

**Manchester City Council  
Report for Information**

**Report to:** Audit Committee – 5 November 2018

**Subject:** 2018/19 Annual Governance Statement (AGS) –  
Summary of Progress to Date

**Report of:** Deputy Chief Executive

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**Summary**

This report sets out a brief summary of the progress that has been made to date in implementing the governance recommendations from the 2017/18 Annual Governance Statement (AGS). It also outlines the next steps in the process of producing the Annual Governance Statement 2018/19.

**Recommendations**

Audit Committee is asked to note and comment on the progress made to date to implement the governance improvement recommendations from the 2017/18 Annual Governance Statement.

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**Wards Affected: All**

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## 1. Introduction and Context

- 1.1 The Council has a statutory obligation under the Accounts and Audit (England) Regulations 2015 to produce an Annual Governance Statement (AGS), which explains how the Council has complied with its Code of Corporate Governance. The AGS sets out how the Council has met its responsibilities for ensuring that business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.
- 1.2 The AGS also explains what governance challenges the Council is facing. Rather than simply updating the governance challenges on an annual basis the Council has established a process whereby progress updates against governance challenges are provided every six months and reported to Audit Committee. This ensures there is a continual focus on how the Council is addressing governance challenges and seeking improvement in how functions are exercised.
- 1.3 As previously requested by Standards Committee, a Strategic Management Team (SMT) Lead was identified for each of the 2018/19 Governance Challenges, which were set out in the Action Plan at the end of the AGS 2017/18. Lead officers have provided an update on progress, any barriers, and what further ongoing work will be required to implement the governance actions.

## 2. Summary of Progress against the 2018/19 Governance Actions, identified in the 2017/18 AGS Action Plan

**Action 1: Ensuring the Our Manchester behaviours become embedded and reflected in all aspects of service delivery, ensuring that staff develop the skills and behaviours articulated in the 'Our People' Strategy, including effective implementation of workforce plans. Adopting a strengths based approach to engaging with residents, and ensuring the Our Manchester approach is used strongly and consistently across all aspects of the Council's communications.**

- 2.1 An [update on progress](#) with delivery of the Our People Strategy was considered by the Resources and Governance Scrutiny Committee in July. The report set out a range of notable achievements over the first eighteen months of the Strategy and outlined a clear framework and set of priorities for the coming year.
- 2.2 Embedding the Our Manchester behaviours is at the heart of the Our People Strategy and the full content of the July Scrutiny report should be viewed as an indication of progress here. However, updates against a number of key areas are highlighted below:
  - The Our Manchester Experience was launched in October 2017 as an immersive learning experience to provide all staff with an opportunity to explore what the Our Manchester behaviours mean to them in the context of their own roles. Over 1,800 staff have participated in the Experience to date with feedback scores consistently in excess of 90%. Work is

continuing to support all staff in accessing the experience within three years.

- Over 49% of leaders and managers have now participated in the Council's core leadership and management programmes, 'Raising the Bar' and the 'Our Manchester Leadership programme'. Embedding the behaviours is at the heart of these programmes and new modules are being added this year to strengthen management understanding of core governance matters around finance and procurement, and the broader context of public service management.
- The Council's third annual Leadership Summit took place in September with 340 managers attending. The theme of the day was 'walking the talk' with sessions focused on supporting leaders to lead by example, including by demonstrating the behaviours. This event built on a number of focused sessions with the Council's Senior Leaders Group (SLG).
- Over 220 staff have accessed the Council's employer supported volunteering policy, providing over 1,500 hours in volunteering to support the City's communities and demonstrate their commitment to putting the Our Manchester behaviours into action.
- The organisation saw a significant increase in staff engagement and a "Ones to Watch" Best Companies status in the 2017 BHeard survey, with a number of staff commenting positively on the work undertaken to embed the Our Manchester behaviours across the organisation.
- Strengthened routes for internal communication and engagement including the roll-out of ICT access to circa. 900 frontline staff and the continuation of the quarterly Listening in Action events.
- Work is underway to strengthen core people management policies and processes to reflect the Behaviours, reinforcing these through our practical framework of people management. To date work has been delivered to update the Council's Recruitment and Selection policy and make a number of practical improvements to *mi people* Self Service.

2.3 Earlier this year an Our Manchester Self-Assessment was conducted across service areas to identify progress with embedding the Our Manchester approach and behaviours. The Self-Assessment process was intended to be a 'deep-dive' into how services are adapting, adopting and embedding Our Manchester. Over 75% of services responded and focus is currently on developing activity to support services to progress. The themes that emerged from the feedback were;

1. The places that we can see and hear Our Manchester embedded the strongest are where the services have been reshaped, not just the people.
2. The support and development offer to help staff understand Our Manchester is good and provides opportunities to learn, embrace and embed the values of Our Manchester.
3. Systems and processes need to be reframed to create the right conditions for Our Manchester. Where systems and processes are not aligned to the way in which staff are expected to work this continues to be a barrier.
4. The role of managers in being a blocker or an enabler is crucial. There is a practical challenge about capacity given service demands and reduced

resources, acknowledging that people need time and space to understand and apply Our Manchester.

5. There is a level of inconsistency around how staff and services articulate Our Manchester.

2.4 The Our People priorities for the coming year have been developed cognisant of the Our Manchester self-assessment and feedback from staff and managers, including through Bheard. These priorities acknowledge the importance of 'shoring up' the work done to date and ensuring that that core components of our people management framework are present, effective and consistently utilised. In tandem with this, work will continue both corporately and within target Services to embed the behaviours through explicit actions. The key next steps for the coming month include:

- Launch of a co-designed toolkit to support individuals and teams to explore and adopt the Our Manchester behaviours in October 2018
- The fourth Annual BHeard Survey in October 2018 with results expected in December.
- A refresh of the Our Manchester Experience to reflect learning from its first year in operation and strengthen the way theory is applied practically in December 2018
- The creation of a development programme to support the city-wide workforce to understand and adopt an asset based way of working in January 2019
- Continued work to embed the Our Manchester behaviours at the core of integrated working across Health and Social Care, particularly within the new Neighbourhood Teams
- A refresh of the Council's leadership and management development offer to re-launch in April 2019.
- Strengthened processes for workforce planning live from the next financial year and underpinned by an improved corporate learning offer and support structures, including coaching and mentoring.

2.5 The role, skill and capacity of line managers is absolutely central to delivering work to embed the Our Manchester behaviours across the organisation. This leads to perhaps the biggest risk to delivery. It will be crucial that focus is retained on this area and the behaviours remain central to the Council's considerations over the coming months as the organisation addresses the current budget challenges it faces.

3. **Action 2: Supporting the integration of health and social care by ensuring effective governance of integrated teams, including operation of the MHCC commissioning function, and implementation of the Local Care Organisation (LCO).**

3.1 The Manchester Local Care Organisation (MLCO) will deliver all out of hospital, community based, health, primary and social care services on an integrated basis, the first phase of this came into effect on 1 April 2018, where the management of number of services including community health services and adult social care city wide services transferred to MLCO. This was

enacted through the signing of a Partnering Agreement by the partners of MLCO: Manchester Clinical Commissioning Group; Manchester City Council; Manchester Foundation Trust; and Manchester Primary Care Partnership.

- 3.2 Approximately 990 FTE Council employees from across Adult Social Care and Business Delivery transitioned to the MLCO in the early part of 2018/19 to deliver services that formed part of phase one of MLCO. An [October 2018 report](#) to health scrutiny committee details these services. These include Social Work, Primary Assessment and Re-ablement services, and they will form part of the first suite of services to come together with Health as part of twelve Integrated Neighbourhood Teams working across the City. A [February 2018 report](#) to Personnel Committee sets out in full the implications for workforce, engagement and organisational development.
  - 3.3 More generally, the development of the MLCO is being governed by the MLCO Partnership Board, with internal management oversight being provided through robust governance arrangements. Work to define Phase two of MLCO is being led by Manchester Health and Care Commissioning (MHCC).
  - 3.4 Further to the Annual Governance Statement update in March 2018, there is an ongoing procurement process, with the intention of awarding a contract for integrated health and social care, subject to the ability to overcome significant barriers, particularly additional irrecoverable VAT associated with contracting arrangements. MLCO is the single preferred bidder in the procurement process.
  - 3.5 NHSE has launched a national consultation on the draft Integrated Care Partnership (ICP) contract that is intended to underpin local integration of services. The continued existence of barriers such as VAT, the legal challenge and the development and implementation of the national contract model are likely to have an impact on the procurement process and contract award. Meanwhile, MHCC and MLCO are working together to improve services on the ground, pending completion of the procurement process and resolution of national constraints, which are outside the control of the Council and its health partners in Manchester.
- 4. Action 3: Adults Services governance oversight: operational compliance, quality assurance and the transition from Children's to Adults Services provision.**
- 4.1 During 2017/18 the Council's Internal Audit Service issued reports in four areas relating to adult services with limited assurance opinions:
    - Transition: Children to Adults
    - Disability supported accommodation services, Quality Assurance
    - Homecare Contracts
    - Client Financial Services
  - 4.2 Regular detailed update reports have been taken to Audit Committee (22 March 2018, 3 September 2018) to provide assurance relating to actions

being taken to address concerns raised in the audit reports. A brief summary of the governance arrangements in place to provide oversight of this work, and the progress made to date is included in this report.

#### *Governance oversight and assurance*

- 4.3 The reporting of progress in implementation of audit recommendations is overseen by the Adults Quality Assurance and Performance Board, and this is then reported onwards to Adults Directorate Management Team (DMT) and Senior Management Team (SMT).
- 4.4 A Health and Social Care Commissioning Group also has oversight over performance and quality of commissioned activity as well as finance and service developments. This has a wide membership across Council relevant services and health partners and includes the Lead Member.
- 4.5 Whilst the audit reports have identified areas of concern, a number of immediate actions have been taken to reduce risks, and actions are planned where issues require greater investment of time and resources. Governance arrangements will continue to provide assurance over progress as deadlines for implementation fall due.

#### *Transitions from Childrens to Adults Services*

- 4.6 The recent audit report (February 2018) provided limited assurance that effective arrangements were in place to support young people transitioning from Children's to Adults' Services. The findings were:
  - Action was needed to confirm the vision and strategy for delivery of transition responsibilities, and to develop and then to share a transition offer and plan for delivery.
  - Governance arrangements should be revised to support delivery of the vision and strategy, once agreed.
  - Action should be taken to confirm key roles and responsibilities, as well as establishing policy and procedure for the delivery of the transitions offer once it has been developed.
- 4.7 A number of actions have been taken, and are planned in response to the findings. These include;
  - Engagement of colleagues across the health and care system, within the Council and across the City to inform future vision and strategy.
  - Transition Workshop held in February 2018. This looked at people's understanding of transition; who the cohort of young people were; and to get everyone in the same room to start the conversation.
  - Subsequently, Children and Adults Services agreed to look at co-funding a strategic post to oversee the pathway for those young people and their carers who were 'in transition'; and develop a draft proposal of what the system of transition could look like.

- Initial modelling of proposals has taken place and was presented to the Director of Adult Services and the Deputy Director for Children's Social Care in July 2018.
- Further discussions and presentations have taken place across the health and social care system focussing on services for people with learning disabilities and transition, both in the Quality and Safety Committee in the Manchester Local Care Organisation and Manchester Foundation Trust Quality and Safety Committee. An outcome of these is an agreement to hold a system-wide half-day workshop in November 2018 to agree the Our Strategic Vision and how we plan to take this forward. A launch event will be planned for early 2019 at which Transition will be a key priority.
- Consultation on transition was also a topic for the Manchester People First Board, in September 2018. Contact has been made with the parent carer forum in September; further contact and dates for consultation with the parent and carer group are to be made in October 2018.
- A system learning exercise is to take place in October, specifically focusing on the journey of three young people with mental health issues, meeting to include representatives from Child and Adolescent Mental Health Services (CAMHS), Adult Mental Health Services (AMHS), Children's and adults social care, and the children's health commissioner (CCG).

*Quality Assurance - Disability Supported Accommodation Services*

4.8 The audit gave limited assurance that the Quality Assurance Framework was operating effectively and in accordance with expectations, to support delivery in line with legislation. The findings were;

- The overall completion rate for the year was around 40% of audits issued to staff.
- The audit tool coverage was too broad and did not provide management with the best available evidence to confirm compliance with the Care Act.
- Follow up processes were insufficient to confirm improvement actions had been implemented or how they informed lessons learned.
- The wider improvement arrangements described in the Framework were not in place, including moderation, which has impacted its effectiveness.

4.9 A number of actions have been taken, and are planned in response to the findings. These include;

- The ad-hoc approach to audit allocation has been removed and a more structured approach has been implemented whereby audits are assigned Network by Network. For example North Team undertakes all South audits, South Team undertakes all Central audits. This has led to a more cohesive and consistent approach.
- Following a workshop in April 2018 with partners the Registered Managers have streamlined and restructured the Quality Assurance Documentation.
- Key questions in relation to Safeguarding, Care Quality Commission (CQC), Duty of Candour and other questions more relevant to the service such as Mental Capacity Act and Deprivation of Liberty Safeguards have been incorporated into the revised documents. From this additional data it

is expected that the Service will be able to identify training requirements and have a better understanding of the quality of service delivery.

- Following the April workshop the new documentation was piloted by Registered Managers and Support Coordinators, to determine whether the purpose and goals of quality and assurance were being met, if further changes were required to improve, and to ensure that compliance with policy and procedures was being achieved.
- The next step was to review the final documentation to ensure that it is fit for purpose. This was finalised in a planning meeting on 10 September 2018.
- A tracker has been created and introduced to track individual casefiles identifying whether key documents such as Care Plans, Deprivation in Domestic Settings and risk safety plans are in place, who authored them, when they were produced, and the review date. This work will provide the information relating to gaps in key documents in case files, review dates, so that compliance can be monitored and any shortfalls or issues addressed.

#### *Homecare Contracts*

4.10 The limited assurance report on homecare contract governance was issued in March 2018. The findings were;

- Level of scrutiny and payment to providers on and off framework was not always equitable.
- Not all suppliers were being monitored as required and monitoring focuses on organisations' records and not quality of care.
- Volumes of payments going through the manual system mean that levels of validation checks are less than audit would expect.
- Full reporting of variances between commissioned and invoiced hours did not take place.

4.11 Planned actions to address these issues are;

- The new model of homecare will start to move the Council away from the 'time and task' model but, initially at least, hours of care will still be the unit of currency used to pay providers and they will continue to submit claims for payment on the basis of hours of care delivered. Providers will have more freedom to use the hours assigned to a person in a more responsive and flexible way which should reduce the variations and will also free up more social worker time.
- More capacity will be in place to manage the detail of contracts in future, with at least six link managers liaising with homecare providers, and a strengthened team of brokerage and placements officers able to take a much more hands-on approach to ensuring that payments and care are reconciled at an individual and contract level.
- The process to carry out the tendering of the new service took place in September, with contracts due to be awarded by January 2019, and the new service up and running in April 2019. Mobilisation work will commence

imminently and it is expected that new teams will be up and running well before the start of the new contract.

#### *Client Financial Services (CFS) - Cash Handling*

4.12 Limited assurance was provided in the December 2017 audit report over the effectiveness of system in place where Appointee Support Officers (ASO) are dealing with customers' cash and the Council act as an Appointee or Deputy. In particular:

- No job descriptions were in place for the ASO role increasing the risk of customers misunderstanding services and potentially overstepping role boundaries.
- Wider roles and responsibilities were not described, leaving gaps in the control framework and a lack of oversight of compliance.
- CFS had created a basic list of 'Do's and Don'ts' for the ASOs to follow in respect of the cash delivery responsibilities, rather than robust policy and procedures.
- Officer remit had evolved informally over time to include an element of a 'watching brief' over the welfare of customers and to raise any concerns with Social Workers if felt appropriate.
- No arrangements for CFS to seek assurance over compliance with the cash delivery. The safety of the ASO officers was not checked through the day, as required in the Council's Health and Safety policy.

4.13 Actions which have been taken to address the issues raised include;

- Two dedicated ASOs have been introduced who have taken over the duties of collecting and delivering cash to adult social care citizens. This replaces the previous system where two social workers were required to do this from each locality, across the City. By freeing up social work capacity, this has allowed more intensive and focused work to take place to develop this into a robust, safe and accountable service for citizens.
- The ASOs send their manager their scheduled itinerary each morning. They email their manager at midday to say they are safe and then they email again at the end of the day when visits have ended to say they are safe. This reporting mechanism was introduced following a risk assessment carried out by Health and Safety Officers. If these emails aren't received, the manager will attempt to contact the ASOs to confirm their safety. Should no contact be made an escalation process is in place to ensure the ASOs are safe. Personal Safety Training was delivered in October by Health and Safety Officers.
- A number of actions have been taken to address risks in relation to third party payments. There is currently a schedule of cash payments to individual citizens, and also a list of the nominated third party individual who is authorised to accept payments to pass onto individual citizens. Audit required this area to be strengthened. Accordingly, a new Cash Receipt form has been designed and is in place, which all cash 'receivers' sign and also includes a statement to ensure that the 'receiver'

understands they are keeping this money safe for the nominated citizen and therefore undertake to keep this money safe.

5. **Action 4: Improving the resilience and security of ICT systems, and the Council's arrangements for disaster recovery**

*Disaster Recovery (DR)*

- 5.1 The overall objective of the Data Centre (DC) Programme is to ensure high availability of critical business applications, services and ICT infrastructure, based on the operation of services from two active data centres rather than a 'traditional' model of a primary and backup data centre. This model means that each data centre will always be active and in the event of interruption or disaster at one, the other centre will act as an almost immediate failover solution.
- 5.2 The DC programme is now in the delivery phase and by September 2019 services are expected to be operating from two separate DR equipped data centres within Manchester that the Council will rent as a managed service facility. The Programme comprises the following three tranches:
- **Core Infrastructure Refresh (delivery phase)** - The Core Infrastructure Refresh Project is progressing well and the Council expects virtual servers to be running on new technology by October 2018 in the Sharp Data Centre, providing greater resilience prior to the move to the new data centres.
  - **Network Design and Implementation (procurement phase)** - ICT will be utilising the Crown Commercial Services Framework to procure the necessary technical infrastructure required for the new network, connectivity and professional services. Contracts are expected to be in place by the end of 2018.
  - **Data Centre Facilities and migration (build phase)** - This tranche is dependent on network connectivity being in place before the migration of IT services. The contract with the new data centre facility provider was signed on 2 July 2018 and Council ICT services are prepared to transition from the Sharp data centre.
- 5.3 Significant planning and discussions with business colleagues is already underway in order to help minimise operational impact. The programme team has established a Programme Steering Group, chaired by the Chief Information Officer (CIO) which will oversee all aspects of the programme. The Steering Group reports into the monthly ICT Board and on to Senior Management Team as appropriate.

*Cyber Security*

- 5.4 The Council acknowledges the ongoing and increasing risk that is manifested through Cyber Crime. The Council continues to invest in its people and technology whilst developing a rigorous approach to Cyber Security and to ensure the appropriate defences are deployed to protect the services it

provides. Defences are constantly being reviewed and strengthened through a proactive system that includes applying software security patching for identified system security vulnerabilities and through improved anti-virus and malware protection. Ongoing investment is in place to ensure our corporate estate remains as secure as possible.

- 5.5 ICT is strengthening the staffing around security and has received approval to recruit to a new Grade 12 position that will report to the CIO. The Security & Resilience Manager is responsible for establishing and maintaining the Council vision, strategy, and programme to ensure information assets and technologies are adequately protected. Reporting into this role is the ICT Compliance & Risk Manager and the Service Delivery Manager - Security and Environments. Other roles within this structure are the Senior Security Analyst with an additional development opportunity being made available to an existing team member to complete a two year Cyber Security Apprenticeship. These roles are further supported and enhanced by the recent Security Services contract award made in 2018. This specialist external partner provides subject matter expertise and business as usual support for the on-site security team.
- 5.6 One of the biggest recognised risks to any organisation including the Council remains with our end-users. It is essential that even a basic Cyber Security training programme is adopted to educate our users with the minimum required skills. Training modules will cover topics such as email security which will include the ability to identify, report and delete suspicious emails and attachments before opening them and additionally a password module that will highlight the requirement for individual complex passwords for each different online system. These best practice recommendations are not specific to Council systems, but should be used to protect all online user accounts regardless of the location both in the work environment and whilst using personal systems at home.
- 5.7 The training will be delivered through a new e-learning portal that will include a 12-module suite of online cyber security training videos, procured in collaboration with nine other local authorities. Additionally this platform will also deliver IT policy management acceptance and compliance, whilst also providing the ability to test our own users with sample 'phishing' emails. The training suite will be coupled with a management system which will allow tracking and reporting on levels of uptake and can force users to undertake training, policy reading and acceptance before being allowed to logon if required. This will be accessible to all Council ICT users across all platforms.

**6. Action 5: Improving information management, and preparing for the introduction of the EU General Data Protection Regulation.**

- 6.1 As detailed in last year's AGS, all organisations which handle personal data have to comply with the EU General Data Protection Regulation (GDPR). The GDPR came into force on 25 May 2018, and is the biggest change to Data Protection law in over 20 years.

- 6.2 Whilst the fundamental principles of data protection remain largely unchanged, the GDPR introduces a more enhanced data protection regime. It brings a 21st century modernising approach to the processing of personal data in the digital age, imposing new obligations on data controllers, such as the Council (and for the first time) data processors (persons who handle information under outsourcing arrangements) as well as expanding the rights individuals have over the use of their personal information impacting people, processes and technology across all business functions.
- 6.3 A key change requires organisations to show compliance through existence of policies, procedures and staff training, and be able to demonstrate how in each case it has complied with GDPR requirements. It requires accountability at Board level evidencing a 'whole system' ethos in the way the organisation protects, governs and knows its data; adopting a 'privacy by design' and 'privacy by default' approach.
- 6.4 The GDPR has introduced a new duty on all organisations to record all data breaches and to report data breaches that are likely to result in a risk to individuals to the Information Commissioner's Office (ICO) within 72 hours of becoming aware of the breach. If there is a high risk to the individual there is also a requirement to notify the individual without undue delay.

#### *Governance and compliance monitoring*

- 6.5 To ensure that the Council is compliant with the GDPR, an intensive work programme led by an interdisciplinary team of officers has been carried out supported by a project manager. The project has been supported at a senior level across the Council with regular reporting to the City Solicitor who is the Council's Senior Information Risk Owner (SIRO), the Council's Corporate Information Assurance Risk Group (CIARG), Departmental SIROs (DSIROs) and the Council's Strategic Management Team (SMT).
- 6.6 The Council has built on existing practices and procedures to ensure staff are aware of the need to take care when handling personal data and what constitutes a data breach. The Council's data breach management procedures use a directorate based model. Awareness regarding GDPR requirements including data breaches has been raised by a variety of measures such as a 'Golden Rules' communications campaign. As at July 2018 92% of staff with ICT access had completed the Council's Information Governance e-learning module. Arrangements have been made for training staff who do not have ICT access. Deputy DSIROs have received face to face training on data breach handling.
- 6.7 As required by GDPR the Council has appointed a Data Protection Officer (DPO). One of the main tasks of this role is to monitor the organisation's compliance with the GDPR and the Council's data protection policies. The Council's DPO is consulted in relation to all data breaches and as part of his role makes recommendations to CIARG and DSIROs to ensure lessons are learnt across the Council.

#### *Next steps*

- 6.8 Whilst there are areas where more work is needed to fully embed the new requirements, the Council's rating using the ICO's data controller online GDPR self-assessment tool is 'overall green'. Work is being undertaken to draw up a plan in relation to Phase 2 of the GDPR project; to assist Directorate leads and Deputy DSIROs to ensure GDPR practices become embedded within the directorates. The Phase 2 Plan is being finalised and will be reported to CIARG shortly. It includes supporting Deputy DSIROs in their role, embedding Data Privacy Impact Assessments and ensuring appropriate processes are in place for data sharing and data processing.

*Freedom of Information, and Data Protection Subject Access Requests*

- 6.9 Work to improve speed of response to Freedom of Information (FOI) and Subject Access Requests (SARs) is as previously led by DSIROs and Heads of Service. Performance Reports continue to be considered at each CIARG meeting. The target for responding to requests within the statutory deadline (in line with Information Commissioner's Office (ICO) expectations) is 90%. In the year to date (April to August 2018) the Council received 1059 FOI requests. Of the requests responded to within this period, 84% were responded to on time. The Council received 355 SARs (the figures in respect of which have recently excluded disclosure requests). Of the requests responded to within this period 88% of requests were responded to on time.

**7. Action 6: Changes to the local government finance system, and delivery of continued significant savings**

*Changes to Local Government Finance system*

- 7.1 The wider changes affecting business rates and funding reform will come into effect from 2020. The impact of these is, as yet, unknown. Similarly, with BREXIT negotiations ongoing and the increasing potential for a 'no deal', there is further uncertainty on future funding and service demand.
- 7.2 2019/20 is the last year in the four-year settlement 2016/17 - 2019/20, however there are a number of unknowns which may impact including the roll out of welfare reforms, the outcome of BREXIT negotiations and the announcements arising from the Chancellor's Autumn Budget (29 October 2018).
- 7.3 From 2020/21, there will be significant changes to Local Government financing which includes:
- New Spending Review period starts 2020/21 – Reports Summer 2019.
  - Funding formula for allocating funding to local authorities is changing. Reports Summer 2019.
  - Changes to how business rates are managed – currently the City Council retains 100% of growth generated during the valuation period, although this is then lost at reset of base. Currently Government is generally seeking a move to 75% retention.

- Business rates income is very volatile and difficult to predict, particularly due to the number and scale of appeals and the lack of information following the move to the Check, Challenge and Appeal process
- Potential changes to funding for adult social care with the Green Paper expected in autumn 2018.

- 7.4 The Council is engaging with central government and other interested bodies through formal consultation responses and working groups to ensure the impact of the potential changes on local government, and particularly cities is recognised. This includes responding to the Local Government Association green paper for adult social care and wellbeing, technical provisional settlement consultation response and numerous Fair Funding and Business Rates redesign workshops and consultations as well as contributing to papers considered by the Fair Funding Technical working group.
- 7.5 In relation to Business Rates Reform Manchester has been involved in a number of schemes to maximise the resource available in the region including the creation of a Business Rates Pool across Greater Manchester (GM) and Cheshire, the Business Rates Growth Retention Scheme 2015 and a 100% retention pilot from April 2017. It has been confirmed the GM 100% pilot will continue for 2019/20.
- 7.6 The Fair Funding review will propose an updated formula for distributing funds across Local Authorities, this is welcome as the data in the current formula has not been updated since 2013/14. Government have published the first of several formal consultations on a review of relative needs and resources and aim to implement the findings of the review in 2020-21. The Council is working closely with the Ministry of Housing, Communities and Local Government (MHCLG), Local Government Association (LGA) and other Local Authorities (particularly Core Cities) to ensure the circumstances of metropolitan cities are represented in the review. Detailed responses will be submitted for all relevant consultations and representations made where possible. The Council have recently made a representation on the impact of density of spend, to the Fair Funding Technical working group which is chaired by MHCG and LGA.

*Delivery of continued significant savings*

- 7.7 SMT consider the progress against the 2018-20 savings at their monthly budget meeting and updates are provided monthly to Executive Members. Resources and Governance Scrutiny Committee and Executive meetings in October 2018 received a report on the detailed monitoring position, including the forecast achievement of savings.
- 7.8 The approved savings target is £25.482m for 2018/19 and £9.022m for 2019/20. Following a number of years of budget cuts, these represent challenging savings and their delivery is regularly monitored. A summary of the updated 2018/19 savings position is set out below.

Savings Target 2018/19						
	Green	Amber	Red	Total	Non recurrent / Investment	Net Total as per MTFP
	£000	£000	£000	£000	£000	£000
Children's Services	3,670	373	7,381	11,424	(741)	10,683
Adult Social Care	2,068	2,200	5,366	9,634	(1,115)	8,519
Corporate Core	1,537	720	688	2,945	0	2,945
Neighbourhoods	2,890	445	0	3,335	0	3,335
Strategic Development	0	0	0	0	0	0
<b>Total Budget Savings</b>	<b>10,165</b>	<b>3,738</b>	<b>13,435</b>	<b>27,338</b>	<b>(1,856)</b>	<b>25,482</b>

7.9 The key areas of concern are those savings targets that have been rated as high risk or 'red'; the reported position assumes these will not be achieved in 2018/19. The main reasons are:

Children's Services (£7.381m) made up as follows:

- External Residential target to reduce to 50 placements by March 2019 is not likely to be achieved as demand has increased since the budget was set, the current number is 89 - £2.797m.
- External Fostering target to reduce to 344 by March 2019. However, since the budget was set the residential numbers have increased to 478 placements and placement costs are 6.1% above budget which means that this target will not be achieved - £2.934m.
- Residential Preferred Supplier Agreement - Discussions are continuing to take place with providers regarding placement costs, prioritising the most expensive places however this is unlikely to deliver fully in 2018/19 - £1m.
- New Northwest framework - aiming to secure further discounts for long term placements and volume, unlikely to fully deliver in 2018/19 - £650k.

7.10 Adult Services have identified £5.366m of the target as unlikely to be achieved in this financial year. Considerable progress has been made in implementing the arrangements for integration but it is taking longer than originally planned to implement the new models of care.

- 7.11 The Corporate Core has £0.688m of savings considered undeliverable in 2018/19 which largely relates to a cross cutting commissioning target. This has been offset against underspends elsewhere within the Directorate.
- 7.12 In 2018/19 an overspend of c£6.1m is reported, which reflects pressures being experienced nationally, particularly in Children's Social Care. The overall position has improved from the previously reported overspend of £13.7m following the development of Budget Recovery Plans to address the position. All Directorates are continuing to work towards greater efficiencies and accelerating savings where possible in order to ensure the delivery of the Medium Term Financial Plan (MTFP) is not undermined.

**8. Action 7: Ensure robust governance and delivery of the new five year Capital Programme Strategy, including major infrastructure projects across Highways, Strategic Development, and Capital Programmes**

*Capital Programmes*

- 8.1 The Capital Strategy was revised as part of establishing the Capital Programme approved by Executive at its meeting on 7 February 2018. The Strategy is a long term rolling programme covering five years providing planned investment to define Manchester as an attractive place to live and further improve the quality of life for its residents; to increase their overall social and economic prospects and enable them to fully participate in the life of the City. Important to the delivery of these aspirations will be:
- to support, promote and drive the role and continuing growth of the city as a major regional, national and international economic driver; as the main focus for employment growth through a strengthening and diversification of its economic base and through the efficient use of land;
  - to support investment in transport infrastructure the City Centre which will lay the foundations for continuing success by 'future proofing' the city's transport infrastructure including; the Second City Crossing, The Northern Hub, Cross City, Bus Corridor and the redevelopment of Victoria Station;
  - to drive forward the Council's Residential Growth Strategy and associated policy frameworks such as Housing Affordability and the Residential Quality Guidance, all of which seek to provide the city with an expanded, diverse, high quality housing offer that is attractive to and helps retain economically active residents in the city, ensuring that the growth is in sustainable locations supported by local services, good public transport infrastructure, and core lifestyle assets such as parks, other green and blue infrastructure, and leisure facilities. This will include maximising the opportunities through Manchester Place, Manchester Life and the Housing Investment Fund and to be able to react flexibly to deliver an attractive housing offer for the City;
  - to deliver a Schools Capital Programme that will support new and expanded high quality primary and secondary school facilities for a growing population;
  - to support businesses and residents to create thriving district centres with appropriate retail, amenities and public service offer; and

- to continue to promote investment to secure an internationally competitive cultural and sporting offer and sustaining core lifestyle assets such as parks, leisure facilities and libraries within the City.

8.2 The governance structure is summarised in the following chart and detailed in the paragraphs which follow:



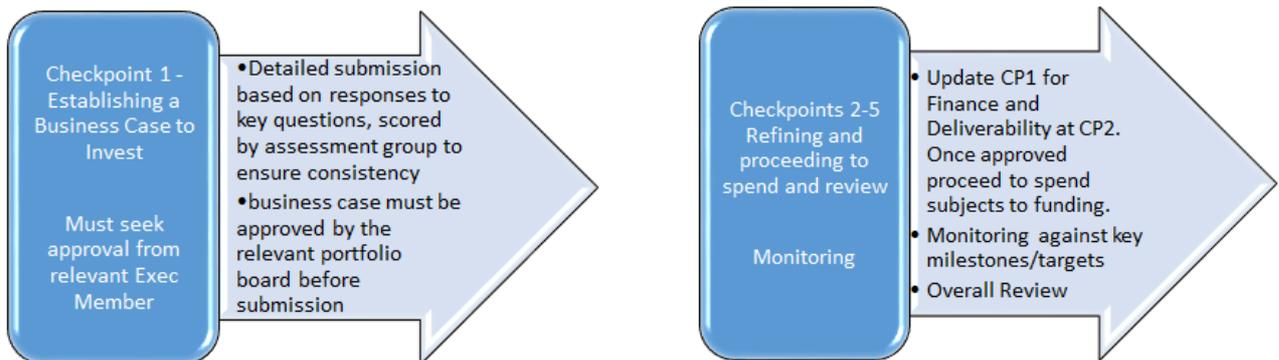
8.3 The Strategic Capital Board, chaired by the City Treasurer and with a membership consisting of the main portfolio leads (Directors) together with representatives from Capital Programmes, Finance and Legal Services has been established to ensure that all capital projects meet the strategic priorities of the Council, provide value for money, and have effective risk management in place regarding cost and delivery. The terms of reference for the Board include:

- To provide the strategic framework for the development and delivery of the Capital Strategy
- To be responsible for ensuring the effective implementation, operation and review of the Checkpoint process that oversees the investment lifecycle from project pipeline to post completion review, including approving schemes to progress at relevant Checkpoints subject to conditions being met.
- To review and consider the pipeline of projects prior to Checkpoint 1, as proposed by Portfolio Boards and confirm agreement to progress through approval process.
- To consider and agree fast tracking of approvals where conditions met.
- To receive and approve requests for feasibility funding subject to conditions being met.
- Ensure accountability for the delivery of the agreed capital programme to time, outcome, quality and cost; and ensure reviews against project plans at regular milestones.
- To review, as a minimum, the top ten risk concerns identified within the capital programme and ensure relevant actions in place to mitigate
- Continually review the longer term capital investment strategy with regard to allocation and reprioritisation of resources for recommendations to Executive.
- Support the delivery functions in Highways and Capital Programmes to achieve excellence and provide an effective delivery and management function.

8.4 Over the last 12 months the Board has reviewed all new capital projects and has provided support and challenge to these as required, and has

continuously reviewed the existing capital programme. The Board has completed a review of the new capital approval process, and is introducing measures to strengthen governance particularly regarding the role of Directorate Boards in capital decision making, and the use of the Register of Key Decisions.

- 8.5 The Board reviewed the information provided to committees regarding the progress of the capital programme and has made fundamental changes to the monitoring reports to widen their scope to provide information on key milestones, finance, project outcomes including social value and risk. It is recognised that this will continue to be developed alongside further system improvements as outlined in the paragraphs below.
- 8.6 The Strategic Capital Board is underpinned by a number of Portfolio Boards covering the main areas of the capital programme to ensure that there is detailed oversight of submissions and ongoing monitoring of spend and outcomes, with course correction as required.
- 8.7 The business cases for investment approval which are presented to the Strategic Capital Board are progressed through a checkpoint process before spend can commence with Senior Member oversight and sign off at Checkpoints 1 (initial business case), Checkpoint 2 (detailed business case) and, as appropriate, Checkpoint 4 (approval to spend). There are five Checkpoints and Checkpoint 3 confirms the funding approvals, whilst Checkpoint 5 is project review to confirm outcomes and lessons learnt including best practice.



- 8.8 Work is underway to create a technological solution to the management of capital projects, from project inception to completion. The aim of this is to streamline the approval process, to provide a clear governance process and documentation for project decision making, and to support project officers in their delivery of the works. This will also include the detailing of the financial position both in terms of budget, actual spend and any changes.
- 8.9 Future reviews of the capital approval process, to ensure it is robust and appropriate for all capital projects, will be undertaken as a matter of course.

Further work is required to strengthen the monitoring of benefits realisation for capital projects and ensure that good practice is embedded including learning from elsewhere within the capital programme.

- 8.10 Further work is also required to clearly set out the pipeline of projects, particularly in a time of constrained resources in order that investment decisions reflect any prioritisation requirements.
- 8.11 This strengthens the governance arrangements through ensuring transparency of the investment decision making process through a clear Governance structure of an overarching Strategic Capital Board which is underpinned by a number of portfolio boards. The business cases are in a standard format and are submitted to the Strategic Capital Board (and the portfolio boards beforehand) to provide a clear audit trail in support of investment decisions; and these can be called upon to support the Key Decision process. All business cases must have Executive Member support before progressing.

### *Highways*

- 8.12 Since the last update was provided there have been further changes to the leadership of Highways in line with changes to SMT portfolio's and areas of responsibilities, this includes service leadership moving from the Chief Executive to the Deputy Chief Executive and the resignation of the Strategic Director, Highways, Transport & Engineering.
- 8.13 The Director of Operations (Highways) concluded a review of major projects in March 2018, the result of which identified the need for additional project resources to drive and deliver projects and set up project specific governance, for example a project board for each major project. As a result of the review resources are now in place and governance arrangements are either established or are in the process of being established. The Director also reviewed the risk profiles of major projects and introduced new delegation powers guidance for Project Managers.
- 8.14 The Director of Operations (Highways) carried out a governance review of the service that mapped out how assurance is delivered. Financial forecasting and monitoring has been improved through specific monthly review meetings chaired by the Director.
- 8.15 The review also identified that in the interim of progressing with and implementing a new structure and operating model that there is a critical need to establish a functioning Programme Management Office (PMO). Consequently an experienced resource has been appointed for a six month period to develop this function and collateral, and this work commenced in September 2018. Once the PMO is established and is functioning effectively it will provide portfolio, programme and project information, enabling the tracking and monitoring of outcomes, progress and budget etc.

- 8.16 The service have also established a fortnightly Highways Portfolio Board, reporting to the Capital Strategy Board. The Portfolio Board is responsible for considering and approving all Highway proposals for capital spend and projects, with final approval the responsibility of the Capital Strategy Board. Once projects are approved via the Checkpoint process and the Capital Strategy Board the Highways Portfolio Board is responsible for governance and monitoring capital spend and delivery. There is also a programme of future proposals in place to increase the certainty of delivery.
- 8.17 The design, delivery and governance of both major and sustainable projects are the responsibility of the Head of Design, Commissioning and PMO. Whilst this post was vacant for some time a permanent appointment was made earlier this year with the post holder commencing in July 2018. This appointment in itself has enabled the introduction of process and governance to coordinate, plan and monitor activity and progress.
- 8.18 In addition to the above a Highways Improvement Board has recently been established, the board is chaired by the Deputy Chief Executive and attended by SMT members and Senior Officers. Whilst the board is in its infancy, workstreams have been identified which include development of the Design, Commissioning & PMO function and internal governance. The Improvement Board will be a further mechanism to monitor and track progress.
- 8.19 A new five year programme is currently being developed that builds on projects already in progress that will inform how the service can make the appropriate contribution towards the delivery of the Council's Transport 2040 strategy.

#### *Strategic Development*

- 8.20 The Strategic Development function of the Council takes the lead in the development and implementation of proposals that will deliver major residential, commercial and cultural initiatives.
- 8.21 The Portfolio Boards which govern projects have been strengthened with a consistent approach mapped back into the Strategic Capital board. Comprehensive monthly reporting of actual performance and forecasting of expected spend, activity and outcomes including re-profiling where appropriate is undertaken. This identifies progress against key deliverables in line with the Checkpoint business cases. It includes an analysis of the variance from forecasted position and identifies the impact assessment against the outputs.
- 8.22 A programme level Risk Register and tracker is reported alongside the monthly reporting to identify any changes in the risk profile and flag early warnings which need to be resolved. These reports are overseen by the Senior Responsible Owner (SRO) for each capital project prior to submission.
- 8.23 There is a forecasting protocol to capture future Checkpoint and Business Case submissions against the Capital Programme Strategy. This is aligned

with the monthly returns for committed projects outlined above. The strategic fit of potential future projects is measured against the Council's priorities within the Directorate prior to being taken forward to Capital Strategy board.

- 8.24 To make the service more agile a streamlined approach to small increases to capital spend or minor projects would mitigate some risks associated with projects and holding assets. The team is working with Capital Projects to explore whether this can be achieved.

**9. Action 8: Develop, design and deliver the Our Town Hall (OTH) refurbishment project to time, cost and quality standards.**

- 9.1 Manchester Town Hall, which opened on 13 September 1877, is an internationally significant landmark and Manchester's greatest cultural and civic asset, which makes a significant contribution not only to the heritage but also to the identity of the City. The Town Hall, whilst structurally sound, is now seriously showing its age with many elements reaching the end of their natural lifespan. It has been agreed that significant refurbishment is required to rectify the identified defects and to protect the building for the benefit of future generations of Mancunians.

- 9.2 At its meeting in November 2016 Executive approved a report recommending the full refurbishment and upgrade to modern standards and partial restoration of the Town Hall. A further report considered by Executive on 8 March 2017 provided progress on the procurement of the design team and the assembling of the project team to maintain the momentum of the project to keep to the agreed work programme and timelines.

- 9.3 A report was delivered to full Council in July 2018 on the progress with RIBA Stage 2 (Concept Design), including proposals for the design of Albert Square, and the closure of three sides of the Square to traffic.

*Governance and Risk Management*

- 9.4 The project is overseen by a Strategic Board which is chaired by the Deputy Leader and which includes the Leader, Lead Member for Finance and Human Resources, Chief Executive, City Treasurer and City Solicitor.
- 9.5 A robust governance structure is in place for the OTH project, which was updated and signed off by the Strategic Board on 1 August 2018. The revised structure has added an additional level of governance (the SMT Sub-Panel) to sit between the Project Board and Strategic Board. A schedule of delegated authorities is agreed in accordance with the Council's constitution, and the project calendar has been updated to reflect a routine cycle of reporting that is based on a four weekly flow of information upwards from the project into the governance structure.
- 9.6 The governance plan will ensure that the project proceeds within the cost, time and quality parameters, which will be signed off at each stage end. This will

deliver progressive cost and outcome certainty as design solutions are developed.

- 9.7 Regular reports will be produced on performance, risk and finances. A Strategic Risk Register is monitored by the Strategic Board. The Risk Register identifies potential impact of, and mitigation strategies for, the identified risks.

#### *Progress Reporting*

- 9.8 Publicly available detailed progress reports are regularly provided to Resources and Governance Scrutiny Committee.
- 9.9 Previously, progress reports have been requested at alternate meetings and provide members with overall progress of the project as well as detailed information concerning the decant, communications activity, social value being achieved, design activity and the procurement of the management contractor.
- 9.10 A detailed report on the project budget position was submitted to Resource and Governance Scrutiny Committee in May 2018.
- 9.11 The Ethical Procurement Sub Group of the Resources and Governance Scrutiny Committee has identified the Our Town Hall Project as one of the projects it wishes to focus on in looking at maximising social value, and regular reports are submitted to this sub group. It is proposed that a report will be submitted to Executive at the conclusion of the management contractor procurement.

#### *Procurement and Recruitment of the Project Team*

- 9.12 The core consultant team was appointed in 2017, and has been expanded progressively as further additional specialist advice is required. The team currently comprises in addition to the core team, a buildability consultant, fire engineer, acoustician, security strategy consultant, planning consultant and creative producer. To date, 150 staff have been inducted into the project office (Council and consultant staff) working side by side in the Town Hall building.
- 9.13 The project is mid-way through RIBA Stage 3 (Developed Design), with a view towards completion of RIBA Stage 3 in March 2019.
- 9.14 The Competitive Dialogue process for procurement of the management contractor was concluded on 18/09/18, and final bids are expected from the short-listed bidders in October. It is anticipated that the management contractor will be appointed prior to end 2018.

#### *Moving out of the Town Hall*

- 9.15 The decant of the majority of staff has been completed, and other than the project team (which shall remain in the building at least until construction work commences), the Coroner's Service are the only occupants currently.

- 9.16 The removal of the first phase of the Portable Heritage Assets has now concluded (artworks and heritage furniture).

#### *Communications and Engagement*

- 9.17 An engagement strategy and plan, has been developed, which is intrinsically aligned to the communications strategy. It is recognised that engagement activities for the project will be varied and will need to develop over time, but immediate actions identified include:

- Acting as the “Front Door” to the Town Hall;
- Management of enquiries about the programme;
- Management of volunteer opportunities for the project;
- Engagement with neighbouring residents and businesses;
- Establishing links with the Education sector, to develop an historical, civic pride, and potential employment and apprenticeship opportunities; and
- To educate on the history of the building, the political importance, the artistry and the future legacy for Manchester’s young people.

#### **10. Action 9: Strengthening the Council’s approach to commissioning, procurement and contract management.**

- 10.1 In February 2018, the Council’s SMT endorsed the work plan and priorities for the commissioning and contract management improvement programme. The work plan builds on existing strengths as well as addressing weaknesses identified in previous reviews and audit reports (including the January 2018 report to Audit Committee). The key points were:

- Strategic governance and oversight of contracts was limited, hampered by inconsistent and, in places, incomplete reporting of contract data and performance;
- Contract management processes and systems were inconsistent and prone to failure;
- Basic standards for monitoring performance were not always being followed;
- Staff and managers wanted more opportunities to develop commercial and contract skills;
- The contract design stage needed a greater emphasis on how the contract will be managed, both in terms of establishing well-designed KPIs that align with the outcome goals of the contract, and practically in how the supplier relationship will be managed;
- Social value could be insufficient or lacking in specifications and in contract monitoring.

- 10.2 In summary, a great deal has been achieved, with notable progress on completion and analysis of contract registers, on the development of standard products and processes, and growing awareness and tools for monitoring social value in contract delivery. However, the scale and complexity of the challenge should not be underestimated, given the number, value and variety

of external contracts, the Council's ambition for delivering for Manchester residents, and the pressing need to maximise value for money.

#### *Ensuring effective strategic oversight and governance*

- 10.3 There are now contract registers in place across the directorates which provide the foundation for improved grip on contract performance and spend. All contracts are currently being assessed for criticality (Gold, Silver, Bronze) and current performance (RAG). Assurance reporting to Directorate Management Teams (DMTs), the Commercial Board and SMT has improved to support senior oversight. Building on the data in contract registers we now have draft dashboards, summarising key data such as number of contracts, contract spend, number of contracts procured under a waiver to tender, activity, performance and contract breaches. There are new accountability arrangements for approvals and to strengthen the pre-tender and tender stages. The team is working with Manchester Health and Care Commissioning and the Local Care Organisation on the future management of council-funded social care contracts.

#### *Processes and systems*

- 10.4 Following a series of workshops with practitioners, standard processes now exist for commissioning and contract management. Improved ICT systems and capability are required to support contract management, and is part of the ICT investment plan. Work started in April 2018 on requirements; design and procurement is due in quarter two 2019 (delayed from quarter one), and implementation is due in quarter four 2019.

#### *Resourcing, skills and capability*

- 10.5 Work is underway to raise the prominence of contract management as a career and improve staff skills and capability. From October, there will be a dedicated session on financial and contract management on the Our Manchester Leadership and Raising the Bar programmes. In addition, the Council is designing an e-learning course for contract management, to be ready this autumn.

#### *Social Value*

- 10.6 Commissioning for and monitoring delivery of Social Value has been included in all the new contract management standards and tools, and a Social Value Tool Kit for Commissioners was launched in March. To strengthen delivery of commitments in contracts, officers are focusing on ensuring that Social Value and its monitoring is explicitly covered early on, at the commissioning and pre-tender stages, and later, at the tender stage; and closely monitoring the delivery of social value once contracts are live.

#### *Looking ahead*

- 10.7 The priorities for the next six months remain the delivery of the improvement programme, with particular focus on (i) supporting directorate management teams and SMT in the forward pipeline of commissions and contracts; and (ii) to raise staff skills and capabilities, and facilitate cultural change. Work is underway on a communications programme to ensure all staff are aware of their contract and commissioning responsibilities. This is a long-term improvement programme, and there remains much to be done.
- 10.8 A detailed report is included under Agenda Item 11 of this Audit Committee.
11. **Action 10: Maintaining a strategic leadership role for the Council in the context of changing national policy in relation to schools, including changes to the school funding formula, and the reducing role of local authorities. Via partnership working, support schools to deliver a good or better level of education and learning, including improvement of secondary school exam results.**
- 11.1 The Council has undertaken a wide range of activities, and maintained and developed relationships in support of this action:
- Continued strategic engagement with the school system through the Strategic Education Partnership Board.
  - Continued partnership with Manchester Schools' Alliance (of which the Council is a member), with all major headteacher groups now incorporated into the Alliance. This Alliance reports to the Strategic Education Partnership Board on its programme to support developing practice across all types of school.
  - Continued representation from Director of Education at all termly strategic headteacher groups to provide information, discussion of priorities and collaborate on ways forward.
  - Continued coordination and facilitation of networks of key leaders from all schools to ensure flow of information and strategic intention from national government, local government, regional work and across the school system.
  - Continued engagement with the school system regarding allocation and management of Dedicated Schools Grant (DSG) through the Schools' Forum.
  - Annual meeting between Director of Education, senior Education officers and each Trust operating in the city to support strategic planning.
  - Embed and further develop the role of Manchester School Improvement Partnership to ensure that all teaching schools and National Leaders of Education based in the city are effectively deployed to support school improvement.
  - Work with school leaders to ensure that there is better coordination and understanding about the role of school representatives on different strategic boards and steering groups, and strengthening school representation on the Children's Board.
  - Implementation of school governor strategy including recruitment of LA governors and termly briefings for Chairs of Governing Boards.

- Sustained quality assurance relationship with the vast majority of schools in the city, including academies and free schools, to provide the Council with a knowledge of schools and to provide the basis of relationships through which the role of schools has continued to develop.
- Development and dissemination in September 2019 of a 'Welcome to Manchester' pack for all headteachers which provides information on the whole schools system and offer from the Council.
- Considerable direct activity with schools in support of meeting the need for additional places, including local schools and multi academy trusts agreeing to expand and develop free school proposals in response to Council requests.
- Work with the Department for Education's (DfE) Regional Schools Commissioner, other parts of the DfE and OFSTED to place the Council at the heart of discussions about performance, capacity and growth in academy and free schools in the city.

**12. Action 11: Continued improvement of governance and communication of workforce policy and associated guidance, including embedding new ways of working. This includes ensuring strong messages around compliance and accountability, and a planned programme of work to identify and tackle areas of non-compliance.**

- 12.1 The induction process content has been updated and is currently being progressed to be implemented in January 2019 for the inductions of both new staff and managers. The updated process will ensure that during induction officers are introduced to key policies and procedures including HR, Health, Safety and Welfare (HSW). The process will also outline the key priorities of the Council and the behaviours required of officers, related policy and how this supports the Our Manchester Strategy.
- 12.2 The Raising the Bar Programme continues to assist the development of managers up to Grade 9 ensuring that they have the knowledge, skills and behaviours to deliver Manchester's ambitious targets. 462 delegates have enrolled onto one or more modules of the course during 2018/19. Since implementation 654 delegates have booked onto the course with circa 500 delegates attended one or more modules by September 2018. For managers Grade 10 and above the Our Manchester Leadership Programme (OMLP) has supported 175 delegates who have completed or are booked onto the course during 2018/19. 271 delegates have booked onto the course since its launch with 229 having attended one or more modules to date.
- 12.3 Each of the programmes cover key issues which include people, policy, health, safety, welfare management and mental health awareness. A recent addition launched from October 2018 is a financial management and commissioning module available to delegates which meets the recommendations of an Audit report which identified a need to improve awareness and understanding of the topic for both managers and cost centre managers. These courses explore both the behaviours required of Manchester managers and how this links with successful delivery of the Our Manchester Strategy

- 12.4 An additional Public Service Management module will be added to the OMLP which will focus on the accountable leader in the modern public sector, exploring themes around the changing nature of leadership in public services and the expectations of citizens. Delegates will examine what it means to be innovative and entrepreneurial, with public service values at the heart. The module will cover the following key areas:
- Public service leadership for the 21st century
  - Principles of good governance
  - Personal leadership
  - Real life challenges and dilemmas
- 12.5 A new approach to communications is being trialled from October 2018 with the 'Autumn Update' broadcast which gathers all the key policies and campaigns that are being launched. The aim is to provide a quarterly roll out of the communications which are clearer and more structured, increasing awareness and impact across the organisation.
- 12.6 In relation to compliance a 'Management of Attendance taskforce' was introduced in March 2018 in response to increasing absence rates. The focus of the project is to improve absence data, provide targeted support to managers and identify where there is non-compliance with the Management of Attendance policy across the organisation to try to reverse the trend. The aim was to address issues with compliance as a first step, ensuring effective return to work conversations were held and employees were aware of the health and wellbeing support available. As of July 2018 compliance has increased to 60% (from 17% reported in March 2018), which whilst being positive indicates there is still work to be done. Work continues to make these improvements and HROD are recommending that a mandatory 'bite-size' training course is delivered to all managers where compliance remains an issue.
- 12.7 One of the outcomes of the above project was to introduce SAP prompts where emails are sent to managers when staff have hit triggers. This has also been rolled out to include holiday request notifications to improve the process for managers and employees.
- 12.8 Our Ways of Working has been communicated across the organisation and continues to focus on new ways of working, allowing services to tailor how they work to provide a professional and flexible offer which works for the services and individuals. Part of this was holding drop in sessions which were attended by circa 160 staff with over 70 emails responding to the broadcast to request views.
- 12.9 The Our Manchester experience has been running since October 2017 with circa 1,850 employees going through the experience to date and providing feedback scores consistently in excess of 90%. The aim is to allow employees to explore the key themes and link how they, and the work they do, are a key part Our Manchester strategy. Open to all employees this is a key way of

engaging with the entire organisation with the goal of everyone attending this by the end of 2020.

12.10 Launched in October 2018 as part of the autumn update is the new Recruitment and Selection policy and guidance which encourages managers to 'Hire with their Head', tailoring the recruitment process to their roles and services to get the best possible candidates in a way which is fair, inclusive and consistent across the organisation. Alongside the policy a new intranet site has been developed covering each area of the recruitment process and a mandatory e-learning course has been developed and launched to improve understanding of key areas such as equality considerations. The policy, guidance and e-learning provides consistent content which links recruitment to the Our Manchester Strategy and Our Manchester Behaviours when recruiting. A compliance review will be undertaken following launch to make sure that everyone involved in recruitment has, at the minimum, completed the course by December 2018.

### **13. Next steps in the production of the 2018/19 AGS**

13.1 A further update on progress made addressing the governance challenges detailed in this report, up to the end of the financial year, will be given in the full Annual Governance Statement 2018/19 document.

13.2 The Council will also undertake forward planning to consider what challenges will need to be addressed in 2019/20. As part of this process, evidence from governance self-assessment information collated from services across the Council will be analysed to identify recurring governance challenges. An annual meeting of governance lead officers will also be arranged where this analysis will be considered, and a list of the most significant governance challenges which the Council will need to address in 2019/20 will be itemised in the Action Plan at the end of the AGS 2018/19.

13.3 A draft of the Annual Governance Statement for 2018/19 will be submitted to Audit Committee in April 2019, prior to its inclusion with the Council's Annual Accounts later in the year, in July.