



MANCHESTER  
CITY COUNCIL

# Annual Governance Statement 2020/21

## 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.
- 1.2 The national and international public health emergency caused by the COVID-19 pandemic have led to substantial impacts for the city and the Council over the last year. These have included implications for provision of services, our workforce and our financial position. Effective leadership and governance of the response and recovery have been critical. Plans are being delivered which now focus on the city's longer-term recovery, including its economy, residents and communities, for example the Economic Recovery and Investment Plan.
- 1.2 Looking forwards, significant national policy announcements from Government include NHS reforms that, from April 2022, will abolish Clinical Commissioning Groups (CCGs) and create Integrated Care Systems (ICS), to drive the next phase of health and social care integration. Delivery of this next phase for Manchester's health and social care integration will be key to enabling further progress towards achievement of the ambitions set out in the Our Healthier Manchester Locality Plan. These ambitions are for the city to significantly improve health outcomes, tackle health inequalities and develop a financially and clinically sustainable system.
- 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.

## 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 is updated when appropriate, to ensure it reflects the Council's current governance arrangements. The table below includes key 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. The Council has a broad range of strategies and policies in place, and therefore this is not intended to be an exhaustive list. More detail about particular areas of interest can be found on the Council's website [manchester.gov.uk](http://manchester.gov.uk).

<b>A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.</b>		
<b>The Council's Commitment to Good Governance</b>	<b>How the Council meets these principles</b>	<b>Where you can see Governance in action</b>
<b>Behaving with Integrity</b>	<ul style="list-style-type: none"> <li>• 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"> <li>○ Better lives – it's about people</li> <li>○ Listening – we listen, learn and respond</li> <li>○ Recognising strengths of individuals and communities – we start from strengths</li> <li>○ Working together – we build relationships and create conversations</li> </ul> </li> </ul>	<a href="#">People Strategy - Our People</a>
<b>Demonstrating Strong Commitment to Ethical Values</b>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<a href="#">Standards Committee</a>
<b>Respecting the Rule of Law</b>	<ul style="list-style-type: none"> <li>• 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</li> </ul>	<a href="#">Our Constitution (article 12.3(b))</a>

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
	<p>way, correct procedures are followed, and that all applicable laws and regulations are complied with.</p> <ul style="list-style-type: none"> <li>• The Chief Finance Officer (Deputy Chief Executive and City Treasurer) has statutory reporting duties in respect of unlawful and financially imprudent decision making.</li> <li>• The Council ensures that it complies with CIPFA's Statement on the Role of the Chief Finance Officer in Local Government (2016).</li> </ul>	<p><a href="#">Our Constitution (article 12.4(a))</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
<b>Ensuring Openness</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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 available 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.</li> </ul>	<p><a href="http://manchester.gov.uk">manchester.gov.uk</a> website</p> <p><a href="#">Council Meeting Agendas and Reports</a></p> <p><a href="#">Online Videos of Council Meetings</a></p>

**B. Ensuring openness and comprehensive stakeholder engagement**

The Council's Commitment to Good Governance	The Council's Commitment to Good Governance	The Council's Commitment to Good Governance
<p><b>Engaging Comprehensively with Institutional Stakeholders</b></p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• The Council maintains a list of major partnerships in a Register of Significant Partnerships. This contains an assessment of the level of assurance for the governance arrangements of each partnership, shining a light on areas where improvements may be required - so that these can then be addressed.</li> </ul>	<p><a href="#">Our Manchester Forum</a></p> <p><a href="#">Register of Significant Partnerships</a></p>
<p><b>Engaging with Individual Citizens and Service Users Effectively</b></p>	<ul style="list-style-type: none"> <li>• A reset of the city's Our Manchester Strategy 2016 - 2025 has been carried out as part of the Council's COVID-19 recovery planning. Engagement activity was undertaken based on the Our Manchester approach with residents, businesses, organisations and partners to develop a qualitative evidence base, which was then analysed to establish key priority themes. Approximately 3,800 people were directly engaged with and had their views captured between August and September 2020.</li> <li>• 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.</li> <li>• The Council has taken 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).</li> </ul>	<p><a href="#">Our Manchester Strategy – Forward to 2025</a></p> <p><a href="#">E-bulletins and Social Media</a></p> <p><a href="#">Our Manchester Campaigning Engagement Framework</a></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
<p><b>Defining Outcomes</b></p>	<ul style="list-style-type: none"> <li>• 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. Further engagement was carried out in August and September 2020 to update the strategy to reflect the current context as the city recovers from the impact of COVID-19. Our vision remains for Manchester to be in the top-flight of world class cities by 2025, when the city will:               <ul style="list-style-type: none"> <li>○ Have a competitive, dynamic, sustainable and fair economy that draws on our distinctive strengths in science, advance manufacturing, and culture, creative and digital businesses – cultivating and encouraging new ideas</li> <li>○ Possess highly skilled, enterprising and industrious people</li> <li>○ Be connected, internationally and within the UK</li> <li>○ Play its full part in limiting the impacts of climate change</li> <li>○ Be a place where residents from all backgrounds feel safe, can aspire, succeed and live well</li> <li>○ Be clean, attractive, culturally rich, outward-looking and welcoming</li> </ul> </li>   <li>• Our Corporate Plan sets out the Council's contribution to the Our Manchester vision. These priorities have been refreshed for 2021/22 to align with the reset of the Our Manchester Strategy and to further strengthen the Council and city-wide focus on the importance of Equality, Diversity and Inclusion. The priorities are;               <ul style="list-style-type: none"> <li>○ Zero carbon Manchester</li> <li>○ Growth that benefits everyone</li> <li>○ Young People</li> <li>○ Healthy, Cared for people</li> </ul> </li> </ul>	<p><a href="#">Our Manchester Strategy – Forward to 2025</a></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"> <li>○ Housing</li> <li>○ Neighbourhoods</li> <li>○ Connections</li> <li>○ Equality</li> <li>○ Well-managed Council</li> </ul>	
<p><b>Sustainable Economic, Social and Environmental Benefits</b></p>	<ul style="list-style-type: none"> <li>• The Council declared a Climate Emergency in July 2019 and developed a Climate Change Action Plan which was approved by Executive in March 2020. A report in February 2021 provided an update on the significant progress that has been made in delivering the Plan despite the challenges posed by the COVID-19 pandemic.</li> <li>• Powering Recovery: Manchester's Recovery and Investment Plan was published in November 2020, and this sets out how the city will emerge reinvigorated from the COVID-19 pandemic and rise to other challenges. This was developed by the Council with the support of city business leaders and is a statement of confidence in the future of the city's economy. It shows a resilient city with a diverse economy and strengths in key growth sectors, as well as strong existing partnerships and a track record of delivery.</li> <li>• 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.</li> <li>• The Council's has reviewed its approach to Social Value to reflect the impact that COVID-19 has had on the city, and the role that social value can play in supporting the economic recovery.</li> </ul>	<p><a href="#">Climate Change Action Plan 2020-25</a></p> <p><a href="#">Climate Change Action Plan – progress report</a></p> <p><a href="#">Powering Recovery: Manchester's Recovery and Investment Plan</a></p> <p><a href="#">Developing a More Inclusive Economy - Our Manchester Industrial Strategy</a></p> <p><a href="#">Refresh of the Social Value Policy</a></p>

<b>D. Determining the interventions necessary to optimise the achievement of the intended outcomes</b>		
<b>The Council's Commitment to Good Governance</b>	<b>How the Council meets these principles</b>	<b>Where you can see Governance in action</b>
<b>Determining Interventions</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<a href="#"><u>Executive Reports</u></a>
<b>Planning Interventions</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<a href="#"><u>Council Budget 2021/22</u></a>
<b>Optimising Achievement of Intended Outcomes</b>	<ul style="list-style-type: none"> <li>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. The latest report set out the impact of COVID-19 and other pressures and changes on the Council's budget for the period 2021-2025.</li> </ul>	<a href="#"><u>Medium Term Financial Plan and Strategy for 2021/22</u></a>



**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"> <li>• 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.</li> <li>• 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 bandings, and cover a spectrum of areas essential to managers in the organisation.</li> <li>• 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’.</li> </ul>	<p><a href="#">Being Our Best Selves</a></p>

<b>F. Managing risks and performance through robust internal control and strong public financial management</b>		
<b>The Council's Commitment to Good Governance</b>	<b>How the Council meets these principles</b>	<b>Where you can see Governance in action</b>
<b>Managing Risk</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<a href="#">Annual Corporate Risk Management Report and Corporate Risk Register</a>
<b>Managing Performance</b>	<ul style="list-style-type: none"> <li>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 Strategic Management Team (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.</li> <li>A Corporate Plan Monitor is provided quarterly to SMT, tracking progress of delivery of our Corporate Plan priorities.</li> </ul>	
<b>Effective Overview and Scrutiny</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<a href="#">Scrutiny Committees</a>
<b>Robust Internal Control</b>	<ul style="list-style-type: none"> <li>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</li> </ul>	<a href="#">Internal Audit Plan 2021/22</a>

**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>out in detail in both the latest Annual Corporate Risk Management report, and its Internal Audit Plan.</p> <ul style="list-style-type: none"> <li>• 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 provides a mechanism for effective assurance regarding risk management and the internal control environment.</li> <li>• 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.</li> </ul>	
<p><b>Managing Data</b></p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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).</li> <li>• 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-</li> </ul>	

**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>learning training, and this forms part of the induction process for new staff. Data protection also forms part of the induction programme for new Members.</p> <ul style="list-style-type: none"> <li>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).</li> <li>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.</li> </ul>	<p><a href="#">Freedom of Information</a></p>
<p><b>Strong Public Financial Management</b></p>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>The Financial Management Code (FM Code) sets out the standards of financial management expected for local authorities and is designed to support good practice</li> </ul>	<p><a href="#">Our Constitution (Part 5)</a></p>

<b>F. Managing risks and performance through robust internal control and strong public financial management</b>		
<b>The Council's Commitment to Good Governance</b>	<b>How the Council meets these principles</b>	<b>Where you can see Governance in action</b>
	<p>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 2021/22 report.</p> <ul style="list-style-type: none"> <li>• 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 2021/22 report.</li> </ul>	<p><a href="#">Budget Overview and Strategy for 2021/22</a></p> <p><a href="#">Budget Overview and Strategy for 2021/22</a></p>

<b>G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability</b>		
<b>The Council's Commitment to Good Governance</b>	<b>How the Council meets these principles</b>	<b>Where you can see Governance in action</b>
<b>Implementing Good Practice in Transparency</b>	<ul style="list-style-type: none"> <li>• The Council follows the Local Government Transparency Code 2015, which includes requirements and recommendations for local authorities to publish certain types of data.</li> <li>• 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.</li> </ul>	<p><a href="#">Local Government Transparency Code</a></p> <p><a href="http://manchester.gov.uk">manchester.gov.uk</a> website</p>

**G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

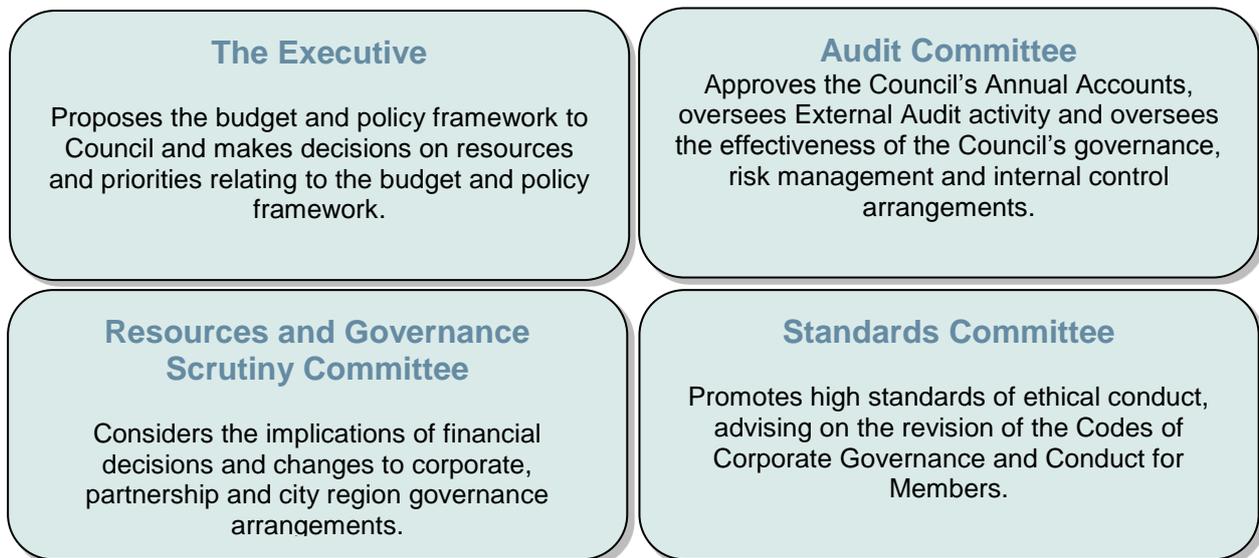
The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
<p><b>Implementing Good Practices in Reporting</b></p>	<ul style="list-style-type: none"> <li>• The Council produces a detailed State of the City publication, which charts the city's progress towards its vision and priorities.</li> <li>• An integrated report is provided to Strategic Management Team (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.</li> <li>• A Corporate Plan Monitor is provided quarterly to SMT, tracking progress of delivery of our Corporate Plan priorities.</li> </ul>	<p><a href="#">State of the City 2020</a></p>
<p><b>Assurance and Effective Accountability</b></p>	<ul style="list-style-type: none"> <li>• 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 most recent focused visit to the Council's children's services.</li> <li>• The Council monitors the implementation of internal and external audit recommendations. Assurance reports are presented to Audit Committee and Mazars (the Council's external auditors), summarising the Council's performance in implementing recommendations effectively and within agreed timescales.</li> <li>• Public Sector Internal Audit Standards (PSIAS) set out the standards for internal audit and have been adopted by the Council. This process includes the development of an Emergent Audit Plan designed to invite comment from management and the Audit Committee.</li> </ul>	<p><a href="#">Ofsted focused visit</a></p> <p><a href="#">Outstanding Audit Recommendations</a></p>

## 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.

5.2 The effectiveness of governance arrangements is monitored and evaluated throughout the year, with activity undertaken including:

- **Strategic Management Team (SMT)** - Responsibility for governance and internal control lies with the Chief Executive and the Strategic Management Team (SMT), which meets on a weekly basis to steer the organisation's activity.
- **Scrutiny and challenge by Council and its Committees** - The Council has four bodies responsible for monitoring and reviewing the Council's governance:



- **Consideration of evidence sources to identify the Council's key governance challenges looking ahead to 2021/22 (see Action Plan at Section 7)** - These sources include:
  - Heads of Service 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

- Where appropriate, carrying forward elements of action points from 2020/21 if substantial further challenges remain, and ongoing monitoring is required.
- **Head of Audit and Risk Management Annual Opinion 2020/21** - This opinion narrative is provided in a separate report on the Agenda for the June 2021 Audit Committee meeting.
- **External Auditor's Review of the Effectiveness of Governance Arrangements** - The Council's external auditor is Mazars. They submit progress reports and their Annual Audit Letter to Audit Committee.
- **Annual Review of the role and responsibilities of the Chief Finance Officer** - The 2020/21 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. 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** - 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 Annual Report of the Standards Committee is one of the Council's sources of governance assurance.
- **Governance of Significant Partnerships** – Assurance relating to governance arrangements of the Council's significant partnerships is recorded on the Register of Significant Partnerships. Each partnership is self-assessed annually to provide assurance that effective arrangements are in place, and to highlight any governance challenges which need to be addressed.

## 6 Strategic oversight of actions to address the Council's governance challenges in 2020/21

This section provides a concise high-level summary of strategic actions taken to address the Council's governance challenges for the 2020/21 financial year, and what arrangements are in place for oversight of delivery. These challenges were set out in the Action Plan at the end of last year's AGS (2019/20). Where relevant, detailed progress updates are provided to Project and Programme Boards, and where applicable reports and information are taken to Committees - as set out in the table below.

Action	What action was to be addressed	Governance of actions taken / planned	Officer Leads / Programme Boards	How is this monitored?
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.	Plans continue to be delivered to ensure an effective response and recovery, including: <ul style="list-style-type: none"> <li>• Manchester's 12-point Action Plan</li> <li>• Manchester's Economic Recovery and Investment Plan</li> <li>• Situation reports to the Executive and Scrutiny Committees</li> <li>• Effective connections to Greater Manchester governance</li> </ul>	Chief Executive  Deputy Chief Executive & City Treasurer  Strategic Director of Neighbourhoods  Director of Population Health	The Executive  Economy Scrutiny Committee

Action	What action was to be addressed	Governance of actions taken / planned	Officer Leads / Programme Boards	How is this monitored?
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.	<p>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.</p> <p>The last 12 months have seen the workforce transition almost overnight to a new way of working, a scale of change in how we work that would normally take years to achieve.</p> <p>Whilst some of priorities have remained the same, the context of which we are working has changed and the Our People Strategy is being reviewed again to ensure that it reflects this. Some of the key actions are:</p> <ul style="list-style-type: none"> <li>• Improve the health and wellbeing of our staff including a reduction in absence levels across the organisation</li> <li>• Our commitment to ensure our workforce reflects our diverse communities is strengthened through the Workforce Equality Strategy and the Race Equality programme.</li> <li>• Reduce reliance on temporary staff including overall reduction in agency spend.</li> </ul>	Deputy Chief Executive & City Treasurer, City Solicitor, Director of HROD.	Resources and Governance Scrutiny Committee
3	Our Transformation - ensuring effective governance of all the programmes involved in strengthening and transforming how we work.	A set of linked programmes have brought 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	Deputy Chief Executive & City Treasurer, City Solicitor  Future Council Core Group	The Executive Scrutiny Committees

		<p>Budget planning and the Our Transformation portfolios of work.</p> <p>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 as follows:</p> <ul style="list-style-type: none"> <li>• Our Ways of Working</li> <li>• Strengthening Accountability and Our Processes</li> <li>• Resident and Business Digital Experience</li> </ul> <p>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 Executive.</p> <p>Looking forward, the Future Shape of the Council programme will deliver the next steps to reshape how Manchester delivers services both internally and externally, by using new technologies, ways of working and new delivery models. A report to March 2021 Executive set out the approach in detail.</p>		
<b>Action</b>	<b>What action was to be addressed</b>	<b>Governance of actions taken / planned</b>	<b>Officer Leads / Programme Boards</b>	<b>How is this monitored?</b>
<b>4</b>	Carbon reduction - ensuring that we have robust and effective governance of strategies, which will enable delivery of the 2038 zero carbon targets.	The Zero Carbon Coordination Group drives forward the integrated activity required to ensure that the Council plays its full part in ensuring the city reaches its ambitious climate change commitments. This strategic group oversees the	Deputy Chief Executive and City Treasurer, Director of Policy,	Neighbourhoods and Environment Scrutiny Committee

		<p>development and delivery of the Manchester Climate Change Action Plan 2020-25, which was approved by the Executive in March 2020.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Buildings and Energy</li> <li>• Transport and Travel</li> <li>• Reducing consumption-based emissions and influencing suppliers</li> <li>• Climate adaptation, carbon storage and carbon sequestration</li> <li>• Influencing behaviour and being a catalyst for change</li> </ul>	<p>Performance and Reform.</p> <p>Zero Carbon Coordination Group</p>	
<b>Action</b>	<b>What action was to be addressed</b>	<b>Governance of actions taken / planned</b>	<b>Officer Leads / Programme Boards</b>	<b>How is this monitored?</b>
<b>5</b>	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 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.	<p>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.</p> <p>Health and social care partners have established a new Manchester Partnership Board (MPB) of system leaders, chaired by the Leader of the Council, is established to drive delivery of health and social care integration in the city. This will include the 'supercharging' of Manchester Local Care Organisation as the integrated delivery vehicle for improving health</p>	<p>Director of Adult Social Services, Deputy Chief Executive &amp; City Treasurer</p> <p>Manchester Partnership Board</p> <p>MLCO Accountability Board</p>	<p>Health Scrutiny Committee</p> <p>Health and Wellbeing Board</p>

		<p>and wellbeing outcomes and reducing health inequalities in the city.</p> <p>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.</p> <p>A new Section 75 agreement is being developed by June 2021 to govern the partnership arrangements and decision making between the Council and Manchester Foundation Trust (MFT) that will operate through MLCO. The detail of the location of health commissioning functions in the Manchester system is yet to be determined, whilst all of Adult Social Care commissioning will be delivered through MLCO from 2021/22.</p> <p>A new MLCO Accountability Board has been established to provide a single governance forum and point of assurance for all key partners, including the Council, 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.</p> <p>A report on the Future Shape of the Council work programmes was taken to March 2021 Executive, which set out the next steps for Health and Social Care integration.</p>		
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Action	What action was to be addressed	Governance of actions taken / planned	Officer Leads / Programme Boards	How is this monitored?
6	<p>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.</p>	<p>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. A number of key priorities were successfully delivered, including significant reductions in waiting lists and progress with permanent social worker recruitment.</p> <p>The next stage is delivery of Better Outcomes, Better Lives which is MLCO's transformation programme for Adult Social Care. This commenced in 2021 and builds on work to integrate health and social care in Manchester, the ASC improvement programme and other transformation initiatives delivered in recent years.</p> <p>A full report on Better Outcomes, Better Lives was taken to March 2021 Health Scrutiny Committee.</p>	<p>Director of Adult Social Services</p> <p>Transformation Accountability Board</p>	<p>Health Scrutiny Committee</p>
7	<p>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.</p>	<p>The Council has a Cyber Security team supported by Security Service contracts and external suppliers. This hybrid approach researches, investigates and implements continual security improvements. As well as taking actions to protect our infrastructure services, systems and devices along with our users. Relevant cyber alerts and updates are provided to staff through standard communication broadcasts to ensure that they feel supported and informed along with an</p>	<p>Deputy Chief Executive &amp; City Treasurer, Director of ICT.</p> <p>ICT Board</p>	<p>Resources and Governance Scrutiny Committee</p>

		<p>ongoing Cyber Security training and awareness programme.</p> <p>The overall aim of the data centre project was to achieve improved resilience and disaster recovery. The objective was to migrate from the single data centre to two geographically separate co-located centres that provide disaster recovery and address previous single points of failure.</p> <p>The final tasks were undertaken in March 2021 to complete the transition from the project to the IT Service Operation teams and formally close the project. Regular service management reviews and Service Level Agreements are now in place with the new Data Centre Provider UKFast.</p> <p>A full ICT update report, including more detail about the final stages of the data centre project, was taken to February 2021 Resources and Governance Scrutiny Committee.</p>		
<b>Action</b>	<b>What action was to be addressed</b>	<b>Governance of actions taken / planned</b>	<b>Officer Leads / Programme Boards</b>	<b>How is this monitored?</b>
<b>8</b>	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).	Technological change is effectively managed within the Council by having oversight and governance provided by the following forums: the ICT Portfolio Board, Design Authority Group, Change Assurance Board and the Strategic Capital Board. In addition, ICT have robust internal governance processes that aim to ensure controlled and consistent approach to delivery change and provide assurance throughout the delivery lifecycle.	<p>Deputy Chief Executive &amp; City Treasurer, Director of ICT.</p> <p>ICT Portfolio Board</p> <p>Design Authority Group</p>	Resources and Governance Scrutiny Committee

		<p>Some of the key programmes and projects to be progressed or completed in 2021/22 include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Telephony and Contact Centre Project</li> <li>• Network refresh programme (WAN and LAN &amp; WiFi projects)</li> <li>• End User Device</li> <li>• CIVICA Pay (Income Management)</li>   <li>• FLARE (Application Rationalisation)</li> <li>• Resident Digital Experience Transformation</li> <li>• Legal Services Case Management Tool</li> </ul> <p>The Liquidlogic suite of social care products have been operational since July 2019. The final component of this programme is the replacement of the Early Years and Education system (EYEs) which will become the core system for the Education Service in May 2021. Plans are currently underway for go live, with train the trainer sessions and user acceptance testing already taken place. This will complete the entire changeover to a modern, single, integrated platform for Adult Social Care (ASC), Childrens Social Care (CSC), and Education.</p> <p>Within the Network Refresh Programme, the Wide Area Network (WAN), Local Area Network (LAN) and the WiFi projects have completed procurement and have confirmed suppliers, site surveys are now underway and the design work for the WAN has commenced. These projects will represent significant investment for the Council over a number of years delivering much improved infrastructure and connectivity across the estate.</p> <p>ICT Departmental Management Team will continue to update the priority list of initiatives on</p>	<p>Change Assurance Board</p> <p>Strategic Capital Board</p>	
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		<p>an ongoing basis as projects are delivered and to ensure continued alignment with the Our Manchester Strategy, Our Transformation Programme and other Council priorities.</p> <p>A full ICT update report was taken to February 2021 Resources and Governance Scrutiny Committee, which provides a detailed update on key projects.</p>		
<b>Action</b>	<b>What action was to be addressed</b>	<b>Governance of actions taken / planned</b>	<b>Officer Leads / Programme Boards</b>	<b>How is this monitored?</b>
<b>9</b>	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.	<p>The Council's response to the risks and uncertainties associated with EU Exit Transition was coordinated by the Brexit (now EU Exit) Preparedness Group which was chaired by the Strategic Director - Neighbourhoods. The group has now been stood down and monitoring the impact is now business as usual for services. Adhoc meetings may be arranged if required for instance the group was recently convened to review the potential impact of Hong Kong Nationals arriving in the city following recent visa changes.</p> <p>The Greater Manchester Preparedness Group is currently still meeting and focuses on issues and civil contingencies at a city region level.</p>	<p>Chief Executive</p> <p>EU Exit Preparedness Group</p>	Economy Scrutiny Committee
<b>Action</b>	<b>What action was to be addressed</b>	<b>Governance of actions taken / planned</b>	<b>Officer Leads / Programme Boards</b>	<b>How is this monitored?</b>
<b>10</b>	Strengthening the consistency of and accountability involved in the Council's approach to commissioning, procurement and contract management. This includes; improving supply	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	Deputy Chief Executive & City Treasurer, Head of Strategic Commissioning.	Resources and Governance Scrutiny Committee

	chain resilience, building in carbon reduction requirements and reducing reliance on waivers.	<p>report to October 2020 Resources and Governance Scrutiny Committee.</p> <p>Governance of social value 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.</p> <p>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.</p>	<p>Social Value Governance Board</p> <p>Commercial Board</p>	
<b>Action</b>	<b>What action was to be addressed</b>	<b>Governance of actions taken / planned</b>	<b>Officer Leads / Programme Boards</b>	<b>How is this monitored?</b>
<b>11</b>	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.	<p>Work has been progressed through the Our Transformation programme to strengthen the Accountability Framework, to improve levels of understanding and compliance with decision making requirements.</p> <p>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.</p> <p>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</p>	Deputy Chief Executive & City Treasurer, City Solicitor, Director of HROD.	Standards Committee

		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. The LGA has issued a new model code of conduct for Members, which was considered at the March 2021 meeting of Standards Committee.		
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## 7. Action Plan: Governance Challenges for 2021/22 Onwards -

The review of governance arrangements has identified the main areas where the Council will need to focus its efforts during 2021/22, 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 2022.

Action	What action is to be addressed	Who is responsible for delivery		How is this monitored?
		SMT Leads	Directors or Heads of Service	
1	Continuing to ensure effective governance of the response and recovery from COVID-19. This includes a focus on the city's longer-term recovery, including its economy, residents and communities, for example via delivery of the Economic Recovery and Investment Plan.	Chief Executive, Deputy Chief Executive & City Treasurer	-	The Executive Economy Scrutiny Committee
2	Continuing to develop the capability of our workforce, to support the delivery of Our Corporate Plan and the Future Shape of the Council. This includes continuing to embed the Our Manchester Behaviours, and the new Employee Code of Conduct, along with delivery of organisational development plans.	Deputy Chief Executive & City Treasurer, City Solicitor	Director of HROD	Resources and Governance Scrutiny Committee
3	Future Shape of the Council – Ensure effective governance of the coordination of, and interdependencies	Deputy Chief Executive & City		The Executive

Action	What action is to be addressed	Who is responsible for delivery		How is this monitored?
		SMT Leads	Directors or Heads of Service	
	between the work programmes which will deliver the next steps to reshape how Manchester City Council operates, including using new technologies, ways of working and new delivery models.	Treasurer, City Solicitor		Scrutiny Committees
4	Carbon reduction - ensuring that we have effective governance of strategies and action plans that enable delivery of the target to be a zero-carbon city and Council by 2038 at the latest.	Deputy Chief Executive and City Treasurer	Director of Policy, Performance and Reform	Neighbourhoods and Environment Scrutiny Committee
5	Ensure effective governance of the next phase of health and social care integration. This includes the next steps in the development of Manchester Local Care Organisation (MLCO) as the delivery vehicle to reduce health inequalities and improve the health and well-being of the people of Manchester.	Director of Adult Social Services, Deputy Chief Executive & City Treasurer	-	Health Scrutiny Committee
6	Ensure effective governance of the delivery of 'Better Outcomes, Better Lives' which is MLCO's transformation programme for Adult Social Care.	Director of Adult Social Services	-	Health Scrutiny Committee
7	Governance of the strategic direction for delivery of proposed ICT infrastructure and systems essential to business operations and legal compliance, including the social care system. Mitigation of delivery timescale risks, and effective prioritisation where there is an interdependence between business-critical programmes (e.g. telephony).	Deputy Chief Executive & City Treasurer	Director of ICT	Resources and Governance Scrutiny Committee
8	Strengthening the consistency of and accountability involved in the Council's approach to commissioning, procurement and contract management. This includes;	Deputy Chief Executive & City Treasurer	Head of Strategic Commissioning	Resources and Governance Scrutiny Committee

Action	What action is to be addressed	Who is responsible for delivery		How is this monitored?
		SMT Leads	Directors or Heads of Service	
	improving supply chain resilience, building in carbon reduction requirements and reducing reliance on waivers.			
9	Governance of the coordination of delivery of our commitments on equality, diversity and inclusion in relation to Manchester's citizens, and to our workforce. This includes delivery of both the Workforce Equality Strategy and the Race Equality programme.	Chief Executive, City Solicitor	Director of HROD	Resources and Governance Scrutiny Committee Communities and Equalities Scrutiny Committee
10	Development of governance arrangements for the new model for housing delivery. This includes effective oversight of delivery of the first phase of this work, which will be the facilitation of the Northwards Housing Arm's-Length Management Organisation (ALMO) being brought back in house.	Strategic Director - Development	Director of Housing & Residential Growth	The Executive  Economy Scrutiny Committee  Resources and Governance Scrutiny Committee

## 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.