



MANCHESTER
CITY COUNCIL

Annual Governance Statement 2019/20

1. Introduction

- 1.1 This statement provides an overview of how the Council's governance arrangements operate, including how they are reviewed annually to ensure they remain effective. A summary of significant governance challenges which the Council faces is also given, alongside an explanation of what actions have been taken to bring about required improvements, and what work is still to be done. This provides transparency, and gives assurance that the Council is committed to continuously improve the way in which it functions. More detail on particular topics can be accessed by clicking on the hyperlinks, which are highlighted and underlined throughout the document.
- 1.2 The Council operates in a complex and constantly evolving financial, policy and legislative environment. The role, responsibilities and funding models of local government continue to be in a period of rapid transition. The city continues to progress the delivery of its ambitious Our Manchester strategy, with staff, residents and stakeholders across the city engaged in working towards the realisation of the vision set out in the strategy. The Council's Corporate Plan sets out its priority actions for delivering the strategy for the city. The Council has set a one-year budget and business plan for 2020/21, following the Government's decision to announce a one-year Provisional Local Government Finance Settlement for 2020/21, in contrast to previous multi-year settlements. The Council's five-year Capital Strategy (2020-2025) also forms a critical part of strategic and financial planning. Significant developments at city region level include the launch of the [Greater Manchester Local Industrial Strategy](#), which sets out long-term priorities to increase productivity in the region.
- 1.3 The changes taking place present both opportunities and challenges. Therefore, the Council must continue to engage in a broad programme of innovation and reform work so that it can maintain services for residents which are efficient, effective and deliver value for money using available resources. This document explains the governance mechanisms in place to ensure appropriate oversight of this work.
- 1.4 Whilst this document focuses on governance, the Council's Integrated [Annual Report](#) provides an overview of the context in which it operates, how public money has been spent, and what achievements this led to. The 2019/20 update of this report will be published in Autumn 2020.

2. Scope of Responsibility

- 2.1 Manchester City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It is also responsible for ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the [Local Government Act 1999](#) to make arrangements to secure continuous improvement in the way in which its functions are exercised.
- 2.2 In discharging these responsibilities, the Council must put in place proper arrangements for the governance of its affairs and effective exercise of its functions, which includes arrangements for the management of risk. The Council first adopted a Code of Corporate Governance in June 2008. This Code is included in the [Council's Constitution](#) (part 6 section G). It sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient,

transparent and accountable to local people. Some of these processes are required by law, while others are a matter for the Council to choose.

- 2.3 The Code of Corporate Governance and the Council's Constitution are reviewed annually to ensure they remain consistent with the principles of the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives and Senior Managers (CIPFA/SOLACE) joint framework for delivering good governance in local government. CIPFA issued an update to the Framework in 2016, which has informed the preparation of the Annual Governance Statement (AGS) from 2016/17 onwards.
- 2.4 This AGS explains how the Council has complied with the Code of Corporate Governance. The AGS also meets the requirements of the [Accounts and Audit \(England\) Regulations 2015](#) regulation 6(1) which requires all relevant bodies to prepare an Annual Governance Statement (AGS).

3. The Purpose of the Governance Framework

- 3.1 The governance framework comprises the systems and processes, culture and values by which the Council is directed and controlled, and through which it is accountable to, engages with and leads the community. It enables the Council to monitor the achievement of the city's strategic objectives as set out in the [Our Manchester Strategy](#), and to consider whether those objectives have led to the delivery of appropriate, cost effective services. The Council's Corporate Plan sets out the Council's contribution to the Our Manchester vision. The objectives in Our Manchester and Our Corporate Plan are underpinned by the four Our Manchester principles;
- **Better lives** – it's about people
 - **Listening** – we listen, learn and respond
 - **Recognising strengths of individuals and communities** – we start from strengths
 - **Working together** – we build relationships and create conversations
- 3.2 The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve the Council's aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control identifies and prioritises risks; evaluates the likelihood of those risks being realised and the impact should they be realised; and aims to manage them efficiently, effectively and economically.

4. The Governance Framework

Corporate governance is a phrase used to describe how organisations direct and control what they do. The Council operates to a [Code of Corporate Governance](#), which forms part of the Constitution. The Code was updated in 2019 to ensure it reflected the Council's current governance arrangements, and complied with CIFPA's "delivering good governance in Local Government Framework (2016 Edition)". The table below includes examples of how the Council has adhered to its governance commitments set out in the Code and includes hyperlinks to sources of further information, which include more detail about how the Council has implemented its commitments.

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.		
The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
Behaving with Integrity	<ul style="list-style-type: none"> The Council's Our Manchester approach includes four central principles that underpin everything the Council does, including how it works with partners, how it makes decisions and how it serves local communities; <ul style="list-style-type: none"> Better lives – it's about people Listening – we listen, learn and respond Recognising strengths of individuals and communities – we start from strengths Working together – we build relationships and create conversations "Listening in Action" events, attended by The Leader and the Chief Executive, give staff the opportunity to engage with senior leaders. At the events, staff can ask questions and understand more about the future direction of the Council, the Our Manchester Strategy, and what the 'behaviours' are that are expected of all staff. The Council has a zero tolerance approach towards fraud and corruption and this commitment is set out in the Council's Anti-fraud and Irregularity Strategy. 	<p>People Strategy - Our People</p> <p>Counter Fraud Strategy</p>

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	<ul style="list-style-type: none"> The Whistleblowing Policy, which was updated and reviewed by Standards Committee in November 2018, provides protection for individuals who raise any serious concerns they have about suspected illegal or illegitimate practices at the Council, and explains how these will be investigated. Future revisions to the Policy will be reviewed by Audit Committee. The Council ensures that, as part of their induction, new members of staff clearly understand the values of the organisation, and the standards of behaviour which are expected. As part of the Our People strategy, improved induction and 'About You' processes were introduced. These ensure that all staff understand the part they will play in delivering the vision for the city set out in Our Manchester. A Register of Members' Interests, in which Members' disclosable pecuniary interests, personal interests and prejudicial interests (as defined in the Member Code of Conduct) are registered. Each Member's individual entry can be viewed from their webpage, accessed via the 'Your Councillors' webpage. The operation of the updated Member procedures for Gifts and Hospitality, Use of Resources and the Member Officer Relations Protocol was reviewed by Standards Committee in March 2019. The next review will be in June 2020. 	Whistle Blowing Policy Our People – People Strategy Update Your Councillors Annual review of the operation of the Use of Resources Guidance for Members, the Gifts and Hospitality Guidance for Members and the Member / Officer Relations Protocol
Demonstrating Strong Commitment to Ethical Values	<ul style="list-style-type: none"> The Standards Committee champion high standards of ethical governance from elected members and the Council as a whole. A summary of its work is included in its Annual Report to Council. 	Standards Committee

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	<ul style="list-style-type: none"> The Council has a Code of Conduct for elected and co-opted Members, (Constitution Part 6, section A), as required by the Localism Act 2011. Allegations that the Code has been breached are heard by the Standards Sub Committee. A summary of the outcome of investigations is included in the Standards Committee Annual Report. The operation of the Code of Conduct is reviewed annually by Standards as part of the annual review of the Constitution. The Members' Update on Ethical Governance was updated and reviewed by Standards Committee in October 2019. An Employee Code of Conduct (Constitution Part 6, Section E) which makes it clear what standards are expected from staff across the organisation in the performance of their duties. The Member/Officer Relations Protocol (Constitution Part 6, Section F) governs the relationships between officers and members of the Council. The Council insists its commitment to its values and integrity is shared by external suppliers delivering services on its behalf, as detailed in its Ethical Procurement Policy. The Council has a Partnership Governance Framework, which sets out protocols for partnership working, and the high standards of conduct which are expected from partner organisations. The Framework will be reviewed, as part of efforts to continually seek improvements in the wider Register of Significant Partnerships process. 	Local Code of Conduct for Members Standards Committee Annual Report Members' Update on Ethical Governance Employee Code of Conduct, Member/Officer Relations Protocol Ethical Procurement Policy Partnership Governance Framework
Respecting the Rule of Law	<ul style="list-style-type: none"> The Council's City Solicitor undertakes the role of Monitoring Officer. The Monitoring Officer ensures that Council decisions are taken in a lawful and fair 	

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	<p>way, correct procedures are followed, and that all applicable laws and regulations are complied with.</p> <ul style="list-style-type: none"> • The Council uses its legal powers, including the 'general power of competence' to promote its values and priorities to the full benefit of the citizens and communities in Manchester. • The Council has measures to address breaches of its legal and regulatory powers. The Council's Monitoring Officer (the City Solicitor) has statutory reporting duties in respect of unlawful decision making and maladministration. • The Council appoints Statutory Officers who have the skills, resources and support necessary to ensure the Council's statutory and regulatory requirements are complied with. • The Chief Finance Officer (Deputy Chief Executive and City Treasurer) has statutory reporting duties in respect of unlawful and financially imprudent decision making. • The Council ensures that it complies with CIPFA's Statement on the Role of the Chief Finance Officer in Local Government (2016). 	<p>Our Constitution (article 12.3(b))</p> <p>Our Constitution (article 12.4(a))</p>

B. Ensuring openness and comprehensive stakeholder engagement		
The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
Ensuring Openness	<ul style="list-style-type: none"> The Council's website is set out in a clear and easily accessible way, using infographics and plain language. The information which residents use most, such as about Council Tax, and Waste and Recycling can be accessed quickly and easily from the main page. The Council's commitment to Openness is set out in its Constitution (Article 12.3 (e)) and is evidenced by its decisions, along with the reasons for them being made publicly accessible. All Council and Committee meetings are held in public (other than in limited circumstances where consideration of confidential or exempt information means that the public are excluded), with agenda and reports being produced in paper form and on the Council's website. Live-streamed webcasts of Council, Executive and Scrutiny committee meetings are available online, as well as in an archive which can be accessed on-demand. The Council publishes a Register of Key Decisions to notify the public of the most significant decisions it is due to take. To make the Register accessible and transparent the format discourages the use of 'generic entries' for types of decision, and encourages decisions to be included in full. 	<p>manchester.gov.uk website</p> <p>Our Constitution (article 12.3(e))</p> <p>Council Meeting Agendas and Reports</p> <p>Online Videos of Council Meetings</p> <p>Register of Key Decisions</p>

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	<ul style="list-style-type: none"> The Council has an "Open Data" website to meet its commitment to publishing as much non-personal data as possible. This means partners and the public can freely make use of it, supporting transparency and accountability. The Council has an online residents' survey, which helps it to design services around residents' views and concerns about their local area and their public services. The Council informs, consults and involves residents in significant decisions including service and budget changes. Their views are submitted to those making decisions for consideration. Consultations and surveys this year have included the Budget Consultation 2020/21, and a Northern Quarter consultation about plans which aim to make streets in this area safer, greener and better for everyone – on foot and by bike – as well as other transport users. 	Open Data Our Manchester Residents Survey Consultations and Surveys
Engaging Comprehensively with Institutional Stakeholders	<ul style="list-style-type: none"> The Our Manchester Forum supports development of effective relationships across leaders of the city's key private, public and voluntary sector organisations. The Forum benefits the city by driving forward the priorities set out in the Our Manchester Strategy. The Council publishes its Partnership Governance Framework, which standardises the approach to managing partnerships to strengthen accountability, manage risk, and to ensure that a consistent approach is taken to working with partners. The Council also maintains a list of major partnerships in a Register of Significant Partnerships. This contains an assessment of the strength of the governance arrangements of each partnership, shining a light on areas where improvements may be required - so that these can then be addressed. 	Our Manchester Forum Partnership Governance Framework Register of Significant Partnerships

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	<ul style="list-style-type: none"> The Council supports different ways for residents to present their individual and community's concerns to elected members, for example via Ward Co-ordination. 	
Engaging with Individual Citizens and Service Users Effectively	<ul style="list-style-type: none"> As part of Our Manchester, the Council focuses on a 'strengths based' approach to residents and communities. This means: <ul style="list-style-type: none"> Recognising that it's about people and better lives We listen, learn and respond Recognising strengths of individuals and communities – we start from strengths Working together, we build relationships and create conversations This approach is used consistently to inform the development of policy and strategy. One of the first examples of this was the Family Poverty Strategy. The Council is developing some of the next steps to seek to improve how we undertake consultations and community engagement. Part of this involves a commitment to ensuring that our workforce have the skills to take an Our Manchester engagement approach to working with residents and communities, which forms part of the programme for the new Campaigning Engagement Framework (CEF). The Communications Service Plan Review provides an update on the delivery of the Communications Strategy for 2019/20. It outlines progress against the key delivery themes for Council communications of integrated working with partners, digital delivery, participation and engagement. 	The Family Poverty Strategy 2017/22 The Council's approach to Consultation Our Manchester Campaigning Engagement Framework Communications Service Plan - Review

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Engaging with Individual Citizens and Service Users Effectively	<ul style="list-style-type: none"> An 'Our Manchester' approach was taken for the Budget Conversation, to inform the 2017 to 2020 Budget. This resulted in significant engagement about what people value and why, as well as what they could do to support those things. We consulted again on our current budget for Council services, which will be for one year only, 2020/21. This builds on our existing priorities, which were determined by Manchester residents. Scrutiny Committees proactively invite local and national interested parties to contribute to their discussions. To promote transparency and wider engagement with Council decisions, residents can sign up for email e-bulletins and use social media to interact with the Council. There is a Social Media Code of Practice for staff in place to ensure a consistent approach, security of information, and avoid reputational damage. Social Media Guidance for Members has been updated, and will be reviewed by Standards Committee in March 2020. As part of its consideration of the needs of the current and future service users in the city, the Council produces an annual Joint Strategic Needs Assessment (JSNA). This provides a baseline assessment of need across the city as a whole, and is a key piece of evidence underpinning the development of the Joint Health and Wellbeing Strategy. Our Integrated Annual Report gives an overview of funding, spending, activities and performance to show what was achieved in the financial year, as we worked towards the city's goals outlined in the Our Manchester Strategy. 	Budget 2020/21 Scrutiny Committee news bulletins E-bulletins and Social Media Social Media Guidance for Members Joint Strategic Needs Assessment Integrated Annual Report

	<ul style="list-style-type: none"> • The Age-Friendly Manchester Older People's Board includes and represents older people, addressing issues affecting the quality of life for older residents and their communities across Manchester. The Board members provide a vital voice for older people in the city. • The Council is committed in its support of the Manchester Youth Council, which acts to ensure young people have a strong voice enabling them to influence decision makers in the city and shape future services. • The Council produces public reports which provide information on complaints performance, and which identify where service improvements may be required. Strategic Directors share the complaints performance reports with their respective Executive Members. 	Older People's Forum and Board Manchester Youth Council Annual Complaints and Enquiries Report
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C. Defining outcomes in terms of sustainable economic, social, and environmental benefits		
The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
Defining Outcomes	<ul style="list-style-type: none"> An extensive consultation in 2015 led to a 10-year strategy for the city – the Our Manchester Strategy 2016-2025 – which included a new approach to working across the whole organisation and with residents, partners and other key stakeholders. The overall vision is of Manchester as a: <ul style="list-style-type: none"> Thriving and Sustainable City Highly Skilled City Progressive and Equitable City Liveable and Low Carbon City Connected City Our Corporate Plan sets out the Council's contribution to the Our Manchester vision. The Plan was updated for 2020/21, to reflect the city's zero carbon ambitions and declaration of the climate emergency. The priorities are; <ul style="list-style-type: none"> Zero carbon Manchester Young people Healthy, cared-for people Housing Neighbourhoods Connections Growth that benefits everyone Well-managed Council The Council uses its budget and business planning process to ensure that progress towards the strategic vision for the city is made in the most effective and efficient way. 	<p>Our Manchester Strategy</p> <p>Budget 2020/21</p> <p>The Single Council Business Plan / refreshed Corporate Plan</p>

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits		
The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
	<ul style="list-style-type: none"> The Council sets a Medium-Term Financial Plan, which sets out the financial assumptions and provides a set of goals for financial decision making for the planning period ahead. A Performance Management Framework enables the Council and its Committees to access timely and accurate information about service delivery, supporting intervention to address any barriers to good performance. The city's role in delivering Our Manchester will provide a key element of support for the linked objectives of the Greater Manchester Combined Authority (GMCA), as set out in the Strategy launched in October 2017; "The Greater Manchester Strategy – Our People, Our Place". The Council has processes in place to identify and manage risks to the achievement of its objectives, as set out in the Risk Management Strategy. The Corporate Risk Register is a part of this framework and is used to inform decision making, provide assurance over actions being taken to manage key risks, and to inform risk management planning and mitigation activities. The Council has developed a School Governance Strategy to support and secure effective governance of schools in the city. 	<p>Medium-Term Financial Plan</p> <p>Performance Management Framework</p> <p>Our People, Our Place</p> <p>Annual Corporate Risk Management Report and Corporate Risk Register</p> <p>The School Governance Strategy</p>
Sustainable Economic, Social and Environmental Benefits	<ul style="list-style-type: none"> The themes of sustainability, equity, and low carbon emissions are at the heart of the vision statement in the Our Manchester Strategy. In reports where the Council is recommending a decision, the impact that the decision will have on these broad objectives in the strategy will be set out. 	

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits		
The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
Sustainable Economic, Social and Environmental Benefits	<ul style="list-style-type: none"> The Council sets out the factors it has taken into consideration when making decisions in reports, which are available on its website. It also maintains a public Register of Key Decisions. Our Manchester demands an integrated approach to the deployment of revenue and capital spend against a clear set of priorities. The Council has a longer term five-year Capital Strategy, which forms a critical part of strategic service and financial planning. This has been updated for the years 2020-2025. As part of the business planning process, the Council sets out how it will work towards its agreed Equality Objectives. When required, Equality Impact Assessments are carried out to assess the impact of proposals, which may have an effect on different individuals and communities across the city. The Council strives to ensure fair access to services and monitors the extent to which this is occurring through its regular 'Communities of Interest' publication. Future publications will be called 'Communities of Identity'. In July 2019, the Council declared a climate emergency recognising that urgent action needs to be taken to reduce the city's carbon emissions and mitigate the negative impacts of climate change. The target is for Manchester to become a zero carbon city by 2038 at the latest. The Council established a Zero Carbon Coordination Group (ZCCG) to drive forward the integrated activity required to ensure that the Council plays its full part in ensuring the city reaches its ambitious climate change commitments. 	Executive Reports Register of Key Decisions Capital Strategy Equality Objectives Communities of Interest

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits		
The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
Sustainable Economic, Social and Environmental Benefits	<ul style="list-style-type: none"> Along with other partners, the Council works with the Manchester Climate Change Agency (MCCA) to develop initiatives which will contribute towards the goal of Manchester becoming a zero carbon city. The approach will be set out in the Manchester Climate Change Framework 2020-2025 Our Manchester Industrial Strategy sets out Manchester's vision for developing a more inclusive economy that all residents can participate in and benefit from, which will support the delivery of the Our Manchester Strategy, and the Greater Manchester Local Industrial Strategy. Manchester collaborates with the other GM authorities to prepare the Greater Manchester Spatial Framework (GMSF). This document will provide a policy framework to guide development across the City Region up to 2037. An update setting out next steps following the consultation on the second draft GMSF in early 2019 is available online. To enable a coordinated approach to transport investment, the Council will work with other GM authorities, GMCA, the Local Enterprise Partnership and TfGM to deliver the Greater Manchester Transport Strategy 2040. An updated Family Poverty Strategy for Manchester has been in place since September 2017, supporting the aim of becoming a more progressive and equitable city. 	<p>Manchester Climate Change Framework 2020-2025</p> <p>Developing a More Inclusive Economy - Our Manchester Industrial Strategy</p> <p>Greater Manchester Local Industrial Strategy</p> <p>Greater Manchester Spatial Framework Consultation Responses - Update</p> <p>Greater Manchester Transport Strategy 2040: Draft Delivery Plan (2020–2025)</p> <p>Manchester Family Poverty Strategy 2017-2020</p>

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits		
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	<ul style="list-style-type: none"> The Council is part of a Strategic Education Partnership, working with schools and local businesses to promote economic growth, reduce dependency, and help people gain the skills needed to access rewarding jobs in the city. The Council considers Social Value and follows an Ethical Procurement Policy, which sets out ethical trade practices and the ethical core objectives that the Council will deliver through commissioning and procurement activities. In November 2019, the Council announced its successful accreditation as a Living Wage Employer by the national Living Wage Foundation (LWF). 	Strategic Education Partnership Board Social Value Living Wage Accreditation announcement

D. Determining the interventions necessary to optimise the achievement of the intended outcomes		
The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
Determining Interventions	<ul style="list-style-type: none"> Decision makers receive accurate, relevant and timely performance and intelligence to support them with objective and rigorous analysis of options, covering intended outcomes, financial impact and associated risks informing efficient service delivery. This can take the form of regular performance reporting, or bespoke reports. Delegation of decision making to officers is detailed in the Constitution, so that they can deal with the day-to-day running of the service without the need to constantly refer matters back to Elected Members. Details of what decisions are taken in this way are included in the Scheme of Delegation in the council's Constitution. Further specific delegations may be granted, through recommendation in public reports to Committees. 	Performance Management Framework Executive Reports Our Constitution (Part 3, Section F)

D. Determining the interventions necessary to optimise the achievement of the intended outcomes		
The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
Planning Interventions	<ul style="list-style-type: none"> The Council plans its activity at a strategic level through its budget and business planning cycle and does so in consultation with internal and external stakeholders to ensure services delivered across different parts of the organisations and partners complement each other and avoid duplication. The Manchester Partnership's Thematic Partnerships support delivery agencies across the city to co-ordinate their activity and consider how they can collaborate to reduce the risks to achieving their outcomes. The effectiveness of the Council's interventions and the quality of its services is monitored through the provision of regular performance reports, showing progress towards goals and targets set in the budget and business plans. Key areas are highlighted, so that decision makers can take corrective action where necessary. The Council's Communication Strategy sets out its approach to engaging with stakeholders, to ensure their involvement in determining how services and interventions should be delivered. The Council has a Planning Protocol within its Constitution (Part 6, Section B), to ensure fair planning decisions are based on sound evidence. This was reviewed by Standards Committee in November 2018. 	Business Plans and Budgets The Manchester Partnership Performance Management Framework Communications Service Plan - Review Planning Protocol
Optimising Achievement of Intended Outcomes	<ul style="list-style-type: none"> The Council integrates and balances service priorities, affordability and other resource constraints, supporting it to take into account the full cost of operations over the medium and longer term, including both revenue and capital spend budgets. This includes a medium term financial plan. 	Medium-Term Financial Plan

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	<ul style="list-style-type: none"> The Council considers Social Value at pre-tender and tender stage, to ensure that appropriate desirable outcomes can be offered by suppliers in their tender submissions. An example of this approach can be seen in the major six-year restoration project – Our Town Hall. 	Social Value Our Town Hall – Social Value

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it		
The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
Developing the Organisation's Capacity	<ul style="list-style-type: none"> The Council's Our People Strategy articulates what its workforce will need to be like in order to achieve the vision set out in Our Manchester. As part of this workforce plans are developed, which ensure staff have the necessary skills and behaviours to deliver this vision for the city. These behaviours are; <ul style="list-style-type: none"> We work together and trust each other We're proud and passionate about Manchester We take time to listen and understand We 'own it' and we're not afraid to try new things 	Our People

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it		
The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
	<ul style="list-style-type: none"> The Council continually seeks better outcomes from its use of resources by comparing information about functions, expenditure and performance with those of similar organisations and assesses why levels of economy, efficiency and effectiveness are different elsewhere. It acts upon the findings of this intelligence as part of its budget and business planning to ensure continual effectiveness of service delivery. 	
Developing the Capability of the Organisation's Leadership and Other Individuals	<ul style="list-style-type: none"> The Council Leader and Chief Executive have clearly defined roles, and maintain a shared understanding of roles and objectives. The Chief Executive leads on implementing strategy and managing service delivery and other outputs set by members. The Chief Executive and Leader provide a check and balance for each other's authority. The Council maintains an annually updated Scheme of Delegation, setting out which decisions and powers have been delegated to various Committees and Officers. To enable Elected Members and Senior Officers to have a shared understanding of their respective roles the Council has produced a Protocol governing Member and Officer relations. Immediately following local elections, new Council Members receive an induction into the work of the Council and their role as local members. The format and content are reviewed annually with members. A new member induction programme was introduced in 2018, which spread increased content over two separate sessions and including an interactive session. In 2019, induction training was opened up to all members, and a number of other members attended induction sessions. The programme is subject to ongoing evaluation and review. The form and content of the induction is reviewed annually with Members. Member Development Strategy was considered at March 2019 Standards Committee. Planning is underway in respect of the programme for 2020/21, taking into account feedback from Members. 	<p>Our Constitution (Part 3, Section F)</p> <p>Our Constitution (Part 6, Section F)</p> <p>Member Development Strategy</p>

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Developing the Capability of the Organisation's Leadership and Other Individuals	<ul style="list-style-type: none"> • An Annual Members' Assurance Statement is compiled, to identify governance challenges relating to the roles of elected members. • As part of the Our People strategy, improved induction and appraisal processes ("About You") were introduced. These ensure all staff understand the part they will play in delivering the vision for the city in Our Manchester. A new induction approach was also developed. • Each year the Council listens to the views of its staff via the annual "BHeard" survey, and uses learning from this to make continuous improvements in the way that it operates and communicates. This feedback played a key part in the development of the Our People Strategy. • There are a number of tools in place to ensure staff are briefed effectively, for example via staff engagement events, such as "Listening in Action" events which seek to engage staff on a regular basis and involves a Questions and Answers session with the Leader and Chief Executive, as well as active participation from Executive Members. • Internal regular staff e-mail communications were re-launched with a new look and feel for 2019 onwards; <ul style="list-style-type: none"> • The Buzz – a dedicated channel for Chief Executive to connect with staff in an informative and engaging way. • Team Talk – a dedicated channel for all managers. • The Forum – an all-staff broadcast designed to include something for everyone. 	Our People

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	<ul style="list-style-type: none"> The Council delivers a comprehensive programme of leadership and management development, which all new managers are enrolled on. The programmes are targeted at different Grade banding, and cover a spectrum of areas essential to managers in the organisation. The Council is committed to promoting the physical and mental health and wellbeing of the workforce as a core component of the People Strategy through both specific interventions and opportunities and as a central part of the role of all managers. There is a dedicated intranet page with a wide range of support and guidance for staff and their managers covering a wide range of health and wellbeing topics and a 24/7 Employee Assistance Programme (phone line) providing a range of support. The strategy for Employee Health and Wellbeing in the Council is called 'Being Our Best Selves'. The Council has an open and welcoming approach to external and peer review and inspection and actively considers constructive feedback. 	Being Our Best Selves

F. Managing risks and performance through robust internal control and strong public financial management		
The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
Managing Risk	<ul style="list-style-type: none"> The Council operates a risk management framework that aids decision making in pursuit of the organisation's strategic objectives, protects the Council's reputation and other assets and is compliant with statutory and regulatory obligations. The Corporate Risk Register is part of this framework and is an articulation of the key risks impacting the Council. It is used to inform decision making, provide assurance over actions being taken to manage key risks and to inform directorate level risk management planning and mitigation activities. Named risk managers are identified in the Register for its key strategic risks. Risk training has been reviewed and refreshed, alongside the Our People and Our Manchester strategies. Two new e-learning packages; for risk management, and business continuity will be launched in April 2020. Risk Management forms part of the Council integrated performance, finance and risk reporting to SMT, which includes a verification of the effectiveness of operational processes. Risk management is an integral component of the budget and business planning process. During 2019/20 there was Risk and Resilience Team scrutiny and assurance over Business Plan risk assessments. Council Heads of Service provide a self-assessment of the effectiveness of Risk Management within each Service, as part of their annual assessment of their Service's compliance with the Code of Corporate Governance. Risks are recorded at service, directorate and corporate level, as well as within major projects and programmes such as Our Town Hall, the Factory and ICT developments. The Risk Management team supports Directorate Management 	<p>Annual Corporate Risk Management Report and Corporate Risk Register</p> <p>Council Business Plan and Directorate Budgets</p>

F. Managing risks and performance through robust internal control and strong public financial management		
The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
	<p>Teams by facilitating risk workshops when requested. There is scope for greater consistency in approach, and in the embedding of risk recording and reporting – this will remain a focus of the Risk and Resilience Service for 2020/21.</p> <ul style="list-style-type: none"> The Council has a health and safety policy, supported by a three-year health and safety strategy. Key priorities are to strengthen leadership of health and safety, ensure managers focus on significant health and safety risks and improve employee participation within the risk assessment process. Health and safety has now been included in all corporate and directorate Joint Consultative Committees to improve collaboration with Trade Unions on the health, safety and welfare of Council employees. 	<p>Corporate Health and Safety Policy and Three Year Health and Safety Strategy</p>
Managing Performance	<ul style="list-style-type: none"> The Council puts in place Key Performance Indicators (KPIs) to monitor service delivery whether services are internal or through external providers. An integrated report is provided to SMT every month. This brings together analysis of performance, finance, workforce intelligence and complaints - to support effective resource allocation, and to shine a light on any challenges so that they can be addressed. The Council has developed performance 'logic models' which give senior managers a clear picture of progress towards Our Corporate Plan priorities. This takes a holistic view of shared priorities across Services, and involves an understanding of the collective contribution required to make a difference. These models measure both internal and external factors that influence performance towards our priorities. As part of the Council's business planning process, service plans are reviewed and refreshed on an annual basis. These plans detail service priorities, which are aligned to corporate plan priorities, and they also set out any associated key performance metrics. The service plans are used to create the overall Council 	<p>Performance Management Framework</p> <p>Council Business Plan 2020/21</p>

F. Managing risks and performance through robust internal control and strong public financial management		
The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
	<p>Business Plan. This is taken to Scrutiny Committees, before it is approved at Executive. The business planning process supports both performance management and efficient resource allocation at a service and corporate level.</p> <ul style="list-style-type: none"> The Council ensures that external companies who deliver services have an understanding of expected contract performance, and monitoring takes place throughout the contract period. Each year the Council produces the State of the City report, which details the performance against key measures established to understand how the city is meeting its vision and priorities. 	<p>State of the City</p>
Effective Overview and Scrutiny	<ul style="list-style-type: none"> The Council has six scrutiny Committees, which hold decision makers to account and play a key role in ensuring that public services are delivered in the way residents want. The agenda, reports and minutes are publicly available on the Council's website. 	<p>Scrutiny Committees</p>
Robust Internal Control	<ul style="list-style-type: none"> The Council has robust internal control processes in place, which support the achievement of its objectives while managing risks. The Council's approach is set out in detail in both the latest Annual Corporate Risk Management report, and its Internal Audit Plan. The Council has an Audit Committee, in line with CIPFA's 'Position Statement: Audit Committees in Local Authorities and Police (2018)', which provides an independent and high-level resource to support good governance and strong public financial management. The Committee has two Independent Co-opted Members, and 	<p>Annual Internal Audit Plan</p> <p>Annual Corporate Risk Management Report and Corporate Risk Register</p> <p>Audit Committee</p>

F. Managing risks and performance through robust internal control and strong public financial management		
The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
	<p>provides a mechanism for effective assurance regarding risk management and the internal control environment.</p> <ul style="list-style-type: none"> The Council maintains clear policies and arrangements in respect of counter fraud and anti-corruption. These are the Anti-Fraud and Anti-Corruption Policy; Whistleblowing Policy; Anti Money Laundering Policy and the Anti Bribery Policy. An assessment of the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the Council's internal auditor in the <i>"Head of Audit and Risk Management Annual Opinion 2019/20"</i> section of this Annual Governance Statement. 	
Managing Data	<ul style="list-style-type: none"> The processing of personal data is essential to many of the services and functions carried out by local authorities. The Council complies with data protection legislation, which includes GDPR (General Data Protection Regulation) and the Data Protection Act 2018 (DPA 2018). This will ensure that such processing is carried out fairly, lawfully and transparently. The Council reviews and supplement its policies, and also keep its processing activities under review, to ensure they remain consistent with the law, and any compliance advice and codes of practice issued from time to time by the Information Commissioner's Office (ICO). The Council ensures that officers handling personal data are trained to an appropriate level in the use and control of personal data. It is made clear that all staff and Members are personally accountable for using the Council's information responsibly and appropriately. All staff must undertake protecting information e-learning training, and this forms part of the induction process for new staff. 	

F. Managing risks and performance through robust internal control and strong public financial management		
The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
	<ul style="list-style-type: none"> To remind staff of their responsibility to always take due care to protect information, the Council uses internal communication campaigns; posters and email reminders signposting to information protection principles and guidance. Information Governance is overseen by the Corporate Information Assurance and Risk Group (CIARG) chaired by the City Solicitor who is the Senior Information Risk Officer for the Council (SIRO). The Council complies with the Local Government Transparency Code 2015 by publishing accurate data within appropriate timeframes, in the areas mandated by the Code in the Council's Open Data Catalogue together with additional data of value to stakeholders and the public. The Council allocates resources to review and monitor the quality of the data which it produces, and which it uses to produce performance reporting to inform decision making. The Council makes information available to the public via the information access regimes provided for by the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. Data protection legislation, including the Data Protection Act 2018, provides individuals with various rights. The Council ensures that all valid requests from individuals to exercise those rights are dealt with as quickly as possible, and by no later than the timescales allowed in the legislation. 	Local Government Transparency Code Open Data Freedom of Information
Strong Public Financial Management	<ul style="list-style-type: none"> The Council's approach to Financial Management ensures that public money is safeguarded at all times, ensuring value for money. Its approach supports both long-term achievement of objectives, and shorter term financial and operational performance. 	Medium-Term Financial Plan

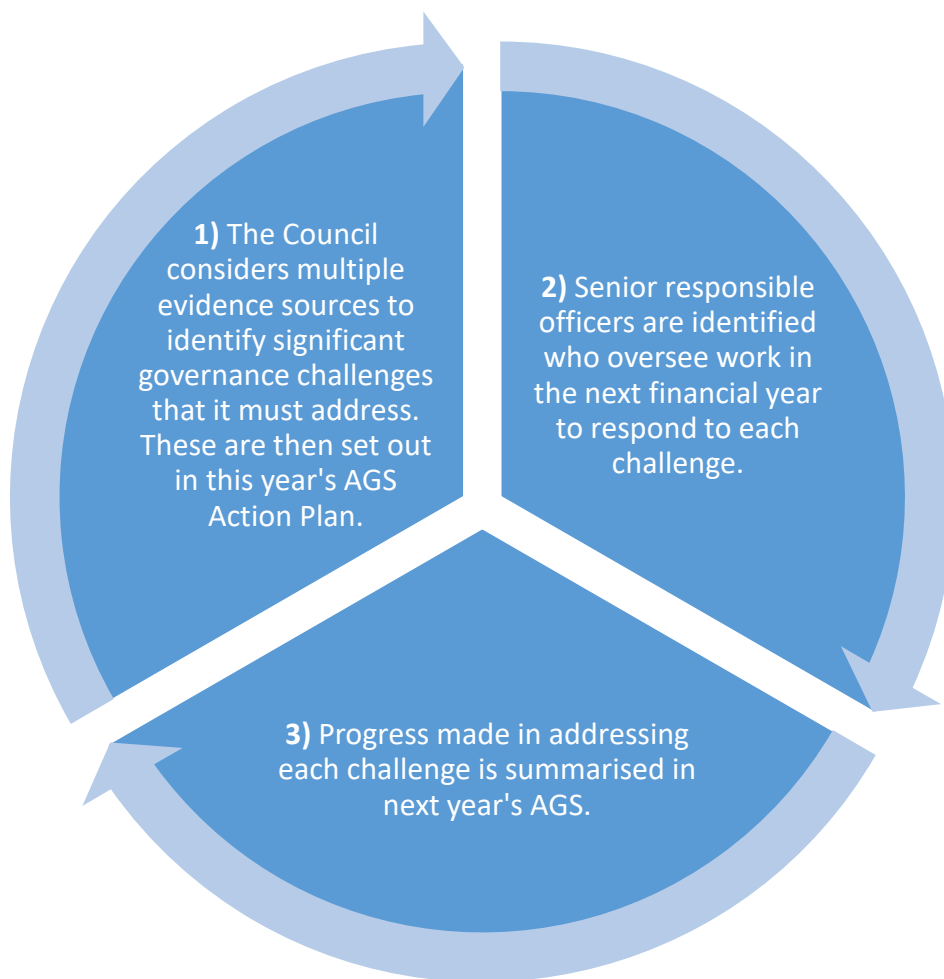
F. Managing risks and performance through robust internal control and strong public financial management		
The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
	<ul style="list-style-type: none"> The Chief Finance Officer (Deputy Chief Executive and City Treasurer) ensures that appropriate advice is given on all financial matters, proper financial records and accounts are kept, and oversees an effective system of internal financial control. The City Treasurer ensures well developed financial management is integrated at all levels of planning and control including management of financial risks, systems and processes. The Constitution (Part 5) details the financial regulations which underpin the financial arrangements. The Financial Management Code (FM Code) sets out the standards of financial management expected for local authorities and is designed to support good practice and to assist local authorities in demonstrating their financial sustainability. The FM Code was launched in 2019, to be implemented from April 2020 with the commencement of a shadow year. It is expected that by 31 March 2021 Local Authorities can demonstrate that they are working towards full implementation of the code, with the first full year of compliance being 2021/22. The Council's preparations for this are set out in the Budget Overview 2020/21 report. Section 25 of the Local Government Act 2003 requires that when a local authority is making its budget calculations, the Chief Finance Officer ('CFO') of the authority must report to the Council on the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. The Council CFO's detailed report in relation to these matters is set out in the Budget Overview 2020/21 report. 	<p>Our Constitution (Part 5)</p> <p>Budget Overview - The Council's Financial Strategy</p> <p>Budget Overview - The Council's Financial Strategy</p>

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability		
The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
Implementing Good Practice in Transparency	<ul style="list-style-type: none"> The Council follows the Local Government Transparency Code 2015, which includes requirements and recommendations for local authorities to publish certain types of data. The Council's website is set out in a clear and easily accessible way, using infographics and plain language. Information on expenditure, performance and decision making is sited together in one place and can be accessed quickly and easily from the homepage. 	Local Government Transparency Code manchester.gov.uk website
Implementing Good Practices in Reporting	<ul style="list-style-type: none"> The information in the Annual Report is drawn from sources including the more detailed State of the City publication, which charts the city's progress towards its vision and priorities. The Council explains how it reviews its governance arrangements, and how it has complied with CIPFA's "Delivering Good Governance in Local Government (2016)" principles by producing this Annual Governance Statement (AGS). This includes an action plan (section 7) identifying what governance challenges it will need to address in the next financial year. A concise summary of the findings of the AGS is included in an easily digestible format within the Annual Report. 	State of the City
Assurance and Effective Accountability	<ul style="list-style-type: none"> The Council welcomes peer challenge, internal and external review and audit, and inspections from regulatory bodies and gives thorough consideration to arising recommendations. An example of positive improvement having taken place following recommendations can be seen in the Ofsted report, which followed on from their recent focused visit to the Council's children's services. 	Ofsted focused visit

5. Annual review of effectiveness of the governance framework

- 5.1 The Council has a legal responsibility to conduct an annual review of the effectiveness of its governance framework, including the systems of internal control. After conducting this review the Council has assurance that its governance arrangements and systems of control are robust and reflect the principles of the Code of Corporate Governance. This section explains what arrangements were reviewed, and how this assurance was achieved.
- 5.2 As well as providing overall assurance about the Council's governance arrangements, the review mechanisms detailed in this section are used to identify governance challenges. This process takes place in a cycle, to ensure continuous improvement, as illustrated below. The next section details progress made in addressing the challenges set out in the Action Plan at the end of last year's AGS.

The governance improvement cycle

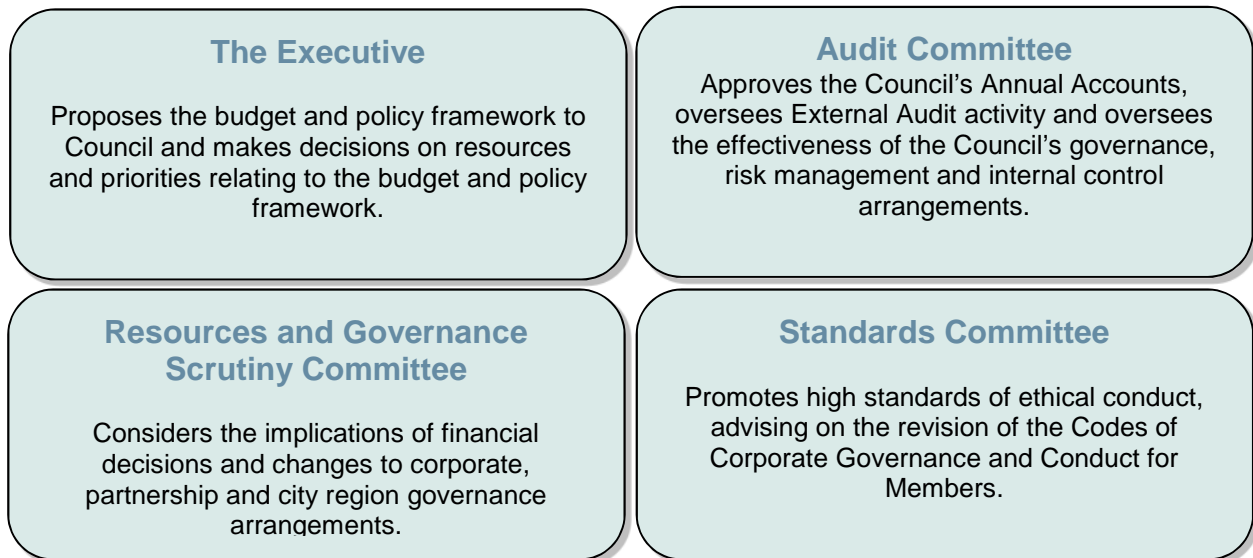


Leadership of governance and internal control

- 5.3 Responsibility for governance and internal control lies with the Chief Executive and the Strategic Management Team (SMT), which meets on a roughly bi-weekly basis to steer the organisation's activity. SMT receive a regular suite of assurance reports from a number of sources including the Corporate Risk Register, and the Integrated Monitoring Report, which allows the Council to track performance towards its agreed objectives. Once per year SMT review the progress in addressing the significant governance challenges, which were set out in the Action Plan in the last AGS. Progress made is summarised in Section 6 of this AGS.

Summary of the process of challenge and scrutiny by Council and its Committees

- 5.4 The Council has four bodies responsible for monitoring and reviewing the Council's governance;



Identifying significant governance challenges which the Council will need to address in the next financial year (2020/21)

- 5.5 To identify significant governance challenges to be addressed during 2020/21, the Council considers a number of evidence sources, which include;
- Analysis of responses from Heads of Services to online annual governance questionnaires, which provide a self-assessment of compliance with the Code of Corporate Governance.
 - Significant governance challenges in Partnerships as identified by the Council's Register of Significant Partnerships assessment process.
 - A meeting of key Senior Officers with responsibility for Governance, to identify and discuss emerging governance issues
 - Consideration of risks identified in the Corporate Risk Register
 - Emergent challenges identified by the work of Internal Audit during 2019/20
 - Where appropriate, carrying forward elements of action points from 2019/20 if substantial further challenges and monitoring is required.

Key assurance processes listed above are set out in more detail below, and these lead to the identification of the governance challenges described in section seven. This sets out an Action Plan, which looks ahead to the main challenges where the Council will need to focus attention in 2020/21.

Head of Audit and Risk Management Annual Opinion 2019/20

5.5 *Content pending - to be reported to 7 April 2020 Audit Committee*

Annual Review of the System of Internal Audit 2019/20

5.6 *Content pending - to be reported to 7 April 2020 Audit Committee*

External Auditor's Review of the Effectiveness of Governance Arrangements

5.7 The Council's external auditor is Mazars. Their [Annual Audit Letter](#) for the year ended 31 March 2019 was reported to Audit Committee in October 2019. The main conclusions of the Audit Letter regarding the key assessment areas were:

Overall Value for Money Conclusion:

*"Our audit report issued on 31 July 2019 reported an **unqualified** Value for Money conclusion for the 2018/19 financial year."*

Audit of the financial statements:

Mazars also issued an **unqualified** opinion on the financial statements.

5.8 The Council monitors the implementation of external audit recommendations. Assurance reports are regularly presented to Audit Committee and Mazars, summarising the Council's performance in implementing recommendations effectively and within agreed timescales. However, progress is also monitored through other relevant Committees and Scrutiny functions. The latest [Outstanding Audit Recommendations Report](#) was taken to Audit Committee in February 2020.

Annual Review of the role and responsibilities of the Chief Finance Officer

5.9 As part of its work on governance and financial management across public services, CIPFA issued its Statement on the role of the Chief Financial Officer in Local Government (the Statement) in 2016. The Council has undertaken a review of the role and responsibilities of its Chief Financial Officer (CFO) against the five principles that define the core activities and behaviours that belong to the role of the CFO and the governance requirements needed to support them.

5.10 The 2019/20 review concluded that the CFO met the responsibilities of the Senior Finance Officer in full and was ideally placed to develop and implement strategic objectives within the Council, given her role as the Council's Section 151 Officer, Deputy Chief Executive and City Treasurer. She reports directly to the Chief Executive and is a member of the Council's Senior Management Team. The CFO influences all material business decisions and oversees corporate governance arrangements, the audit and risk management framework and the annual budget strategy and planning processes. The Council's financial management

arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.

Annual Report of the Standards Committee

- 5.11 The Council is committed to promoting the highest standards of conduct by members and has adopted a Code of Conduct for all members as part of its constitution. The Council has also established a Standards Committee, which is responsible for promoting and maintaining high standards of conduct by members of the Council. The [Annual Report](#) of the Standards Committee is one of the Council's sources of governance assurance.

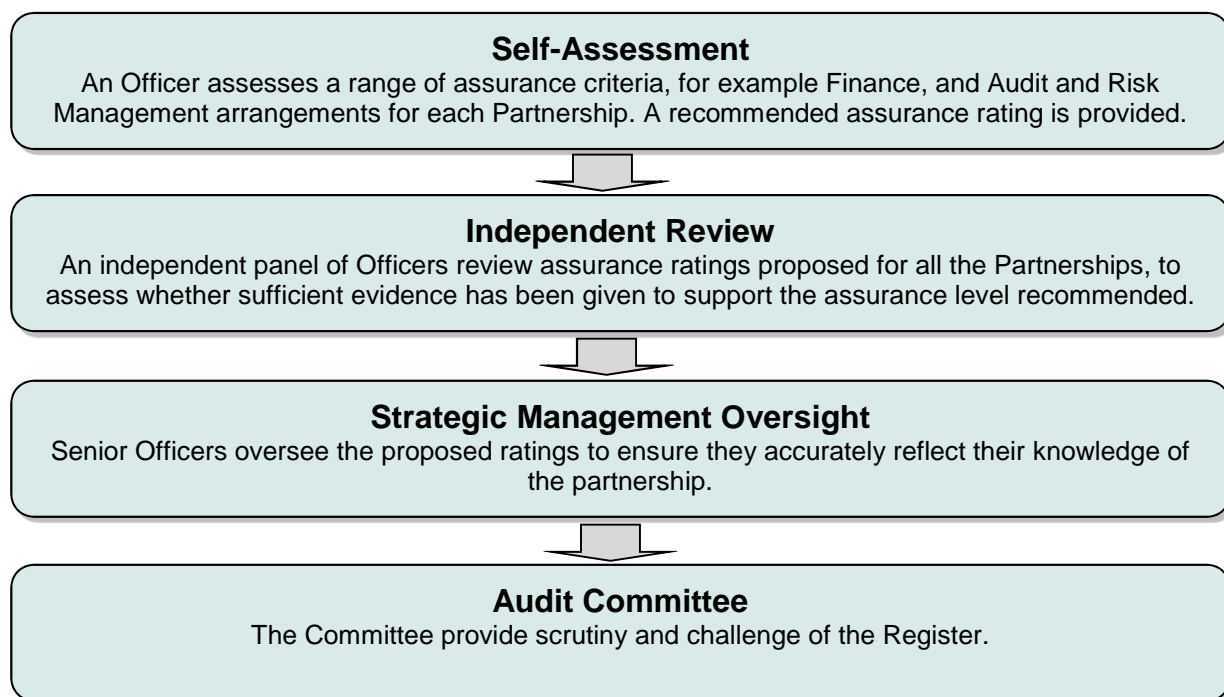
Assessment of the robustness of corporate governance across services

- 5.12 As part of the process of identifying any areas where governance may need to be strengthened across the organisation, Heads of Service each complete an annual online questionnaire. Services provide a set of assurance scores, based on their self-assessment of how effectively the good governance standards set out in the Code of Corporate Governance (the Code) have been implemented by their Service. The 2019/20 questionnaire was revised to reflect the update of the Code carried out in 2019.
- 5.13 Using a 'strengths-based' approach, services highlight and give more information about areas of strength and good practice in their questionnaire responses. These are then shared, so that good practice can be adopted across the organisation.
- 5.14 The analysis also identifies areas where improvement and support may be required. Any challenges experienced by multiple services, which are significant at a corporate level form part of the evidence base used to identify the governance challenges which the Council will address in 2020/21 (Action Plan at Section 7).

Evaluation of the effectiveness of processes to gain assurance about the robustness of governance arrangements in the Council's Significant Partnerships

- 5.15 The Council has a standardised approach to managing its partnerships as detailed in the [Partnership Governance Framework](#). This supports officers and stakeholders in ensuring that good governance is understood and embedded from the outset, and throughout the lifetime of all partnerships. The governance arrangements of the Council's partnerships, which are on the [Register of Significant Partnerships](#), are self-assessed annually to provide assurance that effective arrangements are in place, and to highlight any governance challenges which need to be addressed.

5.16 The annual self-assessment process has been developed to provide clear accountability, and robust scrutiny and challenge. It can be summarised as follows;



5.17 The Council works to continuously improve both governance in partnerships, and the assessment process. The assessment process is reviewed annually.

External inspection agencies

5.18 The Office for Standards in Education, Children's Services and Skills (Ofsted) inspects and regulates services which care for children and young people and those providing education and skills for learners. It publishes all [school inspection reports](#) on its website, in addition to the [inspection reports](#) for the services for children and families which the Council provides. The last Children's Services focused visit took place in December 2019.

5.20 Mazars are the Council's External Auditors. They carry out auditing of the Council's activities in accordance with the National Audit Office (NAO) Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014. Their key responsibilities are to:

- Give an opinion on the Council's financial statements
- Assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion)

6 Progress in addressing the Council's governance challenges

This section provides an update on progress made addressing the Council's governance challenges for the 2019/20 financial year, which were set out in the Action Plan in last year's AGS (2018/19). An interim update setting out progress earlier in the financial year was taken to [Audit Committee](#) in November 2019. Topics below are grouped together by particular governance themes.

Governance Area: Delivering Our Manchester

Action 1) "Continuing progress with embedding Our Manchester priorities, behaviours and approach across all aspects of service delivery, ensuring that staff develop the skills and behaviours articulated in the 'Our People' Strategy, including effective implementation of workforce plans. Supporting Services to move from 'early' and 'developing,' to 'maturing' and 'mature' in the Our Manchester Self-Assessment. Continuing to develop leadership and management capacity and capability."

There continues to be the commitment to supporting how the Our Manchester (OM) approach is embedded throughout the Council, with further work developing to align the internally focused OM programme and organisational development. This commitment remains at the core of the Our People Strategy.

Some of the key activity that supports embedding of the Our Manchester approach includes:

Transforming our systems, policies and processes

- A review of systems, processes and ways of working based on feedback from staff are now being progressed as part of Our Transformation Programme, which will provide staff with the right tools and time to deliver high quality services for our residents.
- To support the Our Transformation Programme, Our Ways of Working is the opportunity to allow staff to work more flexibly across different locations and services in an agile way, developing better working relationships and culture and embedding Our Manchester in everything we do.

- A programme of partnership work has been developed to mobilise Bringing Services Together for People in Places which is Manchester's approach to place-based reform.
- Our Manchester in Health and Social Care which is establishing an agreed format and approach for the way in which Manchester Health Care Commissioning (MHCC), and the Local Care Organisation (MLCO) will operate to improve the employee and customer experience.
- Ongoing review of the Council's people management policies to support alignment with Our Manchester, including Code of Conduct, Pay Policy, Recruitment and Selection, plus others.
- The Council's overarching framework for learning and development provision has been re-tendered to ensure all providers are aware of Our Manchester, and are delivering the right messages when delivering training on behalf of the Council.

Our Transformation

Our Transformation is the work to modernise and digitise how the Council operates. Our Transformation is focused on five key work programmes:

- **Strengthening accountability** - Reviewing how we make decisions, creating accountability and empowering our managers.
- **Our Ways of Working** - Improving our working practices and culture, and making sure that we have the right tools (including ICT) to do our jobs.
- **Improving our Processes** - Understanding and improving the processes we follow and manage to get things done.
- **Designing our Future Core** - Understanding how we currently operate in the Corporate Core, identifying what needs to change and what the Core will look like after transformation.
- **Improving Resident & Business access to digital services** - Improving the user experience of interacting with the Council for our residents and businesses

Bespoke work and the targeted offer

- Through the Self-Assessments, eight services are receiving targeted support to develop their understanding of Our Manchester, and what it means to them and the roles they do. This is part of the work to support services to move from 'developing' to 'mature'.
- There are 131 OM 'Service Champions' supporting their colleagues in their own services on their journey (1.8% of organisation).

- A focused strengths based development programme is now live, with roll out prioritised across the MLCO and the neighbourhood teams, with a cohort of nearly 300 staff having been through the programme.
- A refresh of the Council's leadership and management offer is underway, to closely align with Our Manchester across both the Council's core leadership and management programmes.
- Wider development offer for senior leaders through engagement workshops and conferences, such as monthly Senior Leaders Group sessions and the annual Leadership Summit.

Delivering a universal offer to all

- The Our Manchester Experience is now in its third year, and underwent a refresh based on participation feedback. Nearly 4,000 Council staff along with 482 staff from partner organisations have been part of the Experience to date, and a target plan is in place to ensure the 7,000 staff target is reached by September 2021.
- Staff engagement events showcase Our Manchester as a way of doing things, and provide opportunity for staff to demonstrate the Our Manchester Behaviours. For example, Listening in Action events give staff the chance to hear from our senior leaders, as well as being listened to when discussing our Corporate Plan priorities.
- Further engagement with staff groups to embed Our Manchester, in particular extending the range and membership of our Equality, Diversity and Inclusion staff networks.
- Behaviours Toolkits are in circulation across the organisation and MHCC, with examples and case studies demonstrating use by a diverse set of services. New tools are being tested which are staff led, with the option to roll out universally or bespoke to a service.

This activity forms part of an ongoing programme to fully embed Our Manchester into everything we do, so that it is part of mainstream business and not a stand-alone 'thing' that we do. It has supported a continued improvement in organisational engagement levels as measured by the Best Companies 'BHeard' Employee Survey, with the Council increasing by 14 points since the previous year, firmly placing us at the high end as a 'one-to-watch' company.

Progress with Workforce Equality

Numerous programmes of work have been either commenced or completed in 2019/20 which will further embed workforce equality in our systems, processes, governance and culture. These are long-term and ongoing pieces of work, that will incrementally improve the representation, opportunities and experience of all identity groups in the workforce in the coming years. There is a particular focus on BAME and disabled employees, as these have been identified as priority groups.

Equality Employee Network Groups

- A refreshed approach to employee engagement on equality has been launched, with a new Equality Employee Network Group framework.
- This has led to the re-establishment and growth in membership of the groups previously in operation (BAME, disability, LGBT+), as well as the development of new groups (women, mental health).
- The groups are employee-led and each works to its own work-plan, with support and input from HROD and the Equality, Diversity and Inclusion (EDI) Team as required.
- The groups give an opportunity for employees to access development and peer support as well as to influence programmes of Council work, and are a valuable source of lived experience and information for services to benefit from in developing services and policies.

Equality Impact Assessments

- Work has begun to refresh our Equality Impact Assessment (EIA) framework, a key tool in ensuring that equality is considered in the development of our services and policies.
- This aims to make the range of identity groups assessed more representative of Manchester; the protected characteristics defined by the Equality Act 2010 will remain, but consideration will also be given to additional priority groups, such as homeless people and ex-armed forces personnel.
- In addition, the training and support, quality assurance and governance arrangements in relation to EIAs is currently under review.
- Using the existing framework, equality analyses have been completed against several workforce policy reviews, to mitigate the risk of adverse impacts on employees arising from these.

Workforce Race Review

- An independent review of workforce race equality at the Council was commissioned and undertaken in 2019.
- This review has been completed, and a draft report of its findings is being considered.

- Upon finalisation, an action plan will be developed to respond to the report findings. The aim is for this to be co-designed with BAME employees, to best reflect their experiences and needs.
- The implementation of the action plan and the achievement of its desired outcomes is a long-term programme of work, but aims to result in mainstreamed and sustainable improvements in the areas of representation, experience and progression.

Disability Development Programme

- A parallel programme of work relating to disabled employees has been in development in 2019; this programme aims to achieve improvements in the same areas as the race review regarding representation, experience and progression.
- Some elements of the programme have been introduced for trial, such as the Access to Work Mental Health Support Service, and membership of the Business Disability Forum.
- Adoption of the broader programme of work will be considered in 2020/21.

Learning and Development Review

- A review of our equality-related learning and development tools was commenced in 2019. This aims to promote the use of the existing equality learning resources we have, and strengthen the offer.
- Work has commenced with our e-learning provider to develop a revised equality and diversity tool, which will form the core element of equality-related training from 2020 onwards.
- Our leadership and management development training is also looking to more proactively promote inclusive management practice.

Governance Area: Health and Social Care Integration

Action 2) “Supporting the integration of health and social care by ensuring effective governance of integrated teams, including operation of the MHCC commissioning function, and implementation of the Local Care Organisation (LCO)”

The Our Healthier Manchester locality plan is the key document that sets out the strategic ambitions for health and social care integration in the city - to improve health and care outcomes for the people of Manchester within a financially sustainable system. The plan was revised in December 2019.

The strategic aims of Our Healthier Manchester are to:

- Improve health and well-being in Manchester
- Strengthen the social determinants of health and improve healthy lifestyles
- Ensure services are safe, equitable, and of a high standard, with less variation
- Enable people and communities to be active partners in health and well-being
- Achieve a sustainable system

Manchester Health and Care Commissioning (MHCC) was established in April 2017, as a partnership of the Council and the NHS Manchester Clinical Commissioning Group (CCG). MHCC is governed by a Board, which includes the Council Chief Executive, the Executive Director of Commissioning and Director of Adult Social Services (DASS), the Executive Member for Adult Services, and the Executive Member for Children and Schools. The Council and NHS Manchester CCG MHCC have agreed a pooled single commissioning budget for health, adult social care and public health, with a Section 75 Partnership Agreement and Financial Framework.

Manchester Local Care Organisation (MLCO) was established in April 2018, to deliver integrated out of hospital health and care, including Community Health, Primary Care, Mental Health and Social Care. MLCO is leading the delivery of Integrated Neighbourhood Teams (INTs) that bring together the workforce in the above services to deliver integrated care around residents' needs, taking Our Manchester approaches.

The integrated governance structure for MLCO is a Partnership Board and Partnering Agreement, signed by all key partners including the Council. The Council representatives on the Partnership Board are the Deputy Chief Executive and City Treasurer, and the Director of Policy, Performance and Reform.

The MLCO Executive includes the Executive Director of Adult Social Services, and other senior adult social care staff (including three Assistant Directors) are represented on the internal MLCO governance groups that sits beneath the MLCO Executive. Other governance groups are in place across the city to deliver the work required on the overall Locality Plan, and the enablers of integration such as health and social care workforce, finance, performance and ICT.

A procurement process is ongoing between MHCC and MLCO to agree a contract for the commissioning and provision of health services. This includes the preparation of a Business Case document and accompanying Due Diligence. The next phase in the development of MLCO and MHCC will involve more operational commissioning processes being transferred from MHCC to MLCO. Although Social Care is not directly part of the procurement, the changes will consider how best to integrate social care and health, so the Council is involved in the preparation of the Business Case. As part of this process, the Council will refresh the Agreement document covering the commissioning and provision of adult social care services. This work will also recommend ways to improve outcomes for children and young people in Manchester, through more effective joint working between Children's Services and the MLCO.

Recent developments include:

- Establishing an Adults Improvement Board to drive the activity required in the improvement plan for adult social care.
- The Executive Director of Adult Social Services has identified ASC officers to attend key MLCO governance meetings to improve the level of integration within our decision-making.
- Governance arrangements for health and social care within the Council and MLCO have been reviewed, following an Internal Audit report, and a series of actions are now being implemented to improve the governance.

Governance Area: Adults Services Governance

Action 3) "Delivery of the Adults Improvement Plan to ensure effective triage at the front door, and the assessment and review of citizens' needs in a timely, proportionate and consistent manner. This includes Adults Services governance oversight: operational compliance, quality assurance and the transition from Children's to Adults Services provision."

The Adult Social Care Improvement Programme has been established to focus on ensuring the basics are in place for adult social care, to deliver high quality services for our residents, and to successfully deliver health and social care reform and integration. The programme plan for this work was developed in late 2018, based on the outcomes of diagnostic work and the internal audits completed. As part of additional overall investment of £11.4m to meet increased need for adult social care, it was agreed by Executive in February 2019 that additional resources of £4.225m in 2019/20 rising to £4.8m for 2020/21 and 2021/22 be invested into

the service to support the delivery of the improvement programme through increased capacity in front-line roles. This includes areas of the service where capacity has been met by temporary posts and short-term contracts as recurrent funding has not been in place.

A number of key priorities have progressed successfully including:

- Major recruitment campaign delivered - since April 2019 87.5 FTE social workers recruited into posts funded by the improvement programme, other externally funded posts and vacant mainstream positions
- Development of new strengths based approach to assessment and support planning - delivering improved outcomes and a more streamlined process - a significant change from the legacy process which had been in place for a decade
- Delivery of phase one of technology enabled care (TEC) programme transferring c.150 citizens from legacy provider, and operationalising TEC into business as usual
- Focused work on reducing waiting lists
- Introduction of enhanced communications and engagement with staff, boosting morale and buy-in including ASC forum and regular bulletins
- Development of new policies
- Progress on operational integration, including 12 neighbourhood social work managers in place
- Significant reductions in Deprivation of Liberty Safeguards waiting lists

In late 2019 through early 2020, a stock-take exercise was undertaken on delivery of the programme to date to ensure the programme continues to deliver improved outcomes. In order to address a number of the issues identified a revised portfolio structure has been designed - separating a 'core' programme from a wider set of transformational programmes, and positioning all of the programmes collectively into the Manchester Local Care Organisation wider portfolio. The transformation programmes include:

- Provider Services Review
- Learning Disability and Autism Programme (including transition from Children's to Adults provision)
- Urgent Care and Winter Programme
- Technology-enabled Care (TEC) Programme
- Integrated Commissioning and Contracting Programme

The core ASC Improvement Programme continues to be governed by the ASC Improvement Programme Board. And going forward will include workstreams on:

Assessment and safeguarding function, including:

- Front door pilot to test approach to better management of demand
- Active management and monitoring of the waiting lists
- Embedding of timeliness and strength-based practice standards
- Peer support and challenge process in teams to understand and act on strengths, issues and challenges
- Work to improve and embed end-to-end business processes
- Testing and evaluation of strength-based quality assurance framework
- Development of kitemark approach to further delegate decision making
- Development of team and service managers and review and embedding of core policies including supervision
- Implementation of social work career pathway
- Embedding performance management approach

Commissioning and contracting including:

- Development of approach to wider care market management
- Work to develop a brokerage function and improved business process following assessment
- Work to ensure effective contract management through appropriate function and the interface with MHCC
- Monitoring and management of contracts register, and effective procurement planning

Governance Area: Information systems - delivery and governance

Action 4) “Improving the resilience of ICT systems, including cyber security, and the Council’s arrangements for disaster recovery.”

Data Centre

The ICT Data Centre Strategy outlines the replacement of our existing core infrastructure and the single site data centre that the Council currently manages at the Sharp Project. It removes the single point of failure by moving to a new solution, hosted across two separate data centre facilities, which provide a robust and resilient disaster recovery solution. This will significantly reduce recovery times in the event of a critical failure, and will help protect the availability of business-critical services.

The replacement of the core infrastructure with the introduction of new technology for virtual server hosting, and a new backup and storage solution is now complete. The final migration of applications to this new infrastructure was SAP, completed in November 2019. The migration of services and applications from the new infrastructure to the new data centre sites is now underway. The planned Sharp exit date of February 2020 is now not achievable due to design sign-off, supplier delays and the General Election change freezes. This focus is on options to migrate critical business applications, aiming to migrate approximately 80% of Council services before the financial year-end (end of March 2020). To meet this target delivery date, some of the data centre migration of applications and services may need to take place during the working week. This will be in agreement with the services affected, and following an assessment of risk and business requirements in order to protect key business processes.

If the migration activity does not proceed to plan telephony, internet and final network services migration activities will then continue throughout April 2020. However if the Council considers these activities to be too disruptive to financial year-end activities, then the programme may need to be paused until a later time. This could move the full exit date to June 2020.

Cyber Security

The Council recognises that one of the biggest risks to the organisation regarding Cyber Security remains with our end-users. The Cyber Security team have therefore developed and deployed a multi-layered Cyber Security training and awareness programme for all staff. The training provides a base level understanding of Cyber Security, and practical examples of good practice that staff can utilise in both their professional and personal lives. Additionally, the training is supported by Cyber Security communications. Regular dialogue with all staff continues to raise awareness around all aspects of Cyber Security, and encourages everyone to remain vigilant and to report anything suspicious.

Policies, procedures, and processes continue to be reviewed and strengthened, ensuring that a proactive system is in place to effectively manage and monitor the Security Operations function. The Cyber Security team actively manages and deploys software security patches, antivirus updates, malware protection and other protective security functions based on known, identified and evolving security vulnerabilities.

The Cyber Security team is in the process of developing a 3-5 year Cyber Security Strategy. This strategy will define the strategic vision, and will be essential for defining priorities, providing a roadmap that will guide ICT's day-to-day decisions.

Action 5) - “Governance of delivery of proposed ICT systems essential to business operations and legal compliance, including the new social care system.”

Good governance is critical for the ICT service as it enables the Council to:

- Demonstrate measurable results against Council business strategies and goals;
- Meet relevant legal and regulatory obligations, such as those set out in the GDPR;
- Assure stakeholders that they can have confidence in Council IT services;
- Facilitate an increase in the return on IT investment;

For the delivery of new services such as the new telephony platform, ICT uses two distinct processes. Initially, when a new service or product is required ICT follows ‘The Open Group Architecture Framework’ (TOGAF), this is an enterprise architecture framework that helps define business goals and align them with architecture objectives around enterprise software development. It helps businesses align IT goals with overall business goals while helping to organise cross-departmental IT efforts. TOGAF helps businesses define and organise requirements before a project starts, keeping the process moving quickly with few errors.

Once an initiative is considered a project, ‘PRINCE2’, a project management methodology developed by the UK government, and used widely in IT environments is employed to provide governance of project delivery. PRINCE2 makes use of the best-proven practices from a variety of industries and backgrounds. Documents with templates and clear decision points are characteristics of this methodology. All ICT Project Managers, Programme Managers, and Project Management Officers (PMOs) are qualified PRINCE2 Practitioners. This is coupled with ‘ServiceNow’ ITBM which is a governance and project management tool. This ensures that projects are governed and delivered following PRINCE2 best practice, and that stakeholders are provided with assurance over project delivery through the reporting functionality.

For live ‘Business as Usual’ (BAU) services such as Liquid Logic and SAP, the ICT Service Operations adheres to IT Infrastructure Library (ITIL). The IT Infrastructure Library (ITIL) is a library of volumes describing a framework of best practices for delivering IT services. ITIL’s systematic approach to IT service management can help businesses manage risk, strengthen customer relations, establish cost-effective practices, and build a stable IT environment that allows for growth, scale, and change. The newest version of ITIL focuses on company culture and integrating IT into the overall business structure. It encourages collaboration between IT and other departments, especially as other business units increasingly rely on technology to get work done. ITIL 4 also emphasises customer feedback, since it’s easier than ever for businesses to understand their public perception, customer satisfaction, and dissatisfaction.

In order to ensure effective Portfolio, Programme and Project assurance, ICT utilises P3O. P3O stands for 'Portfolio, Programme and/or Project Offices' and is a framework of principles, processes, and techniques to facilitate effective Portfolio, Programme and Projects management through its enablement, challenge and support structures. P3O guidance is aligned fully to PRINCE2, Managing Successful Programmes, and Management of Portfolios products, and brings together in one place a framework for best practice. Utilising P3O the ICT Project Management Officers (PMOs), all of whom are P3O practitioners, assist the bridging of the gap between strategy and policy makers, and the delivery arm of the Council from an IT perspective.

Change is effectively managed within the Council, using all the above frameworks in conjunction with our governance approval forums; IT Board, Design Authority Group, and the Change Assurance Board.

Telephony and Contact Centre Project

The current core telephony and contact centre systems become end of life March 2020 due to the manufacturer withdrawing support, a support contract is in place until March 2021 but this still represents a high risk to the Council. ICT has undertaken a tender exercise for a replacement telephony system and the evaluation process and supplier due diligence is now complete. It is expected that a contract will be signed with our new supplier in February 2020, after which implementation will commence. The estimated go live date will be March 2021, however, the project will confirm this after detailed planning discussions with the new provider after the contract has been awarded.

'Liquidlogic' Programme

The 'Liquidlogic' suite of systems has now been operational for over six months (since July 2019). The Council are now in 'component two' of the change programme, with system implementation now complete (component one). Business change activity is ongoing across Children's Social Care (CSC) and Adult Social Care (ASC). From an ICT perspective, the systems are stable, this is an improvement on the Micare system, which encountered unplanned outages and was subject to performance issues. Good progress is being made, but there remain a number of challenges to resolve. Children's Services will be ready to move to business as usual in late February or early March 2020. The timeline for ASC will be longer, with the need to learn from the implementation to date, and the establishment of a brokerage function that will enable some of the current challenges to be resolved. The leadership of the Deputy Director of ASC, aligned to the ASC Improvement Programme is driving substantive progress. The change management approach, and any financial implications of a longer timeline for ASC moving to BAU will be identified as part of the work outlined.

LAN / WiFi

The Network Refresh Programme work will be carried out throughout 2020/21, and is critical for the ongoing performance and resilience of the networks operating within the Council. It will be the first total refresh of the entire infrastructure. The programme consists of the following projects:

- Wide Area Network (WAN) Refresh - this provides the connectivity between Council buildings
- Network Infrastructure Local Area Network (LAN) Refresh Project - this provides connectivity to Council systems within Council buildings
- WiFi Project - a new Corporate WiFi solution to every Council site including: Daisy WiFi (BusyBee) extension and replacement, 'GovRoam' (a network providing staff with seamless roaming internet access across multiple public-sector locations), and the Corporate, public and guest WiFi. GovRoam phase one will be live by the end of the financial year 2019/20.

Prioritisation

ICT is currently conducting a detailed planning and prioritisation exercise. This is to provide visibility of resource allocation, and to ensure that resources are prioritised in line with the right demand. This process will enable the Council to understand the demand on ICT over the next twelve months. It will also allow ICT to ensure that chosen initiatives represent best use of available resources, optimum balance of risk against achievability, and to ensure sufficient and necessary contribution to the Council's Strategic Objectives and the ability to articulate the impact of the initiatives.

The relevant IT Strategic Business Partners liaise with their respective SMT members about prioritisation of projects, and discussions are ongoing through directorate governance structures (e.g Corporate Core IT Board, and Neighbourhoods Directorate Management Teams) to engage a wider set of stakeholders around prioritisation of IT projects.

Governance Area: Finance and Savings

Action 6) "Changes to the local government finance system, and delivery of continued significant savings."

In September 2019, there was a one-year spending round for 2020/21, with the longer term spending review now pushed back to 2020/21. The wider changes affecting business rates and funding reform have also been delayed until 2021/22. The impact of both reviews is unknown.

The spending round announcement and subsequent settlement on 6 February 2020 have set out the funding for 2020/21, this has informed the budget proposals considered by scrutiny committees in January and February and presented to Executive 12 February 2020.

The funding commitments are for one year only, and considerable uncertainty remains for longer-term planning. There remain considerable medium term risks around the levels of public spending overall (to be determined in the 2020 spending review), the distribution of funding across local government (through the Fair Funding review) and the impact of anticipated business rates reforms and reset (update of the current business rates baseline).

In relation to Business Rates Reform, Manchester has been involved in a number of schemes to maximise the resource available in the region including the creation of a Business Rates Pool across Greater Manchester (GM) and Cheshire, the Business Rates Growth Retention Scheme 2015, and a 100% retention pilot from April 2017 to March 2021.

The Council is engaging with central government and other interested bodies through formal consultation responses and working groups to ensure the impact of the potential changes on local government - and particularly cities - is recognised. This includes numerous Fair Funding and Business Rates redesign workshops and consultations, as well as contributing to papers considered by the Fair Funding Technical working group. The last formal response submitted was the budget representation to HM Treasury, on 7 February 2020. Consultations on Fairer Funding and New Homes Bonus are anticipated in spring 2020.

Delivery of continued significant savings

The approved savings target is £20.321m for 2019/20, following a number of years of budget cuts, these represent challenging savings, and their delivery is regularly monitored. SMT consider the progress at their monthly budget meeting and updates are provided on a monthly basis to Executive Members. The Executive meeting on 12 February 2020 received a report on the detailed monitoring position, including the forecast achievement of savings. This showed £4m of the £7.908m Adult Services target is currently categorised as high risk, alongside £301k of the £2.7m Children's target, and all of the Homelessness £440k target.

	Green	Amber	Red	Total	Non recurrent / Investment	Net Total as per MTFP
	£000	£000	£000	£000	£000	£000
Children's Services	876	1,476	301	2,653	392	3,045
Adults and Social Care	1,120	2,788	4,000	7,908	(5,915)	1,993
Homelessness	0	0	440	440	0	440
Corporate Core	3,349	0	0	3,349	0	3,349
Neighbourhoods	4,951	0	0	4,951	0	4,951
Growth and Development	1,020	0	0	1,020	0	1,020
Total Budget Savings	11,316	4,264	4,741	20,321	(5,523)	14,798

The latest position against each of the high risk savings is detailed below (percentages in brackets are how much of the original target is not being achieved):

Children's Services high risk savings of £301k due to:

- Adoption Allowances £107k (74%), placements are in line with budget but actual unit costs are 10% higher than budgeted. The service is reviewing all allowances in line with policy.
- Home to School Travel £194k (26%) due to activity levels continuing to run higher than last year.

Adult Social Care high risk savings of £4m due to:

- Re-ablement savings risk of £1.693m (53%), as a result of delays in mobilising the expanded service due to recruitment delays.
- Assistive Technology £0.578m (50%) due to the delay in mobilisation of the service due to lead-time for procurement.
- High Impact Primary Care £153k (100%) from Residential, Homecare and Social Work. Whilst the service is delivering improved outcomes, it is not yet achieving a net reduction in demand.
- Strength based support planning in Mental Health services £430k (55%) which is dependent on the outcome of ongoing reviews.

- Strengths based support planning for other Adult Social Care £198k (40%) rated as high risk. The changes to practice and training are now being rolled out, but there is likely to be a delay in full implementation.
- Homecare £373k (50%) rated high risk, due to the revised timescales to implement the new homecare contract across all localities.
- Contract review £0.5m (100%). Further work is being undertaken to link into other service savings to assist with delivery.
- Shared lives savings of £75k (50%) which is due to delay in recruitment.

Homelessness high risk savings total £440k. Historically numbers in Bed and Breakfast (B&B) numbers have fallen each year in December. However, this year no reduction has been seen, and presentations total 7,306 to date, with over 10,000 households expected to approach the service in 2019/20. The drawdown of the reserve of £424k mitigates this pressure in year. The Section 21 team is preventing an average of 40 cases per month entering B&B accommodation (a Section 21 notice is the form a landlord must give to a tenant to start the process to end their assured shorthold tenancy).

Mitigations have been identified, where possible, to address the 2019/20 financial pressures. Any ongoing impact has been reflected in the 2020/21 budget.

Budget 2020/21 and beyond

The proposed 2020/21 budget reflects changes arising from the Spending Round announcements, the Final Local Government Finance Settlement 2020/21, forecast pay awards, notifications from GMCA and a robust review of all Council service spend to realign budgets and identify savings options. In total, efficiency options of £7.5m have been identified for 2020/21, which net to £2.8m after pressures have been met. These are being found through a combination of efficiencies, income generation and innovation and should not impact on frontline services to residents. In recognition of the challenges faced by Adults and Children's Social Care and the Homelessness Service, any efficiencies identified in these areas will be used to help achieve a balanced budget in 2020/21, with a focus on stabilising the position and preparing for possible changes from 2021/22 onwards.

All proposals were presented to the relevant Scrutiny Committees in January and February 2020 for comment, and the table on the following page summarises these by Directorate.

Net Efficiency Options 2020/21

	2020/21 Efficiency / Income Options Identified	2020/21 Pressures/ Priorities Identified	Net efficiency options supporting budget
	£'000	£'000	£'000
Homelessness	(1,000)	1,000	0
Corporate Core	(3,449)	2,872	(577)
Neighbourhood Services	(2,324)	754	(1,570)
Growth and Development	(690)	0	(690)
Total Efficiency Options	(7,463)	4,626	(2,837)

With regard to homelessness, the service has identified a potential increase in income of £1m in 2020/21 relating to Housing Benefit for temporary accommodation. This will be available from the Department of Work and Pensions (DWP) based on a small scale transfer of existing properties to be managed by Registered Providers (RPs) by the end of March 2020, and increasing incrementally throughout 2020/21, this will reduce the net cost to the Council. The option under consideration would target a transfer of properties outside of the city boundaries, and the approach has been agreed in principle with registered providers. The financial due diligence is being undertaken to achieve the first transfer of 100 properties by the end of March 2020.

Despite the uncertainty around government funding, it is recognised that longer term planning is essential. Therefore, work is in progress to formulate indicative budgets for the following two years. Work is ongoing to establish the budget requirements for 2021/22 and beyond. This is in the context of considerable changes to Local Government Funding, including the outcome of the Spending Review, and a review of local authorities' relative needs and resources (also known as the Fair Funding Review) which will consider how local government funding is distributed. Also, reform of the Business Rates Retention scheme, and the government proposals on the future of Adult Social Care funding and interaction with the NHS ten year long term plan. The government is expected to make a budget announcement on 11 March 2020, which may give some clarity on the direction of funding for Local Government.

Governance Area: EU Exit Preparations

Action 7) “Planning and implementation of changes required to mitigate potential negative impact of Brexit on budget and other assumptions for the Council, partners and residents of the City.”

Extension to Article 50, and EU exit

Since the last Brexit update when the UK was preparing for EU Exit on the 31 October 2019, Parliament was unable to agree a deal and requested a further extension to Article 50 to 31 January 2020. This was agreed by European Council, and all EU Exit preparations stood down. A General Election was then announced, and took place on the 12 December 2019 - which the Conservative Party won.

Under the new UK Government and the terms of the Withdrawal Agreement Bill, the UK left the European Union on 31 January 2020. The UK is now in the transition period until 31 December 2020. Throughout this period, the Government will be forging new partnerships with the EU and the rest of the world. This could lead to new arrangements for trade, travel and business.

Governance

The Council's response to the risks and uncertainties associated with EU Exit Transition has been coordinated by the Brexit (now EU Exit) Preparedness Group which is chaired by the Strategic Director - Neighbourhoods. A Greater Manchester Preparedness Group is chaired by the Chief Executive of the GMCA, to focus on issues and civil contingencies at a city region level. The group includes representatives from Health, Greater Manchester Police, Greater Manchester Fire and Rescue, Transport for Greater Manchester, Manchester Growth Company and Manchester Airport.

Council EU Exit Preparedness Group

Council EU Exit Preparedness Group ('MCC Group') have stood down meetings, which were scheduled to start again in January 2020 following national stand down in October 2019. However, officers will continue to assess the situation through engagement with the LRF and participation in planned monthly GM Brexit meetings. Monthly email updates will be shared with the MCC Group

and we will look to reconvene face-to-face meetings later during 2020 (likely to be from June or July). However, we will reconvene earlier if Government plans and any associated risks change over that time.

The transition period ends on 31 December 2020, which includes the risk of leaving without a trade and cooperation deal in place. Negotiation of a comprehensive trade deal by this date will be challenging, therefore preparing for the types of 'no deal' risks we have previously considered will be relevant as we approach the end of December 2020.

Risk and Resilience

In line with Government guidance the EU Exit Preparedness Group oversaw the development and update of a Corporate Impact Assessment with all Directorates covering the following areas:

1. Fuel Supplies
2. Civil Unrest
3. Loss of EU National Staff
4. Equipment & Materials
5. Medical Supplies
6. Food Supplies
7. Finance
8. Events
9. Payment of Benefits & Poverty
10. Partnerships & Suppliers
11. Statutory & Regulatory

The approach relating to Council employees

The Council's strategy in relation to the workforce has, to date, focused in three areas:

- **Informing** all employees of the potential implications for EU nationals in the workforce and signposting to relevant information and guidance.
- **Supporting** any individuals or managers who have identified specific concerns, signposting them to relevant support and providing guidance where appropriate.
- **Monitoring** any emerging risks or issues in either the employed workforce or agency provision.

Work has been undertaken with PricewaterhouseCoopers (PWC) to create a package for employees which distils Government information into a format suitable for mobile devices. The package is being used across Greater Manchester by the majority of local authorities, and is automatically updated with the most up to date Government guidance and deadlines.

Wider Communication

The Council Communications Team has developed an overall strategy for informing residents and businesses about the implications of EU Exit and fed into the wider Greater Manchester plan.

Residents have been signposted to www.gov.uk website for information, and there has been a particular focus on communicating information, support services and Government advice on applying for EU Settled Status.

For businesses, messaging has signposted people to [The Business Growth Hub](#) . The Hub have simplified the information available from Government, and provided useful overviews and summaries for technical guidance notes so that businesses can see at a glance if they are relevant and what action they need to take.

Financial implications

A number of potential financial implications across a range of areas are being considered. These include:

- Increases in the cost of goods and services e.g. care services, buildings and construction, food and fuel.
- Business rates reductions as a result of higher costs to businesses, or issues caused by import and export tariffs.
- National changes such as changes to interest rates, state aid and OJEU tendering.
- Impact on the Airport Dividend.
- EU Grant funding including risk to existing projects and lack of clarity on UK replacement funds.

Impact Monitoring and Mitigation

The EU Exit Preparedness Group has developed a series of key indicators on a cross departmental basis that will enable any emerging impacts to be identified, monitored and any appropriate mitigating actions taken. These will be further refreshed and updated in 2020/21 as details of the proposed future relationship with the EU and potential impacts of EU Exit emerge.

Detailed report to Economy Scrutiny Committee

The update in this report is intended as a brief high-level overview of the governance arrangements relating to this challenge only. A more detailed report - [The Impact of Brexit on the Manchester Economy](#) - was taken to Economy Scrutiny Committee on 5 September 2019.

Regional Reporting

Monthly GM meetings will be held from January, until summer 2020. It is likely that the frequency of these meetings will then be scaled-up, based on trade and cooperation negotiations around this time until December 2020 and beyond, depending on risk and issues analysis and national reporting requirements. A meeting of Local Resilience Forum (LRF) Chairs took place on the 19 December 2019 and 8 January 2020, and no immediate issues were raised.

Although all other reporting has been stood down, the North West has been asked by the Department for Business, Energy & Industrial Strategy (BEIS) to provide a return (initially monthly) about the economic health of the region. BEIS are trying to get a 'real-time' understanding on general trends and any specific issues in the run up and aftermath of EU Exit and any potential economic shocks. GMCA are undertaking this work on behalf of the North West, and each local authority has been asked to feed into this reporting with immediate effect.

EU Settlement Scheme

It is estimated that around 900,000 EU citizens in the UK have yet to apply for settled status, which most will need to remain in the country long-term after EU Exit. Home Office statistics for December show that just over 2.7 million EU citizens and their family members have applied for settled status. So far, 58% of applicants have been granted settled status, and 41% granted pre-settled status, which allows people to stay in the UK for a further five years. The figures underline a huge take-up of the scheme, which was launched nationally in March 2019, but also show the scale of the task that still lies ahead.

It is assumed that local authorities will be asked to continue to work to encourage registration, and the Council will continue to do this, alongside our role in ensuring that all looked after children who are EU citizens apply for settled status. We will also continue to engage with Home Office communications.

Risk Indicators

Whilst meetings of the MCC Group have been stood down, work being undertaken by the Risk and Resilience Team on EU Exit risk indicators and refreshing the Corporate Impact Assessment will continue. This work has paused over the last three months but the proposed actions over the next 3-6 months are as follows.

- A review of Directorate and Service risk registers and business continuity plans will be completed as scheduled in quarter four 2019/20. As part of this, the Brexit Impact Indicators document will be updated. The focus of the team will be on supporting services and core support functions (including ICT, Commissioning and Procurement, Finance, HROD) on development of practical, appropriate mechanisms for monitoring and reporting on potential impacts.
- The key areas of focus for indicators will remain workforce; contracts and supply chain; ICT / information governance; finance and funding; customer / resident demand; care and safeguarding for vulnerable adults and young people; and community cohesion.

Governance Area: Highways Infrastructure

Action 8) “Development, design and delivery of major infrastructure projects across Highways, maintenance, and governance of response to the reporting of road issues, linking with strategic development plans, to time, quality standards and on budget.”

Since the last update to the Committee, the Highways service obtained approval to appoint a permanent Highways Development Specialist to drive forward the strategic infrastructure plans and recruitment is well underway. Significant progress has been made in drafting a pipeline of projects that align to the emerging City Centre Transport Strategy. The pipeline has been agreed with the Executive Member and is included in the Capital Strategy Board forward pipeline. Business cases have already been approved for developing the early projects and funding is in place from the £20m project development fund.

The service redesign has created a permanent Major Projects Team, ensuring all major projects are led and managed by a Project Manager and supported on a technical basis by design engineers, and a commercial basis by Quantity Surveyors. The redesign includes the permanent establishment of the Programme Management Office (PMO). The Head of the Programme Management Office will be responsible for developing a standard approach to project management, procedures and reporting, and this post has now been recruited-to.

Further to the above, in alignment with the Capital Strategy process the Highways Portfolio Board has now been in place for over 18 months. This Board is chaired by the Director of Highways, with membership including; the highways senior management team, the

Head of Capital Finance, the Head of Revenue Finance and colleagues from Capital Programmes. The service also has project boards for all major projects, and a programme board that reports into the Highways Portfolio Board. The Portfolio Board reports through the Capital Strategy Board.

Progress made with major projects is reported to the Neighbourhoods Scrutiny committee. January 2020 will see three major projects commence including; Hyde Road widening, Great Ancoats Street, and Royce Road Chorlton junction works, which is evidence of the progress that has been made. Consultation is currently underway on the Piccadilly to Victoria cycle and walking improvements through the Northern Quarter.

Governance Area: Commissioning, Procurement and Contract Management

Action 9) “Strengthening the Council’s approach to commissioning, procurement and contract management.”

In terms of procurement, there have been two important developments. The first is that the Council has been accredited as a Living Wage Employer. As part of this, the Council has committed to work with its supply chain to promote and embed the payment of the Real Living Wage. The Council has updated its tender documentation accordingly, and will be working with contracts leads over the year to ensure Real Living Wage is included in contract discussions with suppliers.

The second development relates to the Climate Emergency declared by the Council in July 2019:

- The Integrated Commissioning and Procurement (ICP) and City Policy teams have accordingly developed new questions and wording that will be included in tender documentation.
- The Council has been trialling an additional 10 percentage point weighting in the evaluation specifically in relation to carbon reduction, on top of the existing minimum 20 percentage points in relation to social value. For example, Highways have piloted this on some recent tenders and early indications are that bidders have responded positively.
- The Council also continues to work with wider partners, including the Centre for Local Economic Studies (CLES), to learn from each other and promote carbon reduction in procurements. This was a particular focus at the annual ‘Power of Procurement Event’ held on 14 February 2020.

In terms of wider commissioning and contract management, the Commissioning and Contracts Leads group is now well established, with good representation from across the council. Over the last quarter the group has co-developed arrangements to drive better

forward planning, held a dedicated session with City Policy on the climate emergency and the implications for contracts and market development, and reinforced corporate priorities including social value key performance indicators and the real living wage.

The e-learning packages on contract management and social value continues to be promoted (including recently in the Forum and the Buzz emails to staff) and the numbers accessing them are tracked regularly. A certificated course in contract management, which will be run through until to December 2020 has also been commissioned.

Directorates are now focusing on their Forward Plans, particularly Adults and Children's where a number of contracts will need to be recommissioned over the next year. The ICP Team is working closely with directorate strategic leads on these. There are a number of significant projects involving multiple partners working together to reform services, including Early Help and Early Years, Domestic Violence and Abuse services, children's residential services as well as wider health and social care integration.

Governance Area: Workforce Policy

Action 10) "Continued development and coordination across Services of the governance, communication, implementation and monitoring of workforce policy and associated guidance. This includes ensuring strong messages around compliance and accountability, and a planned programme of work to identify and tackle areas of non-compliance."

Our People Strategy

Our People strategy, agreed in Jan 2017, recognises the critical role the Council's workforce plays behind the vision of Our Manchester. In agreeing the Strategy, there was a recognition that the scale of change described would take time to achieve, with its delivery timeline broadly aligned to the Our Manchester 2025 vision.

Our People strategy sets out a compelling vision for a future workforce and workplace where our systems, processes and cultures are fully aligned with Our Manchester behaviours, and where people have the skills, opportunity and support to perform at their best. This, in turn, will ensure the Council can achieve the Corporate Plan and play its full part in delivering on the vision for Our

Manchester. During 2019, there has been continued activity to progress initiatives in support of the Our People strategy, as well as the initiation of Our People Plan 2020/23 to articulate how we will continue to progress with Our People ambitions.

Work has commenced to consult widely with key stakeholder groups regarding Our People Plan 2020/23, the current draft was presented to HR Sub Committee on 24 February 2020, and will next be taken to Executive. Key stakeholders will be managers, staff groups including the staff networks and Trade Unions. The final version will also be informed by the Race Equality review, and the 'BHeard' Survey results.

Leadership Development

The Raising the Bar Programme, and Our Manchester Leadership Programmes have been really well received, with c50% of managers and leaders having been through the programmes. Based on feedback about Raising the Bar from both attendees and their managers, the programme continues to assist the development of managers up to Grade 9, ensuring that they have the knowledge, skills and behaviours to deliver Manchester's ambitious objectives. Over 400 managers (circa 44%) have been through or are in the process of completing the course. For managers Grade 10 and above, the Our Manchester Leadership Programme (OMLP) provided a programme of enhanced leadership development. Over 50% of leaders and managers have engaged in this programme.

There was largely positive feedback, however it was noted that there was a need for more focus on core management basics, as a result both courses are being refreshed. A new module on Public Sector Leadership has been added to the OM programme, which is being rolled out retrospectively to delegates.

Our Transformation Programme.

An update was provided to Resources and Governance Scrutiny Committee on 8 October 2019, which follows the work to review and evolve the Corporate Core Transformation Programme. The Our Transformation Programme is designed to deliver more radical change, and to be considered as a whole organisation approach. The work is a key driver to support the organisational goal of being a 'well managed Council', and it is about changing how we work as an organisation to ensure we can deliver our corporate priorities.

Our Ways of Working (OWOW)

OWOW is the part of the Our Transformation, and is focused on our employees' experience of working here. It is about us working in an agile way, with more flexibility and having the right tools and support to make this happen. Phase 2 of OWOW brings with it two new ICT platforms – Microsoft Office 365, and a new Intranet which have the potential to fundamentally change the way we work digitally. Both of these platforms are expected to be in place across the whole organisation by September 2020.

The new intranet will have the following features:

- **A powerful search function and simplified, employee focused information** - helping staff to get to the information that they need more quickly.
- **Staff directory** - find out who's who, read their bio, find out their skills, and connect with each other.
- **A social intranet** - blog posts, sign up to events, "Like" content, and join groups.
- **Accessible everywhere** - available on mobile devices.

Office 365 will replace Google 'G-Suite' by September 2020. By moving to Microsoft, we will be able to work together more easily with partners who are also use Office. Not only will this replace our current email, calendar, file storage, and word processing software, it also brings with it 'Microsoft Teams'. This supports teams to work better together, by combining all of a team's online chats, meetings, files, and apps together in one place.

The new intranet will also integrate with Office 365 to provide a seamless experience to our staff. Together, this new offer will allow our staff to collaborate more easily, wherever they are.

Induction

Our new approach to induction launched in 2019 and helps our new starters to understand their role, how the Council works, and ensures they get off to the best start. During 2019/20, the Council has had 472 new starters in total. Out of this, we have received 48 feedback responses. Overall, 50% of respondents gave their induction 5 stars, and only 12.5% of respondents giving a negative rating. Further work is to be done to develop the induction process, once the new Intranet platform is launched which includes a dedicated 'onboarding' system, allowing us to do even more to support new starters. This includes adding mandatory required reading and "checkboxes" to our intranet, ensuring key policies are read as part of induction. A programme of change for management induction is also underway.

Recruitment and selection

Launched in October 2018, the revised Recruitment and Selection (R&S) policy and guidance is now embedded into the recruitment process. Encouraging managers to 'Hire with their Head', the policy now enables managers to tailor the recruitment process to their roles and services - to get the best possible candidates in a way which is fair, inclusive and consistent across the organisation. Since its launch, the mandatory e-learning module has been completed by 1,226 individuals who are involved in the recruitment process.

Further work is underway during 2020 to review our recruitment and selection process, and to get a better understanding of the manager and applicant journeys. We will also be engaging with residents, staff and managers about their recruitment experience. This work will be linked to the BAME review, and wider protected characteristics.

We also have a new approach to Role Profiles in development, highlighting more strongly our commitment to flexible working and supporting applicants who have a disability, simplifying the language used, and ensuring that our roles are more specific in their descriptions.

Disclosure and Barring Service (DBS) Framework

Over the last year the Directorate Lead counter-signatories, with support from the HR team, has refreshed the DBS policy, audited the list of posts that require clearance, and made system improvements (and planned others) that improve records. The internal audit team completed an inspection of new arrangements and gave a conclusion of moderate assurance (a notable improvement on the limited assurance findings from the last audit in 2015). The arrangements incorporate recommendations that have been acted on during 2019, to further improve the assurance relating to the Council's DBS Framework. In addition, the Council has recently joined a GMCA contract for the provision of a new electronic system (e-Bulk system) for the processing of DBS checks on behalf of the Council.

Using Workforce Intelligence

The Workforce Assurance Dashboard remains a valued platform for managers to obtain key workforce performance data, with more than 500 managers across the Council regularly accessing the quarterly reports. This online product is fully accessible on PC, tablet or mobile enabling managers to access data at any location and at any time. The site now also contains interactive self-service

pages specifically containing data on agency spend and absence, allowing managers to draw out even more pertinent data for their services. These quarterly reports continue to be shared with the Trade Unions, as an overview on workforce performance.

While the Workforce Assurance Dashboard remains the most widely used source of workforce intelligence, the team also engages in frequent bespoke analysis work with directorates and services in an attempt to understand more specific challenges, and to provide a greater understanding of these areas. Insights from one such project with Children's and Education services contributed to the recently revised 'Recruitment and Retention Strategy' for the directorate.

7. Action Plan: Governance Challenges for 2020/21 Onwards

The review of governance arrangements has identified the main areas where the Council will need to focus its efforts during 2020/21, to address changing circumstances and challenges identified. These are set out in the action plan below. Completion or substantial progress against these objectives is due by the end of the financial year, in March 2021.

Action	What action is to be addressed	Who is responsible for delivery	
		SMT Leads	Directors or Heads of Service
1	<i>[actions to populate this Action Plan will be provided in the version of the document for April 2020 Audit Committee]</i>		
2	<i>[to be populated]</i>		
3	<i>[to be populated]</i>		
4	<i>[to be populated]</i>		
5	<i>[to be populated]</i>		
6	<i>[to be populated]</i>		
7	<i>[to be populated]</i>		
8	<i>[to be populated]</i>		
9	<i>[to be populated]</i>		
10	<i>[to be populated]</i>		

Conclusion

The governance arrangements as described above have been applied throughout the year, and up to the date of the approval of the Annual Accounts, providing an effective framework for identifying governance issues and taking mitigating action. Over the coming year the Council will continue the operation of its governance framework and take steps to carry out the actions for improvement identified in the review of effectiveness to further strengthen its governance arrangements.

Signed:
Leader of the Council

Signed:
Chief Executive