

**Manchester City Council  
Report for Information**

**Report to:** Audit Committee – 29 November 2022

**Subject:** Register of Significant Partnerships: Partnerships with Reasonable or Limited Assurance Ratings

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

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**Summary**

The report provides an update on the partnerships where a ‘Reasonable’ or ‘Limited’ rating was recorded and presented to the Audit Committee in June 2022.

**Recommendations**

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

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**Wards Affected:** All

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

This report is for information in relation to the governance strength ratings of partnerships and does not directly propose decisions affecting the achievement of the zero-carbon target.

**Contact Officers:**

Name: Carol Culley  
Position: Deputy Chief Executive and City Treasurer  
Telephone: 0161 234 3435  
E-mail: carol.culley@manchester.gov.uk

Name: Sarah Narici  
Position: Head of Project Management Office: Commercial Governance  
Telephone: 07971 384491  
E-mail: sarah.narici@manchester.gov.uk

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

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

- Audit Committee 14<sup>th</sup> June 2022 - Register of Significant Partnerships 2022

# 1 Introduction

- 1.1 In June each year, the Audit Committee is presented with the outcome of the annual assurance process called the Register of Significant Partnerships (RSP). The RSP is a compilation of a range of entities / partnerships that are considered to be of the highest significance to the financial position or reputation of the Council, which deliver key corporate objectives, statutory obligations and Our Manchester priorities. An updated version of the 2021 RSP is attached to this report at Appendix 1. Please note, the attached RSP has been updated to reflect the position agreed by Audit Committee in June 2022, with the entities that were no longer deemed to fall within the RSP criteria or in existence now removed.
- 1.2 To be included on the Council's Register of Significant Partnerships, the partnership should meet one or more of the following criteria:
- I. Of strategic importance to the Council, critical to the delivery of the Council's key objectives or statutory obligations, and / or to the delivery of the Our Manchester Strategy;
  - II. Critical to the reputation of the Council – failure of the partnership to deliver could damage the reputation of the Council;
  - III. Responsible for spending significant public investment or whereby the Council has significant exposure.
- 1.3 Given that partnership working is a significantly important way for the Council to meet its strategic objectives, the principles of ensuring the lawful conduct of business, that public money is safeguarded, accounted for and spent efficiently and effectively, apply equally to both the Council and its partners. Therefore, it is vital that the Council has assurance that these partnership arrangements are clearly defined with effective governance arrangements in place for all such arrangements.
- 1.4 The purpose of the RSP is to assess whether or not the partnership arrangements that the Council is a party to are performing well, delivering value for money and realising the benefits and outcomes that they were established to achieve. The RSP process standardises the Council's approach to the overview of its partnerships; helping strengthen accountability, manage risk and ensure consistent working arrangements.
- 1.5 During the annual review of the RSP all partnerships are rated with a level of assurance. There are four levels of assurance. These are as follows:
- Substantial: Demonstrating consistent application of good governance practices, providing a high level of assurance and delivering both the partnership and Council objectives, with any matters noted not putting the overall delivery objectives at risk.
  - Reasonable: An overall sound system of governance has been established but there are some areas for improvement to ensure the delivery of both the objectives of the Council and the partnership. Recommendations will be moderate or a small number of key priorities.

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

1.6 As part of the annual RSP process and subsequent ongoing monitoring of the partnership arrangements, any partnership which does not receive a substantial rating is required to provide a six-month update to Audit Committee to outline progress to further strengthen the level of assurance.

1.7 Following the completion of the 2021 review process, of the 48 partnerships on the register, 38 (79.1%) were rated as having a 'Substantial' assurance rating, 4 (8.3%) rated as 'Reasonable', 1 (2.1%) rated as 'Limited', zero rated as 'Weak' and 5 entries (10.5%) removed from the register. This report provides an update on the entries which were reported to Audit Committee in as being rated 'Reasonable' and 'Limited'.

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

2.1 Following the last assessment process and the annual update on the Register of Significant Partnerships that was presented to Audit Committee in June 2022, the section below provides an update on the entities that were rated either as Reasonable or Limited.

### **Limited Rating**

#### **2.2 Manchester Working Ltd (entry 4)**

2.2.1 Manchester Working Ltd (MWL) was established as a joint venture company in 2006 for the provision of building maintenance services for the Council and Northwards Housing.

2.2.2 The company has one remaining contract that is due to be completed at the end of November. Once the contract is complete it is anticipated that work can commence on the winding up of the company.

2.2.3 There is no material change in terms of the Board make up which is currently made up of two Council representatives and six representatives from Mears. However, one of the current Council representatives will need to step down at the end of the calendar year due to their departure from the Council and consideration will need to be given to whether a replacement is

required.

- 2.2.4 The annual statement of accounts for the period ending 31 December 2021 have been filed at Companies House and it is unlikely that there will be any remaining assets once the Company is formally wound up.

### **Reasonable Rating**

## **2.3 Manchester Safeguarding Partnership (entry 16)**

- 2.3.1 Greater Manchester Integrated Care Arrangements came into place on 1<sup>st</sup> July 2022. Andrea Patel, Director of Safeguarding Manchester, provides continuity from the previous arrangements. Any impact on the Manchester Safeguarding Partnership (MSP) has been proactively managed through regular reporting and consultation.
- 2.3.2 MSP formalised the arrangements for the MSP Steering group in April 2022 (formally MSP task and finish group). The Terms of Reference state the purpose of the group is to oversee the business of the MSP and support the infrastructure to help partners work together to drive progress and MSP strategic priorities. The group meet monthly with the partnership manager and consultant working on the development plan which is intended to drive forward improvements to decision making and scrutiny.
- 2.3.3 The MSP annual report 2020/21 was presented to the Children and Young People Scrutiny Committee in May 2022 and the inaugural Children of Manchester Safeguarding Conference was held in July. The conference is to become an annual event.
- 2.3.4 Considerable progress has been made in financial planning processes and transparency. A planned zero-based budget exercise to propose a new contributions formula has been delayed due to capacity issues and competing priorities. However, the MSP is in a good financial position and has invested in improvement capacity.
- 2.3.5 MSP has revised and agreed a risk identification model and reports on the risk register quarterly. Leadership and accountability are sighted on risk and the MSP Steering Group have monthly oversight and if required immediate action is taken.
- 2.3.6 The Safeguarding Effectiveness subgroup is working to a new framework and guidance. The first of two development sessions to implement the new arrangements was held in September 2022 and the second is scheduled to take place in November 2022. The partnerships data set, scoreboard and reporting mechanism are progressing and expected to be embedded by quarter 4, 2022/23.
- 2.3.7 Going forward the development plan will continue to drive improvement activity and increase the level of assurance for the MSP. The strategic development sessions will inform the 5-year plan 2023/2028.

## **2.4 Greater Manchester Mental Health NHS Foundation Trust (GMMH) (entry 26)**

- 2.4.1 The partnership is based on a legal contract with GMMH for the delivery of the Council's statutory duties under a Section 75 partnership agreement. The purpose is to deliver Social Worker Assessment and care management, approved mental health provision, community inclusion services and resettlement functions within an integrated health and social care organisation. The Section 75 Agreement forms part of a wider single integrated health and social care (NHS standard) contract held by GMMH and commissioned by the Council and Clinical Commissioning Group (CCG).
- 2.4.2 In the previous reporting period, the self-assessment highlighted major changes to the contractual landscape driven by the NHS Long Term Plan. This plan confirmed that all parts of England would be served by an Integrated Care System (ICS) from April 2021. In Greater Manchester, this was delayed to 1<sup>st</sup> July 2022.
- 2.4.3 The Greater Manchester ICS has now been established and has absorbed the former Manchester Health and Care Commissioning and its Mental Health Contract (of which Adult Social Care remains an Associate Commissioner). MCC Legal Teams have supported Adult Social Care with the directorate's elements of social care provision contained within the contract, which was formally executed in September 22.
- 2.4.4 Alongside this, Adult Social Care is refreshing its Section 75 Partnership Agreement with Greater Manchester Mental Health Foundation Trust. The first draft of this document is anticipated to be completed at the end of October 22. It will then undergo a period of review between the partnership with a view to this being agreed and executed by December 2022. This refreshed agreement brings a strengthened governance framework via amendments to the Terms of Reference for the Joint Assurance Group and a newly established annual mental health business improvement planning cycle.

## **2.5 Manchester Local Care Organisation (MLCO) (entry 40)**

- 2.5.1 The Our Healthier Manchester Locality Plan sets the ambitions for the city to significantly improve health outcomes and tackle health inequalities.
- 2.5.2 The partnership's aim and objectives are set out in an agreed Section 75 agreement which was created to govern the partnership arrangements and decision making between MCC and Manchester Foundation Trust (MFT). The agreement enables MLCO to deliver an enhanced range of functions and include the transfer of commissioning functions for social care.
- 2.5.3 The arrangements in place relating to Manchester Local Care Organisation continue to be effective with there being no significant change following the

annual update. This includes the Section 75 agreement and associated internal governance, risk and performance arrangements.

- 2.5.4 In line with the national implementation of Integrated Care Systems system wide governance in Manchester has undergone some changes, which, in turn, have an implication for MLCO. This includes the disestablishment of the MLCO Accountability Board, and the establishment of Manchester Provider Collaborative. Work is underway to re-establish a forum that would assume the core functions of the Accountability Board forum the principal objective of which would oversee the delivery of the services and functions that fall within the purview of the current Section 75 agreement that exists between MCC and MFT.
- 2.5.5 This would recognise that each partner has defined reserved matters, that there is a benefit to having a shared assurance space, and that a section 75 exists between MCC and MFT that codifies a relationship that exists and formally acknowledges that both the MLCO Chief Executive and MLCO Director of Finance have delegated responsibilities in relation to adult social care and community health services.
- 2.5.6 The revised piece of governance will:
- enable MLCO to hold strategic discussions with the two partnering organisations that established the MLCO and likewise the two partnering organisations to hold bilateral discussions relating to MLCO with each other
  - enable joint oversight of key performance and financial issues relating to MLCO delivery.
  - manage areas of joint risk
  - this forum is intended to mobilise in quarter three 2022/23.

## **2.6 One Education (entry 43)**

- 2.6.1 One Education provides a range of educational and Business Support services to Manchester schools and following a competitive tendering process, One Education was also awarded the contract for the provision of Educational Psychologist services to Manchester City Council schools.
- 2.6.2 Solace has recently concluded a review of One Education, which was commissioned by MCC. The review identified and made useful recommendations on:
- Alignment the strategic fit and shared priorities between MCC and One Education
  - Introduction of a Shareholder Agreement between MCC and One Education
  - Recruitment of Non-Executive Directors in order to further strengthen the Board
  - Further work on company business model, particularly exploring the potential to create a charitable arm

- The need for MCC and One Education to review areas of activity / services to schools where there is an overlap e.g. payroll

2.6.3 A recent meeting took place between One Education and the Council to review the recommendations and agree how they are progressed, some of which are short-term e.g. NED recruitment, Shareholder Agreement, whilst others will need to be progressed in line with the development of the new Education Strategy for Manchester (responding to the Governments White Paper).

2.6.4 On an operational basis, the Acting Chief Executive's contract has been extended until the end of December 2022, with positive work continuing on building constructive engagement and further enhancing relationships with key stakeholders. In addition, there have been some other good appointments at senior level. One Education has had a strong start to the academic year, maintaining a high proportion of SLAs with schools, with the company on track to achieve a positive outturn this financial year.

### **3 Next Steps**

3.1 Following this year's annual assessment, a lessons learnt exercise was carried out and improvements to further strengthen and enhance the process were identified. These areas will be implemented as part of the annual update of the register. These included amendments to the on-line review form to ensure the capture of further relevant information, a review to ensure the Link Officers who complete the assessments are the appropriate people and a more detailed timeline for producing the register. The plan is to build a lessons learnt exercise into the annual process so continual improvement will be made year on year.

3.2 Work has been carried out to verify whether the current partnerships on the RSP are still relevant and whether any further are entries required to be added. A further six entities have been identified for inclusion on the next RSP:

- Manchester Climate Change Partnership Board
- Manchester Heat Network Special Purpose Vehicle
- Manchester Schools Alliance
- Manchester Institute of Health & Performance Limited
- The National Football Museum
- This City MCR Limited

The new entries will start to be reported on from as part of the next annual update of the register which is due to be presented to Audit Committee in June 2023.

3.3 It is also to be noted that the Register of Significant Partnerships is referenced as a key governance and assurance tool as part of the refreshed Corporate Code of Governance. The Code sets out the Council's governance standards. These standards ensure the Council is doing the

right things, in the right way in a timely, inclusive, open, effective, honest and accountable manner. An update of the Corporate Code of Governance was recently presented to Standards Committee and is also on the agenda of today's Audit Committee meeting.