



Auditor's Annual Report
Wigan Metropolitan Borough Council – year ended 31 March 2024

25 February 2025

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Introduction

Introduction

Purpose of the Auditor's Annual Report

Our Auditor's Annual Report (AAR) summarises the work we have undertaken as the auditor for Wigan Metropolitan Borough Council ('the Council') for the year ended 31 March 2024. Although this report is addressed to the Council, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 and the Code of Audit Practice ('the Code') issued by the National Audit Office ('the NAO'). The remaining sections of the AAR outline how we have discharged these responsibilities and the findings from our work. These are summarised below.



Opinion on the financial statements

We issued our audit report on 25 February 2025. Our audit report included a disclaimer of opinion. This means our audit report did not express an opinion on the financial statements and no assurance was provided. It was necessary to issue a disclaimer of opinion as amendments to the Account and Audit Regulations introduced a statutory deadline for publication of the Council's financial statements. We were unable to complete the audit procedures necessary to obtain sufficient appropriate audit evidence on which to base our opinion before the date the Council published its audited financial statements.



Value for Money arrangements

We did not identify any significant weaknesses in the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. Section 3 provides our commentary on the Council's arrangements.



Wider reporting responsibilities

In line with group audit instructions issued by the NAO, we are required to complete a programme of work on the Council's Whole of Government Accounts return and report to the group auditor in line with their instructions. The NAO are yet to provide confirmation on the approach to selecting sampled components. Without this information we are unable to complete our work and issue our certificate which concludes the audit.

The Local Audit and Accountability Act 2014 outlines our additional powers and duties appointed auditor of the Council. These include issuing a report in the public interest, written a recommendations, application for a court declaration, issuing an advisory notice, issuing an application for judicial review or receiving any objections. We have not exercised any of these additional powers.

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Audit of the financial statements

Audit of the financial statements

Our audit of the financial statements

Our audit was conducted in accordance with the requirements of the Code, and International Standards on Auditing (ISAs). The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. Amendments to the Accounts and Audit Regulations introduced a deadline for publication of local authorities' audited 2023-24 financial statements. Prior to issuing our audit report, the ISAs require us to determine whether we have obtained sufficient appropriate audit evidence based on the audit procedures completed at that date. We concluded we had not obtained sufficient appropriate audit evidence to enable us to express an opinion on whether the financial statements present a true and fair view and have been prepared, in all material respects, in line with the Code of Practice on Local Authority Accounting. Consequently, as required by the ISAs, we modified our audit report and issued a disclaimer of opinion. This means, in our audit report issued on 25 February 2025, we have not expressed an opinion on the Council's financial statements.

Significant difficulties during the audit

During the audit, we did not encounter any significant difficulties, and we have had the full co-operation of management.

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Our work on Value for Money
arrangements

VFM arrangements


Overall Summary





VFM arrangements – Overall summary

Approach to Value for Money arrangements work

We are required to consider whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:

 **Financial sustainability** - How the Council plans and manages its resources to ensure it can continue to deliver its services.

 **Governance** - How the Council ensures that it makes informed decisions and properly manages its risks.

 **Improving economy, efficiency and effectiveness** - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

Our work is carried out in three main phases.

Phase 1 - Planning and risk assessment

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Council has in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements.

We obtain our understanding or arrangements for each of the specified reporting criteria using a variety of information sources which may include:

- NAO guidance and supporting information
- Information from internal and external sources including regulators
- Knowledge from previous audits and other audit work undertaken in the year
- Interviews and discussions with staff and directors

Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are further risks of significant weaknesses.

Phase 2 - Additional risk-based procedures and evaluation

Where we identify risks of significant weaknesses in arrangements, we design a programme of work to enable us to decide whether there are actual significant weaknesses in arrangements. We use our professional judgement and have regard to guidance issued by the NAO in determining the extent to which an identified weakness is significant.

Phase 3 - Reporting the outcomes of our work and our recommendations

We are required to provide a summary of the work we have undertaken and the judgments we have reached against each of the specified reporting criteria in this Auditor's Annual Report. We do this as part of our Commentary on VFM arrangements which we set out for each criteria later in this section.




We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Council. We refer to two distinct types of recommendation through the remainder of this report:

- **Recommendations arising from significant weaknesses in arrangements** - We make these recommendations for improvement where we have identified a significant weakness in the Council arrangements for securing economy, efficiency and effectiveness in its use of resources. Where such significant weaknesses in arrangements are identified, we report these (and our associated recommendations) at any point during the course of the audit.
- **Other recommendations** - We make other recommendations when we identify areas for potential improvement or weaknesses in arrangements which we do not consider to be significant but which still require action to be taken.

The table on the following page summarises the outcomes of our work against each reporting criteria, including whether we have identified any significant weaknesses in arrangements or made other recommendations.

VFM arrangements – Overall summary

Overall summary by reporting criteria

Reporting criteria	Commentary page reference	Identified risks of significant weakness?	Actual significant weaknesses identified?	Other recommendations made?
 Financial sustainability	11	No	No	No
 Governance	15	No	No	No
 Improving economy, efficiency and effectiveness	21	No	No	No

VFM arrangements

Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services



VFM arrangements – Financial Sustainability

Overall commentary on Financial Sustainability

Wigan Council's operating environment in 2023/24

During 2023/24 the Council continued to face significant challenges with high levels of inflation putting pressure on Council budgets. In addition to the challenges that still exist arising from the pandemic, the war in Ukraine has also had an adverse impact on the UK economy, resulting in increases in energy costs, supply chain issues and high inflation rates. This means the Council needs to continue to pay close attention to its budget position and reassess any impact on a regular basis in order to identify and take mitigations at the earliest opportunity.

The subsequent increases in the cost of living, which continue to present a challenge to the UK population, have led to an increased demand in council services such as Children's and homelessness services. High inflation and increased costs also increases the pressure on providing adult social care and the amount the Council pays for support is likely to have a significant financial impact.

High construction costs remain placing an additional risk to the Councils proposed capital schemes in particular large infrastructure projects and town centre regeneration.

The current UK economy has brought significant challenge to the local government sector. Warning signs of local government difficulties included an increase in section 114 notices and increased exceptional finance support being sought from Government.

As with previous years, the Council entered 2023/24 facing significant uncertainty in the level of funding and support Councils would receive from central government.

2023/24 Financial Performance

The Council reported its provisional financial outturn position in the 2023/24 Statement of Accounts and in the financial outturn report presented to Cabinet in August 2024 showing an adverse variance of £8.6m to budget which was met through earmarked reserves. Pressures in Children's Services and Homelessness services with increased demand and complex cases presenting an ongoing risk to the Council.

The Council spent £92.2m on its capital programme and continued to invest in long term assets for delivery of Council services and to support regeneration across the Borough.

As seen in previous years, the level of debt held by the Council has continued to reduce, with cash balances utilised to reduce debt. PWLB borrowing decreased to £391.5m at 31/03/2024, down from £399.7m in 2022/23. **The Council maintained an under-borrowed position using cash to support the Council's reserves, balances and cash flow as an interim measure.**

We have carried out a high-level analysis of the audited financial statements, including the Comprehensive Income and Expenditure Statement, the Balance Sheet and Movement in Reserves Statement.

Cash balances have continued to reduce as a result of the Council's strategy to use cash balances to reduce debt. As at 31 March 2024 these stood at £67.1m (down £16m from 31/03/2023).

The Council's usable reserves have decreased from £267.1m in 2022/23 to £249.8m in 2023/24, with:

- General Fund Reserves remaining at the same level as the prior year at £13.6m
- Earmarked General Fund Reserves of £100.9m, down from £135.4m in 2022/23
- Capital Receipts Reserve of £13.5m, up from £9.1m with Capital Grants Unapplied of £99m, up from £75.2m in 2022/23.

VFM arrangements – Financial Sustainability

Overall commentary on Financial Sustainability - continued

Financial planning and monitoring arrangements

The Council follows an annual budget setting process that meets all its statutory (Local Government Acts 2000, 2003 and Local Government Finance Act 1992) and constitutional requirements. The Council has a well-established, rigorous, budgetary process, and includes a wide range of activities and consultations. The budget setting process includes engagement with senior Council officers and incorporates discussion about the delivery of statutory services/priorities and the impact on resources. Where additional resources are required, these are scrutinised and challenged before they are included in the budget estimates. The budget setting process is completed alongside the overall business and corporate planning process, to ensure budgets align with the performance objectives of the Authority.

A range of officer meetings and discussions take place to review proposals for savings and budget reductions, with each proposal supported by evidenced assessments of deliverability and potential savings.

Proposals are subject to consultation with staff, officers and Members and are presented to meetings attended by Cabinet Members and senior officers and Governance, Audit, Risk Management and Standards Committee members before submission to, and approval at, Full Council as part of the formal budget and council tax setting process.

As part of the budget setting process the Council refreshes and updates its Medium Term Financial Plan ensuring that any known or emerging changes are reflected.

The Local Government settlement for 2024-25 provided a 7.3% increase for the Council. Although this is higher than the rate of inflation at the time of the announcement, it is lower than the demand-led pressures in social care and homelessness.

The Council set a balanced budget for 2023/24, without the need to draw on reserve after forecasting for a maximum increase in council tax of 2.99% and by an additional 2% in line with Government policy to provide additional funding for Social Care pressures. This also included £2.55m of efficiency savings.

We have reviewed a range of the budget preparation documents and meetings held as part of the budget setting process. This confirmed that the documents were comprehensive and detailed and the process for development had been completed on a timely basis and delivered the intended outcomes to assist with the budget preparation.

The Council produces a Medium-Term Financial Strategy (MTFS) each year alongside its annual budget. This sets out the resources available to deliver the Council's overall commitment to provide services that meet the needs of people locally over the planned three-year period and is updated and extended as part of each year's budget setting process. Clear challenges remain for the Council with uncertainty around future Government funding, inflation, children's services and the ageing population continuing to be the biggest risks.

As reported in previous years, the Council's approach to its MTFP development and monitoring involves early oversight of individual directorate-level management meetings by the Strategic Finance Managers to ensure finance has insight into performance, delivery and transformation within directorates. Strategic Finance Managers meet with Directors throughout the year to ensure the operational delivery and financial positions reported from the directorates are understood collectively in the context of the MTFP.

Budget monitoring reports continue to be presented to Cabinet on a quarterly basis. These reports contain appropriate detail on significant variances to budget and an explanation of the pressures impacting delivery. Cabinet also receives regular information on progress against the approved capital programme, together with the reasons for over or underspend against the budget profile. These reports provide for effective scrutiny and oversight by members.

We have considered the arrangements in place in respect of budget management as part of the governance criteria on page 15.

VFM arrangements – Financial Sustainability

Overall commentary on Financial Sustainability - continued

Arrangements for the identification, management and monitoring of funding gaps and savings

The Council continues to face the challenge to develop a financially sustainable strategy for the future. Inflation and the growth in population, which is also aging, are leading to increases in the Council's costs to deliver services over time. The growth required in budgets because of demographic, inflationary and demand related pressures is forecast using input from Strategic Finance Managers' meetings with service directors and phased appropriately into plans.

The Council's MTFFS covers three years, 2024/25 to 2026/27

2024/25 to 2026/27 highlights the challenges as from 2025/26 the Council's identified and proposed General Fund savings are not sufficient to cover the deficits predicted hence creating a budget gap. The Council has a good track record of achieving budgeted outturn positions and with the financial gap becoming severe from 2025/26, there is enough time to allow plans to be put in place to address the deficits.

The Council maintains an efficiency savings tracker by division which is reviewed and monitored on a regular basis. The savings plans established cover a two year period and were developed in conjunction with service directors. Plans included a consideration of workforce management, service redesign and opportunities. We have reviewed the Council's efficiency savings plan and tracker and can confirm it contains sufficient detail to monitor progress against planned efficiency savings.

Strategic Finance Leads for each service attended their respective departmental management team meetings to provide professional support and to ensure appropriate financial oversight is maintained to identify any issues in service transformation and delivery. Service managers retained responsibility for delivering to budget.

The Council's suite of financial and performance reports provided comprehensive, timely and accurate data to meet the requirements of service managers

Arrangements and approach to financial planning

The 2023/24 budget was presented and approved by Cabinet and Full Council in February 2023.

The Medium Term Financial Plan was also presented alongside the budget so that Members can see how the budget fits into the position for the forthcoming three years. This process is repeated annually, with the 2024/25 budget subsequently approved in February 2024.

The financial plans were developed based on several assumptions, including pay awards, price inflation and provisional local government settlement. We have reviewed the budget papers and confirmed the budget assumptions are sensible, realistic and properly applied based on the circumstances at the time the budget was set. The risks associated with the estimates and assumptions were recognised in the reports and understood by Members, who were kept fully up-to-date on developments in local government finance during the budget-setting process.

Notwithstanding the financial challenges faced by the Council and wider local government sector, we are satisfied that, based on the above considerations, there is not a significant weakness in the Council's arrangements in relation to financial sustainability.

VFM arrangements

Governance

How the body ensures that it makes informed decisions and properly manages its risks



VFM arrangements – Governance

Overall commentary on Governance

Risk management and monitoring arrangements

The Council has an established risk management framework that aligns financial accountability with service decision-making, embedded within the Council's governance structure. There are Strategic and Directorate Risk Registers in place which are refreshed to reflect any significant changes in circumstances in which the Council operates and the current challenges and opportunities it faces. The Audit Governance and Standards Committee reviews the effectiveness of the Council's arrangements and has continued to receive relevant update reports and briefings. We have reviewed the Council's Corporate Risk Register and confirmed it covers the areas we would expect, and the risks identified are assigned to appropriate risk owners and are linked to the Council's corporate priorities. Mitigating actions are also identified.

In order to provide assurance about the effective operation of these arrangements, including measures to prevent and detect fraud, the Council has a team of internal auditors, led by the Chief Internal Auditor. They are responsible for the annual delivery of the internal audit work programme. Each year, a risk-based plan is formulated which balances coverage of areas across the business cyclically as well as leaving space for thematic reviews as the need arises. This plan is reviewed and approved by the Audit Governance and Standards Committee annually. We have reviewed the internal audit plan for 2023/24 and confirmed work was planned following a risk-based approach.

As reported in previous years internal audit experienced a shortfall of staff resource against that expected when the plan was prepared. This meant that some of the planned coverage was deferred. The shortfall meant the team could only deliver 83% of the planned days because of a combination of continued vacancies and staff absence in the first 3 quarters of the year. As a result, the audit plan was amended in accordance with risk priorities and corporate objectives. The changes to the plan were spread relatively across each directorate, giving priority to emerging and high risk areas. Notwithstanding this change to the plan, the Chief Internal Auditor's opinion was that given the work undertaken this sufficiently enabled an audit assessment of the quality of the control environment.

We attended all of the Audit, Governance and Standards Committee meetings held in 2023/24. From our attendance at these meetings, we have confirmed the Committee receives regular updates on both internal audit progress and risk management in the form of risk registers and supporting reports. We have seen active member engagement from the Audit, Governance and Standards Committee who challenge the papers and reports which they receive from officers, internal audit and external audit.

At the end of each financial year the Chief Internal Auditor provided an opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control. For 2023/24, the Head of Audit and Risk concluded as follows:

I am satisfied that sufficient assurance work has been carried out to allow me to form a reasonable conclusion on the adequacy and effectiveness of Wigan Council's internal control environment.

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.

Where weaknesses have been identified, we have worked with management to agree appropriate corrective actions and a timescale for improvement.

Alongside the Annual Internal Audit Report, a set of annual governance reports (Annual Fraud Report, Local Code of Corporate Governance Compliance, Strategic Risk Register), were provided to the Audit, Governance and Standards Committee to support the review of the Annual Governance Statement.

The 2023/24 Annual Governance Statement reported on progress made in addressing the 2022/23 priorities and set out a governance action plan for 2024/25. Throughout the year the Committee receives regular progress reports on delivery of this action plan, providing Members with assurance that the Council is on track to deliver the plan it has set.

VFM arrangements – Governance

Overall commentary on Governance - continued

The Council adopted the CIPFA/SOLACE Framework as its own Local Code of Corporate Governance. This framework embeds the Nolan Principles of Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty, and Leadership. It is subject to an annual assessment to demonstrate compliance and to identify areas for development. The Nolan Principles are reflected in the Members Code of Conduct within the Constitution, as well as the Register of Interests, Member Officer Protocol and “BeWigan” Behaviours.

Whistleblowing arrangements encourage staff to raise any concerns about fraud, corruption, and poor standards. The Council’s Raising a Concern Policy is published on the Council’s website.

Arrangements for budget setting and budgetary control

The arrangement for budget setting and budgetary control are as we have reported in previous years. Full Council sets the Policy and Budget Frameworks within which the Cabinet must operate when setting budgets for the year.

The budget setting process involves regular meetings between services and Strategic Finance Leads to discuss the financial position and emerging threats and opportunities to deliver savings plans. This feeds through to the MTFP development and monitoring processes, along with scheduled reporting to members.

Capital investment decisions are reported within the Council’s Capital Strategy, which appends the annual Treasury Management report and details the process the Council follows for investment decisions.

Individual departments submit capital appraisal forms in respect of new capital projects to Corporate Finance for review. All capital appraisals are discussed at the Capital & Assets Strategic Management Group, chaired by the Deputy Chief Executive. This group meets quarterly in line with capital programme reviews and the Council’s approved Capital Strategy policy. Once a project is agreed, the capital estimate is reflected in the next capital programme review, the outputs of which are then reported to Cabinet and Council and approved. During the year, the Council operated a Corporate Property Management Board chaired by the Deputy Chief Executive and this approved all related asset management activity and also informed the Council’s capital programme requirements going forwards.

The budgetary control and monitoring arrangements in place ensure that resources allocated through Council’s approval of the budgets were used for their intended purpose and were properly accounted for. There is evidence budgetary control operated as a continuous process throughout 2023/24, enabling the Council to review and adjust the budget during the financial year. The arrangements in place provided a mechanism to hold to account those managers responsible for defined elements of the budget.

A monthly monitoring timetable sees reports issued to budget holders for discussion with designated accountants, with quarterly reported budget monitoring through democratic process. By continuously identifying and explaining the variances against budget, the Council was able to identify changes in trends and resource requirements at the earliest opportunity so that remedial action could be taken.

Detailed financial and performance reports are presented to SMT and Members throughout the financial year, covering:

- Revenue and Capital Budget Framework
- Delivery of Efficiencies
- Quarterly Financial Monitoring
- Treasury Management bi-annual reports
- Treasury Strategy, Prudential and Treasury Indicators, Capital Policy and Minimum Revenue Provision
- Financial Settlement, Council Tax and Budget Setting

We have reviewed these reports to confirm they contained sufficient detail to allow Members to make decisions or provide challenge and scrutiny appropriate to their role.

Decision making arrangements and control framework

Decision making processes are formally set out in the Council’s Constitution. The procedures are clearly documented, and training was provided by Democratic Services to ensure both understanding and compliance. The Council operated four Scrutiny Committees responsible for ensuring robust scrutiny of decisions made by Cabinet. The Committees can ‘call in’ decisions and hold Portfolio Holders to account for Council performance.

VFM arrangements – Governance

Overall commentary on Governance - continued

The role and responsibilities of the Audit, Governance and Standards Committee are established within the Council's Constitution.

The Council's Audit, Governance and Standards Committee had responsibility for dealing with Member standards and conduct matters as well as overseeing the work of the Internal and External Audit functions. It provided Full Council with assurance on the effectiveness of:

- The governance arrangements of the Council and its services.
- The Council's risk management framework and the associated control environment.
- The Council's financial management processes and the way this relates to the performance of individual services and the Council as a whole.

Wigan and Leigh Building Services

During late 2022, the Council became aware of an issue relating to the management of services provided by Wigan & Leigh Building Services (WLBS). Upon receipt of the initial information, the Council's Deputy Chief Executive took immediate action to investigate further in line with the Council's Anti-Fraud & Corruption Strategy. Internal Audit were instructed to undertake an immediate and wide-ranging review of operations by WLBS. This identified a number of weaknesses in WLBS's operational practice, including the allocation of work to sub-contractors, the management and quality inspection of work undertaken and in charging for the work done. Although no evidence of fraud was found, the Council identified a series of management failures and an urgent need to improve the service. An action plan was developed, agreed and is being implemented at pace.

The Council took external legal advice about the impact of the management failures with respect to the charges made to its Housing Revenue Account (HRA). In line with that advice, action was taken to correct the charges made to the HRA. This increased the HRA balance with a corresponding reduction to the Council's general fund balance.

Following the work in WLBS, Internal Audit also reviewed other aspects of the Council's service to ensure the management of contractors and sub-contractors was appropriate. No similar issues were identified across the Council's operations.

A report 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.

A follow-up audit review concluded that satisfactory controls have been introduced, which is based on the work undertaken by WLBS to address the significant risks identified during the previous review. These high level risks were specifically in relation to the introduction of a formal contract management processes, a reduced repairs backlog position, increased compliance with Construction Design and Management (CDM) Regulations 2015 through the delivery of H&S training and refreshed CDM policy documentation, and revised accounting arrangements to provide protection against a breach of the HRA ringfencing rules.

In terms of the wider repairs position and the impact on tenants, additional findings were identified during the follow-up review, which were confirmed as the responsibility of the Housing Service. The additional findings and outstanding WLBS actions have been accepted by management and collaborative work is ongoing between WLBS and the Housing Service to implement the recommendations of the review to strengthen the repairs service

From our attendance at Audit, Governance and Standards Committee we are satisfied that reporting to members was appropriate to allow for their oversight. However, we will continue to monitor the Council's progress in implementing the action plan agreed and to consider the impact on service delivery.

Housing Rent Standard

In March 2024, the Council became aware of a breach of the Housing Rent Standard and reported this to the Regulator of Social Housing. The breach was due to the Council having incorrectly charged 61 of its properties as affordable rent rather than social rent. Under the affordable rent tenancy scheme 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.

VFM arrangements – Governance

Overall commentary on Governance - continued

A requirement of the Rent Standard is to revalue affordable rent properties upon relet. The rent should be compared to that of a similar property and charge rent at 80%. This had not been done.

The Council has established an action plan to address this issues identified and put control in place to ensure this doesn't reoccur.

- 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 2024/2025.
- 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.

An update has been provided and a number of actions are now complete with 2 items outstanding and in progress

- A comprehensive forensic audit of individual rent accounts and service charges is being completed– all affordable relets over the past 6 years are currently being checked with retrospective valuations being completed to ensure that rents have not been set higher than 80% of market rent on relet. This action is due to be completed by the end of January 2025.
- 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 Council is keen to resolve this however is still awaiting guidance from DWP.

Housing Standards

Following 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 with the following actions being taken to address the issues identified:

- An initial action plan focussed on performance improvement is in the final stages of implementation
- Monthly meetings are held with the regulator.
- An external consultant has been instructed to review the associated compliance process and will lead to a new action plan to ensure performance in the long term.

Following the external review of the Council's compliance management, areas of weakness were identified. The Council is addressing these areas of weaknesses through a strategic action plan, supported by detailed plans across each compliance function. A programme of works to ensure full compliance is now in place.

We will continue to monitor progress against the above governance weaknesses identified.

VFM arrangements – Governance

Overall commentary on Governance - continued

The work of other regulators

We reviewed the regulatory reports issued in respect of the Council, including by OFSTED and the Care Quality Commission (CQC).

The most recent full inspection of Children's Services by OFSTED was in 2022. The service was assessed as "requiring improvement to be good" across all judgement areas. The report stated that the standard of social work practise had deteriorated since the previous full inspection in 2017. In addition, focused visits undertaken by OFSTED in 2019 and 2020 raised concerns about increased caseloads and the service's response to risk. However, the 2020 visited acknowledged some signs of progress following the appointment of a new Director of Children's Services along with increased investment in the service.

Over the period from 2017, the Council had been committed to making additional investments in the service and increases to the budget had allowed for an additional 40 social work posts to be created. Actions were also taken to improve the:

- quality of child protection investigations
- services for disabled children
- identifying and achieving permanence for children.

Notwithstanding this progress, OFSTED's 2022 report still found too much variability across the service and a continued reliance on agency social work teams.

Since the 2022 visit, the Council's improvement plan has been refreshed to include the specific recommendations from the latest report. This is reported to the Council's independently chaired Children's Improvement Board and takes forward the specific areas for improvement identified by OFSTED as well as the improvements required from the Council's own analysis of its service. Quarterly performance reports are also taken to the Children's and Young Peoples Scrutiny Committee alongside updates to the improvement plan. This updates the progress made to date and timescales for completion of remaining actions. The Council has also sought external scrutiny and challenge from a sector-led improvement partner to ensure the changes it is making are properly embedded.

OFSTED made a further follow up visit in May 2023 reported improvements to systems and processes ensuring the majority of children receive an appropriate level of support at the right time. The report also noted the continued corporate and political support to service improvement including strengthened strategic governance and scrutiny.

The latest OFSTED follow up visit was in October 2024 which confirmed the significant financial investment by the Council providing increased resources into the service. The visit acknowledge the consistent focus on strengthening oversight of performance and quality assurance. It was noted that the Council recognise that there is more to do around management oversight and the quality of supervision. Along with consistency and quality of data and support for some care leavers.

In December 2023 an inspection of the Council's Adult and Community Learning was undertaken by OFSTED. The report noted positive feedback from learners and highlighted areas of good practise with a small number of areas for improvement. OFSTED rated the Council as "Good" in all areas.

Although the Council identified a number of governance issues in its Annual Governance Statement, based on the above considerations, including actions taken to date, we are satisfied there is no significant weakness in the Council's arrangements in relation to governance.

VFM arrangements

Improving Economy, Efficiency and Effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services



VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on Improving Economy, Efficiency and Effectiveness

How financial and performance information has been used to assess performance to identify areas for improvement

The Council has a well established and effective process for reviewing financial and performance information and for using this to inform areas for improvement. The Council prepares performance monitoring and financial monitoring reports which are presented to senior management, Cabinet and Overview & Scrutiny Committee.

As in previous years, quarterly cabinet reporting encompasses Treasury, Capital and Revenue. The revenue budget is monitored monthly with reports provided to budget holders, and major capital projects have their own project boards. The budget monitoring process is an in-depth exercise undertaken monthly between the service accountants, strategic finance managers and departments so that performance against budget, or the progress of savings/transformation plans is well understood. The Council works with an external advisor in monitoring the performance of the Council's loans and investment portfolio and cash levels.

During 2023/24, financial monitoring reports provided information about the financial pressures being experienced. This highlighted new or increased service demand in some areas. These reports provide Cabinet with the overall financial position alongside individual service performance including additional narrative for those areas where increased costs or variances have occurred. Where such issues are highlighted through financial monitoring, the resources required as an investment to address it are identified. Performance reporting has been revised through the year to take account of the circumstances.

The Council has a performance management framework, reporting against an agreed series of performance indicators covering all departments. These indicators are reviewed by services and reported to the senior management team so that any issues requiring action are understood.

From our review of senior management team meeting minutes, we have observed regular reporting of Council performance against the agreed key indicators. The reporting contains adequate detail to enable decision makers to base decisions on timely, accurate and wide-ranging information.

Evaluation of Council services to assess performance and identify areas for improvement

Wigan Council's corporate plan, 'Deal 2030' was developed in 2018 and provides a unifying strategy for the Borough. The plan aims to deliver ten clear priorities for communities across Wigan, agreed following feedback from over 6,000 local people. Whilst Deal 2030 established the overall corporate priorities, and following the impact of COVID 19, the Council also published its "Road to Recovery" strategy. This updates the commitments in The Deal 2030 with five recovery pledges. Together, these documents provide a framework for the Council to allocate resources and develop plans to deliver its ambition.

During 2023/24, the Council had arrangements in place to monitor its performance to ensure it is making progress against the priorities it has set. This included performance reporting undertaken by Wigan's Joint Intelligence Unit. The reports provided by the Unit's Performance and Insight team show performance data and analysis against agreed indicators for Directorates. Performance reports are presented to the Council's Scrutiny committee, and its Senior management Team (SMT) with more detailed directorate performance reports to directorate management teams.

The Joint Intelligence Unit also supports the Council by providing performance information on transformation projects. The data provided includes the performance information related to the aim of the project, the financial impact and other non-financial impacts such as environmental. This allows the Council to evaluate the impact of its transformation activity across a range of metrics to ensure they are on track to deliver the expected benefits.

Assessment by service regulators are detailed on page 17 -18 of this report.

VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on Improving Economy, Efficiency and Effectiveness - continued

Agreements for effective partnership working

The Council had the partnership arrangements in place through which it works to deliver services in line with the Council's ambitions and priorities. Partnerships continue to play a crucial role in the delivery of the Council's Deal 2030 priorities. The Council recognises the importance of partnership working and is committed to ensuring it is represented by senior leaders, officers and members, on all key partnership boards.

One of the key partnerships is the Healthier Wigan Partnership (HWP) which brings together the main health and care providers in primary and community care, mental health and social care in the Wigan Borough. The key purpose is to make a real difference to improving health and well being to the community overall. To support this, the Council had a pooled budget arrangement of c£350m of gross expenditure with the integrated committee of providers in the locality. The Council's Chief Executive is the local place-based lead for the partnership and receives devolved responsibility and resources from NHS Greater Manchester Integrated Care Board. The Board will focus on wellbeing, prevention and social economic issues that impact on people's lives. Bi-monthly meeting and the establishment of an Executive Planning Group brings together senior leads from the Council, ICB, Primary Care and mental health services. Reports on progress made is presented to the Scrutiny Committee which provides an overview of the work of the Healthier Wigan Partnership and outcomes delivered.

The Council has formed the partnership arrangements which work to deliver services in line with its ambitions and priorities critical in delivering the Council's Deal 2030 plan. **In response to Covid-19 the Council produced its "Road to Recovery"** which acknowledges the valued role key partners play going forward.

Wigans Community Wealth Building (part of the Deal 2030 plan) aims to strengthen the local economy. Key to this is the relationship between the Council and other 'anchor institutions' in health and education. Working together, the anchor partnerships have developed and understood the need for skills and training in order to meet employment needs, provide job opportunities and develop career paths for people in the Borough.

The Council remains committed to major development projects that look to regenerate the Wigan area. Two of the most significant projects are the redevelopment of the Galleries shopping centre and the development of Haigh Hall.

Cityheart is the Council's Development Partner for the Regeneration of the former Galleries Shopping complex. 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 of Place supported by the Director of Finance and Legal and are attended by the Managing Director and a Director from Cityheart.

Arrangements for commissioning or procuring services

As previously reported the Council's Constitution contains a chapter on the Contract Procedure Rules. This sets out the detailed process the Council must follow when procuring goods or services. These documents take into consideration latest legislative and operational changes at the Council and provide a corporate framework for the procurement of goods, works and services. This is currently under review in line with the new Procurement Act.

We have reviewed the procedure rules to confirm they are comprehensive and cover the key elements including the quotation and tender process, using frameworks, post tender evaluation and contract monitoring procedures. There are also controls in place designed to ensure that all procurement activity is conducted with openness, honesty and accountability. Our work on the financial statements has not identified any significant internal control deficiencies.

Key commissioning and procurement decisions are taken by suitably skilled and trained staff to ensure compliance with legislation, professional standards and internal policies.

VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on Improving Economy, Efficiency and Effectiveness - continued

Large and strategic procurements are overseen by Procurement/Project Boards which include relevant senior officer and functional membership. A Contracts Register is maintained centrally and procurement staff attend Procurement/Project Boards. Any variation from Contract Procedure Rules has been addressed by the Deputy Chief Executive.

The Council is open to considering all options to deliver services. This means it has commissioned from other organisations where this is appropriate, and where it has can achieve the same or better outcomes at reduced cost.

Wigan Council adopted the Greater Manchester Combined Authority Social Value Policy to deliver social value through procurement and commissioning.

Based on the above considerations we are satisfied there is no significant weakness in the Council's arrangements in relation to improving economy, efficiency and effectiveness.

Other reporting responsibilities

Other reporting responsibilities

Matters we report by exception

The Local Audit and Accountability Act 2014 provides auditors with specific powers where matters come to our attention that, in their judgement, require specific reporting action to be taken. Auditors have the power to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to the law; and
- issue an advisory notice.

We have not exercised any of these statutory reporting powers.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. We did not receive any such objections or questions.

Reporting to the NAO in respect of Whole of Government Accounts consolidation data

In line with group audit instructions issued by the NAO, we are required to complete a programme of work on the Council's Whole of Government Accounts return and report to the group auditor in line with their instructions. The NAO are yet to provide confirmation on the approach to selecting sampled components. Without this information we are unable to complete our work and issue our certificate which concludes the audit.

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