



Audit Committee

Date: Tuesday, 23 November 2021

Time: 10.00 am

Venue: Council Chamber, Level 2, Town Hall Extension

Everyone is welcome to attend this committee meeting.

There will be a private meeting for Members only at 9.30am in Committee Room 6 (Room 2006), 2nd Floor of Town Hall Extension. A Town Hall pass is needed to reach this room.

Access to the Council Chamber

Public access to the Council Chamber is on Level 2 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension. There is no public access from the Lloyd Street entrances of the Extension.

Face masks / Track and Trace

Anyone attending the meeting is encouraged to wear a face mask for the duration of your time in the building and to provide contact details for track and trace purposes.

Filming and broadcast of the meeting

Meetings of the Audit Committee are 'webcast'. These meetings are filmed and broadcast live on the Internet. If you attend this meeting you should be aware that you might be filmed and included in that transmission.

Membership of the Audit Committee

Councillors - Ahmed Ali (Chair), Clay, Hitchen, Lanchbury, Robinson and Russell

Independent Co-opted Members – Dr S Downs and Dr D Barker

Agenda

1. Urgent Business

To consider any items which the Chair has agreed to have submitted as urgent.

2. Appeals

To consider any appeals from the public against refusal to allow inspection of background documents and/or the inclusion of items in the confidential part of the agenda.

3. Interests

To allow Members an opportunity to [a] declare any personal, prejudicial or disclosable pecuniary interests they might have in any items which appear on this agenda; and [b] record any items from which they are precluded from voting as a result of Council Tax/Council rent arrears; [c] the existence and nature of party whipping arrangements in respect of any item to be considered at this meeting. Members with a personal interest should declare that at the start of the item under consideration. If Members also have a prejudicial or disclosable pecuniary interest they must withdraw from the meeting during the consideration of the item.

4. Minutes

To approve as a correct record the minutes of the meeting held on 28 September 2021.

5 - 10

5. External Audit Completion

The report of the External Auditors (Mazars) **will follow**.

6. Final Statement of Accounts

The report of the Deputy Chief Executive and City Treasurer **will follow**.

7. Letters from those charged with governance

The report of the Head of Audit and Risk Management **will follow**.

8. Treasury Management Interim update

The report of the Deputy Chief Executive and City Treasurer **will follow**.

9. Internal Audit Assurance (Q2)

The report of the Head of Audit and Risk Management **will follow**.

10. Outstanding Audit Recommendations

The report of the Head of Audit and Risk Management **will follow**.

11. **Register of Significant Partnerships: Partnerships with 'Reasonable' or 'Limited' assurance ratings** 11 - 24
The report of the Deputy Chief Executive and City Treasurer is attached.
12. **Risk Review: Procurement of External Auditor**
The report of the Deputy Chief Executive and City Treasurer **will follow.**
13. **Risk Review: Governance and Management of Complaints**
The report of the Director of Policy, Performance and Reform **will follow.**

Information about the Committee

The Committee is responsible for approving the Council's statement of accounts; considering the Audit Commission's Annual Audit and Inspection Letter and monitoring the Council's response to individual issues of concern identified in it. The Committee also considers the Council's annual review of the effectiveness of its systems of internal control and assurance over the Council's corporate governance and risk management arrangements, and engages with the external auditor and external inspection agencies to ensure that there are effective relationships between external and internal audit.

The Council is concerned to ensure that its meetings are as open as possible and confidential business is kept to the strict minimum. When confidential items are involved these are considered at the end of the meeting at which point members of the public are asked to leave.

The Council welcomes the filming, recording, public broadcast and use of social media to report on the Committee's meetings by members of the public.

Agenda, reports and minutes of all Council Committees can be found on the Council's website www.manchester.gov.uk.

Smoking is not allowed in Council buildings.

Joanne Roney OBE
Chief Executive
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Further Information

For help, advice and information about this meeting please contact the Committee Officer:

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This agenda was issued on **Monday, 15 November 2021** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Lloyd Street Elevation), Manchester M60 2LA.

Audit Committee

Minutes of the meeting held on 28 September 2021

Present:

Councillor Ahmed Ali - In the Chair
Councillors Clay and Russell
Independent Co-opted member: Dr D Barker
Independent Co-opted member: Dr S Downs

Also Present:

Karen Murray, Mazars (External Auditor)

Apologies:

Councillors Lanchbury and Hitchen

AC/21/26 Minutes

Decision

To approve the minutes of the meeting held on 27 July 2021 as a correct record.

AC/21/27 External Audit Process

The Committee considered a report of the Council's External Auditors (Mazars) which set out progress of ongoing audit activity. The report set out:

- Progress against the conclusion of external audit activity for 2019/20
- the current position and planned approach for external audit activity for 2020/21
- An outline of the National Audit Office's recently updated Financial Sustainability of Local Authorities report
- An outline of recent changes to the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22

In considering the current position in respect of the submission of the Council's 2019/20 Whole of Government Accounts (WGA), the Committee was invited to note that the Council had met the final accounts publication deadline of 31 July 2021 and that matters remained on track for the completion of external audit activity by November 2021.

There was discussion about the findings of the Financial Sustainability of Local Authorities data visualisation which reported growth in some new and alternative income streams. The Chair asked to what extent external auditors became involved in the exploration of potential income streams. Karen Murray (Mazars) said that regular meetings with the Finance Team and the City Treasurer, where discussions of this nature may arise. Generally speaking such discussions took place well in advance to enable sufficient time to clarify any queries.

Decision

To note the report.

AC/21/28 Review of internal Audit and Quality Assurance Improvement Programme (QAIP)

The Committee received a report of the Deputy Chief Executive and City Treasurer Head of Internal Audit and Risk Management which discussed the annual review of effectiveness of the Council's internal audit function as part of ongoing assurance processes. The report highlighted that the review of effectiveness had been scheduled for submission to this Committee in April 2021 but was delayed due to the pandemic.

Key points and themes in the report included:

- The context, structure and scope of the review
- An overview of audit planning and priorities
- A discussion of resources
- The purpose and scope of the Quality Assurance Improvement Plan (QAIP)
- A summary of progress and activity up to September 2021.

A member asked the progress of the longstanding service restructure. The Committee was informed that whilst the progress of implementing a revised structure had been delayed by the impact of the pandemic, matters were in hand and recruitment should take place in December of this year. This would therefore strengthen the core internal audit function as well as counter fraud activity. The Committee resolved to receive a report on the implementation of the Internal Audit Service restructure at its January 2022 meeting.

Discussions moved to the Internal Audit Service should be externally reviewed. The Committee endorsed the proposal that Manchester undertakes a review of Birmingham City council in early 2022 and be reviewed by the team from Sheffield in Spring 2022, noting that a further report on the timing and scope shall be submitted to a future meeting of the Committee.

Noting the reports narrative around priority and pressures, a member asked about the balance of activity between Manchester City Council and Bolton Metropolitan Borough Council. The Deputy Head of internal Audit and Risk management explained that whilst Bolton Metropolitan Borough Council had its own internal audit team, support was provided by the Head and Deputy Head of Internal Risk Management. He estimated that prior to the pandemic this took up approximately 30% of resource, though this reduced significantly during the pandemic as their team was engaged in pandemic recovery fund-related activity. He invited the Committee to note that the reduction in planned audit activity within the Council's own team had partly been due to a lack of client availability. He also explained that as things return to 'business as usual' the plan was to re-establish links with Bolton and determine the level of support required by their in-house team. Noting the comments around the depth and diversity of the skills mix within the team, and using the example of cyber fraud risk, a member asked how well this competence mix matched the balance of

risk across the organisation. The Deputy Head of Audit and Risk Management said that whilst there was sector specific competence within the team, retention of ICT auditors within the organisation presented a challenge and as such, support from Salford City Council's ICT audit was outsourced. He assured the Committee that through this collaborative approach cyber risk is effectively audited in Manchester.

Discussions then moved to the effectiveness of support provided to the Internal Audit service through the function of this Committee. The Deputy Head of Audit and Risk Management explained that the frequency of training for Audit Committee members was determined through specific CIPFA guidance. The Chair then spoke about the complexities of local government finance and governance arrangements and indicated that a private training session for committee members would be scheduled for its December meeting where practices to explore and underpin efficacy may be discussed in greater depth.

There was a discussion about the Committee's Terms of Reference with a particular focus on impairments to independence or objectivity within the audit function and the periodic review of safeguards to limit such impairments. The Deputy Head of Audit and Risk Management gave assurance that all possible conflicts of interest are explored through existing governance arrangements and agreed to provide a report outlining this area of activity to a future meeting of the committee. The Committee also agreed to add a report on the selection of external service providers and the agreement of the terms of appointment to its future work programme.

The Committee the discussed the focus of audit planning priorities as pandemic related demands lessen. The Deputy Head of Audit and Risk Management indicated that the internal audit service was currently focussing capacity on business-as-usual activities at an approximately of 80% of previous levels. The report outlined areas of focus which included two examples of the Council's wholly owned companies. The Deputy Chief Executive and City Treasurer asked the Committee to note that a report that discussed governance arrangements concerning the council's wholly owned companies had recently been submitted to the Resources and Governance Scrutiny Committee and that this could be shared with Audit Committee members for information.

Decisions

- 1 Note the level of assurance provided by the review of effectiveness and progress on management improvement actions from the Quality Assurance Improvement Plan (QAIP) and planned actions for 2021/22.
- 2 To endorse the proposal for an External Audit Assessment of the Internal Audit Service through a Core Cities peer review programme, noting that a further report on timing and scope shall be submitted to a future meeting of the committee.
- 3 To agree the Audit Committee's Terms of Reference
- 4 To endorse the Internal Audit Charter.

5. To schedule a report which discusses the implementation of the Internal Audit Service restructure at its January 2022 meeting.
5. To schedule a report on safeguards that limit impairments to independence within the internal audit function to the Committee's future work programme.
6. To schedule a report which discusses the selection of external service providers (including the agreement of the terms of appointment) to the Committee's future work programme.

AC/21/29 Work Programme and Decisions Monitor

The Committee considered its work programme and Decisions Monitor.

Mindful that the committee had earlier agreed to the submission of reports to its future Work Programme, the Deputy Chief Executive and City Treasurer advised that officers were planning to bring the Annual Audit Complaints procedure to the next meeting of the committee. The Committee agreed to this.

On reviewing the recommendations monitor, a member commented that he had not received information outlining the function, role and remit of the Commercial Board (Procurement, Contracts and Commissioning) in the timescale agreed. The Deputy Head of Audit and Risk Management advised that this remained in progress as the plan was to include information concerning the implications of the Council's Future Shape with a particular focus on the impact on associated Boards. In the meantime, the Terms of Reference of the Commercial Board would be circulated as requested.

Decision

1. To agree the Committee's Work Programme, noting that the following had been added under the previous item of business:
 - a) a report on the timing and scope of the External Audit Assessment of the Internal Audit Service through a Core Cities peer review programme shall be submitted to a future meeting
 - b) a report on safeguards that limit impairments to independence within the internal audit service shall be submitted to a future meeting
 - c) a report on the selection of external service providers (including the agreement of the terms of appointment) shall be added to the Committee's future work programme, and;
 - d) a report which discusses the implementation of the Internal Audit Service restructure had been scheduled for the Committee's January 2022 meeting.
2. To agree that a report on the Annual Audit Complaints procedure shall be submitted to the next meeting of the Committee.
3. To note that the Terms of Reference of the Commercial Board shall be

circulated to committee members for information.

4. To note the Decisions Monitor.

AC/21/30 Exclusion of the Public

A recommendation was made that the public be excluded during consideration of the following item of business.

The Committee agreed to this.

Decision

To exclude the public during consideration of the following items which involved consideration of exempt information relating to the financial or business affairs of particular persons, and public interest in maintaining the exemption outweighed the public interest in disclosing the information.

AC/21/31 Annual Counter Fraud [Public Excluded]

The Committee considered a report of the Deputy Chief Executive and City Treasurer and the Head of Audit and Risk Management which presented a summary of anti-fraud arrangements and investigative work undertaken during 2020/21, with particular focus on the work delivered by the Internal Audit section.

The report provided an illustration of the strategic approach local authorities should take and the main areas of focus in response to fraud and corruption risk. It also discussed internal control arrangements and plans as well as a discussion of financial outcomes. A summary of the proactive and reactive caseload was provided as well as a summary of the key areas of work for 2021/22.

The Committee explored particular aspects of the Whistleblowing policy as well as the proactive and reactive caseloads.

The Committee resolved to receive a short update on the formulation of a new audit plan for Housing Operations (formerly Northwards).

The Deputy Chief Executive and City Treasurer gave particular praise to the Anti Fraud team for their hard work, stoicism and professionalism in delivering their additional workload throughout the period of the pandemic. The Chair echoed this.

Decision

1. To note the assurance provided by Internal Audit as summarised within the Annual Fraud Report for 2020/21.
2. To agree that an update on the formulation of the new audit plan for Housing Operations shall be submitted to a future meeting of the Committee.

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**Manchester City Council
Report for Information**

Report to: Audit Committee – 23 November 2021

Subject: Register of Significant Partnerships: Partnerships with 'Reasonable' or 'Limited' assurance ratings

Report of: Deputy Chief Executive and City Treasurer

Summary

The report provides an update on the partnerships where a 'Reasonable' or 'Limited' rating was recorded and presented to the Audit Committee in June 2021.

Recommendations

Audit Committee is requested to comment on and note the progress made to improve governance arrangements for the partnerships detailed in the report.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

This report is for information in relation to the governance strength ratings of partnerships and does not directly propose decisions affecting the achievement of the zero-carbon target.
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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy, please contact one of the contact officers above:

- *Audit Committee 15th June 2021 - Register of Significant Partnerships 2020*

1. Introduction

- 1.1 In June each year, the Audit Committee is presented with the outcome of the comprehensive governance assurance process called the Register of Significant Partnerships (RSP). As part of this process, any partnership rated as 'Reasonable' or 'Limited' is required to provide an update to the Audit Committee to outline progress to further strengthen operation within a six month period, which is scheduled for either the November or December Audit Committee meeting.
- 1.2 The Council has maintained a Register of Significant Partnerships since 2008 as part of its approach to good governance and assurance. The RSP outlines key partnership arrangements that are considered to be of the highest significance to the financial position or reputation of the Council or to the delivery of key corporate and Our Manchester priorities.
- 1.3 The RSP forms part of the Council's 'Partnership Governance Framework' which was introduced in 2013. The purpose of the Framework is to ensure that the Council's partnerships perform well, deliver value for money and support the delivery of the Council's strategic objectives. This defines and standardises the Council's approach to managing its partnerships, in order to help strengthen accountability, manage risk and ensure consistent working arrangements.
- 1.4 Partnership working is a significantly important way for the Council to meet its strategic objectives. The principles of ensuring the lawful conduct of its business, and that public money is safeguarded, accounted for and spent efficiently and effectively apply equally to the Council's work with its partners. Therefore, it is vital that the Council gains assurance that there are clearly defined and effective governance arrangements in place for all partnership arrangements.
- 1.4 To be included on the Council's Register of Significant Partnerships, the partnership should meet one or more of the following criteria:
- Of strategic importance to the Council, critical to the delivery of the Council's key objectives or statutory obligations, and/or to the delivery of the Our Manchester Strategy
 - Critical to the reputation of the Council – failure of the partnership to deliver could damage the reputation of the Council
 - Responsible for spending significant public investment or whereby the Council has significant exposure including the provision of guarantee.
- 1.5 A new rating system was introduced for the RSP that was presented to and endorsed by Audit Committee in June 21, shifting from a RAG rated system to four levels of assurance, which brings the RSP in line with a four step system that is utilised for the Annual Governance Statement. The ratings applied are as follows:
- **Substantial:** Demonstrating consistent application of good governance practices, providing a high level of assurance and delivering both the

partnership and Council objectives. Any matters noted do not put the overall objectives at risk.

- **Reasonable:** An overall sound system of governance has been established but there are some areas for improvement to ensure the delivery of both the objectives of the Council and the partnership. Recommendations will be moderate or a small number of key priorities.
- **Limited:** A governance system has been established but there are several significant areas highlighted for improvement, which if not implemented, could result in the non-delivery of partnership and Council objectives. Recommendations will be significant and relate to key risks.
- **Weak:** Controls are generally weak leaving the partnership's system open to the potential of significant error, resulting in a high probability that partnership's and the Council's objectives will not be met unless action is taken. Critical priority or several significant priority actions required.

1.6 Following the completion of the 2020 review process, of the 49 partnerships on the Register, 36 (74%) are rated as having a 'Substantial' governance strength, 9 (18%) rated as 'Reasonable', 1 (2%) rated as 'Limited' and zero rated as weak, with 3 entries (6%) were proposed to be removed from the register. It is to be noted that following discussion at June's Audit Committee, it was agreed that both Northwards and Manchester National Car Parks Limited remain to be monitored rather than be removed from the register until the entities are dissolved.

2. Update on partnership governance arrangements for those with a Reasonable or Limited Governance Strength Rating.

2.1 Following the last update on the Register of Significant Partnerships presented to Audit Committee in June 2021, the section below provides an update on the that entities rated either as Reasonable or Limited following the last assessment process.

Limited Rating

2.2 *Manchester Working Ltd (entry 4)*

2.2.1 Manchester Working Ltd (MWL) was established as a joint venture company in 2006 for the provision of building maintenance services for the Council and Northwards Housing. These arrangements have subsequently ceased as the contracts have been let to other companies.

2.2.2 MWL currently has a small number of capital projects undertaking property renewals within the Northwards area. These contracts were initially expected to be completed in June 2020, but due to a combination of COVID-19 and accessibility issues the contracts are now expected to be completed in late 2021.

2.2.3 There are two Council representatives on the MWL Board. Given that MWL are no longer bidding for new contracts, discussions have commenced around the future of the Company and the potential winding up of the Company.

Board meetings take place at regular intervals and key actions, such as the sign-off of the annual accounts, take place at the appropriate time.

Reasonable Rating

2.3 *National Car Parks Manchester Limited (entry 5)*

- 2.3.1 The Joint Venture contract with NCP created a wholly owned company, NCP Manchester Ltd, (NML) in 1999 with a 55%/45% shareholding to NCP/MCC respectively, to manage and maintain a number of car parks owned by either MCC or NCP.
- 2.3.2 The JV arrangement was terminated in December 2020 and all MCC owned car parks reverted to the Council and are currently operated internally.
- 2.3.3 The pandemic had a significant impact on parking, firstly from lockdowns and then from people working from home. The company (NML) incurred significant losses during trading in the final 12 months and the company was unable to meet its outstanding financial obligations at the end of the agreement. The company entered liquidation on 7th July 2021 when the insolvency Administrator, Quantuma Advisory Limited, were appointed to liquidate the company's assets. This process is currently ongoing.

2.4 *Manchester Safeguarding Partnership (entry 16)*

- 2.4.1 The Manchester Safeguarding Partnership (MSP) replaced the Manchester Safeguarding Children Board and Manchester Safeguarding Adults Board. The MSP was established in response to legislative guidance (Working Together 2018) which required all local areas to publish their new multiagency safeguarding arrangements for children by 29 June 2019. The legislation and guidance abolished the need for local areas to establish Local Children's Safeguarding Boards (LSCB) where local authorities had lead responsibility to having partnership arrangements led by three strategic partners, who all have equal responsibility for safeguarding arrangements in their local area. The three strategic partners are the Chief Officers of the Local Authority, the Clinical Commissioning Group (CCG) and Greater Manchester Police.
- 2.4.2 Manchester responded to the requirement to change our partnership approach to safeguarding children as an opportunity to align our partnership arrangements for safeguarding children and adults. The published arrangements are therefore also in line with the Care Act 2014 requirements for Safeguarding Adults Board (SAB). In the new MSP arrangements, the Adult Safeguarding Executive Group fulfils the function of Safeguarding Adult Board detailed in the Care Act 2014.
- 2.4.3 Manchester's Multi-Agency Safeguarding arrangements document was published in June 2019. A Project Implementation Group was established, consisting of senior officers from the key partner agencies to progress the arrangements and implementation. This included an amended governance

structure to support the safeguarding partnership arrangements in Manchester.

- 2.4.4 A regular review of MSP's performance is undertaken by the Accountability and Leadership Group each quarter. The Independent Chair, Dr Henri Giller, provides an assurance report which highlights challenges and risks. This approach to managing the partnership strengthens accountability, manages risk and ensures consistent working arrangements.
- 2.4.5 Robust partnership working continues to ensure MSP delivers its legal and strategic objectives. The following key issues featured in the review period April 2021 to September 2022:
- financial scrutiny and making the best of our combined resources
 - transition from the marked impacts of COVID-19, with partners working together to ensure business as normal
 - clearly defined and effective governance arrangements in place
- 2.4.6 Overall, the partnership continues to deliver effective partnership working and several key areas of governance have made good progress.
- 2.4.7 The COVID risk register was stepped down and replaced with a revised partnership risk register in April 2021. The register is owned by the Independent Chair, Dr Henri Giller, and reported on each quarter. The refinements have resulted in a slimmed down, more focused document and when embedded we anticipate this will allow for a strong level of assurance.
- 2.4.8 The two key assurance documents, s.11 Children's Safeguarding Audit Report and Adult Assurance Statement, are underway with a reporting date of December 2021 for the Executive Boards and sign off on 17th January at Accountability and Leadership.
- 2.4.9 The Board's annual report is in preparation and is expected to be signed off on 17th January at Accountability and Leadership.
- 2.4.10 The MSP Strategic Plan 2021/2022 was accepted by Accountability and Leadership in August 2021. The group has also begun planning for the 3-year Strategic Plan 2022/2025. The progress on this has been slower than expected due to competing priorities, however the A&L group has agreed resources to commission an independent review on the partnership arrangements using the Sir Alan Wood report to guide requirements.
- 2.4.11 Progress has been made in establishing a budget approval process through Accountability and Leadership and the partnership budget has been restructured to provide a more transparent financial statement, this was approved in August 2021.

2.5 *Manchester International Festival (entry 25)*

- 2.5.1 Manchester International Festival continues to deliver a biennial event whilst taking forward preparations for opening and operating The Factory.

- 2.5.2 The 2021 Manchester International Festival took place in July to critical acclaim, reaching much larger audiences than previous years due to the number of free and online events. As such the festival audience was 2,662,244 people (compared with 302,161 in 2019) – of which 1,462,244 were in-person. Despite the pandemic the Festival also generated an estimated economic impact of £19.5million and was a major event in the reopening of the city centre, creating opportunities for people to experience joy by visiting and participating in art, dance, theatre and music. Planning is underway for the 2023 festival, which will be closely aligned with the opening of The Factory. The Council's Executive and Communities and Equalities Scrutiny Committee received a detailed report on the evaluation of this year's Festival in November.
- 2.5.3 As an organisation Manchester International Festival continues with preparations for opening and operating The Factory, which includes developing the organisational skills, audiences, artistic vision, community engagement and commercial revenue plans required to deliver The Factory's vision.
- 2.5.4 Over the last year this has included recruitment to the Executive team, development of the Business Plan, operational readiness, developing of the opening artistic programme and fundraising activities. Progress has also been made with the lease for The Factory as well as the Naming Rights Agreement. A Naming Rights Agency has been appointed and work has been undertaken to identify sponsors.
- 2.5.5 A revised business plan for The Factory has now been developed and will be submitted to Arts Council England in December 2021. Over the next period the Council will work with Manchester International Festival to finalise and sign the lease and Naming Rights Agreements and to develop new arrangements for the funding agreement. MIF will continue to identify sponsors, develop the artistic programme and to build on organisational readiness to open The Factory.
- 2.6 *Greater Manchester Mental Health NHS Foundation Trust (GMMH) (entry 26)***
- 2.6.1 The partnership is based on a legal contract with GMMH for the delivery of the Council's statutory duties under a Section 75 (Mental Health Act) Agreement. This works to deliver Care Coordination and Assessment and Approved Mental Health Professional (AMHP) functions within an integrated health and social care organisation. The section 75 also includes specifications for support and inclusion services. The Section 75 Agreement forms part of a wider single integrated health and social care (NHS standard) contract held by GMMH and commissioned by the Council and CCG.
- 2.6.2 The Deputy Director of Adults Services has responsibility for supporting the future commissioning arrangements and the review of the Section 75 agreement. Statutory compliance and operational practice is supported by the Quality and Performance Manager, who sits in Adult Social Care (ASC) but provides regular support to GMMH with regard to its delegated statutory

responsibilities and assurance back to the Director of Adult Social Services through the line Management of the Assistant Director (Complex Needs). These arrangements are supported by monthly partnership meetings between ASC and GMMH.

- 2.6.3 Over the last six months detailed analysis and scoping work has been completed to establish a forward plan to refresh the various schedules and specifications contained within the Section 75 Agreement. Work has commenced in partnership with GMMH colleagues to prioritise improvements to performance elements of the agreement in relation to the Adult Social Care Outcome Framework. This work will further improve assurances for both partners in terms of strengthening governance and management reporting requirements. As a standing agenda item, this work reports into a monthly partnership meeting between Senior Leaders of Adult Social Care and GMMH.
- 2.6.4 In support of refreshing individual service specifications, analysis work is currently underway across three service areas and engagement work has also commenced with front line practitioners within GMMH who deliver the statutory duties contained within the agreement. This is a best practice approach with the purpose of this exercise to gather operational intelligence which can further evidence the incorporation of optimised improvements into future service delivery to underpin the robust delivery of the Adult Social Care functions.
- 2.6.5 It is estimated that the next 6 months will see a continuation of analytical and engagement work across remaining services areas, a roadmap for the implementation of the improvements to Adult Social Care reporting and outcome indicators as well as the establishment of new contracting arrangements in the context of wider system changes taking place.

2.7 *Northwards Housing Limited (entry 28)*

- 2.7.1 Northwards Housing was set up as an Arms-Length Management Organisation (ALMO) in December 2005. The ALMOs purpose was to manage and maintain c13,500 Council properties across estates in North Manchester.
- 2.7.2 A decision was taken by the Council to insource Northwards Housing the ALMO in January 2021. The decision was made following lengthy consultations with residents, stakeholders and staff. A test of opinion was carried out and residents who voted chose for the ALMO to be insourced to the council. An insourcing project was developed in February 2021 and led by the ALMO project board and supported joint workstreams jointly led by colleagues from MCC and Northwards. Similar governance arrangements were set up by Northwards. The transfer was completed on time and the city Council took back direct control of the management of the housing service on 5th July 2021.
- 2.7.3 Integration of the Housing Service into the City Council Structures is ongoing and the service delivery to tenants remains unchanged at the present time. A post transfer 100-day plan was developed with the aim of continuing the work

on delivering operational actions. The plan is underpinned by the following principles

- to honour the promises and commitments made to residents during the Test of Opinion
- resident's voice needs to be heard and be influential
- equality, diversity and inclusion are a priority
- manage expectations regarding improvements, repairs and COVID recovery
- maintain momentum and build the pace of change
- align activity with related MCC projects and workstreams, including Our Manchester and Our Future Council
- integrate work programmes including agile working, digital and COVID recovery
- embed external requirements including customer satisfaction soundings; White Paper; fire and building safety

- 2.7.4 Permanent appointments to the roles of Director and Assistant Director of Housing Operations have now been made and their work will be focusing on building the right culture amongst the Housing Operations Team and to give additional assurance and clarity to help make the connections between the housing service and the wider Council.
- 2.7.5 There is a Northwards Housing Shadow Board, made up of elected members and tenant representatives, in place and work is progressing to bring the Board out of a shadow form and integrate it into a more formal Council meeting structure. As an advisory committee, the Board will have no decision-making powers of its own but may make recommendations to the Council or the Council's Executive on matters relating to the discharge of the housing functions.
- 2.7.6 Current priorities for the housing operations service are implementing recruitment for resident board members, implementing service delivery planning process, ongoing regular and accurate communications, service improvement specifically with Equans, with a clear timeline for performance recovery and measuring of progress, setting monitoring arrangements up for benefits realisation and finalising any outstanding actions from the original transfer.
- 2.7.7 Work has commenced to strike of Northwards Housing as a legal entity. It was planned to submit the application to Companies House and the process be completed by the end of December 2021. Due to the potential of challenge from those classed as 'interested parties' who must be consulted with as part of the statutory process, a decision has been taken to not submit the strike of application at the current time. As a result of not submitting the application to strike of the company work external auditors have been appointed to produce annual accounts for Northwards Housing for the period 1st April 2020 to 31st March 2021.

2.7.8 Audit Committee should be assured that the decision to not strike of the company at the current time has no effect on the delivery of the housing service to tenants and other stakeholders.

2.8 AVRO Hollows (entry 34)

2.8.1 The Avro Hollows Tenant Management Organisation (TMO) was set up in 2008 and manage 312 properties in Newton Heath. This includes 4 tower blocks and 28 low-rise flats. Avro Hollows manage allocations and lettings along with lower level antisocial behaviour. They also procure their own repairs and maintenance contractor to manage repairs and re-let works. The TMO employs a full-time manager and administrative support along with 3 caretakers and a handyman.

2.8.2 It has been noted that there had been an increase in disrepair claims from residents on the estate, and an increase in reports of anti-social behaviour, both on the estate and in the immediate local area. AHTMO has a key role in addressing these issues and we have therefore agreed with managers to carry out an audit of operational working practices. The area of improvement to be focused on is Performance Outcomes. In particular repairs and Anti-social behaviour complaint management.

2.8.3 Progress has been made in the last 6 months by requesting Audit carry out an exercise on the working practices with the final report due at the end of October 2021. When the Audit report is received an action plan will be drawn up based on any recommendations to address any areas where there is an opportunity for service or process improvement. All actions will be recorded and reported to Housing Management.

2.9 SHOUT (entry 35)

2.9.1 Shout TMO manage 92 low-rise homes in Harpurhey and employ a part-time officer. Shout manage allocations and lettings along with lower level antisocial behaviour. Northwards Housing manage the repairs and maintenance service, re-let works, rent collection and arrears recovery, all “major” works including servicing. Northwards Housing also review all serious antisocial behaviour cases referred to them and consider whether any further action, including legal action, is required and procure this on behalf of the TMO.

2.9.2 There have been no significant issues that have developed recently. The office is now open full time with COVID safe protocols. As the recent repairs and maintenance contract has changed contractor and pricing structure the impact on budget will have to be assessed.

2.9.3 The main area for improvement is decision making. Historically it has been difficult to recruit and retain Board members having such a small catchment of properties. SHOUT is reliant on 2 active board members for the day-to-day decision-making processes. This should be expanded to strengthen the process.

- 2.9.4 It has been difficult for MCC to provide increased face to face support during the COVID period. However, MCC officers are in regular contact with SHOUT TMO to answer any questions and to provide support.
- 2.9.5 Once all local restrictions and COVID secure recommendations have phased out there will be a Board member recruitment drive will take place to strengthen the decision-making process.

2.10 Manchester Health and Care Commissioning (MHCC) (entry 40)

- 2.10.1 The Government has announced NHS reforms that, from 1 April 2022, will abolish Clinical Commissioning Groups (CCGs) and create Integrated Care Systems (ICS), to drive the next phase of health and social care integration. This will lead to the abolition of MHCC.
- 2.10.2 MHCC was established as a partnership between the City Council and NHS Manchester Clinical Commissioning Group in 2017 in relation to the commissioning of health, public health and social care services and activity.
- 2.10.3 During that time, the two organisations have been working positively and collaboratively within shared governance arrangements but without a fully integrated budget. Decision making has been enabled through the Council's delegation to the Executive Director of Adult Social Services and the Director of Public Health. Staff have been employed by the Council or CCG and therefore are covered by their host organisations' policies and procedures.
- 2.10.4 A phased programme of work is under way to plan for an effective transition to the new arrangements, which would include the various functions of MHCC and associated capacity being transferred to:
- The Greater Manchester Integrated Care System.
 - Manchester Local Care Organisation, including transfer of the commissioning of social care and health services, with a Section 75 agreement to be developed by MCC and Manchester Foundation Trust (MFT) to underpin this new arrangement.
 - The Manchester Partnership Board.
- 2.10.5 A new Section 75 agreement between MCC and MFT relating to the integrated provision of health and social care services has now been agreed – this has removed the commissioning of social care services from the MCC / MCCG Section 75, with this element now transferred to the MLCO.
- 2.10.6 There remains a statutory requirement for the Local Authority and the CCG to have a Section 75 in place relating to the commissioning of health and social care services from the Better Care Fund (BCF) and Improved Better Care Fund – the existing MCC / MCCG Section 75 is in the final stages of being amended and approved to satisfy this requirement. A GM Working Group on Section 75s is being established to ensure the effective transfer of any existing S75s CCGs have in place to the GM Integrated Care Board (ICB), which will be the statutory organisation that will take on the commissioning duties of CCGs within the ICS.

2.10.7 A functions mapping exercise (with the creation of a number of functions review groups) is being led by the GMICS Transition Programme Board to establish how the various functions of MHCC (and other CCGs in GM) and associated capacity would be transferred and delivered under the new ICS arrangements.

2.10.8 For the remainder of the 2021/22 financial year, the existing MHCC governance will continue to operate and MCC officers will still be represented on key decision-making bodies (where relevant) and Committees.

2.11 Manchester Local Care Organisation (MLCO) (entry 41)

2.11.1 The Our Healthier Manchester Locality Plan sets the ambitions for the city to significantly improve health outcomes, tackle health inequalities and develop a financially and clinically sustainable system.

2.11.2 Health and social care partners have established a new Manchester Partnership Board (MPB) comprising key system leaders and chaired by the Leader of the Council. It has been created to drive delivery of health and social care integration in the city and replaces Transformation and Accountability Board.

2.11.3 Its immediate priorities include the ‘supercharging’ of Manchester Local Care Organisation as the integrated delivery vehicle for improving health and well-being outcomes and reducing health inequalities in the city building on the strong progress made since its inception in 2018.

2.11.4 The underpinning agreement now for the MLCO is the section 75 agreement between MFT and MCC which was signed off by both parties on 20th August. This significantly strengthens the governance arrangements for the partnership. The MLCO Accountability Board has oversight of the delivery of the s75 – the membership has been updated following the last update and now includes:

- MCC – Joanne Roney, Carol Culley
- MHCC – Claire Yarwood, Michelle Irvine
- MFT – Gill Heaton, Darren Banks, Jenny Erhardt
- GMMH – Deborah Partington
- MPCP – Dr Tony Gu, Dr Vicky Tolliday, Dr Santosh Gholkar, Dr Stephen Isles, Dr Himanshu Dubey

2.11.5 Strengthened risk arrangements are in place including reporting of ASC risk into the MLCO risk committee. Developments over the last 6 months have been positive and have strengthened the partnership.

2.11.6 Actions planned include ensuring oversight via the MLCO Executive Management Board and the MLCO Accountability Board of the delivery of the s75 agreement including at key review points. Ongoing work to oversee risk and performance will continue via MLCO internal governance and into Accountability Board to monitor and provide assurance of service delivery.

2.12 One Education (entry 42)

2.12.1 One Education provides a range of Pupil and Business Support services to schools and academies, primarily in Manchester but also some other Greater Manchester areas and West Yorkshire. It is commissioned by the Council to respond to the Education Act 2011 in a positive way, both in terms of the interface with schools and in providing challenge as champions of children in the City. It has its own Board of Directors which includes Council officers, and reports to the Council.

2.12.2 The Board have agreed to strengthen governance arrangements through the appointment of Non-Executive Directors, with the recruitment drive to commence in early 2022. It is also hoped to appoint an independent Chair to the board. Furthermore, following a competitive tendering process, One Education has been recently awarded a contract for the provision of Educational Psychologist services to Manchester City Council schools.

2.13 Brunswick PFI (entry 49)

2.13.1 This partnership is a contractual agreement between the Council and S4B, which is a consortium made up of four organisations: Equitix, Vistry Partnerships, Mears and Onward Homes.

2.13.2 Signed in 2013, the PFI contract involves the remodelling of the Brunswick neighbourhood. This will see over 650 homes refurbished; 296 properties demolished; 124 homes to have their orientation reversed to align with the new street layout; 302 new build homes for sale; 200 new build Housing Revenue Account homes (including a 60 apartment extra care scheme) and the creation of new parks, a retail hub and neighbourhood office. A significant amount of this work has now been completed.

2.13.3 Whilst the majority of the governance arrangements are robust, MCC remain in a number of ongoing legal disputes with S4B. S4B have recently written to MCC to propose a Settlement Offer and this is being considered by officers. It is hoped that a settlement can be achieved.

3. Next Steps

3.1 Work is currently underway to restructure the annual assessment form ahead of the 2022 review. The purpose behind the amendment to the form is to provide richer information on the justification for the assessment. This will further enable the officer working group, which acts in a moderation role, to understand the rationale behind the ratings in more detail and target their advice / support to improve the rating further.

3.2 In addition, linked to the officer working group, the role and remit of this group is to be further strengthened through introduction of a revised set of Terms of Reference and a review of the representatives on the group. Commercial Governance will ensure that all comments and suggested improvements made by the officer's group to increase assurance ratings will be relayed back to the

partnerships by way of an action/improvement plan. This will be monitored to ensure that the appropriate actions are being taken as part of the performance monitoring cycle for the 'Limited' and 'Reasonable' rated entries.