

## Manchester City Council Report for Resolution

**Report to:** Executive – 17 March 2021

**Subject:** Future Shape of the Council and Arrangements for the Integration of Health and Social Care

**Report of:** Deputy Chief Executive and City Treasurer

---

### Purpose of the Report

The future shape of the Council programme is reshaping how Manchester delivers services both internally and externally, by using new technologies, ways of working and new delivery models. It is an organisational wide initiative bringing together a number of programmes designed to strengthen our ability to deliver the Our Manchester Strategy and in doing so, creating a city where people want to live and work. This report sets out the context and background for the Future Shape of the Council Programme, its priority areas of work and benefits to the Council and its residents.

As well as changes within the Council, in July 2020, an independent report was commissioned to consider the next steps towards integrated health, care and enhanced well-being in the City of Manchester. The report made a number of recommendations as to how the MLCO can be 'supercharged' to become the platform for health, well-being and locally delivered integrated care. This alongside the recent Integrated Care White Paper, will require changes to how health and social care services are commissioned and delivered. This report sets out the next steps of this work.

### Recommendations

The Executive is requested to:

1. Endorse the approach to the Future Shape of the Council Programme.
  2. Note the work to support the integration of health and social care in Manchester and that a further report will be brought back to the next Executive for the approval of the underpinning changes to the legal partnership agreements
- 

**Wards Affected:** All

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

The Future Shape of the Council aims to improve the Council's efficiency and effectiveness in the context of reducing our carbon impact including in areas such as estates, printing and travel.

Our Manchester Strategy Outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities.	The Future Shape of the Council Programme plays a key role in supporting delivery of the priorities in Council's Corporate Plan, and as a result, all of the Our Manchester Strategy outcomes
A highly skilled city: world class and home grown talent sustaining the city's economic success.	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities.	
A liveable and low carbon city: a destination of choice to live, visit and work.	
A connected city: world class infrastructure and connectivity to drive growth.	

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

### **Financial Consequences – Revenue and Capital**

Future Council will provide a framework for Revenue and Capital planning for 2022/23 onwards.

#### **Contact Officers:**

Name: Carol Culley  
Position: Deputy Chief Executive and City Treasurer  
Tel: 0161 234 340  
E-mail: c.culley@manchester.gov.uk

Name: Helen Seechurn  
Position: Interim Deputy City Treasurer  
Tel: 0161 234 1017  
E-mail: helen.seechurn@manchester.gov.uk

Name: James Binks  
Position: Director Policy, Performance and Reform  
Tel: 0161 234 1146  
E-mail: james.binks@manchester.gov.uk

**Background documents (available for public inspection):**

None.

## **1. Introduction**

- 1.1. The future shape of the Council programme is reshaping **how** Manchester delivers services both internally and externally, by using new technologies, ways of working and new delivery models. It is an organisational wide initiative bringing together a number of programmes designed to strengthen our ability to deliver the Our Manchester Strategy and in doing so, creating a city where people want to live and work. This report sets out the context and background for the Future Shape of the Council Programme, its priority areas of work and benefits to the Council and its residents
- 1.2. As well as changes within the Council, in July 2020, an independent report was commissioned to consider the next steps towards integrated health, care and enhanced well-being in the City of Manchester. The report made a number of recommendations as to how the MLCO can be 'supercharged' to become the platform for health, well-being and locally delivered integrated care. This alongside the recent Integrated Care White Paper, will require changes to how health and social care services are commissioned and delivered. This report also sets out the next steps of this work.
- 1.3. This report includes:
  - The Future Council programme objectives and timeline
  - The approach to budget sustainability in 2022/23
  - Outline of the main workstreams
  - Benefits of the Future Shape programme
  - Supercharging MLCO and the future of health and social care integration

## **2. The Future Council programme objectives and timeline**

- 2.1. The priorities for the city are set out in the Our Manchester Strategy which was developed in 2015 and launched in 2016 as the city's overarching 10-year vision. In May 2020, the Executive agreed for a reset of the Our Manchester Strategy 2016 - 2025 to be undertaken as part of the Council's COVID-19 recovery planning.
- 2.2. The reset has been overseen by the Our Manchester Forum, a partnership board of 40 leaders from Manchester's public, private and voluntary sectors from across the city who oversaw the creation of the original Strategy in 2015 and have been monitoring its implementation.
- 2.3. A draft of the reset, *Our Manchester Strategy – Forward to 2025*, was presented to the Council's six Scrutiny Committees in January, to Executive 17 February and Full Council will be asked to adopt the OM reset in March 2021.
- 2.4. The reset Our Manchester Strategy retains the original Strategy's five themes, with the new priorities streamlined under them. Progress will continue to be annually reported in the State of the City report.

- A Thriving and Sustainable City
- A Highly Skilled City
- A Progressive and Equitable City
- A Liveable and Low Carbon City
- A Connected City

2.5. The Corporate Plan sets out the Council's response to the Our Manchester Strategy, outlining the key priorities to achieve the city's vision, underpinned by the Our Manchester behaviours. The Council is facing a lot of change in response to budget challenges alongside changing resident behaviours in the wake of the COVID-19 pandemic. We will need to think differently and work closely with partners to deliver this change. There are multiple interlinked change programmes taking place across the Council, and the Future Shape Programme brings these together in a coordinated way and support us to make the best of our limited capacity.

2.6. The Future Shape of the Council is a 2 year change programme shaping how Manchester delivers services both internally and externally, by using new technologies, ways of working and new delivery models. The objectives of the programme are to:

- Make Manchester City Council a more desirable place to work with an emphasis on an inclusive culture and modern ways of working.
- Improved and consistent quality services for the residents of Manchester.
- Improved organisational resilience, making best use of capacity and resources to mitigate future demand and maintain focus on delivering vital services for residents.
- Strengthened ability to deliver against the Our Manchester Strategy and the Manchester City Council Corporate Plan.
- Provide a framework for future budget planning.

### **3. The approach to budget sustainability in 2022/23**

3.1. The last few years have been challenging for the Council given the high proportion of cuts which have had to be made to the Council's budget at a time when the demand for services such as Children and Adults social care has been rising. This has been exacerbated by the disproportionate level of funding reductions the Council has taken.

3.2. Whilst a balanced budget for 2021/22 will be achieved the financial position is challenging with significant budget gaps remaining for 2022/23 and 2023/24. Fundamentally, the government has not provided any support for the loss of dividend income that we would achieve through our economic strategy for Manchester, and this is a key factor in the requirement to make over £40m of cuts in 2021/22 and the ongoing budget gap. The likely depletion of reserves is also a cause for concern.

3.3. Despite the pressures being faced the Council remains determined to deliver the agreed priorities for Manchester. The budget is not just about how to manage within available resources but also on where funding should be

invested to deliver on resident priorities and working with partners to jointly develop new ways of delivering services such as prevention and early help, giving families strengths and self-reliance so they will benefit from greater self-determination and improved life chances - and in so doing reducing the need for more costly support in the future. The difficult balance has to be maintained between protecting investment to generate growth (and grow the revenues available to the Council), provide high quality universal services and to protect the most vulnerable.

3.4. To place the Council on a more sustainable footing over the three-year period. The proposed approach is as follows:

- To use the balance sheet risk reserves to smooth the underlying budget position and remove the ongoing financial impact of COVID-19 experienced in 2021/22 and 2022/23.
- The delivery of a significant programme of budget cuts of almost £50m over three years as reported to February Executive and March Budget Council.
- The further planned use of reserves to support the budget position and mitigate any future budget risks.
- To instigate a major whole Council transformation programme, Future Shape of the Council, which will take into account the impact of COVID-19, significant planned changes in health and social care and the overall financial position.

3.5. As well as needing to implement the agreed programme of c£50m budget cuts and address the budget gap from 2022/23 onwards the Council is facing a series of major changes on top of the pandemic recovery planning and business as usual activity. Some of the major changes being implemented during 2021/22 are listed below:

- 116 FTE from the Corporate Core will leave by 31 March. There will not be the capacity to provide all of the support currently provided and planned approach to delivering the change is required. The Council's main ERP system, SAP that provides the finance, payroll, HROD and procurement functionality is at end of life and a new solution will need to be procured with work needing to start on this now. This is a major change programme but also an opportunity to modernise and automate how the Council works. For the customer facing serves major changes are also planned including the implementation of the new Customer Service offer which is currently underway and the replacement of the Council's CRM system and associated improvements to how we interact with residents.
- The Council's ALMO is coming back in house at the end of July 2021. As well as the transfer of the housing functions, to deliver the maximum benefits, the delivery of the support functions will then need to be integrated into those provided by the Council.

- 2021/22 is the transition year for the move to the new Integrated Care System changes outlined in the recent White Paper. This will mean significant changes for how the GM arrangements and local CCGs operate. Plans in Manchester are well advanced, including the 'supercharging' of the Manchester Local Care organisation and a new S75 agreement with MFT to enable the better provision of integrated community based health and social care. This will have a significant impact on the services within the Council.

3.6. All of the above heavily interact with each other. As the pandemic recovery planning is underway this reinforces the need to take an evidence-based approach that supports individual localities and neighbourhoods, recognising the very different needs in different parts of the city. The changes cannot be delivered in isolation or without acknowledging the support that will be required to our workforce and the engagement and co-design with our partners and stakeholders that will be critical to our success.

#### **4. Future Shape of the Council**

4.1. The scale of change required to overcome the upcoming challenges that the council faces means a new council wide approach is required. The Future Shape of the Council is the next step in helping us achieve our ambitions to reshape Manchester City Council in order to deliver the Our Manchester Strategy and Corporate Plan and fully embed the Our Manchester approach. Over the next two years, the Future Shape programme will reshape how Manchester delivers services both internally and externally, by using new technologies, ways of working and new delivery models. The programme will lead to a better Council that will ultimately improve outcomes for residents and staff, improve our long-term resilience and provide a framework for any future budget cuts.

4.2. Initially the work will focus on the following agreed workstreams, reflecting the major changes that will need to be delivered:

- A digitally integrated Council
- A more purposeful and effective Corporate Core
- Embedding Place Based working across the Council
- A new model for Housing
- Joined up Health and Social Care

All underpinned by our culture, behaviours and how we work.

#### **Workstream 1 - A digitally integrated Council**

4.3. Through the RBDXP (Resident and Business Digital Experience Programme), the Council is currently undertaking a large piece of transformation work to improve the existing resident and business offering. This includes expanding the Council's current digital offering, modernising how the Customer Service Centre operates and replacing the Customer Relationship Management (CRM) system with a holistic digital platform.

- 4.4. Included within this workstream is the implementation of the new model for the Customer Service Centre that was set out in the report to December Resources and Governance Scrutiny. This will include a core function in the Town Hall Extension which will provide: Reception, meet & greet and triage; appointments for essential face to face services; and the ability for residents to hand in documents related to Council Services. This will be alongside providing the most appropriate access across three main access channels (Online, Telephone and Face to Face) with a number of additional support mechanisms in place across these channels to meet a resident's specific needs or circumstances. Full details were set out in the report to December Resources and Governance Scrutiny Committee.
- 4.4 Building on this, the digitally integrated Council workstream aims to implement new digital technology and process changes within MCC, creating an improved resident and staff experience, whilst also leading to efficiency savings. This will include:
- The procurement and implementation of a new technology stack which will enable an improved digital customer offering
  - The implementation of automation in the back office to make back office processes more efficient across the Council
  - More intelligent and standardised sharing of data across the organisation, leading to better decision making and improved outcomes for residents and businesses
  - better connectivity between our internal and external digital strategies including our approach to tackling digital exclusion.

### **Workstream 2 - A more effective and purposeful Corporate Core**

- 4.5 This workstream will undertake a review of the Corporate Core and its relationships with other areas within the Council. This workstream should leave the Corporate Core with a more clearly defined purpose and a new Target Operating Model that allows the Core to deliver efficient decision making and services for the other directorates within the Council. This will support the delivery of the required budget cuts and include:
- A newly defined and agreed purpose, vision and target operating model for the Corporate Core. This will lead to a more clearly defined purpose for the Core, ensuring that all activities are strategically aligned
  - A newly agreed set of roles and functions including business partnering approach and spans of control. This will remove duplication of effort within the Core
  - More efficient processes within the core including replacement of the SAP back office system
  - A more clearly defined decision-making processes which will include cross cutting priorities , again ensuring that all decision making is strategically aligned to the management accountability framework

- A set of service reviews within the Core, ensuring that all Core services are operating efficiently and providing high quality outcomes, aligned with the new operating model

### **Workstream 3 - Place based and neighbourhood working**

4.6 The impact of COVID-19 on our residents and communities has been considerable. Recovery that takes account of the impact of inequalities that have been exacerbated is particularly important and will influence the future of neighbourhood working across the council. A key aim is to ensure services are designed to meet the needs of each of our neighbourhoods and increase the number of preventative measures in place (including greater use of other community assets that are closer to residents). This workstream aims to continue to embed place based and neighbourhood working within Manchester, working with key partners to accelerate the implementation of the Bringing Services Together for People in Places model. This will include:

- Investment in a defined asset-based model that supports place based and neighbourhood working
- An increased use of technology to engage with residents at a neighbourhood level
- An increased focus on supporting communities to take ownership of and develop new initiatives within their local areas
- An improved use of data and intelligence to enable us to act proactively when dealing with residents,
- A set of clearly defined roles and responsibilities for all partners to minimise the potential for duplication
- An adoption of a Council wide approach to place-based neighbourhood working, sharing data where possible to improve outcomes for residents
- An increased and clearer role for the voluntary sector, delivering services for residents

### **Workstream 4 - A new model for housing delivery**

4.7 Following a period of resident engagement, it was officially decided that the Council's housing stock which is currently being managed by the Northwards Housing ALMO will be brought back in house. Initially, this workstream will facilitate the ALMO coming back in house. Following this, it will review how housing services are provided to residents across Manchester and create a new holistic model for housing which drives better outcomes for residents by providing these in conjunction with other services including employment and social care services. This will include:

- Facilitating the ALMO successfully coming back in house
- Agreeing the service provision of the housing function in order to better serve residents
- Alignment with existing service provision in Manchester, including utilising functions such as the neighbourhood teams to provide better services to residents

- Agreed holistic housing service provision exploring how including other service areas including Homelessness and Social Care can be linked
- Fully defined governance arrangements for the new housing function

### **Workstream 5 - Joined up health and social care (supercharging of the MLCO)**

4.8 The Our Healthier Manchester Locality Plan sets the ambitions to significantly improve health outcomes, tackle health inequalities and develop a financially and clinically sustainable system. Central to this is the ‘supercharging’ of Manchester Local Care Organisation (MLCO), building on the strong progress made since its inception in 2018. The Manchester Partnership Board has agreed that the MLCO will be the delivery vehicle to reduce health inequalities and improve the health and wellbeing of the people of Manchester. This workstream focusses on how the Council supports the supercharging of the MLCO and the future of Health and Social care Integration, as detailed in section 6 below. This will include:

- Ensuring the establishment of the Section 75 Partnership agreement between MCC and MFT is fit for purpose, supports integration of community health and adult social care services through the further development of the MLCO operating model and enables the MLCO to provide assurance to MFT and MCC through the Accountability Board. Full integration of ASC and community health services through the LCO will create a more sustainable and strengths-based offer for people through agreed governance structures, financial framework and integrated leadership, management and workforce structures
- An agreed delivery plan to enable the LCO to be the vehicle to reduce health inequalities and improve population health and wellbeing and secure provider collaboration on the delivery of the public health management strategy which will inform and improve future service provision and outcomes for residents
- Ensuring effective corporate support services are provided to MLCO from MCC, the model for which will need to align to workstream 2, A more effective and purposeful Corporate Core.
- In addition, this workstream will consider the role of MCC in the Manchester Partnership Board.

4.9 The primary governance for the majority of work described above is the MLCO Transition Board which includes representation from MCC. Management and reporting on these priorities will therefore be delivered through the Transition Board and the MLCO Executive and ultimately the Accountability Board. This includes delivery of the ASC transformation programme ‘Better Outcomes, Better Lives’ which is making a significant contribution to MCC’s savings in 2021/22, 2022/23 and 2023/24.

## **Enabler - Organisational behaviours and culture**

- 4.10 All of these workstreams will be underpinned by a cross cutting enabler focussing on driving behaviour change within the organisation in a way that is aligned to the values and behaviours of Our Manchester.
- 4.11 The Organisation Development and Culture enabling workstream will work to develop and embed the Organisations Development plan and continue the internal Our Manchester behaviours programme. This includes implementing future ways of working and talent development across the organisation and follows on from existing work which is being carried out as part of Our Transformation Programme. This enabling workstream will have responsibility for ensuring that diversity and equality, as well as the Our Manchester approach is embedded throughout the whole Future Shape of the Council programme. The key areas of focus are:
- A fully developed OD plan for Manchester, which when implemented will improve the employee experience within Manchester
  - Agreed future ways of working which model the Our Manchester behaviours, rolled out across the organisation
  - A formal workforce development and talent management plan for the organisation
  - A formalised management accountability and associated training programme

## **5. Benefits of the Future Shape of the Council Programme**

- 5.1. The benefits from the future shape programme will not be achieved if the workstreams are pursued in isolation. The scale of change required to overcome the upcoming challenges that the council faces means a new council wide shape and approach is required. The programme will lead to a better Council and will ultimately improve outcomes for residents and staff, improve our long-term resilience and provide a framework for any future budget savings.
- 5.2. The priorities as articulated through the Future Shape programme enable the delivery of required financial savings in a sustainable way whilst meeting the needs of communities and improving outcomes. A savings programme of £41m has been proposed for 2021/22 with those savings that are relevant to this programme mapped against the workstream areas.

## **6. Supercharging MLCO and the future of health and social care integration**

- 6.1. As set out above, the Our Healthier Manchester Locality Plan sets the ambitions for the city to significantly improve health outcomes, tackle health inequalities and develop a financially and clinically sustainable system.
- 6.2. A new Manchester Partnership Board (MPB) has been created to drive the next phase of health and social care integration in the city, with key partners represented at Chief Executive level and chaired by the Leader of the Council.

- 6.3. The MPB has committed to ‘supercharging’ Manchester Local Care Organisation (MLCO), building on the strong progress made since its inception in 2018, as the delivery vehicle to reduce health inequalities and improve the health and wellbeing of the people of Manchester. A new Section 75 agreement is being developed by June 2021 to govern the partnership arrangements between MCC and Manchester Foundation Trust (MFT) that will operate through MLCO.
- 6.4. A new MLCO Accountability Board has been established to provide a single governance forum and point of assurance for all key partners, including MCC, which will be represented by the Executive Member for Health and Well Being (co-chairing with MFT), the Chief Executive, the Deputy Chief Executive and City Treasurer, and the Strategic Director of Adult Social Care.
- 6.5. The Government has announced national reforms to the NHS that will involve creation of Integrated Care Systems (ICS) comprising key NHS organisations and local authorities. The ICS for Manchester will be at the level of Greater Manchester (GM). Localities within each ICS are defined at the local authority level, including for the city of Manchester. The ICS reforms will involve the functions of Clinical Commissioning Groups (CCGs) including Manchester Health and Care Commissioning (MHCC) transferring including to the GM ICS, the MLCO and the MPB.
- 6.6. A programme of transition is underway to supercharge MLCO, led by a Transitions Board that includes representatives from MCC and all key partners, which is reporting to the MLCO Accountability Board.
- 6.7. The following functions have been agreed as in scope for transfer, to enable the MLCO to improve population health outcomes:
- Transition of the population health delivery teams to work in neighbourhoods to reduce inequalities.
  - Full integration of ASC and community health to create a more sustainable strengths-based offer for people.
  - An agreed model of working between the Primary Care Networks (PCNs) and MLCO to build stronger local offers in neighbourhoods.
  - A supercharged corporate infrastructure to empower our neighbourhoods/places to buy care closer to people’s homes and change the workforce to meet local needs.
  - An agreed model for children’s services built on the early help offers already in place
  - integrating service improvement, contracting and placement functions (previously tactical commissioning) into the LCO Operating Model to enable the move towards ‘place-based commissioning
  - Appropriately sized and integrated support functions to enable the MLCO to plan, direct, performance manage and redesign services to meet the health and social care needs of people within a reducing budget

- 6.8. The above will be linked to the Future Shape of the Council work, but the governance for the Health and Social Care workstream will be via the Transitions and Accountability Board to ensure the change programmes within the Council and the changes within MHCC and the MLCO are fully aligned.
- 6.9 To support the transition arrangements and the need to strengthen the MLCO the Council and partners are reviewing the formal governance arrangements and legal agreements which underpin them. The most substantive change required will be the agreement for Manchester Foundation Trust (MFT) and MCC to enable the MLCO to reach its full potential.

## **7. The Underpinning Legal Agreements**

- 7.1. Under section 75 National Health Service Act 2006, local authorities and NHS bodies can enter into partnership arrangements for the exercise of certain NHS functions by NHS bodies and certain health-related functions of local authorities. These agreements are colloquially referred to as “section 75 agreements”. Section 75 provides for three flexibilities that NHS Bodies and local authorities can use: pooled budgets, lead commissioning and integrated provision. The agreement provides the MLCO with the best possible flexibility to operate within current tax and workforce constraints, which currently prohibit a more formal integrated legal structure. Section 75 agreements are recognised templates between local authorities and NHS bodies.
- 7.2. It is proposed that a section 75 agreement will be entered into between the Manchester Foundation Trust and Manchester City Council, to facilitate the effective delivery of integrated health and adult social care. The ambition will be to empower local neighbourhood teams to have joined-up decision making and transparency of spending against related budgets. The section 75 agreement will also delegate certain functions to the other party, to facilitate integrated service delivery. The agreement will build on the existing partnership arrangements between the organisations, governed through the Partnering Agreement, which established the MLCO in March 2018.
- 7.3. There is an existing commissioner section 75 agreement between MHCC and MCC, which will need to be amended to reflect the scope and functions of the new MFT/MCC provider section 75 agreement. A number of other existing agreements e.g. the Partnering Agreement and other operational protocols, will need to be reviewed to assess what amendments may need to be agreed with its parties (which include GMMH and primary care representation).
- 7.4. From April 2021, it is not proposed that a pooled budget will be created although this remains an aspiration of the parties and will be considered further during 2021/22. Instead, the existing health and social care budgets will remain on the ledgers of the Trust and MCC respectively. The budgets, however, are entirely aligned to the delivery of integrated services, with a commitment from each party that it shall not divert funds from these budgets to discharge any other financial, strategic or operational responsibilities. It is the firm intention of all stakeholders that, whilst a pooled budget will not be in place from April 2021, the alignment of budgets and the financial framework

which will be established in parallel, will allow the MLCO Executive and their teams to more readily commit spending from both MCC and MFT budgets, in a timely, transparent and effective manner.

- 7.5. Financial risk associated with these services will not transfer between organisations, ie Adult social care risk will remain with MCC and community health risk will remain with MFT. However, a risk share will be developed in the event that there is a significant cost shift between the parties.
- 7.6. An update on the arrangement and the full suite of legal documents will be taken to the next meeting of the Executive for approval.

## **8. Conclusion**

- 8.1. The Future Shape of the Council programme is an ambitious and challenging 2 year programme of change across the breadth of the Council. Building on Our Transformation, this is the next phase to ensure we meet the set of complex challenges we face and can deliver the required changes to address future budget challenges.
- 8.2. This alongside the changes to the integration of health and social care for GM and within Manchester, means that the Council will look very different in five years time. This report has outlined some of the major changes and the programme of work that will be required to ensure that they are effectively delivered and ultimately provide the future shape and operating model for the Council.