



MANCHESTER  
CITY COUNCIL

# Annual Governance Statement 2018/19

## 1. Introduction

- 1.1 This statement provides an overview of how the Council's governance arrangements operate, including how they are reviewed annually to ensure they remain effective. A summary of significant governance challenges which the Council faces is also given, alongside an explanation of what actions have been taken to bring about required improvements, and what work is still to be done. This provides transparency, and gives assurance that the Council is committed to continuously improve the way in which it functions. More detail on particular topics can be accessed by clicking on the hyperlinks, which are highlighted and underlined throughout the document.
- 1.2 The Council operates in a complex and constantly evolving financial, policy and legislative environment. The role, responsibilities and funding models of local government continue to be in a period of rapid transition. The city continues to progress the delivery of its ambitious "Our Manchester" strategy, with staff, residents and stakeholders across the city engaged in working towards the realisation of the vision set out in the strategy. In 2018/19 the Council was in the third year of its four year financial settlement from government to 2019/20, and this document summarises how its budget and business plans were kept under continuous review to ensure it could respond to new and emerging challenges and opportunities during this period. The Council's five-year Capital Strategy also forms a critical part of strategic and financial planning, with delivery having commenced in 2017/18. Significant developments at city region level include the launch of the [Greater Manchester Spatial Framework](#) – its draft plan for homes, jobs and the environment through until 2037.
- 1.3 The changes taking place present both opportunities and challenges. Therefore the Council must continue to engage in a broad programme of innovation and reform work so that it can maintain services for residents which are efficient, effective and value for money using available resources. This document explains the governance mechanisms in place to ensure appropriate oversight of this work.
- 1.4 Whilst this document focuses on governance, the Council's Integrated [Annual Report](#) provides an overview of the context in which it operates, how public money has been spent, and what achievements this led to.

## 2. Scope of Responsibility

- 2.1 Manchester City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It is also responsible for ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the [Local Government Act 1999](#) to make arrangements to secure continuous improvement in the way in which its functions are exercised.
- 2.2 In discharging these responsibilities, the Council must put in place proper arrangements for the governance of its affairs and effective exercise of its functions, which includes arrangements for the management of risk. The Council first adopted a Code of Corporate Governance in June 2008. This Code is included in the [Council's Constitution](#) (part 6 section G). It sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient,

transparent and accountable to local people. Some of these processes are required by law, while others are a matter for the Council to choose.

- 2.3 The Code of Corporate Governance and the Council's Constitution are reviewed annually to ensure they remain consistent with the principles of the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives and Senior Managers (CIPFA/SOLACE) joint framework for delivering good governance in local government. CIPFA issued an update to the Framework in 2016, which has informed the preparation of the Annual Governance Statement (AGS) from 2016/17 onwards.
- 2.4 This AGS explains how the Council has complied with the Code of Corporate Governance. The AGS also meets the requirements of the [Accounts and Audit \(England\) Regulations 2015](#) regulation 6(1) which requires all relevant bodies to prepare an Annual Governance Statement (AGS).

### 3. The Purpose of the Governance Framework

- 3.1 The governance framework comprises the systems and processes, culture and values by which the Council is directed and controlled, and through which it is accountable to, engages with and leads the community. It enables the Council to monitor the achievement of the city's strategic objectives as set out in the [Our Manchester Strategy](#), and to consider whether those objectives have led to the delivery of appropriate, cost effective services. The Council's Our Corporate Plan sets out the Council's contribution to the Our Manchester vision. The objectives in Our Manchester and Our Corporate Plan are underpinned by the four Our Manchester principles;
- **Better lives** – it's about people
  - **Listening** – we listen, learn and respond
  - **Recognising strengths of individuals and communities** – we start from strengths
  - **Working together** – we build relationships and create conversations
- 3.2 The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve the Council's aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control identifies and prioritises risks; evaluates the likelihood of those risks being realised and the impact should they be realised; and aims to manage them efficiently, effectively and economically.

## 4. The Governance Framework

Corporate governance is a phrase used to describe how organisations direct and control what they do. The Council operates to a [Code of Corporate Governance](#), which forms part of the Constitution. The Code was updated in 2018 to ensure it reflected the Council's current governance arrangements, and complied with CIFPA's "delivering good governance in Local Government Framework (2016 Edition)". The table below includes examples of how the Council has adhered to its governance commitments set out in the Code and includes hyperlinks to sources of further information which include more detail about how the Council has implemented its commitments.

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.		
The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
<b>Behaving with Integrity</b>	<ul style="list-style-type: none"> <li>✓ The Council's <b>Our Manchester</b> approach includes four central principles that underpin everything the Council does, including how it works with partners, how it makes decisions and how it serves local communities;               <ul style="list-style-type: none"> <li>○ <b>Better lives</b> – it's about people</li> <li>○ <b>Listening</b> – we listen, learn and respond</li> <li>○ <b>Recognising strengths of individuals and communities</b> – we start from strengths</li> <li>○ <b>Working together</b> – we build relationships and create conversations</li> </ul> </li> <li>✓ "Listening in Action" events, attended by The Leader and the Chief Executive, give staff the opportunity to engage with senior leaders. At the events, staff can ask questions and understand more about the future direction of the Council, the Our Manchester Strategy, and what the 'behaviours' are that are expected of all staff.</li> <li>✓ The Council has a zero tolerance approach towards fraud and corruption and this commitment is set out in the Council's Anti-fraud and Irregularity Strategy.</li> </ul>	<p><a href="#">People Strategy - Our People</a></p> <p><a href="#">Counter Fraud Strategy</a></p>

**A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.**

<b>The Council's Commitment to Good Governance</b>	<b>How the Council meets these principles</b>	<b>Where you can see Governance in action</b>
	<ul style="list-style-type: none"> <li>✓ The Whistleblowing Policy, which was updated and reviewed by Standards Committee in November 2018, provides protection for individuals who raise any serious concerns they have about suspected illegal or illegitimate practices at the Council, and explains how these will be investigated.</li> <li>✓ The Council ensures that, as part of their induction, new members of staff clearly understand the values of the organisation, and the standards of behaviour which are expected. As part of the Our People strategy, improved induction and 'About You' processes have been introduced. These ensure all staff will understand the part they will play in delivering the vision for the city set out in Our Manchester.</li> <li>✓ A Register of Members' Interests, in which Members' disclosable pecuniary interests, personal interests and prejudicial interests (as defined in the Member Code of Conduct) are registered. Each Member's individual entry can be viewed from their webpage, accessed via the 'Your Councillors' webpage.</li> <li>✓ The operation of the updated Member procedures for Gifts and Hospitality, Use of Resources and the Member Officer Relations Protocol was reviewed by Standards Committee in March 2019.</li> </ul>	<p><a href="#">Whistle Blowing Policy</a></p> <p><a href="#">Our People – People Strategy Update</a></p> <p><a href="#">Your Councillors</a></p> <p><a href="#">Annual review of the operation of the Use of Resources Guidance for Members, the Gifts and Hospitality Guidance for Members and the Member / Officer Relations Protocol</a></p>
<p><b>Demonstrating Strong Commitment to Ethical Values</b></p>	<ul style="list-style-type: none"> <li>✓ The Standards Committee champion high standards of ethical governance from elected members and the Council as a whole. A summary of its work is included in its Annual Report to Council.</li> </ul>	<p><a href="#">Standards Committee</a></p>

**A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.**

The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
	<ul style="list-style-type: none"> <li>✓ The Council has a Code of Conduct for elected and co-opted Members, (Constitution Part 6, section A), as required by the Localism Act 2011. Allegations that the Code has been breached are heard by the Standards Sub Committee. A summary of the outcome of investigations is included in the Standards Committee Annual Report. The operation of the Code of Conduct is reviewed annually by Standards as part of the annual review of the Constitution.</li>   <li>✓ The Members' Update on Ethical Governance was updated and reviewed by Standards Committee in November 2018.</li>   <li>✓ An Employee Code of Conduct (Constitution Part 6, Section E) which makes it clear what standards are expected from staff across the organisation in the performance of their duties. The Member/Officer Relations Protocol (Constitution Part 6, Section F) governs the relationships between officers and members of the Council.</li>   <li>✓ The Council insists its commitment to its values and integrity is shared by external suppliers delivering services on its behalf, as detailed in its Ethical Procurement Policy.</li>   <li>✓ The Council is reviewing the best practice recommendations from the Local Government Ethical Standards report produced by the Committee on Standards in Public Life, which was published in January 2019. A report was taken to March 2019 Standards Committee.</li>   <li>✓ The Council has a Partnership Governance Framework which sets out protocols for partnership working, and the high standards of conduct which are expected from partner organisations. The Framework is currently under review and a revised version will be prepared for the next update of the Register of Significant Partnerships.</li> </ul>	<p><a href="#">Local Code of Conduct for Members</a>  <a href="#">Standards Committee Annual Report</a></p> <p><a href="#">Members' Update on Ethical Governance</a></p> <p><a href="#">Employee Code of Conduct,</a>  <a href="#">Member/Officer Relations Protocol</a></p> <p><a href="#">Ethical Procurement Policy</a></p> <p><a href="#">Review of Local Government Ethical Standards / Committee on Standards in Public Life</a></p> <p><a href="#">Partnership Governance Framework</a></p>

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The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
<p><b>Respecting the Rule of Law</b></p>	<ul style="list-style-type: none"> <li>✓ The Council's City Solicitor undertakes the role of Monitoring Officer. The Monitoring Officer ensures that Council decisions are taken in a lawful and fair way, correct procedures are followed, and that all applicable laws and regulations are complied with.</li> <li>✓ The Council uses its legal powers, including the 'general power of competence' to promote its values and priorities to the full benefit of the citizens and communities in Manchester.</li> <li>✓ The Council has measures to address breaches of its legal and regulatory powers. The Council's Monitoring Officer (the City Solicitor) has statutory reporting duties in respect of unlawful decision making and maladministration.</li> <li>✓ The Council appoints Statutory Officers who have the skills, resources and support necessary to ensure the Council's statutory and regulatory requirements are complied with.</li> <li>✓ The Chief Finance Officer (Deputy Chief Executive and City Treasurer) has statutory reporting duties in respect of unlawful and financially imprudent decision making.</li> <li>✓ The Council ensures that it complies with CIPFA's Statement on the Role of the Chief Finance Officer in Local Government (2016).</li> </ul>	<p><a href="#">The General Power of Competence</a></p> <p><a href="#">Council Constitution (article 12.3(b))</a></p> <p><a href="#">Council Constitution (article 12.4(a))</a></p> <p><a href="#">CIPFA Statement on the Role of the Chief Finance Officer in Local Government (2016)</a></p>

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

<b>The Council's Commitment to Good Governance</b>	<b>How the Council meets these principles</b>	<b>Where you can see Governance in action</b>
<b>Ensuring Openness</b>	<ul style="list-style-type: none"><li>✓ The Council's website is set out in a clear and easily accessible way, using infographics and plain language. The information which residents use most, such as Council Tax, and Waste and Recycling can be accessed quickly and easily from the main page.</li><li>✓ The Council's commitment to Openness is set out in its Constitution (Article 12.3 (e)) and is evidenced by its decisions, along with the reasons for them being made publicly accessible.</li><li>✓ All Council and Committee meetings are held in public (other than in limited circumstances where consideration of confidential or exempt information means that the public are excluded), with agenda and reports being produced in paper form and on the Council's website. Live streamed webcasts of Council, Executive and Scrutiny committee meetings are available online, as well as in an archive which can be accessed on-demand.</li><li>✓ The Council publishes a Register of Key Decisions to notify the public of the most significant decisions it is due to take. To make the Register accessible and transparent the format discourages the use of 'generic entries' for types of decision, and encourages decisions to be included in full.</li></ul>	<p><a href="http://manchester.gov.uk/website">manchester.gov.uk website</a></p> <p><a href="#">Council Constitution (article 12.3(e))</a></p> <p><a href="#">Council Meeting Agendas and Reports</a></p> <p><a href="#">Online Videos of Council Meetings</a></p> <p><a href="#">Register of Key Decisions</a></p>

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

The Council's Commitment to Good Governance	The Council's Commitment to Good Governance	The Council's Commitment to Good Governance
	<ul style="list-style-type: none"> <li>✓ The Council has an “Open Data” website to meet its commitment to publishing as much non-personal data as possible. This means partners and the public can freely make use of it, supporting transparency and accountability.</li> <li>✓ The Council has an online residents’ survey, which helps it to design services around residents’ views and concerns about their local area and their public services.</li> <li>✓ The Council informs, consults and involves residents in significant decisions including service and budget changes. Their views are submitted to those making decisions for consideration. Consultations and surveys this year have included Northern Gateway redevelopment plans, and a City Centre Consultation asking residents, visitors, workers, and shoppers about their experiences and views of the city centre.</li> </ul>	<p><a href="#">Open Data</a></p> <p><a href="#">Our Manchester Residents Survey</a></p> <p><a href="#">Consultations and Surveys</a></p>
<p><b>Engaging Comprehensively with Institutional Stakeholders</b></p>	<ul style="list-style-type: none"> <li>✓ The Our Manchester Forum supports development of effective relationships across leaders of the city’s key private, public and voluntary sector organisations. The Forum benefits the city by driving forward the priorities set out in the Our Manchester Strategy.</li> <li>✓ The Council publishes its Partnership Governance Framework, which standardises the approach to managing partnerships to strengthen accountability, manage risk, and to ensure that a consistent approach is taken to working with partners.</li> <li>✓ The Council also maintains a list of major partnerships in a Register of Significant Partnerships. This contains an assessment of the strength of the governance arrangements of each partnership, enabling any required improvements to be identified and addressed.</li> </ul>	<p><a href="#">Our Manchester Forum</a></p> <p><a href="#">Partnership Governance Framework</a></p> <p><a href="#">Register of Significant Partnerships</a></p>

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

The Council's Commitment to Good Governance	The Council's Commitment to Good Governance	The Council's Commitment to Good Governance
	<ul style="list-style-type: none"> <li>✓ The Council supports different ways for residents to present their individual and community's concerns to elected members, for example via Ward Co-ordination.</li> </ul>	
<p><b>Engaging with Individual Citizens and Service Users Effectively</b></p>	<ul style="list-style-type: none"> <li>✓ As part of Our Manchester, the Council focuses on a 'strengths based' approach to residents and communities. This means:               <ul style="list-style-type: none"> <li>○ Recognising that it's about people and better lives</li> <li>○ We listen, learn and respond</li> <li>○ Recognising strengths of individuals and communities – we start from strengths</li> <li>○ Working together, we build relationships and create conversations</li> </ul> </li> </ul> <p>This approach is used to inform the development of policy and strategy, for example the Family Poverty Strategy.</p> <ul style="list-style-type: none"> <li>✓ The Council has developed a Digital Communications Strategy, which outlines the digital tools and approach that can help it to communicate according to its stakeholders' communication preferences. It will provide opportunities to develop new conversations with a broader audience.</li> <li>✓ An 'Our Manchester' approach was taken for the Budget Conversation, to inform the 2017/20 Budget. This resulted in significant engagement about what people value and why, as well as what they could do to support those things.</li> <li>✓ Following the Budget Conversation, using a "You said... we did" approach, the Council clearly set out online how funding was being allocated to support the priorities which are important to residents and other stakeholders. A progress update looking ahead to 2019/20 budget proposals is accessible online.</li> </ul>	<p><a href="#">The Family Poverty Strategy 2017/22</a></p> <p><a href="#">Digital Communication Strategy</a></p> <p><a href="#">Budget Process 2017-2020: Update and Next Steps</a></p> <p><a href="#">Our Funding for 2019/20</a></p>

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

The Council's Commitment to Good Governance	The Council's Commitment to Good Governance	The Council's Commitment to Good Governance
	<ul style="list-style-type: none"> <li>✓ Scrutiny Committees proactively invite local and national interested parties to contribute to their discussions.</li> <li>✓ To promote transparency and wider engagement with Council decisions, residents can use Social Media, such as Facebook, Twitter, LinkedIn and Instagram, as well as YouTube and Vimeo, to get updates from and interact with the Council.</li> <li>✓ There is a Social Media Code of Practice for staff in place to ensure a consistent approach, security of information, and avoid reputational damage. Social Media Guidance has also been provided for Members, which has been updated and was reviewed by Standards Committee in March 2019.</li> <li>✓ As part of its consideration of the needs of the current and future service users in the city, the Council produces an annual Joint Strategic Needs Assessment (JSNA). This provides a baseline assessment of need across the city as a whole, and is a key piece of evidence underpinning the development of the Joint Health and Wellbeing Strategy.</li> <li>✓ Our Integrated Annual Report gives an overview of funding, spending, activities and performance to show what was achieved in the financial year, as we worked towards the city's goals outlined in the Our Manchester Strategy.</li> <li>✓ The Age-Friendly Manchester Older People's Board includes and represents older people, addressing issues affecting the quality of life for older residents and their communities across Manchester. The Board members provide a vital voice for older people in the city.</li> </ul>	<p><a href="#">Scrutiny Committee news bulletins</a></p> <p><a href="#">Social Media Updates</a></p> <p><a href="#">Social Media Guidance for Members</a></p> <p><a href="#">Joint Strategic Needs Assessment</a></p> <p><a href="#">Integrated Annual Report</a></p> <p><a href="#">Older People's Forum and Board</a></p>

	<ul style="list-style-type: none"><li>✓ The Council is committed in its support of the Manchester Youth Council, which acts to ensure young people have a strong voice enabling them to influence decision makers in the city and shape future services.</li> <li>✓ The Council produces public reports which provide information on complaints performance, and which identify where service improvements may be required. Strategic Directors share the complaints performance reports with their respective Executive Members. At year to date up to Q3 2018/19, 79% of first stage corporate complaints (where the complaint is handled by the service that has been complained about) were responded to in timescale, compared to 87% at the same point last year. The number of complaints at stage one was 1,684, compared to 1,452 last year. At Q3 26.3% Ombudsman complaints have been upheld. At the same point last year 37.2% had been upheld.</li></ul>	<p><a href="#"><u>Manchester Youth Council</u></a></p> <p><a href="#"><u>Annual Complaints and Enquiries Report</u></a></p>
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C. Defining outcomes in terms of sustainable economic, social, and environmental benefits		
The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
<b>Defining Outcomes</b>	<ul style="list-style-type: none"> <li>✓ An extensive consultation in 2015 led to a 10-year strategy for the city – the Our Manchester Strategy – which included a new approach to working across the whole organisation and with residents, partners and other key stakeholders. The overall vision is of Manchester as a: <ul style="list-style-type: none"> <li>○ Thriving and Sustainable City</li> <li>○ Highly Skilled City</li> <li>○ Progressive and Equitable City</li> <li>○ Liveable and Low Carbon City</li> <li>○ Connected City</li> </ul> </li> <li>✓ Our Corporate Plan sets out the Council's contribution to the Our Manchester vision, the priorities for the next 2-3 years are; <ul style="list-style-type: none"> <li>○ Young people</li> <li>○ Healthy, cared-for people</li> <li>○ Housing</li> <li>○ Neighbourhoods</li> <li>○ Connections</li> <li>○ Growth that benefits everyone</li> <li>○ Well-managed Council</li> </ul> </li> <li>✓ The Council uses its budget and business planning process to ensure that progress towards the strategic vision for the city is made in the most effective and efficient way.</li> <li>✓ The Council sets a Medium-Term Financial Strategy, which sets out the financial assumptions and provides a set of goals for financial decision making for the planning period ahead.</li> </ul>	<p><a href="#">Our Manchester Strategy</a></p> <p><a href="#">Business Plans and Budgets</a></p> <p><a href="#">Medium-Term Financial Strategy</a></p>

**C. Defining outcomes in terms of sustainable economic, social, and environmental benefits**

<b>The Council's Commitment to Good Governance</b>	<b>How the Council meets these principles</b>	<b>Where you can see Governance in action</b>
	<ul style="list-style-type: none"> <li>✓ A Performance Management Framework enables the Council and its Committees to access timely and accurate information about service delivery, supporting intervention to address any barriers to good performance.</li> <li>✓ The city's role in delivering Our Manchester will provide a key element of support for the linked objectives of the Greater Manchester Combined Authority (GMCA), as set out in the Strategy launched in October 2017; "The Greater Manchester Strategy – Our People, Our Place".</li> <li>✓ The Council has processes in place to identify and manage risks to the achievement of its objectives, as set out in the Risk Management Strategy 2018-20. The Corporate Risk Register is a part of this framework and is used to inform decision making, provide assurance over actions being taken to manage key risks, and to inform risk management planning and mitigation activities.</li> <li>✓ The Council has developed a School Governance Strategy to support and secure effective governance of schools in the city.</li> </ul>	<p><a href="#">Performance Management Framework</a></p> <p><a href="#">Our People, Our Place</a></p> <p><a href="#">Annual Corporate Risk Management Report and Corporate Risk Register</a></p> <p><a href="#">The School Governance Strategy</a></p>
<p><b>Sustainable Economic, Social and Environmental Benefits</b></p>	<ul style="list-style-type: none"> <li>✓ The themes of sustainability, equity, and low carbon emissions are at the heart of the vision statement in the Our Manchester Strategy. In reports where the Council is recommending a decision, the impact that the decision will have on these broad objectives in the strategy will be set out.</li> <li>✓ The Council sets out the factors it has taken into consideration when making decisions in reports, which are available on its website. It also maintains a public Register of Key Decisions.</li> </ul>	<p><a href="#">Executive Reports Register of Key Decisions</a></p>

**C. Defining outcomes in terms of sustainable economic, social, and environmental benefits**

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<p><b>Sustainable Economic, Social and Environmental Benefits</b></p>	<ul style="list-style-type: none"> <li>✓ Our Manchester demands an integrated approach to the deployment of revenue and capital spend against a clear set of priorities. The Council has a longer term five-year Capital Strategy, which has formed a critical part of strategic service and financial planning from 2017/18.</li> <li>✓ As part of the business planning process, the Council sets out how it will work towards its agreed Equality Objectives. When required, Equality Impact Assessments are carried out to assess the impact of proposals, which may have an effect on different individuals and communities across the city.</li> <li>✓ The Council strives to ensure fair access to services and monitors the extent to which this is occurring through its regular 'Communities of Interest' publication. Future publications will be called 'Communities of Identity'.</li> <li>✓ The Our Manchester Strategy includes the commitment that <i>'Manchester will play its full part in limiting the impacts of climate change and by 2025 will be on a path to being a zero carbon city by 2050'</i>.</li> <li>✓ Along with other partners, the Council works with the Manchester Climate Change Agency (MCCA) to develop initiatives which will contribute towards the goal of Manchester becoming a zero carbon city.</li> <li>✓ After collating views from across the city on climate change and the strategy for becoming a zero carbon city, the MCCA launched its Manchester Climate Change Strategy 2017-50 in December 2016. Information on progress can be found in their Annual Report.</li> <li>✓ The Manchester Local Industrial Strategy will support the delivery of the Our Manchester Strategy by producing a delivery plan that will help to create a more inclusive economy.</li> </ul>	<p><a href="#">Capital Programme</a></p> <p><a href="#">Equality Objectives</a></p> <p><a href="#">Communities of Interest</a></p> <p><a href="#">Manchester Climate Change Agency</a></p> <p><a href="#">Manchester Climate Change Strategy 2017-2050</a></p> <p><a href="#">Manchester Local Industrial Strategy</a></p>

**C. Defining outcomes in terms of sustainable economic, social, and environmental benefits**

The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
	<ul style="list-style-type: none"> <li>✓ Manchester is collaborating with the other GM authorities to prepare the Greater Manchester Spatial Framework (GMSF). This document will provide a policy framework to guide development across the City Region up to 2037. It will also provide a context for the preparation of Manchester's Local Plan. A consultation on the second draft GMSF is running between January and March 2019.</li> <li>✓ To enable a coordinated approach to transport investment, the Council will work with other GM authorities, GMCA, the Local Enterprise Partnership and TfGM to deliver the Greater Manchester Transport Strategy 2040.</li> <li>✓ An updated Family Poverty Strategy for Manchester has been in place since September 2017, supporting the aim of becoming a more progressive and equitable city.</li> <li>✓ The Council is part of a Strategic Education Partnership, working with schools and local businesses to promote economic growth, reduce dependency, and help people gain the skills needed to access rewarding jobs in the city.</li> <li>✓ The Council considers Social Value and follows an Ethical Procurement Policy, which sets out ethical trade practices and the ethical core objectives that the Council will deliver through commissioning and procurement activities. The Council pays at least the Manchester Living Wage (MLW) of £8.75 per hour, and commends the adoption of the MLW to its contractors and suppliers.</li> </ul>	<p><a href="#">Greater Manchester Spatial Framework Consultation and Manchester Local Plan Review - Update</a></p> <p><a href="#">Greater Manchester Transport Strategy 2040: Draft Delivery Plan (2020–2025)</a></p> <p><a href="#">Manchester Family Poverty Strategy 2017-2020</a></p> <p><a href="#">Strategic Education Partnership Board</a></p> <p><a href="#">Social Value</a></p>

**D. Determining the interventions necessary to optimise the achievement of the intended outcomes**

The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
<p><b>Determining Interventions</b></p>	<ul style="list-style-type: none"> <li>✓ Decision makers receive accurate, relevant and timely performance and intelligence to support them with objective and rigorous analysis of options, covering intended outcomes, financial impact and associated risks informing efficient service delivery. This can take the form of regular performance reporting, or bespoke reports.</li>   <li>✓ Delegation of decision making to officers is detailed in the Constitution, so that they can deal with the day-to-day running of the service without the need to constantly refer matters back to Elected Members. Details of what decisions are taken in this way are included in the Scheme of Delegation in the council's Constitution. Further specific delegations may be granted, through recommendation in public reports to Committees.</li> </ul>	<p><a href="#">Performance Management Framework</a></p> <p><a href="#">Executive Reports</a></p> <p><a href="#">Constitution (Part 3, Section F)</a></p>
<p><b>Planning Interventions</b></p>	<ul style="list-style-type: none"> <li>✓ The Council plans its activity at a strategic level through its budget and business planning cycle and does so in consultation with internal and external stakeholders to ensure services delivered across different parts of the organisations and partners complement each other and avoid duplication.</li>   <li>✓ The Manchester Partnership's Thematic Partnerships support delivery agencies across the city to co-ordinate their activity and consider how they can collaborate to reduce the risks to achieving their outcomes.</li>   <li>✓ The effectiveness of the Council's interventions and the quality of its services is monitored through the provision of regular performance reports, showing progress towards goals and targets set in the budget and business plans. Key areas are highlighted, so that decision makers can take corrective action where necessary.</li> </ul>	<p><a href="#">Business Plans and Budgets</a></p> <p><a href="#">The Manchester Partnership</a></p> <p><a href="#">Performance Management Framework</a></p>

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The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
	<ul style="list-style-type: none"> <li>✓ The Council's Digital Communication Strategy sets out its approach to engaging with stakeholders, to ensure their involvement in determining how services and interventions should be delivered.</li> <li>✓ The Council has a Planning Protocol within its Constitution (Part 6, Section B), to ensure fair planning decisions are based on sound evidence. This was reviewed by Standards Committee in November 2018.</li> </ul>	<p><a href="#">Digital Communication Strategy</a></p> <p><a href="#">Planning Protocol</a></p>
<p><b>Optimising Achievement of Intended Outcomes</b></p>	<ul style="list-style-type: none"> <li>✓ The Council integrates and balances service priorities, affordability and other resource constraints, supporting it to take into account the full cost of operations over the medium and longer term, including both revenue and capital spend budgets. This includes a medium term financial plan for the remainder of the Spending Review period to 2019/20.</li> <li>✓ The context and documents which support the Council's overall strategy are set out in its Efficiency Plan, published on the Council's website as required by Government for a four-year financial settlement.</li> <li>✓ The Council considers Social Value at pre-tender and tender stage to ensure that appropriate desirable outcomes can be offered by suppliers in their tender submissions. An example of this can be seen in the major six-year restoration project – Our Town Hall.</li> </ul>	<p><a href="#">Medium Term Financial Strategy</a></p> <p><a href="#">Capital Programme</a></p> <p><a href="#">Updated Financial Strategy 2019/20</a></p> <p><a href="#">Efficiency Plan</a></p> <p><a href="#">Social Value</a></p> <p><a href="#">Our Town Hall – Social Value</a></p>

**E. Developing the entity's capacity, including the capability of its leadership and the individuals within it**

The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
<p><b>Developing the Organisation's Capacity</b></p>	<ul style="list-style-type: none"> <li>✓ The Council's Our People Strategy articulates what its workforce will need to be like in order to achieve the vision set out in Our Manchester. As part of this workforce plans are developed, which ensure staff have the necessary skills and behaviours to deliver this vision for the city. These behaviours are;                             <ul style="list-style-type: none"> <li>• <b>We work together and trust each other</b></li> <li>• <b>We're proud and passionate about Manchester</b></li> <li>• <b>We take time to listen and understand</b></li> <li>• <b>We 'own it' and we're not afraid to try new things</b></li> </ul> </li> <li>✓ The Council continually seeks better outcomes from its use of resources by comparing information about functions, expenditure and performance with those of similar organisations and assesses why levels of economy, efficiency and effectiveness are different elsewhere. It acts upon the findings of this intelligence as part of its budget and business planning to ensure continual effectiveness of service delivery.</li> </ul>	<p><a href="#">Our People</a></p> <p><a href="#">Business Plans and Budgets</a></p>
<p><b>Developing the Capability of the Organisation's Leadership and Other Individuals</b></p>	<ul style="list-style-type: none"> <li>✓ The Council Leader and Chief Executive have clearly defined roles, and maintain a shared understanding of roles and objectives. The Chief Executive leads on implementing strategy and managing service delivery and other outputs set by members. The Chief Executive and Leader provide a check and balance for each other's authority.</li> <li>✓ The Council maintains an annually updated Scheme of Delegation, setting out which decisions and powers have been delegated to various Committees and Officers.</li> </ul>	<p><a href="#">Constitution (Part 3, Section F)</a></p> <p><a href="#">Constitution (Part 6, Section F)</a></p>

**E. Developing the entity's capacity, including the capability of its leadership and the individuals within it**

The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
	<ul style="list-style-type: none"> <li>✓ To enable Elected Members and Senior Officers to have a shared understanding of their respective roles the Council has produced a Protocol governing Member and Officer relations.</li> <li>✓ New Members receive an induction and training throughout the year. The form and content of the induction is reviewed annually with Members. Member Development Strategy was considered at March 2019 Standards Committee.</li> <li>✓ An Annual Members' Assurance Statement is compiled, to identify governance challenges relating to the roles of elected members.</li> <li>✓ As part of the Our People strategy, improved induction and appraisal processes ("About You") were introduced. These ensure all staff understand the part they will play in delivering the vision for the city in Our Manchester. A new induction approach has also been developed.</li> <li>✓ Each year the Council listens to the views of its staff via the annual "BHeard" survey, and uses learning from this to make continuous improvements in the way that it operates and communicates. This feedback played a key part in the development of the Our People Strategy.</li> <li>✓ There are a number of tools in place to ensure staff are briefed effectively, for example via staff engagement events, such as "Listening in Action" events which seek to engage staff on a regular basis and involves a Questions and Answers session with the Leader and Chief Executive, as well as active participation from Executive Members.</li> <li>✓ Internal regular staff e-mail communications have been re-launched with a new look and feel for 2019;</li> </ul>	<p><a href="#">Member Development Strategy</a></p> <p><a href="#">Our People</a></p> <p><a href="#">Our People</a></p>

**E. Developing the entity's capacity, including the capability of its leadership and the individuals within it**

The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
	<ul style="list-style-type: none"> <li>• <b>The Buzz</b> – a dedicated channel for Chief Executive to connect with staff in an informative and engaging way.</li> <li>• <b>Team Talk</b> – a dedicated channel for all managers.</li> <li>• <b>The Forum</b> – an all-staff broadcast designed to include something for everyone.</li> </ul> <p>✓ The Council delivers a comprehensive programme of leadership and management development, which all new managers are enrolled on. The programmes are targeted at different Grade banding, and cover a spectrum of areas essential to managers in the organisation.</p> <p>✓ The Council is committed to promoting the physical and mental health and wellbeing of the workforce as a core component of the People Strategy through both specific interventions and opportunities and as a central part of the role of all managers. There is a dedicated intranet page with a wide range of support and guidance for staff and their managers covering a wide range of health and wellbeing topics and a 24/7 Employee Assistance Programme (phone line) providing a range of support. In September 2018 a new strategy for Employee Health and Wellbeing in the Council: 'Being Our Best Selves' was launched.</p> <p>✓ The Council has an open and welcoming approach to external and peer review and inspection and actively considers constructive feedback.</p>	<p><a href="#">Being Our Best Selves</a></p>

**F. Managing risks and performance through robust internal control and strong public financial management**

The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
<p><b>Managing Risk</b></p>	<ul style="list-style-type: none"> <li>✓ The Council operates a risk management framework that aids decision making in pursuit of the organisation's strategic objectives, protects the Council's reputation and other assets and is compliant with statutory and regulatory obligations.</li> <li>✓ The Corporate Risk Register is part of this framework and is an articulation of the key risks impacting the Council. It is used to inform decision making, provide assurance over actions being taken to manage key risks and to inform directorate level risk management planning and mitigation activities. Named risk managers are identified in the Register for its key strategic risks.</li> <li>✓ Risk training has been reviewed and refreshed alongside the Our People and Our Manchester strategies. The full training package will be relaunched in 2019 and integrated into a wider portfolio of staff training opportunities that includes access to courses sponsored at a Greater Manchester level, by the Civil Contingencies and Resilience Unit, in addition to internal training opportunities developed by the Risk and Resilience Team.</li> <li>✓ Risk management is an integral component of the budget and business planning process. During 2019/20 additional focus will be given to the scrutiny and assurance over Business Plan risk assessments, led by the Governance and Assurance Group. Risks to the delivery of Business Plan objectives form a core component of corporate risk profile, with emerging risks that may impact on the delivery of corporate priorities escalated from directorates to the corporate risk register and scrutiny by Strategic Management Team.</li> <li>✓ In December 2017 Personnel Committee agreed a revised health and safety policy, supported by a three-year health and safety strategy. Key priorities are to strengthen leadership of health and safety, ensure managers focus on significant health and safety risks and improve employee participation within the risk</li> </ul>	<p><a href="#">Risk Management Strategy 2018-20</a></p> <p><a href="#">Corporate Risk Register</a></p> <p><a href="#">Business Plans and Budgets</a></p> <p><a href="#">Corporate Health and Safety Policy and Three Year</a></p>

**F. Managing risks and performance through robust internal control and strong public financial management**

The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
	<p>assessment process. Strong progress has been achieved, with 320 managers completing managing health and safety training and 164 managers completing leading health and safety training. A refreshed range of health and safety guides, templates and resources has been shared with over a 1,000 managers. Health and safety has now been included in all corporate and directorate Joint Consultative Committees to improve collaboration with Trade Unions on the health, safety and welfare of Council employees.</p>	<p><a href="#">Health and Safety Strategy</a></p>
<p><b>Managing Performance</b></p>	<ul style="list-style-type: none"> <li>✓ The Council puts in place Key Performance Indicators (KPIs) to monitor service delivery whether services are produced internally or through external providers. Reports compiling KPIs are submitted to directorate management teams to support transparency and resource allocation to address challenges.</li> <li>✓ The Council has developed performance 'logic models' which give senior managers a clear picture of progress towards Our Corporate Plan priorities. This has been done through taking a holistic view of shared priorities across Services, and understanding the collective contribution required to make a difference. These models measure both internal and external factors that influence performance towards our priorities.</li> <li>✓ As part of the business planning process Directorate objectives are reviewed, leading to a review of the relevant performance indicators to monitor progress towards them.</li> <li>✓ The Council ensures that external companies who deliver services have an understanding of expected contract performance, and monitoring takes place throughout the contract period.</li> </ul>	<p><a href="#">Performance Management Framework</a></p> <p><a href="#">Business Plans and Budgets</a></p>

**F. Managing risks and performance through robust internal control and strong public financial management**

The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
	<ul style="list-style-type: none"> <li>✓ Each year the Council produces the State of the City report, which details the performance against key measures established to understand how the city is meeting its vision and priorities.</li> </ul>	<a href="#">State of the City</a>
<p><b>Effective Overview and Scrutiny</b></p>	<ul style="list-style-type: none"> <li>✓ The Council has six scrutiny Committees, which hold decision makers to account and play a key role in ensuring that public services are delivered in the way residents want. The agenda, reports and minutes are publicly available on the Council's website.</li> </ul>	<a href="#">Scrutiny Committees</a>
<p><b>Robust Internal Control</b></p>	<ul style="list-style-type: none"> <li>✓ The Council has robust internal control processes in place, which support the achievement of its objectives while managing risks.</li> <li>✓ The Council's approach is set out in detail in both the latest Annual Corporate Risk Management report, and its Internal Audit Plan.</li> <li>✓ The Council has an Audit Committee, in line with CIPFA's 'Position Statement: Audit Committees in Local Authorities and Police (2018)', which provides an independent and high-level resource to support good governance and strong public financial management. The Committee has two Independent Co-opted Members, and provides a mechanism for effective assurance regarding risk management and the internal control environment.</li> <li>✓ The Council maintains clear policies and arrangements in respect of counter fraud and anti-corruption. These are the Anti-Fraud and Anti-Corruption Policy; Whistleblowing Policy; Anti Money Laundering Policy and the Anti Bribery Policy.</li> </ul>	<a href="#">Internal Audit Plan 2018/19</a> <a href="#">Annual Corporate Risk Management Report</a>  <a href="#">Audit Committee</a>

**F. Managing risks and performance through robust internal control and strong public financial management**

The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
	<ul style="list-style-type: none"> <li>✓ An assessment of the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the Council's internal auditor in the "Head of Audit and Risk Management Annual Opinion 2018/19" section of this Annual Governance Statement.</li> </ul>	<p><a href="#">Annual Governance Statement</a></p>
<p><b>Managing Data</b></p>	<ul style="list-style-type: none"> <li>✓ The processing of personal data is essential to many of the services and functions carried out by local authorities. The Council complies with data protection legislation, which includes GDPR (General Data Protection Regulation) and the Data Protection Act 2018 (DPA 2018). This will ensure that such processing is carried out fairly, lawfully and transparently.</li> <li>✓ The Council reviews and supplement its policies, and also keep its processing activities under review, to ensure they remain consistent with the law, and any compliance advice and codes of practice issued from time to time by the Information Commissioner's Office (ICO).</li> <li>✓ The Council ensures that officers handling personal data are trained to an appropriate level in the use and control of personal data. It is made clear that all staff and Members are personally accountable for using the Council's information responsibly and appropriately. All staff must undertake protecting information e-learning training, and this forms part of the induction process for new staff.</li> <li>✓ To remind staff of their responsibility to always take due care to protect information, the Council uses internal communication campaigns; posters and email reminders signposting to information protection principles and guidance.</li> <li>✓ Information Governance is overseen by the Corporate Information Assurance and Risk Group (CIARG) chaired by the City Solicitor who is the Senior Information Risk Officer for the Council (SIRO).</li> </ul>	

**F. Managing risks and performance through robust internal control and strong public financial management**

The Council's Commitment to Good Governance	How the Council meets these principles	Where you can see Governance in action
	<ul style="list-style-type: none"> <li>✓ The Council complies with the Local Government Transparency Code 2015 by publishing accurate data within appropriate time frames, in the areas mandated by the Code in the Council's Open Data Catalogue together with additional data of value to stakeholders and the public.</li> <li>✓ The Council allocates resources to review and monitor the quality of the data which it produces, and which it uses to produce performance reporting to inform decision making.</li> <li>✓ The Council makes information available to the public via the information access regimes provided for by the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. Data protection legislation, including the Data Protection Act 2018, provides individuals with various rights. The Council ensures that all valid requests from individuals to exercise those rights are dealt with as quickly as possible, and by no later than the timescales allowed in the legislation.</li> </ul>	<p><a href="#">Local Government Transparency Code</a></p> <p><a href="#">Open Data</a></p> <p><a href="#">Freedom of Information</a></p>
<p><b>Strong Public Financial Management</b></p>	<ul style="list-style-type: none"> <li>✓ The Council's approach to Financial Management ensures that public money is safeguarded at all times, ensuring value for money. Its approach supports both long term achievement of objectives, and shorter term financial and operational performance.</li> <li>✓ The Chief Finance Officer (Deputy Chief Executive and City Treasurer) ensures that appropriate advice is given on all financial matters, proper financial records and accounts are kept, and oversees an effective system of internal financial control. The City Treasurer ensures well developed financial management is integrated at all levels of planning and control including management of financial risks, systems and processes. The Constitution (Part 5) details the financial regulations which underpin the financial arrangements</li> </ul>	<p><a href="#">Medium-Term Financial Strategy</a></p> <p><a href="#">Constitution (Part 5)</a></p>

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

<b>The Council's Commitment to Good Governance</b>	<b>How the Council meets these principles</b>	<b>Where you can see Governance in action</b>
<p><b>Implementing Good Practice in Transparency</b></p>	<ul style="list-style-type: none"> <li>✓ The Council follows the Local Government Transparency Code 2015, which includes requirements and recommendations for local authorities to publish certain types of data.</li> <li>✓ The Council's website is set out in a clear and easily accessible way, using infographics and plain language. Information on expenditure, performance and decision making is sited together in one place and can be accessed quickly and easily from the homepage.</li> </ul>	<p><a href="#">Local Government Transparency Code</a></p> <p><a href="http://manchester.gov.uk">manchester.gov.uk</a> website</p>
<p><b>Implementing Good Practices in Reporting</b></p>	<ul style="list-style-type: none"> <li>✓ The information in the Annual Report is drawn from sources including the more detailed State of the City publication, which charts the city's progress towards its vision and priorities.</li> <li>✓ The Council explains how it reviews its governance arrangements, and how it has complied with CIPFA's "Delivering Good Governance in Local Government (2016)" principles by producing this Annual Governance Statement (AGS). This includes an action plan (section 7) identifying what governance challenges it will need to address in the next financial year. A concise summary of the findings of the AGS is included in an easily digestible format within the Annual Report.</li> </ul>	<p><a href="#">State of the City</a></p> <p><a href="#">Annual Governance Statement</a></p>
<p><b>Assurance and Effective Accountability</b></p>	<ul style="list-style-type: none"> <li>✓ The Council welcomes peer challenge, internal and external review and audit, and inspections from regulatory bodies and gives thorough consideration to arising recommendations. An example of positive improvement having taken place following recommendations was the outcome of the Ofsted re-inspection of</li> </ul>	<p><a href="#">Ofsted Re-inspection of Children's Services</a></p>



## 5. Annual review of effectiveness of the governance framework

- 5.1 The Council has a legal responsibility to conduct an annual review of the effectiveness of its governance framework, including the systems of internal control. After conducting this review the Council has assurance that its governance arrangements and systems of control are robust and reflect the principles of the Code of Corporate Governance. This section explains what arrangements were reviewed, and how this assurance was achieved.
- 5.2 As well as providing overall assurance about the Council's governance arrangements, the review mechanisms detailed in this section are used to identify governance challenges. This process takes place in a cycle, to ensure continuous improvement, as illustrated below. The next section details progress made in addressing these challenges.

### *The governance improvement cycle*

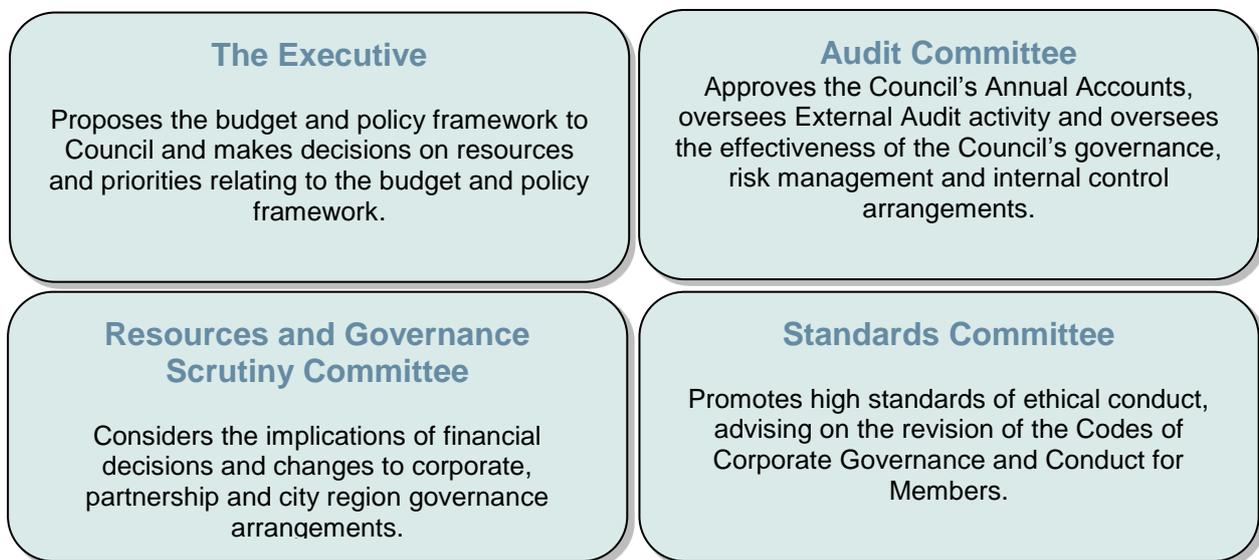


## Leadership of governance and internal control

- 5.3 Responsibility for governance and internal control lies with the Chief Executive and the Strategic Management Team (SMT) which meet on a roughly bi-weekly basis to steer the organisation's activity. SMT receive a regular suite of assurance reports from a number of sources, including the Corporate Risk Register, and the Integrated Monitoring Report which allows the Council to track performance towards its agreed objectives. Once per year SMT review the progress in addressing the significant governance challenges which have been identified.

### Summary of the process of challenge and scrutiny by Council and its Committees

- 5.4 The Council has four bodies responsible for monitoring and reviewing the Council's governance;



### Head of Audit and Risk Management Annual Opinion 2018/19

- 5.5 *Opinion narrative provided in the separate report at Agenda Item 7.*

### Annual Review of the System of Internal Audit 2018/19

- 5.6 *Opinion narrative provided in the separate report at Agenda Item 7.*

### External Auditor's Review of the Effectiveness of Governance Arrangements

- 5.7 The Council's external auditor is now Mazars. Grant Thornton, the previous external auditor, produced their final Annual Audit Letter for the 2017/18 financial year, which summarised the key areas highlighted by the work they had carried out. [The Annual Audit Letter 2017/18](#) was reported to Audit Committee in November 2018. The main conclusions of the Audit Letter regarding the key assessment areas were:

#### *Overall Value for Money Conclusion:*

*“We are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency, and effectiveness in its use of resources for the year ended 31 March 2018. An unqualified Value for Money conclusion was issued.”*

#### *Audit of the Accounts – Audit Opinion:*

*“We gave an unqualified opinion on the Council’s and group’s financial statements on 31 July 2018, meeting the statutory deadline.”*

- 5.8 The Council monitors the implementation of external audit recommendations. Assurance reports are regularly presented to Audit Committee and Mazars summarising the Council’s performance in implementing recommendations effectively and within agreed timescales. However, progress is also monitored through other relevant Committees and Scrutiny functions. The latest [Outstanding Audit Recommendations Report](#) was taken to Audit Committee in February 2019. There were no outstanding External Audit recommendations.

#### **Annual Review of the role and responsibilities of the Chief Finance Officer**

- 5.9 As part of its work on governance and financial management across public services, CIPFA issued its Statement on the role of the Chief Financial Officer in Local Government (the Statement) in 2016. The Council has undertaken a review of the role and responsibilities of its Chief Financial Officer (CFO) against the five principles that define the core activities and behaviours that belong to the role of the CFO and the governance requirements needed to support them.
- 5.10 The 2018/19 review concluded that the CFO met the responsibilities of the Senior Finance Officer in full and was ideally placed to develop and implement strategic objectives within Manchester City Council, given her role as the City Council’s Section 151 Officer, Deputy Chief Executive and City Treasurer. She reports directly to the Chief Executive and is a member of the Council’s Senior Management Team. The CFO influences all material business decisions and oversees corporate governance arrangements, the audit and risk management framework and the annual budget strategy and planning processes. The Council’s financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.

#### **Annual Report of the Standards Committee**

- 5.11 The Council is committed to promoting the highest standards of conduct by members and has adopted a Code of Conduct for all members as part of its constitution. The Council has also established a Standards Committee, which is responsible for promoting and maintaining high standards of conduct by members of the Council. The [Annual Report](#) of the Standards Committee is one of the Council’s sources of governance assurance.

## **Assessment of the robustness of corporate governance across services**

5.12 As part of the process of identifying any areas where governance needs to be strengthened across the organisation, services complete an annual online questionnaire indicating whether they comply with each of the criteria in the Code of Corporate Governance. The questionnaire has been updated to reflect the revised Code of Corporate Governance, with a key focus being assessment of the embedding of the Our Manchester approach and behaviours. Analysis of the responses shows compliance with the Code is generally robust.

Areas of particular strength identified in the questionnaire responses included;

- The Service considers Social Value at pre tender and tender stage to ensure that appropriate desirable outcomes can be offered by suppliers in their tender submissions. Through this process consideration is given to how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area.
- The service has a plan to implement changes based on the findings of the “BHeard” staff survey.
- Scrutiny Committees - Officers are aware of and know how to engage with and support the Scrutiny Committees.

Areas showing the most improvement since 2017/18 included;

- Workforce Plans are effectively implemented to ensure that staff develop the skills and behaviours which will contribute to the vision set out in Our Manchester, and as articulated in the Our People Strategy.
- The service has strong information governance processes and procedures in place, which incorporate the requirements of GDPR and the Data Protection Act 2018. These processes and procedures are understood and followed by staff, who have all undertaken necessary training, including e-learning. The Golden Rules for Information Security are understood by all staff.

5.13 Using a strengths based approach, services highlight and give more information about areas of strength and good practice in their questionnaire responses. These are then shared, so that good practice can be adopted across the organisation.

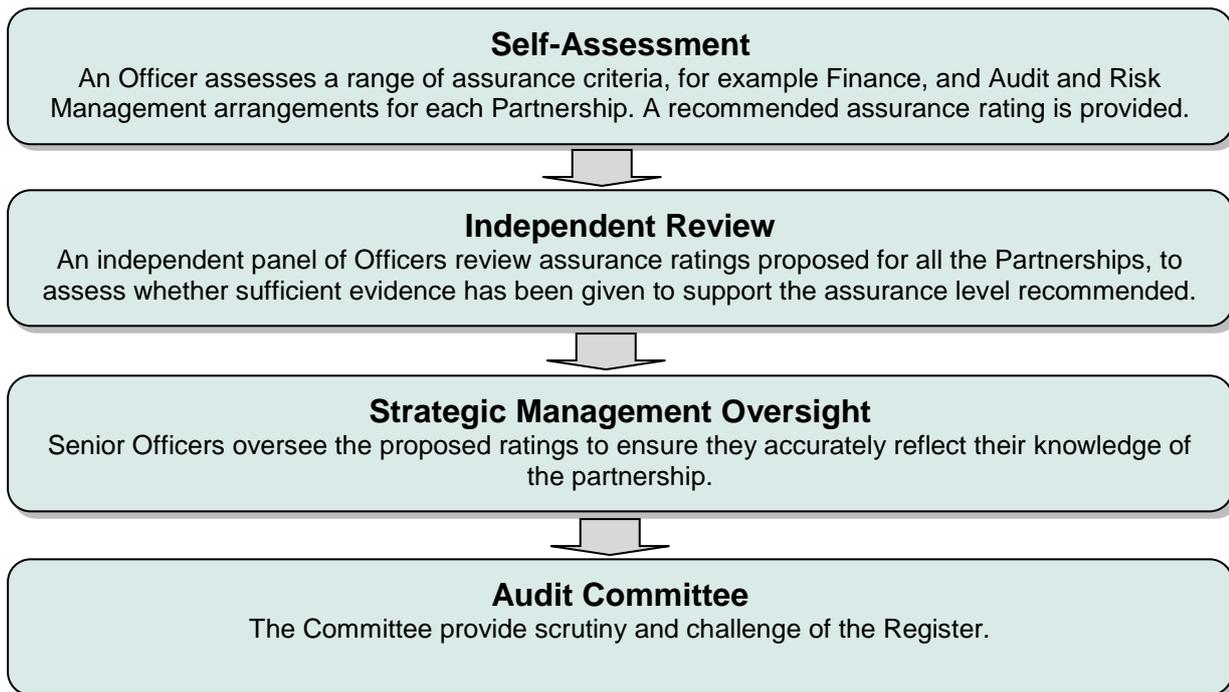
5.14 The analysis has also identified areas where improvement is required, which is part of the evidence based which informs the governance challenges which the Council will address in 2019/20 (Section 7). Examples include;

- The 'Our Manchester' Strategy priorities - the 64 'we will' commitments - and the seven Our Corporate Plan priorities are understood and embedded in the work of the service.
- All staff are aware of and know how to access the Whistle Blowing and Anti-Fraud and Corruption procedures as well as the Employee Code of Conduct (on the HROD intranet) and the Member / Officer Relations Protocol (within the Constitution)

## **Evaluation of the effectiveness of processes to gain assurance about the robustness of governance arrangements in the Council's Significant Partnerships**

5.15 The Council has a standardised approach to managing its partnerships as detailed in the [Partnership Governance Framework](#). This supports officers and stakeholders in ensuring that good governance is understood and embedded from the outset, and throughout the lifetime of all partnerships. The governance arrangements of the Council's partnerships, which are on the [Register of Significant Partnerships](#), are self-assessed annually to provide assurance that effective arrangements are in place, and to highlight any governance challenges which need to be addressed.

5.16 The annual self-assessment process has been developed to provide clear accountability, and robust scrutiny and challenge. It can be summarised as follows;



5.17 The Council works to continuously improve both governance in partnerships, and the assessment process. Every six months Audit Committee scrutinises the progress which has been made to implement improvements amongst those partnerships that the process has identified have governance challenges to address. Audit Committee will request Executive Member and Senior Officer attendance where it has specific areas it wishes to address. The assessment process is reviewed annually. This review concluded the current process is fit for purpose, but the Partnership Governance Framework guidance will be reviewed - and updated as deemed necessary - in time for the subsequent (2019) assessment cycle.

### **External inspection agencies**

5.18 The Office for Standards in Education, Children's Services and Skills (Ofsted) inspects and regulates services which care for children and young people and those providing education and skills for learners. It publishes all [school inspection reports](#) on its website, in addition to the [inspection reports](#) for the services for children and families which the Council provides. The last inspection took place in October 2017, with a subsequent focused visit in September 2018.

5.19 The [Care Quality Commission](#) (CQC) is the regulatory body responsible for the quality of health, and adult social care services in England and carry out reviews of local arrangements. The CQC advises Councils that, although not a statutory requirement, it is good practice to produce “local accounts”. Local accounts must demonstrate how the Council has safeguarded and maintained personal dignity, put people first and achieved value for money, judged against the health and social care outcomes for their area. The Council’s [Local Accounts](#) are reviewed by Health Scrutiny Committee.

5.20 Mazars are the Council’s External Auditors. They carry out auditing of the Council’s activities in accordance with the National Audit Office (NAO) Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014. Their key responsibilities are to:

- Give an opinion on the Council's financial statements
- Assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion)

## 6 Progress in addressing the Council's governance challenges

This section provides an update on progress made addressing the Council's governance challenges which were identified in last year's AGS (2017/18). Progress is reviewed every six months, with an update previously being provided to [Audit Committee](#) in November 2018. Topics are grouped together, relative to particular areas of governance.

### Governance Area: Delivering Our Manchester

***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.***

'Our Corporate Plan' was launched in November 2018, which sets out the Council's priorities for the next three years. These priorities describe the most important activities that constitute the Council's contribution to delivering the Our Manchester Strategy. This plan supports staff to understand the connection between the work they do every day, and the bigger vision for the city, allowing everyone to make the connection to Our Manchester whilst demonstrating the four Our Manchester behaviours.

Embedding the Our Manchester behaviours is at the heart of the Our People Strategy, which is integral to the delivery of one of the priorities of 'Our Corporate Plan': A well-managed Council. The information below summarises a number of key activities progressed in the past year to support the embedding of these behaviours across the full workforce:

- 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 2,200 Council staff and 200 partners have participated in the Experience to date with feedback scores consistently around 90%. Work is continuing to support all staff in accessing the experience within three years.
- The Experience operates with the dedication of 46 Guides, who are council employees from across the organisation, that have volunteered to deliver training sessions, and act as ambassadors for Our Manchester. Every quarter new guides are recruited, with the aim for minimum 70 Guides to help deliver the Experience at full capacity.

- A refresh of the Our Manchester Experience is underway, which will strengthen the way theory is applied practically, with changes set to be live from April 2019.
- An Our Manchester Behaviours toolkit to support individuals and teams to explore and adopt the behaviours was launched in October 2018, with 66 trained 'toolkit ambassadors' across the council, with the aim to train minimum 70, or one in every service by April 2019.
- Over 50% of leaders and managers have engaged with the Council's core leadership and management programmes, 'Raising the Bar' and the 'Our Manchester Leadership programme'. These programmes will help managers understand how they can support their teams to embed the behaviours in everything they do.
- Over 325 staff have accessed the Council's employer supported volunteering policy, providing over 2,473 hours in volunteering to support the City's communities and demonstrate their commitment to putting the Our Manchester behaviours into action.
- Strengthened routes for internal communication and engagement continue with 2,308 employees, and 24 Members attending a Listening in Action event (end of Round 8).
- All services have been asked to take part in an Our Manchester Self-Assessment Tool based on a maturity matrix model, which is intended to assess how services are understanding and embedding the Our Manchester approach and behaviours. The overall organisation position is at 'developing', with the aim to support services to 'maturing'.
- Co-design and testing of a Strengths Based Development Programme is complete which will help staff across the Health and Social Care sector to adopt an asset based way of working from April 2019.
- Strengthened processes for workforce planning live for the next financial year and underpinned by an improved corporate learning offer and support structures, including coaching and mentoring.
- A refresh of the Council's leadership and management development offer to re-launch in April 2019.
- 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.
- Behaviours are continued to be embedded through the delivery of the Health and Wellbeing Strategy, and demonstrated through Reward and Recognition, in particular categories and judging criteria for Awards for Excellence.

The organisation is now firmly a 'one to watch' employer with an overall improvement of 19 points in the 'Bheard' Survey 2018 (630 points). It saw a significant increase in staff engagement, with the highest response rate than ever before; 55% of employees responded (nearly 4,000 staff) with a 14% increase in off-line staff participation. This is a strong indication that staff are more engaged and the impact that the targeted work of Our Manchester has had. The Survey did, however, highlight some clear areas for improvement, including strengthening the way the organisation's senior leaders visibly demonstrate the behaviours.

The role, skill and capacity of line managers is absolutely central to delivering work to embed the Our Manchester behaviours across the organisation. It is also essential that all staff understand their role and the part they play to deliver against our corporate plan, which contributes to the success of the Our Manchester Strategy. The behaviours remain central to everything that the council does, and the key areas listed above will continue corporately, and in specific Services to further embed them in all that the Council does.

All Services across the Council have completed an Our Manchester Self-Assessment to provide a clear baseline of how services are embedding Our Manchester in their day-to-day work. The organisational position indicates that the majority of services are self-assessing as 'developing', with the focus of activity going forward to move from 'developing' to 'maturing'. The assessment process is helping to ensure that there is a consistent application of the behaviours across the organisation, highlighting good practice, providing a mechanism for services to 'buddy up' for shared learning, and identifying opportunities for the behaviours to be demonstrated. As further progress is made, the ambition is that this should lead to a strengthened position around embedding the Our Manchester approach and its impact on governance, as identified through the next annual service governance questionnaires.

#### Governance Area: Health and Social Care Integration

##### ***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).***

Manchester Health and Care Commissioning (MHCC) is a partnership of the Council and the NHS Manchester Clinical Commissioning Group, which was established in April 2017. MHCC developed a single Operational Plan for 2018/19 and this has subsequently been updated and agreed by all partners for 2019/20. The MHCC priorities for 2019/20 are: prevent and tackle health inequalities, transform community based care, transform hospital based care, deliver a transformed health and care system, and key enabling programmes such as organisational development. MHCC is governed by a Board which includes the Council Chief Executive, Deputy Leader, and the Executive Member for Adult Health and Well-Being.

The Manchester Local Care Organisation (MLCO) will deliver integrated out of hospital services, including Community Health, Primary Care, Mental Health and Social Care. The first phase of MLCO came into effect in April 2018, when the management of a 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 all key partners: Manchester Clinical Commissioning Group; Manchester City Council; Manchester Foundation Trust; Greater Manchester Mental Health Trust; and Manchester Primary Care Partnership.

Approximately 990 FTE Council employees from across Adult Social Care and Business Delivery transitioned to the MLCO in the early part of 2018/19, in order to deliver the services that formed part of Phase One of MLCO. An [October 2018 report](#) to Health Scrutiny Committee details these services, which include Social Work, Primary Assessment and Re-ablement services. 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. A subsequent [February 2019 report](#) to Health Scrutiny gives a further update of progress made across core business areas of MLCO.

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 including an MLCO Executive team. Work to define Phase Two of MLCO is being led by MHCC.

Further to the Annual Governance Statement update in March 2018, there is an ongoing procurement process for the health services in scope of integrated out-of-hospital care. Social Care is connected by means of a Service Level Agreement, which is part of the Partnering Agreement. MLCO is the single preferred bidder in the procurement process.

NHS England (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.

A [February 2019 report](#) to Audit Committee describes in more detail the governance and assurance framework in respect of health and social care integration from a Council perspective.

## Governance Area: Adults Services Governance

### ***Action 3) Adults Services governance oversight: operational compliance, quality assurance and the transition from Children's to Adults Services provision.***

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

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. In addition, an Improvement Plan is now in place for Adult Social Care which includes actions identified through internal audits, as well as actions to address wider operational and quality issues.

The Improvement Plan is focused on ensuring the basics are in place for adult social care and to successfully deliver health and social care reform and integration. Key areas of focus in the plan include:

- Ensuring that **processes** are streamlined and consistently managed across the service. This work will align responsibility and decision making to effectively meet people's care needs and maximising the opportunities afforded by the new case management system, LiquidLogic. Collectively this work is critical in ensuring delivery of an improved service delivery and value for money.
- Strengthening the basics of social work **practice** including accountability and management support and appropriate supervision
- Ensuring that appropriate professional standards are in place across the workforce and strengthened **workforce** planning and career pathways
- Securing the appropriate **resources** to stabilise the service, as well as work to design a fit for purpose structure for the future as part of the integrated structure within MLCO.

A brief summary of the governance arrangements in place to provide oversight of this work, and the progress made to date in relation to the specific internal audit actions is included in this report.

#### *Governance oversight and assurance*

The improvement plan is being overseen by a Senior Improvement Group, reporting to the MLCO Executive and the Council's Strategic Management Team. The Senior Improvement Group works closely with the Adults Directorate Management Team and Performance Board, which oversees implementation of audit recommendations.

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.

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 Children's to Adults Services*

Work looking at the Transition Planning Team (TPT) and its responsiveness to the Care Act 2014 and outcomes for young people and their families began in February 2016. At that time it was understood that the group of young people being referred to the TPT had a far wider set of care and support needs than had traditionally been supported by the TPT. This led to engagement sessions with Children's Social Care, Leaving Care Services, Children's Health commissioners and with parent carers. At the time of the audit report (February 2018) this work continued, however there was a recognition that a systems wide approach to the complex issues that young people, their families and practitioners were facing needed to be taken. And at that time the system was not were it needed to be to engage in sharing responsibility of the young people of the city who were it would be of significant benefit for them to receive support through their transition. The audit provided limited assurance that effective arrangements were in place to support young people transitioning from Children's to Adults' Services. A number of actions have been taken, and are planned in response to the findings. These include:

- Improved engagement with colleagues across the city to inform the future vision and strategy - this included a key workshop with all relevant professionals

- Joint funding of a new Strategic post by Children's and Adult Services to drive forward a plethora of improvement plans
- Extensive engagement and co-production with parent and carers
- A new governance model through a Transition Board and alignment to the Adults Improvement Plan
- Development of detailed linkages between both the Learning Disability and Autism GM strategies and Transition

Our Children living in Manchester are now receiving a health summary as they transition to adulthood. An Adults and Childrens Pathway has been agreed, where all Care Leavers over the age of 18 that may require an adult assessment will be provided with a Care Act Assessment. Training for Independence booklets and a toolkit have been developed and rolled out, with training for Foster carers to support. Further work to support care leavers has also been undertaken:

- The quality of intervention has improved by updating the Pathway Plan to include the Signs of Safety practice model
- Partnership working with the Homelessness Service, RSLs and providers of supported accommodation has taken place. This is proving positive, with no care leavers in emergency accommodation arrangements and the allocations policy has been revised to offer 15 Care Leavers priority access (Band 1). More than 50 arrangements and lettings have been offered to Care Leavers since the pilot began. Soft marketing for supported accommodation has been carried out with Registered Social Landlords with nine properties being provided for care leavers, two of which are termed as Tenancy Starter Training Flats. It is, however recognised that the availability of accommodation is a challenge and there is a significant piece of strategic and commissioning work underway to ensure our care leavers receive the best quality accommodation. All of this work is captured in a project and programme approach that is currently overseen by the care leavers board; ensuring political, strategic and operational alignment.
- There is a new role for the Independent Reviewing Officer service in the first post-18 review of the young person's Pathway Plan to recognise both the short and long-term benefits of employment and training acting as a protective factor for young people.
- The Prince's Trust are developing a project bespoke for care leavers and young people involved in the youth justice service in Manchester. This will include a range of employability and skills courses. In addition, they will focus their work on Not in Education, Employment or Training (NEET) and at risk of being NEET young people - through a purpose developed 'One Stop Shop' hub.

- The 'Mind The Gap' project for eight of our young women has commenced - a six month programme of work designed for women in order to improve their health and emotional wellbeing, employability and Education, Employment and Training (EET) opportunities.
- The service has continued with their 'Aspiration Panel' in which young people are presented to access support from a multi-agency panel for direction and guidance to achieve their desired EET outcome, e.g. a young person discussed at the last panel sought advice around a pathway to becoming a qualified mental health nurse.
- Funding and appointment has been secured for a practitioner to work closely and link in with the North West Business Leaders - with the key priorities being reducing the number of not in employment education and training thus widening the number of employment and training opportunities for our young people.

#### *Quality Assurance - Disability Supported Accommodation Services*

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

- Improved processes around audit allocation, resulting in a more cohesive and consistent approach
- Workshop with partners to streamline and define the quality assurance documentation - documentation has now been streamlined and further defined, and the guidance notes changed to reflect this. The revised documentation was trialled by a number of Support Coordinators during a pilot in December 2018 to test the changes. Following a feedback session, the documentation was further revised, and has now been changed on the intranet and rolled out across the Service. The Guidance Document is more succinct and directly correlates questions to the evidence criteria required, and has details of what the auditor should be looking for and asking.
- Inclusion of further care aspects such as safeguarding, Mental Capacity Act and Deprivation of Liberty Safeguards included in the revised document - Duty of Candour, Deprivation of Liberty and Safeguarding questions to assess staff knowledge and understanding of these concepts and legislation have now been incorporated into the audit documentation.
- Improved case file tracking system now in place and embedded as an approach within the service

#### *Homecare Contracts*

The limited assurance report on homecare contract governance was issued in March 2018. Planned actions to address these issues were:

- 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.
- 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.
- Use of Electronic Call Monitoring is mandatory, meaning we will no longer receive manual invoices.
- Providers will also supply a range of quality, social value and performance information including user satisfaction surveys.
- The procurement process for the new homecare service started in September, with contracts due to be awarded in February 2019, and the new service up and running in May and June 2019. Mobilisation work is underway now and it is expected that new teams will be up and running before the start of the new contract

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

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. Actions which have been taken to address the issues raised include:

- Two new dedicated Appointeeship Support Officers (ASO) have now been created instead of this being a social worker task, freeing up social work capacity
- Extensive work has taken place by the ASO Manager to develop detailed policies and procedures to ensure that the ASOs, as lone workers, are safe, working to the prescribed Audit recommendations and that they are following key recommendations in relation to cash handling
- Lone working monitoring is now in place for the ASOs so their community location is known at all times and they can summon help in an emergency
- Improved cash receipting procedures now in place and signed off by Audit.

**Action 4) Improving the resilience of ICT systems, and the Council's arrangements for disaster recovery**

*Disaster Recovery (DR)*

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 and thereby ensure that operational services are maintained as far as possible without disruption.

The DC programme is now in the delivery phase and by the beginning of 2020, 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 all of the Council's virtual servers will be running on new technology and the migration of file shares and SAP will be completed by end of summer 2019 in the current Council Data Centre, providing greater resilience prior to the move to the new data centres.
- **Network Design and Implementation (delivery phase)** - The contract has been awarded for the new technical infrastructure and professional services that are required for the new network and connectivity to be delivered to the two data centres. Orders will be placed during February 2019 with works completed by the end of 2019.
- **Data Centre Facilities and Migration (delivery phase)** - This tranche is dependent on network connectivity being in place before the migration of IT services. The migration of services is scheduled to take place from August through to early 2020.

Significant planning and discussions with business colleagues are 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 periodically.

### *Cyber Security*

The Council acknowledges the ongoing and increasing risk that is manifested through Cyber Crime, furthermore the Chief Executive and Senior Management Team understand that Cyber Security is a corporate responsibility, and not just an ICT function. The Council continues to invest in its people and technology whilst developing a rigorous approach to Cyber Security, ensuring that appropriate defences are deployed to protect the Council 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 the corporate estate remains as secure as possible.

ICT continues to strengthen its position around Cyber Security and has recently appointed a new Security & Resilience Manager that reports directly to the Director of ICT. This role has the responsibility for establishing the Cyber Security Strategy for the Council, whilst ensuring all information assets and technologies are adequately protected. Reporting into this new role is the ICT Compliance Manager and the Cyber Security Service Delivery Manager. Other roles within this team include a Senior Security Analyst and a Senior Technical Analyst. An additional development opportunity has been made available to the final technical analyst role within the Cyber team with the individual now enrolled in to a two-year Cyber Security Apprenticeship. The onsite Cyber Security team are further supported and enhanced by our relationship with specialist organisations including Warning, Advice and Reporting Point (WARP), and The National Cyber Security Centre (NCSC). The recently awarded Security Services contract award that was made in 2018. This specialist and local external partner provides subject matter expertise, consultancy and business as usual support.

The Council recognises that one of the biggest risks to the organisation remains with our end-users. It is essential that all staff and Members have access to a standard Cyber Security training programme which will be used to educate all our system users with the minimum cyber security skills. The award winning Training modules consist of engaging eLearning content and user interactions. These short, targeted courses will allow staff to learn through digestible bites of training. 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 and personal environments. Additionally, this platform will also deliver ICT 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.

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

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.

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.

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.

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*

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).

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.

The Information Governance e-learning module has been made available to all Councillors and all Councillors have been sent a GDPR Guide on processing personal information as data controllers in respect of constituency work.

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*

The Council's rating using the ICO's data controller online GDPR self-assessment tool is 'overall green'. The main focus now is to fully embed the new requirements. This will be an ongoing programme. A Phase 2 of the GDPR plan has been drawn up. 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. Central to this is the Phase 2 Communications Plan which is anticipated to be discussed at CIARG in February 2019.

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

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 ICO expectations) is 90%. In the year to date (April to December 2018) the Council received 1921 FOI requests. Of the requests responded to within this period, 81% were responded to on time. The Council received 651 SARs during this period (excluding disclosure requests). Of the requests responded to within this period 88% of requests were responded to on time.

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

*Changes to Local Government Finance system*

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.

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 and the outcome of BREXIT negotiations.

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 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 spring 2019.

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.

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 three year 100% retention pilot from April 2017 to March 2020. A response to a consultation on further reform of the system from 2020/21 was submitted in February 2019.

The review of relative need and resources 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 now published the second of several formal consultations on this 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, specifically in relation to the impact of deprivation on need to spend. 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 and submitting a response on this latest consultation by 22 February.

#### *Delivery of continued significant savings*

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 and Executive received further updates in December and February.

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	<b>11,424</b>	(741)	10,683
Adults and Social Care	2,068	2,200	5,366	<b>9,634</b>	(1,115)	8,519
Corporate Core	2,312	633	0	<b>2,945</b>	0	2,945
Neighbourhoods	2,950	385	0	<b>3,335</b>	0	3,335
Strategic Development	0	0	0	<b>0</b>	0	0
<b>Total Budget Savings</b>	<b>11,000</b>	<b>3,591</b>	<b>12,747</b>	<b>27,338</b>	<b>(1,856)</b>	<b>25,482</b>

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:** Residential placements reduction £2.797m and External Fostering £2.934m, residential preferred supplier agreement £1m, External Foster care, new North West Framework £0.650m. Non-recurrent/Investment of £0.741m to increase internal foster care numbers and conversions from external foster care.

**Adults and Social Care - £5.366m –** Reablement £0.810m risk that the model will not have the impact on savings; Assistive Technology £2.159m risk due to the delay in development of the model and mobilisation of the service; High Impact Primary Care £213k requires savings from Residential, Homecare and Social Work to realise savings; Prevention £0.834m due to the delay of recruitment; Strength based support planning £0.600m as the implementation plan is not yet in place; low cost placements £250k due to delay in development of the model and procurements requirements; Contract review £0.500m plan in place but contract savings for 2018/19 not identified; Non-recurrent/Investment of £1.115m reduced the savings requirement, these include savings

made in 2017/18 on minor schemes of £0.595m and Adult Social Care grant of £250k, with a further £270k investment on Assistive Technology.

In 2018/19 an overspend of c£1.1m is reported, which reflects pressures being experienced nationally, particularly in Children's Social Care. The overall position has improved significantly 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.

The 2018/19 budget process identified £9.022m of savings and budget reductions to be delivered in 2019/20. As part of the 2019/20 budget process these have been reviewed and replaced where appropriate and further £5.776m of recovery plan savings have been agreed bringing the total required to £14.798m. These are summarised in the table below.

#### Updated Savings and Budget Delivery Plans

	2019/20		
	Approved Savings	Recovery Savings	Total
	Proposals		
	£000	£000	£000
Adults Social Care	18	1,975	1,993
Homelessness	0	440	440
Children and Education Services	2,269	776	3,045
Corporate Core	2,160	1,189	3,349
Neighbourhoods	4,575	376	4,951
Strategic Development	0	1,020	1,020
<b>Total Savings identified</b>	<b>9,022</b>	<b>5,776</b>	<b>14,798</b>

Detailed work will now begin on the budget requirements for 2020/21 and beyond. This is in the context of considerable changes to Local Government Funding including the outcome of the Spending Review, changes to how local government funding is distributed,

changes to the Business Rates Retention scheme, and the Green Paper on the future of Adult Social Care funding and interaction with the NHS 10-year plan. Due to the timescales for calculating and consulting on the above changes the level level of funding to be made available by the government is not expected to be known until Autumn 2019 therefore it is very difficult to plan with any certainty. Initial very high level work has led to an estimated budget gap for the council in the region of £75m by 2025 therefore discussions are starting on the next round of planned reductions.

## Governance Area: Programme and Project Governance and Delivery

### ***Action 7) Ensure robust governance and delivery of the new five-year Capital Programme Strategy, including major infrastructure projects across Highways and Strategic Development***

#### *Capital Programmes*

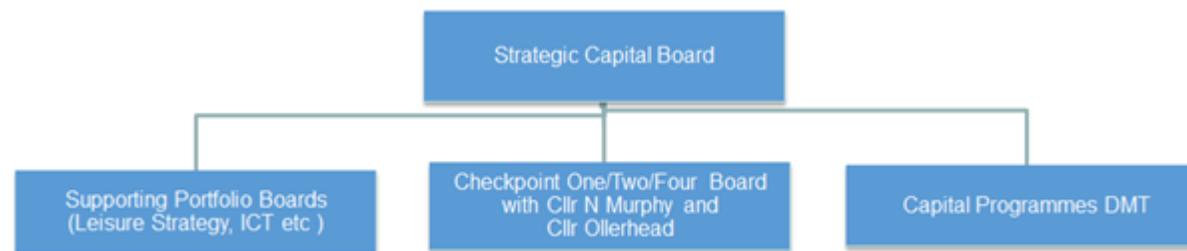
The Capital Strategy was revised as part of establishing the Capital Programme approved by Executive at its meeting on 7 February 2018. The Strategy is a long term rolling programme covering five years providing planned investment to define Manchester as an attractive place to live and further improve 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.

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



The Strategic Capital Board, chaired by the Deputy Chief Executive and 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.

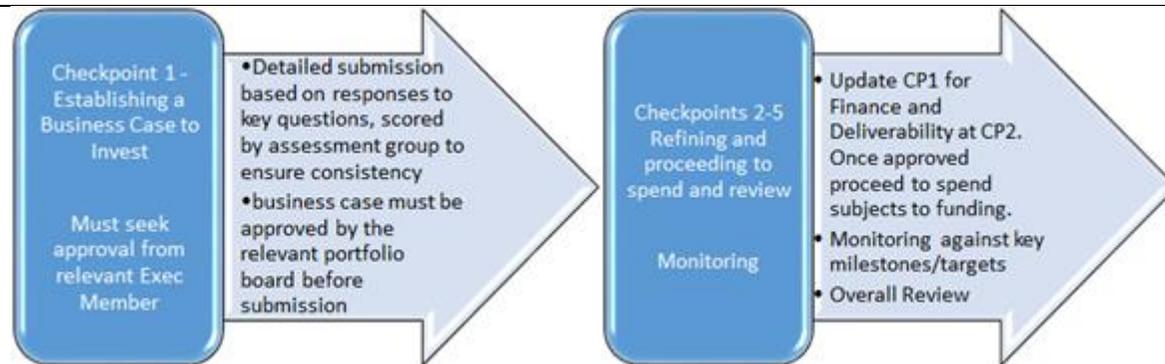
- To consider and agree fast tracking of approvals where conditions met.
- To receive and approve requests for feasibility funding subject to conditions being met.
- Ensure accountability for the delivery of the agreed capital programme to time, outcome, quality and cost; and ensure reviews against project 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

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.

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.

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.

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.



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.

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. Work is currently being completed to review the business case format, to provide greater focus on governance and outcomes.

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.

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*

The Highways Improvement Board was established in September 2018, the board is chaired by the Deputy Chief Executive and attended by SMT members and Senior Officers. The Improvement Board is a further mechanism to monitor and track progress. The Director of Operations (Highways) is leading a service wide review of governance arrangements reporting to the Highways Improvement Board. The review will look to consolidate existing, and propose new governance arrangements to ensure proper engagement with the Executive Member, the Chief Executive and key stakeholders such as TfGM.

The service have also provided regular updates on progress and activity to the Executive and various Scrutiny Committee Meetings during 2018.

The Head of Design, Commissioning and PMO is now firmly established, within the team having joined the Council in July 2018. This has resulted in significant progress in strengthening the governance and reporting arrangements for the Highway Capital Programme. The Head of Design, Commissioning and PMO is leading the development of the Programme Management Office (PMO) supported by an experienced interim resource. The work is now underway to develop the function and introduce the reporting tools and collateral needed to track, monitor and provide assurance

The Head of Design, Commissioning and PMO has also undertaken a further review of capacity and has successfully recruited a number of temporary resources to ensure the continued delivery of the capital programme. Project board meetings for each major project, and regular project review and finance meetings to monitor and manage progress have now been introduced.

A new five-year programme is currently being finalised that builds on projects already in progress, that will inform how the service can make the appropriate contribution towards the delivery of the Greater Manchester Transport Strategy 2040. The programme has also been discussed with the Strategic Capital Board, as part of their governance.

### *Strategic Development*

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.

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.

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.

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.

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 continuing to work with Capital Projects, to explore whether this can be achieved.

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

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 was agreed that significant refurbishment is required to rectify the identified defects, and to protect the building for the benefit of future generations of Mancunians.

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.

A report was delivered to full Council in July 2018 on the progress with Royal Institute of British Architects (RIBA) Stage 2 (Concept Design), including proposals for the design of Albert Square, and the closure of three sides of the Square to traffic. The project is approximately 75% through RIBA Stage 3 (Developed Design), and completion of Stage 3 is scheduled for the end of March 2019.

### *Governance and Risk Management*

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.

A robust governance structure is in place for the OTH project, which was updated and signed off by the Strategic Board in August 2018. A schedule of delegated authorities was 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.

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.

Regular reports are 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.

The project has been the subject of two internal audits, the details of which are:

- Change Control, Monitoring and Use of Contingencies, Decision-making and Monitoring of Key Project Decisions. The auditor was able to provide substantial assurance (December 2018).
- Decant and disposal of Town Hall Portable Heritage Assets. The auditor was able to provide moderate assurance (January 2019), and recommended that, for the period beyond completion of the OTH project, proposals be developed and agreed for the future long-term storage of furniture that will not form part of the Town Hall collection, and for the staffing arrangements for curatorial care.

Actions plans have been agreed with the auditors, with planned completion dates in each case.

### *Progress Reporting*

Publicly available detailed progress reports are regularly provided through the governance structure described above, and as required, reports are provided to Resources and Governance Scrutiny Committee and Council Executive at critical project milestones (such as appointment of the management contractor).

Previously, progress reports have been requested by Resource & Governance Scrutiny Committee on decant, communications activity, social value being achieved, design activity and the procurement of the management contractor.

A detailed report on the progress with the appointment of the Management Contractor was submitted to Resource and Governance Scrutiny Committee in September 2018, and final reports on the procurement were submitted to Resource and Governance Scrutiny Committee, and Council Executive in December 2018.

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*

The core consultant team was appointed in 2017, and is periodically reviewed to ensure that further additional specialist advice is obtained as 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.

Lendlease Construction was appointed as management contractor in January 2019. Following expiry of the Alcatel standstill period on 4 January, the management contractor's core staff mobilised into the co-located project office during January.

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

The decant of Council services completed in November 2018, with the relocation of the Coroner's Service into Royal Exchange. The building is therefore currently occupied only by the project team.

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

#### *Communications and Engagement*

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.

The project was featured on BBC North West Tonight on 10 January 2019, with a focus on a behind-the-scenes look at progress with the intrusive surveys and some of the lesser known back of house spaces.

#### Governance Area: Commissioning, Procurement and Contract Management

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

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.

A detailed [report on progress](#) went to Audit Committee in November 2018. 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*

Contract registers are in place across the directorates, providing the foundation for improved grip on contract performance and spend. However, accuracy and usage are variable: on the plus side, in some directorates, the contract register is being used as a key reference document, as the basis for forward planning of commissioning and procurement activity; for tracking performance; all contracts are assessed for criticality (Gold, Silver, Bronze) and current performance (RAG); and Directorate Management Teams (DMTs) are planning and tracking performance regularly (quarterly). In other directorates, the accuracy of contract register has slipped, owing to resourcing problems; advance planning is not in place, with high numbers of waivers and extensions; and DMTs are not fully engaged in planning commissioning and procurement, and tracking performance of contracts. DMTs have been invited to make this a priority for 2019/20.

The Commercial Board is taking a more active approach to senior oversight, and SMT in February conducted its first review of 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. The new accountability arrangements for approvals and to strengthen the pre-tender and tender stages are in place, and being communicated across the Council. 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*

Following a series of workshops with practitioners, standard processes now exist for commissioning and contract management. Implementation is not yet consistent across the Council. Discussions are under way with MHCC and MLCO about appropriate processes and systems for governance for Council-funded contracts.

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 four of 2018/19 (delayed from quarter one), and implementation is due in the 2019/20 financial year.

#### *Resourcing, skills and capability*

Work is underway to raise the prominence of contract management as a career and improve staff skills and capability. Since October, there have been dedicated sessions on financial and contract management on the Our Manchester Leadership and Raising the Bar programmes; these have been well received. In addition, the Council is designing an e-learning course for contract management, to be ready this spring (delayed from autumn, owing to prioritisation of the topics for the e-learning programme).

#### *Social Value*

Commissioning for and monitoring delivery of Social Value has been included in all the new contract management standards and tools, and a Social Value Toolkit for Commissioners was launched in March 2018. 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. The approach was set out in the [Report on use of Social Value KPIs](#) for the Ethical Procurement Sub Group meeting in November 2018.

At full Council meeting in July 2018, the Council ratified the charter on modern slavery, noted that Councils have an important role to play in ensuring their contracts and supplies do not contribute to modern day slavery and exploitation, and committed the Council to a series of actions. The [Report on Modern Slavery](#) for the Resource and Governance Scrutiny Committee meeting in January 2019 set out the current position in relation to each of these ten actions, and proposed next steps.

#### *Looking ahead*

The priorities for the next six months remain the delivery of the improvement programme, with particular focus on (i) sustaining the progress that has been made; (ii) supporting Directorate Management Teams and SMT in the forward pipeline of commissions and contracts; and (iii) raising 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.

## Governance Area: Schools and Education

***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 quality of secondary school provision and outcomes.***

The Council has undertaken a wide range of activities, and maintained and developed relationships in support of this action:

- A peer review was completed in December 2018 involving 2 other GM Local Authorities (Bury and Bolton) which looked at the effectiveness of Manchester's approach to Quality assurance of schools in supporting a Self Improving School System. The outcomes of the review were very positive; identified strengths and areas for further development.
- 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. The Director of Children's Services promotes all agencies working together to improve the lives, opportunities and outcomes for young people.
- 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. This includes development of Support and Challenge boards for schools.
- 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.

#### Governance Area: Communication of Policy and Procedure

***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.***

There are a number of projects in progress that modernise the way we work, focusing clear role accountabilities and automation in order to drive upward compliance levels. Examples of these initiatives are detailed below:

### *Induction*

The induction process content has been updated, for the inductions of both new staff and managers. The updated process ensures that during induction officers are introduced to key policies and procedures, including those related to HR, Health, Safety and Welfare, Finance and Governance. 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. New starters will receive a starter booklet explaining other elements to their employment, such as flexible working; pensions; equality, diversity & inclusion; and information on our union representation. A video has also been created to provide new starters with an overview of the democracy of the Council and its decision making process. The new approach will go live before the end of the 2018/19 financial year.

### *Leadership Development*

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. For managers Grade 10 and above the Our Manchester Leadership Programme (OMLP) is providing a programme of enhanced leadership development. Currently over 50% of leaders and managers have engaged in these programmes.

Each of the programmes cover key issues, which include people, policy, health, safety and welfare management and mental health awareness. A recent addition launched from October 2018 is a financial management and commissioning module, which seeks to improve awareness and understanding of these key topic for managers. These courses explore both the behaviours required of Manchester managers, and how this links with successful delivery of the Our Manchester Strategy.

An additional Public Service Management module will be added to the Our Manchester Leadership Programme before the end of this financial year, 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

## *Communications*

Channel development is a key part of the internal communications and engagement strategy 2018/19. The new internal communications team will drive forward further developments with more emphasis on insight, engagement, planning and performance.

The initial focus will be on launching a new look and feel for internal communications in 2019, starting with the core staff broadcasts. This report includes a suggested approach for the launch and proposals to further improve the three electronic broadcasts;

**The Buzz** – a dedicated channel for Chief Executive Joanne Roney OBE to connect with staff in an informative and engaging way. This channel showcases how the vision and priorities of the Council are being put into action, through the eyes of its most senior officer.

**Team Talk** – a dedicated channel for all managers. This broadcast provides a platform to share good practice, build relationships and equip managers with the tools they need to support their teams and succeed in their managerial role. Managers are encouraged to contribute stories, guest-edit and suggest ideas for each issue.

**The Forum** – an all-staff broadcast designed to include something for everyone, including the latest news, employee stories, events, and opportunities to get involved in shaping the future. As this is an employee-led channel, all staff are invited to contribute and help shape its content.

The aim is for the new-style broadcasts to be recognised as credible channels of communication that are valued by all members of staff due to their engaging nature. As part of the new approach to internal communications, the Council will ensure that the broadcasts are used in the most effective way and in conjunction with other channels so that communications and engagement activity is coordinated.

## *Our Ways of Working (OWOW)*

Our Ways of Working (OWOW) is a programme of work focused on helping to achieve the Our People ambition through improving flexible working options for our employees, complemented by the right technology and office space. So far the programme 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. A new intranet site is in development to provide

employees and managers with all the tools, guidance and support for them to work more flexibly both as an individual and as a service. A revised flexible working policy framework and supporting guidance are also in development to help simplify this approach.

### *Recruitment and selection*

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. Since October, 540 managers have completed the e-learning course. We are continuing to communicate with managers across the Council to increase the proportion of those who have completed training using the rebranded communication channels.

### *Using Workforce Intelligence*

The Workforce Assurance dashboards allow HR to highlight key areas of risk to the organisation at both service and directorate levels on a quarterly basis. The range of measures included make it easy to evaluate the wider impact of service level changes: for example, the knock-on effect of high levels of turnover on staff engagement, sickness levels, agency spend and overtime usage. The dashboards have further assisted in monitoring performance against the Budget Recovery Action Plans.

The dashboards enable corporate responses to Council-wide issues: for example, one of the areas of poor performance highlighted in the dashboard was manager compliance with the Management of Attendance policy (particularly around managers recording Return to Work (RTW) interviews; and holding Attendance Monitoring Review meetings for staff who have hit an absence trigger). The RTW compliance rate in the Q3 2017/18 Dashboard was at 79% Council wide with the lowest performing directorate having a compliance rate of 55%. To address this, reminders were built into SAP to prompt managers when they had outstanding tasks of this type. The impact of the reminders has resulted in direct improvements for these metrics, which are then reported in subsequent dashboards. The Q3 2018/19 dashboard is now showing a Council wide compliance rate of 89%, with the lowest performing directorate having a compliance rate of 78%.

## 7. Action Plan: Governance Challenges for 2019/20 Onwards

The review of governance arrangements has identified eleven main areas where the Council will need to focus its efforts during 2019/20, to address changing circumstances and challenges identified. These are set out in the action plan below. Completion or substantial progress against these objectives is due by the end of the financial year, in March 2020.

Action	What action is to be addressed	Who is responsible for delivery	
		SMT Leads	Directors or Heads of Service
1	Continuing progress with embedding Our Manchester priorities, behaviours and approach across 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. Supporting Services to move from 'early' and 'developing,' to 'maturing' and 'mature' in the Our Manchester Self-Assessment. Continuing to develop leadership and management capacity and capability.	Deputy Chief Executive & City Treasurer, City Solicitor	Director of HROD, Director of Strategic Communications.
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)	Director of Adult Social Services, Deputy Chief Executive & City Treasurer	-
3	Delivery of the Adults Improvement Plan to ensure effective triage at the front door, and the assessment and review of citizens' needs in a timely, proportionate and consistent manner. This includes Adults Services governance oversight: operational compliance, quality assurance and the transition from Children's to Adults Services provision.	Director of Adult Social Services	-
4	Improving the resilience of ICT systems, including cyber security, the Council's arrangements for disaster recovery.	Deputy Chief Executive & City Treasurer	Director of ICT
5	Governance of delivery of proposed ICT systems essential to business operations and legal compliance, including the new social care system.	Deputy Chief Executive & City Treasurer	Director of ICT

Action	What action is to be addressed	Who is responsible for delivery	
		SMT Leads	Directors or Heads of Service
6	Changes to the local government finance system, and delivery of continued significant savings.	Chief Executive, Deputy Chief Executive & City Treasurer	Deputy City Treasurer
7	Planning and implementation of changes required to mitigate potential negative impact of Brexit on budget and other assumptions for the Council, partners and residents of the City.	Chief Executive	-
8	Development, design and delivery of major infrastructure projects across Highways, maintenance, and governance of response to the reporting of road issues, linking with strategic development plans, to time, quality standards and on budget.	Deputy Chief Executive & City Treasurer, Director of Strategic Development	Strategic Director (Neighbourhoods)
9	Strengthening the Council's approach to commissioning, procurement and contract management.	Deputy Chief Executive & City Treasurer	Head of Strategic Commissioning
10	Continued development and coordination across Services of the governance, communication, implementation and monitoring of workforce policy and associated guidance. This includes ensuring strong messages around compliance and accountability, and a planned programme of work to identify and tackle areas of non-compliance.	Deputy Chief Executive & City Treasurer, City Solicitor	Director of HROD, Deputy City Solicitor

## Conclusion

The governance arrangements as described above have been applied throughout the year, and up to the date of the approval of the Annual Accounts, providing an effective framework for identifying governance issues and taking mitigating action. Over the coming year the Council will continue the operation of its governance framework and take steps to carry out the actions for improvement identified in the review of effectiveness to further strengthen its governance arrangements.

Signed: .....  
**Leader of the Council**

Signed: .....  
**Chief Executive**