



## **Draft Annual Governance Statement for the year ended 31st March 2023**

*(this statement remains draft until the 2022/2023 Statement of Accounts have been signed off by the External Auditors)*

**Wigan Council is committed to the highest standards of corporate governance.**

**Governance is about how bodies ensure that they do the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner.**

**It comprises the systems and processes, and culture and values, by which bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.**

**A key aspect of governance is the requirement to put into place “effective risk management systems, including systems of internal control”.**

**This Annual Governance Statement supports the Council’s Statement of Accounts and outlines how it manages its affairs to deliver high quality services and ensure that public money is efficiently and effectively spent**

## Foreword from the Leader of the Council and the Chief Executive

We both recognise the importance of having good management, effective processes and other appropriate controls in place to enable the Council to deliver services and achieve the best possible outcomes for the people of the Borough.

To ensure the organisation continues to operate as effectively as possible, the Council embraces a governance framework which ensures consistency of purpose across the many services delivered, encourages high standards of performance and conduct and a strong public service ethos. Continuing reductions in Government funding have led to major transformation resulting in changes in staffing levels and in the way that services are provided. Furthermore, despite moving into the recovery phase, the COVID 19 pandemic continues to have an impact on the Council, and this is being exacerbated by a cost-of-living crisis, fuelled by increasing inflation and energy prices, all of which is likely to continue for the foreseeable future. It is therefore more important than ever, that we continue to make the best possible use of the public money that we are entrusted with.

Each year the Council is required to produce an Annual Governance Statement (AGS) which describes how our corporate governance arrangements have been working. To help us do this, the Council's Audit, Governance and Standards Committee assisted by Internal Audit undertakes a review of our governance framework and the development of the AGS.

Members of the Strategic Management Team and the Audit, Governance and Standards Committee have considered and challenged the content and significant governance issues identified in the Statement and satisfied themselves that the Statement properly reflects how the Council is run and that appropriate improvement actions had been identified.

The final statement was formally approved by Cabinet on 6<sup>th</sup> July 2023 where it was recommended for signing by the Leader of the Council and the Chief Executive.

An updated version of the statement was approved by Cabinet on 4<sup>th</sup> July 2024 to include two additional significant governance issues, pertinent to 2022/23, that was identified during 2023/24.

Councillor David Molyneux  
Leader



Alison McKenzie-Folan  
Chief Executive





## **1. Introduction**

This statement provides an overview of how the Council's governance arrangements operate, including how they are reviewed annually to ensure they remain effective. A summary of significant governance challenges which the Council faces is also given, alongside an explanation of what actions have been taken to bring about required improvements, and what work is still to be done. This provides transparency and gives assurance that the Council is committed to continuously improve the way in which it functions. More detail on particular topics can be accessed by clicking on the hyperlinks which are highlighted and underlined throughout the document.

## **2. Council Purpose**

In April 2019 the council's revised corporate strategy "The Deal 2030" building on the previous "Deal for the Future" was approved by Council and will underpin everything the Council plans to achieve. The previous Deal had fundamentally marked a new relationship between citizen and state, signalling a positive approach for individuals and communities that encouraged self-reliance and independence through an equal partnership. The Deal 2030 continues and strengthens this approach by providing a unifying strategy for the whole of the borough over the next decade built on 10 key priorities.

Each priority within "The Deal 2030" has to be delivered and the Council and its partners will be held accountable on achievement via a number of partnership boards and governing committees. The Council will also produce an annual report which will demonstrate the extent of progress against each of the 10 key priorities.

A review of the impact of the Deal 2030 and a reset of the Corporate Strategy are currently underway and will impact on the governance arrangements in place in 2023/2024.

## **3. Scope of Responsibility**

Wigan Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively. In discharging this accountability, members and senior officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal. To this end the Council has approved and adopted a Local Code of Corporate Governance, which is consistent with and reflects the requirements of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government (2016)*.

The Council is committed to fulfilling its responsibilities in accordance with the highest standards of governance, underpinned by the ethical behaviour of officers and Members.

## **4. The Governance Framework**

The governance framework comprises the systems and processes, the culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with, and leads its community. It enables the Council to monitor the achievement

of its strategic objectives and to consider whether these objectives have led to the delivery of appropriate, cost-effective services.

The governance framework has been in place at the Council for the year ended 31<sup>st</sup> March 2023 and up to the date of the approval of the annual report and statement of accounts.

# Governance Framework

## Principle A Integrity and Values

- A [Constitution](#) setting out how the Council operates; how decisions are made and the procedures that are followed.
- Code of Conduct for Members and local procedures for the investigation of complaints against Members which include the appointment of independent persons. [Members Code of Conduct](#)
- Audit, Governance & Standards Committee responsible for advising the Authority on member conduct issues.
- Employee Code of Conduct, Staff Deal and key staff behaviours – BeWigan and BeWigan Manager
- Register of Interests for Members which is published on the Council's website against each Councillor

## Principle B Openness and Engagement

- A Freedom of Information Publication scheme. [Publication Scheme](#)
- Publication of Committee Agendas, Minutes and decisions. [Committees](#)
- [Deal 2030](#) – an informal agreement between the Council and everyone who lives or works here to work together to create a better borough.
- Strategic Partnership Working through –Health and Wellbeing Board, Building Stronger Communities Partnership.
- [Borough Life](#) magazine
- Borough Survey.
- Listening into Action staff communication sessions supported extensive staff communications and support.

## Principle C Defining Outcomes

- Our Vision is embedded in service delivery and performance management
- Our corporate strategy, The Deal 2030 which outlines what the future Council will look like and our approach to meeting the challenges. [Deal 2030](#)
- A Locality Plan which describes how we will work with our partners to develop a financially sustainable health care system
- Medium Term Financial Plan and Capital Programme with quarterly financial monitoring reports to Cabinet. [Financial Plan](#)
- Quarterly performance Dashboards to Directorate and Strategic Management Teams [Performance Data](#)

## Principle D Making A Difference

- [Deal 2030](#) consultation ‘The Big Listening Project’ consultation helped inform budget decisions as well as the strategy for how the council and public sector partners will work in the future.
- Committee report template includes consideration of Alternative Options
- Investment in transformation programs to make services more effective/efficient and ensure change is sustainable.
- Social Value Policy which aims to provide a wider benefit to the community from each £1 spent on the delivery of services. [Social Value Policy](#)
- Performances reports to scrutiny committees

# Governance Framework

(cont'd)

## Principle E Capacity and Capability

- Roles and responsibilities are clearly defined within the Constitution and the Member Officer Protocol.
- Councillors are supported in their roles through an induction process and on-going programme of training and development
- Mandatory IT and Social Media Training for Members
- MyTime and MyTime Reflection – the staff performance and development process.
- Clear terms and conditions of service are in place and staff are supported by a range of health and well-being policies (expanded due to COVID 19)
- Smart working and making the best use of technology and buildings continues to be key to the way we work.

## Principle F Managing Risk and Performance

- An Internal Audit function which consistently conforms with PSIAS and reports regularly to the AG&S Committee
- Risk management framework embedded in policy and planning processes and approved by the AG&S Committee.
- Comprehensive budget framework with clearly defined responsibilities including frequent reporting to the Executive.
- Budget Management Group led by CFO.
- Application of CIPFA FM Code.
- Information Governance Framework supported by corporate oversight.
- Consistent and clear commitment to countering fraud and corruption

## Principle G Transparency and Accountability

- Adoption of Local Code of Corporate Governance in line with the CIPFA/SOLACE framework. [Local Code](#)
- An [Audit, Governance and Standards Committee](#) which includes independent membership and oversees the work of Internal and External Audit.
- A scrutiny function which supports and challenges the work of the Executive
- Member and Senior Management ownership and sign off for the Statement of Accounts and Annual Governance Statement
- External Performance Reporting – Corporate Scorecard
- Publication of the Local Government Transparency Code data. [Open Data](#)

## How the Council monitors and evaluates the effectiveness of its governance arrangements?

The Council annually reviews the effectiveness of its governance framework including the system of internal control. The key sources of assurance that inform this review are outlined below

<p><b>Internal Audit</b></p>	<p><b>External Auditors</b></p>	<p><b>Information Governance</b></p>	<p><b>Counter Fraud</b></p>	<p><b>Risk Management</b></p>
<ul style="list-style-type: none"> <li>• Annual Audit Opinion</li> <li>• Internal audit progress reports</li> <li>• PSIAS compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Final accounts audit</li> <li>• VFM conclusion</li> <li>• Grant certification</li> </ul>	<ul style="list-style-type: none"> <li>• Information Governance Annual Report</li> <li>• Information Governance Working Groups</li> </ul>	<ul style="list-style-type: none"> <li>• Whistleblowing arrangements</li> <li>• Annual Fraud Report</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Risk Register reporting</li> <li>• Directorate Risk Registers</li> <li>• Internal audit reviews</li> </ul>
<p><b>Complaints</b></p>	<p><b>External Reviews</b></p>	<p><b>Management</b></p>	<p><b>Statutory Officers</b></p>	<p><b>Committees</b></p>
<ul style="list-style-type: none"> <li>• Two Stage Corporate Complaints procedure</li> <li>• Ombudsman investigations</li> </ul>	<ul style="list-style-type: none"> <li>• OFSTED Childrens Social Care</li> <li>• Council of the Year Award (IESE)</li> <li>• Internal Audit Peer Review</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Director and IAO Assurance Statements</li> <li>• Annual Review of Significant Partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring Officer - legal assurance and ethics</li> <li>• Chief Finance Officer role compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Scrutiny performance monitoring reports</li> <li>• Annual Standards Report</li> <li>• Audit Chair's Annual Report</li> </ul>



## 5. 2022/2023 Review of Effectiveness

Our review of governance arrangements for 2022/2023 has considered the following assurance outcomes.

### Internal Assurances

- Internal Audit re-assessed each component of the enhanced Local Code of Corporate Governance and concluded that :-

*“The Council’s position against its revised local code of corporate governance has improved from the previous 2 years as the impact of the COVID 19 pandemic reduces and the new normal emerges. Overall, the position is considered to be good; therefore, the Internal Audit assurance opinion is **satisfactory**. Given the significant pressure due to the continuing budget cuts, the national economic picture and the aftermath of COVID 19 pandemic and the associated operational changes the Council has experienced and continues to go through, this is a significant achievement.”*

*In the ever-changing world of local government, there are always new challenges arising and ongoing work needed to address these. It is important to recognise that the Council continues to identify and deal with these demands appropriately and promptly to ensure the interests of its residents are safeguarded.”*

- The Council’s current strategic risks and associated management arrangements were reappraised by the Audit and Governance Committee on 29<sup>th</sup> September 2022 and 9<sup>th</sup> March 2023 (Strategic Risk Register Updates). Throughout the year the effectiveness of these arrangements has been tested as part of the Internal Audit work programme.
- A detailed report and improvement plan assessing the Council against the CIPFA FM Code was approved by the Audit, Governance and Standards Committee in November 2021. The assessment confirmed that “the Council’s financial management is sound and complies with the overall requirements of the FM Code. Specific improvements are taking place and/or have been recommended that will further enhance the Council’s financial management processes and ensure full compliance with the detailed requirements of the FM Code is achieved.” It was considered that the Council is well placed and does comply with each principle and supporting standard. The assurance opinion given was High, with a small number of detailed additional actions considered necessary to be fully compliant with the detailed expectations of the FM Code. During the year a number of additional actions have been taken to further increase the Council’s compliance with the detailed requirements of the FM Code. Several actions are still delayed as a consequence of the current lack of knowledge of long-term Government funding intentions.
- The results of the internal audit work have been reported (as scheduled) to the AGS Committee throughout the year and the annual internal audit opinion on the overall adequacy and effectiveness of the Council’s governance, risk and control; framework was set out in the Annual Internal Audit Report 2022/2023. This report concluded that “In my opinion *satisfactory assurance can be given that Wigan Council operates an effective framework of governance, risk management and management control and audit testing has demonstrated controls to be generally working in practice*”.

- The Annual Fraud Report 2022/2023 which provided an update on the counter fraud work undertaken across the Council during 2022/2023 concluded, *“Members can therefore be assured that prevention and detection of fraud, along with promoting high standards of conduct are given high priority within the Council’s operations and this ensures that fraud and corruption risks are effectively managed.”*

### Public Interest Reports/Section 114 Notices

The governance arrangements and financial resilience of local authorities have recently been highlighted in a number of Public Interest Reports issued to higher tier local authorities by the responsible external auditors. In addition, recent times have also seen a growing number of Authorities issuing Section 114 Notices. Such a notice has to be issued by the Section 151 Officer (following consultation with the Monitoring Officer) to all Council Members if there is a belief that expenditure is likely to exceed incoming resources (after accounting for the use of reserves).

Recent reports assessing Public Interest Reports concluded that not all authorities:-

- exercise appropriate care with public money
- exercise appropriate governance
- have the capability of managing risk, both short and long term

The reports further concluded that maintaining sound reserves was vital and a key indicator of sound financial management and should be at the heart of all medium-term financial plans.

It is considered that the Council’s Governance Framework (including the direct involvement of the S.151 Officer and Assistant Director – Finance) and how it monitors and adapts its governance arrangements, financial planning and performance will ensure any such issues are identified and mitigated at a very early stage thus safeguarding against the need for a notice to be issued and avoiding the consequences (spending controls) that would inevitably follow.

The above supports the Section 151 Officer’s opinion to Council within the budget setting reports on 1<sup>st</sup> March 2023 – *“On this basis I am confident to confirm to Members that a Section 114 Notice is not required as the Council remains in a strong financial position.”*

## **External Assurances**

### External Audit

The Council’s external auditor, Mazars , reported their progress in respect of the 2020-2021 and 2021-2022 audits to the Audit, Governance and Standards Committee on 23<sup>rd</sup> June 2022, 21<sup>st</sup> July 2022, 20<sup>th</sup> September 2022, 10<sup>th</sup> November 2022, 12<sup>th</sup> January 2023, and 9<sup>th</sup> March 2023.

In respect of the 2020/21 accounts, although the audit is almost complete, sign off of the accounts has been delayed by a technical and nationwide issue concerning infrastructure assets. This has now been addressed by an enactment of a statutory instrument which came into effect in December 2022. However another issue has recently emerged in respect of the Greater Manchester Pension Fund (GMPF) which needs to be resolved with the actuary.

The audit of the 2021/22 accounts is progressing well but this has also been delayed by the need to resolve the two accounting issues.

The delay also means that Mazars have not issued their Value for Money Opinion for 2020/21 and 2021/22 to provide a conclusion on the Council's arrangements to secure economy efficiency and effectiveness in its use of resources.

#### Position June 2024

The 2020/2021 accounts were signed off by the Council's external auditor, Mazars on the 9<sup>th</sup> January 2024 and the 2021/2022 accounts were signed off on 2<sup>nd</sup> May 2024. However, the delays meant that at that time Mazars had not issued their Value for Money Opinion for 2020/2021 and 2021/2022 to provide a conclusion on the Council's arrangements to secure economy efficiency and effectiveness in its use of resources.

The audit of the 2022/23 accounts commenced in January 2024.

The Auditor's Annual Report for year ended 31 March 2021 and 31 March 2022 was presented to Audit, Governance and Standards Committee on 20<sup>th</sup> June 2024. This report included the following conclusions on the Council's VFM arrangements:

*"we are satisfied that there were no significant weaknesses in the Council's arrangements in relation to financial sustainability."*

*"we are satisfied there is no significant weakness in the Council's arrangements in relation to governance."*

*"we are satisfied there is no significant weakness in the Council's arrangements in relation to improving economy, efficiency and effectiveness."*

## **6. Significant Contractual Partnerships Assurances**

The Statement on Recommended Practice (SORP) 2006 places an additional responsibility on Councils in that their Annual Governance Statement should embrace controls over significant partnerships.

Assurance on the control environment of the Council's significant partnership bodies has been assessed as follows:-

#### Cityheart - Galleries Development

The Council has appointed City Heart as its Development Partner for the Regeneration of the former Galleries Shopping complex. The project will be the most significant that the Council has undertaken for many years. Governance arrangements have been established together with a comprehensive Development Agreement.

The Governance arrangements are headed by a Development Agreement Project Board supported by a Wigan/Cityheart Programme Board. Both boards are chaired by the Council's Director Economy and Skills supported by the Assistant Director of Finance and are attended by the Managing Director and a Director from Cityheart. Oversight and Coordination and Operational groups led by appropriate senior Council officers report into the boards.

### Wigan Metropolitan Development Company

Wigan Metropolitan Development Company is a wholly owned Council Company and provides a variety of business premises to over 250 businesses throughout the Borough. The Council provides a range of professional support services directly to the Company. The company appoints its own independent auditors who have provided a statement of assurance on the financial position of the company.

### Leigh Sports Village

Leigh Sports Village is a mixed Leisure/Retail venue which is managed by Leigh Sports Village Company Limited (a wholly owned Council Company). The Council appoint the Chairman, Company Secretary, and three non-Executive Directors of the company. During 2022/2023 the Council's Director – Resources and Legal (Deputy Chief Executive) and Director of Strategy and Innovation sat on the Board. The company appoints its own independent auditors who provide a statement of assurance on the financial position of the company.

The Council is currently updating its governance processes in respect of its Council owned companies, and other external bodies it has a significant interest in, following a review against recognised best practice, allied to the findings and recommendations related to recently published public interest reports. This action will result in the Council appointing some different Members and Senior Officers (not Statutory Officers) as representatives to the Company.

### Wigan Borough Clinical Commissioning Group / NHS Greater Manchester Integrated Care Board

The Health and Care Act 2022 made Integrated Care Systems (ICS) the formal, statutory bodies with power over NHS commissioning and spending at a local level. As such under the Act Wigan Borough Clinical Commissioning Group was dissolved as at the 30/06/2022, with their powers transferred to NHS Greater Manchester Integrated Care Board (NHS GM ICB) from the 01/07/2022. The Council's Chief Executive is the Wigan place-based lead (the accountable person for the locality to GM ICS for health).

Under the revised arrangements the Council now operates a Section 75 partnership agreement with NHS GM ICG under the National Health Service Act 2006 which allows budgets to be pooled between local health and social care organisations. The pooled budget enables a more integrated approach to investment with the aim to deliver a clinically and financially sustainable health and social care system for the locality. The local Section 75 agreement between the Council and WBCCG includes a risk/gain schedule which is essential to protect both partners from any potential financial risk. Whilst the construct takes shape and the new ways of working embed themselves locally the Council took the decision, based on minimising financial risk, to reduce the pooling of the fund covered by the Section 75 to the Better Care Fund only, with no other budgets to be pooled until there was absolute clarity on the revised arrangements. Since that decision there has been a national condition issued that requires that the Adults Social Care Discharge Fund allocations to be pooled into the local BCF. As such a planned value of £53.483m was included in the local 22/23 pooled fund covered by the Section 75 agreement.

The GMICB publishes its own Annual Governance Statement detailing the processes in place by which it provides assurance to stakeholders and the public. Assurance can be taken from the structure and extent of governance processes outlined within the statement and the positive assurance opinions from the GMICB's Internal Auditors and also the GM Integrated Care Partnership Board.

## Agilisys

Agilisys is the Council's Managed IT Service Provider. A letter of assurance has been provided by the Agilisys Partnership Director confirming that :-

- All services and projects have been delivered within the agreed governance framework, ensuring that processes and systems have been operated to meet the contractual levels of service.
- The process of re-accreditation of both the ISO9001 (2015) and ISO27001 (2013) Information Security management quality standards successfully completed.
- Assisted the Authority to maintain their security posture and to ensure ongoing conformity to security standards such as Public Services Network (PSN) and Cyber Essentials+, and the removal of Skype for Business.
- Provided various layers of protective systems from email-filtering, anti-virus protection, internet filtering and multi-factor authentication. With the modern working patterns enforced upon us by the Pandemic these core services have been instrumental in ensuring ongoing protection despite the shift to working from home.
- Further supported the adoption of hybrid working for Council officers as a gradual return to normal working is undertaken.
- Mobilised and mitigated all key security issues in an efficient and timely manner
- Completed a large-scale refresh of the laptop estate (led by projects)

## **7. Governance Action Plan**

A Governance Action Plan, attached at Appendix 1, provides a summary of improvement actions we will be addressing during 2023/2024. We have made good progress in implementing the agreed actions from 2022/2023 and a status position is included within Appendix C of the Review of Corporate Governance. [Review of Corporate Governance](#) All outstanding issues have been carried forward into the 2023/2024 action plan.

## **8. Significant Governance Issues**

Significant governance issues relate to any matters that may impact on the achievement of organisational objectives or fail to meet the principles of good governance. They include areas of significant interest to external inspectorates and those which may be of public concern.

The Council continues to address the significant governance issue raised previously, relating to overspending on Childrens Social Care. Further details are provided at Appendix 2.

## **9. COVID-19 Challenges Reflection/Impact**

Whilst the coronavirus pandemic is not a specific governance issue the operational and financial impact of the crisis and ongoing remedial actions do need to be reported.

This section considers the continuing impact of COVID 19 on the adequacy of governance arrangements and outlines how the Council continues to maintain essential services and also support residents and businesses during this period (including the facilitation of various resident and business support schemes).

Mobile and flexible working has now become business as usual for many Council staff. This transition was achieved relatively early on during the first lockdown where all staff who could work from home were instructed to do so. A “blended” work approach is now being formalised.

For our customers we have worked hard to ensure they feel comfortable in using the new ways of accessing our services and especially online via the website. We are also ensuring customers are regularly updated and kept informed of how to engage with the Council.

The COVID 19 pandemic has had a significant impact on Council finances, the effects of which continue through the recovery phase. The financial impact will be due to both unforeseen but necessary, expenditure and significantly reduced income from fees and charges, Council Tax and Business Rates.

Although the financial position remains difficult the Council is still in a strong position to be able to manage the impact of the pandemic on its finances. We have now set a budget for the 2023/2024 financial year which will continue to keep the Council on a sound financial footing. The Medium-Term Financial Plan has been produced to ensure effective financial planning continues to contribute to corporate priorities in line with the Deal 2030 goals. The ongoing transformation of Council services, with an emphasis on protecting front line services is key to the delivery of a robust and financial strategy that continues to provide and improves value for money for residents.

## **10. Conclusion**

The Council’s governance and risk management arrangements enable it to deal openly and effectively with situations such as those highlighted above. The nature of the organisation means that there will always be difficult situations to deal with, but its internal control mechanisms ensure that actions are taken appropriately and promptly, and it is openly accountable for those actions. This is a major strength of the Council and a significant factor in its continued external assessment categorisation.

## **11. Opinion**

After conducting a review of the governance arrangements across the Council and overall compliance with the Council’s Local Code of Corporate Governance we are satisfied that Wigan Council’s internal control and corporate governance arrangements are adequate and are operating effectively. We are satisfied that the enhancements identified will further improve our governance and internal control arrangements. We will assess their

implementation and the effectiveness of dealing with the issues outlined as part of the formal risk management process.

Governance Action Plan 2023/2024**Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

Area of Consideration	Action	Owner	Deadline	Priority
<b>Employees Electronic Register of Interests</b>	An intranet notice is to be published to raise employee awareness of the Employees Electronic Register of Interests.	Audit Manager Monitoring Officer	July 2023	Low
<b>Customer Complaints</b>	Good progress is now being made with the set up of Complaints on the JADU platform. The go live date is 1 <sup>st</sup> October 2023.	Director of Customer	October 2023	Medium
<b>Dignity at Work Policy</b>	The piece of work on inclusion across the workforce, which includes a review of the Dignity at Work policy is still in progress and will be completed by Autumn 2023.	Assistant Director HR and OD	October 2023	Medium
<b>Procurement Strategy</b>	The Procurement Bill, which will require a rewrite of the Council's Procurement Strategy, has been further delayed and is still progressing through Parliament due to the number of amendments. It is expected that the go-live date will be in Spring 2024, followed by a six-month transitional period	Director of Customer	March 2024	Medium
<b>Recruitment Vision and Process</b>	Work on the Recruitment Vision statement is progressing, and a draft should be in place by Summer 2023.	Assistant Director HR and OD	September 2023	High
<b>Social Value Policy</b>	The Social Value Policy on the internet is to be updated to the 2022 GMCA Social Value Framework.	Director of Customer	July 2023	Low
<b>Financial Procedure Rules/Contract Procedure Rules</b>	The Financial Procedure Rules/Contract Procedure Rules will be updated once the Procurement Bill has been passed and implemented.	Deputy Chief Executive- Director of Resources and Legal	March 2024	Medium



## Ensuring openness and comprehensive stakeholder engagement

Area of Consideration	Action	Owner	Deadline	Priority
<b>Freedom of Information Act publication scheme</b>	The review of the Freedom of Information Act publication scheme is included in the 2023/2024 Information Governance workplan.	Deputy Chief Executive-Director of Resources and Legal	March 2024	Low
<b>Publication of Local Government Transparency Code data</b>	Further work is ongoing to improve service accountability for the timely publication of the Transparency Code data.	Assistant Director-Transformation and Intelligence	September 2023	High
<b>Service Delivery Footprint Profiles</b>	The publication of the SDF profiles has been delayed due to accessibility issues. In the meantime, the Council webpages will be updated with census information.	Assistant Director-Transformation and Intelligence	July 2023	Medium
<b>Equality Strategy</b>	Two independent facilitators (a local community group and a local CIC) have been commissioned to run the large engagement project and a draft engagement plan has been developed. The planned completion date for the new Wigan Borough Equality Approach is March 2024.	Assistant Director-Transformation and Intelligence	March 2024	Medium

## Defining outcomes in terms of sustainable economic, social, and environmental benefits

Area of Consideration	Action	Owner	Deadline	Priority
<b>Transformation Reporting</b>	Transformation Reporting will be recommenced following the refresh of the Corporate Strategy. This is currently being undertaken, with support from external consultants, as we review the impact of the Deal 2030 and work towards the development of a refreshed Corporate Strategy.	Assistant Director-Strategy	December 2023	High

### Developing the entity's capacity, including the capability of its leadership and the individuals within it

Area of Consideration	Action	Owner	Deadline	Priority
<b>Workforce Intelligence Dashboards</b>	New workforce intelligence dashboards have been developed and will be launched in early 2023/2024, which will assist with organisational development and succession planning.	Assistant Director HR and OD	September 2023	Medium

### Managing risks and performance through robust internal control and strong public financial management

Area of Consideration	Action	Owner	Deadline	Priority
<b>Corporate Business Continuity arrangements</b>	The new Critical Incident Management system has been incorporated into the Adults Directorate digital review. This has now been completed with support from Director for Digital, Leisure and Wellbeing Services and none of the current App's can fulfil the requirements. This will require a procurement process to meet the needs of CIM and BCM. Responsibility for the oversight of BCM will be discussed with SMT and the corporate policy updated accordingly.	Director of Public Health	March 2024	Medium
<b>Audit Committee Self Assessment</b>	A self-assessment against the new CIPFA guidance will be completed during 2023/2024.	Chief Internal Auditor	January 2024	Medium
<b>Audit Committee Independent Members</b>	A recruitment exercise for independent members of the Audit, Governance and Standards Committee will be completed in 2023/2024.	Chief Internal Auditor	January 2024	Medium
<b>Directorate Retention Schedules</b>	The Directorate Retention schedules (of which there will now be 7, not 3) are in the process of being updated as part of the Information Governance Work plan and should be completed in 2023/2024.	Deputy Chief Executive-Director of Resources and Legal	March 2024	High
<b>Data Strategy</b>	The finalised data strategy is to be published on the Council's website shortly.	Assistant Director-Transformation and Intelligence	July 2023	Low

## Significant Governance Issues

### Childrens Services (Social Care)

During 2020/2021 the Chief Finance Officer (Deputy Chief Executive) established a Budget Management Board that he chairs supported by other senior Finance officers. Its purpose is to review key budget areas to ensure that planned savings are delivered and to also critically review service areas that run at a loss and to oversee the development of savings plans to form part of subsequent years budgets. One of the key themes of this Board is to ensure appropriate actions are taken to deliver the required budget savings and in particular those within Childrens Services. To deliver this process the Deputy Chief Executive and the Assistant Director Finance are also members of the Childrens Services Business Delivery Board.

On 1<sup>st</sup> March 2023 the annual; “budget setting/financial efficiencies delivery” report to Council provided an updated position in respect of this key risk area, viz.:-

*“Members will be aware of the financial position facing our childrens services. The most significant financial pressure within the Directorate remains the costs relating to our Looked after Children and specifically the cost of their residential placements with external providers. Whilst recurrent growth of £19.8m has been added to the Children Services Directorate budget since 2020/21, the continued increased requirement for more complex external residential placements has resulted in a projected additional cost of £17m by the 2022/23 financial year-end. Therefore, the medium term financial plan includes further budget growth of £17m over the duration of the forecast.*

*The Children Directorate’s Sufficiency Strategy 2021- 2024 coupled with the Children Directorate’s Financial Strategy 2022 – 2027 are in place to ensure there are sufficient safe and appropriate placements for vulnerable children within the Borough, which as well as providing better outcomes for the individual child should positively impact on the underlying financial pressure. In addition, the Directorate, in conjunction with other partners, is looking to further invest in emotional and mental health services and enhance our edge of care offer to better meet the needs of individual children living in a home setting which could ultimately minimise the need for high cost placements.”*

The above risks are managed by the Deputy Chief Executive and the Assistant Director Finance (supported by Strategic Finance Mangers) and the Director of Childrens Services through the Childrens Services Business Delivery Board.

### Position May 2024

On 6th March 2024 the annual Medium Term Financial Plan/Revenue Budget report to Council provided an updated position in respect of this key risk area, viz.:-

*“Members will be aware of the financial position facing our Childrens Services. The most significant financial pressure within the directorate remains the costs relating to our looked after children and specifically the cost of residential placements with external providers. Whilst recurrent growth of £30.3m has been added to the Children Services Directorate budget since 2019/20, the continued increased requirement for more complex external residential placements will result in an overspend at the end of 2023/24. The medium-term financial plan includes further budget growth of £11m over the duration of the forecast.*

*The Children Directorate's Sufficiency Strategy 2021- 2024 coupled with the Children Directorate's Financial Strategy 2022 – 2027 are in place to ensure there are sufficient safe and appropriate placements for vulnerable children within the Borough, which as well as providing better outcomes for the individual child should positively impact on the underlying financial pressure. In addition, the Directorate, in conjunction with other partners, is looking to further invest in emotional and mental health services and enhance our edge of care offer to better meet the needs of individual children living in a home setting which could ultimately minimise the need for high cost placements."*

The above risks are managed by the Director of Finance and Legal (supported by Strategic Finance Managers) and the Director of Childrens Services through the Childrens Services Assurance and Transformation Board.

### OFSTED Childrens Services

A full Local Authority Childrens Services Inspection was carried out in May 2022 with the final report issued in July 2022. The report concluded that the service requires improvement to be good. However, the report also stated *"Senior leaders now have a more accurate self-assessment of the improvement work required, and have been proactive in responding to those issues that were only identified during the inspection, such as improving the recording of management oversight at the front door. There is now a much clearer focus on delivering long term sustainable change alongside their improvement partners"*

The Ofsted report and accompanying action plan was presented to Children and Young People Scrutiny Committee on 30<sup>th</sup> August 2022. Following Ofsted's visit, the Improvement Plan has been refreshed to update the specific recommendations from the report, though much of this work was already planned or underway. The August report showed that there had already been progress made to some of the recommendations in the report since May 2022.

In November 2022, the Achieving Excellence in Children's Social Care Board was established which replaces The Wigan Deal Board for Children and Young People. The Improvement Plan is governed through this monthly Board. A further progress report was presented to Children and Young People Scrutiny Committee on 7<sup>th</sup> February 2023 and progress continues to be made with the improvement actions.

In May 2023, following a Focused Visit on the Front Door, Ofsted reported on the further improvements they had seen, specifically that senior leaders are ensuring that there is a more effective and coordinated multi-agency response at the 'front door' in our Children's First Partnership Hub and other improvements which ensure the risk of harm is recognised promptly, and ensures that the majority of children receive an appropriate level of support at the right time. Ofsted also saw that there is strong corporate and political support for children's services in Wigan, including substantial financial investment. This has enabled senior leaders to respond proactively and creatively to workforce challenges, increasing the number of managers and social workers. This sustained improvement indicates that we are on an improvement journey, although it is recognised that there is still more to do.

### Position May 2024

Progress against the Children's Social Care Achieving Excellence Plan continues to be reported to Children and Young People Scrutiny Committee bi-annually. Reports were

presented on 18<sup>th</sup> July 2023 and 23<sup>rd</sup> January 2024, both showing significant progress and reporting no actions that were overdue or at risk of drift/delay.

In addition, positive assurance was provided by the LGA Peer Review of care leavers which was carried out in November 2023.

### Wigan and Leigh Building Services Function

Following an audit of the Council's building repairs service (WLBS), which examined the operation of the 'Framework Agreement for Building and Associated Works 2021-2025' and also compliance with the Construction (Design and Maintenance) Regulations 2015 (CDM Regulations), Internal Audit concluded that they could not gain any assurance from the review. The review also reported that the Housing Revenue Account (HRA) had been overcharged for housing repairs work undertaken under the framework and that this represented a potential breach of the HRA ringfence.

A breach of the HRA ringfence was confirmed by Kings Counsel and was reported by the S151 Officer to the external auditors. As this amounted to a movement of internal accounting entries, there was no financial loss to the Council. As part of the 2022/23 budget setting process, a transfer was made from the General Fund to the HRA to correct the errors. As the external auditors are satisfied that the breach has been rectified, the Monitoring Officer has determined that the action taken is sufficient.

### Position May 2024

A report from the Director of Environment and Director of Place was presented to the Audit, Governance & Standards Committee in March 2024 to provide an update on actions being taken to address the Internal Audit report. This concluded that WLBS are now fully compliant with CDM requirements, and an improved service is being provided to tenants.

## **Significant Governance Issues - Addendum**

*Due to the delay in the completion of the Council's statutory audits in respect of 2022/23, the following additional significant governance issues, identified in 2023/24 but also pertinent to 2022/23, needs to be disclosed.*

### Housing Rent Standard

In March 2024, the Council became aware of a breach of the Rent Standard and reported this to the Regulator of Social Housing.

The breach is due to the Council having incorrectly charged 61 of its properties as affordable rent rather than social rent. Affordable rent tenancies were introduced in 2010 for rented homes funded through the former Homes and Communities Agency (HCA) Affordable Homes Programme 2011-15. Under these schemes the Council was required to convert 323 properties to affordable rent. However, over the period 2019 – 2022, the Council continued to convert properties to affordable rent after the 323 property conversions had been met.

The Rent Standard has also been breached by the practice of not revaluing affordable rent properties when they were relet. Under the Rent Standard, when reletting an affordable rent property, the rent should be compared to the market rent for a similar property and charged

at no more than 80% of that figure. There should have been no detriment to tenants from this breach.

The following action is being taken to address this issue and ensure it doesn't happen again.

- A new Rent Policy and Rent Model has been introduced to reflect the Rent Standard and other requirements for how housing rent is calculated and charged.
- A comprehensive forensic audit of individual rent accounts and service charges is being undertaken and any rent errors are being corrected.
- A process for undertaking periodic checks to validate rent charges against the Rent Policy has been established.
- The 61 properties incorrectly charged have had their rent charges amended on the system and have been advised of their new (correct) charges for 2024/25.
- Refunds are being calculated and interest of 8% less a deduction for tax will be applied to the refunds and customers will be advised of how to request a tax refund from HMRC if they are exempt.
- The DWP has been contacted to agree the process for the repayment of any overpaid Universal Credit and account for any overpayment of housing benefit.

The Regulator of Social Housing is satisfied with the action the Council has taken to address this issue and has confirmed that no further regulatory action will be taken.

### Health and Safety Compliance

Following early engagement with the Regulator of Social Housing for the new Housing Standards, it was identified that the Council was in breach of the Home Standard for the following areas:

- Gas Safety and installation of carbon monoxide detectors.
- Fire Safety.
- Electrical Safety.

The regulator subsequently issued a regulatory notice in December 2023: ([Regulatory Notice: Wigan Council \(14 December 2023\) - GOV.UK \(www.gov.uk\)](#))

The following actions are being taken to address these issues:

- An initial action plan focussed on performance improvement is in the final stages of implementation
- Monthly meetings are held with the regulator in which they indicate we are making good progress.
- An external consultant is instructed to review the associated compliance process and will lead to a new action plan to ensure we maintain performance in the long term.

The collaboration with the regulator is incredible positive and has led to improved relationships and performance across the board.

## **Other Issues**

A range of issues, involving the Council, has attracted press and public interest during the financial year. Many of these issues have been recognised as significant risks to the Council and are and will be included in the Strategic Risk Register which outlines the mitigating actions along with providing a high level mechanism to monitor the effectiveness of the actions being taken. The subject area of the issues is detailed below, viz.:-

### Financial and Service Delivery Issues

The Council's financial position and performance and subsequent impact of this on services has been discussed in both the local press and on social media. A lot of this content has praised the Council's progress to date and its ability to make budget reductions while improving services for residents. There were however a few items which were negative about the impact of the government's cuts on Council services.

The Council's consistent response to these issues is that formal Impact Assessments are performed to analyse the impact of proposed service reductions and other decisions may have on its residents and in particular the more vulnerable members of the community. It has prepared and responded promptly to the continuing financial downturn and addressed all issues in a structured way with the ongoing intention of safeguarding the front-line services it provides to residents and minimising compulsory job losses. This action as part of the Council's financial planning, management and governance processes has been consistently endorsed by the Council's External Auditor.

### Conclusion

The Council's governance and risk management arrangements enable it to deal openly and effectively with situations such as those highlighted above. The nature of the organisation means that there will always be difficult situations to deal with, but its internal control mechanisms ensure that actions are taken appropriately and promptly, and it is openly accountable for those actions. This is a major strength of the Council and a significant factor in its continued external assessment categorisation.