suffer by having to miss time at school.
- 6.16 **Health and Wellbeing** – A significant piece of multi-agency research was undertaken as part of the 2012 In Sickness and in Health report by Carers UK. Approximately 3,400 carers were surveyed, with 87% stating that their mental health has been negatively impacted by caring.
- 6.17 Specific data was collected on the different ways in which the surveyed carers have been impacted as a result of being a carer:
- 91% had dealt with anxiety and/or stress.
  - 53% reported depression.
  - 36% had sustained physical injuries/strains (e.g. back pain).
  - 26% found pre-existing conditions significantly worsened.
  - 22% suffered with high blood pressure.
- 6.18 There are known risks and impacts associated with caring, in particular being able to maintain a good standard of health. Whilst dealing with the strain of lifting and moving people/equipment as well as the stress of providing around-the-clock care, it can be difficult for carers to find the time to exercise, get enough sleep, or prepare healthy and nutritious meals.
- 6.19 The report also found that a lot of carers do not have the time to attend medical appointments, see friends/family or simply relax. The survey found that 39% of carers have put off medical treatment because of caring, which as a result:
- 53% suffered for an extended period of time.

- 49% have said their problem(s) worsened.
- 26% found it harder or impossible to continue undertaking their caring responsibilities.
- 22% developed additional illnesses.

6.20 MIND, a mental health charity, states that the challenges carers face can make them feel frustrated, low or depressed. Suffering with any, or a combination of depression, anxiety and stress can be extremely difficult to deal with, even without the responsibility of being a carer. If not supported properly, people can become too unwell to continue providing care.

6.21 **Financial Insecurity** – Caring can restrict a person’s capacity to work. The State of Caring Report 2016 finds that of people providing full-time care, approximately 49% leave work and 23% reduce their hours of employment.

6.22 The same study reports that 44% of all carers experience financial difficulties, a figure which rises to 48% when providing care for 35 or more hours per week. In addition, more than a quarter of carers (26%) have been, or are currently in debt as a direct result of them being a carer. Almost three quarters (73%) of carers struggle to make ends meet and say that the regular worry about finances is having an adverse impact on their health.

6.23 Feedback from carers showed that the following support would help with their employment.

- More support from care workers coming to the home of the person they care for (54%)
- Support with managing or coordinating care (34%)

6.24 **Social Isolation** – Carers of all ages can become socially isolated; this is a significant contributor and identifier for poor mental and physical health and wellbeing. Due to the time commitment associated with caring, carers may not have the time to talk to or see friends or family, unless it is arranged as a form of respite.

6.25 The importance of social interaction is emphasised as a crucial component of maintaining happiness and health for all people, not just carers. Independent research studies undertaken by several research groups have found that loneliness and social isolation can:

- Put individuals at a greater risk of cognitive decline
- Increase the chances of depression
- Increase the chances of suicide in older age
- Increase the risk of high blood pressure, coronary heart disease and stroke.

### Conclusions

3. It can be common for carers to unintentionally neglect their own personal, social and emotional wellbeing as a result of caring.
4. Carers are at an increased risk of feeling lonely and becoming socially isolated.

### Recommendations

2. That the Council focuses on improving awareness of the excellent support provided by Tameside carers, and the significance of their contribution to the local health and social care economy.
3. That the Council ensures that ongoing emphasis is placed on creating holistic support plans for both adult and young carers that supports the breadth of physical and mental health needs.
4. That the Council and partners look to determine the incidence and impacts that social isolation and loneliness has on carers in Tameside, and possible earlier interventions and support mechanisms.

## **Assessments and Eligibility Criteria**

- 6.26 The Care Act (2014), which was implemented in April 2015, entitles all carers to receive a carer's assessment from their local authority, irrespective of the number of hours of care they provide, their income levels or the level of support they require. This has remained constant despite amendments and additions being made to the legislation in 2015 and 2016.
- 6.27 Assessments are carried out in an environment that is appropriate and suitable to the needs of the carer and can be done in person or over the phone. If caring responsibilities are shared between two or more people then each individual is still entitled to their own assessment.
- 6.28 A carer's assessment provides carers with an opportunity to discuss their caring roles and responsibilities and highlight the support they feel they need to fulfil these responsibilities whilst managing their own personal lives.
- 6.29 The working group received information from a carer which highlighted the importance to ensure initial assessments are comprehensive and able to identify all areas of support. Concerns were raised that while telephone assessments are convenient for some, they do not provide an opportunity to gain full evidence and understanding of a carer's individual circumstances. This may lead to further resources and time spent undertaking re-assessment to address a missed or unidentified need. This was also supported by further anecdotal evidence gathered by the working group during a meeting with the Carers Action Group.
- 6.30 Carers can be referred for an assessment in a number of ways, including the Carers Centre, Social Workers and GPs. Carer's assessments can be carried out jointly with other services such as the NHS to ensure that all aspects of a carer's needs are being discussed and all professionals involved in a person's care are cooperating about decisions being made.
- 6.31 **National Eligibility Criteria** – When carrying out carer's assessments, local authorities are responsible for determining whether or not a carer's needs meet the National Eligibility Criteria as set out in the Care Act (2014). The threshold is based on the impact that caring has on a carer's wellbeing.
- 6.32 Local authorities must deliberate the following three considerations when determining if a carer has eligible needs:
- Whether the carer has needs due to a physical or mental impairment or illness.
  - Whether the specific needs of the carer result in the carer being unable to achieve two or more outcomes outlined in their carer's assessment.
  - Whether there is, or is likely to be, a significant impact on the carer's wellbeing as a consequence of their caring responsibilities and being unable to achieve these outcomes.
- 6.33 An adult's needs are only eligible where they meet all three of the above conditions. The support that a carer can receive ranges from signposting and advice, to adult social care funded support. The type of support that is available to carers is also dependent on whether the person or people they are looking after have eligible needs.
- 6.34 Council-commissioned respite, for example, is provided to people being looked after and not the carer, meaning that the amount and type of respite provision is based on whether the cared-for person meets the eligibility threshold and what their specific support needs entail.
- 6.35 Where a person being cared for meets eligibility criteria, an assessment/reassessment of the carer's needs will take place and a support plan will be put in place. Annual

reassessments are carried out to ensure that the carer is receiving all support necessary to their needs.

- 6.36 When a person being cared for does not meet the eligibility threshold for funded support, an information pack is forwarded to their carer that includes key advice and information about where and how they can access other services. A carer's assessment is also completed to determine if the carer has any specific support needs.
- 6.37 If a carer has eligible needs but the person they look after does not, the carer may be entitled to some form of financial support (see Sections 6.51 – 6.52), as well as a review of their support needs and a full reassessment of their support plan and eligibility at 12 months. If a carer and the cared for has a change of circumstances they can request an assessment at any time.

### Conclusions

5. Since April 2015, the Council has had a statutory responsibility to ensure that all identified carers receive an assessment to identify specific support needs and whether they meet eligibility criteria.

### Recommendations

5. That the Council explores further locations and options to ensure carer's assessments are carried out in a setting that suits the needs of the carer while allowing clear practical evidence to be gathered.
6. That the Council closely monitors the number of telephone assessments which result in further re-assessments to meet an originally unidentified need, with a view to increasing ability to meet all needs at the earliest opportunity.

### Support for Carers

- 6.38 As previously mentioned, all carers are entitled to some form of support, whether this be free advice and information or access to Council-funded services. There are a number of different financial supports available to carers, including Direct Payments and Carer's Allowance.
- 6.39 **Carers Centre** – The Carers Centre in Tameside provides a daily drop-in facility Monday through Friday (11am – 2pm). This is a valuable service for carers, offering them a place to talk to advisors, arrange or complete a carer's assessment and access the information and advice library.
- 6.40 Prior to the redevelopment of the Council offices in Ashton, the Carers Centre was situated in Ashton town centre. When situated in this longstanding location, the service was a widely utilised resource with high levels of footfall year-round.
- 6.41 The Carers Centre has been temporarily moved to Hyde Town Hall while the new Council office development takes place. Data shows that the number of carers, professionals and members of the public visiting the service fell from 69 per month when in Ashton, to 42 per month in Hyde. A visit to the current Carers Centre did identify some possible issues with privacy for carers when discussing general circumstances and during assessment.
- 6.42 It is currently planned for the Carers Centre to be relocated back to Ashton town centre following the completion the new Council office development. There is no fixed date for this and it is hoped that this will improve accessibility to the service and raise the numbers of carers accessing the advice and support.
- 6.43 **Carer's Allowance** – This benefit is specifically for carers and is worth up to £62.10 per week depending on whether the carer meets the following eligibility criteria:
- Aged 16 or over.

- Caring for someone for at least 35 hours each week.
  - Are caring for someone who gets a qualifying disability benefit (including the middle or higher rate of the care component of Disability Living Allowance, the daily living component of Personal Independence Payment, Attendance Allowance, or Armed Forces Independence Payment).
  - Earning £110 a week (after deductions) or less.
  - Not in full-time education.
  - In possession of satisfactory UK presence and residence conditions.
- 6.44 There is an overlapping benefits rule in place that means that a carer's entitlement to Carer's Allowance can be impacted if they are in receipt of other benefits, including Jobseeker's Allowance and Employment and Support Allowance. If a carer cannot receive Carer's Allowance due to the overlapping benefits rule, they can apply for an underlying benefit entitlement, provided that they meet all eligibility criteria.
- 6.45 **Personal Budget** – Under the Care Act (2014), there is now a duty upon local authorities to produce and commission a care and support plan that offers a Personal Budget to the cared for who meet the National Eligibility Criteria.
- 6.46 A Personal Budget is an agreed amount of money that is allocated to provide care and support to meet the eligible needs of the cared for, the carer will contribute to the management to ensure personalised care and support for the cared for and the carer. It is a statement of the total amount of money needed to meet a carer's eligible social care needs and can be used to plan short stays or respite for the cared for person from providers.
- 6.47 **Direct Payments** – If a carer, or the person they are looking after, is assessed by a local authority as needing support and they meet National Eligibility Criteria, then they have a right to ask for a Direct Payment to be made to them to allow the carer to directly arrange any services for themselves instead of having the local authority arrange them on their behalf.
- 6.48 Direct Payments can be worth up to the value of 5 hours of support per week and can be used to help carers meet their assessed needs and desired outcomes detailed within their support plan. Payments are made directly to the carer or cared-for person and can be used flexibly.
- 6.49 Direct Payments are not counted as a contributing form of income, meaning that it does not affect a carer's entitlement to other benefits that they may be in receipt of. However, any person who is in receipt of a Direct Payment must keep a record of how they are spent and submit this to the local authority.
- 6.50 **Part-Direct Payments** – These are one off annual payments to eligible carers whose cared-for person does not meet National Eligibility Criteria, or whose cared-for have chosen not to request an assessment for themselves.
- 6.51 A Part-Direct Payment can be up to the maximum of £240.00, depending on the carer's circumstances and support needs. Just as with Direct Payments, carers can use these payments to help them achieve the desired outcomes agreed within their support plan.

**Figure 4. The Number of Carers Eligible for Funded Support in Tameside**

	April 2015 – March 2016			April 2016 – September 2016			
	18-64	65-84	85+	18-64	65-84	85+	Unknown
Direct Payment	33	18	3	11	4	0	9
Part-Direct Payment	583	255	13	216	96	2	13
Councils with Adult Social Service Responsibility (CASSR) Managed Personal Budget	120	72	8	40	37	4	45
CASSR Commissioned Support	70	37	1	1	0	0	0
Information, Advice, Signposting and Other Universal Services	251	139	12	99	66	9	108

- 6.52 The table above shows the number of adult carers that were deemed eligible for funded support following a carer’s assessment or reassessment undertaken between April 2015 and September 2016. The total number of eligible carers in 2015/16 was 1,615, and 717 in 2016/17 to date.
- 6.53 Prior to November 2016, local authorities were not required to collect data on the ages of carers accessing services, which is the reason for the incomplete dataset in Figure 4. Any unknown information is prorated at the end of the municipal year.
- 6.54 So far in 2016/17, a total of 11 carers received no direct support despite being eligible for funded services. The most common reason for this is that carers do not wish to receive support for being a carer as they are already in receipt of support for other reasons. It can also be because the cared for person receives some form(s) of support that assists the carer, without the carer receiving any support directly.

**Figure 5. The Breakdown of Investment on Carers Support in 2016/17**

Investment	Support Provided
£907,766 (TMBC)	This funds any unplanned/emergency respite for all adults who meet National Eligibility Criteria (excluding learning disabilities).
£343,000 (Better Care Fund)	Part-direct payments and carers grants for carers caring for individuals below National Eligibility Criteria.
£186,323 (TMBC)	To provide planned respite for all adults who meet National Eligibility Criteria (excluding learning disabilities).
£60,000 (TMBC)	This helps to provide direct payments for carers caring for individuals that meet National Eligibility Criteria, as well as respite for elderly carers and alternate respite provisions.
£6,500 (Better Care Fund)	To provide information to carers via a newsletter and leaflets.
£500 (Better Care Fund)	To provide expenses to carers for attendance and engagement as part of the Carers Strategy Group.

- 6.55 The table above shows the amount and source of the funding for carers support services in Tameside for 2016/17, the vast majority of which is used to provide planned and emergency respite. The total investment as part of the Better Care Fund is approximately £350,000.

#### **Conclusions**

6. The change of location for the Carer's Centre has resulted in a significantly reduced number of visitors and residents receiving advice and support.

#### **Recommendations**

7. That avenues are explored to improve any possible privacy issues within the centre and also heighten awareness of the current location and offer of the Carer's Centre within communities.
8. That the Council examines any barriers created by the relocation of the Carer's Centre to inform a possible future decision to find a more suitable location earlier than first planned.

#### **Respite**

- 6.56 Taking a break and having time to rest and recuperate is vital to a carer's wellbeing and quality of life and vital to ensuring that the family relationship between the carer and cared for is maintained. Respite is an incredibly important provision that provides carers with time away from their caring duties and/or settings, allowing them to take a break, enjoy a hobby or spend time with friends and family.
- 6.57 Planned respite/short stay is provided if it is determined from an individuals' and carers assessment that they have eligible care and support needs that can only be met by the provision of planned respite/short stay. Eligibility is determined from the Care Act 2014 National Minimum Eligibility criteria. By meeting identified needs with planned respite/short stay provision this can contribute towards preventing the breakdown of the family situation by enabling carers to have regular breaks from their caring role, thus enabling individuals to remain living in the family home.
- 6.58 Unplanned respite/short stay is provided to eligible individuals who are in a situation of crisis where they cannot safely manage at home at that immediate time. There could be a number of reasons for this including carer stress or carer breakdown. Following assessment a period of unplanned respite/short stay may be provided as a short term intervention. Before a decision is made for an individual to access unplanned respite/ short stay an assessment of the individuals' and carers needs will take place via the Integrated Urgent Care Team.
- 6.59 Respite is technically provided to the person being cared for (also referred to as the service user). Therefore, the amount of respite they are entitled to is based on whether the needs of the cared-for person meet the National Eligibility Criteria. When determining the amount of allocated planned respite the needs and overall circumstances of the cared for and the carer are fully considered. The aim is to ensure there is not a breakdown of the family unit and relationships resulting in unplanned emergency respite or the separation of the cared for and the carer longer term.
- 6.60 There is a planned respite criteria with a maximum allocation of 21 nights, where there maybe exceptional circumstances then additional nights will be allocated. This number has reduced over recent years, as it was previously unlimited and impacted on equity of outcomes for new people, with any existing arrangements meaning some people had a very high number of nights. If no other means of support are available to meet the need, and criteria is met, respite will be offered.

**Figure 6. The Number of Service Users Receiving Planned Respite in Tameside**

<b>Age Group (of Carer)</b>	<b>2015/16</b>	<b>2016/17 (as at September 2016)</b>
18-64	60	53
64-85	37	42
85 and Over	5	4
Unknown	N/A	54

- 6.61 The table above shows the number of people being cared for who receive Council-commissioned respite support in Tameside. In 2015/16, 102 people received funded respite, while 153 have already been assessed and eligible and receiving respite in 2016/17 to date.
- 6.62 In 2015/16 there were 84 individuals in receipt of planned respite, equating to a total of 2619 nights of respite. During 2015/16 there was also a total of 232 individuals in receipt of unplanned respite, equating to a total of 12,968 nights, 107 of these individuals met the criteria for permanent residential care, the remaining individuals returned home with some receiving ongoing planned respite.
- 6.63 Respite is not provided to young carers in the same way that it is to adult carers. The Young Carers Service helps to give young carers a break from their caring roles through organised trips, holidays, or individual/group activities (see Section 6.74).

**Figure 7. Respite Services in Tameside**

<b>Respite Service</b>	<b>Type of Support Provided</b>
Active Tameside	Provides a day service offering swimming, dance, drama, sports and gym activities. It is available for spot purchasing.
Age UK (Tameside)	A day service for older men that is available for spot purchasing. The service is based on Age UK's national success with "Shed" projects, which is the concept of a group of men helping each other through general discussions about the issues facing them in relation to their health, emotional wellbeing or practical issues troubling them in their everyday lives.
Creative Support	A specialist day service for people with dementia. It has 20 places (building-based) and 8 places (community-based) available each day. The service aims to provide daytime support and activities to those with dementia whose needs will be best met by a specialist level of support.
Meridian Healthcare	A provision of day-care places in residential homes, available for spot purchasing. The service provides daytime support and activities for older people including gardening, arts and crafts, cooking, bingo and reading, as well as an opportunity to meet new people, have fun and spend time away from their care setting.
MIND (Tameside, Oldham and Glossop)	This is a community gardening activity primarily aimed at people with a learning disability or mental health needs. It is available for spot purchasing.
People First Tameside	This is the provision of daytime activities based on short courses and social activities for adults with a learning disability. An individualised one-to-one service is also provided to support people in pursuing their hobbies or interests.
Residential and Nursing Home Providers	This is the provision of respite care in homes across the borough. Respite stays are booked by families with the homes directly and are available for spot purchasing.

Tameside Arts	This is the provision of daytime activities for adults with a learning disability, offering adapted, accessible and inclusive person-centred arts, exercise and social activities. The service is focused on the personal development of social skills through group work, as well as numeracy, literacy, communication and daily-life skills. It also provides guided emotional support and has a strong therapeutic and developmental focus. Spaces are available through spot purchasing.
Tameside Countryside	This is based at Lymefields Visitors Centre and takes on groups of 12 people to take part in a variety of activities including health walks, environmental art, bushcraft, practical nature conservation tasks and relaxation. Spaces are available for spot purchasing.

- 6.64 The table above provides details of the Council-commissioned respite services in Tameside. A range of different day services and activities are available, as well as the potential for longer stays in residential and nursing homes. In addition to the above Adult Services provide daily respite for Adults with a Learning Disability living at home with carers/family. There is also a specialised respite facility available for Adults with a Learning Disability of which 48 individuals use this provision to provide carer respite, there are also 27 individuals who live with Shared Lives Carers who receive respite with an alternate Shared Lives Carer. If more appropriate or necessary, respite care can be arranged to take place in the house of the cared-for person.
- 6.65 As at November 2016, the average cost of a Council-commissioned day service is £30.60 per day. Respite through residential homes is costed at the agreed residential rates when commissioned by the Council. If services are purchased privately, this is done directly with the provider and prices can be higher.
- 6.66 If a service user is deemed eligible for respite they will be subject to a financial assessment under the Care Act for their care and support, however carers are not subject to any financial assessment and contribution to any funding they receive.

#### **Conclusions**

7. The more hours of care provided each week, the more important respite can become to carers in order to maintain their health and wellbeing and support them with future caring duties.
8. The Council's planned and unplanned respite provision for 2015/16 equated to over 15,500 nights.

#### **Recommendations**

9. With heightened responsibilities for the assessment of carers, the Council closely monitors the incidence of respite requests from carers and the Council's ongoing ability to deliver this provision if demand was to increase.

#### **Young Carers**

- 6.67 Current estimates put the number of young carers in Tameside at 374. With the need for unpaid care increasing, it is anticipated that the number of young carers and the total number of hours of care they provide, will also rise. This places a heightened importance on ensuring that there is an adequate range of effective support services available to help all young carers.
- 6.68 Young carers can experience the same impacts from caring that adults do (see Sections 6.16 – 6.28). Their academic and social development can also suffer as a result of missing school and not spending as much time with friends, which can in turn affect their future job prospects and emotional development. Being a young carer can make a child feel isolated and like they don't fit in with other 'normal' children.

- 6.69 Local authorities are required to actively seek out children and young people who are providing care, to make sure that they are being supported by all means that they are eligible for. Support plans are established following any assessment or reassessment and the Young Carers Service aims to make these as flexible as possible to make sure that support services are pertinent to the specific needs of each individual.
- 6.70 When the Council becomes aware of a young person actively providing care, health and safety checks are conducted to ensure that the environment the young carer is in allows them to safely and adequately provide the necessary care for their cared for person. These checks will make sure that there is the proper equipment in the property that care is being provided.
- 6.71 The Council will liaise with the parents of young carers when establishing support plans and arrangements, to make certain that family members are aware of the support that the young carer needs, and how they can help to ensure that their child is emotionally and physically supported to provide care.
- 6.72 First-aid training is also arranged by the Young Carers Service to improve young carers' knowledge and experience of providing first-aid and helping their cared for person in different emergency situations. This training is provided through St. Johns Ambulance.
- 6.73 The Young Carers Service has developed a number of partnerships including the Council's Adult Services department, and third sector organisations like Macmillan, Age UK and Action Together. This helps to ensure that young carers are receiving the greatest breadth of support possible.
- 6.74 Young carers who are transitioning into adulthood and/or employment are supported, along with their families and cared-for person, to help them to deal with any specific barriers inhibiting a healthy transition. The person that is cared for is also involved in this process to make sure that they are adequately prepared for any changes to their care routine and setting.
- 6.75 In 2015/16, a total budget of £42,000 was allocated to young carer's grants, including:
- **Family Holiday Grant** – This is to help young carers who wish to be able to go on a holiday with their family, by providing the necessary support for the cared for. The amount provided through this grant ranges from £200-400.
  - **School Holiday Grant** – This grant is made available to allow young carers attending school to partake in school trips and school holidays that they may not have otherwise been able to fully or partly afford.
  - **Individual Activity Grant** – This is to help young carers to attend individual activities and groups. This can help to give young carers a much needed break from caring and allows them to do something that is enjoyable and personal to them.
  - **Furnishing Grant** – This grant covers the equipment and furnishing needs identified during young carer's assessments and can be used for specific caring equipment or other needed items. In 2015/16 the total funding for this grant was £2,000.
- 6.76 There is no specific eligibility criteria to access these grants, meaning that a decision is pertinent to the situation of each young carer and of their specific support needs. Going forward, the Young Carers Service is looking to introduce eligibility criteria for each grant (see Section 6.81).
- 6.77 Trips and holidays are arranged by the Young Carers Service which can be a day trip or a weekend break. Previous holidays have been arranged to Blackpool Pleasure Beach and Centre Parcs. These are extremely valued activities as they help young carers to connect and make friends with other people in similar situations as them.

- 6.78 A Schools Network has been introduced by the Young Carers Service to establish more effective partnership work with schools across the borough. One of the main aims of this partnership approach is to make sure that schools have the effective support services available for young carers. Denton Community College, for example, runs specific young carers support groups, giving their students who are young carers to discuss any issues and establish friendships with students in similar situations.

### **Conclusions**

9. A range of support mechanisms are in place for young carers, including a variety of Council-commissioned grants.

### **Recommendations**

10. That the Council looks to build on the current Schools Network that has been established to ensure that there are support groups or trained persons within all schools that young carers can discuss any issues with.
11. That the Council's Adult and Children's Services work with external partners to establish a more robust data collection and sharing system, to allow more effective monitoring of services and provide more seamless, integrated support for carers.

## **7. CONCLUSIONS**

- 7.1 A significant number of Tameside adults and children are providing unpaid care within the community.
- 7.2 Tameside has a higher proportion of carers reporting to be in bad or very bad health (8.2%) than the rest of England and Wales (6.7%).
- 7.3 It can be common for carers to unintentionally neglect their own personal, social and emotional wellbeing as a result of caring.
- 7.4 Carers are at an increased risk of feeling lonely and becoming socially isolated.
- 7.5 Since April 2015, the Council has had a statutory responsibility to ensure that all identified carers receive an assessment to identify specific support needs and whether they meet eligibility criteria.
- 7.6 The change of location for the Carer's Centre has resulted in a significantly reduced number of visitors and residents receiving advice and support.
- 7.7 The more hours of care provided each week, the more important respite can become to carers in order to maintain their health and wellbeing and support them with future caring duties.
- 7.8 The Council's planned and unplanned respite provision for 2015/16 equated to over 15,500 nights.
- 7.9 A range of support mechanisms are in place for young carers, including a variety of Council-commissioned grants.

## **8. RECOMMENDATIONS**

- 8.1 That the Council closely monitor the prevalence of poor health among carers assessed in Tameside, with specific support and/or interventions to identify any potential quick fixes to aid health and future capacity.

- 8.2 That the Council focuses on improving awareness of the excellent support provided by Tameside carers, and the significance of their contribution to the local health and social care economy.
- 8.3 That the Council ensures that ongoing emphasis is placed on creating holistic support plans for both adult and young carers that supports the breadth of physical and mental health needs.
- 8.4 That the Council and partners look to determine the incidence and impacts that social isolation and loneliness has on carers in Tameside, and possible earlier interventions and support mechanisms.
- 8.5 That the Council explores further locations and options to ensure carer's assessments are carried out in a setting that suits the needs of the carer while allowing clear practical evidence to be gathered.
- 8.6 That the Council closely monitors the number of telephone assessments which result in further re-assessments to meet an originally unidentified need, with a view to increasing ability to meet all needs at the earliest opportunity.
- 8.7 That avenues are explored to improve any possible privacy issues within the centre and also heighten awareness of the current location and offer of the Carer's Centre within communities.
- 8.8 That the Council examines any barriers created by the relocation of the Carer's Centre to inform a possible future decision to find a more suitable location earlier than first planned.
- 8.9 With heightened responsibilities for the assessment of carers, the Council closely monitors the incidence of respite requests from carers and the Council's ongoing ability to deliver this provision if demand was to increase.
- 8.10 That the Council looks to build on the current Schools Network that has been established to ensure that there are support groups or trained persons within all schools that young carers can discuss any issues with.
- 8.11 That the Council's Adult and Children's Services work with external partners to establish a more robust data collection and sharing system, to allow more effective monitoring of services and provide more seamless, integrated support for carers.

<b>Report To:</b>	<b>OVERVIEW (AUDIT) PANEL</b>
<b>Date:</b>	31 July 2017
<b>Reporting Officer:</b>	Sandra Stewart – Director Governance and Pensions
<b>Subject:</b>	<b>ANNUAL REPORT OF THE SCRUTINY PANELS 2016/17</b>
<b>Report Summary:</b>	The Scrutiny Panels publish an Annual Report in order to inform the Council and the communities of Tameside about their work during the past year. The report also contains a message from the Executive Leader that underlines the fact that scrutiny involves all of the Council not just non-executive members.
<b>Recommendations:</b>	That the report be noted.
<b>Link to Community Strategy:</b>	The Annual Report of the Scrutiny Panels is widely circulated and that Annual Work Programmes are linked to the Corporate Plan priorities.
<b>Policy Implications:</b>	The Executive implement Council policy and Scrutiny Panels undertake constructive reviews of that implementation.
<b>Financial Implications: (Authorised by the Section 151 Officer)</b>	There are no direct financial implications as a result of this report. Any costs incurred by the Scrutiny Panels and service must be met from existing budgets.
<b>Legal Implications: (Authorised by the Borough Solicitor)</b>	The Annual Report plays a vital role in the Council's corporate governance in ensuring there is transparency and accountability in the respective roles of the Executive and Scrutiny.
<b>Risk Management:</b>	There is no risk associated with the Annual Report.
<b>Access to Information:</b>	The background papers relating to this report can be inspected by contacting Paul Radcliffe, Scrutiny and Member Services Manager by:-  Telephone:0161 342 2199  e-mail: paul.radcliffe@tameside.gov.uk

## Foreword from Executive Leader and Chief Executive

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We are pleased to introduce the annual report of the Council's Scrutiny function. Each year our Scrutiny Panels undertake active monitoring of performance as well as carrying out in-depth reviews of the Council's policies and strategies. This is a vital role to ensure the Executive is held to account and that positive outcomes are provided to residents.

Tameside's Care Together programme is at the forefront of some of the most transformational work in the country, aimed to significantly improve outcomes across health and social care. This is also accompanied by our strong and ambitious plans to invest and grow with 'Vision Tameside', working with partners to deliver much needed improvement to local infrastructure, connectivity and further education.

Scrutiny has an important role to support all current and future work of the Council. Working as a critical friend, Scrutiny Panels are able to review service delivery and identify improved ways of working where possible. The aims and objectives behind all their work is to ensure the best possible outcomes are achieved for our communities.

The Executive Cabinet recognises the valuable role Scrutiny plays within the Council. Our Panels will continue to regularly monitor the progress of services and review the way recommendations are actioned, helping to make Tameside a better place for all.

Councillor Kieran Quinn  
Executive Leader

Steven Pleasant  
Chief Executive



# Integrated Care and Wellbeing Scrutiny Panel

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**Councillors Peet (Chair), Cartey (Deputy Chair), Affleck, Bailey, Bowden, Buglass, Cooper, P Fitzpatrick, Fowler, Kinsey, Middleton, Patrick, Ryan, T Smith, Sweeton, R Welsh, Whitehead, Wild and Wills.**

With a remit covering local health services, Adult Services, Children's Services and Education the Panel has ensured regular updates are received throughout the year focussing on service delivery, performance and the transformational work taking place across Tameside's health and social care economy.

The Scrutiny Panel also has an important role to play in the ongoing improvement of Tameside Children's Services, following the Ofsted inspection undertaken in September 2016. Working closely with the service, panel members will continue to monitor planned improvements with a clear aim to deliver better outcomes for our children.

During the past year the Scrutiny Panel has undertaken in-depth reviews of 'Carers in Tameside' and 'Admission Avoidance'.

Carers are vital to ensuring the wellbeing of our population and improving health and social care outcomes. The review looked to ensure that the Council is able to meet obligations to support carers of all ages.

Since April 2015, the Council has had a statutory responsibility to ensure that carers receive an assessment to identify specific support needs and to determine whether they meet certain eligibility criteria.

Further research has shown that Tameside has a higher proportion of carers reporting to be in bad or very bad health (8.2%), when compared to the rest of England and Wales (6.7%).

The Panel recommended that close monitoring take place with regards to the prevalence of poor health among carers in Tameside, with a view to ensuring all possible interventions have the best impact.

The aim of the Admission Avoidance review was to examine the incidence of preventable and avoidable hospital admissions, exploring how health and social care services are working to produce more effective and timely interventions to improve patient outcomes.

It was important to understand the way that urgent care services operate in Tameside and the work that is being carried out to ensure people are treated in the most appropriate settings for their personal needs.

Reducing the need for urgent admission to hospital is in the best interests of both patients and providers. It became clear from meetings with Adult Services and the Hospital that the creation of a hospital based Integrated Urgent Care Team has improved the ability to support people who do not require acute medical intervention. This allows them to return to their home as soon as possible, with a referral to the Integrated Urgent Care Community Team for wrap around care and support.

Over the next year, the Panel will look to continue to tackle the priority issues in Tameside and improve the wellbeing of residents.



Councillor Gillian Peet  
Chair of the Integrated Care and Wellbeing  
Scrutiny Panel

# Place and External Relations Scrutiny Panel

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**Councillors Welsh (Chair), Piddington (Deputy Chair), Affleck, Beeley, Bowden, Bowerman, Drennan, Feeley, Fowler, Glover, A Holland, Homer, Newton, Patrick, Pearce, Reid, Sharif, Sidebottom, F Travis and Whitehead.**

During 2016/17, the Place and External Relations Scrutiny Panel have carried out in-depth reviews of 'Bin Swap and Delivering Future Improvements to Recycling' and 'Community Safety Partnership Working in Tameside'.

The Panel has also received regular updates relating to Vision Tameside, as the Council's major investment and development project. It has been important to monitor the way that the planned works will help strengthen the local economy and link to the wider transport, infrastructure and connectivity needs of the borough.

The aim of the Bin Swap review was to look at the recycling improvements achieved since the scheme was introduced and to identify future ways to improve recycling in lower performing areas and overall capture rates.

Since the borough-wide roll out of Bin Swap Tameside's recycling rates have quite clearly improved across all areas, which has allowed for significant financial savings to be made by diverting waste away from costly landfill.

Increased recycling rates achieved through Bin Swap have enhanced Tameside's performance when compared with other Greater Manchester authorities.

Closer analysis of recycling performance has identified a number of lower performing areas across the borough. The Panel recommended that priority and focus be placed on low performing areas, with a need to identify all potential barriers preventing residents from recycling. In order to achieve this, a more targeted, tailored and sustained approach is needed to improve awareness and engagement.

The Community Safety review looked at the future need for effective partnership working to take place across Tameside. The partnership will need to focus on the most effective,

widespread and resource-efficient delivery of services.

With a large number of partners involved in the effective delivery of local community safety initiatives, the panel has met with Greater Manchester Police, the Office of the Police and Crime Commissioner as well as some of our Registered Social Landlords.

Since May 2016 the operational delivery of neighbourhood working within the borough has changed. Integrated Neighbourhood Hubs have been developed in Tameside in response to a need for public service reform driven by reduced resources and a desire to get to the root causes of problems in our communities.

The Hubs bring together front-line service providers across a range of agencies to focus resources where they are needed most and where greatest community benefit can be achieved. The approach aims to remove duplication and reduce pressure on service providers. The effectiveness of current partnerships has been a real focus for the panel when ensuring all community safety and cohesion aspects are able to be addressed.

During the next year the Panel will continue to monitor a range of place based issues in Tameside.



Councillor Kevin Welsh  
Chair of the Place and External Relations  
Scrutiny Panel

# Ideas for Scrutiny

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You have just read what we have done over the past 12 months; perhaps you can influence what the Panels do in the future by suggesting projects which would be suitable for Scrutiny.

Please bear in mind that Scrutiny is not a complaints system, but can undertake in-depth reviews and report to the Council.

All reports are published on the Council's website: <http://www.tameside.gov.uk/scrutiny/reports>

If you want to suggest a suitable topic for Scrutiny please complete the following slip and return to:

Democratic Services  
Dukinfield Town Hall  
King Street  
Dukinfield  
SK16 4LA

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## Ideas for Scrutiny

Name:

Address:

Tel:

Email:

**Suggestion for Scrutiny Panel:**

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<b>Report To:</b>	<b>OVERVIEW (AUDIT) PANEL</b>
<b>Date:</b>	31 July 2017
<b>Reporting Officer:</b>	Sandra Stewart - Director Governance and Pensions
<b>Subject:</b>	<b>SCRUTINY ANNUAL WORK PROGRAMMES FOR THE MUNICIPAL YEAR 2017/18</b>
<b>Report Summary:</b>	To receive for information, the annual work programmes of the Scrutiny Panels for 2017/18.
<b>Recommendations:</b>	That the work programmes for 2017/18 be noted.
<b>Links to Community Strategy:</b>	The work programmes are linked to the Council's Corporate Plan priorities. Reviews taking place will help to ensure that the priorities will be delivered effectively across Tameside.
<b>Policy Implications:</b>	The work programmes comprise reviews that seek to check on the effective implementation of the Council's policies and if appropriate make recommendations to the Executive with regards to development, performance monitoring and value for money.
<b>Financial Implications: (Authorised by the Section 151 Officer)</b>	All costs incurred must be met from within existing budgets.
<b>Legal Implications: (Authorised by the Borough Solicitor)</b>	Part 4(g) of the Scrutiny Procedure Rules set out in the Constitution requires the Chair of each Scrutiny Panel to submit an annual Work Programme to Council for approval.
<b>Risk Management:</b>	The Chairs and Deputy Chairs of the Scrutiny Panels will be informed of the progress in implementing the work programmes.
<b>Access to Information:</b>	The background papers relating to this report can be inspected by contacting Paul Radcliffe, Scrutiny and Member Services Manager by:-

 Telephone: 0161 342 2199

 e-mail: paul.radcliffe@tameside.gov.uk

## **1. SCRUTINY PANEL WORK PROGRAMMES**

- 1.1 The work programmes for the Council's two Scrutiny Panels have been proposed by panel members and the report contains information relating to the in-depth reviews to be undertaken during 2017/18.
- 1.2 The work programmes have been developed to reflect some of the priority issues facing the Council as well as individual areas of concern raised by scrutiny members. The work programmes include follow up reviews to consider the progress and implementation of recommendations contained in Scrutiny Panel reports already adopted by the Executive. Scrutiny Panels also undertake a systematic monitoring of the achievement of Tameside's People and Place Scorecard.
- 1.3 Care has been taken to ensure that the work programmes link to the Corporate Plan priorities of the Council. The majority of the items on the work programmes will involve reviews and activities that are aimed at adding value to the services.
- 1.4 At the Scrutiny Panel meetings held in June 2017, each panel confirmed the order by which reviews will be conducted during the coming year. The numbering below represents the order they will be carried out.

### **Integrated Care and Wellbeing Scrutiny Panel**

1. Homecare Provision
2. Suicide Prevention

### **Place and External Relations Scrutiny Panel**

1. Approach to Community Safety Partnership Working in Tameside (carried from 2016/17)
2. Business Growth

## Integrated Care and Wellbeing Scrutiny Panel

### Work Programme 2017/18

#### In-depth Policy Reviews

Subject of Review	Rationale for Review	Links to the Council's Corporate Plan Priorities	Executive Member	Suggested by
<b>Homecare Provision</b>	<p>Whilst social care is very much a national issue, the responsibility and challenges associated with delivering high quality and consistent care rests with local authorities.</p> <p>The local home care provider market is one which requires the Council to be flexible and responsive to a range of commissioning and care needs on a daily basis. Working closely with a number of local providers, it is important that the care provided to our elderly and most vulnerable residents is of the highest possible standard.</p> <p>Recent reports and television coverage has drawn attention to national pressures within the market, ranging from the amount of time allocated to care calls to providers no longer being able to operate.</p> <p>The review will focus on the way homecare provision is delivered in Tameside, local care providers and the future decision making and planning required to improve outcomes.</p>	<p>This review will support the corporate priority 'People' by helping people to live independent lifestyles supported by responsible communities and improving the health and wellbeing of residents.</p>	<p>Adult Social Care and Wellbeing</p>	<p>Panel</p>
<b>Suicide Prevention</b>	<p>National suicide rates over recent years are now the highest seen in over a decade, with research showing that suicide disproportionately affects men, accounting for around three quarters of all cases. Data from the Office for National Statistics also reports that suicide was the leading cause of death for 20 to 34 year olds in England.</p>	<p>This review will support the corporate priority 'People' by helping people to improve the health and wellbeing of residents and protect the most vulnerable</p>	<p>Adult Social Care and Wellbeing / Healthy and Working</p>	<p>Panel</p>

Subject of Review	Rationale for Review	Links to the Council's Corporate Plan Priorities	Executive Member	Suggested by
	<p>Suicide is a health inequality issue, with people living in deprived groups within lowest socio-economic areas ten times more at risk of suicide than those living in most affluent groups within the same areas.</p> <p>Data from Public Health England (2013-2015) shows that Tameside has the highest suicide rate for males across Greater Manchester and is significantly higher than the England average.</p> <p>The national suicide prevention agenda must be underpinned at a local level with effective strategy and partnerships. The review will look at the way the Council, health services and the community and voluntary sector are working together to improve outcomes.</p>			

#### Ongoing Monitoring

Subject of Review	Rationale	Links to the Council's Corporate Plan Priorities	Executive Member	Frequency
<b>Care Together</b>	The Care Together Programme is bringing about an integrated health and social care system for Tameside, which is both innovative and ambitious. The Panel will receive regular updates relating to the progress, transformational work and service delivery going forward.	This will support the corporate priority 'People' by improving the health and wellbeing of residents.	Healthy and Working / Adult Social Care and Wellbeing	Ongoing
<b>Tameside Hospital</b>	The Panel will continue to monitor performance and developments at Tameside Hospital. Members of the Hospital's Executive attend Scrutiny Panel meetings on a regular basis to keep the Panel updated and informed of any significant changes.	This will support the corporate priority 'People' by improving the health and wellbeing of residents.	Healthy and Working / Adult Social Care and Wellbeing	Ongoing

<b>Subject of Review</b>	<b>Rationale</b>	<b>Links to the Council's Corporate Plan Priorities</b>	<b>Executive Member</b>	<b>Frequency</b>
<b>Adult Services</b>	The Panel will receive updates on developments to service delivery, links with the Care Together Programme and impact of the changes to the Care Act.	This will support the corporate priority 'People' by improving health and wellbeing of residents and protecting the most vulnerable.	Adult Social Care and Wellbeing	Annually
<b>Children's Services</b>	The Panel will work closely with the service over the next 2 years to monitor and support the Tameside Children's Services Improvement Plan. Updates and activity will be planned throughout the municipal year.	This will support the corporate priority 'People' by supporting families to care for their children safely and protecting the most vulnerable.	Children and Families	Annually
<b>Education</b>	The Panel will receive updates on School Performance and Standards including required actions following Ofsted inspections.	This will support the corporate priority 'People' by increasing educational attainment and skills levels.	Life Long Learning	Annually
<b>Health and Wellbeing Board</b>	The Scrutiny Panel has a good relationship with the board and ongoing work will be undertaken to routinely share information and developments.	This will support the corporate priority 'People' by improving the health and wellbeing of residents.	Healthy and working	Annually

### Performance Monitoring

<b>Subject of Review</b>	<b>Rationale for Review</b>	<b>Links to the Council's Corporate Plan Priorities</b>	<b>Frequency</b>
<b>People and Place Scorecard</b>	The Scrutiny Panel will receive performance monitoring information on the People and Place scorecard measures relating to the remit and will:- i. scrutinise performance against direction of travel and comparator areas; ii. request information from partner organisations where relevant to particular People and Place Scorecard measures; and iii. expect partner organisations to respond to scrutiny recommendations concerning the measures relevant to their organisation.	This performance monitoring exercise supports the Council's vision to maximise the wellbeing of the people of the borough as outlined in the Corporate Plan.	Quarterly

## Evaluation of Review Outcomes

(An evaluation of the implementation of the Scrutiny Panel's recommendations)

Subject of Review	Rationale for Review	Links to the Council's Corporate Plan Priorities	Executive Member	Suggested By
<b>Child Sexual Exploitation</b>	The review investigated the current levels of child sexual exploitation in Tameside and the effectiveness of strategies put in place by the Council, Police, Schools and other partners. The Panel will receive an update on outcomes of the recommendations and issues and relating to child sexual exploitation in Tameside.	This review supported the corporate priority 'People' by protecting the most vulnerable and supporting families to care for their children safely.	Children and Families	Panel
<b>Homelessness and the Demand for Temporary Accommodation</b>	The review looked at the levels and causes of homelessness in Tameside and how the Council and partners are working to prevent and reduce the severity and incidence of homelessness in the borough. The Panel will receive an update on outcomes of the recommendations and work that is being undertaken to reduce homelessness and the demand for temporary accommodation in the borough.	This review supported the corporate priority 'People' by helping people to live independent lifestyles supported by responsible communities.	Healthy and Working	Panel
<b>Carers in Tameside</b>	The review looked to ensure that the Council is able to meet obligations to support carers of all ages, with Changes to the Care Act resulting in a statutory responsibility for the Council to ensure that carers receive an assessment to identify support needs. The Panel will monitor the progress of services and review the way recommendations are actioned.	This review supported the corporate priority 'People' by helping people to live independent lifestyles supported by responsible communities.	Adult Social Care and Wellbeing	Panel

## Place and External Relations Scrutiny Panel

### Work Programme 2017/18

#### In-depth Policy Reviews

Subject of Review	Rationale for Review	Links to the Council's Corporate Plan Priorities	Executive Member	Suggested By
<p><b>Approach to Community Safety Partnership Working in Tameside</b></p>	<p>In 2014 changes were made to the way community services are to be delivered in Tameside. A new strategic vision for a greater Neighbourhood Offer was created, aimed to align service delivery and deliver required efficiencies. The new structure was intended to ensure greater strength across partnerships to co-design and co-deliver a range of community services.</p> <p>A strong and sound model for community safety requires partners such as the Council, Police, Fire and Rescue Service and Registered Local landlords to operate together. The service will deal with neighbourhood priorities for the whole borough including enforcement activities, anti-social behaviour and resolving neighbour disputes. Work will also be undertaken to address and solve some of the broader and longer term issues affecting our communities.</p> <p>The review will look at how the Council and partners have responded to resources pressures, with a focus on ensuring community safety outcomes are achieved.</p>	<p>This review will support the corporate priorities 'Place' by promoting cleaner, greener and safer neighbourhoods and the alignment of resources.</p>	<p>Deputy Executive Leader</p>	<p>Panel</p>

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<b>Business Growth</b>	<p>Continued business investment and growth at a local level are important elements to developing a strong, vibrant and prosperous economy. Attracting businesses to develop and grow in Tameside will create more jobs, increase business rate receipts and improve opportunities and outcomes for residents.</p> <p>Tameside is well positioned within the geography of Greater Manchester and has seen significant improvements in local transport links and infrastructure, which is also supported by a growing further education sector.</p> <p>Tameside has strong links with manufacturing industries, which has provided a certain level of stability and resilience during times of uncertainty. In order to improve and grow it is important that Tameside is a place where businesses want to, and are able to, operate.</p> <p>The review will consider the Council's current strategy and approach to facilitate and attract businesses to the borough, as well as ongoing support for existing businesses to expand and grow.</p>	This review will support the corporate priority 'Place' by strengthening the local business community and our town centres, and growing levels of inward investment.	Healthy and Working	Panel

### Ongoing Monitoring

Subject of Review	Rationale for Review	Links to the Council's Corporate Plan Priorities	Executive Member	Frequency
<b>Bin Swap</b>	The Panel will receive updates on service delivery and recycling rates across the borough. This will include changes to collection methods and positive work taken to reduce the amount of waste sent to landfill.	This will support the corporate priority 'Place' by promoting cleaner, greener and safer neighbourhoods and reduce our carbon footprint.	Clean and Green	Annually
<b>Police and Fire Services</b>	The Panel will meet with representatives of "responsible authorities" to discuss initiatives and activity.	This will support the corporate priority 'People' and 'Place' by protecting the most vulnerable and promoting safer neighbourhoods.	Deputy Executive Leader	Annually
<b>Library Services</b>	The Panel will receive an update on the new delivery model for Tameside Library Services, with the introduction of new technology and the associated benefits.	This will support the corporate priority 'Place' by strengthening the local business community and town centres and work with businesses to create economic opportunities for residents.	Healthy and Working	Annually
<b>Transport and Infrastructure</b>	The Panel will receive an update on planned transport and infrastructure developments across the borough. This will also include monitoring of works carried out such as the Ashton Pinchpoint scheme.	This will support the corporate priority 'Place' by improving transport infrastructure.	Clean and Green	Annually
<b>Vision Tameside</b>	The Panel will receive an update on the Vision Tameside programme and development of the council offices, retail and college buildings.	This will support the corporate priority 'Place' by strengthening the local business community and town centres and support a cultural offer that attracts people to the borough.	First Deputy (Performance and Finance)	Annually

### Performance Monitoring

Subject of Review	Rationale for Review	Links to the Council's Corporate Plan Priorities	Frequency
<b>People and Place Scorecard</b>	The Scrutiny Panel will receive performance monitoring information on the People and Place scorecard measures relating to the remit and will:- i. scrutinise performance against direction of travel and comparator areas; ii. request information from partner organisations	This performance monitoring exercise supports the Council's vision to maximise the wellbeing of the people of the borough as outlined in the Corporate Plan.	Quarterly

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	<p>where relevant to particular People and Place Scorecard measures; and</p> <p>iii. expect partner organisations to respond to scrutiny recommendations concerning the measures relevant to their organisation.</p>		

### Evaluation of Review Outcomes

(An evaluation of the implementation of the Scrutiny Panel's recommendations)

Subject of Review	Rationale for Review	Links to the Council's Corporate Plan Priorities	Executive Member	Suggested By
<b>Food Poverty</b>	The review examine the extent to which individuals and families are experiencing food poverty, the range of contributing factors and the changes that have been made to the way the Council and partners support residents during hardship. It is important that prevalence and outcomes are monitored.	This review supported the corporate priority 'People' by protecting the most vulnerable and improving the health and wellbeing of residents	Healthy and Working	Panel
<b>Victim Based Crime</b>	The review aimed to determine the causes of the rise in victim based crimes since 2014, and to look at actions being taken to combat victim based crime in Tameside. Future updates on the levels of victim based crime in Tameside will be arranged to ascertain the impact that strategies by Police and partners have had.	This review supported the corporate priority 'Place' by promoting cleaner, greener and safer neighbourhoods.	Deputy Executive Leader	Panel
<b>Bin Swap and Delivering Future Improvements to Recycling</b>	The review looked at the overall impact that Bin Swap has had on Tameside's recycling performance and to identify innovative ways to improve future recycling rates. The Panel will monitor recycling performance and adopted strategies to improve engagement.	This review supported the corporate priority 'Place' by promoting cleaner, greener and safer neighbourhoods.	Clean Green and	Panel