

Manchester City Council Report for Information

Report to: Audit Committee – 12 November 2019

Subject: Governance Improvement Progress for Partnerships with Low or Medium Strength of Governance Assessment Ratings

Report of: Deputy Chief Executive and City Treasurer

Summary

The report provides an update on progress made to strengthen governance arrangements in the sixteen partnerships where a 'Low' or 'Medium' Partnership Strength of Governance rating was recorded in the 2018 Register of Significant Partnerships, as requested by the committee in February 2019.

Recommendations

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

Wards Affected: All

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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 officers above.

Report to Audit Committee 11 February 2019 – Significant Partnerships Register

1. Introduction

- 1.1 In recognition of the need to ensure that all the Council's significant partnerships continue to perform well, delivering value for money and supporting the Council's strategic objectives, a Partnership Governance Framework is in place. This framework defines and standardises the Council's approach to managing its partnerships, in order to help strengthen accountability, manage risk and rationalise working arrangements.
- 1.2 In support of its application of this framework, the Council maintains a Register of Significant Partnerships, which has been in place since 2008. It lists all key partnership arrangements that are considered to be of the highest significance to the financial and reputational risk of the Council and to achieving the Council's objectives. These arrangements are not uniform, ranging from joint venture partnerships, statutory groups and PFIs. They reflect different governance structures depending on their legal status.
- 1.3 The Register is refreshed annually; the latest version of the Register was taken to Audit Committee on 11 February 2019. In the updated Register, fifteen partnerships had a strength of governance rating of 'Medium', indicating that while there is a generally sound system of governance in place in these partnerships, areas for improvement were identified. One partnership had a rating of 'Low', meaning that control arrangements needed to be strengthened, and that the partnership's and Council's objectives were unlikely to be met.
- 1.4 To gain assurance that plans are in place to strengthen governance arrangements in these partnerships, Audit Committee requested that a report is produced which details progress made to strengthen governance arrangements in those partnerships with a 'Low' or 'Medium' strength of governance rating.

2. Progress made to strengthen partnership governance arrangements Partnerships with a 'Low' Strength of Governance Rating Hulme High Street (entry 41)

- 2.1 Hulme High Street Ltd is a joint venture limited company incorporated in 1996 between Manchester City Council (as landlord) and Amec (as developer) formed to develop the Hulme High Street area brought about following the Hulme City Challenge regeneration project initiated in the early 1990s. The site comprised the High Street area including the 'Asda' retail park along with the surrounding high street, market and residential development sites. Amec's interest is now held by Muse Developments. Although there is a Council Officer listed as a director of the Company, the company is effectively dormant. The Council do not have involvement in the day to day running of the Company given the elapse of time since any real activity.
- 2.2 The principal objective for the formation of this partnership arrangement was to develop the Hulme High Street area of the City. All but one of the sites has now been developed, and this site will be acquired by the Council as part of the winding up of the company.

- 2.3 The Council has now commenced the process of acquiring the shares in Hulme High Street Ltd currently held by AMEC/Muse. The result being that the Council shall become the sole shareholder of the company hence no longer a joint venture or partnership. The Council's legal team continue to prioritise this area of work; in the interim the partnership remains as 'Low' governance strength.

Partnerships with a 'Medium' Strength of Governance Rating

Manchester Working Ltd (entry 4)

- 2.4 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. In 2018, the partnership was rated as 'Medium' governance strength.
- 2.5 The contract between the Council, Northwards Housing and MWL has expired. A re-procurement tender exercise was undertaken in accordance with the EU public procurement rules and a new contract for Repairs and Maintenance Services to Northwards Housing Managed Stock and new adaptations across all Manchester City Council housing was subsequently awarded to Mears Limited. This contract is not connected to the joint venture company.
- 2.6 MWL continues to undertake a small number of Capital projects which will all be completed by 30th June 2020.
- 2.7 The task and finish group established by the Deputy City Treasurer will continue to oversee the finalisation of the accounts and the closure of the joint venture company.

NOMA (entry 13)

- 2.8 The partnership is in place to provide strategic oversight and to guide regeneration and development within the NOMA area between Victoria and Shudehill. Hermes are now the sole owner of the development, with the Co-op having sold their interest (although the Co-op still occupy their Head Office site at 1 Angel Square). Hermes are taking forward the delivery of the masterplan, together with a development manager partner, MEPC, which has recently been reviewed in consultation with the Council. In the last update of the Register, NOMA was rated as 'Medium' strength of governance rating.
- 2.9 Following work by officers, the strategic partnership arrangements with Hermes have strengthened significantly over the last year. Regular Board meetings have now been re-established, good relationships have now been made with individual officers and additional officer meetings on specific issues also take place. Hermes have also welcomed the Council's support at launch events.
- 2.10 Progress on delivering the masterplan has been demonstrated by the recent completion of two schemes, together with the submission of the next phase of

planning applications, covering new commercial, residential, and leisure development.

- 2.11 The translation of the latest round of planning applications through to delivery will be kept under review at Partnership Board.

Northern Gateway (entry 15)

- 2.12 Northern Gateway was a new entry to the Register in 2018, and was rated as 'Medium' governance strength.
- 2.13 The Council entered into a series of documents on 26 April 2017 with an investor - Far East Consortium (FEC), for the comprehensive redevelopment of the whole of the Northern Gateway for high quality housing and ancillary development. FEC are investing in the scheme through a wholly owned SPV called FEC Northern Gateway Development Limited (InvestCo).
- 2.14 The Council and InvestCo have entered into a new joint venture company called Northern Gateway Operations Limited (OpCo) which is jointly owned and controlled by InvestCo and the Council. OpCo will have strategic input into, and oversight of, the development of the Northern Gateway - primarily through the approval of an overarching strategic business plan and business plans for each Development Area and through monitoring delivery against them. The Council is to approve planning applications as land owner (separate to its role as local planning authority).
- 2.15 The relationship between the Council and InvestCo is governed by the Shareholders Agreement which sets out the operational parameters of OpCo. Day to day management of OpCo is vested in the OpCo Board and each shareholder is entitled to appoint up to three directors. The Council has appointed as its Directors the Executive Member for Housing and Regeneration; the City Treasurer; and the Strategic Director, Growth and Development. The Council directors and InvestCo directors each have a collectivised vote and all decisions to be passed must be voted on by both sets of of directors. The OpCo Board meets on a quarterly basis and minutes of each meeting are recorded by an appointed secretary.
- 2.16 The relationship between OpCo and InvestCo is governed by the Operational Agreement. In general terms InvestCo is free to conduct the day to day business of the company but this is subject to the restrictions contained in this agreement which broadly act to ensure that InvestCo cannot do anything which could prejudice the interest of the Council as a party entitled to receive a profit share from InvestCo pursuant to the terms of the Agreement for Lease (ie concerning the land owned by the Council that goes into the scheme for the purposes of development).
- 2.17 OpCo can issue directions - through the OpCo Board - to InvestCo as long as they are consistent with the business plans and OpCo can review all material contracts that InvestCo is to enter into and can make representations in relation to those contracts. There are open book audit and reporting

requirements to provide transparency on the operation of InvestCo. The Council is not party to the Operational Agreement but has third party rights to enforce its duty in relation to accounting, reporting and audit requirements.

- 2.18 The Shareholder Agreement and the Operational Agreement are complemented by the Development Management Agreement which requires FEC (contracting through FEC Development Management Limited) to provide development management services for the venture. This Agreement is structured so that services will be for the benefit of both OpCo and InvestCo but that OpCo will have no obligations or liability under this agreement.
- 2.19 The Development Management Agreement requires that regular reports and advice are provided against the business plans to OpCo to review the progress of the sites and delivery against the business plans. The Development Manager will also provide the information to the OpCo Board as necessary to allow the Board to develop the business plans for approval by the shareholders of OpCo.
- 2.20 A series of key milestones are covered within the suite of legal documents as part of the JV. A major milestone was achieved in February 2019 with the approval of the Masterplan/Strategic Regeneration Framework (SRF) which will facilitate and provide clarity to the delivery of planned development phases across the Northern Gateway area.
- 2.21 The initiative is being driven by officers within the Council's Residential Growth Team of the Growth and Development Directorate, with support from other service areas across the Council including: Legal; Planning; Neighbourhoods; Highways; Policy; Health; Education; and Work and Skills.
- 2.22 A range of external stakeholders will play a role in the delivery of the Northern Gateway, as well as those bringing forward development proposals. Such external stakeholders include the Environment Agency; Transport for Greater Manchester; Greater Manchester Combined Authority; United Utilities; National Grid, Electricity North West; Homes England; and Ministry of Housing, Communities & Local Government.
- 2.23 Risks relating to the overall delivery of the Northern Gateway are monitored and addressed by the Operational Delivery Group comprising officers from the Residential Growth Team and from FEC. Meetings are held on a weekly basis. Risks are reported to the OpCo Board as appropriate.
- 2.24 As the programme moves forward a series of thematic working groups have been/will be established. Key thematic work streams include: Transport and Movement Working Group which includes representation from TfGM and Network Rail; Green and Blue Infrastructure Working Group; and Infrastructure Delivery Group. The work of each of these groups is overseen by the Operational Delivery Group with decisions, including requests for delegated decision-making powers, being granted by the OpCo Board.

Manchester Safeguarding Children's Board (now Manchester Safeguarding Partnership) (entry 16)

- 2.25 In view of the continued work to strengthen the partnership's governance, and the forthcoming transition to new safeguarding arrangements, the 2018 strength of governance rating for the Manchester Safeguarding Children's Board (MSCB) was 'Medium', which remained the same as the previous year.
- 2.26 The Manchester Safeguarding Partnership (MSP) has now replaced the MSCB, which consisted of the Manchester Safeguarding Children Board and Manchester Safeguarding Adults Board. The new MSP was established in response to new legislative guidance (Working Together 2018) which required all local areas to publish their new multi-agency safeguarding arrangements for children by 29 June 2019. The legislation and guidance abolished the need for local areas to establish Local Children's Safeguarding Boards (LSCB) where local authorities had lead responsibility to having partnership arrangements led by three strategic partners who all have equal responsibility for safeguarding arrangements in their local area. The three strategic partners are the Chief Officers of the Local Authority, the Clinical Commissioning Group and Greater Manchester Police.
- 2.27 Manchester saw the statutory requirement requiring a change to our partnership approach to safeguarding for children as an opportunity to align our partnership safeguarding arrangements for children and adults. The published arrangements are therefore also in line with the Care Act 2014 requirements for Safeguarding Adults Board (SAB). In the new MSP arrangements the Adult Safeguarding Executive Group will fulfil the function of Safeguarding Adult Board detailed in Care Act 2014.
- 2.28 Manchester's Multi-Agency Safeguarding arrangements document was published in June 2019 range of activities continued across the partnership to confirm the detail and embed the new arrangements. A Project Implementation Group was established of key senior officers from the key partner agencies to progress the key aspects for implementation. This has included an amended structure by which to provide assurance regarding Partnership approach to safeguarding in Manchester.
- 2.29 A range of workshops and activities have also informed the detail of the new arrangements to ensure we build upon a strong foundation and to provide assurance and confidence in our partnership safeguarding arrangements as part of our journey of continuous improvement.
- 2.30 The purpose of the new arrangements is to support partnership working whereby:
- Children and adults at risk of abuse and harm are safeguarded and their welfare promoted.
 - Partner organisations and agencies collaborate, share and co-own the vision for how to achieve improved outcomes for vulnerable people in our city.

- Organisations and agencies challenge appropriately and hold each other to account.
- There is early identification and analysis of new safeguarding issues and emerging threats.
- Learning is promoted and embedded in a way that local services for children and adults at risk of harm or abuse can be more reflective and improve practice.

2.31 An update on the MSP's arrangements is to be published by the end of October 2019. In summary the new arrangements aim to ensure:

- A timely and proportionate response to safeguarding learning reviews.
- Focus on learning and improvement activities to ensure we listen, understand and respond to learning from reviews for children and adults at risk of harm or abuse.
- An increase our focus on learning and its positive impact on practice and outcomes for children and adults at risk of abuse or harm.
- The voice of children, adults and their families are central to our work.
- Acknowledge the involvement and support of education sector.
- A consistent and joined up approach to safeguarding for children and adults at risk of harm or abuse.
- Clear and accessible arrangements for information sharing.
- Clear and transparent arrangements for dispute resolution.

2.32 The newly established Accountabilities and Leadership Board led by Strategic Partners will have its first meeting in November 2019. This Board will provide strategic leadership to the partnership, take decisions and make commitments on policy, resources and practice matters, holding respective agencies to account on how effectively they participate in and implement local arrangements.

2.33 A new Independent Chair role will act as a critical friend offering independent scrutiny and challenge to the partnership. This position is currently being recruited to.

2.34 Separate children's and adults Executive Safeguarding Groups will performance manage and hold to account partners regarding the safeguarding systems for children and adults at risk of harm and abuse and their families. The Executive Groups will embed the new safeguarding arrangements, seek assurance regarding child death arrangements and the wider safeguarding arrangements for children and adults.

2.35 Separate Child and Adult safeguarding Practice Review Panels will oversee the process for undertaking reviews where a child or adult has suffered significant harm or death and there is multi-agency learning. Work has been undertaken to review the processes to ensure we have appropriate thresholds and take a strategic approach to identifying where it is appropriate to undertake a review. Additional capacity has been identified to ensure that the current outstanding reviews (for children and adults) are completed promptly. New learning reviews for adults will be commissioned more robustly to ensure

partnership learning is identified and acted upon more promptly, are more cost and resource efficient with contracts for independent reviewers clearly outlining expectations.

- 2.36 There will be four sub-groups responsible for progressing Quality Assurance, Complex Safeguarding, and Learning and Improvement to support the MSP in fulfilling its core business and functions. Each sub-group will have a work plan to progress their area of responsibility.
- 2.37 Child and Adult Practice Fora within localities will build upon existing positive work and embed learning. The children's fora are already established and linked to the partnership safeguarding work. Adult Fora's are being developed.
- 2.38 We are now in the new Manchester Partnership Arrangements; work from the Manchester safeguarding Board is either being finalised or will transfer over to the new arrangements. The new structure is providing an opportunity to build upon existing strengths and to do things differently moving forward. The newly formed sub-groups over the autumn will confirm membership, terms of reference and work plans moving forward.
- 2.39 By April 2020 it is envisaged the new structure and arrangements will be embedded. The strategic chief officers of the lead agencies will continue to report to their organisations for scrutiny and challenge. The Inter Board Protocol will ensure effective and clear reporting and working across strategic boards continues.

Children's Board Strategic Partnership (entry 20)

- 2.40 In 2018, the Children's Board Strategic Partnership retained a 'Medium' governance strength rating.
- 2.41 The partnership continues to utilise the knowledge and expertise within the membership and reporting to the Health and Wellbeing Board to further strengthen the governance arrangements for the partnership. The culmination of this has been the production of the 2018-2019 Annual Report which highlights the achievements of the Children's Board. This, aligned to the routine reporting to the Health and Wellbeing Board, has enabled us to identify the challenges that need to be overcome to ensure we continue to achieve our objectives.
- 2.42 A key focus over the next six months will be the development of the Children and Young People's Plan 2020-2024. The plan articulates our collective vision for children across the City and it underpins the work of the Board. The development of the plan will be done through a strategic planning process which will foster collegiality and create an opportunity to further strengthen 'buy in' and ownership at a senior strategic level from our key partners.
- 2.43 To ensure that the work of the Children's Board can be successfully monitored and evaluated we have agreed that the outcomes framework will be reviewed and updated so that we can accurately evidence which initiatives are having

the greatest impact on children and young people. An outcome focused approach with a strong culture of challenge and support will be adopted to ensure the Board work together to utilise resources and deliver a collaborative offer for children and young people.

- 2.44 To enable the Children's Board to achieve the above ambitions, and to ensure that we deliver the vision 'Our Manchester – building a safe, happy, healthy and successful future for children and young people', it is vital that the Board has a balanced membership where individuals have complementary skill sets which will allow a culture to develop that will enable the Board to work together to make effective and accountable decisions. Therefore, we will review the current membership of the Board and, where gaps are identified, we will actively recruit new members who can bring additional expertise, experience and the ability to critically analyse what we are doing and how we could do it better.
- 2.45 By adopting the above approach we are confident that the governance arrangements of the board will continue to be strong and showcase a good example of successful partnership working at a senior strategic level.

Manchester's Service for Independent Living (MSIL) (entry 25)

- 2.46 A strength of governance rating of 'Medium' was recorded in the 2018 Register, which was the same rating given in 2017.
- 2.47 The current agreement is for the provision of a Community Equipment Service to children, young people, adults and older people across Manchester. This includes stock and store management of equipment and provision of delivery, collection, recycling, decontamination and maintenance services.
- 2.48 The Service Level Agreement (SLA), which sets out the responsibilities and priorities of the Council and the CCG, was signed by all relevant senior managers on 6 February 2019. The SLA is working well and no issues have been reported by any of the parties, and a progress meeting is currently being arranged.
- 2.49 Further discussions are ongoing with regard to the purchasing of Continuing Healthcare (CHC) equipment with senior managers in the CCGs and MLCO with the possibility of a further separate SLA being developed to cover this element of equipment provision which is not currently covered by the existing SLA.

Manchester International Festival (MIF) (entry 26)

- 2.50 MIF has a grant agreement to deliver the biennial festival; a memorandum of understanding is being developed to support its links with the development and operation of the city's new arts venue, The Factory, due to open in 2021.
- 2.51 Taking on the role of operator for The Factory has required MIF to undergo significant organisational change to grow and adapt as an organisation. The

organisational re-design and transitional planning has concluded and the work towards the Factory opening and operating is owned and driven by the MIF Board, Chief Executive Officer and the Executive Team. In view of the significant changes ahead, MIF continued to be rated as 'Medium' governance strength in the 2018 Register.

- 2.52 The Board currently has 14 members and the City Treasurer is an observer. An Executive Structure has been designed and whilst a new Chief Operating Officer role had been recruited to, the structure has recently been amended to replace this role with an Executive Director who will start with the organisation in January 2020. A Business Plan has been approved by Arts Council England / Department for Culture, Media and Sport. This plan is a live document and is updated and resubmitted to Arts Council England every six months.
- 2.53 The development of MIF as an organisation and the artistic planning is taking place alongside the construction of The Factory, which is a major capital project, located within the St John's neighbourhood of the city centre and managed by the City Council. Governance arrangements are in place to manage The Factory project with the City Treasurer as the Senior Responsible Owner (SRO) and chair of the Project Board and The Leader as the project sponsor and chair of the Strategic Board. As SRO for The Factory development, the City Treasurer also has oversight over the development of MIF as the operator for the venue, including approval of the emerging business plan.
- 2.54 A detailed risk register continues to be reviewed at the Project Board meetings. The Strategic Board chaired by the Leader of the Council, is attended by the Deputy Leader, Executive Member for Finance and Human Resources, Executive Member for Schools, Culture and Leisure, Chief Executive, City Treasurer, MIF Chairman, MIF Chief Executive Officer and a representative of Arts Council England as an observer as well as The Factory capital team.

Greater Manchester Mental Health NHS Foundation Trust (GMMH) (entry 27)

- 2.55 As of 1 January 2017, GMMH acquired Manchester Mental Health & Social Care Trust (MMHSCT), and responsibility for the delivery of all its Manchester based mental health services. For 2018, the partnership was rated as "Medium" strength of governance in view that it was still very much transitioning to the new arrangements.
- 2.56 Greater Manchester (GM) Clinical Commissioning Groups (CCG) use a collaborative approach in procuring and commissioning best value services from the GM mental health providers in order to meet the health and social care needs of their respective populations, and to achieve national and local quality standards. This ensures that:
- commissioned services are effective and provide value for money;
 - scarce skills and knowledge in all organisations are shared;

- each party recognises the opportunities to improve outcomes for citizens through close collaboration and joint working.
- 2.57 Collaborative working across the GM mental health trusts and GM CCGs is already in place and is continuing through 2019/20, with existing governance structures being maintained and, where appropriate, further developed to ensure the efficient and effective monitoring of the GM contracts.
- 2.58 For 2019/20, GMMH has two multilateral contracts that:
- 1) Bolton CCG lead on and covers Bolton, Salford and Trafford.
 - 2) A contract which Manchester CCG leads on and significantly covers Manchester's services with contributions from other GM associates including the cross border activity with Trafford CCG in support of the GM agreed protocols.
- 2.59 An agreement has been made to align as much as possible in terms of contract requirements and monitoring to ensure efficient use of time and resources.
- 2.60 The GMMH (Multilateral & Bilateral) Contract is governed by a Joint Executive Steering Group (JESG) that is led by Trafford CCG; key CCG stakeholders will be represented on this Group. The JESG will be the conduit for formal contract communication between CCGs and the Provider. It will provide leadership and be responsible for signing off contract strategy.
- 2.61 For the JESG, there is a need for the maintenance of executive representation or delegation from CCGs, Local Authorities and the Provider. The JESG will be supported by the following sub groups:
- Quality & Performance Group (Q&P) will be led by Bolton CCG and will oversee the management of quality, performance and governance, e.g. serious incidents, safeguarding, complaints, surveys, CQUINs and audit Membership includes quality, contracting and clinical leads from CCGs, and providers.
 - Contract & Finance (C&F) will be led by Manchester CCG where the group will meet quarterly to discuss contractual and financial related matters with GMMH including but not limited to changes introduced by NHS England which will have an impact on the services commissioned and contracted with the Provider.
 - Joint Service Development group (JSDG) will be led by Salford and will oversee the necessary collaboration across the GMMH footprint to improve consistency, efficiency and quality which meet collective local, GM and national targets, priorities and aspirations.
 - Manchester Service Development Group (SDG) where the Council and Manchester CCG are both represented as the Manchester SDG, which meets monthly to ensure the s75 partnership is reviewed against the specification and performance targets. Areas for development and improvement are identified and monitored. Any unresolved matters are escalated through the above described governance structure.

- 2.62 Meeting frequency and the seniority of CCGs and the Provider staff in attendance at the meetings has been determined on a risk basis. Membership of all the groups comprises appropriate representatives from CCGs and the Provider.
- 2.63 Standing membership of the governance meetings will be primarily from the principal commissioners, Bolton CCG, Salford CCG, Trafford CCG and Manchester CCG.
- 2.64 Input from appropriate Quality, Commissioning, Contracting and Finance colleagues from the CCGs and Provider ensures that effective contract and quality monitoring processes are in place to meet health and social care needs of the GM population and to ensure achievement of local and national and quality standard.
- 2.65 Contract changes will be managed through a Contract Variation Process, in accordance with the requirements of the Contract and any change to financial values will be managed by the lead commissioner following agreement.
- 2.66 Issues will be escalated through the GMMH Governance Structure as appropriate. The ultimate escalation of issues and disputes is to the JESG. Any unresolved matters will be managed in accordance with the Contract Dispute Resolution process.

Avro Hollows Tenant Management Organisation (entry 35)

- 2.67 The Avro Hollows TMO was set up in 2008 to manage a relatively small area of housing stock (312 properties) in Newton Heath on behalf of the Council.
- 2.68 A governance strength rating of 'Medium' was recorded for 2018, which remained the same as the last three years.
- 2.69 Over the last 12 months AVRO Hollows have completed all fire safety actions highlighted by Northwards consultants, no further actions are required. Staff have received training around the use of fire extinguishers, arson and fire evacuation procedures. Officers are working to a training matrix which will ensure that standards are kept up to date. Fire safety checks are carried out on a daily basis. Any repairs to closures and fire doors are attended to immediately and treated as a high priority.
- 2.70 The repairs service continues to be dealt with by AVRO Hollows and delivered by DKJ Building Services. Tenants receive a more localised service which has proven to be quicker and more cost effective. Empty properties continue to be challenging to let in Dobson Court, although as they are now advertised as first come first served this is creating a list of applicants to whom the properties can be offered.
- 2.71 The external grounds continue to be maintained by Manchester City Council and are supported by the caretakers and handyman who litter pick every day to keep the grounds in a good condition.

- 2.72 The relationship with Northwards Housing is good, in particular with the local office. The Housing Manager attends TMO liaison meetings where the relationship with Housing and Residential Growth enables the partnership to concentrate on wider issues. Additionally this helps to address issues from Northwards, the Council's contractor.
- 2.73 The board continues to meet regularly and discuss priorities for the estate and is supported by a housing consultant when necessary. There is an ongoing challenge relating to the receipt of multiple communications from two tenants. This has become a costly process due to legal issues, and the officer time being taken means it potentially hinders services being delivered to tenants.
- 2.74 The AVRO AGM took place on 25 September, adhering to the legal requirement that it must be held within 15 months of the last AGM, which was in November 2018.

SHOUT Tenant Management Organisation (entry 36)

- 2.75 The SHOUT TMO ensures effective monitoring, governance and support in the provision of a voluntary service managing a relatively small area of housing stock (100 properties). For the 2018 update of the Register, the partnership was given a governance strength rating of 'Medium', which remained the same as the previous year.
- 2.76 Customer relations have improved due to increased dialogue, and this has led to the board being fully abreast of the issues facing its tenants. Staff and board members have an agreement in place to discuss any issues raised by tenants, thus ensuring the board can consider how its policies can help to reflect the views of tenants. This ensures that tenants' expectations remain realistic, which previously proved frustrating to both tenants and staff, and also improves relationships as both the board and staff continue to work together to meet customer needs.
- 2.77 The proactive quality control practice adopted by the board has helped to improve customer satisfaction as customers know that they will be contacted to make sure that repairs are carried out to a satisfactory level.
- 2.78 SHOUT also regularly meet with MEARS (repairs contractor) and include members of the Board who are able to communicate the views of tenants. The Council has also attended these meetings to support the process.
- 2.79 The day to day relationship with Northwards housing continues to work well. There are issues with the delivery of the Capital Works programmes that have been brought to the attention of the Council and will be addressed during the next liaison group meeting.
- 2.80 The Board has set up a committee to deal with staff issues, although there is further need for support from the Council regarding human resources as per the Management Agreement. A pay review is to be undertaken for the housing

staff, as well as an allowance review which will assist the board in providing services to tenants.

- 2.81 Members of the Board have been more engaged with the management of Shout TMO. There has been a vast improvement in the running of the TMO since board members were appointed. This includes improved management of the finances.
- 2.82 Environmental issues such as fly tipping, land ownership and neighbour nuisance are continual agenda items and are discussed with relevant departments from the Council.
- 2.83 Good relationships exist with partners through a regularly held joint management meeting where the Council are in attendance. A local Councillor has close contact and maintains a good relationship with the board.
- 2.84 AGM arrangements are in place, the previous AGM was held on 1 October 2018. The next AGM is arranged for 7 November 2019.

Manchester Health and Care Commissioning (MHCC) (entry 42)

- 2.85 MHCC was established in 2017 to create a single health, adult social care and public health commissioning function for Manchester. It was originally set up to operate via delegation of function from the Council to the Manchester Clinical Commissioning Group (MCCG). However, this aim was not achievable due to VAT reasons.
- 2.86 The two organisations have been working positively and collaboratively within shared governance arrangements but without a fully integrated budget. Decision making has been enabled through the Council's delegation to the Director of Adult Social Care and the Director of Public Health. Staff remain employed by the Council or MCCG and therefore are covered by their host organisations' policies and procedures.
- 2.87 A new partnership agreement was agreed, which formalised the arrangement described above and set out the rules for how financial pooling would occur via a Financial Framework. The Council have audited MHCC's governance arrangements and are monitoring the delivery of the recommendations. In the interim MHCC was rated as 'Medium' governance strength in the 2018 Register, and the formalising of arrangements and due diligence continues.

Manchester Local Care Organisation (MLCO) (entry 43)

- 2.88 Manchester Local Care Organisation (MLCO) was formally launched on 1 April 2018. MLCO is responsible for the delivery of a range of services including community health services, and adult social care. The organisation is planned to develop over an agreed three year phased approach, over time the range of services that will be delivered through MLCO will grow to include Mental Health and Primary Care.

- 2.89 The partnership has robust controls in place in relation to governance, for example through its financial and performance reporting and internal governance processes. However, it is a relatively new and evolving partnership, and there is significant risk attached – for example, because the MLCO still has to report to different partners for decisions. In view of this, in 2018 the MLCO retained its rating of ‘Medium’ governance strength.
- 2.90 MLCO activity for 2018/19 is defined by its business plan – which was agreed by its Partnership Board (comprised of the core partners) and is built out of six key priorities: ensure a safe transition and a safe start; improve lives through population health and primary care; redesign core services; ensure financial sustainability; create our organisational strategy; and prepare for 2019/20 and beyond.
- 2.91 To meet the MLCO’s ambitions for service delivery which include delivering safe and effective care, the internal governance for the organisation was built upon appropriate design principles. The governance created has been designed to ensure it is able to have effective oversight of in excess of £600 million worth of services per annum from 2019/20 onwards. The governance that has been mobilised to support the delivery of the MLCO, will continue to iterate as the organisation develops particularly in regards to governance that will be developed to support Integrated Neighbourhood Teams. As part of ensuring that the governance is able to effectively support neighbourhood working, all of the governance of MLCO will be reviewed to ensure it is able to support safe delivery of services across the city, this will include fully mobilising a number of additional committees including a Risk and Audit Committee.
- 2.92 Work is currently ongoing in regards to the further development of phase 2 of MLCO which includes further transfer of services into the organisation and timing of that, and Manchester Health and Care Commissioning is in discussions with partners in regards to concluding the proportionate procurement.

MCR Active (entry 44)

- 2.93 The arrangements for Manchester Active Ltd (MCRactive) became fully operational on 1 April 2019, following the TUPE transfer of the Council’s Sport and Leisure Team. As agreed at the Council’s Executive in May 2018, MCRactive has been established as a single governance model for sport and leisure and it oversees the delivery of Manchester’s Strategy for Sport and Physical Activity. MCRactive has been established as a non-profit organisation. Manchester Professional Services Limited are acting in capacity of Company Secretary and working with the Board to continue to strengthen governance arrangements and ensure that all requirements of Companies House are met
- 2.94 Following the Key Decision In May 2019, MCRactive was formally contracted by the Council to deliver Manchester’s Sport and Physical Activity Strategy under a teckal exemption. This was justified on the basis that jointly the

Council and Sport England exercise the same kind of control over MCRactive as they do over their own departments. MCRactive is contracted to provide the leadership and a common narrative for sport and physical activity in Manchester. It manages the performance of the various facility arrangements on the Council's behalf, develops commissioning arrangements to build capacity amongst the voluntary sector and works to provide, protect and activate all sport and leisure provision across the city and to widen access to this provision for Manchester residents in every neighbourhood.

- 2.95 The new Strategy for Sport and Physical Activity was launched in the spring and the ten-year action plan is drafted for completion this Autumn. The new approach also sees Health organisations in Manchester working much more closely and co-investing with Sport England and the Council, with a key remit of tackling inactivity and increasing sport and physical activity participation.
- 2.96 A number of controls have been established with MCRactive to ensure that it delivers on the Council's ambition, these include:
- a) Establishing a services contract and specification between the Council and MCRactive, which sets out the detailed delivery arrangements.
 - b) Establishing regular reporting and monitoring arrangements, which are tracked as part of the Council's Corporate Plan.
 - c) The Board is chaired by the Council with the Council appointing participating Directors in agreement with Sport England.
 - d) The company will be held to account by the relevant Council Scrutiny Committees and Executive meetings – Key Decisions relating to the adoption of plans, pricing, programming, building modifications and resourcing will continue to be made by the Council.
 - e) The Council has deployed Officers such as the Service Head for Parks, Leisure, Youth and Events who will provide day to day senior leadership to the company, whilst retaining current responsibilities and duties in the Council and the Director for Neighbourhoods who also provides Leadership at Board level.
- 2.97 Over the last six months a review of the organisation's Articles of Association has been completed and the revised version is due to be approved by the Board and submitted to Companies House by the end of October 2019. At the same point, the new Directors will be formally implemented; the Board will consist of the following directors: MCC – Fiona Worrall and Cllr Luthfur Rahman; Sport England – Charles Johnson and Serena Jacobs; MHCC – Ian Williamson.

One Education (entry 45)

- 2.98 One Education provides a range of Pupil and Business Support services to schools and academies, primarily in Manchester but also some other Greater Manchester areas and West Yorkshire. It is commissioned by the Council to respond to the Education Act 2011 in a positive way, both in terms of the interface with schools and in providing challenge as champions of children in the City. It has its own Board of Directors which includes Council officers, and

reports to the Council. In 2018 the partnership was rated as 'Medium' strength of governance.

- 2.99 The overall financial performance of One Education was positive at the year end 2018-19, reporting an operational surplus. The extension of Service Level Agreements with schools for the next academic year is healthy in a challenging environment. A review is currently underway to consider the progress of One Education and future arrangements, with PwC appointed as consultants. The commission commenced in mid-September and the initial report is currently projected to be completed by late October or early November.

Brunswick PFI (entry 50)

- 2.100 This partnership is a contractual agreement between Manchester City Council and S4B, which is a consortium made up of four organisations: Equitix, Galliford Try, Mears and Onward Homes.
- 2.101 Signed in 2013, the PFI contract involves the remodelling of the Brunswick neighbourhood. This will see over 650 homes refurbished; 296 properties demolished; 124 homes to have their orientation reversed to align with the new street layout; 302 new build homes for sale; 200 new build Housing Revenue Account homes (including a 60 apartment extra care scheme) and the creation of new parks, a retail hub and neighbourhood office. A significant amount of this work has now been completed.
- 2.102 Whilst the majority of the governance arrangements are robust, the partnership was rated as 'Medium' governance strength due to there still being concerns around the contractors' capability to ensure delivery timescales were met, as S4B were a long way behind their original completion dates for the refurbishment, new build and infrastructure work programmes. Following the issue of warning notices and discussions at Board level with their funders, this led to recovery programmes subsequently being issued and works have progressed satisfactorily, albeit still behind the original programme dates. Officers are closely involved in the development of the on site extra care scheme which is due to be completed in November 2019.

3. Next Steps

- 3.1 Partnerships will undertake reassessment of their governance arrangements in late 2019. This will include new partnerships that were formed in 2019, including the Housing Investment Fund Phase 2 (Matrix2). It is also worth noting that with regards the National Car Parks partnership, the current joint venture arrangement expires in June 2019. It has recently been agreed that the contract will be extended for 18 months whilst the Council reviews the arrangements and determine what will be re-procured.
- 3.2 Following this, a Register with revised governance strength ratings will be submitted to Audit Committee in March 2020. It should be noted that following the review of senior management arrangements considered by Personnel

Committee on 29 January 2019, the SMT Lead for each partnership will be revised accordingly.