

**Manchester City Council  
Report for Information**

**Report to:** Audit Committee – 11 February 2019

**Subject:** Register of Significant Partnerships

**Report of:** Deputy Chief Executive

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### **Summary**

This report contains the Register of Significant Partnerships 2018. The format, and the review and assurance process associated with the register, is outlined in this report. The report focuses on partnerships which have been added to the Register during 2018 and those where the governance strength rating has changed, or where the rating remains 'Medium' or 'Low' following completion of the latest self-assessment. The full draft Register is included as an appendix to this report.

It should be noted that following the review of senior management arrangements considered by Personnel Committee on 29 January, the SMT Lead for each partnership will be revised.

### **Recommendations**

Audit Committee is requested to comment on and note the latest update of the Council's Register of Significant Partnerships.

### **Wards Affected: All**

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## 1. Introduction and Context

- 1.1. This report sets out why the Council produces a Register of Significant Partnerships, the review process and the areas of change during 2018. It sets out a summary of the rationale for any additions or deletions to the Register and for any changes to the governance strength ratings. The full Register is included as an appendix.
- 1.2. In recognition of the need to ensure that all of the Council's partnerships continue to perform well, delivering both value for money and supporting the achievement of the Council's strategic objectives on an ongoing basis, a Partnership Governance Framework is in place. The framework was refreshed in 2013, and will be refreshed prior to the 2019 update of the Register. This framework defines and standardises the Council's approach to managing its partnerships, in order to help strengthen accountability, manage risk and ensure consistent working arrangements.
- 1.3. In support of its application of the 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 position or reputation of the Council or to its objectives. These arrangements are not uniform, they include joint venture partnerships, statutory groups, Private Finance Initiatives (PFIs) as well as other types of arrangements. They reflect different governance structures depending on their legal status.
- 1.4. The Register is reviewed annually as part of the Council's processes for obtaining assurance over the robustness of its governance arrangements, and ensuring that any challenges that may need to be addressed are highlighted so that improvements can be made where required.
- 1.5. Partnership working over the recent past has been an increasingly important way for the Council to meet its strategic objectives. In light of the financial challenges which continue to be presented by reducing levels of funding, organisations in the city must work together for mutual benefit to make best use of their combined resources. The principles of ensuring the lawful conduct of its business, and that public money is safeguarded, accounted for and spent economically, efficiently and effectively apply equally to the Council's work with its partners. Therefore it is vital that the Council gains assurance that there are clearly defined and effective governance arrangements in place for all partnership arrangements. This is becoming increasingly relevant to the Council as more services, particularly those delivered as part of the Our Manchester approach, are delivered in partnership with other local services.
- 1.6. CIPFA guidance on delivering good governance in local government was refreshed in April 2016. The guidance emphasises that Councils "*must ensure that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met*". The Council's updated Code of Corporate Governance (the Code) sets out the

expectations for governance standards across the organisation, which align with the principles in the CIPFA guidance. The Register of Significant Partnerships process is one of the key assurance mechanisms used to assess compliance with the Code, and identify governance challenges. The appropriate evidence of assurance, and governance challenges, are recorded in the Annual Governance Statement (AGS). In 2016, Grant Thornton produced "*Better together: Building a successful joint venture company*". This also highlights that it is critical to have an effective governance framework to provide protection and ensure there is accountability for all parties.

### Definition of Significant Partnership

- 1.7. A partnership is a formal agreement between the Council and one or more other organisations to work collectively to achieve an objective. Partnerships may:
    - Agree to cooperate to achieve a common goal or shared objectives.
    - Create a new organisational structure or process to achieve goals or objectives.
    - Plan and implement a jointly agreed programme (often with jointly provided staff or resources).
    - Provide joint investment and share the risks and rewards.
  - 1.8. To be included on the Council's Register of Significant Partnerships, the partnership relationship should be one or more of the following:
    - Of strategic importance to the Council, critical to the delivery of the Council's key objectives or statutory obligations, and/or to the delivery of the Our Manchester Strategy.
    - Critical to the reputation of the Council – failure of the partnership to deliver could damage the reputation of the Council.
    - Responsible for spending significant public investment.
  - 1.9. Arrangements where the Council agrees a contract with another organisation to deliver services on its behalf will not be considered as a partnership and instead will be subject to appropriate procurement processes in accordance with the Council's Constitution. Where two or more organisations, including the Council, jointly enter into a contract with a third party to deliver services for these organisations collectively, a partnership may be in place between the organisations who have contracted the third party. The effect of this is that where the Council has entered into a contract with another organisation to deliver services on its behalf will not be included on the Register.
- 2. The process of producing the Register of Significant Partnerships**
- 2.1. The annual review process starts with a self-assessment proforma being completed by the appointed partnership link officer. The proforma asks questions about aims and objectives, membership, decision making, finance, audit and risk management (including understanding obligations under applicable data protection legislation), conduct and behaviour, liability and

performance. This leads to an overall self-assessment governance strength rating of high, medium or low based on the robustness of the governance arrangements that the partnership has in place. A governance strength rating of 'High' indicates there is a high level of assurance.

- 2.2. To provide an additional level of assurance to the process, a panel of officers from Legal, Audit and Risk, Finance, HROD (Human Resources and Organisational Development) and Performance, Research and Intelligence carry out an independent review of the completed assessments. The group assesses whether sufficient evidence has been provided to support the proposed governance strength rating, and if not additional information and assurance is sought. Where this assurance can be provided the rating is confirmed; where this is not the case it is moderated. The outcome of this is a moderated governance strength rating, which is recorded on the Register for each partnership.
- 2.3. Once all the self-assessments have been received and reviewed, the updated ratings are compiled to produce the refreshed draft Register. The Register contains a summary of information about each partnership, including:
  - Class of Partnership:
    - Public public - All partners involved in the partnership are public organisations
    - Public private - Partnership with one or more private sector companies
    - LSP - Partnership is part of the Local Strategic Partnership family
  - Significance Rating – This indicates a partnership's relative significance, and reflects aspects such as its contribution to corporate priorities and the level of associated financial, political and reputational risk. A high score signifies major significance. It should be noted that even partnerships with a low relative significance are still of significance and weak governance arrangements can affect the achievement of the Council's goals.
  - Governance Strength Rating – The overarching rating for the partnership, following moderation.
- 2.4. For 2018, of the 50 partnerships on the Register, 34 (68%) are rated as having 'High' governance strength, 15 (30%) rated as 'Medium' and 1 (2%) rated as 'Low'. As a comparison, the ratings in 2013 were as follows: of the 47 partnerships, 40 (85%) were rated 'High', 6 (13%) rated as 'Medium' and 1 (2%) rated as 'Low'.
3. **Changes to partnership details on the Register and those registered as 'Medium' or 'Low' Governance Strength rating**

#### **Partnerships added to the Register in 2018**

### Northern Gateway (entry 15)

- 3.1 In April 2017, the City Council appointed Far East Consortium International Limited (FEC) as its selected investment and delivery partner to bring forward the regeneration of the Northern Gateway to create a vibrant, attractive and sustainable neighbourhood. Through a Joint Venture (JV) arrangement, the Council and FEC will deliver the regeneration of the Northern Gateway on land controlled by the investment partnership and work closely with other local stakeholders to ensure that a comprehensive and coordinated approach to development is taken across the piece; with the cornerstone of this co-ordinated approach being provided via the establishment of a Strategic Regeneration Framework (SRF). This model will facilitate and provide clarity to the delivery of planned development phases across the Northern Gateway area.
- 3.2 The initiative is being driven by officers within the Strategic Development Directorate with support from other service areas across the Council including: Legal; Planning; The Neighbourhood Service, including Highways; Policy; Health; and Education.
- 3.3 A review of resource requirements to ensure the successful delivery of the initiative is being undertaken and once finalised will inform further reports to the Executive and Personnel Committee as required. The SRF and a summary of key actions of the Implementation Plan are subject to approval at the Council's Executive Meeting in February.'
- 3.4 Outside of the JV; other statutory stakeholders will play a role in the delivery of the Northern Gateway, as well as those bringing forward development proposals. Throughout the preparation of the SRF engagement activity has taken place with a range of stakeholders who will play a part in the delivering the Northern Gateway, including 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. This engagement will continue as infrastructure planning moves forward.
- 3.5 Due to the JV partnership being in its infancy it has not yet formalised a risk register and monitoring process. This is currently being addressed via the formation of the Programme Board, and there is assurance that any risks identified are escalated to the Operational Company Board as appropriate. In view of the evolving nature of the partnership, Northern Gateway is rated as 'Medium' governance strength.

### MCR Active (entry 44)

- 3.6 Manchester Active is a single governance model for sport and leisure, which also went live in part on 1st December 2018 and will be fully operational on 1st April 2019. Manchester Active is a non-profit organisation wholly owned by the Council. It will be contracted by the Council to implement the new Sport and Physical Activity Strategy which was agreed by the Council in May 2018.

- 3.7 The new approach will see the Council work alongside partners across Health and Sport England, and will ensure Manchester Active adopts a new approach to tackle inactivity and increase sport and physical activity participation.
- 3.8 Manchester Active will provide new leadership and a common narrative for sport and physical activity in Manchester. It will manage the performance of the new facility contracting arrangements on the Council's behalf, develop new commissioning arrangements to build capacity amongst the voluntary sector and work to activate all facilities across the city widening access for Manchester residents in every neighbourhood.
- 3.9 Given the partnership is new, and processes will continue to evolve and develop once it is fully operational in April 2019, a 'Medium' governance strength rating has been allocated to MCR Active. Progress on governance arrangements will be fed back in the six month update report to Audit Committee.

**Partnerships where governance strength rating remains 'Medium' or 'Low' following latest assessment**

Manchester Working Ltd (MWL) (entry 4)

- 3.10 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.
- 3.11 The joint venture with Northwards Housing ended on 31st March 2017 as a result of the contract period ending after 10 years. The decision taken by Northwards and the Council was not to procure a joint venture. The re-procurement was undertaken in the open marketplace through a competitive process and a new contract was awarded to Mears on a commercial basis and on a formal contract in line with most other supply contracts. The Deputy City Treasurer has established a task and finish group to wind down the JVC known as MWL during the next two years as individual projects come to a conclusion. In view of this, the partnership will continue to be rated as 'Medium' governance strength.
- 3.12 Planned Programme Maintenance and Reactive Repairs for Public Buildings has been tendered and the contract award was made in December 2018. As MWL did not submit a bid, the new contract will be provided by the new contractor Engie Ltd and TUPE of the current workforce applied.

NOMA (entry 15)

- 3.13 The partnership is in place to provide strategic oversight and 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. Hermes are taking forward the delivery of the

masterplan, which is currently being reviewed in consultation with the City Council.

- 3.14 Council Officers are continuing to re-establish the strategic partnership with Hermes. These arrangements are still in the early stages. However, there is not considered to be a material risk in delivering the masterplan and the overall objectives of the scheme, as a significant proportion of development has already been delivered, or is being delivered. This includes completion of 1 Angel Square (the Co-op's Head Office); the European Regional Development Fund funded public realm; refurbishment of buildings in the Listed Estate; the first residential development; and development of the events strategy at Sadler's Yard.
- 3.15 Relationships with Hermes will continue to be developed over the next year and progress will be monitored via Board meetings and officer meetings. In view of this, NOMA continues to be rated as 'Medium' governance strength whilst links are re-established and delivery of the masterplan is under review.

#### Manchester Safeguarding Children's Board (entry 16)

- 3.16 A report on the Register of Significant partnerships was presented by the Deputy Chief Executive to the Audit Committee in July 2018, which included a detailed report on the MSCB improvement plan showing all areas were completed.
- 3.17 Since then the MSCB and the sub groups which support it have been focusing on the four priority areas of Neglect, Complex Safeguarding, Engagement and Communication and Transitions. A new business plan has been developed and this is regularly reviewed by the leadership group which co-ordinates the work of the partnership. Partners have provided information for the annual report for 2017/18. This report was considered by MCC scrutiny committee in October 2018 and by the Health and Wellbeing Board. Partners have also undertaken annual section 11 self-assessments which will be followed by a Peer Review session to review and discuss their responses and identify actions for future improvement.
- 3.18 The Board is supported by a strong Leadership Group made up of sub group chairs and key partners including the Executive Director of Nursing & Safeguarding, Manchester Health and Care Commissioning, the Director of Children's Services and the Detective Superintendent GMP City of Manchester Division, who are responsible for driving forward board business, having ownership of the business plan, risk register, budget and providing a forum for discussion around how sub groups can work effectively together. The Leadership Group is chaired by the Independent chair and is a forum for challenge; red flags are raised at these in relation to performance. The budget is combined across both Manchester Safeguarding Boards and at the year-end showed a balanced budget with a carry forward of reserves from previous years of £65k.

- 3.19 The board continue to meet bi-monthly and agendas are structured to provide assurance of the multi-agency response to safeguarding and make sure the statutory responsibilities of MSCB are discharged. In relation to conduct and liability, all agencies have their own policies and procedures in place to address matters of concern that the partnership itself does not have policies and procedures in place that are specific to conduct and liability.
- 3.20 The MSCB recently endorsed a Strategy with regard to Modern Slavery and Human Trafficking which is an important element of Complex Safeguarding. The Board also had one of its regular updates as to the implementation of the Domestic Violence and Abuse Strategy. Whilst this strategy is overseen by the Community Safety Partnership the MSCB needs to be assured that safeguarding is an integral part of the delivery.
- 3.21 Feeding into the Leadership Group are a number of sub groups serving cross cutting strategic areas such as Quality Assurance and Performance Improvement, Communication and Engagement, Learning and Development, Safeguarding Practice Development and Complex Safeguarding.
- 3.22 The Child Death Overview Panel reports to the Leadership Group and there is a sub group specifically having oversight of the serious case review programme, making sure that legal responsibilities are met and most importantly that multi-agency learning from serious incidents is captured quickly and appropriately so that it can be embedded across the partnership.
- 3.23 The Independent Chair has regular meetings with the Director, Lead Member and Chief Executive. There is also close working with other Board Chairs at a Greater Manchester level.
- 3.24 Work as per the above will continue in strengthening the partnership. Following a national review of Safeguarding Children Boards, a new statutory framework has been introduced through a revised Working Together which was published in early July 2018, which sets out requirements for the three statutory partners (Local Authority, Police and Clinical Commissioning Group) to establish new safeguarding arrangements at the latest by September 2019. Work has started to identify how the transition will take place during which time the current statutory obligations will remain. This new Multi-Agency Safeguarding arrangement will replace the MSCB.
- 3.25 In view of the continued work to strengthen the partnership's governance, and the forthcoming transition to new safeguarding arrangements, MSCB retains its rating of 'Medium' governance strength.

#### Children's Board Strategic Partnership (entry 20)

- 3.26 The Children's Board has continued to mature with regular strategic commitment and participation. The production of an Annual Report detailing the activity and impact from the partnership is evident as reflected in the

report to the Health and Wellbeing Board dated 6 June 2018<sup>1</sup>; which highlighted the impact of early help and troubled families programme. Whilst performance against the outcome framework is monitored, the ambition is for the Children's Board to adopt a multi-agency outcome based accountability approach to the identified strategic priorities which will include:

- Developing the partnership Services for Children Communications Strategy
- Supporting the reform of the forthcoming Multi-Agency Safeguarding Arrangements in Manchester to meet the legislative changes of the Social Work Act 2017, due to come in to effect from June 2019.
- Further develop and embed the role and voice of the children's partnership in the city wide transformation of health and social care
- Ensuring a well-developed whole systems response to the growth in Manchester's child population and their associated needs.
- To continue to align the Board's key strategies and those of its related Boards - through the Inter Board Protocol.

3.27 This will take time and will be reported and subject to regular scrutiny via the Children and Young People Scrutiny committee of key areas of activity including Early Help, Children's Health and routine reporting of proxy indicators for children's Services; with committee members regularly visiting services.

3.28 The Board has achieved a greater contribution and involvement of children and young people, with young people leading the Board, reporting on their activity and holding challenge sessions.

3.29 The partnership will retain its rating of 'Medium' governance strength. This reflects the requirement to embed the outcomes framework and to evidence the impact on the achievement of the Children and Young People's Plan priorities of safe, happy, healthy and successful.

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

3.30 The current agreement between the Council and the three Clinical Commissioning Groups 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.

3.31 Although progress has been made and governance arrangements remain robust, the partnership is undergoing a period of transition and the work continues in terms of the partnership arrangements. The new Service Level Agreement (SLA), which sets out the responsibilities and priorities of the

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<sup>1</sup> Annual Report to Health and Wellbeing Board:  
[https://secure.manchester.gov.uk/download/meetings/id/25178/item\\_6\\_-\\_childrens\\_board\\_annual\\_report\\_2017-18](https://secure.manchester.gov.uk/download/meetings/id/25178/item_6_-_childrens_board_annual_report_2017-18)

Council and the CCG, still remains in draft form and is awaiting ratification by the CCGs before this can be signed off by the Director.

- 3.32 Whilst the signing of the SLA is believed to be imminent, the governance strength rating of 'Medium' will remain for 2018. A further update will be submitted later in 2019 once the SLA has been finalised and signed, and there is further clarity on the partnership's role.

#### Manchester International Festival (MIF) (entry 28)

- 3.33 MIF is 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 2020.
- 3.34 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 partly concluded. This work is owned and driven by the MIF Board, Chief Executive Officer and the Executive Team.
- 3.35 The renewal and expansion of the MIF Board was the first step in this process, with nine new trustees approved. The Board has now grown to 18 members and the City Treasurer is an observer. An Executive Structure is being designed and a new Chief Operating Officer role has been recruited to. A Business Plan has been approved by Arts Council England / Department for Culture, Media and Sport. This plan is a live document and over the next 12 months the artistic programme will be developed.
- 3.36 A Business Plan has been approved by Arts Council England, the Council and the Department for Culture, Media and Sport. This plan is a live document and over the next 12 months the artistic programme will be further developed.
- 3.37 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. 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.
- 3.38 A detailed risk register is reviewed at the Project Board meetings covering both the capital and non-capital risks. A Strategic Board has been established which is chaired by the Leader of the Council and 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.

- 3.39 As there are significant changes and preparations are in progress for MIF taking on the operation of The Factory, MIF will continue to be rated as 'Medium' governance strength.

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

- 3.40 As of 1 January 2017, GMMH (formerly Greater Manchester West) acquired Manchester Mental Health & Social Care Trust (MMHSCT), and responsibility for the delivery of all its Manchester based mental health services. This was part of a NHS Improvement led process supported by the Council and Clinical Commissioning Groups, signed off by the Secretary of State.
- 3.41 A single integrated NHS contract was signed with GMMH in 2017, covering all Health, Social Care and Public Health mental health and wellbeing services. This was a two-year contract (with the option to extend for a further two years) with an annual value of c£95m. The Council's Social Care and Public Health element of this contract had a combined annual value of c£7.4m.
- 3.42 Manchester Health and Care Commissioning (MHCC) and GMMH have worked together during this two-year contract to deliver the strategic aims of the acquisition via the delivery improvements to particular pathways of care: improving access to psychological therapies; acute care and rehabilitation pathway for people experiencing severe and enduring mental health problems. GMMH have delivered to plan and made significant headway in transforming pathways of care.
- 3.43 For 2019/20 onwards, whilst MHCC will review the annual planning guidance from NHS England and ensure the organisation applies it as required, the timetable for contract agreement will be brought forward to match the Council's budget setting timetable. The CCG will prioritise the contracts but will, wherever possible, ensure that they all are agreed in line with national timetables. The CCG may look to draft a new contract with GMMH for 19/20 based on whether NHSE introduces significant change to the Terms and Conditions and Contract Particulars. MHCC also reserves the right to use the national contract variation if this becomes a viable option for 2019/20.
- 3.44 The Director of Adult Services has recently initiated a collaborative review with GMMH and MHCC, which is being led by the Council's Audit team. A terms of reference has been developed which includes a review of the statutory Council functions delegated to GMMH via the Section 75 agreement. This is to establish an up to date position with regard to current performance and outputs and provides the opportunity to proactively address any issues that are identified as part of the assurance process.
- 3.45 New priorities for areas of care needing transformation and attention will be negotiated within the 2019/20 contract and will include the findings of the section 75 audit referenced above.
- 3.46 With regards partnership arrangements, the establishment of the MHCC has led to a new structure being implemented between the Council and the CCG,

including the MHCC Board, Chief Operating Officer, Executive Team and associated staffing structures.

- 3.47 In view that the partnership remains in transition, it retains its governance strength rating of 'Medium'.

Avro Hollows Tenant Management Organisation (entry 35)

- 3.48 The Avro Hollows Tenant Management Organisation (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.
- 3.49 A governance strength rating of 'Medium' was recorded for 2017, which remained the same as the last two years. Following a request from Members at the January 2018 Audit Committee meeting, a further update was provided at the meeting held in March 2018. This included more detailed assurances in relation to governance and risk management arrangements, and also addressed concerns in light of the Grenfell disaster.
- 3.50 Over the last twelve months Avro Hollows have worked hard to complete all the tasks highlighted by Savills in relation to fire safety, all of which have been completed ahead of time. In addition to this, staff have received fire safety training. Improvements to procedures and processes have also been made following the advice from Savills.
- 3.51 The TMO have had two AGMs this year, both of which were well attended. Additional Board Members were elected at the January 2019 AGM.
- 3.52 The procurement of Avro's own repairs and maintenance contractor has meant that tenants receive a more cost effective and efficient service. Tenants have been asked for feedback on the service and all comments have been very positive.
- 3.53 A risk management process is in place, and there is a facility via the Estate Office whereby tenants, residents or visitor can report any identified risks on the estate. A risk log has been generated as a continually evolving document which is reviewed at Board Meetings and covers strategic or high level operational risks. Low to mid-level operational risks are raised at specific sub groups of the Board, such as finance and works. The whole risk register is reviewed at Board Meetings.
- 3.54 Council officers are currently working with Northwards Housing to prepare for the commencement of a capital works scheme in 2019. Fire Risk Assessment works are included in this scheme. The board meetings will continue through 2019, and officers will continue to attend the TMO liaison meetings, and regular liaison with Northwards will be ongoing.
- 3.55 The Council's professional relationship with AVRO has improved due to the joint working with partners to resolve several issues, especially those highlighted by the Grenfell fire. Although there will be now a major capital works programme delivered, the Council will seek to maintain its close

working relationship with AVRO as they work more independently than the Council's other partners. For this reason the governance strength rating will remain as 'Medium', with the Council working hard to sustain a more formal working relationship with the board and its management team.

#### SHOUT Tenant Management Organisation (entry 36)

- 3.56 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).
- 3.57 The paid housing management staff have been in place for over a year and are gaining more situational experience building relationships with tenants and residents. SHOUT has a strong relationship with Northwards and the Council. Board membership has increased with three new members volunteering at the recent Annual General Meeting. Board member time spent at SHOUT did decrease at the mid-point of the year but is now increasing beyond the levels of 12 months ago.
- 3.58 In terms of processes, capacity has been built to enable staff to conduct repairs audits and invoice reconciliation, which has resulted in revenue refunded from the contractor circa £3k. A new void turnaround process was implemented, saving on average two weeks lost rent per void. Management meetings between Executive Board Members, paid staff and Council liaison officers take place on a weekly basis, the outputs of these meetings being the Issue Log and Action Log. A risk log will be introduced as currently risks are identified and responded to, but the process can be improved.
- 3.59 An audit of spend resulted in a consolidation of service providers, which led to savings being made. A new dedicated connection to Northwards ICT network is being installed in the SHOUT office which will enable full remote ICT functionality and system integration. The Health and Safety, Risk Assessment and Fire Risk Assessment have been completed for the office; Savills will report back in due course.
- 3.60 SHOUT received a unanimous quorate vote for the continuation of the TMO at the AGM, thus enabling a 5 year plan to be developed. The TMO has reached a maturity whereby close contact with the Consultants are no longer necessary but will be retained for advice and support as and when required. Close engagement with the Council's Neighbourhood Team has resulted in more coordinated and collaborative working with contractors and other stakeholders.
- 3.61 The commercial position of the TMO is sound. There was a slight overspend in the 2016/17 financial year of £1k, which was mitigated by repair costs claimed back from their repairs contractor. Responsive repairs was the major strain on the operating budget, accounting for more than 70% of spend. The account is currently showing a small surplus.

- 3.62 In terms of governance, the TMO has good requisition, financial and decision making governance arrangements in place. Board decisions are recorded and circulated, financial process are in place including an independent accountant to verify record keeping.
- 3.63 Customer relationships have continually improved over the last year. Engagement with tenants around repairs has resulted in SHOUT better communicating with Northwards and the Council over capital investment programmes.
- 3.64 Over the next 12 months, the new Board Members will become more active, enabling the establishment of specialist Sub-Committees. The priority is to establish the Management Sub-Committee. Staff skill level and capacity will be continually built on via experiential operational learning and formal training. Going forward, as systems and processes develop staff and board members should have more resource for customer engagement.
- 3.65 Repair costs and quality will continue to be challenged resulting in savings, better customer experience and better stock condition. Board meetings will continue as well as attendance at the TMO liaison meetings and continued discussions with Northwards.
- 3.66 The TMO has very much improved delivering services on the ground and in terms of its staffing arrangements, infrastructure and governance. However, they are still implementing a new suite of policies and processes, including how they adopt and integrate new members to the board. The Council would want to see prolonged evidence of improved governance from the board and better dialogue on issues with partners which will bring visual improvement to the fabric of their estate. The consultants who have been supporting SHOUT will have provided their final report in January, therefore the professional support they have previously relied on will no longer be as easily accessible. Council officers are closely monitoring their performance: going forward the Council is likely to have to play a closer, more detailed role in supporting the board and its management team. In view of this, SHOUT will retain its rating of 'Medium' governance strength.

#### Hulme High Street Ltd (entry 41)

- 3.67 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 of 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.

- 3.68 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.
- 3.69 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 JV or partnership. The Council's legal team are prioritising this area of work; in the interim the partnership will remain as 'Low' governance strength.

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

- 3.70 MHCC was established in 2017 to create a single health, adult social care and public health commissioning function for Manchester.
- 3.71 MHCC 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. 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.
- 3.72 A new partnership agreement has been agreed, which formalises the arrangement described above and sets out the rules for how financial pooling will occur via a Financial Framework. The Council have audited MHCC's governance arrangements and are monitoring delivery of the recommendations. Therefore, in the interim MHCC is rated as 'Medium' governance strength, and the formalising of arrangements and due diligence continues.

#### Manchester Local Care Organisation (entry 43)

- 3.73 Manchester Local Care Organisation (MLCO) was formally launched on 1st April 2018. The original intention was for it to be established through the award of single ten year contract for the delivery of a range of adult social care, community health, primary care and community mental health services.
- 3.74 Although a single contract for the delivery of the MLCO services was not possible, partners including Manchester University NHS Foundation Trust (MFT) agreed to develop a legally binding ten-year Partnering Agreement, which commits all parties (MFT, Manchester Health and Care Commissioning, Manchester City Council, Manchester Primary Care Partnership and Greater Manchester Mental Health NHS Foundation Trust) to the delivery of the MLCO agenda and the transformation of out of hospital services. The

Partnering Agreement was formally signed by all partners in March 2018, coming into effect 1st April 2018 and in doing so establishing MLCO.

- 3.75 Whilst not a recognised statutory body or legal entity, 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.
- 3.76 Whilst the MLCO is responsible for delivering those services described, due to the limitations of the Partnering Agreement and absence of a single health and care contract, the accountabilities for provision remain unchanged. Adult Social Care, whilst delivered through the ambit of the MLCO, remain the statutory responsibility of the Council, and likewise community health provision the responsibility of MFT in contractual terms.
- 3.77 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.
- 3.78 With the launch of MLCO in April 2018, the organisation mobilised its internal governance arrangements. 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 the 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.
- 3.79 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.
- 3.80 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, MLCO will retain its rating of 'Medium' governance strength.

### One Education (entry 49)

- 3.81 One Education provides a range of Pupil and Business Support services to schools and academies, primarily in Manchester but also some other GM 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.
- 3.82 The overall financial position of One Education was positive at year end 2017/18, which was better than the predicted loss and is expected to be positive in the current year. However, there are pressures to meet the National Joint Council (NJC) agreed increases to staff salaries which are 2%, this is against the budgeted 1% in the 2018/19 budget. This places a cost pressure on One Education which the Council is working closely with them to bridge. Until this is resolved for the current and future years, it is appropriate to maintain an overall rating of 'Medium' governance strength.
- 3.83 The Council's Director of Education has committed to undertaking a review of One Education, which will include the most appropriate organisational form so that it is best placed to meet the City's priorities and remain a financially self-sustaining organisation in the current education landscape.

### Brunswick PFI (entry 50)

- 3.84 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, which was recently established after Symphony Housing merged with another housing organisation.
- 3.85 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 place extra care unit) and the creation of new parks, a retail hub and neighbourhood office.
- 3.86 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 contractor's capability to ensure delivery timescales are met. S4B are 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, but Council officers still have some reservations as to whether the new programmes will be fully achieved.

### **Partnerships to be removed from the Register** **Manchester Museums Consortium**

- 3.87 The Consortium is to be removed from the Register because it is now defunct, having not met for over three years.

#### The Neighbourhoods Board

- 3.88 The Neighbourhoods Board has not met for two years, mainly because the launch of the Our Manchester programme superseded the remit of the Board. In view of this, the partnership will be removed from the Register.

#### Eastlands Trust

- 3.89 Greenwich Leisure Limited have taken over management of the leisure facilities within the Eastlands portfolio, with the new contract commencing on the 1 December 2018. The Eastlands Trust partnership is no longer in existence and will be removed from the Register.

#### Confident and Achieving Manchester Board

- 3.90 The Confident and Achieving Manchester Group was disbanded in 2017. This decision was informed by a review of the public service priorities for the Our Manchester Investment Board, which led to a number of other changes including the renaming of that Board. The CAM Group had been taking forward work to provide an integrated offer of support for groups of adults with complex needs, through a range of partners including City Council, Housing Providers, Police, Health and Fire and Rescue.

- 3.91 This work has since transitioned to a new approach that is broader in scope, called Bringing Services Together for People in Places. The Bringing Services Together work is led by the Our Manchester Investment Board and is currently in the phases of design and development. This work looks at how to better connect targeted and universal services, reform programmes, and the assets in places for the benefits of residents. This includes the integration of Early Help, Integrated Neighbourhood Teams and the Local Care Organisation, Place-based approaches, Integrated Neighbourhood Management, and Work and Skills programmes.

#### Manchester Health Academy

- 3.92 Manchester Health Academy have changed their governance arrangements and are no longer in partnership with the Council; they now operate in alignment with other Academies across Manchester.

## **4. Next Steps**

- 4.1 An update on progress made to strengthen governance arrangements in those partnerships where a 'Medium' or 'Low' Governance Strength rating is recorded will be taken to Audit Committee in July 2019.

- 4.2 The annual refresh of the Register is part of the Council's processes used to gain assurance over the robustness of its governance arrangements, and will be used to inform the production of the Annual Governance Statement (AGS) 2018/19. A draft of the AGS will be taken to Audit Committee in April 2019.
- 4.3 Partnerships will undertake reassessment of their governance arrangements in September 2019. This will include new partnerships that have been 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.
- 4.4 Following this, a Register with revised governance strength ratings will be submitted to Audit Committee in December 2019. It should be noted that following the review of senior management arrangements considered by Personnel Committee on 29 January, the SMT Lead for each partnership will be revised accordingly.