

Report for Information

Report to: Audit Committee – 21 January 2016

Report of: Deputy City Treasurer

Subject: 2015/16 Annual Governance Statement (AGS) –
Summary of Progress to Date

Purpose of Report

This report sets out a brief summary of the progress that has been made to date in implementing the governance recommendations from the 2014/15 Annual Governance Statement (AGS). It also outlines the next steps in the process of producing the Annual Governance Statement 2015/16.

Recommendations

Audit Committee is asked to note and comment on the progress made to date to implement the governance improvement recommendations from the 2014/15 Annual Governance Statement.

Wards Affected:

Not Applicable

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	This report sets out a brief summary of the progress that has been made to date in implementing the governance recommendations from the 2014/15 Annual Governance Statement (AGS). It also outlines the next steps in the process of producing the Annual Governance Statement 2015/16.
Reaching full potential in education and employment	
Individual and collective self esteem – mutual respect	
Neighbourhoods of Choice	

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

None

Financial Consequences – Capital

None.

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Background documents (available for public inspection):

None

1. Introduction and Context

- 1.1 The Council has a statutory obligation under the Accounts and Audit (England) Regulations 2011 to produce an Annual Governance Statement (AGS), which explains how the Council has complied with its Code of Corporate Governance. The AGS sets out how the Council has met its responsibilities for ensuring that its business is conducted in accordance with the law and proper standards, and how it ensures that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.
- 1.2 The AGS also explains what governance challenges the Council is facing. Rather than simply updating the governance challenges on an annual basis the Council has established a process where by progress updates against governance challenges are provided every six months and reported to Audit Committee. This ensures there is a continual focus on how the Council is addressing its governance challenges and seeking improvement in how its functions are exercised.
- 1.3 As requested by Standards Committee a Senior Management Team (SMT) Lead was identified for each of the 2014/15 AGS governance actions. Lead officers have provided an update on progress, risks and ongoing work to implement the governance actions.

2. Summary of Progress against required Governance Actions identified in the 2014/15 AGS

Ensure effective delivery of Care Act requirements from April 2015, and preparation for funding provisions in 2016.

- 2.1 Significant progress has been made to deliver the Care Act 2014 requirements from 1 April 2015. All transformation work was overseen by the Care Act Board chaired by the Senior Responsible Officer (SRO) of the programme and supported by a small Programme Management Team.
- 2.2 The Care Act guidance is extensive and therefore required a significant number of workstreams to oversee and lead implementation in the respective specialist areas:
 - Prison responsibilities and Homelessness
 - Information, Advice and Guidance
 - Commissioning including the need for Independent Advocacy
 - Assessment and Person-Centred Planning
 - Wellbeing and Prevention
 - Carers
 - Adult Safeguarding
 - Enabler workstreams such as Communication, Performance, ICT and Finance
 - Implementation and availability of Deferred Payment Agreements for citizens admitted to registered care homes

- 2.3 In terms of progress, there are a significant number of achievements:
- Production of a new Assessment Form for Citizens built into MiCare (electronic social care record) and ensuring the Council's commissioned Manchester Mental Health and Social Care Trust adopt a similar care-act compliant assessment process
 - Staff training and input on the new assessment form to ensure workforce briefed on the key changes
 - Fully compliant assessment process and use of the Wellbeing Tool that meets the new requirement
 - Launch of new Prison social care assessments from 1 April and new partnership agreement with Manchester Mental Health and Social Care Trust and NHS England to deliver on-site care on the Council's behalf
 - New commissioning activity to procure a new Independent Advocacy service for the city and fully operational on 1 April
 - Changes to adult safeguarding through the Multi-agency Manchester Safeguarding Adults Board whereby new membership requirements were stated in the Act
- 2.4 The Council received £1.973m to meet the new burdens of the Care Act. In addition, there was funding to cover ICT costs of £544k and a contribution from the Better Care Fund of £1.479m. The £1.973m was specific in that the funding was split into four different streams;
- £162k for Prisons
 - £651k for early assessments
 - £543k for deferred payments
 - £617k for carers assessments implementation.
- 2.5 The Care Act Board in conjunction with the Adults Management Team has allocated funding to meet the requirements of the Act. The level of spend is now reported via the monthly budget monitoring report to Senior Management Team (SMT).
- 2.6 Earlier this year the government consulted on whether to withdraw the £651k for early assessments in year. A recent announcement has been made confirming the funding will remain and can be used to cover pressures across the wider Adult Social Care arena. For 2016/17, funding for the Care Act (excluding social care in prisons which will continue to be funded through a separate grant) has been rolled into the Settlement Funding Assessment however the detail is still being analysed to determine the year on year change.
- 2.7 There remain a number of key areas where close scrutiny is required to ensure that momentum is maintained until services are fully compliant with the Care Act. These are;
- **Information, Advice and Guidance** – The Council has commissioned an external provider -“Shop for Support” - to provide the outward-facing citizen and carer portal. This portal will provide a variety of functions

such as self assessments for both citizens and carers, tailored information on local services in their area as well as an e-marketplace to purchase goods and services as part of the Council's allocated personal budget. For example, a citizen with an indicative cash budget will be able to purchase domiciliary care from providers, or, a carer with an indicative cash budget will be able to purchase sitting services or respite care.

- **Prison Partnership, Assessments and Finance** – work continues to be embedded around joint working with HMP Manchester. This includes ensuring the obligations set out in the s75 agreement are complied with as well as ensuring that detailed financial monitoring on numbers of prisoners with care needs are tracked. In addition, this is a new area of social care activity so there is a heightened interest in better understanding the needs of older and disabled prisoners who meet the new national eligibility criteria and how their needs are being met (e.g. outcomes delivered).
- **Carers** – Whilst the assessment of carers was fully compliant from 1 April 2015, work has been taking place to consult with carers and carer's organisations on how best to meet the needs of carers in the city. This has involved extensive public consultation on both the offer and types of services that could be provided, but also the set up and future model of carer voluntary and community sector organisations. In the meantime, for carers' who meet the new national eligibility criteria, their needs are being met through the pre-Care Act default offer of a Cash Individual Budget. Looking forward, the consultation will inform whether carers prefer to maintain the status quo through ongoing small carers' budgets or, alternatively, would prefer to choose from a menu of services.
- **Supporting Manchester Mental Health & Social Care Trust (MMHSCT)** to achieve full Care Act compliancy. In effect, the Council has delegated responsibility for all mental health social care assessments to be carried out by the Trust. Accordingly, this means that key senior managers from the Trust have been involved in all aspects of the Care Act Implementation Programme. Typical activities include changes to eligibility criteria, assessment documentation, as well as the Trust's computerised adult social care record (AMIGOS). Through monthly contract monitoring meetings, key senior managers from the Council (commissioners and the lead for the Care Act) have met with the Trust to discuss and ensure Care Act changes have been implemented as required. Progress remains on a par with the Council's adult social care.
- **Completion of Association of Directors of Adult Social Care (ADASS) and Local Government Association (LGA) National Stocktakes on the Care Act** – there have been four stocktakes completed to date (with one currently underway) whereby a series of relevant questions are asked of all local authorities on how far their local implementation plans are progressing. This work also involves data collection as well and has to be completed within a short timescale. There are eight planned stocktake activities over 2014 – 2016.

Improving partnership governance: Manchester Children's Safeguarding Board

- 2.8 Following the Ofsted inspection, an improvement plan was put in place for Manchester Safeguarding Children's Board (MSCB). Improvement areas were grouped into four themes: Vision, Leadership and Governance; Quality Assurance; Business Planning; and Board Effectiveness. Action points, with delivery deadlines, leading to the required improvements were identified and progress tracked. A number of the action points in the plan have been completed, with the majority of the remaining items being on track for completion within the targeted timescales.
- 2.9 The recently appointed Independent Chair of Manchester Safeguarding Children Board has reviewed the Improvement Plan and progress to date, and has held wide-ranging discussions with individual senior representatives from a number of Board partners. Subsequently, members have endorsed and committed to an urgent refresh of the Improvement Plan to support continuing improvement. Priorities for further improvement will include;
- Developing the scrutiny capacity of the Board, including increasing the capacity of multi-agency audits;
 - Improving evaluation of the development of the early help offer across Manchester, and the operation of the revised Levels of Need approach;
 - Ensuring consistent engagement of partners and that the work and leadership for safeguarding is effectively distributed across the partnership;
 - Simplifying the Board structure (and underlying sub groups) to avoid complication and duplication and allowing the Board to fully deliver its leadership role, able to champion, challenge and critique all partners;
 - Improving and ensuring the consistency of business systems;
 - Ensuring greater consistency and timeliness in the completion and dissemination of recommendations from Serious Case Reviews, forging effective links to practise learning and quality assurance;
 - Consistent evaluation of the impact of training against the development of practice, new models of intervention and support and the implementation of the Children's Services Improvement Plan.
- 2.10 To facilitate continued improvement, the Board held a development workshop in November 2015 to establish a clear set of MSCB priorities, review cross cutting issues and review specific MSCB responsibilities and duties. Themes that were explored included:
- Board priorities and quality of information;
 - Effectiveness of challenge
 - The voice of children, young people and families
 - Membership and governance;
 - Learning and improvement;
 - Current safeguarding issues (including Child Sexual Exploitation, Neglect and Early Help)

- 2.11 The workshop also examined and clarified the links to the Improvement Board, Children's Board, MSAB, and other key governance arrangements to ensure that the MSCB role is clear. Board partners are aware of the work required to improve performance, and are eager to participate and contribute whilst also acknowledging the competing demands on partners' time and resources. This particularly applies to seeking opportunities to work with the Adults and other Boards to minimise multiple reporting lines and multiple attendance at parallel meetings.
- 2.12 The aim of the on-going changes taking place is for MSCB to have a focused and effective governance structure which drives and supports the work of the Board. This will ensure continuous improvement against Ofsted recommendations.
- 2.13 The MSCB Executive will have a clear role to provide the leadership and direction for the Board's work. The prime focus of the Executive will be to allow space for discussion on the competing demands for improvement and 'business as usual'; to inject pace and urgency; to unblock barriers and reduce duplication; to foster a strong partnership and to manage the increasing expectations on the Board.
- 2.14 A Performance Group will oversee the work of MSCB sub groups, collate and prepare information for full Board decision, and report regularly to the Board on the delivery of the MSCB Improvement Plan. This Group will also scrutinise the MSCB performance scorecard and identify issues for Board attention and action.
- 2.15 Board agendas will be planned over a cycle, and through the work of the Executive and the Performance Group, more time allowed for discussion and debate on substantive partnership issues – encouraging greater participation and engagement from all sectors and partners.
- 2.16 Sub group arrangements for overseeing Serious Case Reviews (SCRs), and other enquiry processes, will be streamlined. These processes need to be better integrated to ensure that the Board undertakes proportionate enquiries that are directed to developing practice and encouraging effective learning for both practitioners and organisations.
- 2.17 The Business Unit will establish regular reporting cycles, tracking and monitoring systems and support rather than lead sub group work which will be invested in a refreshed membership of partners to ensure that the right people are involved, or can link to work already underway through other forums.
- 2.18 Section 11 audits in 2016 will incorporate challenge sessions to allow discussion on MSCB priorities, to test and examine the capacity of agencies to deliver their safeguarding responsibilities and to identify emerging issues that may require Board consideration.

Improving partnership governance: Manchester Safeguarding Adults Board

- 2.19 The annual partnership self-assessment of Manchester Safeguarding Adults Board (MSAB) had identified that the partnership needed to strengthen its governance structure and its ability to oversee core activity within the health and social care networks. It was acknowledged that performance reporting could be improved, to more effectively measure quality rather than volume of delivery. The MSAB chair was a temporary appointment and longer term arrangements were needed. Essential support for Adult Safeguarding Reviews was also needed, as there were inadequate arrangements in place.
- 2.20 The Board appointed a new permanent Independent Chair who started work in July 2015. The Chair attends regular meetings with the Council's Chief Executive and the Executive Member for Adults, Health and Wellbeing and who is also a member of the Board and an annual report is provided to the Health and Well Being Board.
- 2.21 Membership and governance structure have been revised so that there is now an Executive, chaired by the Board's Vice Chair. The Executive has developed the strategy, business plan and the sub-groups required to take this forward. This included implementing a Case Review sub group that will take responsibility for delivering any Safeguarding Adults Reviews that are commissioned by the Board. Performance monitoring and reporting is now in place through another sub group, and the revised procedures enable the measuring of quality along with volume of delivery of safeguarding activity across Manchester. Two further sub groups are responsible for Learning and Development and Board communication.
- 2.22 Care Act compliant policies and procedures for safeguarding adults in Manchester have been developed and signed off by the Board prior to roll out across all the Board partners. The Board has developed a quality assurance framework so that it can assure itself that adults at risk throughout Manchester are safeguarded from neglect and abuse. The revised framework will focus on seeking assurance about the quality of the safeguarding work being undertaken by all partners throughout Manchester. The support structure for the Safeguarding Board has been reviewed and revised, and recruitment is underway to provide integrated professional, administrative, data and performance support for the Adults and Children's safeguarding boards.
- 2.23 An external peer review that reported in May 2015 gave the following overall conclusion on safeguarding activity within Adult Social Care;
- "Safeguarding happens in Manchester and is owned by the whole system, however it is inconsistent and requires more attention to the system supporting it including policy, procedure, resources and quality assurance."*
- 2.24 There is a safeguarding work stream included in the Transforming Adult Social Care programme (TASC) that addresses the issues raised in the peer review. The outcome of this work is reported to the TASC Board and subsequently to

the Senior Management Team of the Directorate. The workstream has adopted a tripartite approach:

1. Policy and procedures have been developed for the Council. These are compliant with the Multi-Agency Procedures from the MSAB.
2. A quality assurance framework has been developed to ensure that the new procedures are fully embedded in practice across adult social care.
3. Work is in progress for Adult social Care to be integrated into the Multi-Agency Safeguarding Hub (MASH) this will ensure consistency of safeguarding decision making.

2.25 The Directorate will also advise the Safeguarding Adults Board of progress as part of the Board's quality assurance process.

Improving partnership governance: mental health services

2.26 Arrangements in relation to partnership governance have continued to move in a positive direction. At a strategic level, the Trust Development Authority (TDA) have agreed, following due process and through the Sustainability Steering Group, to lead a procurement process to facilitate the acquisition of the Trust by one of the two other existing Mental Health Trusts in Greater Manchester. The Council and the CCGs are jointly producing the required specifications for the social care and clinical services that will form the transaction.

2.27 The Council leads monthly performance meetings relating to the Trust's social care contract, these meetings include public health commissioners, health commissioners as well as Trust staff. There is a quarterly strategic contract monitoring meeting which is attended by senior Trust staff. In future, this meeting will be attended also by the Director of Public Health. Executive to Executive meetings take place monthly involving the Council, the CCGs and the Trust.

2.28 All partners continue to meet regularly to meet with service users and service user groups. An event took place in November 2015 with service users and patients, to look at priorities for a small amount of investment being undertaken by the Trust.

2.29 Arrangements that are currently in place will continue as they are whilst the transaction is takes place. Commissioners from CCGs, MCC (including Public Health) will be closely involved in supported the transaction process. A Transaction Board has been set up with senior representation from all partners.

2.30 The intention is that the TDA will lead a procurement process which will be limited to the two other Mental Health Trusts in Greater Manchester. This process will begin in late January 2016 with the preferred provider being announced by the end of the financial year. Specifications are currently being agreed jointly by the Council and the CCGs.

- 2.31 Following this announcement, there will be a need for due diligence to be undertaken before any transfer of services, staff, estate and assets can take place. There is no specific transfer date agreed at this stage.
- 2.32 There is clear commitment from partners to work effectively together to facilitate a clean transaction process, now that there is clarity regarding future plans. Partners have developed a clearer understanding of the challenges to ensuring that there is high quality mental health provision in Manchester. The focus to work effectively with a new provider has aligned all partners behind a common goal.

Responding to the findings of the external peer review of Adult Social Services by the Association of Directors of Adult Social Services (ADASS).

- 2.33 The Peer Review was commissioned to provide an independent assessment of how well the Council is delivering adult social care as there was a view within Adult Social Care (ASC) that service delivery was inconsistent and variable. For example a safeguarding audit earlier in the year identified that the delivery of Adult Safeguarding was not consistent in respect of timeliness and practice. Also ASC managers, front line staff and trade unions, in various fora expressed a consistent view that ASC was under pressure and had become reactive rather than proactive.
- 2.34 The Peer Review took place in March 2015, prior to the site visit there was a requirement to undertake a self-assessment which was used as part of a process of establishing a baseline. This model of Adults Peer Challenge intends to help local government to help itself to respond to the changing agenda in adult social care. The peer challenge process is a constructive and supportive process with the central aims of helping a Council and its partners to assess its current achievements; and identifying those areas where it could improve. It is delivered from the position of a 'critical friend' to promote sector-led improvement. The focus of the peer review was on end to end delivery, adult safeguarding, and social work practice.
- 2.35 Following the review, twenty recommendations were made around the themes of adult safeguarding, social work practice and end to end delivery. All of the actions have now either been delivered or those requiring time to embed within the service have migrated into the ASC Transforming Adult Social Care (TASC) programme.
- 2.36 The governance of the actions relating to the outcome of the peer review is through the TASC programme Board. This Board is chaired by the strategic director of ASC who is the statutory director of adult social services (DASS) and the Senior Responsible Officer (SRO) for the programme. The TASC programme is designed to be a positive enabler to the strategic plans regarding health and social care integration. It is being undertaken through the active involvement of health partners, ASC staff, trade unions and other key stakeholders both at a strategic level, and via operational delivery - building and embedding improvement.

- 2.37 The TASC is focused on developing the systems, standards, processes and workforce required for Health and Social Care integration through the Living Longer Living Better (LLLBB) programme. Therefore, the key theme of the programme is to successfully reform ASC within this overarching context. There is a practitioner design team in place for integrated services, which includes staff from the acute trusts as well as the Council. The TASC programme is designed to build sustainable improvement in relation to the Council's delivery of ASC. It uses as a blueprint the work being led by the local government association (LGA) in respect of the national improvement initiative to reform the delivery of ASC.
- 2.38 The TASC Board is accountable for the governance of the programme and the role of this Board is to:
- Set strategic direction of the programme,
 - Sign off the PID and programme plan
 - Monitor progress of the delivery of the programme,
 - Set high level timelines to determine sequencing of work and set priorities
 - Sign off the completion of each stage, including the programme deliverables and give approval to start the next stage.
- 2.39 The Governance arrangements to assure the delivery of the TASC programme and the constituent workstreams are now well established as a framework to ensure the successful delivery of the programme. Phase 1 of the programme has now been successfully delivered and phase 2 of the programme is currently under development. The TASC governance arrangements will be reviewed towards the end of the 2015/16 financial year and will be modified to develop a governance framework for TASC that will support the integration of the health and social care into 12 neighbourhood teams.

Delivery of savings in line with the requirements of the final 2015/16 budget.

- 2.40 The 2015/16 approved budget included £55.004m of new savings proposals and £1.7m of proposals carried forward from 2014/15, a total target to be achieved in 2015/16 of £56.704m.
- 2.41 The achievement of the savings is considered by the relevant Directorate Management Teams and Executive Member monthly and the detailed savings tracker and summary note is provided to SMT Business Planning and Transformation monthly. In addition any issues are reported to Senior Management Team and Executive throughout the year as part of the budget monitoring process.
- 2.42 As at the end of September 2015 the reported position against the £56.704m target was an expected achievement of £56.138m, just £0.566m of the savings are categorised as not being delivered in this year. This is an expected achievement of 99% of the target, the Council's budget overall is

forecast to be circa £3m underspent. This gives assurance that the full target is expected to be broadly achieved by the end of the year with mitigations in place for most savings which are not being achieved as originally planned.

- 2.43 The £0.566m of savings which have not been achieved relate to Learning Disabilities savings as follows;
- End the contract for Emergency Assessment & Treatment Unit (£291k). Whilst there will be savings from closing the Emergency Treatment unit, the alternative accommodation required is likely to lead to pressures elsewhere. Plans have now been agreed for most residents and a closure notice will be issued shortly subject to the terms of the contract.
 - Expand Specialist Assisted Daily Living (£275k). The savings strategy was predicated on a new build project, but is dependent on factors outside the Council's control. The timescale for completion of the build has been revised to the beginning of 2016/17.
- 2.44 For Learning Disability the following mitigating action is being taken to address the budget pressures;
- A review of high cost packages, looking at both transition cases and working age cases, where negotiations with providers should lead to savings. A plan has been developed for new staff to review high cost cases, with all spot purchased residential placements to be reviewed.
 - Complete the filling of all Network voids.
 - Moving citizens who are over 65 to alternative accommodation.
- 2.45 Strategic Directors have been working to identify proposals taking account of a range of factors including cost, efficiencies, impact on equalities and local factors such as resident need and access to services. The budget proposals for 2016/17 are going to overview and scrutiny committees in January prior to Budget Executive in February. Once proposals are approved the achievement of savings will be monitored by SMT throughout the year via a detailed savings tracker.

Continuing to make governance improvements through the Children's Services Ofsted improvement plan.

- 2.46 The Ofsted Improvement Plan has now been developed and restructured to correspond to the four key Ofsted judgements, one of these is 'Leadership, Management and Governance'. This provides a particular focus to governance within the improvement work.
- 2.47 The Department for Education also conduct six monthly reviews to monitor progress on behalf of the Minister.
- 2.48 The governance arrangements supporting the improvement programme have been implemented and running since January 2015. As outlined in last year's Governance Statement, this includes a monthly Operational Board,

Improvement Board Executive, an Executive Members Ofsted sub group and the Improvement Board.

- 2.49 The Ofsted Improvement Board is chaired by an independent chair and attended by partners and a representative from the Department for Education. It monitors progress against the agreed objectives within the Improvement plan and provides a reporting forum for all partners involved in the Ofsted journey.
- 2.50 The Operational Board represents views of front line staff within the improvement programme. There is connectivity between the Operational and Improvement Board as the Chair of the Operational Board also attends the Improvement Board.
- 2.51 Regular reports on a particular theme of the 'Post Ofsted Improvement Plan' are also sent to Young People and Children's Scrutiny Committee as part of the forward plan. This provides regular scrutiny of improvements to members.
- 2.52 The governance arrangements which have been put in place will remain until the service has improved. The next Ofsted inspection is due in summer 2016. In preparation for the re-inspection two strategic working groups have been established to support the collection of information which Ofsted will require to assess the Service.
- 2.53 Following a self-assessment exercise undertaken by the Service, an SMT Ofsted Readiness Group has been established. The purpose of this is to raise the profile of the Ofsted Improvement journey across the Council increasing awareness and improving connections between Children's and Families and other Directorates to support the Ofsted readiness preparation.
- 2.54 The Ofsted Improvement Board cycle has provided independent scrutiny of the progress against the Ofsted Improvement Plan for the last year. As good practise becomes embedded within the service, the independent, multi-agency scrutiny of the service, will shift from being the responsibility of the Improvement Board to being the responsibility of the Manchester Safeguarding Children's Board (MSCB). A strong and influential Local Children's Safeguarding Board will provide the governance to support the future development and scrutiny of safeguarding policy and practise, both in the service and across the city.

Continue to prepare to implement governance arrangements resulting from Devolution, including development of the health and social care Locality Plan.

- 2.55 Greater Manchester Combined Authority (GMCA) signed the initial Devolution Agreement with Government on 3 November 2014. The agreement included proposals for strengthening the governance arrangements of GM to support the significant transfer of powers and responsibilities to GM, by the establishment of a directly elected Mayor with Executive powers. The

agreement specified the powers that would be exercisable by the Mayor including; a devolved and consolidated transport budget, responsibility for franchised bus services, powers over strategic planning, control of a new Housing Investment Fund and the role of the Police and Crime Commissioner.

- 2.56 In July 2015 additional flexibilities and freedoms were awarded to GM in the Budget. This included provision for the transfer of enabling powers including the power to borrow, the transfer of GM Fire and Rescue Authority, additional Mayoral planning powers, greater flexibility in employment and skills and a commitment to align the production of GM's Strategic Health and Social Care Sustainability Plan with the Spending Review.
- 2.57 In early 2015 GMCA applied to the Secretary of State for an Order to add an 11th Member to the CA as an Interim Mayor and Chair to provide additional capacity needed to support and promote the significant increase in responsibilities that come with devolution. The Order was made and the Interim Mayor appointed in May 2015 following a recruitment process. In governance and legal terms the CA remains the same until the election of a Mayor; Leaders of GM authorities continue to exercise portfolio responsibilities and the Interim Mayor does not exercise any executive functions but does Chair the CA meetings.
- 2.58 The Cities and Devolution Bill was published on 29 June 2015; this will enable the implementation of the GM Devolution deals with government and NHS England. This means that GMCA can have a borrowing and levying power, hold health functions; produce a GM wide spatial development strategy and have a general power of competence.
- 2.59 The Bill confirms that a combined authority must arrange for the appointment of one or more Overview and Scrutiny Committees. Such committees must have the power to review or scrutinise decisions made or action taken in connection with the CA's functions. This will include decisions or action taken by the Mayor.
- 2.60 Building on the devolution deal agreed in November 2014, the government also announced in the summer 2015 budget a commitment to a health and social care spending review settlement for Greater Manchester. This builds on the Memorandum of Understanding (MoU) signed in February between NHS England, AGMA and the GM Clinical Commissioning Groups. The MoU sets out a clear objective to improve the health and well being of all GM residents and to close health inequality within GM and between GM and the rest of the UK. It includes the principle that 'all decisions about GM will be taken with GM.'
- 2.61 Shadow governance arrangements for the health and social care proposals have been adopted. It is anticipated that there will be some refinement and evolution of the details during the winter and that they will be subject to final ratification in early 2015. Further work on Overview and Scrutiny arrangements is one particular strand that has been identified to be prioritised.

- 2.62 The high level strategy will be set out in a Strategic Plan by the Strategic Partnership Board which will have an Executive group. The Strategic Plan will identify what is to be led and agreed locally (underpinned by 10 locality plans) and what will be led and agreed at GM level.
- 2.63 The Manchester Locality Plan is a commissioner-led whole system document which outlines the strategic approach to improving the health outcomes of residents, whilst also moving towards financial and clinical sustainability of health and care services. Development of the plan can be summarised by three key elements;
- A single commissioning system ('One Commissioning Voice') ensuring the efficient commissioning of health and care services on a city wide basis with a single line of accountability for the delivery of services;
 - 'One Team' delivering integrated and accessible out of hospital community based health, primary and social care services;
 - A 'Single Manchester Hospital Service' delivering consistent and complementary arrangements for the delivery of acute services achieving a fully aligned hospital model for the city.
- 2.64 Work is underway reviewing the Governance and Accountability arrangements for the Locality Plan with a report scheduled to be presented at the next meeting of the Health and Well Being Board in January 2016. The Locality Plan will form part of the suite of budget reports for the January Scrutiny process.

Governance and delivery of ICT infrastructure improvements

- 2.65 To meet the need for robust longer term planning across ICT, a medium term plan for the service was developed, and presented to Finance Scrutiny Committee in February 2015. This plan breaks down into three key phases;
- Stabilisation and Investment
 - Transform and Efficiency
 - Growth and Innovation
- 2.66 The plan sets out how over the 18 month period the ICT Service will be set up for success with a new operating model in place and populated. A Programme Delivery function will be established to successfully deliver the current key projects, a business engagement layer to operate with the directorates, and a forward plan of projects which will be agreed and communicated. The service function will be delivering service to agreed service level agreements. The first six months of the plan has now been completed on time allowing the service to move into the next phase.
- 2.67 The appointment of the Chief Information Officer (CIO) was completed in October 2015. This role is a full member of SMT reporting to the Chief Executive and is supported by the Deputy City Treasurer. The new senior management structure reporting to the CIO is now in place with the final

recruitment for the Head of the Programme Management Office having completed in January 2016.

- 2.68 The operating structure has been agreed and the service is in the final stages of recruitment. This has been built on the foundations of ITIL (IT Infrastructure Library) which is industry best practice. It has an ability to scale up but only where it is appropriate and makes sense. It is flexible enough to adapt to future partnership and collaboration models across GM as and when these are progressed.
- 2.69 Recruitment to fully populate the new organisation structure is a risk to the overall objectives of the service, however it is now two thirds complete. This critical activity is likely to continue until February 2016 as the service seeks to build greater capability and capacity.
- 2.70 Work has taken place to document an overarching ICT Strategy incorporating an Information Strategy. This was made available as one of the underpinning documents for the Budget and Business Planning process for 2016/17, in draft form in December 2015. This will be discussed in January 2016 with the Council's senior management team and Members.
- 2.71 ICT has established a Governance and Project Management Office as part of the new ICT Operating Model, this team is accountable for ensuring that highly effective governance is in place across ICT that will focus on;
- ICT and Project Reporting
 - Financial Governance
 - Service Performance
 - Resource Management
 - Compliance, Audit and Risk Management
 - Business Continuity Planning and Disaster Recovery
- 2.72 In addition, the service has established several new governance arrangements as follows;
- A monthly ICT Board is now in place which reviews the entire service provision. This is chaired by the Deputy Chief Executive and attended by the Deputy City Treasurer and Executive Member.
 - Work is underway to develop the business engagement model, project pipeline and process, project prioritisation, project governance and resource management to ensure successful delivery.
 - A Council Project Prioritisation Group (PPG) is now in place to ensure that strategic change initiatives are appropriately prioritized, funded and managed through to successful execution.
 - Individual directorate prioritisation sessions are now in place which will feed the PPG going forward. Each directorate will plan for their change activities in ICT and ensure that this is aligned to their business plans.
 - Key project steering groups are underway and formal reporting is in place enabling progress and delivery to be tracked in line with plans.

2.73 A two year investment plan for ICT has been established with funding support secured for 2015/16. The overall budget supports both existing priorities and investment of £9.5m for an initial phase of development which is designed to both secure the Council's systems and provide capacity to upgrade and expand. The £9.5m approved for the initial phase of development will cover the investment required to support the following;

Project	Definition
Compliance (including N-1 programme)	Upgrading and replacing infrastructure to ensure up to date technical platforms to reduce security risks and ensure optimum performance and capability. Also delivers compliance with Public Service Network (PSN) requirements that sets the government-based security standard for digital information.
Service Management	Implementation of an application that supports ICT service management. This will enhance the ability to manage assets (e.g. computers, technical equipment), incidents recorded by customers and service level monitoring between ICT and its customers. There is potential for using the same platform as a generic case management tool for other business areas.
Email and collaboration	Email and collaboration technology that will support people in 'anytime and anyplace working', allowing staff to have access to information and systems away from the office.
Data Centre and Disaster Recovery	Greater resilience built into the Council's ICT systems with specific arrangements in place to support Disaster Recovery and Business Continuity to ensure minimum disruption to services.
Applications Upgrade	Necessary upgrade to applications related to the Windows 7 desktop upgrade. This ensures that the desktop and laptop solutions provided by the Council are at a minimum standard to ensure a cost effective solution, better information security and to remove legacy and out-dated solutions.
Communications room upgrades and rationalization	Improvements to the communications estate to improve capacity, performance and security of networks and communications. This will result in better provision, especially to remote sites.
Infrastructure and Mobile Working	Enhanced capability for working which can be 'anytime and anywhere'.

2.74 Further to the capital funding, revenue funding of £2m has been identified to improve the Disaster Recovery and Business Continuity position for ICT services to the Council. This will ensure that in the event that there is a disaster which impacts the data centre, the Council will ensure that appropriate ICT recovery of our infrastructure is aligned to operational needs.

2.75 Following the successful exit from the old data centre at Daisy Mill at the end of August 2015 and the move to the new building in Manchester, the overall resilience of the Council's systems has been improved. This is the first step in the overall programme to provide a true Disaster Recovery service for the Council in 2016, but it is recognised that the Council has no immediate facility in place at the moment.

- 2.76 There is a connection in place between the Council's new Data Centre and Salford Council's Data Centre. This connection provides two core capabilities:
- It provides a level of resilience for Council telephony services. Based on the controlled shutdown in December 2015, it is apparent that this resilience is dependent on the core network at the new Data Centre being operational for routing which needs to be addressed urgently in 2016;
 - It provides the Council with storage for its backups so that it can have an offsite location for its backups.
- 2.77 The link between the two Data Centres only provides a level of resilience to service and is therefore not a full Disaster Recovery or 'Fail-Over' option for the Council's ICT systems. An options appraisal to assess the options for Data Centre provision for the Council is underway.
- 2.78 A clear portfolio that has been prioritised and ranked is now in place supported by a governance framework that starts in the directorates and is ratified at the Council's PPG. The portfolio prioritisation work has resulted in some changes to the key projects to be reported for each directorate and ICT. The key projects are;
- Compliance incorporating PSN – the Council's submission to the cabinet office will be in January 2016.
 - Development Management Framework for Growth & Neighbourhoods
 - Framework upgrade to MOSAIC for Children & Families
 - Digital Workplace Strategy – which will complete in March 2016.
- 2.79 Work is ongoing to identify further efficiencies from a planned review of ICT contracts and the centralisation of ICT related resources from Directorates across the Council. This work is unlikely to realise any benefits in 2015/16, but the savings will be used as part of the savings requirement in 2016/17 onwards.

Health and Social Care integration

- 2.80 With the advent of health and social care devolution, the context within which Manchester's Health and Well Being Board (HWBB) operates has changed significantly. Firstly there needs to be a strengthened interface with the emerging governance arrangements within Greater Manchester, and secondly it is important that the right governance and accountability mechanisms are in place to effectively drive the ambitions for health and care integration contained within Manchester's Locality Plan.
- 2.81 The review of Governance arrangements commenced in August 2015, with a working group tasked with leading the review. The review included a workshop with Chairs and Chief Officers of commissioner and provider organisations. A broad consensus was reached regarding the key elements that will comprise the new governance arrangements. The review acknowledged that there are a

number of anomalies in representation on the Health and Wellbeing Board and its sub-structures which needed to be resolved.

2.82 Key challenges which emerged included;

- Maintaining the right balance of executive and non-executive representation and avoiding duplication of membership across more than one group;
- Acknowledgement that current governance arrangements had evolved and now needed to be strategically designed to ensure fitness for purpose in the context of health and care integration and devolution;
- The fast changing strategic environment associated with devolution and the need to be prepared to 'learn and adapt' within this context;
- The extent to which the decisions of the HWBB interface with the role of the statutory bodies and the extent to which changes may be required of respective constitutions to accommodate this.

2.83 An updated report with recommendations is due to be considered by the Health and Wellbeing Board in January 2016.

Continue to implement recommendations following the ICO audit

2.84 The Information Commissioner's Office (ICO) Data Protection consensual audit took place over 3 days in December 2014 and covered 3 areas; Governance, Training and Awareness and Subject Access Requests.

2.85 The ICO issued its report in March 2015 setting out that its overall opinion was there was limited assurance that processes and procedures were in place and being adhered to. Work had been ongoing since then with oversight by the Corporate Information Assurance Risk Group (CIARG) to implement the audit recommendations. Of the 41 agreed recommendations 30 have been fully completed, 10 are currently being progressed or are partially completed and only one recommendation has yet to be actioned.

2.86 The ICO conducted a desk based follow up audit in October 2015 and has issued its follow up report acknowledging the following main areas of improvement:

- The Council's overarching Information Governance (IG) Strategy has been updated to reflect key priorities, roles and responsibilities and Key Performance Indicators (KPIs) the Council is required to meet.
- The Council now has a Policy Log in place for all key IG Policies and Guidance with dates for review and responsible officers. The Log is regularly discussed at meetings of CIARG.
- The Council has now put in place an Information Governance Risk Register with dedicated risk owners. The Register is reviewed at the CIARG meetings, as a standing agenda item, and will be used to inform the annual IG Work plan going forward.

- The Council's Data Protection (DP) Policy has been updated to include the Council's overall approach to DP training. It outlines a clear corporate responsibility for all staff to undertake initial and refresher training and places the onus on line managers to ensure this is completed.
- The Council has created comprehensive guidance for all staff on Subject Access Requests (SARs) and the Rights of Data Subjects. The guidance includes identification, processing and disclosure of SARs to individuals. It also provides guidance for exemptions that many apply and the logging and administration of SARs.
- Performance against the Council's requirements to comply with SARs is now a standing agenda item at all CIARG meetings.

2.87 The ICO has identified the following areas where further work is needed:

- The one recommendation yet to be commenced relates to putting in place an assurance process requiring ICT system owners to undertake annual risk based reviews of access controls. Progress of this recommendation is pending the outcome of an audit report on access controls which is due to be presented to the Council's ICT Board later on this year.
- There have been difficulties with gleaning accurate information on the completion of the Protecting Information training modules by staff for monitoring purposes. Current figures confirm that 80% of staff have completed the required training. The Council has been unable to proceed with significant action on this recommendation until the contract with the current training provider expires; this is due to happen in March 2016. At that point, steps will be taken to ensure that the retendering process addresses the need for effective reporting capabilities.

2.88 The ICO noted that all other partially completed recommendations are in hand and are progressing well. It however indicated that they should be kept under review to ensure they are completed in a timely manner.

Robust Governance and delivery of the Capital Programme and Operational Property Estate

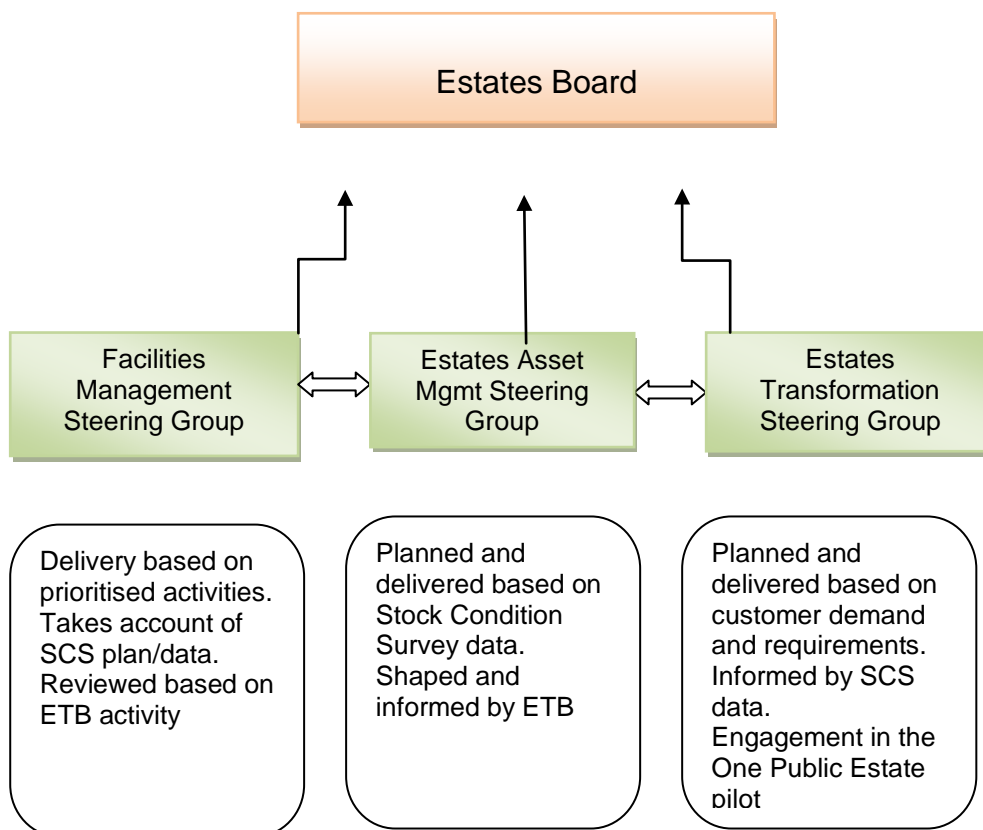
2.89 Capital Programmes and Property have undergone a full restructure that has ensured the structure will provide the robust and efficient delivery of the Capital Programme. A key element of the changes has been a review of governance arrangements. This has led to some significant changes with the introduction of a Highways and Transport Strategy Board and an Estates Board. The restructure has resulted in bringing together all of the relevant operational teams to deliver the day to day Estates management and maintenance function, and records management for the estate.

2.90 An Estates Board has been formed, which will meet every six weeks, and the decision making quorum will be four Board Members. Steering Group

Members will attend in a supporting capacity or on an 'as required' basis. The membership consists of the following roles;

- Deputy Chief Executive (Growth & Neighbourhoods) - Chair
- Deputy Chief Executive (People)
- City Treasurer
- Deputy City Treasurer
- Strategic Director (Reform)
- City Solicitor
- Strategic Director (Strategic Development)
- Assistant Chief Executive (Growth)
- Interim Chief Information Officer

2.91 The first meeting of the Estates Board took place on 5 August 2015, and meetings have taken place every 6 weeks since that time. The reporting structure of the Board is shown below;



2.92 In addition to the introduction of governance arrangement work has been progressing on approval and funding for the following activities:

- Undertake a full Stock Condition Survey of the operational estate in order to inform a programme of estates maintenance activity based on risk and priority. Work has progressed on the procurement of the supplier to undertake the surveys and final approval to spend is expected on 18 November 2015, with data being returned in Spring 2016 and used to inform a programmed regime commencing April 2017.
- Introduction of a Statutory Compliance role in order to ensure that there is ongoing oversight and monitoring of discharge of statutory duties (e.g. legionella testing, asbestos management plans, fire safety activities, portable appliance testing etc). This role is now involved in the progress of the corporate asbestos management plans and embedding this activity into day-to-day business.
- Seeking approval to the resourcing (people and capital investment) of the Estates Transformation and Rationalisation team. Initial approval and investment has been made to support delivery of the Early Help Hubs (first phase) of work. This team will also progress the vacation of Wenlock Way offices as part of the rationalisation of the estate and it is currently expected this work will be completed late Summer 2016, and realise savings for the Council. The team will also support the Estates transformation activity working with colleagues in Children's and Families to progress the Living Longer Living better programme and engage in the One Public Estates work.

3. Next steps in the production of the 2015/16 AGS

- 3.1 Evidence from governance self assessment information collated from services across the Council has been analysed to identify recurring governance challenges. An annual meeting of SMT lead officers has been arranged where this analysis will be considered, and a list of the most significant governance challenges which the Council has addressed in 2015/16 will be produced. An update on progress against these challenges will then be provided in the AGS 2015/16.
- 3.2 The draft Annual Governance Statement for 2015/16 will be submitted to Audit and Standards Committees in June 2016, prior to its inclusion with the Council's Annual Accounts.