Report to: Audit Committee – 26 November 2020

Report of: Deputy Chief Executive and City Treasurer

Subject: 2020/21 Annual Governance Statement (AGS) –
Summary of Progress to Date

Summary

This report sets out a brief summary of the progress that has been made to date in implementing the governance recommendations from the 2019/20 Annual Governance Statement (AGS). It also outlines the next steps in the process of producing the Annual Governance Statement 2020/21.

Recommendations

Audit Committee is asked to note and comment on the progress made to date to implement the governance improvement recommendations from the 2019/20 Annual Governance Statement.

Wards Affected: Not Applicable

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1.   Introduction and Context

1.1   The Council has a statutory obligation under the Accounts and Audit (England) Regulations 2015 to produce an Annual Governance Statement (AGS), which explains how the Council has complied with its Code of Corporate Governance. The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 made revised provisions, such as for the deadline for the publication of local authority audited accounts to move from July 2020 to November 2020.The AGS sets out how the Council has met its responsibilities for ensuring that business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

1.2   The AGS also explains what governance challenges the Council is facing. Rather than simply updating the governance challenges on an annual basis the Council established a process whereby progress updates against governance challenges are provided every six months and reported to Audit Committee. This ensures there is a continual focus on how the Council is addressing governance challenges and seeking improvement in how functions are exercised.

1.3   An Action Plan of these governance challenges to be addressed in 2020/21 was put together as part of the process of compiling the AGS 2019/20, this was done at the end of last financial year, in March 2020. To identify the proposed list of emerging governance challenges for 2020/21, several evidence sources were considered, including:

- Analysis of responses from Heads of Services to the online annual governance questionnaires which provide a self-assessment of their Service's compliance with the Code of Corporate Governance.
- Governance challenges for 2019/20 - as reported in the AGS 2019/20 - where there was more work to do to address a particular challenge, and it was therefore appropriate to carry the action forward into 2020/21.
- Significant risks as identified in the latest Corporate Risk Register
- Any significant corporate risks as identified by the Council's Register of Significant Partnerships assessment process.
- Key governance challenges identified by the Head of Audit and Risk Management Annual Assurance Opinion and Report.

1.4   As previously requested by Standards Committee, a Strategic Management Team (SMT) Lead was identified for each of the 2020/21 Governance Challenges, as set out in the Action Plan at the end of the AGS 2019/20. Lead officers have provided an update on progress, any barriers, and what further ongoing work will be required to implement the governance actions.

2.   Summary of progress against the 2020/21 governance actions, identified in the 2020/21 AGS Action Plan

Action 1: "*Effective response to COVID-19 through Council leadership, support to our workforce and organising an effective incident response and*

recovery. It is recognised that this will impact on the capacity and ability of the Council to respond fully to all of the other identified challenges and risks. The governance around the response will need to ensure effective decision making is maintained, and that critical parts of the organisation's business as usual continue to be delivered"

Governance of the initial response to the pandemic

2.1 The national and international public health emergency caused by the COVID-19 pandemic led Manchester and Greater Manchester (GM) to declare a major incident on 20 March 2020. There have been substantial impacts for the Council, which include implications for provision of services, our workforce and our financial position. As a statutory Category One Responder under the Civil Contingencies Act 2004, the Council has worked with multi agency partners through the Greater Manchester Resilience Forum (GMRF), and it has been represented at the Strategic Coordinating Group (SCG) and Emergency Committee.

2.2 The COVID-19 Update on Response Phase report to the Executive set out in detail the governance and activities involved in the Council's initial response.

Planning for recovery

2.3 To oversee the coordination of the different recovery phases and the activities required, a COVID-19 Recovery Coordination Group was established, which is chaired by the Deputy Chief Executive and City Treasurer. More information about this initial recovery planning work was provided in the COVID-19 Forward Recovery Planning report to the Executive. Monthly reports were prepared for the Council's Executive that provided an update on the recovery and response to COVID-19.

2.4 Plans for recovery are focused on four areas:

- **The Economy –** This work aims to ensure we have a recovery plan which is dynamic, with local interventions which support the recovery and rebuilding of the economy. Areas of focus will include Transport and Infrastructure, Affordable Housing and Skills, Labour Market and Business Support.

- **Residents and Communities** - We are considering how best to support our residents including those at greater risk and further disadvantaged by COVID-19 through the recovery period. Our work will include a focus on equality, diversity and inclusion, hardship funds and other discretionary spend, youth services and support for children and young people, domestic violence and abuse, homelessness, digital exclusion, and the Voluntary Community and Social Enterprise (VCSE) and Faith sector.

- **Health and Social Care** - Health and Social Care leaders are developing a refreshed Locality Plan for the city building on the unique experiences of the pandemic and seizing the opportunities of changes being made in the response phase.

- **Future Council / Impact on the Council** - This work focuses on how the Council will need to change in terms of workforce, transformation and finance. Our response to COVID-19 has been a catalyst for change in terms of our workforce and has allowed us to reimagine what it will look like in the coming months and beyond. This will be a workforce that is supported to excel and be well, work in a transformed way and deliver improved services.

The Economic Recovery Plan

2.5   In partnership with the private sector, the Council has produced Manchester's Economic Recovery Plan, which complements the Greater Manchester Combined Authority and Greater Manchester Local Enterprise Partnership city region proposals. It sets out what Manchester is doing to respond to the COVID-19 pandemic and reinvigorate its economy, with plans to protect and create jobs and support new business opportunities in the city economy.

2.6   The plan focuses on the three strategic aims identified in the Our Manchester Strategy and Our Manchester Industrial Strategy:

- **People** – young people & better prospects for Manchester communities.
- **Place** – the city centre; thriving centres & neighbourhoods; urban fabric; and zero carbon.
- **Prosperity** – science, technology, health & innovation; culture, creative, digital & media; Manchester Airport; business & new business ecosystem.

2.7   More detail about work to develop this plan can be found in the [Manchester's Economic Recovery Plan & Update](#) report to September 2020 Economy Scrutiny Committee. A summary version of the plan has been provided to Government with the Comprehensive Spending Review (CSR) submission. The final version of the plan will be professionally designed to allow use locally and nationally to build business and investor confidence and for lobbying.

Manchester's COVID-19 10 Point Action Plan

2.8   Manchester initiated a 10 Point Action Plan as follows:

1. Ensure that strategic and operational decisions in respect of COVID-19 are informed consistently by high quality data and intelligence
2. Increase access to and uptake of testing
3. Increase local contact tracing and environmental health capacity to respond to local outbreaks
4. Develop and implement community engagement plans for targeted work in specific areas and with specific groups
5. Further amplify key communication messages in relation to the new restrictions
6. Inform the hospitality sector on the new guidance and regulations when they are agreed
7. Continue to support residents and patients who are clinically vulnerable and respond to the evolving guidance on shielding

8. Provide advice to organisers of events that were planned for August
9. Plan now for the return of students and pupils to universities and schools in September
10. Consider the suite of contain measures currently being developed for Greater Manchester and apply them as necessary to the local situation in Manchester, ensuring collaboration with adjacent authorities

2.9   More detail information on activities which have been delivered to support these priorities are set out in Manchester's 10 Point COVID-19 Action Plan, which was taken to August 2020 Health and Wellbeing Board.

Updates on COVID-19 Activity

2.10   Regular 'Update on COVID-19 Activity' reports will continue to be reported to Economy Scrutiny Committee.

3   **Action 2:** "*Continuing to embed the Our Manchester behaviours necessary to support the delivery of Our Corporate Plan, across both the Council's leadership and the wider workforce. This includes delivery of the updated Our People Strategy*"

3.1   The Our Manchester (OM) approach is now fully integrated into the Organisation Development Team, within HROD, ensuring that Our Manchester is embedded throughout the Council, and behaviours are featured in all opportunities for the workforce.

3.2   The response to COVID-19 has provided a catalyst for change for our residents and our workforce. It has been a time where the OM behaviours have been demonstrated through challenging times, and this has given an opportunity to review and evaluate the programme.

3.3   The Our People Strategy continues to provide a vision for a future workforce where our systems, processes and cultures are fully aligned with Our Manchester behaviours. A revised Corporate Plan will be launched later in 2020/21, along with the Our Manchester Strategy Reset in March 2021.

3.4   An update on the continued activity to progress initiatives in support of the Our People Strategy, further embedding the Our Manchester approach includes:

● Our Manchester Self-Assessment work has been aligned to workforce development, and will be taken forward as part of Our Ways of Working.
● The OM behaviours are now aligned into more policies and strategies, including the refreshed Code of Conduct which is now ready for approval.
● A revised Leadership and Management offer is under review, and has been delayed due to COVID-19 disruption. The new approach recognises the challenges across the organisation and takes steps to make improvements, alongside developing managers so that they are equipped for our future ways of working.

- The Leadership Summit 2020 will be virtual, and will take place in November. The theme this year is 'Agile and Equal'.
- An internal staff survey took place in June 2020, which was focused around understanding staff sentiment in the context of the current crisis. This has led to rethinking the approach to staff survey, from an annual survey to a series of smaller surveys that built workforce insight and monitors against equality characteristics.
- Our Manchester Experience paused in March 2020, and has since been adapted and trialled to be launched virtually in November 2020. The target remains to reach 7,000 employees by September 2021 (the current number at time of writing is 4,200), with a revised target plan to deliver a hybrid approach of virtual and in person sessions from Spring 2021.

Update on Equality

3.5 The Council has identified equality and inclusion as cutting across all of its COVID-19 recovery work. Analysis is ongoing to assess the nature and extent to which the pandemic affects different communities of identity differently. This has focused on the virus' health impacts (disproportionally affecting older residents, Black, Asian and Minority Ethnic residents and those who meet the criteria of Clinically Extremely Vulnerable). Also, importantly, the broader societal impact, for example socioeconomic impacts linked to deprivation and poverty which disproportionately affect some identity groups, access to information and services for key cohorts such as deaf people and people without English as a first language, isolation and digital exclusion. Equality Impact Assessments will underpin the Council's recovery and budget planning work in the coming months

3.6 In addition to maintaining momentum on the Council's focus on workforce race equality, which commenced prior to the pandemic, the Council has also responded supportively to the Black Lives Matter movement. A strong demonstration of allyship has been made through Council communications and actions, both internally and publicly. The ongoing workforce race work is leading into a broader workforce equality strategy, to be agreed and implemented later this financial year.

3.7 The reset of the Our Manchester Strategy has involved direct engagement with 3,700 people, whose views have been captured. Equality and inclusion come through the engagement very strongly as key themes that residents feel are important, and this will be reflected in the refreshed strategy. The engagement process targeted a range of equality groups and forums, to ensure that the voices informing the strategy refresh are representative of the city's diverse communities.

Action 3: *"Our Transformation - ensuring effective governance of all the programmes involved in strengthening and transforming how we work."*

4 *Governance*

4.1 The overall vision for the Our Transformation programmes of work is to deliver our Corporate Plan priority to be 'a well-managed Council', through strengthening and transforming how we work. A set of linked programmes bring together work focused on the impact of COVID-19 on the Council, and plans to recover. A decision-making Future Council Core Group of senior officers, chaired by the Deputy Chief Executive and City Treasurer, oversees interdependencies between the Council's Budget planning and the Our Transformation portfolios of work.

4.2 Each programme of work has a Senior Responsible Owner (SRO), and a Programme Manager who oversees the work of each Programme Team. The portfolios of work which comprise Our Transformation are briefly described below:

- **Our Ways of Working:** Aims to create the best modern workplace in local government, where all of our staff have everything they need to get on and achieve great things for Manchester.
- **Strengthening Accountability and Our Processes:** Changing how we make decisions through making changes to the constitution, rules and processes and supporting, trusting and empowering managers to make decisions.
- **Resident and Business Digital Experience:** Aims to make the Council a leading digital public services organisation that provides our residents, businesses, members and partners an easy to use, fully integrated set of digital public services which reduce our internal demand costs and increase satisfaction for anyone accessing Council services. The approach will include resident and business engagement via neighbourhood teams, and feedback from local businesses.

Reporting

4.3 The Our Transformation programme and project groups receive progress updates via highlight reports. The Future Council Core Group receives situation reports ('Sitreps') which provide summaries of key messages from the highlight reports. Regular Sitrep summary reports are also provided to the Council's Scrutiny Committees.

Action 4: *- "Carbon reduction - ensuring that we have robust and effective governance of strategies, which will enable delivery of the 2038 zero carbon targets."*

5 *Governance*

5.1 In July 2019, the Council declared a climate emergency. This declaration recognised the need for the Council, and the city as a whole to do more to reduce its carbon emissions, and to mitigate the negative impacts of climate change.

5.2 As a result, the Zero Carbon Coordination Group ('the Group') was established in September 2019, 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. These are:

- To be zero carbon by 2038 at the latest;
- Stay within a carbon budget of 15million tonnes of carbon for the period 2018-2100. (Noting that emissions are currently emitted at a rate of 2m per year); and
- Deliver a 13% year on year reduction on citywide emissions from 2018 to achieve the above budget.

5.3   The Group is chaired by the Deputy Chief Executive and City Treasurer, as the Senior Responsible Officer for this programme. This strategic group oversees the development and delivery of the Manchester Climate Change Action Plan 2020-25, which was approved by the Executive in March 2020. The priorities of the group are to ensure that zero carbon is fully embedded across the Council's day-to-day operations and decision making, and that there is sufficient leadership, resource and budget for this agenda across directorates and services.

5.4   Workstreams have formed to deliver the actions outlined under the five priority areas within the Council's Climate Change Action Plan. Each workstream consists of the operational officers and a senior manager, as workstream lead for each priority:

- Workstream 1 - Buildings and Energy
- Workstream 2 - Transport and Travel
- Workstream 3 - Reducing consumption-based emissions and influencing suppliers
- Workstream 4 - Climate adaptation, carbon storage and carbon sequestration
- Workstream 5 - Influencing behaviour and being a catalyst for change

5.5   Each workstream lead attends the Zero Carbon Coordination Group along with the Executive Member for Environment, Planning & Transport.

Reporting

5.6   A formal schedule of reporting to SMT, Neighbourhoods and Environment Scrutiny Committee and the Climate Change Sub-Group, which sits under the Scrutiny Committee is still to be agreed. However, the Group has provided ad hoc updates as requested. In July 2020, Scrutiny Committee was presented with an Annual Direct Emissions Data Report for 2019/20 and the first quarterly progress report on the Climate Change Action Plan 2020-25. The Council has also made a commitment to publish quarterly quantitative and qualitative progress reports on the climate change pages of the Council's website. The Quarterly carbon emissions report (Q1 2020/21) focuses on the quantitative analysis, whereas the qualitative report is being adapted to be more accessible and will follow shortly.

Embedding into Council Strategies & Governance

5.7   As the zero carbon 2038 target has been set as a priority for the Council, it will feature as part of Council strategies and decision making processes, such as within the Our Manchester Strategy reset which will be approved in March 2021, and in the Corporate Plan for 2020/21 onwards which now includes zero carbon as a priority. The transition towards zero carbon is a key theme throughout Manchester's Economic Growth Plan for the recovery from COVID-19. Council decision making also takes into account environmental considerations, which now feature in capital and revenue gateway processes and commissioning, with an additional 10% social value weighting for the environment being piloted. This is to ensure that the Council's decisions make a positive contribution to the reduction in carbon emissions.

Challenges

5.8   The challenges now faced are to deliver the ambitious strategic vision for zero carbon, and prioritise the detailed work required through the Group workstreams. This is in the context of the very significant impacts that the COVID-19 pandemic has had across the city, residents, businesses and partner organisations as well as on the financial position of the Council.

5.9   Government lockdown restrictions have necessitated the transfer of the governance of this programme to virtual meetings and communications including meetings of the workstreams, the Group and of reporting to Scrutiny Committee. The governance system set out above has adapted well to these changes, and is functioning as intended despite the restrictions.

        Action 5: *"Support the integration of health and social care by ensuring effective governance of integrated teams and activity, including the operation of the partnership arrangements with the MHCC commissioning function, and the Local Care Organisation (LCO). Ensuring there is progress made with developments that will deliver positive outcomes within the system resource envelope."*

6   *Our Healthier Manchester Locality Plan*

6.1   Manchester's plans for integrating health and social care in the city are set out in the Our Healthier Manchester locality plan. The aims are to improve health and well-being outcomes and reduce health inequalities for residents within a financially sustainable system.

6.2   A refreshed Locality Plan is under development that will set out the impacts of COVID-19 on health and the social determinants of health, acknowledging that COVID-19 has impacted more severely on those residents who were already experiencing the poorest outcomes. The refresh will build from the existing ambitions and set out how partners will work together on an effective recovery from COVID-19, learning from what has been done differently during this period.

6.3 The Transformation Accountability Board provides the city-wide governance for the refreshed Locality Plan, reporting to the Health and Well-Being Board. Connections with other aspects of the recovery work will be managed within the Council through the Recovery Coordination Group, chaired by the Deputy Chief Executive and City Treasurer.

6.4 The Transformation Accountability Board is undertaking a review of how to accelerate integration arrangements including the further development of Manchester Local Care Organisation in order to further improve health outcomes in the city.

MHCC and MLCO

6.5 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.

6.6 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.

6.7 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.

6.8 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. These connections have been further strengthened through the Gold, Silver, Bronze command arrangements within MLCO for the COVID-19 response. 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.

6.9 Wider work has been paused during the COVID-19 period such as the procurement process between MHCC and MLCO to agree a contract for the commissioning and provision of health services. Work has commenced to recommend ways to improve outcomes for children and young people in

Manchester through more effective joint working between Children's Services and the MLCO.

Adult Social Care improvement and MLCO transformation

6.10   A work programme has been established with seven workstreams to take forward the adult social care improvement programme aligned to the MLCO transformation programme.

6.11   A review is under way to identify ways to reduce avoidable demand through more effective process and practice within adult social care, and with health partners. This review will look at how to improve health and well-being outcomes and inform the development of budget options for the City Council for the financial years 2020/21 and beyond.

6.12   The ASC improvement programme has already achieved significant recruitment of additional social workers, introduction of a new strengths-based assessment process, improvements to technology enabled care, and a focus on reducing waiting lists for assessments and reassessments.

7   **Action 6:** *"Delivery of the Adults Improvement Plan and integration of Health and Social Care, through the governance arrangements of MLCO and MHCC, whilst ensuring that the Chief Executive can be fully assured on statutory responsibilities, particularly around safeguarding. Ensuring effective integrated neighbourhood team arrangements, 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."*

7.1   The Adult Social Care Improvement Programme was 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.

7.2   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 included areas of the service where capacity has been met by temporary posts and short-term contracts, as recurrent funding has not been in place.

7.3   A number of key priorities have progressed successfully and were reported in the last update to the Annual Governance Statement for 2019/20, including significant reductions in waiting lists and c.90 permanent FTE social workers recruited.

7.4 During the early months of the COVID-19 response, the focused work to deliver the Improvement Programme was broadly paused, albeit targeted work on managing and reducing waiting lists and further work to embed the strengths-based approach continued, alongside managing business as usual work in the context of the pandemic.

7.5 In September 2020 a review of the outstanding actions to be taken in the Improvement Programme was undertaken, and it was agreed by the Adults Management Team and MLCO Executive that these actions would continue to be managed as either:

- Business as usual activity through ordinary management arrangements and lines of accountability.
- Part of the transformation programme which going forward has a focus on managing demand differently, underpinned by ensuring the basics are in place across the service.

7.6 The MLCO is working with colleagues in the Council to develop this agreed programme that will aim to contribute to the financial and budget strategy for the Council, as well as further integrate community health and adult social care through the LCO as the key vehicle for integration. Alongside the improvement programme actions as described, the programme will also include the agreed workplan as a result of work undertaken by IMPOWER. This is focused on avoidable demand, and any other transformation work already underway including work on technology enabled care, work to transform learning disability services and work to strengthen our approach to commissioning and contracting.

Action 7: *"Improving the resilience of ICT systems; including continuing to strengthen cyber security to ensure an effective response to the evolving external environment, and the Council's arrangements for disaster recovery via delivery of the data centre."*

8 *Cyber Security*

8.1 Cyber Security remains an evolving and growing threat that unfortunately seems to target and impact situations and times when people and organisations may be most vulnerable. Most recently, the rapid shift to enable remote working at scale has been identified nationally as a substantial and potential threat vector that will undoubtedly increase the risk profile of any cyber incident, especially with the sudden increase of personal devices accessing corporate systems and data. Now more than ever, security procedures, policies and good practice must remain paramount as we protect our information and maintain service availability.

8.2 Since the start of the COVID-19 pandemic there has been a reported 400% rise in cyber-attacks and cyber related crime. This rise has been largely attributed to both Ransomware and Phishing attacks. The Cyber Security team have received and reacted to multiple early warning notifications, through established and trusted support groups. These early indicators help us to prepare and protect our systems, as opposed to reacting to the

consequences of an attack.

8.3   It remains imperative that staff always remain vigilant, but they also need to feel supported and informed. The Cyber Security team in conjunction with Internal Communications continue to provide relevant alerts and updates to all staff through scheduled and emergency broadcasts. These provide key reminders and general updates about remaining safe online, and also warning of possible and pending threats, emphasising the core themes and messages that form the basis of the essential Cyber training for all staff and Councillors.

8.4   Ongoing security improvements continue to be researched, investigated and implemented. The Cyber team is currently involved in several projects such as Microsoft Office 365, LAN and WAN, and the Data Centre, along with also deploying a new Security Endpoint Protection suite. This new technology will help further protect our end user devices from a range of cyber and anti-malware activity by leveraging the capability of Machine Learning (MI) and Artificial Intelligence (AI) to help detect and prevent a potential cyber-attack. The Security team is also in the final stages of testing a new tool which will help improve the complexity of our main user account passwords. This new approach will provide a greater level of control for our Primary Active Directory (AD) user accounts, and it will prevent the use of weak and insecure passwords. This will be supported by a globally populated and externally managed blacklist of known weak, insecure and hacked passwords. This new approach will help to facilitate a cultural shift, that will result in our main user accounts not requiring a regular and scheduled password change (if the appropriate complexity requirements are matched). This approach has been endorsed and recommended by the National Cyber Security Centre and has been proven to increase password security and compliance.

Action 8: *"Governance of delivery of proposed ICT infrastructure and systems essential to business operations and legal compliance, including the new social care system. Mitigation of delivery timescale risks, and effective prioritisation where there is an interdependence between business-critical programmes (e.g. telephony)."*

8.5   Change is effectively managed within the Council by having oversight and governance provided by the following forums: the IT Board, Design Authority Group, and the Change Assurance Board. A number of standard frameworks are used to initiate and deliver programmes and projects:

- '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.
- Once an initiative is considered a project, 'PRINCE2', a project management methodology is employed to provide governance of project delivery.
- 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 framework of best practices for delivering IT services.

- In order to ensure effective Portfolio, Programme and Project governance, 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.

9 *Telephony and Contact Centre Project*

9.1 The statement of works was agreed with the new telephony provider in April 2020, and since then excellent progress has been made with the Telephony and Contact Centre Project. In response to COVID-19 a rapid deployment focus meant that by May 2020, contact centre services had been built and migrated to the new cloud-based solution for the Covid Hub, Social Care and the ICT Service Desk queues. This provided the immediate capability for contact centre staff to be able to work from any location, including from home if required. Revenue and Benefits, Environmental Services and the Switchboard queue subsequently went live in July 2020, completing the migration of all remaining contact centre services.

9.2 The project is now in the discovery phase, undertaking analysis and design work to inform the full deployment plan of the new telephony solution to the rest of the organisation. With most of the Council's workforce still working from home, the focus will be on the provision of 'soft-phone' technology to staff working from home with IT equipment, and the replacement of handsets in office locations for staff who do not have access to IT equipment at home or cannot work from home. In parallel, business optimisation work will take place with the contact centre environments to further improve our offering to residents. Targeted business enablement work will identify those business areas which cannot currently interact with service users, and are currently disadvantaged by not being able to access on premise telephony. This work is expected to be complete by November 2020.

9.3 The project is on track to have rolled out the telephony solution before the existing support arrangements for the legacy platform ends in late March 2021, and there is budget provision to support the project until May 2021. The project has a dependency on the End User Device Project rolling out new laptops to those users whose current device will not support the new telephony software. However, the telephony project is looking to mitigate this dependency by carrying out further device testing, and identification of business areas to prioritise where device constraints do not pose an issue, or require the first delivery of the new devices.

9.4 The project is ceasing existing service provision where possible, when this is being replaced by the new solutions, enabling the business case benefits to be realised in a timely manner.

Microsoft Office 365 Programme

9.5 This programme is to adopt Microsoft technology for productivity, collaboration and communications and the associated business and culture changes. This includes the following:

- Cease operating with multiple email and collaboration tool providers, and rationalise to a single provider, Microsoft.
- Adopt Microsoft productivity, collaboration and communications platforms as the strategic best fit for the future of the Council.
- Have a single consistent license suite, to ensure maximum flexibility to our work force and the Council as a whole.
- Decommission Google, Lotus Notes and Domino applications.
- Champion the strategic agenda to ensure that this is a business and culture change agenda, therefore future proofing the Council.

9.6 Migrations from Google to Microsoft are currently ongoing, with users migrating, along with Shared Drives and Google Shared Mailboxes. The Microsoft Office 365 application suite has a number of inbuilt governance functionalities including retention policies, deletion policies and data sharing policies.

'Liquidlogic' Programme

9.7 The 'Liquidlogic' social care suite of systems have been operational since July 2019. A project has recently commenced which will see the implementation of new Liquidlogic capabilities, including portals which will be used to support the discharge of patients from hospital into Adult Social Care, streamlining this process, which has been complicated following COVID-19. The next stage of the Liquidlogic programme is the integration of a new Early Years and Education system (EYEs). This will be an integrated social care and education system, with a single record of a child, providing practitioners with the information they require. This is a challenge at present, due to the number of different systems. EYEs is forecast to go live in April 2021.

Network Refresh Programme (LAN / WiFi)

9.8 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's entire operational estate. The programme is currently at procurement phase for both of its two component projects:

- Wide Area Network (WAN) Refresh - this provides the connectivity between Council buildings:
    - o The tender was open for submissions until 12 October 2020.
    - o It is forecast that the contract will be ready to award to the successful supplier by December 2020.

- Local Area Network (LAN) and Wi-Fi Development Project:
    - o LAN provides connectivity to Council systems within Council buildings.

- Wi-Fi provides wireless connectivity within Council buildings, comprising; New Public Wi-Fi where required; 'GovRoam' (a network providing staff with roaming internet access across multiple public sector locations. GovRoam phase one connectivity for the Town Hall Extension and Bridgewater House has been delivered); Corporate and Guest Wi-Fi.
- Tender evaluation of received submissions is underway.
- It is forecast that the contract will be ready to award to the successful supplier by February 2021.

Prioritisation

9.9   In the last Committee update it was noted that the ICT prioritisation process had taken into consideration not just the COVID-19 pandemic, but that immediately following the end of lockdown and the ensuing months. The priority list of ICT initiatives has been refreshed again, and this list has been shared with the Council's SMT in the report 'ICT Support to Future Working'. This includes the recommendation to bring some initiatives planned for 2022 forward to 2021, which will support the new ways of working. Therefore, ICT's current priority projects and initiatives are (not in rank order);

- Microsoft Office 365 Programme
- Data Centre Facilities and Delivery
- Network Provision to the new Data Centres
- Early Years & Education system (EYES) Implementation
- End User Device Refresh
- Network Refresh Programme
- Income Management (PARIS replacement with CIVICA Pay)
- Telephony & Contact Centre
- PSN 2020
- Intranet

9.10   These priority projects have been agreed with SMT, and communicated to key stakeholders across the Council. ICT Departmental Management Team will continue to update the priority list of initiatives on an ongoing basis as projects are delivered and to ensure continued alignment with the Our Manchester Strategy, Our Transformation Programme and other Council priorities.

10   Action 9: *"Planning and implementation of changes required to mitigate potential negative impact of EU Exit on budget and other assumptions for the Council, partners and residents of the City."*

10.1   Under the terms of the Withdrawal Agreement Bill, the UK left the European Union on 31 January 2020. Since then the Government has continued negotiations with the EU to try to secure a comprehensive partnership and trade deal, before the transition period ends on 31 December 2020. We will need to track progress of these negotiations, and the way in which the pandemic may impact on them, as this could lead to new arrangements for trade, travel and business. We will also need to be aware of the risks of disruption if these negotiations are not successfully concluded. A no deal exit,

with the risks and potential disruption this could bring, is a possibility unless an agreement can be reached.

Governance

10.2   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 Council EU Exit Preparedness Group ('MCC Group') stood down meetings, following national stand down in October 2019. However, the MCC Group and the GM Brexit Readiness Group are now meeting again.

Risk and Resilience

10.3   In line with Government guidance the MCC Group oversaw the development and update of a Corporate Impact Assessment with all Directorates covering fuel supplies, civil unrest, loss of EU national staff, equipment & materials, medical supplies, food supplies, finance, events, payment of benefits and poverty, partnerships and suppliers, and statutory and regulatory.

The approach relating to Council employees

10.4   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.

Wider Communication

10.5   The Council Communications Team has developed an overall strategy for informing residents and businesses about the implications of EU Exit. 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.

10.6   For businesses, messaging has signposted people to The Business Growth Hub and Greater Manchester Chamber of Commerce. These local hubs 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

10.7   Potential financial implications across a range of areas are being considered. These include:

- Impact of COVID-19 recovery
- 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

10.8   The MCC 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. A detailed report - The Impact of Brexit on the Manchester Economy - was taken to Economy Scrutiny Committee on 5 September 2019.

11   **Action 10:** *"Strengthening the consistency of and accountability involved in the Council's approach to commissioning, procurement and contract management. This includes; improving supply chain resilience, building in carbon reduction requirements and reducing reliance on waivers."*

11.1   Supply chain resilience continues to be an important area of focus because of COVID-19, and its impact on the economy. The steps taken by the Council to monitor and manage supplier risk were summarised in the Supplier Assurance report to October 2020 Resources and Governance Scrutiny Committee. This includes the use of two risk rating tools (Company Watch and FAME) to help identify potential risks earlier on.

11.2   There have been some important developments in relation to social value:

- Governance has been refined and there are now two officer groups - one strategic (the Social Value Governance Board), chaired by the Deputy Chief Executive and City Treasurer, and one operational, bringing together commissioning, contracts and social value leads in directorates.
- Officers are currently looking at options for strengthening opportunities for social value in light of COVID-19, in particular the role the Council, partners and suppliers can take to support the economic and social aspects of the recovery. Advice on this will be provided to senior management and Members later in October or November 2020.
- The Council has signed up to the Care Leavers Covenant, and we now have a dedicated working group established to help create opportunities for Manchester Care Leavers, working with suppliers and partners in the city.

- Greater Manchester has developed a new social value policy and framework for the region, which is higher level, but is consistent with the approach that Manchester is taking.
- Finally, a working group has been set up to develop practical proposals for how dedicated scoring in relation to zero carbon can be incorporated into the evaluation of tenders. The Council has applied (and continues to apply) a 10% weighting to zero carbon on a select number of tenders, in addition to the 20% social value weighting. Learning is captured from this, and the working group is looking at how such an approach could be applied to a wider set of tenders.

11.3 On waivers, the Integrated Commissioning and Procurement Team provided the August 2020 Commercial Board with an update on waivers across the Council's contract portfolio (excluding Capital Programmes), identifying progress and areas for further development. Internal Audit is also shortly due to release its findings from a review of waivers, and recommendations arising from this work will be implemented.

11.4 Skills development continues to be prioritised in relation to commissioning and contract management. As well as in-house training delivered by the Integrated Commissioning and Procurement Team, the CIPFA Contract Management diploma, which was delayed because of COVID-19, started virtually in September 2020. Eighteen members of staff are enrolled on the programme, and feedback from the first session with CIPFA is being reviewed. The government has also extended the window for staff to access the Government Commercial Function's Contract Management e-learning Foundation programme. To date, 39 staff have been put forward for this, and completion rates are being tracked.

12 **Action 11:** *"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. Focus is needed on; the Accountability Framework - to support understanding of decision making, and the operation and efficacy of the Member / Officer Relations Protocol, and the Member Code of Conduct."*

12.1 Work is being progressed through the Our Transformation programme to strengthen the Accountability Framework, to improve levels of understanding and compliance with decision making requirements. There are a number of inter-connected parts to the programme:

- Review of the Council's Constitution, to identify opportunities to improve clarity about what decisions are taken by who, delegate more decisions where appropriate, and to streamline it by removing areas of duplication and previous requirements which no longer align with ways of working.
- The development of a set of management expectations to provide clarity for managers, and to enable accountability to be strengthened.

A package of management support, guidance and development will be made available aligned to the introduction of the standards.

- Work to review, clarify and simplify Human Resources, Finance and Procurement processes and ways of working. This is a rolling programme of change starting with a focus on the areas that managers find most challenging to navigate. The recruitment process is being simplified, aligned with changes aimed at making the recruitment system easier to use. In addition, the end to end process for purchasing goods and services is being reviewed to simplify, join up and address pinch points and areas of potential duplication. Alongside this, work is being progressed to better understand drivers for current patterns of behaviour relating to small value purchases, with a view to improving efficiency and oversight.
- Aligned with the introduction of the new intranet, information and guidance to support managers to understand and work within legal and organisational requirements is being reviewed, simplified and integrated to improve accessibility from an end user perspective.

12.2 A Key Decisions flow chart has been circulated to the Senior Leader's Group of officers, as a companion piece to 'A Very Short Guide to our Constitution' to strengthen understanding of the process for dealing with and recording decisions.

12.3 The Council's Member/Officer Protocol was reviewed in June 2019. Whilst this review did not identify significant areas requiring revision, the opportunity was taken to make minor changes, which were approved by the Standards Committee and reported to Council. These were primarily to strengthen the need for Members to respect that Officers must remain impartial at all times, and to add a paragraph that the Monitoring Officer meets regularly with political group leaders or group whips to discuss standards which reflect current good practice. A copy of the revised Protocol was circulated to all members of the Council.

12.4 The Committee on Standards in Public Life has proposed a number of changes to the Code of Conduct for Members (some of which require changes to legislation) and has recommended that the Local Government Association (LGA) draw up an updated model Code. The LGA has gone out to consultation on a model Code, and their final draft is awaited. As agreed by the Council's Standards Committee, any changes to our Member Code of Conduct will await and be informed by the outcome of this review.

13   Improving the efficiency and effectiveness of the Council's AGS process

13.1 It is prudent for local authorities to periodically review the overall approach to their Annual Governance Statement process, to ensure optimum efficiency and effectiveness continues to be achieved. Therefore, a review will be carried out to recommend and implement improvements for the 2020/21 process and document.

13.2 Statutory requirements must continue to be met. A focus will also remain on retaining key strengths of the current approach, and aspects which are essential to, and are of most value to stakeholders. These include:

- Continuing to adhere to the latest CIPFA framework guidance
- Retaining a central focus on the accessibility of the public document, for example by continuing to ensure plain language and clear communication.
- Continuing to provide a robust level of assurance to Members, and other key stakeholders such as Internal and External Audit.
- Continuing to ensure transparency by shining a light on the Council's governance challenges.

13.3 There are aspects of both the current process and the AGS document structure where there is potential scope for improvement, so the review will focus particularly on these areas. These include:

- The AGS document needs to be more concise, focusing on brief, high level information only - in line with CIPFA best practice.
- The overall AGS process is currently resource intensive. This includes, but is not limited to, the production of this interim 'Summary of Progress to Date' report, which is not part of the statutory requirements. In the context of reducing resources, it is prudent to re-evaluate how effective the focus is on aspects which are either essential or deliver most value to stakeholders in relation to the amount of resource expended.

13.4 In arriving at recommendations for process improvements the review will include consideration of the following aspects:

- A desktop review of the current approach taken by other local authorities to produce their AGS, comparing this to Manchester. This will include the Core Cities, and other authorities which may be highlighted as showing good practice.
- Advice and recommendations from relevant fora such as CIPFA's 'Better Governance Forum'.
- Engagement with key stakeholders such as Internal Audit.

14 Next steps in the production of the 2020/21 AGS

14.1 As well as the process review, the Council will also undertake forward planning to consider what governance challenges will need to be addressed in 2021/22. As part of this process, evidence from several sources is considered, as explained earlier in this report (paragraph 1.3). An annual meeting of governance lead officers will be arranged where this evidence will be considered, and a list of the most significant governance challenges which the Council will need to address in 2021/22 will be itemised in the Action Plan at the end of the AGS 2020/21.

14.2 A draft of the Annual Governance Statement for 2020/21 will be submitted to Audit Committee in April 2021, prior to its inclusion with the Council's Annual Accounts later in the year.